

CHAPTER 5 - SALES

A. GENERAL

1. The current disposal system has three program functions for sales. The DAISY National Sales Program (DNSP) provides the procedures for preparing the national sales catalog and for processing the bids for national sales. The Local Sales Program, through the Conversion of Referral and Local Sales (CORALS) provides the procedures for preparing the local sales catalog and for processing the bids for local sales. The property accounting function in the system updates the status of all items in the accountable record. The screens in this chapter refer to the property accounting functions in the current system.

2. Referring Property for Sale

- a. When usable property reaches the ESD, DTID records automatically move into the merchandising cycle.
 - b. DRMO distribution personnel should monitor accumulations weekly to determine lotting and size of sale items based on previous sales experience.
 - c. To determine potential sale items, DRMO personnel may request a Consolidated Listing at any time. This listing reflects all items currently on hand by storage location within a site. DRMO personnel may also use the Local Area Screening List which is output after the Accumulation Release Transaction (ART) processes. This listing shows the ARD of the property. The Donation Screening List, which is output after the ARD, shows the ESD of the property. To use the system to interrogate sale status, select MARKETING MENU from the DAISY Menu. Then select the SALES INQUIRY PROCESS. This provides you with 3 options: 1) DTID INQUIRY; 2) SCRAP INQUIRY; and 3) SALES EXTRACT REPORT PROCESS. The third option has the DTID EXTRACT REPORT for usable property and the SCRAP EXTRACT REPORT for scrap property. Make your selection and follow the screen prompts.
 - d. Input the Accumulation Closing Date for each Accumulation Number as shown in Chapter 2, paragraph A6, this instruction.

3. Preparing Property for Sale

- a. DRMO distribution personnel should maximize use of the Local Area Screening List, Donation Screening List or Consolidated Listing to determine property to be offered for sale.
- b. After determining what property is to be offered for sale, prepare national sale item descriptions and forward them to the **National Sales Office (DRMS-LM)** within 30 calendar days after ESD. Also prepare local sale item descriptions, flyers and/or catalogs for mailing to local sale customers as required by local printing/ mailing time constraints, or transfer to retail sale. Regardless of media used to advertise local sales, catalogs (Invitation for Bids, IFBs) must be available for customers on the first day of property inspection. Since all property shown in the catalog may not be available for sale due to selection and removal of property during the 3 working days prior to inspection, advise customers of property no longer available for sale.

NOTE: For local sales, the Local Sale Number must be recorded in CORALS application for local sales when the IFB is established.

4. Marketing Sales Placards will be output for DTIDs at Automatic Release Date (ARD) plus 7 days. Sales Placards for property requiring special processing will be output at ESD. Sales Placards will not be generated for DEMIL required DTIDs. Immediately following removal of the property, input a Sale/Shipment transaction with the appropriate removal data. Take this action simultaneously with return of the DRMS Form 1427, **Notice of Award, Statement and Release Document**, or, DLA Form 1367, **Shipment Receipt/Delivery Pass** to the DRMO Sales Office.

5. When a quantity discrepancy is discovered during the merchandising cycle, process an inventory adjustment (see chapter 6, this instruction), to correct the record quantity.

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6. When the total quantity is issued anytime after referral for sale, but before the **BOD**, the RTD issue closes out the record of the item. If the **BOD** has passed, roll the item back to RSC A and then issue. If only part of the record quantity is issued after referral for sale, but before **BOD**, the remaining quantity on the record is kept in the appropriate status. If the issue is for a partial quantity and **BOD** passed, the IFB and IFB Item Number must be re-input after the item is rolled back to RSC A

NOTE: If a Type Transaction Code (TTC) of RAD (requisition number added) or TAD (transfer order line added) was input after the XS6 was recorded, the record will be placed in MSC Q and the IFB number will not be visible. See chapter 4, paragraph D7, this instruction, for corrective action.

7. When items requiring DEMIL are related to an IFB, the system asks the user if DEMIL is a condition of sale. If answered yes, the item is to be placed on sale. If answered no, the process is terminated.

8. Adding Bidder Identification Number (BIN) for sale/shipment. The BIN is a ten position numeric that is used to identify bidders. The BIN was previously an optional entry, it is now a required entry. The two main purposes for entering the BIN are: (1) to ensure that the buyer is identified by their BIN in the automated system for each sale that they participate in and (2) to verify whether or not the bidder is eligible to participate in the sale, i.e., not on the Debarred Bidders List.

a. When a sale/shipment is made, the BIN must be entered on the following screens in the Marketing Menu:

- (1) udaz30 - Sale/Shipment (DTID)
- (2) udaz31 - Sale/Shipment (Scrap)
- (3) udaz32 - (IFB Item No.)

b. Procedure for a "known" BIN. Access the appropriate screen in the MARKETING Menu and enter the known BIN in the sale/shipment transaction. Verify the eligibility of the bidder by checking the Debarred Bidders List or by doing a BIN inquiry.

c. To do a BIN inquiry, to add a new BIN to the Bidder Master File, or to verify that the bidder is eligible to participate in the sale, make the following entries.

(1) First access DNSP and select DNSP PRODUCTION. Next select BIDDER MASTER FILE Menu. Then select BIDDER MASTER RECORD APPLICATION. Next select ESTABLISH/EDIT BIDDER RECORD.

(2) To conduct an inquiry, press SHIFT/F3 and enter the bidder or company name followed by an asterisk (*). Press F3 to find. If no BIN is found, press F7 to allow you to add a BIN. Follow the screen prompts. Then press F9 to save the BIN.

(3) If you only have part of a bidder or company name, press SHIFT/F3 and enter the available information. For example, if you know the first 2 letters of the individual or company name, enter those 2 letters followed by an asterisk, e.g. SM*. This type of entry pulls a large number of records. You can narrow the search by adding additional information such as city, state or zip code. Press F4 to view all the records found in the search.

d. To prevent the BIN from being automatically purged, automatic or manual data entries must be made to update bidder information.

(1) For a local sale customer, the system automatically enters **LO** in the TYPE BUYER Field to prevent the BIN from being automatically purged.

NOTE: The BIN for CORALS must be obtained from the NSO. Temporary BINs will not work.

(2) For a national sale customer, if **LO** is not currently displayed in the TYPE BUYER Field, a manual entry of **LO** must be made in the TYPE BUYER Field to prevent the BIN from being automatically purged.

B. DOWNGRADING PROPERTY TO SCRAP.

1. DRMO personnel may determine that certain items that have moved into the sales cycle should be scrapped rather than sold as usable property. Downgrade these items (see chapter 2, this instruction). The source document for the downgrade transaction may be the DTID, the Sales Placard, DRMS Form 222, DRMS Form 73, or DRMS Form 63, depending on the status of the property. Distribution personnel accomplish the Referral for Downgrade transaction (udaz13) that initiates the Downgrade Placard. This transaction requires input of a Downgrade Justification Code indicating the reason for downgrade. Warehousing personnel will use this downgrade documentation to accomplish the downgrade action. Forward the required form to DRMS-O or DRMS-O when approval authority exceeds the DRMO limit. (See chapter 6, attachment 1, this instruction for the required approval levels and signatures.)

2. To input the downgrade referral transaction, first select MARKETING from the DAISY Menu. Then select REFERRAL PROCESSES. Finally select REFER FOR DOWNGRADE. Process the referral as follows:

a. (1) DTID NUMBER Field - Enter the DTID Number. After the DTID Number has been entered, the system displays a screen with the basic data on that item.

b. JUSTIFICATION CODE Field - Enter the Downgrade Justification Code. After this code is entered and the transaction is saved, the system generates a DWR, Downgrade Request Transaction. The DTID is held in the pending file ("pend" file) until the downgrade has been completed and then the system generates a DWD, Gain from Downgrade.

NOTE: The DWR transaction generates a downgrade placard during the evening batch.

C. USABLE PROPERTY

Use the following process for referring usable property for sale.

I. Referral for National Sale

a. Using the Sales Placards output to the DRMO, a sales writer will record the following on the placard:

(1) Change in quantity if applicable.

(2) New Site/Storage Location, if the property is relocated.

(3) Referral date.

(4) Sales referral list number when required.

(5) Sales referral item number when required.

b. Forward the coded Sales Placard for input of sales referral transaction (udaz09 or udaz11) to the system.

c. Your DRMO may find it necessary to hold property beyond the normal time frame in order to obtain a salable quantity or to optimize sales proceeds. Property may be held by site location until sufficient quantity(ies) exist for sale; however, this does not prevent property from appearing on RESI lists.

2. Referring Lotted Property for National Sale. There is no prelot capability in the property accounting system at this time. However, the system allows the user to refer all DTIDs in a single location by input of a single Sales Referral transaction (the Site/Storage Location Referral, screen udaz09). All DTIDs in that location must be in RSC A.

3. Updating Records with IFB Data

a. The Sales IFB process in the system allows the user to associate the IFB and IFB Item Number to DTIDs in 2 ways:

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(1) The IFB/IFB Item Number can be added to the accountable record by DTID (Relate IFB to DTID Screen, udaz22). Select MARKETING from the DAISY menu. Then select SALES IFB PROCESS. Finally, select RELATE IFB TO DTID. The user enters the DTID and is prompted to supply the IFB data.

(2) The IFB/IFB Item Number can be added to all DTIDs associated to a given Sales Referral and Sales Referral Item Number by using the Relate IFB to Referral Number Screen, udaz21. Select MARKETING, then select SALES IFB PROCESS. Finally select RELATE IFB TO REFERRAL NUMBER SCREEN. The user enters the Sales Referral Number and Sales Referral Item Number and is prompted to supply the IFB data. This process adds the IFB data to each DTID on the given Sales Referral Item Number.

NOTE: When the user establishes the IFB Number by using Establish IFB Number Screen (udaz20), they are required to provide the Bid Opening Date and Type Sale Code. Therefore, entering this information is not required when the IFB/IFB Item Number is added to the DTIDs.

NOTE: All property must be DEMIL Code "A" unless specifically allowed for retail sale. At present only small quantities of expended small arms cartridge cases (.50 caliber and under), parachutes that are mutilated, and expended shot gun shells are the only non-DEMIL "A" property allowed for retail sale in CONUS only. (For further instructions please see DRMS-I Volume V, Chapter 2, paragraph D)

b. Local Sales do not require the use of a Usable (DTID) Sales Referral to place the property on a Sales Referral Number/Sales Referral Item Number. The Relate IFB to DTID Screen (udaz22) can be used to place the IFB data on the DTID record. In the event there are multiple DTIDs assigned to a specific Site/Storage Location (and all are in RSC **A**) the user may assign a Sales Referral Number/Sales Referral Item Number to all DTIDs in that Site/Storage Location using the Site/Storage Location Referral Screen (udaz09). To benefit the user, they can utilize the Relate IFB to Referral Number Screen (udaz21) in order to assign the IFB/IFB Item Number to all DTIDs assigned to the Sales Referral Number/Sales Referral Item Number. This eliminates the need to assign the IFB/IFB Item Number, DTID by DTID, since this action only requires the user to process 2 screens.

4. Updating Records with Contract Removal Data

a. To assure that the property accounting system reflects the most current data for quantities removed, the DRMO must promptly enter **sales** removal quantity data, as shown on the DRMS Form 1427 or DLA Form 1367 within **3 days of the final removal date. (This includes sale items where multiple removals take place. The accountable record must be updated within the allotted time after the final removal is made.)** Enter this information on either the Sale/Shipment (DTID) Screen (udaz30) or Sale/Shipment (IFB Item No.) Screen (udaz32). When entering removal data on these screens enter the applicable data elements. **28 Feb 03**

b. When a DTID is in RSC **B, C, J** or **K** and must be rolled back to Record Status Code **A**, process the rollback DTID to RSC **A** Screen (udaz42). Select MARKETING from the DAISY Menu. Then select SALES ROLLBACK PROCESS. Finally select the appropriate option and follow the screen prompts. This removes the applicable sales information (e.g., IFB Number and Sales Referral Number) and places the DTID in RSC **A**. In the event all DTIDs on a given IFB and IFB Item Number must be rolled back to RSC **A** (from RSC **B, C, J** or **K**) the user may use the Rollback IFB Number to RSC **A** (udaz43) Screen. This process removes the applicable sales information from all DTIDs associated with that particular IFB/IFB Item Number and rolls all DTIDs to RSC **A**.

c. The Sales Reversal process provides screens which allow the user to reverse previous actions. You can enter the applicable IFB/IFB Item Number and remove that IFB/IFB Item Number from all DTIDs. You can also reverse a Sale/Shipment action by DTID by entering the DTID and indicating the quantity to restore to that record (the quantity originally entered as being removed on the Sale/Shipment transaction) and the amount of proceeds to be reversed (i.e., the amount of proceeds originally entered on the Sale/Shipment transaction that is being reversed). To use the reversal, select MARKETING from the main menu. Then select SALES REVERSAL PROCESS. Select the correct option and follow the screen prompts.

5. Upgrading Property from Scrap to a Usable Item. When property is downgraded to an SCL (D1D, EIK, etc.) the system will move the item to **Z** record status. If you need to upgrade the item from scrap to usable property,

first go to the WAREHOUSING Menu. Then select the UPGRADE FROM SCRAP Screen and follow the screen prompts. See chapter 7, paragraph C, this instruction, for data entry guidance. Record the UCN on the original DTID, circle the original DTID Number, attach a copy of the document to the property and file the original document in the source document file.

D. NO BIDS, REJECTED BIDS AND DEFAULTS.

If no bids are received or all bids are rejected or the bidder defaults after award, take one of the following actions:

1. Use the CHANGE IFB NUMBER Screen (udaz24) to place unsold property on a new IFB and IFB Item Number.
2. Roll the item back to Record Status **A** (see paragraph C4b, this chapter) and process as appropriate.
3. Downgrade the item to scrap. DRMO personnel may determine that certain items that did not sell should be downgraded. The source documents for the downgrade transaction are DRMS Form 222 or the DAISY Downgrade Placard. (See paragraph B, this chapter.)

E. PROPERTY RETURNED AS A RESULT OF THE GUARANTEED DESCRIPTION CLAUSE.

Property authorized for return under the guaranteed description clause is normally turned in at the nearest DRMO by the purchaser. Therefore, it may or may not be returned to the same DRMO that released the property. Handle authorized returns of this type property as prescribed in the receiving process, chapter 2, this instruction.

F. TERM SALES FOR USABLE PROPERTY.

When an IFB Number is established using the Establish IFB Number screen, the user is required to enter the Type Sale Code. If the Type Sale Code entered is either a **1** (Term Sale), **2** (Negotiated Term Sale) or **E** (Immediate Response Term Sale) all DTIDs that are associated to that IFB Number are automatically placed in RSC **K**. When a shipment of property is made on a term contract, ***the DRMO has 3 days to enter sales removal quantity data as shown on the DRMS Form 1427 or DLA Form 1367. Enter this information on either the Sale/Shipment (DTIC) Screen (udaz30) or Sale/Shipment (IFB Item No.) Screen (udaz32). When entering removal data on these screens, enter the applicable data elements. 28 Feb 03***

G. RETAIL SALES

NOTE: All property must be DEMIL Code "A" unless specifically allowed for retail sale. At present only small quantities of expended small arms cartridge cases (.50 caliber and under), parachutes that are mutilated, and expended shot gun shells are the only non-DEMIL "A" property allowed for retail sale in CONUS only. (For further instructions please see DRMS-I Volume V, Chapter 2, paragraph D)

1. To accomplish moving the total quantity of property to retail sale, see chapter 2, paragraph E4.
2. Moving Unsold Items Out of Retail Sale. Normally, property should not remain in Retail Sale, RSC J, over 90 days. To process unsold property out of Retail Sale, use the Rollback DTID to RSC A Screen from the MARKETING Menu. Then take appropriate action for the property, according to procedures, including, but not limited to, downgrade to scrap, A/D, or inclusion on local or national sale.

H. SCRAP CONTROL AND PROCESSING FOR SALES PURPOSES

1. Identify each separate pile (accumulation) of scrap with a sign that coincides with the scrap record for that particular pile of scrap, e.g., three different piles of irony aluminum (SCL D1D) that are to be disposed of as three separate sales items which will be identified under three different records such as: D1D-A1-A, D1D-A2-A and D1D-A3-A. When each of these items is referred for sale, the scrap record code is part of the location, e.g., **LOC YARD 1 (D1D A1 A)**. Include this code in the IFB for that item for easy cross-referencing by the posting clerk and all concerned.
2. Optimum Lot Size. The optimum sales lot size is that quantity of a particular scrap item which, when sold, yields the greatest net proceeds/benefits. Each scrapyards should determine the optimum lot sizes for its own

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scrap generations. Optimum lot sizes vary by scrap grade/classification and location. There may be several optimum lot sizes within a standard grade, especially within the ferrous scrap category (e.g., cast engine blocks, tank tracks, cast steam radiators). Once established, optimum lot sizes should be updated periodically to reflect salable quantities in current markets. Merchandising by optimum lot size results in optimum proceeds and is well worth the effort required. Factors that should be taken into consideration when determining optimum lot sizes include:

a. **Type of Scrap Received.** In view of the low return per ton received from sale of ferrous scrap, a relatively large optimum lot size (e.g., railcar, bargeload, shipload) may be required to offset transportation costs. Nonferrous and nonmetallic scrap on the other hand, require smaller optimum lot sizes (truckload quantities or less) because of its greater relative value.

b. **Amount of Scrap Received.** Large receipts of scrap may warrant larger optimum lot sizes. Conversely, if only small quantities are received during a lengthy period, it is unwise to have a large optimum lot size.

c. **Amount of Storage Space Available.** Although a larger lot size may be optimum in terms of proceeds, a DoD scrapyards may not be able to store that quantity of scrap because of the limited space available (e.g., insufficient covered storage for paper scrap). In this case, a smaller lot size would be the optimum size or term sales may be necessary to keep scrap inventories manageable.

d. **Type of Loading Facilities Available.** If rail or waterway facilities are available, consider lotting scrap in railcar, bargeload or even shipload quantities. When considering use of rail or waterway transportation, scrapyards managers should check for any applicable load weight limitations, possible obstructions to safe loading, availability/reliability of loading equipment and availability of suitable scales.

e. **Extent of Contamination or Commingling.** It may take larger lot sizes to stimulate an adequate number of bidders when scrap is heavily contaminated or not properly segregated. Conversely, carefully segregated, uncontaminated and accurately identified scrap generates greater buyer interest with smaller lot sizes.

f. **Presence/Absence of Local Markets.** Optimum lot size may be dictated by the availability of a local market. For example, a large lot may be needed to attract distant bidders because of the absence of a local market, but lot size may not be as important in areas of high local demand.

g. **Market Condition.** In periods of low overall demand for scrap, a buyer may not be willing to invest in a large quantity of scrap that he may have to sell later at a loss. In this case, smaller lot sizes may actually bring better proceeds because of the buyer's ability to quickly resell the scrap and maintain minimum inventories.

h. **Frequency of Sales.** This factor, which is heavily dependent on the previous ones, can also have an independent influence on lot size. For example, if a scrap yard has one scrap sale a month, lot sizes may be smaller than if it has a sale only once a quarter.

i. **Past Sales Experience.** This is a crucial factor in determining optimum lot size. DoD scrap personnel must be familiar with their past sale results to determine which size lot yielded the highest net return. However, the market is constantly changing and optimum lot size should not be based solely on past sales history. Furthermore, past sales history can be misleading because of variances between sale items, especially with respect to percentage of contamination, and accuracy of scrap materials identification.

3. **Referral for Sale.** If scrap is going to be sold on a national sale, refer the property to the National Sales Office. Use the Scrap Sales Referral Screen (udaz10) to update the accountable record by adding the Sales Referral and Sales Referral Item Number.

4. Updating Records with IFB Data

a. **National Sales:** When DRMS-LMI notifies you that the property has been placed in a sales catalog (IFB), add the IFB and IFB Item Number information to the system. Do this by processing a Relate IFB to Scrap Screen (udaz23).

b. Zone Sales: When the DRMO places scrap on a zone sale no Sales Referral is required. Add the IFB and IFB Item Number information to the system by processing a Relate IFB to Scrap Screen (udaz23).

c. If the scrap item is not sold, the property may be either re-offered or processed to Abandonment or Destruction. Use the following options:

(1) Use the CHANGE IFB NUMBER Screen (udaz24) to place the unsold property on a new IFB and IFB Item Number.

(2) Accomplish re-offers by using the ROLLBACK SCRAP TO RSC **A** Screen (udaz45). This will place the Scrap ID in RSC **A** and allow the DRMO to re-offer the property.

(3) Initiate processing of the property to Abandonment and Destruction by first rolling the property back to RSC **A** then refer the property to A & D using the Refer for Abandon/Destroy (Scrap) Screen (udaz15). This places the Scrap ID in RSC **S** and allows further processing for A & D. To complete the process, see chapter 3, paragraph G7, this instruction.

5. Updating Scrap Records with Contract Removal Data

a. To assure that the system reflects the latest data for quantities removed, the DRMO will input the removal data as recorded on the DRMS Form 1427 or the DLA Form 1367 within 5 working days for local sales and within 20 working days for national sales. Enter this information on the Sale/Shipment (Scrap) Screen (udaz31) from the MARKETING Menu. To reduce keystrokes and input time, multiple deliveries for the same scrap ID on the same day may be totaled and input as a single transaction.

b. The Sale/Shipment Reversal (Scrap) process (udaz44) allows the user to reverse previous shipment actions. The user enters the applicable Scrap ID for which they want to reverse the Sale/Shipment action. The user is prompted to enter the Weight to Restore (the weight removed on the

Sale/Shipment), the Sales Proceeds (the proceeds received for the weight being restored), the Date Removed and Bidder Registration Number.

6. Term Sales - Scrap. When a Sales IFB Number is assigned to a Scrap ID and the Type Sale Code assigned is either a **1** (Term Sale) or **2** (Negotiated Term Sale), the Scrap ID is changed to RSC **K**. Once the Scrap ID is in RSC **K**, Sale/Shipment transactions may be processed against the property. Unlike one-time sales there is no requirement to wait for a RSC change to process a shipment. Whenever the Quantity Available of the Scrap ID reaches { eq \O(0,/)}, the user is asked if they wish to close the Scrap ID. If the response is **yes**, the Scrap ID is placed in RSC **Z** (closed), however, if the response is **no**, the Scrap ID is left in RSC **K** (open) with a { eq \O(0,/)} Quantity Available. This avoids the need to leave a balance of one pound in the Scrap ID to keep the record open.

NOTE: A Sale/Shipment transaction cannot be processed for a Quantity Removed which is greater than the Quantity Available. If the Quantity Removed is larger than the Quantity Available, process an adjustment to gain the additional quantity. (See chapter 6, paragraph E, this instruction.) If the Quantity Removed represents the entire pile and is less than the Quantity Available, the user is asked if this is a partial delivery. If the response is no, it is considered a Final Removal and the Quantity Available is zeroed. The record is flagged indicating an adjustment is required. The record stays in RSC K until the adjustment is made. If the user responds "yes", it is considered as a Partial Removal and the item remains in RSC K with the applicable Quantity Available.

7. Scrap Term Sales tied to a market price. Input the Sale/Shipment transaction for these sales when you release the property to the purchaser based on the Market Price furnished by DRMS-LMI on a monthly basis. **Do not wait until receipt of the paid copy** of the DRMS Form 915 to input the Sales/Shipment transaction to record removals.

I. PROPERTY REQUIRING DEMIL OR BEING HELD FOR RECLAMATION

1. When property requiring DEMIL reaches ESD plus one cycle, a DEMIL placard is output.

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2. Following reclamation, see chapter 2, paragraph E4, this instruction, to downgrade the end item residue to scrap.
3. If DEMIL reduces the item to scrap, see chapter 2, paragraph E4, this instruction, to downgrade the property.
4. If DEMIL does not reduce the item to scrap, but removes or destroys the "key points", see paragraph C, this chapter, to refer the component parts for sale. Refer as DEMIL A if no useable MLI/CCLI remain intact. Refer as DEMIL B or DEMIL Q if useable MLI/CCLI remain intact. Key points are DEMIL D.
5. If the property is referred for sale with DEMIL to be performed as a condition of sale, see DRMS-I 4160.14, Volume VII, Chapter 3, paragraph F.

J. PROPERTY TO BE ABANDONED/DESTROYED (A/D)

1. Certain items which have completed screening and have no sales potential, whether offered as usable or scrap material may be justifiably abandoned or destroyed.
 2. See DoD 4160.21-M, Chapter 8, for RSC **A** property that may be abandoned or destroyed provided it meets the following criteria:
 - a. Documented finding that it is proper for health, safety, security, or the environment.
 - b. Property cannot be referred for R/T/D/S because of prohibitions by law, DoD policy, or military regulations.
 - c. No R/T/D/S potential. If donation becomes feasible before actual A/D action, donation action will be taken unless specifically prohibited.
 - d. No sales or profit potential, no commercial value.
 - e. Processing for sale is uneconomical. Economy formula provided in DoD 4160.21-M, Chapter 8, attachment 1.
 3. DRMOs may use the DD 1348 series document or stamp the reverse side of the Sales Placard to record, certify and substantiate abandonment or destruction. See chapter 6, attachment 1, this instruction, for the required approval levels and signatures.
 4. If the DRMOs elect to use this option, obtain either an appropriate stamp or prepare a local form (see attachment 1, this chapter). The examples shown are for abandonment in a host landfill or delivery to a commercial landfill hauler/operator.
 5. To refer items or scrap to A/D, select one of the following screen options from the **MARKETING MENU**:
 - a. Refer for Abandon/Destroy (DTID) (udaz14)
 - b. Refer for Abandon/Destroy (Scrap) (udaz15)
 - c. Refer for Abandon/Destroy (IFB) (udaz16)

K. SCRAP BREAKDOWN (Excludes SCL P24).

To record the movement of scrap from one SCL to another, e.g., iron or aluminum scrap from H24 to E1L or D1D, you may use DRMS Form 1978 at attachment 2, this chapter. Use of DRMS Form 1978 is optional. The DRMO Chief may make it mandatory to use DRMS Form 1978, it would then become a source document. Except for precious metals, scrap reclassification does not require approval. However actual gains and losses must be approved and documented. Guidance for gains and losses is provided in chapter 6, this instruction.

NOTE 1: DRMS Form 1978 alone, is not a source file document. It may be used to provide a uniform method

of recording scrap breakdowns from one SCL to another SCL.

NOTE 2: DRMS Form 1715 is mandatory for scrap breakdown for SCL P24. A copy of the completed form, DRMS 1715, will be provided to HQ DRMS, to the personnel in the Precious Metals Office.

L. RECONCILIATION OF SCL ACCOUNTS.

Conduct the reconciliation of SCL accounts monthly. See attachment 4, this chapter. For all shortages or overages, prepare documentation according to chapter 6, attachment 1, this instruction.

M. VERIFY SALES PROCEEDS.

To verify the accuracy of sales proceeds entered in the system, use the following procedure.

NOTE: You must enter the high bid amount and the bidder in the Local Sale Program to enable the XS7 to process.

1. After all sales disposition data for an IFB is entered in the system, run a consolidated inquiry. If the sale includes both usable and scrap, run an inquiry for both categories of property for the specific IFB number. Take the following steps for the consolidated inquiry.

- a. Enter the IFB Number.
- b. Enter the RIC Suffix.
- c. Enter the Record Status Code (RSC) of "!Z" (not equal to RSC Z).
- d. Press F3 to find all the records not in RSC Z.

2. If no records are found in the search, all items in the IFB are in RSC Z. If records for this IFB are found in the search, begin research to determine why sales disposition data has not been entered.

3. After all items in the IFB are in RSC Z, run another consolidated inquiry using the following steps.

- a. Enter the IFB Number.
- b. Enter the RIC Suffix.
- c. Enter the RSC of Z.

d. After the data entries for the consolidated entry have been input, press F1 to begin creating a report. Answer YES "Y" at the prompt to create a wide report. Next select USER DEFINED INQUIRY REPLY. Follow the screen prompts and press F9 to create the report. The report should contain certain print fields for usable and for scrap. Those fields are as follows:

(1) Print fields for usable property

- (a) DTID Number
- (b) Record Status Code (RSC) (All records should be in RSC Z.)
- (c) Total Sales Proceeds
- (d) IFB Item Number

(2) Print fields for scrap property

- (a) Scrap ID

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(b) Record Status Code (RSC) (All records should be in RSC Z.)

(c) Total Sales Proceeds

(d) IFB Item Number

(e) Weight (should be zero)

e. After you have selected the print fields, a screen message will ask you to enter the sort fields. For usable inquiries, select DTID within IFB Number sequence. This entry goes in the SORT BY Block as "36,13". (36 = Sales IFB Item Number and 13 = DTID Number.) For scrap inquiries, the sort should be in IFB Item Number sequence.

f. After selecting the sort sequence, complete the entry by pressing **RETURN** to reach the SUB-TOTAL BY Block. Subtotals for both scrap and usable entries should be by IFB Item Number.

g. Press F9 to print the report.

4. When you receive the printed report, compare the total proceeds at the end of the report with the actual sales proceeds. If the two amounts match, the verification of sales proceeds is complete. If the amounts do not match, each IFB item must be checked to locate and correct the error(s). After the corrections are made and entered in the system, run another inquiry to verify that the proceeds in the report and the actual proceeds match.

NOTE: If an IFB contains both usable and scrap property, a consolidated inquiry must be done for both. Combine the report totals and compare with the actual sales proceeds. If the amounts match, the verification process is complete. If the amounts do not match, follow the procedure in subparagraph M4 above.

N. DRMS RECYCLABLE MATERIAL REIMBURSEMENT TRACKING PROGRAM.

This program is designed to track the quantity of material each generator (by DoDAAC) contributes to a sale item. This program provides cumulative totals for each DoD generator. The reports providing these totals must be retained by the DRMO to calculate the current reimbursement that is due to each generator. For example, if the current record for a generator indicates that this generator is entitled to \$4500 in total reimbursement, the DRMO must check the records for the previous reimbursement total for that generator. If the previous total was \$2500, this amount should be subtracted from the \$4500 leaving an amount due the generator of \$2000. See attachment 3, this chapter, for detailed guidance.