



## DoD MANUAL 4140.01, VOLUME 11

# DoD SUPPLY CHAIN MATERIEL MANAGEMENT PROCEDURES: INVENTORY ACCOUNTABILITY AND SPECIAL MANAGEMENT AND HANDLING

---

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

**Effective:** March 8, 2017

**Change 4 Effective:** November 4, 2022

**Releasability:** Cleared for public release. This volume is available on the Directives Division Website at <https://www.esd.whs.mil/DD/>.

**Reissues and Cancels:** DoD Manual 4140.01, Volume 11, “DoD Supply Chain Materiel Management Procedures: Management of Critical Safety Items, Controlled Inventory Items Including Nuclear Weapons Related Materiel,” February 10, 2014

**Approved by:** Kristin K. French, Acting Assistant Secretary of Defense for Logistics and Materiel Readiness

**Change 4 Approved by** Christopher J. Lowman, Assistant Secretary of Defense for Sustainment

---

**Purpose:** This manual is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directive (DoDD) 5134.12, DoD Instruction (DoDI) 4140.01, and the July 13, 2018 Deputy Secretary of Defense Memorandum:

- The manual implements policy, assigns responsibilities, and provides procedures for DoD materiel managers and others who work within or with the DoD supply system consistent with DoDI 4140.01, and establishes standard terminology for use in DoD supply chain materiel management.
- This volume describes procedures for maintaining inventory accountability. It describes procedures for managing and handling special types of materiel, namely critical safety items (CSIs) and classified, sensitive, and pilferable controlled inventory items (CIIs), including nuclear weapons-related materiel (NWRM) and trusted system network critical components (TSN CC). It also establishes the Joint Small Arms and Light Weapons Coordinating Group (JSA/LWCG).

## TABLE OF CONTENTS

SECTION 1: GENERAL ISSUANCE INFORMATION .....	4
1.1. Applicability. ....	4
1.2. Information Collections. ....	4
1.3. Summary of Change 4. ....	4
SECTION 2: RESPONSIBILITIES .....	5
2.1. Assistant Secretary of Defense for Sustainment (ASD(S)). ....	5
2.2. Director, Defense Logistics Agency (DLA). ....	5
2.3. DoD Component Heads. ....	5
2.4. Secretaries of the Military Departments. ....	6
2.5. Secretary of the Army. ....	7
2.6. Combatant Commanders. ....	7
SECTION 3: INVENTORY ACCOUNTABILITY .....	8
3.1. Inventory Materiel Accountability. ....	8
3.2. Accountable Record for Inventory. ....	9
3.3. In-Storage Accountability. ....	10
3.4. In-Transit Accountability. ....	11
3.5. In-Repair Accountability. ....	12
3.6. Accountability of Redistribution Actions. ....	13
3.7. Accountability of Materiel on Loan. ....	13
3.8. Internal Review. ....	13
APPENDIX 3A: ACCOUNTABILITY FOR CATEGORIES OF IN-TRANSIT SECONDARY ITEM INVENTORY .....	15
3A.1. In-Transit Inventory Categories. ....	15
3A.2. Inventory Moving into the DoD Supply Chain. ....	18
3A.3. Inventory Moving out of the DoD Supply Chain. ....	18
SECTION 4: HANDLING AND CONTROL OF SPECIAL TYPES OF MATERIEL .....	20
4.1. Special Types of Materiel. ....	20
4.2. Unique Item-level Traceability. ....	20
4.3. Added Accountability Requirements for Serially-Managed Items. ....	21
SECTION 5. CII PROCEDURES .....	22
5.1. Identification of CII. ....	22
5.2. CIIC. ....	22
5.3. Annual Review and Assessment. ....	23
5.4. Declassification. ....	23
5.5. Security Procedures for CII, Including NWRM and TSN CC. ....	24
5.6. Packaging. ....	24
5.7. Shipment Content Verification Prior to Package Closure for Items That Are Classified SECRET and Above or NWRM. ....	24
5.8. Inventorying CII in Storage. ....	24
5.9. Report of Shipment (REPSHIP) Notifications for Items That Are CII, to Include NWRM and TSN CC. ....	25

5.10. Receipt Validation for CII, including NWRM and TSN CC THAT Are Classified as SECRET or Above.....	27
5.11. Loss of CII Materiel.....	28
5.12. Unserviceable CII. ....	28
5.13. Disassembly. ....	28
5.14. TSN CC Identification. ....	29
5.15. TSN CC Stewardship and Control.....	29
5.16. CII Training. ....	30
<b>SECTION 6: MANAGING AND CONTROLLING CSI</b> .....	<b>31</b>
6.1. Statutory Requirements.....	31
6.2. Specific DoD Component Procedures. ....	31
<b>SECTION 7: SMALL ARMS AND LIGHT WEAPONS</b> .....	<b>36</b>
7.1. DoDSA/LWSP General Requirements.....	36
7.2. Identification and Registration of DODSA/LWSP.....	36
<b>SECTION 8: CHARTER FOR THE DOD JSA/LWCG</b> .....	<b>38</b>
8.1. Purpose.....	38
8.2. Organization and Management. ....	38
8.3. Functions.....	38
8.4. Responsibilities.....	39
8.5. Administration. ....	40
<b>GLOSSARY</b> .....	<b>41</b>
G.1. Acronyms.....	41
G.2. Definitions.....	42
<b>REFERENCES</b> .....	<b>49</b>

**TABLES**

Table 1. Providing for Accountability of In-Transit Inventory Moving within the DoD Supply Chain.....	16
Table 2. Accounting for In-Transit Inventory Moving into the DoD Supply Chain.....	18
Table 3. Accounting for In-Transit Inventory Moving out of the DoD Supply Chain.....	19

**FIGURES**

Figure 1. REPSHIP Notifications .....	26
---------------------------------------	----

## **SECTION 1: GENERAL ISSUANCE INFORMATION**

**1.1. APPLICABILITY.** This issuance applies to 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”).

**1.2. INFORMATION COLLECTIONS.** The Airworthiness Approval Tag, Federal Aviation Administration (FAA) Form 8130-3, referred to in Paragraph 6.2.k. of this issuance, does not require licensing with an OMB Control Number in accordance with Paragraph 3.8.b(2) of Volume 2 of DoD Manual (DoDM) 8910.01.

**1.3. SUMMARY OF CHANGE 4.** The changes to this issuance update:

- a. Procedures for revenue recognition of in-transit materiel.
- b. References and acronym usage for currency and accuracy.

## **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. Is responsible for overall policy development, direction, and oversight of the inventory accountability of DoD supply system materiel, to include the DoD Small Arms and Light Weapons Serialization Program (DoDSA/LWSP) and CSI.
- b. Acts as an advisor to the JSA/LWCG.

**2.2. DIRECTOR, DEFENSE LOGISTICS AGENCY (DLA).** Under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment, through the ASD(S), and in addition to the responsibilities in Paragraph 2.3., the Director, DLA:

- a. Administers for the owning DoD Component a recordkeeping program that accounts for and reconciles physical custody of the owning DoD Component inventories in DLA-managed storage activities.
- b. Coordinates with the Secretaries of the Military Departments on the use of standard procedures for the assignment of controlled inventory item codes (CIIC).
- c. Coordinates every 5 years with the Secretaries of the Military Departments on CIIC definitions in order to incorporate any new security considerations and to ensure that the combinations of CIIC and demilitarization codes address the current security environment.
- d. Serves as the DoD focal point for the DoDSA/LWSP.
- e. Chairs the JSA/LWCG and performs the responsibilities in Section 8 of this issuance.
- f. Designates an individual to serve as a member of the JSA/LWCG that can represent the agency position on actions addressed by the JSA/LWCG. Representatives must be an O5, O6, GS-14, GS-15, or equivalent level.

**2.3. DOD COMPONENT HEADS.** The DoD Component heads:

- a. Implement the procedures prescribed in this volume throughout their departments or agencies.
- b. Establish Component supplemental guidance and procedures that are in accordance with DoDI 4140.01 and this volume.
- c. Establish and maintain a physical inventory control program for materiel (wholesale and below wholesale) in the DoD supply chain to provide for the economical and efficient

stewardship of DoD supply system materiel and to serve as a key internal control for producing accurate and timely information on on-hand item quantities supporting inventory financial statements.

d. Establish and execute a physical security program to prevent or reduce the potential for theft, fraud, sabotage, and abuse of DoD materiel.

e. Establish and maintain procedures for the handling of CSIs and CIIs, including NWRM and TSN CC, in accordance with Section 4 of this issuance.

f. Establish, control, and fund the automated registration of all small arms and light weapons and Category 1 missile and rocket unique item identifiers (UII) in their inventories, including all small arms and light weapons transferred outside their inventories, such as those released to the General Services Administration and under security assistance arrangements.

g. Identify and control CSI throughout their life cycles to ensure only safe, conforming parts are installed on military ships and aircraft, in accordance with Section 2319 of Title 10, United States Code (U.S.C.) and SECNAVINST 4140.2/AFI 20-106/DA Pam 95-9/(DLAI) 3200.4/DCMA INST CSI (AV).

h. Designate a ship seaworthiness or aircraft airworthiness authority with design and configuration responsibility.

i. Maintain a list of NWRM assemblies and subassemblies, as appropriate. Update this list on at least an annual basis.

j. Conduct an annual audit of current procedures for CII, including NWRM, and take necessary and appropriate corrective actions to address systemic supply chain management issues.

**2.4. SECRETARIES OF THE MILITARY DEPARTMENTS.** In addition to the responsibilities in Paragraph 2.3., the Secretaries of the Military Departments:

a. Ensure their departments' information management systems software and operating procedures adhere to the accountability procedures in Section 3 of this volume and in the Financial Improvement and Audit Readiness Guidance from the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense.

b. Coordinate with DLA to assign CIIC that appropriately safeguards and identifies special requirements for CII that are compatible with demilitarization codes.

c. Validate CIIC assigned to items every 5 years.

d. Designate an individual to serve as a member of the JSA/LWCG that can represent the agency position on actions addressed by the JSA/LWCG. Representatives must be an O5, O6, GS-14, GS-15, or equivalent level.

**2.5. SECRETARY OF THE ARMY.** In addition to the responsibilities in Paragraphs 2.3., and 2.4., the Secretary of the Army funds, operates, maintains, and oversees the DoD Small Arms and Light Weapons Registry.

**2.6. COMBATANT COMMANDERS.** In addition to the responsibilities in Paragraph 2.3., and through the Chairman of the Joint Chiefs of Staff, the Combatant Commanders authorize the emergency redistribution of requirement-related munitions stock in their geographic commands and verify the redistribution with the issuing Military Departments. Combatant Commanders may delegate this responsibility to a Military Department support commander, joint force commander, or other commander, as appropriate.

## **SECTION 3: INVENTORY ACCOUNTABILITY**

**3.1. INVENTORY MATERIEL ACCOUNTABILITY.** The DoD Components will account for all secondary item inventories for which they are responsible within the DoD supply chain. Where a contractor is buying, storing, and managing inventory on behalf of the government, the DoD Component responsible for contract administration will conduct an analysis of the contractor's property management policies, procedures, practices, and systems as frequently as conditions warrant, in accordance with Subpart 45.105 of the Federal Acquisition Regulation (FAR) and Subpart 245.105 of the Defense Federal Acquisition Regulation Supplement.

a. Materiel managers at inventory control points (ICP) and retail supply activities must account for the inventory that they own, whether the inventory is in storage, in transit, in repair, or on loan.

(1) Responsibility for inventory accountability starts when a materiel manager assumes ownership and title of the materiel, including when:

(a) An organic or commercial storage activity accepts materiel due from a commercial supplier according to the terms in the associated contract (i.e., when received or when a government official at a contractor's site or at a location other than the receiving site accepts materiel), in accordance with Subpart 47.3 of the FAR.

(b) A materiel manager at a retail supply activity receives materiel from an organic or commercial source of supply (SOS).

(c) An organic or commercial storage activity receives materiel returned from a materiel manager's customer.

(d) An organic or commercial storage activity receives materiel ordered by one materiel manager from another materiel manager.

(2) A materiel manager's responsibility for inventory accountability ends when:

(a) Issued materiel is received by another materiel manager who assumes ownership of the materiel, in accordance with the procedures in Paragraphs 3.1.a.(1)(c) and 3.1.a.(1)(d).

(b) The materiel is issued to a user for consumption, and is consumed or becomes part of the user's operating materials and supplies.

(c) The materiel is transferred (either shipped and received or received in place) to a DLA Disposition Services field office for reutilization in accordance with the procedures in Volume 6 of this manual and Volumes 1 to 4 of DoDM 4160.21.

b. Materiel managers at ICP and retail supply activities will maintain an accountable record for inventory that retains inventory balances and changes in balances by national stock number (NSN). Additional accountability requirements for special types of materiel are specified in Section 4 of this volume.



**3.2. ACCOUNTABLE RECORD FOR INVENTORY.** The accountable record for inventory consists of the total item property record.

a. At a minimum, the total item property record consists of:

- (1) Materiel manager name or designation.
- (2) NSN.
- (3) Unit of issue code.
- (4) Item description or name.
- (5) Unit cost. The materiel manager will assign a value in accordance with Chapter 4 of Volume 4 of DoD 7000.14-R.
- (6) UII and serial number for controlled items only per Section 4 of this volume.
- (7) CIIC (if applicable).
- (8) In-storage balances (i.e., quantities) of government-owned and government-managed inventory held at organic or commercial storage location by the storage activity's DoD activity address code (DoDAAC)) and by supply condition code.
- (9) In-repair balances by organic maintenance facility and supply condition code.
- (10) In-repair balances by commercial maintenance facility and by contract.
- (11) In-transit balances by in-transit category, as delineated in Table 1.
- (12) Due-in balance for orders to designated DoD SOS.
- (13) Due-in balances from procurement by contract number or procurement request.
- (14) Due-in balances from return by customer and by supply condition code (indicating serviceable and unserviceable balances).
- (15) For government furnished materiel and government-owned, contractor-managed inventory, the balances of in-storage inventory in the contractor's custodial system.
  - (a) Balances will include the government contract number and the unique DoDAAC assigned for each government contract.
  - (b) The materiel custodian is responsible for maintaining the balances of in-storage inventory in the custodian's system of record, regardless of which DoD Component owns the materiel.
- (16) On-loan balances by receiving activity, in the form of DoDAAC, commercial and government entity (CAGE) code, or other identifier.

(17) Dates of last inventory by organic or commercial storage location for in-storage assets.

(18) Potential losses awaiting resolution by storage location, maintenance facility, or in-transit document.

(19) Actual losses by storage location, maintenance facility, or in-transit document.

(20) Returns to vendors awaiting resolution by vendor CAGE code.

b. The materiel manager will create a single item inventory record to retain materiel balance information. Property accountability for segments of the total item property record may be assigned to, but not shared by, one or more organizational entities.

c. To ensure the accuracy of their total item property records, owning materiel managers will:

(1) Initiate and direct the conduct of physical inventories, in accordance with the procedures in Paragraph 5.8. of this volume, when dealing with CIIs and in Enclosure 3 of Volume 5 of this manual for all other materiel.

(2) Initiate and participate in discrepancy research and reports associated with inventory balances in the total item property record.

(3) Resolve discrepancies in inventory balances resulting from loss, damage, or destruction of materiel and investigate and assess liability for those discrepancies.

(4) Refer suspected instances of inventory loss as a result of theft or fraud to the appropriate DoD Component criminal investigation organization or the DoD Inspector General hotline for investigation.

(5) Take necessary applicable actions to ensure that the physical on-hand quantity and the total item property record quantity are in agreement for all DoD materiel that is not in the physical custody of DoD storage activities. For example, owning materiel managers will ensure accuracy for property records where contractors are responsible for the physical custody of government-owned inventory located at contractor facilities or DoD storage activities.

### **3.3. IN-STORAGE ACCOUNTABILITY.**

a. The DoD Component that has physical custody of materiel in storage is responsible for maintaining balances of in-storage inventory in its system of record, regardless of which DoD Component owns the materiel. The in-storage balance in the custodian's system of record is the official auditable quantity for an item of inventory.

(1) DoD Components will establish accountability of government-owned contract property where contractors are responsible for the physical custody, in accordance with Part 52.245-1 of the FAR.

(2) If applicable, DoD Components will transfer accountability between contracts, in accordance with Part 45.106 of the FAR and Part 245.103-71 of the Defense Federal Acquisition Regulation Supplement.

b. ICPs and storage activities will collaborate to ensure that the in-storage inventory balances in their respective systems are the same, thus becoming, in effect, a single set of in storage balances in the total item property record. ICPs and storage activities should maintain and retain records and supporting documentation in accordance with Chapter 9 of Volume 1 of DoD 7000.14-R.

c. The storage activity is responsible for the content, changes, and accuracy of the inventory held under its control, as well as for the caring and safeguarding of that inventory.

(1) Each storage activity having physical custody of item assets will maintain a record or record set that identifies the quantity and condition of the item assets. Where required, item records will satisfy applicable unique item identification requirements.

(2) Storage activities will leverage the application of automatic identification technology (AIT) to improve the timeliness, accuracy, and efficiency of their inventory accounting by enabling use of machine-readable materiel identification and supporting serialized item tracking. AIT is described in Volume 7 of this manual.

(3) In accordance with Volume 2 of Defense Logistics Manual (DLM) 4000.25, the storage activity maintaining physical custody of item assets will handle inquiries and audits of physical inventory discrepancies related to those assets and will:

(a) Conduct physical inventories, initiate and conduct causative research, prepare supply discrepancy reports (SDRs) or storage quality control reports, resolve inventory discrepancies, investigate and assess liability for loss, damage, and destruction of government property, and take applicable actions necessary to ensure accurate physical on-hand balances.

(b) Inform the owning materiel manager of any changes in the on-hand balances in the total item property record and provide quarterly summaries of item causative research results.

(c) While investigating a potential loss, ensure that the total item property record lists the quantity being investigated as a potential loss.

(4) Storage activities will use the Defense Logistics Management Standards (DLMS) in DoDD 8190.01E and Volumes 1, 2, 3, 4, 6, and 7 of DLM 4000.25 for SDRs, storage quality control reports, and the associated responses.

### **3.4. IN-TRANSIT ACCOUNTABILITY.**

a. For purposes of standardizing the accounting, reporting, and stratification of DoD inventory assets, owning materiel managers will account for their in-transit assets by in-transit category. Table 1 in Appendix 3A lists the categories and associated codes that DoD Components may use to delineate in-transit assets.

b. When the owning materiel manager directs a storage activity to ship materiel, the shipping activity will notify the owning materiel manager when materiel is shipped, issue the materiel, and reduce the in-storage balance accordingly.

c. When notified that materiel is issued, the owning DoD Component will reduce its in-storage balance in concert with the shipping activity and will establish an in-transit balance within the total item property record for that materiel (to include resolution of shipping and other discrepancies) until the consignee or receiving activity formally acknowledges receipt.

d. If the materiel is being put in an in-transit status as part of a sale, the selling DoD Component will:

(1) Bill the consignee or receiving activity when the materiel is placed in an in-transit status.

(2) Pass the title to the consignee or receiving activity based on the terms of the sale.

e. Commercial carriers and intermediate distribution nodes, though not the owners of the materiel, are responsible for minimizing and eliminating loss of or damage to the materiel in transit, in accordance with Part II of the Defense Transportation Regulation (DTR) 4500.9-R.

f. The activity receiving in-transit assets assumes accountability of that materiel upon receipt as stated above in Paragraph 3.1.a.

### **3.5. IN-REPAIR ACCOUNTABILITY.**

a. Using applicable standard logistics processes as prescribed in Volume 2 of DLM 4000.25, organic maintenance facilities will assume custodial accountability for materiel upon receipt of the materiel at the maintenance facility and while in the facilities' custody during maintenance actions. Accountability extends through receipt, storage until repair, repair, modification, disposal, and shipment of repaired assets back to their receipt at the storage activity.

b. The owning DoD Component will maintain accountability for materiel in a contractor's possession for repair. The contractor will have stewardship of the materiel in accordance with Part 52.245-1 of the FAR and its associated clauses, terms, and conditions.

(1) When a contractor has stewardship, the owning DoD Component, with assistance from the organization providing contract administration support, must ensure that the appropriate systems are in place to manage (i.e., control, use, preserve, protect, repair, account for, and maintain) government property in the contractor's possession.

(2) The stewardship includes all items furnished for repair, and continues until the repaired assets are returned to and received by the DoD Component. Stewardship also includes repair parts provided as government-furnished materiel until they are consumed, expedited, or lose their individual identity when used to repair an end item or higher assembly.

c. DoD Components will:

(1) Update the accountable record for inventory within 2 to 3 business days of when an unserviceable asset is received by an organic or commercial maintenance facility by changing the supply condition code from “F” to “M.” While under repair, an unserviceable asset will retain its M supply condition code with these exceptions:

(a) Assign the supply condition code “G” to unserviceable assets that are in maintenance facilities but whose repair is delayed until the parts needed to complete repair are available. The delay must be longer than the normal time to order and receive parts.

(b) Assign the supply condition code “H” for unserviceable assets that cannot be fixed and cannot be sent elsewhere for repair. Notify the cognizant materiel manager that the asset is condemned. A condemned asset may be assigned a supply condition code “P” if it contains serviceable components or assemblies to be reclaimed.

(2) Add or update accountable records for classified CII inventory, which includes NWRM and TSN CC, within 24 hours.

### **3.6. ACCOUNTABILITY OF REDISTRIBUTION ACTIONS.**

a. After determining that redistribution is mission- or economically-justified, the owning materiel manager will establish a redistribution balance within its item property record for the materiel being redistributed until the redistribution action is completed.

b. When the redistribution action is completed (i.e., when the receiving storage location acknowledges receipt), the owning DoD Component will establish or update the in-storage balance for the receiving location.

### **3.7. ACCOUNTABILITY OF MATERIEL ON LOAN.** The owning DoD Component will assign accountability for materiel on loan to the loanee.

a. When assigning accountability to a loanee, the owning DoD Component must ensure that the appropriate systems are in place to manage (i.e., control, use, preserve, protect, repair, account for, and maintain) government property in the loanee’s possession.

b. When the loanee acknowledges receipt of the materiel, the owning DoD Component will establish and maintain an associated loan balance until the materiel is returned.

### **3.8. INTERNAL REVIEW.** DoD Components will:

a. Conduct managers’ internal control program reviews in accordance with DoDI 5010.40.

b. Maintain the total item property record in accordance with Volume 2 of DLM 4000.25.

c. Investigate and assess liability for loss, damage, destruction, and theft of government property, in accordance with Chapter 7 of Volume 12 of DoD 7000.14-R.

d. Maintain a complete audit trail of transactions in accordance with Chapter 9 of Volume 1, DoD 7000.14-R. DoD Components will:

(1) Retain transactions used in setting the moving average cost for an item until the subject item is purged from the supply system.

(2) Retain other transactions affecting the total item property record for a minimum of 6 years and 3 months or a total of 75 months to 10 years.

(3) Retain the transaction history audit trail with the information system transaction record and the source document that prompted the information system transaction, if one is provided.

(4) Use source data automation techniques to the maximum extent to capture the required information from and keep a retrievable image of the document if a source document is provided.

(5) Index the transactions and documents with available images in such a way that they are tied together for retrieval when both the information system transaction record and the source document exist.

## **APPENDIX 3A: ACCOUNTABILITY FOR CATEGORIES OF IN-TRANSIT SECONDARY ITEM INVENTORY**

**3A.1. IN-TRANSIT INVENTORY CATEGORIES.** DoD Components will include or exclude specific in-transit categories in the total item property record as prescribed in Table 1 and, if included, the associated in-transit quantity in the balance listed in Table 1.

a. Categories of inventory moving within the DoD supply chain are listed by the following groups:

- (1) Inventory shipped in response to an order placed on a wholesale SOS.
- (2) Inventory moved between storage locations.
- (3) Inventory returned to a wholesale SOS.
- (4) Inventory moved to and from maintenance facilities.
- (5) Inventory moved to and from disposal sites.

b. For some categories, materiel is moving from the total item property record of the consignor to the total item property record of the consignee or receiving activity. Table 1 identifies those categories and the treatment of the inventory when in-transit for both the consignor's and consignee's records.

c. In-transit balance codes are listed in Tables 1 and 3 to delineate in-transit inventory categories and their respective balances. The DoD Components are not required to use the listed codes but must assign in-transit shipments to the respective balance they delineate.

**Table 1. Providing for Accountability of In-Transit Inventory Moving within the DoD Supply Chain**

IN-TRANSIT INVENTORY CATEGORY	MATERIEL MANAGER DIRECTING THE MOVEMENT (CONSIGNOR)			MATERIEL MANAGER RECEIVING SHIPPED MATERIEL (CONSIGNEE)	
	NEEDS TO BE INCLUDED IN TOTAL ITEM PROPERTY RECORD	BALANCE (QUANTITY)	IN-TRANSIT BALANCE CODE	NEEDS TO BE INCLUDED IN TOTAL ITEM PROPERTY RECORD	BALANCE (QUANTITY)
<b>A. Inventory being shipped in response to an order placed on a wholesale SOS</b>					
1. DoD organic SOS shipping ordered materiel to a DoD retail supply activity.	Yes	In-Transit	A	Yes	Order Due-In
2. DoD-designated commercial SOS managing government-owned materiel (performance-based logistics contractor) shipping ordered materiel to a DoD retail supply activity.	Yes	In-Transit	A	Yes	Order Due-In
3. DoD organic SOS shipping ordered materiel to a wholesale storage location for another wholesale SOS.	Yes	In-Transit	A	Yes	Order Due-In
4. DoD-designated commercial SOS managing government-owned materiel (performance based logistics contractor) shipping ordered materiel to a wholesale storage location for another wholesale SOS.	Yes	In-Transit	A	Yes	Order Due-In
5. DoD-designated commercial SOS not managing Government-owned materiel (i.e., a planned direct vendor delivery contractor) shipping ordered materiel to a wholesale storage location for another wholesale SOS.	No	N/A	N/A	Yes	Order Due-In
<b>B. Inventory moving between storage locations</b>					
1. Assets moving between wholesale storage locations or between wholesale and retail storage locations within the same Defense Working Capital Fund for purposes of balancing or changing locations.	Yes	Redistribution	R	N/A	N/A



**Table 1. Providing for Accountability of In-Transit Inventory Moving within DoD Supply Chain, Continued**

IN-TRANSIT INVENTORY CATEGORY	MATERIEL MANAGER DIRECTING THE MOVEMENT (CONSIGNOR)			MATERIEL MANAGER RECEIVING SHIPPED MATERIEL (CONSIGNEE)	
	NEEDS TO BE INCLUDED IN TOTAL ITEM PROPERTY RECORD	BALANCE (QUANTITY)	IN-TRANSIT BALANCE CODE	NEEDS TO BE INCLUDED IN TOTAL ITEM PROPERTY RECORD	BALANCE (QUANTITY)
<b>C. Inventory being returned to a wholesale SOS</b>					
1. Unserviceable assets being returned from a retail supply activity to the wholesale level for repair as part of an exchange.	Yes	In-Transit	B	Yes	Unserviceable Return Due-In
2. Excess unserviceable assets being returned from a retail supply activity to the wholesale level.	Yes	In-Transit	B	Yes	Unserviceable Return Due-In
3. Excess serviceable assets being returned from a retail supply activity to the wholesale level.	Yes	In-Transit	B	Yes	Serviceable Return Due-In
<b>D. Inventory being moved to and from maintenance facilities</b>					
1. Unserviceable assets moving from a storage location to an organic or commercial maintenance facility for repair.	Yes	In-Repair	M	Yes, on maintenance facility records	By supply condition code
2. Repaired unserviceable or serviceable assets moving from an organic or commercial maintenance facility to a storage location.	Yes	In-Repair	N	Yes, on maintenance facility records	By supply condition code
<b>E. Inventory being moved to and from disposal sites</b>					
1. Assets moving from a Defense Working Capital Fund storage or retail location to a disposal site.	Yes	In-Transit	D	N/A	N/A

**3A.2. INVENTORY MOVING INTO THE DOD SUPPLY CHAIN.** DoD Components will identify the in-transit balances as listed in Table 2 in the total item property record for inventory moving into the DoD supply chain. Within the inventory moving into the DoD supply chain, categories are listed by sub-groups:

- a. Inventory being shipped in response to a DoD materiel order.
- b. Inventory being shipped in response to a DoD procurement.

**Table 2. Accounting for In-Transit Inventory Moving into the DoD Supply Chain**

CATEGORY	MATERIEL MANAGER RECEIVING SHIPPED MATERIEL (CONSIGNEE)	
	NEEDS TO BE INCLUDED IN TOTAL ITEM PROPERTY RECORD	BALANCE (QUANTITY)
<b>A. Inventory being shipped in response to a materiel order</b>		
Non-DoD Government SOS (e.g., General Services Administration) shipping non-DoD-managed materiel to a DoD materiel manager.	Yes	Order Due-In
<b>B. Inventory being shipped in response to a procurement order</b>		
1. Commercial supplier delivering materiel on contract; government not responsible for loss or damage prior to receipt and acceptance. (Note 1)	Yes	Order Due-In
2. Commercial supplier delivering materiel on contract; government responsible for loss or damage prior to receipt and acceptance. (Note 1)	Yes	Order Due-In
Note 1: When the government assumes responsibility for loss and damage depends on the delivery and transportation clauses in the contract.		

**3A.3. INVENTORY MOVING OUT OF THE DOD SUPPLY CHAIN.** DoD Components will identify the in-transit categories in Table 3 in total item property record and the balance that they apply to for inventory moving out of the DoD supply chain. Within the inventory moving out of the DoD supply chain, categories are listed by sub-groups:

- a. Inventory being shipped in response to a non-DoD materiel order placed on a DoD SOS.
- b. Inventory being shipped due to a quality defect.
- c. Inventory on loan.

**Table 3. Accounting for In-Transit Inventory Moving out of the DoD Supply Chain**

CATEGORY	MATERIEL MANAGER DIRECTING THE MOVEMENT (CONSIGNOR)		
	NEEDS TO BE INCLUDED IN TOTAL ITEM PROPERTY RECORD	BALANCE (QUANTITY)	IN-TRANSIT BALANCE CODE
<b>A. Inventory being shipped in response to an order placed on a wholesale SOS</b>			
1. DoD SOS shipping ordered materiel to (a) a DoD customer, (b) a non-DoD customer, and (c) a contractor as contractor acquired property.	Yes	In-Transit	A
2. DoD SOS shipping government-furnished materiel to a contractor.	Yes	In-Transit	G
<b>B. Inventory being shipped due to a quality defect</b>			
DoD organic SOS returning materiel to a commercial vendor.	Yes	Return to Vendor	B
<b>C. Inventory on loan</b>			
Materiel temporarily on loan to non-DoD departments or agencies, state or local governments, or civilian activities (veterans' organization, youth groups, etc.)	Yes	On Loan	N/A

## **SECTION 4: HANDLING AND CONTROL OF SPECIAL TYPES OF MATERIEL**

**4.1. SPECIAL TYPES OF MATERIEL.** The DoD Components must apply the highest levels of materiel accountability, control, visibility, protection, and identification to the stewardship of special types of materiel commensurate with the risk of materiel release. Materiel managers will follow special procedures for the handling, identification, and control of special types of materiel, including engineering and design information. DoD Components must provide special handling and control for special types of materiel:

a. CII. DoD Components must provide special handling and control for CII due to the classified nature or special characteristics of the items. The items are assigned a CII code indicating they are:

(1) Classified items such as NWRM and TSN CC, including controlled cryptographic items (CCIs).

(2) Sensitive items such as non-nuclear missiles and rockets (NNMR) and arms, ammunition, and explosives (AA&E).

(3) Items subject to pilferage because they have a ready resale value or application to personal possession, which is especially subject to theft.

b. CSI. CSI is a special type of materiel that requires special handling and control to avoid hazards through mitigating receipt of defective, suspect, improperly documented, unapproved, and fraudulent parts having the potential for loss of life, permanent disability or major injury, loss of a system, or significant equipment damage. DoD CSI items include both ships' CSIs and aviation CSI/Flight Safety Critical Aircraft Parts (FSCAP).

c. Small Arms, Light Weapons, and Conventional Ammunition. The DoD Components must manage small arms, light weapons, and conventional ammunition as special types of materiel in the DoD supply chain. Where items of conventional ammunition are DoD serially managed, DoD Components will assign a UII and comply with the item unique identification (IUID) requirements of DoDI 8320.04, DoDM 5205.02, and Volume 9 of this manual.

**4.2. UNIQUE ITEM-LEVEL TRACEABILITY.** The DoD Components will use the globally-unique and machine-readable UII, as required by DoDI 8320.04, to identify and track special types of materiel listed in Paragraph 4.1.

a. Components will accomplish full implementation of IUID functionality, to include item marking, as outlined in their Component IUID implementation plans.

b. This requirement does not apply to items that are managed only by lot.

**4.3. ADDED ACCOUNTABILITY REQUIREMENTS FOR SERIALY-MANAGED ITEMS.** While most items are accounted for by NSN, DoD Components will account for DoD serially-managed items by UII within NSN in accordance with DoDI 8320.04, subject to information security and operation security requirements. DoD Components will maintain human-readable identification and supporting serialized item tracking for those items. In the event the UII is lost, missing, or unreadable, the DoD Components will use item serial number for tracking purposes. The Military Departments and DLA will:

- a. Maintain UII records at DoD storage activities.
- b. Provide shipment notification or shipment accompanying documentation from the issuing activity to the recipient identifying the NSN and UII.

## **SECTION 5. CII PROCEDURES**

### **5.1. IDENTIFICATION OF CII.** The DoD Components must:

- a. Identify CII, including NWRM and TSN CC, in key information systems in such a way that ensures personnel handling the materiel are alerted to any required special handling procedures.
- b. Safeguard data pertinent to NWRM in the Federal Logistics Information System (FLIS) or other key information systems to ensure it is made available only to authorized personnel and never to the general public.
- c. Use locally-assigned item identification numbers on a temporary basis pending assignment of an NSN in FLIS.
- d. Ensure that drawings, associated technical data, or other means clearly identify the item as CII with the critical and major characteristics, critical processes and inspection, including appropriate export control warnings in accordance with DoDI 5230.24 and other quality assurance requirements for all CII.

### **5.2. CIIC.**

- a. DLA will:
  - (1) Expand the CIIC from one character to two to allow for the versatility of future requirements as necessary.
  - (2) Review Table 192 in Volume 10 of DoDM 4100.39 every 5 years, in coordination with the Military Departments, to reflect the current security environment in the combinations between CIIC and demilitarization codes.
  - (3) Develop standard procedures to ensure the accurate assignment of CIIC code and demilitarization code compatibilities, in coordination with the Military Departments.
- b. Materiel managers will use the demilitarization code and standard procedures developed with DLA to assign a CIIC for CII that:
  - (1) Appropriately safeguards and identifies special requirements for stock, storage, security, and transportation.
  - (2) Identifies appropriate pilferage controls related to storage, handling, and transportation, to include the Transportation Protective Services for the item, in accordance with the DTR 4500.9-R.
  - (3) Identifies the special handling required to ensure proper controls and security before considering the impacts on the costs for storage, handling, and transportation.

(4) Identifies the extent and type of special handling required due to the classified nature or special handling characteristics of the item.

(5) Identifies the AA&E security risk categories in Table 61 of Volume 10 of DoDM 4100.39 and DoDM 5100.76.

(6) Aligns with the combinations of CIIC and demilitarization codes authorized by Table 192 in Volume 10 of DoDM 4100.39.

(7) Assigns the CIIC to repair parts for AA&E end items or other weapon system items independently from the CIIC of the end item.

(8) Assigns the appropriate CIIC to each repair part for an end item, taking into account storage and transportation needs that are described in the DTR 4500.9-R for the repair part when separated from the end item.

c. The appropriate materiel manager will initiate reviews of the item's CIIC at least once every 5 years to ensure the proper coding and effective utilization of physical security facilities, compatibility with the demilitarization code, and Transportation Protective Services. The materiel manager will submit requests for changes to the CIIC in accordance with Chapter 5 of DoDM 4100.39.

### **5.3. ANNUAL REVIEW AND ASSESSMENT.** The Military Departments and DLA:

a. Conduct an annual review and assess compliance with current supply chain management procedures for CII, including NWRM and TSN CC.

b. Review and assess corrective actions taken to address any systemic supply chain management issues.

c. Review and assess only those activities authorized to possess CII, including NWRM and TSN CC.

### **5.4. DECLASSIFICATION.** The DoD Components will:

a. Declassify items by removing or eliminating their classified features to permit safe disposition in accordance with Volume 3 of DoDM 5200.01.

b. Make disposition decisions, including materiel returns by U.S. Government or contractor organizations.

c. Track the materiel by wholesale materiel managers.

d. Execute demilitarization of CII, including NWRM and TSN CC, in a timely fashion, in accordance with Volumes 1 to 3 of DoDM 4160.28.

**5.5. SECURITY PROCEDURES FOR CII, INCLUDING NWRM AND TSN CC.** The DoD Components must:

- a. Store, maintain, and handle all CII, including NWRM and TSN CC, in a facility that has security and employs personnel appropriate for the level of the CII's classification:
  - (1) Comply with the procedures in DoDM 5100.76 for the physical security of sensitive conventional AA&E.
  - (2) Comply with the procedures in DoDI 5210.63 for maintaining security of chemical agents.
  - (3) Comply with the procedures in DLA Regulation 4145.11/AR 740-7/Navy Supply System Command Instruction 4440.146C/Marine Corps Order 4450.11A for safeguarding CII and controlled substances.
- b. Ensure transfers, including ultimate disposal and sale or donation of DoD personal property, outside of DoD control, are conducted in accordance with DoDI 2030.08 and DoDI 2040.02, to ensure compliance with DoD trade security control and international transfer policies, and U.S. export laws and regulations.

**5.6. PACKAGING.** The DoD Components will package CII, including NWRM and TSN CC, to allow the materiel to be readily identifiable, subject to information security and operations security requirements and in accordance with Military Standard 2073-1E. Packaging should enable verification of the materiel without unpacking or breaking the preservation barrier.

**5.7. SHIPMENT CONTENT VERIFICATION PRIOR TO PACKAGE CLOSURE FOR ITEMS THAT ARE CLASSIFIED SECRET AND ABOVE OR NWRM.**

- a. A supervisor, lead, or agency-designated individual is responsible for verification of package contents.
- b. Personnel conducting the verification must use a process checklist or similar tool available to facilitate the verification.
- c. Personnel verifying the contents must possess the appropriate subject matter expertise to be able to properly inspect and identify the subject items and to ensure the accompanying documentation accurately reflects the package contents.

**5.8. INVENTORYING CII IN STORAGE.** In addition to the basic Physical Inventory Control Program requirements specified in Volume 5 of this manual, DoD Components must:

- a. Conduct physical inventories in accordance with Volume 2 of DLM 4000.25. Use the list of CIICs in DoDM 4100.39 and the guidelines for transportation protective services in Chapter 205 of Part II, DTR 4500.9-R for items listed in Table 205-7, Part II, DTR 4500.9-R.



b. Perform a 100 percent physical count with 100 percent accuracy.

(1) Perform 100 percent physical count as reflected by the number of items listed on the crates or containers when items are CII, including NWRM, and are banded and crated or are in a sealed container.

(2) Use AIT from outside of the unit packaging to update the inventory record, if not prohibited by safety, information security, or operation security requirements.

(3) Report, research, and resolve all discrepancies in accordance with Paragraph 3.3.c.(3) of this volume.

c. Include CII, including NWRM, in 100 percent physical counts with the results of such inventories no less often than annually.

d. Conduct the inventory at least semi-annually at unit-level activities and installation-level (e.g., post, base, camp, station) activities and at least annually at depot-level activities where DoD Components have custody or accountability of:

(1) Items that are classified: SECRET or above and not installed on an end item; Security Risk Category I NNMR and Security Risk Category II, III, and IV arms as prescribed in DoDM 5100.76; or NWRM that is not installed on an end item.

(2) Security Risk Category II or III arms.

(3) Any unsealed containers where DoD Components have custody or accountability of Security Risk Category I, II, III, or IV ammunition or explosives in accordance with DoDM 5100.76 and Volume 2 of DLM 4000.25.

e. Prescribe more frequent inventories or inventories by 100 percent physical count, as required.

f. Validate by a second individual all inventorying of items that are classified SECRET and above and NWRM.

**5.9. REPORT OF SHIPMENT (REPSHIP) NOTIFICATIONS FOR ITEMS THAT ARE CII, TO INCLUDE NWRM AND TSN CC.** For shipments of items that are CII where transportation protective services are required in accordance with the DTR 4500.9-R, the DoD Components must:

a. Use an automated process for REPSHIP notifications with auditable standard electronic data interchange (EDI) or electronic means (e.g., Cargo Movement Operations System, Global Freight Management, Distribution Standard System, e-mail, or fax), where possible.

b. Send REPSHIP notifications as depicted in Figure 1 and as outlined in the DTR 4500.9-R.

(1) Before shipment, the shipper must send a REPSHIP notification to the intended recipient of the intent to ship and await positive acknowledgement from the intended recipient before actual shipment.

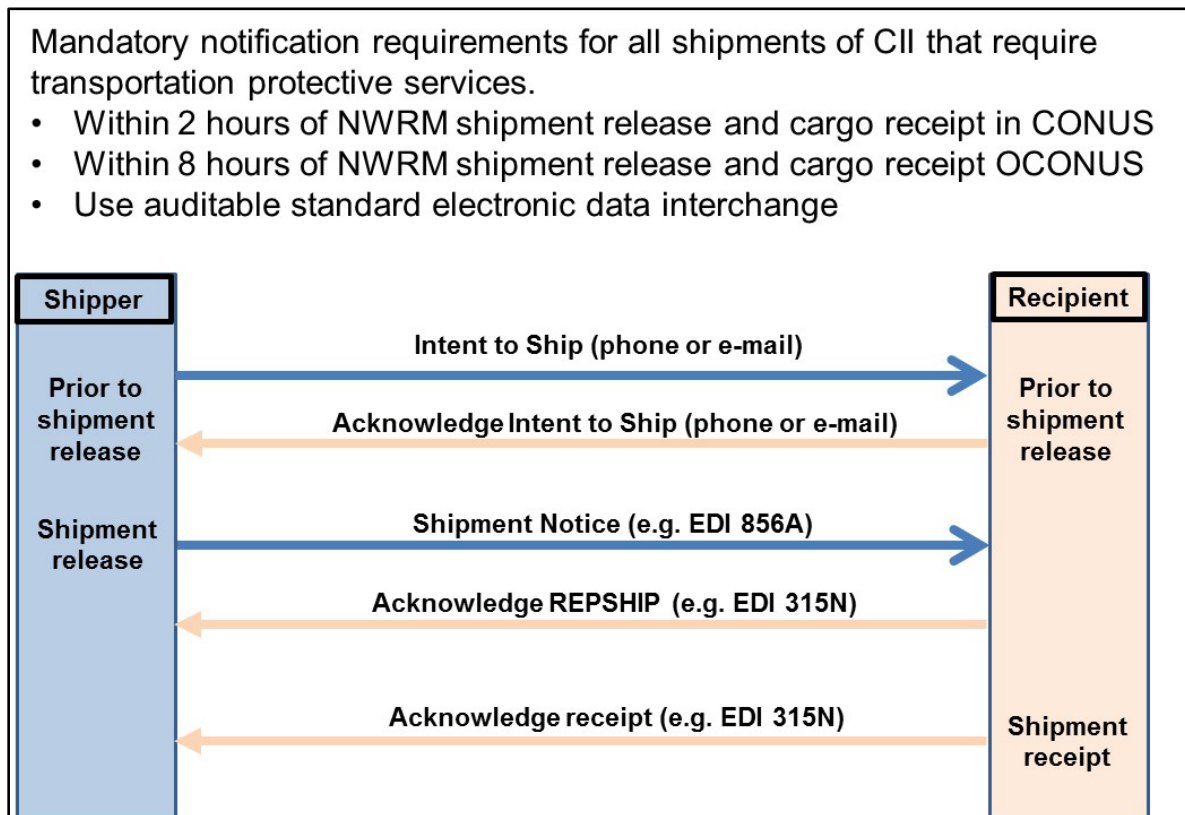
(2) The intended recipients must send a REPSHIP notification to the shipper to acknowledge the intent to ship.

(3) Upon shipment, the shipper must send a REPSHIP notification to the intended recipient that the shipment has occurred.

(4) Upon receipt, the recipient must send a REPSHIP notification to the shipper to confirm receipt of the shipment.

(5) To confirm 100 percent of all CII shipments and receipts have REPSHIP notifications, shippers and recipients will use an automated process with auditable standard EDI or electronic means (i.e., Cargo Movement Operations System, Global Freight Management, Distribution Standard System, e-mail, or fax), where possible, to send notifications.

**Figure 1. REPSHIP Notifications**



c. Give appropriate consideration to information security and operations security requirements for all communication and materiel handling, as specified in Volume 3 of DoDM 5200.01, DoDD 5205.02E, and DoDM 5205.02.

- d. Enforce a deadline for acknowledgement, receipt, and confirmation of each NWRM REPSHIP notification not to exceed 2 hours for locations in the continental United States and 8 hours for those outside the continental United States.
- e. If the receipt of a shipment by a DoD Component is not acknowledged as expected, must have the Component's shipper initiate an investigation, with the assistance of the recipient, and follow through with the investigation until the matter is resolved.
- f. Verify the contents of shipments through visual inspections, barcodes, or radio frequency identifications before closure of the packaging or shipping container to ensure that the individual items, quantities, markings, and associated documentation are correct.
- g. Validate the contents of all receipts for kind, count, and condition, unless the recipient has verification that the appropriate packaging procedure was followed and there is no evidence of tampering. Follow acceptance procedures as specified in Volume 5 of this manual.
- h. Retain auditable electronic records of shipment and receipt confirmations for 5 years.

#### **5.10. RECEIPT VALIDATION FOR CII, INCLUDING NWRM AND TSN CC THAT ARE CLASSIFIED AS SECRET OR ABOVE.**

- a. DoD Components will validate receipt at the individual item level of UII or by serial number for kind, count, and condition unless the recipient has verification that the appropriate packing procedure was followed and there is no evidence of tampering. Until system changes implementing the IUID concept are completed, interim UII procedures are acceptable.
- b. If there is evidence of tampering, the recipient will open and inspect the contents of the package to validate the receipt. If product integrity could be compromised by opening the package, the receiving Military Department or Defense Agency will work with the shipper to establish what could be done to validate the receipt.
- c. If the markings on the packaging, documentation, or automated shipment notification do not match the actual item in the package (e.g., quantity discrepancies (over or under shipment), incorrect item received, unique identification (UII or serial number) mismatch, or receipt of a misdirected shipment), the recipient will submit an SDR within 24 hours of discovery to the responsible shipping activity or SOS, in accordance with Chapter 17 in Volume 2 of DLM 4000.25.
- d. The action activity must respond to the discrepancy report within 24 hours and take appropriate corrective actions to preclude a recurrence of mismatches. When the discrepancy requires further research for resolution, the action activity must provide an interim response within 24 hours, followed by a comprehensive response within 15 business days.

e. DoD Components must:

- (1) Follow the detailed procedures for supply and transportation discrepancy reporting found in Chapter 210 of DTR 4500.9-R for:

(a) Transportation service provider-related discrepancies, such as damaged cargo or lost shipment.

(b) Shipping and packaging discrepancies attributable to the responsibility of the supply activity.

(2) Address loss or unauthorized access of classified material to the cognizant security office as a security violation, in accordance with Volume 3 of DoDM 5200.01.

**5.11. LOSS OF CII MATERIEL.** DoD Components will determine if materiel shortages are the result of loss or normal and reasonable inventory adjustments. Before attributing any loss of materiel to an inventory or accountability discrepancy, DoD Components must:

- a. Determine if the shortage was a result of a loss.
- b. Determine that the shortage was not the result of theft or misappropriation.
- c. Complete causative research on all discrepancies discovered through a physical inventory or by other means.
- d. Review shortages to the NWRM accountable record for inventory by a representative of the owning organization at the general or flag officer or Senior Executive Service level.

(1) The reviewing official representative in the owning organization has the authority to approve adjustments to the NWRM accountable record for inventory as a result of the causative research, regardless of dollar value.

(2) The commander or director of a site storing classified or sensitive items has the authority to approve adjustments to the classified and sensitive items record as a result of the causative research, regardless of dollar value.

**5.12. UNSERVICEABLE CII.** The DoD Components must mark unserviceable CII, including NWRM, promptly and with the correct condition, and not co-mingle CII in storage with other items, serviceable or unserviceable.

**5.13. DISASSEMBLY.** The DoD Components must add or update accountable records for classified or NWRM repairable item inventory that are:

- a. Disassembled during repair.
- b. Not subsequently reassembled in the same action within 24 hours of disassembly.
- c. At the base or depot-level at contractor- or DoD Component-operated repair facilities.

**5.14. TSN CC IDENTIFICATION.** The Military Departments must:

- a. Incorporate the DoD TSN CC definition in their implementing guidance.
- b. Establish a process for identifying TSN CC consistent with the DoD definition.
- c. Identify and assign a criticality code as specified in the FLIS to all TSN CC parts or components during the provisioning process.
- d. Ensure that drawings, associated technical data, or other means clearly identify the item as a TSN CC with the critical and major characteristics, critical processes and inspection, including export controls warnings in accordance with DoDI 5230.24, and other quality assurance requirements for all TSN CCs.
- e. Identify approved or qualified sources of supply, repair, or overhaul for each TSN CC at the time the criticality determination is made or as soon after as it is practical to do so.
- f. Identify and code parts and components meeting the definition of TSN CC during the acquisition process.
- g. Update current cataloging data for existing NSNs to identify TSN CCs.
- h. Validate criticality determination during any subsequent design change that affects the item.
- i. Ensure that responses to engineering support requests with regard to TSN CCs are accurate, timely, and completed.
- j. When technical data is provided initially to the ICP, provide sufficient design, manufacturing, and quality technical information to assure successful TSN CC acquisition.

**5.15. TSN CC STEWARDSHIP AND CONTROL.** In addition to the requirements specified in Volume 5 of this manual, all DoD Components having custody of TSN CC, including CCIs, must:

- a. Perform a complete physical inventory by UII or by serial number at periodic intervals not to exceed 12 months between successive inventories, pursuant to National Security Telecommunications and Information Systems Security Instruction No. 4001.
- b. Include all TSN CC and CCI equipment and uninstalled TSN CC and CCI components in the physical inventory.
- c. Have control procedures limiting access to TSN CC and CCI secure telecommunications and information handling equipment and associated cryptographic items to guard against preventable losses of un-keyed CCI to unauthorized personnel.

d. Adhere to the procedures for transportation, accountability, storage, and other handling requirements, including access by foreign nationals, specified in National Security Telecommunications and Information Systems Security Instruction No. 4001.

**5.16. CII TRAINING.** The DoD Components must train all personnel newly-assigned to handling CII, including NWRM and TSN CC, before they assume their duties and provide all personnel handling such items with refresher training at least annually.

a. The DoD Components will develop training courses on the detailed procedures for handling CII. The training must:

(1) Include positive inventory control and accountability, particularly the prompt identification and accountability of disassembled items.

(2) Emphasize procedures in Military Standard 129 for proper uniform military marking for shipment and storage and in Volume 9 of this manual and Military Standard 2073-1E for proper military packaging.

b. Once developed, provide the training to government and contractor personnel, including distribution personnel, to enable them to properly handle and account for CII.

c. The Military Departments or Defense Agencies whose government or contractor personnel receive the training must complete and document completion of training requirements.

## **SECTION 6: MANAGING AND CONTROLLING CSI**

**6.1. STATUTORY REQUIREMENTS.** DoD Components must comply with the statutory requirements in Section 802 of Public Law 108-136 for aviation CSI and in Section 130 of Public Law 109-364 for ship CSI.

a. The engineering support activity (ESA) for aviation CSI or ship CSI must establish processes to identify and manage the procurement, modification, repair, and overhaul of the CSI.

b. Activities contracting for aviation or ship CSI must enter into a contract for the procurement, modification, repair, or overhaul of the item only with a source approved by the item's ESA in accordance with Section 2319 of Title 10, U.S.C.

c. Aviation and ship CSI, and the services performed with respect to aviation and ship CSI, must meet all technical and quality requirements specified by the ESA.

### **6.2. SPECIFIC DOD COMPONENT PROCEDURES.**

a. In addition to the procedures identified in Section 4 of this volume, DoD Components must:

(1) Identify and control CSIs throughout their life cycles.

(2) Install only safe, conforming parts on military ships and aircraft.

(3) Release only safe, conforming aviation parts to the civil aircraft market through disposal sales, exchanges, or other authorized transfers of DoD parts.

(4) Maintain a criticality code structure, as described in the FLIS, to identify CSIs for proper life-cycle management of items critical to ship and aviation safety.

(5) Mutilate used CSIs if they are being disposed of without historical maintenance records.

(6) Make loans, gifts, and exchanges of CSIs, in accordance with Section 2572 of Title 10, U.S.C., Volumes 1 to 4 of DoDM 4160.21, and Volumes 1 to 3 of DoDM 4160.28.

(7) Identify CSIs in the FLIS by the applicable criticality code defined in Table 181 in Volume 10 of DoDM 4100.39.

b. The responsible ESA will determine the criticality for each new item entering the DoD supply system.

(1) Materiel managers will validate that the criticality determinations have been accomplished by the responsible ESA during provisioning or any design change that affects the item.

(2) Materiel managers for common use items will coordinate with each other and their ESAs to ensure that the determination of criticality for a common item properly reflects the most critical application for that item.

c. Only the ICP that has management responsibility for an item may record an item as a CSI in the FLIS, based on the ESA's determination.

d. The ESA may require the managing ICP to record an item as a CSI in the FLIS.

e. During the acquisition of a CSI, any change of design or configuration will require the concurrence of the Military Department's designated ship seaworthiness or aircraft airworthiness authority.

f. DoD Components will comply with the procedures in this manual during the acquisition process and include a notification on the title page of any acquisition document with specifications for:

(1) An aviation CSI/FSCAP.

(2) A ship's CSI.

g. DoD Components will manage and track DoD serially-managed and depot-level reparable CSIs with AIT to support IUID-enabled inventories using an error correction code 200 data matrix symbol to the maximum extent possible throughout the life cycles of the reparable CSIs.

h. Throughout the life cycles of CSIs, DoD Components must include specific information in the CSI documentation requirements:

(1) Part identification; part number; NSN; and, for serially-managed CSIs, UII, and serial number.

(2) Manufacturer, CAGE code, and date of manufacture.

(3) Total time in service for life-limited, fatigue-sensitive, or fracture-critical parts.

(4) Current status for life-limited, fatigue-sensitive, or fracture-critical parts.

(5) For each part that must be overhauled on a specified time basis, time since the last overhaul.

(6) Identification of current inspection status, including time since last required inspection or maintenance performed.

(7) Current status of applicable FAA airworthiness directive or DoD equivalent technical orders, including the date and method, as well as time and date when the next action is required (aviation CSI/FSCAP only), if the FAA airworthiness directive involves recurring action.

(8) A list of current major alterations, repairs, or modifications for each part, including the date that the work was done and work authentication.



(9) Any unique traceability markings required of specific material control programs managed by the Military Departments to assure material integrity. An example is a material identification and control number program which provides traceable information for the part to receipt inspection records and indicates that the part has been certified to meet chemical and mechanical properties of the contracted specifications.

i. DoD Components must include specific information in the documentation requirements for new CSIs:

(1) Part identification; part number; NSN; and, for serially-managed CSIs, UII and serial number.

(2) Manufacturer, CAGE code, and date of manufacture.

j. DoD Components must provide all historical documentation with individual CSIs or otherwise make them available when they are shipped to another user, maintenance, or the DLA Disposition Services for disposal.

k. The Military Departments:

(1) Incorporate the DoD CSI definition in their implementing guidance.

(2) Establish a process for identifying CSI consistent with the DoD CSI definition.

(3) Identify and assign a criticality code, in accordance with Table 181 of Volume 10 of DoDM 4100.39, to all CSI parts or components during the provisioning process.

(4) Ensure that drawings, associated technical data, or other means clearly identify the item as a CSI. In accordance with DoDI 5230.24, ensure that critical and major characteristics, critical processes and inspection, including appropriate export control warnings, and other quality assurance requirements for all CSI are identified.

(5) Identify approved or qualified sources of supply, repair, or overhaul for each CSI at the time the criticality determination is made or as soon after as it is practical to do so.

(6) Identify and code parts and components meeting the definition of CSI during the acquisition process, in accordance with Title 10, U.S.C., and SECNAVINST 4140.2/AFI 20-106/DA Pam 95-9/DLAI 3200.4/DCMA INST CSI(AV).

(7) Update current cataloging data for existing NSNs to identify CSIs.

(8) Validate criticality determination during any subsequent design change that affects the item.

(9) Ensure that responses to engineering support requests with regard to CSIs are accurate, timely, and completed with the concurrence of the designated seaworthiness or airworthiness authority.

(10) Manage and track serially-managed CSIs throughout their life cycles within the DoD.

(11) Ensure that when ESAs initially provide technical data to the ICPs, they provide sufficient design, manufacturing, and quality technical information to assure successful CSI acquisition.

(12) Turn in CSI materiel to the DLA Disposition Services with the proper criticality code, assigned in accordance with DoDM 4100.39, and the historical records that accompany the property or are otherwise made available.

(a) When turning in such CSIs to the DLA Disposition Services, ensure that the turned-in documents clearly annotate the condition of the part and if mutilation is required.

(b) The disposal release order and the turned-in documents will include applicable CSI codes.

(c) If the CSI materiel contains AA&E components, the AA&E will be processed by the Military Service, not the DLA Disposition Services.

(13) Ensure that DLA Disposition Services is instructed to mutilate improperly documented, defective, non-repairable, and time-expired CSIs before such CSI materiel is disposed of, exchanged, or transferred outside of DoD. If the CSI materiel requires mutilation before being turned in to the DLA Disposition Services, the Military Service will accomplish the required mutilation.

(14) When available, request, obtain, and maintain the FAA Form 8130-3, "Airworthiness Approval Tag," from the original equipment manufacturer for aviation CSI/FSCAP.

(15) Ensure that historical maintenance documentation or the FAA Form 8130-3 are included for all aviation CSI/FSCAP items that are shipped from one DoD Component to another or turned in to the DLA Disposition Services, in accordance with the procedures for preparing transportation shipment documentation in Part II of the DTR.

(16) Ensure transfers, including ultimate disposal and sale or donation of DoD personal property, outside of DoD control, are conducted in accordance with DoDI 2030.08 and DoDI 2040.02, in compliance with DoD trade security control and international transfer policies, and U.S. export laws and regulations.

1. The DLA:

(1) Institutes a process, in collaboration with the ESAs, to ensure availability of data necessary for the life-cycle management of the CSIs.

(2) Collaborates with the Military Departments to continuously improve procedures for acquisition, management, and control of CSIs.

(3) Verifies that CSIs entering the property accounts of the DLA Disposition Services are mutilated if the items are lacking the documentation for new and used items, cited in Paragraphs 6.2.h. and 6.2.i. of this volume.

(4) Identifies and codes parts and components meeting the definition of CSI during the acquisition process, in accordance with Title 10, U.S.C., and SECNAVINST 4140.2/AFI 20-106/DA Pam 95-9/DLAI 3200.4/DCMA INST CSI(AV). Ensures that:

(a) The parts and components are acquired only from sources approved by the ESA and meet the technical requirements established by the ESA.

(b) Acquisition method coding reflects criticality determination and that the responsible ESA approves any change to a less restrictive code.

(5) Follows the procedures in Volume 3 of DoDM 4160.21 for the transfer, donation, or sale of a CSI.

m. DoD Components that acquire, use, or receive CSI:

(1) Administer disposal of CSI in accordance with direction from the DLA and under all legal and regulatory requirements.

(2) Request engineering support for all CSIs during the acquisition process when design changes, waivers, and deviations are involved, in accordance with direction from the DLA.

(3) Maintain historical maintenance documentation of CSIs.

(4) Maintain the CSI and update historical records to reflect additional use and maintenance if additional operational use of a CSI occurs after transfer.

(5) Contact the DLA for proper disposition instructions when a CSI is no longer required.

## **SECTION 7: SMALL ARMS AND LIGHT WEAPONS**

**7.1. DODSA/LWSP GENERAL REQUIREMENTS.** The DoD Components will follow the specific procedures identified in this section in addition to the procedures identified in Section 4 of this volume when handling, identifying and controlling small arms and light weapons.

a. The DoDSA/LWSP, as implemented by the JSA/LWCG in accordance with the charter in Section 8, will place special emphasis on, and provide visibility of, small arms and light weapons by tracking, reporting, validating, and registering the status of each small arm and light weapon by UII, serial number, and custodial activity.

b. The DoD Small Arms and Light Weapons Registry serves as the core of the DoDSA/LWSP. The DoD Components will update the registry in accordance with the procedures in Volume 2 of DLM 4000.25. Deviations from those requirements (e.g., for small static inventories), require the concurrence of the JSA/LWCG and, if necessary, the approval of the ASD(S).

### **7.2. IDENTIFICATION AND REGISTRATION OF DODSA/LWSP.**

a. DoD Components will:

- (1) Assign a UII to all DoD small arms and light weapons.
- (2) Employ the DoDSA/LWSP as the recognized DoD IUID program for all small arms and light weapons, as defined in Volume 2 of DLM 4000.25.
- (3) Report all small arms and light weapons, including those mounted on aircraft, vehicles, and vessels that are accounted for in unclassified property records, to the DoD Small Arms and Light Weapons Registry, as defined in and in accordance with the procedures Volume 2 of DLM 4000.25.
- (4) Include Security Risk Category I NNMR in the DoDSA/LWSP only if the asset and physical custodian are not tracked in the Military Department internal Supply Class V tracking systems, which will be considered as DoD-level IUID programs.
- (5) Coordinate with DLA Logistics Information Services to establish and manage current catalog information.
- (6) Establish, control, and fund the automated registration of UIIs for all small arms and light weapons and Security Risk Category 1 NNMR in their inventories.
- (7) Include registration of UIIs for all small arms and light weapons transferred outside their inventories, such as those released to the Global Services Administration and those released under security assistance arrangements.

(8) Use serial numbers for registration. Use of serial numbers will continue beyond completion of system changes implementing IUID.

(9) Use the application of AIT to improve the timeliness, accuracy, and efficiency of inventory control.

(10) Enable the use of machine-readable materiel identification and supporting serialized item tracking.

b. When small arms and light weapons are in maintenance, the DoD Components may, in the appropriate tracking system, add suffixes for missiles and rockets to the serial numbers for those small arms and light weapons; however the serial numbers themselves must not be changed to ensure accurate tracking.

## **SECTION 8: CHARTER FOR THE DoD JSA/LWCG**

**8.1. PURPOSE.** This charter establishes the DoD JSA/LWCG to develop, maintain, and improve the DoD program for tracking, reporting, validating, and registering the status of small arms and light weapons by UIC and by serial number. The JSA/LWCG is chartered primarily to implement coordinated actions essential to the continuing development and operational performance of the DoDSA/LWSP.

### **8.2. ORGANIZATION AND MANAGEMENT.**

- a. The JSA/LWCG is comprised of a Chair and representatives from the Military Departments and the DLA. A member of the ASD(S) staff will serve as the advisor to the JSA/LWCG.
- b. The program administrator designated by the Director, DLA Logistics Management Standards, will serve as the Chair of the JSA/LWCG.
- c. The JSA/LWCG will meet at least annually.

### **8.3. FUNCTIONS.** The JSA/LWCG:

- a. Uniformly implements DoDSA/LWSP procedures developed by the DoD Components and coordinates actions essential to the continuing development and operational performance of the DoDSA/LWSP.
- b. Oversees the effectiveness of DoDSA/LWSP, the interoperability of the DoD Components' procedures, and transactional interfaces based on reported problems by DoD Component personnel involved in the day-to-day operations of the DoDSA/LWSP.
- c. Minimizes duplication between the DoD Small Arms and Light Weapons Registry and the DoD Component small arms and light weapons registries.
- d. Reviews the efficiency and effectiveness of the DoDSA/LWSP in achieving established objectives and recommends, through its Chair, to the ASD(S) policy changes evolving from these reviews.
- e. Resolves, if necessary, problems with the DoDSA/LWSP and recommends modifying procedures.
- f. Develops, reviews, and recommends system enhancements for incorporation into the DoD Small Arms and Light Weapons Registry, Volume 2 of DLM 4000.25.
- g. Furnishes agenda items of interest to the Chair.

h. Establishes performance goals for updating the DoD Small Arms and Light Weapons Registry, reconciling discrepancies between the Registry and DoD Components' records and responding to Registry inquiries from the DoD Components and authorized law enforcement agencies.

i. Develops and publishes procedural guidelines for small arms and light weapons, coordinates proposed DLMS changes, and reconciles problems among the DoD Components.

#### **8.4. RESPONSIBILITIES.**

a. The Chair, JSA/LWCG:

(1) Oversees the accomplishment of JSA/LWCG objectives.

(2) Convenes the JSA/LWCG at least annually to assess DoDSA/LWSP performance, recommend DoDSA/LWSP changes, establish performance goals, and resolve problems with tracking, reporting, validating, and registering the small arms and light weapons.

(3) Establishes subgroups, when necessary, to complete the tasks assigned to the JSA/LWCG by ASD(S) to develop, maintain, or improve the DoDSA/LWSP.

(4) Submits policy and program enhancement recommendations to the ASD(S).

(5) In conjunction with the Supply Process Review Committee referenced in Volume 8 of this manual, coordinates JSA/LWCG-recommended system and procedural changes and deviations related to DoDSA/LWSP.

(6) Serves as the DoD lead on JSA/LWCG issues within the DoD and for non-DoD entities, both public and private, working with DoD Small Arms and Light Weapons Registry users to improve system responsiveness, utility, and efficiency.

(7) Communicates directly with the DoD Component heads regarding their registries on matters of interest to the JSA/LWCG.

(8) Submits minutes of each JSA/LWCG meeting to the Deputy Assistant Secretary of Defense (Supply Chain Integration) and the JSA/LWCG representatives.

(9) Maintains a current list of DoD Component JSA/LWCG members and DoD Component registries.

(10) Presents problems with tracking, reporting, validating, and registering the small arms and light weapons to the JSA/LWCG for resolution.

b. The Military Department and DLA JSA/LWCG members:

(1) Provide logistics and other related personnel participation, as required, to support JSA/LWCG efforts.

- (2) Attend all JSA/LWCG meetings or, when necessary, provide an alternate to represent the Military Department or agency.
- (3) Provide the Chair a copy of items of interest for the JSA/LWCG.
- (4) Work tasks assigned during JSA/LWCG meetings to resolve problems with tracking, reporting, validating, and registering the small arms and light weapons.
- (5) Present the Military Department or agency position to recommended system and procedural changes and deviations related to DoDSA/LWSP and negotiate and seek agreement with the JSA/LWCG members to achieve the goals and objectives of the DoDSA/LWSP.
- (6) Distribute JSA/LWCG meeting minutes within their respective Military Department or agency.

**8.5. ADMINISTRATION.** Sponsors of JSA/LWCG members will fund necessary travel and administrative costs associated with JSA/LWCG functions.



## GLOSSARY

### G.1. ACRONYMS.

AA&E	arms, ammunition, and explosives
AIT	automatic identification technology
AFI	Air Force instruction
ASD(S)	Assistant Secretary of Defense for Sustainment
CAGE	commercial and government entity
CCI	controlled cryptographic item
CII	controlled inventory item
CIIC	controlled inventory item code
CSI	critical safety item
CSI/FSCAP	critical safety item/flight safety critical aircraft part
DA PAM	Department of the Army Pamphlet
DCMA INST	Defense Contract Management Agency Instruction
DLA	Defense Logistics Agency
DLAI	DLA instruction
DLM	Defense Logistics manual
DLMS	Defense Logistics Management Standards
DoDAAC	DoD activity address code
DoDD	DoD directive
DoDI	DoD instruction
DoDM	DoD manual
DoDSA/LWSP	DoD Small Arms and Light Weapons Serialization Program
DTR	Defense Transportation Regulation
EDI	electronic data interchange
ESA	engineering support activity
FAA	Federal Aviation Administration
FAR	Federal Acquisition Regulation
FLIS	Federal Logistics Information System
FSCAP	Flight Safety Critical Aircraft Part
ICP	inventory control point
IUID	item unique identification
JSA/LWCG	Joint Small Arms and Light Weapons Coordinating Group
NSN	national stock number
NNMR	non-nuclear missiles and rockets
NWRM	nuclear weapons-related materiel

REPSHIP	report of shipment
SDR	supply discrepancy report
SECNAVINST	Secretary of the Navy instruction
SOS	source of supply
TSN CC	trusted system network critical component
UII	unique item identifier
U.S.C.	United States Code

**G.2. DEFINITIONS.** These terms and their definitions are for the purposes of this volume and will serve as standard terminology for DoD supply chain materiel management.

**100 percent physical count.** A wall-to-wall count of quantities of items within a storage location. Synonymous with a complete physical inventory.

**accountability.** The obligation imposed by law, lawful order, or regulation that an organization or person follows for keeping accurate records to ensure control of property, documents, or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability upon an organization or person.

**acquisition.** Obtaining logistics support, supplies, or services under an acquisition agreement or under a cross-servicing agreement. This includes purchasing (whether for payment in currency, replacement-in-kind, or by exchange for equal value), renting, leasing, or any method of temporarily obtaining logistics support, supplies, or services.

**adjustments.** Changes made to the accountable record for inventory when the record and a physical count do not agree. All such changes require specific approval and documentation to support the adjustment, normally to include the results of reconciliation efforts to determine and resolve the cause of such disagreement, or a completed evaluation and investigation for lost, damaged, destroyed, or stolen property.

**AIT.** A suite of technologies enabling the automatic capture of data, thereby enhancing the ability to identify, track, document, and control assets (e.g., materiel), deploying and redeploying forces, equipment, personnel, and sustainment cargo. AIT encompasses a variety of data storage or carrier technologies such as linear bar codes, two-dimensional symbols (PDF417 and data matrix), magnetic strips, integrated circuit cards, or satellite tracking transponders and radio frequency identification tags used for marking or tagging individual items, equipment, air pallets, or containers. AIT is also referred to commercially as “automatic identification data capture.”

**ammunition.** An end item, complete round, or materiel component charged with explosives, propellants, pyrotechnics, or initiating composition for use in connection with defense or offense (including demolitions) as well as ammunition used for training, ceremonial, or non-operational purposes. This includes inert devices that replicate live ammunition, commonly referred to as “dummy ammunition,” which contain no explosive materials.

**assembly.** In logistics, an item forming a portion of equipment that can be provisioned and replaced as an entity and which incorporates replaceable parts or groups of parts.

**balance.** For purposes of this manual, the total quantity and value of an item presented as a balance of the accountable record for inventory.

An in-repair balance is the total quantity and value of unserviceable assets in maintenance for repair.

An in-transit balance is the total quantity and value of assets moving between activities within the DoD supply chain.

An on-loan balance is the total quantity and value of assets that are loaned out of the DoD supply system.

In-storage balance is the total quantity and value of assets that are being stored at a storage activity.

Due-in balance is the total quantity and value of assets that are due in from procurement or from a customer returning materiel.

Synonymous with quantity and asset balance, but not synonymous with financial balance, which is the cost of those assets.

**cataloging.** The process of uniformly identifying, describing, classifying, numbering, and publishing in the Federal Catalog System all items of personal property (items of supply) repetitively procured, stored, issued, or used by Federal agencies.

**CII.** Those items designated as having characteristics that require that they be identified, accounted for, secured, segregated, handled, or transported in a special manner to ensure their integrity and safeguarding. CII codes listed in Table 61 of Volume 10 of DoDM 4100.39 include: NWRM; NNMR; and AA&E. CII categories in descending order of the degree of control normally exercised are: classified items; sensitive items; and pilferable items.

**classified items.** Materiel classified as Confidential, Secret, or Top Secret that requires protection in the interest of national security.

**consignee.** The entity financially responsible for a shipment when it is received and accepted. Normally, the consignee is the entity requisitioning and receiving the materiel being shipped. However, the consignee can also order materiel and direct that it shipped to another entity, which will receive it.

**consignor.** The entity sending a shipment to be delivered whether by land, sea or air.

**conventional.** Ammunition or munitions that are not nuclear, biological, or chemical.

**critical characteristic.** Any feature throughout the life-cycle of an aviation CSI/FSCAP (e.g., dimension, tolerance, finish, material or assembly, manufacturing or inspection process,

operation, field maintenance, or depot overhaul requirement) that, if non-conforming, missing, or degraded, may cause the failure or malfunction of the aviation CSI/FSCAP. This includes manufacturing critical characteristics that are produced during the manufacturing process, as well as installation-critical characteristics that are not introduced during the manufacture of a part, but are critical in terms of assembly or installation (e.g., proper torque).

**CSI.** A part, assembly, support equipment, installation, or production system containing a critical characteristic whose failure, malfunction, or absence may cause a catastrophic or critical failure resulting in loss or serious damage, unacceptable risk of personal injury or loss of life, or an unsafe condition. Unsafe conditions as they apply to CSI includes items determined to be “life-limited,” “fracture critical,” “fatigue-sensitive,” or any other condition that indicates the potential for catastrophic or critical failure.

**CSI for ships.** Any ship part, assembly, or support equipment containing a critical characteristic whose failure, malfunction, or absence may cause a catastrophic or critical failure resulting in loss or serious damage to the ship, or unacceptable risk of personal injury or loss of life.

**CSI/FSCAP for aviation.** Defined in Section 2319 of Title 10, USC.

**custodian.** The DoD Component that has physical custody of materiel in storage.

**demilitarization.** The act of eliminating the functional capabilities or inherent military design features from DoD personal property. Methods and degrees of demilitarization range from removal and destruction of critical features to total destruction (e.g., by cutting, crushing, shredding, melting, or burning). Demilitarization is required to prevent property from being used for its originally-intended purpose and to prevent the release of inherent design information that could be used against the United States. Demilitarization applies to materiel in both serviceable and unserviceable condition.

**depot-level reparable.** A reparable item of supply that is designated for repair at depot-level, or that is designated for repair below the depot-level for which condemnation authority must be exercised by the responsible depot-level repair activity.

**DLM.** A set of manuals that prescribe logistics management responsibilities, procedures, rules, and electronic data communications standards for use in the DoD to conduct logistics operations in functional areas such as supply, maintenance, and finance. These manuals collectively comprise the DLMS.

**DLMS.** A process governing logistics functional business management standards and practices across DoD. A broad base of business rules, to include uniform policies, procedures, time standards, transactions, and data management, designed to meet DoD requirements for global supply chain management system support. DLMS enables logistics operations to occur accurately and promote interoperability between DoD and external logistics activities at any level of the DoD organizational structure. The DLMS supports electronic business capabilities such as: American National Standards Institute Accredited Standards Committee X12 EDI, upon which the DLMS transaction exchange was founded; AIT, including passive radio frequency identification and linear and 2D bar coding; extensible mark-up language; and web-based technology. The DLMS encompasses standardization of logistics processes including, but not

limited to: Military Standard Billing System; Military Standard Transaction Reporting and Accountability Procedures; Military Standard Requisitioning and Issue Procedures; and SDR.

**EDI.** The computer-to-computer exchange of business data in a standard format between entities. These variable-length transactions are used to facilitate the interchange of electronic data relating to such business transactions as order placement and processing, shipping and receiving information, invoicing, and payment and cash application.

**end item.** A final combination of end products, component parts, or materials that is ready for its intended use, e.g., ship, tank, mobile machine shop, or aircraft.

**ESA.** The organization designated to provide engineering and technical assistance, including the development of technical data and engineering criteria, engineering representation, guidance, and decisions.

**excess.** Materiel at a retail supply activity that is extra to that activity's requirements and is subject to return to the wholesale materiel manager, redistribution within the DoD supply chain, or disposal by DLA Disposition Services.

**FLIS.** The comprehensive government-wide system used to catalog, assign stock numbers, and maintain and disseminate logistics information for items of supply. FLIS represents the common data system that provides the supply item data reflected in the Federal Catalog System.

**ICP.** An organizational unit or activity within the DoD supply system that is assigned the primary responsibility for the materiel management of a group of items either for a particular Military Department or the DoD as a whole. In addition to materiel management functions, an ICP may perform other logistics functions in support of a particular Military Department or for a particular end item (e.g., centralized computation of retail requirements levels and engineering tasks associated with weapon system components).

**individual item.** A single instance of a stock-numbered item, a single assembly, or a single subassembly.

**installation.** Post, base, camp, station, etc.-level activities.

**inventory.** Materiel, titled to the U.S. Government, held for sale or issue, for repair, or pending transfer to disposal. This definition covers the same population of items as the definition for inventory in Chapter 4 of Volume 4 of DoD 7000.14-R. Inventory does not include tangible personal property to be consumed in normal operations, operating materials, and supplies, as defined in Volume 4 of DoD 7000.14-R.

**item identification.** A collection and compilation of data to establish the essential characteristics of an item that give the item its unique character and differentiate it from other supply items.

**IUID.** A system of establishing globally-common unique identifiers on items of supply within the DoD which serves to distinguish a discrete entity or relationship from other like and unlike entities or relationships. AIT is used to capture and communicate IUID information.

**loanee.** A person or organization receiving a loan.

**loss.** Unintended, unforeseen, or accidental loss, damage, or destruction to government property that reduces the expected economic benefits from the property. Loss includes, but is not limited to: items that cannot be found after a reasonable search; theft; damage resulting in unexpected harm to property requiring repair to restore the item to usable condition; or destruction resulting from incidents that render the item useless for its intended purpose or beyond economical repair. Loss does not include purposeful destructive testing, obsolescence, normal wear and tear, or manufacturing defects.

**marking.** The application of legible numbers, letters, labels, tags, symbols, or colors to ensure proper handling and identification during shipment and storage.

**materiel.** All items necessary to equip, operate, maintain, and support military activities without distinction as to its 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).

**materiel management.** That phase of military logistics that includes managing, cataloging, demand and supply planning, requirements determinations, procurement, distribution, overhaul, and disposal of materiel.

**materiel manager.** Any DoD activity or Defense Agency that has been assigned materiel management responsibilities for the DoD and participating Federal agencies. The term includes responsibilities performed by either wholesale materiel managers or retail materiel managers: managing, cataloging, demand and supply planning, requirements determination and definition, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel.

**modification.** A U.S. Government-approved change in the configuration of a part or item that offers a benefit to the U.S. Government by correcting deficiencies, satisfying a change in operational or logistic support requirements, or affecting a life-cycle cost savings.

**munition.** All ammunition products and components produced for or used by the armed forces for national defense and security, including ammunition products or components under the control of the DoD, the Coast Guard, the Department of Energy, and the National Guard, as described in Section 101 of Title 10, U.S.C.

**NSN.** The 13-digit stock number replacing the 11-digit Federal stock number. It consists of the 4-digit Federal supply classification code and the 9-digit national item identification number. The national item identification number consists of a 2-digit National Codification Bureau number designating the central cataloging office (whether North Atlantic Treaty Organization or other friendly country) that assigned the number and a 7-digit (xxx-xxxx) nonsignificant number. The number is arranged as follows: xxxx-xx-xxx-xxxx.

**NWRM.** Classified or unclassified assemblies and subassemblies (containing no fissionable or fusionable material) identified by the Military Departments that comprise or could comprise a standardized war reserve nuclear weapon (including equivalent training devices) as it would exist once separated or removed from its intended delivery vehicle. The delivery vehicle is the portion

of a weapon system that delivers a nuclear weapon to its target, including cruise and ballistic missile airframes as well as delivery aircraft.

**organic maintenance facility.** A specific DoD-owned and DoD-operated facility established, equipped, and staffed to carry out depot-level maintenance. Synonymous with depot-level maintenance activity.

**overhaul.** Taking apart an item in order to examine it and repair it, if necessary.

**pilferable items.** Materiel having a ready resale value or application to personal possession that is particularly subject to theft.

**preservation.** The processes and procedures used to protect materiel against corrosion, deterioration, and physical damage during shipment, handling, and storage; application of protective measures, including cleaning, drying, preservative materials, barrier materials, cushioning, and containers, when necessary.

**provisioning.** 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.

**readiness.** A measure or measures of the ability of a system to undertake and sustain a specified set of missions at planned peacetime and wartime utilization rates. Examples of system readiness measures are combat sortie rate, fully mission capable rate, and operational availability. Measures take account of:

The effects of system design, reliability, and maintainability.

The characteristics of the support system.

The quantity and location of support resources.

**receiving.** All actions taken by a receiving activity from the physical turnover of materiel by a carrier until the on-hand balance of the accountable record for inventory file or in-process receipt file is updated to reflect the received materiel as an asset in storage, or the materiel is issued directly from receiving to the customer.

**requisition.** An order for materiel, initiated by an established, authorized organization (i.e., a DoD or non-DoD organization that has been assigned a DoDAAC), that is transmitted either electronically, by mail, or telephoned to a supply source within or external to DoD (e.g., the General Services Administration, the FAA, or other organizations assigned management responsibility for categories of materiel), in accordance with procedures specified in Volume 2 of DLM 4000.25.

**retail.** Level of inventory below the wholesale level, either at the consumer level for the purpose of directly providing materiel to ultimate users or at the intermediate or regional level for the purpose of supplying consumer levels or ultimate users in a geographical area.

**sensitive items.** Materiel that requires a high degree of protection and control due to statutory requirements or regulations, including: narcotics and drug abuse items; precious metals; items of high value; items that are highly technical, or of a hazardous nature; non-nuclear missiles, rockets, and explosives; small AA&E, and demolition material.

**serially-managed item.** A tangible item used by DoD, which is designated by DoD to be uniquely tracked, controlled, or managed in maintenance, repair, or supply by means of its serial number.

**storage activity.** The organization element of a distribution system that is assigned responsibility for the physical handling of materiel incident to its check-in and inspection (receipt), its keeping and surveillance in a warehouse, shed, tank, or open area (storage), and its selection and shipment (issue).

**supply chain.** The linked activities associated with providing materiel from a raw material stage to an end user as a finished product.

**supply chain management.** The integrated process of supply chain materiel management begins with planning the acquisition of customer-driven materiel requirements for commercial sources and ends with the delivery of materiel to operational customers. It includes the materiel returns segment of the process, the flow of reparable materiel to and from maintenance facilities, and the flow of required information in both directions among suppliers, logistics managers, and customers.

**total item property record.** The record or record set maintained by the wholesale materiel manager that identifies the quantity, condition, and value of the item assets for each organization entity have physical custody of those assets.

**TSN CC.** A component which is or contains information and communications technology including hardware, software, and firmware, weather custom, commercial, or otherwise developed, and which delivers or protects mission critical functionality of a system or which, because of the system's design, may introduce vulnerability to the mission critical functions of an applicable system.

**UII.** A set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated UII or a DoD-recognized unique identification equivalent.

**unit packaging.** The first tie, wrap, or container applied to a single stock number on a single item or a group of items preserved or unpreserved, which constitutes a complete or identifiable package.

**wholesale.** The highest level of organized DoD supply that procures, repairs, and maintains stocks to resupply the retail levels of supply. Synonymous with "wholesale supply," "wholesale level of supply," "wholesale echelon," and "national inventory."

**wholesale stock.** Stock, regardless of funding sources, over which the materiel manager has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities. Synonymous with national inventory.



## REFERENCES

- Defense Federal Acquisition Regulation Supplement, current edition
- Defense Logistics Manual 4000.25, Volume 1, “Defense Logistics Management System: Concepts and Procedures,” June 5, 2012, as amended
- Defense Logistics Manual 4000.25, Volume 2, “Defense Logistics Management System: Supply Standards and Procedures,” June 13, 2012, as amended
- Defense Logistics Manual 4000.25, Volume 3, “Defense Logistics Management System: Transportation,” March 23, 2012, as amended
- Defense Logistics Manual 4000.25, Volume 4, “Defense Logistics Management System: Military Standard Billing System - Finance,” April 11, 2012, as amended
- Defense Logistics Manual 4000.25, Volume 6, “Defense Logistics Management System: Logistics System Interoperability Support Services,” June 5, 2012, as amended
- Defense Logistics Manual 4000.25, Volume 7, “Defense Logistics Management System: Contract Administration,” April 24, 2012, as amended
- Defense Transportation Regulation 4500.9-R, Part II, “Cargo Movement,” current edition
- Deputy Secretary of Defense Memorandum, “Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” July 13, 2018
- DLAR 4145.11/AR 740-7/NAVSUPINST 4440.146C/MCO 4450.11A, “Safeguarding of DLA Sensitive Inventory Items, Controlled Substances, and Pilferable Items of Supply,” February 1, 1990<sup>1</sup>
- DoD 7000.14-R, Volume 1, “Department of Defense Financial Management Regulation (DoD FMR): General Financial Management Information, Systems, and Requirements,” current edition
- DoD 7000.14-R, Volume 4, “Department of Defense Financial Management Regulation (DoD FMR): Accounting Policy,” current edition
- DoD 7000.14-R, Volume 9, “Department of Defense Financial Management Regulation (DoD FMR): Travel Policy,” current edition
- DoD 7000.14-R, Volume 11A, “Department of Defense Financial Management Regulation (DoD FMR): Reimbursable Operations Policy,” current edition
- DoD 7000.14-R, Volume 12, “Department of Defense Financial Management Regulation (DoD FMR): Special Accounts, Funds and Programs,” current edition
- DoD Directive 5134.12, “Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD (L&MR)),” May 25, 2000, as amended
- DoD Directive 5205.02E, “DoD Operations Security (OPSEC) Program,” June 20, 2012, as amended
- DoD Directive 8190.01E, “Defense Logistics Management Standards (DLMS),” January 9, 2015, as amended

---

<sup>1</sup> <https://www.dla.mil/Portals/104/Documents/J5StrategicPlansPolicy/PublicIssuances/i4145.11.pdf>

DoD Instruction 2030.08, “Implementation of Trade Security Controls (TSCs) for Transfers of DoD Personal Property to Parties Outside DoD Control,” February 19, 2015, as amended

DoD Instruction 2040.02, “International Transfers of Technology, Articles, and Services,” March 27, 2014, as amended

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

DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013, as amended

DoD Instruction O-5210.63, “DoD Procedures for Security of Nuclear Reactors and Special Nuclear Material (SNM),” November 21, 2006, as amended

DoD Instruction 5230.24, “Distribution Statements on Technical Documents,” August 23, 2012, as amended

DoD Instruction 8320.04, “Item Unique Identification (IUID) Standards for Tangible Personal Property,” September 3, 2015, as amended

DoD Manual 4100.39, “Federal Logistics Information Systems (FLIS) Procedures,” March 8, 2017, as amended

DoD Manual 4160.21, Volume 1, “Defense Materiel Disposition: Disposal Guidance and Procedures,” October 22, 2015, as amended

DoD Manual 4160.21, Volume 2, “Defense Materiel Disposition: Property Disposal and Reclamation,” October 22, 2015, as amended

DoD Manual 4160.21, Volume 3, “Defense Materiel Disposition: Reutilization, Transfer, And Sale Of Property,” October 22, 2015, as amended

DoD Manual 4160.21, Volume 4, “Defense Materiel Disposition: Instructions for Hazardous Property and Other Special Processing Materiel,” October 22, 2015, as amended

DoD Manual 4160.28, Volume 1, “Defense Demilitarization: Program Administration,” August 9, 2017, as amended

DoD Manual 4160.28, Volume 2, “Defense Demilitarization: Demilitarization Coding,” March 9, 2017, as amended

DoD Manual 4160.28, Volume 3, “Defense Demilitarization: Procedural Guidance,” June 7, 2011, as amended

DoD Manual 5100.76, “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E),” April 17, 2012, as amended

DoD Manual 5200.01, Volume 3, “DoD Information Security Program: Protection of Classified Information,” February 24, 2012, as amended

DoD Manual 5205.02, “DoD Operations Security (OPSEC) Program Manual,” November 3, 2008, as amended

DoD Manual 8910.01, Volume 2, “DoD Information Collections Manual: Procedures for DoD Public Information Collections,” June 30, 2014, as amended

Federal Acquisition Regulation, current edition

Military Standard 129, “Department of Defense Standard Practice: Military Marking for Shipment and Storage” current edition<sup>2</sup>

---

<sup>2</sup>[https://www.dla.mil/Portals/104/Documents/LandAndMaritime/BP%20Selling%20to%20L%20and%20M/LM\\_MIL-STD-129R\\_140218.pdf](https://www.dla.mil/Portals/104/Documents/LandAndMaritime/BP%20Selling%20to%20L%20and%20M/LM_MIL-STD-129R_140218.pdf)

Military Standard 2073-1E, “Standard Practice for Military Packaging” May 23, 2008, as amended

National Security Telecommunications and Information Systems Security Instruction No. 4001, “Controlled Cryptographic Items,” July 1996<sup>3</sup>

Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, “Financial Improvement and Audit Readiness (FIAR) Guidance,” April 2016<sup>4</sup>

Public Law 108-136, Section 802, “National Defense Authorization Act for Fiscal Year 2004,” November 24, 2003

Public Law 109-364, Section 130, “John Warner National Defense Authorization Act for Fiscal Year 2007,” October 17, 2006

SECNAVINST 4140.2/AFI 20-106/DA Pam 95-9/DLAI 3200.4/DCMA INST CSI (AV), Volume 10, “Management of Aviation Critical Safety Items,” January 25, 2006<sup>5</sup>

United States Code, Title 10

---

<sup>3</sup> <http://www.doc-txt.com/NSTISSI-4001.doc>

<sup>4</sup> [http://comptroller.defense.gov/Portals/45/documents/fiar/FIAR\\_Guidance.pdf](http://comptroller.defense.gov/Portals/45/documents/fiar/FIAR_Guidance.pdf)

<sup>5</sup> <https://www.secnav.navy.mil/doni/Directives/04000%20Logistical%20Support%20and%20Services/04-100%20Material%20Resources%20Storage%20and%20Management/4140.2.pdf>