

## VOLUME II: SUPPLY ASHORE

### CHAPTER 4: STOCK MANAGEMENT AT FIELD SUPPLY POINTS

PART A:	ORGANIZATION AND RECORDS .....	24000-24032
Section I:	Organization .....	24000-24001
Section II:	Establishment of Stock Records .....	24015-24032
Subsection 1:	Manual Stock Records .....	24015-24019
Subsection 2:	Mechanized Stock Records .....	24030-24032
PART B:	RECORDING OF RECEIPT TRANSACTIONS.....	24130-24153
Section I:	Manual Processing .....	24130-24133
Section II:	Mechanized Processing .....	24150-24153
PART C:	RECORDING OF EXPENDITURES AND MISCELLANEOUS TRANSACTIONS .....	24250-24311
Section I:	General .....	24250-24256
Section II:	Manual Processing .....	24270
Section III:	Mechanized Processing .....	24285-24296
Section IV:	Machine Records Procedures.....	24300-24311
PART D:	FINANCIAL INVENTORY CONTROL.....	24400-24470
Section I:	General .....	24400-24405
Section II:	Financial Adjustments .....	24420-24425
Section III:	Invoice Adjustment .....	24440
Section IV:	Manual Processing .....	24455-24457
Section V:	Mechanized Processing .....	24470
PART E:	PHYSICAL INVENTORY.....	24560-24602
Section I:	General Policy and Procedures.....	
Section II:	Manual Procedures .....	24585-24586
Section III:		24600-24602
PART F:	STOCK REPORTING AND REPLENISHMENT.....	24700-24831
Section I:	Safety Levels at Reporting Activities.....	24700
Section II:	Stock Status .....	24723-24736
Subsection 1:	Manual Reporting Procedures .....	24723-24724
Subsection 2:	Mechanized Reporting Procedures .....	24735-24736
Section III:		
Section IV:	Replenishment by Nonreporting Activities.....	24770-24777
Section V:	Reporting of Excess or Obsolete Material.....	24820
Section VI:	Retention Limits for Field Controlled Material .....	24830-24831

PART G:	RECORDING AND REPORTING OF SPECIAL MATERIAL . . . . .	24925-24976
Section I:	Material in Store in Unfit for Issue Condition. . . . .	24925
Section II:	Procedures for Cognizance Symbol I Material . . . . .	24942
Section III:	Procedures for Cognizance Symbol 9M Material . . . . .	24975-24976
PART H:	ILLUSTRATIONS . . . . .	24995

## STOCK MANAGEMENT AT FIELD SUPPLY POINTS

## PART A: ORGANIZATION AND RECORDS

## Section I: ORGANIZATION

## 24000 STOCK RECORD SECTIONS

## 1. MANUAL OPERATIONS

a. Objective. The functions of stock upkeep, posting, and invoicing pertaining to a stock class or a group of classes, are combined into stock record sections to permit a close relationship of the workers involved. It also provides such advantages of specialization as complete familiarity with issue instructions and with replenishment considerations for a particular type of material.

b. Composition. Each stock record section normally is composed of a supervisor, two or more posters, an invoice typist, and a calculator operator. However, an invoice typist and/or calculator operator pool may be established when considered desirable. The workload, type of material, and the characteristics of procurement and issue will determine the grouping of stock classes within a stock record section.

c. Supervision. Each employee assigned to a particular stock record section for specialized experience may be transferred to other stock record sections when variations in workload so require. Such transfers will be controlled by the stock control branch rather than at the stock record section level. Work will be scheduled and processing will be controlled by the stock record section supervisor in order to perform systematically the procedural steps within the stock record section.

d. Functions. The general functions of a stock record section will be as follows:

1. to maintain Stock Record Cards (NAVSUP Forms 766) and Stock Record Card Inserts (NAVSUP Forms 768);
2. to maintain the Stock Status and Replenishment Cards (NAVSUP Form 767);
3. to maintain record of obligations on Obligations Card (NAVSUP Form 771);
4. to determine whether request transactions are replenishable or nonreplenishable;
5. to correct stock records to agree with changes in stock number, nomenclature, unit price, etc., promulgated in Catalog Bulletins or by other official means;
6. to establish and maintain stock quantity safety levels in accordance with current instructions;
7. to post receipt and request documents;
8. to review request documents for quantities which appear excessive (requests which appear excessive will be referred to the control division officer for action);
9. to determine with the assistance of the technical division if less critical items can be substituted for critical items;
10. to determine substitutes with the assistance of the technical division when material requested or material interchangeable with material requested is not available;
11. to extend and total all papers requiring such action;
12. to prepare Invoice/Shipping Document (DD Form 1149) or Requisition/Issue Document (DD Form 1348) for all issues;
13. to post information regarding material on order;
14. to release obligations upon receipt of material or arrival of release date;
15. to maintain price adjustment sheets and make price adjustments on stock records as required;
16. to initiate action for interim replenishment;
17. to exercise rationing control for items in short supply;

18. to make available to the reporting teams stock records for preparation of regular replenishment reports;
19. to furnish stock records to the inventory division as required by inventory procedure;
20. to maintain a historical record of demands for items not carried in stock when such demands are not obligated;
21. to review outstanding obligations and to follow up on requisitioning activities and ships to establish validity.

## 2. MECHANIZED OPERATIONS

a. Objective. The objective under mechanized processing is identical to that described in subpar. 1a except that stock postings to the Stock Balance Card (NAVSUP Form 801) are performed through the use of mark sense Item Detail Cards (NAVSUP Forms 791) and invoicing is accomplished by the machine records function. When using the electric accounting machine card of the DD Form 1348, formal invoicing is omitted. The paper copies of the document are used as material movement copies and the accounting charges are reflected by a Financial Detail Card (NAVSUP Form 1162) developed as a by-product of processing the DD Form 1348 as an item detail card.

b. Composition. The stock records section normally is composed of the supervisor and two or more stock reviewers. Stock reviewers are located in the stock control branch and are responsible for the stock status of items in a class or group of classes, and for the review of all requests for material, receipts, obligations, and other documents affecting stock status.

c. Supervision. Each employee assigned to a particular stock record section for specialized experience may be transferred to other stock record sections when variations in workload so require. Such transfers will be controlled by the stock control branch rather than at the stock record section level. Work will be scheduled and processing will be controlled by the stock record section supervisor in order to perform systematically the procedural steps within the stock record section.

d. Functions. In general, the functions outlined in subpar. 1 d apply to mechanized process-

ing except for those mentioned in subpar. a and the format of the stock records and maintenance thereof. The stock review file will be maintained in stock number sequence by the stock reviewer responsible for that range of stock items. This file will consist of the following electric accounting machine card forms under the following conditions:

1. a NAVSUP Form 801 for each item on hand or on order,
2. a NAVSUP Form 791 or the electric accounting machine card of DD Form 1348 for each transaction processed against a stock status balance card since the last balance forward operation (The item detail card will be filed behind the corresponding stock status balance card.),
3. the third copy (red freeze card) of the Request for Spot Inventory (NAVSUP Form 452) when it is necessary to restrict issues because of conditions such as spot inventories (the red freeze card will be filed in front of the corresponding stock status balance card),
4. a green signal card when it is necessary to flag a special temporary condition such as the item being in critical supply or out of stock on a custody receipt basis (The green signal card will be filed in front of the corresponding stock status balance card.),
5. an obligations card for each outstanding obligation or planned requirement (The obligation cards will not be interfiled with the stock status balance cards.),
6. a Due Card (DD Form 1486) for each expected receipt (The due cards will not be interfiled with the stock status balance cards.),
7. special information cards as required to furnish substitution and supersedure information.

## 24001 DOCUMENT PROCESSING

1. GENERAL. Document processing at stock points generally will follow the preposting concept. Preposting is the posting of receipt and expenditure documents to the stock record cards prior to the receipt of material into or the issuance of material from storage. Post-posting is the posting of receipt and expenditure documents to the stock record

cards subsequent to the receipt of material into or the issuance of material from storage. The general instructions for routing, handling, and posting of receipt documents are covered in pars. 24130-24153. The procedures outlined in pars. 24250-24311 cover in detail the posting of expenditure transactions based on the simultaneous operation of checking for availability of material and of preposting all expenditure documents. The request documents will be processed through the issue section, and will be forwarded to the stock control records section prior to being posted. Invoices, when required, will be prepared after posting of the request document.

## 2. DOCUMENT DISTRIBUTION PROCEDURE IN THE STOCK CONTROL BRANCH

### a. Sorting Incoming Documents

(1) Receipt Documents. Normally, incoming receipt documents will be sorted by the receipt control branch for delivery direct to the stock record sections concerned; however, when the volume of transactions warrants, a document control section may be established within the stock control branch to sort and distribute the documents to the proper stock record sections.

(2) Request Documents. Normally, incoming request documents will be sorted by the issue control branch for delivery direct to the stock record sections concerned; however, when the volume of transactions warrants, a document control section may be established within the stock control branch to sort and distribute the documents to the proper stock record sections.

b. Sorting Outgoing Documents. Outgoing documents will be delivered to a document control unit by the stock record sections. The document control section will sort the outgoing documents for delivery to other sections or branches of the supply activity for further action. Outgoing documents will be delivered direct to other sections or branches

without being processed through the central mail distribution center.

3. **FINANCIAL EDITING FUNCTIONS**. The following financial editing functions will be performed within the organizational components specified in pars. 11063 and 11066:

1. edit for accuracy and circle the accounting data on DD Form 1149, DD Form 1348 and request documents which result in the preparation of expenditure invoices (At activities using mechanized procedures when DD Forms 1348 are validated prior to supply action, they will be edited in accordance with par. 25056-2a; editing of accounting data on DD Forms 1348 may be accomplished by utilizing the master job order card file.);
2. edit for accuracy the accounting data on receipt documents and circle the receipt document number;
3. assign financial inventory report codes;
4. assign financial inventory ledger caption codes (not applicable to mechanized activities);
5. edit for accuracy the accounting data on expenditure documents, such as survey reports and losses by accounting;
6. edit for accuracy and circle the accounting data on request documents on which procurement action will be necessary;
7. obtain, enter, and circle the appropriate accounting data when not indicated on the documents; copies of all correspondence to requisitioning activities relative to accounting data will be furnished to the issue control branch;
8. activities using a coded job order system will include only the job order number and object class in requesting material from stock; therefore, when purchase action is required, the financial editing unit will furnish the remainder of the accounting data required.

## Section II: ESTABLISHMENT OF STOCK RECORDS

### Subsection 1: MANUAL STOCK RECORDS

#### 24015 STOCK RECORDS

The following records are required for entering of all Navy Stock Account and Appropriation Purchases Account transactions:

1. Stock Record Card (NavSup Form 766),
2. Stock Status and Replenishment Card (NavSup Form 767),
3. Stock Record Card Insert (NavSup Form 768),
4. Obligations Card (NavSup Form 771),
5. Stock Replenishment Data (NavSup Form 1079) (for overseas bases).

See Illustration 1

#### 24016 STOCK RECORD CARD

1. **PURPOSE.** The stock Record Card (NavSup Form 766) is the official record of all receipt and expenditure transactions and of the reportable demand for each item carried in stock.

2. **USE.** A stock record card will be maintained for each item in stock in each stores account. Normally, all stock records for items under the cognizance of a particular inventory control point will be filed together. Material is carried in the Navy Stock Account and the Appropriation Purchases Account. Receipt entries must be made in red ink or red pencil; expenditure entries must be made in blue or black ink or pencil; ink is preferred. Maintenance of the NavSup Form 766 is not required when bulk subsistence stocks are under the custody of the food service officer (see Food Service Management, par. 6030).

3. **CLASSIFIED ITEMS.** The stock record card for classified items may include specially coded identification to indicate that the material is classified. Such identification may include use of the letter "S" or "C" or maybe coded by colored markers or signals as determined to be appropriate. In order that classified material maybe controlled with maximum efficiency, stock records required

in accordance with par. 24015 will be maintained by the storage branch. The stock records of the control branch will be reconciled periodically, but at least annually, with the stock records maintained by the storage branch. This reconciliation maybe time phased over a period of time.

#### 24017 STOCK STATUS AND REPLENISHMENT CARD

1. **PURPOSE.** The Stock Status and Replenishment Card (NavSup Form 767) or the Stock Replenishment Data (NavSup Form 1079). for overseas activities serves a dual purpose. The left portion of the card will be used to assemble stock status data preparatory to replenishment action and Reporting when required, and as a historical record of such data. The right portion of the card serves as a record of procurement and replenishment action and will show the time of all expected receipts. The right portion of the card is divided into two sections, ordered and received. The spaces under these two divisions are so arranged that as many as six separate receipts maybe recorded against each expected receipt document.

2. **USE.** A stock status and replenishment card will be maintained for each item in stock in each stock account and will be placed in the upper portion of the visible record file pocket. This card has been perforated vertically to divide the left and the right sections of the card. Thus, either section of the card may be replaced when that portion is filled with postings without the necessity of transcribing the information on the other section on the new card.

#### 24018 STOCK RECORD CARD INSERT

1. **PURPOSE.** the Stock Record Card Insert (NavSup Form 768) will provide identification of stock items and will serve as an index to the stock record card.

2. **USE.** Stock record card inserts will be prepared as each new item is acquired or ordered

(in the case of initial stock) for stock or when a previous insert is replaced. The insert will be placed under "the visible edge of the pocket, with the reference and indexing information exposed. Inserts will be separated from the Stock Record Cards (NavSup Forms 766) to permit use of the posting space of several stock record cards without the necessity of retyping the fixed information on the insert. The inserts furnish vital information for the proper use of stock control records; therefore, care in preparation cannot be overemphasized. When all descriptive information cannot be placed on the insert an auxiliary card may be prepared and filed under the insert and over the stock record card. If standard packaging, substitution and interchangeability data are not readily available, such information may be excluded from the stock record card insert. Also, the principal storage location may be excluded from the stock record card insert.

3. USE OF SIGNALS. The use of sliding celluloid signals to indicate certain conditions of stock is recommended. Several captions are printed on the lower right portion of the insert to indicate specific conditions of stock. The sliding signal can be moved to any caption. However, since only one stock condition can be indicated at a time by the sliding signal, colored crimped transparent signals

may also be used. Thus it will be possible to show several stock conditions at the same time. Use of signals facilitates the proper analysis of the stock status of an item and brings to the attention of the poster items requiring review. Signals can be obtained under the general schedule of supplies. All stock condition captions are self-explanatory except the caption "New item". This caption is for use by activities which report to one or more Naval Supply Systems Command inventory control points. When an item is received or ordered (in the case of initial, stocks) which has not been reported previously to a Naval Supply Systems Command inventory control point, a signal will be placed over the caption "New item". When the item is reported, the signal will be removed.

#### 24019 FILING STOCK RECORD CARDS

Stock Record Cards (NavSup Form 766) will be filed in a pocket style visible record file. Normally, there should be about 2,500 active cards within easy access of one poster. To conserve space each file should be kept at least 90070 full. The files will be placed on a table or desk with allowance for a 15-inch working space between the front edge of the table and the front edge of the visible file cabinet.

### Subsection 2: MECHANIZED STOCK RECORDS

#### 24030 MECHANIZED ACTIVITIES

1. CONVENTIONAL ELECTRIC AC-COUNTING MACHINE OFFSET SYSTEM. The following activities operate under mechanized stock control systems and utilize the cards and procedures prescribed in pars. 24031 and 24032:

- Naval Supply Center, Norfolk
- Naval Supply Center, Oakland
- Naval Supply Center, Pearl Harbor
- Naval Supply Center, San Diego
- Naval Supply Center, Puget Sound
- Naval Supply Depot, Mechanicsburg
- Naval Supply Depot, Subic Bay
- Naval Publications and Forms Center, Philadelphia
- Naval Training Center, Great Lakes

- Boston Naval Shipyard
- Long Beach Naval Shipyard
- Norfolk Naval Shipyard
- Philadelphia Naval Shipyard
- Portsmouth Naval Shipyard
- Naval Air Station, Alameda
- Naval Air Station, Barbers Point
- Naval Air Station, Corpus Christi
- Naval Air Station, Jacksonville
- Naval Air Station, Key West
- Naval Air Station, Lakehurst
- Naval Air Station, Memphis
- Naval Air Station, Miramar
- Naval Air Station, Norfolk
- Naval Air Station, Patuxent River
- Naval Air Station, Pensacola
- Naval Air Station, Point Mugu
- Naval Air Station, Quonset Point

Naval Air Station, San Diego  
 Naval Air Station, Whidbey Island  
 Marine Corps Air Station, Cherry Point  
 Marine Corps Air Station, EI Toro  
 Naval District Washington, D.C.  
 Naval Station, Key West  
 Naval Ammunition Depot, Crane  
 Naval Ammunition Depot, Oahu  
 Naval Ordnance Station, Louisville  
 Naval Submarine Base, New London  
 Headquarters Support Activity, New Orleans  
 Construction Battalion Center, Port Hueneme  
 Construction Battalion Center, Davisville

These activities will make maximum use of prescribed cards and procedures to the degree appropriate for the specific electronic data processing equipment in use:

Naval Supply Center, Oakland  
 Naval Supply Center, Newport  
 Charleston Naval Shipyard  
 Hunters Point Naval Shipyard  
 Mare Island Naval Shipyard

## 24031 CARD FORMS

2. ELECTRONIC DATA PROCESSING SYSTEMS. The following activities operate under electronic data processing stock control systems.

1. GENERAL. The following tabulation enumerates the card forms and their specifications for use in mechanized stock control operations.

Name	NavSup Form	EAM plate number		Color	Stripe (between O and I Positions)	Corner cut
Item Detail Card	791	IBM	856237MS	Manila	None	ULCC
Stock Balance Card	801	IBM	856238	Yellow	None	URCC
Invoice Header Card	783	IBM	416437	Green	None	URCC
Receipt Header Card	782	IBM	856235	Manila	None	URCC
Financial Detail Card	1162	IBM	437116	Manila	None	URCC
Summary-To-Date Card	1162	IBM	437116	Manila	Blue	URCC
Opening/Closing Balance Card	1162	IBM	437116	Blue	None	URCC
Stock Inventory Tally Card	987	IBM	856243	Manila	None	ULCC
Stock Inventory Trial Balance Card	986	IBM	856242MS	Manila	None	URCC
Accounting Card	802	IBM	437118	Manila	None	ULCC
Master Invoice Header Card	803	IBM	437117	Green	None	URCC
Change Notice	796	IBM	856263	Manila	None	URCC
Transaction Reporting Card	1043	IBM	436493	Manila	None	ULCC

2. **ITEM DETAIL CARD.** An Item Detail Card (NavSup Form 791) will be used to record any changes to the stock status quantities as shown on the Stock Balance Card (NavSup Form 801). The item detail card will contain the stores account code, transaction code, financial inventory report code, item number, cognizance symbol, fraction code, condition code, federal supply classification code, federal item identification number, description, unit of issue, activity unit identification code, document number, quantity, unit price, extension, date, and special coding information as required by the category of material involved. When material is issued on station requisitions, the item detail card also will contain the job order number.

3. **STOCK BALANCE CARD.** A stock balance card will be maintained for each item carried in stock. The stock balance card will be punched and printed to show the stores account code, date of last transaction, cognizance symbol, fraction code, condition code, federal supply classification code, federal item identification number, description, unit of issue, quantity on hand, quantity due, quantity obligated, demand, safety level, unit price, and special coding information as required by the category of material involved. The stock status balance card may include the use of the letter "S" or "C" in column 5 or 38 to indicate that the material is classified. A technical reference card also may be utilized for identifying classified items in lieu of inserting a code in the stock balance card. The latter method will preclude the inclusion of classified coding on expenditure documents prepared from stock balance cards (see par. 25220). In addition to the stock balance cards maintained by the stock control branch, manual stock record cards required in accordance with par. 24015 will be maintained for classified material by the storage branch. The records for classified material will be reconciled periodically but at least annually. This' reconciliation may be time phased over a period of time.

4. **DUE CARD.** A Due Card (DD Form 1486) will be maintained for each outstanding order of material for each stock item involved. The due card will contain all pertinent information required by the stock control branch for proper receipt of material.

5. **INVOICE HEADER CARD.** First and second Invoice Header Cards (NAVSUP Form 783)

will be reproduced from the Master Invoice Header Card (NAVSUP Form 803) to provide the ship or activity name, the activity unit identification code, and all pertinent accounting information for printing the first and second line on Invoice/Shipping Document (DD Form 1149). In the case of activities preparing expenditure invoices from Requisition Document (DD Form 1348), the job order number and shop, department, or activity number will be provided on the master invoice header card. Activities with applicable punched card equipment may dispense with the preparation of first and second invoice header cards and print the first and second lines on expenditure invoices from the master invoice header cards.

6. **RECEIPT HEADER CARD.** A Receipt Header card (NavSup Form 782) will be prepared from the receipt document and related item detail cards when material is received and taken up on the stock records. The receipt header card will contain the number of items, stores account code, transaction code, financial inventory report code, cognizance symbol, fraction code, condition code, federal supply classification code, date material received, financial inventory report code, receipt document number, and the billed price, and may contain the contract or order number, if desired.

7. **FINANCIAL DETAIL CARD, SUMMARY-TO-DATE CARD, AND OPENING/CLOSING BALANCE CARDS**

a. **General.** The Financial Detail, Summary-To-Date Card, Opening/Closing Balance Card (NavSup Form 1162) is a multiple use card and will be used as described in subpars. b-e.

b. **Financial Detail Card.** The financial detail card will be summary punched when preparing an invoice or receipt take-up lists. It may be key punched when a transaction document is hand prepared and a financial detail card for financial inventory control and fiscal purposes is required. It also maybe reproduced from the NavSup Form 791 or Requisition/Issue Document DD Form 1348). The financial detail card will show the cognizance symbol; fraction code; condition code; special accounting class, federal supply group, federal supply classification, or special material identification code, as applicable; quantitative transaction code; balance sheet caption code; stores

account code; document number; activity unit identification code; account expended from; account expended to; appropriation; allotment or project order number; object class; job order number; and the document amount and adjustment amount punched in appropriate card columns as specified on the (NavSup Form 1162). The month and class

or federal supply classification will be punched as specified in subpar. c. A separate financial detail card will be prepared for each line item on each receipt and expenditure document except for subsistence receipt and expenditure documents for which a financial detail card will be prepared for each accounting document.

c. Financial Detail Card-Supporting Stores Returns. When the NAVSUP Form 1162 is used to support transfers to other supply officers or those end use expenditures to ships and stations for which accounting is not performed by the expending activity, it will be prepared in accordance with the following punching format:

<u>Card columns</u>	<u>Information</u>
1-2	Day of month
3	Transaction code
4	Balance sheet caption code
5	Local use code
6	Stores account code; NSA-1, APA-2, or first of two character cognizance symbols
7	Cognizance symbol
8	Fraction code (blank if not applicable)
9	Condition code (blank if not applicable)
10-13	Federal group, columns 10 and 11 (columns 12 and 13 blank)
	Federal supply classification, columns 10-13
	Technical supply management codes, columns 10-13
	Special accounting classes, columns 10-12 (X in column 13)
14-16	Stores account expended from (51000-510,51600-516, etc.)
17-21	Account expended to
22-31	Appropriation or fund (first two digits, 17 for Navy, will be omitted from appropriation number)
22	Second fiscal year code of multiple year appropriation (blank if single year)
23	Fund, X or fiscal year code
24-27	Appropriation
28-31	Appropriation subhead
32-34	Object classification
35-38	Blank
39-43	Issuing activity accounting number (zero in each preceding column when accounting number is under 5 digits)
44-55	Requisition number
44-48	Requisitioning activity accounting number (zero in each preceding column when accounting number is under 5 digits)
49-54	Document number

<u>Card Column</u>	<u>Information</u>
55	Blank for single item requests Item number for multi item requests Zero for bulk requests
56-63	Allotment or bureau control number for end use expenditures
56-60	Allotment or bureau control number
61-63	Suballotment number (blank if not applicable)
	Quantity, balance sheet caption code C only-transfers between supply officers (to facilitate reconciliation of other supply officer amount differences)
64-72	Amount, total value of transaction
64	Millionths digits (X control punch for credit amount)
65-67	Thousandths digits
68-70	Hundredths digits
71-72	Cents digits
73	Blank
74-78	Accountable activity accounting number
79	Month
	January through September (1-9 respectively)
	October-Alpha O
	November-Alpha N
	December-Alpha D
80	Year, last digit of calendar year

d. Summary-to-Date Card. The summary-to-date card is a consolidation of the summary cards that are prepared in the tabulation of the daily statement. The summary-to-date card will show the cognizance symbol, fraction code, condition code, special accounting class, federal group, federal supply classification, or special material identification code, as applicable, transaction code, balance sheet caption code, stores account code, gain adjustment amount, loss adjustment amount, regular amount, and date.

e. Opening/Closing Balance Card. The opening/closing balance card is summary punched when the quarterly Financial Inventory Report (NAVCOMPT Form 2154) is prepared. This card will show the cognizance symbol, material control code, condition code, special accounting class, federal group, federal supply classification, or special material identification code, as applicable, stores account code, the opening or closing balance, and date.

8. **ACCOUNTING CARD.** The Accounting Card (NAVSUP Form 802) will be maintained by the financial editing section and will contain the following prepunched accounting data: activity unit identification code, ship or activity name, appropriation and subhead, account expended from, account expended to project order or allotment number, object class 26, and the applicable expenditure balance sheet caption code. An accounting card will be established for each ship or station that is an anticipated customer, for every combination of accounting information which may be required for the preparation of an expenditure invoice. The accounting cards may be separated into two files: station file by activity accounting number and ship file by activity accounting number' with ship type. For those activities preparing expenditure invoices from station requisitions, an additional job order accounting card file will be maintained containing job order number and shop, department, or activity number in addition to applicable accounting information.

9. **MASTER INVOICE HEADER CARD.** Master Invoice Header Card (NAVSUP Form 803) will be key punched from individual request documents with authority, invoice number, and number of items. For those activities preparing expenditure invoices from station requisitions, the station requisition number and shop, department, or activity number will be key punched into the master invoice header card. At the time of invoice preparation, the activity accounting number and ship or activity name as well as all pertinent accounting information will be interspersed gang punched from the accounting card into the master invoice header card. The master invoice header cards then will be used in the preparation of invoice header cards for the printing of expenditure invoices.

10. **CHANGE NOTICE.** Changes to basic stock record information are usually initiated by the bureaus and inventory control points. Notifications of these changes will be forwarded to field activities and mechanized ships on a Change Notice (NAVSUP Form 796).

11. **FIELD REPORTING CARD.** The Field Reporting Card (NAVSUP Form 804) will be prepared by the machine records department for reporting of stock status to inventory control points, as prescribed in pars. 24735 and 24736.

12. **TRANSACTION REPORTING CARD.** The Transaction Reporting Card (NAVSUP Form 1043) will be prepared by the machine records department for reporting transactions to inventory control points.

13. **REQUISITION-ISSUE DOCUMENT.** The requisition-Issue Document (DD Form 1149) may be used for the following purposes:

1. as an item detail card in lieu of NAVSUP Form 791 when appropriate,
2. for key punch corrections for cards spoiled by machine malfunction,
3. for use in single card replenishment for overseas bases,
4. for use in ship resupply actions,
5. for use in the auxiliary store system at air stations employing transceiver facilities.

#### 24032 DEFINITIONS

1. **MASTER REQUISITION COPY.** A master requisition copy is the original copy of a request for material. This copy is filed by activity and requisition number in the issue control branch after all processing has been accomplished by the various other divisions. It shows all action taken, invoice numbers when assigned, coding, and editing.

2. **SHIPPING COPY OF REQUISITION.** The shipping copy of the requisition is a legible copy which is attached to copies 3 through 8 of the expenditure invoice. The shipping copy will provide marking and shipping information to packing and traffic personnel. Transcription of marking and shipping information on to the expenditure invoice is not required.

3. **SUSPENSE REQUISITION COPY.** A suspense requisition copy is a copy of a request for material. This copy may be filed by activity and requisition number in the issue control branch while the master copy of the requisition is being processed. The suspense copy is used as a followup copy on material requests being processed.

4. **BALANCE SHEET CAPTION CODE.** A balance sheet caption code is an alphabetical or numerical code which is necessary for machine operations in order to classify the Financial Detail (NAVSUP Form 1162) under various captions appearing on the balance sheets submitted by the fiscal department with the stores returns. Mechanical preparation of stores

returns is possible by entering this code in the financial detail card.

5. BATCH. A batch is a number of receipts, requisitions, or miscellaneous documents that are assembled into a single group for processing through the machine records department to a given group of stock reviewers. A batch normally would consist of 15 to 50 documents.

6. PREPUNCHED ITEM DETAIL CARDS. Groups of Item Detail Cards (NavSup Forms 791), prepunched in column 55 with a consecutive series of item numbers, may be maintained in the issue control branch for use in processing multiline request documents from which multiline expenditure invoices are to be prepared.

7. DUMMY HEADER CARD. A dummy header card is a punch card that is key punched with the basic information on any given document, such as activity unit identification code, document number, and the number of stock items appearing on the document. One dummy header card is key punched for each document and its purpose is to permit high speed reproduction of item detail cards thereby reducing the amount of key punching required. In the case of request documents from which expenditure invoices are to be prepared, item detail cards, prepunched with document number and line item number, will be used, precluding the use of a dummy

header card for subsequent preparation of item detail cards.

8. TRANSACTION CODE. A transaction code is an alphabetical code which is necessary for machine operations in order to classify item detail cards into receipts, issues, obligations, etc.

9. RECEIPT TAKE-UP LIST. A receipt take-up list includes the information contained in the Receipt Header Card (NavSup Form 782) and individual item detail cards for each invoice or inspection report covering material received. This list serves as a work sheet document for receipt verification and is a means of validating gains or losses resulting from standard price or purchase variance adjustment. By deducting the extended values of the individual item detail cards from the value of the shipment, as indicated by the receipt header card, a loss or gain by standard price adjustment or purchase variance is obtained.

10. FINANCIAL INVENTORY LEDGER CAPTION CODE. The financial inventory ledger caption code is a numerical code which is added by interspersed gangpunching to the Financial Detail (NavSup Form 1162), prior to the preparation of the Financial Inventory Report (NavCompt Form 2154). This code is used to classify the summary-to-date cards under the captions on the Financial Inventory Ledger (NavCompt Form 2153).

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## PART B: RECORDING OF RECEIPT TRANSACTIONS

## Section 1: MANUAL PROCESSING

## 24130 GENERAL

## 1. PROCESSING OF DOCUMENTS

a. Preposting. Upon receipt of material for stock, the receipt control branch will forward immediately two copies of the receipt document to the stock control branch, except when material requires inspection by the receiving activity. When material requires inspection by the receiving activity, two copies of the receipt document will be forwarded after inspection has been completed. Both copies will be priced and extended except Materiel Inspection and Receiving Report (DD Form 250) on material inspected at source and material received without purchase documents and receipt papers. The DD Form 250 on material inspected at source may be priced and extended on only one of the two copies (see par. 23051-2 item 5). The DD Form 250 on material received without purchase documents, receipt papers, or cost information will not be priced by the receipt control branch (see par. 23102). The stock records section concerned will post the quantities to the stock records. The DD Form 250 marked "Record copy - -original not received" or "Contract cost not available", indicating material received without purchase documents, receipt papers, or cost information will be taken up on the stock records in the stores account in which normally carried (see par. 21147) and the unit identification code, standard price, extension, and total will be entered on all copies. When a standard price is not available, an estimated price based on the best available information will be entered on the DD Form 250. Estimated prices will be obtained from the manufacturers' catalogs, records on previous receipts of similar material, commercial price of similar material, or other sources as may be available to the receiving activity. One copy of the DD Form 250 marked "Record copy--original not received" or "Contract cost not available" will be returned to the receipt control branch. Receipt documents will be forwarded, to the financial inventory control section. The financial inventory control section will post the Financial Inventory Ledger (NavCompt Form 2153), will forward one copy of the receipt document to the fiscal department, and will retain one copy in a suspense file until the storeman's signed copy of the receipt document is received. The financial inventory control section will institute at least biweekly followup action to obtain matching copies of those documents held in the suspense file for more

than 10 working days. Documents appearing on one listing will not appear on subsequent lists. However, if the necessary matching document is not produced or a satisfactory explanation is not obtained within 10 working days from the date of the original list, the matter will be referred to the control division officer for appropriate action. After receipt of the matching copy, the storeman's signed copy will be forwarded to the receipt control branch followup file and the remaining copy will be destroyed.

b. Post-posting. Receipt of material for stock in the following categories may be post-posted by receiving activities:

1. material turned in to store by ships, shops, or dependent activities;
2. receipts from roll back or breakdown programs;
3. bureau, command, and office material which is controlled by serial number;
4. shelf life material received from other supply officers;
5. material which is not issued in exact quantities, such as steel, lumber, fuel, and subsistence items;
6. containers returned for credit or even exchange, such as compressed gas cylinders, carboys, reels, etc.

2. RECEIPT OF MATERIAL FOR STORAGE. The storage branch will receive material from the traffic branch with one copy of the receipt document. After checking material and noting any discrepancies on the receipt document, the storage branch will forward the receipt document to the financial inventory control section.

## 3. DISCREPANCIES ON RECEIPT DOCUMENTS

a. General. When the signed storeman's copy indicates discrepancies in stock number or quantities received between the receipt document retained by the financial inventory control section and the signed storeman's copy, the financial inventory control section will transmit the storeman's signed copy to the stock control branch for preparation of necessary adjustments.

b. Discrepancies in Quantities on Receipt Invoices. When the signed storeman's copy of the receipt invoice indicates that there is a quantity discrepancy, the financial inventory control section will transmit the storeman's signed copy to the stock control branch for processing of necessary adjustments as defined in par. 24440. The financial inventory

control section will retain a copy of the receipt document, properly annotated to indicate the net difference requiring adjustment, in an appropriate suspense file to insure receipt of the proper adjustment document. If an adjustment is required after investigation by the receipt control branch, the stock control branch will prepare an adjustment invoice for processing through the financial inventory control section to the fiscal department.

c. Discrepancies in Stock Numbers on Receipt Invoices. When the signed storeman's copy of the receipt invoice indicates that the stock item actually received is different from the stock item originally expended by the issuing activity, the receipt invoice will be forwarded to the stock control branch. The financial inventory control section will retain a copy of the receipt invoice, properly annotated to indicate the discrepancy in stock number, in an appropriate suspense file which will serve as a followup on the stock control branch for return of the signed copy of the receipt invoice. The stock control branch will prepare a stock number transfer to correct the stock records and return the signed storeman's copy of the receipt invoice to the receipt control branch via the financial inventory control section. Necessary monetary adjustments will be effected in accordance with par. 24440-2.

d. Inspection Reports. When there is a discrepancy in stock number or quantity on an inspection report, the financial inventory control section will forward the signed copy of the inspection report to the stock control branch. The stock control branch will make a temporary adjustment to the stock records and will forward the inspection report to the receipt control branch for investigation and action, as set forth in pars. 23035-5 and 23103. The financial inventory control section will retain a copy of the inspection report, properly annotated to indicate the net difference requiring adjustment, in a suspense file to insure receipt of a proper adjustment document. Upon completion of the investigation, a survey document, if necessary, will be initiated by the receipt control branch for processing through the stock control branch and the financial inventory control section to the fiscal department.

#### 4. ACCOUNTING FOR RECEIPTS FROM OTHER NAVAL ACTIVITIES ASHORE

a. Receipts in Stores Accounts. All material received as stores account transfers from other supply officers will be taken up in the stores account, cognizance symbol, and class in which transferred. Receipts of material for stock will be posted to the stock

records and financial inventory control ledgers for transfer invoices. Exception to the requirement for take-up in the class in which transferred may be authorized by the Naval Supply Systems Command when inter class information is not usable. Requests for exception will be forwarded to the Naval Supply Systems Command via the cognizant inventory control point. Upon receipt of material ordered for immediate issue (direct turnover), no posting will be made to either the financial inventory control ledgers or stock records. (Direct turn over (DTO) receipts (FIR Code F5) and simultaneous expenditures to end use, as appropriate, will only be processed to financial inventory control ledgers when the summary is received.

b. Transfers to Navy Stock Account of Receipts from Other Stores Accounts. When for special reasons, material received in a stores account other than the Navy Stock Account is to be carried in the Navy Stock Account, it will be taken up in the account in which carried by the transferring activity, immediately expended as a cash sale, and simultaneously taken up as a receipt from "Purchase" in the Navy Stock Account. A DOD Single Line Item Release/Receipt Document (DD Form 1348-1) will be used to document the cash sale and a copy will be used to effect the take-up as a receipt from "Purchase". Appropriation adjustment, charging the applicable Navy Stock Fund allotment and crediting the proper appropriation will be effected on Voucher for Transfers Between Appropriations and/or Funds (Standard Form 1080) to effect transfer to the Navy Stock Account.

#### 24131 POSTING RECEIPTS

##### 1. GENERAL POSTING INSTRUCTIONS FOR RECEIPTS

a. General. All receipts of material for stock will be posted to the stock records immediately upon delivery of receipt documents to the stock control batteries.

b. Stock Record Card. The posting date and the receipt document number will be posted to the appropriate columns of the Stock Record Card (NavSup Form 766). The quantity received will be entered in red ink or red pencil in the column "Other issues/rec'd". The on hand quantity in the "Balance" column will be increased accordingly. The posting date will be indicated on the receipt document.

c. Stock Status and Replenishment Card. When material received is the result of a previously posted expected receipt document, an additional posting must be

made to the "Received" section of the Stock Status and Replenishment Card (NavSup Form 767). The posting date, the receipt document number, and the quantity received will be posted to the appropriate columns in the "Received" section of the card. The receipt posting will be made in the horizontal block opposite the block which contains the previously posted expected receipt. Thus, a day to day record of the status of all expected receipts will be maintained. When the receipt document number and the order number are the same and the entire amount has been received, the quantity ordered appearing in the "Quantity" block will be circled to designate that the order is complete. When a partial shipment is received, the date and the quantity received will be posted in their respective blocks.

2. **POSTING RECEIPTS FROM PURCHASE.** Entries will be posted to the NavSup Form 766 and, when applicable, to the NavSup Form 767 in accordance with subpar. 1.

3. **POSTING RECEIPTS FROM OTHER SUPPLY ACTIVITIES.** Entries will be posted to the NavSup Form 766 and, when applicable, to the NavSup Form 767 in accordance with subpar. 1. When a receipt invoice number is prefixed by the receiving activity's own unit identification code, this unit identification code will be omitted in the invoice column.

4. **POSTING RECEIPTS FROM MANUFACTURE.** Entries will be posted to the NavSup Form 766 and, when applicable, to the NavSup Form 767 in accordance with subpar. 1, except that the manufacturing job order number will be entered in the "Received from" column of the stock record card.

5. **POSTING MATERIAL RETURNED BY SHIP, SHOP, OR DEPENDENT ACTIVITY.** Entries will be posted to the NavSup Form 766 in accordance with subpar. 1b as a regular receipt transaction. Returned material which can be identified as a replenishable is due made in the current replenishment period will be posted in red in the "Reportable demand" column of the NavSup Form 766. The on hand quantity in the "Balance" column will be increased accordingly.

6. **TRANSFERS BETWEEN CLASSES.** The posting date, transfer invoice number, new stock number under which the item will be carried, and the quantity will be posted to the NavSup Form 766 from which the transfer is made as a nonreportable issue (see par. 24270-1) unless the transfer is made to special accounting class 203. If the transfer is to special accounting class 203, the transaction will be posted as a reportable issue since it is considered that such transactions will occur periodically. The posting date,

transfer invoice number, old stock number under which the item was carried, and the quantity transferred will be posted to the NavSup Form 766 to which the transfer is made as a receipt. In the three digit special accounting classes where stock records are maintained by money value only, it is not necessary to record the quantity of the transaction but only the money value. When the new unit price is different from the former unit price, the new price will be noted on the transfer invoice and a price adjustment accomplished.

## 24132 PRICE CHANGES

### 1. DEFINITIONS

a. Standard Price. A standard price is defined as the price established and promulgated by the bureau, command, office, or Naval Supply Systems Command inventory control point maintaining inventory control of the item for the purpose of accounting, taking of inventory, and for invoicing of a given item of stock unless a reduced price for sales purposes has been authorized.

b. Local Carrying Price. Local carrying Price is defined as the price established at each activity on material not standard priced by the cognizant Navy inventory manager or Defense Supply Agency inventory manager. Local carrying prices will be computed in accordance with subpar. 5 and will include the costs of transportation, if any, from suppliers to the Navy stock point receiving the material. Local carrying prices are similar to standard prices and necessary adjustments will be reported in the same manner as for standard prices.

### c. Adjustment Captions For Reporting, Changes in Prices

(1) Standard Price Adjustment. Gains and losses by standard price adjustment result from adjustments required to bring the price at which material is carried in stock or in transit between supply officers into agreement with the latest standard price or local carrying price established for the item.

(2) Purchase Variance. Gains and losses by purchase variance result from the following types of adjustments:

1. those required to bring the price at which material is received into the Navy Supply System from purchase or manufacture into agreement with the standard price or local carrying price of the material;
2. those gains in condition code E, F, or G (see par. 24925-4) required to bring the value at which repairable material is returned to store into agreement with the carrying value (see par. 23088

for special procedures on petroleum drums).

2. GENERAL. Changes in the issue price at which an item is carried on the stock records will be made in each stock record unit. Posters must compare each unit price at which an item is received with the standard unit price or the local carrying price shown on the stock records.

3. RECEIPT OF ITEMS AT SAME ISSUE PRICE. If the unit-price at which an item is received is the same as the standard or local carrying price shown on the stock records, a check mark or other appropriate notation will be placed after the price on the receipt document by the poster to indicate to the financial inventory control section that the price is the same.

#### 4. RECEIPT TRANSACTIONS REQUIRING PURCHASE VARIANCES AND DISCOUNTS ON MATERIAL RETURNS

a. General. Purchase variance gains and losses will be reported by stock points when the cost price of material received from purchase or manufacture differs from the standard price or local carrying price. When the unit price on a receipt document differs from the standard price or local carrying price, the stock poster will report the necessary purchase variance by cognizance symbol and material control and condition code, as applicable, to the financial inventory section by one of the methods described in subpar. b. When material is returned to store with partial credit, the resultant discount on material returns (E3 FIR caption) will be reported under condition code E, F, or G (see par. 24925-4). For reporting of surcharge on cognizance symbol 1Q material, see subpar. 7.

#### b. Adjustments

(1) Adjustment Card. The poster will compute the amount of gain or loss by purchase variance on the reverse of an Adjustment Card (NavSup Form 449) or comparable ADP document, which then will be attached to the receipt document and forwarded to the financial inventory control section. Only one item will be entered on the NavSup Form 449 or ADP document. The NavSup Form 449 or ADP document will show the amount of gain or loss by purchase variance conspicuously noted on the face of the card.

See Illustration 2

(2) Price Change Adjustment Sheet. The poster will make the appropriate entries on the Price Change Adjustment Sheet (NavSup

Form 448) or comparable ADP document. The NavSup Form 448 or ADP document will be maintained separately for each stores account, cognizance symbol, and stock class involved. These NavSup Forms 448 or ADP document will be attached to the receipt documents to which they apply and forwarded daily to the financial inventory section. Entries on each NavSup Form 448 or ADP document may represent adjustments necessitated by several receipt documents. New adjustments of this type will be reported as gains or losses by purchase variance.

5. ESTABLISHMENT, REVIEW, AND REVISION OF LOCAL CARRYING PRICES. Upon establishment of initial stock of material which is not standard priced, the activity will compute a local carrying price. This will consist of the unit procurement cost, including any separate preservation-packaging costs, plus actual or estimated unit cost for transportation, if any, plus a surcharge for the recovery of losses. When the transportation cost cannot readily be determined, a surcharge of 1% of the unit procurement cost will be added to provide for recovery of the cost of transportation. For the recovery of material losses, the surcharge rates will be 9Q of the unit procurement cost for cognizance symbol 1Q and 9X material, 4% for 9Q material, and 370 for other classes of material except aeronautical, cognizance symbol 1R. For cognizance symbol 1R material the surcharge will be as prescribed by the Navy Aviation Supply Office. As a means of reducing the frequency of revisions, prices of items other than petroleum products will be rounded upward as follows:

<u>Total unit cost</u>	<u>Rounded up to next multiple of</u>
\$ 0.001 to \$ 1.00	1 cent
\$ 1.01 to \$ 5.00	10 cents
\$ 5.01 to \$25.00	50 cents
\$25.01 to \$50.00	1 dollar
over \$50.00	5 dollars

Prices will be reviewed each time an item is replenished. The carrying price will be compared with a revised price computed to include the costs specified herein. Prices will be revised if the change will equal or exceed 10% of the existing price or will have an impact on annual sales of \$50 or more, unless otherwise directed by the cognizant inventory manager. When a local carrying price is revised, a price adjustment will be reported in accordance with subpar. 6.

6. ADJUSTMENTS FOR CHANGES IN STANDARD PRICES AND LOCAL CARRYING PRICES. When the cognizant inventory manager directs a change in a standard

price or when the activity revises a local carrying price in accordance with subpar. 5, the poster will compute the amount of gain or loss by standard price adjustment on NavSup Form 449 or NavSup Form 448 or a comparable ADP document. The record of these adjustments will be forwarded daily to the financial inventory section for preparation of separate summary invoices for gains and losses by price change adjustment at the end of the accounting period.

See Illustration 4

7. **SURCHARGE FOR COGNIZANCE SYMBOL 1Q MATERIAL.** The local carrying price for all procurements of cognizance symbol 1Q items received by bulk supply activities, except equipment items, will be computed in accordance with subpar. 5.

8. **PRICING OF MATERIAL UNDER CONDITION CODES**

a. Price Condition Code C. When a portion of the stock of an item is reduced in price, such as shopworn clothing or film approaching its expiration date, such stock will be identified by price condition code C. For material held for resale to individuals, such as shopworn shirts, the inventory carrying price will be reduced and the difference between the carrying price and the sales price will be shown as a loss by survey on a Requisition and Invoice/Shipping Document (DD Form 1149). In the case of all other

material under price condition code C there will be no change in the carrying price, and a loss by sale resulting from condition will be reported for the amount of the reduction at the time of sale. In general, price condition code C will not be used when all stocks of an item are reduced in price in accordance with instructions from the cognizant inventory manager. Normally, price condition code C will not be used for repaired material as repaired material is considered to be the equivalent of new material.

b. Material Condition Code E, F, or G. Repairable material carried under material condition code E, F, or G (see par. 24925-4) will be carried in store at full standard price except when special procedures are authorized as in the case of petroleum drums (see par. 23088).

c. All Other Condition Codes. Material under other condition codes will be carried at full standard price in accordance with MILSTRIP/MILSTRAP.

24133 **EXPECTED RECEIPTS (DUES)**

1. **GENERAL.** Material will be considered as an expected receipt when a procurement or replenishment document has either been initiated or received by the activity which will receive the material.

2. **PROCESSING.** Processing of expected receipts will be effected in accordance with MILSTRIP/MILSTRAP, pars. 04800-64860.

## Section II: MECHANIZED PROCESSING

### 24150 **TAKING UP MATERIAL RECEIVED**

1. **GENERAL.** Upon receipt of material for stock, the receipt control branch will forward immediately one priced and extended copy of the receipt document to the stock control branch via the financial editing section except when material requires destination inspection. When inspection is necessary, one copy of the receipt document will be forwarded to the financial editing section by the material inspection section after inspection has been completed. All receipts of material will be preposted to the stock records except those receipts defined in par. 24130.

2. **PREPOSTING RECEIPT DOCUMENTS**

a. Receipt Control Branch. The receipt control branch will indicate the number of line items received on one copy of the receipt document and forward the receipt

document to the financial editing section except when material requires destination inspection by the receiving activity. When inspection is necessary, two copies of the receipt document will be forwarded to the material inspection section.

b. Material Inspection Section. The material inspection section will take the following actions:

1. inspect material,
2. forward one copy of the receipt document to the financial editing section,
3. return one copy to the receipt control branch.

c. Financial Editing Section. The financial editing section will edit the accounting information for accuracy, circle the receipt document number, assign the financial inventory report code, and forward the receipt document to the stock control branch.

d. Stock Control Branch. The document sorting unit will accumulate receipt documents until a sufficient number is available

for batching by the stock unit and forwarding to the machine records department. Receipt documents will not be accumulated over eight, working hours in the document sorting unit.

e. Machine Records Department. A Receipt Header Card (NavSup Form 782) will be key punched and key verified for each receipt document. The receipt header card will contain the financial inventory report caption code, number of items, activity unit identification code, receipt document number (for material under the transaction reporting procedures, this number will be the contract, purchase order, or shipment order number), and the billed amount. Activities utilizing local control numbers as receipt document numbers, for receipts other than those subject to transaction reporting, also may punch the contract or order number as the authority number in the receipt header card to facilitate followup to obtain the signed copy of the receipt document (see par. 24152-1). The receipt header cards will be used to establish an Item Detail Card (NavSup Form 791) containing the same information punched in the receipt header card, except for the authority number and billed amount, for each item on the receipt document. The receipt document and related item detail cards will be forwarded to the stock control branch. The receipt header cards will be punched with the current date and then placed in a holding file for subsequent return and matching with the item detail cards.

f. Stock Control Branch. The stock reviewer will annotate any necessary changes on the due card when the material received is an expected receipt. The unit of issue and quantity for each item on the receipt document will be corrected when necessary to agree with the standard unit of issue established on the Stock Balance Cards (NavSup Forms 801). The item detail cards corresponding with each item received will be mark sensed with the quantity received and the appropriate transaction code. The item detail cards then will be offset behind the corresponding NavSup Forms 801 and the receipt document will be dated and forwarded to the clerical division for processing to the class ledgers and forwarding to the fiscal department.

g. Naval Supply Centers. At naval supply centers the document sorting unit operation

will take place prior to the financial editing function.

### 3. MULTIPLE COGNIZANCE OR CLASS ON A RECEIPT DOCUMENT

a. Stock Control Branch. When more than one cognizance symbol or stock class appears on a receipt document, the stock reviewer will indicate the individual cognizance, classes, and the billed amount for each breakdown on the receipt document. A dash number will be affixed to the document number for each group. The dash number will be mark sensed on the corresponding item detail cards. This function may be performed by the clerical division of the machine records department in lieu of the stock reviewer. In these cases the item detail card will be selected the following day in order to punch the dash number. The receipt document will be forwarded to the key punch division.

b. Machine Records Department. A separate receipt header card will be key punched for each dash number indication on the receipt document. The original receipt header card will be destroyed.

### 4. RECEIPT DOCUMENTS WITHOUT BILLED PRICES.

When Materiel Inspection and Receiving Report (DD Form 250) forwarded for processing in accordance with par. 23102-2 does not contain a billed amount, the procedure to be followed will be identical to procedures when billed amounts are indicated except for the following:

1. material will be taken up on the stock records in the stores account in which normally carried (see par. 21147),
2. the receipt header card will be prepared with no billed price indicated.

The header card and item detail cards will be coded to insure no adjustment is taken and that the extension of the item detail cards will be used to develop and print a total amount in the adjustment field on the receipt take-up list. The stock number and quantity of each item appearing on the unpriced receipt document will be verified against the receipt take-up list. The total amount accumulated from the item detail cards will be extracted from the receipt take-up list and written in the lower right corner of the document. When a standard price is not

available, an estimated price, based on the best available information, will be established in the stock status balance cards and will be used as a basis for the total price listed on the document. Estimated prices will be obtained from the manufacturers catalog, records on previous receipts of similar material, commercial price of similar material or other sources as may be available to the receiving activity. After entry of the total amount in the lower right corner of the receipt document, one copy of the DD Form 250, marked "Record copy--original not received" or "Contract cost not available", will be returned to the receipt control branch. Upon receipt of cost information, adjustment debit or credit DD Form 250 will be prepared and processed in accordance with par. 23102-3.

#### 24151 MATERIAL TURNED IN TO STORE

1. GENERAL. Material turned in to store frequently requires a screening operation prior to recording to the stock records in order to identify stock items to current stock numbers and also to classify the material as ready for issue, in need of repair, or as unfit for re-issue. Recording to the stock records will be accomplished from either the receipt document or a credit expenditure invoice when applicable.

2. CONTROLS. Proof of receipt will be the responsibility of the receipt control branch. This will be accomplished by establishing an open order file upon receipt of the material which will remain in a suspense category until the storeman's signed copy of the receipt document is received via the machine records department or from the scrap and salvage storeman.

#### 24152 FOLLOWUP AND DISCREPANCIES ON RECEIPT DOCUMENTS

1. FOLLOWUP ON RECEIPT DOCUMENTS. The clerical division of the machine records department will institute at least biweekly followup action to obtain matching copies of those documents held in the suspense file for more than 10 working days. Followup on receipt documents will be maintained by means of the Receipt Header Card (NavSup Form 782). The receipt header cards also will be used to prepare a followup list for indicating nonreceipt of signed copies of receipt documents.

##### 2. DISCREPANCIES ON RECEIPT DOCUMENTS

a. General. The receipt header card will be used as a suspense copy awaiting the signed copy of the receipt document from the storage branch. The storage branch will indicate any discrepancies in stock numbers and

quantities actually received and forward the signed copy of the receipt document to the financial inventory control section. Upon receipt of the signed copy of the receipt document in the financial inventory control section, a visual check will be made to ascertain whether any discrepancies were indicated by the storeman. When there are no discrepancies, the signed copy of the receipt document will be forwarded to the receipt control branch for proof of receipt and the receipt header card will be removed from the suspense file and destroyed.

b. Discrepancies in Quantities on Receipt Invoices. When the signed copy of the receipt invoice indicates that there is a quantity discrepancy, the financial inventory control section will forward the invoice to the stock control branch. The receipt header card will serve as a followup on the stock control branch for return of the signed copy of the receipt invoice. The stock control branch will compute the monetary differential to distinguish between minor and major adjustments as defined in par. 24440. If the difference is a minor adjustment, an Item Detail Card (NavSup Form 791) will be mark sensed with the receipt invoice number, the consignor's unit identification code, the quantity to be adjusted, appropriate transaction code, and a signal code in the "FIR" column to permit mechanical selection for a summary adjustment invoice at the end of the month. The item detail card will be offset behind the corresponding Stock Balance Card (NavSup Form 801). The stock control branch will return the receipt invoice to the receipt control branch via the financial inventory control section. The receipt header card will be removed from the suspense file and destroyed. When the difference is a major adjustment, an item detail card will be mark sensed the same as for minor adjustments except the financial inventory report caption code will be K. The signed copy of the receipt invoice will be returned to the financial inventory control section for use in preparing an individual adjustment invoice in accordance with par. 24440. The receipt header card will be removed from the suspense file and destroyed. The receipt invoice will be forwarded to the receipt control branch for proof of receipt.

c. Discrepancies in Stock Numbers on Receipt Invoices. When the signed copy of the receipt invoice indicates that the stock item actually received is different from the stock item originally expended by the issuing activity, the receipt invoice will be forwarded to the stock control branch. The receipt header card will serve as a followup on the stock control branch for return of the signed copy of the receipt invoice. The stock control branch will prepare a stock number

transfer to correct the stock records and return the receipt invoice to the receipt control branch via the financial inventory control section. The receipt header card will be destroyed.

d. Discrepancies on Inspection Reports. Insofar as material received from purchase is normally inspected prior to recording to the stock records and the class ledgers, the discrepancies on the storeman's signed copy should be in the minority. When there is a discrepancy in stock number or quantity, the financial inventory control section will forward the signed copy of the inspection report to the stock control branch. The receipt header card will be held in suspense to insure adjustment of the class ledger. The stock control branch will indicate the discrepancy on a special information card and place it in the stock review file in front of the appropriate stock balance card. The inspection report will be forwarded to the receipt control branch for investigation and adjustment in accordance with Chapter 3. Upon completion of the investigation, the adjustment voucher will be forwarded to the financial inventory control section via the stock control branch. The stock control branch will destroy the special information card and adjust the stock records. The financial inventory control section will destroy

the receipt header card and process the adjustment voucher to the class ledger and to the fiscal department.

#### 24153 EXPECTED RECEIPTS (DUES)

1. GENERAL. Expected receipts represent material due in as the result of actions taken by either inventory control, points or stock points in accordance with the procedures in MILSTRIP/MILSTRAP.

#### 2. CENTRALLY MANAGED ITEMS

a. Transaction Reportable. Stock points will not maintain due in data on centrally managed transaction reportable items as part of their stock balance record. Inventory control points will provide prepositioned material receipt cards on DOD Material Receipt Document (DD Form 1486) to facilitate processing at the receipt control level.

b. Cyclic Reportable. Stock points will maintain due in data on centrally managed cyclic reportable items based on due in cards provided by the inventory manager.

3. PROCESSING. Processing of expected receipts will be effected in accordance with MILSTRIP/MILSTRAP, pars. 04600-04750.

## PART C: RECORDING OF EXPENDITURES AND MISCELLANEOUS TRANSACTIONS

### Section 1: GENERAL

#### 24250 DOCUMENT PROCESSING

##### 1. PROCEDURE

a. General. Stock record personnel will schedule, screen, and process request documents in accordance with pars. 24270, 24285-24292, and, 25035-25038.

b. Industrial Activities. In addition to instructions in subpar. a, industrial activities will establish local provisions whereby stock control personnel will be guided by information as to the type of job order or written notation in the request document when classifying the demand nature of transactions. When any uncertainty exists regarding the demand classification, stock control personnel will discuss the item with the requester. Examples of items in this category are items normally not carried in stock and items requested in unusually large quantities.

##### 2. DEFINITIONS OF EXPENDITURES

a. Replenishable Demand. Replenishable demand consists of those issues made to fill demands expected to recur periodically for an indefinite period, or demands of a recurring nature for which stock was not available for issue at the time of the demand, and for which replenishment of stocks should be made to meet future demands.

b. Nonreplenishable Demand. Nonreplenishable demands are those issues made to satisfy demands of a nonrecurring nature. The following transactions will be considered nonreplenishable demands:

1. Issues to satisfy demands of new construction, conversion, outfitting, special programs, ship alteration, exploratory expeditions, research and development programs, and any other onetime issues;
2. cash sales except normal recurring sales;
3. issues to other government departments except those that normally are recurring;
4. issues to foreign governments except those that normally are recurring as designated by the appropriate Naval Supply Systems Command Inventory control point;
5. forced issues of food items.

c. Total Demand. Total demand is the sum of replenishable demand, nonreplenishable demand, and demands for items not carried.

d. Other Expenditures. Expenditure transactions which do not represent demands and which are not reportable under cyclic reporting procedures include the following:

1. transfer of an item from one activity to another activity when both activities report direct to a Naval Supply Systems Command, inventory control point on that item, or transfers from a nonreporting activity to an activity which reports direct to a Naval Supply Systems Command inventory control point on the item transferred;
2. issues to fill obligations;
3. disposition of surplus;
4. issues of material to be returned or replaced;
5. adjustments because of losses by inventory, audit, or other posting errors;
6. losses by survey or scrapping;
7. issues of a substitute item for the item requested, or issues of an item interchangeable with the item requested;
8. issues to fill demands passed for supply actions by a reporting activity when the item is carried but not in stock at the reporting activity forwarding the requisition;
9. issues to replace material previously drawn from stock as ready for issue and found to be defective.

##### 3. CYCLIC REPORTING

a. Reportable Demand. Reportable demand is that demand reported to Naval Supply Systems Command inventory control points for stock replenishment purposes and may be either replenishable demand or total demand, depending upon the specific instructions of Naval Supply Systems Command inventory control points governing item reporting.

b. Nonreportable Demand. Nonreportable demand is that demand which is not reported to Naval Supply Systems Command inventory control points for replenishment purposes and will include all demands not recorded as replenishable demand and all expenditures not recorded as total demand.

##### 4. TRANSACTION REPORTING

a. Recording Demands and Other Expenditures. Demands and other expenditures will be recorded in accordance with the specific instructions of the cognizant Naval Supply Systems Command inventory control point.

b. Reportable Demands and Expenditures. Under transaction reporting each expenditure defined in subpar. 2a, b, and d will be reported to the cognizant Naval Supply Systems Command inventory control point under the appropriate transaction code when a change occurs.

#### 24251 BACK ORDER-OBLIGATION

1. DEFINITION. Back order-obligation is an action taken by an inventory manager to record a commitment to a customer that the customers, requisition for material which is not available within the Uniform Material Movement Issue Priority System (UMMIPS) time frame of the requisition will be filled automatically on or before the date of availability specified by the inventory manager through supply status card data.

2. PROCESSING. Back order-obligation processing responsibilities of the inventory manager, the customer, and the stock point are prescribed in MILSTRIP/MILSTRAP, par. 02141.

3. RELEASE. Regardless of whether the back order-obligation is retained centrally by the inventory manager or locally by a stock point, material will be released as soon as it becomes available. When multiple back orders are held, they will be released according to priority designator. Within priority, not operationally ready supply (NORS) requisitions (indicated on the DOD Single Line Item Requisition System Document (DD Form 1348) by 999 in the required delivery date (RDD) columns 62-64) will be released first, followed by requisitions with the closest required delivery date, and finally by those requisitions bearing the earliest Julian date.

4. RECONCILIATION. Reconciliation of back orders will be effected in accordance with the procedures in MILSTRIP/MILSTRAP, pars. 04930 and 04960.

24252

#### 24253 PLANNED REQUIREMENTS

1. DEFINITION. A planned requirement is a future need for material required for programs applicable to new construction, major conversion, outfitting, overhaul, and

other programs for which requirements can be accurately predicted sufficiently in advance of date of need.

2. SUBMISSION. Activities will submit future requirements meeting the following criteria to the appropriate inventory control point in the form of a planned requirement:

1. when items are required in unusual quantities,
2. when items require long lead time,
3. when items are required to fill known nonrepetitive demands.

The support data for the planned requirement must not be less than 90 days or more than two years from the planned requirement submission date. Submission and processing of planned requirements will be effected in accordance with MILSTRIP/MILSTRAP.

3. INVENTORY MANAGER INITIATED PLANNED REQUIREMENTS. Under certain circumstances inventory managers may initiate planned requirements to satisfy the needs of special Navy programs. Such action will be taken in accordance with MILSTRIP/MILSTRAP, par. 02144.

#### 24254 CUSTODY RECEIPTS

When material is issued on a custody receipt basis, a green signal card will be prepared by the stock reviewer and placed in front of the applicable Stock Balance Card (NavSup Form 801). The green signal card will contain the stock number, document number, and the name of the office or shop holding the material. In manual processing, a copy of the custody receipt will be filed behind the Stock Status and Replenishment Card (NavSup Form 767).

#### 24255 SCREENING FOR RESTRICTIVE STATEMENTS

For those requests which contain a restricting statement such as, "Do not exceed amount cited hereon", the standard or issue price versus the price cited on the request document will be checked. When the standard or issue price is greater than that reflected on the requisition, the request will be returned to the originator for additional funds.

## Section II: MANUAL PROCESSING

## 24270 POSTING EXPENDITURES

1. **REPORTABLE DEMAND.** An expenditure will be posted to the Stock Record Card (NavSup Form 766) maintained for that item. The posting date and the request document number will be entered in the appropriate columns. Issues defined as reportable demand will be posted to the "Reportable demand" column and the on hand "Balance" column will be decreased accordingly.

2. **NONREPORTABLE DEMAND.** Issues defined as nonreportable will be posted to the "Other issues/rec'd" column and the on hand "Balance" column will be decreased accordingly.

See Illustration 6

## 3. PROCEDURE

a. **Sequence.** The poster will adhere to the procedures in subpars. b-e in sequence, when applicable, for each item on the requisition.

b. **Initial Steps.** The applicable stock record card will be located. The poster will ascertain whether there is sufficient stock on hand to cover the quantity requested. The requested quantity of the material will be checked to determine if it is in correct packaging quantity. If it is not, the quantity to be issued will be adjusted to the next higher multiple of the packaging quantity. The request document will be screened to determine whether a restricting statement is contained therein instructing the issuing activity not to exceed the amount cited. When a restricting statement is included and the issue price is greater than that cited, the request will be returned for additional funds and no action will be taken to issue the material.

c. **Insufficient Quantity on Hand.** If there is an insufficient quantity on hand of the item requested, the information on the Stock Record Card Insert (NavSup Form 768) will be used to determine if an item is available which is interchangeable with the item requested. If there is no item which is interchangeable with the item requested, it will be determined if there is an item which may be substituted for the item requested. This determination may be made by referring to the stock record card insert for substitution or interchangeability information, and by referring the matter to the technical

division when necessary. When it is determined that a replacement, substitute, or interchangeable item will be issued in lieu of the item requested, the stock number and description on the requisition will be changed to indicate the item actually issued, and the symbol "R" will be marked on the requisition next to the item requested. When there is an insufficient quantity of the item requested, or when there is no interchangeable item or substitute item, or when there is an insufficient quantity of interchangeable or substitute items, the poster will take the following action:

1. If instructions call for obligating, the symbol "S" for replenishable obligations or the symbol "U" for nonreplenishable obligations will be marked next to the item on the requisition.
2. If instructions provide for canceling, the symbol "C" will be marked next to the item on the requisition.
3. If instructions call for procurement by local purchase, the symbol "P" will be marked next to the item on the requisition.
4. If instructions provide for forwarding the requisition to a higher echelon of supply, the symbol "F" followed by the name of the activity, bureau, or command to which forwarded, will be marked next to the item on the requisition.

d. **Sufficient Quantity on Hand.** If there is sufficient material on hand to fill the request, the correct unit issue price will be entered on the request document next to the item. When a combination form is used and no invoice will be typed, the unit price of each item being supplied must be clearly marked on all copies of the request document.

e. **Final Steps.** The posting date, request document number, and the quantity to be issued will be entered on the stock record card in the appropriate columns. The on hand "Balance" column will be decreased by the quantity issued.

## 4. SUBSTITUTE OR INTERCHANGEABLE ITEMS

a. **Reportable Demand.** If the request is of a reportable demand nature, it will be necessary to record the demand for the requested item as well as the expenditure of the substitute or interchangeable item.

This will be accomplished by the following posting procedure:

1. The amount of the item requested will be entered on the stock record card of that item as a memorandum circled entry in the "Reportable demand" column with an accompanying notation "S1" in the Received from/issued to" column.
2. The on hand "Balance" column from the preceding entry will be brought down unchanged.
3. The expenditure of the substitute or interchangeable item will be posted to the stock record card of that item as an "Other expenditure" as defined in par. 24250-2d, and the on hand "Balance" column will be decreased accordingly.
4. When the item issued or item expended has been designated for active item reporting, colored signals will be inserted in the stock record card pockets to indicate that the new stock status of the item(s) should be reported at the next reporting period.

b. Nonreportable Demand. If the request is of a nonreportable demand nature, it will be unnecessary to record the demand of the requested item. However, the expenditure of the substitute or interchangeable item must be recorded by posting it as an "Other expenditure" on the stock record card of the substitute or interchangeable item and decreasing the on hand "Balance" column accordingly. If the item issued has been designated for active item reporting, a colored signal will be inserted in the stock record card pocket to indicate that the new stock status of the item should be reported at the next reporting period.

5. **RECORDING OBSOLESCENT, TERMINAL, OR SUPERSEDED ITEMS.** Demands for obsolescent, terminal, or superseded items will be recorded for the item requested. When on hand balances and expected receipts of the obsolescent, terminal, or superseded items are reduced to zero, the demand since the last reporting date and the obligations will be transferred to the Stock Inventory Trial Balance Card (NAVSUP Form 986) of the superseding item. If the items concerned have been designated for active item reporting a colored signal will be inserted in the stock record card pocket of both stock balance cards to indicate that

the new stock status of the superseding item and the zero balance of the obsolescent, terminal, or superseded item will be reported in the next reporting period.

6. **NAVY STOCK ACCOUNT OR DEFENSE STOCK FUND MATERIAL REQUISITIONED IN THE APPROPRIATION PURCHASES ACCOUNT.** When requisitions are received for stock review indicating that material has been requisitioned in the Appropriation Purchases Account, and material is not available in that account but is available in the Navy Stock Account or the Defense Stock Fund, the requisition will be processed as follows:

1. if the requisition does not contain the restrictive statement "Do not issue from NSA or DSA", continue the processing of requisitions assigned issue group one or issue group two priorities.
2. if the requisition contains the restrictive statement "Do not issue from NSA or DSA", or if the requisition cites priority group three or four, the requisition will be rejected and returned.

When the material is issued, the supplying activity will notify the requesting activity that an allotment charge has been effected and that the record of obligations should be corrected accordingly.

#### 7. MATERIAL PURCHASED LOCALLY FOR IMMEDIATE ISSUE

a. Items for Which Stock Records Are Being Maintained. The stock record of any item carried by an activity must contain a complete record of all demand for the item. Therefore, when the stock control branch receives a request for an item which is in a "not in stock" condition or which is in stock but in an insufficient quantity to fill the request, and the required delivery date is such that the item cannot be obtained through normal supply channels, local purchase in accordance with existing regulations may be necessary. When such local purchase for immediate issue is required and when material so purchased is not received in to store in a two digit class prior to issue, a special entry will be made to record the demand for the item on the stock record card already being maintained for that item. The posting date and the request document number will be posted to the appropriate columns

on the stock record card. The letters "P.I.L.", indicating purchase for immediate issue, will be entered in the same column as the shore activity unit identification code, shop number, or ship hull number, immediately preceding such number. The quantity involved will be entered in the "Reportable demand" column as a memorandum circled entry. The balance from the preceding transaction will be brought down unchanged and entered in the "Balance" column. This posting procedure is necessary only when the expenditure of material purchased for immediate issue is of a reportable demand nature. No entry will be made on the stock record card if the issue is of a nonreportable demand nature.

b. Items for Which Stock Records Are Not Being Maintained. Stock records will not be established when an item which is not being carried in stock is purchased for immediate issue or forwarded to another supply activity for filling except for items in cognizance symbols under total demand reporting. However, the demand for such items will be recorded in the historical record of demands maintained by the stock record unit. Under total demand reporting, all demands as defined in par.

24250-2c will be recorded on the stock records as reportable demands and reported to the cognizant Naval Supply Systems Command inventory control point in accordance with stock status reporting schedules.

8. **SURVEY EXPENDITURES.** When a survey request is initiated, the supervisor of the stock record section concerned will be notified. If the quantity being surveyed is sufficient to reduce appreciably the on hand balance of the item, the stock record section supervisor will determine if the interim replenishment will be necessary. If the quantity being surveyed is large, the poster will make a notation on a slip of paper for insertion under the visible edge of the stock record card concerned. This will serve as a signal that the actual available balance is less than the recorded on hand balance by the quantity being surveyed. When the Report of Survey (DD Form 200) reaches the stock poster, the date, reference number, and quantity will be posted as an "Other expenditure" issue, and the on hand "Balance" column decreased accordingly. At this time the memorandum slip of paper, will be destroyed.

### Section III: MECHANIZED PROCESSING

#### 24285 POSTING ROUTINE OFF STATION EXPENDITURES

1. **STOCK CONTROL BRANCH.** The stock reviewer will locate the Stock Balance Card (NAVSUP Form 801) for the first item indicated on the request document and will perform the following operations:

1. check the unit of issue and nomenclature;
2. edit for stock availability;
3. mark sense a separate item detail card for each item with the transaction code, quantity, document number, and item number;
4. place a check mark on the request document to the right of the line item number to indicate that the material will be issued;
5. place the item detail card behind the corresponding stock balance card and offset both cards in the tray;
6. repeat these steps for each item on the request document;

7. forward the request document to the machine records department.

2. **MACHINE RECORDS DEPARTMENT.** A Master Invoice Header Card (NAVSUP Form 803) will be key punched and key verified for each item and will contain the original requisition number including any local code assigned in the authority field and the 6 digit document number with original item number identification in the voucher number field. The master invoice header card(s) and applicable request document will be forwarded to the financial editing section in parallel sequence.

3. **FINANCIAL EDITING SECTION.** Pre-editing will be performed consisting of the following operations:

1. attach the appropriate master invoice header card(s) to the related request document;

2. review the request document for proper identifying item numbers;
3. edit the request document for object class and, when the request document indicates other than object class 089, the proper object class will be written in ink on the left side of the card and the special mark sense position "Other object class" will be marked to facilitate selection and key punching of the correct object class in these cards.

The financial editor will locate the Accounting Card (NAVSUP Form 802) corresponding to the accounting information appearing on the request document,

place the master invoice header card(s) for the request document behind the appropriate accounting card, and offset both cards in the tray. The completed request document will be forwarded to the invoice verifying unit of the machine records department. When it is determined that the accounting data in an accounting card has changed or when a new accounting card is required, the financial editor will forward a request for a new accounting card, to the machine records department. The request documents in the financial editing section must be completed and the corresponding master invoice header cards offset behind the appropriate accounting cards on the same day they are received in order to permit invoice preparation that night. Failure

to offset a master invoice header card in the financial editing section will result in unmatched item detail cards in the machine records department during the preparation of expenditure invoices.

4. MACHINE RECORDS DEPARTMENT. Expenditure invoices will be prepared by the night shift as described in par. 24302. Distribution of the request document and invoice will be in accordance with pars. 25071 and 24302. Normally, the distribution will be made as follows:

1. Legible copy of the request document (shipping copy) will be attached to copies 3 through 8 of the invoice and will be forwarded to the material division for issue of material.
2. Copies 1 and 2 of the invoice will be forwarded to the fiscal department via the financial inventory control section.
3. The master may be stamped showing the date the invoice was prepared and the items issued, or copy 9 of the invoice will be attached to the master and remaining copies of the request document and forwarded to the issue control branch.

#### 24286 PROCESSING EMERGENCY OFF STATION EXPENDITURES

1. STOCK CONTROL BRANCH. In the stock control branch the request document will be processed the same as a routine request document. In addition, the original and three copies of the request document will be annotated with the account and unit price or prices of items being issued. The three priced copies of the request document will be removed and returned to the issue control branch. The master and any remaining copies of the request document will be forwarded to the machine records department.

2. MACHINE RECORDS DEPARTMENT. In the machine records department the request document will be processed the same as a routine request document.

3. FINANCIAL EDITING SECTION. In the financial editing section the request document will be processed the same as a routine request document.

4. MACHINE RECORDS DEPARTMENT. The expenditure invoice will be prepared the same as for routine request documents. Copies 3, 4, 8, and 9 will be forwarded to the issue control branch and copies 5 through 7 will be destroyed. Copy 8 will be utilized

as the correction copy for summary purposes or for mailing to the accountable activity if other than the consignee. Copy 9 will be filed with the master requisition, copy.

#### 24287 EXCEPTIONS

1. CANCELLATION OR PROCUREMENT. When sufficient stock is not available to fill the demand and it is necessary to cancel or procure the item requested, the Item Detail Card (NavSup Form 791) will be marked with the quantity and transaction code Y and offset behind the Stock Balance Card (NavSup Form 801) if the demand is of a recurring or total demand nature, otherwise the NavSup Form 791 will be destroyed. The requisition will be returned to the issue control branch if all items are canceled or forwarded to the procurement branch when all items require procurement.

2. REQUISITIONS REQUIRING TECHNICAL INTERPRETATION. When an item on a request document must be referred to the technical division for identification or substitution, the NavSup Form 791 for the item will accompany the request document through the screening process and will be returned to the stock reviewer for the necessary action.

3. REQUISITIONS CONTAINING MULTIPLE STORES ACCOUNTS, FEDERAL SUPPLY CLASSIFICATION GROUPS, OR COGNIZANCE SYMBOLS. When the stock reviewer determines that issues on a request document involve more than one stores account, federal supply classification group, or cognizance symbol, the following additional steps will be taken:

1. The next consecutive invoice dash number will be assigned to the request document for the item containing the different stores account, federal supply classification group, or cognizance symbol.
2. The same invoice dash number will be marked on the corresponding detail card.
3. The machine records department will prepare separate invoices for each invoice number assigned.

4. ITEM NUMBERS. Occasionally, the action to be taken on a request document involves missing item numbers. When this occurs, the stock reviewer will mark sense the proper item number on the corresponding item detail card. This is necessary because the item number punched and printed on the item detail card is accomplished through a

mechanical method which automatically applies consecutive item numbers.

5. EXPENDITURES WHEN ACCOUNTING INSTRUCTIONS WILL FOLLOW. Occasionally, it is necessary to issue material on an unpriced shipping memorandum and to prepare the money invoice when the accounting instructions are received. When this is necessary, the following procedure will apply:

1. The issue control branch will carry the request document to the stock reviewer.
2. The stock reviewer will mark sense a blank item detail card with all pertinent data including activity unit identification code, document number, and item number. In addition, the digit "8" will be mark sensed in the "BSCC" column of the item detail card to indicate a quantity only transaction.
3. A shipping memorandum will be typed and forwarded to the material division via the issue control branch for issue of material.
4. The issue control branch will maintain a suspense file pending receipt of accounting instructions; the financial inventory control section will be notified when accounting instructions are received.
5. The financial inventory control section will hold one copy of the shipping document as a suspense copy against the Financial Inventory Ledger (NavCompt Form 2153); upon receipt of accounting instructions a money invoice will be prepared and the suspense copy destroyed.

6. EXPENDITURE INVOICES REQUIRING SPECIAL PRICING. Occasionally, it is necessary to apply special pricing procedures to invoices. Normally, this occurs when material is sold at a reduction from standard price (see par. 24132-8). When a requirement for special pricing exists, the stock reviewer will, in addition to other operations, mark sense the digit "2" in the first mark sense column of the item detail card and write the special unit price and the authority on the item detail card. The machine records department will duplicate these item detail cards and punch the special unit price into the duplicate card which will be used in printing the invoice. The original item detail card will be forwarded to the financial inventory control section for preparation of an adjustment invoice for the monetary differential.

7. NAVY STOCK ACCOUNT OR DEFENSE STOCK FUND MATERIAL REQUISITIONED IN THE APPROPRIATION PURCHASES ACCOUNT. The procedure set forth in par.

24270-6 covering Navy Stock Account or Defense Stock Fund material requisitioned in the Appropriation Purchases Account will be followed.

8. OBSOLESCENT, TERMINAL, OR SUPERSEDED ITEMS. Demands for obsolescent, terminal, or superseded items will be recorded for the item requested. When on hand balances and expected receipts of the obsolescent, terminal, or superseded item are zero, the demand since the last reporting date and the obligations will be transferred to the stock balance card of the superseding item.

9. EXPENDITURE INVOICES PREPARED ON THE BASIS OF DIRECT ISSUES ON DD FORM 1348 OR DD FORM 1149. Expenditure invoices prepared as a result of direct issues on DOD Single Line Item Requisition System Document (DD Form 1348) or Requisition and Invoice/Shipping Document (DD Form 1149) will contain the original document number assigned by the requester and contain the end use accounting data chargeable.

10. SUBSTITUTE OR INTERCHANGEABLE ITEMS. If the item requested is of a reportable nature, it will be necessary to record the demand for the requested item as transaction code Y and expend the substitute or interchangeable item as a nonreportable demand issue, transaction code C. Requests of a nonreportable demand nature will not be recorded as a demand against the item requested or the substitute or interchangeable item issued; in lieu thereof, transaction code C will be used.

24288

#### 24289 WAREHOUSE REFUSALS

When the storage branch does not have sufficient stock to fill the quantities indicated on an expenditure invoice, the procedures in par. 25075-4 will be followed.

#### 24290 STATION REQUISITION PROCESSING EXPENDITURES

1. STOCK CONTROL BRANCH. The document sorting unit will sort station requisitions into ascending class sequence within stock unit. When a sufficient number of requisitions has been sorted to constitute a batch, they will be forwarded to the machine records, department. If requisitions are forwarded direct to the stock control branch, the document sorting unit will circle the authority for issue and indicate the total number of line items on the requisition. The

number of line items will not be indicated when single item requisitions only are used by the activity. A copy of the requisition may be removed for subsequent filing by the issue control branch and the remaining copies will be forwarded to the machine records department.

#### 2. MACHINE RECORDS DEPARTMENT.

When more than one item appears on a station requisition, a dummy header card will be key punched and key verified for each requisition in the batch. The dummy header card will contain the financial inventory report code, number of items, unit identification code, requisition number, and the job order serial number. If financial editing has not been performed, financial inventory report code J1 will be key punched in all dummy header cards. The dummy header cards will be used to create one Item Detail Card (NavSup Form 791) for each item on each requisition. The item detail cards will contain the same information as the dummy header cards except the number of items will be replaced by the line item number, and the job order number will be punched in columns 43 and 62-69. When only one item appears on a requisition, a dummy header card will not be prepared. In lieu thereof, the item detail card will be key punched directly from the requisition. The batch of requisitions and corresponding item detail cards will be forwarded to the stock control branch and the dummy header cards will be destroyed.

3. STOCK CONTROL BRANCH. The stock reviewer will locate the Stock Balance Card (NavSup Form 801) for the first item indicated on the requisition and will perform the following operations:

1. check the unit of issue and nomenclature;
2. edit for stock availability;
3. check the standard or issue price versus the price cited on the request document for those requests which contain a restricting statement (see par. 22056-5) and return the request to the originator for additional funds when the standard or issue price is greater than that reflected on the requisition;
4. mark sense the corresponding item detail card with the transaction code and quantity; the type of demand recorded will be in accordance with par. 24250-2;
5. write a check mark on the station requisition to the left of the stock number to indicate that the material will be issued;

6. annotate the consignee copies with the unit price for each item at mechanized activities where issues to replenish shop stores are made on station requisitions;
7. place the item detail card behind the corresponding stock balance card and offset both cards in the tray;
8. repeat these steps for each item on the requisition;
9. detach the issue copies of the requisition and forward to the storehouse for issue of material;
10. forward one copy of the requisition to the issue control branch;
11. forward the original of the requisition to the financial editing section when financial editing has not been performed;
12. forward the original of the requisition to the verifying unit, machine records department, if financial editing has been performed and no change in financial inventory report code is involved;
13. forward the original of the requisition to the financial editing section when financial editing has been performed but a change in financial inventory report code is considered necessary.

4. FINANCIAL EDITING SECTION. When financial editing has not been performed previously, the originals of the station requisitions will be screened for accuracy of accounting data and segregated into separate groups according to financial inventory report codes. These groups of requisitions will be forwarded to the machine records department.

#### 5. MACHINE RECORDS DEPARTMENT.

When financial editing has not been performed previously, the station requisitions for financial inventory report codes other than financial inventory report code J1 will be used to select the item detail cards and correct the financial inventory report code prior to preparation of the daily statement. Upon completion of the daily transactions ledger, the item detail cards representing station requisitions will be sorted into sequence by document number, and verification will be performed by visually comparing the stock number and quantity in the detail card against the original of the requisition or by listing the detail cards and verifying the same information. All station requisition item detail cards covering issues will be reproduced column for column dropping descriptive information in columns 27-35. Simultaneously, the job order number will be transferred from columns 43 and 62-69 into the descriptive columns 27-35. The

reproduced cards will be extended quantity times unit price and then reproduced into Financial Detail (NavSup Form 1162) cards. The financial detail cards will be interpreted and forwarded with the original of all requisitions to the financial inventory section for processing in accordance with the instructions in par. 24470. The originals of the requisitions will be filed by date in the financial inventory section.

24291

## 24292 NEW ITEMS

When the stock reviewer determines, that an item on a document is a new item, a new item notification will be prepared containing all information necessary to establish a new Stock Balance Card (NavSup Form 801). The document number will be indicated and the new item notification will be forwarded to the machine records department for key punching, key verification, and interpretation of a new stock balance card. The new stock balance card will be filed in sequence in the stock reviewer's file and the new item notification will be destroyed.

## 24293 QUANTITY ONLY ADJUSTMENTS

1. GENERAL. On occasion it is necessary to adjust the stock status factors of material on hand, due, obligated, demand, and safety level. These adjustments are necessitated by stock recording errors, cancellation or revision of quantities due and obligated, and revisions to safety level quantities.

2. ON HAND ADJUSTMENTS. The quantity on hand adjustments must be approved by the stock control supervisor who will insure that financial recording is not required. To accomplish a quantity on hand adjustment, a blank Item Detail Card (NavSup Form 791) will be mark sensed with the quantity to be adjusted, transaction code, the digit "8" in the "BSCC" column, and the activity and document number being corrected. It is always necessary to mark sense the document number in order to insure that the proper research has been accomplished and that financial recording is not required.

3. SAFETY LEVEL ADJUSTMENTS. The safety level quantities may be revised by removing the Stock Balance Card (NavSup Form 801) from the file, indicating the new safety level, and forwarding the stock balance card to the machine records department for preparation of a revised stock balance card.

Both cards will be returned to the stock reviewer for verification prior to filing the revised card and destroying the original stock balance card.

4. DUE, OBLIGATION, D E M A N D ADJUSTMENTS. Due, obligation, and demand factors may be adjusted as required by the stock reviewer, mark sensing a blank item detail card with the transaction code, the digit "8" in the "FIR" column, and the quantity to be adjusted. The item detail card then will be offset behind the applicable stock balance card.

## 24294 CHANGE NOTICE CARDS, CODES, AND FORMAT

1. CHANGE NOTICE. Change Notice (NavSup Form 796), in punch card format (EAM), or automated data processing (ADP) magnetic image of the card format, will be the media used by Navy inventory managers to provide the Navy Fleet Material Support Office catalog and management data changes for inclusion in the Navy management data file (NMDF) and in the published Navy Management Data List (NMDL) and change bulletins thereto. Navy interested items which are assigned to another military service, the Defense Supply Agency, or the General Services Administration for integrated management also appear in the Navy management data file and the Navy Management Data List. The catalog and management data changes for these items are forwarded to the Navy Fleet Material Support Office by the integrated manager in the Department of Defense catalog management data notice (CMDN) card format.

2. NAVY FLEET MATERIAL SUPPORT OFFICE. Upon receipt, the changes in subpar. 1 will be validated by the Navy Fleet Material Support Office to insure conformance to prescribed data element conventions prior to updating the Navy management data file and publication of the Navy Management Data List. Subsequently, the Navy Fleet Material Support Office will reproduce the changes as NavSup Form 796 (or magnetic tape images of the change notice cards) and distribute them to those activities that utilize automated facilities and procedures for maintenance of their stock record data. Distribution of change notices on cards will be tailored by the Navy Fleet Material Support Office to include only those stock numbers of interest to the recipient activity. Distribution of changes on magnetic tape will not be tailored and the recipient activity will receive the entire range of NavSup Forms 796.

3. CHANGE NOTICE CODES. The authorized change codes (consisting of the cc 3 action code and cc 32 phrase code), with definition and instructions for both the inventory manager and recipient activities are the following:

<u>Change code</u>	<u>Definition</u>
CH	National stock number in columns 33-45 is an authorized substitute for the national stock number in column: 8-20. Inventory managers will use only this change code to convey the identity of the authorized substitute item (including the special material identification code of that item, if applicable).
CR	Indicates that the item represented by the-national stock number in columns 8-22 requires special handling. Details of that handling appear in the document identified in columns 33-47. <ol style="list-style-type: none"> <li>1. Inventory managers will:               <ol style="list-style-type: none"> <li>a. use only this change code to convey the identity of the document or publication. It may not be used to change other data elements in the change notice card.</li> <li>b. cancel assignment of the document or publication to the item by direct correspondence request to Navy Fleet Material Support Office, when such cancellation is desired.</li> </ol> </li> <li>2. Navy Fleet Material Support Office will:               <ol style="list-style-type: none"> <li>a. use change notice card with this code only to publish the information in columns 33-47 in the Navy Management Data List.</li> <li>b. not distribute change notice card bearing this code.</li> </ol> </li> </ol>
CW	Unit of issue change. Includes current (or new) unit price <ol style="list-style-type: none"> <li>1. Inventory managers will:               <ol style="list-style-type: none"> <li>a. include unit price as a mandatory entry in the change notice card when using this change code. The unit price used may be either the current and therefore unchanged unit price which appears in the inventory manager's records, or a new unit price. Therefore, in the latter instance this change code can be used by the inventory manager to promulgate a change to both unit of issue and unit price.</li> <li>b. not use this change code to promulgate a change to unit price only.</li> </ol> </li> <li>2. Change notice card recipients will process this change code to insure that the unit price appearing in the change notice card is included in their records. If the unit price is different from that previously carried, the change notice card will be processed as a change to both the unit of issue and the unit price.</li> </ol>
CY	Change to source of supply (SOS). Inventory managers will use only this change code when changes are made to a source of supply item. (Exception: see change code C9.)
C∅	Change to acquisition advice code (AAC). Inventory managers will use only this change code when changes are made to an acquisition advice code item. (Exception: see change code C9. )
C1	Change to shelf-life code. Inventory managers will use this change code when changes are made to the shelf life code only of an item or when the shelf life code and shelf life action code are changed simultaneously. (Exception: see change code C9. )
C2	Change to physical security code. Inventory managers will use only this change code for changes to the physical security code. (Exception: see change code C9. )
C4	Change to unit price. Inventory managers will use only this change code for changes to unit price. (Exception: see change codes C9 and CW.)
C8	Change to quantity unit pack. Inventory managers will use only this change code for changes to quantity unit pack. (Exception: see change code C9. )

Change  
codeDefinition

- C 9 Multiple management data change action. Inventory managers will:
1. not use this change code to change a single management data element. Proper procedure in changing single data elements is to use the specific change code for changing that data element.
  2. use this change code when two or more management data "C" or "Z" series change actions are being consolidated in a single change notice action but observe the rules which apply to changing the data elements during single change actions. (For example: when using change code C9 to change the unit of issue, a mandatory entry in the change notice card will be the current or new unit price of the item).
- DM Item no longer stocked as an assembly. Breakdown material held or subsequently received to individual parts and place in store
1. Inventory managers will:
    - a. use this change code to promulgate directions which are applicable to future receipts into store of the stock number involved.
    - b. not use this change notice code as a substitute for their proper managerial action. Breakdown of assembly type items to individual parts is not always within the capability of all stock points, particularly those which are not industrially oriented and whose primary mission is to receive, store, and issue material. Proper inventory manager action is to position assembly type items, which are to be broken down, at activities having such breakdown capability, and to issue disposition instructions for any quantities of the assembly type item that are no longer required. Subsequently, the inventory manager will prepare and issue the necessary breakdown instructions, including material identification lists, to breakdown sites. Release of the DM change notice will be made only after the actions described herein have transpired.
  2. Stock points will:
    - a. break down future receipts of assembly type items, to which the inventory manager has assigned this change code, if breakdown instructions and material identification lists are held.
    - b. request breakdown instructions and material identification requests from the inventory manager if none are held.
    - c. advise the inventory manager when breakdown instructions are beyond the physical capability of stock-point to accomplish.
- DN Item deleted. Dispose of material on hand or subsequently received
1. Inventory managers will:
    - a. comply with the instructions in MILSTRIP/MILASTRAP, par. 02060-5 prior to issuing this change code.
    - b. issue this change code, for Navy centrally managed items, when it is desired that stock points dispose of future material receipts without contacting the inventory manager.
  2. Stock points will:
    - a. for Navy centrally managed items, comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5.
    - b. for integrated manager items, comply with the current NavSup instruction regarding disposal of material.
- DQ Item deleted. Fill requirements by fabrication, salvage or assembly
1. Inventory managers will endeavor to coordinate their action to discontinue system stock replenishment, for the item in columns 8-18, and their timing of the issue of this change code. The objective of such action is that the effective date of the "DQ" change notice will coincide as nearly as possible with the depletion of system stock.
  2. Stock points will continue to fill demands for the item in columns 8-18 from stock on hand until that stock has been depleted.

<u>Change code</u>	<u>Definition</u>
DØ	<p>Item deleted. Attrite retail item stocks. If Navy centrally managed item, contact inventory manager for instructions if item is received in the future</p> <ol style="list-style-type: none"> <li>1. Inventory managers will: <ol style="list-style-type: none"> <li>a. comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5 prior to issuing this change code.</li> <li>b. issue this change code, for Navy centrally managed items, when it is desired that stock points contact the inventory manager for instructions subsequent to any future receipt of material.</li> </ol> </li> <li>2. Stock points will: <ol style="list-style-type: none"> <li>a. for Navy centrally managed items, notify the inventory manager when assets of the item are on hand.</li> <li>b. for integrated manager items (i. e., retail items), attrite stocks on hand or received to zero balance. Item stock on hand may be issued to satisfy requests but stock is not to be replenished or replaced.</li> </ol> </li> </ol>
MA	<p>Management activity (cognizance symbol) change. Consolidate material under the new stock number</p> <p>NOTE: This change code will be used by the losing inventory manager to indicate that item cognizance and stock on hand are being transferred to a new inventory manager (i. e., the acquiring inventory manager) under a new stock number. The objective of this change is that material will be consolidated under the new stock number for management by the acquiring inventory manager. Unit price and unit of issue changes, if any, must be accomplished in advance of this action but other data elements on the change notice card may be changed by this code.</p> <ol style="list-style-type: none"> <li>1. Inventory managers will: <ol style="list-style-type: none"> <li>a. use this change code when transferring cognizance and material, to another inventory manager, for consolidation of stock under another stock number used by the acquiring inventory manager.</li> <li>b. comply with the cognizance transfer instructions in MILSTRIP/MILSTRAP, par. 02060-5B prior to issuing this change code.</li> <li>c. when using this change code to promulgate data element changes, insure that the new (i. e., changed) data for the item is that of the acquiring inventory manager.</li> </ol> </li> <li>2. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains changes to unit price or unit of issue.</li> </ol>
ML	<p>Management activity (cognizance symbol) change. Future receipts of material under the new national stock number in columns 33-45 will be reported to the acquiring inventory manager</p> <ol style="list-style-type: none"> <li>1. this change code is used by the losing inventory manager to indicate that item cognizance is being transferred to a new inventory manager. Stocks of the old national stock number are not transferred (the losing inventory manager must provide disposal instructions in advance of this change). Unit price and unit of issue changes, if any, must be provided in advance of the cognizance transfer but other data elements on the change notice card may be changed by this code.</li> <li>2. Inventory managers will: <ol style="list-style-type: none"> <li>a. use this change code when transferring cognizance of an item to another inventory manager under a new national stock number.</li> <li>b. comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5A for the disposal of stocks under the old national stock number prior to issuing this change code.</li> <li>c. comply with the cognizance transfer instructions in MILSTRIP/MILSTRAP, par. 02060-5B prior to issuing this change.</li> <li>d. when using this change code to promulgate data element changes insure that the new (i. e., changed) data for the item is that of the acquiring inventory manager.</li> </ol> </li> </ol>

<u>Change code</u>	<u>Definition</u>
	<ol style="list-style-type: none"> <li>3. Navy Fleet Material Support Office will reject change notice cards with this change code to the issuing inventory manager when the change notice card contains changes to unit price or unit of issue.</li> <li>4. Stock points will:               <ol style="list-style-type: none"> <li>a. report future receipts of the new national stock number to the acquiring inventory manager.</li> <li>b. record material receipts received subsequent to the effective date by taking up the material under the old cognizance symbol and simultaneously re-capitalizing stock received to the gaining inventory manager.</li> </ol> </li> </ol>
M0	<p>Management activity (cognizance symbol) change. Material transferred to new inventory manager under same stock number</p> <ol style="list-style-type: none"> <li>1. This change code will be used by the losing inventory manager to indicate that item cognizance and stock on hand are being transferred to the acquiring inventory manager without change to the national stock number. Unit price or unit of issue changes, if any, must be accomplished in advance of the cognizance transfer but other data elements on the change notice card may be changed by this code.</li> <li>2. Inventory managers will:               <ol style="list-style-type: none"> <li>a. use this change code when transferring cognizance and material to another inventory manager under the same stock number.</li> <li>b. comply with the cognizance transfer instructions in MILSTRIP/ MILSTRAP, par. 02060-5B prior to issuing this change.</li> <li>c. when using this change code to promulgate data element changes, insure that the new (i. e., changed) data for the item is that of the acquiring inventory manager.</li> </ol> </li> <li>3. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains changes to unit price or unit of issue.</li> </ol>
M4	<p>Cognizance symbol change within the same inventory manager under the same stock number</p> <ol style="list-style-type: none"> <li>1. This change code will be used by an inventory manager when the stores account or alphabetic designator portion of the cognizance symbol is to be changed although cognizance of the item remains with the same manager under the same stock number. The inventory manager must accomplish any desired unit price or unit of issue changes in advance of this action but other data elements on the change notice card may be changed by this code.</li> <li>2. Inventory managers will use this change code when changing the cognizance symbol of an item while retaining cognizance of the item, but comply with the cognizance transfer instructions in MILSTRIP/MILSTRAP, par. 02060-5 prior to issuing the change.</li> <li>3. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains changes to unit of issue or unit price or if the stock numbers in card columns 8-20 and 33-45 are not equal.</li> </ol>
N0	<p>Establishment of an item of supply under the inventory management of the activity indicated by the cognizance symbol</p> <ol style="list-style-type: none"> <li>1. Inventory managers will use this change code to establish an item of supply in the Navy management data file at Navy Fleet Material Support Office. It will not be used to direct the establishment of a stock record for an item at a stock point.</li> <li>2. Navy Fleet Material Support Office will:               <ol style="list-style-type: none"> <li>a. not distribute change notice cards bearing this change code.</li> <li>b. use change notice cards bearing this change code only to update the Navy management data file/Navy Management Data List.</li> </ol> </li> </ol>

<u>Change code</u>	<u>Definition</u>
N X	<p>Reinstate an item of supply which was previously deleted, canceled, or cross referenced to another number</p> <ol style="list-style-type: none"><li>1. This change code will be used by the inventory manager to re-establish an item in the Navy Management Data List and cancel previous action which deleted or canceled an item, or cross referenced it to another number.</li><li>2. Inventory managers will issue change notice cards with this change code to direct re-establishment of a stock record for an item at a stock point.</li></ol>
RA	<p>Deletion of stock number (columns 8- 20) and transfer of material to new stock number (columns 33- 45) within the same inventory manager</p> <ol style="list-style-type: none"><li>1. This change code will be used by the inventory manager to indicate that the federal supply classification and national item identification number of an item have changed. Inventory management . cognizance is not changed but stocks of the old and new stock numbers are to be consolidated. Unit price and unit of issue changes, if any, must be accomplished in advance of this change but their data elements on the change notice card (including stores account or alphabetic designator portion of the cognizance symbol) may be changed by this code.</li><li>2. Inventory managers will:<ol style="list-style-type: none"><li>a. use this code when intending to consolidate stocks under a new stock number within their own inventory management cognizance.</li><li>b. comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5 prior to issuing this change.</li></ol></li><li>3. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains changes to unit price or unit of issue.</li></ol>
RB	<p>Change to federal supply classification (FSC) of item, within same inventory manager</p> <ol style="list-style-type: none"><li>1. This change code will be used by the inventory manager to indicate that the federal supply classification of an item has changed. Inventory management cognizance does not change away from the inventory manager. Other data elements on the change notice card (including stores account or alphabetic designator portion of the cognizance symbol) may be changed by this code.</li><li>2. Inventory managers will comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5 prior to issuing this change.</li><li>3. Navy Fleet Material Support Office will reject change notice card with this change notice code to the issuing inventory manager if the federal supply classification in columns 33-36 is not different from the federal supply classification in columns 8-11.</li></ol>
RD	<p>Change to national item identification number (NIIN) of item, within same federal supply classification and same inventory manager</p> <ol style="list-style-type: none"><li>1. This change code will be used by the inventory manager to indicate that the national item identification number of an item has changed and stocks are to be consolidated under the new stock number. Inventory management cognizance does not change away from the inventory manager; Unit price and unit of issue changes, if any, must be accomplished in advance of this change but other data elements on the change notice cards (including stores account or alphabetic designator portion of the cognizance symbol) may be changed by this code.</li><li>2. Inventory managers will comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5 prior to issuing this change.</li></ol>

<u>Change code</u>	<u>Definition</u>
	<p>3. Navy Fleet Material Support Office will reject change notice card with the change code to the issuing inventory manager when the change notice card contains changes to unit price or unit of issue, or if the national item identification number in columns 37-43 is not different from the national item identification number in columns 12-18.</p>
RF	<p>When stock of old item (columns 8- 20) exhausted the new item in columns 33-45 will be used</p> <ol style="list-style-type: none"> <li>1. This change code will be used by inventory managers to identify an item which should be issued until currently held stock are exhausted, and to identify the item which should subsequently be issued in lieu of that item. It does not authorize other actions, such as stock consolidation or disposal. Correct procedure regarding those actions is prescribed in items 2 and 3.</li> <li>2. Inventory managers will: <ol style="list-style-type: none"> <li>a. if old stocks are to be disposed of upon receipt of material under the new item stock number, initiate such disposal action after receipt reports indicate that the new item has been received into store. A separate change notice will be used to cancel or delete the old stock number after receipt of material under the new item stock number.</li> <li>b. follow the instructions in MILSTRIP/MILSTRAP, par. 02060-5 in issuing the above deletion actions.</li> </ol> </li> <li>3. Stock points will: <ol style="list-style-type: none"> <li>a. retain the old stock number upon receipt of this change code, pending receipt of a deletion type change notice.</li> <li>b. for Navy centrally managed items, upon receipt of disposal and deletion actions for the old stock number, comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5,</li> <li>c. for integrated manager items, upon receipt of disposal and deletion actions for the old stock number, comply with the directions in current Naval Supply Systems Command instructions regarding disposal of material.</li> </ol> </li> </ol>
RL	<p>Old national stock number (columns 8-20) superseded by new national stock number in columns 33-45; fill future requirements or requests with the new national stock number</p> <ol style="list-style-type: none"> <li>1. This change code will be used by inventory managers to identify an item which has been superseded and the new item which should be issued in lieu thereof. It does not authorize the consolidation of stocks.</li> <li>2. Inventory managers will issue disposal instructions for the superseded item in accordance with the instructions in MILSTRIP/MILSTRAP, par. 02060-5.</li> <li>3. Stock points will: <ol style="list-style-type: none"> <li>a. fill future requirements or requests for the superseded item with the replacement item.</li> <li>b. upon receipt of disposal actions for Navy centrally managed items, comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5.</li> <li>c. upon receipt of disposal actions for integrated manager items, comply with the instruction in current NavSup instruction.</li> </ol> </li> </ol>
RP	<p>Replacement of item by next higher assembly. Stocks of item in columns 8-22 will be used until exhausted</p> <ol style="list-style-type: none"> <li>1. This change code will be used by inventory managers to identify an item which should be used or issued until currently held stocks are exhausted, and to identify a next higher assembly, assortment or kit which should subsequently be issued in lieu of that item. It does not authorize other actions, such as stock consolidation or disposal. Correct procedures regarding those actions is prescribed in items 2 and 3.</li> </ol>

<u>Change code</u>	<u>Definition</u>
	<ol style="list-style-type: none"><li>2. Inventory managers will:<ol style="list-style-type: none"><li>a. issue a separate change notice to cancel or delete the old stock number after system stocks have been attrited or directed for disposal.</li><li>b. follow the instructions in MILSTRIP/MILSTRAP, par. 02060-5A in issuing the deletion actions described in subpar. a.</li></ol></li><li>3. Stock points will:<ol style="list-style-type: none"><li>a. retain the old stock number upon receipt of this change code, pending receipt of a deletion type change notice.</li><li>b. for Navy centrally managed items, upon receipt of disposal and deletion actions for the old stock number, comply with the instructions in MILSTRIP/MILSTRAP, par. 02060-5.</li><li>c. for integrated manager items, upon receipt of disposal and deletion actions for the old stock number, comply with the instructions in current Naval Supply Systems Command instruction regarding disposal of material.</li></ol></li></ol>
RØ	<p>Change to logistic management code suffix</p> <ol style="list-style-type: none"><li>1. This change code is used by inventory managers to change the logistic management code suffix of the federal stock number (e. g., special material identification code, DOD ammunition code, etc.).</li><li>2. Inventory managers will not use this change code to change any other data element on the change notice card.</li><li>3. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains any change other than to the logistics management code suffix.</li></ol>
Z1	<p>Change to material control code</p> <ol style="list-style-type: none"><li>1. This change code is not applicable to integrated manager items.</li><li>2. Inventory managers will not use this change code to change any other data element on the change notice card.</li><li>3. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains any change other than to the material control code.</li></ol>
Z4	<p>Change to shelf life action code</p> <ol style="list-style-type: none"><li>1. Inventory managers will not use this change code to change any other data element on the change notice card.</li><li>2. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains any change other than to the shelf life action code.</li></ol>
Z5	<p>Change to authorization/restriction code</p> <ol style="list-style-type: none"><li>1. Inventory managers will not use this change code to change any data element on the change notice card.</li><li>2. Navy Fleet Material Support Office will reject change notice card with this change code to the issuing inventory manager when the change notice card contains any change other than to the authorization/restriction code.</li></ol>

4. FORMAT. The NavSup Form 796 will always include old or current data in card columns 4-26 and the new data in card

columns 28-80. NavSup Form 796 will be prepared and validated in accordance with the following:

<u>Field</u>	<u>Card column</u>	<u>Description</u>	<u>Validation</u>
1	1-3	Document identifier	<ol style="list-style-type: none"> <li>1. Mandatory entry.</li> <li>2. Columns 1, 2 must be "BN". Column 3 must contain change code in accordance with subpar. 3.</li> </ol>
2	4-6	Routing identifier (RI)	Will contain routing identifier of receiving activity. May be blank if no routing identifier is as signed to that activity. (Blank on full range tape.)
3	7	Old or current material control code (MCC) or acquisition advice code (AAC)	<ol style="list-style-type: none"> <li>1. Mandatory entry if change code is No or NX. Otherwise optional.</li> <li>2. Must contain acquisition advice code from MILSTRIP/MILSTRAP, Appendix 17, if card column 23 is 9.</li> <li>3. Must contain material control code from subpar. 3 if card column 23 is other than 9.</li> </ol>
4A	8-11	Old or current federal supply classification	<ol style="list-style-type: none"> <li>1. Mandatory entry. Must be numeric.</li> <li>2. If card columns 23, 24 are not ØI or 11, entry must be equal to or greater than 1000.</li> <li>3. If card columns 23, 24 are Ø1 or 11, entry may not be greater than 999.</li> </ol>
4B	12-18	Old or current federal stock number	<ol style="list-style-type: none"> <li>1. Mandatory entry.</li> <li>2. Must be 7 numeric characters and value must be greater than Ø.</li> </ol>
4C	19-22	Old or current supply management code suffix	<ol style="list-style-type: none"> <li>1. Field may be entirely blank, or contain a 2 character special material identification code (SMIC) other than ØØ in columns 19, 20 only.</li> <li>2. Columns 21, 22 must be blank.</li> </ol>
5	23, 24	Old or current dual cognizance symbol	<ol style="list-style-type: none"> <li>1. Mandatory entry.</li> <li>2. Must contain cognizance symbol from MILSTRIP/MILSTRAP, Appendix 17. (First character always numeric, second character always alpha.)</li> </ol>
6A	25, 26	Old unit of issue (U/I)	<ol style="list-style-type: none"> <li>1. When entered, must be 2 alpha characters and must match unit of issue published in MILSTRIP/MILSTRAP. Appendix 23.</li> <li>2. Mandatory entry for change code CW. Optional entry for change code C9 or RB except becomes mandatory if C9 or RB changes include unit of issue change.</li> </ol>
6B	27	Blank	Blank

<u>Field</u>	<u>Card column</u>	<u>Description</u>	<u>Validation</u>
7	28-31	Effective date of change	<ol style="list-style-type: none"> <li>1. Mandatory entry. Must be 4 numeric characters.</li> <li>2. Value in card columns 29-31 must be greater than 0 but not greater than 366.</li> </ol>
8	32	Phrase code	<ol style="list-style-type: none"> <li>1. Mandatory entry.</li> <li>2. Must contain phrase code from subpar. 3.</li> </ol>
9A,9B	33-34	New or current federal stock number	<ol style="list-style-type: none"> <li>1. Mandatory entry. Must be numeric.</li> <li>2. If card columns 48, 49 are not 01 or 11, card columns 33-36 must be equal to or greater than 999.</li> <li>3. If card columns 48, 49 are 01 or 11, card columns 33-36 may not be greater than 999.</li> <li>4. Card columns 37-43 must be 7 numeric characters and value must be greater than 0.</li> <li>5. If change code is either RA or RD, card columns 37-43 must contain data different from card columns 12-18 (new federal item identification number (FIIN)). Additionally, under code RD, card columns 33-36 must contain data equal to card columns 8-11, and under RA card columns 33-36 must contain data different from card columns 8-11. Data in card columns 48-52 and 60-71 applies to the new federal stock number.</li> <li>6. If change code is MA or ML, data in card columns 33-52 and card columns 60-71 must be that of the acquiring inventory manager.</li> <li>7. If change code is RB, card columns 33-36 must be different from card columns 8-11 and card columns 37-43 must contain data equal to card columns 12-18.</li> <li>8. If change code is CH, CR, RF, RL, or RP, card columns 37-43 must contain data different from card columns 12-18.</li> <li>9. If change code is other than those in items 5-8, card columns 33-43 must contain data equal to card columns 8-18.</li> </ol>
9C	44-47	New supply management code suffix (see Note 2)	<ol style="list-style-type: none"> <li>1. See card columns 19-22.</li> <li>2. Optional entry for change codes CH, MA, ML, M0, M4, RA, RB, RD, RF, RL, and RP. This field relates to the federal stock number in card columns 33-43 and will indicate an addition (card columns 19, 20 blank and 44, 45 significant data); deletion (card columns 19, 20 contain significant data and 44, 45 is 00); or change (card columns 19, 20 and 44, 45 both contain significant but unequal data).</li> </ol>

<u>Field</u>	<u>Card column</u>	<u>Description</u>	<u>Validation</u>
9C--Cont.			<ol style="list-style-type: none"> <li>3. Mandatory entry for change code RØ and must be different from card columns 19-22.</li> <li>4. For other change codes (than those in items 2 and 3) this field must contain data equal to card columns 19-22.</li> <li>5. ØØbb signifies special material identification code (SMIC) deletion.</li> </ol>
10	48, 49	New dual cognizance symbol	<ol style="list-style-type: none"> <li>1. See card columns 23, 24.</li> <li>2. Mandatory entry for change codes MA, ML, MØ, M4 as a change or addition of data.</li> <li>3. Mandatory, entry for change codes CH, RA, RB, RD, RF, RL, and RP may contain an entry different than that in card columns 23, 24 (applicable to manager with multiple cogs).</li> </ol>
11	50	New acquisition advice code (AAC)	<ol style="list-style-type: none"> <li>1. When entered, the entry must be an acquisition advice code as published in MILSTRIP/MILSTRAP, Appendix 17.</li> <li>2. Mandatory entry for change code CØ and the entry must represent a change or addition of data.</li> <li>3. Mandatory entry for change codes MA and MØ if card column 23 is 9 and card column 48 is 9.</li> <li>4. Mandatory entry for change codes NØ and NX if card column 23 is not 9.</li> <li>5. Optional entry for change codes C9, ML, M4, RA, RB, RD, and RL but, if entered, must represent a change or addition of data.</li> </ol>
12	51	Shelf life code	<ol style="list-style-type: none"> <li>1. When entered, the entry must be a shelf life code as published in MILSTRIP/MILSTRAP, Appendix 17.</li> <li>2. Mandatory entry for change code C1 and the entry must represent a change or addition of data.</li> <li>3. See Note 1.</li> </ol>
13	52	Physical security code	<ol style="list-style-type: none"> <li>1. When entered the entry must be a physical security code as published in MILSTRIP/MILSTRAP, Appendix 17.</li> <li>2. Mandatory entry for change codes NØ and NX.</li> <li>3. Mandatory entry for change code C2 and must represent a change or addition of data.</li> <li>4. Optional entry for change codes C9, MA, ML, MØ, M4, RA, RB, RD, and RL but, if entered, must represent a change or addition of data.</li> </ol>

<u>Field</u>	<u>Card column</u>	<u>Description</u>	<u>Validation</u>
1 4	53-54	New unit of issue (U/I)	<ol style="list-style-type: none"> <li>1. When entered, must be 2 alpha characters and must match unit of issue published in MILSTRIP/MILSTRAP, Appendix 23.</li> <li>2. Mandatory entry for change codes NØ and NX.</li> <li>3. Mandatory entry for change code CW and must represent a change of data.</li> <li>4. Optional entry for change codes C9 and RB but, if entered, must represent a change of data.</li> <li>5. For change codes CW, C9, or RB (indicated in items 3 and 4), must be accompanied with the appropriate conversion factor (see fields 15 and 16).</li> </ol>
15	55	Decimal locator for unit of issue conversion factor in card columns 56-59	<ol style="list-style-type: none"> <li>1. When entered, must be Ø-5.</li> <li>2. Mandatory entry for change code CW.</li> <li>3. Optional entry for change codes C9 and RB but, if entered, must accompany change to the unit of issue.</li> <li>4. must be blank for change codes NØ and NX.</li> </ol>
16	56-59	Unit of issue conversion factor	<ol style="list-style-type: none"> <li>1. Must be blank if card column 55 contains 5.</li> <li>2. Must contain a value greater than Ø if card column 55 contains Ø-4.</li> <li>3. Mandatory entry for change code CW when condition specified in item 2 is met.</li> <li>4. Optional entry for change codes C9 and RB but, if entered, must accompany a change to the unit of issue.</li> <li>5. Must be blank for change codes NØ and NX.</li> </ol>
17	60	Quantity in unit pack (QUP)	<ol style="list-style-type: none"> <li>1. When entered, must match alpha/numeric quantity in unit pack code published in the Federal Manual for Supply Cataloging M1-7. (Quantities in unit pack codes are published in MILSTRIP/MILSTRAP, Appendix 17.)</li> <li>2. Mandatory entry for change code C8 and must represent a change or addition of data.</li> <li>3. See Note 1.</li> </ol>
18	61	New material control code (MCC)	<ol style="list-style-type: none"> <li>1. When entered, must match new material control code (see par. 21 108) or be Ø (code Ø signifies a material control code delete).</li> <li>2. Mandatory entry for change code Z1 and must represent a change or addition of data.</li> </ol>

<u>Field</u>	<u>C a r d column</u>	<u>Description</u>	<u>Validation</u>
19	62, 63	Blank	Blank
20	64	Blank	Blank
21	65, 66	Shelf life, action code	<ol style="list-style-type: none"> <li>1. When entered, must match shelf life action code as published in MILSTRIP/MILSTRAP, Appendix 17.</li> <li>2. Mandatory entry for change code Z5 and must represent a change or addition of data.</li> <li>3. See Note 1.</li> </ol>
22.	67, 68	Issue, repair and/or requisition restriction code	<ol style="list-style-type: none"> <li>1. When entered, must match issue, repair and/or requisition restriction code as published in MILSTRIP/MILSTRAP, Appendix 17.</li> <li>2. Mandatory entry for change code Z5 and must represent a change or addition of data.</li> <li>3. See Note 1.</li> </ol>
23,24	69-71	Source of supply code	<ol style="list-style-type: none"> <li>1. When entered, first character must be alpha. Second and third characters may be alpha/numeric.</li> <li>2. Mandatory entry for change code CY and must represent a change or addition of data.</li> <li>3. Mandatory entry for change codes NØ and NX.</li> <li>4. Optional entry for change codes C9, MA, ML, MØ, M4, RA, RB, and RD but, if entered, must represent a change or addition of data.</li> </ol>
25	72	Blank	Blank except when inventory manager issues change notice on an emergency basis; in which instance the entry will be C. (Does not apply to change codes MA, ML, and Mø. )
26	73	Decimal locator for unit price	<ol style="list-style-type: none"> <li>1. When entered, must be Ø or 2.</li> <li>2. Mandatory entry for change codes CW, C4, NØ, and NX and C9 or RB changes which include a unit of issue change.</li> </ol>
27			<ol style="list-style-type: none"> <li>1. When entered, must be 7 numeric characters.</li> <li>2. Mandatory entry for change codes CW, C4, NØ, and NX. Also for change codes C9 and RB if unit of issue is included therein.</li> <li>3. Otherwise, optional entry for change code C9 and RB but, if entered, must represent a change or addition of data.</li> </ol>

NOTE 1. Optional entry for" change codes C9, MA, ML, MØ, M4, NØ, NX, RA, RB, RD, and RL but, if entered, must represent a change or addition of data.

NOTE 2. When change code is CR, the card columns 33-47 entry will be the identity of a technical document applicable to the item in card columns 8-22,

5. MEDIA. The NavSup Forms 796 are transmitted in either punch card (EAM) format or as magnetic tape images of the punch card format as indicated in subpar. 1. Change notice card recipients desiring to receive the cards on magnetic tape will contact the Naval Supply Systems Command to make those arrangements. Change notice cards transmitted as punch cards always will be interpreted prior to transmittal. (except when electrically transmitted) unless the recipient has indicated that interpretation is not required.

#### 24295 STOCK RECORD CHANGES

1. GENERAL. This paragraph covers changes to basic stock record information including cognizance symbol, material control code, class, stock number, unit price, and unit of issue. Generally, these changes are initiated by the inventory control points and notification of the changes is forwarded to field activities on a Change Notice (NavSup

Form 796) in accordance with par. 24294. When changes are initiated by the field activity, a NavSup Form 796 may be prepared in order to permit standard procedures for processing changes to stock records. Normally, changes of one type are made one day and other types of changes on a different day, so that the offsetting of change cards will not interfere with the routine flow of work for the stock reviewer, and in order to provide a more even distribution of work for the machine records department.

#### 2. PRICE CHANGES

##### a. Standard Prices

(1) Machine Records Department. The change notice cards will be sorted into sequence by stock number and forwarded to the stock control branch.

(2) Stock Control Branch. The stock reviewer will place each change notice card in

front of the matching Stock Balance Card (S. and A. Form 801) and offset both cards in the file. Item Detail cards (S. and A. Form 791) will be offset behind the stock balance cards in the normal manner. Change notice cards representing items not carried will be destroyed. When the volume of work warrants, the stock balance card file may be forwarded with the offset cards, at the close of the day, to be selected mechanically by the machine records department.

(3) Machine Records Department. When offset cards are received at the close of the day, change notice cards will be removed from the offset cards by selective sorting on an appropriate column. Change notice cards will be held aside for processing after the completion of the transaction ledger. The remainder of the offset cards will be collated, controlling on the "X" punches in the item detail cards, selecting no "X" stock balance cards not followed by item detail cards. This will remove single stock status balance cards which will be held aside with the change notice cards. Stock balance cards which are followed by item detail cards will be processed through the 519 punch and transaction ledger in the normal manner. The new stock balance cards summarized from the transaction ledger will be merged with the single stock balance cards. The merged cards will be matched with the change notice cards to select the stock balance cards that are to have prices changed. New stock balance cards then will be prepared by reproducing the new price from the change notice cards and the remaining data from the matching stock balance cards. The newly created stock balance cards will be merged with the stock balance cards summarized from the transaction ledger, interpreted, and forwarded to the stock control branch. The monetary adjustment will be obtained by reproducing the on hand and old price from the original stock balance card and extending on the calculating punch to determine the differential. At the end of the accounting period, separate summary adjustment invoices will be prepared on an Invoice/Shipping Document (DD Form 1148), in an original and three copies, one invoice covering the gross gains and one covering the gross losses by standard price adjustment, for all classes and fraction codes, when applicable, under each cognizance symbol representing adjustment.

b. Local Carrying Price Changes. Based on the annual review, the stock reviewer will establish new local carrying prices as required in par. 24132-5. This will be accomplished by indicating the new unit price and the net gain or loss on the stock balance

card and forwarding it to the machine records department for preparation and return of a new stock balance card containing the revised unit price. The old stock balance card will be held in the financial inventory control section for processing adjustments. At the end of the accounting period, the resultant standard price adjustments will be combined with those prepared in accordance with subpar. a(3).

3. UNIT OF ISSUE CHANCES. The stock reviewer will notify the cognizant storekeeper of changes in unit of, issue and revise the quantity factors in the stock balance card in accordance with the new unit of issue. Any monetary differential resulting from the revision will be indicated on the stock balance card. The stock balance card will be forwarded to the machine records department for preparation of a new card containing the revised unit of issue, the revised quantities, and preparation of an adjustment invoice. The machine records department will return the new stock balance card to the stock reviewer and prepare an item detail card containing the quantity on hand difference and applicable transaction code for inclusion in the historical file.

4. COGNIZANCE, CLASS, OR STOCK NUMBER CHANGES

a. Machine Records Department. The change notice cards involving changes in cognizance symbol (without reimbursement), fraction code, class, or stock number will be sorted into sequence by old stock number and forwarded to the stock control branch.

b. Stock Control Branch. The stock reviewer will place each change notice card in front of the matching stock balance card involved in the change and offset both cards. Item detail cards will be offset behind the stock balance cards in the normal manner. When the volume of work warrants, the stock balance card file may be forwarded with the offset cards at the close of the day to be selected mechanically by the machine records department.

c. Machine Records Department

(1) General. When offset cards are received at the close of the day, change notice cards will be removed from the offset cards by selective sorting on an appropriate column. Change notice cards will be held aside for processing after the completion of the transaction ledger. The remainder of the offset cards will be collated controlling on the "X" punches in the item detail cards, selecting no "X" stock

balance cards not followed by item detail cards. This will remove single stock balance cards which will be held aside with the change notice cards, Stock balance cards which are followed by item detail cards will be processed through the 519 punch and transaction ledger in the normal manner. The new stock balance cards summarized from the transaction ledger will be merged with the single stock balance cards. The merged cards will be matched with the change notice cards to select the stock balance cards that are to be changed. These two groups of matched cards will be processed as indicated in the following subparagraphs.

(2) Stock Balance Cards. The new stock balance cards will be prepared from the change notice cards and original stock balance cards. The new stock balance cards containing the revised stock number will be interpreted, sorted in new stock number sequence, labelled "Stock number changes", and forwarded to the stock control branch with the new stock balance cards summarized from the transaction ledger.

(3) Lists. At least two copies of a list will be prepared from the change notice and stock balance cards showing the following information:

1. the old and new stock numbers,
2. unit of issue,
3. quantity on hand,
4. control number (week and year),
5. one cognizance symbol and class for the old stock number,
6. one cognizance symbol and class for the new

One copy of each list will be forwarded to the storage branch to effect transfer of the material. The other copy will be forwarded to the stock control branch for cross reference purposes and followup on the storage branch copy. Upon receipt of the storage branch copy in the stock control branch, discrepancies indicated, such as unit of issue or other information, will be reconciled with the stock records. If a spot inventory is considered necessary, as provided in NAVSUP-INST 4440.115 (series), the stock records will be reconciled after the inventory has been taken.

(4) Picking Tickets and Locator Cards. Two groups of cards used as picking tickets and locator cards showing the old and new stock number, unit of issue, quantity, and control number will be reproduced from the change notice and stock balance cards. The picking ticket group of cards will be sorted in old stock number sequence. The locator card group

will be sorted in new stock number sequence. Both groups will be forwarded to the storage branch.

(5) Historical File and Expenditure Detail Cards. Two groups of item detail cards containing stock number, account, unit price, quantity on hand, and control number will be reproduced from the old stock number stock balance cards. Simultaneously, the transaction code C and balance sheet caption code 5 will be gang punched into the item detail cards. One group of the item detail cards will be forwarded to the historical file. The other group of item detail cards will be used to prepare the monthly class and cognizance expenditure invoices.

(6) Historical File and Receipt Transfer Detail Cards. Two groups of item detail cards will be reproduced from the combined data of the change notice card and the old stock number stock balance card. These cards will show the stock number (from the change notice card and the stores account, unit price, quantity on hand, and control number from the old stock number stock balance card. Simultaneously, the transaction code L and balance sheet caption code 5 will be gang punched into the item detail cards. One group of item detail cards will be forwarded to the historical file. The other group of item detail cards will be used to prepare the monthly class and cognizance receipt invoices,

d. Stock Control Branch. The stock reviewer will file the new stock balance cards in the stock review file. When a stock balance card is already in file for the same stock number and stores account, both cards will be offset in the file in order to consolidate the stock status into one card. In these cases the unit prices must be compared and, when different, the card with the correct unit price will be placed in front. Expenditure and receipt transactions that occur the remainder of the day will be offset behind the stock balance card that contains the correct unit price. After preparation of the daily transaction ledgers the duplicate balance cards will be selected and held aside until the end of the month. At that time a blank card will be filed behind each set of duplicate cards. The cards will be extended and the net gain or loss for each item will be punched into the blank card. These cards will be merged with the extended change notice cards (see subpar. 2a) and utilized for the preparation of summary standard price adjustment invoices at the end of the month.

e. Storage Branch. The stock number transfer list and the cards in sequence by old stock number will be forwarded to the

expending storeman for transfer of material. The cards may be used as picking tickets in this operation. The cards that are in sequence by new stock number will be forwarded to the receiving storeman for inclusion in the locator file. These cards will serve as a notice of an expected receipt. This is necessary because future expenditures made by the stock control branch will be under the new stock number. When the material is received, the card may be destroyed or serve as the locator card. The list will serve as proof of receipt and will be forwarded to the stock control branch with any discrepancies noted thereon.

#### 24296 WHEN QUANTITIES EXCEED SIZE OF FIELDS IN STOCK STATUS BALANCE CARDS

When quantities exceed the size of the fields in the Stock Status Balance Card (NAVSUP Form 801), two cards will be maintained for the item. The first card will show the maximum quantity possible in the applicable field (all nines) and the second card will show the remainder. The first card will show also the other stock status data for the item. When the second card is no longer required, any demand accumulated in that card will be transferred to the first card.

### Section IV: MACHINE RECORDS PROCEDURES

#### 24300 WORK SHIFTS

One of the prerequisites of the mechanized stock control system prescribed herein is the operation of a staggered, second, or third work shift in the machine records department. This is necessary in order to utilize the Stock Status Balance Cards (NAVSUP Form 801) and offset Item Detail Cards (NAVSUP Form 791) or Requisition-Issue Document (DD Form 1348) maintained during the first work shift by the stock control branch and also to prepare expenditure Invoice/Shipping Document (DD Form 1149) for issue of material. The functions that are normally scheduled on other than the first work shift include the preparation of the Stock Status—Transaction Ledger Ashore (NAVSUP 790) and stock status balance cards, invoices, Due Cards (DD Form 1486), and Obligations Cards (NAVSUP Form 771). A major advantage may be obtained if the invoices are verified and made ready for distribution by the beginning of the next work day. This operation permits the material division to have available at the beginning of the day a complete day's work of expenditure invoices which would result in better utilization of storage, packing, and shipping facilities.

#### 24301 PREPARATION OF TRANSACTION LEDGER AND NEW STOCK STATUS BALANCE CARDS

1. **STOCK CONTROL BRANCH.** At the end of each day, the Stock Status Balance Cards (NAVSUP Form 801) and Item Detail Cards

(NAVSUP Form 791) or Requisition-Issue Document (DD Form 1348) that have been offset as transactions occurred will be selected from the stock review file. The preceding card will be offset in the stock review file for each stock status balance card removed. The selected cards will be assembled by the stock unit and forwarded to the machine records department. The sequence of the cards will not be disturbed in these operations.

#### 2. MACHINE RECORDS DEPARTMENT

a. Preparation of Item Detail Cards. The item detail cards will be intersperse gang punched from the stock status balance card with the stores account, stock number, description, unit of issue, unit price, and indicative coding data. Simultaneously, the current date will be gang punched into the item detail cards and the transaction code, balance sheet caption code, item number, activity accounting number, document number, and indicative coding data will be mark sense punched. The double punch and blank column detection device will be set on the transaction code and the unit position only of the quantity. Any item detail card errors that are detected and cannot be resolved will be forwarded to the investigation and correction unit.

b. Preparation of Transaction Ledger and Stock Status Balance Cards. The transaction ledger will be prepared and a new stock status balance card will be summarized for each stock number involved. The current date will be gang punched into the new stock status balance cards.

c. Proof of Stock Status Balance Cards. A proof tabulation will be prepared to insure the accuracy of the new stock status balance cards. The original stock status balance cards will be destroyed after selection of duplicate cards in accordance with par. 24295-4d, and the item detail cards will be held for invoicing operations. The new stock status balance cards will be interpreted and returned to the stock control branch with the transaction ledger. See par. 24602 or 24736 when the stock status balance cards are required for physical inventory or quarterly stock status reporting procedures.

3. **STOCK CONTROL BRANCH.** The first operation at the beginning of each work day will be the interfiling of the new stock status balance cards in the stock review file. The transaction ledger will be retained as prescribed in par. 16152.

#### 24302 PREPARATION, VERIFICATION, AND DISTRIBUTION OF EXPENDITURE INVOICES

1. **FINANCIAL EDITING SECTION.** At the end of each day the Accounting Cards (NAVSUP Form 1163) and master invoice header cards that have been offset as request documents have been processed, will be selected from the financial editor's accounting card file. The preceding card will be offset for each accounting card removed. The selected cards will be assembled by the financial editing section and forwarded to the machine records department. The sequence of the cards will not be disturbed in these operations. For each request document for which Item Detail Cards (NAVSUP Form 791) have been offset in the stock control branch, the corresponding master invoice header cards must be offset the same day in the financial editing section.

#### 2. **MACHINE RECORDS DEPARTMENT**

a. Completion of Master Invoice Header Cards. The master invoice header cards will be intersperse gang punched from the accounting cards with the activity accounting number, activity or ship name, balance sheet caption code, object class (if required, refer to NAVCOMPT Manual, par. 026004), account expended from, account expended to, project order or allotment number, appropriation, and subhead. When the object class is other than 089, the correct object class, mark

sensed on the master invoice header card, simultaneously will be mark sense punched into the master invoice header card. The accounting cards will be separated from the master invoice header cards and returned to the financial editing section for filing in the accounting card file. The master invoice header cards may be interpreted and will be sorted by invoice number for use in the preparation of invoice header cards.

b. Preparation of Invoice Header Cards. Invoice header cards will be reproduced from the master invoice header cards. The first invoice header card will contain the activity accounting number, activity or ship name, and the invoice number. The second invoice header card will contain authority, object class (if required, refer to NAVCOMPT Manual, par. 026004), project order or allotment number, activity accounting number, invoice number, account expended from, account expended to, balance sheet caption code, appropriation, subhead, and job order number as applicable. The invoice header cards will be interpreted and merged on invoice number. The master invoice header cards may be listed by voucher number, authority, and accounting number and destroyed. One copy of this list may be forwarded to the investigation and correction unit and one copy forwarded to the issue control branch.

c. Sorting of Request Documents. Request documents received from the financial editing section will be sorted into sequence by document number. The purpose of this sorting is to facilitate matching the request documents against the invoices which are listed in voucher number sequence.

#### 3. **ITEM DETAIL CARDS**

a. Selection of Invoice Item Detail Cards. The item detail cards that were used in the preparation of transaction ledgers will be interpreted to print all pertinent information. The item detail cards will be sorted on transaction code and balance sheet caption code to select those cards that require invoices. Any unmatched item detail cards from the previous day's work will be included in this operation. Item detail cards that do not require invoices will be held for the preparation of DOD Material Receipt Document (DD Form 1486), Obligations Cards (NAVSUP Form 771), receipt-take-up-list, etc.

b. Special Pricing. Item detail cards requiring special pricing (see par. 24287-7) will be selected and reproduced omitting the unit price. The reproduced item detail cards will be interpreted and the unit price written on the original item detail cards will be key punched into the reproduced item detail cards. The original item detail cards will be forwarded to the clerical division for preparation of the necessary adjustment invoices. The reproduced item detail cards will be processed with other invoice item detail cards.

c. Extensions and Sorting. The item detail cards requiring invoices will be extended, quantity times unit price, and the extension will be punched in each item detail card. The item detail cards then will be sorted into sequence by item number within invoice number.

4. **PREPARATION OF INVOICES.** The item detail cards and invoice header cards will be matched and merged by invoice number. Any unmatched item detail cards will be forwarded to the investigation and correction unit. Any unmatched invoice header cards may be destroyed. The activity accounting number and balance sheet caption code will be intersperse gang punched from the second invoice header card into the matching item detail cards. Expenditure invoices will be prepared with the matched cards. A Financial Detail (NAVSUP Form 1162) will be summary punched for each invoice. Column 55 of the NAVSUP Form 1162 for bulk requisition invoicing will be punched with a-zero, for single line requisition invoicing will be unpunched (blank), and for multiline requisition invoicing on a single line invoice will be punched with the appropriate item number (1-9) from the source requisition. When additional, copies of invoices are required, the invoice header cards and item detail cards will be rerun as required without summary punching financial detail cards. The financial detail cards will be interpreted and all cards and invoices will be forwarded to the clerical division.

5. **VERIFICATION OF INVOICES.** The following information on invoices will be visually verified against the request documents:

1. the voucher number and activity name;
2. the requisition number or authority;

3. the line items in the body of the invoice to insure accuracy of the item number, financial inventory report code, stock number, and quantity;
4. the stores account symbol on each line item to insure agreement with the stores account shown on the invoice.

The invoice number on the request document will be circled to designate that verification is completed and the invoice is correct. In connection with credit invoices, the transaction codes B or D on the invoice will signify to the verifier that the stamp "credit" is to be applied. When additional accounting information is required on the invoice or when shipment is made to an activity other than the accountable activity, complete accounting information will be typed or otherwise indicated on the invoice. When an error is noted on the invoice which will not affect the stock status, the error may be corrected by typing. When an error does involve the stock status data, the invoice and request document will be forwarded to the investigation and correction unit for corrective action.

6. **DISTRIBUTION.** Distribution of invoices will be made by the machine records department in accordance with the distribution prescribed in par. 25071 except that when the material has already been issued in accordance with par. 25075-3, copies 3,4, 8, and 9 will be forwarded to the issue control branch for further distribution in accordance with par. 25075-3c and 4, as applicable. Copies 5 through 7 will be destroyed.

7. **FINANCIAL EDITING SECTION.** The first operation at the beginning of each work day will be the interfiling of accounting cards, returned from the machine records department, in the accounting card file.

24303

#### 24304 PREPARATION OF DUE CARDS

The Item Detail Cards (NAVSUP Form 791) representing establishment of expected receipts (transaction code W) will be reproduced onto the due cards. The due cards will be interpreted and forwarded to the stock control branch by the beginning of the next work day.

24305

#### 24306 PREPARATION OF RECEIPT-TAKE-UP-LIST

The Item Detail Cards (NAVSUP Forms 791) representing receipt documents will be extended quantity times unit price and the extension will be verified. The item detail cards will be sorted in sequence by activity number within document number. An unmatched receipt item detail card from the previous day will be included in the sorting. The Receipt Header Cards (NAVSUP Forms 782) that were used in the preparation of the item detail cards will be sorted in sequence by activity number within document number and then will be matched and merged with the item detail cards. Any unmatched receipt header cards or item detail cards will be forwarded to the investigation and correction unit. The matching cards will be used to intersperse gang punch the stores account, transaction code, cognizance symbol, and class into the receipt header cards from the item detail cards. A tabulation then will be prepared to insure that the number of items recorded in the receipt header cards is represented by a like number of item detail cards. Any incomplete groups will be forwarded to the investigation and correction unit and the remaining cards will be used to prepare the receipt-take-up-list and summary punch Financial Detail (NAVSUP Form 1162). The receipt-take-up-list will contain all of the information punched in the receipt header cards and item detail cards. A total of the extensions will be printed for each document number and this total will be compared with the billed amount and any differences will be printed on the receipt-take-up-List and punched in the financial detail card. The clerical division will verify the stock number and quantity, when differences exist, against the corresponding receipt document. When the difference is caused by a stock recording error, the investigation and correction unit will initiate correcting item detail cards. The receipt document, financial detail cards, receipt-take-up-list, and receipt header cards will be forwarded to the financial inventory control section for processing to the Financial Inventory Ledger (NAVCOMPT Form 2153) and followup on the storeman's signed copy of the receipt document.

#### 24307 ACTIVITIES ISSUING MATERIAL ON DD FORM 1149 OR 1348

When activities issue material on a DD Form 1348 in lieu of an Invoice/Shipping Document (DD Form 1149), the Item Detail Cards (NAVSUP Form 791) representing DD Forms 1149 will be sorted into sequence by document number, verification will be performed by visually comparing the stock number and quantity on the detail card against the original copy of the DD Form 1149, or by listing the detail cards and verifying the same information. When the Requisition-Issue Document (DD Form 1348) is used, verification will be performed by visually comparing the interpreted stock number and quantity with that printed or typed by the requester. Any necessary changes to the original balance sheet caption code H will have been indicated by the financial editing section and will cause correction of the item detail cards. Any stock recording errors will be forwarded to the investigative and corrective unit for corrective action.

#### 24308 OTHER TRANSACTION DETAIL CARDS

The Item Detail Cards (NAVSUP Form 791) representing transactions other than invoicing, receipts, dues, obligations, and station requisitions will be forwarded to the detail card historical file pending inclusion in the next monthly historical list. Any item detail cards representing accumulation of balance sheet caption codes that have not been recorded to the Financial Inventory Ledger (NAVCOMPT Form 2153), such as spot inventory adjustments and class transfers, will be reproduced and the duplicate cards forwarded to the financial inventory control section prior to inclusion in the historical file.

#### 24309 REPRODUCTION OF CARDS AFFECTING STOCK STATUS FOR TRANSACTION REPORTING

Immediately following proof tabulation of updated stock status balance cards and prior to daily verification of the stub list, receipt take-up list, and invoices, any card affecting the stock status factor for items specified for transaction reporting will be reproduced daily into a Transaction Reporting Card

(NAVSUP Form 1043) and forwarded to the applicable supply demand control point. Necessary controls will be employed to assure that the date in the NAVSUP Forms 1043 forwarded to the supply demand control point represents the calendar date on which the item detail card was recorded in the Stock Status Balance Card (NAVSUP Form 801).

#### 24310 HISTORICAL LIST

When local operating requirements warrant, the Item Detail Cards (NAVSUP Form 791) or the electric accounting machine card of the Requisition/Issue Document (DD Form 1348) used in the printing of daily transaction ledgers will be used to prepare a consolidated historical list of all transactions that have transpired since that previous historical list. This list will be prepared in stock number sequence and one copy will be forwarded to the stock control branch and one copy will be forwarded to the inventory division.

#### 24311 INVESTIGATION AND CORRECTION UNIT

The function of the investigation and correction unit is to research, investigate, and correct errors made primarily in stock recording, marking of documents, and the routing of documents. Thus, a focal point is established for insuring the proper end product on those transactions that are erroneously processed. The measure of accuracy of

stock control personnel can be determined to a large degree by the number of transactions that are referred to the investigation and correction unit. When a transaction is referred to the investigation and correction unit for action, all associated documents and cards, that are available will be forwarded to the investigation and correction unit. The reason for referring the transaction to the investigation and correction unit may be caused by one or more of the following conditions:

1. request documents received without matching invoice;
2. invoice received without matching request document;
3. all items not shown on invoice;
4. mark sense errors;
5. incorrect stock number;
6. multiple class, cognizance, stores account on invoice;
7. Item Detail Cards (NAVSUP Form 791) received without request document and invoice.

When it is determined that the error involves the stock records, the investigation and correction unit will mark sense item detail cards as required to correct the stock records. When the error involves an Invoice/Shipping Document (DD Form 1149), the invoice may be corrected and released for issue of material immediately or the invoice may be destroyed and the request document reintroduced for preparation of a correct invoice.

## PART D: FINANCIAL INVENTORY CONTROL

## Section 1: GENERAL

## 24400 FUNCTIONS OF FINANCIAL INVENTORY CONTROL

Financial inventory control functions concern the maintenance of financial records and submission of reports reflecting summary monetary data of item transactions for supply management use. The financial inventory section is a functional component of the comptroller department, accounting division.

## 24401 RESPONSIBILITY FOR FINANCIAL INVENTORY CONTROL

The instructions in this part are applicable to shore activities, other than commissary stores and activities using the retail inventory system; submitting Navy Stock Account or Appropriation Purchases Account financial inventory reports, or both. Accounting and reporting procedures covering Navy Stock Account material held by commissary stores are contained in Volume IV. Activities operating by the retail inventory system (RIS) will continue to operate under instructions applicable to their organization until necessary revised procedures are incorporated in this and related manuals. Accounting and reporting procedures covering reports submitted by afloat activities are contained in SUADPS 207 Support Procedures for Navy Stock Account special accounting class 207 material and in Ship's Store Afloat (NAVSUP P-487) for Navy Stock Account ships stores.

## 24402 FINANCIAL INVENTORY RECORDS

The basic breakdown of Navy material for management purposes is the stores account such as Appropriation Purchases Account and Navy Stock Account. Within the stores account the material is divided according to supply management control by the cognizance symbol (see par. 21 147). The cognizance symbols are described in par. 21148. A cognizance symbol is assigned for each category of material in the account that is controlled by a Naval Supply Systems Command inventory control point, bureau, command, or office exercising inventory control. In certain instances material is grouped within the cognizance symbol by material control code and material condition code. A material control code identifies material having similar characteristics such as item demand, supply support program, degree of standardization, unit price, movement value, and other homogeneous elements. Special material control codes are defined as required by the cognizant bureau, command, office, or Naval Supply

Systems Command inventory control point to indicate product or commodity identification, special purpose, or as an inventory control device. Financial inventory records will be maintained by standard and special material control codes as authorized for use by individual inventory managers (see par. 21 108). Material condition codes used in financial inventory control records are defined in par. 24925. A material condition code is used to classify material in terms of readiness for use or to identify action underway to change the readiness status of the material.

## 24403 FINANCIAL INVENTORY LEDGERS, MAINTENANCE

A Financial Inventory Ledger (NavCompt Form 2153) will be maintained for each stores account, cognizance symbol, material control code, and material condition code when applicable, and federal group and class. The ledger contains, in addition to opening and closing inventory balances, captions to identify the type of receipt or expenditure transaction involved. These captions are defined in MILSTRIP/MILSTRAP, par. 05080, and the Navy Comptroller Manual, par. 034101, and apply to both the Navy Stock Account and the Appropriation Purchases Account unless exceptions are indicated. The Navy Stock Fund is considered an appropriation in the descriptions.

## 24404 LEDGERS FOR FLEET ISSUE SHIPS

1. GENERAL. Financial inventory ledgers will be established by the Naval Supply Centers, Norfolk and Oakland, for the value of Navy Stock Account material in special accounting class 224 of fleet issue ships. Separate ledgers by cognizance symbol will be maintained for each fleet issue ship supported. Cognizance symbol 9M material will be further separated by separate ledger for material control codes F (semiperishable items) and P (perishable items).

2. TRANSACTIONS. Expenditure of material to the fleet issue ship will be recorded as interclass transfers. When supplying activities, other than the supporting naval supply center, furnish material to fleet issue ships in special accounting class 224, the material will be invoiced to the supporting naval supply center in the two digit class, and appropriate copies of invoices will be forwarded to the supply center by the supplying activity. One copy of each expenditure invoice, including those received from other supply activities, covering transfers of material to the fleet issue ship will be retained in a suspense file pending receipt of a

received copy of the invoice from the ship. Invoices prepared by the fleet issue ship, or electric accounting machine cards covering transactions with other ships, will be received weekly by the supporting naval supply center for posting to the financial inventory ledgers and inclusion in the financial inventory report (FIR). The naval supply centers will take aggressive action to insure that transactions are reported promptly for inclusion in the return for the month in which the transactions occur.

3. ANNUAL RECONCILIATION: The supporting naval supply center will receive a money value inventory report annually' from fleet issue ships for each cognizance symbol of material in Navy Stock Account, special accounting class 224. The amount reported will be reconciled against the amount reflected in the financial inventory ledger. If there is a difference in any cognizance symbol (or material control code for cognizance symbol 9 M material) an adjustment invoice will be prepared to cause the value of the material in the ledger to agree with the reported inventory value. Net adjustment gains or losses in any one cognizance symbol that are considered excessive must be investigated when the net adjusted gain or loss falls within the limits set by par. 24425-4. An explanation of the cause of the adjustment will be included on the invoice in accordance with par. 24425-4. The Naval Supply Systems Command (Deputy Commander, Financial Management/Comptroller) and the ship will be provided with a copy of all adjustment invoices.

#### 24405 USE OF THE FINANCIAL INVENTORY REPORT BY FIELD ACTIVITIES

1. RESPONSIBILITIES. The control division is responsible for utilizing the Financial Inventory Report (NavCompt Form 21 54) as a supply management tool in analyzing and evaluating local operations. The financial inventory report furnishes, in dollar terms, information on inventory, receipts, issues, material and accounting gains and losses by stores accounts, cognizance symbol, class, and for certain cognizance symbols by material control code and material condition code. The uses for the financial inventory report in subpars. 2-7 are suggested as a guide.

2. KNOWLEDGE OF INVESTMENT IN MATERIAL BY CATEGORY AND CLASS. The financial inventory report may be used for knowledge of investment in material by category and class as follows:

1. inventory--reasons for increases and decreases;
2. transactions--receipt and issue trends for predicting space equipment and personnel needs;

3. storage--high velocity classes indicated in receipt and expenditure information for assistance in analysis of space layout and stock placement;
4. stock balance value of on hand inventory in relation to stock turnover;
5. evaluation of assigned activity mission, measure of supply support in relation to supply mission.

3. CONTROL OF STOCK ON HAND. The financial inventory report may be used for control of stock on hand as follows:

1. locally controlled material--shop store stock, local nonstandard stock, and field activity controlled standard stock amounts on hand are in conformity with approved inventory levels;
2. excess stocks--reports to Naval Supply Systems Command inventory control points;
3. condition code material--reduction or elimination of build-up of not ready for issue stocks;
4. surplus disposal--indication of progress in this program;
5. small value classes--elimination action when little, if any, expenditures are indicated.

4. CONTROL OF PROCUREMENT FUNDS. The financial inventory report may be used for control of procurement funds as follows:

1. allotment requests--basis for request to the Naval Supply Systems Command inventory control point for allotment funds;
2. procurement efficiency--supply is balanced to demand.

5. MATERIAL GAINS AND LOSSES. The financial inventory report may be used for material gains and losses as follows:

1. major physical losses--in what location and in what material segments the losses are occurring;
2. inventory, survey, or incoming shipment losses indicated;
3. remedial action--what action should be taken to reduce losses in specific cognizance symbol, material control code, when included, or class;
4. when losses are stocks, insurance stocks, slow moving stock.

6. ACCOUNTING GAINS AND LOSSES. The financial inventory report may be used for accounting gains and losses as follows:

1. greatest differences--which cognizance symbol or class shows greatest differences as a result of reconciliation of stock card and balances;
2. relationship between adjustments in subpar. 1 and physical inventory adjustments;

3. remedial action--what action should be taken to reduce the money value of these reconciliations.

7. POLICING AND COMPLIANCE WITH EXISTING, REGULATIONS. The financial inventory report may be used for policing and compliance with existing regulations as follows:

1. unauthorized stock--indication of cognizance symbol material in stock not authorized for stock or deleted cognizance symbols;
2. Navy Stock Account and Appropriation Purchases Account returns--indication that Appropriation Purchases Account inventories are being reported in Navy Stock Account and Navy Stock Account inventories are being reported in Appropriation Purchases Account;

3. issue without reimbursement--indications that this type of issue is being made contrary to instructions;
4. Credit balance s--ending inventories report credit balances;
5. cognizance classes--incorrect assignments, or nonexistent classes being reported;
6. inventory balances--beginning inventory balances different from closing inventory balances of previous return;
7. class information--incorrect positioning of class information on financial reports and therefore incorrect electrical accounting machine card punching which leads to incorrect information on the financial inventory report;
8. FIR Codes--credits in normally debit codes or debits in normally credit codes.

## Section II: FINANCIAL ADJUSTMENTS

### 24420 GENERAL

1. MATERIAL TO BE CARRIED AT A PRICE. All material in store will be carried at a price in accordance with par. 24132 or 24150-4.

#### 2. REPORTING OF GAINS AND LOSSES

a. General. Specific instructions in the Naval Supply Systems Command Manual or in letters from the Naval Supply Systems Command may designate the type of gain or loss to be used for certain transactions. The general principles used in determining these types of gains and losses, which principles will be followed when instructions do not name the type, are set forth in subpars. b and c. Gains and losses are classified as being of two major types, material and financial.

#### b. Material Gains and Losses

(1) Inventory. Gains and losses by inventory normally are the adjustments necessary to bring stock card balances and class ledgers into agreement with the actual physical count of stores on hand. A gain by inventory would be the result of finding material in store in excess of that shown on the records. A loss by inventory would be the result of having material shown on the records that is not found in store. Short, lost, or damaged material in shipments, in many instances also will be recorded as an inventory loss (see the Navy Comptroller Manual, par. 034143).

(2) Survey. Gains and losses by survey are those gains and losses which, in accordance with current instructions or regulations, require adjustment on the basis of approved (formal or informal) surveys (see par. 25155).

#### c. Financial Gains and Losses

(1) Standard Price Adjustment. Gains and losses by standard price adjustment result from adjustments required to bring the price at which material is carried in stock or in transit between supply officers into agreement with the latest standard price or local carrying price for the material.

(2) Purchase Variance. Gains and losses by purchase variance result from adjustments required to bring the price at which material is received into the Navy Supply System from purchase or manufacture into agreement with the standard price or local carrying price for the material (see par. 24132).

(3) Accounting Adjustments. Gains and losses by accounting include all financial gains or losses not provided for in subpar. (1) or (2). The caption includes gains or losses resulting from the following types of transactions:

1. gains or losses by sale, resulting from the adjustment of differences between the stock ledger price of material sold and the sales price (in the case of excess material, material reduced in sales price because of condition, and inter-service bulk sales);
2. adjustments required to bring Financial Inventory Ledgers (NavCompt Forms 2 153) into agreement with the money value of stock on hand as posted to Stock Record Cards (NavSup Forms 766) (see par. 24586);
3. adjustments of unmatched inspection reports, public vouchers, and invoices as authorized by the Navy Comptroller Manual, pars. 034402-3 and 034428-4;
4. minor differences in transfer invoices when determined to be accounting adjustments (see par. 24440-2f);

5. other financial adjustments.

Individual invoices for each transaction will be prepared and posted for such other adjustment transactions as may occur that are not reported under one of the categories in items 14. Such invoices will bear an explanation of the transaction and the explanation will be in sufficient detail to enable the Naval Supply Systems command to determine the nature of the transaction and to approve its validity.

3. TRANSFERS BETWEEN STORES ACCOUNT OF STOCK MATERIAL When material carried in a stores account requires transfer to another stores account because of cognizance transfer directed by a bureau, command, office, or Naval Supply Systems Command inventory control point, such transfer will be accomplished in accordance with the provisions of par. 21146-7.

24421 PROCESSING UNMATCHED  
FINANCIAL DOCUMENTS

The list or copies of unmatched summarized invoices or abstracted public vouchers which the fiscal officer has forwarded to the supply department in accordance with the instructions in the Navy Comptroller Manual, pars. 034402-2 and 034428-4, will be directed to the receipt control branch for processing in accordance with the instructions prescribed in par. 23108. Upon completion of the action by the receipt control branch, the list or copies of the documents will be forwarded to the stock control branch or to the machine records department, as applicable, for further processing. Documents previously processed to the accounting division but later returned for correction will not be included in the copies or list. Within 30 days after receipt of the list or copies, the supply officer will notify the accounting division of the action taken.

24422 ADJUSTMENT OF DIFFERENCES  
IN VALUES

The record of differences or copies of adjustment inspection reports which the accounting division has forwarded to the supply department in accordance with instructions in the Navy Comptroller Manual, par. 034401-13, will be directed to the financial inventory section. The financial inventory section will accomplish adjustment of differences in accordance with par. 24420 and will process the adjustment inspection reports to the accounting division.

24423 MONEY VALUE ONLY  
TRANSACTIONS

1. GENERAL. Money value only transactions are defined as those accounting documents that must be recorded to the Financial Inventory Ledgers (Nav-Compt Form 2153) and stores balance sheets but do not require recording to the Stock Balance Cards (NavSup Form 801). Such documents will be forwarded to the clerical division of the machine records department for assignment of transaction codes prior to preparation of Financial Inventory Control Card (NavSup Form 1160). The stock reviewers will not be required to review money value only documents.

2. RECEIPT DOCUMENTS REQUIRING ADJUSTMENT COMPUTATIONS. Money value only receipt documents covering receipts of material in shop or ready supply stores classes, for which stock records are maintained manually but financial class ledgers are maintained mechanically, will be screened to determine if either purchase variance or price adjustment gains or losses are to be computed. If adjustment is necessary, the amount of gain or loss will be computed and placed in the adjustment amount field of the NavSup Form 1160 prepared to process the receipt document. When this process is used, files of the Price Change Adjustment Sheet (NavSup Form 448) or Adjustment Card (NavSup Form 449), or comparable ADP document need not be prepared or maintained. In lieu thereof, the NavSup Form 1160 will be processed.

24424 LOSS OR GAIN INCIDENT TO CLASS  
OR COGNIZANCE TRANSFER

When cognizance or class transfer of material is effected and such transfer results in inventory adjustment action, as provided in NAVSUPINST 4440.115 (series), the quantity adjusted will be reflected under the expending cognizance and class with the corresponding monetary amount reflected as an adjustment to the expending financial inventory ledger. Material adjustment resulting from transfer to disposal will be recorded on this basis.

24425 PREPARATION OF ADJUSTMENT  
INVOICES

1. FOR GAIN OR LOSS BY STANDARD PRICE ADJUSTMENT. A file of the Price Change Adjustment Sheet (NavSup Form 448) or the Adjustment

Card (NavSup Form 449) or comparable ADP document showing gains or losses by standard price adjustment will be maintained in the financial inventory section for each stores account. The adjustments will be filed daily by class and cognizance symbol. This file will consist of the adjustments resulting from standard price or local carrying price changes. At the end of the monthly accounting period separate summary adjustment invoices will be prepared on the Requisition and Invoice/Shipping Document (DD Form 1149) in an original and two copies, one invoice covering the gross gains and one covering the gross losses. Each summary invoice may be prepared for each federal group or class under each cognizance symbol or may include all federal groups or classes under each cognizance symbol, as desired. The gross gain and the gross loss in each federal group or class will be posted to the applicable Financial Inventory Ledger (NavCompt Form 2153) and the total amount on each summary invoice will be posted to the applicable symbol control ledger. The original and one copy of the invoice will be forwarded to the accounting division. The copy will be retained in the accounting division and the original will be forwarded with the applicable financial inventory report. The NavSup Form 448 or the NavSup Form 449, or comparable ADP document, as applicable, upon which the invoice is based will be attached to the copy retained in the financial inventory section file.

2. **FOR GAIN OR LOSS BY PURCHASE VARIANCE.** A file of the NavSup Forms 448, NavSup Forms 449, or comparable ADP document, showing gains or losses by purchase variance, will be maintained in the financial inventory section for each stores account. The adjustments will be filed daily by class and cognizance symbol. This file will consist of the adjustments required to bring the price at which material is received into the Navy Supply System from purchase or manufacture into agreement with the standard price or local carrying price for the material. The summary adjustment invoices for gross gains and gross losses by purchase variance will be prepared and distributed in accordance with subpar. 1.

3. **FOR ACCOUNTING ADJUSTMENTS.** All financial gains or losses other than provided for in subpars. 1 and 2 will be reported under the caption "Accounting adjustments". Summary gain or loss invoices will be prepared as indicated and posted for the following types of transactions:

1. gains or losses by sale (monthly summary invoice by sales catalog);
2. gains or losses by sale based on condition, interservice bulk sales, supply support agreements, or reimbursable aid transactions;
3. adjustments required to bring financial inventory ledgers into agreement with the money value of stock on hand as posted to stock record cards (see par. 24586);
4. adjustments of unmatched inspection reports, public vouchers, and invoices as authorized by the Navy Comptroller Manual, pars. 034402-2 and 034428-4;
5. minor differences in transfer invoices when determined to be accounting adjustments (see par. 24440-2f).

Individual invoices for each transaction will be prepared and posted for such other adjustment transactions as may occur that are not reported under one of the categories listed in items 1-5. Such invoices will bear an explanation of the transaction and the explanation will be in sufficient detail to enable the cognizant Naval Supply Systems Command inventory control point to determine the nature of the transaction and to approve its validity. Each invoice will be signed by the supply officer or his designated assistant and will bear the caption "Gain (or Loss) by accounting" and will be prepared in an original and one copy. Except as required by subpar. 4, only the original invoice will be submitted with the financial inventory report.

4. **ADJUSTMENTS REQUIRING EXPLANATION.** Adjustment invoices for net gains or net losses by accounting will bear or will have attached an explanation of the cause of the adjustment when the net amount under one cognizance symbol and material control code and material condition code, when applicable, in any one federal group or class is equal to or greater than the following limitations:

1. for Navy Stock Account: \$1,000 or 5% of the stock records value on the date of reconciliation, whichever is greater;
2. for Appropriation Purchases Account: \$25,000 or 5% of the stock records value on the date of reconciliation, whichever is greater.

Adjustment invoices requiring an explanation will include the percentage relationship of the adjustment

to the stock records value of the inventory as determined by the trial balance amount used for the reconciliation. The gross gain and the gross loss will be shown in the body of the DD Form 1149, and the net difference will be shown in the extension column. These requirements also are applicable to individual invoices generated under the ammunition stock recording system. The explanation will contain a review of the circumstances attending the loss or gain in sufficient detail to enable bureaus, commands, offices, or Naval Supply Systems Command inventory control

points concerned to analyze the transaction and spot the trouble areas requiring special attention. When, after investigation, it is determined that no explanation is available, the invoice will bear a statement to that effect. For guidelines relating to annual inventory adjustments, see NAVSUPINST 4440.115 (series). One extra copy of each invoice requiring explanation will be forwarded direct to the cognizant command or Naval Supply Systems Command inventory control point. The cognizant Naval Supply Systems Command inventory control point will review

the invoices and initiate necessary action when unusually large amounts are involved or when other circumstances indicate action is necessary. The Naval Supply Systems Command (Deputy Commander, Financial Management/Comptroller) will be advised of any action taken and the circumstances involved in significant cases. These adjustments will not be included in the lists prepared by mechanized activities as authorized by the Navy Comptroller Manual, par. 034101-6. Explanations are not required for gains or losses by other price adjustments,

gains or losses by sale, gains or losses by standard price adjustment, gains or losses by purchase variance, adjustments specifically authorized by higher authority, and adjustments determined to be of a routine and self-explanatory nature.

5. CORRECTION OF ADJUSTMENTS. Invoices prepared to correct transactions previously reported in a financial inventory report will be entered opposite the same financial inventory report (FIR) caption as the original transaction.

### Section III: INVOICE ADJUSTMENT

#### 24440 ITEM ADJUSTMENT PROCESSING

1. ISSUING ACTIVITIES. When the storekeeper discovers that quantities of material specified on expenditure documents are not available for issue, copies of expenditure documents will be returned to the stock control branch for corrective action except when variations occur as outlined in subpar. 2e. The issuing activity will:

1. correct quantities, extensions, and money value totals on all copies of the Requisition and Invoice/Shipping Document DD Form 1149) except the fiscal copies (The corrected copies will be annotated as "Corrected in accordance with par. 24440-1".);
2. redistribute the corrected copies of the expenditure documents as outlined in par. 25071;
3. prepare and forward credit invoice to the accounting division to adjust the original debit invoice (when it is not possible to forward the credit invoice in the same month as the original debit invoice, the credit invoice will be forwarded in the subsequent month, the credit adjustment invoice will be assigned the same number as the original request, regardless of fiscal year);
4. adjust stock records, request inventory investigation, and initiate action to procure material as required.

When local storage conditions make it impracticable to return documents from the storage branch to the stock control branch, the document copies in possession of the storekeeper may be corrected insofar as changes in quantities, extensions, and totals are concerned at a central clerical unit in the material division. In these instances, the storage branch will notify the stock control branch of the changes effected by returning copy 8 of the invoice, or by utilizing the single sheet DD Form 1149, for this purpose. The stock control branch then will initiate action to have credit invoices for financial purposes prepared and will take the neces-

sary supply action. The extra copies of the credit invoices, that is, the copies other than the fiscal and file copies, will be destroyed.

#### 2. RECEIVING ACTIVITIES

a. Department of Defense Activities and the General Services Administration. Discrepancies in shipments (including short, lost, or damaged; overages; duplicates and substitutes considered unacceptable; and latent defects) from Department of Defense activities and the General Services Administration will be accounted for in accordance with procedures set forth in the Navy Comptroller Manual, pars. 034140-034158. The Discrepancy in Shipment Report (Standard Form 361) (commercial carrier liability) and the Report of Item Discrepancy (Standard Form 364) (shipper liability) will be prepared when required. These will be accounted for as a "Receipt from Procurement" (FIR Code A3 or A5 as applicable) and a "Loss by Inventory Adjustment-Incoming Shipment" (FIR Code M5) or "Gain by Inventory Adjustments --Incoming Shipment" (FIR Code D5) if overage is acceptable. Discrepancies in shipment (lost, short, or damaged) will not be reported as a survey (FIR Code M6). Procedures for processing discrepant shipments for ship's stores afloat are contained in NAVSUP Pub. 487; for commissary stores and retail clothing stores, procedures are contained in NAVSUP Manual, Volume IV; for food items, procedures are contained in NAVSUP Pub. 486; and for ships afloat, procedures in NAVSUP Pub. 485 apply.

b. Activities Other than Department of Defense Activities and the General Services Administration. Discrepancies in shipments from other than Department of Defense activities and the General Services Administration (local purchase and shipments received directly from the manufacturer or vendor) determined to be shipper liability must be reported on Standard Form 364. These will be accounted for as a "Receipt from Procurement-Commercial" (FIR Code

AI) and a Loss by Inventory Adjustment-Incoming Shipment (FIR Code M5) or Gain by Inventory Adjustment-Incoming Shipment" (FIR Code D5) if the overage is acceptable.

c. Responsibility of the Carrier. Discrepancies in shipment that are the responsibility of the carrier are further defined in par. 23104.

d. Discovery By the Receiving Activity. When discrepancies in shipment are discovered by the receiving activity, the invoice will be annotated and processed in accordance with par. 24130. The Standard Form 361 or 364, as applicable, will be prepared based on the information contained on the invoice document. A copy of the invoice document and the Standard Form 361 or 364, as applicable, will be forwarded to the issuing activity if shipped from a Department of Defense activity or from the General Services Administration for initiation of a spot inventory and adjustment accordingly. The report Physical Inventory (NavSup Form 1310) required by NAVSUPINST 4440.115 (series) will make reference to these invoices in a manner prescribed by the supply officer, that is, detailed data or general information.

e. Issues Not in Exact Quantities. Variations of 5% or less in the case of issues of rope, steel, lumber, cable, and other material which, because of issuing procedures, is not issued in exact quantity will be adjusted as a gain or loss by inventory.

f. Major and Minor Differences Resulting from Mathematical or Unit Price Errors Discovered Upon Receipt. Errors in unit price or mathematical errors of \$100 or more discovered in the extensions or total on any one invoice which represent no gain or loss in material quantity will be adjusted as a gain or loss by accounting. One copy of the adjustment invoice will be forwarded to the issuing activity. Upon receipt of the copy of the adjustment invoice, the issuing activity will adjust the records locally as a gain or loss by accounting if differences are found to exist. Errors in unit price or mathematical errors of less than \$100 in extensions or totals on invoices which represent no gain or loss in material quantity will be adjusted as a gain or loss by accounting. A copy of the adjustment invoice will not be forwarded to the issuing activity.

g. Stock Number Discrepancies. If a substitution in stock number is discovered by the storekeeper and a difference in price exists, differences of less than \$100 will be adjusted as a loss or gain by accounting. These adjustments may be accumulated and reported on monthly summary invoices if desired.

Differences of \$100 and over also will be adjusted as a loss or gain by accounting; however, one copy of the adjusting invoice will be forwarded to the issuing activity for adjustment of the records.

h. Change in Standard Price or Local Carrying Price. When the standard price or local carrying price of an item is changed after an invoice for the item has been issued, adjustment will be accomplished by the receiving activity in accordance with par. 24425-1.

i. Summary Invoices. Inventory and accounting adjustments as prescribed for minor differences upon receipt, in unit price or mathematical differences, and the 5% variation in material received, will be accumulated and reported on monthly summary invoices by category of adjustment; one invoice covering the net gains and one invoice covering the net losses for all classes under each cognizance symbol. In the case of commissary store stock, see NAVRESSOINST 4065.36. For instructions when the carrier is responsible, see par. 23104.

j. Change in Cognizance Symbol. When the cognizance symbol is changed after an invoice for an item has been issued or when the cognizance symbol is found to be incorrect on the transfer invoice, the adjustment will be made by the receiving activity by means of an intercognizance transfer.

k. Tabulated List in Support of Inventory Adjustments. Activities using mechanized equipment may submit a tabulated list in lieu of invoices when explanations are not required by par. 244254.

3. **ISSUES TO END USE FUNCTIONAL ACCOUNTS.** The instructions in subpar. 1 apply to procedures to be utilized by issuing activities for transfer in a stores account and for end use expenditure invoices. The procedures outlined in subpar. 2 for receiving activities only apply to receipts in a stores account. Receiving activities upon discovery of erroneously issued material or errors in quantities, unit price, extension, or totals in invoices charged to end use functional accounts will notify the issuing activity of such errors. The issuing activity will prepare debit or credit adjusting invoices as necessary. The adjusting invoice will be assigned the same number as the original request, regardless of the fiscal year. Such adjustment invoices to afloat units will be processed on a priority basis, with one copy immediately furnished to the afloat unit concerned.

4. **ISSUES TO NAVY INDUSTRIAL FUND ACTIVITIES.** When post audit by the Navy Industrial Fund activity reveals errors on

invoices (errors in extension, unit prices, or totals ) submitted by the billing activity or that the Voucher for Transfers Between Appropriations and/or Funds (Standard Form 1080) total is incorrect, the Navy Industrial Fund activity will request the billing activity to issue an adjustment invoice. When correction is appropriate, the issuing activity (the billing activity) will issue an adjustment invoice in the same month in which the request is received. If the Navy Industrial Fund activity fails to receive material for which it is billed or if there is a significant shortage in the quantity received, the issuing activity will be requested to issue a credit invoice. Unless the issuing activity can establish proof of delivery, a credit invoice will be issued in the same month in which the request was received. Incoming shipment, losses, shortages, and damages attributable to parcel post, government carrier or commercial ocean carrier involving military service, DLA, or GSA shipments will be charged to the NIF overhead accounts. Adjustment invoices covering credits to the Navy Industrial Fund and subheads other than subheads .2301 and .3302 will be processed in accordance with the Navy Comptroller Manual, par. 032502-3. Adjustment invoices showing credits to the Navy Industrial Fund, subheads .2301 and .3302 will be processed in accordance with par. 23188.

5. ISSUES TO THE MARINE CORPS AND TO OTHER THAN NAVAL ACTIVITIES. Errors made in invoices covering issues to the Marine Corps and to other than naval activities under the provisions of pars.

25310-25318 will be corrected in accordance with subpar. 1.

#### 6. ADJUSTMENT OF DIFFERENCES RESULTING FROM ISSUES TO FLEET ISSUE SHIPS OPERATING UNDER SPECIAL ACCOUNTING CLASS 224

a. General. Fleet issue ships receiving material from shore stations invoiced as interclass transfers to special accounting class 224 will adjust differences detected upon receipt in accordance with subpars. b, c, and d. Accountable supply centers will process adjustments by inventory or survey by applying the document against the appropriate cognizance ledger in special accounting class 224.

b. Differences in Shipment. Differences in shipment will be adjusted by gain or loss by inventory in accordance with subpar. 2. Invoices will be prepared and submitted to the accountable naval supply center.

c. Material Losses. Material losses determined to be the result of damage, deterioration, or theft will be surveyed by the fleet issue ships and submitted to the accountable naval supply center.

d. Material Invoiced for Which no Material is Received. Material invoiced for which no material is received will be reported to the issuing supply activity with a request for a credit invoice. A copy of the request for credit will be forwarded to the accountable naval supply center.

### Section IV: MANUAL PROCESSING

#### 24455 PROCEDURES FOR MAINTAINING FINANCIAL INVENTORY LEDGERS

1. DOCUMENTS RECEIVED. Documents will be transmitted to the financial inventory section in a continuous flow subsequent to posting to the stock records. The financial inventory section will group the documents by receipts and expenditures under each stores account by cognizance symbol, material control code and material condition code, if applicable, federal group and class, and the appropriate financial inventory report codes. The value of each group of documents will be posted daily to the appropriate federal group and class on the Financial Inventory Ledger (NavCompt Form 2153).

#### 2. LEDGERS

a. General. One set of detail ledgers and three sets of control ledgers containing columns for each financial inventory report code will be maintained for each stores ac-

count, such as Appropriation Purchases Account and Navy Stock Account, as prescribed in subpars. b-e. However, ledger sheets may be combined when information is duplicated on two or more ledger sheets.

b. Federal Group and Class, and Special Accounting Class Ledgers. One copy of NavCompt Form 2153 will be prepared for each federal group and class, or special accounting class, as applicable, under each material control code and material condition code, if applicable, within each cognizance symbol. The total value of each group of documents will be posted to the proper financial inventory report code column.

c. Material Control Code and Material Condition Code Ledger. One copy of NavCompt Form 2153 will be prepared for each material control code and material condition code, if applicable, within each cognizance symbol. The total value of the subordinated class ledgers will be posted to the material control code and material condition code ledger.

d. Cognizance Symbol Ledger. One copy of NavComd Form 2153 for each cognizance symbol will be prepared. This copy of NavCompt Form 2153 is the intermediate control ledger to which the total value of the material control code and material condition code control ledgers will be posted.

e. Stores Account Ledger. One copy of the NavCompt Form 2153 will be prepared for each stores account. This copy of NavCompt Form 2153 is the major control ledger to which the total value of the cognizance symbol control ledgers for each stores account is posted.

3. POSTING. The financial inventory ledgers will be posted daily. Normally, new ledger sheets will be established each month. However, on any ledger sheet to which few postings are made monthly, the ledger sheet may be used for more than one month by drawing a line after the last posting to the month. Activities with bookkeeping machines may find it advantageous to post the federal group and class by machine and accumulate the total value of the detail postings to automatically print on the subsequent control ledgers, thereby maintaining the three types of control ledgers concurrently with the detail class ledgers.

4. ADJUSTMENTS. Certain, adjustment transactions will be accumulated monthly for the preparation of gross or net receipt or expenditure Requisition and Invoice/Shipping Documents (DD Forms 1149) for all classes under each cognizance symbol and material control code and material condition code, if applicable, for each financial inventory report code under each stores account. These transactions include the following adjustments:

1. gains and losses by inventory as a result of minor shortages and overages in shipments received from other supply officers,
2. spot and special inventories,
3. gains and losses by standard price adjustment,
4. gains and losses by purchase variance,
5. material turned in to store,
6. accounting adjustments.

Price Change Adjustment Sheet (NavSup Form 448) may be used for the purpose of recording losses and gains by standard price adjustment, pending preparation of the monthly invoice.

5. DOCUMENTS RETAINED. After posting to the financial inventory ledgers in the financial inventory section, the documents will be transmitted to the accounting division. Copies of the following documents will be retained in the files of the financial inventory section:

1. invoices covering gains and losses because of standard price adjustment;
2. invoices covering gains and losses because of purchase variance;
3. invoices covering gains and losses because of rounding off unit prices;
4. documents covering cognizance transfers, federal group or class, material control code and material condition code transfers, including shop store replenishment requisitions;
5. invoices covering inventory adjustments;
6. invoices covering other price adjustments.

24456 FORWARDING DOCUMENTS TO ACCOUNTING DIVISION

1. METHOD OF FORWARDING. Documents will be sorted by stores account and within each stores account by groups into financial inventory report codes in order of the captions on the Financial Inventory Report (NavCompt Form 2154) with adding machine tapes attached. The adding machine tapes will be labeled properly to indicate the stores account and the financial inventory report code (using financial inventory report codes, if desired). The documents sorted as to stores accounts will be forwarded to the accounting division with a dated memorandum for each stores account. Each memorandum will show the total money value of receipt documents and total value of the expenditure documents. For example:

Appropriation Purchases Account documents forwarded 9 February 19\_\_

Total receipts. . . . .	\$1,040
Total expenditures. . . . .	\$5,632

If there are documents for a stores account which do not increase or decrease the money value of the inventory, the memorandum will show briefly the nature of the transactions. For example:

Navy Stock Account documents forwarded 9 February 19\_\_

Receipts:

With charge to Navy Stock Fund.	\$125 Cr
Financial gains . . . . .	\$125
Total receipts	None
Total expenditures	None

If there are no documents for the day, a single dated memorandum will be forwarded with the notation "No stores documents forwarded today, 10 February 19\_\_".

2. COPIES OF DOCUMENTS TO BE FORWARDED. The following guides will be used to determine the number of copies of receipt

and expenditure documents to be forwarded to the accounting division:

<u>Form</u>	<u>Number of copies</u>
Materiel Inspection and Receiving Report (DD Form 250) (Material received on purchase documents which indicate end use functional accounts but which is to be taken up on stock records will be taken up as a receipt from purchase.)	1
Memorandum Invoice Into Store (NavSup Form 158)	1
DoD Single Line Item Requisition System Document (DD Form 1348)	1
Report of Survey (DD Form 200 or DD Form 2090)	Original and 1 copy
Discrepancy in Shipment Report (Standard Form 361)	2
Report of, Item Discrepancy (Standard Form 364)	2
Requisition and Invoice/ Shipping Document (DD Form 1149) prepared by the supply department	Original and 1 copy or, in the absence of an original, 2 copies
Cognizance material control code and condition code and class transfers	One copy when the financial inventory section is located in the accounting division, otherwise none
Receipt invoices prepared by other activities	One copy and as many other copies as are available

24457 FINANCIAL INVENTORY REPORT (NAVCOMPT FORM 2154) (NAVCOMPT REPORT 7323-28)

1. MONTHLY REPORT

a. Preparation. A Financial inventory Report (NavCompt Form 2154) will be prepared

monthly from data accumulated on the Financial Inventory Ledger (NavCompt Form 2 153) for the Appropriation Purchases Account and the Navy Stock Account. Each sheet of the report will be numbered. Dual cognizance symbols will be reported in numeric and alphabetic within numeric sequence. Credit entries will be indicated by inserting "Cr" immediately after the entry in the column captioned "(Cr)". The total of financial inventory report codes A through H is to equal the total of codes J through R. Activities posting by manual methods may prepare written reports if photocopying equipment is available, or by typewriter. If written reports are submitted, the data, on the NavCompt Form 2154 must be neat and legible. The worksheets may be reproduced the same size as NavCompt Form 2154. One reproduced copy will be marked original and the worksheet will be retained by the activity. Activities utilizing bookkeeping machines may use the equipment to prepare the monthly reports for each stores account. Data on the report for each stores account will be arranged as described in subpars. b and c.

b. Detail Columns. The columns captioned "Cog. fr. cond." will be considered as the detail columns. The total value of the opening and closing inventories and each financial inventory report code transaction for the reported month for each cognizance symbol will be reported within the applicable special accounting class. The data in the detail columns will be taken from the cognizance symbol control ledgers.

c. Total Column. The total value of the opening and closing inventories and each financial inventory report code transaction for the reported month for the stores account will be shown. This total will immediately follow the last detail column and will be captioned "Total". Data for the total column will be balanced to the stores account ledger.

2. REPORTING REQUIREMENTS. Activities which account for Appropriation Purchases Account and/or Navy Stock Account material will accumulate financial inventory information by financial inventory report (FIR) code in accordance with the requirements outlined in MILSTRIP/MILSTRAP, par. 05091.

Section V: MECHANIZED PROCESSING

24470 GENERAL

Utilizing procedures and formats in MILSTRIP/MILSTRAP, Chapter 5, Part A, Section II, mechanized activities will maintain ledgers, daily statements, tape, card files, and any other such files or records in such detail as is necessary to meet the financial inventory reporting requirements prescribed in MILSTRIP /MILSTRAP, Chapter 5. At the

same time mechanized activities will assure that the procedures and processes utilized and the records and files maintained are in sufficient detail to provide a clearly defined audit trail. Records and files to be processed and maintained will be determined in accordance with existing Naval Supply Systems Command and Navy Comptroller financial reporting requirements.

## PART E: PHYSICAL INVENTORY

## Section 1: GENERAL POLICY AND PROCEDURES

(Reserved)

## Section II: MANUAL PROCEDURES

(24580 to 24584 deleted.)

24585 PREPARATION OF STOCK RECORD  
CARD CLASS TRIAL BALANCE

1. TRIAL BALANCE PROCEDURE. A trial balance tape will be prepared and will be checked for totaling. Each line will be checked against the Stock Record Card (NavSup Form 766) for duplications or omissions. The trial balance total will be the adjusted class value. The trial balance tape will be forwarded to the financial inventory control section.

2. WHEN TAKEN. A stock record card trial balance will be taken for all classes each calendar year although the entire class may not have been inventoried. However, when an entire class is scheduled for the regular cyclical inventory during the same calendar year, a trial balance will not be taken until inventory has been completed for all segments of the class.

24586 ADJUSTMENT OF CLASS LEDGER  
BALANCE TO AGREE WITH  
STOCK RECORD TOTAL

1. ENTRY OF PREVIOUS ADJUSTMENT INVOICES. The adjustment invoices forwarded to the financial inventory control section in accordance with NAVSUPINST 4440.115 (series) will be processed promptly and entered in the Financial Inventory Ledgers (NavCompt Form 2153) before further action, is taken to verify the financial inventory ledger balance.

2. ADJUSTMENT OF REMAINING DIFFERENCE. After entry of the adjustment invoices as prescribed in subpar. 1, the financial inventory ledger balance will be compared with the trial balance for the class and cognizance symbol (see par. 24585),

taking into consideration the Price Change Adjustment Sheet (NavSup Form 448), Adjustment Card (NavSup Form 449), and the spot inventory adjustments, that may have accumulated in the financial inventory control section during the course of the period pending preparation of the monthly invoices as required by par. 24425-1 and 2. If there is a difference, a Requisition and Invoice Shipping Document (DD Form 1149) will be prepared for the class and cognizance symbol by the financial inventory control section control desk. This invoice will reflect the money value difference between the financial inventory ledger balance and the trial balance. If the trial balance is greater than the financial inventory ledger balance, the invoice becomes a receipt invoice, indicating the transaction as a gain by accounting adjustment. The money value again is, therefore, posted to the financial inventory ledger as a receipt by "Accounting adjustment". If the financial inventory control ledger balance is greater than the trial balance, the invoice becomes an expenditure invoice, indicating the transaction to be a loss by accounting adjustment, and the money value is posted to the financial inventory ledger as a loss by "Accounting adjustment". The gain or loss by an "Accounting adjustment" invoice will be signed by the supply officer or a formally designated assistant and forwarded by the financial inventory control section to the accounting division.

3. ADJUSTMENT OF CLASS LEDGER AT OTHER THAN INVENTORY TIME. For procedures governing adjustment of class ledgers at other than inventory time, see NAVSUPINST 4440.115 (series).

4. INVENTORIES COMPLETED ON MORE THAN ONE CLASS. For procedures when inventories are completed on more than one class, see NAVSUPINST 4440.115 (series).

### Section III: MECHANIZED PROCESSING

#### 24600 USE OF MACHINE EQUIPMENT IN PREPARING INVENTORIES

Supply activities using key punch and machine tabulating equipment for stock control may use the facilities of such equipment for inventory purposes. Pre-punched inventory count tags may be machine sorted according to location information before the count, by tag number after the count, and by stock number for reconciliation (see par. 24601).

#### 24601 PROCEDURES FOR SPOT INVENTORY

1. **GENERAL.** Spot inventories will be conducted when required as defined in NAVSUPINST 4440.115 (series). The procedures to be followed are outlined in subpar. 2.

#### 2. **PROCEDURE**

a. Stock Control Branch. The stock reviewer will prepare Request for Spot Inventory (NavSup Form 452). The original and one copy will be forwarded to the inventory division. The third copy (red freeze card) will be filed in front of the corresponding Stock Balance Card (NavSup Form 801). This will indicate that the material is frozen except for emergency issues pending completion of the spot inventory.

b. Inventory Division. The inventory division will conduct the necessary investigation and, upon determination of the quantity to be adjusted will:

1. assign a document identification number to the request for spot inventory form;
2. mark sense a blank Item Detail Card (NavSup Form 791) with the document number, quantity to be adjusted, transaction code L for gains or C for losses, and the digit "2" in the "BSCC" column;
3. write the stock number and stores account on the left portion of the item detail card;
4. file the request for spot inventory form and forward the item detail card to the stock control branch.

When it is determined that the stock records are correct and therefore no adjustment is necessary, the stock control branch will be advised so that the red freeze card may be removed from the stock review file and destroyed. Adjustment invoices requiring explanations will be prepared in accordance with par. 24425-4.

c. Stock Control Branch. The stock reviewer will offset the item detail card behind the appropriate stock balance card and destroy the red freeze card.

d. Machine Records Department. After the preparation of new stock balance cards, the item detail cards representing spot inventory adjustments (that is, digit "2" in "BSCC" column) will be selected and a duplicate deck of cards will be prepared and held for the monthly inventory adjustment invoice for each stores account, cognizance, and class.

#### 24602 PROCEDURES FOR REGULAR CYCLICAL INVENTORY

1. **STOCK INVENTORY TALLY CARDS.** The machine records department will prepare Stock Inventory Tally Cards (NavSup Forms 987) from the Stock Balance Cards (NavSup Forms 801) in advance of physical count date. The stock inventory tally card will be serially numbered by classes. When it can be determined in advance and when material is stocked in more than one location, more than one card may be made for each item. For example, two cards would be made where both bulk and retail quantities are maintained for the majority of items in the class being inventoried. For each class a certain quantity of serially numbered cards will be left blank. These cards will be used when it is impossible to determine in advance the exact number of cards required for each class. When these cards are used, the proper information will be handwritten on the card.

2. **STOCK INVENTORY TRIAL BALANCE CARDS.** The Stock Inventory Trial Balance Card (NavSup Form 986) will be prepared in duplicate by reproducing the required information from the stock balance cards. The preparation of these cards will coincide with the cutoff date of the inventory. One deck of the trial balance cards will be sent to the audit branch of the inventory division, the other deck will be held in the machine records department and

extended, quantity times unit price. The latter deck will be used as a control deck for mechanically matching against the trial balance cards returned by the inventory division. In addition, a stock list showing the required information may be prepared for the inventory division.

3. **PROCESSING BY INVENTORY DIVISION.** Stock inventory tally cards will be combined by stock number and the total count computed. When material has been expended from stock balances and not issued at the time of counting or when issues have been made and not expended from stock balances at the time of counting, the total count will be adjusted accordingly. The total count then will be compared with the on hand balance shown on the stock inventory trial balance card or stock list. Except for minor differences stock inventory tally cards with total counts not in agreement with on hand balances will be set aside as outlined in NAVSUPINST 4440.115 (series). Based on the criteria established by the supply officer in accordance with NAVSUPINST 4440.115 (series), a recount will be taken for those items not in agreement and the stock inventory tally cards will be corrected as necessary. Immediately following completion of the recount, the total count will be marked on the stock inventory trial balance cards requiring adjustment and all cards will be forwarded to the machine records department for further processing.

#### 4. PROCESSING OF STOCK INVENTORY TRIAL BALANCE CARDS

a. Not Requiring Adjustment. Stock inventory trial balance cards which do not require adjustment will be matched against the extended control deck. All matched stock inventory trial balance cards will be destroyed and the matching control cards will be held for the preparation of the trial balance. The unmatched control deck cards will be matched against the stock inventory trial balance cards requiring adjustment and any missing trial balance cards will be obtained.

b. Requiring Adjustment. The stock inventory trial balance cards requiring adjustment will be marked sense punched for the physical count. The cards will be prepared as follows:

1. The stock record balance will be multiplied by the unit price.
2. The cards will be crossfooted to obtain adjustment quantities.

3. The quantitative gains or losses will be multiplied by the unit prices to obtain monetary adjustments.

These cards then will be reproduced into Item Detail Cards (NavSup Forms 791) which will be offset behind the respective stock balance cards to adjust the on hand balances to the physical inventory count. Since certain inventory categories may represent ranges of stock (such as bureau controlled material) over which an exacting control is maintained, the supply officer may elect to complete the investigation of discrepancies before processing the adjusting detail cards. If the volume warrants, mechanized filing may be accomplished. If desired, inventory discrepancy lists may be prepared from these cards for use by the audit branch in investigating discrepancies. Following investigations of discrepancies and correction of errors, if any, on stock balance cards, stock inventory trial balance cards will be connected when necessary to reflect actual losses and gains by inventory. Adjustment invoices for net gains or net losses will be prepared as required by NAVSUPINST 4440.115 (series). Activities using mechanized equipment may submit a tabulated list in lieu of invoices when explanations are not required by par. 244254.

5. **PREPARATION OF INVENTORY TRIAL BALANCE.** The stock inventory trial balance cards that require adjustment and the matched control deck cards (see subpar. 4a) will be sorted by stock number and stores account. The machine records department will prepare a trial balance in stock number sequence showing the stores account, stock number, unit of issue, the quantity and money value of the stock card balance, and the quantity and money value of the adjustments. The trial balance will be sent to the financial inventory control section for reconciliation of the stock records and Financial Inventory Ledgers (NavCompt Form 21 53). A copy will be forwarded to the inventory division.

6. **ADJUSTMENT OF CLASS LEDGERS AT OTHER THAN INVENTORY TIME.** For procedures governing adjustment of class ledgers at other than inventory time, see NAVSUPINST 4440.115 (series).

7. **INVENTORIES COMPLETED ON MORE THAN ONE CLASS.** For adjustment procedures when inventories are completed on more than one class, see NAVSUPINST 4440.115 (series).

## PART F: STOCK REPORTING AND REPLENISHMENT

### Section I: SAFETY LEVELS AT REPORTING ACTIVITIES

#### 24700 SAFETY LEVELS OF SUPPLY

1. GENERAL. Establishment of a safety level of supply for each item in stock and the recording of such safety level of supply on the stock records, is required, except as outlined in subpar. 2, in order to insure timely interim replenishment. The method for determination of the safety level of supply of an item will be the responsibility of the individual activity, unless the inventory manager has provided guidance, since peculiarities of items and the differing supply missions of the activities make it impracticable to set forth a standard procedure applicable in all cases.

2. SAFETY LEVELS FOR SLOW MOVING ITEMS. When the reporting procedures established by a control point provide for transaction reporting of items in the slow moving category, the establishment of safety levels is not required. At nonreporting activities, and when transaction reporting procedures are not utilized at reporting activities for slow moving items, safety levels will be established except when other instructions have been issued by the inventory manager when interim replenishment is not involved. Safety levels established will not be used as the sole factor in determining the need for interim replenishment but will be considered with other elements in effecting procurement action. Consideration will be given to demand experience over an extended period and to the number and type of consumers to which the activity might be required to issue the item. Safety levels of supply determined for slow moving items will be recorded in the space "Low limit" provided on the Stock Record Card Insert (NavSup Form 768) or on the Stock Balance Card (NAVSUP Form 801).

3. SAFETY LEVELS FOR FAST MOVING ITEMS. Safety levels of supply which change with each successive replenishment review should be established for items of a replenishable or consumable nature which move relatively rapidly. Such quantity may be considered logically to be equal to the replenishable or total demand for the past period of time equal to the safety level in months. If the replenishment period is equal

to the safety level in months, the quantity will be equal to the demand recorded at the time of the last replenishment review. In this case, in lieu of recording the safety level on the stock record card insert in manual processing, the quantity already entered in the "Reportable demand" column of the stock status and replenishment card will be circled to indicate that it also is the safety level of the item. This safety level will probably change with each successive replenishment period. If the replenishment period and the safety level in months are different, this method of recording the safety level cannot be followed even though the safety level will vary with each successive replenishment period. In such case, in lieu of circling the quantity entered in the "Reportable demand" column of the stock status and replenishment card, the computed safety level preceded by the initials "SL" will be entered above the quantity.

4. USE OF SAFETY LEVELS IN MANUAL PROCESSING. At the time of posting an issue or obligation of an item to the stock records, the stock record poster should visually subtract the total outstanding obligations from the balance on hand and compare this difference with the recorded safety level of the item. As the safety level is being approached, the "Low limit" caption on the stock record card insert of the item will be marked by a distinctive colored celluloid signal. When the safety level is reached, the poster immediately will inform his stock record unit supervisor who will make the determination as to whether or not interim replenishment is required in accordance with the guides established in par. 22176.

5. USE OF SAFETY LEVELS IN MECHANIZED PROCESSING. Safety levels of supply will be established in the low limit fields of NavSup Forms 801 following the principles outlined in par. 24700. At the beginning of each work day, when new stock balance cards are being interfiled in the stock review file, stock reviewers should visually compare the on hand balance with the safety level, taking into consideration expected receipts (dues) and obligations, in order that necessary interim replenishment action may be taken when required.

## Section II: STOCK STATUS

### Subsection 1: MANUAL REPORTING PROCEDURES

#### 24723 STOCK STATUS REPORTING TEAM

1. PURPOSE. To insure timeliness and accuracy of the stock status data reported to Naval Supply Systems Command inventory control points without delaying the day to day posting operations, a stock status reporting team will be organized at each reporting activity to absorb the reporting workload during total item and active item reporting. The reporting schedules of the Naval Supply Systems Command inventory control points are designed so as to develop a fairly evenly distributed over-all reporting workload. However, it is obvious that peak reporting workloads may occur at the reporting activities in the reporting of any one class or category of material. Since the personnel charged with the responsibility of posting the stock records are reassigned to specific classes or categories of material, it has been found that the peak reporting workload for any class or category of material imposes hardships upon the assigned stock record posting personnel if they are expected to perform the stock status reporting functions in addition to their normal stock record posting duties. The result is that during these peak reporting workload periods either stock record posting is neglected causing posting delays or inaccurate posting, or the stock status reporting is neglected causing delays in submission of the reports or inaccuracies in the stock status data reported. A specifically designated stock status reporting team, moving from class to class in anticipation of the reporting schedules, permits both the posting and reporting operations to proceed with the minimum of delay and the maximum of accuracy. Also, it permits the reporting team personnel to become more adept at the correct stock status data computing procedures while posting personnel are able to concentrate more fully on correct posting procedures. At reporting activities where the reporting functions are insufficient to require the full time of personnel assigned to the reporting team, the reporting team personnel will be trained in and perform additional stock control functions. Transaction reporting may, if desired, be accomplished by stock record posting personnel at the time the transaction is recorded.

2. COMPOSITION. The reporting team will be established as a part of the stock control branch and will include a staff to perform the stock status computations and the clerical operations involved in stock status reporting. One person of the stock control branch will be designated as the head of the stock status reporting team. It will be his duty to maintain up-to-date reporting schedules of all the Naval Supply Systems Command inventory control points to which the activity reports and to train and supervise reporting team personnel in the duties described in subpar. 3.

3. DUTIES. In general, the duties of the reporting team will consist of the following:

1. compliance with the up-to-date reporting schedules of all Naval Supply Systems Command inventory control points to which the activity reports;
2. compliance with the reporting instructions in this chapter or with issuances of the various Naval Supply Systems Command inventory control points;
3. computation of "demand" (replenishable or total, as appropriate), "total outstanding obligations", "balance on hand", and "expected receipts (dues)" from the postings on the stock records maintained for the items reported to the Naval Supply Systems Command inventory control points;
4. recording of the computed stock status data to the "Stock status data" portion of the Stock Status and Replenishment Card (NavSup Form 767);
5. transcription of the computed stock status data to the reporting media used for transmission of stock status information to the Naval Supply Systems Command inventory control points;
6. verification of reporting media prior to transmission to Naval Supply Systems Command inventory control points;
7. forwarding of notification to the Naval Supply Systems Command inventory control point with the information that the stock status report has or has not been forwarded and advising of pertinent shipping or mailing information.

#### 4. COMPUTATION AND RECORDING OF STOCK STATUS DATA

a. Cutoff Entries. On the cutoff date the reporting team will make cutoff entries to the stock record cards in red ink or red pencil. Cutoff entries will be necessary only on those stock items for which action has occurred since the last cutoff date. Cutoff entries for each item are accomplished by two postings. On the Stock Record Card (NavSup Form 766) immediately beneath the most recent transaction posted, the reporting week number and fiscal year will be entered in the date column and a line will be drawn through the posting spaces to the right of this entry. Concurrently with this entry on the stock record card, the reporting week number and fiscal year will be entered in the column "Repl. per'd ending" on the "Stock status data" portion of the stock status and replenishment card. After the cutoff entries have been made to the stock records of an item, the stock poster can proceed with regular posting procedures in recording transactions affecting the item. As soon as cutoff entries have been made to the stock records of all items covered by the stock status report, the reporting team will proceed to make the required computations and recordings of stock status data in accordance with subpars. b-e.

b. Demand. The reportable demands since the last reporting cutoff date, as specified for the class or category of material being reported, will be computed by totaling the quantities of all entries in the "Reportable demand" column of the stock record card. Entries posted in red represent reductions of replenishable demand and, therefore, the co inputed total of the quantities of all entries in the "Reportable demand" column will equal the net difference between the sum of all entries posted in black and the sum of all entries posted in red. This computed total is then recorded in the column "Reportable demand" on the "Stock status data" portion of the stock status and replenishment card.

c. Total Outstanding Obligations. The total outstanding obligations will be computed by totaling the quantities of all outstanding entries in the "Quantity obligated" column of the Obligations Card (NavSup Form 771). All quantities posted to the obligations card which have not been crossed off as the result of release or cancellation of obligations will be considered as outstanding obligations and will be totaled regardless of the original posting date of the obligation. The total thus computed will be recorded in the column "Total outstanding obligations" on the "Stock status

data" portion of the stock status and replenishment card.

d. On Hand. The balance on hand will be obtained from the stock record card without computation. The last entry in the "Balance" column of the stock record card immediately above the cutoff entry will be recorded in the "Balance on hand" column of the "Stock status data" portion of the stock status and replenishment card.

e. Expected Receipts (Dues). The quantity of expected receipts (dues) will be computed from the posted information in the "Status of expected receipts" portion of the stock status and replenishment card. The amount entered in the "Quantity" column of the "Ordered" section will be totaled. The amounts entered in the "Quantity" column of the "Received" section will be totaled. After the cutoff entries, any quantities posted in the "Received" section will not be included in this total. Posters will be instructed to check such entries so that the reporting team will not include the quantities in their computations. After the computation of expected receipts has been made any such checks will be erased. The total of the "Quantity" column in the "Received" section will be subtracted from the total of the "Quantity" column in the "Ordered" section. The resulting difference will be recorded in the column "Expected receipts due" on the "Stock status data" portion of the stock status and replenishment card.

5. REQUIRED OR EXCESS NOT COMPUTED BY REPORTING ACTIVITY. In the "Stock status data" portion of the stock status and replenishment card there is a column "Required or excess". This column will be used by nonreporting activities only and will not be used by reporting activities for items on which stock status data is reported to a Naval Supply Systems Command inventory control point. The reason for this rule is that reporting activities will not compute required or excess stock for items on which stock status data is reported to a Naval Supply Systems Command inventory control point. Instead, the computation of required or excess stock will be made mechanically by the Naval Supply Systems Command inventory control point.

See Illustration 14

#### 24724 TOTAL ITEM REPORTING

1. DEFINITION. Total item reporting is defined as the reporting of all items of a particular range at the frequency prescribed in a reporting schedule of a Naval Supply Systems Command inventory control point.

2. PREPARATION OF FIELD REPORTING CARDS BY THE NAVAL SUPPLY SYSTEMS COMMAND INVENTORY CONTROL POINT. In accordance with its reporting schedule, each Naval Supply Systems Command inventory control point will prepare for each of its reporting activities which use manual stock recording procedures a Field Reporting Card (NavSup Form 804) for each item included in the stock status report submitted, for the preceding reporting cycle. In preparing the field reporting cards the Naval Supply Systems Command inventory control point will preprint on each card the item stock number, the unit of issue, the reporting activity unit identification code, the reporting week number, and any other information necessary to identify the card to the item on which stock status data is to be reported. The preprinted cards then will be assembled in "tailored decks" by the Naval Supply Systems Command inventory control point and a deck will be forwarded to each of its reporting activities using manual stock recording procedures. The term "tailored deck" means that the deck of field reporting cards forwarded to each reporting activity is tailored specifically for that activity so as to include only cards for items on which the activity reported in the corresponding stock status report of the preceding cycle. The Naval Supply Systems Command inventory control point may subdivide the tailored decks into groups for simplification in packing and processing if the number of cards in the deck warrants. A minimum of 14 calendar days will be allowed between the date the decks are forwarded to the reporting activities and the cutoff date as of which the reporting activities compute stock status.

3. TRANSMISSION OF THE TAILORED DECK. On the date on which the tailored decks of field reporting cards are forwarded to its reporting activities, using manual stock recording procedure, the Naval Supply Systems Command inventory control point will inform the reporting activities by the fastest mail service the date of forwarding the cards, the method of transmission, and other pertinent shipping or mailing information.

4. TRANSCRIPTION OF STOCK STATUS DATA TO THE REPORTING MEDIA. After computation of stock status data as prescribed in par. 24723-4 and the recording of such data on the "Stock status portion" of the Stock Status, and Replenishment Card (NavSup Form 767), the next step in the preparation of the stock status report is the transcription of the computed and recorded stock status data to the field reporting cards. The four elements of stock status data will be taken

directly from the "Stock status data" portion of the stock status and replenishment cards and transcribed manually to the corresponding hand posting blocks of the field reporting cards. In addition to stock status data, other data will be posted manually to the "Remarks" space of the field reporting card as outlined in subpars. 5 and 6 and as required in Chapter 6. Upon completion of transcription of stock status data for the items to be reported, the field reporting cards will be forwarded to the Naval Supply Systems Command inventory control point.

See Illustration 15

#### 5. DEFINITION AND PROCEDURE FOR REPORTING NEW ITEMS

a. Definition. A new item is an item which was not reported in the stock status report of the preceding cycle and which is identified by a stock number assigned by a bureau; command, office, or Naval Supply Systems Command inventory control point, or the Defense Logistics Services Center.

b. Procedure for Reporting. Each Naval Supply Systems Command inventory control point will furnish to its reporting activities using manual stock recording procedures a supply of blank field reporting cards. Normally, the only information preprinted on these cards by the Naval Supply Systems Command inventory control point is the reporting activity unit identification code. In preparation of a stock status report the reporting activity, in addition to transcribing stock status data on the field reporting cards of the tailored deck, will prepare a new item reporting card for each new item properly falling within the range of material covered by the stock status report. In reporting a new item, the reporting activity will enter the stock number, unit of issue, stock status reporting week number, and such other identifying information as is required by the Naval Supply Systems Command inventory control point on the new item reporting card. The stock status data of the new item will be computed and recorded in exactly the same manner as with other items as described in par. 24723-4 and transcribed to the new item reporting cards in the spaces provided. The new item reporting card, thus prepared, will be forwarded to the Naval Supply Systems Command inventory control point with the tailored deck. It is the responsibility of the Naval Supply Systems Command inventory control point to make every effort to include within the tailored deck prepared for forwarding to a reporting activity, a field reporting card for every new item reported by the activity on the preceding stock status report. Such

action by the Naval Supply Systems Command inventory control point will preclude the necessity for its reporting activities to submit new item reporting cards on the same item in two successive stock status reports.

#### 6. DEFINITION AND PROCEDURE FOR REPORTING UNESTABLISHED ITEMS

**a. Definition.** An unestablished item is an item which was not reported in the stock status report of the preceding cycle and which is not positively identified by a stock number, as assigned by a bureau, command, office, Naval Supply Systems Command inventory control point, or the Defense Logistics Services Center. In case of doubt of whether an item should be classed as a new item or an unestablished item, it will be considered as an unestablished item and reported accordingly.

**b. Procedure for Reporting Unestablished items.** In order for a Naval Supply Systems Command inventory control point to make use of the stock status information on an item, it is necessary that the item be positively identified by a stock number assigned by a bureau, command, office, Naval Supply Systems Command, inventory control point, or the Defense Logistics Services Center. Therefore, it is necessary that in reporting an unestablished item to a Naval Supply Systems Command inventory control point the reporting activity submit all the available descriptive and identifying information on the item. Only in this manner will the Naval Supply Systems Command inventory control point be able to assign or have assigned to the item a stock number which can be used to identify the item throughout the Navy or

throughout the supply system of the Naval Supply Systems Command inventory control point. In reporting, unestablished items to the Naval Supply Systems Command inventory control point all activities will utilize blank field reporting cards preprinted with the reporting activity unit identification code. In reporting an unestablished item, the activity will enter in the hand posting blocks on the field reporting card the stock status data on the item. In the "Remarks" space will be entered the complete nomenclature and description of the item. In addition, the following data will be entered in the appropriate blocks on the field reporting card:

1. "X" mark in the special handling block,
2. stock number under which the item is being carried,
3. unit of issue,
4. unit price at which the item is being carried locally.

If the unestablished item is a subassembly, the reporting activity also will enter in the "Remarks" space and on the reverse of the card, if necessary, the stock number of all parts of the subassembly and the quantity of the parts within the subassembly, including all available numbers such as sketch numbers (including line and page), allowance lists drawing number, or any other number under which the subassembly was received, identifying the type of number entered if possible. In addition, there will be added such information as the types of equipments on which the item is used and the date of receipt and source from which the item was received. All Naval Supply Systems Command inventory control points do not require that unestablished items be reported. Specific instructions in this regard are contained in Chapter 6.

### Subsection 2: MECHANIZED REPORTING PROCEDURES

#### 24735 STOCK STATUS REPORTING UNIT

1. **PURPOSE.** A stock status reporting unit will be established in the tabulating division of the machine records department of each activity using mechanized reporting procedures to insure timeliness and accuracy of stock status reports submitted to Naval Supply Systems Command inventory control points.

2. **COMPOSITION.** The stock status reporting unit will be comprised of such personnel as maybe required to perform tabulating and clerical reporting operations. One person of the machine records division will be designated as the head of the stock status reporting unit. It will be his duty to maintain up to date reporting schedules of all the Naval Supply Systems Command inventory control points to which the activity reports and to

dures.

3. **DUTIES.** In general, the duties of the stock status reporting unit will consist of reproducing the data punched in Stock Balance Cards (NavSup Forms 801) into Field Reporting Cards (NavSup Forms 804) for a particular range of items as specified in the reporting schedules of the Naval Supply Systems Command inventory control points, punching the reporting activity unit identification code and reporting week code in the field reporting cards, preparing a transmittal list and shipping the field reporting cards to the appropriate Naval Supply Systems Command inventory control points.

See Illustration 16

## 24736 TOTAL ITEM REPORTING

1. GENERAL. Total item reporting under mechanized procedures consists of reproducing data from Stock Balance Cards (NavSup Forms 801) into Field Reporting Cards (NavSup Forms 804) for all items within the range of items to be reported as indicated by the reporting schedule and forwarding the field reporting cards to the Naval Supply Systems Command inventory control point.

2. PREPARATION OF FIELD REPORTING CARDS. At the end of working hours on the cutoff date for reporting a range of items as listed on the reporting schedule, the stock balance cards containing these items will be delivered to the machine records department. If only certain items indicated by a reporting code are to be reported, it may be necessary to select the stock balance cards representing the se items from the deck of cards furnished by the stock control branch. When multiple stock balance cards are maintained for an item to indicate the location of material, or for any other reason, those multiple stock balance cards will be summarized in order to obtain one card containing the complete status of the item being reported. However, when summarization results in an overflow in any quantitative field, the overflow quantities will be punched into a second field reporting card and identified by an "X" control punch in column 77. By using the summary cards and the stock balance cards for the remaining items, stock status data consisting of the quantity on hand, expected receipts (dues), outstanding obligations, and demands since the previous reporting cutoff date, will be reproduced into the field reporting cards as follows:

<u>Stock balance card columns</u>	<u>Description</u>	<u>Field reporting card columns</u>
5	Codes, as applicable, such as area, plane type, defense material system card sequence number	27
6	Stores account code	28
7	Cognizance symbol	29

## Section IV: REPLENISHMENT BY NONREPORTING ACTIVITIES

## 24770 LEVELS AND SOURCES OF SUPPLY

1. LEVELS OF SUPPLY. Levels of supply for each category of material which the activity stocks will be assigned to each nonreporting activity. For most categories of material which a nonreporting activity stocks, the activity will be assigned the safety level of supply, a stockage objective, and a req-

<u>Stock balance card columns</u>	<u>Description</u>	<u>Field reporting card columns</u>
8	Material control code, if assigned	3 0
9	Condition code, if applicable	31
10-35	Stock number	32-51
36	Zone. code or pattern type, if applicable	52
38	Reporting code (A to Z) if assigned as a suffix to the federal stock number	24
39.40	Unit of issue	53-54
41-47	Quantity on hand	67-73
48-54	Expected receipts (due)	74-80
55-60	Total outstanding obligations	61.66
61.66	Demand generated during reporting cycle	55-60

Simultaneously with the reproduction of data from stock balance cards into field reporting cards, the activity unit identification code and the reporting week number will be emitted or gang punched into the field reporting cards in column 19-23 and 25-26, respectively. Necessary controls will be maintained to insure the accuracy of the information punched into the field reporting cards. This includes the elimination of credit or complement totals. Following reproduction of field reporting cards a transmittal list will be prepared.

3. PREPARATION OF NEW STOCK BALANCE CARDS. Following reproduction of data from the stock balance cards into the field reporting cards, new stock balance cards will be reproduced from the old stock balance cards with the demand field left blank. The reproduced set of stock balance cards will be filed in the stock balance card file and returned to the stock reviewer for subsequent stock recording operations. At the discretion of the reporting activity, the demand generated during the past reporting cycle may be reproduced into the low limit field of the new stock balance cards to establish a new safety level (see par. 24700).

uisioning objective. The three levels of supply will be expressed in terms of months supply and will be determined as described in par. 21056. The levels of supply assigned to nonreporting activities by each of the Naval Supply Systems Command inventory control points for the categories of material under the inventory control cognizance of those inventory control points are set forth in Chapter 6.

2. SOURCES OF SUPPLY. Each nonreporting activity will be assigned a normal source of supply for each general category of material which the activity stocks. The assignment of these normal sources of supply for categories of material under the inventory control cognizance of a Naval Supply Systems Command inventory control point will be the responsibility of that inventory control point. These assigned normal sources of supply for nonreporting activities are set forth in Chapter 6.

#### 24771 ROUTINE REPLENISHMENT CONDUCTED ON A SCHEDULED BASIS

Nonreporting activities will submit requests for routine replenishment to assigned sources of supply on a scheduled basis. This means that a nonreporting activity will conduct periodic replenishment reviews of the stock status of all items in each of the categories of material which the activity stocks; and, based on these replenishment reviews, will compute routine stock replenishment requirements and submit requests for the computed requirements to the assigned sources of supply. The assigned sources of supply in most cases will be a reporting activity for that category of material. The frequency of the periodic replenishment reviews of material which an activity stocks will be governed by the replenishment review period for that category of material; the supply demand review period being equal to the difference in months between the activities minimum on hand stock level and the maximum on hand stock level assigned for the category of material. The schedule on which the periodic replenishment reviews for a category of material are conducted will be developed by the nonreporting activity and promulgated to the supervisory personnel immediately responsible for accomplishment of the replenishment reviews.

#### 24772 USE OF ELECTRIC ACCOUNTING MACHINE CARDS IN ROUTINE REPLENISHMENT

1. GENERAL. When mutually-agreeable to a nonreporting activity and the activity designated as the normal source of supply, electric accounting machine replenishment cards may be utilized for routine replenishment of stock in lieu of the DOD Single Line Item Requisition System Document (DD Form 1348) or the Requisition and Invoice/Shipping Document (DD Form 1149). Since any procedures employed will affect only the two activities concerned, standard detailed operating procedures and electric accounting machine cards are not prescribed. However, in the development of local procedures, the general procedures prescribed in subpars. 2 and 3 will be followed.

2. FURNISHING OF A TAILORED DECK. An activity designated as a normal source of supply will furnish the nonreporting activity, if stock control operations are not mechanized, with a tailored deck of punched and interpreted electric accounting machine replenishment cards covering items normally stocked and replenished from the supporting activity. These cards will contain the cognizance symbol, material control code, stock number, a brief description, unit of issue, nonreporting activity unit identification code, and such other data as may be desired locally. A supply of cards containing only the nonreporting activity unit identification code also will be furnished to permit the nonreporting activity to request items not previously carried. Decks of replenishment cards will not be furnished to nonreporting activities with mechanized stock control operations.

#### 3. PROCESSING OF REPLENISHMENT CARDS

a. Nonreporting Activities Using Manual Procedures. After determination of the requirements as prescribed in pars. 24773 and 24774, the appropriate electric accounting machine replenishment cards will be selected and inscribed with the quantities required. When a prepunched replenishment card has not been furnished, a blank card will be annotated with the necessary information. The required quantities will be entered in the "Ordered" section of the Stock Status and Replenishment Cards (NavSup Form 767), thereby establishing expected receipts in accordance with par. 24133. The electric accounting machine replenishment cards will be forwarded to the supporting activity with a letter of transmittal citing a covering shipment request number. When mutually agreeable to both activities, the determination of requirements may be computed mechanically by the supporting activity. In this case, the nonreporting activity will inscribe stock status data on the replenishment cards in lieu of quantities required. Expected receipts will be posted to the stock status and replenishment cards upon receipt of action lists.

b. Nonreporting Activities Using Mechanized Procedures. When required by the replenishment schedule, nonreporting activities with mechanized stock control operations will reproduce work cards from the stock balance cards. Requirements will be computed mechanically utilizing the work cards and following the formula prescribed in par. 24773. After determination of requirements, replenishment cards or lists will be reproduced from the work cards and forwarded to the supporting activity citing the applicable shipment request number.

c. Supporting Activity. The supporting activity will key punch the replenishment cards and prepare separate four-part lists for items identified by different cognizance symbols, material control codes, and federal groups or classes. The lists will be processed in the same manner as other request documents following the procedures prescribed in par. 25075. When determined by the supporting activity to be more advantageous, an alternate

procedure may be employed. In this case, Item Detail Cards (NavSup Forms 791) will be reproduced from the replenishment cards. The item detail cards and the replenishment cards will be forwarded to the stock reviewers for offsetting of item detail cards and notation of action taken on the replenishment cards. Following replenishment action on all items the replenishment cards will be used to

prepare lists indicating action taken. Separate lists may be prepared to indicate items being supplied from stock, items being substituted, items obligated against material due, items passed for supply action, items being procured, and items which will not be supplied. Copies of the lists will be furnished to the nonreporting activity.

#### 24773 REPLENISHMENT FORMULA

1. DERIVATION AND APPLICATION. In conducting a replenishment review on a category of items each nonreporting activity will utilize a replenishment formula for the computation of stock requirements for routine replenishment. The standard replenishment formula that a nonreporting activity will apply to each item of stock undergoing a replenishment review will be as follows.

$$(A \times f) + B - C - D = \text{Required or Excess}$$

A--is the replenishable or total demand for the item during the past period of time equal to the activity's replenishment review period for the item (computed in accordance with par. 24774 -2 b).

f- is the replenishment factor obtained by dividing the requisitioning objective (in terms of months supply) for the item by the replenishment period for the item.

B-- is the total outstanding obligation for the item (computed in accordance with par. 24774-2c).

C--is the balance on hand of the item (determined in accordance with par. 24774-2d).

D--is the total of expected receipts for the item (computed in accordance with par. 24774-2e).

If the arithmetical computation of the replenishment formula results in a plus amount, this amount will be the quantity of the item required to bring the stocks of the item up to the requisitioning objective for the item. If the arithmetical computation of the replenishment formula results in a minus amount, this amount will be the quantity of the item which is in excess of the requisitioning objective for the item.

#### 2. EXAMPLES IN APPLICATION

a. Example 1. A nonreporting activity stock levels for an item are 3 months safety level of supply, 6 months stockage objective, and 9 months requisitioning objective. This means that the replenishment period for the item is 3 months (the difference between the safety level and the stockage objective). Therefore, the replenishable demand is computed for the past 3 months period, since the replenishment period is 3 months. For example:

1. assume the replenishable demand to be 25;
2. the replenishment factor is 3; obtained by dividing the replenishment period (3 months) into the requisitioning objective (9 months);
3. assume the total outstanding obligations to be 6;
4. assume the total balance on hand to be 30;
5. assume the total expected receipts to be 10.

Applying the replenishment formula--

$$(25 \times 3) + 6 - 30 - 10 = 41$$

the quantity of 41 is required to bring stocks up to the requisitioning objective for the item.

b. Example 2. A nonreporting activity stock levels for an item are 1 month safety level of supply, 2 months stockage objective, 4 months requisitioning objective. This would mean that the replenishment period for the item is 1 month (the difference between the safety level and the stockage objective). Therefore, replenishable demand is computed for the past 1 month period since the replenishment period is 1 month. For example:

1. assume this replenishable demand to be 11;
2. the replenishment factor is 4; obtained by dividing the replenishment period (1 month) into the requisitioning objective (4 months);
3. assume the total outstanding obligations to be 7;
4. assume the total balance on hand to be 46;
5. assume the total expected receipts to be 24.

Applying the replenishment formula--

$$(11 \times 4) + 7 - 46 - 24 = -19$$

the quantity of 19 is the amount of stock in excess of the requisitioning objective for the item.

#### 24774 PROCEDURE FOR ROUTINE REPLENISHMENT OF STOCK

1. RESPONSIBILITY FOR REPLENISHMENT REVIEW. The periodic replenishment reviews of a class or category of material, conducted in accordance with par. 24771 for determination of requirements for routine stock replenishment, will be performed within the stock control branch. Dependent upon the personnel limitations of the activity and the range of items carried, the replenishment reviews will be conducted by either a regularly assigned replenishment review team, organized similarly to the stock status reporting team described in par. 24723 or by the stock record posters assigned to the stock records of the material being reviewed. The replenishment review team is recommended, if at all possible under local conditions, since its use permits specialization by personnel.

The replenishment review team will be able to specialize in stock status data computation procedures while stock posters will be able to concentrate on correct stock record posting procedures. Regardless of whether the replenishment review is conducted by a replenishment review team or by the stock record posters, the procedures described in the following subparagraphs will be followed.

## 2. COMPUTATION AND RECORDING OF STOCK STATUS DATA

**a. Preliminary Action.** The initial step in the computation and transcription of stock status data will be the posting of cutoff entries to the stock records of each item encompassed by the replenishment review. The cutoff entries will be posted in red ink or pencil and will consist of two postings made on the stock records of each item. On the Stock Record Card (S. and A. Form 766) immediately beneath the most recent transaction posted the date of the replenishment review will be entered and a line will be drawn through the posting spaces to the right of this entry. Concurrently with this entry to the stock record card, the replenishment review date will be entered in the column "Repl. per 'd ending" on the stock status data portion of the Stock Status and Replenishment Card (S. and A. Form 767). After the cutoff entries have been made to the stock records of an item, the stock record poster may proceed with the regular posting procedures in recording transactions affecting the item. As soon as the cutoff entries have been made to the stock records of items encompassed by the replenishment review, the next step will be the computation and recording of the stock status data necessary for application of the replenishment formula. The method for computing and recording the required stock status data is outlined in subpars. b through e.

**b. Past Replenishable or Past Total Demand.** The past replenishable or past total demand will be computed by totaling the quantity of all entries made in the "Reportable demand" column of the stock record since the last cutoff entry, that is, during a past period of time equal to the replenishment period except as modified in Chapter 6. The total thus computed will be entered in the column "Reportable demand" on the stock status data portion of the stock status and replenishment card.

**c. Total Outstanding Obligations.** The total outstanding obligations will be computed by totaling the quantities of all outstanding entries in the "Quantity obligated" column of the Obligations Card (S. and A. Form 771). All quantities posted to the obligations card

which have not been crossed off as a result of release or cancellation of obligations will be considered as outstanding obligations and will be posted regardless of the original posting date of obligation. The total thus computed will be recorded in the column "Total outstanding obligations" on the stock status data portion of the stock status and replenishment card.

**d. Balance on Hand.** The balance on hand will be obtained from the stock record card without computation. The last entry in the "Balance" column of the stock record card immediately above the cutoff entry will be recorded in the "Balance on hand" column of the stock status data portion of the stock status and replenishment card.

**e. Expected Receipts.** The quantity of expected receipts will be computed from the posted information in the status of expected receipts portion of the stock status and replenishment card. The amounts entered in the "Quantity" column of the "Ordered" section will be totaled. The amounts entered in the "Quantity" column of the "Received" section will be totaled. (After the cutoff entries, any quantities posted in the "Received" section will not be included in this total. Posters will be instructed to check such entries so that the replenishment review team will not include the quantities in their computations. After the computation of expected receipts has been made any such checks will be erased. The total of the "Quantity" column in the "Received" section will be subtracted from the total of the "Quantity" column in the "Ordered" section. The resulting difference will be the expected receipts and will be recorded in the column "Expected receipts due" on the stock status data portion of the stock status and replenishment card.

**3. APPLICATION OF REPLENISHMENT FORMULA.** After the computation and recording of stock status data in accordance with subpar. 2 the next step will be the application of the replenishment formula. The replenishment formula, prescribed in par. 24773, will be applied to the stock status data recorded to the stock status and replenishment card of each item encompassed by the replenishment review, and the arithmetical computation prescribed in the replenishment formula performed. The resulting required or excess quantity thus computed will be entered in the column "Required or excess" on the stock status data portion of the stock status and replenishment card. If the quantity entered is excess it will be circled. In performing the computations of the replenishment formula, the Stock Replenishment Slip (S. and A. Form 760) will be used as prescribed in par. 24775.

### 24775 USE OF THE STOCK REPLENISHMENT SLIP FOR ROUTINE STOCK REPLENISHMENT

1. **PURPOSE.** The Stock Replenishment Slip (NAVSUP Form 760) is designed for use by non-reporting activities in determining routine stock replenishment requirements. It also maybe used as a basis for preparation of shipment requests. The stock replenishment slip provides a work sheet for computation of the replenishment formula.

2. **PREPARATION.** When preparing stock replenishment slips coincident with a replenishment review of a federal group or category of items, the reviewing personnel will proceed with the following steps:

1. Except as indicated in subpar. 3, for each item being reviewed the stock number, the stock status data computed in accordance with par. 24774-2, and the replenishment factor will be entered under the appropriate captions.
2. The replenishment formula will be applied by performing the arithmetical computation indicated on the stock replenishment slip, thus determining the required or excess quantity for each item reviewed; the computed quantity will be entered above the caption "Required or excess".
3. If the quantity thus computed is a plus amount, the quantity is required; if a minus amount, the entry will be circled to indicate the quantity is excess.
4. A stock replenishment slip number will be entered opposite the caption "Slip No." on each stock replenishment slip which has on it an item for which a requirement exists.
5. The required or excess quantities computed in items 2 and 3 will be recorded in the "Required or excess" column of the stock status data portion of the Stock Status and Replenishment Card (NAVSUP Form 767); if the quantity entered is excess, the entry will be circled.
6. The unit of issue and unit price (as taken from the Stock Record Card Insert (NAVSUP Form 768)) will be entered opposite the appropriate captions on the stock replenishment slip of each item for which a requirement is indicated; these entries will not be made for items for which excess stocks exist.

7. At top of each stock replenishment slip, the date of the replenishment review will be entered and a check made in the "Routine replenishment" block; if all items entered on a stock replenishment slip are excess, no entries are required at the top of the stock replenishment slip and, after completion of item 5, the stock replenishment slip may be destroyed.

The stock records unit poster will record an expected receipt on the NAVSUP Form 767 and place a celluloid signal over the "Ordered" caption of the stock record card insert. After posting of the expected receipts, the original of all stock replenishment slips containing an item or items for which a requirement is shown will be batched and forwarded to the person responsible for the preparation of a DOD Single Line Item Requisition System Document (DD Form 1348m). As an optional procedure, the DD Form 1348m may be typed direct from the stock status and replenishment card. In such cases the document number assigned to the DD Form 1348m will be inserted on the stock status and replenishment card in lieu of the stock replenishment slip number.

3. **PREPARATION OF STOCK REPLENISHMENT SLIP NOT REQUIRED FOR ALL ITEMS.** At the time of a replenishment review on a class or category of items, it will be found that for many items the demand, total outstanding obligations, and expected receipts are zero and that the balance on hand is the same as was recorded during the preceding replenishment review. In such cases it is obvious that the application of the replenishment formula will result in an excess quantity equal to the balance on hand. It would be a useless expenditure of effort to prepare a stock replenishment slip for such items, since all that is necessary is to record in the "Required or excess" column of the stock status and replenishment card a circled quantity equal to the quantity entered in the "Balance on hand" column.

See Illustration 18

### 24776 USE OF REQUEST FOR CONTRACTUAL PROCUREMENT FORM FOR STOCK REPLENISHMENT

1. **PURPOSE.** The Request for Contractual Procurement (NAVCOMPT Form 2276) will be used for transmitting stock replenishment

requirements to the purchase branch. This form is composed of an eight part set designed for use in effecting the procurement of material, for delivery of the material to the storehouse, for use as a material inspection report, and for takeup of the material in stock and financial records.

2. **PREPARATION AND DISTRIBUTION.** The NAVCOMPT Form 2276 will be prepared in an original and seven copies. To expedite purchase action, it is recommended that only one item be listed on this form. However, additional similar items may be included. The NAVCOMPT Form 2276 will be serially numbered at the time of preparation. In determining the quantity required, the replenishment formula contained in par. 24773 will be utilized or the quantity required may be determined from use of the stock tables. The stock reviewer will complete that portion of the form designated "Stock control action". The quantity ordered will be reflected as an expected receipt in the stock records. One copy of the request may be retained for record purposes. Upon completion of stock control action, the NAVCOMPT Form 2276 will be forwarded to the applicable office responsible for the maintenance of the target allotment records and for completion of the "Accounting data" portion of this form. After the accounting data has been inserted, one copy of the NAVCOMPT Form 2276 will be forwarded to the fiscal department. The original and the remaining copies will be forwarded to the purchase branch for appropriate action. For purchases made under the imprest fund, blanket purchase agreement, or delivery orders under contract, the preparation of additional documents will not be required. Necessary procurement data will be entered by the pur-

chase division and the document forwarded to the imprest fund cashier or to the receipt control branch for use in processing the material after receipt. The receiving checker will indicate the quantity received and the quantity accepted in the "Inspection report" section of the NAVCOMPT Form 2276. One copy may be removed for use by the purchase division. One copy will be returned to the stock control branch with the purchase action indicated thereon. When purchase is made under other than the imprest fund, blanket purchase agreement, or delivery orders under contract, the appropriate purchase document will be prepared in accordance with Field Purchasing.

#### 24777 REPORTS OF EXCESS STOCKS

The electric accounting machine Field Reporting Card (NAVSUP Form 804) or lists of potential procurement items prescribed in par. 26006 will be annotated by the nonreporting stock point as directed by the Naval Supply Systems Command inventory control point and returned direct to the cognizant Naval Supply Systems Command inventory control point. Excess at nonreporting stock points in the United States except Alaska and Hawaii for potential procurement items will be determined as prescribed in pars. 24773 and 24774, modified to provide stock point retention of six months stock in addition to the requisitioning objective quantity and planned requirements including mobilization reserve stock authorized by the Chief of Naval Operations. Excess at overseas stock points will be the quantity excess to the retention limit prescribed by the cognizant fleet command or Naval Supply Systems Command inventory control point (see par. 24820-2).

### Section V: REPORTING OF EXCESS OR OBSOLETE MATERIAL

#### 24820 APPLICABILITY

1. **FIELD ACTIVITIES.** All personnel responsible for Navy material stocks will assure on a continuing basis that material which is excess to shop, department, or dependent activity requirements is returned to the inventory of the appropriate supply department or supply activity for reporting to the proper inventory manager or for local disposition as authorized by existing directives. Although this function is properly delegated to department

heads within an activity, it is the ultimate responsibility of commanding officers and officers in charge to assure that this action is carried out on a continuing basis and in an aggressive manner by all activity departments including but not limited to the supply department. Normally, recommendations by designated reporting supply departments or supply activities to inventory managers for the movement or disposal of local excesses or obsolete stocks will not be made when the material is already being reported to inventory managers on a periodic basis.

- and disposition instructions for the material have not been received from an inventory manager in a reasonable time;
5. the quantity on hand of material of a deteriorative nature is in excess to that quantity which can be utilized locally prior to the expiration of shelf life.

2. **EXCESS MATERIAL AT PACIFIC BASES.** Naval Supply Systems Command inventory control points except the Navy Aviation Supply Office will establish retention limits for material under their cognizance at Pacific bases. Retention limits will be set as the requisitioning objective, quantity plus planned requirements, including mobilization reserve stocks authorized by the Chief of Naval Operations and six months expected demand. Material at an activity in excess of this retention limit will be available as follows:

1. for reporting and redistribution within a Pacific area command,

## Section VI: RETENTION LIMITS FOR FIELD CONTROLLED MATERIAL

### 24830 SCOPE

1. **GENERAL.** Retention limits will be computed for all field controlled material, including Navy retail stock points holding clothing, subsistence, and medical material, with the following exceptions:

1. materials reported to inventory control points for central management,
2. bulk fuels controlled by the Navy Fuel Supply Office,
3. gases controlled by the Naval Facilities Engineering Command.

Activity retention limits for nonreporting Pacific Ocean area activities are contained in par. 24820-2,

2. **INDEFINITE SHELF LIFE MATERIAL.** The retention limit for an item with an indefinite shelf life will be the sum of:

1. safety level plus order and shipping time or the procurement lead time as appropriate, and the authorized level of mobilization reserve stocks (establish only by authority of cognizant inventory control point);
2. operating level;

2. for reporting to the cognizant Naval Supply Systems Command inventory control point, office, or agency for subsequent local disposal reporting for centralized screening or return to United States except as prescribed in par. 26006 and the applicable parts of Chapter 6.

Upward or downward revision of the retention limit may be permitted when one or more of the following conditions exist:

1. The item is of a deteriorative nature.
2. The item is classified as an insurance item by the stock point.
3. The item appears on a base load list to support fleet loads.
4. There are insufficient appropriate storage facilities for the item. The item is a terminal item.
5. Stock status on the item is reported to the inventory manager.

3. planned requirements;
4. obligations;
5. six months total demand.

3. **SHORT SHELF LIFE MATERIAL.** The retention limit for a short shelf life item (less than five years) will be the greater of:

1. the sum of the safety level plus order and shipping time or the procurement lead time as appropriate, prepositioned war reserve stock when identified, operating level, planned requirements, and obligations; or
2. the annual demand times the shelf life in years.

### 24831 REVIEW OF STOCK RECORDS

Items will be reviewed annually, on a scheduled basis, to redetermine the appropriate retention limit. However, an item need not be reviewed if it has been replenished in the preceding 12 month period. Material on hand in excess of this retention limit will be disposed of or reported as prescribed by the cognizant inventory control point.

However, special recommendations are considered proper and necessary when:

1. slow moving or bulky material which, if moved or disposed of would eliminate or reduce a storage problem and add materially to the efficiency of the activity or department operations;
2. material is returned to supply department or supply activity inventories which is of particularly high unit or total cost, is bulky, or is in such quantity that it is considered by the supply department or supply activity to warrant a special recommendation to the inventory manager;
3. material which because of its continued inactivity and obviously obsolete or antiquated nature, appears to have been overlooked by an inventory manager;
4. the material is peculiar to, or held for, ships, aircraft or equipments which have been designated for final disposal

## PART G: RECORDING AND REPORTING OF SPECIAL MATERIAL

### Section 1: MATERIAL IN STORE IN UNFIT FOR ISSUE CONDITION

#### 24925 SCOPE

1. GENERAL. This section covers the inventory control of material in store in an unfit for issue condition requiring repair. It is mandatory that inventory managers not only have knowledge of all items subject to repair, but that procedures be established by which such items can be responsibly and economically repaired or by which repair dollars are not expended for the repair of unneeded assets.

2. PREREQUISITES OF INVENTORY CONTROL. Repairable items may vary from small components requiring minor repair functions to large or intricate assemblies requiring specialized processing at established repair facilities. Regardless of the type or degree of repair necessary, it is the

responsibility of the cognizant inventory manager to determine which items of supply are subject to repair and to establish channels for the repair of such items when the repair is beyond the capability of the holding activity.

3. MASTER REPAIR LIST (MRL). Inventory managers will publish and update quarterly a Master Repair List or its equivalent to advise customer activities of those items which are to be returned to the supply system upon reaching a not ready for issue condition. The Master Repair List will contain, as a minimum, the elements of data prescribed in MILSTRIP/MILSTRAP, par. 02200.

4. MATERIAL CONDITION CODES. Material held in store but not ready for issue will be designated by the assignment of one of the following material condition codes:

<u>Code</u>	<u>Title</u>	<u>Definition</u>
A	Serviceable (issuable without qualification)	New, used, repaired, or reconditioned material which is serviceable and issuable to all customers without limitation or restriction. Includes material with more than 6 months shelf-life remaining.
B	Serviceable (issuable with qualification)	New, used, repaired, or reconditioned material which is serviceable and issuable for its intended purpose, but which is restricted from issue to specific units, activities, or geographical areas by reason of its limited usefulness or short service-life (3 to 6 months shelf-life remaining expectancy).
C	Serviceable (priority issue)	Items which are serviceable and issuable to selected customers, but which must be issued before condition codes A and B material to avoid loss as a usable asset. Applicable to Navy provisions only. Includes material with less than 3 months shelf-life remaining.
D	Serviceable (test modification)	Serviceable material which requires test, alteration, modification, conversion, or disassembly; (does not include items which must be inspected or tested immediately prior to issue).
E	Unserviceable (limited restoration)	Material which involves only limited expense or effort to restore to serviceable condition and which is accomplished in the storage activity where the stock is located.
F	Unserviceable (repairable)	Economically repairable material which requires repair, overhaul, or reconditioning (includes repairable items which are radioactively contaminated).
G	Unserviceable (incomplete)	Material requiring additional parts or components to complete the end item prior to issue.
H	Unserviceable (condemned)	Material which has been determined to be unserviceable and does not meet repair criteria (includes items which are radioactively contaminated).

Code	Title	Definition
J	Suspended (in stock)	Material in stock which has been suspended from issue pending condition classification or analysis, when the true condition is not known.
K	Suspended (returns)	Material returned from customers or users and awaiting condition classification.
L	Suspended (litigation)	Material held pending litigation or negotiation with contractors or common carriers.
M	Suspended (in work)	Material identified on inventory control record, but which has been turned over to a maintenance facility or a contractor to be repaired.
N	Suspended (ammunition suitable for emergency combat use only)	Ammunition stocks suspended from issue except for emergency combat use.
P	Unserviceable (Reclamation)	Material determined to be unserviceable, uneconomically repairable as a result of physical inspection, tear down or engineering decision. Item contains serviceable components or assemblies to be reclaimed.

5. PROCEDURES, Detailed procedures outlined in MILSTRIP/MILSTRAP will be followed in processing and accounting for repairable items.

## Section II: PROCEDURES FOR COGNIZANCE SYMBOL I MATERIAL

### 24942 PLANNED REQUIREMENTS

1. GENERAL. Planned requirements for cognizance symbol I material may be established by either the Naval Publications and Forms Center, Philadelphia, or by a stock point. Requirements for specific mobilization reserve stocks and fleet issue load list resupply stocks will be established and canceled only as directed by the Naval Publications and Forms Center, Philadelphia.

2. ESTABLISHMENT. Planned requirements generated locally will be established by cognizance symbol I stock points in accordance with para. 24253. Requirements for specific mobilization reserve stocks and fleet issue load lists will be established by the Naval Publications and Forms Center, Philadelphia, in accordance with subpar. 3.

3. SPECIFIC PROGRAMS. Item Detail Cards (NavSup Forms 791) will be furnished by the Naval Publications and Forms Center, Philadelphia, for the establishment of planned requirements for specific mobilization reserve stock and fleet issue load list resupply stock. In all cases the NavSup Form 791 will reflect transaction code F and will be punched in the format prescribed in subpar. 7. Planned requirements will not be established on the basis of a Change Notice (NavSup Form 796) received from the Naval Publications and Forms Center, Philadelphia, even though the action indicated provides for the introduction of a new item to replace another item for which a planned requirement is held.

### 4. RECORDING AND REPORTING PROCEDURES

a. General. Stock points may record planned requirements separately from obligations or combined with obligations in the Stock Balance. Cards (NavSup Forms 80 1). The reporting of planned requirements will be accomplished on a cyclic basis at the time of submission of quarterly stock status reports. Activities operating under reorder point replenishment procedures will report planned requirements concurrently with the submission of replenishment requests.

b. Separate Reporting of Planned Requirements. With the exception of the reporting of specific mobilization reserve stocks and fleet issue load list resupply stocks, as explained in subpar. c, placed requirements will be reported separately from obligations by stock points. When planned requirements are included in the obligations field of the NavSup Form 801 as authorized by subpar. a, total obligations will be reduced by subtracting total planned requirements when stock status is reported to the Naval Publications and Forms Center, Philadelphia. Obligations reported. will not include planned requirements.

c. Combined Reporting of Planned Requirements. Planned requirements for specific mobilization reserve stocks and fleet issue load list resupply stocks will be combined with obligations for reporting purposes. Requirements for these two programs

will be summarized into the obligations field of the reporting card when submitting stock status information to the Naval Publications and Forms Center, Philadelphia.

5. RESTRICTION ON ISSUES OF PLANNED REQUIREMENTS. Issues of planned requirements which have been established for specific mobilization reserve stocks will be made only as authorized by the Chief of Naval Operations or by the Commander, Naval Supply Systems Command.

6. CANCELLATION OF PLANNED REQUIREMENTS. A locally established planned requirement may be canceled in accordance with MILSTRIP/MILSTRAP, par. 02143. When a planned requirement which was established by the Naval Publications and Forms Center, Philadelphia, for an item is terminated because of program changes, a NavSup Form 791 punched in the format prescribed by subpar. 7 and reflecting transaction code G will be furnished planned requirements also will be canceled or modified on the basis of NavSup Forms 796 received from the Naval Publications and Forms Center, Philadelphia, which reflect the following type change codes:

C4	DM	RA	Z1
C5	DN	RF	Z3
C6	DØ		Z9
CW			

7. COLUMNAR ARRANGEMENT OF ITEM DETAIL CARDS (NAVSUP FORMS 791)

a. Forms. The columnar arrangement of NavSup Forms 791 provided by the Naval Publications and Forms Center, Philadelphia, for the establishment or cancellation of a planned requirement for forms will be as follows:

<u>Card column</u>	<u>Item description</u>
1-2	Blank
3	Transaction code
4-5	Blank
6	Account code ( 1 )
7	Cognizance symbol I
8	Material control code
9	Blank

<u>Card column</u>	<u>Item description</u>
10-22	Ordering number
23-35	Description and revision date
36-40	Blank
41-42	Stock point code
43	Purpose code (E for mobilization reserve stock; L for load list)
44-55	Blank
56-61	Quantity
62-69	Blank
70-72	Date
73	Numeric X punch
74	Blank
75	Numeric X punch
76-80	Unit price (X over 79)

b. Publications. The columnar arrangement of NavSup Forms 791 for the establishment or cancellation of a planned requirement for publications will be punched in the following format:

<u>Card column</u>	<u>Item description</u>
1-2	Blank
3	Transaction code
4-6	Blank
7	Cognizance symbol I
8	Material control code
9	Publication code "P"
10-11	Second and third digit of prefix code
12-19	publication number
20-24	Descriptive code
25-27	Revision date
28-34	Prefix
35	First digit of prefix code
36-40	Blank
41-42	Stock point code
43	Purpose code (E for mobilization reserve stock; L for load list)
44-55	Blank
56-61	Quantity
62-69	Blank
70-72	Date
73	Numeric X punch
74	Blank
75	Numeric X punch
76-80	Unit price (X over 79)

### Section III: PROCEDURES FOR COGNIZANCE SYMBOL 9M MATERIAL

#### 24975 EMERGENCY FEEDING

1. FOOD PACKETS. A food packet is a short-term source of nourishment for use in special emergency situations. It consists of prepared foods selected for maximum nutrition and minimum weight and bulk. The types of food packets authorized for use by the Navy are listed in subpars. 2 and 3.

Other food packets will be requisitioned only as required for survival situations.

2. ABANDON SHIP SURVIVAL ITEMS. Abandon ship survival items include the following:

1. food packet, abandon ship;
2. watertight case for food packet, abandon ship;

3. canned drinking water;
4. watertight case for canned drinking water.

Items 1-4 are used in lifesaving equipment aboard ships and will be stocked only by activities providing support to afloat units.

**3. AIRCRAFT EMERGENCY FOOD PACKETS.** The following food packets will be stocked by activities providing support to aircraft operating over areas where survival foods may be required:

1. food packet, survival, aircraft, life raft, individual, is used only in life rafts aboard aircraft;
2. food packet, survival, general purpose, individual, is placed aboard aircraft operating over any land area where survival feeding may be necessary.

**4. REQUISITIONING.** Emergency food packets will be requisitioned through the normal supply channels for semiperishable food items. Emergency food packets are consumed only in case of emergencies; therefore, only minimum stocks will be carried by activities providing support to ships and aircraft, as applicable. Other activities will not stock emergency food packets.

#### 5. ACCOUNTING

**a. Stock.** Emergency food packets will be carried in the Navy Stock Account or under the appropriation, Military Personnel, Navy, as applicable.

**b. Issues to Navy.** When emergency food packets and watertight cases are issued to Navy ships or aircraft they will be expended to appropriation, Military Personnel, Navy, subhead .2241, functional account 73150. Issues of canned drinking water and watertight cases for canned drinking water will be expended to appropriation, Operation and Maintenance, Navy, subhead .2410, functional account 13000 except when expended to station operation and maintenance funds in accordance with the Navy Comptroller Manual, par. 024102-2.

**c. Issues to the Marine Corps.** Issues of aircraft emergency food packets from the Navy Stock Account to Marine Corps aircraft will be expended to the appropriation, Military Personnel, Marine Corps, subhead .2741, bureau control number 31690, and functional account 73150. The DOD Single Line Item Release/Receipt Document (DD Form 1348-1) will be used as the expenditure document and a receipt for the food packets will be obtained on the original which will be retained by the supply officer. Bureau, command, or office copies of vouchers and issue docu-

ments will be forwarded to the Commandant of the U.S. Marine Corps. When aircraft emergency food packets are issued to the Marine Corps from the appropriation, Military Personnel, Navy, a copy of the expenditure document will be forwarded to the Navy Food Service Systems Office for use in billing the Marine Corps.

#### 24976 PACKAGED OPERATIONAL RATIONS

##### 1. OPERATION REQUIREMENTS

**a. General.** Combat meals, individual, and any other authorized packaged operational rations may be stocked and issued to supported activities and enlisted dining facilities for use by personnel participating in landing operations or field exercises, or for use as battle rations. Rations stocked for these purposes will be carried in the Navy Stock Account or the appropriation, Military Personnel, Navy, as applicable, in the same manner as other food items. Stocks will be limited to operational and support requirements and will be rotated by replenishable demand.

##### b. Documentation

**(1) Issues to Navy.** When issued for use by Navy personnel, packaged operational rations will be expended to the appropriation, Military Personnel, Navy, subhead .2241 and functional account 73150. A DOD Single Line Item Release/Receipt Document (DD Form 1348-1) will be used as the expenditure document.

**(2) Issues to Other Services.** When issued for use by personnel of another service located at a Navy activity, packaged operational rations will be expended on a DD Form 1348-1. A receipt for the rations will be obtained on the original of the expenditure document which will be retained by the supply officer.

**(3) Reporting Issues.** Activities will report the value of issues of packaged operational rations on the Financial Inventory Report (NavCompt Form 2154). When the issue is made to personnel of another service from the appropriation, Military Personnel, Navy, a copy of the expenditure document will be forwarded to the Navy Food Service Systems Office for use in billing the receiving service.

**2. EMERGENCY FEEDING PLANS.** Packaged operational rations and any semiperishable food items authorized for use in Navy enlisted dining facilities are authorized for use in emergency feeding plans. Food items stocked to support emergency or local disaster feeding plans will not be carried in

the Navy Stock Account nor under the appropriation, Military Personnel, Navy, subhead . 2241. If food items are required to support such plans, they will be requisitioned only upon approval of and with ultimate charge to funds allocated by the responsible primary support bureau, command, or office. Rotation of such stocks will be the responsibility of the primary support bureau, com-

mand, or office; they cannot be returned to store for credit.

3. OTHER ISSUES, TRANSFERS, AND SALES. Issues, transfers, and sales of packaged operational rations will be handled and documented in the same manner as those of other food items except as provided in subpars. 1 and 2.

## PART H: ILLUSTRATIONS

24995 STOCK MANAGEMENT AT FIELD  
SUPPLY POINTS ILLUSTRATIONS

The following illustrations are to be used as a guide for the proper preparation of printed forms covering stock management at field supply points:

- |   |  |
|---|--|
| 1. Stock Record Forms   | 15: Transcription of Stock Status Data to the Field Reporting Card |
| 2. Recording Adjustments for Material Received at Other Than Standard Price | 16. Stock Reporting  |
| 3.  | 17.  |
| 4. Recording Adjustments Due to Standard Price Changes                      | 18. Use of Stock Replenishment Slip by Stock Control Branch        |
| 5.  | 19.  |
| 6. Posting Expenditures   | 20.  |
| 7.  | 21.  |
| 8.  | 22.  |
| 9.  | 23.  |
| 10.   | 24.  |
| 11.   | 25.  |
| 12.   |  |
| 13.   |  |
| 14. Computation and Recording of Stock Status Data                          | 26.  |
|   | 27.  |



# RECORDING ADJUSTMENTS FOR MATERIAL RECEIVED AT OTHER THAN STANDARD PRICE

SHIPPING COR. TANKER TALLY 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

**MATERIEL INSPECTION AND RECEIVING REPORT** M-56197-10

1. OFFICE ADMINISTERING CONTRACT: INM, NEWARK, N. J.

2. INSPECTION OFFICE: QAOD., USASSA, PHILA., PA.

3. AGENCY PLACING ORDER OR SUPPLIER—CITY—STATE: U. S. NAVY ELECTRONICS SUPPLY OFFICE, GREAT LAKES, ILL.

4. NAME OF PRIME CONTRACTOR—CITY—STATE: MIDWAY ELECTRIC SUPPLY CO., INC., NEW YORK, N. Y. 10007

5. MANUFACTURER OR WORKHOUSE SHIPPED FROM—CITY—STATE: HATFIELD WIRE & CABLE DIVISION, HILLSIDE, N. J.

6. F.O.B. DESTINATION: F.O.B.

7. CREDIT VOUCHER OR FILE NO.

8. PRIME CONTRACT OR P. O. NO.: N00126-67-D-1234

9. SUPPLEMENTS AND CHANGE ORDERS: P001

10. ORDER NO. OR SUPPLIER: 14

11. PROC. DIR. OR REQUISITION NO.: 00126-7-161016

12. SHIPMENT ORDER NO.

13. SHIPMENT NUMBER OR CONTRACT: 5

14. GROSS WEIGHT: 252

15. NET WEIGHT:

RECEIVING OFFICER: NAVAL STATION, BROOKLYN, N. Y.

16. DATE SHIPPED: 5-13-67

17. F.O.B. NUMBER: COMMERCIAL

18. U.S. REGISTRATION NO.

19. CAN. NO.

20. ROUTING: SERVICE

CONTRACT ITEM NUMBER	STOCK AND/OR PART NUMBER AND DESCRIPTION OF ARTICLES	UNIT OF MEAS.	QUANTITY SHIPPED	QUANTITY RECEIVED	UNIT COST	TOTAL COST
6	N-6145-260-8819 CABLE, POWER, ELEC'L, SHORE USE, BLDG. CABLE, 600V., THERMOPLASTIC INSULATED, NONMETALLIC SHEATHED, TYPE NM, GRADE III, CLASS 1, FED. SPEC. J-C-94, 14 AWG., 2/CONDR., SOLID, W/GROUND, 250 FT. COILS. PACKED IN CARTONS 4-CARTONS NUMBERED 1 TO 4	FT	1,000		.0245	\$ 24.50
7	N-6145-260-8820 CABLE, POWER, ELEC'L, SHORE USE, BLDG. CABLE, 600V., THERMOPLASTIC INSULATED, NONMETALLIC SHEATHED, TYPE NM, GRADE III, CLASS 1, FED. SPEC. J-C-94, 12 AWG., 2/CONDR., SOLID, W/GROUND, 250 FT. COILS. PACKED IN CARTONS 10-CARTONS NUMBERED 5 TO 14	FT	2,500		.03	75.00

INDICATE NATURE OF ADJUSTMENT

OR

PERFORM ADJUSTMENT ON PRICE CHANGE ADJUSTMENT SHEET

APPROPRIATION: 1744911.2320 NAVY STOCK FUND

INVOICE NUMBER: NRFC, BROOKLYN, NEW YORK

CLASS-CODE: 6145

ACQUANT: 51000

Signature: Salvatore Laico, SALVATORE LAICO, QAR., SIG.C.

DATE: 20-67

STOCK NO.: N-6145-260-8819

TYPE OF ADJUSTMENT: PURCHASE VARIANCE

INVENTORY: PURCHASE VARIANCE 5 50

STANDARD PRICE ADJUSTMENT: 5 50

ADJUSTMENT CARD

COMPUTE AND ENTER GAIN (OR LOSS) ON FACE OF ADJUSTMENT CARD (S. & A. FORM 449)

PRICE CHANGE ADJUSTMENT SHEET (7323) NAVSUP FORM 988 (REV. 5-66)

STORES ACCOUNT: MAY '67

ACCOUNTING PERIOD: MAY '67

TYPE OF ADJUSTMENT: PURCHASE VARIANCE

DOCUMENT OR SOURCE	STOCK NO.	U/I	CARRYING PRICE	OTHER PRICE	DIFFERENCE	QTY.	GAIN	LOSS
N00126-67-D-1234	N-6145-260-8819	FT	.03	.0245	.0055	1,000	5.50	

ILLUSTRATION 2

# RECORDING ADJUSTMENTS DUE TO STANDARD PRICE CHANGES

STANDARD PRICE SUPPLEMENT,  
STOCK LIST CATALOG BULLETIN,  
CHANGE NOTICE CARD, OR  
OTHER PRICE PUBLICATION  
PROVIDES SOURCE OF CHANGE

A/C	NSA	APA	STOCK NO.	DATE
X			925340-281-2193	5/17/67
TYPE OF ADJUSTMENT		GAIN		LOSS
INVENTORY				
STANDARD PRICE ADJUSTMENT		275.20		
ROUNDING-OFF UNIT PRICES				
Reference:			SEE REVERSE FOR DETAILS	
CAT. Bull. #58				
ADJUSTMENT CARD				
NAV. S. AND A. FORM 449 (REV. 9-51)				

ENTER QUANTITY ON HAND AND OLD UNIT PRICE AT TIME OF PRICE CHANGE

COMPUTE AND ENTER GAIN (OR LOSS) ON FACE OF ADJUSTMENT CARD (S.&A. FORM 449)

INVENTORY ADJUSTMENT	QUANTITY ON STOCK CARD	INVENTORY COUNT		
STANDARD PRICE ADJUSTMENT	GAIN <input type="checkbox"/> LOSS <input type="checkbox"/>			
	QUANTITY ON STOCK CARD	688 EA	2.50	1,720.00
	QUANTITY RECEIVED			
	ON HAND AND RECEIVED			
ROUNDING-OFF UNIT PRICES	NEW PRICE	2.90	1,995.20	
	GAIN <input checked="" type="checkbox"/> LOSS <input type="checkbox"/>			275.20

OR

ENTER NEW PRICE FROM CHANGE DOCUMENT

PERFORM ADJUSTMENT ON PRICE CHANGE ADJUSTMENT SHEET

PRICE CHANGE ADJUSTMENT SHEET (7323) NAVSUP FORM 448 (REV. 5-66)				STORES ACCOUNT		ACCOUNTING PERIOD		
				<input checked="" type="checkbox"/> NSA <input type="checkbox"/> APA		5/17/67		
TYPE ADJUSTMENT				OTHER (Specify)		COG. SYMBOL		COND. CODE
<input type="checkbox"/> PURCHASE VARIANCE <input checked="" type="checkbox"/> STANDARD PRICE ADJ.						92		F/A
DOCUMENT OR SOURCE	STOCK NO.	U/I	CARRYING PRICE	OTHER PRICE	DIFFERENCE	QTY.	GAIN	LOSS
CAT. BULL. #58	925340-281-2193	EA	2.90	2.50	.40	688	275.20	

ILLUSTRATION 4

# POSTING EXPENDITURES

STOCK NO. 9C 6210 270 4708				CARD NO.			
AJLIAM DATE	DOCUMENT NO.—RECEIVED FROM/ISSUED TO RECEIPTS REQ./ISSUES BLANK	REPORTABLE DEMAND	OTHER ISSUES	AJLIAM DATE	OTHER REC'S/REC'TS	BALANCE	BALANCE
288	BAL. F'W'D FROM CARD NO.	80				270	
293	0129632840002	20				250	
298	4140032920001		50			200	
303	0022832920004		200			0	
309	519062102704709		30				
BALANCE CARRIED TO REVERSE SIDE							

STOCK RECORD CARD—NAV. S. AND A. FORM 766 (REV. 12-62)

REPORTABLE ISSUE TO A SHIP

REPORTABLE DEMAND FOR CURRENT REPORTING PERIOD BROUGHT FORWARD FROM CARD 2

S. AND A. FORM 766

ON HAND BALANCE BROUGHT FORWARD FROM CARD 2

NONREPORTABLE ISSUE TO A SHOP

TRANSFER TO ANOTHER REPORTING ACTIVITY POSTED AS A NONREPORTABLE ISSUE

MEMORANDUM RECORD OF REPORTABLE DEMAND MADE WHEN ANOTHER ITEM WAS ISSUED AS A SUBSTITUTE

ILLUSTRATION 6

# COMPUTATION AND RECORDING OF STOCK STATUS DATA

STOCK NO. **Z 3020 517 4716** CARD NO. **2**

STOCK STATUS DATA						STATUS ORDER		OF EXPECTED RECEIPTS		
DATE	QUANTITY	INITIAL	STATUS	REMARKS	REORDER	DATE	QUANTITY	DATE	QUANTITY	DATE
074	200	80	C	180	250	260	230	106	80	
165	250	100	C	340	510	593	3093007	181	80	
250	330	425	C	20	450	171	00138	185	80	
						258	3238000	187	80	

**CUT OFF ENTRY**

**QUANTITY OF EXPECTED RECEIPTS OF 450 COMPUTED BY TOTALING AMOUNTS ENTERED IN THE "QUANTITY" COLUMN OF THE "ORDERED" SECTION AND SUBTRACTING TOTAL OF THE AMOUNTS ENTERED IN THE "QUANTITY" COLUMNS IN THE "RECEIVED" SECTION: 650 - 200 = 450. THE TOTAL OF 450 THUS COMPUTED THEN IS RECORDED IN THE "EXPECTED RECEIPTS (DUE)" COLUMN ON THE STOCK STATUS DATA PORTION**

S. AND A. FORM 767

STOCK NO. **Z 3020 517 4716** CARD NO. **3**

DATE	ACTIVITY	REGISTRATION OR STATUS NO.	PHI.	700	QUANTITY	REPORTABLE DEMAND	REPORTABLE DEMAND	REPORTABLE DEMAND	BALANCE
102					350	151	N195 12345		350
106					340	163	08025 315 0002	40	340
					400	24			400
					390	172	5403531700014	80	260
					350	182	44125 31490021	100	160
					370	221	03636 3219 0004	140	20
					340	224	00417 3220 0016	10	10
					300	227	04627 3225 0003	60	10
					290	232	04627 3229 0002	60	10
227	04627	32250003			270	238	00138 3171 0004	200	210
232	04685	32290002			240	238	04627 3225 0003	20	190
255	04635	32530005			310	238	04685 3229 0002	20	170
257	03232	32500004			280	245	04441 3244 0014	140	30
250	01918	32240003			260	255	04635 3253 0005	50	30
					250	37			250
					230				230
					380				380
					340				340
					280				280

**CUT OFF ENTRY**

**ENTERED**

**TOTAL OUTSTANDING OBLIGATIONS OF 425 COMPUTED BY TOTALING QUANTITIES OF ALL OUTSTANDING ENTRIES IN THE "QUANTITY" COLUMN OF THE OBLIGATIONS CARD. THE TOTAL OF 425 THUS COMPUTED IS THEN RECORDED IN THE "TOTAL OUTSTAND. OBLIGATIONS" COLUMN ON THE STOCK STATUS AND REPLENISHMENT CARD**

**PAST THREE MONTHS REPORTABLE DEMAND OF 330 COMPUTED BY TOTALING THE QUANTITIES OF ALL ENTRIES MADE IN THE "REPORTABLE DEMAND" COLUMN FOR PAST THREE MONTHS. THE COMPUTED TOTAL OF 330 IS THEN RECORDED IN THE COLUMN "REPORTABLE DEMAND" ON THE STOCK STATUS DATA PORTION OF THE STOCK STATUS AND REPLENISHMENT CARD**

S. AND A. FORM 766

ILLUSTRATION 14



**STOCK REPORTING**

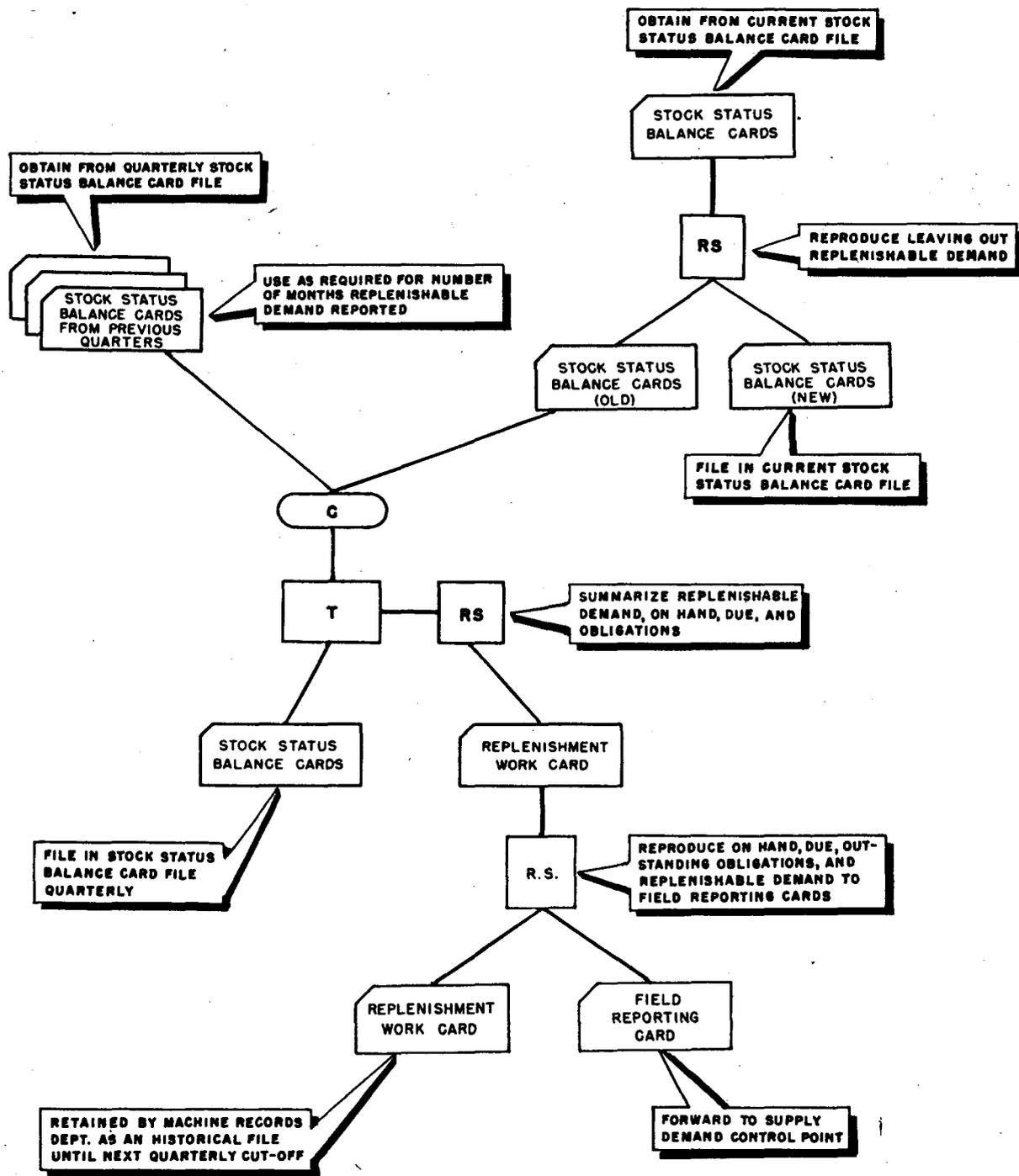


ILLUSTRATION 16

USE OF STOCK REPLENISHMENT SLIP BY STOCK CONTROL BRANCH

NAVSUP FORM 767

STOCK STATUS DATA										STATUS OF EXPECTED RECEIPTS									
REF. REQ. ORDERING	REPT. REQ. ORDERING	TOTAL OUTSTANDING QTY.	PLANNED ORDER QTY.	BALANCE ON HAND	EXPECTED RECEIPTS QTY.	REORDERING EXCESS	DATE	EXPECTED RECEIPT DOC. NO.	QUANTITY	DATE	RECEIPT DOC.	QUANTITY	BAL. ON ORDER						
		200	80	0	180	250	3/15	444-1-004062	230	4/16 IR 1397	60	-190							
		250	100	0	340	0	3/8	195-1224		5/1 IR 1393	20	-160							
		330	425	0	20	450	4/13	129825	150	9/15 IR 1400	50	-100							
							6/20	592783	350	9/1 IR 1430	100	-							
							8/25	230-2-004142	300										
							9/17	SLIP NO. 725	955										

ACTUAL POSTING DATE; NOT STOCK SLIP DATE

POSTING OF EXPECTED RECEIPT

ENTERED

NAVSUP FORM 760

STOCK REPLENISHMENT SLIP

FOR USE OF STOCK CONTROL DIVISION

ROUTINE REPLENISHMENT  INTERIM REPLENISHMENT  DELIVERY DESIRED \_\_\_\_\_

NOTE: Only nonreporting activities use this form for routine replenishment.

REQUISITION PRIORITY INDICATOR 36 SUPERVISOR'S INITIALS a.B. SLIP NO. 725 DATE 9/15/71

STOCK NO. 73020-517-4716 DESCRIPTION GEAR, SPIRAL BV

REPLENISHABLE DEMAND 330

REPLENISHMENT FACTOR X 3 UNIT OF ISSUE ea. UNIT PRICE \$ 15.00

NOTE.—In computing formula, circle answer if a minus quantity.

990	+	425	-	20	-	450	-	955
Result of above multiplication		Total outstanding obligations		Balance on hand		Expected receipts		Required or excess

QUANTITY ORDERED 755 PROCUREMENT DOCUMENT NO. 12345

ILLUSTRATION 16