CHAPTER 7

INVENTORY MANAGEMENT

The information contained in this chapter has general application to all ships. Except for reactor or plant support material in nuclear powered ships, shipboard material inventories are divided into five areas for management purposes as follows:

- OPERATING SPACE ITEMS (OSIs). Operating space items are in the custody and under the management of the department heads. Certain operating space items which require special inventory control are designated as "controlled equipage."
- REPAIR PARTS. Repair parts are in the custody of the supply officer when supply department stowage space permits. They are always under his management.
- CONSUMABLES. Consumables are in the custody of the supply officer when supply department stowage space permits. Stocked consumables (i.e., consumable items "carried as supply department stock) are managed by the supply officer. This is the case if the items are stored in supply or other department spaces. Nonstocked consumables (i.e., consumable items "not carried as supply department stock) are in the custody and under the management of other department heads.
- MAINTENANCE ASSISTANCE MODULES (MAMs). Maintenance assistance modules are in the custody of the supply officer. They are located in the appropriate operating and maintenance spaces under the subcustody of operating or maintienance personnel.
- READY SERVICE SPARES (RSSs). Ready service spares are repair parts in the custody of the supply officer. They are located in the appropriate operating and maintenance spaces under the subcustody of operating/maintenance personnel.

INVENTORY MANAGEMENT AFLOAT TERMS

Throughout this chapter you probably will encounter new terms referring to inventory control. When you encounter a new term refer to the glossary for an explanation.

FORMS AND PUBLICATIONS

The forms and publications used in the inventory management of general stores in nonautomated ships are found m the NAVSUP P-485. These publications contain the "how to" detailed information in the area of inventory management for which each SK is responsible. Each of the publications listed will be used many times in the course of an SK's ctamer. Each of the forms is a tool for you to document the inventory process.

PHYSICAL INVENTORY

Physical inventory is a prerequisite to efficient inventory control. The primary objective of a physical inventory is to make sure that the balances reflected in stock or custody records agree with the actual physical quantities on hand.

TYPES OF INVENTORY

The type of inventory to be performed depends on the type of material to be inventoried and the type of information needed.

Bulkhead to Bulkhead Inventory

A bulkhead to bulkhead inventory is a physical count of all stock material aboard the ship or within a specific storeroom. A bulkhead to bulkhead inventory of the ship's entire stock of repair parts is usually performed during a Supply Operating Assistance Program/Integrated Logistics Overhaul. A bulkhead to bulkhead inventory of a specific storeroom is performed when random sampling inventory of that storeroom fails to meet an inventory accuracy rate of 90%. It is also performed when directed by the TYCOM incident to a supply management assist (SMA), when directed by the commanding officer, or when circumstances indicate that it is needed to maintain effective inventory control.

Specific Commodity Inventory

The specific commodity inventory is a physical count of all items under the same cognizance symbol, Federal supply class, or which support the same operational function, such as boat spares, electron tubes, boiler tubes, or fire brick. This type of inventory is performed under the same conditions as a bulkhead to bulkhead inventory. However, prior knowledge of specific stock numbers and item locations is required to perform a specific commodity inventory.

Special Material Inventory

A special material inventory requires the physical count of all items that are specifically selected for separate identification and inventory control. These items may be selected because of their physical characteristics, costs, mission essentiality, criticality, or other masons. Special material inventories include, but are not limited to, stocked items designated as classified or hazardous. Special material inventories also include controlled equipage and presentation silver. Physical inventory of such material is required on a scheduled basis as precribed by the NAVSUP P-485.

Spot Inventory

A spot inventory is an unscheduled type of physical inventory performed to verify the existence of a specific stock item. The inventory is performed as the result of a total not in stock (NIS) indication in the issue request when the verified stock record for the requested item shows an on-hand balance. A spot inventory also is performed to determine the on-hand quantity of a particular item when requested by the commanding officer, a fleet or type commander, a cognizant inventory manager, or other competent authority. For example, the commanding officer may request the physical inventory of any item that he considers to be highly essential to prospective operations. A fleet or type commander may need to have total asset visibility of a particular critical item, or an inventory, disposition and report of certain items which, after distribution within the supply system, are found to be defective.

Velocity Inventory

A velocity inventory is based on the premise that inaccuracies of stock record balances for any item increases with issue frequency. This means that most of the physical inventory effort should be concentrated on frequently demanded items. A velocity inventory, requires a periodic physical count of all stock items that experience relatively frequent demands (fast movers), and a physical count of items that experience infrequent or no demands (slow movers) only when such items are issued. Periodic inventories of selected item management (SIM) items and post-issue inventories of non-SIM items, respectively, are examples of velocity inventories.

Random Sampling Inventory

The random sampling inventory is considered to be part of the annual scheduled inventory program. It is used only on authorized ships (automated special accounting class 207). A random sampling inventory is a measure of the stock record accuracy for a segment of material based on the physical count of a specified number of randomly selected items within the segment. Guidelines for conducting a physical inventory by the random sampling method are outlined in the NAVSUP P-485.

PHYSICAL INVENTORY SCHEDULES

Inventory schedules outline, in chronological sequence, the segments of material planned for physical inventory during a fiscal year. The inventory schedule is prepared by the supply officer prior to the commencement of each fiscal year. For stock material in department custody, the inventory schedule reflects the time frames jointly determined by the supply officer and the respective department head. An example of an inventory schedule is shown in figure 7-1. Refer to the NAVSUP P-485 for scheduled inventory requirements.

INVENTORY PERSONNEL

The supply officer is responsible for an accurate physical inventory of stock material and controlled equipage in supply department custody. The supply officer also provides advisory assistance for inventories of material in the custody of other departments. Qualified personnel used for inventorying material in the supply department are assigned by supply department memorandum. The Storekeeper in charge of each storeroom is usually responsible for the inventory of material in that storeroom.

PREPARATION FOR INVENTORY

Before inventory, all receipt and expenditure documents concerning the material to be inventoried must be collected and posted to the stock record cards.

Last SOAP/ILD completed April 1983
Next SOAP/ILD tentatively scheduled April 1986

PHYSICAL INVENTORY SCHEDULE FY 1984

INVENTORY SEGMENT	NO. ITEMS	STOREROOM(S)/ OTHER SPACES	INCLUSIVE DATES	ACCURACY RATE %
SIM MAT'L	650	C, D	10/1-10/12/83	
BULKHEAD MOUNTED SPARES	9	ENGRM #1 & MACHINE SHOP	11/1/83	
BULKHEAD MOUNTED SPARES	9	ENGRM #1 & MACHINE SHOP	2/1/84	
CONTROLLED EQUIPAGE	125	DEPT'L SPACES	2/15-3/15/84	
SIM MAT'L	650	C, D	4/1/-4/12/84	
BULKHEAD MOUNTED SPARES	9	ENGRM #1 & MACHINE SHOP	5/1/84	
ELECTRON TUBES (C.O. designated items)	36	D	6/3/84	
CLASSIFIED NUC WEPS MAT'L	156	A	7/2/-7/6/84	
HAZARDOUS MAT'L (NON-SIM ONLY)	48	B	7/16/84	
BULKHEAD MOUNTED SPARES	9	ENGRM #1 & MACHINE SHOP	8/1/84	

R. S. SEARS, LT, SC, USN
Supply Officer

09NP0025

Figure 7-1.—Example of an inventory schedule.

The storeroom Storekeeper should inspect his spaces and rearrange stock to make sure that

- Loose articles are repackaged in standard bulk lots where possible.
- All stock is labeled or otherwise clearly identified.
- Cartons and other containers are stowed with labels and identifying information facing out where possible.
- Containers with broken seals are checked to make sure that a full count of material is present and the container is prominently marked to show the actual count and the date of the count.

At least 1 week before the inventory, the supply officer should request that an official notice be placed in the "plan of the day," identifying the storeroom or stock being inventoried. This notice sets the dates and restrictions that must be observed during the inventory period.

INVENTORY PROCEDURES

Keeping m mind that inventories are performed to bring stock and stock records into agreement, you can

see the importance of a complete and accurate inventory. To reduce inventory errors you should:

- Work quietly and without haste.
- Write legibly.
- Make sure that the count is accurate.
- Make sure that the right unit of issue is used when performing the count.

Count Documents

Documents authorized for conducting inventory counts of stock material include NAVSUP Forms 1075 (whether or not maintained as locator records), and machine or manually prepared listings. Stock Record Cards Afloat, NAVSUP Forms 1114, even when maintained in storerooms, are not to be used as inventory count documents. Inventory count documents should contain the following information for each item:

- Complete stock number or part number
- description (optional)
- Unit of issue
- All locations except for bulkhead to bulkhead inventory of a specific storeroom or other storage area.

Count Procedures

A complete and accurate item count is basic to conducting a physical inventory. Inventory personnel must make sure that the total quantity of each item is determined as accurately as possible during the initial count of a storage area. Inventory aids such as tape measures scales, equivalency tables, and measuring devices must be used when available. You may open sealed containers when necessary for item identification or quantity verification. Preservation packaging must not be broken without approval of the supply officer. All opened containers must be resealed after identification and count have been determined. Each container must be dated and initialed by the person who verified its contents.

Regardless if all items in a specific area or only certain items in specific locations are to be inventoried, inventory personnel equipped with appropriate count documents and inventory aids must proceed systematically from location to location in predetermined sequence. For each item subject to inventory, inventory personnel must make sure that:

- Each item is legibly identified by an appropriate stock number or part number. Each fragile or potentially hazardous item is conspicuously marked or labeled to indicate caution or warning.
- Each unit of each item is inspected for material condition and any quantity found unfit for issue or in need of represervation is recorded.
- Each item is carefully counted, weighed, or measured, and the quantity inventoried is legibly recorded on the count document. (If the same item is stored in multiple locations, the quantity in each location must be recorded.)
- Quantities and units of issue Recorded in count documents are compatible (e.g., if the unit of issue is PR and 100 bearings are counted, record 50, not 100).
- A tag, label, or card annotated with the inventory quantity and date is attached to each reel or container from which an item is issued in a unit of measure (foot, pound gallon, etc.). This makes sure that future issues of such items can be tallied to reflect the remaining quantity on each reel or in each container.
- Actual location of each item is either checked or entered in the count document.
- Consolidated storage of items with multiple locations is achieved when possible.
- If directed by the supply officer, lockers, cabinets, or drawers used for storage of infrequently demanded items are sealed after a complete inventory of their contents has been performed and verified.

Inventory personnel are responsible for keeping themselves aware of all receipts and expenditures of items included in the segment being inventoried. They must also make sure that documents applicable to such receipts and expenditures are conspicuously stamped or annotated "BEFORE INVENTORY" or "AFTER INVENTORY," as appropriate.

Review of Count Documents

Promptly upon completion of the physical inventory of a material segment or storage area and before matching inventoried quantities with applicable stock record balances. The inventory count documents must be reviewed by inventory personnel to make sure that:

- All items scheduled for inventory have been counted or verified as nonexistent.
- Quantities counted are legibly recorded and compatible with units of issue.
- All prerecorded locations applicable to the inventory segment have been checked and for each location, a quantity or zero is entered. (Locations prerecorded in count documents must not be deleted by inventory personnel, even though such locations may not be accurate.)
- "Added" items are accurately identified and legibly recorded.
- Applicable remarks are legibly entered and explicitly stated.
- Items are documented in NIIN sequence.
- Count documents are dated and initialed.

RECONCILIATION OF COUNT DOCUMENTS AND STOCK RECORDS

After the physical count and review of the count documents, the next step in the inventory process is to reconcile (compare) the count documents with the stock records. This is done to determine if differences exist between the physical count and the amount recorded on stock records.

Stock Records in Agreement

Upon receipt of inventory count documents from the inventory personnel, the stock records Storekeeper must make sure that

- Items are documented in the correct sequence.
- Multiple cards or entries applicable to the same item are grouped and totaled by NIIN.
- All manual entries are legible.
- All annotated remarks are clearly understood.
- Any obvious omissions or inconsistencies are reconciled immediately by the responsible inventory personnel.

When the count documents are accurate and complete, they must be compared, item by item, with the applicable stock records to determine if a difference exists. If no differences exist, the matched count cards or matched items in the inventory listing must be posted to applicable stock records. The Julian date of the inventory and the notation "INV" must be entered in the "DATE DOCUMENT No." column of the NAVSUP Form 1114, and the inventory quantity (which should be the same as the existing stock record balance) must be entered in the "ON HAND" column. (See figure 7-2.) If differences exist in on-hand quantities, locations, or other stock record data such differences

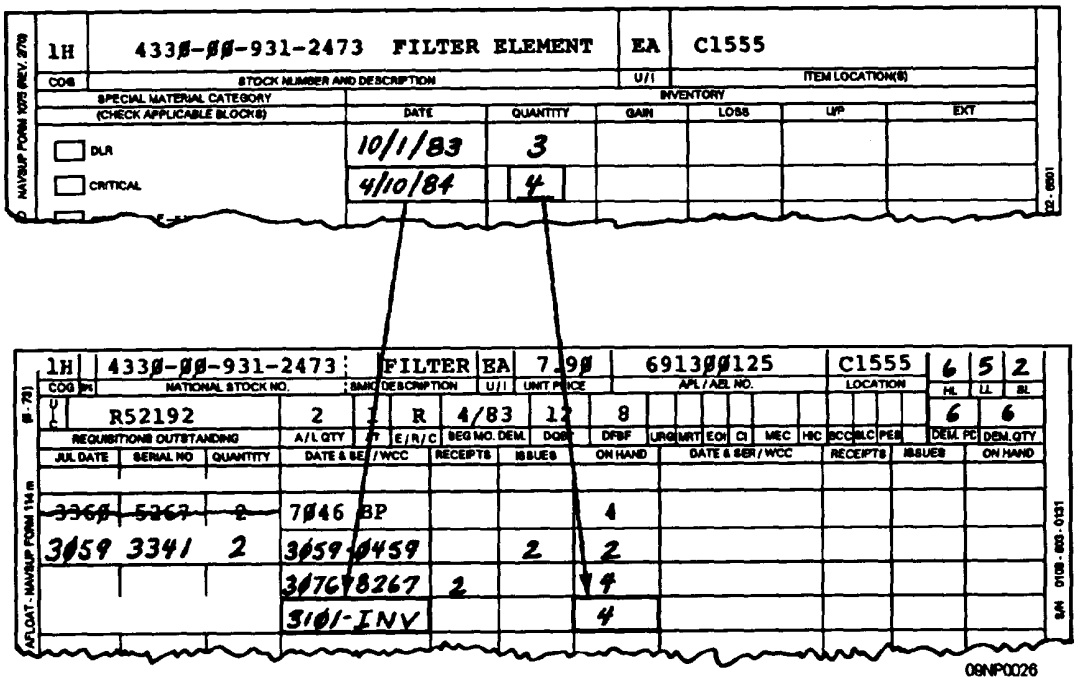


Figure 7-2.—Example of an inventory posted to a stock record.

must be reconciled in accordance with procedures outlined in the NAVSUP P-485.

CONTROLLED EQUIPAGE

Controlled equipage consists of shipboard items selected or approved by fleet commanders in chief for special inventory control. Accurate inventory management of controlled equipage issued for use requires the maintenance of separate custody reeds for individual items as well as certain physical inventory criteria prescribed in the NAVSUP P-485.

DESIGNATION OF CONTROLLED EQUIPAGE

The Controlled Equipage Item List (CEIL) is an item listing that the fleet commanders in chief developed for special inventory control. For example, items essential for the protection of life, or relatively valuable and easily convertible to personal use. The items selected as controlled equipage are categorized and listed as "signature required items" and "nonsignature required items" in the NAVSUP P-485.

The commanding officer or type commander may designate as controlled equipage (either as "signature required" or "nonsignature required") additional equipage items which he deems necessary to be so controlled. Any of the "nonsignature required" items listed in the NAVSUP P-485, may be designated as "signature required when the commander deems necessary. Items designated by the command officer are identified in a list prepared by the supply officer and approved by the commanding officer. The original of the list is retained by the supply officer and a copy is provided to each department head concerned. When items are designated by the type commander, the supply officer retains a copy of the type commander's directive and provides a copy to each department head concerned.

EQUIPAGE CUSTODY CODES

Each equipage item listed in the Allowance Equipage Lists (AELs) and the Coordinated Shipboard Allowance Lists (COSALs) is assigned a code that shows if the item is controlled or noncontrolled equipage. If controlled equipage, the code also indicates if a custody signature is or is not required. It also shows the departments normally assigned custodial responsibility. The equipage custody codes are found in the NAVSUP P-485. When distributed by the Ships Parts Control Center (SPCC), COSALs in which equipage items are custody coded will be accompanied with partially prepared NAVSUP Forms 306 for certain items and with ADP lists for others. The NAVSUP Forms 306 are provided for use as custody records, after other required data such as department card number, additional description, and serial numbers have been entered The ADP lists are provided only for use as convenient "master" lists, and are not to be used as custody records.

CONTROLLED EQUIPAGE CUSTODY RECORD

The Controlled Equipage Custody Record, NAVSUP Form 306, is prescribed as a custody record and inventory control document for controlled equipage in nonautomated ships. When items are designated as controlled equipage by the commanding commander, the notation "CO DESIGNATED ITEM" or "TYCOM DESIGNATED ITEM," as appropriate, is entered in the top or bottom margin of the NAVSUP Form 306.

Preparation

Unless NAVSUP Forms 306 are provided with the COSAL, controlled equipage custody records are prepared in an original and one copy for each item of controlled equipage in the custody of each department head. The original of each custody record, as well as each duplicate for controlled equipage in the custody of the supply department, is retained by the supply officer. All other duplicate custody records are given to the cognizant department head.

An example of a NAVSUP Form 306 is shown in figure 7-3. Guidelines for preparing the NAVSUP Form 306 are found in NAVSUP P-485.

Posting

Receipts and expenditures should be entered promptly. Each entry must show the date of the transaction, receipt or expenditure document number, activity received from or expended to, the quantity received or expended and the balance. When signature is required each new balance must be attested by the signature of the responsible head of department. Figure 7-4 shows sample requisition, receipt, and issue documents for centrolled equipage.

Inventory

All controlled equipage items must be inventoried once a year during the period starting 15

S/N 0108-600-4022 CONTROLLED - EQUIPAGE CUSTODY RECORD (4442) NAVSUP FORM 306 (Rev. 1-73)

NSN	NOUN NAME	ALLOWANCE	U/I	UNIT PRICE	SHIP / ACTIVITY	DEPT.	CARD NO.
7H 6650-00-254-8969	Binoculars	8	EA	254.00	03659	OPS	5

ALLOWANCE LIST NO.: 2-240034001

ADD'L DESCRIPTION: Prismatic w/filter, case, strap, and 7x50 power

SERIAL NO.: 39764; ~~40101~~; ~~45999~~; 36545; 40101; ~~30972~~; 57408, 60349, 14765; 439401, 39764

O/S REQ'N (NO.)	(QTY)	O/S REQ'N (NO.)	(QTY)	O/S REQ'N (NO.)	(QTY)	O/S REQ'N (NO.)	(QTY)	CUSTODY SIGNATURE REQUIRED
~~7094-0196~~	~~2~~	~~7185-0190~~	~~3~~					[X] YES [ ] NO

TRANSACTION RECORD

DATE	DOCUMENT NO.	RECEIVED FROM / EXPENDED TO	QUANTITY REC'D	QUANTITY EXPENDED	QUANTITY BALANCE	I ACKNOWLEDGE CUSTODY OF THIS ITEM IN THE QUANTITY SHOWN
4/4/77	BF				6	[illegible] CDR
6/15/77	7094-0196	NSC OAK	2		8	[illegible] CDR
7/4/77	7185-0001	SURVEY		3	5	[illegible] CDR
9/16/77	7185-0190	NSC OAK	3		8	[illegible] CDR
9/30/77	INV (CDH)				8	[illegible] CDR

86NP0168

Figure 7-3.-Example of a Controlled Equipage Record (NAVSUP Form 306.

February and ending 15 March. A controlled equipage item inventory is also required on the following events:

- When a ship is commissioned inactivated, or deactivated
- Upon relief of the head of department for items in the department concerned
- Upon change of command at the discretion of the relieving commanding officer.

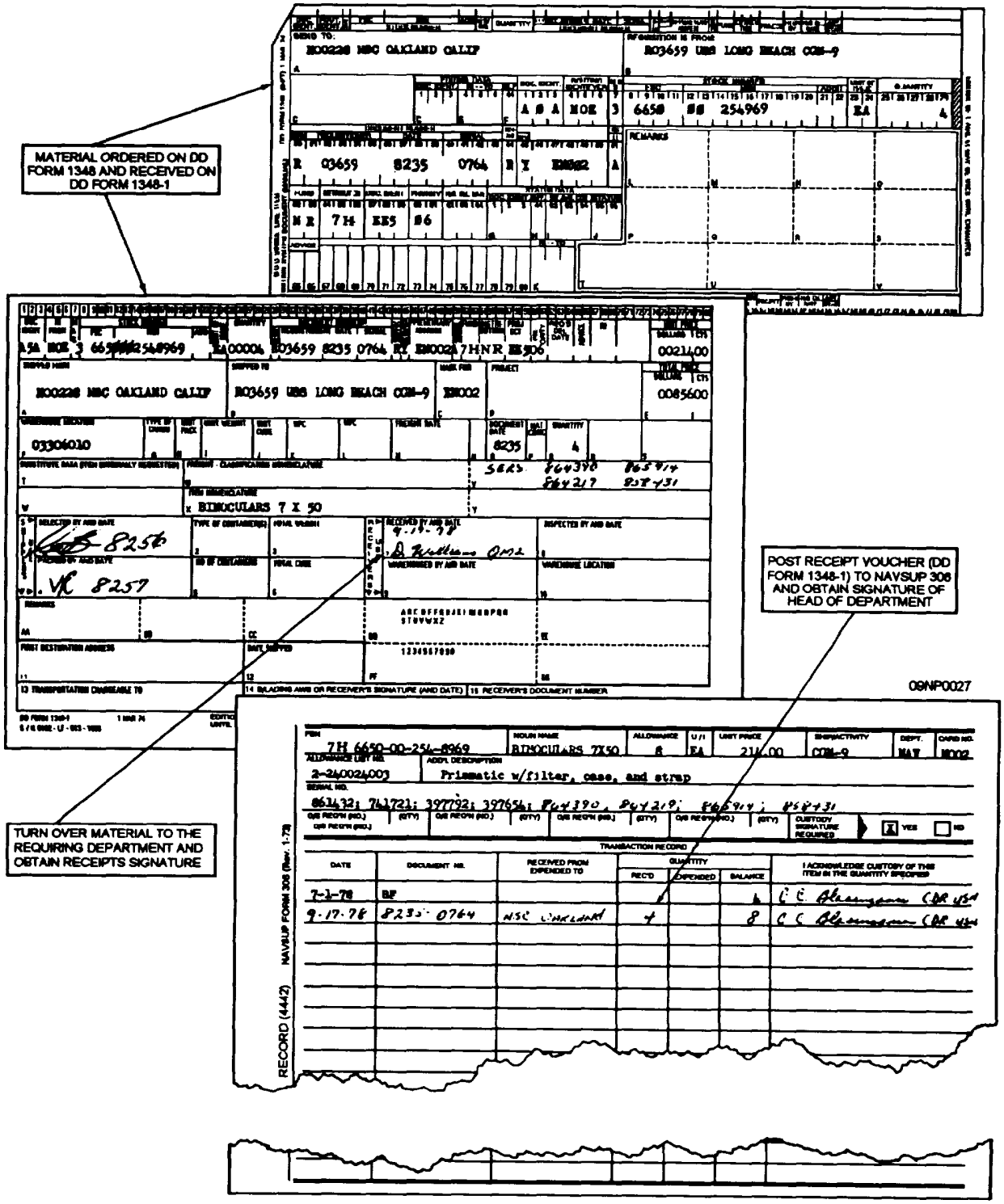


Figure 7-4.-Sample requisition receipt, and issue documents for controlled equipage.

Annual inventories must be completed by 15 March. This is so that post-inventory actions can be accomplished in time to be reflected in the "Equipage Control/Redistribution Source Document." This document which may be required as an addendum to the type commander's copy of the Budget/OPTAR Report for March in accordance with NAVSUP P-485. When a shipwide or departmental inventory of controlled

equipage has been taken during the 6-month period before the start of the annual inventory, the requirement for the current year is considered to be satisfied, When a departmental inventory of controlled equipage is taken incident to the relief of a department head, it is taken jointly by the relieved and relieving department heads. It must be completed before the detachment of the relieved department head.

Preparation for Inventory

Before a physical inventory of controlled equipage, all unprocessed receipt and expenditure documents relating to controlled equipage must be completed and posted to applicable NAVSUP Forms 306. The originals of NAVSUP Forms 306 for items with serial numbers are reviewed to make sure the serial numbers on them. Original custody records without serial numbers are marked to show that serial numbers must be determined during the upcoming inventory. Custodial department heads are told to make the sane notation, if needed, in their duplicate custody records. At least 1 month before 15 February, the supply officer prepares an official notice advising all department heads of procedural details to be followed in performing their annual inventories of controlled equipage. The notice is signed by the commanding officer or an officer with delegated authority.

Performing the Inventory

The head of each department is responsibility for inventorying the items for which he has custody. The duplicate NAVSUP Forms 306 are used when performing and recording the physical inventory of controlled equipage. Each item must be seen and impeded for serviceability by the person performing the inventory. Serial number control must be maintained on those items identified in NAVSUP P-485. Differences between serial numbers on the material and those on the custody records must be investigated and reconciled. The date of the inventory, quantity inventoried, and signature of the person performing the inventory must be entered in the "Inventory Reed" of the department head's duplicate custody records. The entries must be made by pen or indelible pencil.

The inventory entries recorded in the duplicate custody records are transcribed as soon as possible to the originals maintained by the supply officer. When the inventoried quantity of an item differs from the verified custody record balance, recounts and/or investigative research are required in accordance with NAVSUP P-485.

Upon completion of a controlled equipage inventory, each department head must submit a letter report to the commanding officer. A copy is also sent to the supply officer. When controlled equipage is inventoried because of a change of department head, the letter report must be signed by both the releived and relieving department heads.

Deficiencies and Excesses

To maintain effective management of controlled equipage assets, some type commanders keep a computerized program designed to:

- Afford ready visibility of existing controlled equipage deficiencies and excesses.
- Match the reported deficiencies of one ship with the reported excesses of another.
- Facilitate the redistribution of reported excesses.
- Point out deficiencies of urgently required items for which no excesses are available for redistribution.

Input to this program, comes from required, deficiency/excess reports from individual ships of the type command. The request for reporting procedures and from are found m the NAVSUP P-485.

SELECTED ITEM MANAGEMENT

Selected item management is an inventory control procedure for Nonautomated ships that focuses management attention on the small percentage of items that experience the majority of demands. Inventory management of repair parts and consumables designated as SIM items requires:

- Close and continuing attention.
- Quarterly stock status review.
- Semiannual inventory.
- Verification or update of management data in stock records upon each receipt of a new ML-N.
- Stock replenishment based on demand using high and low limits.
- Collective storage in centrally located storerooms, except for items which, because of their physical characteristics, cannot be properly stored in such locations.
- Separate file of stock records.

Inventory management of non-SIM repair parts and consumables requires:

- Close attention only upon receipt and issue of material.
- Inventory of the remaining balance of an item after each issue.
- Reference to the ML-N for verification of management data only when an item is requisitioned.
- Stock replenishment on a one-for-one basis except when otherwise prescribed by the TYCOM or when excess stock is on hand.
- Stock records filed separate from SIM stock records.

Any item that has experienced a frequency of two or more demands within the past 6 months, or has a predictable demand frequency of two or more demands based on deployed or seasonal usage is designated a SIM item. Any item that does not meet the demand frequency for SIM items is designated as non-SIM. Any consumable item that meets the frequency of demand criteria for a SIM item but is not stocked by the supply department (usually because of space limitation) is designated as a SIM direct turnover (DTO) item.

STOCK RECORDS

Without stock records, it would be impossible for the supply officer to meet his responsibility of maintaining stocks needed for the operation of the ship. Procurement of stock must be based on the information contained in the stock record cards. Inventory control encompasses procurement, stocking, issuing, and accounting for material.

A Stock Record Card Afloat (NAVSUP 1114m or 1114 (manual)) will be maintained for each:

- stocked maintenance assistance module
- ready service spare
- repair part or consumable
- SIM DTO item aboard nonautomated ships

Ships that have been commissioned or have completed a Supply Operations Assistance Program/Integrated Logistics Overhaul (SOAP/ILO) after July 1974 will maintain:

- blue stock record cards for reactor plant items (i.e., "Q" COSAL items);
- red (or red bordered) stock record cards for other special category items (e g., mandatory turn-in repairables, special material identification code, shelf-life, critical, hazardous, classified); and
- buff stock record cards for all other items.

Stock records in all ships will include outstanding requisition numbers and a history of all receipt and expenditure transactions, and management data required for accurate inventory control. Stock records for other than SIM DTO items will also show storage locations and current on-hand balances.

Stock records will be retained until replaced incident to a SOAP/ILO. Samples of stock records are shown in figure 7-5.

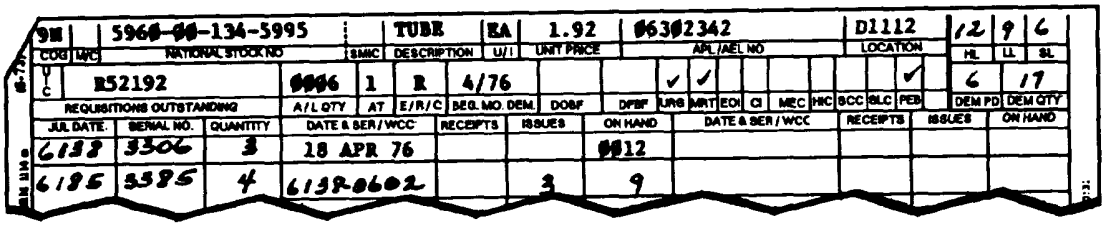
NAVSUP Form 1114m is an IBM type of stock record card in which significant management data elements are keypunched. These keypunched cards provide a nonautomated ship with the capability to duplicate its stock record battery when near an activity with automatic data processing equipment (ADPE). The form also contains additional data blocks for manual entries of supplementary management data when needed. A complete set of keypunched NAVSUP Forms 1114m is provided by the SOAP ADP facility at FISC Oakland to each nonautomated ship upon completion of a SOAP/ILO. A complete set of keypunched and interpreted NAVSUP Forms 1114m also is furnished by the Navy Ship's Parts Control Center (SPCC) to each nonautomated "new construction/major conversion" ship prior to its commissioning or recommissioning. To interpret these cards refer to the *Soap Manual,* NAVSURINST 4441.21 series.

NAVSUP Form 1114 (manual) is identical to the NAVSUP Form 1114m in design. It is a "continuous feed" type of form that facilitates typing the top and bottom lines of new stock record cards. They are required to be prepared when keypunched and interpreted NAVSUP Forms 1114m are filled, or when new items are added to shipboard stock between SOAP/ILOs.

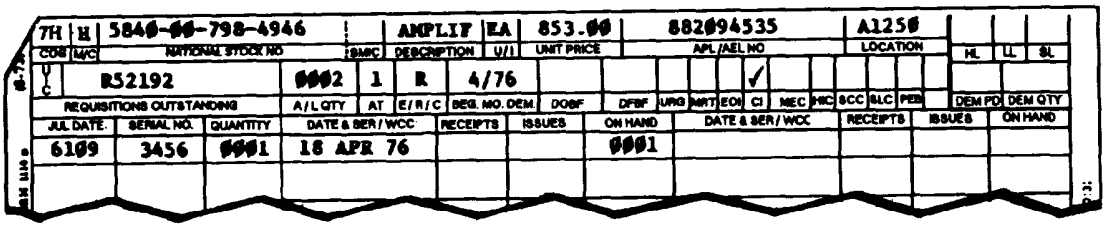
FILES

Stock records may be kept in either horizontal or vertical filing equipment. The use of horizontal files (i.e., card file trays) for SIM items and vertical files (i.e., boxes or card file drawers) for non-SIM items is recommended. Regardless of the filing equipment used, separate files are required for SIM and non-SIM items. The stock records in each file will be arranged

NAVSUP FORM 1114m FOR A SIM REPAIR PART



NAVSUP FORM 1114m FOR A NON-SIM REPAIRABLE ITEM



NAVSUP FORM 1114 (MANUAL) FOR A SIM DTO CONSUMABLE ITEM

09NP0028

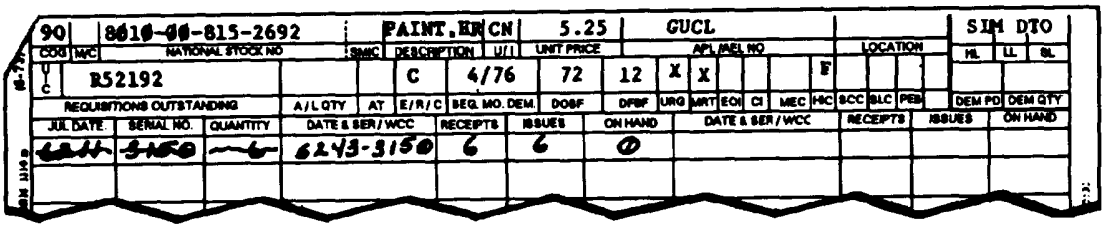


Figure 7-5.-Sample stock record cards.

in NIIN sequence. To preclude misfiling or careless loss of stock records, only the well-trained and adequately supervised Storekeeper or Storekeeper striker should be permitted access to stock record files.

DATA ELEMENTS

Data elements used in NAVSUP Forms1114m and 1114 (manual) are found m the NAVSUP P-485.

PREPARING NEW CARDS

When the original card is filled, a new card is prepared, duplicating the stock item information, except for usage data The beginning date, demand quantity, and frequency of demand on the old card are totaled and entered on the new card. Any requisitions still outstanding are also transferred.The old card must be retained until the next supply overhaul and is filed according to local practice.

POSTING RECEIPTS OF STOCK MATERIAL

Stock record cards should be posted daily, in ink, as you receive the receipt and issue documents from the receiving Storekeepers and storeroom Storekeepers. Receipts should be posted before issues, and the SIM items posted before non-SIM.

The following data in the stock record must be compared with those in the receipt document. Differences must be reconciled before posting the receipt to the stock record.

- cognizance symbol,
- national stock number,
- unit of issue,
- unit price,
- quantity requisitioned, and
- storage location.

Data in Agreement

If the above data are the same in the receipt document and in the stock record, entries in the stock record (see figure 7-6) will be made as follows:

- Enter the Julian date of the receipt and the serial number of the related requisition in the "Date& Ser./WCC" column.
- Enter the receipt quantity in the "Receipts" column.
- Increase the balance in the "On Hand column by the quantity received.
- Line through (but do not obliterate) applicable requisition data in the "Requisitions Outstanding" column. An example of the line through technique is shown in figure 7-6.

If a NAVSUP Form 1250-1 was used to requisition an NIS DTO requirement, the retained green copy will be removed from the MOF for immediate issue of the item received. Refer to NAVSUP P-485 for a more detailed explanation of this process.

Data Differences

Any differences noted when comparing a receipt document and stock record data will be reconciled before posting the receipt to the stock record.

When the cognizance symbol in the receipt document differs from that in the stock record, the cognizance symbol in the stock record will be changed to agree with that in the receipt document. See figure 7-7 for an example of a cognizance symbol change.

When an item is received under a new or superseding NSN, a new stock record will be prepared to record the receipt. Refer to figure 7-8 for an example of a stock record with a superseding NSN and figure 7-9 for an example of closing out a superseded NSN stock record. Figure 7-9.—Example of closing out a superseding NSN stock record.

When a Replenishment item is received under a new or superseding NSN, the on-hand balance in the stock

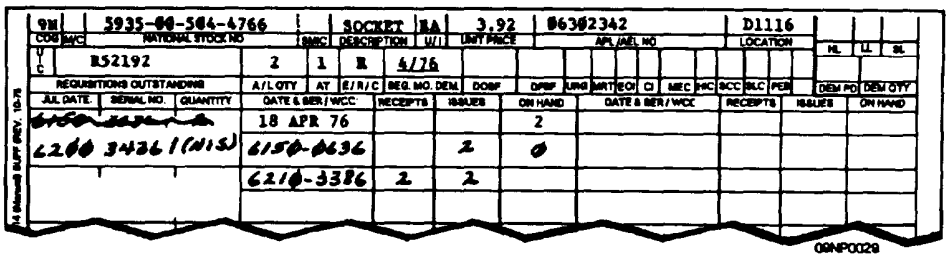


Figure 7-6.—Posting receipts to stock records.

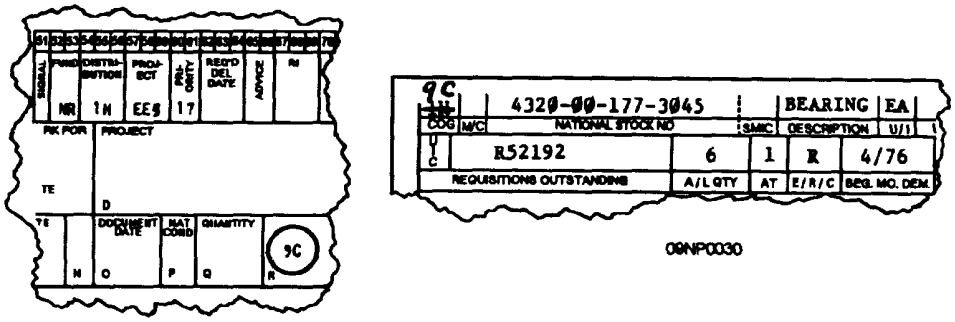


Figure 7-7.—Example of a cognizance symbol change to stock records.

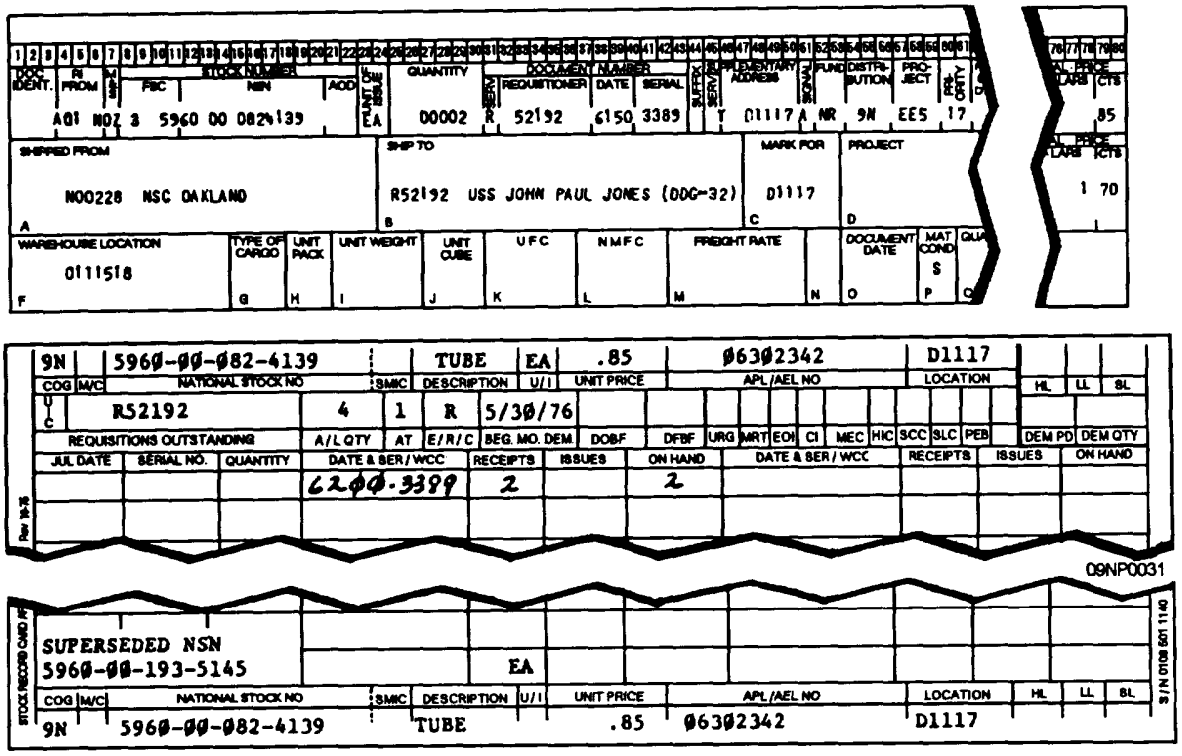


Figure 7-8. —Example of a stock record for superseding NSN.

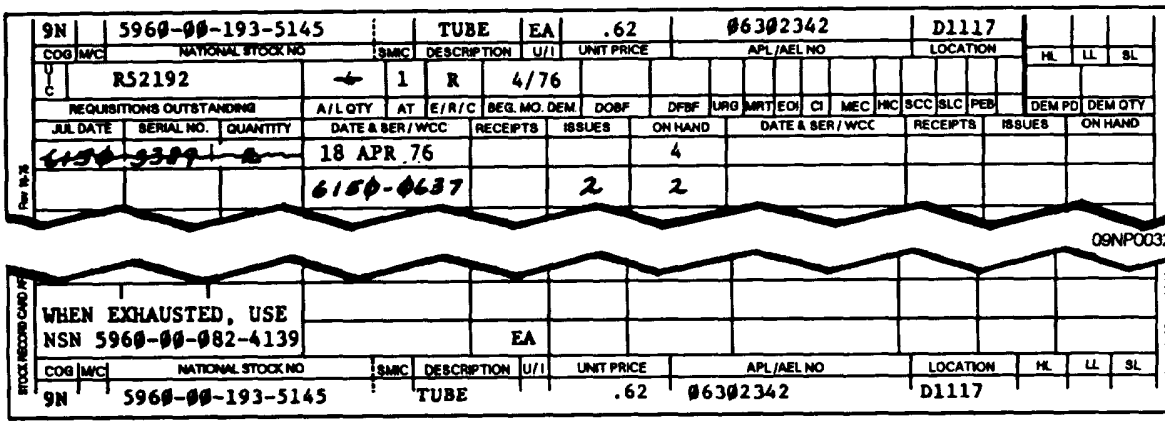


Figure 7-9—Example of closing our a superseded NSN stock record.

record for the superseded NSN will not be carried forward to the new stock record for the superseding NSN. This removes the need to remark material already in stock. However, both stock records will be reviewed when computing demand and/or frequency of demand, and in determining replenishment quantities. When replenishment is required, the superseding NSN will be indicated in the requisition.

When a requisitioned item is not readily available from system stock and advice code 2B was not entered in the requisition, stock points occasionally may furnish a substitute item in lieu of the requested item. Refer to figure 7-10 data block "T" of DD Form 1348-1 for an example of a stock number of an item originally requested.

(Distinction between a substitute NSN and a new or superseding NSN is determined by the status code (BH or BG respectively) indicated in the supply status card.) When a substitute item is received and a stock record already exists for the same NSN as that of the

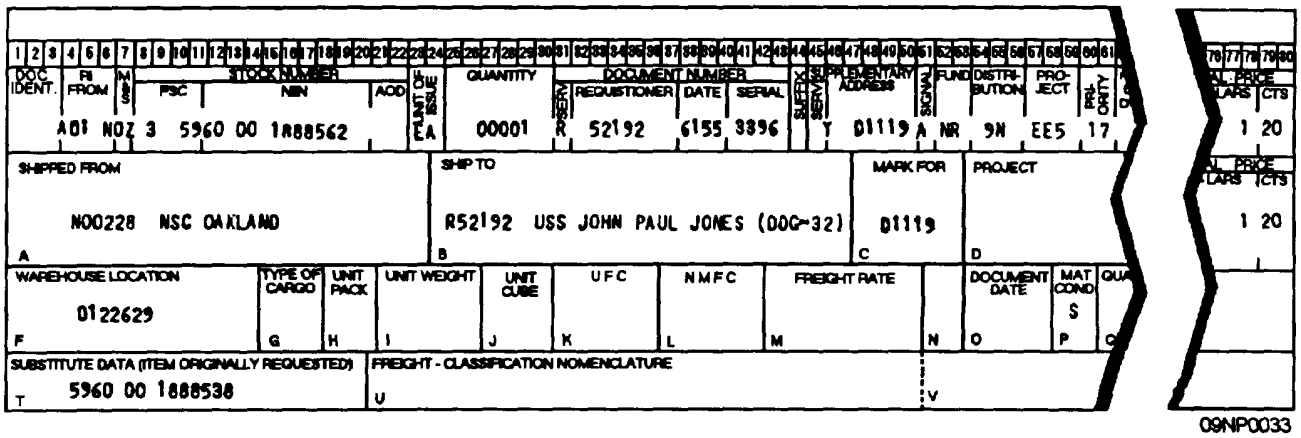


Figure 7-10.—Example of a stock number of an item originally requested on DD Form 1348-1.

substitute item, the receipt data as well as the notation "ITEM IS SUBSTITUTE FOR NSN _," will be entered in the existing stock record. If a stock record does not exist a new stock record will be prepared to record the receipt of the substitute item as shown in figure 7-11, an example of a posting action for a substitute item.

The stock record for the primary item and the stock record for the substitute item will be reviewed at the same time when computing total demand quantity and/or frequency demand, and in determining replenishment requirements. When replenishment is required, the primary item (if preferred) will be requisitioned.

When the unit of issue in the receipt document differs from that in the stock record, the unit of issue in the stock record will be changed to agree with that in the receipt document. In addition, the allowance quantity, the HL/LL/SL quantities (if a SIM item), and the on-hand balance in the stock record will be adjusted for compatibility with the new unit of issue, if required. If adjustment of the on-hand-balance is required, the Julian date of the adjustment, the notation "U/I CHANGE," and the adjusted on-hand quantity will be entered prior to posing the receipt document. For an example, see figure 7-12. It is important that any unit of issue changes in a stock record be considered in computations of total demand quantity. For example, if 2 PR of an item had been issued prior to a unit of issue change from PR to EA, the issued quantity of 2 PR will be counted as 4 EA in total demand quantities computed after the posted date of the change.

When the unit price in the receipt document differs from the stock reed, the unit price in the stock record will be changed to agree with the receipt document. Significant price changes will be verified with the ML-N, and if the price indicated in the ML-N is unrealistic, verification should be requested from the Ship's Parts Control Center (SPCC).

Quantity

Partial Quantity Received, Balance Due—When the total quantity requisitioned is not received, and a suffix code is indicated in column 44 of the receipt document, the quantity received will be posted to the stock record. The requisitioned quantity indicated in the "Requisitions Outstanding" column will be lined through, and the quantity that remains outstanding will be entered next to the deleted original quantity. For an example, see figure 7-13.

Partial Quantity Received, Balance Canceled—When the total quantity requisitioned is not received, and no suffix code is indicated in column 44 of the receipt document the requisition will be considered to be completed. No further action will be taken by the supply system to furnish the remaining balance. Therefore, the quantity received will be posted to the stock record, and all applicable requisition data in the "Requisitions Outstanding" column will be lined through. For an example, see figure 7-13. If the unfurnished balance of the requisitioned quantity is required, a NAVSUP Form 1250-1 will be prepared to initiate another requisition.

Receipt Overages in Excess of $1OO—A receipt overage exists if the receipt quantity is more than that requisitioned and/or invoiced. When a receipt overage exceeds $100 per line item, or it involves controlled material, the excess quantity will be reported as a receipt discrepancy in accordance with the NAVSUP P-485.

9N | 5960-00-188-8562 | TUBE | EA | 1.20 | 06302342 | D1119

COG | M/C | NATIONAL STOCK NO | SMIC | DESCRIPTION | U/I | UNIT PRICE | APL/AEL NO | LOCATION | HL | LL | SL

U/C R52192 | 1 | R | 6/4/76

REQUISITIONS OUTSTANDING | A/L QTY | AT | E/R/C | BEG. MO. DEM. | DOBF | DFBF | URG | MRT | EOI | CI | MEC | HIC | SCC | SLC | PEB | DEM PD | DEM QTY

JUL DATE	SERIAL NO.	QUANTITY	DATE & SER/WCC	RECEIPTS	ISSUES	ON HAND	DATE & SER/WCC	RECEIPTS	ISSUES	ON HAND
			6210-3396	1		1				

ITEM IS SUBSTITUTE FOR 5960-00-188-8538

9N | 5960-00-188-8562 | TUBE | EA | 1.20 | 06302342 | D1119

SUBSTITUTE ITEM

09N90034

9N | 5960-00-188-8538 | TUBE | EA | 1.05 | 06302342 | D1119

U/C R52192 | 3 | 1 | R | 4/76

JUL DATE	SERIAL NO.	QUANTITY	DATE & SER/WCC	RECEIPTS	ISSUES	ON HAND	DATE & SER/WCC	RECEIPTS	ISSUES	ON HAND
6155-3396		1	18 APR 76			3				
SUBSTITUTE REC'D			6155-0642		1	2				

09NP0034

SUBSTITUTE ITEM ISE 5960-00-188-8562

9N | 5960-00-193-5145 | TUBE | EA | .62 | 06302342 | D1119

PRIMARY ITEM

Figure 7-11.—An example of a posting action for a *substitute* item.

DOC IDENT. A01 | FROM N02 | 3 | STOCK NUMBER FSC 3110 NIN 00 0533186 | QUANTITY 00008 | DOCUMENT NUMBER REQUISITIONER R 52192 | DATE 6105 | SERIAL 3115 | PRIMARY ADDRESS B1122 | A | NR | 9N | EE5 | 17 | 1 00

SHIPPED FROM: N00228 NSC OAKLAND

SHIP TO: R52192 USS JOHN PAUL JONES (DDG-32)

MARK FOR: B1122

PROJECT

8 00

09NP0035

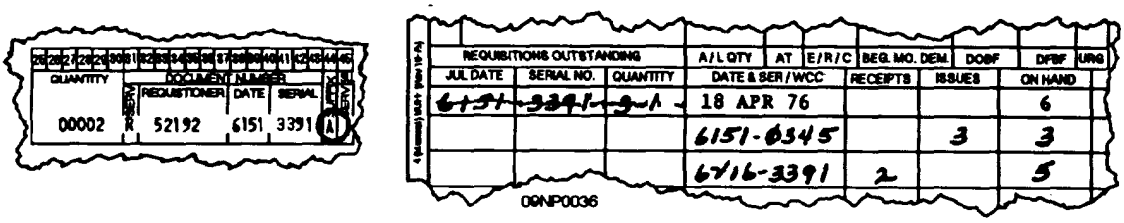
9Z | 3110-00-053-3186 | BEARING | EA | 1.00 | 436872135 | B1122

U/C R52192 | 8 | 1 | R | 4/76

JUL DATE	SERIAL NO.	QUANTITY	DATE & SER/WCC	RECEIPTS	ISSUES	ON HAND	DATE & SER/WCC	RECEIPTS	ISSUES	ON HAND
6109-3115		4	18 APR 76			4				
			6141	U/I CHANGE		8				
			6141-3115	8		16				

Figure 7-12—Example of the posting of unit of issue and unit price changes to stock records.

PARTIAL QUANTITY RECEIVED, BALANCE DUE



PARTIAL QUANTITY RECEIVED, BALANCE CANCELLED

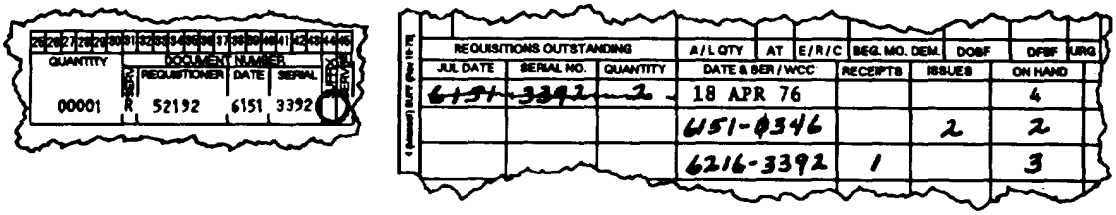


Figure 7-13.-Example of the posting of partial quantities to stock records.

Only the requisitioned quantity will be posted to the stock record as a receipt. The excess quantity, with a copy of the Report of Discrepancy (ROD) attached, will be set aside pending disposition instructions from the action addressee of the ROD.

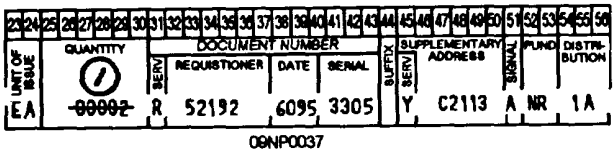
Receipt Overages of $100 or Less—When a receipt overage does not exceed $100 or involve controlled material, the total quantity received will be stored and posted to the stock record. However, if retention of the excess quantity is not desired and the ship is in the vicinity of the issuing activity, the excess material will be returned in accordance the NAVSUP P-485. Only the retained quantity will be posted to stock records as a receipt. If retention of a receipt overage is not desired when the ship is <u>not</u> in the vicinity of the issuing activity, the total quantity received will be posted to the stock record. Then the excess quantity will be transferred to an ashore supply activity in accordance with the NAVSUP P-485.

Receipt Shortages in Excess of $1OO—A receipt shortage exists if the receipt quantity is less than that invoiced. When a receipt shortage exceeds $100 per line item, or it involves controlled material, the actual receipt quantity will be posted to the stock record in accordance with the above subparagraph on "partial Quantity Received, Balance Due." The deficient quantity will be reported as a receipt discrepancy in accordance with the NAVSUP P-485. A copy of the Report of Discrepancy (ROD) and the applicable receipt document then will be held in the material outstanding file until replacement material or a credit invoice is received. If the reply to the ROD is negative, refer to "receipt shortage of $100 or less."

Receipt Shortage of $100 or less—When a receipt shortage which does not exceed $100 or involve controlled material cannot be reconciled with the issuing activity, only the quantity actually received will be posted to the stock record. In addition, a NAVSUP Form 1250-1 will be prepared to report the receipt shortage as consumption under ACCESS. (This document will not be posted to the stock record.) Data blocks of the NAVSUP Form 1250-1 will be completed in the same manner as those for a loss by inventory except as follows:

- Data block 29 (Remarks). Enter the notation "MAT'L RECEIPT SHORTAGE," and the applicable receipt document number.
- Data block S (Posted). Do not check the "S/R (Issue)" square. For an example, see figure 7-14.

After completion of data entries and approval of the supply officer, the NAVSUP Form 1250-1 will be distributed as appropriate. Overages or shortages of Navy-owned material received from Supply Activities (FISC'S, etc..) or received during UNREP are to be resolved directly with the Supply Activities or UNREP ship immediately. No ROD is required. Overages or shortages of non-Navy-owned material received from DOD or GSA will be reported in accordance with NAVSUP P-485.



09NP0037

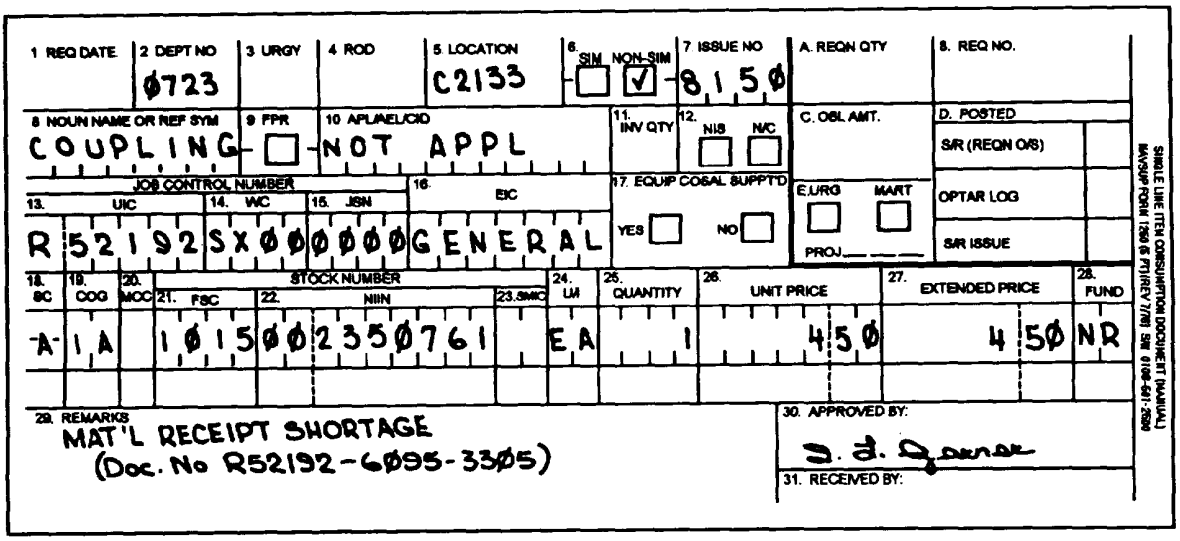


Figure 7-14.—Example of a report of receipt shortage as consumption.

Storage Location

New Location. When the recxeipted copy of the receipt document received from the storeroom Storekeeper indicates that material was stored in a location different from that indicated in the stock record, the location shown in the stock record will be lined through and the new location will be entered. For an example, see figure 7-15.

Additional Locations. When the receipted copy of the receipt document received from the storeroom Storekeeper indicates that an item is stored in multiple locations, the additional location(s) will be entered in the stock record.

Disposition of Posted Receipt Documents

After a receipt has been posted to the stock record, the OPTAR records Storekeeper will enter the material receipt date in the Requisition/OPTAR Log in accordance with NAVSO P-3013. The receipt document then will be forwarded to the requisitioning Storekeeper for attachment to the hardback copy of the related requisition from the material outstanding file.

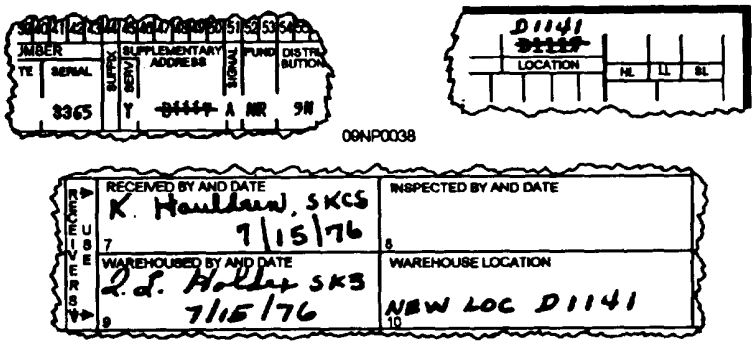


Figure 7-15.—Example of posting location changes to stock records.

Both documents then will be placed in the material completed file.

Posting Receipts (and Issues) of SIM DTO Material

When SIM DTO material is received and turned over to custodial departments, the receipt documents and related issue requests will be posted simultaneously to the stock record cards maintained for SIM DTO material. The procedure for posting receipt documents and updating management data in stock record cards for SIM DTO items is much the same as that for stock records applicable to stock material. As prescribed previously in the paragraph on "Posting Receipts of Stock Material." The following are exceptions to that procedure:

- As the total quantity of SIM DTO material is issued immediately upon receipt, and since receipts and issues are posted to the stock record simultaneously, the on-hand balance in stock records for SIM DTO items always will be zero.
- When a SIM DTO item is received under a superseding NSN, a separate stock record card need not be prepared, as the superseded NSN in the existing stock record card may be lined through and the superseding number entered above it.
- As an Allowance Parts List (APL) number, storage location, allowance quantity, and AT code are not required entries in a stock record for SIM DTO material. Such data will not be entered in a new stock record prepared for SIM DTO material received under a substitute NSN. However, the entry of "GUCL" or "GEN USE is required in the APL data block.
- NAVSUP Forms 1250-1 prepared to report receipt shortages as consumption under ACCESS will be distributed in accordance with the NAVSUP P-485. Since the submarine forces do not submit ACCESS consumption documents for consumables, preparation of NAVSUP Forms 1250-1 for reporting receipt shortages of SIM DTO items is not required. In either case, if the deficient quantity is to be reordered, the responsible department must submit another NAVSUP Form 1250-1 to initiate the requisition.

After stock records for SIM DTO items have been posted, the receipt and issue documents will be processed as prescribed in the NAVSUP P-485.

INVENTORY CONTROL PROCEDURE OBJECTIVES

The basic objectives of inventory control procedures used afloat are to:

- focus attention on the relatively few items that will satisfy the majority of onboard demands for material;
- provide for the accumulation of accurate consumption data required for ACCESS and the 3-M program and for maintaining adequate supply levels;
- establish a historical demand file for accumulating usage data for not carried (NC) material;
- prescribe that each request for an NC repair part be used to make sure that the parent equipment is supported in the Coordinated Shipboard Allowance List (COSAL);
- reduce physical inventory requirements and to prescribe standard physical inventory procedures;
- provide for effective management of controlled equipage, presentation silver, and mandatory turn-in repairable;
- reduce the number of stock record management data changes required to be made by nonautomated ships;
- prescribe the NAVSUP Form 1250-1 (Single Line Item Consumption Document (manual)) as the issue request document in nonautomated ships;
- prescribe the NAVSUP Form 1250-1 (Single Line Item Consumption/Requisition Document (manual)) as the issue request document in nonautomated ships and as the normal requisitioning document of the nonautomated ships of the submarine forces; and
- prescribe the DD Form 1348 (Single Line Item Requisition System Document (manual)) as the issue request document in automated ships other than those in the submarine forces.

Meeting these inventory control objectives are of major concern to all store keeping personnel. The SK3 and SK2 should be aware of the above objectives and understand their importance. The results of the division's SMA will depend on how well these objectives are met.