Defense Health Agency

ADMINISTRATIVE INSTRUCTION

NUMBER 6430.07
December 8, 2021

DAD-MEDLOG

SUBJECT: Medical Logistics Inventory Management

References: See Enclosure 1

1. PURPOSE. This Defense Health Agency-Administrative Instruction (DHA-AI), based on the authority of References (a) and (b), and in accordance with the guidance of References (c) through (o), establishes the Defense Health Agency's (DHA) procedures for effective inventory management.

2. APPLICABILITY. This DHA-AI applies to the Defense Health Agency (DHA), DHA Components (activities under the authority, direction, and control of DHA), and all personnel including: assigned or attached Active Duty and Reserve members, members of the Commissioned Corps of the Public Health Service, federal civilians, contractors (when required by the terms of the applicable contract), and other personnel assigned temporary or permanent duties at DHA and DHA Components.

3. POLICY IMPLEMENTATION. It is DHA's instruction, pursuant to References (a) through (o) that DHA components will adhere to procedures outlined in this DHA-AI for inventory management of Class VIII medical supplies.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosure 3.

6. PROPONENT AND WAIVERS. The proponent of this publication is the Deputy Assistant Director (DAD), Medical Logistics (MEDLOG). When Activities are unable to comply with this publication the activity may request a waiver that must include a justification, to include an

analysis of the risk associated with not granting the waiver. The activity director or senior leader will submit the waiver request through their supervisory chain to the DAD-MEDLOG to determine if the waiver may be granted by the Director, DHA or their designee.

7. RELEASABILITY. **Cleared for public release**. This DHA-AI is available on the Internet from the Health.mil site at: https://health.mil/Reference-Center/Policies and is also available to authorized users from the DHA SharePoint site at: https://info.health.mil/cos/admin/pubs/SitePages/Home.aspx.

8. EFFECTIVE DATE. This DHA-AI:

a. Is effective upon signature.

b. Will expire 10 years from the date of signature if it has not been reissued or cancelled before this date in accordance with Reference (c).

9. FORMS. The following DD forms are available from: https://www.esd.whs.mil/Directives/forms/.

a. DD Form 1155, Order for Supplies or Services

b. DD Forms 1348-1A, Issue Release/Receipt Document

c. DD Form 1348-6, DoD Single Line Item Requisition System Document

/S/
RONALD J. PLACE
LTG, MC, USA
Director

Enclosures
1. References
2. Responsibilities
3. Procedures
Glossary

ENCLOSURE 1

REFERENCES

(a) DoD Directive 5136.01, "Assistant Secretary of Defense for Health Affairs (ASD(HA))," September 30, 2013, as amended
(b) DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013
(c) DHA-Procedural Instruction 5025.01, "Publication System," August 24, 2018
(d) Public Law 114-338, Section 702, "National Defense Authorization Act for Fiscal Year 2020," December 20, 2019
(e) DoD Instruction 6430.02, "Defense Medical Logistics Program," August 23, 2017
(f) DHA-Procedural Instruction 6430.02, "Defense Medical Logistics (MEDLOG) Enterprise Activity (EA)," September 27, 2018
(g) DoD Financial Management Regulation 7000.14-R, "Department of Defense Financial Management Regulation (FMR)," May, 2019[1]
(h) DoD Directive 1342.20, "Department of Defense Education Activity (DoDEA)," October 19, 2007
(i) Defense Travel Regulation 4500.9-R-Part II, "Defense Transportation Regulation, Cargo Movement," May 2014 as amended[2]
(j) Public Law 105-115, "Food and Drug Administration (FDA) Modernization Act, 1997," November 21, 1997
(k) DoD Manual 4160.21-V4, "Defense Materiel Disposition Manual," October 22, 2015, as amended
(l) Code of Federal Regulations, Title 21, Part 1304
(m) Defense Logistics Agency Regulation (JP) 4145.21, "Preparation of Medical Temperature-Sensitive Products Requiring Cold Chain Management for Shipment," November 20, 2018
(n) National Fire Protection Association Code "National Fire Protection Association (NFPA) 101, Life Safety Code" current edition[3]
(o) Code of Federal Regulations, Title 21, Part 1317

[1] This reference can be located at: http://comptroller.defense.gov/FMR.aspx
[2] This reference can be located at: https://www.ustranscom.mil/dtr/dtrp2.cfm
[3] This reference can be located at: https://www.nfpa.org/codes-and-standards/all-codes-and-standards/list-of-codes-and-standards/detail?code=101

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, DHA. The Director, DHA, will assign the DAD-MEDLOG to implement this DHA-AI in accordance with Reference (e).

2. DHA, ASSISTANT DIRECTORS. DHA, Assistant Directors will ensure DHA Components implement and comply with this DHA-AI and coordinate with the Secretaries of the military departments in order to accomplish compliance with this guidance.

3. DAD-MEDLOG. The DAD-MEDLOG must:

a. Perform oversight of the delivery of all MEDLOG business functions at DHA components in accordance with References (a) through (n).

b. Establish policy and procedures for managing medical materiel.

c. Provide liaison between DHA MEDLOG activities and the Defense Logistics Agency (DLA), General Services Administration, and other medical sources of supply including the Veterans Administration.

d. Support development, procurement, stocking, distribution, retrofitting and reconstitution of contingency response assemblages, including War Reserve Materiel (WRM), Pandemic Influenza, and Medical Counter-Chemical, Biological, Radiological, and Nuclear assemblages.

e. Maintain and update medical allowance standards for DHA units and provide guidance for determining medical materiel allowances for non-medical activities.

f. Request DoD Activity Address Code for new stock record accounts.

g. Direct DHA MEDLOG site visits to assist MTF level MEDLOG in maintaining an optimum standard of MEDLOG support.

4. MARKET, SMALL MARKET AND STAND-ALONE MTF FACILITY ORGANIZATION, AND DEFENSE HEALTH AGENCY REGION DIRECTORS. The Market, Small Market and Stand-Alone MTF Organization, and Defense Health Agency Directors must ensure MTFs they oversee comply with the guidance in this publication. Ensure DHA Medical Units under their authority, direction, and control implement this DHA-AI.

5. DIRECTOR, MTF. The Director, MTF must:

a. Establish an effective MEDLOG office to support and ensure adherence to guidelines included in this DHA-AI.

b. Appoint a Chief, MEDLOG.

c. Appoint in writing a Medical Service Corps officer or civilian (in equivalent grade and job series) as an Accountable Medical Logistics Officer (AMO).

d. Appoint in writing Supply/Property Custodians to support MEDLOG functions, including to act as MEDLOG ordering representatives for their respective departments.

e. Approve or designate an authorized clinical representative to approve all requests for medical materiel from non-DHA Components supported by the MTF.

6. CHIEF, MEDLOG. The Chief of MEDLOG, as part of the MTF's MEDLOG Department, is responsible for all MEDLOG operations in the facility and satellite facilities (including detached units) to the extent authorized by the Director, MTF. The Chief, MEDLOG, must:

a. Operate the MEDLOG Defense Medical Logistics Standard Support (DMLSS) with the segregation of duties functionality enabled.

b. Ensure inventory is appropriately stratified into the inventory stratification categories.

c. Where applicable, use MTF Operations and Maintenance funds to issue expendable medical supplies to DoD Dependent Schools in accordance with Reference (h).

d. Only issue pharmaceutical drug items to the MTF pharmacy or to MTF accounts with an approved pharmacy and therapeutics function-authorized drug list (Schedule II-V) in accordance with Service policies until DHA guidance is published.

e. Ensure backorders are managed in accordance with Service policies until DHA order management guidance is published.

f. Ensure shipment discrepancies are reported accurately and promptly, including adherence to document retention policies of this DHA-AI.

g. Ensure unserviceable materiel is turned in to MEDLOG and not stored in the using activity in accordance with Service policies until DHA guidance is published.

h. Ensure destructions are processed in accordance with environmentally safe destruction methods in accordance with Service policies and procedures until DHA guidance is published.

i. Ensure an inventory of operating supplies occurs as described in this DHA-AI and appropriate actions for materiel loss or damage are taken.

j. Ensure unserviceable and excess materiel is processed through an approved local or third-party disposition function or turned in to DLA Disposition Services.

7. AMO. The AMO must:

a. Maintain accurate property and transactions records for the medical stock record account in the DMLSS system.

b. Issue medical materiel to using activities.

c. Ensure appropriate documentation and management controls are in place to meet audit requirements and prevent occurrences of fraud, waste, and abuse.

d. Ensure Working Capital Fund inventories are managed in accordance with applicable Service policies.

e. Certify the Inventory Adjustment Voucher (IAV).

8. SUPPLY/PROPERTY CUSTODIAN. The Supply/Property Custodian must:

a. Submit orders and New Item Requests in DMLSS.

b. Manage or coordinate department supply budget with cost center manager and manage supplies issued to the department located in the supply closets, storage rooms, and clinical areas.

c. Locate and remove recalled materiel in procedure areas.

d. Complete excess and unserviceable supply turn-in actions.

ENCLOSURE 3

PROCEDURES

1. ISSUES AND ORDERS THAT ARE DUE-OUTS TO CUSTOMERS

a. Control of Issues from Inventory. MTF MEDLOG will:

(1) Ensure all issues of materiel are processed on a reimbursable basis, with the exceptions outlined in Reference (f).

(2) Where applicable, use MTF Operations and Maintenance funds to issue expendable medical supplies to DoD Dependent Schools and Education Activities in accordance with Reference (h).

(3) Request direction from the Resource Management Office when establishing or revising a Project Center or Expense Center in DMLSS.

b. General Inventory Issue Instructions, Supplies, and Equipment.

(1) MTF MEDLOG will only issue pharmaceutical drug items to the MTF pharmacy or to MTF accounts with an approved pharmacy and therapeutics function-authorized drug list. Refer to Service policies for MEDLOG and pharmaceutical guidance pending DHA policy.

(2) Equipment items will not be issued unless properly authorized per Service policies pending DHA policy.

(3) MEDLOG may provide support to detached units in accordance with local support agreements. Detached units may be authorized by the MTF director to purchase emergency medical requirements in accordance with Service policies until DHA guidance is published.

(4) MEDLOG, in accordance with Reference (i), is responsible for receipt, inspection, issue and disposition of medical kits.

(5) Warehouse refusals will be immediately researched and reconciled. Research and reconciliation may include checking with the procurement section in MEDLOG (to determine if there is an existing due-in order) and vendor (to determine whether the invoice is based on a valid order document number from DD Form 1155, Order for Supplies or Services).

c. Back Order Procedures.

(1) MTF MEDLOG will coordinate with Supply/Property Custodians and notify them of the status of backorders and provide assistance in finding substitute items or cancelling items no longer needed.

(2) MTF MEDLOG will ensure due-ins are established in a timely manner and validate or cancel existing back orders quarterly. Supply/Property Custodians can request cancellation, without charge, of any due-out that does not have an established due-in (within current fiscal year). If a due-out has been established, MTF MEDLOG will obtain a confirmation of cancellation from the medical source of supply before cancelling the customer due-out.

d. Authorization to Receive Controlled Items and Medical Equipment. MTF MEDLOG will obtain signature receipt from appointed Supply/Property Custodians, or authorized representatives for controlled items (Controlled Item Inventory Code (CIIC) Q and R) and equipment. Supply/Property Custodians will be appointed in writing (include printed name and signatures) to receive controlled items and equipment in accordance with Service policies until DHA policy is established. The appointment letter will be maintained by MEDLOG for at least 2 years.

e. Outpatient Medical Materiel Support. Patients will receive in-home medical material support from the clinical area which provided treatment (e.g., inpatient ward, outpatient clinic, same day surgery).

f. Medical Supplies and Equipment for First Responders. Services will continue to follow Service policies regarding funding until superseded by DHA policies.

2. RECEIPTS RESULTING FROM REQUISITIONS

a. Inspecting Receipts. MTF MEDLOG will inspect 100 percent of all orders placed by MEDLOG (this does not include orders placed and stocks maintained by internal customers who do not place orders through MEDLOG) including Prime Vendor (PV) orders to include identifying special handling requirements, verifying the quantity received, item identity (part number, nomenclature, etc.), and condition. A copy of the receiving document will be annotated as follows:

(1) Indicate quantity received for each line on the receiving document by circling the quantity number for complete shipments or line out the quantity number and write in the adjusted quantity received.

(2) MEDLOG personnel will approve receiving reports by printing their name, legible signature and date.

(3) Forward copy of the receiving report and vendor invoice/shipping document for quality control.

b. Receiving Hazardous Materials. MTF MEDLOG will:

(1) Utilize the current Service-approved Hazardous Material tracking system, to track, receive, handle, store, inspect, and distribute hazardous material in accordance with applicable Safety Data Sheet(s) (SDS).

(2) Ensure the receipt matches the Hazardous Material against the correct SDS, and units of purchase have proper labelling when broken down to units of issue.

(3) Accept all government shipments, including damaged shipments. Due to potential hazard to the public and in accordance with Chapter 209 of Reference (j), do not refuse shipments.

(4) Contact the medical Radiation Safety Officer (RSO) or RSO Office prior to receiving a radioactive material package, and prior to initiating disposition of radioactive material.

c. Reporting and Documenting Discrepancies in Shipment. MEDLOG must:

(1) Establish controls to ensure discrepancies are reported accurately and promptly.

(2) Report discrepancies attributable to the shipper (for example, manufacturer, vendor, or contractor) and coordinate with the contracting officer when necessary.

(3) Submit a lost shipment report when a shipment has not been received within contract and supplier timeframes. Complete follow-up and tracer actions prior to submission.

(4) Maintain all discrepancy documentation for 2 years or in accordance with Service policies until DHA guidance is published.

3. GAINS AND LOSSES OF INVENTORY

a. General.

(1) MEDLOG must document all gains and losses of inventory by performing an inventory adjustment within DMLSS.

(2) MEDLOG must store only serviceable materiel in using activities in accordance with Reference (l). Items returned by customers require a turn-in transaction within the DMLSS.

b. Customer Turn-Ins to MEDLOG.

(1) The customer must produce a DD Form 1348-6, DoD Single Line Item Requisition System Document to identify items being turned in for possible credit. Spreadsheets can be used to list multiple line items.

(2) Working Capital Fund activities will grant credit in accordance with Service policy until a DHA policy is developed for managing turn-in credits.

(3) Customer turn-ins for credit will be limited to full units of sales.

(4) Credit may be granted for:

(a) Serviceable supplies (including Medical Counter-Chemical, Biological, Radiological and Nuclear assets) that can be resold to other activities and for which there is adequate usage history of other customers.

(b) Specified unserviceable and reparable items for which a known credit is to be received e.g., items suspended by a DoD hazard alert and recall (HAR) messages where the return credit is specifically cited in the message.

(5) Credit will not be allowed for:

(a) Serviceable turn-ins with no MTF requirements.

(b) Materiel to be destroyed or turned in to DLA Disposition Services or commercial credit returns vendor.

(c) Materiel suspended from issue and use, (with the exception of items suspended by a DoD HAR message) where the return credit is specifically cited in the message.

(d) All equipment items.

(e) Expired drugs.

(f) Centrally managed items.

(g) Customer returns re-stratified into WRM projects.

c. Destructions.

(1) Working Capital Fund activities will grant credit or undertake destructions in accordance with Service policy until DHA guidance is published. Destroy medical materiel in the following categories:

(a) Expiration dated items when the expiration date has passed and cannot be extended under Food and Drug Administration Shelf Life Extension Program.

(b) Suspended stock.

(c) Excess serviceable biologicals, drugs, and reagents less than $3,000 per line item (the same item being aggregated into a single line item) that cannot be redistributed to another MTF that could use the item.

(d) Items required to be frozen that have thawed and cannot be used within the manufacturer's recommended time limit, or when the indicator in a shipping package shows the materiel thawed and refroze during shipment. Prior to destruction, MTF MEDLOG should contact the manufacturer to determine whether the product is still usable.

(e) Drugs requiring refrigeration that have been out of refrigeration beyond the manufacturer's specifications. Prior to destruction, MTF MEDLOG should contact the manufacturer to determine whether the product is still usable.

(f) Excess or unserviceable property dangerous to public health and safety.

(g) Materiel directed to be destroyed by higher headquarters, the manufacturer, or a DoD HAR message.

(2) Do not destroy:

(a) Pharmaceutical items undergoing Food and Drug Administration Shelf Life Extension Program testing.

(b) Materiel suspended due to a materiel complaint.

(c) Items involved in clinical quality reviews, claims against the Government, or litigation.

(3) Return of materiel using commercial credit return vendors will be in accordance with paragraphs 3d and 3e of Enclosure 3.

(4) The MTF Medical Unit has three options to dispose of destructions: commercial credit returns companies, installation-wide hazardous materiel removal contract, or in-house.

(5) Return of materiel using commercial credit return vendors will be in accordance with paragraphs 3d and 3e of Enclosure 3.

(6) Disposition performed in coordination with Installation Environmental Manager using installation-wide hazardous materiel disposal and treatment contracts:

(a) Coordinate disposal of Hazardous Material or pharmaceuticals with the Installation Environmental Manager in accordance with Reference (o), as well as applicable local policies.

(b) MTF MEDLOG will process destructions in DMLSS using destruction transactions or commercial returns losses.

(c) The Installation Environmental Manager or vendor must provide a signed and dated record of receipt, documenting the transfer of materiel from MEDLOG.

(7) Destructions performed in-house:

(a) The Director, MTF, will appoint one or more disinterested destruction officers to be responsible for the destruction of Controlled Item Inventory Code Q and R, Drug Enforcement Administration Schedule II-V items. Destruction officers will be a service member

(in the grade of E-7 or higher) or a federal employee (General Schedule (GS)-07/Wage Grade (WG equivalent or higher). In addition, two disinterested individuals will witness the destruction. These witnesses will also be service members (E-7 or higher) or federal employees (GS-07/WG equivalent or higher). To be a disinterested appointee, a member must be from a department outside of MEDLOG chain of command.

(b) The Chief, MEDLOG will appoint a service member (E-5 or higher), or federal employee (GS-05/WG equivalent or higher), to destroy other than Controlled Item Inventory Code Q and R items. There is no requirement for these individuals to be disinterested.

(c) MTF MEDLOG will consult the Installation Environmental Manager to ensure environmentally safe destruction methods are used. The Installation Environmental Manager will sign and date the Destruction Report certifying the method of destruction is environmentally safe. Subsequent destructions of the same item do not require Installation Environmental Manager review.

(d) MTF MEDLOG will destroy the materiel in a manner that precludes the use of any portion of the item for any purpose. The destruction officer and witnesses will sign and date the Destruction Report certifying the identity and quantity of items destroyed, and the authority, reason, manner, and date of destruction.

(e) MTF MEDLOG will retain documentation of destructions for 2 years for destruction of non-controlled materiel in accordance with Service policies until DHA guidance is published, and for controlled materiel, in accordance with Section 1304.04 of Reference (o).

d. Commercial Credit Returns. MTFs should follow Service policies on commercial credit returns for controlled items until DHA guidance is published.

(1) Credits will be used prior to obligating any other funding.

(2) All MEDLOG accounts will utilize the appropriate vendor participating in Defense Logistics Agency-Troop Support's (DLA-TS) multiple-award Pharmaceutical Reverse Distribution Contract. MTF MEDLOG will consult with the Installation Environmental Manager to confirm specific State or Final Governing Standards requirements and to ensure there are no applicable prohibitions to the use of these approved vendors.

(3) For Operating credits (Pharmacy and Medical/Surgical), peacetime credits expire 120 calendar days after they are posted to the PV credit account; credits in WRM accounts expire 180 calendar days after they are posted. MTF MEDLOG will review credit account balances to preclude expiration of credits.

(4) All Air Force returns for credit will be made from the Air Force Working Capital Fund/Medical Dental Division. MTF MEDLOG will process the returns for credit in DMLSS. Other Services will follow Service policies.

(5) MTF MEDLOG will establish credit accounts with their pharmaceutical PV to manage and utilize credits. For the Air Force, separate credit accounts will be established for operating materiel credits and WRM credits.

(6) MEDLOG accounts will process WRM returns through centrally managed PV accounts. This does not apply to accounts supported by Dakota Drug.

(7) Air Force customer turn-ins for commercial credit returns will be processed as non-reimbursable. Other Services' customer turn-ins will be processed as reimbursable.

(8) MEDLOG or Supply/Property Custodian will transfer materiel to the commercial credit returns vendor as follows:

(a) Not earlier than 10 duty days prior to processing the materiel to the vendor, MTF MEDLOG will process destructions or credit returns losses (in DMLSS) for all items turned in to the commercial credit returns vendor.

(b) The contractor will provide an inventory report, detailing catalog data (e.g., product names, National Drug Codes/catalog numbers) and quantities.

(c) The contractor will sign for the materiel received. They should also annotate their printed/stamped names for identification. A business card or other means of certifying their identification is acceptable.

(d) MTF MEDLOG will validate (Quality Control) the vendor-signed DMLSS Destruction Reports and DD Forms 1348-1A, Issue Release/Receipt Document and file the documents.

(9) At this point, the audit trail for returned items is complete.

(10) All documentation must be maintained in accordance with Service policies until DHA guidance is published.

e. Commercial Credits Management.

(1) MTFs may accumulate credit money based upon discrepancies in shipments, pricing errors after receipt and payment of material, or expired pharmaceuticals returned to a reverse distributor. The PV will provide a monthly credit report to the customer and the DLA-TS Medical Contract Officer (KO) by the 15th of each month of the date of the individual credit listing and the amount of credit available. The credit listing must include the following information: account number, Customer Identification (ID), Contract Number, Call Number,

Contract Line Item Number (if available), date credited, PV order number (if available), manufacturer name, manufacturer part number, quantity credited, credited amount, and a brief reason for credit (code).

(2) The Logistics and Pharmacy Supply Leads will ensure procedures are in place to address handling and accounting procedures to ensure maximum credit to the activity. All credit notifications will be tracked and managed in DMLSS using the Commercial Return–Manage PV Credits function.

(3) Accumulated MEDSURG credits will be used within 90 calendar days and pharmaceutical credits will be used within 120 days in accordance with the DLA-TS Medical PV contract. The PV will notify the DLA-TS's Medical Contracting Officer of any customer credit amounts which remain unexpended after 60 calendar days from the date of credit issuance.

(4) Credits may also be used when there is a PV or DMLSS system outage and an emergency purchase is required. Emergency items are items requiring expedited delivery due to a specific need designated by the MTF, which impacts operational capabilities or threatens the loss of life, limb, or eyesight.

(5) Credits may also be used to offset unpaid or short-paid invoices identified by DLA-TS. The ordering facility must notify the PV in advance when a credit balance will be used in lieu of payment.

(6) Each MTF ordering location should verify the amount of credit available prior to placing orders using credits by reviewing their account online via the PV website or by contacting their PV customer service representative(s) or their accounts receivable.

(7) DHA MEDLOG may request that DLA-TS redistribute unused credits to other MTFs within 10 calendar days of expiration.

f. Inventorying Medical Operating Supplies. There are two main purposes for completing inventories: adjusting stock records and identifying gaps in training or processes that contribute to inventory overages and shortages.

(1) MTF MEDLOG will inventory operating supplies no less frequently than 12 months from the previous inventory; the actual due date for inventory completion is the final calendar day of the anniversary month. Operating stock includes excess, suspended stock, and assets in special projects. Run the Business Intelligence Stockage Report to document that no operating stock is on hand with the exception of "WRM Balances," "WRM Suspended Balance," and "WRM Reparable".

(2) MTF Director/Deputy Director may waive the 12-month requirement for up to 90 calendar days when unforeseen or unavoidable conditions prevent completion of an inventory.

(3) The only approved exceptions to the 12-month requirement are controlled items, which must be inventoried quarterly.

(4) Prior to the 12-month anniversary of the previous Inventory/stockless validation (or complete inventory), MTF MEDLOG will validate that no operating stock is on hand for stockless operations.

(a) MTF MEDLOG personnel will conduct and document a complete walk-through of all storage areas (including vaults and cages) to ensure no operating inventory is physically on hand.

(b) The AMO will sign a memorandum for the record certifying no stock is on record or on hand and document the results of the complete walk-through. MTF MEDLOG will retain the entire package, and results of the complete walk-through.

(5) Inventory procedures are as follows:

(a) Inventory procedures start with a location survey.

(b) MTF MEDLOG personnel will lock operating inventory records in DMLSS, complete counts and re-counts, research discrepancies, and unlock inventory records in DMLSS.

(c) Pre-counts to resolve discrepancies prior to initiating the inventory in DMLSS are not authorized.

(d) MTF MEDLOG personnel will complete blind counts using DMLSS-Inventory Management (IM) module produced Inventory Count Lists with the use of portable devices for inventory of operating supplies. MTF MEDLOG will ensure count lists do not contain inventory balance data. However, items found that are not on the count list should be added to the list or put on a separate count document.

(e) MTF MEDLOG personnel will research inventory discrepancies. The purpose of research is to identify, analyze, and evaluate the root cause of inventory discrepancies with the aim of eliminating repetitive errors. Research ends when the cause of the discrepancy has been discovered or when, after a thorough review of the transactions, no conclusive findings are determined.

(6) The AMO will document the results of the inventory in a locally developed inventory summary report. Inventory records will be unlocked and IAVs processed prior to completing the report.

(a) The AMO will include the following in the report: documentation of pre-inventory guidance and post-count research actions; total units counted; overall inventory accuracy; dollar value of overages; dollar value of shortages; and lessons learned.

(b) The AMO will act as the certifying authority for the inventory (for completion and accuracy of the inventory). Therefore, the inventory is closed when the AMO signs the summary report.

(7) MTF MEDLOG personnel will complete post-inventory actions as follows:

(a) The AMO will certify the IAV.

(b) The MTF Director/Deputy Director (or equivalent) will approve inventory adjustments and return it to the MTF MEDLOG department for filing. For accountable materiel managed in support of a non-MTF account, the owning unit commander will act as the Approval Authority after inventory adjustments are certified by the host AMO.

(c) MTF MEDLOG will request Financial Liability Investigation of Property Loss (FLIPL) or Report of Survey (ROS) for gains and losses of pilferable items when the unit price times the quantity is equal to or greater than $2,500 for each stock number in accordance with DoD 7000.14-R Financial Management Regulation Volume 12, Chapter 7

(8) Upon completion of all required actions, MTF MEDLOG will file and maintain the following inventory documents:

(a) The inventory summary report.

(b) The DMLSS Inventory Accuracy Analysis Report.

(c) Annotated copies of all Inventory Count Lists (if the inventory was accomplished manually).

(d) Copies of documents forwarded to the MTF Report of Survey (ROS) or FLIPL Loss coordinator for initiation of required actions generated as a result of the inventory. These documents will be maintained as source documents for losses processed due to ROS or FLIPL actions.

(e) Original copies of all certified and approved IAV.

(9) MTF MEDLOG personnel will retain all inventory documents for the time period specified in Volume 1, Chapter 9 of Reference (g).

g. Gifts and Donations.

(1) Authorization for donated equipment is established by written acceptance in accordance with Service policies until DHA guidance is published.

(2) MTF MEDLOG personnel will maintain the signed acceptance letter for 10 years or the life of the equipment plus 2 years, whichever is longer, in the equipment document file in accordance with Service policies.

h. Materiel Withdrawn from DLA Disposition Services.

(1) Property may be withdrawn from DLA Disposition Services when authorized by the Chief, MEDLOG or designated representative.

(2) Materiel withdrawn from DLA Disposition Services is U.S. Government property.

i. Transfers to DLA Disposition Services

(1) MTF MEDLOG personnel will turn in materiel that cannot be redistributed and does not meet the criteria for destruction to DLA Disposition Services. For Defense Working Capital Fund sites, DLA-TS must approve before turn in.

(2) Contact the medical RSO or Installation RSO prior to receiving a radioactive material package, and prior to initiating disposition of radioactive material.

(3) MTF MEDLOG personnel will process disposal of hazardous material in accordance with Reference (o).

j. Storage. The Chief, MTF MEDLOG will ensure adequate storage is available to support all environmental, space, and security requirements and fit within DHA architecture as defined by the local mission.

(1) MTF MEDLOG personnel will store controlled medical items in accordance with Service policies until DHA guidance is published.

(a) MTF MEDLOG will maintain hazardous materials in accordance with Service policies pending DHA policy, and Reference (k).

(b) Hazardous material will be authorized for use on base and will meet reporting requirements in accordance with existing Service policies pending DHA policy.

(2) MTF MEDLOG personnel will limit unescorted access to all MEDLOG storage areas to individuals authorized in writing by the Chief, MEDLOG.

k. Shipping Controlled Medical Items, Hazardous Materiel, and Temperature Sensitive Medical Products.

(1) MTF MEDLOG personnel will ship all controlled items, Code R, Code Q, and precious metals by traceable means.

(2) MTF MEDLOG will ship hazardous materiel items in accordance with Chapters 204 and Chapter 208 of Reference (i).

(3) MTF MEDLOG will handle and prepare medical items requiring freeze or refrigerated environment for shipment in accordance with Reference (m).

l. Excess

(1) Report and process local excess material in accordance with service policy until DHA guidance is published.

(2) Prior to declaring materiel item as excess, MTF MEDLOG personnel will ensure there are no operating levels or customer due outs for the item.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

AMO	Accountable Medical Logistics Officer
DHA	Defense Health Agency
DHA-AI	Defense Health Agency-Administrative Instruction
DLA	Defense Logistics Agency
DLA-TS	Defense Logistics Agency-Troop Support
DMLSS	Defense Medical Logistics Standard Support
DoD HAR	Department of Defense Hazard Alerts and Recalls
EA	Enterprise Activity
IAV	Inventory Adjustment Vouchers
MEDLOG	Medical Logistics
MTF	Military Medical Treatment Facility
PV	Prime Vendor
ROS	Report of Survey
RSO	Radiation Safety Officer
WRM	War Reserve Materiel

PART II. DEFINITIONS

These terms and their definitions are for the purposes of this DHA-AI.

DHA Component. An organization title for the subdivision of activities under the authority, direction and control of Director, DHA. Examples include stand-alone combat support MEDLOG teams, MTFs, and research and development organizations.

DHA MEDLOG EA. The DHA MEDLOG EA includes management of Class VIII A medical materiel, assemblage management, medical maintenance, and lifecycle management of medical and dental materiel.