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MARINE CORPS BULLETIN 4440

From: Commandant of the Marine Corps
To: Distribution List

Subj: REPORTING OF OPERATING MATERIALS AND SUPPLIES (OM&S) AND GOVERNMENT
FURNISHED MATERIAL (GFM)

Ref: See enclosure (1)

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Report Required: Operating Materials and Supplies (OM&S) Report

1. Situation. To provide policy, procedures, and define responsibilities to govern the management of Operating Materials and Supplies (OM&S) and Government Furnished Material (GFM) in accordance with references (a) through (w). This Bulletin establishes Marine Corps policy in alignment with Department of Defense (DoD) and Department of the Navy (DON) policies to achieve accurate accountability, visibility, and reporting of material. This Bulletin is in accordance with references (a) through (y).

a. Applicability. This Bulletin applies to inventory organizations located within the operating forces, the supporting establishment (i.e., Marine Corps Logistics Command (MARCORLOGCOM), Marine Corps Systems Command (MARCORSYSCOM) and affiliated Program Executive Officers (PEO), Training and Education Command (TECOM), Marine Corps Warfighting Laboratory (MCWL), Marine Corps Combat Development Command (MCCDC), Marine Corps Installations Command (MCICOM), and any activities determining requirements for contracts which require GFM to be provided from DoD sources.

b. Legal Foundation. Per references (b) and (c), accountability of public resources is inherent at all levels of command. This function is tied to both Title 10 and Title 31 United States Code responsibilities relative to the proper accountability of appropriations or materials and services associated to an activity. Accordingly, the legal foundation for accountability of OM&S and GFM is established as a matter of public law.

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2. Mission. To provide accurate, timely, and reliable information through uniform reporting of the Marine Corps' OM&S available for the expeditionary and operational forces in readiness and for the purpose of analyzing financial efficiency and performance.

3. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. To provide policy and guidance that establishes clear roles, responsibilities, processes, and procedures for maintaining accurate accountability, management, and financial reporting of OM&S and GFM throughout the Marine Corps enterprise.

(2) Concept of Operations. Effective immediately, all Marine Corps commands and activities authorized to maintain accountability of OM&S or contractor-managed GFM will comply with the following guidance.

(a) Operating Materials and Supplies (OM&S). All OM&S will be maintained in Deputy Commandant, Installations and Logistics' (DC I&L) government owned - approved Accountable Property System of Record (APSR) to ensure maximum visibility and traceability of on-hand balances and supporting transactions. The DC I&L-approved APSRs for the accountability and management of OM&S include Global Combat Support System - Marine Corps (GCSS-MC), Stock Control System (SCS), Defense Property Accountability System, and Ordinance Information System - Marine Corps (OIS-MC). All Marine Corps-owned OM&S, regardless of location, will be recorded or reconciled to the Marine Corps APSR to support the financial statement assertions of existence, completeness, and rights and obligations.

1. Marine Corps activities will maximize the use of information technology and automated information systems (i.e., barcode scanners, Item Unique Identification (IUID), Radio Frequency Identification) and utilize only approved automated information systems with standard, common processes for procurement and management of OM&S. IUID will be used for asset visibility and management of OM&S qualifying items in accordance with references (f) and (q).

2. Per reference (h), the consumption method of accounting will be applied for all OM&S unless a written waiver to use the purchase method of accounting is granted by the Deputy Assistant Secretary of the Navy, Financial Operations (DASN, FO). Detailed information for Marine Corps waiver requests is provided in enclosure (7).

3. All OM&S transactions, to include issues, receipts, gains and losses (IRLG), will be documented in a designated APSR. Direct turnover processes are not permitted.

(b) Non-Serially Managed Operating Materials and Supplies (OM&S). Non-serially managed OM&S provided to a contractor in support of a production or repair contract is assumed consumed upon receipt of the OM&S by the contractor. This property is expected to be consumed and not returned to the government, except as an installed component of the final product. The cost of material will be removed from the OM&S account and reported as a program expense in the period they are issued. Non-serialized OM&S can be returned to the government in specific cases for prepositioning operations. In this case, if the material is still in the original state to be stored for an

extended period of time, then the cost of the material will be added to the OM&S account. Non-serially managed OM&S in the possession of a contractor in support of a warehousing or Third Party Logistics contract must be accounted for at all times until the item has been used/consumed in operations to refurbish/repair an end item.

(c) Serially managed Operating Materials and Supplies (OM&S). For serially managed OM&S the Marine Corps must maintain accountability at all times, until the item has been used/consumed in operations to refurbish/repair an end item.

1. Marine Corps commands and activities will minimize on-hand OM&S by:

2. Ensuring that program and system acquisition profiles meet their demand profile following the best value lifecycle cost analysis, including associated holding costs.

3. Maximizing redistribution of on-hand assets and material designated as available for issue, using automatic requisition sourcing where possible, to fill Marine Corps end-use requirements.

4. Disposing of Excess, Obsolete, Unserviceable (EOU) material that cannot be otherwise used via redistribution. MARCORLOGCOM will forward EOU material to be disposed to DLA Disposition Service per reference (v).

5. Performing a stratification of secondary items to categorize them as Approved Acquisition Objective (AAO) stock, Economic Retention Stock (ERS), Contingency Retention Stock (CRS), or Potential Reutilization Stock (PRS) in accordance with Volume 6 of reference (o). The stratification is used to assess the ability of the secondary item inventory to meet stated requirements and to ensure that surplus inventories are kept only if warranted. Retention of ERS and CRS will be approved by the Marine Expeditionary Force (MEF) or MARCORLOGCOM Commanding General.

(d) Government Furnished Material (GFM)

1. Per references (a), (i), and (l), contractors will provide all material required for the performance of contracts, except when it is determined that government furnishing of material would achieve significant economy, standardization, expedited production, or when it is otherwise in the government's best interest.

2. Access to DoD wholesale system inventories may be granted to contractors subject to restrictions specified in reference (a).

3. GFM in excess of justified requirements is not authorized.

4. An accountable property record will be created for all GFM in the DoD IUID Registry and, at a minimum, the required data elements for each piece of GFM will be reported to the IUID Registry by contractors. MARCORLOGCOM is responsible for ensuring that IUID reportable assets are marked before being shipped in support of GFM.

5. Reference (m) provides guidance to identify items subject

to Serialized Item Management (SIM). Reference (q) directs application of IUID for items that meet the SIM policy.

(e) Requirements Determination. When providing GFM in the best interest of the Marine Corps, the requesting activity will follow procedures specified in references (f) and (l). The requirement for GFM will be fully justified, validated, and documented. Listings of approved GFM will be stated within the negotiated contract and identified by either National Stock Number (NSN), Part Number (P/N) or Contractor and Government Entity (CAGE) code (if no NSN exists). The quantity and specified allowance level will also be identified. To assist in determining the advantage in providing GFM, a Bill Of Materials (BOM), listing the NSN, P/N, or CAGE code, and the quantity of each item required to produce the end item being acquired, should be obtained from the bidding contractors, unless the size or complexity of the contract makes it impractical to do so. This BOM listing should be used to query the DoD wholesale supply system to determine if on-hand stock excesses can be used to satisfy production line needs. To assist in requirements determination, the following items must be provided:

1. For end item production, the exact quantity required to satisfy an approved production contract.

2. For support of GFE furnished as GFM on end item production contracts, an amount based on expected demand through a single production contract period.

3. For support of contractor depot repair lines, an amount based on expected depot level repairable inductions during the contract period.

4. For interim contractor supply support, recommended GFM quantities should be computed to minimize on-hand quantities at the conclusion of the interim period. Any remaining quantities will be transitioned to the DoD wholesale supply system.

(e) Providing Government Furnished Material (GFM). GFM may be either pushed by the Marine Corps to the contractor, or requisitioned (pulled) from the DoD wholesale supply system by the contractor (as approved by the Management Control Activity (MCA)). A system by which the Marine Corps pushes the material is preferred. In instances where it is advantageous to let the contractor requisition GFM from the DoD wholesale supply system, the MCA will screen all requisitions to ensure that quantities requested are within the limits negotiated in the applicable contract. When utilizing contractor-provided asset visibility programs for managing GFM, the contractor will requisition a GFM item and, upon receipt of the asset, record the receipt transaction in the program database. All contractor-provided information technology systems must provide daily updates to the MCA for Marine Corps visibility of GFM.

(f) Excess Material. Owning activities will report excess OM&S, as well as ensure that excess material is identified and available for reissue. In accordance with reference (d), the value of OM&S Held as Excess, Obsolete, and Unserviceable will be reported at Net Realizable Value (NRV). NRV is the estimated amount that can be recovered from selling, or any other method of disposing of an item less estimated cost of completion, holding, and disposal. Excess GFM will be processed for reutilization after contract requirements have been fully satisfied. All reutilization actions must

follow provisions outlined in references (h) and (i). Material quantities are in excess if they exceed planned requirements. To prevent the retention of excess GFM, owning activities will:

1. Develop methods for processing and reporting the existence of excess GFM, such that they may be screened against system requirements.
2. Maintain visibility of excess GFM items by NSN, P/N, serial number, and CAGE code, quantity, contract, and location.
3. Identify excess items that are to be exempt from redistribution. Exemption is authorized if deemed to be in the best interest of the Marine Corps. This decision must be justified in writing and maintained by the office maintaining GFM visibility.
4. Provide visibility of excess GFM to other owning activities via approved asset visibility systems, processes and methods.

(g) Operating Materials and Supplies (OM&S) Reporting Requirements. Per reference (h), the Marine Corps is required to report OM&S to the Department of Navy on a semi-annual basis. In addition, references (k), (n), and (w) require the Marine Corps to present financial reports reflecting OM&S transactions and balances in accordance with Generally Accepted Accounting Principles (GAAP). In support of these requirements, the Marine Corps has implemented a validation process for OM&S holding activities. Designated OM&S holding activities will validate and submit their OM&S to the DC I&L, Logistics, Plans, Policy and Strategic Mobility Division (LP) each quarter. CO MARCORSSYSCOM, Program Manager - Ammunition (PM Ammo) and MARCORLOGCOM will submit a certified Quarterly Valuation Statement for each fiscal quarter. The reporting requirements are as follows:

(h) Non-Ammunition Report Submissions

1. Operating Materials and Supplies (OM&S) Quarterly Valuation Statement. Designated non-ammunition OM&S reporting organization, MARCORLOGCOM, will use the OM&S Workbook to provide substantiating data for their OM&S reports of consumable and repairable items, classified as stores account codes 1 and 2 temporary storage projects and set assembly. The Quarterly Valuation Statement will include explanations for any variances between transactions and balances. To facilitate the reporting process at the end of each reporting period, OM&S Workbook templates will be available for download from the DC I&L Internal Controls and Audit Readiness Team (ICART) SharePoint site at the following link:
<https://eis.usmc.mil/sites/HQMCLP/EGEM/ICART/oms/OMS%20Reporting%20Upload%20Library/Forms/AllItems.aspx>

2. Data and Reconciliations. Commanding Officer, MARCORLOGCOM will also submit supporting balances and transactions that correspond to the Quarterly Valuation Statement. Commanding Officer, MARCORLOGCOM will report DoD Activity Address Code (DoDAAC), DoDAAC description, National Item Identification Numbers (NIINs), NSNs, serial number, total quantity, location, condition codes, reportable category, source system, and the monetary value of each OM&S inventory category. In addition, the CO MARCORSSYSCOM will submit the inventory reconciliations conducted to validate the records of Marine Corps OM&S in the custody of

other services or activities.

3. Endorsements. Commanding Officer, MARCORLOGCOM will certify and submit an endorsed Quarterly Valuation Statement with substantiating data and reconciliation reports. All submissions will be uploaded to the DC I&L (LP ICART) SharePoint site at the following link: <https://eis.usmc.mil/sites/HQMCLP/LPC/ICART/oms/oms%20pages/OMS%20Reporting.aspx> by the applicable due date.

(i) Ammunition Report Submission

1. Ammunition Quarterly Valuation Statement. CO MARCORSYSCOM, PM Ammo will submit a certified Ammunition Quarterly Valuation Statement for each fiscal quarter to the DC I&L (LP EGEM ICART). The Quarterly Valuation Statement will include explanations for any variances between transactions and balances.

2. Data and Reconciliations. CO MARCORSYSCOM will submit supporting balances and transactions that correspond to the Quarterly Valuation Statement. CO MARCORSYSCOM will report the DoD Identification Codes (DoDIC), DoDIC description, NIINs, NSNs, serial number, total quantity, lot number, condition codes, reportable category, and the monetary value of each OM&S inventory category. In addition, the CO MARCORSYSCOM will submit the inventory reconciliations conducted to validate the records of Marine Corps ammunition in the custody of other services or activities.

3. Endorsement. CO MARCORSYSCOM will certify and submit an endorsed Quarterly Valuation Statement with substantiating data and reconciliation reports. All submissions will be uploaded to the DC I&L Logistics Policy and Capabilities Branch (LPC) ICART SharePoint site at the following link: <https://eis.usmc.mil/sites/HQMCLP/LPC/ICART/oms/oms%20pages/OMS%20Reporting.aspx>

b. Coordinating Instructions

(1) Deputy Commandant, Installations and Logistics (DC I&L)

(a) Serve as the Marine Corps' central point of contact and coordination point for all logistics issues concerning the management of OM&S and GFM.

(b) Provide and maintain current policy and guidance for the management of OM&S and GFM in accordance with DoD policy and procedures.

(c) Coordinate OM&S reporting requirements for the Marine Corps and provide consolidated results to Deputy Commandant, Programs and Resources (DC P&R) for inclusion in Marine Corps financial statements.

(d) Coordinate OM&S reporting requirements for the Marine Corps and provide consolidated results to the Secretary of the Navy (SECNAV) in accordance with reference (h).

(e) Coordinate efforts with DC P&R to ensure accurate financial management and reporting of OM&S and GFM.

(f) Conduct periodic testing to ensure proper internal controls

for OM&S management are implemented and operating effectively in accordance with reference (j). Coordinate testing results with DC P&R as necessary.

(g) Provide OM&S owning activities feedback and results in the format of a reporting workbook, detailing financial reporting accuracy and trend analysis.

(h) Ensure that Field Supply and Maintenance Analysis Offices (FSMAOs) and ICART inspect for compliance within this Bulletin and provide assistance as necessary. Monitor the timely correction of deficiencies associated with the management of OM&S and GFM.

(i) Coordinate efforts with DC P&R and the DASN FO to adjudicate all waiver requests to use the purchase method of accounting vice the consumption method.

(2) Contracts Division (LB). Ensure that supporting contracting offices are familiar with the contents of reference (e) and this Bulletin.

(3) Deputy Commandant, Programs and Resources (DC P&R)

(a) Provide oversight and guidance to facilitate the accurate financial management and reporting of OM&S and GFM in accordance with DON and DoD policies.

(b) Coordinate efforts with DC I&L (LP EGEM ICART) for the submission of OM&S reports.

(c) Coordinate input to financial management reporting processes in accordance with the requirements of reference (k).

(d) Prepare Journal Vouchers to record the activity and current account value for the Marine Corps Financial Statements and Notes.

(4) Commanders, Marine Corps Forces (COMMARFOR)

(a) Ensure adherence to the requirements in this Bulletin for all OM&S owning activities under your purview.

(b) Develop and implement internal command policies and procedures to facilitate the execution of this Bulletin.

(c) Ensure maximum reutilization of OM&S by ensuring that Supply Officers (SupOs) and procuring officials review enterprise-wide availability of material and like items before procuring OM&S.

(d) Ensure OM&S owning activities review not less than annually, all OM&S under their cognizance categorized as material Held in Reserve for Future Use (HRFU), to validate continued need.

(e) Ensure that procedures for the management of OM&S are included in Manager's Internal Control Program (MICP) checklists (e.g., Supply Maintenance Analysis Team, Logistics Readiness Evaluation Team).

(5) Commanding General, Marine Corps Logistics Command (CG)

MARCORLOGCOM)

(a) Ensure adherence to the requirements in this Bulletin for all OM&S owning activities under your purview.

(b) Coordinate OM&S reports for all subordinate activities and provide a consolidated report to DC I&L in accordance with reporting timelines.

(c) As an MCA for the Marine Corps, validate contractor-initiated requisitions for GFM from the DoD wholesale supply system to ensure that all requested GFM satisfies a valid contractual requirement. Perform MCA responsibilities in accordance with references (f) and (l).

(d) Develop a master consolidated listing of excess GFM held by contractors and develop procedures to share information on the redistribution of excess GFM.

(e) Ensure OM&S owning activities review not less than annually, all OM&S categorized as material HRFU to validate continued need.

(f) Ensure maximum utilization of OM&S by working with procuring officials to review enterprise-wide availability of material and validate existing storage projects before the new procurement of OM&S and new projects.

(g) Ensure that procedures for the management of OM&S are included in applicable Standard Operating Procedures (SOPs) and within the MICP checklists.

(h) Perform recurring reconciliations for all Marine Corps owned OM&S held by external organizations on behalf of the Marine Corps.

(i) Develop and annually review procedures to identify and define excess, obsolete, and unserviceable OM&S in accordance with reference (d). The procedures must also specify the decision matrix to justify maintaining on-hand EOU material.

(j) Disclose balances of OM&S on a quarterly basis. Provide a certification of the accuracy over information reported.

(6) Commanding Officer, Marine Corps Systems Command (CO MARCORSYSCOM) Affiliated Program Managers, and Program Executive Officers Land Systems (PEO LS)

(a) Ensure adherence to DoD, SECNAV, and Marine Corps policies with respect to procuring, managing and reporting OM&S and GFM.

(b) Coordinate OM&S reports for all subordinate activities and provide a consolidated report to DC I&L in accordance with reporting timelines.

(c) MARCORSYSCOM to establish a central point of contact for logistics management of OM&S and GFM. Perform MCA responsibilities in accordance with references (f) and (l).

(d) Implement and/or ensure utilization of approved systems to

obtain full visibility and control of OM&S and GFM. Ensure that contractors report all GFM to the IUID Registry.

(e) Coordinate with owners (PEOs and PMs) and holding activities to achieve 100% accountability, visibility and accessibility of OM&S data within existing and future business systems.

(f) Ensure maximum reutilization of OM&S by ensuring that procuring officials review enterprise-wide availability of material and like items before procuring OM&S.

(g) Ensure OM&S owning activities review not less than annually, all OM&S under their cognizance, categorized as material HRFU to validate continued need.

(h) Support periodic testing to ensure proper internal controls for OM&S and GFM management are implemented and operating effectively in accordance reference (j).

(i) Ensure that procedures for the management of OM&S are included in applicable SOP and within the MICP checklists.

(j) Perform and evidence recurring reconciliations for all Marine Corps owned OM&S held by external organizations on behalf of the Marine Corps.

(k) Monitor and review application development, upgrades, patches, and improvements over OIS-MC for Class V (W) and, GCSS-MC applications that report the balance of OM&S. Monitor and review systems testing that is conducted to verify the software performs as required.

(l) Supporting Establishments MCCDC, TECOM, MCWL, MCICOM. Ensure adherence to the requirements in this Bulletin for all OM&S owning activities under your purview.

4. Administration and Logistics. Recommendations concerning the contents of this Bulletin are to be submitted to the DC I&L (LP EGEM ICART) via the appropriate chain of command.

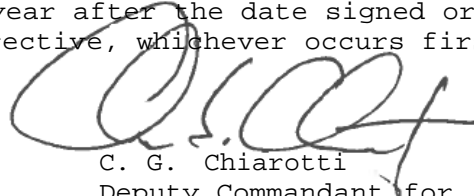
a. Records Management. Records created as a result of this Bulletin shall be managed according to National Archives and Records Administration (NARA) approved dispositions per references (x) and (t) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium. Refer to reference (y) for Marine Corps records management policy and procedures.

b. Privacy Act. Any misuse or unauthorized disclosure of Personally Identifiable Information (PII) may result in both civil and criminal penalties. The DON recognizes that the privacy of an individual is a personal and fundamental right that shall be respected and protected. The DON's need to collect, use, maintain, or disseminate PII about individuals for purposes of discharging its statutory responsibilities shall be balanced against the individuals' right to be protected against unwarranted invasion of privacy. All collection, use, maintenance, or dissemination of PII shall be in accordance with the Privacy Act of 1974, as amended (reference (r)) and implemented per reference (s).

5. Command and Signal

a. Command. This Bulletin is applicable to the Marine Corps Total Force.

b. Signal. This Bulletin is effective the date signed. This Bulletin will be cancelled one year after the date signed or when it is incorporated within a higher directive, whichever occurs first.



C. G. Chiarotti
Deputy Commandant for
Installations and Logistics

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References

- (a) DoDI 7000.14-R, "Department of Defense Financial Management Regulation," May 2019
- (b) 10 U.S.C.
- (c) 31 U.S.C.
- (d) SFFAS 3, "Accounting for Inventory and Related Property," as published in "FASAB Handbook of Federal Accounting Standards and Other Pronouncements, as Amended," June 30, 2014
- (e) SFFAS 48, "Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials," January 27, 2016
- (f) MCO 4400.201 Vol. 1-17 CH-1
- (g) SECNAVINST 4440.34
- (h) SECNAVINST 5200.44
- (i) FAR, Part 45 "Government Property," August 2019
- (j) OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," July 15, 2016
- (k) OMB Circular A-136 Revised, "Financial Reporting Requirements," 15 August, 2017
- (l) OPNAVINST 4440.26A
- (m) MCO 4400.150
- (n) Government Management Reform Act of 1994
- (o) DoDM 4140.01 Vol. 1-12, "DoD Supply Chain Materiel Management Procedures," 10 February, 2014
- (p) Deputy Assistant Secretary of the Navy for Financial Operations (DASN FO) memo, 29 January, 2015
- (q) MCO 4410.28
- (r) 5 U.S.C. 552a
- (s) SECNAVINST 5211.5F
- (t) SECNAV M-5210.1 CH-1
- (u) U.S. General Ledger of Accounts, Treasury Financial Manual, Bulletin No. 2017-07
- (v) DoDM 4160.21 Vol. 2 CH-2, "Defense Materiel Disposition Property Disposal and Reclamation," 31 August, 2018
- (w) Chief Financial Officers Act of 1990
- (x) SECNAV Notice 5210
- (Y) MCO 5210.11F

Accounting Method for Supply Classifications Table

Supply Type	Purchase or Consumption Method of Accounting	Criteria to Report as OM&S
Class I	Purchase for MEF managed materiel Consumption for WRMR-I or other prepositioned materiel	Tangible property to be consumed during operations Storage of bulk food rations in warehouses or prepositioned afloat or ashore that will not expire in less than 1 year and will only be used operations after approval Not yet delivered to a MEF level unit
Class II	Purchase for MEF managed materiel Consumption for WRMR-I or other prepositioned materiel	Tangible property to be consumed during operations Clothing that is not a part of the standard uniform issue and in storage not ready to be issued to the end user Excludes equipment
Class III	Expensed on purchase	DLA purchased and managed
Class IV	Expensed at time of purchase or capitalized to CIP or PPE	Not OM&S for financial reporting purposes
Class V	Consumption	Tangible property to be consumed during operations: Ammunition and Explosive (A&E) not delivered to the final end user to be expended in training or operations

Class VI	Expensed at time of purchase	Non-military sale items
Class VII	Capitalized as Military Equipment (ME) if above threshold, Expensed if below	Principle or major end items ready for their intended use are not defined as OM&S
Class VIII	Expensed at time of purchase Not held in a condition to qualify as OM&S for Marine Corps use	Stored in Authorized Medical Allowance List (AMALs) and Authorized Dental Allowance List (ADALs) kit for MEF usage
Class IX	Purchase for MEF managed materiel Consumption for prepositioned materiel and Depot level reparable	Tangible property to be consumed during operations: Spare and repair parts and materials not delivered to the final end user to be consumed in repair operations
Class X	Expensed at time of purchase	Not a requirement for Marine Corps operational forces

Financial Management Regulations (FMR) General Ledger Categorization
Guidelines

Excerpt from reference (a) DoD 7000.14-R, Department of Defense Financial Management Regulation (FMR) Volume 4, Chapter 4, Table 4-3*

U.S. Standard General Ledger Account	Supply Condition Codes
151100 OM&S Held for Use	A Serviceable Issuable Without Qualification B Serviceable Issuable With Qualification C Serviceable Priority Issue D Serviceable Test/Modification T Serviceable Ammunition Suitable for Training Use Only Use this account to record amounts for OM&S with condition codes A-D and T up to the AAO. [Excludes Excess, Economic Retention and Contingency Retention OM&S]
151200 OM&S Held in Reserve for Future Use	E Unserviceable Repairable (Limited Cost to Restore) J Suspended (In Stock) K Suspended (Returns) L Suspended (In Litigation) N Suspended (Ammunition Suitable for Emergency Combat Use Only) Q Suspended (Product Quality Deficiency) Use this account to record amounts for OM&S with condition codes A-D and T that is above the AAO and is retained for economic or contingency purposes. Include all inventory designated as E, J, K, L, N and Q in this account. [Excludes Excess OM&S]
151400 OM&S Held for Repair (Remanufacturing)	F Unserviceable Repairable G Unserviceable Incomplete M Suspended (In Work) R Suspended (Reclaimed Items, Awaiting Condition Determination) Use this account to record amounts for all OM&S with condition codes F, G, M, and R. [Excludes Excess OM&S]
151300 OM&S – Excess, Obsolete, or Unserviceable	H Unserviceable (Condemned) P Unserviceable (Reclamation) S Unserviceable (Scrap) V Unserviceable (Waste Military Munitions) [Includes Serviceable and Unserviceable Excess OM&S]

*Excludes General Ledger Accounts 151600 and 151900 because there are no Supply Condition Codes associated with assets in those accounts.

Operating Materials and Supplies (OM&S) Workbook Instructions

1. Purpose. These instructions are intended to support designated reporting activities with completing the quarterly OM&S reports using the OM&S workbook templates.

2. Operating Materials and Supplies (OM&S) Report. The OM&S data will be retrieved centrally for the MARFORs reporting reparable and consumable items from GCSS-MC or requested via an official tasker by DC I&L. Data that is centrally retrieved by DC I&L will be populated on the final day of the reporting period (e.g., 31 March) or as close as possible to that date. An OM&S workbook template will be provided for each individual reporting sub assessable unit. The actual date the data was pulled from the applicable APSR (e.g., GCSS-MC), SCS) will be identified in the OM&S workbook. All data that is provided to DC I&L via official tasker, must be reconciled to the APSR in addition to the applicable workbooks and certification forms.

3. Validation Effort. MARCORSSYSCOM and MARCORLOGCOM will validate the accuracy of the inventory and transaction data by performing checks of the data against their actual inventory on hand and any other pertinent information. Ensure data is validated and transactions reconcile with balances. Any variances should be well documented and explained with source data. Non OM&S data, such as ME or principal end items, will not be included in the reported data. Accuracy of OM&S report transaction summaries (receipts, issues, gains and losses) will be validated using activity records.

4. Reporting Category Definitions

a. Held for Use (HFU). This account is used to record the value of materials and supplies Held for Use (HFU) in normal operations. HFU materials and supplies should not exceed the amount expected to be used within normal business operations. The Marine Corps considers title passage upon shipment of the asset unless it is shipped FOB Destination. Therefore, in transit items will be reported.

(1) Serviceable on Hand. This includes OM&S assets with a serviceable condition code to include sub-inventories.

(2) Due Source (In Transit). This category in GCSS-MC contains items that have been shipped from the General Account but have not yet been received. It should include items Due In from Source of Supply.

(a) Due Transfer. This category in GCSS-MC contains items that have been shipped from another fleet Marine Corps unit, but have not yet been received. This does not include those unserviceable reparable items due in from another float activity.

(b) Military Equipment (ME)/Principal End Items. Military Equipment (ME) will not be held as inventory in GCSS-MC. Ensure that any ME or other non OM&S data is excluded from reported data.

b. Held in Reserve for Future Use (HRFU)

(1) This account is used to record the value of OM&S maintained in a serviceable state because they are not readily available in the market and there is more than a remote chance that they will eventually be needed,

although not necessarily in the normal course of operations (e.g., provisioning).

(2) Initial Issue Provisioning (IIP). Stock held by Initial Issue Provisionings (IIPs) are considered Held for Future Use.

c. Held for Repair (HFR). This account is used to record the value of OM&S that are not in usable condition, but can be economically repaired.

(1) Unserviceable Disposition for Maintenance Float Items. The general assumption is that any maintenance float unserviceable item is repairable until disposed of.

(2) Due Maintenance-Repair Due In From Maintenance. This includes items that have been sent out for repair and have not yet been returned as well as repairable items due in from intermediate maintenance activities or vendor repair.

(3) Due Unserviceable. This category in GCSS-MC contains unserviceable items that have been shipped from another fleet Marine Corps unit, but have not yet been received.

d. In Development(WIP). This account is used to track the costs of developing, modifying, or building OM&S for future use. The materials and supplies are being acquired and an end-product is being created. Costs will be transferred to the HFU and HRFU account upon completion.

e. Excess, Obsolete, Unserviceable (EOU). Excess - the value of OM&S (serviceable or unserviceable) that exceeds the amount expected to be used in normal operations and do not meet management's criteria to be HRFU. Obsolete - stocks that are no longer needed due to changes in technology, laws, customs or operations. Unserviceable - items that are physically damaged and cannot be consumed in operations.

(1) Excess (Economic) or Contingency Retention Quantities

(a) General Account. The General Account will need to perform an analysis of its inventory based on the forecasting model and determine if excess items are on hand at the end of the reporting period (amounts above normal operations and ERQ).

(b) Maintenance Float. Includes items above the total allowance threshold. This calculation takes into account backorders.

(2) Obsolete. The OM&S report uses the acquisition advice codes and phrase codes in GCSS-MC to determine values for this field. These codes are set by the Source of Supply based on a daily feed from FLIS. The current report considers acquisition advice codes 'T' and 'F' and phrase codes 'N', 'Q', and 'T'.

(3) Unserviceable. General Account unserviceable disposition code items that are on hand.

5. Reporting Requirements

a. Due Dates

(1) Non-Ammunition Set Assemblies and Temporary Storage Projects. Valuation Statements are due to HQMC on a quarterly basis and no later than the 5 working days after the end of the quarter as requested via official Tasker. Extensions will not be approved.

(2) Ammunition. Quarterly Valuation Statements are due to HQMC on a quarterly basis and no later than the 5 working days after the end of the quarter as requested via official Tasker. Extensions will not be approved.

b. Endorsement. The OM&S report requires endorsement by each inventory organization by CG/CO or their delegated authority. If the certification is signed "By direction", a copy of the "By dir" authorization letter must be provided.

Certification Letter Template

(Appropriate Letter Head)

4400
Code/Serial Date

From: Commanding Officer, (reporting unit/activity)
To: Commandant of the Marine Corps, (DC I&L (LP))
Via: (1) Appropriate Chain of Command (Bn)
(2) Appropriate Chain of Command (MSC)
(3) Appropriate Chain of Command (MEF)

Subj: OPERATING MATERIALS AND SUPPLIES (OM&S) (APPROPRIATE QUARTER AND
FISCAL YEAR) REPORT

Ref: (a) DoD 7000.14-R
(b) DoDM 4140.01
(c) DoDI 5000.64
(d) MCBul 4440
(e) MCO 4400.201

Encl: (1) OM&S Report

1. I certify that all Operating Materials and Supplies (OM&S) under my cognizance are accounted for, physically sighted, and have been inventoried at least once during the last 12 months as required by the above references. Additionally, I have verified that all OM&S retained past 24 months without an issue for use was reviewed for necessary retention.

2. All inventory balance variances and out of balance inventory conditions have been reviewed and adequately justified with supporting transaction detail.

3. OM&S balances have been reconciled with transactions and with other service's custodian locations of Marine Corps owned OM&S. All necessary adjustments have been made to the APSR to enable accuracy of the Marine Corps' General Ledgers.

4. The point of contact for any questions regarding this report is (name, code, email, and phone).

Signature
Typed Name

Copy to:
File [Ten year file/as appropriate]

Operating Materials and Supplies (OM&S) Reporting Activities

The following table lists OM&S inventory activities based on information at the time this Bulletin was written. Since OM&S inventory activities change over time, leaders must continually ensure that all OM&S inventory activities under their purview comply with this directive.

REPARABLES			
DODAAC	Description	Location	Responsible Org.
MMFAG8	1st Maintenance Battalion	Camp Pendleton, CA	I MEF
MMG802	Equipment Support Detachment Sub-RIP	Camp Pendleton, CA	I MEF
MMG803	CLC 16	Yuma, AZ	I MEF
MMG801	CLB 7	29 Palms, CA	I MEF
MMG811	CLB 11	Camp Pendleton, CA	I MEF
MMG813	CLB 13	Camp Pendleton, CA	I MEF
MMG815	CLB 15	Camp Pendleton, CA	I MEF
MMG812	Contingency Float Block	Camp Pendleton, CA	I MEF
MMG816	MWTC Sub-RIP	Camp Pendleton, CA	I MEF
MSAG01	MF SupOs 9th Comm Bn I MHG	Camp Pendleton, CA	I MEF
MSAG02	P&A Co. 1st Intel Bn	Camp Pendleton, CA	I MEF
MSAG04	MACS 1 MACG 38 3D MAW MARFORPAC	YUMA, AZ	I MEF
MSAG06	Marine Wing Common Squadron 38	San Diego, CA	I MEF
MSAG07	HqBtry 11th Marines	Camp Pendleton, CA	I MEF
MSAG09	MCTSSA	Camp Pendleton, CA	I MEF
MSAG12	1st Radio BN	Camp Pendleton, CA	I MEF
MMF1P8	IIP, 1st SupBn	Camp Pendleton, CA	I MEF
REPARABLES			
DODAAC	Description	Location	Responsible Org.
MMFAH8	MCCES MAIN RIP	29 Palms, CA	TECOM
MMFAF5	2d Maintenance Battalion	Camp LeJeune, NC	II MEF
MSAF51	CLC 21	Cherry Point, NC	II MEF
MSAF53	CLC 23	Beaufort, SC	II MEF
MSAF52	CLB 22	Camp LeJeune, NC	II MEF
MSAF54	CLB 24	Camp LeJeune, NC	II MEF
MSAF56	CLB 26	Camp LeJeune, NC	II MEF
MSAD21	Rolling Thunder Exercise (2d Radio Bn Sub Float Acct)	Camp LeJeune, NC	II MEF
MSAD22	HQ BTRY 10TH MARREGT SUB-FLOAT ACCT	Camp LeJeune, NC	II MEF
MSAD23	II MEF HQSVC BN	Camp LeJeune, NC	II MEF
MSAD24	Bold Alligator Exercise	Camp LeJeune, NC	II MEF
MSAD25	Contingency Float Block	Camp LeJeune, NC	II MEF
MSAD27	Contingency Float Block	Cherry Point, NC	II MEF

MSAD28	Contingency Float Block	Camp LeJeune, NC	II MEF
MSAD29	Contingency Float Block	Cherry Point, NC	II MEF
MSAF50	Contingency Float Block / APS	Camp LeJeune, NC	II MEF
MSAF55	Contingency Float Block	Camp LeJeune, NC	II MEF
MSAF57	2d Maint Bn Reparable Issue Point	Quantico, VA	II MEF
MSAF58	Contingency Float Block / MAG - 40	Camp LeJeune, NC	II MEF
MSAF59	Contingency Float Block	Camp LeJeune, NC	II MEF
MMFAF7	3rd Maintenance Battalion	Camp Kinser, Okinawa JP	III MEF
REPARABLES			
DODAAC	Description	Location	Responsible Org.
MSAF71	CLC 36	Iwakuni, JP	III MEF
MSAF79	CLB 31	Camp Hansen, Okinawa JP	III MEF
MSAF70	Contingency Float Block	Camp Kinser, Okinawa JP	III MEF
MSAF72	3d MLG Bldg 502 Bay 1	Camp Kinser, Okinawa JP	III MEF
MSAF73	3d MLG Bldg 502 Bay 1	Camp Kinser, Okinawa JP	III MEF
MSAF74	ELMACO ISSUE POINT	Camp Kinser, Okinawa JP	III MEF
MSAF75	HQ BN	Camp Fuji, JP	III MEF
MSAF76	3d MLG Bldg 502 Bay 1	Camp Kinser, Okinawa JP	III MEF
MSAF77	3D MLG Bldg 502 Bay 1	Camp Kinser, Okinawa JP	III MEF
MSAF78	Northern Issue Point	Camp Hansen, Okinawa JP	III MEF
MSAG41	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG42	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG43	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG44	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG45	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG46	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG47	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG48	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MSAG49	3D Materiel Readiness Bn 3D MLG	Camp Kinser, Okinawa JP	III MEF
MMFAG2	Maintenance Float Supply Co CLB 3	MCBH Kaneohe Bay	III MEF
MSAG21	Maintenance Float Supply Co CSSG 3	MCBH Kaneohe Bay	III MEF

MSAG22	Maintenance Float Supply Co CSSG 3	MCBH Kaneohe Bay	III MEF
REPARABLES			
DODAAC	Description	Location	Responsible Org.
MSAG24	RIP SUB MAINT FLT SUPCO CSSG 3	MCBH Kaneohe Bay	III MEF
MSAG25	RIP SUB MAINT FLT SUPCO CSSG 3	MCBH Kaneohe Bay	III MEF
MSAG26	RIP SUB MAINT FLT SUPCO CSSG 3	MCBH Kaneohe Bay	III MEF
MSAG27	CSSG 3 COBRA GOLD	Thailand	III MEF
MMFAK9	MAIN RIP	Albany, GA	MARFORRES
MSAK90	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK91	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK92	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK93	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK94	SUB RIP	Wichita, KS	MARFORRES
MSAK96	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK97	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK98	FLOAT BLOCK	Albany, GA	MARFORRES
MSAK99	FLOAT BLOCK	Albany GA	MARFORRES
MSAR07	SUB RIP	VA Beach, VA	MARFORRES
MMFAQ7	MPSRON 2	BICMD Jacksonville, FL	BICMD
MSAQ62	SUB FLOAT LEWIS AND CLARK	BICMD Jacksonville, FL	BICMD
MSAQ71	BUTTON SUB FLOAT	BICMD Jacksonville, FL	BICMD
MSAQ72	USNS LOPEZ	BICMD Jacksonville, FL	BICMD
DODAAC	Description	Location	Responsible Org.
MSAQ73	USNS SEAY	BICMD Jacksonville, FL	BICMD
MSAQ74	USNS SISSLER	BICMD Jacksonville, FL	BICMD
MSAQ75	USNS STOCKAM	BICMD Jacksonville, FL	BICMD
MMFAQ8	MPSRON 3	BICMD Jacksonville, FL	BICMD
MSAQ61	USNS Sacagawea Sub Float	BICMD Jacksonville, FL	BICMD
MSAQ62	USNS Lewis & Clark Sub Float	BICMD Jacksonville, FL	BICMD
MSAQ81	USNS Bobo Sub Float	BICMD Jacksonville, FL	BICMD
MSAQ82	Lummus Sub Float	BICMD Jacksonville, FL	BICMD
MSAQ83	USNS Williams	BICMD Jacksonville, FL	BICMD
MSAQ84	USNS Dahl	BICMD Jacksonville, FL	BICMD

MSAQ85	USNS Pililaau	BICMD Jacksonville, FL	BICMD
REPARABLES			
DODAAC	Description	Location	Responsible Org.
MMFAU1	MAIN RIP	BICMD Jacksonville, FL	BICMD
MSAU11	MAP-K Sub Float	Kuwait	BICMD
MMFAQ29	MCCP-N Sub Float	Norway	BICMD
MX4013	SPMAGTF-CENT Class-IX	MARCENT	VII MEF (OEF)

CONSUMABLES			
DODAAC	Description	Location	Responsible Org.
MMC100	1st Supply Battalion	Camp Pendleton, CA	I MEF
MMC150	1st Supply Battalion	Camp Pendleton, CA	I MEF
M28357	CLC 16	Yuma, AZ	I MEF
MMC211	CLB 11 (for MEU Spt)	Camp Pendleton, CA	I MEF
MMC213	CLB 13 (for MEU Spt)	Camp Pendleton, CA	I MEF
MMC215	CLB 15 (for MEU Spt)	Camp Pendleton, CA	I MEF
M28403	CLC 13	29 Palms, CA	I MEF
M28281	ESSC DELMAR	Camp Pendleton, CA	I MEF
MMC160	IIP SMU	Camp Pendleton, CA	I MEF
MMC246	IIP SMU	Camp Pendleton, CA	I MEF
MMF1P8	IIP SMU	Camp Pendleton, CA	I MEF
MMT100	MCCES SMU GA	29 Palms, CA	TECOM
MMF1P2	IIP-MCCES	29 Palms, CA	TECOM
MMR100	3rd Supply Battalion	Camp Kinser, Okinawa, JP	III MEF
MMJ135	CLC 36 (M29049)	Iwakuni, JP	III MEF
MMR1WA	IIP CLC 36	Iwakuni, JP	III MEF
MMK100	CLB-3 Supply	Kane'ohe, Hawaii	III MEF
MMK105	CLB 3	Kane'ohe, Hawaii	III MEF
MMK400	IIP SPARES CLB 3	Kane'ohe, Hawaii	III MEF
MMR122	31st MEU MIP	Camp Hansen, Okinawa, JP	III MEF
MMR129	IIP - Class IX	Camp Kinser, Okinawa, JP	III MEF
MMF130	MMC160	Camp Kinser, Okinawa, JP	III MEF
MMRFFA	IIP - Force Fed Acct	Camp Kinser, Okinawa, JP	III MEF
MML100	2nd Supply Battalion	Camp LeJeune, NC	II MEF
CONSUMABLES			
DODAAC	Description	Location	Responsible Org.
M20197	CLB 22 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML221	CLB 22 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML222	CLB 22 (for MEU Spt)	Camp LeJeune, NC	II MEF

MML223	CLB 22 (for MEU Spt)	Camp LeJeune, NC	II MEF
M20199	CLB 24 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML241	CLB 24 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML242	CLB 24 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML243	CLB 24 (for MEU Spt)	Camp LeJeune, NC	II MEF
M20198	CLB 26 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML261	CLB 26 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML262	CLB 26 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML263	CLB 26 (for MEU Spt)	Camp LeJeune, NC	II MEF
MML151	IIP SMU	Camp LeJeune, NC	II MEF
MML500	IIP SMU	Camp LeJeune, NC	II MEF
MMM100	SMU	Albany, GA	MARFORRES
MMM101	IIP	New Orleans, LA	MARFORRES
MMV200	BICMD SMU	BICMD Jacksonville, FL	BICMD
MMV222	Class IX	BICMD Jacksonville, FL	BICMD
MMV333	Class IX	BICMD Jacksonville, FL	BICMD
M54008	USNS BOBO	BICMD Jacksonville, FL	BICMD
DODAAC	Description	Location	Responsible Org.
M54010	USNS DAHL	BICMD Jacksonville, FL	BICMD
M54011	USNS SISLER	BICMD Jacksonville, FL	BICMD
M54012	USNS SEAY	BICMD Jacksonville, FL	BICMD
M54013	USNS LEWIS AND CLARK	BICMD Jacksonville, FL	BICMD
M54015	USNS WILLIAMS	BICMD Jacksonville, FL	BICMD
M54016	USNS LOPEZ	BICMD Jacksonville, FL	BICMD
M54017	USNS LUMMUS	BICMD Jacksonville, FL	BICMD
M54018	USNS BUTTON	BICMD Jacksonville, FL	BICMD
M54019	CLASS IX NORWAY (moving to MMV420, BICMD)	Verdal, NORWAY	BICMD
M54024	USNS STOCKHAM	BICMD Jacksonville, FL	BICMD
M54032	USNS PILILAAU	BICMD Jacksonville, FL	BICMD
M54033	USNS SACAGAWEA	BICMD Jacksonville, FL	BICMD
M94451	MAP-K Forward Positioned Equipment	Camp Arifjan, Kuwait	BICMD
CONSUMABLES			

DODAAC	Description	Location	Responsible Org.
M99933	Albany Set Assembly	Albany, GA	MCLC
M95000	Barstow Set Assembly	Barstow, CA	MCLC
MMQ500	IIP ERDT	Quantico, VA	MCI COM
M20970	MRSG	Camp Lejeune, NC	MARFORSOC
M20920	1st MRB	Camp Pendleton, CA	MARFORSOC

AMMUNITION			
DODAAC	Description	Location	Responsible Org.
M00002	MCSF Chesapeake, VA	VA	MCSC
M00003	MCSF Bahrain	-	MCSC
M00004	MCSF Kings Bay, GA	GA	MCSC
M00005	MCSF Rota, Spain	-	MCSC
M00006	MCSF Bangor, WA	WA	MCSC
M02022	MCAS New River, NC	NC	MCSC
M02023	MCAS Beaufort, SC	SC	MCSC
M02211	MCBH Kaneohe Bay ASP HI	HI	MCSC
M20228	Camp Fuji Japan	JP	MCSC
M33609	MWTC Bridgeport, CA	CA	MCSC
M38010	MCLB Barstow, CA	CA	MCSC
M54460	MPF Maint Acct - Sisler	SC	MCSC
M54560	MPF Maint Acct - Lummus	SC	MCSC
M62613	MCAS Iwakuni Japan	JP	MCSC
M93409	MCAS Yuma, AZ	AZ	MCSC
M93410	MCAS Miramar, CA	CA	MCSC
M98725	MCLB Albany, GA	GA	MCSC
M99061	Norway	-	MCSC
MB5000	ESED Test Facility	NV	MCSC
MM6050	Seal Beach, CA	CA	MCSC
MM6051	Fallbrook, CA	CA	MCSC
MM6450	Pearl Harbor, HI	HI	MCSC
MM6950	NWS Charleston, SC	SC	MCSC
MM7150	NSWC Crane, IN	IN	MCSC
MM7250	Sasebo Japan	JP	MCSC
MM7350	Earle, NJ	NJ	MCSC
MM7950	Yorktown, VA	VA	MCSC
MM8350	Rota Spain	-	MCSC
MM9650	Yokosuka Japan	JP	MCSC
MMCQ50	Camp Pendleton, CA	CA	MCSC
MMLQ50	Camp Lejeune, NC	NC	MCSC

MMNQ20	MCAS Cherry Point, NC	NC	MCSC
MMQQ50	Quantico, VA	VA	MCSC
MMR128	III MEF FASP Australia	-	MCSC
MMR150	Camp Schwab Okinawa, Japan	JP	MCSC
MMS001	MARFORSOC ASA CLNC	NC	MCSC
MMTQ50	29 Palms CMA CA	CA	MCSC
AMMUNITION			
DODAAC	Description	Location	Responsible Org.
MMTQ51	29 Palms FASP CA	CA	MCSC
MMTQ52	29 Palms FASP CA	CA	MCSC
MMWQ50	MCRD Parris Island, SC	SC	MCSC
N00128	NAVSTA Great Lakes, IL	IL	MCSC
N00174	NOS Indian Head, MD	MD	MCSC
N00178	NSWC Dahlgren, VA	VA	MCSC
N21512	USNS Lopez	SC	MCSC
N21629	USNS Bobo	SC	MCSC
N21630	USNS Williams	SC	MCSC
N212633	USNS LUMMUS		
N21663	USNS Button	SC	MCSC
N22248	USNS Seay	SC	MCSC
N22250	USNS Pililaau	SC	MCSC
N22257	USNS Sisler	SC	MCSC
N22258	USNS Dahl	SC	MCSC
N23069	USNS Stockham	SC	MCSC
N23191	USNS Lewis and Clark	SC	MCSC
N23192	USNS Sacagawea	SC	MCSC
N23602	USNS Charles Drew	SC	MCSC
N30300	Sewells Pt Norfolk, VA	VA	MCSC
N40409	NMC Det China Lake, CA	CA	MCSC
N48537	NMC Det Indian Island, WA	WA	MCSC
N50200	NMC Det Sigonella, IT	-	MCSC
N50202	NMC Det Souda Bay	-	MCSC
N50243	NMC Det New Orleans Comp Meridian MS	MS	MCSC
N50244	NMC Det Corpus Christi, TX	TX	MCSC
N60514	Guantanamo Bay Cuba	-	MCSC
N60530	NWS China Lake CA	CA	MCSC
N61046	NMC San Clemente Island Annex CA	CA	MCSC
N61047	NMC Det North Island, CA	CA	MCSC
N61052	NMC Det Fallon NV	NV	MCSC
N61055	NMC Det Guam	-	MCSC

N61059	NMC Det Lemoore, CA	CA	MCSC
N61163	NMC Fort Worth, TX	TX	MCSC
N61164	NMC Det New Orleans, LA	LA	MCSC
N61168	NMC Det Patuxent River, MD	MD	MCSC
N61169	NMC Det Jacksonville, FL	FL	MCSC
AMMUNITION			
DODAAC	Description	Location	Responsible Org.
R21530	USS Rushmore LSD 47	-	MCSC
R21533	USS Essex LHD-2	-	MCSC
R21639	USS Germantown LSD-42	-	MCSC
R21808	USS Boxer LHD-4	-	MCSC
R21852	USS Harpers Ferry	-	MCSC
R23168	USS New Orleans	-	MCSC
R22202	USS Bonhomme Richard LSD-6	-	MCSC
R3012A	USS Green Bay LPD-20	-	MCSC
R3014A	USS San Diego LPD-22	-	MCSC
R3015A	USS Anchorage LPD-23	-	MCSC
V07207	USS San Antonio LPD-17	-	MCSC
V21218	USS Whidbey Island	-	MCSC
V21400	USS Fort McHenry	-	MCSC
V21531	USS Ashland	-	MCSC
V21560	USS Wasp LHD-1	-	MCSC
V21700	USS Kearsarge LHD-3	-	MCSC
V23180	USS Iwo Jima LHD-7	-	MCSC
V3013A	USS Arlington LPD-24	-	MCSC
W13B8V	Fort Devens, MA	MA	MCSC
W16R5K	Fort Drum, NY	NY	MCSC
W22G9Q	Fort Knox, KY	KY	MCSC
W22PVK	Bluegrass, KY	KY	MCSC
W25G1R	Letterkenny, PA	PA	MCSC
W25RAY	Fort Indiantown Gap, PA	PA	MCSC
W26HBU	Fort A. P. Hill, VA	VA	MCSC
W31G1Z	Anniston, AL	AL	MCSC
W31WQ5	Fort Rucker, AL	AL	MCSC
W33W9H	Fort Gordon, GA	GA	MCSC
W33WXP	Fort Benning, GA	GA	MCSC
W34WQA	Fort Campbell, KY	KY	MCSC
W36GKK	Fort Bragg, NC	NC	MCSC
W37GEU	Fort Jackson, SC	SC	MCSC
W42X02	Fort Polk, LA	LA	MCSC

W44NS1	Fort Sill, OK	OK	MCSC
W44XMF	McAlester, OK	OK	MCSC
W45NQJ	Fort Sam Houston, TX	TX	MCSC
W51HUT	Fort Carson, CO	CO	MCSC
W53P1M	Camp Atterbury ARNG IN	IN	MCSC
AMMUNITION			
DODAAC	Description	Location	Responsible Org.
W53XMD	Crane, IN	IN	MCSC
W55NU9	Fort Riley, KS	KS	MCSC
W56D9B	Camp Grayling ARNG, MI	MI	MCSC
W58RD6	Fort Leonard Wood, MO	MO	MCSC
W5CD27	Fort McCoy, WI	WI	MCSC
W61P4X	Yuma Proving Ground	AZ	MCSC
W65XME	Hawthorne, NV	NV	MCSC
W67G23	Tooele, UT	UT	MCSC
W68EVP	Fort Lewis, WA	WA	MCSC
W68P9X	Yakima Trng Cntr, WA	WA	MCSC
W800AJ	Camp Roberts ARNG CA	CA	MCSC
W806PP	RSA Miesau Germany	-	MCSC
W80JNL	Camp Williams ARNG, UT	UT	MCSC
W80WLH	Fort Irwin, CA	CA	MCSC
W810WA	JTF ASP-1 Honduras	-	MCSC
W812RL	Leghorn AD Italy	-	MCSC
W81DFE	Camp Guernsey ARNG WY	WY	MCSC
W81HL0	McGregor ASP Fort Bliss, TX	TX	MCSC
W81J6Y	Camp Dawson, WV	WV	MCSC
W81J8Y	Ocate Complex, NM	NM	MCSC
W81JKP	Gowen Field ARNG ID	ID	MCSC
W81K5Y	Camp Hastings Greenlief Trng Site, NE	NE	MCSC
W81LK9	Camp McCain ARNG MS	MS	MCSC
W81NGY	Pine Bluff Arsenal, AR	AR	MCSC
W81P6D	Al Jalail ASP Kuwait	-	MCSC
W81W0U	Fort Hunter Liggett, CA	CA	MCSC
W905D6	Pelham Range, AL	AL	MCSC
W90D9V	Redstone Arsenal	AL	MCSC
W90DED	Fort Chaffee SW AR	AR	MCSC
W90GW1	Camp Dodge, IA	IA	MCSC
W90GW6	Camp Ripley, MN	MN	MCSC
W90GWJ	Camp Marseilles ARNG, IL	IL	MCSC
W90GWK	Camp Johnson ARNG, VT	VT	MCSC

W90GWM	Camp J.T. Robinson ARNG, AR	AR	MCSC
W90GWN	Fort Harrison, MT	MT	MCSC
W90GWP	Camp Blanding, FL	FL	MCSC
AMMUNITION			
DODAAC	Description	Location	Responsible Org.
W90GWU	Camp Perry, OH	OH	MCSC
W90GWY	Camp Rilea, OR	OR	MCSC
W90KDE	Fort Hood, ASP	TX	MCSC
W90PHC	Fort Huachuca, AZ	AZ	MCSC
W90T8G	Fort Pickett, VA	VA	MCSC
W90X32	Fort Dix, NJ	NJ	MCSC
W90Z9D	Camp Carroll - 17th Ord Co, Korea	-	MCSC
W90Z9F	Camp Carroll - 84th Ord Co, Korea	-	MCSC
W91CRE	Aberdeen Proving Grounds, MD	MD	MCSC
W91VKS	Camp Udairi ASP, Kuwait	-	MCSC
Set Assemblies and Temporary Storage Projects (Sets, Kits, Outfits and Tools (SKOT), and other similar bill of material projects) MCLC Marine Force Storage Command, Force Storage Battalion			
DODAAC	Description	Location	Responsible Org.
M99933	Albany Set Assembly	Albany, GA	MCLC
M95000	Barstow Set Assembly	Barstow, CA	MCLC
OM&S procured by MARCORSYSCOM and PEO Land Systems with Care of Supply in Storage by DLA			
DODAAC	Description	Location	Responsible Org.
M98820	MCLC, WPN SYSTEMS MGMT CTR	Albany, GA	MCLC

Operating Materials and Supplies (OM&S) Financial Statement Impact

The following enclosure lists OM&S inventory activities based on information from the U.S. Standard General Ledger of Accounts (USSGL) at the time this Bulletin was written. Since OM&S inventory activities change over time, leaders must continually ensure that all OM&S inventory activities under their purview comply with this bulletin.

Excerpt from reference (u) U.S. General Ledger of Accounts, Treasury Financial Manual, Bulletin No. 2017-07

Account Title: OM&S HFU

Account Number: 151100

Normal Balance: Debit

Definition: The cost or value of tangible personal property, such as OM&S, which will be consumed in normal operations. This account does not close at yearend.

Account Title: OM&S HRFU

Account Number: 151200

Normal Balance: Debit

Definition: The cost or value of tangible personal property, such as OM&S, held in reserve because it is not readily available or because it will be needed. This account does not close at yearend.

Account Title: OM&S - Excess, Obsolete, and Unserviceable

Account Number: 151300

Normal Balance: Debit

Definition: The value of tangible personal property, such as OM&S, that exceeds the amount expected to be used; is no longer needed because of changes in technology, laws, customs, or operations; or is damaged physically and cannot be consumed in operations. This account does not close at yearend.

Account Title: OM&S Held for Repair (HFR)

Account Number: 151400

Normal Balance: Debit

Definition: The cost or value of damaged personal property held as OM&S that is more economical to repair than to dispose of. Federal agencies with immaterial amounts of OM&S HFR may report these amounts in USSGL account 151100, "OM&S HFU." This account does not close at yearend.

Account Title: OM&S In Development (WIP)

Account Number: 151600

Normal Balance: Debit

Definition: The cost incurred or value of tangible personal property, such as OM&S WIP that will be consumed in normal operations upon completion of development. Upon completion, these costs will be transferred to USSGL account 151100, "OM&S HFU," or USSGL account 151200, "OM&S HRFU." Only the DoD may use this account. This account does not close at yearend.

Account Title: OM&S - Allowance

Account Number: 151900

Normal Balance: Credit

Definition: The amount of estimated repairs needed for damaged OM&S and the estimated gain or loss on the value of inventory due to unrealized holding gains and losses. This account does not close at yearend.

Account Title: Other Expenses Not Requiring Budgetary Resources

Account Number: 679000

Normal Balance: Debit

Definition: Other costs that do not require budgetary resources (such as accounting for the issue of OM&S when the consumption method is used).

U.S. Standard General Ledger Account Transaction Postings

B402 To record the delivery of goods or services and to accrue a liability.

Budgetary Entry

Debit 480100 Undelivered Orders - Obligations, Unpaid

Credit 490100 Delivered Orders - Obligations, Unpaid

Proprietary Entry

Debit 151100 OM&S HFU

Debit 151200 OM&S Held in Reserve for Future Use

Credit 211000 Accounts Payable

B406 To record the delivery of goods and services in the same year the order was placed and to accrue a liability. The current-year expended authority is more than the original obligation.

Budgetary Entry

Debit 461000 Allotments - Realized Resources

Debit 462000 Unobligated Funds Exempt from Apportionment

Credit 490100 Delivered Orders - Obligations, Unpaid

Proprietary Entry

Debit 151100 OM&S HFU

Debit 151200 OM&S HRFU

Credit 211000 Accounts Payable

B604 To record the current-year expended authority where the undelivered order was prepaid or advanced. The current-year authority is the same as the original order.

Budgetary Entry

Debit 480200 Undelivered Orders - Obligations, Prepaid/Advanced

Credit 490200 Delivered Orders - Obligations, Paid

Proprietary Entry

Debit 151100 OM&S HFU

Debit 151200 OM&S HRFU

Credit 141000 Advances and Prepayments

C626 To record cash collected from a loss or a gain from the sale of excess, obsolete, and unserviceable assets.

Budgetary Entry

Debit 426600 Other Actual Business-Type Collections from Non-Federal Sources

Credit 406000 Anticipated Collections from Non-Federal Sources

Credit 445000 Unapportioned Authority

Proprietary Entry

Debit 101000 Fund Balance with Treasury

Debit 721000 Losses on Disposition of Assets - Other

Credit 151300 OM&S - Excess, Obsolete, and

Unserviceable

Credit 711000 Gains on Disposition of Assets - Other

D526 To record the turn-in of a broken part from OM&S HFR.

Budgetary Entry

None

Proprietary Entry

Debit 151400 OM&S HFR

Credit 679000 Other Expenses Not Requiring Budgetary Resources

D528 To record the revaluation of a turned-in broken part from OM&S HFR based on estimated repair costs.

Budgetary Entry

None

Proprietary Entry

Debit 679000 Other Expenses Not Requiring Budgetary Resources

Credit 151900 OM&S - Allowance

D530 To record a repaired broken part that has been returned to stock as a serviceable item.

Budgetary Entry

None

Proprietary Entry

Debit 151100 OM&S HFU

Credit 151400 OM&S HFR

D542 To record the classification of OM&S HFU that were damaged and cannot be consumed in operations. This entry also applies to excess or obsolete OM&S when the NRV is less than the book value.

Budgetary Entry

None

Proprietary Entry

Debit 151300 OM&S - Excess, Obsolete, and Unserviceable

Debit 729000 Other Losses

Credit 151100 OM&S HFU

D544 To record the reclassification of OM&S that meet management's criteria for future use.

Budgetary Entry

None

Proprietary Entry

Debit 151200 OM&S HRFU

Credit 151100 OM&S HFU

D546 To reclassify excess or reserved assets to assets HFU.

Budgetary Entry

None

Proprietary Entry

Debit 151100 OM&S HFU
Credit 151200 OM&S HRFU
Credit 151300 OM&S - Excess, Obsolete, and
Unserviceable

D566 To record inventory that has been lost and deemed immaterial.

Budgetary Entry

None

Proprietary Entry

Debit 650000 Cost of Goods Sold
Debit 679000 Other Expenses Not Requiring Budgetary Resources
Credit 151100 OM&S HFU

D568 To record inventory that has been lost and deemed material.

Budgetary Entry

None

Proprietary Entry

Debit 729000 Other Losses
Credit 151100 OM&S HFU

E406 To record inventory used for operations.

Budgetary Entry

None

Proprietary Entry

Debit 679000 Other Expenses Not Requiring Budgetary Resources
Credit 151100 OM&S HFU

Accounting Method Waiver Instructions

1. The consumption method of accounting will be applied for all OM&S (unless a written waiver to use the purchase method of accounting is granted by DASN FO as described in this enclosure. Once approved, waivers remain in effect until rescinded in writing by DASN FO or higher authority.

2. Authorization to use the purchase method of accounting hereinafter referred to as "the purchase method," will be considered if any one of the following conditions exist:

- a. OM&S are not significant amounts.
- b. OM&S are in the hands of the end user.
- c. If it is not cost beneficial to apply the consumption method.

3. Marine Corps requests to use the purchase method will be submitted in writing via the chain of command to DC I&L (LPC) ICART for appropriate action. Requests will be signed by a General Officer or member of the Senior Executive Service (SES) with appropriate written endorsements prior to arrival at HQMC. Waivers granted under this Bulletin do not apply to the requirements of any other regulation or policy, especially requirements related to financial reporting and auditability.

a. Requests will provide detailed justification for using the purchase method, including one of the three conditions for the waiver from paragraph 2 above. Justifications will include an estimate of the total number of line items and total value of OM&S for which the purchase method is being sought, the basis for those estimates, and a comprehensive list of management controls in place to ensure accountability of material. Additionally, if the waiver is being requested in accordance with paragraph 2.c above, a cost benefit analysis will be included that outlines the estimated cost avoidance of using the purchase method.

b. OM&S reports will be submitted as required until written authorization to use the purchase method is provided by DASN FO.

c. Requests for waivers will be submitted not later than 45 days prior to the scheduled start date of the pertinent reporting cycle.

APPENDIX A

Definitions

1. Operating Materials and Supplies (OM&S). References (a), (d) and (f) define OM&S as tangible personal property to be consumed in normal operations. Marine Corps OM&S is comprised of material such as replacement parts, components, assemblies, and residual assets that are to be consumed in normal operations but are not for sale. OM&S will be categorized in accordance with references (a) and (f), as material HFU, material HRFU, material HFR, material held as EOU or In-development (WIP). These U.S. Standard General Ledger categories are provided in enclosure (3).

a. Included Items

(1) Spare and repair parts and materials.

(2) Repair parts and tools required for support of equipment.

(3) Ammunition and Explosive (A&E), including decoys and targets that have a relatively short expected useful life (excluding nuclear/chemical missiles).

(4) Spare attachments to end items (when not attached) that are interchangeable with other parts and are not stand-alone end items.

(5) Items removed from decommissioned or cannibalized equipment required to support future requirements (non-Working Capital Fund inventory).

(6) GFM and contractor acquired material.

b. Excluded Items. Goods acquired for use in constructing real property or in assembling equipment to be used by the entity.

(1) Stockpile materials

(2) Goods held under price stabilization programs (Not applicable for DoD entities).

(3) Foreclosed property.

(4) Seized and forfeited property.

(5) Government Furnished Equipment (GFE) and contractor furnished equipment.

(6) Inventory held for sale.

2. Classes of Military Supply. The following lists Marine Corps management's determination whether the classes of supply meet the definition of OM&S in accordance with reference (d). The entire population of OM&S owned by the USMC is required to be reported to HQMC on a quarterly basis in accordance with the references; however, certain financial treatment at the headquarters level will be applied to different classes of supply in accordance with Federal Accounting Standards. This alternative treatment shall be for the purposes of financial reporting and shall not impact the operational reporting of these assets. The consumption method of accounting

for the recognition of expenses and financial reporting will apply to those classes of supply meeting the definition of War Reserve Materiel Requirement In-Stores (WRMR-I) or other prepositioned OM&S material and not in the possession or custody of the MEF unit consumption (except for Depot Level Repairables). The list of each supply class and corresponding accounting treatment is included in enclosure (1).

a. The following classes of supply are defined as OM&S by management for financial reporting purposes:

- (1) Class I: Food, rations, and water
- (2) Class II: Clothing and textiles
- (3) Class V: Ammunition
- (d) Class IX: Repair Parts

b. The following classes of supply will not be capitalized and included in OM&S financial reporting:

- (1) Class III: Petroleum, oils, and lubricants
- (2) Class IV: Fortification, and barrier materials
- (3) Class VI: Personal Items
- (4) Class VII: Major End Items
- (5) Class VIII: Medical supplies
- (6) Class X: Miscellaneous supplies

c. Class I. Food, rations, and water meet the definition of OM&S if they are WRMR-I or in a prepositioned status and are not yet in the hands of the end user (paragraph 1.d.(2)). Class I assets with an extended shelf life and purchased by the Marine Corps will be recognized as OM&S. Items of this nature include but are not limited to the Individual Meal Ready-to-Eat (MRE), the larger serving size tray rations, and other supplies of a similar nature. Those supplies purchased, owned and then held in storage before delivery to the final user (MEF-Level, MARFORRES, or MARFORSOC Level unit), whether immediate or in the near future, are categorized as OM&S.

d. Class II. Clothing and textiles not in the hands of the end user (paragraph 1.d. (2)) meets the definition of OM&S. It will not include uniform items that are a part of the initial uniform issuance to Marines. Those initial uniform issuance items are expensed and replacements are paid for by service members. Clothing and textiles stored above the Unit Issue Facility (UIF) or Individual Issue Facility (IIF) level that are not a part of the initial uniform issue nor are equipment items will be considered as OM&S for financial reporting purposes.

e. Class V. OM&S includes ammunition rounds, explosives, demolition kits, fuses, and sub-components which are expended upon the use. Those supplies which are held in storage or prepositioned afloat or ashore before delivery to the final user, whether immediate or in the near future, are categorized as OM&S.

f. Class IX. Repair parts held at the depot level or materiel managed by MARCORLOGCOM are considered OM&S for financial reporting. These are parts held distinct and separate as spare or replacement for principle end items. These will not include parts that have been received and managed by the MEF, MARFORRES, or MARFORSOC (end user) for use in performing a repair or maintenance by that command's units. Depot level reparables (DLRs) will be financially reported although they may reside at the MEF. Due to DLR management, they are considered WRMR-I or as a prepositioned stock managed by MARCORLOGCOM.

g. Class III and VIII. Meet the definition of OM&S, they are excluded from reporting based on their management and ownership. Class III is managed and owned by DLA. All Class III is expensed immediately upon purchase. Certain items from Class VIII are incomplete or stored as kits for MEF usage. Class IV, VI, VII, and X do not meet the definition of OM&S and are not subject to OM&S accounting treatment for financial reporting.

3. End User. Per reference (d), an end user is any component of a reporting entity that obtains goods for direct use in the component's normal operations. The component may also be a contractor. Any component of a reporting entity, including contractors, that maintains or stocks OM&S for future issuance will not be considered an end user. Once transferred to the end user (MEF, MARFORRES or MARFORSOC) for use in operations or training, the materials and supplies will be considered consumed and/or expended except for classes listed in enclosure (1) for financial reporting purposes unless returned to an appropriate supply activity. Class V (W) Ammunition is the exception to this treatment. Class V (W) issued to an end user from an intermediate activity, such as an Ammunition Supply Point (ASP), and is considered expended or consumed for financial reporting purposes. Class V (W) ammunition is not considered consumed if it is held by an intermediate activity such as an ASP, Ammunition Storage Depot or aboard a Maritime Prepositioning Force Vessel.

4. Contractor. A contractor is any commercial vendor, excluding external DoD agencies, that provides the Marine Corps goods or services according to a signed legal contract.

5. Operating Materials and Supplies (OM&S) Categories

a. Held For Use (HFU). Items assigned to production jobs or other projects used in normal business operations.

b. Held in Reserve for Future Use (HRFU). Items stored at an activity because they are not readily available in the market or because there is more than a remote chance that they will eventually be needed, although not necessarily in the normal course of operations. Documentation justifying HRFU stock will be developed and maintained for review. Material held in this category includes, but is not limited to, material resulting from:

- (1) Economic order quantity buys.
- (2) Life-of-Type buys.
- (3) Diminishing manufacturing sources and material shortage buys.
- (4) Foreign military sales.

(5) Material procured, staged, kitted, and transshipped for projects at installation sites.

(6) Material removed from decommissioned equipment required to support remaining assets.

c. Held For Repair (HFR). Items not in usable condition, but can be economically repaired. The objective is to rebuild items as an alternative and rotating source of supply. Once rebuilt, the items will be returned to OM&S HFU.

d. In Development (WIP). Items in the process of being developed that will be consumed in normal operations after work has been complete. Upon completion the costs will be transferred to HFU or HRFU accounts. In accordance with reference (a), upon completion, these costs will be transferred to "OM&S HFU," or "OM&S HRFU."

e. Excess, Obsolete and Unserviceable (EOU). Excess OM&S are items that exceed the amount expected to be used in normal business operations within the foreseeable future and do not meet management's criteria to be HRFU. Obsolete OM&S includes items that are no longer needed due to changes in technology, laws, customs, or operations. Unserviceable OM&S includes items that are physically damaged and cannot be economically rebuilt and returned to the HFU category. In accordance with reference (d), the value of OM&S Held as Excess, Obsolete, and Unserviceable will be reported as NRV. Refer to paragraph 6.d. on page 9.

6. Categories of Secondary Item Inventory. The terms below should be understood and utilized in order to determine Excess for financial reporting. Refer to reference (o) for detailed guidance on how to manage Categories of Secondary Item Inventory.

a. Approved Acquisition Objective (AAO) Stock. The quantity of an item authorized for peacetime and wartime requirements to equip and sustain U.S. and allied forces, according to current DoD policies and plans. AAO stock includes war reserve.

b. Contingency Retention Stock (CRS). Stock above the Approved Acquisition Objective (AAO) and ERS level for which there is no predictable demand or peacetime requirement but for which use in specific contingencies justifies retention.

c. Economic Retention Stock (ERS). Stock above the AAO that is more economical to retain than to dispose of and then potentially repurchase.

d. Potential Reutilization Stock (PRS). Stock above the sum of the AAO, the ERS, and the CRS, that is under review for transfer to Defense Logistics Agency (DLA) Disposition Services. PRS is synonymous with excess on hand.

e. In-transit Stock. Reference (o) defines in-transit stock as materiel in transit from commercial and government suppliers; materiel whose title has passed but the materiel has not been received and accepted at the final designated destination; materiel between storage locations; or materiel temporarily in use or on loan with contractors or schools.

7. Operating Materials and Supplies (OM&S) Accounting Methods

a. Consumption Method. Per reference (d), a method of accounting for goods, such as materials and supplies, where the goods are recognized as assets upon acquisition and are expensed as they are consumed. The cost of material will be removed from the OM&S account and reported as a program expense in the period they are issued to an end user for consumption in normal operations. For example, material received at a maintenance depot is not considered consumed until the item has been used/consumed in operations to refurbish/repair an end item.

(1) OM&S acquired and received by a supply activity for long term storage above the MEF, MARFORRES, or MARFORSOC level will be recorded in an APSR and financially reported as OM&S. Class V(W) Ammunition is the exception to this treatment. Class V(W) stored at an intermediate activity, such as an Ammunition Supply Point (ASP) or for long term storage are recorded in the APSR.

(2) Materials and supplies that are received, accepted, and owned by the Marine Corps will be recorded as an increase (debit) to the OM&S account. Along with the received quantity and type of materials and supplies, all appropriate purchase and production costs incurred to bring the items to their current condition and location will be recorded in accordance with reference (d), as the historical cost of the asset.

(3) The financial reporting entries recorded as OM&S will be reflected in one of the six OM&S accounts depending on the nature of the transaction or event that requires a journal voucher entry per reference (u). The USSGL designates the following accounts for recording OM&S assets:

- (a) OM&S HFU
- (b) 151200 OM&S HRFU
- (c) OM&S - Excess, Obsolete, and Unserviceable
- (d) OM&S HFR
- (e) OM&S WIP
- (f) OM&S - Allowance

b. Purchase Method. Per reference (d), if (1) OM&S are not significant amounts, (2) they are in the hands of the end user for use in normal operations, or (3) it is not cost beneficial to apply the consumption method of accounting, then the purchase method may be applied to OM&S. The purchase method provides that OM&S be expensed when purchased. Marine Corps management's determinations for use of the purchase method for Class I, II, and IX consumables is the second criteria that allows for an exception to the consumption method under reference (d) that the MEF, MARFORRES, or MARFORSOC are the end users of the materiel and supplies.

c. Valuation. Per reference (d), OM&S shall be valued on the basis of historical cost or on a basis that reasonably approximates historical cost. The Weighted Average Cost (WAC) flow assumption will be applied in arriving at the historical cost of OM&S. In accordance with references (d) and (e), once systems provide transactional detail that is reconciled to reported

ending balances, OM&S will be valued at WAC. WAC will be applied to each sub assessable unit such as ammunition, reparables, etc. and summarized for reported OM&S at the end of each fiscal quarter. WAC is calculated as the average cost of an asset. The WAC calculation will be performed by National Stock Number (NSN) based on proportional weight and then summed for total weighted average cost.

d. Estimated Net Realizable Value (NRV). Per reference (d), NRV is defined as the estimated amount that can be recovered from selling, or any other method of disposing of an item less estimated costs of completion, holding and disposal. EOU material must be recorded in the APSR at the NRV.

e. Recognition. Per reference (a), OM&S must be recognized when the title passes to the purchasing entity. Title passes to the purchasing entity based on the terms of the contract. For free on board (shipping point), title passes when the inventory is shipped. If the terms of sale are free on board (destination), title passes when the goods are delivered to the purchasing entity. If the contract between the buyer and the seller is silent regarding passage of title, title is assumed to pass upon delivery of the goods. When they are issued to an end user for consumption in normal operations, the cost of the goods must be removed from the applicable OM&S asset account and reported as an operating expense.

8. Government Furnished Material (GFM). A sub-category of government-furnished property is defined by reference (a) as inventory or OM&S that is physically transferred to the possession or custody of a contractor as government property. It may be incorporated into or attached to a deliverable end item, or may be consumed or expended in the performance of a contract. It includes such items as assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use during the performance of a contract. GFM does not include material sold by the government to a contractor, equipment, special tooling, special test equipment or real property. Reference (f) contains detailed procedures for the management of GFM in the possession of Marine Corps contractors. When furnished to a contractor, inventory and OM&S are considered GFM. In the case of GFM, the contractor is considered the end user. GFM is considered consumed when in the hands of the end user.

9. Operating Materials and Supplies (OM&S) Assets Held with the United States Army, United States Navy, Defense Logistics Agency (DLA), and Contractor Operated Facilities. Per references (h) and (j), the Marine Corps is required to implement and oversee required accounting policies and controls are in place in accordance with GAAP at facilities that manage, handle, or store OM&S and GFM assets owned by the USMC. Refer to paragraph 3.c.

a. Design and implement controls to verify transactions for receiving and shipping OM&S and GFM, and for condition code and account code changes, are recorded accurately and timely. The control needs to be evidenced and the evidence maintained to support performance of the control.

b. Design and implement controls for personnel overseeing Government Owned Contractor Operated and Contractor Owned Contractor Operated locations to validate the inventory counts and to verify that OM&S and GFM adjustments are recorded accurately and timely. The control needs to be evidenced and the evidence maintained to support performance of the control.

APPENDIX B

Glossary of Terms and Abbreviations

Acronym	Definition
3PL	Third Party Logistics
A&E	Ammunition and Explosives
ADALS	Authorized Dental Allowance List
AMALS	Authorized Medical Allowance List
APSR	Accountable Property System of Record
BOM	Bill of Materials
CAGE	Contractor and Government Entity
CG MARCORLOGCOM	Commanding General, Marine Corps Logistics Command
COCO	Contractor Owned Contractor Operated
COMMARFOR	Commanders, Marine Corps Forces
CRS	Contingency Retention Stock
DASN	Deputy Assistant Secretary of the Navy
DASN FO	Deputy Assistant Secretary of the Navy, Financial Operations
DC I&L	Deputy Commandant, Installations and Logistics
DC P&R	Deputy Commandant, Programs and Resources
DoD	Department of Defense
DoD FMR	Department of Defense Financial Management Regulations
DoDAAC	Department of Defense Activity Address Code
DoDIC	Department of Defense Identification Code
DON	Department of the Navy
DPAS	Defense Property Accountability System
EGEM	Enterprise Ground Equipment Management
EOU	Excess, Obsolete, Unserviceable
ERS	Economic Retention Stock
FAR	Federal Acquisition Regulation
FMR	Financial Management Regulations
GAAP	Generally Accepted Accounting Principles
GCSS-MC	Global Combat Support System - Marine Corps
GFM	Government Furnished Material
GOCO	Government Owned Contractor Operated
HFR	Held For Repair
HFU	Held For Use
HRFU	Held in Reserve for Future Use
ICART	Internal Controls and Audit Readiness Team
IIP	Initial Issue Provisioning
LB	Contracts Division
LP	Logistics, Plans, Policy and Strategic Mobility Division
LPC	Logistics Policy and Capabilities Branch
MARCORLOGCOM	Marine Corps Logistics Command
MARCORSYSCOM	Marine Corps Systems Command
MCA	Management Control Activity
MCCDC	Marine Corps Combat Development Command
MCICOM	Marine Corps Installations Command
MCO	Marine Corps Orders
MCWL	Marine Corps Warfighting Laboratory
ME	Military Equipment
MEF	Marine Expeditionary Force

Acronym	Definition
MICP	Manager's Internal Control Program
NIIN	National Item Identification Number
NRV	Net Realizable Value
OIS-MC	Ordinance Information System - Marine Corps
OM&S	Operating Materials and Supplies
OMB	Office of Management and Budget
OPNAVINST	Naval Operations Instructions
P/N	Part Number
PEO	Program Executive Officers
PEO LS	Program Executive Officers Land Systems
PII	Personally Identifiable Information
PM	Program Manager
PM Ammo	Program Manager - Ammunition
PRS	Potential Reutilization Stock
SECNAV	Secretary of the Navy
SECNAVINST	Secretary of the Navy Instructions
SCS	Stock Control System
SIM	Serialized Item Management
SOP	Standard Operating Procedure
SupO	Supply Officer
TECOM	Training and Education Command
WIP	In Development
WRMR-I	War Reserve Materiel Requirement - In Stores