DoD Manual 4140.26, Volume 2

DoD Integrated Materiel Management for Consumable Items: Logistics Assignments

Originating Component: Office of the Under Secretary of Defense for Acquisition and Sustainment

Effective: June 10, 2021


Approved by: Paul Cramer, Performing the Duties of Assistant Secretary of Defense for Sustainment

Purpose: This issuance is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directive (DoDD) 5135.02 and DoD Instruction (DoDI) 4140.01:

- This manual provides requirements and procedures for integrated materiel managers and others who work within or with the DoD supply system to:
  - Determine if an item qualifies for integrated materiel management (IMM).
  - Submit and process supply support requests and logistics assignments.

- This volume assigns responsibilities and establishes uniform guidance for IMM processes and management controls dealing with IMM and logistics assignments and reassignments of consumable items to eliminate multi-management of items.
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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance applies to:

a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

b. Non-DoD U.S. Government civil agencies participating in the Federal Catalog Program and that use the Federal Catalog System for consumable item management, referred to collectively in this volume as “participating U.S. Government civil agencies,” but only when and to the extent they adopt the conditions, terms, and requirements of this manual.

c. Use of the Federal Catalog System by U.S. Government civil agencies participating with the DoD Components in the Federal Catalog Program, for a uniform system of item identification; but only when and to the extent they adopt the conditions, terms, and requirements of this manual.

d. Consumable items logistically assigned for management by the Integrated Materiel Management Committee (IMMC).
SECTION 2: RESPONSIBILITIES

2.1. ASSISTANT SECRETARY OF DEFENSE FOR SUSTAINMENT (ASD(S)).

Under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment, the ASD(S):

a. Oversees logistics assignment and logistics reassignment (LR) procedures to optimize resources and leverage collaboration between support providers and customers to meet established support strategies with required controls for auditable processes.

b. Reviews recommendations from the IMMC on the logistics assignment of:

   (1) The management of consumable items in the DoD supply chain.

   (2) Item management codes (IMCs).

2.2. DOD COMPONENT HEADS.

The DoD Component heads:

a. Implement the procedures in this volume.

b. Prepare intra-agency implementing instructions.

c. Provide uniform management of consumable items as part of the Federal Catalog Program.

2.3. SECRETARIES OF THE MILITARY DEPARTMENTS AND DIRECTOR, DEFENSE LOGISTICS AGENCY (DLA).

In addition to the responsibilities in Paragraph 2.2., the Secretaries of the Military Departments and the Director, DLA:

a. Implement the procedures in this volume to integrate materiel management, reduce redundant inventories, and provide timely supply support to customers.

b. Retain responsibility for engineering support, configuration management, and current technical data in support of the integrated materiel manager for transferred items in accordance with DoDI 4140.69.

c. Establish logistics assignment monitors in their respective inventory control points (ICPs) and supply activities.

d. Monitor all matters related to logistics assignments within their respective IMM activities and between integrated materiel managers.
e. Coordinate and resolve any problems resulting from logistics assignments that cannot be resolved at the integrated materiel manager level.

f. Review and recommend revisions of policies and establish internal supplemental procedures.

2.4. ADMINISTRATORS OF PARTICIPATING U.S. GOVERNMENT CIVIL AGENCIES.

The administrators of participating U.S. Government civil agencies, when agreed to by these agencies:

   a. Implement the procedures in this volume.

   b. Prepare intra-agency implementing instructions.

   c. Provide uniform management of consumable items as part of the Federal Catalog Program.
SECTION 3: LOGISTICS ASSIGNMENT PROCEDURES

3.1. STANDARD GUIDELINES FOR LOGISTICS ASSIGNMENT ACTIONS.

DoD Components and participating U.S. Government civil agencies:

a. Logistically assign items with the appropriate IMC.

b. Periodically review all the characteristics of an item to determine the appropriate item manager, which can be either:

   (1) A Military Department;

   (2) DLA; or

   (3) The General Services Administration (GSA).

c. Determine the appropriate integrated materiel manager based on the review.

d. Process an LR action with an IMM change for:

   (1) Items that an ICP codes for item management to an integrated materiel manager after the integrated materiel manager acknowledges and accepts materiel management responsibilities for the items.

   (2) Integrated materiel managers that resulted from a DLA reclassification action.

   (3) Items assigned or transferred to an integrated materiel manager, if the item management coding requirement is waived by the ASD(S).

   (4) The transfer of items between integrated materiel managers.

   (5) The transfer of an entire Federal supply classification (FSC) from one manager to another without change in the national stock number (NSN).

e. Process LR actions with a transition period of three phases based upon the effective transfer date (ETD):

   (1) The pre-ETD phase:

      (a) Begins the day the gaining item manager (GIM) assignment or ETD is disseminated by DLA to the GIM or to the losing item manager (LIM).

      (b) Terminates on the ETD.

   (2) The ETD phase is the date of the LR, the specific point in time for any LR actions involving data requirements that reflect conditions as of the ETD. This includes actions that are
necessary to execute the LR, even though the actions may be taken immediately before or after the actual ETD.

(3) The post-ETD phase:

(a) Begins immediately following the ETD.

(b) Includes all actions that do not specifically involve data requirements that reflect conditions as of the ETD.

f. Use the Federal Logistics Information System (FLIS) for all logistics assignment actions in accordance with DoD Manual (DoDM) 4100.39.

g. Process items in the FLIS with a document identifier code for item management coding data as identified in Table 105, Volume 10, of the Cataloging Data and Transaction Standards (CDTS).

h. Transfer stocked items that are on hand or on order in the quantity that will satisfy current backorders for pipeline requirements.

3.2. EXCEPTIONS TO THE LR PROCEDURES.

The DoD Components and participating U.S. Government civil agencies identify exceptions to the LR procedures for a review when:

a. GSA is involved in the LR as a GIM.

b. Either the U.S. Coast Guard or a non-IMM civilian activity (e.g., performance-based lifecycle product support logistics contract) is the LIM. In this case the DoD Component determines appropriate LR actions for the LIM.

c. Differences arise in DLA’s or a Military Department ICP’s and GSA’s mission responsibilities, supply system capabilities, and funding methods.

d. An item in an interchangeable and substitutable (I&S) family is identified for LR. In this case the DoD Component reviews all items in the I&S family.

e. An inactive item is coded in the FLIS with the appropriate acquisition advice code (AAC) as listed in Table 58, Volume 10, of the CDTS. In this case the DoD Component processes an LR if the item is related to a transferable item by way of an I&S family, an I&S code, or an item standardization code.

f. The LIM coordinates with all organizations that use the item to reach a consensus on the assignment of a single materiel manager for the item from two or more organizations that are potential GIMs:

   (1) The Military Departments.
(2) DLA.

(3) Participating U.S. Government civil agencies.

g. The LR involves an uncompleted contract. The LIM and the GIM review all actions with the responsible procurement offices and the Defense Contract Management Agency before initiating the transfer of contracts, items, or responsibilities.

h. Items are in GSA FSCs for IMM reassignment to DLA:

(1) When equipment, components, replacement parts, tools, or supply items are uniquely designed or altered for military use only.

(2) When items have the appropriate AAC as listed in Table 58, Volume 10, of the CDTS.

3.3. ACTIONS TAKEN AFTER AN LR.

a. After an LR is complete, the LIM:

(1) Uses the stock items in the pipeline, in accordance with Volume 2 of DoDM 4140.01, to meet:

   (a) Forecasted demands through a period of time equal to the procurement lead-time; and

   (b) The safety level quantity or other war reserve materiel requirements.

(2) Transfers stock items remaining in the pipeline to the GIM, after meeting the demands in Paragraph 3.3.a.(1).

(3) Cancels materiel obligations supplied by direct vendor delivery, since such obligations cannot be transferred from the LIM to the GIM.

(4) Transfers wholesale materiel to the GIM on a non-reimbursable basis.

(5) Retains retail materiel and industrial fund accounting materiel as operating material held for use, in accordance with DoD 7000.14-R.

(6) Retains stock that stratifies in accordance with Volume 6 of DoDM 4140.01 beyond the total retention limits based on the stratification completed before the LR.

(7) Retains items based on the IMC and the demilitarization code, as specified in Volume 2 of DoDM 4160.28. Items that have been approved as a special waiver to the consolidation of an IMM as indicated by the IMC cannot be transferred to DLA or GSA.

(8) Negotiates with DLA or GSA coordinators on major transfers involving DLA or GSA wholesale item management or the transfer of an FSC.
b. After an LR is complete, the Military Departments:

(1) Process asset accountability and the interchange of related information for items recorded in the materiel management and distribution systems in accordance with Volumes 1 and 2 of Defense Logistics Manual (DLM) 4000.25.

(2) Transfer LR data records via electronic transmission.

3.4. LR ACTIONS.

a. The integrated materiel manager, LIM, and GIM:

(1) Monitor all matters related to LRs for items migrating to and from their management.

(2) Review and recommend revision of policies, establish internal procedures, and coordinate resolution of problem areas with other integrated materiel managers.

(3) Appoint LR monitors and alternates to:

   (a) Act as single points of contact on all matters relating to LRs.

   (b) Interface directly with their respective counterpart monitors at the DLA ICPs, Military Department ICPs, and other DoD or participating U.S. Government civil agencies.

(4) Report LR procedural problems to their Military Department or agency in accordance with Volumes 1 and 2 of DLM 4000.25.

(5) Identify the criticality codes for critical safety items (CSIs) before migrating items, and designate the NSN as a CSI if appropriate in accordance with DoDM 4100.39 and as listed in Table 181 in Volume 10 of the CDTS.

(6) Maintain key supporting documentation and information in the designated systems of record to support all actions that occur as part of an LR.

b. The LIM retains a sole source item, if notice of discontinuance is received, until the diminishing manufacturing sources and material shortages (DMSMS) situation is resolved in accordance with Volumes 3 and 10 of DoDM 4140.01 and DoDI 4245.15. The LIM:

(1) Initiates actions to remove the sole source item from the LR, if an LR is already in process, in accordance with DoDM 4100.39, up to 75 days before the ETD.

(2) Identifies those items for LR that have had a life-of-type buy accomplished or that have materiel retained to support requirements resulting from DMSMS cases.

(3) Provides the GIM with all available documentation used to justify maintaining the sole source items.
c. The LIM reviews and provides updated demilitarization instructions to the GIM in accordance with Volume 1 of DoDM 4160.28, based on the demilitarization code specified for the items (when utilized by the IMM). The LIM directs the disposition of materiel quantities that do not qualify as retention stock in accordance with Volume 1 of DoDM 4160.21.

d. The LIM coordinates with the GIM on LR actions and:

(1) Supports the GIM’s requests for critical supply support items to expedite awards on LIM-managed purchase requests (PRs) and expedite delivery of material on LIM-generated contracts.

(2) Passes any requisitions to the GIM that the LIM receives after the ETD, in accordance with Volumes 1 and 2 of DLM 4000.25.

(3) Coordinates with other affected activities, when required.

(4) Transfers LR data to the GIM in accordance with times specified for the LR actions in this issuance.

(5) Notifies the GIM of items that are, or may become, in short supply, so that corrective action can be taken.

(6) Transfers accountability and materiel management responsibilities on the ETD. Transferring materiel management responsibility does not include transferring engineering support or configuration management responsibility.

(7) Resolves nontransferable materiel obligations for items shipped directly to a consignee with the appropriate status code in accordance with Volumes 1 and 2 of DLM 4000.25.

(8) Completes all transactions on materiel actions in accordance with Volumes 1 and 2 of DLM 4000.25.

(9) Develops or validates specifications for IMM items used by the Military Departments or agencies.

(10) Establishes parametric specifications or acceptable exceptions for engineering change proposals.

(11) Determines feasibility of life-of-type support for obsolete or aged items versus procurement of new items.

(12) Reviews alternate item offers.

(13) Develops or approves engineering change notifications and design change notifications.

(14) Supports the GIM by:
(a) Processing LIM-awarded contracts.

(b) Resolving defective parts problems relating to product quality deficiency reports (PQDRs).

(c) Helping foreign military sales customers with process changes due to the LR.

(d) Preparing supply discrepancy reports for defective parts problems relating to PQDRs and other actions to resolve defective parts problems.

(e) Recording materiel disposition actions taken as a result of PQDR resolution.

(15) Determines substitutes or design changes for continued support of items subject to diminishing manufacturing sources.

(16) Identifies all items that have a weapon system application as indicated by a weapon system essentiality code or weapon system designator code, to include the DLA managed items in the DLA Weapons System Support Program.

(17) Expedites award of PRs and delivery of material on LIM-generated contracts for items in critical supply support, at the GIM’s request.

(18) Processes disposal release orders for materiel identified as DoD potential reutilization materiel in accordance with the procedures in DoDM 4160.21.

(19) Identifies the applicable materiel quantities to the GIM for follow-on or immediate disposal action by the GIM upon the LR’s completion.

(20) Coordinates with the GIM to reevaluate requirements data before the award of any PR exceeding $100,000 and takes appropriate action to:

   (a) Determine the quantity of materiel that is needed to fill requirements.

   (b) Confirm availability of funds.

   (c) Cancel the award if the materiel is no longer needed or funds are no longer available.

(21) Identifies consumable items:

   (a) That require special management actions or processing instructions (e.g., special licensing requirements).

   (b) With requirements that cannot be adequately communicated using established procedures.

   e. The Military Department LIM:
(1) Always retains responsibility for configuration management and maintains the technical data for transferring items. If DLA or GSA is the LIM, the Military Department engineering support activity is responsible for the item configuration management.

(2) Provides engineering and technical support to the IMM.

(3) Provides engineering-related responsibilities and support when DLA or GSA is the LIM or GIM.

f. The GIM:

(1) Holds materiel to support DMSMS requirements and identifies DMSMS items to prevent inadvertent disposal.

(2) Funds all premium costs incurred to accomplish an expedited award on LIM-managed PRs.

(3) Coordinates LRs with the LIM.

(4) Assumes materiel management responsibilities on the ETD.

(5) Resolves potential pipeline shortages with the LIM.

(6) Advises the LIM of changes of shipping destinations for re-consigned LIM contracts.

(7) Participates in resolution of supply discrepancies relating to supply discrepancy reports received on items from contracts awarded by the LIM, as required.

(8) Processes PQDRs for completed or closed LIM-awarded contracts, and PQDRs received after ETD on open LIM-awarded contracts.

(9) Submits a request to the LIM for expedited award of LIM-held PRs and expedited delivery of materiel on LIM-generated contracts when needed to meet urgent or critical requirements. In such cases the GIM:

(a) Submits the request to the LIM in letter, message, or e-mail format.

(b) Funds the additional costs for the expedited request.

3.5. ACTIONS DURING THE LR TRANSITION PERIOD.

a. The Military Departments:

(1) Maintain uninterrupted supply support throughout the entire LR transition period.

(2) Direct close coordination between the LIM and GIM to assure effective supply support.
(3) Conduct physical inventory program requirements for all items through the ETD in accordance with DoDI 4140.73, Volume 5 of DoDM 4140.01 and Volume 1 of DLM 4000.25.

b. The GIM:

(1) Receives the due-in information for item quantities that are available for transfer and are transferred as of the ETD.

(2) Accepts the documentation of current materiel record balances on the ETD as submitted by the LIM.

c. The LIM:

(1) Notifies DLA at least one business day before submitting the document identifier code for item management coding data transactions into the FLIS for the LR.

(2) Transfers on-hand balances recorded in acceptable supply condition codes (SCCs) that are designated as wholesale stock.

(3) Provides the status of materiel held by the LIM to include a written description and estimated cost to restore each item to an issuable condition.

(4) Retains materiel identified as unacceptable for transfer due to its current supply condition.

(5) Reclassifies materiel that is not transferred to the GIM before the ETD with the appropriate SCC.

(6) Reports materiel that is not transferred to the GIM by ETD minus 10 days through ETD to the GIM, with the appropriate SCC. Make follow-on adjustments to appropriation financial accounts based on changes to responsibilities.

(7) Retains materiel committed to the support of special projects, programs, and plans.

(8) Holds materiel in unacceptable condition until the materiel is restored to acceptable condition. Continue restoration of all materiel submitted for restoration before the ETD.

(9) Transfers restored wholesale materiel in acceptable supply condition to the GM within 12 months from the ETD.

(10) Adjusts appropriation financial accounts based on changes to responsibilities for wholesale materiel through daily transaction accounting as materiel is transferred to the GM after the ETD.

(11) Reports significant gains or discrepancies between the quantity of items and the inventory records discovered during a physical inventory a year or more after the ETD in accordance with Volumes 1 and 2 of DLM 4000.25 and DoDI 4140.73.
(12) Adjusts appropriation financial accounts based on changes to responsibilities, even if material has not been delivered. The 12-month time limit for annual adjustments to financial accounts does not apply to materiel received on open contracts.

(13) Passes materiel obligations to the GIM and validates materiel obligations in accordance with Volumes 1 and 2 of DLM 4000.25 before the ETD.

(14) Supports the GIM if high-priority requisitions are received 10 days after the ETD when there are delays in the adjustments to appropriation financial accounts based on changes to responsibilities for materiel.

(15) Resolves unit of issue or asset quantity differences between the physical inventory counts and the inventory records, if any, before the ETD.

(16) Coordinates with the GIM and DLA or GSA LR monitors for assistance in correcting LR transaction errors.

(17) Enters product hazard data into the Enterprise Data Repository for the Hazardous Materials Information Systems before LR in accordance with DoDI 6050.05 and:

(a) Screens items’ hazardous material indicator codes and takes appropriate actions based on the hazardous material indicator code.

(b) Verifies that the product hazard data is loaded in the Enterprise Data Repository for purchased items before the ETD.

3.6. PRE-ETD ACTIONS.

a. Before establishing an ETD, the LIM provides the GIM a list of each NSN affected by the LR, with the NSN data elements in Table 1.

<table>
<thead>
<tr>
<th>NSN Data Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Annual sales based on the demands for last 12 months by FLIS unit price</td>
</tr>
<tr>
<td>2. Assets at non-DLA storage facilities</td>
</tr>
<tr>
<td>3. CSI</td>
</tr>
<tr>
<td>4. Critical application item</td>
</tr>
<tr>
<td>5. IMC</td>
</tr>
<tr>
<td>6. FSC</td>
</tr>
<tr>
<td>7. GSA-managed FSC</td>
</tr>
<tr>
<td>8. National item identification number</td>
</tr>
<tr>
<td>9. Number of backorders</td>
</tr>
<tr>
<td>10. Stock on-hand quantity</td>
</tr>
<tr>
<td>11. AAC</td>
</tr>
<tr>
<td>12. Acquisition method code</td>
</tr>
</tbody>
</table>
### Table 1. NSN Data Elements, continued

<table>
<thead>
<tr>
<th>NSN Data Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Acquisition method suffix code</td>
</tr>
<tr>
<td>14. Controlled inventory item code</td>
</tr>
<tr>
<td>15. Demilitarization code</td>
</tr>
<tr>
<td>16. Hazardous characteristics code</td>
</tr>
<tr>
<td>17. Hazardous material indicator code</td>
</tr>
<tr>
<td>18. Item name</td>
</tr>
<tr>
<td>19. Item standardization code</td>
</tr>
<tr>
<td>20. National item identification number status code</td>
</tr>
<tr>
<td>21. Quantity</td>
</tr>
<tr>
<td>22. Location</td>
</tr>
<tr>
<td>23. Phrase code</td>
</tr>
</tbody>
</table>

b. Before establishing an ETD, the LIM identifies items that require special management techniques, processing instructions, or management data, e.g., items that:

1. Require special calibration requirements associated with test, measurement, and diagnostic equipment.

2. Require specified storage licensing items such as Nuclear Regulatory Commission-controlled radioactive material.

3. Are designated for Military Department-authorized customers in specified quantities.

4. Require special safety assurance measures.

5. Require special security measures.

6. Require special packaging requirements for long-term storage.

7. Contain potentially hazardous material or processing ozone-depleting substances (e.g., asbestos, chlorofluorocarbons in refrigerants, halons in fire extinguishing agents, lithium batteries, laser radiation, radio frequency and electromagnetic fields, compressed gas or cylinders).

8. Require periodic oxygen cleaning.

9. Are managed as sensitive items, controlled substances, or pilferable items, but are not covered in DoDI 6050.05.

10. Are managed as strategic or critical material.

11. Require controlled room temperature storage.

12. Require special care in storage.
(13) Have government-furnished property such as tooling, test equipment, plant equipment, materiel, military or Defense Agency-unique property.

c. 120 days before the ETD, the LIM:

(1) Provides LR supply management data to the GIM using the data record format in Volumes 1 and 2 of DLM 4000.25.

(2) Provides LR contract history data to the GIM, using the data record format in accordance with Volumes 1 and 2 of DLM 4000.25.

(3) Provides the applicable record for each transferred NSN with the mandatory data elements identified in the record format.

(4) Prepares LIM Military Department Engineering Support Agreements that identify LR CSIs listing before the ETD.

d. Not later than 90 days before the ETD, the LIM provides the GIM with:

(1) Access to bidders’ list, term- or requirements-type contracts, and other applicable procurement data.

(2) Industrial readiness information, quality assurance data, and appropriate justifications when required by Subparts 6.303 and 12.103 of the Federal Acquisition Regulation to support other than full and open competition-type procurements.

e. No later than 45 days before ETD:

(1) The LIM provides the GIM with access to technical data, as specified in DoD 5010.12-M, such as:

(a) Engineering drawings.

(b) Full military or commercial descriptions.

(c) All sources known to the prime contractor, not just the primary or current source.

(d) Commercial and government entity codes and applicable part numbers for all sources identified by the prime contractor.

(2) The LIM:

(a) Provides information to the GIM for NSNs that do not have technical data.

(b) Coordinates with the GIM on:

1. Changes to requirements-type contracts to transfer or terminate the contracts.

2. Amendments to existing contracts, purchase orders, or PRs for items.
3. Diversion shipments of stock buy quantities to GIM storage depots.

4. Destination changes for due-in items on undelivered purchases that do not qualify for automatic re-consignment.

5. Categories of government property, including government-owned industrial plant equipment special tooling and test equipment applicable to the production of an LR item.

   (c) Maintains current due-in records and receipt suspense files in accordance with Volumes 1 and 2 of DLM 4000.25.

   (3) The GIM furnishes appropriate re-consignment instructions to the LIM for items from undelivered contracts or purchase orders.

f. 30 Days Before ETD, the LIM:

   (1) Updates the output of LR supply management data and provides it to the GIM using the format specified in Volumes 1 and 2 of DLM 4000.25.

   (2) Updates the output of LR contract history data and provides it to the GIM using the data record format.

   (3) Updates the data in the applicable format specified in Volumes 1 and 2 of DLM 4000.25 for each NSN being transferred. Provides the mandatory data elements that are specified in Volumes 1 and 2 of DLM 4000.25. Provides all other data elements in the format specified in Volumes 1 and 2 of DLM 4000.25, when available.

   (4) Provides war materiel requirements data to the GIM in accordance with Volumes 1 and 2 of DLM 4000.25.

   (5) Discontinues automatic initiation of replenishment procurement actions and coordinates with the GIM to initiate stock replenishments, as required, to establish a full pipeline.

3.7. ETD PERIOD ACTIONS.

a. The LIM and the GIM perform ETD period actions immediately before, on, and after the actual ETD.

b. The LIM:

   (1) Provides the item information to the GIM with a work file containing hard copy or electronic data, which are not considered part of the information provided by the reporting requirements, to support management of the item.

   (2) Transfers funded materiel obligations (excluding requisitions cited for direct vendor delivery against retained contracts), using referral or passing orders prepared in accordance with Volumes 1 and 2 of DLM 4000.25.
(3) Reconciles procurement requests and funds any deemed appropriate for continuation or procurement actions.

c. The GIM:

(1) Assumes responsibility for wholesale supply support on ETD.

(2) Accepts funded requisitions from all authorized requisitioners as of the ETD.

(3) Ascertains the need for continuation of procurement actions exceeding $100,000, diversion instructions, or cancellations, as appropriate, and advises the LIM.

d. In accordance with Volumes 1 and 2 of DLM 4000.25, the LIM, the GIM, and the custodial depot work together to:

(1) Complete all research and final balance adjustments or reversals for required physical inventories.

(2) Transfer or adjust appropriation financial accounts based on changes to responsibilities for all on-hand wholesale items in acceptable supply condition that are needed to meet the full pipeline requirement.

(3) Update depot custodial records to reflect correct ownership of transferred items or adjust appropriation financial accounts based on changes to responsibilities for items.

(4) Establish due-in information for wholesale quantities at the GIM for LIM-retained contracts, un-awarded procurement requests, and for materiel returns authorized before ETD.

(5) Maintain current LIM and GIM due-in wholesale records and custodial depot receipt suspense files.

(6) Maintain the current status of wholesale items that are in unacceptable condition and are required for logistics transfer to meet the full pipeline.

3.8. POST-ETD ACTIONS.

a. The LIM:

(1) Pays to restore wholesale items that are in unacceptable condition that are required for the transfer of a full pipeline requirement.

(2) Transfers funds to the GIM for materiel returns authorized but not delivered or completed before the ETD and for all reported discrepancies in shipments initiated before the ETD.

(3) Accomplishes actions for unawarded PRs based on directions from the GIM as annotated on the PR listing.
(4) Reviews all items for determination of the weapon system application and essentiality codes for inclusion in the DLA Weapons System Support Program.

(5) Submits weapon system data with the appropriate document identifier code in accordance with Volumes 1 and 2 of DLM 4000.25 to the GIM no later than 14 days after ETD.

(6) Processes the PQDRs received before ETD and provides the results to the GIM when the PQDR actions are complete.

(7) Provides the GIM the full technical data package and any required information from the contract files.

(8) Pursues contractual remedies available to the Government for PQDRs on materiel that can be traced back to LIM-awarded contracts that have not been transferred, regardless of whether the contract is closed.

b. For contracts or purchase orders retained by the LIM, the LIM and the GIM:

(1) Conduct a materiel management review for all purchases exceeding $100,000 to:

   (a) Determine whether requirements for the item on order have changed or have been eliminated since the GIM assumed IMM responsibility.

   (b) Adjust or cancel contract award quantities based on the results of the materiel management review.

   (c) Change the destination of undelivered items based on the results of the materiel management review.

   (d) Review LIM notification of all LRs with items that stratified beyond the total retention limits using the stratification process in accordance with Volume 6 of DoDM 4140.01.

   (e) Initiate disposal of the quantity provided by the LIM that stratifies beyond the GIM’s total retention limits in accordance with Volume 6 of DoDM 4140.01 and Volume 2 of DLM 4000.25.

(2) Expedite award of PRs and delivery of material on LIM-generated contracts for items in a critical supply posture.

(3) Initiate requests for expedited PR action and expedited delivery of material on LIM-generated contracts. Reach agreement on responsibility to provide funds needed to cover premium costs, if necessary.

(4) Adjust or cancel orders as appropriate.

(5) Submit re-consignment instructions for undelivered assets.

c. At a GIM custodial depot, the Military Department or agency for the GIM:
(1) Performs the storage function but does not provide cataloging and materiel management for an item after transfer.

(2) Adds a “T” major organizational entity rule to record the storage function in the FLIS thereby allowing a nonuser or storage activity to receive the GIM catalog management data.

d. The LIM, GIM, custodial depot, and the Military Department or agency work together to:

(1) Complete processing of all supply discrepancies on shipments initiated before the ETD.

(2) Complete processing of all PQDRs received in accordance with DLAR 4155.24/AR 702-7/SECNAVINST4855.5/AFI 21-115.

e. The GIM:

(1) Processes PQDRs for physically completed or closed LIM-awarded contracts, and PQDRs received after ETD on open LIM-awarded contracts. Supports PQDR processing with the full technical data package and any required information from contract files provided by the LIM.

(2) Completes processing of all PQDRs for GIM-awarded contracts and materiel that cannot be identified to a specific contract.

f. The Military Department or agency provides adequate funding for reporting supply and quality discrepancies.

g. In accordance with Volume 2 of DLM 4000.25, the LIM and GIM:

(1) Confirm asset transfers or adjustments to financial accounts based on changes to responsibilities for assets and updated custodial depot records.

(2) Reconcile the wholesale records of due-in items on undelivered purchases for retained contracts or returns authorized before ETD.

(3) Maintain current LIM and GIM wholesale records of due in items and custodial depot receipt suspense files of items as they are received.

(4) Transfer or adjust financial accounts based on changes to responsibilities for items that are due-in items on undelivered purchases against retained contracts and purchase orders. Returns are authorized before the ETD when needed to meet the full pipeline requirement.

(5) Improve any items with an unacceptable SCC to acceptable condition. Transfer or adjust appropriation financial accounts based on changes to responsibilities for all residual items when needed to meet the full pipeline requirement.
### Glossary

#### G.1. Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>AAC</td>
<td>acquisition advice code</td>
</tr>
<tr>
<td>AFI</td>
<td>Air Force instruction</td>
</tr>
<tr>
<td>AR</td>
<td>Army regulation</td>
</tr>
<tr>
<td>ASD(S)</td>
<td>Assistant Secretary of Defense for Sustainment</td>
</tr>
<tr>
<td>CDTS</td>
<td>cataloging data and transaction standards</td>
</tr>
<tr>
<td>CSI</td>
<td>critical safety items</td>
</tr>
<tr>
<td>DLA</td>
<td>Defense Logistics Agency</td>
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<tr>
<td>DLAR</td>
<td>Defense Logistics Agency regulation</td>
</tr>
<tr>
<td>DLM</td>
<td>Defense Logistics manual</td>
</tr>
<tr>
<td>DMSMS</td>
<td>diminishing manufacturing sources and material shortages</td>
</tr>
<tr>
<td>DoDI</td>
<td>DoD instruction</td>
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<tr>
<td>DoDM</td>
<td>DoD manual</td>
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<tr>
<td>ETD</td>
<td>effective transfer date</td>
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<td>FLIS</td>
<td>Federal Logistics Information System</td>
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<td>FSC</td>
<td>Federal supply classification</td>
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<tr>
<td>GIM</td>
<td>gaining item manager</td>
</tr>
<tr>
<td>GSA</td>
<td>General Services Administration</td>
</tr>
<tr>
<td>ICP</td>
<td>inventory control point</td>
</tr>
<tr>
<td>IMC</td>
<td>item management code</td>
</tr>
<tr>
<td>IMM</td>
<td>integrated materiel management</td>
</tr>
<tr>
<td>I&amp;S</td>
<td>interchangeable and substitutable</td>
</tr>
<tr>
<td>LIM</td>
<td>losing item manager</td>
</tr>
<tr>
<td>LR</td>
<td>logistics reassignment</td>
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<tr>
<td>NSN</td>
<td>national stock number</td>
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<tr>
<td>PQDR</td>
<td>product quality deficiency report</td>
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<tr>
<td>PR</td>
<td>purchase request</td>
</tr>
<tr>
<td>SCC</td>
<td>supply condition code</td>
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<tr>
<td>SEC NAVINST</td>
<td>Secretary of the Navy instruction</td>
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### G.2. DEFINITIONS.

<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAC</td>
<td>Materiel management codes, listed in Table 58, Volume 10 of CDTS, used to specify requirements, restrictions, and methods for acquiring an item.</td>
</tr>
<tr>
<td>acquisition method code</td>
<td>Numeric materiel management codes, listed in Table 71, Volume 10 of CDTS, that reflect part of the information about the decision of the primary inventory control activity stemming from a planned procurement review. A combination of the acquisition method code and the acquisition method suffix code is required to complete the provisioning information for use in procurements.</td>
</tr>
<tr>
<td>acquisition method suffix code</td>
<td>Alphabetic materiel management codes, listed in Table 71, Volume 10 of CDTS, that reflect part of the information about the decision of the primary inventory control activity from a planned procurement review. A combination of the acquisition method code and the acquisition method suffix code is required to complete the provisioning information for use in procurements.</td>
</tr>
<tr>
<td>advice code</td>
<td>A coding structure used to transmit materiel management information on supply support requests.</td>
</tr>
<tr>
<td>advice</td>
<td>A notice sent to agencies or activities with materiel management information on supply support requests.</td>
</tr>
<tr>
<td>consumable item</td>
<td>An item (except explosive ordnance and end items) that is normally expended or used up beyond recovery in it’s designed or intended use.</td>
</tr>
<tr>
<td>criticality code</td>
<td>Materiel management codes, listed in Table 181 in Volume 10 of the CDTS, used to indicate that an item is technically critical by reason of tolerance, fit restrictions, application, nuclear hardness properties or other characteristics that affect identification of the item.</td>
</tr>
<tr>
<td>demand</td>
<td>An indication of a requirement, a requisition, or similar request for an item. Demands are categorized as either recurring or non-recurring.</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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</tr>
<tr>
<td>demilitarization code</td>
<td>Materiel management codes, listed in Table 38 in Volume 10 of the CDTS, that are assigned to DoD personal property by the integrated material manager, and verified by the DoD Demilitarization Coding Management Office. An item’s demilitarization code indicates the degree of required physical destruction, required specialized capabilities or procedures, and/or other require actions based on trade security controls before it may be released from DoD control.</td>
</tr>
<tr>
<td>DLA Weapons Systems Support Program</td>
<td>A program to provide enhanced supply support levels of DLA managed items with weapons systems applications for the Military Departments’ weapons systems readiness and sustainability.</td>
</tr>
<tr>
<td>document identifier codes</td>
<td>Materiel management codes, listed in Table 105, Volume 10 of the CDTS, for input and output transactions to or from the FLIS database with breakouts of the mandatory and optional information.</td>
</tr>
<tr>
<td>DMSMS</td>
<td>The loss or impending loss of manufacturers of items or suppliers of items or the loss or impending loss of raw materials used to manufacture items. Such losses may cause material shortages that endanger a weapon system’s or equipment’s development, production, or post-production support capability.</td>
</tr>
<tr>
<td>end item</td>
<td>A final combination of end products, component parts, or materiel that is ready for its intended use, e.g., ship, tank, mobile machine shop, or aircraft.</td>
</tr>
<tr>
<td>ETD</td>
<td>The day that the LIM transfers integrated materiel management accountability to the GIM.</td>
</tr>
<tr>
<td>Federal Catalog Program</td>
<td>A government-wide program to provide a uniform system of item identification; preclude or eliminate different identifications of like items; reveal interchangeability among items; aid in parts standardization; facilitate intra- and inter-departmental logistics support; and improve materiel management and military effectiveness by promoting efficiency and economy in logistics operations.</td>
</tr>
<tr>
<td><strong>TERM</strong></td>
<td><strong>DEFINITION</strong></td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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</tr>
<tr>
<td>FSC</td>
<td>A system by which all items of personal property that are used by all participating activities are classified. FSC contains groups and classes of commodities with emphasis on the items known to be in participating activities’ supply systems. This classification system is based on current as well as anticipated management needs. The FSC structure is modified as the needs of management change by the addition of newly developed groups and classes, the subdivision of existing classes, and the revision of definitions of classes. The uniform FSC is governed by daily management requirements and provides uniform management categories throughout Service activities and participating agency and participating countries organizations, functions, operations, and supply pipelines. It permits greater uniformity within and between the participating activities in the operations of reporting, accounting, financial management, materiel management control, and budgeting. Classification descriptions and codes, listed in Chapter 2 of Volume 13, CDTS, used to identify the organization with designated materiel management responsibilities for an item.</td>
</tr>
<tr>
<td>GIM</td>
<td>The organization responsible for assuming wholesale IMM functions of an item or group of items.</td>
</tr>
<tr>
<td>hazardous material</td>
<td>Materiel management codes, listed in Table 179, Volume 10 of the CDTS, used to provide item identification of the types of hazardous material.</td>
</tr>
<tr>
<td>indicator code</td>
<td></td>
</tr>
<tr>
<td>ICP</td>
<td>An organizational unit or activity within the DoD supply system assigned the primary responsibility for the materiel management of a group of items either for a particular Military Department or for the DoD as a whole. In addition to materiel manager functions, an ICP may perform other logistics functions for a Military Department or for an end item (e.g., centralized computation of retail requirements levels and engineering tasks associated with weapon system components).</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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</tr>
<tr>
<td>IMC</td>
<td>Codes, listed in Table 77, Volume 10 of the CDTS, that are assigned to items in FSCs to identify the organization responsible for IMM.</td>
</tr>
<tr>
<td>IMM</td>
<td>Materiel management responsibility that is integrated to eliminate duplicate national materiel management functions for items that are used by more than one DoD Component or participating U.S. Government civil agency. The integrated management responsibility is assigned to an activity or agency for the DoD and participating U.S. Government civil agencies. IMM responsibilities include requirements determination, procurement, distribution, materiel overhaul and repair, and disposal of materiel.</td>
</tr>
<tr>
<td>I&amp;S</td>
<td>An item that possesses such functional and physical characteristics as to be equivalent in performance, reliability, and maintainability to another item of similar or identical purpose; and that is capable of being exchanged for the other item without alteration of the items themselves or of adjoining items, except for adjustment. Designation as an I&amp;S item establishes conditions that permit the exchange of one item for another without affecting design or performance beyond acceptable limits.</td>
</tr>
<tr>
<td>item</td>
<td>The individual items (units) included in a category of items identified by an NSN with the same form, fit, and function. The individual items (units) included in this category could be manufactured by multiple sources.</td>
</tr>
<tr>
<td>item standardization code</td>
<td>Materiel management codes, from the list in Table 92, Volume 10 of the CDTS, used to identify the items included in standardization replacement relationships for I&amp;S parts.</td>
</tr>
<tr>
<td>logistics assignment</td>
<td>The assignment of IMM responsibilities to a materiel manager.</td>
</tr>
<tr>
<td>LR</td>
<td>The transfer of IMM responsibilities from one materiel manager to another materiel manager.</td>
</tr>
<tr>
<td>materiel</td>
<td>All items necessary to equip, operate, maintain, and support military activities without distinction as to their application for administrative or combat purposes, excluding real property, installations, and utilities. Materiel is either serviceable (i.e., in an issuable condition) or unserviceable (i.e., in need of repair to make it serviceable).</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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</tr>
<tr>
<td>materiel management</td>
<td>The phase of military logistics that includes managing, cataloging, demand and supply planning, requirements determinations, procurement, distribution, overhaul, and disposal of materiel.</td>
</tr>
<tr>
<td>materiel manager</td>
<td>An organization that is assigned materiel management responsibilities for the DoD and participating U.S. Government civil agencies. The term includes responsibilities performed by either wholesale materiel managers or retail materiel managers: managing, cataloging, demand and supply planning, requirements determination, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel. Responsibility for physical inventory processes remain with the materiel managers who physically have the items in accordance with DoDI 4140.73.</td>
</tr>
<tr>
<td>national item identification number status code</td>
<td>Materiel management codes in Table 18, Volume 10 of the CDTS, used to indicate the present status of the national item identification number recorded in the FLIS: received, correct, incorrect, corrected, or resubmitted.</td>
</tr>
<tr>
<td>operating material</td>
<td>Defined in DoD 7000.14-R.</td>
</tr>
<tr>
<td>participating U.S. Government civil agencies</td>
<td>Non-DoD Federal agencies participating with the DoD Components in the Federal Catalog Program and using the Federal Catalog System for a uniform system of item identification; but only when and to the extent the agencies adopt the terms of this issuance.</td>
</tr>
<tr>
<td>personal property</td>
<td>Defined in the Dictionary of Military and Associated Terms.</td>
</tr>
<tr>
<td>phrase code</td>
<td>Materiel management codes, listed in Table 108, Volume 10 of the CDTS, used to record item information in the FLIS.</td>
</tr>
<tr>
<td>physical inventory</td>
<td>The process of physically counting DoD-owned assets in order to verify the on-hand DoD-owned assets match the current record balances with documentation of events such as receipts, shipments, inventory adjustments, and changes to condition, ownership, or location. The emphasis is on inventory processes that produce an accurate accountability of DoD-owned assets with a full reconciliation to the financial statements in accordance with DoDI 4140.73.</td>
</tr>
<tr>
<td><strong>TERM</strong></td>
<td><strong>DEFINITION</strong></td>
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<tr>
<td>pipeline</td>
<td>A term used to represent the DoD supply chain as a continuum with measurable segments, generally beginning with the origination of a requirement and ending with physical receipt. Organizations calculate the quantity of items required based on the sum of time it takes for items to go through all pipeline segments, e.g., requisition submission time, ICP processing time, storage depot segment time, transportation segment time, and theater segment time. The pipeline is considered full when there is a sufficient quantity of items on hand or on order to satisfy current backorders and meet forecasted demands, in accordance with Volume 2 of DoDM 4140.01.</td>
</tr>
<tr>
<td>post-ETD phase</td>
<td>Time period that begins immediately following the ETD and includes all actions that do not specifically involve data requirements that reflect conditions as of the ETD.</td>
</tr>
<tr>
<td>pre-ETD phase</td>
<td>Time period for all actions that begins on the date of GIM assignment and ends at ETD.</td>
</tr>
<tr>
<td>provisioning</td>
<td>The management process of determining and acquiring the range and quantity of support items necessary to operate and maintain an end item of materiel for an initial period of service.</td>
</tr>
<tr>
<td>PQDR</td>
<td>Report processed to identify and document item deficiencies in accordance with DLAR 4155.24/AR 702-7/SECNAVINST4855.5/AFI 21-115.</td>
</tr>
<tr>
<td>retail</td>
<td>Supply organizations at the consumer level for the purpose of directly providing materiel to ultimate users or at the intermediate or region level for the purpose of supplying consumer levels or ultimate users in a geographical area.</td>
</tr>
<tr>
<td>SCC</td>
<td>Materiel management codes used to segment and identify the physical state of the materiel or actions underway to change the status of the materiel on the inventory control record. SCCs are described in Volume 2 of the DLM 4000.25.</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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<tr>
<td>single materiel manager</td>
<td>The DoD Component assigned to coordinate item development, management plans, actions, and system lifecycle requirements for all DoD Components, to include: acquisition, engineering, production, configuration management, quality assurance, product improvement, publications, provisioning, supply support, depot level maintenance training and support equipment, depot maintenance or overhaul, testing, technical data, and field engineering services, packaging handling, storage, transportability, and transportation.</td>
</tr>
<tr>
<td>stratification process</td>
<td>A uniform portrayal of requirements and assets application that is a computer-generated, time-phased simulation of actions causing changes in the supply position; e.g., procurement, repair, receipt, issue, termination, and disposal of materiel.</td>
</tr>
<tr>
<td>supply support</td>
<td>Materiel management actions to acquire sufficient stock for an organization through provisioning, distribution, and replenishment of materiel.</td>
</tr>
<tr>
<td>supply support request</td>
<td>A transaction identifying requirements for supply support that is submitted to the integrated materiel manager by the organization introducing materiel or a weapon system.</td>
</tr>
<tr>
<td>wholesale</td>
<td>DoD supply organizations that procure, repair, and maintain stocks to resupply the retail levels of supply.</td>
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REFERENCES

Cataloging Data and Transaction Standards, dates vary by volume
Defense Federal Acquisition Regulation Supplement, current edition
DLAR 4155.24/AR 702-7/SECNAVINST4855.5/AFI 21-115, “Product Quality Deficiency Report,” September 19, 2018
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DoD Instruction 4245.15, “Diminishing Manufacturing Sources and Material Shortages Management,” November 5, 2020
DoD Instruction 4140.69, “Engineering Support Instructions for Items Supplied by Defense Logistics Agency (DLA),” September 30, 2016, as amended
DoD Instruction 6050.05, “DoD Hazardous Communication (HAZCOM) Program,” February 26, 2019, as amended

1 Available on the internet at https://www.dla.mil/
Federal Acquisition Regulation, current edition