

DEPARTMENT OF DEFENSE
HEADQUARTERS DEFENSE COMMISSARY AGENCY
FORT LEE VA 23801-1800

DeCA DIRECTIVE 40-5

June 26, 1992

Administrative Reissuance Incorporating Changes through Change 4, Aug 1, 2000
Operations

GROCERY DEPARTMENT OPERATIONS



ROSITA O. PARKES
Director, Information Resources Management

BY ORDER OF THE DIRECTOR

BILL G BELCHER
Colonel, USA
Chief of Staff

AUTHORITY: Defense Commissary Agency Directive Management Program is established in compliance with DOD Directive 5105.55, Defense Commissary Agency (DeCA), November 1990.

MANAGEMENT CONTROL SYSTEM: This directive is subject to the Management Control provisions for evaluation and testing as required by DeCAD 70-2 and as scheduled in DeCAD 70-3. The Management Control Review Checklist to be used by assessable unit managers to conduct the evaluation and test management controls for this directive will be included in DeCAD 40-1.

HOW TO SUPPLEMENT: This directive may be supplemented by lower echelon units, with prior approval of HQ, DeCA.

APPLICABILITY AND SCOPE: This directive applies to all Defense Commissary Agency commissaries assigned to DeCA.

HOW TO ORDER COPIES: Stores needing additional copies will submit requirements on DeCA Form 30-21 to Region/IM; Region/IM will consolidate Store and Region requirements on DeCA Form 30-21 and forward to HQ DeCA/IMSP.

SUMMARY: This directive sets forth the policies and procedures that will be used to operate all DeCA commissaries' Grocery Departments.

OFFICE OF PRIMARY RESPONSIBILITY: HQ DeCA/DO

COORDINATION: HQ DeCA DO/IM/RM/REGIONS

DISTRIBUTION: E,S
IG/Logistics and Support Programs Directorate
400 Army Navy Drive, Arlington VA 22202-2884

TABLE OF CONTENTS

	PARA	PAGE
Chapter 1 – General		
Purpose	1-1	1-1
References	1-2	1-1
Applicability and Scope	1-3	1-1
Responsibilities	1-4	1-1
Chapter 2 – Ordering		
Ordering Merchandise	2-1	2-1
Use of Blanket Delivery/Purchase Orders	2-2	2-1
Direct Store Delivery Items	2-3	2-3
Frequent Delivery System (FDS)	2-4	2-3
Ordering from DPSC	2-5	2-4
Supported Facilities	2-6	2-4
Receiving	2-7	2-4
DeCA Generated Deleted And/Or Dead Stock At Distributor Facilities	2-8	2-4
Chapter 3 – Shelf Stocking		
Shelf Stocking	3-1	3-1
Shelf Space Allocation	3-2	3-2
Region Stock List	3-3	3-2
Vertical Merchandising	3-4	3-2
Quality Assurance Evaluation	3-5	3-2
Overwrites	3-6	3-2
Case Cutting	3-7	3-2
Restocking	3-8	3-3
Not-in-Stock	3-9	3-3
Management of Shelf Life Sensitive Foods	3-10	3-3
Standards of Performance	3-11	3-3
Use of pricing Labels	3-12	3-4
Night Stocking	3-13	3-4
Vendor Stocking Control	3-14	3-4
Stock Efficiency	3-15	3-5
Out-of-Stock Percentages	3-16	3-5
Pullbooks/Pullsheets	3-17	3-5
Shelf Space Management	3-18	3-5
Returnable/Refundable Containers	3-19	3-6
Chapter 4 – Shelf Labels		
Shelf Label Management	4-1	4-1
Shelf Identification Labels	4-2	4-1
Handwritten Shelf Labels	4-3	4-1
Information on labels	4-4	4-1
Placement of Labels	4-5	4-1

Maintaining Space Allocation	4-6	4-1
Shelf Label Requirement	4-7	4-2
Vendor Supplied ID Tags	4-8	4-2
MINICOM	4-9	4-2
Deleted Items	4-10	4-2
New Items	4-11	4-2
Printing New Labels	4-12	4-2
Cost Per Unit of Measure Price	4-13	4-2

Chapter 5 – Pricing Verification

General	5-1	5-1
Comparing POS-M Prices to DIBS Prices (CONUS Except Alaska Commissaries)	5-2	5-1
Comparing Shelf Label Prices To POS-M	5-3	5-2
Price Verification and Procedures for NON-POS-M Stores and OCONUS and Alaska Stores Using DIBS-DOORS	5-4	5-2
Supplemental Price Changes	5-5	5-3
Mini-Com Pricing Verification	5-6	5-3

Chapter 6 – Tobacco Products

General	6-1	6-1
Product Selection	6-2	6-1
Pricing	6-3	6-2
Price Changes for Commissaries, Excluding European Region Commissaries	6-4	6-3
Price Changes for European Region Commissaries.....	6-5	6-5
Price Adjustment Inventories.....	6-6	6-5
Ordering and Receiving Via STO/VES for CONUS Commissaries Plus	6-7	6-6
Alaska and Hawaii		
Ordering and Receiving for CONUS Commissaries Not Using STO/VES.....	6-8	6-6
Ordering and Receiving for Commissaries in Japan, Korea and Guam.....	6-9	6-8
Ordering and Receiving for European Region Commissaries	6-10	6-9
Ordering and Receiving for Commissaries in Italy.....	6-11	6-11
Processing Sales of Exchange Tobacco Products	6-12	6-11
Tobacco Reconciliation	6-13	6-11
Sales Floor/Storage	6-14	6-12
Stocking	6-15	6-12
Merchandising.....	6-16	6-12
Damaged/Distressed Merchandise	6-17	6-12
Commissary Promotions Except for the European Region.....	6-18	6-15
European Region Commissary Promotions	6-19	6-16
Sale of Restricted Products	6-20	6-16
Signage on Sale of Tobacco Products.....	6-21	6-16
Cost Recovery Fee	6-22	6-16
Termination of Agreement.....	6-23	6-16

Chapter 7 – Dairy Sections

Display Cases	7-1	7-1
Quality Control	7-2	7-1
Sanitation	7-3	7-1

Restocking	7-4	7-1
Ordering Stock	7-5	7-1
Egg Section	7-6	7-1
Product Quality	7-7	7-1
Customer relations	7-8	7-1
Equipment Checks	7-9	7-1
DeCA Form 40-9	7-10	7-1
Maintaining Temperature Charts	7-11	7-1
Equipment List	7-12	7-1
When to Check Temperatures	7-13	7-2
Recording Results	7-14	7-2
Non-Operational Alarms	7-15	7-2
Refrigerated Trucks/Vans	7-16	7-2

Chapter 8 – Freezer Section

Use of Suggested Layouts	8-1	8-1
Posting Freezer Layouts	8-2	8-1
Reviewing Product Movement	8-3	8-1
Customer Relations	8-4	8-1
Damaged Products	8-5	8-1
Guaranteed Sale Merchandise	8-6	8-1
Stock Rotation	8-7	8-1
Using Correct Case Labels	8-8	8-1
Equipment Checks	8-9	8-1
When to Check Temperatures	8-10	8-1
Recording Results	8-11	8-2
Non-Operational Alarms	8-12	8-2

Chapter 9 – Vendor-Operated Bakeries

Authorization	9-1	9-1
Stock Selection	9-2	9-1
Product Ring-up	9-3	9-1
Bakery Mark-up	9-4	9-1
Vendor Selection	9-5	9-1
Displaying Prices	9-6	9-1
Labeling Requirements	9-7	9-1
Price Accuracy	9-8	9-1
Product Sampling	9-9	9-2
Customer Product Demand	9-10	9-2
Special Orders	9-11	9-2
Product Freshness	9-12	9-2
Bakery Sanitation	9-13	9-3

Chapter 10 – Damaged Merchandise

Damaged Merchandise Control Procedures	10-1	10-1
Vendor Reimbursements for Unsalable Merchandise	10-2	10-1
Coordination with Medical Food Inspector	10-3	10-2
Processing Damaged Merchandise	10-4	10-2
Damaged Cleaning Supplies	10-5	10-2
Price Reductions	10-6	10-3

Displaying Marked-Down Merchandise	10-7	10-3
Displaying Freeze/Chill Merchandise	10-8	10-3
Chapter 11 Distressed Merchandise		
General	11-1	11-1
Markdown Percentages	11-2	11-1
Identifiable Loss Percentages	11-3	11-1
Distressed Subsistence Items	11-4	11-1
Displaying Marked Down Distressed Merchandise	11-5	11-1
DD Form 708 Inventory Adjustment Monetary Account	11-6	11-1
Processing Distressed Items	11-7	11-1
Chapter 12 – Merchandise on Medical Hold		
Responsibility	12-1	12-1
Monitoring	12-1	12-1
Isolated Area	12-1	12-1
Notification of Disposition Instructions	12-1	12-1
Chapter 13 – Transfers		
General	13-1	13-1
Transfer outside the Region	13-2	13-1
Transfers Between Commissaries	13-3	13-1
Shipper/Receiver	13-4	13-1
Signing and Securing the Transfer	13-5	13-1
Intracommissary Transfers	13-6	13-1
Transfers from Central Distribution Centers	13-7	13-2
Chapter 14 – Prizes, Gifts, and Donations		
DeCA Policy	14-1	14-1
Chapter 15 – Facilities		
General	15-1	15-1
Cleaning	15-1	15-1
Light Maintenance	15-1	15-1
Chapter 16 – Sanitation		
General	16-1	16-1
Establishing a Reporting System	16-1	16-1
Outside Cleaning and Maintenance	16-1	16-1
Inspections by Medical Personnel	16-1	16-1
Restrooms	16-1	16-1
Cleaning Refrigerated Areas	16-1	16-1
Bakery	16-1	16-1
Chapter 17 – Vendor Credit Memorandums		
General	17-1	17-1
VCM Policy	17-2	17-1

Finalizing VCMs.....	17-3	17-2
Automated ROD for DIBS-DOORS.....	17-4	17-3

Chapter 18 – Receiving

General.....	18-1	18-1
Responsibility.....	18-2	18-1
Procedures.....	18-3	18-2
Direct Store Deliveries.....	18-4	18-4
Frequent Delivery System.....	18-5	18-4
DIBS – DeCA Ordering and Receiving System (DOORS).....	18-6	18-6

Figures

2-1 DeCA Form 40-2, Region/Commissary Order	2-5
2-2 DeCA Form 10-1, Call Order Register	2-6
5-1 Exception Report	5-4
7-1 DeCA Form 40-9, Daily Temperature Maintenance Log	7-3
9-1 DeCA Form 40-1, Commissary Patrol Special Order Request	9-4
11-1 DD Form 708, Inventory Adjustment Monetary Account	11-4
11-2 DD Form 708, Inventory Adjustment Monetary Account	11-5
13-1 DeCA Form 40-51, Tally In/Out	13-3
13-2 DeCA Form 70-20, Subsistence Request For Issue or Turn-In	13-4

Chapter 1

General

1-1. **PURPOSE.** This directive sets forth the procedures to be used for the operation of DeCA commissary grocery departments. It includes shelf stocking, receiving, personnel training, shelf space management, merchandising, reordering, monitoring vendor stockers, vendor operated bakeries, shelf label management, processing damaged merchandise, spot checks on the accuracy of shelf prices, and other associated functions.

1-2. REFERENCES

- a. DOD Directive 5105.55, "Defense Commissary Agency (DeCA)," November 9, 1990.
- b. DOD Directive 1330.17, "Armed Services Commissary Store Regulation," March 13, 1987.

1-3. **APPLICABILITY AND SCOPE.** This directive applies to all activities performed in the Grocery Department in all DeCA commissaries.

1-4. RESPONSIBILITIES.

a. Region directories/commanders are accountable for the implementation of this directive in all commissary activities assigned to their designated geographical areas. This directive may be supplemented as necessary, to provide additional guidance, with prior approval from HQ, DeCA.

b. Commissary management will implement this directive and provide required reports and other information as directed.

c. The Grocery Manager is responsible for the operation of the largest department in the commissary. He/she supervises personnel engaged in ordering, storing store stocks in the backroom, and stocking of perishable and semi-perishable items in the Grocery Department. While the duties are extremely varied and complex, several responsibilities such as merchandising, ordering, shelf stocking, safety, and security are critical to the overall operation of the commissary. This directive provides the basic actions required to accomplish the jobs in the Grocery Department.

→d. Managers will wear a two-line name tag containing full name and position title. The name tag will be hard plastic, slip-on type with a silver background and black lettering. All civilian employees who work in the sales store area will wear a plastic name tag containing full name. Employees assigned exclusively to back up storage areas will be exempt from wearing name tags for safety reasons. ← →C1 January 31, 1995←

1-5. →Deleted← →*IMpulse*, April 1997←

Chapter 2

Ordering

2-1. **ORDERING MERCHANDISE.** The commissary officer/region director/commander is responsible for ensuring resale merchandise is ordered in sufficient quantities to support store sales without exceeding approved inventory levels. As determined by the region director/commander, the commissary officer should appoint, by letter, those personnel authorized to approve vendor orders. Orders are placed directly with the supplier for authorized items, or from the servicing Central Distribution Center (CDC). Troop Support requirements and resale items from the Defense Personnel Support Center (DPSC) are ordered by region buyers or by the commissary, as applicable. Authorized local purchase Troop Support items may be ordered by the commissary. All orders will be placed in accordance with applicable contracts.

2-2. **USE OF BLANKET DELIVERY/PURCHASE ORDERS.** Commissaries will continue to operate under existing automated systems, in accordance with DeCA policies and procedures, until replaced by the DeCA Interim Business Systems (DIBS).

a. For other than Central Distribution Center (CDC) items, Frequent Delivery System (FDS) items, and Direct Store Delivery (DSD) items, when quantities are ordered for delivery to the commissary, such as orders for stand alone attached warehouses, the following procedures will be used. Obtain from the Management Support Center (MSC) the appropriate order forms from the automated system or DeCA form 40-2, Region/Commissary Order (**Figure 2-1**). This form is not necessary for the grocery department if the current automated system provides suggested order forms (ACS/ACAPS, DIBS, ACOS, EPOSE) or if the items are ordered daily or several times per week. The existing automated system procedures will be used to order for attached warehouses. The procedures provided here are considered to be interim until replaced by DeCA systems.

b. ACOS procedures:

(1) Processing the Automated Item Order Form (AIOF):

(a) Record in the inventory column the physical inventory count of stock on hand in the warehouse. For out of stock items, record a zero (0).

(b) The warehouse supervisor or other designated individual initials the inventory figures to verify that the figures are generally correct.

(c) Enter the suggested order quantity in the "Order Quantity" blocks. Draw a diagonal line through all blocks not used. Do not use a zero (0) in this block as it may be altered after approval.

(d) The commissary officer or designated representative will sign the AIOF indicating approval of quantities ordered and the scheduled delivery date. The approving official will sign the bottom of the first or last page of the order forms. The approver will initial any changes to the suggested order quantity. If larger than normal orders are being placed for special promotions, the approver will indicate so in the remarks column of the form.

(e) The approving official will return the form(s) to the management Support Center (MSC) for processing.

(2) Processing the ACOS suggested order form:

(a) The commissary officer need not require the verification of the inventory quantities. However, for good inventory management, any zero, negative balances, or quantities which appear to be inaccurate, the entries will be checked.

(b) The warehouse supervisor or representative will initial all changes to the inventory balances on the suggested order form.

(c) The commissary officer or designated representative will sign the suggested order form indicating approval of the quantities ordered and scheduled delivery date. The approving official will sign the bottom of the first or last page of the order forms. The approver will initial any changes to be suggested order quantity. If larger orders are being placed for special promotions, the approver will so indicate in the remarks column of the form.

(d) The approving official will return the form(s) to the management Support Center for processing.

c. EPOSE procedures

(1) The requisition/order/receipt (ROR) worksheet is used by commissaries with the EPOSE system to order and receive authorized items delivered by manufacturers to the commissary. Order quantities are determined with the assistance of sales representatives. All orders will be reviewed and approved by the designated ordering officer.

(2) Refer to Chapter 18 of the TSA Scanning User's Manual dated February 1989, for detailed procedures concerning use of the ROR worksheet.

d. ACS/ACAPS procedures

(1) The T53 Daily Delivery Order Inspection Report or system generated document is used by commissaries with the ACS/ACAPS systems to order and receive authorized items delivered by manufacturers to the commissary. Order quantities are determined with assistance of sales representatives. All orders will be reviewed and approved by the designated ordering officer.

(2) Refer to Chapter VI of the Automated Commissary System Handbook (CONUS regions, excluding Southern Region) and Chapter 5 of the Automated Commissary Accounting and Procurement System Handbook (Southern Region) for detailed procedures concerning use of the T53 or system generated ordering/receiving documents.

e. Processing the DeCA Form 40-2, Region/Commissary Order (**Figure 2-1**):

(1) The MSC clerk records the order date at the time of order if sales representatives do not provide a suggested order.

(2) The delivery date is determined by commissary management and placed on the DeCA form 40-2 before a call number is assigned.

(3) Record in the inventory column the physical inventory count of stock on hand in the warehouse. For out of stock items, record a zero (0).

(4) When a sales representative records the inventory, have the warehouse supervisor or other designated individual initial the inventory figures to verify that they are generally correct.

(5) Until centralized region pricing is in place the sales representative records the cost price on the DeCA form 40-2. When a sales representative is not available, cost price is recorded by the item manager from the contract price list. Once centralized, regions will take all price quotes from the vendors and prices will be provided to the commissaries by the region.

(6) The heading "Signature (Vendor representative)" is the block signed by the sales representative prior to a call number being placed on the order. When a sales representative is not available to place the order, leave this block blank.

(7) Return form(s) to the MSC for processing.

f. The original copy of the order will be returned to the grocery department. The original copy of the suggested order will be attached to the finalized order form. Send these copies to the receiving point.

g. Warehouse supervisors will review warehouse orders for irregularities. All irregularities noted will be reported to the commissary officer for action. Pending receipt of the merchandise ordered, order forms will be filed alphabetically or by the date of delivery at the receiving point.

h. Grocery Managers will take full advantage of vendor price reductions. Ensure the distribution is notified ahead of time of special promotions by sales representatives so that the distributor has sufficient stock to provide merchandise for mass displays and forward buys.

2-3. **DIRECT STORE DELIVERY ITEMS.** Items ordered on a daily basis or with enough frequency to be delivered directly to the sales area are ordered by the individual store departments. A formally maintained consumption history is not needed to place order amounts. Most of the product goes directly to the pre-assigned display or shelf space with minimal residual backup stock. Maintain vendor folders and place orders as follows:

a. Maintain a vendor folder at the receiving point for each vendor by daily or frequency of delivery. A DeCA Form 10-1, Call Order Register (**Figure 2-2**), will be maintained in a separate folder. Include in the vendor folder, the latest up to date order/receiving document, as appropriate. Commissaries using the hand held device for in-checking are not required to maintain these authorized item forms in the vendor folder.

b. When orders are called in to suppliers, e.g., milk, eggs, prepackaged meats, etc., store personnel will give the vendor a call number at the time the order is placed. Record the order information on the Call Order Register, DeCA Form 10-1. The appropriate order form may be used as a guide when calling in the order. All deliveries of highly perishable foods, e.g., milk, eggs, meats, will be coordinated with the medical food inspection office.

2-4. **FREQUENT DELIVERY SYSTEM (FDS).** The FDS program is a method by which merchandise for many manufacturers is ordered and delivered directly to the commissary by one or more distributors, designated by the manufacturer. Items are ordered directly from the distributor, rather than the individual manufacturer's sales representative. Detailed FDS procedures are contained in the DeCA Directive 40-9, Frequent Delivery System Procedures.

2-5. **ORDERING FROM DPSC.** Region buyers or the commissary, as applicable, are responsible for requirements determination and placing orders through military standard requisitioning and issue procedures (MILSTRIP) for merchandise supplied from DPSC. DPSC merchandise includes items stocked for resale and brand name resale requirements for overseas commissaries.

2-6. **SUPPORTED FACILITIES.** Supported facilities (formerly known as branch stores or annexes) will initiate stock replenishment orders from CDCs, FDS distributors, and DSD vendors, as appropriate. DeCA's hand held date entry device will be used to order FDS and CDC items.

2-7 **RECEIVING.** All deliveries will be in-checked by department personnel. Receipt of Frequent Delivery System (FDS) items will be accomplished in accordance with the FDS receiving procedures contained in DeCA Directive 40-9.

→2-8. DeCA GENERATED DELETED AND/OR DEAD STOCK AT DISTRIBUTOR FACILITIES.

a. Ensure order writers continue to order phase-out items until distributor's stocks are depleted or they are deleted from the FDS order files. After items are no longer in your FDS files and residual stocks are depleted, remove labels from shelves and remove item from front end scanning.

b. Off-line ordering of items that regions have authorized that has subsequently dropped from your FDS order file. Utilize PIIN for that manufacturer or distributor's PIIN. Assign the order a call number from the DSD-S Call Order Register. Obtain the correct price from the region buyer. Process the receipt as a DSD-S delivery, not on the roll-up for that period of delivery. Ensure pricing has been entered into front end scanning system. Follow all region guidance for display or other promotion requirements. ← →C1 January 31, 1995←

PAGE OF PAGES

REGION/COMMISSARY ORDER <small>(For use of this form, see DeCAD 40-3: OPR to DOJ)</small>			VENDOR COCA COLA			SO NUMBER		ORDER DATE	CALL NUMBER	DELIVERY DATE			
STORE Aeroberto			SIGNATURE (Vendor Representative)			CONTRACT NO. F1160288A009		VOUCHER NO.		VENDOR INVOICE NO.			
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL	CASE OFF	CASE ON	CASE OFF	CASE ON	AMOUNTS RECEIVED		AMOUNTS DUE	
										EXT	TOTAL	EXT	TOTAL
001	Coca Cola Classic	12 oz case	35	5.20	120	120				5.56	667.20	5.56	667.20
002	Coca Cola	12 oz case	40	5.20	100	100				5.56	356.00	5.56	356.00
003	Coca Cola Diet	12 oz case	25	5.20	150	150				5.56	834.00	5.56	834.00
004	Dr. Pepper	12 oz case	75	5.56	-0-								
005	Sprite	12 oz case	35	5.20	75	75				5.56	417.00	5.56	417.00
SAMPLE													
SIGNATURE (Region/Commissary Buyer)			SIGNATURE (Vendor Representative)			DATE		SIGNATURE (In-Charge)		SIGNATURE (Region/Commissary Rep)			

DeCA Form 40-2, Aug 87

Figure 2-1, DeCA Form 40-2, Region/Commissary Order

CALL ORDER REGISTER - MANUAL RESALE/SUBSISTENCE								PAGE 1 OF 6 PAGES
MONTH/YEAR ① OCTOBER, 1988				COMMISSARY ② FORT Gordon, GA				
CALL NO. ③	CALLER'S INITIALS ④	CONTRACTOR'S NAME & BOOMPA CONTRACT NO. ⑤	ORDER DATE/ DUE IN ⑥	\$ AMT CALLED/ \$ AMT REC'D ⑦	DATE REC'D/ TALLY NO. ⑧	SBC BLOCK NO. ⑨	REMARKS ⑩	
B001	FDS	Campbell Sales Co DECA02-92-F-0918	10/2 10/4	2048.00 2048.00	10/4 G001	B FHGB		
B002	FDS	ALPO Petfoods, Inc. DECA02-92-F-0303	10/2 10/5	5252.00 5202.00	10/5 G002	FHGC		
B003	CRG	Nestle Food Corp. DECA02-92-F-3205	10/3 10/6	1,022.75 1,022.75	10/6 G003	FHGD		
B004	CRG	All American Gourmet Co DECA02-92-F-2205	10/5 10/7	275.25			Canceled 10/6	
B005	FDS	American Tobacco Co DECA02-92-F-0152	10/5 10/10	7,298.67 7,298.67	10/10 G0004	FHGE		
SAMPLE								

DeCA Form 10-1, Oct 91

No Prescribing Directive
Supersedes TSA Form 137-0

Figure 2-2, Call Order Register – Manual Resale/Subsistence

CHAPTER 3

SHELF STOCKING

3-1 **SHELF STOCKING.** The grocery department manager is responsible for the accomplishment of shelf stocking in a manner that ensures the customer of the availability of quality products presented in sufficient quantities in a clean, orderly, and well merchandised setting. Most of the stocking should be accomplished after normal operating business hours. Shelf stocking during resale operating hours will be limited to the minimum necessary to prevent out of stock conditions and disruption to customers.

a. Shelf labels affixed to display shelf moldings will reflect the correct price for marked and unmarked merchandise.

b. All merchandise will be placed in its correct display shelf location. Merchandise will be pulled to the front of the shelf when quantity is not enough for a full display.

c. The number of display shelf facings allocated to each line item will not be reduced or exceeded without the approval of the commissary officer, grocery manager and/or designated representative.

d. New stock is placed to the rear of the shelf, old stock is placed in front.

e. Items will not be stacked higher than approximately 78 inches from floor level.

f. All labels will be in a high state of repair and appearance. Aged (discolored) labels will be replaced as required to maintain that fresh look. Loose or slightly torn labels may be affixed or repaired with transparent tape, until a new label can be produced.

g. Tray packing requires region director/commander approval with the following exceptions: canned soups, condensed milk (bottom shelf), and packages of gravy mixes.

h. When tray packing is authorized, management will ensure cardboard is promptly removed from the shelves as it accumulates during the business day.

i. Shelves will be dusted or cleaned before stocking. Special review should be made of slow moving items that have a tendency to accumulate dust.

j. Any items without labels will be marked to identify contents.

k. Damaged items and items without labels will be taken to the designated damaged merchandise control area. Loose labels must be repaired or replaced to maintain item identification.

l. Remove any product past its sell by date. (See Chapter 3, paragraph 3-10, Shelf Life.)

m. All recyclable cardboard should be baled or compacted as applicable, and stored in the designated area. All cardboard in the sales area should be removed as it accumulates.

n. Inform patrons of the prices of unmarked items, use channel markers, price tags, or price boards. Signs and shelf talkers are authorized price identification media and may be used to highlight special promotions. While this practice is encouraged, it is important that commissary personnel use only attractive professional looking signs.

o. Price changes for items on Price Look Up will be submitted by department managers to the appropriate department for processing. Department managers are responsible for verifying price changes entered in the scanning system prior to the opening of the store. Customer service managers will update the checkers ready reference charts.

p. Check end displays and other display areas each morning prior to store opening to ensure prices advertised are valid and in agreement with the prices in the scanning system.

3-2. **SHELF SPACE ALLOCATION.** Product movement, special prices, sales volume, and seasonal trends should be used to determine product facings. The directive on Merchandising, i.e., DeCA Directive 40-13, provides detailed instructions for computing shelf item allocations or facings.

a. Adjust facings as necessary to prevent out of stock conditions throughout the sales day. Try to allow for full cases to be stocked except for large case packs such as health and beauty aid (HBA) items. The shelf space allotted should be the space required to meet customer demand.

b. Spot-check the sales area before opening time, mid afternoon, and late in the evening before closing time. Determine which items are depleted, slow selling, early in day out of stocks, items not having sufficient allocated space, and the total available line item selection. This will give a good indication of stocker performance and out of stock conditions. Out of stock conditions in the sales area result in lost sales and dissatisfied patrons.

3-3. **REGION STOCK LIST.** Line items will be those listed on the Region Stock List (RSL), supplemented by items that are unique to the geographical area, as well as items produced and sold by small business firms. Only items on the RSL will be stocked unless exceptions are granted by the region director/commander.

a. Product movement should be reviewed periodically by using the pullbooks or the pullsheets produced by the hand held device. Scanning operations produce item movement reports.

b. Make recommendations to the region on deletions and additions of items after review of product movement.

3-4. **VERTICAL MERCHANDISING.** Use vertical merchandising to the maximum extent possible to enhance patron traffic flow. Vertical merchandising is displaying related items and using all shelf levels rather than horizontal spreading. Grocery personnel should become thoroughly versed in merchandising principles and techniques contained in DeCA Directive 40-13, Merchandising.

3-5. **QUALITY ASSURANCE EVALUATION.** A Quality Assurance Evaluator (QAE) will be employed to survey and document contractor performance of contractual requirements. The QAE documents the contract work performed, whether it be satisfactory or unsatisfactory.

3-6. **OVERWRITES.** All overwrites or leftovers from previous day/night stocking should be checked before ordering or pulling new stock.

3-7 **CASE CUTTING.** For greater efficiency and to avoid damaging the contents when cutting cases, a sharp cutter with the blade set to the proper depth is essential. Holding the cutter at the proper angle will also prevent damage to the case contents. Avoid using blades on cases with bags, packages, or paper products to eliminate unnecessary losses.

3-8. **RESTOCKING.** When restocking is required during the day, cut and price merchandise (if applicable) in the back-up area before it is loaded on a stock cart and brought to the sales floor.

3-9. **NOT-IN-STOCK.** When items are not in stock (NIS), the shelf space will be left empty. In some instances, some of the space may be used for substitute items; however, the shelf label placement should be repositioned immediately below the empty space. Install a new label for the substitute item below the item and to the left corner of its facing. A new label is not required for product expansion. Move item from the right to fill in NIS space. Leave space open above the label. Do not remove label.

→3-10. **MANAGEMENT OF SHELF LIFE SENSITIVE FOODS.** Most perishable, and some semi-perishable items are coded with a sell-by, best if-used-by, pull-by, or an expiration date that signifies the date the manufacturer would like the retailer to pull the product from sale. This date does not necessarily indicate that the product is no longer consumable; it generally represents a date that the consumer should use the product for the best quality. Customers have become accustomed to using this date to ensure they are purchasing the best in quality and freshness.

a. CONUS stores will not sell food products once the sell-by, best-if-used-by, pull-by, or expiration date has passed. Immediately remove food products that have reached this date from retail store shelves and dispose of according to Chapter 11.

b. OCONUS stores may sell food products past the sell-by, best-if-used-by, pull-by, or expiration date in conditions listed below and only after the approval from the medical food inspector. NOTE: NEVER EXTEND BABY FOODS, BABY FORMULA, VITAMINS, AND OVER-THE-COUNTER NON-PRESCRIPTION DRUGS AND OTHER HEALTH AND BEAUTY AIDS UNDER ANY CIRCUMSTANCES.

(1) The item under consideration for extension is the only lot of that item on hand or additional lots of that item are of insufficient quantity to meet demands before next anticipated delivery.

(2) A one-time extension of not more than 7 days is authorized for prepackaged frozen and chilled luncheon meats, cheese, and processed meat items. A one-time extension either at CDC or store (but not both) of not more than 30 days is authorized for semi-perishable products.

(3) Some perishable food items received at OCONUS commissaries have been extended by medical food inspection personnel at supply point/depot. When this occurs, the extension applied by the medical food inspector is used instead of the manufacturer's date placed on the product at the time of processing. No item will be extended more than one time at store level.

(4) Reduce extended items to 50 percent of the original selling price. Price reductions in excess of 50 percent to accelerate movement will be coordinated with the appropriate Zone Manager/Region.

(5) Regardless of an item's sell-by, best-if-used-by, pull-by, expiration date, or extended date, items that show signs of spoilage or deterioration will be removed from sale immediately. ← →C1 January 31, 1995←

3-11. **STANDARDS OF PERFORMANCE.** Standards of performance for shelf stocking will include but are not limited to the following:

a. All items in the holding area that cannot be displayed or stocked due to availability of shelf display space will be placed in the overwrite area.

b. Items will be straightened, with labels upright and facing forward, before the start of the next day's business according to applicable contract. Fronting of merchandise may be required in some contracts.

3-12. **USE OF PRICING LABELS.** In non-scanning stores, the correct pricing tools and labels must be used to price all items when required. Use the proper labels to price mark items by department. Commissary pricing labelers will be provided to all vendor stockers. This is not applicable to scanning stores. Labels will:

a. Identify department. Use only the following color labels (non-scanning operations) to identify the items assigned to specific departments.

(1) Blue – Grocery. Black may be used for grocery items stocked by the shelf stocking contractor.

(2) Red – Meat.

(3) Green – Produce.

b. Be tamper proof.

c. Be controlled to preclude marking merchandise with the wrong colored label.

d. In non-scanning operations, items are priced to reflect the correct price indicated by the pricing label on the outside of the case. Only one price label will be affixed to an item.

e. Where posted, prices on items will be neat, legible, and clearly marked to eliminate confusion.

f. In non-scanning operations, prices are usually placed on the top or bottom of the item. Make sure prices are not placed on interchangeable lids. For scanning stores, prices and UPC numbers are reflected on shelf labels.

3-13. **NIGHT STOCKING.** Use night stocking crews to the maximum extent. Exercise care in the selection of personnel for night stocking and ensure night supervisors understand their duties and responsibilities. Visit the night crew to maintain satisfactory control over facility security, merchandise, and vendor stockers. Visits will be accomplished on a random, no notice basis and at a frequency determined by the commissary officer. Visits will be documented by memorandums for record. Memorandums will be maintained on file in the MSC. The commissary officer will ensure shelf-stocking efficiency is kept at the highest possible level to maintain a high level of patron service.

3-14. **VENDOR STOCKING CONTROL.** The commissary officer or subordinate manager will control the activities of vendor stockers within the commissary. Control procedures include:

a. File copy of the letter of authorization from the vendor for each vendor stocker stating products to be stocked and other conditions of employment. Violation of the conditions is a basis for revoking authority for shelf stocking.

b. Commissary employees will not be employed as vendor stockers, contract stockers, or baggers. Family members of employees may not be employed as vendor shelf stockers and contract stockers. Immediate family members of non-management store personnel may serve as baggers. Immediate family members of management personnel may not perform bagger services.

c. Commissary personnel will control all movement of stock, in or out of the sales area. Do not allow vendor stockers or other vendor employees to in check or sign for commissary merchandise.

3-15. **STOCKING EFFICIENCY.** When in-house shelf stocking is used, shelf stocking efficiency is determined by comparing the number of out of stock items on the store shelves with the number of line items actually assigned shelf or display locations (perishable and semi-perishable) in the resale store. Shelf stocking efficiency is determined by random sampling according to the surveillance plan if contract stocking is used. For contract shelf stocking, paragraph 3-5 applies.

→a. Stock availability is determined by comparing the number of items out of stock on the shelves with the total number of active line items, that is, those items actually assigned shelf locations. Count out of stocks daily and count each assigned shelf allocation in the sales store monthly to determine the number of active line items. Record these counts in a locally devised logbook, for use in reporting required monthly statistical data.

b. Determine the percentage of in-stock availability by dividing the difference between the number of out of stock items and the total number of active items by the total number of active items, (i.e. (8500 active items - 140 out of stocks) divided by 8500 = 98 percent.) ← →C2 March 31, 1995 ←

3-16. **OUT OF STOCK PERCENTAGES.**

a. The standard for maximum acceptable out-of-stock percentages is:

(1) CONUS and Hawaii - 2 percent

(2) Overseas and Alaska – 5 percent

b. When the percentage of out-of-stock items exceeds the maximum acceptable percentage above, the commissary officer or store manager must determine the cause and take immediate action to correct the deficiency.

3-17. **PULLBOOKS/PULLSHEETS.** Pullbooks are only used in stores which have attached warehouses and do not scan orders from bar code shelf tags. Set up pullbooks in approximately the same order as the layout of the sales store or the resale warehouse. Use the pullbook for recording the daily order of merchandise needed for stocking the sales store and pulling merchandise from the warehouse. New pullbooks will be used for each month.

3-18. **SHELF SPACE MANAGEMENT.** An effective shelf space management program will be maintained. The work-hours used for replenishing merchandise are directly influenced by the amount of stock the shelves can hold. Proper shelf space management will provide a systematic way to determine necessary stock levels and shelf capacities.

a. An effective space allocation program will help maintain an adequate product mix and representation of all merchandising groups, provide for acceptable in-stock positions, simplify customer shopping patterns by keeping compatible items in the same general area, make the sales floor eye-appealing, and increase productivity by facilitating the stocking of merchandise.

b. The demand for products will vary from one commissary to another as dictated by customer preference. The effectiveness of the shelf space management program depends upon the efficient use of all shelf cubic footage, as well as the number and sizes of shelves and placement of shelving. In order to ensure that each grocery fixture will be used to its fullest cubic capacity, a shelf space allocation program will be developed and updated on a regular basis and adhered to at each store. A master layout will be maintained at the store. The region merchandising branch will provide assistance in developing space allocation programs. General guidance for merchandise layouts and space management will be provided to the regions by headquarters, DeCA, Operations Directorate, Merchandising Branch.

3-19 RETURNABLE/REFUNDABLE CONTAINERS.

a. Commissary officers are authorized to stock beverages in returnable, i.e., refundable containers. The determination to stock these items should be based on the availability of manpower, adequate display space and recurring patron demand. Commissary officers will handle returnable containers in accordance with the policies established by the host installation and state laws.

b. Some states require that container levies be assessed against sales of bottled and canned soft drinks. To ensure that there are no problems in processing container levies and that the customer is not charged a surcharge on the levy, the following procedures apply:

(1) Items will be entered into the scanning system price look up (PLU) file using the link feature. All existing systems have the link capability. When the item is scanned, the levy will automatically be added to the purchase and a two-line entry will be printed on the customer receipt tape. The first line is the item description and amount and the second line is the levy type (container deposit, bottle deposit, etc.) and amount, as shown:

Canned Drink	\$1.49
Cntrdep	.30

(2) Departments set up for the levy in the various scanning systems are non-surchargable. The following department codes are used within the former Services' commissaries:

Air Force	Dept#7700
Army	Dept#5000
Marine Corps	Dept#9700
Navy	Dept#20

(3) With the exception of the Navy systems, department totals are added to the grocery department total automatically at the end of the day. Levies in Navy systems will appear as "other income" on financial reports and must be added to the grocery department total for the Report of Deposit.

(4) Shelf labels will reflect the price of the item only, and shelf talkers will be used to tell the customer about the levy.

(5) Vendor price quotes will contain a separate line item for the levy amount.

(6) For receiving purposes, a dummy item number must be established for the levy cost to receive the item, as required by the applicable system, as follows:

(a) ACOS system – dummy UPC number.

(b) DIBS system – dummy NSN number.

(7) To process the receipt into Standard Automated Voucher Examination System (SAVES), the combined total of the receipt for the item amount and the levy amount will be entered into the system as the receipt amount.

Chapter 4

Shelf Labels

4-1. **SHELF LABEL MANAGEMENT.** Maintaining a quality shelf label program is of great importance. An accurate shelf label is the tool for communicating prices to customers. Customers have the right to expect a readable, highly visible shelf label with the right selling price. Customers should never have to worry that the register will not charge the price that is on the label. When discrepancies occur between the displayed shelf price and the scanning price, the customer will pay the lower of the two prices. The discrepancy will be corrected immediately. An outstanding shelf label management program conveys a positive image of the store to the patron. Sloppy shelf labels and poor price management reflect badly on commissary management.

a. Automated stores will have a legible shelf label for every item. The label will show the selling price, cost per unit of measure where system has the capability (such as price per ounce), brand name, size of container, UPC or stock number, →deletion← and department number. →*IMpulse*, January 1999←

b. For commissaries not on scanning, every item will be individually price marked. The only exception will be those items in the PLU file. Grocery items in the look-up file will have a legible shelf label or sign reflecting the item's nomenclature and brand name, size of the container, price, number of facings, and where possible the cost per unit of measure.

4-2. **SHELF IDENTIFICATION LABELS.** Use gummed item identification shelf labels produced by the automated system or typewriter to identify shelf allocations.

a. Print labels with fresh printer ribbons that produce a high quality dark print. Change ribbons frequently. Pale and illegible labels are not acceptable and will result in shelf scanning problems when wand orders.

b. Shop-worn and dirty labels are not acceptable and should be replaced even though the item's price has not changed.

4-3. **HANDWRITTEN SHELF LABELS.** Handwritten labels will only be used until a computerized or typewritten label can be obtained.

4-4. **INFORMATION ON LABELS.** Make sure labels contain, as a minimum, stock number or UPC, nomenclature, department number, →deletion← selling price, and price per unit of measure. →Region Directors may, at their option require that some or all region commissaries maintain the number of item facings on item shelf labels.← →*IMpulse*, January 1999←

4-5. **PLACEMENT OF LABELS.** Once the initial shelf space allocation is determined and the commodity group is set, the item identification label should be applied directly to the shelf molding. Place shelf label below the left facing of the item's set or display location. →deletion← →*IMpulse*, January 1999← All price change shelf labels will be in place before the store opens each day.

4-6. **MAINTAINING SPACE ALLOCATION.** Ensure shelf space allocations are maintained by assigning one individual the dual responsibility of maintaining these tags and making shelf adjustments as required. Make sure product movement is periodically spot checked to determine which items are either under or over allocated shelf space. Make spot checks on paydays and other busy days.

4-7 **SHELF LABEL REQUIREMENT.** Shelf labels are required on all items in the grocery department. Shelf labels for items displayed on pegboards may be applied to the back of the gondola under the "J" hook. Stores without scanning are authorized to eliminate shelf labels on the commodity groups listed below, but items must be price marked:

- a. Frozen foods.
- b. Dairy products.
- c. Spices.
- d. Vitamins.
- e. Daily delivered vendor stocked items.

4-8. **VENDOR SUPPLIED ID TAGS.** Vendor supplied identification (ID) tags may be used for spices, baby food, and blind made products.

4-9. **MINICOM.** Shelf labels are not required for branch or MINICOM stores without scanning systems. All merchandise will be priced.

4-10. **DELETED ITEMS.** Use a highlighter pen to mark shelf labels of items that have been deleted. This will assist in the ensuring that deleted product space will be reallocated, once stocks of deleted items have been depleted.

4-11. **NEW ITEMS.** Make sure new items have a label on the shelf prior to stocking.

4-12. **PRINTING NEW LABELS.** Scanning stores must have a new label printed whenever a product changes price and the label applied to the shelf, prior to the store opening. Incorrect prices are misleading and often result in complaints from our customers.

4-13. **COST PER UNIT OF MEASURE PRICE.** Where this capability exists in the automated systems which produce labels, identify all labels that do not have a cost per unit of measure price and get replacement labels. Labels that do not show the cost per unit of measure pricing information often indicates that the unit price field in the item record is blank. The item manager has not completed the job and needs to be informed along with the commissary officer.

→ Chapter 5

PRICING VERIFICATION

5-1. **GENERAL.** Pricing accuracy is a fundamental element of inventory accountability. An automated two-step price verification process has been developed to validate pricing accuracy. The first step in this process requires the region /area Information Management (IM) personnel to initiate the automated DIBS/POS-M price file comparison program. This program compares the prices and UPCs in the commissary's POS-M system to prices and UPCs in the store's DIBS files. No PDED is used during this first step. The second step requires stores to use a POS-M PDED to compare shelf label prices to POS-M prices. Additionally, the region/area has the option of using the automated price file comparison program to accomplish item file comparisons. When accomplished, the program will compare what items are in the store's POS-M PLU file and not in the store's DIBS file and vice versa. The region should review this report for no matches and clean up the file to reduce the number of non-matches between DIBS and POS-M.

5-2. **COMPARING POS-M PRICES TO DIBS PRICES (CONUS EXCEPT ALASKA COMMISSARIES).** Note: OCONUS and Alaska stores that receive items using DIBS-DOORS program are to accomplish price verifications as outlined below in paragraph 5-4 until automated DIBS/POS-M price file comparison program is changed. Non-POS-M stores will also accomplish price verifications as outlined in paragraph 5-4 until POS-M is implemented.

a. Region/area IM personnel will initiate the DIBS/POS-M price files comparison program once a month for each store more often if so desired by the region. Regions/Area IM personnel are to publish and provide to each store a schedule identifying the stores and dates the program will be accomplished. This program should be timed to occur after the beginning-of-month or mid-month price changes. Region/area IM personnel are to ensure that DIBS flat file used during this process is deleted after the report has been successfully printed. IM personnel can run multiple stores at the same time.

b. When the DIBS to POS-M price file comparison is completed, the program will print an exception report at the store or optionally at region/area level that identifies only the price mismatches between the commissary's POS-M price and DIBS price. See **Figure 5-1**. The report prints the item UPC number, DIB price, POS-M price, nomenclature and "flags" to identify local VPR (V), and produce items (P). Items that are not centrally priced, i.e., tobacco products, random weight items, and items on produce look-up codes are NOT included in the price file comparisons.

c. Commissary personnel assigned to research and correct price mismatches should first attempt to resolve all mismatches at commissary level. If any price mismatches cannot be resolved through research at commissary level, assigned personnel will call their MBU file maintenance point of contact to obtain the current quoted price for the item(s) in question, and then follow up as necessary to correct price mismatches. Any such contacts with MBU personnel will be documented on the report by recording the date/time of contact and the name of the MBU personnel contacted.

d. Upon completion of the corrective action, assigned personnel will annotate the following on paper.

(1) As necessary, record notes about unusual circumstances discovered during the research of price mismatches that might be indicative of a need for process/systemic improvements and notify the region.

(2) Sign and date the report to indicate that all price mismatches have been corrected. File completed reports, and maintain them for at least the previous 12 months.

5-3. COMPARING SHELF LABEL PRICES TO POS-M.

a. To ensure pricing integrity, shelf label prices must also be compared to prices in the POS-M system using the POS-M PDED in Shelf Audit Mode. A 100 percent check of all promotional items will be accomplished weekly and a 100 percent verification of shelf labels to POS-M will be accomplished monthly.

b. Upon completion of the shelf label checks and correction of discrepancies, the assigned personnel will annotate on a log the following information:

- (1) Week of and section verified.
- (2) Employee name.
- (3) Accuracy rate.
- (4) UPC number of the error.
- (5) Label and POS-M prices.
- (6) Cause of pricing discrepancy.

c. The log will be maintained for at least the previous 12 months.

5-4. PRICE VERIFICATION PROCEDURES FOR NON-POS-M STORES AND OCONUS AND ALASKA STORES USING DIBS-DOORS.

a. Until the installation of POS-M or DIBS-DOORS system changes (Alaska/Overseas), these commissaries will continue to perform 100 percent monthly price verification of grocery items using DIBS PDED and the DIBS region computer. Verification of shelf prices to POS will be conducted weekly for all promotional item displayed prices. A 100 percent verification of shelf labels to POS will be accomplished monthly.

b. The price verification function in DIBS matches the price of an item on the store shelf with its current price in DIBS. Store personnel scan the shelf tag and enter the store shelf price of an item into DIBS PDED. The PDED information is transmitted to DIBS, data is validated, and a report is printed at store level. If the prices are equal, no action is taken. If prices differ, the cause of the difference must be determined. If any price mismatches cannot be resolved through research at commissary level, assigned personnel will call their MBU file maintenance point of contact to obtain the current quoted price for the item(s) in question, and then follow up as necessary to correct price errors. Any such contacts with MBU personnel will be documented on the report by recording the date/time of the contact and the name of the MBU personnel contacted.

c. For Europe, assigned personnel will contact the region buyers or file maintenance clerk for the resolution of price discrepancies for any price mismatches that cannot be resolved at the commissary level.

d. The completed and signed reports will be filed and maintained for at least the previous 12 months.

5-5. SUPPLEMENTAL PRICE CHANGES. When prices are changed in DIBS, the DIBS system generates a supplemental price list that is printed at store level. A copy of this price list will be provided

to the commissary support personnel for immediate input to POS-M/POS. The commissary support clerk will verify that POS-M/POS has been updated and the labels have been changed. After verification, the commissary support clerk will sign and date the report. The reports will be maintained for 1 year.

5-6. **MINI-COM PRICING VERIFICATION.** The same procedures described above will be used to verify prices in the mini-com.

Jan 8 13:10 1999 Commissary Name Page 1

NOTE: \$ XCPSN(exceptions) are price differences between dibs & plu!
 FLAGS - V for 'VPR' P - for Produce

XCPSN	UPC	DIBS\$	PLU\$	DESC	FLAGS
\$	[001130048086]	[\$0000169]	[\$0000149]	[CNDY SMUCKERS JELLY BEANS][]
\$	[001200000017]	[\$0000590]	[\$0000399]	[SODA	][ V]
\$	[001200000053]	[\$0000590]	[\$0000399]	[SODA DIET	][ V]
\$	[001370051224]	[\$0000110]	[\$0000069]	[CUPS HOLIDAY	][ V]
\$	[001370054740]	[\$0000110]	[\$0000069]	[PLATE 7IN HOLIDAY	][ V]
\$	[001370054835]	[\$0000110]	[\$0000069]	[PLATE 8N78 HOLIDAY	][ V]
\$	[001500000963]	[\$0000051]	[\$0000000]	[BTTRNUT SQUASH N CRN TNR HRV][]
\$	[001840000445]	[\$0000439]	[\$0000219]	[COFFEE HOL TIN	][ V]
\$	[001900000343]	[\$0000079]	[\$0000040]	[CNDY GUMMI SAVERS	][ V]
\$	[002100061507]	[\$0000263]	[\$0000124]	[CHEESE SINGLES COLOR	][ V]
\$	[002840002045]	[\$0000220]	[\$0000149]	[LAYS REGULAR POTATO CHIPS][]
\$	[002840002052]	[\$0000220]	[\$0000149]	[LAYS WAVY REG POTATO CHIPS][]
\$	[002840005397]	[\$0000220]	[\$0000149]	[WAVY AU GRATIN][]
\$	[002840005420]	[\$0000220]	[\$0000149]	[KC MASTERPIECE][]
\$	[002900007214]	[\$0000499]	[\$0000250]	[NUTS COCKTAIL 3PK HOL GIFT	][ V]
\$	[002900007662]	[\$0000299]	[\$0000150]	[TIN PRETZELS CHOCOLTE COVERED]	][ V]
\$	[003080000932]	[\$0000089]	[\$0000045]	[CNDY CANE RED WHT N GREEN	][ V]
\$	[003080000962]	[\$0000189]	[\$0000092]	[CNDY SM CNE RED N WHT PPRMNT	][ V]
\$	[003590002902]	[\$0000199]	[\$0000099]	[DOMINO STAR	][ V]
\$	[003600018339]	[\$0000609]	[\$0000000]	[LTL SWIMMER SML UNISEX PANT][]
\$	[003776310201]	[\$0000076]	[\$0000085]	[EGGS EXTRA LARGE][]
\$	[003776310202]	[\$0000075]	[\$0000084]	[EGGS LARGE][]
\$	[003904700115]	[\$0000269]	[\$0000135]	[CAKE FINGERS	][ V]
\$	[004000000242]	[\$0000125]	[\$0000062]	[CANDY CANE	][ V]
\$	[004300027695]	[\$0000729]	[\$0000299]	[BROWNIE LOVERS PACK	][ V]
\$	[004688310103]	[\$0000595]	[\$0000299]	[CASHEWS WREATHBOX][]
\$	[005113157634]	[\$0000199]	[\$0000159]	[TAPE MAGIC 34 X 300 PLS 150 IN	][ V]
\$	[005490003007]	[\$0000299]	[\$0000199]	[SODA 12CT 12OZ	][ V]
\$	[007127913201]	[\$0000118]	[\$0000104]	[SALAD SPINACH	][P]
\$	[007235000011]	[\$0001450]	[\$0000060]	[DRINK CHOCOLATE][]
\$	[009480508008]	[\$0000850]	[\$0000425]	[SHPR PET GIFT BOX	][ V]
\$	[030521099900]	[\$0000149]	[\$0000079]	[LOTION HAND NAIL FORMULA][]
\$	[030521460900]	[\$0000149]	[\$0000079]	[LOTION ANTI BACTRL INTNSV CARE]][]

Total DIBS records processed -> 12239
 Total PLU records processed -> 13699
 Total \$\$\$ exceptions processed -> 112

Figure 5-1 ←→ C3 February 1, 1999 ←

CHAPTER 6

TOBACCO PRODUCTS

6-1. GENERAL.

a. As the result of a DoD policy change effective November 1, 1996, tobacco products became an exchange category in commissaries and are sold as consigned exchange inventory at exchange prices. The decision by DoD was made to support DoD efforts to enhance military readiness by discouraging smoking and promoting healthier lifestyles.

b. The Memorandum of Agreement (MOA) signed on October 29, 1996, between DeCA, Army & Air Force Exchange Service (AAFES), and the Navy Exchange Service Command (NEXCOM), defined the concept of selling tobacco products as consigned exchange inventory in the commissaries. The provisions of the MOA were effective on November 1, 1996, and remain in effect unless otherwise terminated by agreement.

c. As used here, the term "tobacco/tobacco products" includes cigarettes, cigars, smokeless tobacco products, chewing tobacco, and pipe tobacco.

d. The Exchange Services are reimbursed for the dollar value of tobacco products sold through the point-of-sale system. The price of tobacco products sold in DeCA commissaries will equal the current local exchange price for tobacco products when the 5 percent surcharge is added at the cash register.

e. The Exchange Services retain title to all tobacco products in the commissaries. DeCA manages the tobacco products as consigned exchange inventory. Merchandising of tobacco products is a shared responsibility. Planograms will be developed by the Exchange Headquarters and approved by the MBU before they are sent to the commissaries. Commissaries will provide sufficient sales floor space to the Exchange Service to display tobacco products based on customer demand.

f. Tobacco products will not be introduced into any additional commissary on a Navy or Marine Corps installation.

g. Procedures for tobacco accountability are described in DeCAD 70-6, Chapter 26. For the European Region commissaries, the tobacco accountability procedures are described in DeCA EU Directive 70-6.

h. These procedures were developed and reviewed in coordination with AAFES and NEXCOM.

6-2. PRODUCT SELECTION.

a. The Exchange Services, in coordination with DeCA, will determine both brand and brand styles of tobacco products carried in commissaries based on product movement data, historical data, sales projections, and space availability.

b. Commissaries supported by AAFES can request the local exchange to print from the “AAFES – Commissary Tobacco Bulletin Board” the list of all cigarettes and tobacco products on the master stock assortment lists that are available for ordering. The commissary can order any of these items. If an item requested by a customer is not on the master stock assortment, the store director should email the region POC to request this product be added to the stockage list for the commissary. When sending the request, ensure sufficient information is provided to research the product, e.g., UPC, vendor, description. The local exchange POC should be informed.

c. The Exchange Services are responsible for establishing manufacturer contracts to order tobacco products for sale in commissaries.

d. A tobacco item will not be discontinued just because a local exchange does not carry the product. Items should only be discontinued if the sales do not warrant the continued stocking of the product. The discontinuance should be discussed and agreed to with the exchange manager or POC before the product is removed from the stockage list. The MOA specifies that DeCA will provide adequate display space for the sale of tobacco products based on customer demand. Current customer demand should be used to determine product mix and shelf space allocations. There is no requirement to allocate the same amount of shelf space previously allocated to tobacco, if current sales do not justify allocation.

e. European commissaries and exchanges located on the same installation will carry exactly the same number and variety of smokeless tobacco and cigarette products. This requirement does not apply to cigars or pipe tobacco. Tobacco stock assortments will be determined by the European Region, Chief of Merchandising (DOM), and coordinated with HQ AAFES. Commissary requests to delete low demand tobacco products will be forwarded through the respective zone manager to DOM for approval. DOM will coordinate deletions with HQ AAFES.

f. Commissaries will sell cigarettes only by the carton. At the discretion of the region director, individual containers of smokeless tobacco may be sold.

6-3. PRICING.

a. Commissary prices are provided by the Exchange Services. The commissary shelf price equals the exchange retail price less surcharge. The prices that the local exchanges provide to commissaries are the COMMISSARY SELLING (SHELF) PRICES. Prior to providing prices to commissaries, the exchange will have already calculated the commissary shelf/selling price from the exchange price for that item by dividing the Exchange price by 1.05. For example, the commissary price is calculated as follows: $\$13.95/1.05 = 13.28571$ and is rounded up to 13.29, even if less than a half-cent. The price that the exchange would provide to the commissary for this item should be \$13.29. Commissary personnel should not make any adjustments to the prices provided by the exchange. The surcharge is applied at the register as with all other products sold in the commissary.

b. There are four types of pricing:

(1) CONUS Pricing. It is applicable in most commissaries in the 50 United States and Washington, D.C.

(2) STATE Specific Pricing. It is applicable in commissaries in those states where adjustments have been required due to special circumstances, i.e., state laws, high taxes, etc. This currently applies to certain states, such as New Jersey, New York, Michigan, Alaska, Washington (state), Massachusetts, and Hawaii.

(3) EXCEPTION Pricing (also referred to as IMAGE pricing). Exception pricing overrides CONUS and STATE pricing, is determined by the local exchange management and is only

applicable in the 50 United States and Washington, D.C. The local exchange can change prices to respond to local commercial pricing, based on local surveys. These price changes may go into effect at anytime. However, prices will not be changed if the store has already opened for business that day.

(4) OVERSEAS Pricing. It is applicable only in commissaries located in Europe, Far East (including Guam), and Puerto Rico.

6-4. PRICE CHANGES FOR COMMISSARIES, EXCLUDING EUROPEAN REGION COMMISSARIES.

a. Advance emails are sent by the Exchange Headquarters to notify the commissaries and exchanges of tobacco price changes. The Exchange Headquarters usually emails the price change notifications to DeCA Headquarters and then the price changes are emailed to the region tobacco POCs. The region POC forwards the email to alert the commissary of price changes.

b. The local exchange should also print the price changes and provide a copy to the local store director, except for commissaries in the European Region. If the local exchange is using "exception or image" pricing, the price change may not be applicable. If the commissary is not notified by the Friday before the effective date of the price change, the commissary must follow-up with the exchange on the applicability of the price change.

c. For CONUS, Far East, and Puerto Rico commissaries, the local exchange will provide a copy of the tobacco product price changes to the commissary.

d. Pearl Harbor, Charleston NWS and Moffett Field commissaries will receive pricing from the local Navy exchange. AAFES pricing for tobacco, and not NEXCOM pricing, will be used in the Chinhae and Orote (Guam) commissaries.

e. Each time there is a price change, commissaries will inventory all tobacco products on-hand that are affected by the price change. Stores will use the email to record the Price Adjustment Inventory (PAI). Procedures for PAIs are described in paragraph 6-6. A copy of the PAI will be forwarded to the exchange and scanned to the ACBU within 24 hours.

f. Commissaries (excluding European Region commissaries) can receive prices by two different methods. The following sections describe how the exchange will convey tobacco price changes to commissaries, and how commissary personnel will conduct and record PAIs in conjunction with price changes. Procedures for the PAI are described in paragraph 6-6.

g. Automated Store Ordered/Vendor Shipped System (STO/VES). STO/VES is an AAFES PC-based system developed for commissary use to order and receive tobacco products, as well as receive file maintenance updates. These procedures do not apply to Charleston NWS, Pearl Harbor, and Moffett Field.

(1) Prices are transmitted directly to commissaries by STO/VES. "Exception or image" price changes may not be reflected in STO/VES if the price change was not submitted in time to be entered into the computer for that week. The local exchange will provide these out of sync price changes to the commissary.

(2) Automated price changes are sent in the "AAFES Purchasing Directorate Price Change Vouchers (PD/PCV)" portion of the Report Management Distribution System (RMDS). Price changes to be effective on Tuesday of each week are normally available by COB on the Friday before each weekly effective date. Commissary personnel should print copies of the PD/PCV report by noon each Monday. Based on price change information shown on this report, commissary personnel must

update the POS-M systems, print and post updated shelf labels, and conduct physical PAI counts. These PAIs must be completed between close of business Monday (or the last business day prior to Tuesday) and opening for business Tuesday (or the first business day after Tuesday).

(3) The AAFES RMDS "User Guide" (provided to the commissary by the local exchange) describes how to view and to print PD/PCV reports. The PD/PCV report shows both the "old" and the "new" commissary shelf prices for each item.

(4) The PD/PCV report will only show items that have been affected by an actual price change. Commissary personnel should update the PLU file prior to conducting the physical counts and then print and post the updated labels. No physical count should be taken on items where the new price shown on the PCV matches the PLU already. (This may occur if the local exchange processes an "exception" price change and the new price was not entered into STO/VES for the weekly price change program.) Conduct physical PAI counts of the items whose new prices differed from the PLU price. Count the total quantity of these items on hand. Reminder: Count only those items that have changed price and be sure to count all stock that is on display and in holding/storage areas.

h. Manual System. The manual system is defined as the method by which prices are conveyed directly to commissaries. These procedures apply to overseas commissaries (excluding European Region commissaries). Also, these procedures apply to Pearl Harbor, Moffett Field and Charleston NWS commissaries that are supported by NEXCOM.

(1) The local exchange manager, POC, or price surveyor will provide commissary personnel with signed, written documentation needed to complete the price change vouchers/forms, i.e., store name, UPC number, item description, old DeCA shelf price, new DeCA shelf price, difference, reason for price change and the effective date. The exchange will provide the price change at least 24 hours in advance of the effective date of the price change.

(2) After having received information regarding pricing from an exchange representative, commissary personnel will proceed as described in subparagraph 6-4.g. above. Ensure that all actions to implement the "EXCEPTION pricing" are completed after COB on the last business day before the prices are effective and before opening for business on the day that the prices are effective.

i. Exchange and commissary prices must be continuously in sync; vendor promotions (VCMs/VPRs) must start and stop simultaneously at all exchange and commissary facilities on the same installation. The most practical way to achieve this simultaneously is to start or stop these local promotional activities during periods when both exchange and commissary facilities are closed for business.

j. Vendors must also provide coupons to both organizations for the same promotional period.

k. Commissaries will apply commissary shelf/selling tobacco price changes to the commissary PLU files and at shelf locations:

(1) In commissaries located in the 50 United States and Washington, D.C., Pacific overseas areas, and Puerto Rico, commissary personnel must manually change tobacco prices in the commissary POS-M systems.

(2) Following PLU price updates, print and post new shelf labels that show the updated current commissary shelf prices.

6-5. PRICE CHANGES FOR EUROPEAN REGION COMMISSARIES.

- a. In the European Region, all commissaries will have the same sell price for tobacco products.
- b. Europe's pricing for commissaries will be processed and sent from AAFES HQ to the DeCA MBU and then forwarded through DIBS to the DeCA European Region. Once pricing is received, DeCA Europe/DOM will notify the commissaries of the new pricing, via e-mail, and the effective date of the price change. European Region commissaries will not change prices until officially notified by the region. DeCA Europe commissaries will not accept price change notification from local AAFES exchanges.
- c. Each time there is a price change, commissaries will inventory all tobacco products on-hand that are affected by the price change. Stores will use the email to record the PAI. Procedures for PAIs are described in paragraph 6-6. A copy of the PAI will be forwarded to the exchange and scanned to the Accounts Control Business Unit (ACBU) within 24 hours.
- d. Commissary personnel will update the PLU file, based on price change information received via file maintenance from the region. Commissary personnel must complete PLU price updates, print and post updated shelf labels, and do physical PAI counts, between close of business Monday (or the last business day prior to Tuesday) and opening for business Tuesday (or the first business day after Tuesday).
- e. In the event the electronic update is not received in time for the Tuesday effective date, the local store director will use the price list faxed from the DeCA European Region to manually update the prices in the front-end system.

6-6. PRICE ADJUSTMENT INVENTORIES.

- a. To account for any gain/loss to a tobacco account that results from price changes, commissary personnel must complete a PAI each time any tobacco item changes price. Overseas commissaries receiving tobacco products directly from a vendor/distributor will receive the merchandise at the current commissary shelf price. Store directors will schedule commissary personnel to conduct the physical inventories required to document the price change.
- b. The stores may use the POS-M PDED to inventory the product on hand or they may use a DD Form 708, Inventory Adjustment Monetary Account, a spreadsheet or DeCA Form 70-20 as their inventory form to record the data for the PAI. If the store is not using the POS-M PDED, enter the total quantity of each item counted for the PAI, expressed in terms of sales units, e.g., "cartons" for cigarettes, etc. on the PD/PCV report. Compute the gain/loss for each item; then total the gains/losses for all items to arrive at a net gain/loss for the PAI. Detailed procedures are described in DeCAD 70-6, Chapter 26.
- c. For AAFES Supported Commissaries. By COB on the day following the effective date of the price change, commissary personnel will provide the PAI to the AAFES POC or mail to the supporting AAFES accounting office. Retain a copy of each completed price change voucher in the commissary "tobacco folder" for the completion of the tobacco reconciliation sheet.
- d. For Moffett Field, Charleston NWS, and Pearl Harbor Commissaries. By COB on the day following the effective date of the price change, commissary personnel will mail the PAI to:

NEXCOM
 3280 Virginia Beach Blvd
 Virginia Beach, VA 23452
 Attn: Tobacco Buyer

Retain a copy of each completed price change voucher in the commissary "tobacco folder " for the completion of the tobacco reconciliation sheet.

6-7. ORDERING AND RECEIVING VIA STO/VES FOR CONUS COMMISSARIES PLUS ALASKA AND HAWAII.

a. Commissaries will use the AAFES STO/VES system, where installed, for ordering and receiving tobacco products. The STO/VES ordering and receiving procedures will be provided by AAFES. The commissary will use the AAFES PDED to scan the shelf label/product and enter order quantities. The orders are then transmitted to AAFES HQ for forwarding to the vendor. STO/VES procedures for ordering and receiving are described in STO/VES handbook provided by the local exchange. These procedures do not apply to Pearl Harbor, Moffett Field, and Charleston NWS.

b. Each CONUS commissary will maintain a "tobacco" document log IAW DeCAD 70-6, Chapter 26. Document numbers must be assigned to all tobacco transactions that impact accountability. The purpose of the "tobacco" document log is to track all documents that record transactions relating to the status of the tobacco account during the exchange quarter.

c. Receipts must be entered into STO/VES within 24 hours. All receipts must be processed within the pricing period for each receipt. If receipts for a prior pricing period are entered into STO/VES after a price change has taken effect on Tuesday, STO/VES will use the "new" price to extend the receipt that should have been extended at the "old" price. If this occurs, manual corrections must be made and sent to the exchange accounting office.

6-8. ORDERING AND RECEIVING FOR CONUS COMMISSARIES NOT USING STO/VES.

a. The ordering procedures for CONUS including Hawaii, Alaska, and Puerto Rico commissaries not using the AAFES STO/VES system are as follows:

(1) A spreadsheet will be used listing all tobacco items by vendor for ordering and receiving. The spreadsheet will include the PIIN number 97GMOA2 for AAFES, or PIIN number 97GMOA3 for NEXCOM (Charleston NWS, Pearl Harbor and Moffett Field only). (NOTE: As the spreadsheet is lengthy, stores may choose to run one spreadsheet per week, separating the appropriate manufacturer pages as orders are developed.)

(2) Determine the order quantities and record on the spreadsheet.

(3) Before placing the order, construct the Purchase Order (PO) number and record it on the spreadsheet. The PO number must be constructed as follows:

(a) For AAFES Installations. The reference number used by commissaries for ordering tobacco products through AAFES is a unique 10-digit PO number. The number is constructed by using the last three characters of the store DODAAC as the first three digits of the number. The next three are the manufacturer/distributor codes provided by AAFES; the last four are the call number assigned by the store. (NOTE: The call number is determined using current store procedures for DSD-S deliveries.) For example, an order placed with Joe's Cigar Company for Fort Lee Commissary is constructed as follows: CBCJOEC124. Each order will have a unique call order number and must be annotated on the delivery ticket and the spreadsheet and forwarded to AAFES.

(b) For NEXCOM Installations. The reference number used by commissaries (Charleston NWS, Moffett Field, and Pearl Harbor only) for ordering tobacco products through

NEXCOM consists of a unique 11-digit PO number. The first seven digits are the manufacturer/distributor code provided by NEXCOM. The last four digits are assigned by the store from a call order register for tobacco only. (NOTE: The call number is determined using current store procedures for DSD-S deliveries.) The NEXCOM assigned PO number and call number must appear on the delivery ticket and spreadsheet and be forwarded to NEXCOM.

(4) The Exchange Services have authorized commissary personnel to act as tobacco product agents (ordering officers) for the Exchange Services to allow ordering and receiving of tobacco products.

(5) Use the designated manufacturer/distributor points of contact to place the order.

b. The receiving procedures to be followed by commissaries are as follows:

(1) Deliveries are line item received against the spreadsheet for each order placed.

(2) Quantities are verified at the time of delivery. Any discrepancies will be noted on the spreadsheet and the delivery ticket. Both delivery and store personnel must sign the delivery ticket.

(3) Update prices on the spreadsheet to agree with the current PLU shelf prices. If not the same, change the price before extending the spreadsheet. Extend the spreadsheet and attach the adding machine tape.

(4) For AAFES Supported Stores. After the orders have been received and extended, forward the original extended spreadsheet and the delivery ticket(s) to the local AAFES POC or the supporting AAFES accounting office. A copy of the spreadsheet and the delivery tickets will be placed in the "Tobacco Folder" for the completion of the tobacco reconciliation sheet.

(5) For NEXCOM Supported Stores. After the orders have been received and extended, mail the original extended spreadsheet and the delivery ticket(s):

NEXCOM
Caller Service 15601
Norfolk, VA 23511-5000
Attn: FCF1

(6) A copy of the spreadsheet and the delivery tickets will be placed in the "Tobacco Folder" for the completion of the tobacco reconciliation sheet.

c. **CAUTION: DO NOT ENTER THE DOLLAR VALUE OF TOBACCO PRODUCTS RECEIPTS INTO DIBS.**

6-9. ORDERING AND RECEIVING FOR COMMISSARIES IN JAPAN, KOREA AND GUAM.

a. Commissaries in Japan, Korea and Guam order tobacco products directly from the AAFES distribution centers (DC) or from the local exchange using the AAFES PDED.

b. The NS Orote (Guam) and NAS Chinhae commissaries will order from the AAFES DC.

c. Ordering.

(1) The selection of items will be made jointly by DeCA and AAFES. AAFES buyers will identify those vendors whose items will be stocked in the AAFES DCs for store replenishment.

(2) The AAFES buyer will establish all files needed to support DC replenishment.

(3) The AAFES POC for the commissary tobacco program will provide training on the use of the PDED.

(4) The AAFES DC manager will establish and provide ordering and delivery schedules to the store directors. (5) A listing of approved items will be provided to commissary personnel by AAFES.

(6) Commissary personnel will work with the vendors in establishing preferred inventory levels based on the lead times from the supporting DC.

(7) Commissary personnel will advise the AAFES of any vendor non-conformance.

(8) The AAFES buyer will monitor vendor performance.

(9) Designated commissary personnel will scan the shelf label/product using the AAFES hand-held PDED and determine order quantities for the selected item(s). For details on UPC scanning and transmission of the order, see the AAFES PDED user guide provided by the local exchange.

(10) DC polling is a "FILL or KILL" system. The DC will make only one shipment per order.

(11) Commissary orders will be placed, picked, loaded and delivered based on schedules published by the DC manager. The commissary's schedule will be documented on Commissary Tobacco Distribution Center Polling and Delivery Schedule (AAFES' ANNEX 7-A).

(12) The day after the order is transmitted, commissary personnel will verify with the DC's customer service office that the order was generated at the DC and to identify any NIS items. DC customer service personnel will check RMDS reports to ensure all items/orders are accounted for. If the order cannot be found on this report, the problem is in the scanning or transmission processes. Commissary personnel will contact the local AAFES POC for assistance in determining the problem.

d. Physical Receiving.

(1) A manifest/requisition document will accompany each order shipped by the DC and identify the number of cases of each line item shipped. Commissary personnel will line item count merchandise. Any discrepancies, such as overages, shortages, or damage, will be annotated on the manifest/requisition document and signed by both the delivery person and DeCA receiver. Additionally,

if any discrepancies are noted, the commissary POC will contact the local AAFES accounting POC and report shipment discrepancies.

(2) The AAFES system automatically charges the dollar value of each manifest to that commissary's book inventory within the AAFES system. Therefore, commissaries do not have to send copies of the manifest/requisition document to the exchange POC/accounting office.

e. Processing Receipts. Commissary personnel will post the receipt retail total as printed on the manifest/requisition to the tobacco reconciliation sheet contained in DeCAD 70-6. NOTE: POST TOTAL VALUE SHOWN ON THE MANIFEST/REQUISITION. ANY ADJUSTMENTS FOR DISCREPANCIES WILL BE HANDLED AS DESCRIBED BELOW.

f. Processing Discrepancies. Upon return of the discrepancy document from the AAFES POC/accounting office, commissary personnel will enter the dollar value of the approved discrepancy on the tobacco reconciliation sheet. Commissary personnel will note the system batch number and fiscal month on the tobacco reconciliation sheet and close out the entry. This will create an audit trail for any future questions that may arise.

6-10. ORDERING AND RECEIVING FOR EUROPEAN REGION COMMISSARIES.

a. Overseas stores in the European Region order tobacco products directly from the AAFES DC or from the local exchange using the AAFES PDED.

b. Ordering.

(1) The selection of items will be made jointly by DeCA EU/DOM and AAFES and be consistent with each store's capacity to store and display products as determined by DOM. AAFES and DeCA EU buyers will identify those tobacco products that will be stocked in the AAFES DCs for store replenishment.

(2) The AAFES buyer will establish all files needed to support DC replenishment.

(3) The AAFES POC for the commissary tobacco program will provide training on the use of the AAFES PDED.

(4) The AAFES DC manager will establish and provide ordering and delivery schedules to the store directors.

(5) DeCA EU/DOM will provide a listing of approved items to the commissary.

(6) DeCA EU/DOM will work with the vendors in establishing preferred inventory levels based on the lead times from the supporting DC.

(7) DeCA EU/DOM will advise the AAFES buyer of any vendor non-conformance.

(8) AAFES buyers will monitor vendor performance.

(9) Designated commissary personnel will scan merchandise using the AAFES PDED and determine order quantities for shelf stock replenishment. For details on UPC scanning and transmission of the order, see the AAFES PDED user guide provided by the local exchange.

(10) DC polling is a "fill" or "kill" system. The DC will make only one shipment per order.

(11) Commissary orders will be placed, picked, loaded and delivered based on schedules published by the DC manager. The commissary's schedule will be documented on AAFES' ANNEX 7-A report.

(12) The day after the order is transmitted, commissary personnel will verify with the DC's customer service office that the order was generated at the DC and to identify any NIS items. DC customer service personnel will check RMDS reports to ensure all items/orders are accounted for. If the order has not been received, commissary personnel will contact the local exchange POC for assistance in determining the problem and then retransmit the order via AAFES PDED or fax.

c. Physical Receiving.

(1) A manifest/requisition document will accompany each order shipped by the DC and identify the number of cases shipped. Commissary personnel will line item count merchandise. Any discrepancies, such as overages, shortages, or damage, will be annotated on the manifest/requisition document and signed by both the delivery person and DeCA receiver. Additionally, if any discrepancies are noted, the commissary POC will contact the local AAFES accounting POC and report shipment discrepancies.

(2) The AAFES system automatically charges the dollar value from each manifest to that commissary's book inventory within the AAFES system. Therefore, commissaries do not have to send copies of the manifest/requisition document to the exchange POC/accounting office.

d. Processing Receipts. Commissary support personnel will scan the manifest/requisition document for processing to the ACBU. Instructions are contained in DeCA EU Directive 70-6.

e. Upon return of the discrepancy document from the AAFES POC/accounting office, ACBU will adjust the tobacco record of operations. ACBU will note on the discrepancy document the system batch number and date and will close out the entry. This will provide an audit trail.

6-11. ORDERING AND RECEIVING FOR COMMISSARIES IN ITALY.

a. The stores in Italy will order tobacco products directly from the local AAFES exchange, beginning in May 2000. The local exchange will order the tobacco products from the vendor and not the commissary. Once a month the commissary will submit an order/transfer to the local exchange for product.

6-12. PROCESSING SALES OF EXCHANGE TOBACCO PRODUCTS.

a. Sales are processed through the POS-M system. Credit card sales are treated as cash sales. Charge sales are not authorized unless the customer has requested an exception to DeCA's "No Charge Sale" policy and an exception, in writing, has been granted.

b. Since tobacco is being sold as exchange inventory, a 31A must be entered in DIBS to adjust inventory on hand. One 31A transaction is entered for tobacco sales occurring between the first day of the month through the 15th, and a second 31A is processed for the balance of tobacco product sales for the month. The total of the two 31A entries will equal total tobacco sales for the month. The Accounts Control Section (ACS) or ACBU will enter a 31A, receipt acknowledgment, twice a month to increase the store's inventory for the sale of tobacco. The front-end sales automatically decrease the inventory.

c. For CONUS regions, procedures are contained in DeCAD 70-6, Chapter 26. For DeCA European commissaries, procedures are described in DeCA EU Directive 70-6.

6-13. TOBACCO RECONCILIATION.

a. CONUS Regions. The tobacco reconciliation sheet must be completed quarterly. The tobacco reconciliation sheet has replaced the tobacco record of operations. At the discretion of the region director, the tobacco reconciliation sheet and inventories may be completed monthly. The tobacco reconciliation sheet and the inventory certification will be submitted to the region/area offices. The region will review the reports from each store and take appropriate action, if necessary. The quarterly report will be sent to the Accounting and Reconciliation Business Unit (ARBU). The beginning inventory for the quarterly tobacco reconciliation sheet will reflect the physical inventory taken at the end of the quarterly inventory. The inventory dates will be published by the Exchange Services every January. Procedures for the tobacco reconciliation are described in DeCAD 70-6, Chapter 26.

b. For the recording of STO/VES receipts on the tobacco reconciliation sheet, the sell price extension will be used and **NOT** the cost price extension.

c. European Region. The European Region will use the tobacco reconciliation sheet. These reports will be completed monthly by the ACBU. At the discretion of the region director, the tobacco reconciliation sheet and inventories may be completed quarterly. The beginning inventory for the quarterly reconciliation will reflect the physical inventory taken at the end of the last AAFES quarterly inventory. The inventory dates will be published by AAFES every January.

6-14. SALES FLOOR/STORAGE. Commissaries will provide sufficient sales floor space to display tobacco products based on customer demand. DeCA will also provide its existing secure storage space for exchange tobacco products within commissaries. The same security practices in force when DeCA owned the tobacco inventory will continue to be in force for the tobacco inventory owned by the Exchange Services. DeCA must reimburse the Exchange Services for shrinkage more than 0.65 percent of tobacco product sales. It is in DeCA's best interest to safeguard exchange tobacco inventory.

6-15. STOCKING. The commissary will provide in-house stocking support for replenishing shelf inventory of tobacco merchandise in the same manner as when DeCA owned the merchandise.

6-16. MERCHANDISING.

a. The Exchange Services, in coordination with the MBU, will determine the planograms for tobacco products sold in the commissary. The MBU may authorize off-shelf merchandising of tobacco products. The Exchange Services will keep DeCA informed of their current merchandising policies. Since tobacco is an exchange category, exchange policies will apply.

b. All allowances and rebates obtained because of contracting actions are retained by the Exchange Services.

6-17. DAMAGED/DISTRESSED MERCHANDISE.

a. The tobacco inventory at commissaries is subject to the same wear and tear and occasional pilferage as any other commissary item. At times, there will be unsalable product; e.g., partial cartons of cigarettes, partial boxes of chewing tobacco, partial boxes of cigars, damaged tobacco product of any kind, etc.

b. The vendor community is generally cooperative in assisting with disposition of damaged/distressed product. However, we know this may not always be accomplished for every item/vendor.

c. The exchange POC, commissary POC and the vendor should determine the best method and/or schedule for keeping damaged/distressed inventories to a minimum at the commissary. In addition, other issues can be discussed, such as pricing those items sold exclusively at the commissary.

d. Commissary and exchange POCs (and vendor representatives, as possible) should also meet about once every 2 weeks to review commissary merchandise displays, stock levels, and presence of damaged/distressed items.

e. Both DeCA and the exchanges should minimize costs and labor investment associated with handling damaged/distressed tobacco products. This might call for different approaches in different areas. For instance, in some locations vendors might handle disposition of all damaged/distressed tobacco products in commissaries; in other locations the periodic transfer of damaged/distressed merchandise from the commissary to the exchange may be the least costly and only practical way to keep unsalable inventory levels to a minimum. Procedures for handling the various options are described below.

f. For Europe, all unsalable tobacco products will be transferred at commissary shelf price value to the local exchange on a DeCA Form 70-20 for inventory adjustment.

g. Return to vendor for full credit.

(1) The first and least costly option is to simply have the vendor issue return authorization and issue check/credit voucher for damaged/distressed goods at the commissary. This will save any additional handling or transfer costs for documenting and moving goods to the exchange.

(2) When possible, the commissary POC should coordinate with the exchange POC on the return of product, so a copy of the AAFES Credit Charge Voucher (CCV) or NEXCOM chargeback can be included with the shipment. If this is not possible, DeCA Form 70-10, Vendor Credit Memo (VCM) will be used to document return to vendor shipments. These credit memos will be extended at the commissary shelf price. VCMs should be prepared and sent to the exchange. If a check is received, it should be made out to the exchange and the vendor should deliver the check and a copy of the VCM to the exchange. A copy of the signed completed VCM will be placed in the tobacco file folder.

(3) Store Operations Department personnel will retain copies of documentation in the tobacco folder and forward original documentation to the exchange.

(4) Store Operations Department personnel will include the values of these transactions on the tobacco reconciliation sheet.

(5) If the vendor issues a check at the time the goods are picked up, the vendor will deliver the check to the exchange, or the commissary should forward the check to the supporting exchange for processing.

h. If a carton is partially damaged or packs are missing, the remaining packs can be transferred at the commissary shelf price to the exchange.

(1) Commissary POCs will coordinate with exchange POCs regarding disposition of such items, and must agree on the price for which the exchange will sell such items. Commissaries will document these transactions on a transfer (DeCA Form 70-20) to exchange, signed by both commissary and exchange POCs.

(2) Store Operations Department personnel will retain copies of documentation in the tobacco folder and forward documentation to the exchange.

(3) Store Operations Department personnel will include the values of these transactions on the tobacco reconciliation sheet.

(4) The exchange will process these transfers into their accounting system.

i. Damaged/distressed commissary tobacco products that CAN be sold in commissary or exchange only at a reduced price that is less than commissary shelf price; e.g., a slightly damaged full carton of cigarettes to be sold in the commissary; or five slightly damaged packages of cigarettes to be sold in the exchange:

(1) Commissary POCs will coordinate with the exchange POCs regarding disposition of such items, and must agree on the price for which such items will be sold.

(2) If items are sold at a reduced price in a commissary, the commissary will document the difference between commissary shelf price and reduced price on a MEMO ONLY DeCA Form 70-20 annotated as "PRICE REDUCTION-IDENTIFIABLE UNCREDITED LOSS," and signed by both commissary and exchange POCs.

(a) Store Operations Department personnel will retain copies of documentation in the tobacco folder and forward documentation to the exchange.

(b) Store Operations Department personnel WILL NOT include the values of these transactions on the tobacco reconciliation sheet. Commissaries will absorb these Identifiable Uncredited Losses in the 0.65 percent loss variance permitted in the consigned inventory tobacco program.

(c) Exchanges will keep this documentation on file for use in explaining the year-end inventory variance. Exchanges WILL NOT process the values of these transactions into their accounting systems.

(3) If items are sold at a reduced price in an exchange, the commissary will document these transactions on a Transfer to Exchange (DeCA Form 70-20) of items at mutually agreed upon reduced price, signed by both commissary and exchange POCs. The commissary will also document the difference between commissary shelf price and reduced price on a MEMO ONLY DeCA Form 70-20 annotated as "PRICE REDUCTION-IDENTIFIABLE UNCREDITED LOSS," signed by both commissary and exchange POCs.

(a) Store Operations Department personnel will retain copies of documentation in the tobacco folder and forward documentation to the exchange.

(b) Store Operations Department personnel WILL include the values of these transfers to exchange transactions on the tobacco reconciliation sheet; but WILL NOT include the values of these Identifiable Uncredited Losses in tobacco reconciliation sheet. Commissaries will absorb these Identifiable Uncredited Losses in the 0.65 percent of loss variance permitted in the consigned inventory tobacco program.

(c) Exchanges will keep documentation of Identifiable Uncredited Losses on file for use in explaining the year-end inventory variance. Exchanges WILL NOT process the values of Identifiable Uncredited Loss transactions into their accounting system.

j. Damaged/distressed merchandise that CANNOT be sold, and the vendor will not provide credit for the merchandise.

(1) Commissary POCs are responsible for coordinating with exchange POCs to advise the exchange POCs regarding disposition of such items. Commissary personnel will take all action necessary to dispose of any such unsalable items, and will NOT physically ship such items to exchanges. The commissary will document the commissary shelf price on a MEMO ONLY DeCA Form 70-20 annotated as "IDENTIFIABLE UNCREDITED LOSS" signed by both commissary and exchange POCs.

(2) Store Operations Department personnel will retain copies of documentation in the tobacco folder and forward documentation to the exchange.

(3) Store Operations Department personnel will NOT include the values of these transactions on the tobacco reconciliation sheet. Commissaries will absorb these Identifiable Uncredited Losses in the 0.65 percent of loss variance permitted in the consigned inventory tobacco program.

(4) Exchanges will keep this documentation on file for use in explaining the year-end inventory variance. Exchange personnel will NOT process the Certification of Destruction or the supporting price change into their accounting system. NOTE: By handling Identifiable Uncredited Losses as described above, the value of these "normal operating losses" will be in the year-end inventory variance.

k. Excessive Damaged/Distressed Merchandise. If it appears that partial cartons or other distressed inventory are excessive, a meeting with the exchange POC, the store director, commissary POC, and the local vendor should be scheduled to resolve the matter, as applicable.

6-18. COMMISSARY PROMOTIONS EXCEPT FOR THE EUROPEAN REGION.

a. System-wide Promotions. The Exchange Systems may establish promotions with the different tobacco vendors. The exchange will provide procedures for implementation of these promotions.

b. Local Promotions. The local exchange may establish promotions with the different tobacco vendors. The promotion must be applicable to both the commissary and exchange.

c. Some tobacco product manufacturers may prefer to provide a credit to the stores who sell their products rather than to offer coupons for tobacco products. In such cases, the Exchange Services receive a check from the vendor for the discount applied to the number of promotional cartons sold during the month. The amount of the credit owed to the Exchange Service is based on information extracted from the commissary's monthly item movement report.

d. The Exchange Service will provide procedures for promotional and incentive programs.

e. The commissaries will use the POS-M systems to track the number of units sold for the different promotions, if needed. In addition to the information provided to Exchange Services and DeCA, a copy of the end-of-month PLU report for tobacco products is provided to the vendor with a copy retained in the commissary tobacco file. Remember to reset the POS-M system at the end of each month as required. The amount of the credit posted to the tobacco reconciliation sheet is determined by calculating the number of promotional cartons sold times the amount of the reduction. Using this method, it is imperative that receipts are extended at the original (higher) price and those ending inventories are extended at the original price. There is no need to be concerned with floor stock protection since the ending inventory is extended at the original price and the credit is based on the number of cartons sold.

f. Coupons. Cents off coupons affixed to cigarette cartons may be accepted if offered to the general public. The vendor must offer the coupons to both the exchange and the commissary at the same time. Coupons offered to customers through periodicals, newspapers, etc., may be accepted.

g. Exchange policies will apply to promotional activities such as giveaways, etc.

h. Off-shelf displays must be authorized by the MBU. Point of sale materials are not allowed unless they are an integral part of the existing decor.

6-19. EUROPEAN REGION COMMISSARY PROMOTIONS.

a. System-Wide and Local Promotions. AAFES may establish promotions with the different tobacco vendors. The exchange will provide procedures for implementing the promotion to DeCA EU/DOM.

b. Coupons. Cents off coupons affixed to cigarette cartons may be accepted if offered to the general public. The vendor must offer the coupons to both the exchange and the commissary at the same time.

c. Exchange policies will apply to promotional activities such as giveaways, etc

d. Off-shelf displays must be authorized by the MBU. Point of sale materials highlighting the tobacco department are not allowed unless they are an integral part of the existing décor.

6-20. SALE OF RESTRICTED PRODUCTS.

a. On August 28, 1996, the Food and Drug Administration (FDA) published new regulations restricting the sale and distribution of cigarettes and smokeless tobacco to protect children and adolescents. On February 28, 1997, the FDA regulation went into effect and states "No sales of cigarettes or smokeless tobacco to anyone under 18." (This may vary by state.)

b. For those purchasers, **NOT** in uniform, who give the appearance of being under 27, cashiers must verify the purchaser's age from the appropriate photo ID card.

c. The Exchange Services will notify DeCA of their policies on any purchase restrictions that exist. Where no law exists, the installation commander will be requested by the Exchange Service to determine sales limitations applicable for the installation. This provision allows the installation commander latitude in dealing with state or local tax officials and does not convey authority to prohibit the sale of tobacco products.

6-21. SIGNAGE ON SALE OF TOBACCO PRODUCTS. Commissaries will post in a conspicuous place the applicable local, state, or host country laws concerning restrictions on the possession of untaxed tobacco products. In addition, all commissaries must display posters stating the Surgeon General's warnings about hazards of using tobacco products.

6-22. COST RECOVERY FEE. At the time of payment, the finance centers will deduct from the sales proceeds remitted to the Exchange Services a "Cost Recovery Fee" in the amount of 2.9 percent of sales before surcharge.

6-23. TERMINATION OF AGREEMENT. In the event that the MOA is terminated or an individual commissary closes, DeCA/commissary will return to the exchange all exchange inventory on-hand and/or the applicable payment for these products less outstanding exchange liabilities for the initial inventory.

Chapter 7

DAIRY SECTION

- 7-1. **DISPLAY CASES.** Each morning, prior to store opening, make sure the milk display cases and/or dolly racks are clean and fully stocked.
- 7-2. **QUALITY CONTROL.** The dairy section worker will check the expiration dates prior to loading the cases. Always make sure that product is rotated properly using the First In, First Out (FIFO) method. Spot check your code dates daily. Be especially careful to check code dates when receiving, to ensure that products have sufficient shelf life remaining for rotation and sale prior to pull date.
- 7-3. **SANITATION.** Make sure all spills are cleaned up immediately.
- 7-4. **RESTOCKING.** Restock all display cases and/or dolly racks according to an established schematic plan. Adjust the space to accommodate sales demand of each item.
- 7-5. **ORDERING STOCK.** Order stock to replenish dairy products, according to the delivery schedule established for the commissary. Always maintain adequate back up stock. Automated stores will maintain a current copy of the daily/frequent in-checking document in the folder and use it to receive and verify price, size, and authorized items. Stores not on DIBS should continue to use their applicable interim system.
- 7-6. **EGG SECTION.** Make sure the dairy stocker checks the egg section as often as you, the grocery manager, feel is necessary to remove broken packages of eggs from the case and to restock when needed.
- 7-7. **PRODUCT QUALITY.** Keep it fresh, keep it cool, and keep it moving.
- 7-8. **CUSTOMER RELATIONS.** Talk to customers regularly. They will tell you what they like or dislike. Be sure to pass their comments and/or requests on to the commissary officer or store manager.
- 7-9. **EQUIPMENT CHECKS.** Periodically check equipment for proper operation.
- 7-10. **DeCA FORM 40-9.** If automated recording thermometers or alarm systems are not installed, record temperature checks on DeCA Form 40-9, Daily Maintenance Log (**Figure 7-1**), for all display cases, walk-in boxes, and cold storage facilities, according to commissary operating instructions.
- 7-11. **MAINTAINING TEMPERATURE CHARTS.** Maintain temperature chart(s) in a folder or binder in a convenient location outside the view of the patron.
- 7-12. **EQUIPMENT LIST.** Maintain a list of the equipment to be checked and the required temperature for each unit in the folder. Also list the hours of the day and length of each defrost cycle for each unit. This information can be obtained from your refrigeration maintenance technician.
- a. Ensure that temperatures are within the allowable variances.
 - b. The temperature may vary between 34 and 37 degrees Fahrenheit in the cheese and dairy refrigerated storage room. Eggs must be held and displayed at 34-40 degrees Fahrenheit.
- 7-13. **WHEN TO CHECK THE TEMPERATURES.** Annotate temperature charts three times daily. In commissaries that do not have an alarm system, ensure equipment and storage temperature checks are

performed on non-operating days. On non-operating days, make temperature checks twice; once in the morning between the hours of 0700 and 0900 and in the evening between the hours of 1600 and 1800; one check will be after a defrost cycle. Also, check temperatures anytime there is a violent thunder storm or known power outage. Know how to reset compressors. In stores with automatic refrigeration alarms, check alarm systems weekly, preferably on the evening prior to a non-operating day.

7-14. **RECORDING RESULTS.** Record results of checks on Daily Temperature Maintenance Log, DeCA Form 40-9 (**Figure 7-1**), which is located close to the alarm system control.

7-15. **NON-OPERATIONAL ALARMS.** When the alarm systems are not operational during non-operating days, follow the same procedures listed above for stores without alarm systems.

7-16. **REFRIGERATED TRUCKS/VANS.** Ensure temperature surveillance is scheduled and conducted for refrigerated trucks and seavans.

DAILY TEMPERATURE MAINTENANCE LOG													*Indicates Plus or Minus	Chambers will record actual time and temperature and initial in appropriate block.		
(For use of this form, see DeCAD 40-3; OPR is DOJ)																
DEFOST CYCLE HOURS:						CASE IDENTIFICATION:										
TO 6:00 AM		TO 8:00 AM		TO 5:00 PM		TO 7:00 PM		ALARM SYSTEM				<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	(Check one)		
DEPARTMENT:						PROPER TEMPERATURE RANGE						PERIOD (Month/Year)				
						-10 TO -0						DECEMBER 90				
TYPE OF EQUIPMENT: (Check one)													<input type="checkbox"/> FREEZER	<input type="checkbox"/> DISPLAY CASE	<input type="checkbox"/> CHILL BOX	<input type="checkbox"/> STORAGE
DATE	TIME	TEMP	INT	TIME	TEMP	INT	TIME	TEMP	INT	TIME	TEMP	INT	COMMENTS			
1	6:20	-6	Ky	11:30	+5	Hf	15:20	-10	Hf	2:00	-0	Hf				
2																
3																
4																
5																
6																
7																
8																
9																
10																
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24																
25																
26																
27																
28																
29																
30																
31																

SAMPLE

DeCA Form 40-9, Jul 91

Supersedes TSA Form 126-R

Figure 7-1, DeCA Form 40-9, Daily Temperature Maintenance Log

Chapter 8

FREEZER SECTION

8-1 **USE OF SUGGESTED LAYOUTS.** Develop a layout of your freeze area(s) depicting the desired storage location of items stocked. Items should be stored by commodity groupings in alignment with the area or sequence that they are placed on the resale floor.

8-2 **POSTING FREEZER LAYOUTS.** In non-scanning stores, post a copy of the layout near the freezer work area. Make sure all stockers are trained to stay within allocated areas for their products. In scanning stores, product location will be identified with shelf labels.

8-3. **REVIEWING PRODUCT MOVEMENT.** On a daily basis, review the product movement in the display cases and adjust space allocation if required.

8-4. **CUSTOMER RELATIONS.** Talk to customers to determine new product requests and pass on their suggestions and comments to the commissary officer or store manager.

8-5. **DAMAGED PRODUCTS.** Pull damaged products from the display cases as needed. Place damaged products in appropriately marked containers (20 gallon trash cans with liners and lids are recommended) until disposition is accomplished. (See Chapter 10 for Price Reductions.)

8-6. **GUARANTEED SALE MERCHANDISE.** Segregate from the damaged stock merchandise, those items that are “guaranteed sale” and return to vendor for full credit.

8-7. **STOCK ROTATION.** Make sure stockers pull old stock first. Check labels in the freezer storage on a regular basis to prevent the occurrence of outdated stock.

8-8. **USING CORRECT CASE LABELS.** Due to the multiple use of freezers, make sure stockers use the correct color-coded labels on cases if items are to be priced on the display shelves (not applicable in scanning stores).

8-9. **EQUIPMENT CHECKS.** Periodically check equipment for proper operation.

a. Maintain a list of the equipment to be checked and the required temperature for each unit in the folder. Also list the hours of the day and length of each defrost cycle for each unit. This information can be obtained from the refrigeration maintenance technician.

b. If recording thermometers or alarm systems are not installed, record temperature checks on Daily Temperature Maintenance Log, DeCA Form 40-9 (**Figure 7-1**) for all display cases, walk-in boxes, and cold storage facilities, according to commissary operating instructions. Maintain the temperature chart(s) in a folder or binder in a convenient location outside the view of the patron.

c. Ensure freezers are operating within the allowable temperature variance to maintain frozen grocery products at minus 10 to 0 degrees Fahrenheit.

8-10. **WHEN TO CHECK TEMPERATURES.** Annotate temperature charts three times daily. In commissaries that do not have an alarm system, ensure equipment and storage temperature checks are performed on non-operating days. On non-operating days, make temperature checks twice; once in the morning between the hours of 0700 and 0900 and in the evening between the hours of 1600 and 1800; once after completion of the defrost cycle. Also, check any time there is a violent thunderstorm or known

power outage. Know how to reset compressors. In stores with automatic refrigeration alarms, check alarm systems weekly, preferably on the evening prior to a non-operating day.

8-11. **RECORDING RESULTS.** Record results of checks on a Daily Temperature Maintenance Log DeCA Form 40-9 (**Figure 7-1**) placed close to the alarm system control.

8-12. **NON-OPERATIONAL ALARMS.** When the alarm systems are not operational during non-operational days, follow the same procedures listed above for stores without an alarm system.

Chapter 9

VENDOR OPERATED BAKERIES

9-1. **AUTHORIZATION.** Vendor operated bakeries are authorized to be established under DeCA contracts within the Grocery Department on a self-supporting basis to enhance patron service. The type of bakeries used by DeCA is the bake-off bakeries. A complete line of frozen, ready to bake products is delivered on a frequent basis, based on patron demand. These products are stored in the Grocery Department frozen food freezers. Product must be segregated from grocery merchandise and secured. The contractor maintains ownership until it is purchased at the checkout by the customer. The items are placed in a Retarder or Chill box (to thaw) and then placed in a Proofer (to rise). They are then placed in ovens and baked, giving the store the ability to provide fresh baked products all day.

9-2. **STOCK SELECTION.** The region and vendor will discuss the initial selection of stock. The price of bakery products from a vendor should be commensurate with quality, patron convenience, and service provided by the best bakeries in the commercial sector. Further, the price of the items stocked will offer the commissary customer a cost savings compared to costs of bakery goods as those in local supermarkets or local bakeries.

9-3. **PRODUCT RING-UP.** Ensure cashiers are aware of the requirement to either scan the item's bar code label, key in the item's bar code number if the UPC bar code won't scan, or key in the item's look-up number (if applicable).

a. Commissaries normally carry direct store delivery (DSD) bakery items, e.g., bread, rolls, buns, etc., in the grocery department. These items are not part of the contractor-operated bakery and will be scanned in a separate bakery department at the checkout.

b. You must ensure checkers are thoroughly versed in the procedure by checking each cashier, in coordination with the customer service supervisor. Where required, you must also ensure all vendor operated bakery and grocery bakery items are properly marked to assist checkers in crediting items to the right account.

9-4. **BAKERY MARK-UP.** The product must be priced to ensure the total price for the item appears on the outer package of the item for the customer.

9.5 **VENDOR SELECTION.** The selection of a bakery contractor will be made by the DeCA West Service Center, consistent with competitive procurement procedures.

9-6. **DISPLAYING PRICES.** Ensure prices are displayed for patron convenience either on a "menu board" or on individual price tags.

9-7. **LABELING REQUIREMENTS.** FDA Food Safety and Applied Nutrition Division's regulatory guidance requires labeling for packaged goods. The label must contain the name and address of the manufacturer, packer, or distributor of the dough or base product, product identity, net weight, and ingredients in descending order of predominance by weight. Labeling is required for example, when portions of the morning's bake-off are prepackaged for self-service, as may be customary for donuts and pastries. Ingredient labeling is not, repeat, is not required for over-the-counter purchases when products are displayed individually and bagged, boxed, or wrapped after a customer's selection.

9-8. **PRICE ACCURACY.** Store management must check prices to verify their accuracy. The frequency of checks should be determined by region directors/commanders.

➔9-9. **PRODUCT SAMPLING.** Commissary officers may authorize vendors to conduct in-store product demonstrations for customer sampling of products available in the commissary. These types of in-store activities provide a service to our patrons and encourage product sales. Store employees, unless they are off duty and in the store as patrons, are not permitted to participate in product samplings. However, DeCA employees may participate in sampling of products if it is to assist in determining product acceptability and only sample size quantities are consumed. ◀ ➔*IMpulse*, Apr 1997 ◀

9-10. **CUSTOMER PRODUCT DEMAND.** Talk to customers and have suggestion forms available for input on types of items to carry. However, if a product fails to create a patron demand, offer it only on a special request. Do not waste display space on items that have no customer demand.

9-11. **SPECIAL ORDERS.** Store management must make sure special orders can be obtained by customers in a reasonable time. Have DeCA Form 40-1, Commissary Patron Special Order Request (**Figure 9-1**) available for use.

9-12. **PRODUCT FRESHNESS.** Baked goods produced or defrosted in the commissary bakeries must be sold quickly. Develop a reliable method to identify and record date of production or date removed from freezer. Baked goods must not be kept longer than the “sell by” date. Recommended sell by dates for baked goods is as follows:

<u>ITEM</u>	<u>SELL BY(HOURS)</u>
BREAD – White (loaf), Raisin (loaf), Sour Dough (round), French (long), Italian, Rye (dark and light).....	24
SLICED BREAD	48
ROLLS – Hamburger, hot dog, Kaiser, Parker-House, Dinner, Hard	24
Rye, Croissant (assorted)	48
BREAKFAST ROLLS – Cinnamon (glazed), Caramel Nut, Raisin (glazed), Bear Claws, Pecan	24
BREAKFAST DANISH – Apple pockets (glazed), Cherry pockets (glazed), Almond (glazed), Pecan Cheese (glazed), Cherry Cheese (glazed), Pecan Honey (glazed), Blueberry Pockets (glazed)	24
SPECIALTIES – Cream Puffs, Eclairs	24
Apple Strudel, Cherry Strudel, Apple turnovers, Cherry Turnovers	48
Blueberry, Corn, Bran Muffins	48-72
PIES – Apple, Dutch, Lemon, Cherry, Peach, Pumpkin, Pecan, Berry (black/Blue/Boyson),	72
Assorted Cream.....	24
RAISED – Glazed Donuts	4-6
Jelly (sugar/iced) Donuts, Long Johns (iced), Crème (iced) Donuts, Apple Fritters, Cruellers (iced).....	24

CAKE – Sour Cream (glazed/plain) 24

CAKE – Chocolate (iced/glazed), Plain
 (pwd sugar), Apple-Spice (glazed), Devils
 Food (glazed/iced), Pound Cake, Carrot
 (iced), Angel Food (iced), White (iced/nut),
 Spice (iced) German Chocolate, Chocolate-iced,
 (may be decorated)..... 48-72

Cookies – Chocolate Chip, Brownie, Sugar,
 Macaroons, Oatmeal, Spice, Peanut Butter..... 5 days

9-13. **BAKERY SANITATION.** A cleaning and sanitizing program, to include frequency of cleaning, will be developed by the vendor. Approved cleaning and sanitizing agents and procedures for cleaning all equipment, floors, cases, and refrigerated units will be stated in the program. A cleaning chart will be conspicuously posted for employee reference. Personnel hygiene and pest control will be closely monitored.

COMMISSARY PATRON SPECIAL ORDER REQUEST		
(For use of this form, see DeCAD 40-3, Office of Primary Responsibility DO.)		
TO (DEPARTMENT)		
GROCERY DEPARTMENT		
ITEMS REQUESTED		
SAMPLE		
6 CANS BABY FORMULA - ENTANIL 15oz W/IRON RTE		
2 CANS DEL MONTE GREEN BEAN 15 1/2 oz		
2 CANS STOKLEY'S CREAM CORN 15 1/2 oz		
2 CANS STOKLEY'S BABY LIMA BEANS 15 1/2 oz		
DATE ITEMS NEEDED	PATRON'S NAME	PHONE NO.
15 DEC 89	GARY SODA	321 5566
EMPLOYEE ACCEPTING ORDER		DATE
SUE CLERK		12 Dec 89

DeCA Form 40-1, Aug 91

Figure 9-1, DeCA Form 40-1, Commissary Patron Special Order Request

Chapter 10

DAMAGED MERCHANDISE

10-1. **DAMAGED MERCHANDISE CONTROL PROCEDURES.** DeCA commissaries will only sell food products that are in good, safe edible condition. Outdated and damaged food/food products will not be sold unless items are approved by medical food inspectors. Non-edible food items may be sold at reduced price if the product can be used as originally intended.

a. The commissary officer will designate in writing a person or persons to be the damaged merchandise control monitor(s).

(1) The damaged merchandise control monitor is totally responsible for maintaining merchandise placed in the damaged merchandise area. The monitor will keep the area neat, clean and in a sanitary condition at all times.

(2) Damaged merchandise will be physically segregated from undamaged items and stored in an appropriately marked container or placed on a separate pallet. Twenty-gallon trash cans with liners and lids or other suitable leak proof containers are recommended for storing perishable food in refrigerated areas.

(3) Undamaged items that were separated from damaged items will be cleaned and placed on display shelves at the full price as soon as possible.

b. The commissary officer will provide the necessary guidance and standards, and monitor the damaged merchandise control area.

c. Guaranteed sale items will be returned to the vendor for full credit.

d. Edible items offered for sale at reduced price must be inspected for wholesomeness by the medical food inspector prior to display or sale.

10-2. **VENDOR REIMBURSEMENTS FOR UNSALABLE MERCHANDISE.** Vendor stocked merchandise that is willfully or maliciously damaged is considered an abnormal loss, and regardless of dollar amount will be recorded on a VCM for vendor reimbursement. Vendor or contracted stocker damage incurred through normal handling/stocking is considered a normal loss and is not subject to vendor reimbursement.

a. Outdated merchandise resulting from a vendor written or suggested order is authorized full credit reimbursement on a VCM (or credit slip for DSD items).

b. Outdated merchandise as a result of poor rotation, excessive ordering, or lost customer interest, will not be returned to the vendor for credit.

c. Close dated merchandise received voluntarily at a reduced price is not authorized vendor reimbursement when the product goes out of date, unless mutually agreed upon at the time of sale was negotiated.

d. Guaranteed sale items are authorized reimbursement or buy back when the vendor agrees to the stipulation as part of the terms of the sale or promotion. Vendor samples in the deli, bakery, or grocery department are reimbursable through a VCM.

e. Reimbursement for infestation prior to receipt is a vendor's responsibility and can be credited with a VCM or with product recall procedures, identified in ALFOODACT messages.

f. Reimbursement for latent damage (concealed damage incurred in shipment, but not discovered until after the receiving process) is a transportation officer responsibility, not the commissary officer. Do not solicit reimbursement from the vendor. This is covered by the Report of Shipment/Report of Discrepancy (ROS/ROD) or OCONUS installation transportation officer process.

g. Product losses resulting in refrigeration failure and "Acts of God" are documented as abnormal losses on reports of survey and are not vendor reimbursable.

10-3. **COORDINATION WITH MEDICAL FOOD INSPECTOR.** Coordinate with the medical food inspector to determine which food items are suitable for price reduction and which must be disposed of.

10-4. **PROCESSING DAMAGED MERCHANDISE.** Once the medical food inspector has made a determination as to which items are edible and which are non-edible, the following apply:

a. For those items certified as edible, the responsible person will block out the item's unit product code (UPC) by placing a vertical line through the UPC with a black (dark) felt tip pen.

b. Use a special price label to identify damaged items that are reduced for quick sale. Reduced price labels may be hand written in ink or may be applied by suitable price label equipment at the option of the commissary officer. The item will then be placed in the area designated by the commissary officer for resale.

c. Items certified as non-edible will be disposed of by the responsible person in a dumpster, compactor, or by other means provided by the installation civil engineer.

d. Edible, but unmarketable merchandise which had been offered for sale at a reduced price, but did not sell in a reasonable period of time (7-14 days) may be donated to authorized food banks. Product must be certified by the medical food inspector as fit for human consumption prior to release.

(1) The commissary may act as a conduit for vendors to donate edible items to the food bank, but must receive full reimbursement from the vendor before donation. The vendor must provide written permission for such items to be donated to a Food Bank.

(2) The commissary cannot transport the donated items. The food bank must pick up all the items at the store.

10-5. **DAMAGED CLEANING SUPPLIES.** Ensure damaged cleaning supplies, which cannot be sold at reduced prices, are used as commissary operational supplies. Damaged cleaning supply type items should be emptied from their original containers into plain or generic type containers. Damaged items placed in plain generic containers must be labeled as to their contents. If supplies cannot be emptied from the original container, the merchandise must be stamped or tagged with a label: "Commissary Trust Fund (CRTF)". The label must be dated and the signature or initials of the commissary officer or designated representative annotated on the label.

10-6. **PRICE REDUCTIONS.** Price reductions are authorized for distressed merchandise to minimize losses while ensuring the wholesomeness of the merchandise. The percent of price reduction will be determined by the demand for the item. The following conditions will apply:

- a. Up to 50 percent off the original sell price can be approved by the commissary officer.
- b. Up to 75 percent off the original price can be approved by the region director/commander.

10-7. **DISPLAYING MARKED DOWN MERCHANDISE.** After markdown approval, the monitor will display the reduced price merchandise for sale. A professional sign will be posted on the display, made of plastic sheet material, blue and white letters, 14" by 16" which reads: "DAMAGED MERCHANDISE. MARKED DOWN UP TO 50PERCENT OFF REGULAR PRICE. Food items have been examined by medical Food Inspectors and are in good condition. Use right away."

10-8. **DISPLAYING FREEZE/CHILL MERCHANDISE.** Display reduced price freeze/chill products in the display location assigned to the item, that is pizza with pizza, and so forth.

Chapter 11

DISTRESSED MERCHANDISE

11-1 **GENERAL.** Distressed merchandise is merchandise which has lost customer demand because of noncompetitive price, change of season, age, or other reasons. These items may be reduced in price to stimulate sales to prevent a total loss to the government.

11-2. **MARKDOWN PERCENTAGES.** Price reductions will be made on an exception basis. Commissary officers may approve markdowns up to 50 percent of the sell price. Region directors/commanders may approve markdowns to a maximum of 75 percent of the sell price. Disposition instructions for items that cannot be sold after markdown of 75 percent of the sell price will be determined by the region.

11-3. **IDENTIFIABLE LOSS PERCENTAGES.** Region directors/commanders may authorize up to .10 percent (one tenth of one percent of sales) for identifiable losses for distressed merchandise markdowns. See DeCAD 40-1, Chapter 7, for additional guidance.

11-4. **DISTRESSED SUBSISTENCE ITEMS.** For distressed subsistence items, include any available documentation from the medical food inspectors, such as Class 9 inspection reports which identify products with reduced shelf life.

11-5. **DISPLAYING MARKED DOWN DISTRESSED MERCHANDISE.** After markdown approval, the monitor will display the reduced price merchandise for sale. A professional sign will be posted on the display made of plastic sheet material, blue and white letters, 14” to 16” which reads: “DISTRESSED MERCHANDISE. MARKED DOWN UP TO 50 % OFF REGULAR PRICE. Food items have been examined by medical food inspectors and are in good condition. Use right away”.

11-6 **DD FORM 708, INVENTORY ADJUSTMENT MONETARY ACCOUNT.** Commissary officers are responsible to ensure DD Forms 708, Inventory Adjustment Monetary Account are prepared to account for merchandise (distress) reduced for sale to stimulate sales to prevent total loss to the government. DD Form 708, will be obtained from the Management Support Center (MSC).

11-7. **PROCESSING DISTRESSED ITEMS. AUTOMATED COMMISSARY OPERATIONS SYSTEM (ACPS).** AF stores must scan each item at the cash register terminal in the live mode to determine current selling price and to remove the item(s) from the inventory. Scanning stores will scan the items in a training mode. After scanning, be sure to void the dollar value of the sale on the register. When the items are not scanned, DD Form 708 will be manually prepared as shown in **Figure 11-1**.

- a. Ensure DD Form 708’s are filled in as follows:
 - (1) Block 1 – “DATE” – Current month and year.
 - (2) Block 2 – “COMMISSARY/TISA” – Name and location of commissary.
 - (3) Block 3 – “NAME OF ACCOUNTABLE OFFICER”.
 - (4) Block 4 – “DEPARTMENT”

(5) Block 5 – “ARTICLE” – Description of item. Scanning stores – Enter “SEE ATTACHED REGISTER TAPE” as shown in ACOS operations, if item is not scanned the UPC must be included in this section in order to process into the system.

(6) Block 6 – “UNIT” – Two digit code, such as CN = can, PK = package, and so forth. Scanning stores enter the markdown percentage as predetermined. Use a separate line for each predetermined percentage.

(7) Block 7 – “OLD PRICE” – Past month’s price. Scanning stores enter total of the cash register receipt without the surcharge. This is obtained by pressing the “A” modifier key and the “Total” key. On the older registers this is the tax modifier key.

(8) Block 8 – “NEW PRICE” – Current month’s price. Scanning stores multiply total in 7 by the percentage in block 6 and subtract the result from the total in block 7.

(9) Block 9 – “PRICE CHANGE” – Enter the results of block 7 minus block 8.

(10) Block 10 – “QUANTITY” – Physical count of that particular item.

(11) Block 11 – “DEBIT (+)” – Leave blank.

(12) Block 12 – “CREDIT (-)” – Quantity multiplied by price change. Scanning stores copy the result in block 9 in this column.

(13) Block 13 – “TOTAL” – Sum of all credits.

(14) Block 14 - “SIGNATURE OF ACCOUNTABLE OFFICER”.

(15) Block 15 – “VOUCHER NO” – Assigned by MSC clerk. In ACOS operations, the voucher number is assigned by the system when processed.

b. When all of the items have been scanned and marked down, the total must be obtained without the surcharge. To accomplish this, press the Void Key, “A” modifier key, and the Total key. On older registers this is the tax modifier key. Post this total to DD Form 708 in block 7. The “Sale” must be finalized to obtain the register tape to attach to the DD Form 708. In ACOS operations, the dollar value must be voided using the “H” modifier key. Using the H-modifier voids the totals in all departments including surcharge. If the scanning was done in training mode, the sale may be finalized by “Cash Tendering” the total amount. Attach the register receipt tape to the DD Form 708.

c. Use a special price label to identify distressed merchandise that are reduced for quick sale. Reprice all items with a reduced price as they are listed on the DD Form 708. Handwritten pricing is usually faster and requires less effort as reduced prices are not consistent enough to make use of price marking equipment. After the item is prepared for sale, cross out the original price marking with a non-obliterating single line. In scanning operations, the UPC on the item must be marked out by placing a line through the UPC bar code with a black (dark) felt tip pen.

d. Ensure DD Form 708 is presented to the medical food inspector for certification of wholesomeness prior to displaying for resale.

e. After mark down approval, the monitor will display the reduced price merchandise for sale. A professional sign will be posted on the display made of plastic sheet material, blue with white letters, 14” by 16” which reads: DISTRESSED MERCHANDISE. MARKED DOWN TO 50% OFF

REGULAR PRICE. Food items have been examined by medical food inspectors and are in good condition. Use right away.

INVENTORY ADJUSTMENT MONETARY ACCOUNT						1 DATE (Month, Day, Year)	
2 COMMISSARY / TISA (Organization)		3. NAME OF ACCOUNTABLE OFFICER				4 DEPARTMENT (Subsection)	
FORT AFB TX		TON WHO				GROCERY	
5 ARTICLES	6 UNIT	7. OLD PRICE	8. NEW PRICE	9 PRICE CHANGE	10 QUANTITY	11 DEBIT (+)	12. CREDIT (-)
Campbell's Tom. Soup	CN	.38	.30	.08	9		.72
Campbell's Chick Ndl Soup	CN	.45	.36	.09	8		.72
Big John Beans 28z	CN	.78	.59	.19	7		1.33
Kellogg Corn Flakes 20z	BX	1.15	.79	.36	42		4.32
Gen Gnt QN Beans	CN	.39	.29	.10	8		.80
Appian Pizza Mix	BX	1.19	.89	.30	4		1.20
Hershey's Candy Bars	PK	3.80	1.90	.90	1		1.90
Dog Chow 25 lb	BG	7.80	6.00	1.80	4		7.20
Fruit Rollups (GM)	PK	.79	.59	.20	2		.40
H.B. Coffee 1 lb	CN	1.89	1.69	.30	3		.90
Sun Md. Raisins 15z	BX	1.15	.90	.25	2		.50
DM Peaches 29z	CN	.89	7.69	.20	6		1.20
YM Syrup 22z	BT	1.95	.89	.30	10		3.00
Hostess Coffee 2 lb	CN	3.85	3.45	.40	1		.40
SB Honey 16z	JK	1.55	1.35	.20	2		.40
CHEERIOS (GM)	BX	1.26	.96	.30	4		1.20
Granola (GM) 20z	BX	1.18	.98	.20	2		.40
I certify that the above items have been inspected and are fit for human consumption.							
13 TOTAL							26.59
14 SIGNATURE OF ACCOUNTABLE OFFICER						15 VOUCHER NO	
<i>TON WHO</i>							

DD Form 708, Inventory Adjustment Monetary Account. Previous editions are obsolete

Figure 11-1, DD Form 708, Sample of Manually Prepared Unscanned Distressed Items

INVENTORY ADJUSTMENT MONETARY ACCOUNT							1. DATE (Month and year)	
2. COMMISSARY / TISA (Installation)			3. NAME OF ACCOUNTABLE OFFICER			4. DEPARTMENT (Subsection)		
FORT AFB, TX			JON WHO			GROCERY		
5. ARTICLE	6. UNIT	7. OLD PRICE	8. NEW PRICE	9. PRICE CHANGE	10. QUANTITY	11. DEBIT (+)	12. CREDIT (-)	
SEE ATTACHED REGISTER TAPE	50%	29.00	14.50	14.50			14.50	
	75%	29.00	21.75	7.25			7.25	
I CERTIFY THAT THE ABOVE ITEMS HAVE BEEN INSPECTED AND ARE FIT FOR HUMAN CONSUMPTION								
13. TOTAL								
14. SIGNATURE OF ACCOUNTABLE OFFICER						15. VOUCHER NO		

SAMPLE

DD Form 708, AUG 86

Previous editions are obsolete

U.S. Government Printing Office: 1987-181-432/60451

Figure 11-2, DD Form 708, Sample Scanned Distressed Items

Chapter 12

MERCHANDISE ON MEDICAL HOLD

12-1 **RESPONSIBILITY.** Commissary officers are responsible for the disposition of merchandise identified on ALFOODACT messages. Commissary officers, in conjunction with medical food inspectors, will ensure that merchandise identified as contaminated is removed from store shelves and placed in the warehouse.

12-2. **MONITORING.** The commissary officer will appoint, in writing, an individual to be responsible for monitoring items placed on medical hold.

12-3. **ISOLATED AREA.** The commissary officer will ensure that an isolated area in the warehouse is designated for products placed on medical hold.

12-4. **NOTIFICATION OF DISPOSITION INSTRUCTIONS.** Upon notification of disposition instructions, the commissary officer, in conjunction with medical food inspectors, will take the necessary actions to process the product(s).

Chapter 13

TRANSFERS

13-1. **GENERAL.** Transfers within the Defense Commissary Agency are authorized.

13-2. **TRANSFERS OUTSIDE THE REGION.** A transfer of merchandise between DeCA commissaries is considered a transfer between accounts of the Commissary Division, DeCA Stock Fund. Detailed procedures for processing transfers are contained in Chapter 12 of DeCAD 70-6, Financial Procedures for Store Management Support Center.

- a. Transfers will be made on a non-reimbursable basis.
- b. DD Form 1149, Requisition and Invoice/Shipping Document or appropriate automated system document, is processed by the MSC if the transfer must be shipped by the installation or other transportation officer. The DD Form 1149 is used for shipping purposes only.
- c. The commissary officer approves transfers by signing all copies.

13-3. **TRANSFERS BETWEEN COMMISSARIES.** Transfers between stores are authorized, when approved by the region. Transfers are accomplished on DeCA Form 40-51, Tally In/Out for Troop, (**Figure 13-1**); DeCAD 70-20, Subsistence Request for Issue or Turn-in for commissary resale items (**Figure 13-2**); or mechanized facsimile. Non-automated operations stores must obtain a document number from the accounts maintenance clerk at the region or store MSC office. Automated operations automatically assign the document number when entered in the system. List the items being transferred on the appropriate form. Make sure prices and quantities entered on the form are correct. After shipment, place a copy of the form in a locked box until it can be turned over to the MSC prior to close of business.

- a. Obtain a medical food inspection and inspection stamp on the form, when required, prior to the transfer of merchandise. The form also serves as a receiving document.
- b. The MSC clerk assigns each transfer a document number. In automated operations, the system automatically assigns the tally number.

13-4. **SHIPPER/RECEIVER.** The shipper is the commissary or department selling the item while the receiver is the commissary or department receiving the item.

13-5. **SIGNING AND SECURING THE TRANSFER.** The designated representatives will sign in the appropriate blocks. After the transfer is complete, secure in a locked box until it can be turned over to the MSC prior to close of business for processing.

13-6. **INTRACOMMISSARY TRANSFERS.** Transfers from the store to troop support and transfers between grocery, meat, and produce departments are considered intra-commissary transfers. Use DeCA Form 40-51, Tally In/Out (**Figure 13-1**) for troop support actions. Procedures apply when transferring troop support items to the resale store. Use DeCA Form 70-20 for transfers between grocery, meat, and produce departments.

13-7. **TRANSFERS FROM CENTRAL DISTRIBUTION CENTERS.** Transfers from central distribution centers (CDCs) will be made to commissaries which are authorized to receive CDC support. This includes CONUS commissaries supported by CDCs within the region; it may also include CDC support of OCONUS commissaries within or outside of a region. Transfers will be processed in

accordance with DeCA Interim Business System (DIBS) procedures or the prior Service system until DIBS has been implemented as a replacement.

TALLY <input type="checkbox"/> IN <input type="checkbox"/> OUT <small>(For use of this form, see DeCAD 40-10; OPR is DO.)</small>		SHEET 1 OF 1 REQUESTION OR PO NUMBER	TALLY NUMBER DATE 14 JULY 88			
STATION <u>STAMP-AB</u>		CARRIER				
SHIPPED <u>DAMAGED MERCHANDISE DISPOSED OF</u>		B/L NUMBER				
RECEIVER <u>COMMISARY</u>		CARRIER NUMBER AND DETAILS				
AUTHORITY		SEAL NUMBERS				
CONTAINER OR PILES	UNITS PER CONTAINER	CONTENT	UNIT	TOTAL UNITS	UNIT SALES PRICE	TOTAL VALUE
		<u>Tide Detergent FAMILY</u>	<u>BR</u>	<u>2</u>	<u>4.89</u>	<u>9.78</u>
		<u>Clorox Bleach GAL</u>	<u>BT</u>	<u>2</u>	<u>.84</u>	<u>1.68</u>
<u>LAST ITEM</u>						
THE ABOVE ITEMS COULD NOT BE SOLD AT A REDUCED PRICE AND WERE USED AS OPERATIONAL SUPPLIES IN THE COMMISARY STORE STORE MANAGER SIGNATURE						
PACKER (Tally out use)			CHECKER			
I certify that the above listed articles (Subject to Environmental Health Inspection) were inspected by me and that they conform to the contract requirements.			Received the above listed articles in apparent good order and condition (except as noted).			
INSPECTOR'S SIGNATURE			SIGNATURE		DATE	
GRADE OR TITLE			DATE			

DeCA Form 40-51, Sep 81

Figure 13-1, DeCA Form 40-51, Tally In/Out

Chapter 14

PRIZES, GIFTS, AND DONATIONS

14-1. **DeCA Policy.** Promotional programs for commissaries often result in the presentation of prizes and gifts to customers, or cash donations to a variety of causes. Commissary officers are often asked to assist in fund-raising efforts by local installations. These requests come in the form of direct commissary donations of products and solicitation of industry donations to support a specific installation activity or event. A community appreciation sale to honor the multitude of installation organizations that primarily benefit military members, retirees and family members will be conducted yearly in the month of July. This once yearly sale replaces the numerous sales previously held for the benefit of various installation organizations. The installation commander will be the focal point and will accept the contributions from the manufacturers on behalf of the recipients. DeCA personnel MAY NOT actively participate in drawings nor solicit donations in any form from industry representatives. Personnel may be present at such drawings, but not actively participate by doing the drawings or presenting the prizes. Commissary personnel MAY NOT donate commissary products or commissary money to causes of any type.

Chapter 15

FACILITIES

15-1. **GENERAL.** Make sure you do a general walk-through at least weekly to inspect the store facilities. You need to look for damage to walls and floors that, if repaired immediately, can improve the appearance and serviceability of the buildings. All requests for repair work on buildings sent to installation facility engineers must be accomplished on the forms required by the host installation. Record all work requests on a log maintained in the store.

15-2. **CLEANING.** A cleaning schedule should be conspicuously posted for all employees to read and therefore become familiar with cleaning requirements and standards. During the walk-through of the facilities also look for items that need cleaning. Make sure all spills are cleaned as soon as possible. Check on the area outside of the building that is considered part of the facility. Establish a list of personnel who will inspect the outside area daily, to pick up paper, cans and other debris, empty trash receptacles, and move improperly placed or stored items.

15-3. **LIGHT MAINTENANCE.** Establish a schedule for light maintenance work such as damp mopping and dusting. Also schedule, usually once monthly, a plan to completely strip the floors of wax and then re wax, if required. Some stores have floors that do not require waxing. If you have a custodial contract, the stripping and re waxing frequency may vary by location, store, and type of floor.

Chapter 16

SANITATION

16-1. **GENERAL.** You must ensure the highest standards of sanitation exists within the grocery department at all times. A weekly inspection must be conducted using a locally developed checklist, outlined on a general purpose form, approved by the local medical authority. A weekly inspection checklist for the bakery is also required. A cleaning and sanitation schedule will be posted in all areas to enhance employee awareness. Approved cleaning agents, procedures and cleaning frequencies will be listed. → Sanitation practices in all DeCA stores and CDCs will be in accordance with the current edition of the U.S. Public Health Service, Food and Drug Administration Food Code, as adopted/modified by the USAF Public Health Service or the U.S. Army Veterinary Command, whichever is applicable. ←

→ *IMPulse*, April 1997 ←

16-2. **ESTABLISHING A REPORTING SYSTEM.** Establish a system to report all spills, broken bottles, and so forth, and make sure they are cleaned up immediately.

16-3. **OUTSIDE CLEANING AND MAINTENANCE.** Make sure all paper and trash are cleaned from the outside area of the store. Lawns and shrubs will be maintained according to your host-tenant support agreement.

16-4. **INSPECTIONS BY MEDICAL PERSONNEL.** Medical inspectors will perform periodic inspections of the store to evaluate the effectiveness of the sanitation program and to offer advice on correcting discrepancies. Read the discrepancies carefully, making sure what you sign is factual and not generalized. You must annotate the form to reflect the date each discrepancy was corrected. Unsatisfactory reports will be forwarded to the region director/commander within 3 workdays with the action taken to correct the problem.

16-5. **RESTROOMS.** Ensure all restrooms are cleaned prior to the start of each business day and spot-checked periodically during the day. Have them cleaned as necessary.

16-6. **CLEANING REFRIGERATED AREAS.** Wash and clean all refrigerated rooms and refrigerators as often as necessary. Establish a schedule for cleaning the display cases. Empty, wash, and clean all display cases. Ensure all debris is removed to prevent the drains from clogging. Use an approved sanitizing agent to keep drains free of bacteria.

16-7. **BAKERY.** The bakery must be maintained in a clean, sanitary manner. All food contact equipment and utensils must be cleaned and sanitized at least daily; the bakery contractor must ensure that it is accomplished. Check your contract to ensure the required sanitation standards are listed. Inspect the bakery frequently (at least weekly). Consult with medical inspectors on problem areas and follow their advice.

CHAPTER 17

VENDOR CREDIT MEMORANDUMS

17-1. GENERAL. The purpose of these procedures is to provide guidelines for accepting and processing vendor credit memorandums (VCM). These procedures explain when a VCM can be accepted and when a VCM should be completed and finalized. Commissaries are not required to display/promote items published in the MBU/region promotional program if promotional pricing has not been accurately transmitted from the manufacturer. In such cases, a VCM should not be accepted to reduce item prices. Notices of cancellations of promotions will be published by the MBU. However, because promotional pricing for Europe is centrally managed at the region and CDCs, DeCA/EU commissaries are authorized to write a VCM to reduce the price, after coordination with the DeCA/EU merchandising branch.

17-2. VCM POLICY. VCMs may be initiated and accepted at commissary level only for the following:

- a. Distressed and/or damaged merchandise.
- b. Holiday items, sold as a guaranteed sale.
- c. Accelerated sales prior to buy-back action (with or without guaranteed sales).
- d. Willful damage by a vendor stocker.
- e. Outdated merchandise resulting from a vendor suggested order.
- f. Guaranteed sales, e.g., candy.
- g. In-store promotional demonstrations (includes product plus “support “ items, e.g., napkins, toothpicks, or other food items needed for the demo, etc.).
- h. Vendor-approved deli and bakery samples (for those operations not using formal contracts).
- i. Infestation prior to receipt.
- j. Product tampering, voluntary recall, and ALFOODACT recall.
- k. When an agreement exists for buy-back of specific commodities (i.e., count and pays, count and re-counts, other special promotions).
- l. Commissaries may accept VCMs for price reductions for cookies and crackers, soft drinks, bread and pastries, salty snacks, milk and milk products, yogurt, ice cream, and prepackaged meats.
- m. Voluntary price reductions that are made in conjunction with DeCA’s annual Store Manager’s Sale.
- n. Receiving discrepancies for DIBS/DOORS orders and receipts.

17-3. FINALIZING VCMs.

- a. VCMs will be completed IAW DeCAD 70-6, Chapter 10. All VCMs must be logged onto the Vendor Credit Memo Document Log (DeCA Form 70-11) to reduce the risk of loss and to prevent them from being misplaced until finalized. Procedures for DeCA Form 70-11 are described in DeCAD 70-6, Chapter 10.
- b. The vendor representative and the store director or his designated representative must sign all VCMs. Prices will not be reduced on any merchandise until all required signatures are recorded on the DeCA Form 70-10.
- c. Vendor handheld devices that will scan and provide a printout of the items may be used when Financial Management (FAR) approves the use and provides procedures.
- d. All price reductions will be entered into POS-M with a promotional number for each VCM to reduce the risk of loss.
- e. The VCM payment process does not take effect until the VCM is officially closed and finalized by DeCA personnel and the respective vendor representative. All data must be entered onto the finalized VCM. Copies of the final VCM will be given to the vendor. For CONUS commissaries, the payment will be deposited IAW DeCAD 70-6, Chapter 10. For overseas commissaries/CDCs, VCMs will be processed as a charge sale IAW DeCAD 70-6, Chapter 10.
- f. Finalized VCMs managed at the commissary will be scanned to the ACS/ACBU (Europe) within 24 hours or the next business day. The ACS/ACBU will input the VCMs into the business system as outlined in DeCAD 70-6/DeCA-EU Directive 70-6.
- g. VCM financial transactions should be entered into DIBS within 24 hours after the VCM is transmitted to the ACS/ACBU. The DIBS Users Manual provides the instructions for entering the data into the system. Collection for the VCM will be entered into DIBS as a memo entry in CONUS commissaries. For the European commissaries, refer to DeCA-EU Directive 70-6 for procedures. For other overseas commissaries, refer to DeCAD 70-6.
- h. Count and recount VCMs will not be processed for payment until officially closed and finalized. VCMs must be completed immediately after the end of the promotion period or end of the accountable year, whichever comes first. The CSO, CDC manager, or region buyer/merchandisers should discuss the requirements for finalizing the VCM and for payment with the vendor. The vendor will be told that if he/she does not meet the requirements, then future promotions may be in jeopardy.
- i. Commissary and ACS personnel will not hold VCMs in files awaiting payment.
- j. The four acceptable methods of VCM payments CONUS commissaries are cash, check, credit card payment at the commissary, and credit card payment at DeCA's Field Operating Activity Analyses and Reconciliation Business Unit (Redemption Division).
- k. These procedures do not apply to Report of Discrepancy (ROD)/VCM for DIBS-DOORS orders/receipts.

17-4. AUTOMATED ROD FOR DIBS-DOORS.

a. Procedures for automated RODs are described in the DIBS-DOORS Handbook (DeCAH 40-3), Desk Guide to the DIBS-DOORS Process, and DIBS-DOORS Desk Guide to Overseas Ordering Point (OOP).

b. When the OOP has received all containers in a shipment and has processed into DIBS the receipt for all containers in a shipment, the order/pull number should be closed within 48 hours after the last container is received and a ROD file created for each overage or shortage line item identified. The OOP inventory book value is adjusted to take the ROD into account, and the ordering processing point (OPP) electronically picks up the ROD file.

c. If after the initial 10 calendar days or after the extension to 30 days, no notice has been received from the distributor or the distributor indicates acceptance of the discrepancies, DIBS-DOORS causes the following to occur:

(1) An OSA/DVD Report or VCM is printed and a receipt or VCM transactions are created for the NET overage or shortage indicated in the ROD for a pull number.

(2) An EDI 812 – Credit/Debit (REC/VCM) transaction set is created for the distributor. This transaction set includes the system generated VCM number of DIC 52T (if ROD was a shortage/credit) or the PIIN/Call Number for the system generated Receipt DIC 31 A (if ROD was overage/payment) and a Clerk Code that identifies the individual initiating this process.

CHAPTER 18

RECEIVING

18-1. GENERAL. Receiving is a very important component of the commissary's accountability. Management attention to proper receiving procedures is essential to ensure that a commissary's financial posture remains sound. The primary purpose of receiving is to make certain that the commissary accepts and DeCA pays for only those goods, which have been contracted for, ordered, or requested and that such goods have actually been delivered. The receiving process is the first link in the chain of accountability that exists to safeguard DeCA assets. Because receiving starts the accountability process, it is vitally important that all receiving be done accurately, thoroughly, and according to procedures appropriate to each type of receipt and to each individual locality.

18-2. RESPONSIBILITY.

a. Store directors will:

(1) Designate in writing personnel authorized to perform receiving functions. All grocery deliveries will be in-checked by grocery department personnel. The same person will not order and receive the same merchandise, unless the region director approves a deviation.

(2) Develop operating instructions ensuring personnel are thoroughly trained to perform in-checking duties. Store director will ensure that grocery department receiving personnel are instructed in proper receiving procedures to include the requirements for the DODAAC, call order number and Procurement Instrument Identification Number (PIIN) to be entered on delivery tickets (commissary and vendor copies) prior to the departure of the delivery personnel.

(3) Rotate in-checkers at least quarterly. The region director may approve deviations.

(4) Provide in-checkers daily updates of PIINs for DSD vendors to ensure the accuracy of contract numbers on receiving documents of merchandise delivered to the commissary. DeCA Europe will provide Off-Shore Acquired (OSA) contract number updates to commissary personnel at least monthly or as a contract changes, whichever occurs first.

(5) Designate management personnel to conduct random spot checks of selected deliveries each week. Document that the spot check was done by signing the receiving document and annotating on the actual receiving document the date and time of the spot check, the nature and number of discrepancies discovered and corrective action taken, if needed.

b. In-checkers will:

(1) Not receive merchandise for calls they have placed. However, departments with a one or two-person operation may be exempt with the concurrence of the region director.

(2) Receive merchandise according to the region-approved combinations of the following methods:

(a) Vendor delivery tickets.

(b) DD Form 1149 (Requisition and Invoice Shipping Document).

- (c) DeCA Form 40-53 (Commissary Receiving Tally Register).
- (d) Requisition/Order/Receipt Worksheet.
- (e) Portable Data Entry Device (PDED) or Hand-Held Terminal (HHT).
- (f) Line Item Receipt Count.
- (g) Total Case Count.
- (h) Pallet Counts.
- (i) Central Distribution Center (CDC) Price Extended List (PEL) for OCONUS.

c. Receivers will practice safe lifting procedures for all lifts and use material handling equipment (powered and non-powered) to the fullest extent possible to reduce the risk of sustaining a musculoskeletal disorder, e.g., back injury.

d. For those commissaries that have Contract Activities (CA) responsible for receiving, sorting and handling of merchandise, the terms of the contract must be followed for these functions.

18-3. PROCEDURES.

a. All deliveries will be in-checked by department personnel. Stores will establish receiving hours and post them in a conspicuous place. Deliveries will be received on a first come first service basis with priority given to DSD deliveries before store opening to maximize in-store efficiency. Proper in-checking procedures are essential to ensure accurate accountability.

b. Store management and receiving personnel will ensure medical food inspectors are notified of subsistence deliveries. Medical food inspectors are responsible for timely inspections to determine compliance with contract requirements, sanitation, wholesomeness, and quality. If medical food inspectors are not available at the time of delivery, the following statement will be annotated on the receipt: "Received to avoid carrier delay. Deferring acceptance, pending completion of the inspection by medical food inspectors showing satisfactory result."

c. Obtain both the driver and receiver signatures/initials on the DSD receipt document, to verify agreement of products delivered and record shortages/returns. FDS receipts do not require the signature of the driver. Assign a tally number and record the receipt on DeCA Form 40-3, Commissary Receiving Tally Register. Secure all receiving documents in a locked box/container until they are taken to the Store Operations Department. The driver's signature is not required for deliveries from the overseas CDC to the commissaries except in Guam. Transportation from CDC to the commissaries is contracted, except in Guam. The Guam CDC has their own drivers and they are required to sign the delivery tickets.

d. Frequent Delivery System/Direct Store Delivery (DIBS-FDS/DSD) deliveries are accomplished as with all other department deliveries. Receive deliveries from commercial vendors in the same manner, using delivery documents furnished by the vendor.

e. After receiving is completed, ensure that personnel are available to move products promptly to their appropriate holding/storage area to preclude unnecessary deterioration of the product.

f. The driver of the vehicle will off-load deliveries made to the commissary. There may be an exception where the driver of a vehicle contractually is only required to move the items to the tailgate

of a vehicle; therefore, commissary personnel would be required to off-load the delivery vehicle. Safety procedures for off-loading vehicles are described in DeCAD 30-17. Merchandise delivered by this means must be received. Any discrepancies shall be brought to the attention of the company for resolution. For deliveries other than the above, the correct Universal Product Code (UPC) is a must. If item UPCs are incorrect or are not authorized on the region stock list, the product should not be received. At overseas commissaries, receiving personnel will break the seal on the CDC delivery truck and unload the product, since the transportation is contracted and the driver is not required to unload the vehicle.

g. In-checkers will review the delivery document prior to in-checking to ensure all required information is entered. In-checkers will maintain possession of the order form/delivery document throughout the in-checking process. The delivery documents must have the following information and must be clear and legible prior to receiving the shipment. Information required for OSA contracts will be spelled out in the contract and may also include the following:

- (1) Contract Number/PIIN.
- (2) Store DODAAC.
- (3) Call number or Pull Number (OCONUS CDCs)
- (4) Quantities.
- (5) UPC.
- (6) Nomenclature.
- (7) Case pack.

h. For Frequent Delivery System, refer to DeCAD 40-9 and DIBS-FDS On Line Functions – Store Guide and ACS Guide.

i. When shortages/overages occur, record what was received on the receiving document and obtain the driver's signature to verify the discrepancy for other than FDS receipts. (This does not apply to overseas shipments from CDCs to commissaries, except in Guam.) The in-checker then signs and dates all copies of the delivery documents, retaining the original and one copy of the document. For FDS mixed deliveries (grocery and meat), receive grocery items per total case count. If there are no meat department personnel available to receive the meat products, accept all meat items delivered. Set the pallet of meat items in the designated meat storage room with the receiving documents. Meat department personnel will formally in-check all meat items accordingly. An exception statement should be annotated on the trucker's paperwork if the meat department personnel are not available. The exception statement is "Received to avoid carrier delay. Deferring acceptance pending completion of inspection by meat department personnel showing satisfactory results."

j. Delivery documents will be secured in a locked box/container until they are taken to the Store Operations Department at the end of the business day or sooner for processing.

k. Accept only items preprinted on the delivery ticket or completed order form. If UPCs are not listed on the order form or delivery ticket, then the merchandise cannot be received and will be rejected. Exception is commercial parcel service, over the road carriers, United States Postal Service (USPS) deliveries, and OSA deliveries. Merchandise delivered will be accepted and delivery tickets indicating case totals only will be signed and processed through the Store Operations Department. For overseas commissaries, OSA delivery tickets with only case or unit totals are acceptable.

1. If delivery is by common carrier, Department of Transportation rules apply and the entire delivery must be received. Unauthorized items will be placed in a holding area and the store director will be notified and will take the necessary actions to return the merchandise. This is not applicable to OCONUS.

18-4. DIRECT STORE DELIVERIES. For each DSD delivery, receiving personnel will:

- a. Enter the PIIN number into the PDED for the merchandise to be received.
- b. Scan each item and enter the quantity. Do not receive anything that does not scan.
- c. When finished, print out the receipt and compare it to the delivery ticket.

(1) If dollar totals do not match, then:

(a) Compare prices and circle any prices that are different. As soon as possible, call the MBU for verification of prices. If DIBS has the wrong price, ask when the change will be transmitted to the commissary and note the name of the person in the MBU and date of the phone call. Then change the POS-M front-end scanner to the price the MBU says is the correct price. Remember the price in effect on the last day of the roll-up period is the roll-up price. If the delivery ticket has the wrong price, coordinate with the DSD vendor to have it corrected.

(b) Compare quantities. If they do not match, recount the items and make necessary corrections. If quantities match and prices don't, accept receipt for quantities only.

(2) If the delivery ticket price is lower than the quoted price, the commissary price will not be changed without verifying the price with the MBU.

d. Procedures for uploading the PDED are described in DSD Quick Reference and Direct Store Delivery User Manual.

18-5. FREQUENT DELIVERY SYSTEM.

a. Designated Receiving Area. Receivers will only use designated receiving area(s) where counts are made and verified. On completion of the receiving process, the supervisor will ensure pallets of merchandise to be segregated, such as displays, vendor stocked and contract stocked items and are placed in designated holding areas or designated storage locations.

b. Receiver Duties.

(1) Receivers will receive each shipment by pallet count. The pallet load list will be reconciled and signed for total number of pallets delivered. After the delivery truck departs the commissary, the merchandise delivered will be in-checked by either the 100 percent blind count method or the new random in-checking sample method.

(2) For the 100 percent blind count method, receivers will count all items on each pallet. Any noted discrepancies will be properly annotated on the delivery documents. The FDS Pull Listing (YPP234) will be the official receiving document for FDS. The pull listing provides space for the case count, date, receiver's signature, and management authorization, where required. The distributor's delivery ticket or other paperwork will not be used as a receiving document. The warehouse supervisor will ensure that receivers do not have access to delivery tickets while counting a shipment.

(3) For those stores testing the new random in-checking sample method, the region will provide the applicable procedures.

c. Driver Duties. After all pallets have been counted, the driver may leave, or if desired by the distributor, may stay for the duration of the receiving process. If the driver stays for the case count, he/she should sign acknowledging agreement with the total case count.

d. Document Handling. All shipping documents must be turned into the store person designated to key enter shipments into the business system when a shipment count is properly completed.

e. On-Line Receiving. The store personnel, designated to key enter receipts, will reference the DIBS FDS On Line Functions Store Guide for on line receiving. The total case count for each shipment must be entered into the business system within 24 hours.

f. Discrepancies and Adjustments.

(1) When the designated store person key enters the result of the total case count of a pull number, there may or may not be a difference in the receiver's count and the FDS Pull Listing (856). Exceptions may be entered at average case cost or as a mixture of average case cost and specific item UPCs.

(a) Identified miss-picks, damaged cases, pallet modules and shippers will be credited at actual case cost and held at the store for shipment back to the distributor on the next delivery. The distributor must be notified within 48 hours of deliver, exclusive of weekends and holidays. Miss-picks which are authorized commissary items may be retained, at the discretion of the commissary. If the region and distributor agree, the store may be reimbursed for only those units in a case that are actually damaged.

(b) Overages and shortages will be credited at average case cost, except for pallet modules and shippers as noted above.

(2) A Report of Discrepancy (ROD) is created for each delivery based on the receipt information entered. An information EDI 812 ROD is transmitted even when there are no discrepancies in a shipment. The "Null" ROD informs the distributor that the delivery was received and that the case quantity received was equal to the case quantity shipped. Whether the EDI 812 contains discrepancies or is a null ROD, the ROD information is passed electronically, from the store file on the region mainframe computer, through the DeCA headquarters system to the distributor.

(3) The headquarters system receives an Electronic Data Interchange; EDI 997, acknowledgment, to indicate the distributor has received the ROD information from a particular store.

(4) The normal time between ROD notification and roll up is 7 days. However, FDS operating procedures permit distributors to challenge the ROD. If it is challenged within 7 days, ACS personnel will reset the number of days until roll up to 21 days.

(5) At the end of the ROD roll up period, which is normally 2 weeks, all RODs for the store that have matured (at greater than 7 days; or greater than 21 days, if challenged), the ACS will notify the distributor via a manual VCM. Then the financial transaction is entered into DIBS for processing. This portion of the ROD/VCM process will be fully automated after completion of the DIBS Y2K project.

g. Pre-Roll-Up Reconciliation Process EDI 867. At the end of the roll up period, ACS personnel initiate a pre-roll process on each store file. All EDI 856 shipment files must have been

completed prior to this time. The pre-roll data for each distributor is accumulated and sorted by the DIBS FDS program. A summary report of the total quantity of cases by case UPC and PIIN received during the roll up period is produced. This pre roll report is sent from the store DIBS file on the region mainframe computer, through the DeCA headquarters system via the EDI translator to the distributor, who must reconcile with the ACS.

(1) The distributor uses the 867-pre-roll report from DeCA for comparison against its own roll up information.

(2) The distributor will contact ACS personnel to resolve any difference between the 867-pre-roll report, and their own roll up information prior to sending it to the manufacturers.

h. Roll Up Process EDI 867. A roll-up is performed after the pre-roll reconciliation with the distributor. DIBS formats the final roll-up data into an 867 and sends it to the distributor. The distributor returns the 997 acknowledgement to the EDI translator and provides acknowledgment that the 867 was received. Distributors use their electronic copy of this final roll up as proof of delivery for resolving invoice/bill-paying problems with the manufacturer.

(1) The DIBS FDS Order Roll-Up process creates an automatic 31A receipt transaction for each distributor, by call number and PIIN, and stages this financial transaction in DIBS for the end-of-day processing.

(2) The process produces the FDS Roll-Up by Distributor Report, which lists the contracts and receipt amount that were rolled-up by PIIN.

i. DIBS FDS Payments. DIBS end-of-day passes an automated rolled up 31A by contract to Standard Automated Voucher Examination System (SAVES) for matching and payment by DFAS.

18-6. DIBS - DeCA ORDERING AND RECEIVING SYSTEM (DOORS).

a. When a container arrives at delivery location, the overseas ordering point (OOP) receivers will compare items/quantities physically present in the container against items/quantities shown on the requisition status update listing (RSUL) for that container. As necessary, OOP receivers will note item/quantity discrepancies and product damage on the RSUL, and the receivers will forward the annotated and signed RSUL to the OOP for processing in DIBS. Procedures contained in DeCAH 40-3 will be used for processing receipts.

b. Any data entry of discrepancies between item/quantity shipped, as shown on an RSUL, and item/quantity actually received, triggers automatic transmission of a Report of Discrepancy (ROD) to the ordering processing point (OPP)/overseas support section (OSS) in the Western/Pacific Region. Procedures contained in DeCAH 40-3 will be used for processing receipts.

c. Information listed on the RSUL is based on the 856-shipping file and the print sequence will be by container and by unit UPC code. OOP receiving personnel will receive the shipment by container annotating differences between quantity shipped and quantity received on the RSUL. Also, as a result of the food inspector review, discrepancies in product deterioration due to shelf life condition or damage will be annotated on the RSUL. Product damage will be documented on required veterinary inspection forms and photos will be taken of the product prior to removal from the shipping container. This documentation will be the basis for determining whether the product damage was due to improper packing by the distributor or mishandling by the carrier. All entries on the RSUL indicating discrepancies, such as shortages, overages, damage and/or short dated shelf life, will be validated and initialed by the receiving supervisor to verify such conditions existed.

d. Receiving Discrepancies. Discrepancies identified on the receiving report will be entered in DIBS Other Receiving as exceptions that will ultimately create a ROD. The ROD will identify discrepancies in shipment as described below and will produce a list containing the container number, pull number and seal number. DIBS-DOORS will send ROD information to the OPP/OSS and create a suspense ROD transaction. Within 1 workday of receipt from the OOP, the OPP/OSS will validate and forward the ROD to the distributor via the 812 electronic report of discrepancy transaction set for review. If the distributor does not dispute discrepancies identified on the ROD within 10 calendar days of receipt of the ROD, the OPP will close out the ROD. Occasionally, extra time is needed to resolve discrepancies. Upon mutual agreement, the original suspense date may be adjusted by an additional 30 calendar days. Once the review is completed, the distributors are notified by an EDI 812, the document identifier "REC" is created for the net overage or shortage for the PULL (order). Distributors are required to invoice DeCA when net overages in shipments occur, unless the distributor contract or MOU specifies delivery ticket invoicing. For additional guidance, see "DIBS-DOORS Desk Guide to Overseas Ordering Point (OOP)."