Purpose: This issuance is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directive 5135.02 and DoD Instruction 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 the auditing and financial management of consumable 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.
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 auditing and financial management procedures for the Defense IMM program.
   
   b. Optimizes resources and leverages collaboration between support providers and customers to meet established support strategies for the Defense IMM program.

2.2. DOD COMPONENT HEADS.

The DoD Component heads:

   a. Implement the procedures in this volume.
   
   b. Prepare intra-agency implementing instructions for the procedures in this issuance.
   
   c. Provide uniform management of consumable items using the Federal Supply Classification (FSC) 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, under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment:

   a. Implement the procedures in this volume.
   
   b. Select best value materiel support alternatives for meeting customer materiel requirements.
   
   c. Direct materiel managers to actively interface with the program manager and participate as early as feasible for each weapon system acquisition program to ensure effective warfighter provisioning support.
   
   d. Follow item management criteria approved by the ASD(S) in assigning integrated materiel managers in accordance with the procedures in Volume 1 of this issuance.
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, implement the procedures in this issuance to provide uniform management of consumable items as part of the Federal Catalog Program.
SECTION 3: PROCEDURES

3.1. OPERATIONAL REQUIREMENTS.

   a. The information requirements specified in this issuance represent minimum data requirements necessary to ensure effective management control of materiel.

   b. Transfer of ownership of materiel from losing stock funds and appropriation financed accounts and transfer of ownership of materiel into the gaining stock fund accounts as a result of a logistics reassignment (LR) will be on a non-reimbursable basis pursuant to Volume 11B of DoD 7000.14-R.

   c. Procedures for transferring item management responsibility between working capital fund activities are outlined in Volume 11B of DoD 7000.14-R.

3.2. IMM INFORMATION.

To ensure consistent and effective IMM of consumable items, DLA:

   a. Prepares IMM information with data from the Federal Logistics Information System (FLIS) database and other information sources maintained by DLA:

      (1) With the number of newly assigned national stock numbers (NSNs) arranged by inventory control point (ICP) integrated materiel managers, sorted by the item management code (IMC).

      (2) With the number of NSNs that have changed IMC since the last review, sorted by ICP integrated materiel managers.

      (3) For special projects as required.

      (4) In accordance with the procedures in Volume 1 of this manual and Volume 13 of Cataloging Data and Transaction Standards.

   b. Distributes summary statistical information to the DoD IMM Committee members and others as needed.

3.3. AUDITING PROCEDURES.

   a. DLA:

      (1) Prepares sample data listings from the FLIS database for Defense IMM program oversight in order to ensure accurate and consistent application of IMM for consumable items.

      (2) Prepares sample data listings of consumable items for annual IMC audits.
(3) Retains records for audits in accordance Chapter 9, Volume 1 of DoD 7000.14-R.

b. The IMM Committee Chair submits requests for audit samples of item management information to DLA to use for the Defense IMM program in accordance with Volume 3 of DoD Manual 4140.01.

3.4. FINANCIAL MANAGEMENT OF CONSUMABLE ITEMS.

a. Integrated materiel managers:

   (1) Provide financial management and oversight of supply materiel management.

   (2) Use stock funds to transfer the ownership of wholesale materiel in LR execution.

   (3) Use stock fund standard pricing for LR s, and:

      (a) Hold changes in standard prices to a minimum at time of transfer.

      (b) Transfer the ownership of items from the losing accounts and into the gaining stock fund at the predetermined standard price established by the losing item manager (LIM).

      (c) Maintain records of the transfer in accordance with Chapter 9, Volume 1 of DoD 7000.14-R.

   (4) Transfer item management responsibility between working capital fund activities using the procedures outlined in Volume 11B of DoD 7000.14-R.

   (5) Transfer on-hand materiel between supply management activity groups without reimbursement. Authorize reimbursement between wholesale and retail supply activities when on-hand retail materiel is transferred back to the wholesale item manager’s ICPs using the procedures outlined in Volume 11B of DoD 7000.14-R.

   (6) Validate on-order materiel requirements with gaining and losing wholesale item managers to ensure a full supply pipeline. As the gaining supply management activity receives pipeline deliveries after the effective transfer date (ETD), the gaining item manager (GIM) is responsible for payment either directly to the vendors (delivery order modification), or to the losing supply management activity that funded the delivery order to ensure cash neutrality across the Defense Working Capital Fund.

b. DLA:

   (1) Distributes the catalog management data (segment H of the database) to the GIM before the LR ETD.

   (2) Reflects the transfer standard price in the transfer documents processed in accordance with Defense Logistics Manual 4000.25-2 and Defense Logistics Manual 4000.25.

c. The GIM establishes the transfer standard price and:
(1) Applies the LIM’s standard price without revisions when the item is to be transferred.

(2) Waits to adjust standard prices of items after transfer until the next regularly scheduled standard price update.

(3) Issues, sells, and transfers materiel to another DoD Component without accessorial, administrative, or other general overhead charges. Uses the GIM standard price in the billing process for all Military Department requisitions.

d. Each Military Department identifies requirements along with complete justification and backup data to the GIM in a timely manner to ensure adequate planning, programming, and budgeting support.

e. Each Military Department retains responsibility for budgeting and funding to support requisitions for pre-positioned war reserve stocks and retail stocks, including initial support requirements.

f. The LIM:

(1) Transfers the ownership of wholesale assets to the GIM. Maintains records of transfers in accordance with Chapter 9, Volume 1 of DoD 7000.14-R.

(2) Retains consumable items with supply condition codes “F,” “H,” “J,” “K,” “L,” “M,” “P,” “Q,” “R,” “S,” or “V” generated during the first year after the ETD.

(3) Offers excess serviceable and economically restorable materiel to the GIM for return and payment in accordance with Volume 11B of DoD 7000.14-R, after the first year following the transfer.

(4) Funds restoration costs of unserviceable materiel scheduled for restoration before ETD incidental to LRs.

(5) Funds litigation costs incidental to LRs.

(6) Funds costs of first destination transportation for undelivered orders at time of transfer.

(7) Funds re-acquisition costs for technical data not transferred by ETD for items cataloged in accordance with procedures in Chapter 4 of Volume 4 of the FLIS Technical Procedures as either:

(a) Type 1 for fully descriptive item identification information necessary for the integrated materiel manager to accomplish stock numbering actions; or

(b) Type 4 for partially descriptive item identification information that does not contain all required item identification information necessary for the integrated materiel manager to accomplish stock numbering actions.
g. The GIM funds:

(1) Transportation costs incidental to materiel movements to points in the United States as directed by the GIM.

(2) Additional costs incurred as a result of diversion or re-consignment of items due-in from undelivered contracts, if such action is requested by the GIM.

(3) Repackaging costs due to a GIM-directed change in unit of issue measure.

(4) Restoration costs for materiel transferred in an unserviceable condition and subsequently scheduled for restoration by the GIM.

(5) Relocation costs (i.e., warehousing services and transportation) incident to a GIM requested movement of LR stocks from a LIM to a designated GIM storage site unless otherwise negotiated.

(6) Premium costs associated with expedited delivery of LIM-generated purchase requests when requested by the GIM.

(7) Costs associated with granting credit or providing replacement materiel to the customers when materiel contracted by the LIM is found to be defective.

(8) Costs associated with providing additional copies of technical data if requested by the GIM. The GIM does not reimburse the LIM for the first copy of technical data.

3.5. TRANSFER OF BUDGETING AND FUNDING RESPONSIBILITIES DURING LR.

The LIM:

a. Transfers stock fund wholesale inventories of a consumable item on hand on the ETD.

b. Receives materiel from the ordering stock fund or procurement account and subsequently transfers the materiel to the gaining stock fund.

c. Diverts first destination transportation shipments from contractors’ plants to a preferred storage destination.

d. Converts commitments for outstanding purchase requests to obligations at the time of award.

e. Submits a program change request for adjustments to operating resources due to item transfers in accordance with approved budget procedures.
Glossary

G.1. Acronyms.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>ASD(S)</td>
<td>Assistant Secretary of Defense for Sustainment</td>
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<tr>
<td>DLA</td>
<td>Defense Logistics Agency</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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<td>GIM</td>
<td>gaining item manager</td>
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<td>ICP</td>
<td>inventory control point</td>
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<td>IMC</td>
<td>item management code</td>
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<tr>
<td>IMM</td>
<td>integrated materiel management</td>
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<tr>
<td>LIM</td>
<td>losing item manager</td>
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<tr>
<td>LR</td>
<td>logistics reassignment</td>
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<td>NSN</td>
<td>national stock number</td>
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</table>

G.2. Definitions.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>audit</td>
<td>A review of transactions and records for accuracy and complete accountability of DoD-owned assets with a full reconciliation of DoD-owned assets to the financial records.</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 the use for which it is designed or intended.</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>
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<tr>
<td>TERM</td>
<td>DEFINITION</td>
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<tr>
<td>Federal Catalog Program</td>
<td>A U.S. 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>Federal Catalog System</td>
<td>A Federal program that DoD administers in conjunction with the General Services Administration. It names, describes, classifies, and numbers each item that the U.S. Government repetitively uses, buys, stocks, or distributes so that only one distinctive combination of letters and numerals identifies the same item throughout the U.S. Government.</td>
</tr>
<tr>
<td>first destination transportation</td>
<td>Transportation required to deliver new items, an upgraded model, or recapitalized production items from the manufacturer’s plant or source of procurement to the first point of delivery where the Military Service or Defense Agency takes possession or ownership of that item. The procurement source, as used herein, is any supplier outside the DoD supply system or any DoD industrial activity that fabricates new materiel. The procurement source or the first point of delivery may be in the Continental United States or overseas. First destination transportation is not applicable to components or items reworked by an industrial activity. In the case where the government accepts the production item at the manufacturer’s plant or source of production and legally owns the item, first destination transportation extends to the first point of delivery for either use or storage by the Military Service or Defense Agency. For shipments destined to overseas locations that will enter the Defense Transportation System, first destination transportation terminates at the port of embarkation (the Continental United States or overseas).</td>
</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.</td>
</tr>
</tbody>
</table>
**TERM** | **DEFINITION**
---|---
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. The FSC 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, Cataloging Data and Transaction Standards, used to identify the organization with designated materiel management responsibilities for an item.

**FLIS** | A management system designed to collect, store, process, and provide item-related logistics information. The comprehensive government-wide system used to catalog, assign stock numbers, and maintain and distribute logistics information for items of supply. The FLIS represents the common data system that provides the item information in a database reflected in the Federal Catalog System.

**ICP** | 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).

**IMC** | Codes listed in Table 77 of Volume 10 of the Cataloging Data and Transaction Standards that are assigned to items in FSCs that identify the organization responsible for IMM.

**IMM** | Materiel management responsibility that is assigned to a single activity or agency for the DoD and participating Federal agencies to eliminate duplicate national materiel management functions for consumable 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.
<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
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</thead>
<tbody>
<tr>
<td>item</td>
<td>The individual items (units) in a category of items identified by an NSN with the same form, fit, and function. The individual items (i.e., units) included in this category can be manufactured by multiple sources.</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>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 DoD Instruction 4140.73.</td>
</tr>
<tr>
<td>materiel support</td>
<td>Materiel management specifications for the level and source of supply to maintain item inventories. DoD Components meet customer requirements by selecting a materiel support alternative based on a best value assessment that balances support goals, total supply chain costs and performance factors in accordance with Volume 3 of DoDM 4140.01. Examples of materiel support alternatives are:</td>
</tr>
<tr>
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<td>Military Services or DLA managed sources of supply.</td>
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<td>TERM</td>
<td>DEFINITION</td>
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<tr>
<td>Other U.S. Government sources, e.g., General Services Administration to provide supplies to organic sources of supply or directly to customers.</td>
<td></td>
</tr>
<tr>
<td>Commercial sources of supply where customer requirements are satisfied through local purchase.</td>
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<tr>
<td>Contracted logistics support where a contractor performs approved engineering materiel management, maintenance, and procurement functions associated with materiel support.</td>
<td></td>
</tr>
<tr>
<td>Commercial and organic partnerships with prime vendor programs where a vendor provides wholesale support to DoD retail supply activities or directly to consuming customers.</td>
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<tr>
<td>Depot maintenance public-private partnerships where a commercial vendor provides supply support to a DoD maintenance facility.</td>
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<tr>
<td>Commercial sources of supply for reparable items partnering with a DoD maintenance facility for repair services.</td>
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</tr>
<tr>
<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>
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</tr>
<tr>
<td>The management process of determining and acquiring the range and quantity of support items necessary to operate and maintain an end item for an initial period of service.</td>
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<tr>
<td>Supply organizations at the consumer level for 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>
<td></td>
</tr>
<tr>
<td>Defined in Volume 4 of DoD 7000.14-R.</td>
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</tr>
<tr>
<td>Materiel management actions to acquire sufficient stock for an organization through provisioning, procurement, distribution, and replenishment of materiel.</td>
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<tr>
<td>A transaction identifying requirements for supply support that the organization introducing materiel or a weapon system submits to the integrated materiel manager.</td>
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<tr>
<td><strong>TERM</strong></td>
<td><strong>DEFINITION</strong></td>
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</tr>
<tr>
<td><strong>transfer of ownership</strong></td>
<td>Removing ownership from the records of the LIM and adding ownership into the records of the GIM, in accordance with Volume 11B of DoD 7000.14-R.</td>
</tr>
<tr>
<td><strong>wholesale</strong></td>
<td>DoD supply organizations that procure, repair, and maintain stocks to resupply the retail levels of supply.</td>
</tr>
</tbody>
</table>
REFERENCES

Cataloging Data and Transaction Standards, Volume 10, “Multiple Application References / Instructions / Tables and Grids” current edition


DoD Instruction 4140.01, “DoD Supply Chain Materiel Management Policy,” March 6, 2019

DoD Instruction 4140.73, “Asset Physical Accountability Policy,” June 4, 2021


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1 Available at https://www.dla.mil