



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

LOGISTICS AND
MATERIEL READINESS

October 6, 2016

MEMORANDUM FOR SUPPLY CHAIN EXECUTIVE STEERING COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1198,
Establishing and Maintaining Accountability for Service Owned Capital Equipment
Stored at DLA Distribution Centers

The attached change to the DLM 4000.25, Defense Logistics Management Standards, is approved for implementation. The updated DLMS Implementation Conventions (IC) will be posted to the Defense Logistics Management Standards Office Website at http://www.dlms.dla.mil/elibrary/TransFormats/140_997.asp, within 10 days from the above date.

The Item Unique Identification Working Group, in conjunction with Office of the Deputy Assistant Secretary of Defense (Supply Chain Integration), and Acquisition, Resources and Analysis (Property and Equipment Policy) developed the requirements set forth in this ADC.

Please direct questions to Ms. Jan Mulligan, jan.b.muligan.civ@mail.mil, or Mr. Steve Tkac, stephen.h.tkac.civ@mail.mil.

Dee Reardon
Deputy Assistant Secretary of Defense
for Supply Chain Integration

Attachment
As stated
cc:
OUSD(AT&L) ARA P&EP
DLA(J6)
DoD IUID Working Group
Supply and SDR Process Review Committees
Joint Physical Inventory Working Group
Defense Logistics Management Standards Office (DLMSO)

Attachment to ADC 1198

Establishing and Maintaining Accountability for Service Owned Capital Equipment Stored at DLA Distribution Centers

ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Army, Oliver Pryor, HQDA G4, DALO-SUS, (703) 693-9956, or email: oliver.c.pryor.civ@mail.mil

b. **Functional POC:** Army, Matt Adams, ASA(ALT), SAAL-ZL, (703) 617-0454, or email: matthew.c.adams32.civ@mail.mil

c. **DLMS POC:** Defense Logistics Management Standards Office (DLMSO), email: DLMSO.IUID@dla.mil

2. FUNCTIONAL AREA:

a. **Primary/Secondary Functional Area:** Supply

b. **Primary/Secondary Functional Process:** Physical Inventory Control and Adjustments

3. REFERENCES:

a. DOD Integrated Requirements Set (IRS) for Item Unique Identification (IUID) in Supply Business Processes (Modified to support capital equipment visibility). Draft dated December 11, 2015

b. [Defense Logistics Manual \(DLM\) 4000.25](#), Volume 2, Supply Standards and Procedures

c. Capital Equipment, Proposed DLMS Change (PDC) 1198 Meeting with ODASD(SCI), Army, DLA J33, and DLMSO, November 18, 2015

d. [DOD 7000.14-R](#), Defense Financial Management Regulation, Volume 4, Accounting Policy, Chapter 6, Property, Plant and Equipment

e. OUSD(AT&L) and OUSD(Comptroller) Memorandum, "Elimination of Military Equipment Definition and Increase to Capitalization Thresholds for General Property, Plant and Equipment", September 20, 2013

f. [Public Law 111-84 October 28, 2009, National Defense Authorization Act](#) (NDAA) for Fiscal Year 2010

g. [Federal Accounting Standards Advisory Board's Statement of Federal Financial Accounting Standards No. 6](#) (SFFAS 6)

h. Defense Logistics Agency (DLA) and Service Owned Assets Meeting, November 15, 2015, led by Mr. Steve Tkac, Deputy Director, Acquisition Resources & Analysis (ARA)

for Property & Equipment Policy, and Ms. Jan Mulligan, (ODASD(SCI)); attendees DLA, Army, Marine Corps, and Air Force

i. Army meeting with DLA on capital equipment transaction requirements for Army materiel managed by the DLA, July 24, 2015. DLA Codes participating were J344, J345, DLA Army NAM J313A, DLA Audit Readiness reps from J34, and DLA Distribution reps from DDC HQ J3.

j. [Approved DLMS Change 1071](#), Implementation of DOD Item Unique Identification (IUID) Supply Policy in Version 4030 DLMS 856R Shipment Status Materiel Returns, March 26, 2014

k. [DODI 8320.04](#), Item Unique Identification (IUID) Standards for Tangible Personal Property, September 3, 2015

l. [DODI 5000.64](#), Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011

m. [DODM 4140.01](#), DOD Supply Chain Materiel Management Procedures, Volume 9, Materiel Programs, February 10, 2014

4. APPROVED CHANGE(S): Substantive updates subsequent to staffing are identified in green highlight.

a. **Brief Overview of Change:** This document is one of a series of DLMS changes to define procedures and establish a coordinated implementation for the exchange of serial number and unique item identifier (UII), when available, to support Financial Improvement and Audit Readiness (FIAR) compliance and accountability over service owned capital equipment stored at DLA. This change is based upon the capital equipment candidate requirements in the DOD Integrated Requirements Set (IRS) for Item Unique Identification (IUID) in Supply Business Processes (Reference 3.a.) (hereafter referred to as the IRS). The IRS establishes overarching requirements for the application of IUID and related serial numbers in supply business processes across the DOD enterprise. ODASD(SCI) develops the IRS in conjunction with the DOD IUID Working Group. This approved change establishes the necessary DLM 4000.25, DLMS, Volume 2, (Reference 3.b.) procedures for inclusion of serialization data in all DLMS balance affecting transactions for capital equipment candidate assets. For the serialization data for capital equipment candidates, the serial number is required in the DLMS transaction, and the UII, must be included when available. In the scope of this change, the following DLMS transactions require notification to DOD Component automated information systems (AIS) with serialized data:

- 527R Receipt (527R with 1/BR02/020 Transaction Type Code D4)
- 867I Issue
- 842A/W SDR Submission
- 842S/Q Storage Quality Control Report
- 846R Location Reconciliation
- 856R Shipment Status Materiel Returns
- 856S Shipment Status
- 945A Materiel Release Confirmation
- 947I Inventory Adjustments

b. Background:

(1) All applicable DOD activities are responsible for appropriate financial accounting of capital equipment in accordance with the DOD Financial Management Regulation (FMR), Volume 4, Chapter 6 (Reference 3.d.) and the latest guidance issued from the USD-AT&L and OSD-Comptroller in September 2013 (Reference 3.e.). Further, in compliance with public law (NDAA 2010 section 1003 (Reference 3.f.)), all DOD activities are to assert full financial statement audit readiness by the end of Fiscal Year 2017. The latter requires DOD entities support a full and accurate accounting of their capital equipment at the unique item level of detail (i.e., serial number/UII), regardless of their physical location. Additionally, the Federal Accounting Standards Advisory Board's Statement of Federal Financial Accounting Standards No. 6 (SFFAS 6) (Reference 3.g), specified requirements references mandate financial accounting for each individual General Equipment Capital Assets owned by the government entity, regardless of its storage location.

(2) The IUID Working Group, in conjunction with ODASD(SCI) and P&EP, developed and approved the overarching requirements for which the detailed DLMS procedures and transaction updates are set forth in this ADC. The DOD IRS for IUID in Supply Business Policy was amended on July 1, 2015 to include the requirement that all balance affecting transactions and discrepancies for capital equipment candidates maintain serialization data visibility between storage activities and owner/manager systems. When new requirements in the IRS impact DLMS, PDCs are written to reach consensus on the DLMS procedures necessary to implement the approved requirements. The most recent IRS includes requirements for capital equipment candidate visibility by serial number and UII (when available). At the November 18, 2015, meeting (Reference 3.c), ODASD(SCI) requested that DLMSO jointly develop this ADC to address the DLMS changes necessary for the IRS capital equipment candidate requirements, with input from DLA on the cost to the Components for distribution centers to provide this service.

(3) These financial accounting requirements have specific relevance to capital equipment in DLA Distribution Center storage as well as to DLMS inventory management transactions, including receipt, physical inventory, inventory adjustments, location reconciliation and issuance. To that end, DOD Component AIS' will process DLMS transactions cited in paragraph 4.a., on individual capital equipment. Due to no existing requirements, DLA is not currently providing Serial Number/UII level of detail for any Service Owned assets stored at DLA with a FLIS IUID=Y, therefore a method is needed to identify capital equipment candidate national identification numbers (NIIN) which require visibility at the serial number/UII level.

(4) Capital equipment is defined as tangible personal property items that: (1) have an acquisition cost at or above the current capitalization threshold, with a useful service life of two or more years; (2) are functionally complete for their intended purpose, durable, and nonexpendable; (3) are not intended for sale in the ordinary course of business; (4) do not ordinarily lose their identity or become a component part of another article when put into use; and (5) are available for the use by the reporting entity for its intended purpose (See DoDI 5000.64, Reference 1.) Source of definition: Guidelines for Registering Government Serialization, Type Designation and Ownership of Major End Items, Assemblies and Subassemblies and Capital Equipment in the IUID Registry, Version 1.1 October 15, 2007.

c. Capital Equipment requires serialized management to support audit readiness in accordance with (a) Public Law, National Defense Authorization Act (NDAA) for Fiscal Year 2010, (b) the Financial Accounting Standards Advisory Board's Statement of Federal Financial Accounting Standards No. 6, (c) OUSD(AT&L) and OUSD(Comptroller) Memorandum, "Elimination of Military Equipment Definition and Increase to Capitalization Thresholds for General Property, Plant and Equipment", September 20, 2013, and [DODI 5000.64](#), Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011.

(1) The logic used to determine a capital equipment candidate NIIN is as follows and applies to the most restrictive definition of capital assets in the DOD: Class II, VII, or VIII (determines stand-alone item) and has a catalog price greater than or equal to \$100K. All items identified as capital equipment candidates must have the FLIS IUID indicator set to Y (YES). Items that meet these three requirements require tracking by serial number and when available UII.

d. **Requested Change in Detail:** This change addresses the additional procedures required to be implemented within AIS' to provide visibility for items identified as capital equipment candidates. For capital equipment candidates, serial number is a required entry and the UII must be provided when it is available. Detailed procedures are provided throughout DLM 4000.25, DLMS, Volume 2 in the affected chapters (Enclosure 2). Items requiring asset visibility will be defined in DLM 4000.25, Volume 1, as shown in paragraph 4.e.(3).

(1) Transactions requiring the inclusion Serial Number and UII (when available) are identified in paragraph 4.a.

(2) The changes identified are additive to the existing procedures in the DLMS Manual, Volume 2, the affected chapters are 4, 5, 6, 7, 11, 13, 14, and 17.

(a) **Criteria for identifying Capital Equipment Candidates.** Application of the capital equipment definition results in a mix of capital and non-capital equipment within a NIIN population. In order to allow for uniform tracking and processing for all equipment within a NIIN, these procedures are instead based upon identification of capital equipment candidate NIINs. Capital equipment candidate material is identified as an item that (1) has a FLIS IUID Indicator Y; (2) is within Classes of Supply II, VII, and VIII; and (3) has a current Unit Price recorded in FLIS of at least \$100K.

(b) Once an individual item is serially tracked it will be tracked for life.
Staffing Note 1: This rule impacts DSS design because they need to have the capability to recognize an item that was previously tracked regardless of the current FLIS unit price.

(3) The following section provides an overview of the key transactions in this process and identifies whether there are changes required to existing procedures for the use of standard transactions to establish visibility of capital equipment candidates to support FIAR compliance. Changes required to individual DLMS transactions to support this change are provided in Enclosure 1. Detailed DLMS procedures for establishing and maintaining asset visibility by serial number and UII, (when available), are provided in the multiple chapter updates in Enclosure 2.

(a) Prepositioned Materiel Receipt. Follow the established procedures from DLM 4000.25, Volume 2, Chapter 12 and provide a DLMS 527D Prepositioned Materiel Receipt (PMR) transaction to each intended storage activity. Do not include UIIs and/or serial numbers in the PMR transaction. (No Change)

(b) Advance Shipment Notice (From Procurement). Existing procedures require the procuring DOD Component to ensure the applicable clause requiring the vendor to provide IUID information in accordance with Defense Federal Acquisition Regulations Supplement (DFARS), "Item Unique Identification" clause is included in the contract. Existing procedures require contractors/vendors to submit IUID information to the Wide Area Workflow e-Business Suite – Invoicing, Receipt, Acceptance, and Property Transfer (iRAPT) in accordance with the iRAPT Implementation Guides for the 856, Ship Notice/Manifest; 857 Shipment and Billing Notice; direct online input; or another comparable information exchange method supported by iRAPT. DLMS-compliant receiving activities must coordinate with iRAPT for dissemination of the vendor shipment information to the receiving system using the DLMS 856 ASN, including UIIs and serial numbers. (No changes)

(c) Acceptance Report. When acceptance at origin is applicable, the DLMS 856 or comparable 856 transactions, forwarded to the procuring and receiving activity, will contain accepted IUID and serial number information. When acceptance at destination is applicable, the receiving system must report acceptance, including serial numbers and UIIs (when available), using the DLMS 861, Acceptance Report, or use direct input to iRAPT. Responsibility for Government acceptance may also be contractually assigned to an alternative organization which may use the DLMS 861 or direct input to iRAPT for acceptance reporting. iRAPT will extract the IUID information for all Government accepted IUID items and use to establish the birth record in the IUID Registry. Additional information and guidance on the IUID registry can be found on the UID Website <http://www.acq.osd.mil/dpap/pdi/uid>.

(d) Requisitioning. Requisitioning will be in accordance with the procedures contained in DLM 4000.25, Volume 2, Chapter 4. No requirement has been identified to requisition materiel by UII and/or serial number. Therefore, UIIs and/or serial number procedures are not applicable to the following DLMS transactions; 511R Requisition, 511M Requisition Modification, or 940R transactions used as a Materiel Release Order, Redistribution Order, or Disposal Release Order. With the exception of the process documented in DLM 4000.25, Volume 2, Chapter 19, C19.13 supporting the intra-Air Force usage in the Nuclear Weapons Related Materiel (NWRM) Positive Inventory Control (PIC) Fusion Module UIT Registry, the 870S Supply Status will not include UIIs and/or serial numbers.

(e) Shipment Status / Shipment Status Materiel Returns. DLM 4000.25, Volume 2, Chapter 5 contains procedures to prepare and report shipment status information using the DLMS 856S transaction. Chapter 5 also includes procedures to prepare and report shipment status for materiel returns using the DLMS 856R. Under DOD IUID Supply Policy for accountability and management of capital equipment, capital equipment candidates require serialization data visibility.

1. Shipment Status. Shipping activities will prepare the DLMS 856S Shipment Status using the serial number and include the UII when available. The serial number, and UII (when available), will be entered into the DLMS 856S by the shipping activities for all capital equipment and capital equipment candidate items. The shipping

activity will use the DLMS 856S to report shipment status with serial numbers and UIIs (when available) that are selected for shipment, to the receiving DOD Component activity.

2. Shipment Status Materiel Returns. Activities shipping returns capital equipment and capital equipment candidates, must prepare the DLMS 856R Shipment Status Materiel Returns using the serial number and include the UII (when available). Refer to ADC 1071 for detailed procedures. (Reference 3.j.)

3. Processing Shipment status and Shipment Status Materiel Returns. The receiving DOD Component will create the serialization data in its AIS as a due-in based on the shipment status and when the items are actually received, confirm that the serial numbers and UIIs reported as shipped by the DLMS 856S or 856R. Mismatched serial numbers and UIIs will be resolved following the procedures in DLM 4000.25, Volume 2, Chapters 6, 17, and the additive procedures under discrepancy reporting processes below. The change to existing procedures is the modified language to require the serial number for capital equipment and the UII (when available).

(f) Storage Activity Materiel Release Advice/Confirmation and Issue. In support of FIAR and, [DODI 5000.64](#), Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011, compliance, capital equipment candidates require serialization data visibility. Issue transactions will require the serial number and include the UII (when available).

1. Issues. For issues, the shipping activity will confirm materiel release to the owner and report shipped serial numbers and UIIs for capital equipment candidate items. The storage activity will transmit a DLMS 867I Issue and/or a Materiel Release Confirmation (DLMS 945A) using only the 4030 version) in accordance with the DLM 4000.25, Volume 2, Chapter 4 procedures with the inclusion of the serial numbers and UIIs shipped.

2. The shipping activity will report serial numbers and UIIs (when available) to the owner, for shipment of items to demilitarization and/or disposal of capital equipment candidate items. The storage activity will include the serial numbers and UIIs (when available) on the DLMS 945A Materiel Release Confirmation and/or DLMS 867I Issue.

3. The AIS supporting the owner will use the 945A Materiel Release Confirmation and/or 867I Issue to record which serial numbers and UIIs (when available) have been shipped and decrement those serial numbers and UIIs from their accountable property system of record as no longer available and in storage at that location.

4. DLMS Retail Transportation and Supply Receipt and Acknowledgement Interchange (See DLM 4000.25 Volume 3, Chapter 2). The transportation office will perpetuate the serial numbers and UIIs with the associated transportation control number (TCN) in the Materiel Release Confirmation (Distribution Code 111). This data content will be used by the supply activity to perpetuate this information to the Shipment Status.

(g) Materiel Returns, Redistribution of Materiel, Directed Discrepant/Deficient Materiel Returns and Retrograde Returns

1. Redistribution of Materiel. In support of FIAR, and [DODI 5000.64](#), Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011, capital equipment candidates require serialization data (serial number and UII (when available)) to provide asset visibility. Activities responding to redistribution orders for capital equipment candidate items must prepare shipment status transactions using the serial number and include the UII (when available).

2. Receipt of Materiel Returns or Redistributed Materiel. In support of FIAR compliance capital equipment candidates require serialization data visibility. DLA/DSS activities receiving returns or redistributed items that are capital equipment candidates will prepare receipt transactions using the serial number and include the UII (when available).

(h) Receipt Discrepancies. In support of FIAR and [DODI 5000.64](#), Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011, capital equipment candidates, requires serialization data visibility (serial number and UII (when available)). In addition to requiring serialization data for capital equipment candidates, this change updates DLM 4000.25, Volume 2, Chapter 17 Supply Discrepancy Reporting, to include item identification of materiel received in other than the original condition shipped. This adds to what was originally changed by ADC 1030.

1. Supply Discrepancy Reporting (SDR). SDRs reporting discrepant receipt of items managed under capital equipment procedures could include shortages, overages, discrepant condition, missing/mismatched serial number/UIIs with no quantity discrepancy, and wrong item receipt. When received serial numbers and UIIs do not match accompanying documentation or electronic ASN, the receiving activity will record the actual quantity and serial numbers/UIIs received, and notify the shipping activity or inventory control point (ICP)/IMM, as applicable, of the discrepancy. If a discrepancy applies to a portion of the items then serial numbers/UIIs would be required for those items in error. For example, if ten items are shipped as Supply Condition Code A and at receipt all are identified as Supply Condition Code B, no serial numbers/UIIs are required in the SDR because that information is already known to the relevant parties. However, if only five are received in Supply Condition Code A then the serial numbers/UIIs for the five with Condition Code B will be transmitted in the SDR. WebSDR will ensure the owner/manager has visibility of SDRs sent to the shipper. The receiving activity will submit an SDR using the procedures in DLM 4000.25, Volume 2, Chapter 17 showing the appropriate discrepancy code for quantity and IUID discrepancies under existing SDR procedures.

Staffing Note 2: Army identified a requirement cited above to identify serialization data for discrepant condition code. Components should re-evaluate the procedures developed under ADC 1030 and ensure consistency with this added requirement

2. Product Quality Deficiency Reports. The 842P PQDR transaction is not addressed in this ADC because the 842P PQDR already carries both the serial number and UII (when available).

3. DOD Stock Readiness Program. Under the Stock Readiness program, the DoD requires uniform care of supplies, including the inspection and reporting of

materiel condition and serviceability, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions supporting care of supplies in storage (COSIS). For capital equipment and capital equipment candidates, the distribution center will report storage quality issues requiring COSIS work to the materiel owner via the storage quality control report. Include the serial numbers and UIIs (when available) for processing in accordance with DoD Component stock readiness policy using storage quality control report and storage quality control report reply.

(i) Reintroduction of an IUID item previously shipped outside the Control of the Department of Defense. In support of FIAR compliance capital equipment candidates require serialization data visibility when such items previously shipped outside DOD control are reintroduced to DOD control. In this case the receiving activity will report the receipt including serial number(s) and UII(s) (when available) to the owner. The receiving activity will submit the receipt using DLMS 527R Receipt transaction including the serial numbers and UII(s) (when available). The receiving activity will update the IUID registry using existing IUID registry procedures.

(j) Inventory Adjustments. The inventory adjustment function encompasses increases, decreases, or dual adjustments. In support of FIAR compliance capital equipment candidates require serialization data visibility (serial number and UII (when available)). The existing DLM 4000.25, Volume 2, Chapter 7 Inventory Adjustment procedures for processing and reporting of inventory adjustments apply with the following additions:

1. For capital equipment candidates inventory adjustment gains, losses, or dual adjustments, the serial number and UII (when available) will be included in the DLMS 947I Inventory Adjustment. Inventory adjustments due solely for the need to correct serial number and/or UIIs will always be for a quantity of 1.

2. Capital equipment candidate serial number and UII (if available) adjustments will identify the Adjustment Reason Code AQ in the DLMS 947I, ASC X12 warehouse adjustment item detail segment (2/W1901/0200) Quantity or Status Adjustment Reason Code. Paragraph 4.d. contains the addition to the DLM 4000.25, Chapter 7, Quantity or Status Adjustment Reason Code Table C7.T1 and an additional new Status Adjustment Reason Code "AQ – Inventory Adjustment (UII and/or serial number mismatch). Gain, loss or dual adjustment resulting solely from UII and/or serial number mismatch".

(k) Research of Potential or Actual Inventory Adjustments (Physical Inventory) (DLMS 947I with Quantity or Status Adjustment Reason Code AQ). No specific changes are identified for management of capital equipment candidates, however, the following comments about the existing procedures are noted:

1. DOD Components will ensure potential or actual inventory adjustments for capital equipment candidate with a DLMS 947I with Quantity or Status Adjustment Reason Code AQ are researched in accordance with the existing procedures in DLM 4000.25, Volume 2, Chapter 6, paragraph C6.4.

2. Capital equipment candidate discrepancies on serial number and UII (when available), due to their dollar values, will always require the most demanding research requirements set forth in DLM 4000.25, Volume 2, Chapter 6. Table C6.T3. Minimum Research Requirements for Potential or Actual Physical Inventory Adjustments.

(I) Physical Inventory Processes. In support of FIAR compliance, capital equipment candidates require serialization data visibility. The procedures for processing and reporting transactions to maintain Physical Inventory Control in DLM 4000.25, Volume 2, Chapter 6 apply with the following additions:

1. The 846P used as a transaction history request, response to transaction history request (no history available), response to physical inventory request, and end of day transaction count will not contain serial number and UII. However, when the owner initiates a physical inventory request for capital equipment candidate to assist in resolving discrepancies where the only difference between the owner's records and the storage activity records is on serial number and UII, the transaction will contain Type of Physical Inventory Code B – (Special inventory, due solely to UII and/or serial number mismatches between owner and storage activity records). This is a new code being added in DLM 4000.25-2, Appendix 2.2. by this change. Owners will initiate a physical inventory due to mismatched UII(s) and/or serial numbers when a mismatched condition on UII and/or serial number is identified between its records and transactions received. Initiating a physical inventory due to Mismatched UII(s) and/or serial numbers can become necessary due to:

a. Owner/manager processing of a materiel release confirmation (DLMS 945A) from a storage activity where the owner does not have a record of that serial number and UII (when available) or the owner/manager records have that serial number and UII located at other than the storage activity reporting the release/issue of the item. In support of FIAR compliance, capital equipment candidates, requiring serialization data visibility, either of these conditions will necessitate a complete inventory (initiated by the owner/manager) be taken at all storage locations for all owners and supply condition codes. For serial number/UII mismatch, the storage activity and the owner will need to collaborate to ensure appropriate steps are taken to resolve the discrepancy. In support of FIAR compliance, capital equipment candidates, requiring serialization data visibility, it may be necessary to conduct a complete inventory (initiated by the owner/manager) at all storage locations for all owners and supply condition codes. DOD Components and storage activities will need to develop internal procedures to initiate the appropriate physical inventory at one or more storage activities for the affected NSN.

Staffing Note 3: Components MUST review this section carefully for impact.

b. Owner/manager processing a receipt from customers, issues or inventory adjustments from storage activities where there is a mismatch on serial number and UII (when available) between the owner records and the storage activity transactions reporting which serial number and UII (when available) was shipped. At a minimum, this will require an inventory and research to resolve the discrepancy.

c. Owner/manager processing Location Reconciliation History Transactions (DLMS 846R) resulting from End-of Day processing or an owner initiated location reconciliation request where there is a mismatch on serial number and UII (when available) between the owner records and the storage activity transactions. The history transaction for capital equipment and capital equipment candidates will contain the serial number and UII (when available).

(m) Storage Activity will be required to have access to FLIS unit price and class of materiel to make a determination of capital equipment candidates.

Staffing Note 4: DLA/DSS review and respond whether DSS will interface with FLIS for each (receipt) transaction to determine capital equipment applicability or go to a lookup table developed for this purpose. DLA advises this will be determined during the design phase of the request for change (RFC) after the ADC is published.

e. Revisions to DLM 4000.25 Manuals:

(1) Revise the following DLMS implementation conventions (IC) as shown in Enclosure 1: 527R Receipt, 842A/W SDR, 842S/Q Storage Quality Control Report, 846R Location Reconciliation Request, 856R (version 4030) Shipment Status Materiel Returns, 856S Shipment Status, 867I Issue, 945A (version 4030) Materiel Release Advice, and 947I (version 4030) Inventory Adjustment.

(2) Revise DLM 4000.25, DLMS Volume 1, Concepts and Procedures, Appendix, 1, References, to add the following document reference – DODI 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” May 19, 2011.

(3) Revise DLM 4000.25, DLMS, Volume 1, Concepts and Procedures, Appendix 2, Terms and Definitions, to add the following definitions:

ACCOUNTABLE PROPERTY SYSTEM OF RECORD. The Government system used to control and manage accountable property records; a subset of existing organizational processes related to the lifecycle management of property; the system that is integrated with the core financial system. (Source: DODI 5000.64, May 19, 2011)

CAPITAL EQUIPMENT. Capital equipment is defined as tangible personal property end items that: (1) have an acquisition cost at or above the current capitalization threshold, with a useful service life of two or more years; (2) are functionally complete for their intended purpose, durable, and nonexpendable; (3) are not intended for sale in the ordinary course of business; (4) do not ordinarily lose their identity or become a component part of another article when put into use; and (5) are available for the use by the reporting entity for its intended purpose (Reference DoDI 5000.64). Source of definition: Guidelines for Registering Government Serialization, Type Designation and Ownership of Major End Items, Assemblies and Subassemblies and Capital Equipment in the IUID Registry, Version 1.1 October 15, 2007.

CAPITAL EQUIPMENT CANDIDATE. Capital equipment candidate end items have the following characteristics; (1) have a FLIS IUID Indicator (Y); (2) are within Classes of Supply II, VII, and VIII; and (3) have a current Unit Price recorded in the FLIS of at least \$100,000. Not all capital equipment candidate items will ultimately be reported on financial accountability statements due to the decision to implement uniform serialization across a NIIN and to not track actual acquisition cost of each equipment in supply chain AISs. However, all capital equipment candidate items will be subject to serialized data visibility procedures.

(4) Revise DLM 4000.25, DLMS Volume 1, Concepts and Procedures, Appendix 3, Acronyms and Abbreviations to add new acronym used in the DLMS chapter updates:

APSR – Accountable Property System of Record

FIAR – Financial Improvement and Audit Readiness

(5) Revise DLM 4000.25, DLMS, Volume 2, Supply Standards and Procedures, to add additional text to the DLMS chapters as shown in Enclosure 2.

(6) Revise DLM 4000.25, DLMS Volume 2, Supply Standards and Procedures, Chapter 7, Inventory Adjustments to update Table C7.T1. Quantity or Status Adjustment Reason Code with a new code:

Table C7.T1. DLSS DIC/DLMS Quantity Or Status Adjustment Reason Code Correlation

W1901 Quantity or Status Adjustment Reason Code	Explanation	Corresponding MILSTRAP legacy DIC
<i>AQ</i>	<i>Inventory Adjustment (UII and/or serial number mismatch). Gain, loss or dual adjustment resulting solely from UII and/or serial number mismatch</i>	<i>Not Applicable to Legacy MILSTRAP</i>

(7) Revise DLM 4000.25-2, MILSTRAP, Appendix 2.2, Type of Physical Inventory/Transaction History Codes, and corresponding Logistics Data Resources Management System (LOGDRMS) Data Element ID 1270 Qualifier FC, to add a new code B:

CODE DEFINITION

~~A through B~~ Reserved for future DoD assignment

B ***Special inventory due solely to UII and/or serial number mismatches between owner and storage activity records.***

C Special Inventory, all ~~supply condition codes (SCCs)~~. Initiated by the storage activity in support of inventory accuracy improvements initiative.

f. Proposed Transaction Flow: No changes to the existing transaction flows are planned. This change addresses inclusion of serial numbers, and UIIs (when available), into the existing logistics transactions noted herein for the capital equipment requirements identified.

g. Alternatives:

(1) Services stop storing Service owned capital equipment in DLA Distribution Centers.

5. REASON FOR CHANGE:

a. FIAR and DODI 5000.64, Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011, Compliance. All applicable DOD activities are responsible for appropriate financial accounting of capital equipment in accordance with the DOD FMR, Volume 4, Chapter 6, and the latest guidance issued from the USD(AT&L) and OSD(Comptroller) in September 2013 (Reference 3.e.). Further, in compliance with public law (NDAA 2010, section 1003, (Reference 3.f.)), all DOD activities are to assert full financial statement audit readiness by the end of Fiscal Year 2017. The latter requires the DOD entities support a full and accurate accounting of their capital equipment at the unique item level of detail (serial number/UII), regardless of their physical location.

b. There was no requirement for DLA to provide capital equipment visibility (serial number and UII (when available)) of FLIS IUID Indicator Y Service owned assets stored at DLA. This ADC identifies and establishes the procedures for visibility of capital equipment in support of FIAR and DODI 5000.64, Accountability and Management of DOD Equipment and Other Accountable Property, May 19, 2011, Compliance.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages:

(1) Provides Services with the unique capital equipment candidate visibility required to meet FIAR requirements (i.e. auditable).

(2) Serial number Supply Discrepancy Reports will be generated at initial receipt, thereby, eliminating multiple discrepancies by multiple recipients further down in the supply chain.

b. Disadvantages: The approved methodology for identifying capital equipment candidates at the NIIN level results in a potential to track non-capital asset NIINS serially. Using class of supply and FLIS standard unit price will cast a wider net of capital equipment candidates than actually required by the Comptroller Capital Equipment Reporting requirement. The wider net will potentially require resources to be expended to track capital equipment candidates (that are not actually capital equipment) at the serial number level; the Services will be charged for the resources expended. However, as per DoD policy, serialization/UII determination is made at the NIIN level, and an attempt to only track Capital Assets serially as opposed to Capital Asset candidate NIINs serially would result in DSS having to track some items within a NIIN serially and other items within a NIIN by condition code/Qty. An acceptable method to accomplish this could not be identified.

7. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT:

a. Prior to this ADC, DLA did not have a requirement to provide Serial number/UII visibility of all FLIS IUID Indicator Y Service owned assets stored at DLA.

b. Capital equipment “candidate”. – Capital equipment is determined based on date and individual acquisition cost. This definition is a challenge in the logistics community as it allows for capital and non-capital instances within a single NIIN. Within logistics, the serialization

determination is made at the NIIN level. Since the entire population of assets within the NIIN must be serialized, the term capital equipment “candidate” is used to identify NIINs that may contain an asset that meets a capital equipment threshold. From a transactional viewpoint, all assets within the NIIN will require the same level of reporting. All information will be sent to the Components. The Component financial systems will determine which instances are capital equipment for the purposes of FIAR compliance. For DLA Distribution, the \$100K threshold will be based on FLIS unit price and will apply to all assets within a given NIIN.

c. These procedures only apply to assets with a NIIN. The Services do not store non-standard capital equipment (i.e., capital equipment candidates without NSNs assigned) at DLA Distribution Centers.

d. DLA and the Services will develop MOUs for conducting the initial inventory (i.e. recording, creation and application of any required serial numbers and UIIs to bare item or packaging) of capital equipment candidates at DLA warehouses.

8. ADDITIONAL COMMENTS TO CONSIDER:

a. DOD Components must use the ASC X12 Version Release 4030 for the DLMS 856R, 945A and 947I ICs for IUID implementations.

b. The use of AIT will greatly reduce or eliminate errors associated with the manual capture of serial numbers (to include human read errors) that could lead mismatches between transactions, documentation, and Component property records resulting in SDRs.

c. This ADC does not apply to the Disposition Services turn in receipt acknowledgement and the materiel receipt acknowledgement. Mismatches on the serial number or UII would be addressed in the discrepancy process.

9. ADDITIONAL FUNCTIONAL REQUIREMENT:

a. DLA is reviewing requirements/constraints for conveying the DLA Distribution Center’s cost of managing capital equipment candidate inventory by serial number and UII to the materiel owner. DLA will provide their proposed methodology once determined.

b. An additional DLMS change will be required for the Inventory Control Effectiveness (ICE) Report – General Supplies DD Form 2338-2 (Report Control Symbol (RCS): DD-AT&L 935) and procedures that will include a new code to identify capital equipment items and to separately identify inventory adjustments resulting solely from the need to correct mismatches on UII and/or serial number. This is necessary due to the inherent value of capital equipment adjustments necessary to correct UII and/or serial number mismatched conditions that could adversely affect what is currently reported in the ICE Report. DLMSO will develop a separate PDC to address the ICE Report requirement after release of ADC 1198. .

10. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: June 1, 2016 and no later than September 30, 2016. The Army requires implementation in DSS by September 30, 2016 to establish and maintain serialized data visibility of capital equipment, as required by the Army's valuation assertion schedule and in support of the OUSD-C FIAR plan. In response to the PDC, DLA estimates it will take 1.5 years before it is fully functional with these changes.

11. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH

IMPLEMENTATION OF THIS CHANGE: This change will enable the DLMS compliant Services to meet 2017 FIAR requirements. The implementation of this change is not intended as attempt to save or avoid costs.

12. IMPACT:

a. Cost to the Services for the DLA Distribution Centers to provide serialized data visibility for capital equipment candidates (i.e. by serial number and UII (when available)) is unknown at this time.

b. Cost to DLA. The DLA estimate to implement and maintain the requirements in ADC 1198 to support all Services is \$12 million and will take 1.5 years before it is fully functional. System changes for EBS and DSS account for \$1.2 million. Based on capital assets currently in stock, DLA estimates it will cost \$4.4 million initial implementation and \$6.4 million to sustain it for 4 years.

c. DLA Distribution will be required to conduct an initial complete "Wall to Wall" inventory of capital equipment candidate items based on the criteria identified in this approved change and record serial number and UII data elements to update DLA Distribution and owning Service inventory records.

d. Care of Supplies in Storage. For capital equipment candidate items requiring serialized data visibility, the distribution center will report storage quality issues requiring care of supplies in storage (COSIS) work to the materiel owner via the Storage Quality Control Report, including the serial numbers and UIIs (when available), for approval in accordance with DOD Component "Stock Readiness" Policy using DLMS 842SQ Storage Quality Control Report and DLMS 842S/R Storage Quality Control Report Reply, (refer to DLM 4000.25, DLMS Manual, Volume 2, Chapter 19, paragraph C19.24), (Reference 3.b.)).

e. DLA Disposition Services. DLA Disposition Services is excluded from these changes and a subsequent PDC will address DLA Disposition Services procedures for capital equipment.

f. New DLMS Data Elements: None identified

g. Changes to DLMS Data Elements:

(1) **Quantity or Status Adjustment Reason Code,** ASC X12 Data Element ID 181, Quantity or Status Adjustment Reason Code:

(b) DLMSO established new local code value in LOGDRMS for Data Element ID 181: AQ - Unique Item Identifier (UII)/Serial Number Mismatch.

(c) DLMSO will submit a code maintenance request to establish a new value for ASC X12 Data Element ID 181 Quantity or Status Adjustment Reason Code: AQ – Unique Item Identifier (UII)/Serial Number Mismatch.

(2) **Type of Physical Inventory/Transaction History Code.** ASC X12 Data Element ID 1270, Qualifier "FC – Type of Physical Inventory or Transaction History Code. Add new code value B to the existing Type of Physical Inventory/Transaction History code list.

(Refer to DLM 4000.25-2, MILSTRAP, Appendix 2.2, Type of Physical Inventory/Transaction History Codes.)

B – Special inventory due solely to UII and/or serial number mismatches between owner and storage activity records.

h. Automated Information Systems (AIS): DLA Distribution and Service AISs receiving the DLMS transactions cited in this change with serialization data to include the serial number and UII (when available) for Service owned capital equipment and capital equipment candidates stored at DLA Distribution Centers must recognize and use the data (e.g., Army LMP system).

i. Transaction Services:

(1) Modify mapping to incorporate the new Quantity or Status Adjustment Reason Code AQ – Inventory Adjustment (UII and/or serial number mismatch). Gain, loss, or dual adjustment resulting solely from UII and/or serial number mismatch in the 947I (4030) Inventory Adjustment, 2/W1901/0200.

(2) There may be a Transaction Services impact due to increased size and volume of transactions resulting from this change.

j. Non-DLM 4000.25 Series Publications:

(1) No changes were identified for other DOD level publications.

(2) Component level publications should be reviewed and updated as necessary.

Enclosure 1 to ADC 1198

DLMS Implementation Convention (IC) Change Tables

Changes identified by bold italics or double strike-through.

A. 527R Receipt, Inquiry Response and MRA

#	Location	DLMS 527R Receipt	Reason
1.	DLMS Introductory Notes	<u>Add ADC to DLMS Introductory Notes:</u> - <i>ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</i>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF/250	<u>Revise Segment Level notes as follows:</u> 1. At this time, the 2/REF/250 loop is not authorized for use to provide item unique identification (IUID) or Unique Item Tracking (UIT) information except as noted. Use is authorized for DLA Distribution Center receipt processing to identify the UII for reparable items returned to DoD inventory by repair contractors (2/LIN01/010 Code E); and for receipts for UIT programs items for Navy Depot Level Reparable and Positive Inventory Control (PIC) Nuclear Weapon Related Materiel (NWRM) (UIT Designators AAD and AAJ respectively); and for DLA Disposition Services use with receipt and TRA transactions for the UIT program for DoD SA/LW Serialization Program (UIT Designator AAA). <i>Also authorized for use with receipts under DoD IUID policy for accountability and management of capital equipment.</i> A PDC must be submitted documenting requirement and procedures before using this transaction for IUID or UIT for any other purpose. 2. This transaction will support item identification based upon the UII or the serial number. Data elements associated with the UII may be identified separately. Use the appropriate data elements to satisfy the desired functionality. <i>3. Capital equipment candidates require serialization data visibility. Prepare receipts using the serial number and include the UII (when available). Refer to ADC 1198.</i> 4. When both UII or serial number and batch/lot number are required for the item, enter the UII or serial number in 2/REF/250 and enter the batch/lot number in 2/N9/270. 5. The entire 2/REF/250 loop is a DLMS enhancement. See introductory DLMS note 5a.	Documents capital equipment requirement.

#	Location	DLMS 527R Receipt	Reason
3.	2/REF01/250	<p><u>Revise qualifiers SE and U3::</u></p> <p>SE Serial Number DLMS Note: 1. Use to identify the serial number (when code U3 is not used). Use this qualifier for unique item tracking based upon the serial number. 2. Commercial Asset Visibility (CAV) uses in receipts to identify the serial number of the repair item. 3. Authorized DLMS enhancement for DLA Disposition Services use in receipt, historical receipt, and TRA to identify the serial number for Small Arms/Light Weapons (SA/LW) or industrial plant equipment. For the Receipt, the serial number is used by both the DLA Disposition Services Field Offices and the DLA Disposition Services ICP. For the TRA, DLA Disposition Services Field Office provides the serial number to the TRA recipient. Refer to ADC 442 and ADC 1111. 4. Authorized for capital equipment candidates. 5. DLMS enhancement. See introductory DLMS note 5a.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note: 1. Use to identify the UII. Place UII value in REF03. The UII may not exceed 50 characters in accordance with IUID Policy. A data maintenance action was approved in version 5020. The approved code/name is "UII - Department of Defense Unique Item Identifier." 2. Authorized DLMS enhancement for DLA Disposition Services use in receipt, historical receipt, and TRA to identify the UII for SA/LW or industrial plant equipment. For the Receipt, the UII is for use by both the DLA Disposition Services Field Offices and the DLA Disposition Services ICP. For the TRA, DLA Disposition Services Field Office provides the UII to the TRA recipient. Refer to ADC 442 and ADC 1111. 3. Authorized DLMS enhancement for DLA Distribution Center receipt processing to identify the UII for reparable items returned to DoD inventory by repair contractors. Refer to ADC 1042. 4. Authorized for capital equipment candidates. Refer to ADC 1198. 5. Authorized DLMS migration enhancement. See DLMS introductory note 5g.</p>	Detailed capital equipment requirement addressed in the segment level note.
4.	2/N901/270	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note: Use to identify the serial number (when code U3 is used in REF01).</p>	Provided for context.

B. 842A/W Standard SDR, Follow-Up, Correction, Cancellation & Reconciliation Request

#	Location	DLMS 842A/W Standard SDR, Follow-up, Correction, Cancellation & Reconciliation Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p><i>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/HL01/0100	<p><u>Revise DLMS note at data element level:</u></p> <p>Hierarchical ID Number DLMS Note: Cite numeric 1 to satisfy ANSI syntax requirement. <i>In the first 2/HL/0100 loop iteration, cite numeric 1. In each subsequent loop iteration, increase incrementally by 1.</i></p>	Administrative update for clarification of data mapping requirements for IUID.
3.	2/HL03/0100	<p><u>Revise DLMS note for existing Code I:</u></p> <p>I Item DLMS Note: 1. Use to identify IUID data consistent with IUID data requirements. The IUID data is carried in the <i>NCD and REF, and N1</i> segments; the NCD segment is required by ANSI syntax; and no other segments are used in the IUID loop. <i>Must use</i> a separate IUID loop for each item. Skip this level when not applicable. The UH value and some of the associated data elements are DLMS enhancements. 2. <i>The IUID loop is an authorized DLMS enhancement; refer to introductory DLMS Note 5 on the IC cover page.</i></p>	Administrative update for clarification of data mapping requirements for IUID.
4.	2/NCD/2300	<p><u>Revise Segment Level DLMS notes as follows:</u></p> <p>DLMS Note: 1. Begin a new Must use one NCD loop for in each IUID loop. Use a new IUID loop for each item. The UH value and some of the associated data elements are future DLMS enhancements and require coordination prior to use. 2. <i>The IUID content is an authorized DLMS enhancement; refer to introductory DLMS Note 5 on the IC cover page.</i></p>	Administrative update for clarification of data mapping requirements for IUID.
5.	2/NCD03/2300	<p><u>Revise DLMS notes at the data element level as follows:</u></p> <p>Assigned Identification DLMS Note: 1. Use as a counter to satisfy ANSI syntax. Cite numeric 1. EXCEPT where additional NCD loops are used to report multiple missing component parts or when providing unique identification of discrepant items. In these instances, increase incrementally by 1 for each missing component or uniquely identified item. 2. When providing item unique identification due to a mismatch (including shortage/overage) resulting from comparison between shipping notice, due-in, or documentation, and the packaging or item, follow the numeric counter by an indicator to distinguish the item(s) received from the</p>	Administrative update for clarification of data mapping requirements for IUID. Removes obsolete information.

#	Location	DLMS 842A/W Standard SDR, Follow-up, Correction, Cancellation & Reconciliation Revision	Reason
		<p>anticipated item(s) not received. Suffix the counter by the letter R for items received and N for items not received. See ADC 1030.</p> <p>3. Use of this looping structure to describe <i>multiple missing component parts</i> or multiple incorrect items received in association with Discrepancy Code W5, Mixed Stock, is reserved for future implementation.</p>	
6.	2/REF/2600	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. Use in 2/HL/0100 IUID loop to provide IUID information. Repeat the REF segment within each IUID loop to identify relevant IUID information.</p> <p>2. This transaction will support item identification based upon the UII or the serial number. Data elements associated with the UII may be identified separately. Use the appropriate data elements to satisfy the desired functionality.</p> <p>3. In support of Financial Improvement and Audit Readiness (FIAR) compliance, capital equipment candidates require serialization data visibility. Submitters must prepare SDRs citing the applicable serial number(s) and UIIs (when available), when appropriate for the type of discrepancy (e.g., wrong item, shortage/overage, receipt in a condition other than expected, or a serial number/UII mismatch between the item and documentation). Refer to ADC 1198.</p>	Documents capital equipment requirement.
7.	2/REF01/2600	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note:</p> <p>1. Use in IUID loop to identify the serial number. 2. The serial number may not exceed 30 characters in accordance with IUID policy.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note:</p> <p>1. Use in IUID loop to identify the UII value. Cite the UII in REF03. A data maintenance action was approved in version 5020. The approved code/name is "UII - Department of Defense Unique Item Identifier." 2. The UII may not exceed 50 characters in accordance with IUID Policy.</p>	Provided for context.

C. 842S/Q Storage Quality Control Report

#	Location	DLMS 842S/Q Storage Quality Control Report Revision	Reason
1.	DLMS Introductory Notes	<u>Add ADC to DLMS Introductory Notes:</u> - ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF/2600	<u>Revise Segment Level notes as follows:</u> 1. Use in 2/HL0100 IUID loop to provide IUID information. Use a separate IUID loop for each item. Repeat the REF segment within each IUID loop to identify relevant IUID information. 2. This transaction will support item identification based upon the UII or the serial number. Data elements associated with the UII may be identified separately. Use the appropriate data elements to satisfy the desired functionality. 3. In support of Financial Improvement and Audit Readiness (FIAR) compliance, capital equipment candidates require serialization data visibility. Submitters must prepare SQCRs citing the applicable serial number(s). Include the UII when available. Refer to ADC 1198.	Documents capital equipment requirement.
3.	2/REF01/2600	<u>Revise DLMS note associated with existing Qualifier U3:</u> SE Serial Number DLMS Note: Use in IUID loop to indicate Serial Number. U3 Unique Supplier Identification Number (USIN) DLMS Note: 1. Use in IUID loop to identify the UII value. Cite the UII in REF03. Cite the Serial Number, when applicable in REF02. When a lot, batch or other type of production run number is included in the UII for uniqueness, this number will be cited in REF04. 2. A data maintenance action was approved in version 5020. The approved code/name is "UII - Department of Defense Unique Item Identifier".	Administrative update to remove obsolete mapping guidance for UII and batch number.
4.	2/REF03/2600	<u>Close REF03</u>	Administrative update to remove obsolete mapping for the UII.

D. 846R, Location Reconciliation Request

#	Location	DLMS 846R Location Reconciliation Request Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p><i>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF/390	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. At this time, the 2/REF/390 loop is not authorized for use to provide item unique identification (IUID) or Unique Item Tracking (UIT) information, except as noted below for Service Ammunition systems <i>and in support of Financial Improvement and Audit Readiness (FIAR) compliance for capital equipment.</i></p> <p>2. The entire 2/REF/390 loop is a DLMS enhancement and was added <i>Authorized</i> for use with location reconciliation request transactions to support Service Ammunition systems (i.e., Naval Operational Logistics Support Center (NOLSC) Ordnance Information System – Wholesale (OIS-W) requirement; Program Manager for Ammunition, Marine Corps Systems Command (MARCORSYSCOM) Ordnance Information System-Marine Corps (OIS-M); and Warner Robins Air Logistics Center Combat Ammunition System (CAS). See introductory DLMS notes 4a and 4e. Refer to ADC 283 and ADC 445.</p> <p>3. <i>Capital equipment candidates require serialization data visibility. Prepare location reconciliation transactions using the serial number and include the UII when available. Refer to ADC 1198.</i></p> <p>4. Must use 2/REF/390 loop in Location Reconciliation Request transactions when <i>authorized for</i> including unique item identifier (UII), serial number, and/or batch/lot number to support Service Ammunition systems.</p> <p>5. This transaction will support item identification based upon the UII or the serial number, and provides flexibility to accommodate tracking by UII or serial number. This transaction also provides for use of a batch/lot number when applicable.</p> <p>6. The 2/REF/390 loop is repeated for each item to be identified by UII, serial number or batch/lot number.</p> <p>7. If UII and serial number, and/or batch/lot number are required for the item, enter the UII in REF01, and enter the serial number and/or batch/lot number in REF04. If UII is not used, enter the serial number in REF01 and enter the batch/lot number in REF04. If only batch/lot number is required, enter the batch/lot number in REF01.</p> <p>8. The entire 2/REF/390 loop is a DLMS enhancement. See introductory DLMS note 4a.</p>	Documents capital equipment requirement.

#	Location	DLMS 846R Location Reconciliation Request Revision	Reason
3.	2/REF01/390	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note: 1. Use to identify the serial number when UII is not included. If UII is included in addition to the serial number, enter serial number in REF04. 2. DLMS enhancement. See introductory DLMS note 4a. 3. Supports Inter-Service Ammunition BG1/BG2 data requirement. See introductory DLMS note 4.e. When used with Ammunition BG1/BG2 transactions, this qualifier implies that the transaction is a BG1 (Serial Number or Lot and Serial Number Controlled Item Transaction). Refer to ADC 283 and ADC 445.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note: 1. Use to identify the UII. Place UII value in REF03. The UII may not exceed 50 characters in accordance with IUID Policy. An ANSI data maintenance was approved in version 5020. The approved code/name is "UII-Department of Defense Unique Item Identifier". 2. Authorized DLMS migration enhancement. See DLMS introductory note 4f. 3. In a mixed DLSS/DLMS environment, UII is not used in Ammunition BG1/BG2 transactions. Only authorized values for Ammunition BG1/BG2 are BT and SE.</p>	Provided for context.
4.	2/REF04-01/390	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note: 1. Use to identify the serial number when UII is entered in REF01 and serial number is also used. 2. Not used in Ammunition BG1/BG2 transactions. For BG1/BG2 requirement, SE qualifier is only used in the REF01 segment.</p>	Provided for context.

E. 856R (4030) Shipment Status Materiel Returns
Staffing Note 5: Must use 856R Version 4030 for IUID

#	Location	DLMS 4030 856R Shipment Status Materiel Returns Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p><i>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF/1500	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. Must use in 2/HL/0100 transaction reference number loops to identify the document number, fund code and the transportation control number with the shipment status transaction.</p> <p>2. Financial accounting data is provided as a DLMS enhancement. When implemented, refer to the Accounting Classification Appendix for specific entries for the basic appropriation number and supplemental accounting classification data.</p> <p>3. This transaction supports unique item identification based upon the UII. Shipment status for materiel returns will be prepared using both the serial number and UII (when available) and required by DoD IUID Supply Policy⁷ (see ADC 1071).</p> <p>4. This transaction will support association of the IUID information with the RFID tag at the IUID packaging level and/or at each higher level of packing which has been tagged.</p> <p>5. In support of Financial Improvement and Audit Readiness (FIAR) compliance, capital equipment candidates require serialization data visibility. Prepare shipment status materiel return using the serial number. Include the UII when available. Refer to ADC 1198.</p>	Documents capital equipment requirement.
3.	2/REF01/1500	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note:</p> <p>1. Use in IUID loop to identify the serial number. See ADC 1071.</p> <p>2. DLMS enhancement; see introductory DLMS Note 3f.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note:</p> <p>1. Use in IUID loop to identify the UII value in REF03. See ADC 1071. The UII may not exceed 50 characters in accordance with IUID Policy. An ANSI data maintenance action was approved in version 5020. The approved code/name is "UII - Department of Defense Unique Item Identifier".</p> <p>2. DLMS enhancement; see introductory DLMS Note 3f.</p>	Provided for context.

F. 856S (4030) Shipment Status

#	Location	DLMS 4030 856S Shipment Status Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF/1500	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. This transaction supports unique item identification based upon the UII. Pending full transition to DoD IUID Supply Policy using the UII, shipment status will be prepared using both the UII and corresponding serial number when available and required by DoD IUID Supply Policy. See ADC 1030.</p> <p>2. This transaction will support association of the IUID information with the RFID tag at the IUID packaging level and/or at each higher level of packing which has been tagged.</p> <p>3. Use this segment to comply with the DoD SLOA/Accounting Classification. Cost object elements Project Identifier, Funding Center Identifier, Functional Area, Cost Element Code, Cost Center Identifier, Activity Identifier, and Work Order Number are used as appropriate for the system. Refer to ADC 1043.</p> <p>4. In support of Financial Improvement and Audit Readiness (FIAR) compliance, capital equipment candidates require serialization data visibility. Prepare shipment status using the serial number. Include the UII when available. Refer to ADC 1198.</p>	Documents capital equipment requirement.
3.	2/REF01/1500	<p><u>Revise existing qualifiers SE and U3:</u></p> <p>SE Serial Number DLMS Note:</p> <p>1. Use in IUID loop to identify the serial number. See ADC 1030.</p> <p>2. DLA Distribution must use in shipment of items designated as capital equipment candidates. All others use in accordance with Component guidance for capital equipment. See ADC 1198.</p> <p>3. DLMS enhancement; see introductory DLMS Note 2f.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note:</p> <p>1. Use in IUID loop to identify the UII value in REF03. See ADC 1030. A data maintenance action was approved in version 5020. The approved code/name is "UII - Department of Defense Unique Item Identifier".</p> <p>2. DLA Distribution must use in shipment of items designated as capital equipment candidates when the item has been marked under IUID policy. All others use in accordance with Component guidance for capital equipment. See ADC 1198.</p> <p>3. DLMS enhancement; see introductory DLMS Note 2f.</p>	Documents requirement.

G. 867I, Issue

#	Location	DLMS 867I Issue Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p><i>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF/290	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. Must use The 2/REF/290 loop is authorized for use in Product Transfer and Resale Report (Issue) transactions when the item identified is subject to UIT requirements. <i>Also authorized in support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment. Refer to ADC 1198</i></p> <p>2. This transaction will support item identification based upon the UII or the serial number. <i>This transaction also provides for use of a batch/lot number, when applicable.</i></p> <p>3. <i>In support of FIAR compliance, capital equipment candidates require serialization data visibility. Prepare issue transactions for capital equipment using the serial number. Include the UII when available.</i></p> <p>4. This transaction also provides for use of a batch/lot number, when applicable.</p> <p>4. Use multiple iterations of 2/REF/290 segment within the 2/LX/280 loop, to provide identifying information for an item as needed.</p>	Documents capital equipment requirement.
3.	2/REF01/290	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note:</p> <p>1. Use to identify the serial number. Place serial number value in REF02.</p> <p>2. DLMS enhancement. See introductory DLMS note 5a.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note:</p> <p>1. Use to identify the UII. Place UII value in REF03. The UII may not exceed 50 characters in accordance with IUID Policy. An ANSI data maintenance was approved in version 5020. The approved code/name is "UII - Department of Defense Unique Item Identifier".</p> <p>2. Authorized DLMS migration enhancement. See DLMS introductory note 5e.</p>	Provided for context.

H. 945A (4030) Materiel Release Advice

Staffing Note 6: Must use 945A Version 4030 for IUID.

#	Location	DLMS 4030 945A Materiel Release Advice Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p><i>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers.</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/N9/1200	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. This segment supports item identification based upon the UII or the serial number.</p> <p>2. When this message supports the Retail Supply-Transportation Interface (See DLM 4000.25 Volume 3, Chapter 2), this transaction supports unique item identification (UII). Pending full transition to DoD IUID Supply Policy using the UII, the Materiel Release Confirmation will be prepared using the UII and the corresponding serial number and the batch/lot number when available when required by DoD IUID Supply Policy. Authorized DLMS enhancement. See ADC 1073.</p> <p>3. In support of Financial Improvement and Audit Readiness (FIAR) compliance, capital equipment candidates require serialization data visibility. Prepare Materiel Release Confirmation using the serial number. Include the UII when available. See ADC 1198.</p> <p>4. This segment also provides for use of a batch/lot number, when applicable.</p> <p>5. Repeat the N9 segment as needed to identify desired characteristics for the specific item.</p> <p>6. With the exception of the limited implementation authorized by ADC 1073 in support of the Retail Supply-Transportation Interface, and use with capital equipment as noted, the entire 2/N9/1200 segment is a DLMS enhancement. See introductory DLMS note 4a.</p>	Documents capital equipment requirement.

#	Location	DLMS 4030 945A Materiel Release Advice Revision	Reason
3.	2/N901/1200	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note: 1. Use to identify the serial number. The serial number may not exceed 30 characters in accordance with DoD IUID supply policy. 2. Authorized for intra-DLA use between DLA Disposition Services and DLA Disposition Field Offices to identify the serial number for Small Arms/Light Weapons (SA/LW). DLMS enhancement; Refer to ADC 449. 3. Use when this transaction supports the Retail Transportation and Supply Receipt and Acknowledgement Interchange SBSS interface with CMOS to provide the serial number. Serial number may be used alone for legacy items when UII is not assigned, otherwise use two occurrences of this segment to identify both the serial number and the UII. A maximum of 60 items may be identified for this interface. See ADC 1073.</p> <p>U3 Unique Supplier Identification Number (USIN) DLMS Note: 1. Use to identify the UII. The UII may not exceed 50 characters in accordance with DoD IUID Supply Policy. 2. Use when this transaction supports the Retail Transportation and Supply Receipt and Acknowledgement Interchange SBSS interface with CMOS to provide the UII. A maximum of 60 items may be identified for this interface. See ADC 1073. 3. A data maintenance action was approved in version 5020. The approved code/name is UII -Department of Defense Unique Item Identifier.</p>	Provided for context.

I. 947I (4030) Inventory Adjustment

Staffing Note 7: Must use 947I Version 4030 for IUID.

#	Location	DLMS 4030 947I Inventory Adjustment Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC to DLMS Introductory Notes:</u></p> <p><i>- ADC 1198, Establishing Visibility of Capital Equipment for Service Owned Assets Stored at DLA Distribution Centers</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/W1901/0200	<p><u>Add the following new qualifier AQ with DLMS note:</u></p> <p><i>AQ Unique Item Identifier (UII)/Serial Number Mismatch DLMS Note: Inventory Adjustment (UII and/or serial number mismatch). Gain, loss or dual adjustment resulting solely from UII and/or serial number mismatch. At this time a local code AQ is established for use in the 947I, version 4030. A data maintenance action has been submitted for establishment of AQ- Unique Item Identifier (UII)/Serial Number Mismatch in a future version</i></p>	Needed to support the capture of additive costs and adjustments due to management by UII and/or serial number.
3.	2/LQ01/1000	<p><u>Revise existing qualifier FC to remove the DLMS enhancement note:</u></p> <p>FC Type Physical Inventory or Transaction History Code</p> <p>DLMS Note: DLMS enhancement; see introductory DLMS note 4a.</p>	Administrative correction. The Type Physical Inventory/ Transaction History Code is not a DLMS enhancement for Inventory Adjustment. The code is in the MILSTRAP legacy D8_/D9_ format, record position 7. This administrative correction also applies to 947I version 4010.
4.	2/N9/1600	<p><u>Revise Segment Level notes as follows:</u></p> <p>1. Must use The 2/N9/1600 segment <i>is authorized for use</i> in Inventory Adjustment transactions when the item identified is subject to UIT <i>Program requirements. Also authorized in support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment.</i></p> <p>2. This segment supports item identification based upon the UII or the serial number. <i>This segment also provides for use of a batch/lot number, when applicable.</i></p> <p>3. <i>Capital equipment candidates require serialization data visibility. Prepare inventory adjustment transactions for capital equipment using the serial number. Include the UII when available.</i></p> <p>3 This segment also provides for use of a batch/lot number, when applicable.</p> <p>4. Use multiple iterations of 2/N9/1600 segment within the 2/LX/1500 loop, to provide identifying information for an item</p>	Documents capital equipment requirement.

#	Location	DLMS 4030 947I Inventory Adjustment Revision	Reason
		<p>as needed.</p> <p>5. Use in CAV Inventory Adjustment (Condition Code) Transactions to identify part numbers required to complete the repair/overhaul action and to provide an estimated receipt date for each item.</p> <p>6. DLMS enhancement. See introductory DLMS note 4a.</p>	
5.	2/N901/1600	<p><u>No change to the following:</u></p> <p>SE Serial Number DLMS Note:</p> <ol style="list-style-type: none"> 1. Use to identify the serial number. The serial number may not exceed 30 characters in accordance with IUID policy. 2. DLMS enhancement. See introductory DLMS note 4a. 3. Authorized for use by CAV. <p>U3 Unique Supplier Identification Number (USIN) DLMS Note:</p> <ol style="list-style-type: none"> 1. Use to identify the UII. The UII may not exceed 50 characters in accordance with IUID Policy. An ANSI data maintenance was approved in version 5020. The approved code/name is "UII-Department of Defense Unique Item Identifier". 2. Authorized DLMS migration enhancement. See DLMS introductory note 4e. 	Provided for context.

ENCLOSURE 2 TO ADC 1198

Make the following changes to DLM 4000.25, DLMS Volume 2

C4. CHAPTER 4. REQUISITIONING

C4.7.16.1.4. Capital Equipment Candidates. In support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare materiel release confirmation citing the applicable serial number(s) and include the Ull when available.

(Intervening text not shown)

C5. CHAPTER 5. STATUS REPORTING

(Preceding text not shown)

C5.1.1.3. Item Unique Identification.

C5.1.1.3.1. Shipment Status for NSNs containing an IUID Indicator Yes (Y), indicating that DoD ***Item Unique Identification (IUID)*** Supply Policy is required, must contain the Unique Item Identifier (Ull) and/or serial number for each item when available. See Section C5.1.3.5 for specific shipment status requirements for IUID.

C5.1.1.3.2. Capital Equipment Candidates. In support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare materiel release confirmation citing the applicable serial number(s) and include the Ull when available.

(Intervening text not shown)

C5.1.3.1. Preparation of Shipment Status. Shipment status will be provided by the shipping activity or the source of supply for direct vendor delivery (contractor direct) or in response to a requisition follow-up. The consolidation and containerization point (CCP) and other locations performing consolidation subsequent to issuance of shipment status may also provide shipment status for the purpose of identifying passive RFID. Under DLMS, the shipment status will include enhanced data content and support item unique identification (IUID) and intransit visibility requirements as directed under DoD policy/procedures (DoDM 4140.01), when available and pending full DLMS implementation/modernization. ***In support of FIAR Compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare shipment status citing the applicable serial number(s) and include the Ull when available.*** Shipment status will be provided by the DoD shipping activity, the CCP, or by the source of supply using

the DLMS 856S. Maintenance activities (organic and commercial) will provide shipment notification to the receiving activity and other interested parties when materiel is shipped to the distribution depot, DLA Disposition Services Field Office, or other designated receiving activity per source of supply/inventory control point guidance. This may be accomplished using either the DLMS 856S Shipment Status, or the DLMS 856 Advance Shipment Notice (ASN), provided via Wide Area Work Flow-Receipt and Acceptance (WAWF-RA). The DLMS Shipment Status will include asset visibility content, such as IUID, and intransit visibility requirements, such as passive RFID and the TCN as directed under DoD policy/procedures (DoDM 4140.01). DLMS enhancements include, but are not limited to the following:

(Intervening text not shown)

C5.1.3.1.3. Under the DoD IUID Supply Policy, the UII and/or serial number (when available) must be added to the shipment status transaction. Serial number without the applicable UII may be used only during MILSTRIP/DLMS transition and pending implementation of IUID capability. Paragraph C5.1.3.5 contains specific procedures to identify the UII in shipment status transactions when the NSN(s) contains the IUID Indicator Y denoting that serialized item management is required. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.**

(Intervening text not shown)

C5.1.3.2.1.1.8. IUID Data. UII and/or serial numbers (when available) must be included for NSNs with an IUID Indicator Y. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.** Requirements for including the UII in the CCP/Consolidation Shipment Status are provided in C5.1.3.5.

(Intervening text not shown)

C5.1.3.3.3. For outbound non-MILSTRIP shipments documented on a DD Form 1149, a DLMS 856S will be created. Table C5.T1 lists the minimum data elements that must be included in the shipment status message; sources of the data are the DD Form 1149 and pRFID tag information. Shipment status applicable to shipment of GFP will perpetuate all GFP contract data from the shipping documentation, to include the contract number authorizing GFP, and the call/order and CLIN when provided. For NSNs containing the IUID Indicator Y, include the UIIs and/or serial number(s) for each item when available. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.**

Update Table C5.T1. Non-MILSTRIP Shipment Status Message as shown.

Table C5.T1. Non-MILSTRIP Shipment Status Message

ITEM #	DATA ELEMENT	X12 REFERENCE	VALUE
21.	Unique Item Identifier	REF01	U3
		REF02	[UII]
22.	Serial Number	REF01	SE
		REF02	[Serial Number]
		REF02	[UII]

(Intervening text not shown)

C5.1.3.5.1. UII and/or Serial Number on Shipment Transactions. For NSNs that contain the IUID Indicator Y, storage activities (or initial shipping activity) will provide the UII and/or serial number, on outbound shipment status using the DLMS 856S transaction. If the UII is not available provide the serial number if available. The long-term end state goal is to rely on the UII only. Table C5.T2 shows the decision matrix that applies to scenarios where the UII and/or serial number may not be available when the item is being shipped. The overriding vision is that, pending full transition to DoD IUID Supply Policy using the UII, processing of outgoing shipments does not stop due to lack of a viable UII and/or serial number when the NSN contains an IUID Indicator Y. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.**

(Intervening text not shown)

C5.1.3.5.5. Scenarios for Including the UII in the Shipment Status. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.**

C6. CHAPTER 6. PHYSICAL INVENTORY CONTROL

(Intervening text not shown)

C6.13. CAPITAL EQUIPMENT CANDIDATES

C6.13.1. General. This section addresses additional procedures applicable to capital equipment candidates.

C6.13.1.1. Capital Equipment Candidates. In support of Financial Improvement and Audit Readiness (FIAR) Compliance for accountability and management of capital equipment, items identified as capital equipment

candidates require management and visibility by both the owner and storage activity by serial number (and unique item identifier (UII) if available). Owners will, within their AISs, have constant knowledge of the physical location (DoDAAC/RIC level) of each instance of an item uniquely identified by its serial number (and UII if available). The owner of the item will maintain records of which storage activity has a particular instance of an item identified by its serial number (and UII if available). This requires record keeping by the owner and storage activity and the constant exchange of all balance affecting transactions between them to ensure that the records of both reflect the correct NSN, storage location, owner, supply condition code and serial number (and UII if available). Storage activities will maintain locator records by NSN, owner, supply condition code and serial number (and UII if available). Owners will maintain records on their Accountable Property System of Record (APSR) by NSN, storage activity (DoDAAC/RIC level), SCC, and serial number (and UII if available).

C6.13.1.2. Capital equipment candidate items are items having the following characteristics; (1) have a FLIS IUID Indicator (Y); (2) are within Classes of Supply II, VII, and VIII; and (3) have a current Unit Price recorded in the FLIS of at least \$100,000. Not all capital equipment candidate items will ultimately be reported on financial accountability statements.

C6.13.2 Conduct of Physical Inventories. The transaction history request, response to transaction history request when no history is available, physical inventory request, response to physical inventory request and end of day transaction count will not contain serial numbers or UIIs. However, when the owner initiates a physical inventory request for a capital equipment candidate item to assist in resolving discrepancies where the only difference between the owner records and the storage activity records is the serial number (or UII if available), the physical inventory request will contain Type of Physical Inventory Code B. Owners will initiate a physical inventory when a mismatched condition on serial number (and UII when available) is identified between its records and transactions received. The owner will first request a physical inventory of all owners be conducted by the storage activity that sent the transaction generating the mismatched condition. If the initial physical inventory is unable to resolve the mismatched condition the owner may need to coordinate requests for physical inventories with DLA Distribution to conduct inventories of all owners at all other storage activities storing that NSN.

C6.13.2.1. Owner/manager processing a materiel release confirmation from a storage activity where the owner does not have a matching record of the serial number (and UII if available) or the owner/manager records have that serial number (and UII if available) located at other than the storage activity reporting the release/issue of the item. Either of these conditions may necessitate a complete inventory be taken at all storage locations for all owners and supply condition codes.

C6.13.2.2. Owner/manager processing receipts, issues, or inventory adjustments from storage activities where there is a mismatch on serial number (and Ull if available) between the owner records and storage activity transactions reporting which serial number (and Ull if available) will at a minimum necessitate an inventory and research to resolve the discrepancy.

C6.13.2.3. Owner/managers processing location reconciliation history transactions resulting from End-of Day processing or an owner initiated location reconciliation request where there is a mismatch on serial number (and Ull if available) between the owner records and the storage activity transactions. The history transactions for capital equipment candidate items will perpetuate the serial numbers (and Ulls if available) that were included on the original transactions.

C6.13.3. Location Survey

C6.13.3.1. Location survey requires a physical verification, other than actual count, between assets and recorded location data to ensure that all assets are properly recorded.

C6.13.3.2. Due to the nature of capital equipment candidate items, these items are frequently in individual storage locations within the storage activity. The storage activity may, for items of this nature, include the serial number (and Ull if available) verification as part of the location survey. When a discrepancy is identified during the location survey program (Type I or Type II error (see paragraphs C6.8.1.2.1. and C6.8.1.2.2.)), the storage activity will conduct prompt research and assess the need for a special inventory Physical Inventory Request Transaction with Type of Physical Inventory/Transaction History Code K).

C6.13.4. Location Reconciliation. Storage activities will prepare location reconciliation requests by line item. For capital equipment candidates, the line item = NSN + SCC + serial number + Ull (when available).

C6.13.5. Capital Equipment Candidates Inventory Adjustments. The inventory adjustment function encompasses increases, decreases, or dual adjustments. The C6.4 procedures for processing and reporting of Inventory Adjustments (Physical Inventory) also apply to apply to Inventory Adjustments (Ull and/or Serial Number Mismatch) with the following additions:

C6.13.5.1. Capital equipment candidate items inventory adjustment gain, loss, or dual adjustment transactions will include the serial number (and Ull if available). Adjustments due solely to the need to correct serial number and/or Ulls will always be for a quantity of 1.

C6.13.5.2. Capital equipment candidate items where a discrepancy exists solely on mismatched serial number and/or Ull will include Quantity or Status Adjustment Reason Code AQ (Inventory Adjustment (Ull and/or serial

number mismatch)) in the inventory adjustment transaction, Chapter 7, Table C7.T1 contains the quantity or status adjustment reason codes.

C6.13.6. Research of Potential or Actual Inventory Adjustments (UII and/or serial number mismatch) (DLMS 947I with Quantity or Status Adjustment Reason Code AQ)

C6.13.6.1. DoD Components will ensure that potential or actual inventory adjustments for capital equipment candidate items that result in an inventory adjustment are reported with Quantity or Status Adjustment Reason Code AQ and are researched in accordance with the procedures paragraph C6.4.

C6.13.6.2. Due to the value of capital equipment candidate items, discrepancies will always require the most demanding research requirements set forth in Table C6.T3.

C7. CHAPTER 7. INVENTORY ADJUSTMENTS

(Intervening text not shown)

Add new C7.1.1.1.5, and renumber existing C7.1.1.1.5:

C7.1.1.1.5. Discrepancies disclosed by physical inventory due to unique item identifier (UII) and/or serial number mismatch.

(Intervening text not shown)

Add new Quantity or Status Adjustment Reason Code AQ to Table C7.T.1.

C7.1.2.1.2. Inventory adjustments are further broken down by the DLMS 947I, ASC X12 warehouse adjustment item detail segment (2/W1901/0200) Quantity or Status Adjustment Reason Code. The quantity or status adjustment reason codes correlate to the 3rd position of MILSTRAP legacy DICs D8_/D9_ or DAC/DAC/DAS as identified in Table C7.T1:

Table C7.T1. DLSS DIC/DLMS Quantity or Status Adjustment Reason Code Correlation

W1901 Quantity or Status Adjustment Reason Code	Explanation	Corresponding MILSTRAP legacy DIC
AQ	<i>Inventory Adjustment (UII and/or serial number mismatch). Gain, loss, or dual adjustment resulting solely from UII and/or serial number mismatch.</i>	<i>Not Applicable to legacy MILSTRAP</i>

(Intervening text not shown)

Add new C7.6, and renumber remaining paragraphs:

C7.6. INVENTORY GAINS AND LOSSES DUE TO UNIQUE ITEM IDENTIFIER AND/OR SERIAL NUMBER MISMATCH. Procedures concerned with inventory adjustments due to UII and/or serial number mismatch losses or gains are contained in Chapter 6.

C11. CHAPTER 11. MATERIEL RETURNS, REDISTRIBUTION OF ASSETS, DIRECTED DISCREPANT/DEFICIENT MATERIEL RETURNS, AND RETROGRADE RETURNS

(Preceding text not shown)

C11.7.1.2. Reporting activities returning materiel under MRP will prepare and submit a DLMS 856R, Shipment Status Materiel Returns, with unique item identifier (UII) and/or corresponding serial number(s) for NSNs containing an **item unique item identifier (IUID)** Indicator Yes (Y), indicating that DoD IUID Supply Policy compliance is required, after materiel directed for return is released to the carrier. **The exception to the forgoing in support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare shipment status materiel returns citing the applicable serial number(s) and include the UII when available.** Prepare a separate DLMS 856R for each shipment. Exercise care to ensure that appropriate data content, including suffix of the individual DLMS 870M, Reply to Customer Asset Report (MILSTRIP Legacy DIC FTR), is perpetuated in the DLMS 856R. The DLMS 856R will be sent to the ICP/IMM and the designated return-to activity. the ICP/IMM is not required to store UIIs or serial numbers **except for capital equipment candidates that require serialization data visibility.**

(Intervening text not shown)

C11.8.3. ICP/IMM Follow-Ups on Directed Returns (DLMS 870M). Upon receipt of DLMS 870M, ICP/IMM Follow-Up, from the ICP/IMM, the reporting activity will review records to determine whether a DLMS 870M, Reply to Customer Excess Report, had been received. If there is no record of having received DLMS 870M reply to the customer excess report, the 870M ICP/IMM Follow-Up transaction will be converted to DLMS 870M, Reply to Customer Excess Report, and processed. If shipment has not occurred, DLMS 870M, Materiel Returns Program Supply Status, citing the ESD will be submitted. If records indicate that shipment has occurred, the transportation activity will be queried to ensure that the materiel has been shipped. If the materiel has been shipped, a new DLMS 856R, will be prepared and submitted identifying the quantity shipped to include UIIs and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. The DLMS 856R will be sent to the ICP/IMM and the designated receiving activity. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.** If materiel has not been shipped, determine when the shipment will be made and follow the above procedures. When less than the total quantity contained in the original DLMS 870M is to be shipped,

the reporting activity will respond to the DLMS 870M, ICP/IMM Follow-Up, with DLMS 870M, Materiel Returns Supply Status, for the quantity to be shipped and DLMS 180M for the quantity that will not be shipped. If any of the shipment has already occurred, the reporting activity will respond to DLMS 870M (ICP/IMM Follow-up), with DLMS 856R for the quantity that has been shipped, to include UIIs and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. The DLMS 856R indicating partial shipment will be sent to the ICP/IMM and the designated receiving activity. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.** A DLMS 870M supply status and/or DLMS 180M cancellation will be sent to the ICP/IMM for the remaining portions of the originally reported quantity, as appropriate.

(Intervening text not shown)

C11.9.1. Items Designated by a Supply Source for Automatic Return. DLMS 180M Automatic Return Notification is used for items by a source of supply for automatic return. Supply sources will notify reporting activities of the location to which items so designated are to be shipped. The returning activity will prepare and submit the DLMS 856R (MILSTRIP Legacy DIC FTM) with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.** Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements. The DLMS Automatic Return Notification supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the returning activity's Service/Agency and Fund Code. If discrete values for the SLOA data elements in the transaction do not match data elements from the SFIS Fund Code to Fund Account Conversion Table for the Fund Code in the transaction, reject with the DLMS 870M Materiel Returns Supply Status citing Status Code CF.

(Intervening text not shown)

C11.9.2.2. PICAs will notify SICAs of the NSN and the storage organization to which such items are to be shipped. PICAs will also notify the receiving storage activity of the NSN of such items to be returned. The SICAs will perpetuate this information and the PICA RIC to the materiel holder/SICA activities using intra-DoD Component procedures. The materiel holder will prepare and submit the DLMS 856R with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.** The materiel holder will send the DLMS 856R to the SICA and the designated return-to activity, with a copy to the PICA when

directed by the SICA. The PICA will be identified as the Party to Receive Status in the DLMS 856R.

C11.9.2.3. If there is no DoD Component SICA for the items identified for automatic return by a PICA (e.g., Coast Guard), the PICA will provide the information to the appropriate DoD Component designated activity. The materiel holder will prepare and submit the DLMS 856R with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. **Capital equipment candidates require serialization data visibility and therefore must cite the serial number and include the UII when available.** The materiel holder will send the DLMS 856R to the PICA and the designated return-to activity.

C11.9.2.4. For SICA-approved returns, the SICA will provide disposition instructions to the materiel holder under normal intra-Service implementing instructions. The materiel holder will prepare and submit the DLMS 856R with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. The materiel holder will send the DLMS 856R to the SICA and the designated return-to activity. The SICA is not required to store the UIIs and/or serial numbers, **with the exception of capital equipment candidates require serialization data visibility.**

(Intervening text not shown)

C11.13.1. Preparation of Shipment Status. Shipment status provides information and normally requires no subsequent documentation. For NSNs containing an IUID Indicator Y, UII(s) and/or corresponding serial numbers must be included in the DLMS 856R, indicating that DoD IUID Supply Policy compliance is required. **The exception to the forgoing in support of FIAR compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare shipment status materiel return citing the applicable serial number(s) and include the UII when available.** The DLMS 856R will be provided by the materiel holder and sent to both the ICP/IMM and the return-to activity.

C11.13.1.3. Shipments containing IUID data content (e.g., UIIs and/or serial numbers) and requiring more than one freight piece to execute the movement must have a unique TCN assigned to each freight piece by using a partial indicator in the 16th position of the TCN. Multiple freight piece shipments using the same TCN for all related freight pieces are not authorized when IUID content is required **or when capital equipment candidates that require serialization data visibility where the serial number is mandatory and UII is provided when available.**

C11.13.2. ICPs/IMMs will receive shipment status transactions and update appropriate ICP/IMM records. Shipment status with UII(s) and/or corresponding serial numbers under DoD IUID Supply Policy requirements, will be received by ICP/IMM, but they are not expected to store and track by UII, **with the exception of management of**

capital equipment candidates that require serialization data visibility. The shipment date indicated in DLMS 856R, Shipment Status Materiel Returns, is available to ICPs/IMMs to verify in-transit status and provide information on expected receipts. DLMS 856R received for items not under control of the ICP/IMM will be rejected to the reporting activity using DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), with reject Status Code SC. DLMS 856Rs that do not pass data field validity checks will be rejected to the reporting activity using DLMS 870M, with the appropriated S series status code.

(Intervening text not shown)

C11.20. DIRECTED DISCREPANT/DEFICIENT MATERIEL RETURNS AND RETROGRADE RETURNS

(preceding text not shown)

C11.20.2.3. The materiel returns shipment status will include passive radio frequency identification (pRFID), and for NSNs containing an IUID Indicator Y, UII(s) and/or corresponding serial numbers must be included in the DLMS 856R, indicating that DoD IUID Supply Policy compliance is required.

C11.20.2.4. Capital Equipment Candidates. In support of FIAR compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must process directed returns for SDR, PQDR TDR and retrograde returns citing the applicable serial number(s) and include the UII when available.

(Intervening text not shown)

C11.20.3.1. Supply Discrepancy Report

(Preceding text not shown)

C11.20.3.1.4. The returning activity will prepare the DLMS 856R, materiel returns shipment status citing the Return Type Code, identifying the reason for return for which the materiel returns shipment status is provided. If the controlling document number for the directed return is the same as the customer's requisition, a unique transportation control number (TCN) (not derived from the original document number) will be identified. The shipment status will perpetuate the DoD WebSDR control number (required where electronic interface is available to facilitate inclusion of this data content). The materiel returns shipment status will include pRFID, and for NSNs containing an IUID Indicator Y, UII(s) and/or corresponding serial numbers must be included in the DLMS 856R, indicating that DoD IUID Supply Policy compliance is required. Shipment returns containing IUID data content (e.g., UIIs and/or serial numbers ***or for capital equipment candidates serial number and Uii if available***) and requiring more than one freight piece to execute the movement must have a unique TCN assigned to each freight piece by using a partial indicator in the 16th position of the TCN. Multiple freight piece shipments using the same TCN for all related freight pieces

are not authorized when IUID content is required. The shipment status will be directed to the ICP/IMM (or other organization that directed the return). **With the exception of capital equipment candidates that require serialization data visibility**, the ICP/IMM (or other organization directing the return) is not required to store the UIIs and/or serial numbers. The shipment status will also be directed to the return-to activity when identified by DoDAAC. DAAS will transmit to DLMS capable activities as identified.

(Intervening text not shown)

C11.20.3.2. Product Quality Discrepancy Report

(Preceding text not shown)

C11.20.3.2.4. The returning activity will prepare DLMS 856R, materiel returns shipment status citing the Return Type Code indicating the reason for the shipment status as deficient materiel returns. If the controlling document number for the directed return is the same as the customer's requisition, a unique TCN (not derived from the original document number) will be identified. The materiel returns shipment status will perpetuate the PQDR RCN. The materiel returns shipment status will include pRFID, and for NSNs containing an IUID Indicator Y, UII(s) and/or corresponding serial numbers must be included in the DLMS 856R, indicating that DoD IUID Supply Policy compliance is required. Shipment returns containing IUID data content (e.g., UIIs and/or serial numbers **or for capital equipment candidates requiring serial numbers and UIIs if available**) and requiring more than one freight piece to execute the movement must have a unique TCN assigned to each freight piece by using a partial indicator in the 16th position of the TCN. Multiple freight piece shipments using the same TCN for all related freight pieces are not authorized when IUID content is required. The shipment status will be directed to the ICP/IMM (or other organization that directed the return). **With the exception of capital equipment candidates that require serialization data visibility**, the ICP/IMM (or other organization directing the return) is not required to store the UIIs and/or serial numbers. The shipment status will also be directed to the return-to activity when identified by DoDAAC. DAAS will transmit to DLMS capable activities as identified.

(Intervening text not shown)

C11.20.3.3. Transportation Discrepancy Report

(Preceding text not shown)

C11.20.3.3.4. The returning activity will prepare DLMS 856R materiel returns shipment status citing a Return Type Code indicating the reason for the shipment status is applicable to a TDR directed return. If the controlling document number for the directed return is the same as the original shipment, a unique TCN (not derived from the original document number) will be identified. The materiel returns shipment status will perpetuate the TDR control number. The materiel returns shipment status will include pRFID, and for NSNs containing an IUID Indicator Y, UII(s) and/or corresponding serial numbers must be included in the DLMS 856R, indicating that DoD

IUID Supply Policy compliance is required. Shipment returns containing IUID data content (e.g., UIIs and/or serial **numbers or capital equipment candidates requiring serial numbers and UIIs if available**) and requiring more than one freight piece to execute the movement must have a unique TCN assigned to each freight piece by using a partial indicator in the 16th position of the TCN. Multiple freight piece shipments using the same TCN for all related freight pieces are not authorized when IUID content is required. The shipment status will be directed to the ICP/IMM (or other organization that directed the return). **With the exception of capital equipment candidates that require serialization data visibility**, the ICP/IMM (or other organization directing the return) is not required to store the UIIs and/or serial numbers. The shipment status will also be directed to the return-to activity. DAAS will transmit to DLMS capable activities as identified.

(Intervening text not shown)

C11.20.3.4. Retrograde Returns. These procedures apply to returns for which materiel returns shipment status (DLMS 856R/DIC FTM) is not provided under the above MILSTRIP Materiel Returns Program.

(Preceding text not shown)

C11.20.3.4.4. The returning activity will prepare DLMS 856R materiel returns shipment status citing a Return Type Code indicating the reason for the shipment status is applicable to return/retrograde movement. The materiel returns shipment status will perpetuate the associated document number. A unique TCN (not derived from the original document number) will be identified. A customer reference number may be included when applicable to identify the original requisition document number. The materiel returns shipment status will include pRFID, and for NSNs containing an IUID Indicator Y, UII(s) and/or corresponding serial numbers must be included in the DLMS 856R, indicating that DoD IUID Supply Policy compliance is required. Shipment returns containing IUID data content (e.g., UIIs and/or serial numbers **or capital equipment candidates requiring serial numbers and UIIs if available**) and requiring more than one freight piece to execute the movement must have a unique TCN assigned to each freight piece by using a partial indicator in the 16th position of the TCN. Multiple freight piece shipments using the same TCN for all related freight pieces are not authorized when IUID content is required. The shipment status will be directed to the ICP/IMM (or other organization that directed the return). **With the exception of capital equipment candidates that require serialization data visibility**, the ICP/IMM (or other organization directing the return) is not required to store the UIIs and/or serial numbers. The shipment status will also be directed to the return-to activity when identified by DoDAAC. DAAS will transmit to DLMS capable activities as identified.

C13. CHAPTER 13. MATERIEL RECEIPT

(Preceding text not shown)

C13.1.4. Use of DLMS 527R for Receipt. DLMS 527R will be used by receiving activities to report both receipts and historical receipt information to owners and other management control activities.

C13.1.5. Capital Equipment Candidate Receipts. In support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare receipts for capital equipment candidate items to include the serial numbers (and Ulls if available). The DSS storage activity will send the receipt transaction to the owner and include the serialized data for the owner records.

(Intervening text not shown)

C13.2.1.1. Post receipts to the total item property record by changing or adding to data in the advance receipt information (ARI) file established under Chapter 12, (Due-In and Advance Receipt Information) procedures, or by extracting data from the consignment documentation. ***For capital equipment candidates, receiving activities will maintain the serial numbers (and Ulls if available) on their records.***

(Intervening text not shown)

C13.2.8.2.1. Discrepancy Determination. Upon receipt of all incoming materiel shipments, from procurement instrument and non-procurement instrument sources, receiving activities will research all available documentation and item markings (i.e., transaction or contract number, national stock number (NSN), or other, item identification number, ARI file, quantity, condition, inspection/acceptance requirements, etc.) to determine the receipt data. Using this data, receiving activities will determine if a discrepancy/deficiency (hereafter referred to as discrepancy or discrepant) exists and will identify its nature. ***For capital equipment candidate items, mismatches on serial number (and Ull) will be considered discrepancies.***

(Intervening text not shown)

C13.2.8.2.4.8. The ~~Item Unique Identification (IUID)~~ Registry for serially managed assets

(Intervening text not shown)

C13.2.8.2.8.13 Capital Equipment Candidate Item Serial Number (and Ull if available). Report discrepancies on serial number (and Ull if available) using the procedures contained in Chapter 17.

(Intervening text not shown)

C13.2.8.2.8.14. Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the appropriate authority before reporting the receipt or submitting the discrepancy report. See C13.2.8.2., above, for storage and accountability requirements.

C14. CHAPTER 14. ISSUE, LOAN, DEMAND, AND SINGLE MANAGER FOR CONVENTIONAL AMMUNITION FREEZE/UNFREEZE ACTION

(Preceding text not shown)

C14.2.1.1.4. Capital Equipment Candidate Issues. *In support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare issue transactions for capital equipment candidate items to include the serial number(s) (and Ull(s) if available).*

C17. CHAPTER 17. SUPPLY DISCREPANCY REPORTING

(Preceding text not show)

C17.3.2.3. Condition of Materiel

C17.3.2.3.1. Condition Misrepresented. Report when the condition of an item valued in excess of \$100 per line-item is found to be other than shown on the shipping document, or, in the case of subsistence, on supporting inspection/test certificates or records. Use the hazardous materiel discrepancy code when applicable.

C17.3.2.3.1.1. *For UIT program items, SDRs indicating a receipt in other than the original condition shipped will include Ull and serial number (when available) for the discrepant quantity received. When all items are discrepant, no Ull and/or serial number is required for IUID materiel as this information is already known to the relevant parties.¹*

C17.3.2.3.1.2. *For Capital equipment candidate items, SDRs indicating a receipt in other than the original condition shipped will include Ull and serial number (when available) for the discrepant quantity received. When all items are discrepant, no Ull and/or serial number is required for IUID materiel as this information is already known to the relevant parties.*

(Intervening text not shown)

¹ Refer to ADC 1198.

C17.3.8. Discrepancies in Item Unique Identification (IUID) Data.²

C17.3.8.1. Report supply-related discrepancies involving IUID under DoD IUID Supply policy, including but not limited to Unique Item Tracking (UIT) programs, **capital equipment candidates**, or as contractually required. SDRs identifying discrepancies in unique identification will be prepared citing both UII and/or corresponding serial number, when both are available. Applicability under DoD IUID Supply Policy is identified by NSNs with IUID Indicator Yes (Y). For missing or mismatched unique item identification of items that are DoD serially-managed/tracked, use the applicable U-series discrepancy code (see Table C17.T1.). Report missing or mismatched materiel identification unrelated to IUID (e.g. missing or mismatched part number or NSN) using the applicable packaging (labeling/marketing), documentation, technical data, or wrong item discrepancy code(s). Report quality-related deficiencies involving IUID, (e.g., improperly constructed unique item identifier within the 2D data matrix), using Product Quality Deficiency Report (PQDR) procedures under DLA Regulation 4155.24, et al. ***In support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Thus capital equipment candidates received without a serial number will not only require an SDR, but will stop the equipment in the supply chain until a serial number is identified and the materiel is marked. Submitters must prepare discrepancy reports citing the applicable serial number(s) and include the UII when available.***³

C17.3.8.2. In order to facilitate reporting of discrepancies, particularly those involving discrepancies where inclusion of the IUID information is required/desirable, the SDR submission process should be integrated with the receiving process, allowing receipt data to be captured once and reused. IUID discrepancies may be related to the packaging label, including automated information technology (AIT) readable content; the item marking, including AIT readable marks; supply documentation; the due-in record; and/or a mismatch between the item and any of these. When reporting an IUID mismatch (including shortage, overage, and incorrect item) the IUID content may be specifically identified as applicable to items received or not received using the IUID Received/Not Received Indicator. If no indicator is provided, the UII and/or serial number will be interpreted as applicable to the materiel received. Pending integrated capability to support IUID reporting in SDRs, remarks text may also be used to clarify the specific mismatched data. Additionally, attachment files may be uploaded/transmitted to DoD WebSDR to identify UIIs and/or serial numbers

C17.3.8.3. Discrepancies involving missing or mismatched unique identification identified during receipt of new procurement materiel (including direct vendor delivery (DVD)) must be reported prior to acceptance. Materiel may be placed in a suspended condition pending resolution. Discrepancies that result in incorrect information within the IUID registry at DLA Logistics Information Service must be

² Refer to ADC 1030.

³ ***Refer to ADC 1198***

reported by the receiving activity for corrective action. Pending development of procedures for direct routing of SDRs to DLA Logistics Information Service, send an email to the DLA Logistics Information Service IUID Help Desk (iuid.helpdesk@dla.mil). Missing IUID content in DLMS transactions will not be reported for stock shipments pending full transition to DoD IUID Supply Policy procedures except as applicable to UIT programs **and capital equipment candidates**.

(Intervening text not shown)

C17.3.8.8. SDRs prepared for a receipt in other than the original condition shipped where the materiel is identified by IUID Indicator Y will include the UII and serial number as required in para C17.3.2.3.