IN REPLY
REFER TO   DLMSO

DEC 0 3 2007

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 260, Revise
DLMS and MILSTRAP to Support Intra-Army Logistics Reassignment (LR)
Requirement, DLMS Supplement (DS) 846D, and DS 846S LR Transactions
(Supply/MILSTRAP) (Staffed as PDC 273)

The attached change to DOD 4000.25-M, DLMS, is approved for immediate
implementation. The updated DLMS Supplements will be posted to the Defense Logistics
Management Standards Office (DLMSO) Web site, http://www.dla.mil/j-
6/dlmso/elibrary/TransFormats/formats.asp, within **10** days from the above date for
implementation planning. This change is needed to support an upcoming Army Logistics
Modernization Program (LMP) release. DLMSO will submit, concurrently, any necessary
revisions to the governing Federal Implementation Convention.

Addressees may direct questions to the DLMSO point of contact, Ms. Mary Jane Johnson,
e-mail: Mary.Jane.Johnson@dla.mil; (703) 767-0677; DSN 427-0677. Others must contact their
Component designated Supply PRC representative.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DUSD(L&MR)SCI
Integrated Materiel Management Committee Chair

ATTACHMENT TO ADC 260
Revise DLMS and MILSTRAP to Support Intra-Army Logistics Reassignment (LR)
Requirement, DLMS Supplement (DS) 846D, and DS 846S LR Transactions
(Supply/MILSTRAP)

1. ORIGINATOR:

  a. Service/Agency: Army Headquarters, United States Army Materiel Command

  b. Originator: Army, Logistics Modernization Program (LMP), commercial phone:
856-988-4878

2. FUNCTIONAL AREA: Supply

3. REQUESTED CHANGE:

  a. Title: Revise DLMS and MILSTRAP to Support Intra-Army Logistics Reassignment (LR)
Requirement, DLMS Supplement (DS) 846D, and DS 846S LR Transactions
(Supply/MILSTRAP)

  b. Description of Change:

    (1) This requirement addressed by this ADC applies only for intra-Army logistics
reassignment, i.e, LR from an Army Losing Inventory Manager (LIM) to an Army Gaining
Inventory Manger (GIM). Within the Army, in addition to the Primary Inventory Control
Activity (PICA), and the Secondary Inventory Control Activity (SICA), there are activities
classified as an Army Class Management Activity (ACMA), which is the Army designated
class managers of items assigned to the Defense Logistics Agency or the General Services
Administration for integrated materiel management. Army indicates that the ACMA is
synonymous with the SICA. Accordingly, the term SICA will be used throughout the
remainder of this ADC. The SICA is authorized to stock materials based on usage, but is
not the item manager.

    (2) Precedence for attributing assets to the two or, in the case of Army intra-Army
LR, three quantity fields being identified in MILSTRAP DZC/DZD, and DLMS 846S,
LR Storage Information Transaction:

      (a) <u>When less assets are available than the total quantity in the LR Storage
Information transaction (DZC)</u>. In accordance with MILSTRAP, the quantity the depot
transfers in response to MILSTRAP DZC, is subject to the retention quantity identified in
the DZC. Accordingly, when there are less assets available than the total quantity
(retention quantity and transfer quantity) identified in the DZC transaction, the depot fills
the retention quantity first, and transfers the remainder to the GIM. For intra-Army LR
transactions containing third party (SICA) transfer quantity, Army indicates the SICA
transfer quantity should be filled, and then the GIM transfer quantity. Hence, the order of

precedence for filling the quantities in LR Storage Information Reply transactions (DZD/846S) for intra-Army LR containing 3 quantity fields is:

> **[1]** LIM retention quantity (846S QTY02/V1 'retention quantity')

> **[2]** SICA requirement transfer quantity (846S QTY01/RY 'requirement quantity')

> **[3]** GIM transfer quantity (846S QTY01/V2 'available quantity')

(b) <u>When more assets are available</u> than the total quantity in the LR Storage Information transaction (DZC/846S), the additional assets are transferred to the GIM and reflected in the DZD GIM transfer quantity (and corresponding DS 846S LR storage information reply 'available quantity,' while the retention and SICA requirement quantity reflect the DZC (846S LR storage information order) quantities.

(3) **The Army is currently using Army-unique data elements in the DLSS MILSTRAP Transactions DEE, DEF, DZC, and DZD for <u>intra-Army Logistics Reassignment (LR)</u> transactions**. This was accomplished using the MILSTRAP multiuse fields intended for intra-Component data. The Army's formats citing the multiuse field data are identified in Army Regulation (AR) 725-50 (Requisitioning, Receipt, and Issue System), Tables E-269 (DEE, DEF), E-301 (DZC) and E-302 (DZD). Army requests the following DLMS revisions to support this existing Army DLSS requirement:

(a) Add X12 ID 98 qualifier **55-Service Manager**, to identify an activity other than the Losing Item Manager (LIM) within the same component or agency, as the LIM who is authorized to requisition and stock an item. This corresponds to rp 48-50 of the DLSS transactions **DZC and DZD** for <u>intra-Army LR</u> use. This qualifier is to be located in the N101/450 segment of the DLMS transaction **846S**.

(b) Authorize the use of the existing X12 qualifier Id 673 = **RY (Requirement Quantity)** to indicate the quantity transferred to the Secondary Item Control Activity (SICA) to meet existing requirements and could not be transferred to the Gaining Item Manager (GIM). This is located in rp 51-55 of the DLSS transactions **DZC and DZD** for <u>intra-Army LR</u> use. This qualifier is to be in the QTY01/320 segment of the DLMS transaction **846S**.

(c) Add Logistics Qualifier **LQ01 = 78 (Project Code)**. This is located in rp 57 - 59 on the DLSS MILSTRAP transactions **DEE and DEF** for <u>intra-Army LR</u> use. This qualifier is to be located in the LQ/270 segment of the DLMS **846D** transaction.

(d) Add Logistics Qualifier **LQ01 = 84 (Management Code)**. This is located in rp 72 on the DLSS MILSTRAP transactions **DEE and DEF** for <u>intra-Army LR</u> use. This qualifier is to be located in the LQ/270 segment of the DLMS **846D t**ransaction.

(4) Recommended all DOD Components review the intra-Army LR requirements approved by this change, to determine if they would be of value in your modernized systems.

c. Procedures:

(1) Revise DOD 4000.25-2-M, MILSTRAP as follows:

(a) Revise Appendix 3.11, DI Code DEE/DEF, rp 57-61 and rp 72.
Changes identified by *red, bold, italics*:

Multiuse	57-61	For intra-Component use, enter data prescribed by Component. For inter-Component use, leave blank.[3]
Multiuse	72	For intra-Component use, enter data prescribed by the Component. For inter-Component use, leave blank. [4]

[3] *For intra-Army logistics reassignment, Army enters a project code in rp 57-61. (See ADC 260.)*
[4] *For intra-Army logistics reassignment, Army enters a management code in rp 72. (See ADC 260.)*

(b) Revise Appendix 3.58 and AP 3.59, DI Code DZC and DZD, rp 48-56.
Change identified by *red, bold, italics*:

Multiuse	48-56	Enter data prescribed by the Component.[4]

[4] *For intra-Army logistics reassignment, Army enters the RI Code of the Secondary Item Control Activity (SICA) in rp 48-50; and, the SICA requirement quantity in rp 51-55. (See ADC 260.)*

(2) Revise DLMS Supplement 846S as follows (rows 5-10 are administrative changes):

Item #	Location	Revision to 846S, Logistics Reassignment Storage Transfer Order/Reply (MILSTRAP DZC/DZD)	Reason	Federal IC Impact
1.	DLMS Introductory Note:	Add ADC 260 to DLMS Introductory note 6. - *ADC 260, Revise DLMS and MILSTRAP to Support Intra-Army Logistics Reassignment (LR) Requirement, DLMS Supplement (DS) 846D, and DS 846S LR Transactions (Supply/MILSTRAP).*	To identify DLMS changes included in the DS.	No update needed.

Item #	Location	Revision to 846S, Logistics Reassignment Storage Transfer Order/Reply (MILSTRAP DZC/DZD)	Reason	Federal IC Impact
2.	2/QTY01/320	Add new X12 qualifier "RY" with DLMS Note: **RY Requirement Quantity** **DLMS Note:** *Army uses for intra-Army LR in LR storage information order transactions, to identify quantity to be transferred to the SICA to fill open requirements. The distribution depot uses in LR storage information reply transactions to identify the quantity transferred to the Army SICA. Use of this data is meaningful to Army and DLA DSS only. For intra-Army LR under DLSS, this data is cited in multiuse rp 51-55 of MILSTRAP DI Codes DZC and DZD. Authorized Army/DLA DSS DLMS migration enhancement for use in intra-Army LR.*	Needed to support Army's DLMS Migration effort. Currently used in Army legacy system for intra-Army LR.	No update needed.
3.	2/QTY01/320	Revise DLMA note for existing qualifier V2: **V2 Available Quantity** *1. Use for LR storage information reply transactions to identify the quantity transferred to GIM ownership; otherwise, do not use. **The quantity available for transfer is subject to the retention quantity cited in the LR storage information order.*** *2. To reverse all or part of a previously submitted LR ownership transfer reply, use a minus sign in front of the quantity to be reversed.* *2. DLMS enhancement; see introductory DLMS note 5a.*	Administrative updates to: 1. Add clarification to quantity field, to note that it is subject to the retention quantity IAW the current MILSTRAP DZD Transfer Quantity field requirement (DZD, rp 25-29). 2. Deletes erroneous DLMS enhancement note. Quantity available for transfer is part of MILSTRAP DZD, rp 25-29, and as such is not a DLMS enhancement. MILSTRAP DZD, AP3.59 , rp 25-29 explanation reads: "Enter quantity which was available for transfer subject to the retention quantity contained in record positions 76-80 of DI Code DZC."	No update needed.

Item #	Location	Revision to 846S, Logistics Reassignment Storage Transfer Order/Reply (MILSTRAP DZC/DZD)	Reason	Federal IC Impact
4.	2/N101/450	Add new X12 qualifier "55-Service Manager" with the following DLMS Note: **55 Service Manager** DLMS Note: *Army uses for intra-Army LR to identify the Secondary Inventory Control Activity (SICA) as an authorized user of the material. When there are less assets available than indicated in the LR storage information order, Army requires that the SICA quantity be filled prior to the Army GIM transfer quantity. Use of this data is meaningful to Army and DLA DSS only. Army cites data in multiuse rp 48-50 of MILSTRAP DI Codes DZC and DZD. Authorized Army/DLA DSS DLMS migration enhancement for intra-Army LR use.* *A data maintenance action was approved in version 4030. The approved code/name is "SIC-Secondary Inventory Control Activity."*	Needed to support Army's DLMS Migration effort. Currently used in Army legacy system for intra-Army LR.	No update needed.

==ADMINISRATIVE UPDATES FOR DS 846S:==
==Following are DLMSO recommended administrative updates for DS 846S while it is open for revision under ADC 260==

Item #	Location	Revision	Reason	Federal IC Impact
5.	DS Title	Change DS 846S title from, "Logistics Reassignment Storage Transfer/Order/Reply" to "Logistics Reassignment Storage Information Order/Reply".	**Administrative update** To bring DS title in line with beginning segment report type codes identifying use of the transaction; and, with the corresponding DOD 4000.25-M procedures which are being updated to reflect beginning segment purpose.	Update Needed.
6.	1/BIA02/020	Revise DLMS notes for qualifier PK and TQ to identify corresponding MILSTRAP DI Code. **PK Storage Information Inquiry** **DLMS Note**: *Use to identify a Logistics Reassignment (LR) Storage Information Order. (MILSTRAP DI Code DZC functionality.)* **TQ Storage Information Advice** **DLMS Note***: Use to identify an LR Storage Information Reply. (MILSTRAP DI Code DZD functionality.)*	**Administrative update** To clarify "transaction" names used in DS and corresponding procedures, and to identify corresponding MILSTRAP DI Code functionality for consistency with other MILSTRAP related DLMS transactions.	No update needed.

Item #	Location	Revision to 846S, Logistics Reassignment Storage Transfer Order/Reply (MILSTRAP DZC/DZD)	Reason	Federal IC Impact
7.	1/LQ01/150	MILSTRAP Administrator recommends deletion of qualifier 79-Priority Designator Code.	**Administrative update** For MILSTRAP, Administrator recommended change. Recommend deletion because Priority Designator is not part of the corresponding MILSTRAP DZC/DZD transaction, and is not identified as a DLMS enhancement in DS 846S. MILSTRAP Administrator believes it may have been added to transaction inadvertently. **If nonconcurring with deletion, provide business case/procedure for use of priority designator code in DS 846S.**	No update needed.
8.	1/LQ01/150 and 2/LQ01/376	Revise DLMS notes for qualifier A9 to read as follows: **A9 Supplemental Data** **DLMS Notes:** *1. Use to identify supplemental address/data.* *2. During the DLSS/DLMS transition, this field will be used to perpetuate/populate the DLSS Supplemental Address (SUPAAD) field. During this time, field size is restricted to 6 positions; see introductory DLMS note 5d.* *3. Expanded use of this field for supplemental data without size restriction is a DLMS enhancement; see introductory DLMS note 5a.* *4. Under full DLMS, the requirement to pass activity address information within the supplement data field will be streamlined. Activity address data previously contained in the SUPAAD will be reflected exclusively in the N1 segment. Future streamlined data; see introductory DLMS note 5c.*	**Administrative update** To include standard DLMS notes used for qualifier A9 for consistency with other DS.	No update needed.

Item #	Location	Revision to 846S, Logistics Reassignment Storage Transfer Order/Reply (MILSTRAP DZC/DZD)	Reason	Federal IC Impact
9.	2/DTM01/100	Revise DLMS note for qualifiers 007, 036, and 510 to read: **007 Effective** DLMS Note: *Must use for LR storage information order transactions to identify the Effective Transfer Date (ETD); otherwise, do not use.* **036 Expiration** DLMS Note: *Use for LR storage information order transactions for subsistence items to identify the expiration date; otherwise, do not use.* **510 Date Packed** DLMS Note: *Use for LR storage information order transactions for subsistence items to identify the date packed; otherwise, do not use.*	**Administrative update** To clarify "transaction" names used in DS and corresponding procedures.	No update needed.
10.	2/QTY01/320	Update transaction names used in qualifiers V1, V2, and V3. Change transaction name from "LR storage ownership transfer reply" to "LR storage information reply". Change transaction name from "LR storage ownership transfer order" to "LR storage information order".	**Administrative update** To clarify "transaction" names used in DS and corresponding procedures.	No update needed.

(3) Revise DLMS Supplement 846D as follows (rows 4-9 are administrative changes):

Item #	Location	Revision to 846D, Logistics Reassignment Transfer and Decapitalization (MILSTRAP DI Code DEE/DEF)	Reason	Federal IC Impact
1.	DLMS Introductory Note:	Added ADC 260 to DLMS Introductory note 6. *- ADC 260, Revise DLMS and MILSTRAP to Support Intra-Army Logistics Reassignment (LR) Requirement, DLMS Supplement (DS) 846D, and DS 846S LR Transactions (Supply/MILSTRAP).*	To identify DLMS changes included in the DS.	No update needed.

Item #	Location	Revision to 846D, Logistics Reassignment Transfer and Decapitalization (MILSTRAP DI Code DEE/DEF)	Reason	Federal IC Impact
2.	2/LQ01/270	Add qualifier "78" with DLMS note: 78 Project Code DLMS Note: *Army uses to identify the Project Code associated with LR actions. Use of this data is meaningful to Army only. In MILS, Army cites data in multiuse rp 57-59 of MILSTRAP DI Codes DEE and DEF. DLMS enhancement authorized for Army use. Other Components not using this data should ensure that inclusion of this data in a DLMS transaction does not cause inappropriate rejection of the transaction. For other than Army use, see introductory DLMS note 5.a.*	Needed to support Army's DLMS Migration effort.	No update needed.
3.	2/LQ01/270	Added qualifier "84" with the following DLMS note: 84 Management Code DLMS Note: *Army uses for intra-Army LR to identify the Management Code associated with Logistics Reassignment actions. Use of this data is meaningful to Army only. Army cites data in multiuse rp 72 of MILSTRAP DI Codes DEE and DEF. DLMS enhancement authorized for Army use. Other Components not using this data should ensure that inclusion of this data in a DLMS transaction does not cause inappropriate rejection of the transaction. For other than Army use, see introductory DLMS note 5.a.*	Needed to support Army's DLMS Migration effort.	No update needed.
**ADMINISRATIVE UPDATES FOR DS 846D:** Following are DLMSO recommended administrative updates for DS 846D while it is open for revision under ADC 260			
4.	1/BIA02/020	Revise DLMS notes for qualifier TK and TL to identify corresponding MILSTRAP DI Code. **TK Logistics Transfer Inquiry** DLMS Note: *Use to identify an LR transfer/decapitalization inquiry. (**MILSTRAP DI Code DLA functionality.**)* **TL Logistics Transfer Advice** DLMS Note*: Use to identify an LR transfer/ decapitalization transaction. (**MILSTRAP DI Code DEE/DEF functionality.**)*	<mark>**Administrative update**</mark> For consistency with other MILSTRAP related DLMS transactions, to provide visibility of relationship between DLMS Report Type Code and corresponding MILSTRAP DI Code.	No update needed.

Item #	Location	Revision to 846D, Logistics Reassignment Transfer and Decapitalization (MILSTRAP DI Code DEE/DEF)	Reason	Federal IC Impact
5.	2/CS/240	Add segment level DLMS Note 2. DLMS Note 2. Use of CS segment is a DLMS enhancement. See DLMS introductory note 5.a.	**Administrative update** To identify that use of the CS segment is a DLMS enhancement. MILSTRAP DEE/DEF format does not allow for entry of a contract number and related information.	No update needed.
6.	2/CS04/240	Revise qualifiers 83 and C7 to remove DLMS enhancement note (DLMS note 2).	**Administrative update.** Use of any and all CS segment data would be a DLMS enhancement. Accordingly DLMS enhancement note is being added at segment level. Redundant and possibly misleading to also have note at specific qualifiers within the CS segment.	No update needed.
7.	2/LQ01/270	Add DLMS note 2 to qualifier 80-Advice Code: DLMS Note 2. DLMS enhancement. See DLMS introductory note 5.a.	**Administrative update** To identify that use of advice code is a DLMS enhancement. MILSTRAP DEE/DEF format does not have an advice code.	No update needed.
8.	2/LQ01/376	Revise DLMS note 1 to reflect that for the DLMS enhancement, see introductory DLMS note 5.a, rather than 4.a.	**Administrative update** To identify correct note DLMS enhancement.	No update needed.
9.	2/REF02/140 and 2/LQ01/376 Codes 83, 99 & A1	Remove 'SCA' from DLMS notes.	**Administrative update.** 'SCA - Stock Control Activity' is old terminology no longer used in MILSTRAP or corresponding DLMS procedures/transactions.	No update needed.

    d. Alternatives: None known.

    4. REASON FOR CHANGE: Documents and incorporates Army DLSS and DLMS requirements for data currently used in intra-Army Logistics Reassignment under DLSS using MILSTRAP multiuse fields intended for intra-Component data. Use of DS 846S may involve inter-Component interface between Army and the DLA Defense Distribution Depots.

5. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Supports Army Logistics Modernization Program (LMP) implementation of DLMS migration effort to accurately track and record Logistics Reassignment actions within the Army. Documents in DOD MILSTRAP and DLMS an existing Army LR data requirement associated with Army use of MILSTRAP multiuse fields intended for intra-Component data.

b. Disadvantages: None identified.

6. IMPACT:

a. Modify DOD 4000.25-2-M, MILSTRAP as shown in paragraph 3.c(1) above.

b. Modify DLMS Supplements 846D and 846S as shown in change tables at paragraphs 3.c(2) and 3.c(3) above.

c. Modify DOD 4000.25-M, DLMS, Volume 2, Chapter 9, Logistics Reassignment procedures with administrative updates as shown in the Enclosure.

d. Modify DAASC conversion maps as needed.

Enclosure

C9. <u>CHAPTER 9</u>

<u>LOGISTICS REASSIGNMENT</u>

C9.1. <u>GENERAL</u>

C9.1.1. <u>Purpose</u>. 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. <u>Transactions</u>. This chapter addresses the procedures to the following ASC X12 transaction functions identified by their beginning segment and report type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: <u>http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp</u>. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C9.1.2.1. LR Management Data Transaction is DS to Federal IC 536L identified by beginning segment (1/BR02/020) Transaction Type Code LR – Logistics Reassignment. This transaction provides MILSTRAP DI Codes DLS, DLT, DLU, DLV, DLW, and DLX functionality.

C9.1.2.2. LR Transfer/Decapitalization Transaction is DS to Federal IC 846D identified by beginning segment (1/BIA/020) Report Type Code TL – Logistics Transfer Advice. This transaction provides MILSTRAP DI Code DEE/DEF functionality.

C9.1.2.3. LR Transfer/Decapitalization Inquiry Transaction is DS 846D identified by beginning segment (1/BIA/020) Report Type Code TK – Logistics Transfer Inquiry. This transaction provides MILSTRAP DI Code DLA functionality.

C9.1.2.4. LR Storage Information Order Transaction is DS to Federal IC 846S identified by beginning segment (1/BIA/020) Report Type Code PK – Storage Information Inquiry. This transaction provides MILSTRAP DI Code DZC functionality.

C9.1.2.5. LR Storage Information Reply Transaction is DS 846S identified by beginning segment (1/BIA/020) Report Type Code TQ – Storage Information Advice. This transaction provides MILSTRAP DI Code DZD functionality.

C9.1.*3*. <u>LR Process</u>. 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. <u>POLICY</u>. DoD policy for LR of consumable items is contained in DoD 4140.26-M. DoD policy for LR of nonconsumable items is contained in AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22.

C9.3. <u>REQUIREMENTS</u>

C9.3.1. <u>General</u>. The LIM, GIM, and storage activities shall accomplish the actions required by this manual to reassign asset management 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. <u>GIM</u>. 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, S, and W. (See DoD 4140.26-M for complete criteria.)

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

C9.3.3. <u>LIM</u>. 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 one year of ETD under Chapter 11, material returns program procedures. Except for decapitalization of procurement receipts, the GIM shall reject assets decapitalized more than one year after the ETD using Reject Advice Code AW.

C9.4. <u>PRE-ETD ACTIONS</u>

C9.4.1. <u>General</u>

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 DRMO 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 distribution depots 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. Mail the GIM a WMR data listing sorted by NSN and the DoD Component (and DoDAAC 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 Material Requirement (OWMR); Other War Reserve Material Requirement (OWRMR); OWRMR, Protectable (OWRMRP); Pre-Positioned War Reserve Material Requirement (PWRMR); PWRMR, Protectable (PWRMRP)); dollar value subtotals for FSC, DoDAAC if allocated, and the DoD Component; and grand total dollar value.

C9.4.6.1.2. Additionally, send DS to Federal IC 830W, War Material Requirements, to the GIM to show original input from which the WMR computed data was generated. The GIM shall process DS 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. ETD 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 DS *to Federal IC* 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 decapitalizations 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 distribution depot in accordance with Chapter 12.

C9.5.5. Send the GIM *storage activity a DS 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 DS 527D *ARI* to delete the ARI.

C9.5.6. Do transfer of backorders to the GIM using referral/passing orders in accordance with requisitioning procedures. *Backorders transferred between DoD Components will be funded.*

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*. Transfer funded backorders to the GIM in accordance with DoD 4140.26-M.

C9.5.*9*. For items with SPR, prepare and send DS to Federal IC 870L, Order Status Report (SPR/LASE Status), to the forecasting activity as outlined in Chapter 2.

C9.5.*10*. For asset availability, advise the GIM of the latest data available on assets being held for litigation action.

C9.6. POST-ETD 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 *DS 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 *DS 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 *DS 527D* memorandum due-in for an item not involved in an LR, reject the incorrectly reported transactions back to the initiator using DS 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 material, the GIM shall be notified of the condition transfer using DS 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, by the difference between the LR *Storage Information Order* and reply transfer quantities.

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 distribution depot 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 partial reversal, or *LR Transfer/Decapitalization Transaction* and *a LR Storage Information Order Transaction*, as needed, containing new document reference 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 *an LR Storage Information Reply Transaction* contains a transferable quantity on an item the LIM provided an LR Transfer/Decapitalization Transaction with a zero balance, the LIM shall send a new *LR Transfer/Decapitalization Transaction* to the GIM showing the appropriate quantity, SCC, and location. In this situation, the LIM shall not prepare an *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 ETD. *Storage activities* shall process receipts after the ETD in accordance with Chapter 13.

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 DS 527R receipt* 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 DS 947I, *Inventory Adjustment Transaction,* in accordance with Chapter 7.

C9.7.1.3.3. Send DS 527R, *Memorandum Receipt Transaction,* to the GIM.

C9.7.1.3.4. Send *an LR Transfer/Decapitalization Transaction*, in accordance with section 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 *an LR Storage Information Order Transaction* to the distribution depot in accordance with section 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 *DS 527D* ARI is recorded, the storage activity shall report material received from procurement sources in accordance with Chapter 13.

C9.7.1.5. The GIM will:

C9.7.1.5.1. Use *an 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 DS 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 appropriate 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 DS 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 DS527R *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 DS 947I*.

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

C9.7.2.2.4. *Send an 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 material received from nonprocurement sources following Chapter 13.

C9.8. <u>INQUIRY FOR LOGISTICS REASSIGNMENT ASSET DATA AND RESPONSE</u>

C9.8.1. <u>***LR Transfer/Decapitalization Inquiry***</u>. 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. <u>LIM Response</u>. The LIM shall send the necessary *LR Transfer/ Decapitalization Transaction* or a duplicate thereof.

C9.9. <u>DUE-IN VALIDATION</u>. See Chapter 12, for due-in inquiry and reconciliation procedures.