



DEPARTMENT OF DEFENSE
Defense Commissary Agency
Fort Lee, VA 23801-1800

MANUAL

Grocery Department Operations

DeCAM 40-5.1
May 11, 2012

Operations and Policy Directorate
OPR: DeCA/MPO

- 1. POLICY.** This Manual implements policies as defined in DeCA Directive (DeCAD) 40-5, "Grocery Department Operations" (Reference (a)) and is in compliance with references listed within this document.
- 2. PURPOSE.** This Manual provides detailed step-by-step procedures for carrying out the policy, assigns responsibilities, and provides guidance and procedures for operating all activities in Defense Commissary Agency (DeCA).
- 3. APPLICABILITY.** This Manual applies to DeCA activities.
- 4. MANAGEMENT CONTROL SYSTEM.** This Manual contains internal management control provisions that are subject to evaluation and testing as required by DeCAD 70-2, "Internal Control Program" (Reference (b)).
- 5. RELEASABILITY – UNLIMITED.** This Manual is approved for public release and is located on DeCA's Internet Web site at commissaries.com.
- 6. EFFECTIVE DATE.** This Manual is effective immediately.


Delbert L. Myrick
Director, Operations and Policy

REFERENCES

- (a) DeCAD 40-5.1, "Grocery Department Operation Manual," May 11, 2012
- (b) DeCA Directive 70-2, "Internal Control Program," December 17, 2007
- (c) DeCAH 40-23, "Central Distribution Center Procedures" June 5, 2007
- (d) DeCAD 70-6, "Financial Procedures for the Accounts Control Section and the Office of the Store Director" January 1999
- (e) DeCAH 40-3, "DeCA Interactive Business System and Overseas Ordering and Receiving System (DIBS-DOORS)" February 1, 1996
- (f) DeCAM 30-17.1, "Safety and Occupational Health Program Manual", February 2010
- (g) Food Code, U.S. Department of Health and Human Services, 2009
- (h) DeCAH 20-5, "Refrigeration, Heating, Ventilating and Air Conditioning Maintenance Checklist Handbook" February 27, 1998

TABLE OF CONTENTS

REFERENCES	2
Chapter 1 – Ordering	
1-1 Ordering	8
1-2 Computer Assisted Ordering (CAO) Overview	8
1-3 Contingency Plan For FDS Ordering	9
1-4 Supported Facilities.....	10
5 DeCA Generated Deleted and/or Dead Stock at Distributor Facilities.....	10
1-6 Direct Store Delivery Items (DSD).....	11
1-7 Direct Store Delivery Single (DSD-S) Order.....	11
1-8 Central Distribution Center (CDC) – DeCA Interactive Business System (DIBS)/DeCA Overseas Ordering and Receiving System (DOORS)	11
1-9 Off-Shore Acquired (OSA)	11
1-10 Special Orders	11
11 Meal, Ready-To-Eat (MRE) and/or Tailored Operational Training Meals (TOTM).....	12
Chapter 2 – Swell Allowance	
2-1 Swell Allowance Program	17
2-2 Swell Allowance Procedures.....	18
2-3 Procedures for Monitoring the Swell Allowance.....	18
Chapter 3 – Receiving	
3-1 Responsibility	22
3-2 Procedures.....	23
3-3 Direct Store Delivery (DSD)	24
3-4 Frequent Deliver System (FDS).....	25
3-5 Direct Store Delivery Single (DSD-S) Order.....	27
3-6 DIBS/DOORS.....	27
3-7 Receiving Spot Checks	27
Chapter 4 – Receiving Storage Handling Area Management	
4-1 Backroom Organization	32
4-2 Sales Floor Expansions into Backroom/Warehouse Space.....	32
4-3 Backroom/Storage Location Plan	34
Chapter 5 – Stock Management	
5-1 Authorized Stock List.....	35
5-2 Shelf Space Allocation.	35
5-3 Shelf Stocking.....	36
5-4 Management of Shelf Life Sensitive Foods	37
5-5 Night Stocking Visits.....	38
5-6 Vendor Stocking Control	38

5-7	Vendor Stocker Responsibilities.....	42
5-8	In-Stock Rate.....	44

Chapter 6 – Shelf Labels

6-1	Shelf Label Management.....	49
6-2	Placement of Labels.....	49
6-3	Deleted Items.....	50
6-4	New Items.....	50
6-5	Electronic Shelf Labels (ESL).....	50

Chapter 7 – Price Verification

7-1	General.....	51
7-2	COPPS Price Verify	51
7-3	Monthly Price Verification of Shelf Labels.....	51
7-4	Price Verification Procedures for OCOUNS and Alaska Stores Using DIBS-DOORS.....	52
7-5	Applying Price Change Batches.....	52

Chapter 8 – Freeze and Chill Section

8-1	Quality Control	54
8-2	Thaw and Sell Items.....	54
8-3	Equipment Checks	54
4	Daily Temperature Maintenance.....	54
	Refrigerated Trucks and Vans.....	54
8-6	Nonoperational Alarms	55

Chapter 9 – Sanitation

9-1	General.....	58
9-2	Sanitation Coordinator	58
9-3	Establishing a Reporting System	58
9-4	Self-Inspection Checklist.....	58
9-5	Cleaning Schedules	58
9-6	Outside Cleaning and Maintenance.....	59
9-7	Inspections by Medical Personnel	59
9-8	Personal Hygiene and Sanitation Guidelines for Product Demonstrations	59

Chapter 10 – Damaged/Distressed Merchandise

10-1	Damaged Merchandise Control Procedures.....	63
10-2	Coordination with MFI	63
10-3	Processing Damaged Merchandise.....	63
10-4	Damaged Cleaning Supplies	64
10-5	Distressed Merchandise.....	64
10-6	Documentation	64
10-7	Price Reductions.....	64
10-8	Displaying Marked-Down Merchandise.....	64

10-9	Mispicks.....	64
10-10	Disposal of Unsalable Product.....	65

Chapter 11 – Merchandise on Medical Hold

11-1	Responsibility	67
11-2	Monitoring	67
11-3	Isolated Area.....	67
11-4	Notification of Dispositions Instructions.....	67
11-5	Voluntary Recalls.....	67

Chapter 12 – Vendor Credit Memorandum (VCM)

12-1	VCM Policy	69
12-2	Accepting Payment for In-Store Demonstration (DEMO) Products and Supplies through POS System	69
12-3	Finalizing VCMs	70

Chapter 13 – Food Donation Program

13-1	General	71
13-2	Procedural Requirements	71

Chapter 14 – Prizes, Gifts, and Donations

14-1	Use of Allowance/Accrual Funds from Promotional Programs, Prizes, and Gifts.....	75
14-2	Promotional Contest.....	76

Chapter 15 – Promotional Program and Displays

15-1	Displays.....	82
15-2	Major Types of Displays.....	82
15-3	The Most Effective Display.....	83
15-4	Promotional Activities.....	83
15-5	Case Lot Sales.....	84
15-6	Guard/Reserve Sales.....	85
15-7	POS Materials.....	85
15-8	Advertising.....	86
15-9	Presentations Samples.....	86
15-10	In-Store Customer Demonstrations and Sampling.....	86

Chapter 16 – Tobacco

16-1	Background.....	88
16-2	Tobacco Product Selection	90
16-3	Tobacco Merchandising.....	90
16-4	Tobacco Storage and Stocking.....	90
16-5	Tobacco Pricing.....	91
16-6	Tobacco Price Changes.....	91

16-7	Tobacco Ordering and Receiving.....	94
16-8	Damaged/Distressed Tobacco Merchandise.....	102
16-9	Tobacco Promotions.....	104
16-10	Tobacco Transfers.....	105
16-11	Tobacco Vendor Credit Memorandum.....	106
16-12	Accounting for Exchanged-Owned Tobacco Products in DeCA Commissaries.....	106
16-13	Tobacco Inventories.....	110
16-14	Tobacco Reconciliation.....	111
16-15	Disposal of Damaged/Outdated Tobacco Products.....	113

FIGURES

Figure 1-1	Commissary Patron Special Order Form, DeCA Form 40-1.....	14
Figure 1-2	Order Form for TOTML/MRE.....	15
Figure 1-3	Time Temperature Indicator TL.....	16
Figure 2-1a	Frequently Asked Questions – Swell Allowance.....	19
Figure 2-1b	Frequently Asked Questions – Swell Allowance	20
Figure 3-1	Commissary Receiving Talley Register, DeCA Form 40-53	29
Figure 3-2	DDR FDS Receiving Form.....	30
Figure 3-3	Receiving Spot Check Log.....	31
Figure 5-1	Commissary File Maintenance Request, DeCA Form 40-116.....	45
Figure 5-2	Shelf Stocking Arrangement.....	46
Figure 5-3a	Vendor Stocker/DSD Information Sheet, DeCA Form 40-143, Page 1.....	47
Figure 5-3b	Vendor Stocker/DSD Information Sheet, DeCA Form 40-143, Page 2.....	48
Figure 8-1	Daily Temperature Maintenance Log, DeCA Form 40-9.....	56
Figure 8-2	Quality Standards Temperature Limits.....	57
Figure 9-1a	DeCA Self Inspection Food Hazard Control Checklist, Grocery Department, DeCA Form 40-85, Page 1.....	61
	Figure 9-1b DeCA Self Inspection Food Hazard Control Checklist, DeCA Form 40-85, Page 2	
	Grocery Department.....	62
Figure 10-1	Government Property Lost or Damaged (GPLD) Survey Certificate, DeCA Form 40-70.....	66
Figure 11-1	Recall Signage.....	68
Figure 13-1	Vendor Product Donation Authorization Form.....	73
Figure 13-2	Subsistence Request for Issue, Turn-in or Transfer, DeCA Form 70-20.....	74
Figure 14-1	Store Merchandising Contest Award Control Log, DeCA Form 40-279	77
Figure 14-2a	Promotional Allowance Scenarios.....	78
Figure 14-2b	Promotional Allowance Scenarios.....	79
Figure 14-2c	Promotional Allowance Scenarios.....	80
Figure 14-2d	Promotional Allowance Scenarios.....	81
Figure 16-1	AAFES Branch Requirements Edit Report.....	114
Figure 16-2	Truck Load List (TLL).....	115
Figure 16-3a	AAFES Manifest.....	116
Figure 16-3b	AAFES Manifest.....	117
Figure 16-4	Retail Price Voucher, AAFES Form 4350.....	118
Figure 16-5	Transfer Voucher, AAFES Form 7350.....	119
Figure 16-6	Charge Credit Voucher, AAFES Form 7250.....	120
Figure 16-7 a	Tobacco Document Log, Tobacco Form 11-01.....	121
Figure 16-7b	Tobacco Document Log, Tobacco Form 11-01.....	122

	PAGE
Figure 16-7c Tobacco Document Log, Tobacco Form 11-01.....	123
Figure 16-8 Tobacco Transmittal Batch Ticket.....	124
Figure 16-9 AAFES Transaction Code (TC) Report.....	125
Figure 16-10 Standard Certificate of Disposal, AAFES Form 6450	126

GLOSSARY

Acronyms	127
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CHAPTER 1

ORDERING

1-1. FREQUENT DELIVERY SYSTEM (FDS). The FDS program is a method by which merchandise from many manufacturers is ordered and delivered directly to the commissary by one or more distributors as designated by the manufacturer. Items are ordered directly from the distributor, rather than the individual manufacturer's sales representative, through Computer Assisted Ordering (CAO) or by manual orders. For non-CAO stores utilizing manual FDS ordering procedures, items to be ordered are scanned from bar coded shelf labels using radio frequency hand-held terminals (RF-HHT). Procedures for ordering using the RF-HHT can be found at OneNet, Systems, DIBS/CAO/WMS Users Manuals, Headquarters, Web DSD & FDS Materials, Teklogix FDS Manual (under Teklogix HHT User Manuals heading).

1-2. COMPUTER ASSISTED ORDERING (CAO) OVERVIEW.

a. DeCA's CAO is an automated order forecasting and generation system that utilizes historical sales data, item movement history, on-hand quantities, limited human intervention and other factors, and seeks to achieve Just-In-Time inventory management. The CAO system interfaces with the DeCA Interactive Business System (DIBS) and the point of sale system (POS) using item movement data to build FDS orders for transfer to DIBS. DIBS provides item records to the CAO module for all item adds, changes, or deletes in the store's stock assortment. New items designated as FDS are also added to the CAO module through DIBS. The item Universal Product Code (UPC) is the key element for accessing item records in CAO. Item records have a CAO ordering flag. All frequent delivery items (F coded) are eligible for CAO ordering. Items that are not eligible for CAO ordering or are not activated by a store are ordered through existing practices.

b. CAO separates normal replenishment ordering from promotional orders. Replenishment ordering uses a commissary's FDS delivery schedule, item due-in quantities, balances on hand (BOH), shelf max, and item sales history to produce recommended order quantities. Promotions have start dates and end dates, and within the range of those dates, the item consumption data normally is excluded from the demand and ordering calculations. This prevents an inflated consumption from affecting the demand calculated by CAO.

c. At the store, a CAO specialist (CAOS) follows a daily schedule of activities. Other personnel, as directed by store management, may also perform these activities. Before the store opens in the morning, the CAOS review and update the BOH quantities. This updated information is used to determine order replenishment quantities. The CAOS review the order and modify it, as needed, before sending the order to DIBS. Other CAOS duties include periodic BOH inventories by store section, maintenance of distributor ordering and facility schedules, reviewing various reports to identify items needing action, and promotion ordering.

d. A scheduler function activates various CAO automated processes at set times and frequencies. These can be maintained at a system level or for individual stores.

e. Each store will maintain a FDS delivery schedule file that contains information about each distributor's daily schedule for receiving orders from and shipping orders to the store. Based on the prescribed days and times in this file, DIBS automatically sends order batches to each distributor and reports, if late, orders (or no orders) were uploaded from the store for the distributor. The FDS delivery

schedule must be coordinated between the commissary and distributor and approved by the area director and Headquarters (HQ) DeCA Distribution/Transportation Division (LELD).

f. After orders have been transmitted, either by the automated window or manually, the manager on duty, quality assurance evaluator (QAE), or a designated individual will ensure an order confirmation report is printed for each order transmitted. If the report has not been received approximately 1 hour after the scheduled transmission time, contact the DeCA Enterprise Service Desk.

(1) Within 1 hour after receipt of the Order Confirmation Report, the designated individual will log onto OneNet/About Us/Business with DeCA/EDI (Electronic Data Interchange)/Order Status Search, key in pull number and verify the order(s) was transmitted via modem (look for date and time). If date and time are not indicated, contact the DeCA Enterprise Service Desk.

(2) If the order was transmitted with a date and time, verify the acknowledgment received by distributor (look for date and time). If no date and time is indicated, contact the distributor.

(3) If the distributor has not received the order within 1 hour of the distributor's established deadline, the contingency plan for ordering will be implemented.

(4) For commissaries with commercial activity (CA) contractor support, a copy of the order confirmation report will be provided to the CA contractor.

g. Detailed CAO instructions can be found on OneNet, Systems, DIBS/CAO/WMS User Manuals, Headquarters, CAO User Documentation.

1-3. CONTINGENCY PLAN FOR FDS ORDERING. The store director will develop a contingency plan for processing emergency orders to each distributor in case of a communications failure, which may result in failure of the order transmission.

a. The emergency order can be based on either of the following methods:

(1) An average case order will be kept at the distributor's warehouse. The average case order should be reviewed monthly to ensure it contains current authorized items and required quantities.

(2) A duplication of a previous day's order, which is preferable. Contact the distributor and ask them to resend/refill a prior day's order by providing them the pull number of the previously shipped order. Ensure the order is not a promotional order.

b. Once the order is shipped and received by the store, find out what pull number the distributor used when sending the contingency order and if the distributor sent an EDI 856. Some distributors are capable of creating a new pull number and sending an EDI 856 for the order shipped while others may not have this capability. It is important to find out what pull number they created, if any, and whether they created and sent an EDI 856.

c. Contact the DeCA Enterprise Service Desk and provide them all the information you have available such as the original pull number requested for the contingency order, the new pull number created by the distributor, and whether the distributor created an EDI 856 for the contingency order shipped.

d. Store personnel will follow up with the DeCA Enterprise Service Desk to ensure all contingency orders get processed and are closed in DIBS. They will attempt to build EDI 875 for each contingency order

based on the information received from the store and the distributor. Once an EDI 875 is built, DIBS will create a pull for that order.

(1) Once a DIBS pull is created, there is no need to wait for an EDI 856 from the distributor.

(2) After receipt of merchandise, store personnel must close the order once the pull is created in DIBS.

(3) Store personnel will check DIBS and cancel any DIBS pulls created the day of the event or missed order transmission that did not go to the distributor because the system was down. Pull order cancellations must be requested through and processed by the Resale Accounting Branch (RAB), BERCR. The RAB shall process cancellations as soon as possible to avoid under and over ordering.

(4) CAO stores must not do any shelf level or backroom item BOH adjustments during this time with the exception of salvage processing. All CAO orders will be inaccurate until the POS item movement is processed, all contingency orders have been processed, and all orders that did not go to the distributor are cancelled. Store personnel must carefully review CAO orders and make necessary adjustments.

1-4. SUPPORTED FACILITIES. Supported facilities (formerly known as branch stores or annexes) will initiate stock replenishment orders in accordance with (IAW) established parent store procedures.

1-5. DeCA GENERATED, DELETED, AND/OR DEAD STOCK AT DISTRIBUTOR FACILITIES.

a. Phase-out items will be coded "P" in DIBS for a 60 day period. The phase-out item will continue to be sold on the shelf. The stores will continue ordering the phase-out item until the distributor stops delivering the product or until a reset is accomplished with the new planogram. Once the item is in delete status, "D," the item cannot be ordered. Upon implementation of a new planogram, remove any remaining units from the shelf and sell off-the-shelf in the clearance corner area.

(1) CAO stores: If the item is out of stock at the distributor and remains "P" coded in DIBS, the CAO user must deactivate the item in CAO. If the item has been flagged for deletion in DIBS, the item will automatically be deactivated by the CAO system. Sell through residual stock, remove the item's label from the shelf, and re-allocate the shelf space. Residual stock may be sold from off-shelf locations.

(2) Non-CAO stores: Sell through residual stock, remove the item's label from the shelf, and re-allocate the shelf space. If ordering books are utilized, ensure the item's label is removed from the ordering book. Residual stock may be sold from off-shelf locations.

b. Commissaries will not place orders for phase-out/deleted items that have been removed from DIBS or their Requisition Order Report (ROR) unless they have been temporarily added back into DIBS by the Distribution/Transportation Division (LELD) as dead stock items.

(1) Requests to add deleted items that are no longer on a store's Catalog Master File (CMF) must be sent by the broker via e-mail to the appropriate Sales Directorate (MPS) category manager along with a written justification providing why the item did not move during the allotted 60 days. The request will be reviewed and forwarded to the corresponding buyer for approval. If the request is approved, the item(s) will be treated as dead stock and will be temporarily added to the appropriate store's CMF and the store notified. These items must be ordered within 30 days of reallocation.

(2) Dead stock requests must be submitted on DeCA Form 40-273 by the broker via e-mail to HQ Logistics Division (LELD). All dead stock items will be reduced by 50% via in-store Vendor Credit Memo. Store approval must be obtained prior to submitting request. If the request is approved, the item will be temporarily added to the appropriate store's CMF at the last submitted EDI price. Store(s) will be notified when file maintenance is complete. Dead stock items must be ordered within 30 days of reallocation.

c. Locally devised "One-Time Buy" forms for deals to clean out an item from a distributor are not authorized and will not be accepted at the RAB for payment to the manufacturer.

1-6. DIRECT STORE DELIVERY ITEMS (DSD). Commissaries do not order DSD items. DSD items are normally ordered and delivered by a local company on a daily basis or with enough frequency to be delivered directly to the store sales area with minimal or no backup stock.

1-7. DIRECT STORE DELIVERY-SINGLE (DSD-S) ORDER.

a. DSD-S is an ordering and receiving system for "S" type distribution items and all FDS items. Ordering is performed with the RF-HHT or in DIBS by scanning items from an order worksheet or by manually keying in the items to be ordered and the quantity. Random weight items are ordered by the case but received by the actual weight. A call number is automatically assigned to the order based on the month of the required delivery date.

b. Documentation and detailed procedures for DSD-S ordering can be found at OneNet, Systems, DIBS/CAO/WMS Users Manual, Headquarters, Web DSD-S Materials.

1-8. CENTRAL DISTRIBUTION CENTER (CDC) – DeCA INTERACTIVE BUSINESS SYSTEM (DIBS)/DeCA OVERSEAS ORDERING AND RECEIVING SYSTEM (DOORS). Refer to DeCAD 40-23 23, "Central Distribution Center Procedures," guidance (Reference (c)). DIBS/DOORS guidance can be found at OneNet, Systems, DIBS/CAO Users Manual, Headquarters, DOORS Functional Users Manual.

1-9. OFF-SHORE ACQUIRED (OSA). OSA items are items purchased from companies outside of the United States for overseas stores. The U.S. Congress requires commissaries to stock exclusively U.S. products. Overseas commissaries are allowed to purchase OSA merchandise, when necessary, due to shipping requirements, limited shelf life, local trade agreements, and/or availability. These items include, but are not limited to, fresh milk and dairy products, fresh bakery products, delicatessen (deli) products, and certain selected local products in high demand by commissary patrons.

1-10. SPECIAL ORDERS. The purpose of special orders is to allow patrons to order in bulk quantity without depleting display and stock availability for other patrons.

a. Accept orders for regularly stocked items.

b. In certain instances, special need diet items and baby formulas may be special ordered when coordinated through the Sales Directorate (MPS).

c. Record special orders on DeCA Form (DeCAF) 40-1, Commissary Patron Special Order Form, (Figure 1-1). Destroy DeCAF 40-1 after the patron has picked up the order.

d. DeCAF 40-1 will be used to annotate all actions taken to include order date, receipt date, customer notification of expected delivery, if the item is not in stock (NIS), or no longer available due to deletion or is not part of the store stock assortment.

e. Establish a locally devised system to track special orders from start to finish.

f. All special orders should be placed within one business day of receipt and notification made to the patron immediately upon delivery.

g. Special orders will be monitored to ensure receipt. The special order will be placed in a designated storage area for patron pickup.

h. Coordination with CAO Specialist may be required due to special ordering.

i. Publicize the special order service and provide the telephone numbers, advance notice requirements, etc.

1-11. DEFENSE SUPPLY CENTER PHILADELPHIA/DEFENSE LOGISTICS AGENCY (DSCP/DLA) MEAL, READY-TO-EAT (MRE) AND/OR TAILORED OPERATIONAL TRAINING MEALS (TOTM).

a. MREs are ordered from DSCP/DLA using a TOTM/MRE Rations Order Form, (Figure 1-2). The order must be faxed to (215) 737-7774.

b. Available rations and prices for MREs/TOTMS can be obtained via the internet at www.dscp.dla.mil/subs/rations/programs/index.asp. **A one percent surcharge will be added to the price received from DSCP.**

c. Upon receipt, MREs/TOTMs will receive a cursory evaluation for obvious damage or contamination that occurred during transportation. During the cursory evaluation the Time-Temperature Indicator (TTI) will be evaluated and any TTI finding of greater than Stage two will require notification of the supporting Medical Food Inspectors/DeCA Public Health Officials (Figure1-3).

d. At the time of receipt, of MRE's/TOTMs will be immediately placed in chilled storage if space is available. Chilled storage may extend the shelf life of the product up to 5 years dependent upon past storage conditions (TTI Stage). To minimize the need for surveillance inspections, stock levels will be kept to a minimum, not to exceed six months without public health approval. On the receiving document (government bill of lading) annotate the date the MREs/TOTMs are placed into chilled storage and the inspection test date (expiration date). Ensure all products are rotated using FIFO methods.

e. Stores will receive MREs/TOTMs on DD Form 250, Material Inspection and Receiving Report. The DD Form 1348-1A, Issue Release/Receipt document, which contains the correct price, should be included with each MRE shipment/order upon receipt at the store. MRE shipments will not always include a DD Form 1348-1A, but will include a government bill of lading. If no DD Form 1348-1A accompanies the MRE shipment, the store must contact DSCP at (215) 737-3688 or DSN 444-3688 and inquire if one is available. Stores receiving TOTMS may only receive a commercial bill of lading without an invoice. The store may fax a price request to DSCP at DSN 444-4155 or call (215) 737-2671 to determine the correct price.

f. After receipt and in-checking, the DD Form 1348-1A, and the bill of lading will be scanned by the management support clerk to the RAB for payment.

g. Stores may use a DeCA Form 70-109, Call Order Register-Manual Subsistence, or similar form to track orders and record lot numbers. DeCA Form 70-109, Call Order Register-Manual Subsistence, will be scanned to the RAB weekly.

h. MREs/TOTMS products will be labeled with the sell by date from the original case and have the inspection test date written on each individual packet with an indelible black marker before being available for individual sale. This will allow you to identify expired MREs/TOTMS which may be returned by the customer.

i. Customer refunds may not be given for MREs/TOTMS that were opened or have reached their expiration. Check the Time-Temperature Indicator (TTI) (Figure 1-3) on returned full cases of MREs. TTIs which have reached Stage 3, indicating storage at high temperatures, will not be accepted.

j. When the medical food inspector conducts inspections of MREs/TOTMS, samples will be destroyed as part of their inspection and menu bags will be rendered unsalable due to opening and resealing with tape. Ensure the Public Health officials provide a sample receipt for all opened and destroyed MREs/TOTMS. Forward the sample receipt to the RAB to have the product removed from the grocery department book inventory.

 COMMISSARY PATRON SPECIAL ORDER FORM <i>(For use of this form, see DeCAD 40-1; OPR is DO.)</i>		
COMMISSARY NAME		
<input type="checkbox"/> GROCERY DEPARTMENT <input type="checkbox"/> BAKERY	<input type="checkbox"/> MEAT DEPARTMENT <input type="checkbox"/> SEAFOOD DEPARTMENT	<input type="checkbox"/> PRODUCE DEPARTMENT <input type="checkbox"/> SPECIALTY SHOPS
<input type="checkbox"/> DELI		
ITEM DESCRIPTION	SIZE/THICKNESS	QUANTITY
DATE ITEMS NEEDED	PATRON'S NAME	PHONE NUMBER
EMAIL ADDRESS		
EMPLOYEE ACCEPTING ORDER	COMSY PHONE NUMBER	DATE

DeCA Form 40-1, Nov 2010 Supersedes DeCA 40-1, Jan 2000
 Top copy to Patron; Bottom copy retained by Commissary (Store remarks may be annotated on the back of Commissary Copy)

 COMMISSARY PATRON SPECIAL ORDER FORM <i>(For use of this form, see DeCAD 40-1; OPR is DO.)</i>		
COMMISSARY NAME		
<input type="checkbox"/> GROCERY DEPARTMENT <input type="checkbox"/> BAKERY	<input type="checkbox"/> MEAT DEPARTMENT <input type="checkbox"/> SEAFOOD DEPARTMENT	<input type="checkbox"/> PRODUCE DEPARTMENT <input type="checkbox"/> SPECIALTY SHOPS
<input type="checkbox"/> DELI		
ITEM DESCRIPTION	SIZE/THICKNESS	QUANTITY
DATE ITEMS NEEDED	PATRON'S NAME	PHONE NUMBER
EMAIL ADDRESS		
EMPLOYEE ACCEPTING ORDER	COMSY PHONE NUMBER	DATE

DeCA Form 40-1, Nov 2010 Supersedes DeCA 40-1, Jan 2000
 Top copy to Patron; Bottom copy retained by Commissary (Store remarks may be annotated on the back of Commissary Copy)

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

Order Form for TOTM/MRE Rations

- Scan and e-mail form to:
TOTMs: lorraine.zuchowski@dla.mil
MREs: deborah.sinno@dla.mil
- Or alternatively fax to 215-737-7774 or 215-737-2988, Attention: TOTMs or MREs, as applicable.

<i>Information</i>	<i>Key in Data on this side</i>
Store DoDAAC:	
14 Digit Document Identifier Number (includes your store's DoDAAC (HQ), Julian Date and Serial Number*):	
Store Name:	
Store Address (Street or Building):	
City/State and Zip Code:	
Store POC and Commercial Phone:	
Stock Number of TOTM/MRE Rations to be ordered:	
Number of Cases of the Above Stock Number to be Ordered:	
Two Digit Fund Code**:	
Req. Del. Date in Julian Date Format: (This will be 10 business days after the Order Date):	

* The 5 digit serial number is created by each store. DLA recommends using “MRE” or “TOT” as the first 3 digits, then 2 numbers, continuing in sequence. For example, the serial number for your first order could be MRE01; second order TOT02; third order MRE03; etc.

** The 2 digit fund code is the “MATCAT” letter and the “SUP DIV” letter on the Voucher Register and General Control (VRGC).

For example, the VRGC shows: MATCAT: **B** SUP DIV: **Y** The 2 digit fund code would be “BY”

MRE NSN: 8970-00-149-1094

TOTM NSNs:
8970-01-E10-0238
8970-01-E10-0239
8970-01-E10-0240

Customer Service Phone Numbers: 215-737-3688/2671

**TOTM/MRE Rations Order Form
Figure 1-2**

Change 1, Appendix A
DPSCH 4155.2

Typical Stages in the Life of a Time-Temperature Indicator (TTI)

1. Stage 1: TTI as applied to the ration



2. Stage 2: Inner circle darkened slightly



3. Stage 3: Inner circle as dark as outer ring



4. Stage 4: Inner circle darker than outer ring



The darkening of the inner circle is dependent on the time and temperatures of storage. The rate of darkening or the temperature sensitivity can be selected to reflect an appropriate end point. For this demonstration, the inner circle of the TTI should be as dark as the outer reference ring after storage equivalent to three years at 80F.

7a

Time-Temperature Indicator
Figure 1-3

CHAPTER 2

SWELL ALLOWANCE

2-1. SWELL ALLOWANCE PROGRAM. This program is designed to reduce the number of unsalable vendor credit memorandums (VCM) written at the commissaries. Unsalable are products no longer fit for sale, e.g., out-dated merchandise, leaky containers, etc.

a. DeCA's swell allowance program eliminates most brand name resale VCMs written for unsalable products. Only those vendors that have written VCMs to DeCA previously, for unsalables, are asked to participate in this program. By doing so, the manufacturer agrees to convert dollars of VCMs into a mutually agreed upon percentage that will automatically be deducted from each delivery ticket invoice (DTI) payment. Products received as DSD items (generally items such as bread, chips, and sodas) are not part of this program. The swell allowance program is not part of DeCA's price recoup (1 percent) program which is used to cover unidentifiable losses such as theft and breakage by patrons and is not collectable from DeCA vendors.

b. The swell allowance program frees up both store personnel and Industry partners by automating what is currently a labor-intensive, manual process. This change permits both parties to concentrate their valuable time to better serve our patrons, operate the store more efficiently, effectively, and ultimately increase sales. This program has significantly reduced the annual requirement by participating companies to process unsalable VCMs at all commissaries and DeCA's accounting offices.

c. Items not covered under the swell program are:

- (1) Manufacturer and DeCA deletes
- (2) Guaranteed Sales such as holiday items that do not sell and are not unsalable; items that do not sell within a specific period of time, such as holiday or seasonal items; or regular and promotional items that are under a specific buy-back agreement
- (3) Report of Discrepancy (ROD)
- (4) Promotions/truckload sale items
- (5) ALFOODACT/voluntary recalls
- (6) Price reductions--items voluntarily by the vendor in order to promote the sale of products or short dated/distressed items reduced for quick sale
- (7) Direct Store Deliveries
- (8) Returned merchandise – products in good condition voluntarily returned to the vendor at their request and/or items donated by a vendor to other qualified organizations
- (9) Distributor shortages, damages, mispicks, and etc.
- (10) Products for demonstrations
- (11) Commercial activities contractor damages

- d. Frequently asked questions about the swell allowance program are in Figure 2-1a and 2-1b.

2-2. SWELL ALLOWANCE PROCEDURES.

- a. The vendor will meet with DeCA's swell allowance program manager and propose a percentage for the swell allowance based on their research of monies paid for VCMs on unsalable products over a minimum of 1 year.

- b. The swell allowance program manager either agrees with the percentage based on DeCA's VCM history over the same time period or negotiates with the vendor for an acceptable percentage. The percentage may be the same as determined by DeCA or the proposed percentage may be higher. The percentage accepted cannot be below DeCA's VCM historical percentage unless there is documented proof of a change in the products carried, i.e., line of products has been dropped from the contract.

- c. Once the swell percentage is agreed upon by the vendor and the swell allowance program manager, a modification will be made to the appropriate contract. The percentage to be deducted from each payment will be effective on the 1st or 16th of the month agreed upon. The program manager will send an updated vendor list as new vendors are added to the swell program to each area director.

- d. Each store stocking items on the swell program receives a monthly credit from each vendor. Example: Company A and DeCA agree to a 3.25 percent for a specific contract/vendor number. Store Z had \$5600 in product delivered in May for that contract. Store Z will be automatically credited \$182 for May. The credit is applied even if the store had zero dollars in salvage during that month.

- e. Monthly reports are generated via Standard Automated Voucher Examination System/Accounting and Inventory Management System (SAVES/AIMS) for the actual dollar amounts credited back to the store as a result of the swell allowance deductions.

2-3. PROCEDURES FOR MONITORING THE SWELL ALLOWANCE.

- a. Print a current copy of the vendors participating in the swell program. The list of participating vendors is available in Public Folders, Store Library, Swell Allowance Program, Information. The list has the vendor name, vendor number, and contract number.

- b. Print a copy of each vendor contract applicable to this program. Many vendors have more than one contract in place and may not have activated all contracts on the swell allowance program.

- c. Place a copy of each vendor's active contract on the swell allowance program in a folder accessible by store personnel processing salvage. This folder will assist in eliminating guess work regarding which items are covered under the swell allowance program.

- d. Print the current inventory adjustment for your commissary. The adjusted inventory amount is accessible in Public Folders, Store Library, Swell Allowance Program, Inventory Adjustments.

- e. Compare the swell dollar amount to the 82E entry on the Voucher Register General Control (VRGC). If there are any differences, contact the swell allowance program manager.

FREQUENTLY ASKED QUESTIONS (FAQ) ABOUT THE SWELL ALLOWANCE PROGRAM

Question 1 - Which companies are on the Swell Allowance Program?

Answer - The list of companies participating in the Swell Allowance Program can be located in Public Folders, Store Library, Swell Allowance Program, and Information.

Question 2 - How do I know which items are covered under the swell allowance program?

Answer - A Requisition Order Report (ROR) can be generated from DIBS to list all items on any contract identified as being on the swell allowance program.

Question 3 - Where can I find how much my store received for swell allowances?

Answer - A monthly listing of all inventory adjustments generated for swell allowances is located in Public Folders, Store Library, Swell Allowance Program, and Inventory Adjustments.

Question 4 - How do I know which block numbers are for swell allowance inventory adjustments?

Answer - The block numbers for swell allowance inventory adjustments are:

Grocery - *Y8 and *Y9
Meat - *R8 and *R9
Produce - *58 and *59

NOTE: The * represents the month code.

These block numbers can also be found in Public Folders, Store Library, Swell Allowance Program, and Information.

Question 5 - If an item on a swell allowance comes in damaged or expired from a distributor, can I still get credit from the distributor?

Answer - Swell allowances do not cover distributor damages, shortages, or expired item. The distributor is responsible for them.

Question 6 - If an item on a swell allowance expires, can I still get credit from the vendor?

Answer - Items received with an acceptable shelf life that subsequently expire are covered in the swell allowance. Your store could benefit by having a good line of communication with the sales representative responsible for these items to ensure all measures are taken to prevent items from expiring.

Question 7 - If DeCA deletes an item, is it covered under the swell program?

Answer - DeCA deletes are not covered in the Swell Allowance Program.

FAQ ABOUT THE SWELL ALLOWANCE PROGRAM

Figure 2-1a

Question 8 - If a manufacturer deletes an item, is it covered under the swell allowance program?

Answer - Manufacturers are responsible for crediting the stores with a vendor credit memorandum for manufacturer deletes.

Question 9 - Are seasonal items covered under the Swell Allowance Program?

Answer - Items such as seasonal and holidays are exceptions in the Swell Allowance Program. Manufacturers are responsible for crediting the stores with a vendor credit memorandum for unsalable and unsold holiday or seasonal items.

Question 10 - Does the swell allowance cover short-dated products that need to be reduced for quick sale?

Answer - Reducing a short-dated item for quick sale is considered a price reduction and is not an unsalable. Therefore, short-dated items being reduced for quick sale are an exception to the Swell Allowance Program. Manufacturers are responsible for crediting the stores with a vendor credit memorandum for price reductions. As mentioned above, your store could benefit by having a good line of communication with the sales representative responsible for these items to ensure all measures are taken to prevent items from expiring.

Question 11 - Does the swell allowance cover vendor stocked items that are not being properly stocked or rotated?

Answer - This falls under the swell allowance program, however, the problem should be addressed through the store's and/or sales representative's chain of command.

Question 12 - What are the exceptions to the swell allowance program?

Answer

a. Price reductions – items reduced voluntarily by the vendor in order to promote the sale of products or short dated/distressed items reduced for quick sale

b. Returned merchandise – products in good condition voluntarily returned to the vendor at their request and/or items donated by a vendor to qualified organizations

c. Guaranteed sale items – items under a buy-back agreement, that are not unsalable, and that do not sell within a specific period of time, such as holiday or seasonal items, or regular and promotional items that are under a specific buy-back agreement.

d. Voluntary recalls/ALFOODACT

e. Distributor shortages, damages, mispicks, etc.

- f. Products for demonstrations
- g. Manufacturer and DeCA deletes
- h. Direct store delivery items
- i. Commercial activities contractor damages
- j. Routine salvage such as customer or employee damage

CHAPTER 3

RECEIVING

3-1. RESPONSIBILITY.

a. Store directors will:

(1) Designate, in writing, personnel authorized to perform receiving functions by department. The same person will not order and receive the same merchandise unless approval for an exception is granted from the area director approves a deviation.

(2) Develop operating instructions ensuring personnel are thoroughly instructed and trained in receiving procedures.

(3) Rotate receivers at least quarterly. The area director may approve deviations.

(4) Establish procedures, in writing, for conducting random spot checks to include management personnel assigned to conduct checks, the frequency of checks, and the method by which checks will be conducted and documented. See paragraph 3-7 for more information on receiving spot checks.

b. Receivers will:

(1) Not receive merchandise for orders they have placed; however, departments with a one or two person operation may be exempt with the concurrence of the area director.

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

(a) Vendor delivery tickets

(b) Requisition and Invoice/Shipping Document, DD Form 1149

(c) Requisition Order Report (ROR)

(d) RF-HHT

(e) Line-item receipt count

(f) Total case count

(g) Distributor Discrepancy Rate (DDR) (Pallet count)

(h) Statistical receiving

(i) CDC Price Extended List (PEL) or Requisition Status Update List (RSUL)

c. Receivers will practice safe lifting procedures and use material handling equipment (MHE, 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 with commercial activities (CA) receiving/storage/handling area (RSHA) contracts, contractors are responsible for all aspects of the receiving process for FDS deliveries with the exception of the duties associated with store receivers. As such, compliance with the requirements of the performance work statements (PWS) is required, to ensure there is no interference with the contractor's work efforts. CA contractors are responsible for handling FDS deliveries only.

3-2. PROCEDURES.

a. All deliveries will be received by designated department personnel. Stores will establish receiving hours and post them in all receiving areas. For FDS deliveries, receiving hours by distributor are specified within CA contracts. Changes to the established receiving hours shall be coordinated with distributors, posted in all receiving areas, and to the CA contracts, as they occur.

b. Store management and receiving personnel will attempt to have a medical food inspector (MFI) present at deliveries to perform inspections to determine compliance with contract requirements, sanitation, wholesomeness, and quality. Perishable items will be accepted and paperwork annotated "accepted pending MFI inspection" if MFI is not present at time of delivery.

c. At all commissaries and CDCs, receiving personnel will break the seal on the delivery containers. The CA contractor, where applicable, or store personnel will offload FDS deliveries made to the commissary. Exceptions may exist where the delivery driver is only required contractually to move the items to the tailgate of a vehicle. In this case, commissary or contractor personnel would be required to off-load the delivery vehicle. Safety procedures for off-loading vehicles are described in Safety and Occupational Health Program Manual, DeCAM 30-17.1 (Reference (f)).

d. Temperatures will be checked on perishable items at the time of receipt. Allowable temperature limits for perishable products can be found at www.commissaries.com, About Us, Business with DeCA, Resale/Grocery Products & Services/ Brand Name Resale Products/Brand Name Resale Ordering Agreement. Timely processing of perishable items is required and product must be moved to applicable storage locations within 15 minutes of receipt.

e. Receiving personnel will review the delivery document prior to receiving to ensure all required information is entered and maintain possession of the delivery document throughout the receiving process. The delivery documents must contain the following information and must be clear and legible prior to receiving the shipment. Information required for OSA contracts will be provided or detailed in the contract and may also includes:

- (1) Contract number/procurement instrument identification number (PIIN)
- (2) Store Department of Defense Activity Address Code (DODAAC)
- (3) Call number or pull number (CDCs)
- (4) Quantities
- (5) UPC
- (6) Nomenclature
- (7) Case pack or unit of issue

(8) Unit price

(9) Total dollar value of receipt

f. Assign a tally number and record the receipt on DeCAF 40-53, Commissary Receiving Tally Register (Figure 3-1). Secure all receiving documents in a locked box/container until they are taken to the Office of the Store Director (SDO).

g. For FDS deliveries to commissaries with CA contracts, the DeCAF 70-118, Daily RSHA Report and DeCAF 70-119, Monthly RSHA Report, shall also be completed by store personnel. The monthly report requires daily initials of the contractor project manager.

h. For commissaries without CA contracts, ensure personnel are available to move products promptly to their appropriate holding/storage area after receiving is complete to preclude unnecessary product deterioration. For commissaries with CA contract support, contractors are required to transport perishable items to their respective storage locations within 15 minutes of government receipt.

i. Any discrepancies shall be brought to the attention of the company for resolution. For deliveries other than FDS, the correct product UPC is mandatory. If item UPCs are incorrect or are not authorized on the commissary's catalog master file, the product must not be received.

j. Merchandise delivered via commercial parcel service, over the road carriers, United States Postal Service, and OSA will be accepted with delivery tickets indicating case totals. Merchandise will be received using appropriate receiving procedures. For overseas commissaries, OSA delivery tickets with only case or unit totals are acceptable.

k. 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, management will be notified, and necessary actions will be taken to return the merchandise. This is not applicable to overseas non-United States territories.

3-3. DIRECT STORE DELIVER (DSD). For each DSD delivery, store receiving personnel will:

a. Review the delivery document prior to physically receiving to ensure all required information is entered. Receivers will maintain possession of the order form/delivery document throughout the receiving 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 should also include:

(1) Contract number/PIIN

(2) Store DODAAC

(3) Call number or pull number (outside the continental United States (OCONUS) CDCs)

(4) Quantities

(5) UPC

(6) Nomenclature

- (7) Case pack
- (8) Unit price
- (9) Total dollar value of receipt

b. Scan each item using the RF-HHT 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 discrepancies. As soon as possible, call MPS file maintenance section for verification of prices. If DIBS have the wrong price, ask the file maintenance clerk when the change will be corrected in DIBS and note the name of the person contacted and date of the phone call. The management support personnel will change the POS system price to the price that MPS provided as 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 annotate the necessary corrections.

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

(3) Both the driver and receiver must sign the DSD receipt document to verify agreement of products delivered and record shortages/returns.

d. Documentation and guidance can be found at OneNet, Systems, DIBS/CAO User Manual, Headquarters, Web/RF DSD & FDS.

3-4. FREQUENT DELIVERY SYSTEM (FDS).

a. 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. The merchandise delivered will be in-checked by 100 percent blind-count method, statistical in-checking, or DDR procedures.

(2) For the 100 percent blind-count method, receivers will count all cases on each pallet. Any noted discrepancies will be properly annotated on the delivery documents. The FDS pull listing 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/lead will ensure receivers do not have access to delivery tickets while counting a shipment.

(3) For those stores using statistical in-checking, 15 percent of the total delivery will be checked. Randomly select pallets to be checked and record results on the statistical receiving log.

(4) DDR streamlines the receiving process, eliminates waste, and increases efficiency. The DDR receiving process requires only a total count validation of pallets validated against distributors' paperwork. Each distributor will have a unique quarterly DDR rate.

(a) Mispicks will be handled on an exception basis along with damages, expired, and short-dated products.

(b) DDR distributors are given priority for off-loading as long as the distributor meets the designated delivery window. If not within the established delivery window, trucks will be received on a first come first served basis.

(c) Utilize DDR FDS Receiving Trailer Verification Form (Figure 3-2) to receive each delivery.

b. Driver Duties: After all pallets have been counted, the driver may leave, or if desired by the distributor, stay for the duration of the receiving process. However, driver participation shall in no way interfere with the receiving process of the CA contractor in commissaries with CA contracts. If the driver stays for the case count, he/she should sign acknowledging agreement with the total case count.

c. Document Handling: Record what was actually received on the receiving document. If the driver was in attendance for the count, obtain the driver's signature to verify the discrepancy (this does not apply to overseas shipments from CDCs to commissaries, except in Guam). The receiver signs and dates all copies of the delivery documents retaining the original and one copy of the document. Secure all shipping and receiving documents in a locked box/container until they are taken to the management support clerk.

d. On-Line Receiving: The total case count for each shipment must be entered into the business system at the beginning of each business day to ensure CAO orders reflect proper BOH for order building. Store personnel designated to process receipts will reference the DIBS FDS On-Line Functions Store Guide for on-line receiving, found at OneNet, Systems, DIBS/CAO/WMS Users Manual, Headquarters, FDS Functions Manual.

e. Discrepancies and Adjustments: When the designated store person processes 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 UPC/Global Trade Identification Number (GTIN).

(1) Identified mispicks, damaged cases, expired or short-dated cases, pallet modules, and shippers will be credited at actual case cost. The distributor must be notified within timeframes specified by the distributor agreement, exclusive of weekends and holidays. Items to be returned will be held at the store for shipment back to the distributor, per specified agreement. Mispicks which are authorized commissary items will be retained. If the area director and distributor agree, the store may be reimbursed for only those units in a case that are damaged.

(2) Overages and shortages will be credited at average case cost of that delivery's invoice.

(3) For FDS Receiving/Report of Discrepancy (ROD) procedures, see DeCAD 70-6, Financial Procedures for the Accounts Control Section and the Office of the Commissary Officer (Reference (d)).

3-5. DIRECT STORE DELIVERY-SINGLE (DSD-S) ORDER. The ordering and receiving process for DSD-S type contracts requires a call number. The call number is automatically assigned based on the month of the required delivery date. Line-item receiving will normally be accomplished with a RF-HHT. Random weight items are ordered by the case but received by the actual weight. Store receiving personnel will off load all DSD-S deliveries (unless CA RSHA is in place). Documentation and guidance for this program can be found at OneNet, Systems, DIBS/CAO/WMS User Manual, HQ/Web/RF DSDS, or in Public Folders, Store Library, DIBS, Training.

3-6. DIBS/DOORS.

a. When containers arrive at the delivery location, the overseas ordering point (OOP) receivers will compare items/quantities physically present in the container against items/quantities shown on the 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 office for processing in DIBS. If an order has more than one container, the order cannot be closed until all containers are received and closed.

b. Information listed on the RSUL is based on the EDI 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. Discrepancies in product deterioration due to shelf life condition or damage found during the food inspection process 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 short dated shelf life, will be validated and initialed by the receiving supervisor to verify that such conditions exist.

c. Discrepancies identified on the receiving report will be entered in DIBS. DIBS will automatically create a ROD for other receiving exceptions. The ROD will identify discrepancies in shipment, as described herein, and will produce a list containing the container number, pull number, and seal number. DIBS-DOORS will send ROD information to the overseas processing point (OPP)/overseas support section (OSS) and create a suspense ROD transaction. Within 1 workday of receipt, the OPP/OSS will validate and forward the ROD to the distributor via the EDI 812 electronic ROD transactions 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 and 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 memorandum of understanding specifies delivery ticket invoicing. Procedures contained in DeCA Handbook (DeCAH) 40-3 Interactive Business System, Overseas Ordering and Receiving System (DIBS-DOORS) (Reference (e)) will be used for processing receipts.

3-7. RECEIVING SPOT CHECKS.

a. Management will conduct no-notice spot checks of 10 percent of all receipts monthly, e.g., DSD, DSD-S, FDS, and OSA.

b. The manager conducting the spot check will countersign the receiving document and annotate the delivery was spot checked.

c. Annotate the results of the spot check on the Receiving Spot Check Log (Figure 3-3). The log will be kept on file for 1 year.

DDR FDS RECEIVING
TRAILER VERIFICATION FORM
(XXXXXX) COMMISSARY

DATE: _____ **RECEIVERS NAME:** _____

Distributor's Name _____	Total Cases received: DRY _____
	CHILL _____ FROZEN _____
Seal Number: _____	
Pull Number(s): _____ / _____ / _____	
Pull Number(s): _____ / _____ / _____	
Truck Arrival Time: _____ Start time: _____	
Truck Departure Time: _____ Stop time: _____	
Product Type: (circle applicable load) DRY CHILL FROZEN	
Number of Pallets _____	Number of Forklift operators offloading truck _____
Reseal trailer due to second destination (circle one) YES NO	
(if yes) Seal Number _____	
MAKE COPY OF THIS FORM AND GIVE TO DRIVER FOR NEXT DESTINATION	
Missing pallets or assignments (circle one) YES NO	
(if yes) Assignment Number(s): _____ / _____ / _____	
Number of Cases Missing: _____	
Receiver Comments:	
Did load shift? (circle one) YES NO	
Any visible Damage present (circle one): YES NO	If yes, how many cases _____
Administrative Section:	
Will a off-line VCM be issued (circle one) YES NO	
Any additional comments:	

Revised August 25, 2008

DDR FDS Receiving Form
Figure 3-2

CHAPTER 4

RECEIVING/STORAGE/HOLDING AREA (RSHA) MANAGEMENT

4-1. RSHA ORGANIZATION. Whether managed by in-store personnel or managed jointly with contract workers, the backroom will be neat, clean, and well organized at all times. A structured backroom will reduce the number of items that are not in stock (NIS) through increased inventory control and visibility of stock on hand. It can also significantly reduce in-store labor especially in the ongoing CAO maintenance arena.

4-2. RSHA LOCATION PLAN. Stores will establish and maintain a backroom/storage/holding area location plan. If the store has contractor managed shelf stocking and/or RSHA services, the storage location plan shall be provided to the contractor. The following is a list of recommended designated areas and may not apply to all stores:

a. Promotional Items: Cases ordered to support promotional events to include case lot, truck load, seasonal and club pack promotional items. This product is generally identified by a manually or electronically generated pull sheet. Generally, if the store has contractor-managed RSHA services, the contractor is required to segregate this merchandise, stack it neatly, and move it to a designated area, but is not required to sort it in any way.

b. Mispicks: Cases that were not ordered but were shipped to the store by the distributor or other supplier. Cases delivered in error to the store that are on the store's standard stocking list are generally not considered mispicks and are stored in the RSHA area until pulled to be stocked.

c. DSD Damaged Merchandise: Damaged or expired DSD items.

d. DSD: Items ordered and, in most instances, stocked by local route delivery persons; e.g., salty snacks, cookies, sodas, bread, and pre-packaged baked goods. Generally, contract stockers do not handle this merchandise unless specifically directed by store staff. There should be very minimal product stored in this area.

e. Vendor Stocked Items: Generally, if the store has contractor-managed RSHA services, the contractor is required to segregate this merchandise, stack it neatly, and move it to a designated area, but is not required to sort it in any way.

f. New Items: Items that have been received from FDS distributors that have not yet been given space allocation. In most cases, store staff will put these cases in their appropriate space on the shelf. For CAO stores, this process will be coordinated with CAO personnel to maintain CAO integrity. Generally, if the store has contractor-managed RSHA services, the contractor is required to segregate this merchandise, stack it neatly, and move it to a designated area, but is not required to sort it in any way.

g. Special Orders: Items specifically ordered for a customer. This product is generally identified by a manually or electronically generated pull sheet. Place the items in a designated area.

h. Cases to be stocked (also called the Segregation Area or Staging Area). Cases that have just arrived and the contractor or store staff will be stocking over the next 24 hours. For commissaries with CA contracts, the contractor may arrange this area by aisle/commodity. Maintain sufficient space between product rows to enable access by stocking carts.

i. Contractor Cases to be Stocked on Future Days (also called Multi-Day Deliveries): FDS multi-day deliveries contain cases of contractor-stocked merchandise to support more than 1 day's replenishment stocking to include slower moving products distributed under the Upstream Program. Cases in this area are generally intended for stocking within the next 2 to 7 days.

j. Overwrites: This storage location applies specifically to commissaries with CA contractor shelf support. Cases the government has ordered from FDS distributors for replenishment stocking during the current stocking shift and the contractor has moved to the sales floor to stock but which the contractor cannot stock in shelf space available in item allocations. This area may include storage of half cases remaining as defined in the PWS, if applicable. Merchandise designated as an overwrite remains an overwrite until it is stocked to the shelf. The overwrite area shall be arranged by aisle and section on pallets or carts as determined by the Store Director. Refer to the current PWS for details.

k. Stored Items (also called Safety Stock or Never Outs): Stored items are specifically assigned by line item by the Store Director until such time as the cases are needed for replenishment stocking. Generally includes operating supply items, residual stock from displays, and semi-perishable items. In the case of semi-perishables, these cases usually consist of fast moving items for which the commissary purposely carries extra stock because they require routine replenishment during the day since the sales shelves cannot hold sufficient quantities to last an entire sales day. This typically includes bulky paper products, water, and WIC items and may be contractor and non-contractor stocked items.

l. Back-stock (includes Residual Inventory): This storage location applies to commissaries without CA contractor support in the RSHA and it includes cases of semi-perishable products that exceed current store demand or are standard store items that were shipped in error from the distributor. Product in this area should be organized, by aisle, to expedite shelf stocking. (Refer to the current PWS as this may or may not be a requirement) All items in this area should be stocked as soon as practical.

m. Promotional Residual (Stored Merchandise): Items that come off end caps or mass display areas at the end of the promotional period usually in case quantities or cases scheduled for displays that were never stocked. Smaller quantities of residual displays should be moved from this area and integrated into the back-stock area. This area is recommended for stores without CA, RSHA support.

n. Unsalable/Salvage: Items that are damaged, including glass or plastic jars/bottles that are cracked, chipped, crushed, or broken; bags or boxes that are cut, crushed, or broken; cans that are rusted, have swollen or popped lids, have dents on seams, or have been dented to the point the can is creased, items without a label and items that show signs of insect or rodent infestation.

o. Medical Hold/Recalls: Hazardous food recalls issued by the U.S. Food and Drug Administration (FDA), U.S. Department of Agriculture, other government agencies, or manufacturers. This area is quite often a locked room or other controllable area away from the backroom in order to preclude accidental stocking. As an extra precaution, merchandise should be conspicuously marked.

p. Powered Industrial Trucks (PIT) also known as Material Handling Equipment (MHE) area: Items stored in this area include forklifts, powered pallet jacks, etc. The area also usually includes space for battery charging and for storage of manual pallet jacks.

q. Stocking Carts: Carts are used to transfer product and supplies where needed.

r. Supplies: Products needed for the day to day operation of the store; e.g. paper bags and meat trays.

s. Secured Sensitive Storage Area: Secured area for storage of high dollar or easily pilfered items such as razor blades, razors, tobacco, vitamins, batteries, health and beauty care, etc.

t. Miscellaneous: Items such as cardboard bales, empty pallets, etc., should have an appropriate area designated for storage until removal from the store.

u. Contractor Storage Area: For commissaries with a CA contract, the contractor shall be provided with an area where they can store equipment and operating supplies needed to perform work under the contract. This area will be securable; however, the Contractor shall be responsible for maintaining the security of the area.

4-3. SALES FLOOR EXPANSIONS INTO BACKROOM WAREHOUSE SPACE.

a. All expansion projects must be approved by DeCA HQ. The store director must submit a project request, through their zone manager, to the area director. The request must include a drawing detailing the size of the area to be used, the purpose of the area, cost of enclosing the area, and justification for the expansion. Existing and future expansion areas shall be considered as sales area square footage for store modeling and sales competition purposes. Consideration for use of backroom warehouse space will include any adverse impact to HVAC systems and potential increased utility or maintenance costs caused by continuously open warehouse doors.

b. Area directors will maintain a list of stores approved for expansion projects.

(1) Stores with existing areas in the warehouse/backroom will ensure the area is divided with aesthetically pleasing dividers at least 6 feet tall to give the impression of a self contained room. The area must meet local fire safety codes for emergency exit purposes.

(2) The expanded sales floor area must be clearly marked to draw customers' attention to the area.

(3) When a store has an entire store reset, the expansion into the warehouse area must be re-evaluated.

CHAPTER 5

STOCK MANAGEMENT

5-1. AUTHORIZED STOCK LIST. Authorized items for stocking in DeCA commissaries will be based on store size as determined by the Sales Directorate (MPS). Allocation of items by store size and commodity will be appropriately coded in DIBS.

a. Each commissary is categorized as an overall store class based on its sales volume and baseline display capacity. There are five such classes. Class 5 represents commissaries with the greatest product assortment and Class 1 with the least.

(1) All items on the authorized stock list are coded as noted below:

K = National brand item carried in all stores in every area
M = National brand item not carried in all areas
R = Area items carried in selected stores
S = Optional store unique/local items
O = Holiday/seasonal/club packs/one-time buys
T = Test or temporary items
P = Items being phased out
H = Seasonal items
D = Deleted items

(2) Additions and deletions to the authorized stock list are accomplished on a continuous basis through routine new items presentations, monthly commodity reviews, and formal category reviews by MPS.

(a) Items within a store class requiring reallocation can be submitted to MPS on the Commissary File Maintenance Request, DeCAF 40-116 (Figure 5-1).

(b) Item add requests for items outside store class may be added IAW area policy and procedures.

b. Area directors for the Far East and Europe may adjust the authorized stock list to include OSA items.

5-2. SHELF SPACE ALLOCATION. Space allocation for products in a category is controlled by facing strength. Space allocation is a continuous process. Each category should be reviewed on a regular basis as product movement is affected by a host of factors such as product mix, demographics, special pricing, sales volume, NIS conditions, product visibility, and seasonal trends. These factors should be used to determine the number product facings allowed. A facing of a line item is the number of containers (can, box, package, or jar) of a product placed side by side on a gondola shelf or display case. Shelf labels are placed in the shelf label channel to the immediate left of the starting position of the item, with additional facings placed to the right up next to the shelf label position.

a. For perishable items in upright freezer/cooler display cases and semi-perishable items, the first container (can, box, package, or jar) of an item is placed immediately above the shelf label with additional facings placed to the right on the shelf, up to the next shelf label position. For perishable items in coffin type freezers/coolers display cases, the shelf labels are placed in the shelf label channel above and to the

immediate left of the starting position of the item, with additional facings placed to the right up next to the shelf label position. Therefore, the shelf labels denote the shelf space allocation for the line-item.

b. All categories will be set according to DeCA established planogram. Planograms are located on www.commissaries.com, About Us, Business with DeCA, Marketing, Planograms.

c. The number of facings for each item should be monitored continually to prevent an out-of-stock condition; adjust facings as necessary, but do not change overall category set. The shelf space allotted should be the space required to meet customer demand. Allow for full cases to be stocked except for large case packs such as health and beauty care (HBC) items. Do not reduce allocations to less than one case for any item except for those items allocated as half cases.

d. Spot check the sales area before opening time, mid afternoon, and later in the afternoon 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 (whether government, vendor, or contractor) and out-of-stock conditions.

5-3. SHELF STOCKING. The grocery department manager is responsible for the accomplishment of shelf stocking in a manner that ensures the availability of quality products presented in sufficient quantities in a clean, orderly, and well merchandised setting. Most of the stocking shall be accomplished during non-operating business hours. Shelf stocking during resale operating hours is limited to the minimum necessary to prevent out-of-stock conditions and with limited disruption to customers.

a. Requirements and procedures for stores with contract stocking are found in the commercial activity PWS of each CA contract. Specific excerpts are noted below:

(1) Day time stocking is limited to lows and NIS situations versus shelf pack out. The contractor shall achieve full case stocking of these items when low and/or NIS situations exist. The contractor shall cut or break cases for day stocking only in the RSHA.

(2) CA contractor stocking of vendor stock items is limited to day time operations and only in the case of lack of vendor support and to remedy NIS situations. Contractor stocking of these items is strictly prohibited during night time operations.

(3) Government stocking of contractor items is prohibited unless the contractor specifically fails to perform and doing so is necessary to maintain patron support.

(4) The contractor is responsible for identifying and selecting the merchandise needed for replenishment stocking during the day.

(5) Government issued product to the contractor that will not fit on the shelf, shall be counted as an overwrite even if the product was previously considered an overwrite.

(6) The contractor shall achieve full case stocking of all merchandise available for stocking during night time operations with the exception of items designated for half case stocking. In no case shall the stocking of partial cases be required or permitted (partial cases are not half cases but are items designated for full case stocking but a full case would not fit on the shelf.).

b. In-house, vendor, and DSD stocking will adhere to the following:

- (1) Merchandise will be stocked according to DeCA specifications; e.g., dump bins tray packing, full unopened cases.
- (2) All merchandise will be placed in its allocated shelf location.
- (3) The number of display shelf facings allocated to each line-item will not be reduced or exceeded without the approval of the store director or designated representative.
- (4) Stock with newer dates is placed to the rear of the shelf; stock with older dates is placed in front. This is referred to as First In First Out (FIFO).
- (5) Items will not be stacked higher than approximately 78 inches (6.5 feet) from floor level.
- (6) If tray packing is authorized, management will ensure cardboard is promptly removed from the shelves as it accumulates during the business day. All recyclable cardboard should be baled or compacted, as applicable, and stored in the designated area.
- (7) Exposed shelves and product will be dusted and cleaned before stocking. Special attention should be given to slow moving items that have a tendency to accumulate dust. Damaged shelving (e.g., sharp edges) must be reported to management immediately for corrective action (repair/replacement).
- (8) Damaged items and items without product labels will be taken to the designated damaged merchandise control area. Loose product labels must be repaired or replaced to maintain item identification; those products without labels will be processed as a store unsalable.
- (9) Remove any product past its sell-by date. In the case of stores with CA contracts, contractors are required to remove items encoded with a month/day/year “expiration date”, “do not use after” date or “use before” date, from the shelf or display area prior to the start of the first commissary business day after the date specified. For items encoded with a month/year date, the contractor shall remove them from the shelf or display area prior to the start of the first commissary business day after the month specified.
- (10) All items that cannot be displayed or stocked due to availability of shelf display space will be placed in their designated backroom area.
- (11) Items will be straightened with labels upright and facing forward before the start of the next day’s business as shown on the Shelf Stocking Arrangement (Figure 5-2).
- (12) An on-shelf regularly stocked location should be fully stocked with priority over stocking an off-shelf display.

5-4. 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 by 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 prior to the start of the first commissary business day after date specified. If products are not reimbursable by the vendor, process as a store unsalable. Specific instructions are included within CA

contracts for this purpose for commissaries with CA contracts. If the CA contractor fails to remove product IAW contract requirements, the items shall be recorded on the Contractor Damaged/Expired Merchandise Report, DeCAF 70-112; however, items should not be recorded on this report to assess damage against the contractor if you are able to process a VCM. If you are able to process a VCM, record the contractor's failure on the Defect Documentation/Observations (DDO) form. If the CA contractor is in compliance with contract requirements, the pulled items shall not be recorded on the Contractor Damaged/Expired Merchandise Report.

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 MFI:

NOTE: Never, under any circumstances, extend baby foods, baby formula, vitamins, over-the-counter nonprescription drugs, and other HBC items.

(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 the next anticipated delivery.

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

(3) Stores receiving perishable food items that have sell-by dates extended by MFIs will use the extension applied by the MFI instead of the manufacturer's date placed on the product at the time of processing.

(4) Reduce extended items up 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/area director.

(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.

5-5. NIGHT STOCKING VISITS. Store directors will make night visits to maintain satisfactory control over facility security, merchandise, and vendor stockers. Visits will be accomplished on a random, no-notice basis and at least monthly. Visits will be documented by memorandums for record and maintained on file in the office of the store director (SDO) for 1 year.

5-6. VENDOR STOCKING CONTROL. The store director or subordinate manager will control the activities of vendor stockers within the commissary.

a. The term vendor is defined as either the manufacturer or broker. DSD personnel who stock the product they deliver are considered vendor stockers.

b. Commissary management must be proactive and work closely with vendors to maintain a strong vendor stocking program. Vendor stocking is an important resource to DeCA and vendor stockers are to be treated with courtesy and respect.

c. Area directors, in coordination with HQ Contracting, are responsible for determining and documenting rationale for not requiring vendor stocking at all locations.

d. Vendors are responsible for obtaining, training, and informing the vendor stocker of their responsibilities within the commissary, what brand/product lines they are to stock, and the services for which they will be compensated.

e. Requests from commissary employees or employee's relatives for off-duty employment as a vendor stocker will be forwarded to the appropriate area director for consideration. Areas will, in turn, have the DeCA General Counsel review the request and determine if a conflict of interest exists before the commissary forwards the request to the vendor representative for consideration.

(1) Managers (store directors, store administrators, grocery managers, store managers perishable/non-perishable, meat managers, produce managers, and any assistant managers), or their family members may not contract stock, vendor stock, conduct demonstrations for a vendor, or work for any contractor in the store.

(2) Quality assurance evaluators (QAEs) or their family members may not contract stock. QAEs may vendor stock on non-duty hours.

(3) Computer assistant ordering (CAO) employees may not contract stock or vendor stock any FDS products. CAOs have the ability to manipulate any part of the order, not just those items they stock. Family members that reside with the CAO will also be restricted from contract and vendor stocking FDS items.

(4) DSD or DSD-S receivers may not vendor stock any product they receive. The store director must ensure, when rotating receivers that receivers are not vendor stocking product they receive.

(5) SDO personnel who process paperwork for any product cannot contract stock (if those products are stocked under the contract) or vendor stock any products for which they are responsible for processing the paperwork. This rule also applies to the family members of commissary support office personnel.

(6) All other DeCA employees may vendor stock, contract stock, conduct demonstrations, or work for a contractor in the store (deli, janitorial, fish market, etc.), unless their duties involve supervising, overseeing, or evaluating the contractor. Their family members may also contract or vendor stock or conduct demonstrations. All employee contract stocking, vendor stocking, or conducting demonstrations must be performed on non-duty time. Breaks are considered duty time.

(7) DeCA cannot and will not contract directly with an employee for any work.

(8) For clarification, the following is provided:

(a) A family member of management is typically the father, mother, spouse, and minor children residing in a family household relationship.

(b) In regards to CAOs, QAEs, and other employees, family members working for vendors, contractors, etc., the existence of an actual financial conflict of interest must be considered. If the family members, other than spouse, do not reside in the same household, even though related, there is seldom an actual conflict of interest.

(c) For the purposes of the anti-nepotism statute, the definition of family member includes all types of relatives including cousins, aunts, grandparents, stepchildren, sister, brother, etc.

f. The responsibility for stock availability and ordering rests with commissary management. In the absence of vendor stocker support, aggressive action must be taken by management to provide optimal stock availability to our customers. Additionally, vendor stockers will not be required to provide reorder quantities; however, they may voluntarily do so. Vendor stockers are not required to false front or unload and reload product from chill or freeze cases in the event of refrigeration failure, to facilitate cleaning, or prepare sales floor or storage areas for inventory.

g. Vendors or vendor stockers are not allowed to participate in the store receiving process or to sign receiving documents for commissary merchandise.

h. Voluntary vendor shelf stocking services are authorized for products in the categories listed below unless specifically contracted for in the commissary shelf stocking contract. All vendor stocked items and categories are identified in DIBS. These categories will not be considered in the computation for contract shelf stocking workload unless specifically requested by the area director. Display replenishment of the categories listed below is required unless covered by the commissary shelf-stocking contract. DeCA employees or shelf stocking contract employees, if contracted for, will dismantle all displays in the following categories:

- (1) Frozen foods
- (2) Refrigerated products (milk and eggs roll in/out cart loading)
- (3) Random weight products (chicken, hams, frozen turkeys)
- (4) Baby foods, baby supplies; e.g., rubber pants, bottles, and bottle accessories
- (5) Candy and gum
- (6) Fresh prepackaged bakery products
- (7) International (includes German, oriental, oriental soft pack, and cup of noodles)
- (8) Gourmet and natural foods
- (9) Pasta
- (10) Snack items; e.g., chips, nuts, crackers, cookies, pretzels, salty snacks, and all popcorn
- (11) Soft drinks, bottled water, new age beverages, bottled tea, coffee drinks, etc. (includes FDS bottled water)
- (12) Spices, seasonings, extracts, herbs, food coloring, dehydrated sauces, and cake decorations (excluding baking nuts)
- (13) Batteries, cellophane tapes, mailing supplies, and shoe polish
- (14) HBC products, razors, and razor blades (excludes sanitary products, personal care category, and adult incontinence products)
- (15) Vitamins and body building products
- (16) Hosiery

- (17) Light bulbs
- (18) Pet supplies and birdseed (does not include pet food or edible treats)
- (19) All scrubbers, sponges, rubber gloves, and all blind-made products

i. Vendor stockers are not employees of the government and are not under direct control of the store director; however, the store director does have the responsibility to ensure government interests are protected.

j. The store director will develop a vendor stocking schedule and ensure it is posted on the vendor bulletin board. The schedule must support all store operational days of business and will include the required times/days for vendor stocking. Maximum flexibility will be provided for the schedule. The schedule should allow vendor stocking during part or all store operating hours to maximize product availability. Stocking must be accomplished in a neat, orderly fashion and not hinder customer flow or the CA contractor work efforts, if applicable.

k. Department managers are responsible for monitoring, communicating, and resolving issues with vendor stockers in their departments.

l. The store director will designate, in writing, a vendor stocker monitor. The monitor's primary responsibility is the administrative control of vendor stockers. These responsibilities are as follows:

(1) Establish and maintain the DeCAF 40-143, Vendor Stocker/DSD Information Sheet, on each vendor stocker/DSD company (Figure 5-3). Maintain the information sheets in numerical sequence by badge number to control and record issued badges. Conduct and document a review of the information sheets each February by dating and initialing the review line provided on the sheet. Separate vendor stocker folders with individual product listings are **not** required.

(2) Complete a separate DeCAF 40-143 for each vendor stocker and DSD company. The following minimum information is required on each vendor/DSD stocker:

- (a) DeCAF 30-73, Vendor Stocker Badge Number
- (b) Date issued
- (c) Full name and contact telephone number of vendor stocker
- (d) Vendor(s) and the manufacturer(s) name(s) for whom the vendor stocker provides services and their points of contact (i.e., broker Jones, companies x, y, and z)
- (e) Signature of vendor stocker

(3) At the time a badge is issued, explain the schedule, duties, rules, and guidelines, including safety and security, by which a vendor stocker must abide, and provide to the vendor stocker a copy of the vendor stocker statement of understanding. Conduct a vendor stocker orientation of the commissary which includes the location of the authorized entry and exit doors, parking area, product staging area, and the vendor stocker bulletin board.

(4) Maintain a vendor stocking information area on a bulletin board accessible to vendor stockers. The vendor stocking schedule will be posted along with other vendor stocker information.

Maintain a name exchange book to assist potential vendor stockers and vendors in finding one another.

(5) Obtain badges from vendor stockers when they vacate their position.

m. Commissary management/personnel are responsible for:

(1) Unloading/cleaning of freezers/chill display cases and the restocking of unloaded product. Does not include “de-icing the coils” wherein is a task that must be performed by a maintenance technician.

(2) Proper placement/replacement of shelf labels for new items, price changes, resets, etc., and implementing plan-o-grams and display management.

(3) Resolving stocker disputes with regard to shelf or display allocations.

(4) Staging semi-perishable product in a manner so vendor stockers’ products are readily accessible when needed for shelf replenishment. Unless included in the shelf stocking contract, DeCA’s commissary workforce is responsible for the warehousing, staging, and segregating of chill and frozen products.

(5) Immediately reporting non-performance by a vendor stocker to the appropriate vendor representative. Vendor stockers should not have their vendor stocking privileges revoked by commissary management without the prior notification of the appropriate vendor representative. However, they may be barred from the commissary immediately in cases of theft, violent or abusive behavior, or other related offenses. These offenses must be referred to the host installation for action.

(6) Ensuring vendor stockers are not required, directed, requested, demanded, ordered, or permitted to perform any task or duty that is the responsibility of the Government to perform.

5-7. VENDOR STOCKER RESPONSIBILITIES. Vendor stockers shall:

a. Abide by the vendor stocking schedule.

b. Furnish information to the vendor control monitor for use in updating DeCAF 40-143. Annually review and update DeCAF 40-143.

c. Not accept or participate in drawings for vendor offered prizes or gifts nor specify who receives them. This includes immediate family members of vendor stockers.

d. Comply with management’s written policy on unannounced spot checks of hand-carried items and random checks of lockers when conducted at the discretion of the store director or designated representative. Purses, briefcases, lunch boxes, and other hand-carried packages or parcels may be checked when a stocker leaves the commissary. Spot checks will be conducted under the supervision of the store director or designated representative, and witnessed by a third party.

e. Not operate powered industrial trucks, (exception: powered pallet jacks may be used only if the criteria addressed within DeCAM 30-17.1 is satisfied).

f. Refrain from unsafe acts such as horseplay, climbing on storage racks, riding on pallet jacks, and stocking carts.

- g. Not fight, communicate threats, or exhibit threatening behavior. To do so will result in the installation's law enforcement being notified.
- h. Enter and exit the commissary and park in the area designated by the store director. Depart commissary immediately after completing vendor stocking responsibilities.
- i. Not shop unless they are an authorized patron and must remove their vendor stocking badge before shopping. They will present their uniformed services identification (ID) card or other proper identification at the ID desk and/or checkout prior to making a purchase.
- j. Be courteous to patrons. Refer patrons to commissary management, as appropriate.
- k. Wear assigned vendor stocker identification badge at all times while on the commissary premises and turn-in assigned vendor badge to the vendor stocker monitor upon termination.
- l. Not offer gratuities such as money, gifts, or other items of any value to commissary personnel or their families. Report to senior commissary management any attempt by a commissary employee to secure favors or solicit gifts, gratuities, or other items in exchange for preferential treatment.
- m. Not bring unauthorized persons into the commissary while performing stocking duties. Helpers may be brought into the commissary to support unusual stocking requirements. They are required to obtain a temporary visitor badge and must comply with the terms and conditions for vendor stockers as outlined in this manual.
- n. Refrain from eating, drinking, or smoking in areas other than those designated for such purposes.
- o. Not destroy, pilfer, or remove any commissary merchandise from the commissary.
- p. Not remove, move, or change product locations, number of facings, merchandising pegs, j-hooks, coupons, signs, or other special promotional materials used to display products unless directed by store management.
- q. Stock all merchandise in its assigned shelf location. Place product between the left edge of the product label and the left edge of the product label directly to the right. Face product labels to the front and when shelf space is not completely full, block product. Product fronting is not required. Advise store management if a shelf label is missing or damaged.
- r. Rotate and stock products using FIFO.
- s. Remove expired and damaged product to the designated damage merchandise control area.
- t. Police assigned areas by removing and disposing of all disposable materials and performing light cleaning and dusting when required. Shelves must be dust and debris free. Vendor stockers will clean any spills/messes made by them and all trash will be removed from sales floor after stocking.
- u. Return residual stock to the designated backroom storage area (dry, chill, or frozen) and place cardboard and trash in locations/containers designated by commissary management. Only trained vendor stockers can load and operate (i.e., turn on/off) balers and compactors. Training for vendor stockers will be recorded on the vendor stocker agreement as an attachment.
- v. Stock in a neat, orderly fashion and not hinder customer flow.

w. Not stock chill/frozen product above the load line or stock semi-perishable items higher than 78 inches (6.5 feet) above floor level.

x. Not move or change shelf labels and facings on shelf labels.

y. Coordinate with the CAOs, for stores with CAO, when errors in an item BOH is suspected and continual NIS are occurring or there is excessive product in the backroom.

5-8. IN-STOCK RATE. An in-stock rate is determined by comparing the number of items NIS on the shelves with the total number of active line-items actually assigned shelf locations, e.g., 8500 active items minus 140 NIS divided by 8500 = 98 percent. Count NISs twice daily, once prior to opening, and again 1 hour prior to closing. In-stock rates will be reported to area director, as required.

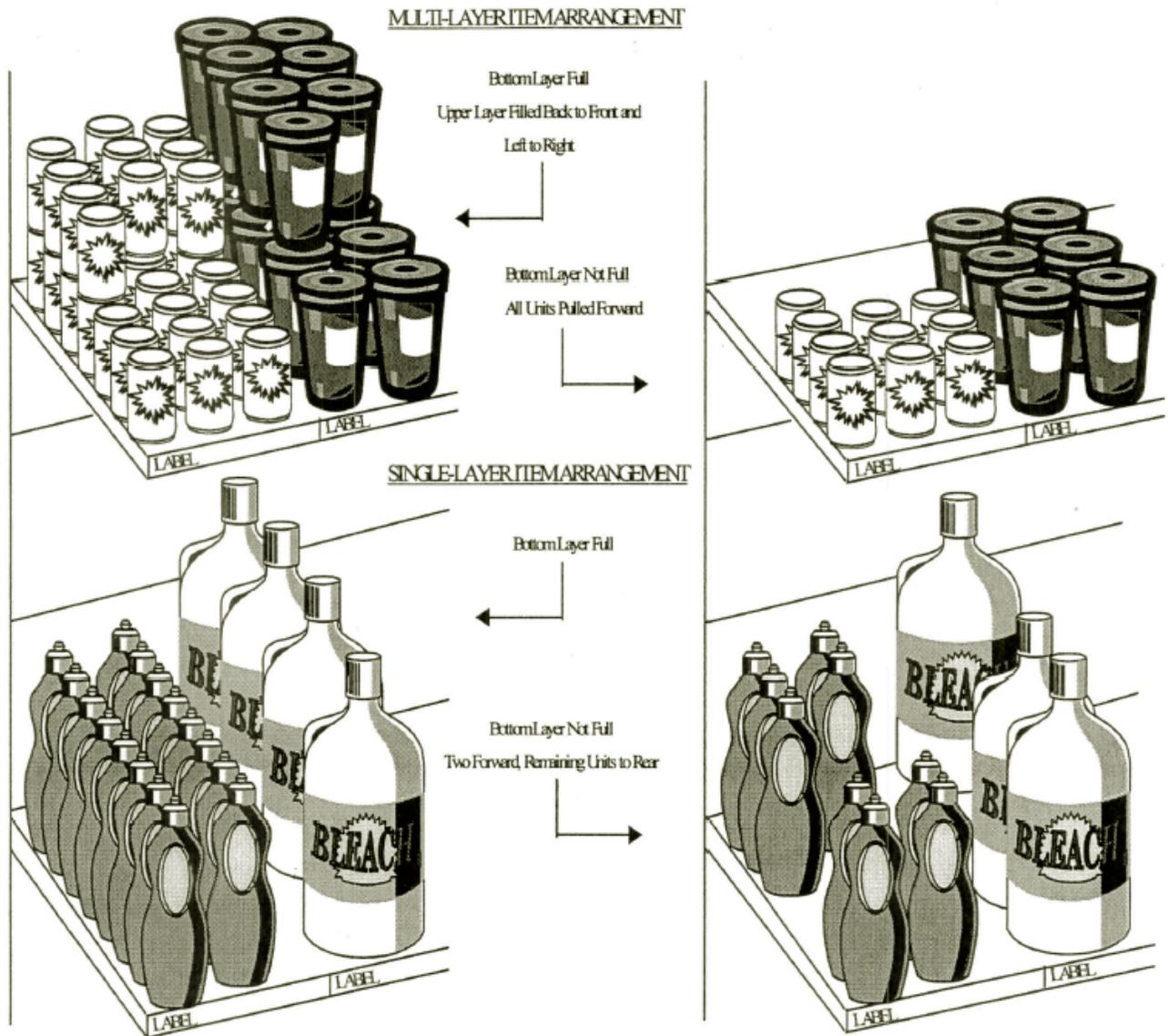
a. The standard for minimum acceptable in-stock rate is 97 percent.

b. When the in-stock percentage falls below the acceptable percentage above, the store director or delegate must determine the cause and take immediate action to correct the deficiency.

c. NIS grocery items in all areas of the store must be counted, regardless if they are using CAO or not, to include DSD and front end racks.

d. When items are NIS, the shelf space will be left empty. **Do not remove the shelf label.**

e. For stores using CAO, NIS conditions are checked daily using the RF-HHT which displays BOH and due-in quantities. The CAOs will validate the BOH and make corrections so that CAO will build a valid replenishment order later that day.



Shelf Stocking Arrangement
Figure 5-2

Instruction "Sample"

VENDOR STOCKER/DSD INFORMATION SHEET		DATE	
		BADGE NUMBER	
I acknowledge receipt of my Vendor Stocking Badge and understand that I am NOT an employee of the United States Government.			
Acknowledged this _____ day of _____			
VENDOR INFORMATION			
STOCKER NAME	PHONE NUMBER	SIGNATURE	DATE
VENDOR STOCKER EMERGENCY CONTACT	PHONE NUMBER		
VENDOR CONTROL MONITOR SIGNATURE	DATE	REVIEW INITIAL	DATE
MANUFACTURER/BROKER	PHONE NUMBER	COMPANY(S) STOCKING FOR	
MANUFACTURER/BROKER	PHONE NUMBER	COMPANY(S) STOCKING FOR	
MANUFACTURER/BROKER	PHONE NUMBER	COMPANY(S) STOCKING FOR	
MANUFACTURER/BROKER	PHONE NUMBER	COMPANY(S) STOCKING FOR	

DeCA Form 40-143, May 2001

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**Vendor Stocker/DSD Information Sheet, DeCA Form 40-143, Page 1
Figure 5-3a**

CHAPTER 6

SHELF LABELS

6-1. 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 correct 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. Stores will have a legible shelf label for every item. The label will show the selling price, cost per unit of measure (such as price per ounce), brand name, size of container, UPC/European Article Number/GTIN, and shelf location. Annotation of the number of facings placed on shelf labels will be at the store director's discretion. This does not pertain to Electronic Shelf Labels (ESL).

b. 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, and, where possible, the cost per unit of measure.

c. Vendor supplied ID tags may be used for spices, baby food, blind made products, etc.

d. Shop-worn and dirty labels are not acceptable and should be replaced even though the item's price has not changed. Broken or blank ESLs should be replaced.

e. Handwritten labels will not be used.

f. Print temporary paper labels (white labels) from the POS HHT and replace with the regular POS or ESL label within 24 hours.

g. Assignment of accurate shelf locations in POS will expedite shelf label replacement along with printing labels in shelf location order.

h. The small shelf label may be used in the Health and Beauty Care (HBC) area, if space is limited. The larger shelf label will be used on all other items.

6-2. PLACEMENT OF LABELS. Store internal controls will be established to ensure all labels are accounted for; i.e., placed on the assigned shelf label location, or returned to the SDO for research.

a. Once the initial shelf space allocation is determined and the commodity group is set, the shelf label should be applied directly to the shelf molding.

b. Paper shelf labels for perishable items will be applied to plastic backing before being placed on the shelf molding.

c. Paper shelf labels being replaced will be removed before new labels are affixed.

- d. Place the shelf label below the far left facing of the item's set.
- e. All price change shelf labels will be in place before the store opens each day.

6-3. DELETED ITEMS. Use a locally devised method to identify and mark shelf labels of items that have been phased-out. This will assist in ensuring deleted product space will be reallocated once stock is depleted.

6-4. NEW ITEMS. Ensure new items have a label on the shelf at time of initial stocking.

6-5. ELECTRONIC SHELF LABELS (ESL). Commissaries with ESLs will follow guidance located on HQ DeCA Public Folders, Store Library, CARTS, Training Documentation-Version 9, Sec7_Backroom Version 9.pdf, Chapter 12, Electronic Shelf Labels.

CHAPTER 7

PRICE VERIFICATION

7-1. GENERAL. Pricing accuracy is a fundamental element of inventory accountability. Compare the prices in DIBS, Commissary On-Line Product Pricing System (COPPS), and store shelf labels. Verify that POS has the latest file maintenance prices in COPPS (Price Inquiry) and that the store's labels reflect the same price as the POS.

7-2. COPPS PRICE INQUIRY. This report compares DIBS/COPPS prices to POS and will help reduce store level accountability issues resulting from incorrect pricing. The report is accessed at OneNet, Systems, COPPS, Mis-matched pricing should be worked twice monthly after the 1st and 16th price changes have applied. If an item on the report has the correct scanning price in the POS, and is not a deleted item, a DIBS label should be requested. After the file maintenance with the DIBS label request is applied, the item should no longer appear on the report.

7-3. MONTHLY PRICE VERIFICATION OF SHELF LABELS.

a. To ensure pricing integrity, shelf label prices must be compared to prices in the POS system. A 100 percent verification of shelf labels to POS will be accomplished monthly. This will be accomplished by scanning one of each item with a POS HHT in Shelf Price Audit Mode and comparing the price on the label to the price in the POS HHT. Requirements and procedures for stores with contractor price verifications are found in the commercial activity PWS of each CA contract. Instructions for using POS HHTs are in Public Folders, Store Library, CARTS, Training Documentation-version 9, Sec_8_StoreWorkers.

b. Stores with ESLs are not required to complete the monthly price verifications except for items without ESL labels. Price checks will continue to be completed as required for promotional items, end cap items, bulk items, shippers, etc.

c. Product Look-Up (PLU) Code. All grocery department items with PLU numbers (i.e., bulk coffee, bulk candy) will be checked against DIBS price file on the 1st and 16th of each month to ensure accurate pricing. One percent, using the zero mil rule, must be added to the DIBS price to validate the correct selling price.

d. A 100 percent check of all promotional items will be accomplished weekly, i.e., end caps, mass displays, etc.

e. A locally devised log will be developed and used to annotate that price verifications have been accomplished. Upon completion of the shelf label and promotional item verification and correction of discrepancies, the assigned personnel will annotate the price verification log with the following information:

- (1) Date of section scanned and verified.
- (2) Employee name.

7-4. PRICE VERIFICATION PROCEDURES FOR OCONUS AND ALASKA STORES USING DIBS-DOORS.

a. Alaska/OCONUS commissaries will perform 100 percent monthly price verification of grocery items (if not using ESLs) using the RF- HHT and the DIBS area computer. Verification of shelf prices to the POS system 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 one of each item and enter the store shelf price of the item into the RF-HHT. The RF-HHT 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 the MPS file maintenance point of contact (POC) to obtain the current quoted price for the item(s) in question and follow up as necessary to correct price errors. Any contacts with MPS personnel will be documented on the report by recording the date/time of the contact and the name of the MPS personnel contacted.

c. For Europe, assigned personnel will contact the area 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 12 months.

7-5. APPLYING PRICE CHANGE BATCHES.

a. Applying price change batches on other than the scheduled effective date must not be a routine practice and requires advance approval. This includes changes that are necessary due to guard and reserve sales.

b. Any commissary requiring a host file maintenance batch to be applied on a date other than the original effective date of the batch must submit an e-mail request to their zone manager. The request should include the reason why it is necessary for the batch to be applied early, the original effective date of the batch, and the date they want to actually apply the batch.

c. Zone managers will approve/disapprove the request and must ensure there is a bona fide need to apply on a date other than the original date.

d. Upon approval from the zone manager, the store will forward the approved request to their DeCA headquarters POS representative in the Store Support Directorate (SOS) via e-mail to carts_ops_spt@deca.mil.

e. The POS representative will e-mail the information to POS system engineering and the Electronic Data Warehouse (EDW) at carts_se@deca.mil and Edw_INFA_etl@deca.mil.

f. A price change batch with the new effective date will be sent to the store where the batch will be applied automatically on the required date. Additionally, they will e-mail the store when the new batch has been sent and copy SOS at carts_ops_spt@deca.mil.

g. The store must not delete the original host file maintenance batch from POS; the batch will automatically apply on the originally scheduled date along with any other batches scheduled for that day. This will not affect the earlier application of the batch.

h. EDW will e-mail SOS at carts_ops_spt@deca.mil, when they encounter a store that applied a batch on other than the originally scheduled date and they were not notified of a change. SOS will notify the appropriate area director and ask for assistance in preventing a recurrence.

CHAPTER 8

FREEZE AND CHILL SECTION

8-1. QUALITY CONTROL. Expiration dates will be checked prior to stocking cases. Ensure product is rotated properly using the FIFO method. Spot check code dates daily. Never stock products past their recommended “Sell Buy” date.

8-2. THAW AND SELL ITEMS. Product received in frozen state and subsequently sold in a chill or shelf stable fashion must be properly labeled with expiration date IAW industry guidelines. The Perishable Division of the Sales Directorate (MPSP) will act as Industry POC to disseminate guidelines. Additional information is in Public Folders, Store Library, Marketing Business Unit (MBU), Thaw and Sell, Thaw and Sell.

8-3. EQUIPMENT CHECKS. Periodically check refrigeration and freezer equipment for proper operation. Ensure scheduled preventative maintenance services are conducted IAW contract specifications and schedules. Requirements and procedures for stores with temperature checks within their CA contracts are found in the commercial activity PWS of each CA contract. Refer to DeCAH 20-5, Refrigeration, Heating, Ventilating, and Air Conditioning Maintenance Contract Handbook, (Reference (h)) for complete detailed information.

8-4. DAILY TEMPERATURE MAINTENANCE.

a. If automated recording thermometers or alarm systems are not installed, maintain a list of the equipment to be checked and the required temperature for each unit in a folder or binder in a convenient location outside the view of the patron. Record temperature checks on Daily Temperature Maintenance Log, DeCAF 40-9 (Figure 8-1) for all display cases, walk-in boxes, cold storage facilities, and spot coolers according to commissary operating instructions. Annotate temperature charts three times daily and at least two times on days the store is closed. Defrost cycle information must be recorded for each unit and can be obtained from the refrigeration maintenance technician. Retain DeCAF 40-9 for a period of 1 year.

b. Stores with automatic refrigeration alarms will check alarm systems weekly. For other than 7-day stores, the check should be made in the evening prior to a non-operating day.

c. Ensure temperatures are within the allowable variances. Quality Standards Temperature Limits, (Figure 8-2), provides temperature limits for display cases, reach-in storage, and walk-in storage rooms.

d. Check temperatures any time there is an adverse weather condition or known power outage. Ensure all management, QAEs, and other knowledgeable personnel know how to reset the compressors.

8-5. REFRIGERATED TRUCKS AND VANS. Ensure temperature surveillance is scheduled, conducted, and recorded on DeCAF 40-9 for refrigerated trucks and sea vans. Follow the same procedures listed in paragraph 8-4 for stores without alarm systems for refrigerated trucks and vans. Additionally, temperature checks for refrigerated vans and trucks will be performed every 4 hours.

8-6. NON-OPERATIONAL ALARMS. When the alarm systems are not operational, follow the same procedures listed in paragraph 8-4 for stores without alarm systems.

DAILY TEMPERATURE MAINTENANCE LOG <i>(For use of this form, see DeCAD 40-3: DPR is DO.)</i>				*Indicate Plus or Minus Checkers will record actual time and temperature and initial in appropriate block.									
DEFROST CYCLE HOURS:				CASE IDENTIFICATION:									
TO	TO	TO	TO	ALARM SYSTEM (Check One) <input type="checkbox"/> YES <input type="checkbox"/> NO									
DEPARTMENT			PROPER TEMPERATURE RANGE _____ TO _____						PERIOD (Month/Year)				
TYPE OF EQUIPMENT: (Check Two)				<input type="checkbox"/> FREEZER <input type="checkbox"/> DISPLAY CASE <input type="checkbox"/> CHILL BOX <input type="checkbox"/> STORAGE									
DATE	TIME	TEMP*	INIT	TIME	TEMP*	INIT	TIME	TEMP*	INIT	TIME	TEMP*	INIT	COMMENTS
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
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DeCA Form 40-9, Jul 1991

Supersedes AF Form 636 and TSA Form 126-R

Daily Temperature Maintenance Log, DeCA Form 40-9
Figure 8-1

QUALITY STANDARDS TEMPERATURE LIMITS

DISPLAY CASE ENTERING AIR TEMPERATURE LIMITS

Produce	+36 to +40 degrees Fahrenheit
Deli, Clerk Service	+34 to +38 degrees Fahrenheit
Fresh Meat	+22 to +26 degrees Fahrenheit
Milk Roll-In	+26 to +30 degrees Fahrenheit
Multideck Dairy	+30 to +36 degrees Fahrenheit
Chest, Ice Cream (includes Jumbo Wide Island)	-28 to -22 degrees Fahrenheit
Chest, Frozen Food (includes Jumbo Wide Island)	-12 to -5 degrees Fahrenheit
Multideck Frozen	-8 to -3 degrees Fahrenheit
Multideck Pre-Pack Meats	+28 to +32 degrees Fahrenheit
Multideck Meat	+24 to +28 degrees Fahrenheit
Dual-Temp Meat	-12 to -3 degrees Fahrenheit
Glass Door Frozen	-6 to -1 degrees Fahrenheit
Bakery	+36 to -40 degrees Fahrenheit
Egg Spot Merchandiser	+36 to +40 degrees Fahrenheit
Multideck Deli, Self Service	+32 to +35 degrees Fahrenheit
Glass Door Ice Cream	-15 to -10 degrees Fahrenheit
Multideck Ice Cream	-15 to -12 degrees Fahrenheit
Glass Door Medium Temp	+25 to +29 degrees Fahrenheit
Fish Case	+28 to +34 degrees Fahrenheit

REACH-IN STORAGE BOX TEMPERATURE LIMITS

Blast Freezer	-25 to -15 degrees Fahrenheit
Medium Temp Reach-In	+36 to +40 degrees Fahrenheit
Low Temp Reach-In	-6 to +2 degrees Fahrenheit

WALK-IN STORAGE ROOM TEMPERATURE LIMITS

Controlled Temperature Storage	+60 to +65 degrees Fahrenheit
Candy Storage	+58 to +65 degrees Fahrenheit
Dairy Storage	+34 to +37 degrees Fahrenheit
Frozen Food Storage	-10 to 0 degrees Fahrenheit
Primal/Sub-Primal w/Hose Bib	+32 to +36 degrees Fahrenheit
Primal/Sub-Primal w/o Hose Bib	+28 to +32 degrees Fahrenheit
Meat Holding	+28 to +32 degrees Fahrenheit
Meat Processing	+46 to +50 degrees Fahrenheit
Meat Wrapping	+46 to +50 degrees Fahrenheit
Deli Storage	+34 to +37 degrees Fahrenheit
Produce Storage	+38 to +42 degrees Fahrenheit
Produce Processing	+58 to +65 degrees Fahrenheit
Bakery Cooler	+34 to +37 degrees Fahrenheit
Bakery Freezer	-6 to 0 degrees Fahrenheit
Pre-Pack Meat Storage	+32 to +36 degrees Fahrenheit
Hard Chill Storage	+26 to +30 degrees Fahrenheit

Quality Standards Temperature Limits

Figure 8-2

CHAPTER 9

SANITATION

9-1. GENERAL. Ensure the highest standards of sanitation exist within the grocery department at all times. A weekly inspection must be conducted using DeCA Self Inspection Food Hazard Control Checklist-Grocery Department, DeCAF 40-85, (Figure 9-1a). Cleaning and sanitation schedules will be posted conspicuously 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 IAW the current edition of the Food Code, U.S. Department of Health and Human Services (Reference (g)).

9-2. SANITATION COORDINATOR. Based on the risks of food-borne illness inherent to retail food operations, store directors will designate a sanitation coordinator within their store. The positions must be assigned to a manager above individual department level to ensure authority and accountability necessary to exercise the duties of this position.

a. The sanitation coordinator will be the person-in-charge as defined in the Food and Drug Administration (FDA) Food Code and will be available during routine food safety and sanitation inspections. As a requirement of the FDA Food Code, the sanitation coordinator will successfully pass an accredited food safety and sanitation training program and certification exam. The Department Operations Food Safety Course, offered by DeCA's Workforce Development, will be the primary training course for this requirement. After completion of this course, the sanitation coordinator will be able to demonstrate knowledge in the 17 specific food operation areas of knowledge outlined in FDA Food Code, section 2-102.11, and become a certified food protection manager.

b. A collateral duty statement must be included in the incumbent's official position description. Assignment of the sanitation coordinator does not relieve the store director from ultimate responsibility for food safety and sanitation. If the designated/trained sanitation coordinator is not available during routine food safety and sanitation inspections, a fully qualified substitute must accompany the inspecting official.

9-3. ESTABLISHING A REPORTING SYSTEM. Establish a system to notify personnel of all spills, broken bottles, etc., to ensure they are cleaned up immediately. Use the store intercom or PA system for notification.

9-4. SELF-INSPECTION CHECKLIST. The entire grocery department will be inspected at least once every 7 days and recorded on DeCAF 40-85 to ensure a high standard of sanitation exists. The current condition of the department should match the latest self inspection. The inspections will be kept on file for a period of 1 year.

9-5. CLEANING SCHEDULES. Cleaning schedules should be established locally, or IAW your CA PWS, if applicable. Cleaning schedules for CA contracts are coordinated with the Store Director and are not posted, as specified below.

a. All in-house cleaning schedules will be posted in a conspicuous place and include:

- (1) Frequency
 - (2) Supplies needed
 - (3) Procedures for cleaning (how to)
- b. Cleaning schedules will be maintained for:
- (1) Refrigerated and freezer rooms
 - (2) Display cases to include portable units
 - (3) Backrooms
 - (4) Salvage area
 - (5) Receiving dock areas
 - (6) Storage rooms

9-6. OUTSIDE CLEANING AND MAINTENANCE. Requirements and procedures for stores with CA contracts are found in the commercial activity PWS of each CA contract. Ensure all paper, trash, cigarette butts, and gum are cleaned from the outside area of the store. Lawns and shrubs will be maintained according to your inter-service support agreement or PWS.

9-7. INSPECTIONS BY MEDICAL PERSONNEL. Medical inspectors will perform periodic inspections of the store to evaluate the effectiveness of the sanitation program and offer advice on correcting discrepancies. The sanitation coordinator, or a fully qualified substitute, will be available during routine inspections to walk with the MFI. Read the discrepancies carefully, making sure what you sign is factual and not generalized. The form must be annotated to reflect the date each discrepancy was corrected. Zone managers and area director's consumer safety office will be notified of unsatisfactory scoring immediately following issuance of the report. The area director's consumer safety office will validate the findings and advise on corrective action. A copy of the written findings, with corrective actions annotated, will be faxed to the consumer safety officer within 5 working days for satisfactory reports and within 24 hours in the event of an unsatisfactory rating. The area director should be notified of unsatisfactory inspections within 24 hours.

9-8. PERSONAL HYGIENE AND SANITATION GUIDELINES FOR PRODUCT DEMONSTRATIONS.

- a. Personal Hygiene. Product demonstrators will:
- (1) Not perform product demonstrations if they are obviously ill, e.g., runny nose, sneezing, open sores, runny eyes.
 - (2) Wear clean, neat clothing, and preferably a light colored apron or smock.

(3) Use a hair restraint such as a hair net, cap, or head covering that prevents loose hair from coming in contact with products while deterring random hand contact with hair by employees.

(4) Keep hands and fingernails clean. Wash hands after taking break, between incompatible activities, using restroom, smoking, eating, etc. Excessively long fingernails are not permitted. Protective gloves are acceptable when changed frequently (as often as one would wash their hands) during the presentation period.

(5) Not wear jewelry, except for plain wedding bands.

(6) Obtain a medical certificate if required by installation medical authorities.

b. Sanitation. Product demonstrators will:

(1) Keep product refrigerated until just prior to preparation.

(2) Use clean and sanitized utensils (tongs, forks, etc.) and preparation surfaces (tables, cutting boards, etc.) to handle product whenever possible.

(3) Limit handling of product by customers by using individual paper cups, saucers, or inserting toothpick in portion for ease of handling.

(4) Limit the amount cooked at one time; dispose of product not served within 2 hours.

Instruction "Sample"

DeCA SELF INSPECTION FOOD HAZARD CONTROL CHECKLIST Grocery Department <i>(For use of this form, see DeCAD 40-5; OPR is PL.)</i>					
INSPECTED BY				DATE	
RECEIVING	Y	N	REMARKS/ACTION	DATE CORRECTED	INIT.
1. Properly labeled product from approved source. 2. Product delivered in clean trucks. If required, refrigeration control maintaining chill at 32 - 40 degrees Fahrenheit; and frozen 0 - 10 degrees Fahrenheit. 3. Products received in excellent condition, if applicable, sufficient shelf life remaining.					
STORAGE					
1. Food stored separately or above non-foods to prevent contamination and rotated FIFO. Outdated product removed from system. 2. All refrigerators/freezers maintaining chill (34-37 degrees Fahrenheit), frozen (-10 - 0 degrees Fahrenheit). 3. Refrigerator/freezer temperatures checked and recorded three times daily (if manual); or if automatic alarm system, system checked weekly. 4. Storage area cleaned of all damaged, broken packages & spilled goods. 5. Salvage area cleaned, non-foods separated from food items. 6. Marked down salvaged goods approved by medical inspectors. 7. Merchandise on medical hold isolated and identified.					
DISPLAY					
1. All display refrigerators/freezers maintaining chill (34 - 37 degrees Fahrenheit); frozen (-10 - 0 degrees Fahrenheit). 2. All items with sell-by dates reviewed and out-of-date stock removed daily (unless extended by medical food inspectors). 3. Broken, damaged, and spilled items removed daily or more often if needed. 4. Personnel and stockers' hands washed and cleaned IAW good hygiene practices. 5. Eating, drinking and use of tobacco products, chewing gum, wearing of jewelry (except plain wedding band) prohibited. 6. Personnel with infections restricted from handling food. 7. Only MFI inspected and approved foods authorized for sale beyond sell-by date.					
HOUSEKEEPING					
1. Floors, walls, ceilings cleaned and in good repair. 2. Display shelves and cases cleaned with frequency to ensure debris does not interfere with equipment operations and provide aesthetic environment for customer. 3. Unnecessary clutter that interferes with efficient operations removed.					

DeCA Form 40-85, Oct 1999

Supersedes DeCAF 40-85, Jul 1993

This form was designed by FormSoft Group, Ltd. using FormFlow99 v3.0

**DeCA Self Inspection Food Hazard Control Checklist, Grocery Department,
DeCA Form 40-85, Page 1
Figure 9-1a**

Instruction "Sample"

RECORDS	Y	N	REMARKS/ACTION	DATE CORRECTED	INIT.
<p>1. Daily temperature maintenance log, DeCAF 40-9, (if manual); or if automatic alarm system, system printouts, maintained.</p> <p>2. Self inspection forms with annotated action maintained on file for 12 months.</p>					

DeCA Form 40-85, Oct 1999

2

DeCA Self Inspection Food Hazard Control Checklist, Grocery Department
DeCA Form 40-85, Page 2
Figure 9-1b

CHAPTER 10

DAMAGED/DISTRESSED MERCHANDISE

10-1. DAMAGED MERCHANDISE CONTROL PROCEDURES. Commissaries will only sell food products that are in good, safe, and edible condition. Non-edible food items may be sold at reduced price if the product can be used as originally intended.

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

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

(2) Coordinate with the Medical Food Inspector (MFI) to train the damaged merchandise control monitor and employees handling damaged merchandise on how to determine which food items are suitable for price reduction and which items must be disposed of.

(3) Damaged merchandise will be physically segregated from undamaged items and stored appropriately. For commissaries with CA contract shelf stocking support, it is the contractor's responsibility to perform this segregation. Twenty-gallon trash cans with liners and lids, or other suitable leak proof containers, are recommended for storing perishable food in refrigerated areas.

(4) Undamaged items that are separated from damaged items will be cleaned and placed on display shelves at the full price as soon as possible. For commissaries with CA contract shelf stocking support, it is the contractor's responsibility to stock the undamaged merchandise to the shelf.

b. The store director 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.

10-2. COORDINATION WITH MFI. Coordinate with the MFI to determine which food items are suitable for price reduction and which must be disposed of. In the absence of an MFI, the appropriately trained damaged merchandise control monitor will make this determination.

10-3. PROCESSING DAMAGED MERCHANDISE. Once determination has been made as to items that are saleable at a reduced price, or are unsalable, the following will apply:

a. Use a special price label to identify damaged items that are reduced for quick sale. Place a single line vertically through the UPC with a black marker. Reduced price labels will be applied by suitable price label equipment. The item will then be placed in the area designated by the store director for resale. For CAO stores, ensure markdown products are scanned in salvage mode in CAO for adjustments to BOH and tracking purposes.

b. Reduced product will be entered at the register utilizing PLUs 501 for edible and 502 as non-edible; ensure the item has been flagged in POS as "price required." Items damaged by the CA contractor

that are reduced for quick sale, shall be recorded on the Contractor Damaged/Expired Merchandise Report and the amount of loss shall be the difference between the regular and quick sale price.

c. Items certified as unsalable will be disposed of by the responsible person in a dumpster, compactor, or by other means provided by the installation civil engineer, contractor, or public works. For CAO stores, ensure unsalable products are scanned in salvage mode in CAO for adjustments to BOH and tracking purposes. Items damaged by the CA contractor that are unsalable, shall be recorded on the Contractor Damaged/Expired Merchandise Report and the amount of loss shall be the full regular price of the item.

d. All baby formula containers to include liquid and powdered, must be completely emptied prior to placing in refuse containers.

10-4. DAMAGED CLEANING SUPPLIES. Ensure damaged cleaning supplies that 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, "Defense Working Capital Fund (DWCF)." The label must be dated and the signature or initials of the store director or designated representative annotated on the label.

10-5. DISTRESSED MERCHANDISE. 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.

10-6. DOCUMENTATION. Documentation required for damaged/distressed merchandise markdowns will be maintained IAW DeCAD 70-6.

10-7. PRICE REDUCTIONS. Price reductions are authorized for damaged/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 store director.
- b. Up to 75 percent off the original price can be approved by the area director.

10-8. DISPLAYING MARKED-DOWN MERCHANDISE. After markdown approval, the damaged merchandise control monitor will display the reduced price merchandise for sale in a designated area. Monitor the display area daily for cleanliness and remove any expired product. A professionally made sign will be posted on or above the display area which will read "Clearance Corner."

10-9. MISPICKS. Mispicks that cannot be returned to the distributor will be researched for price point, hand-priced IAW paragraph 10-3a., and displayed for sale in the clearance corner.

- a. If the item is available in the area DIBS file, use DeCA price plus the 1 percent COPPS markup.

- b. If the item is not available in the HQ DIBS file, price comparably with a like item.

10-10. DISPOSAL OF UNSALABLE PRODUCT. Items which have become unsalable due to age or damage has made them unfit for human consumption must be disposed of.

- a. Losses, which are caused by other than normal operation may require the application of DeCAF 40-70, Government Property Lost or Damaged (GPLD) Survey Certificate manual or automated (Figure 10-1), IAW DeCAD 40-15, Chapter 4.

- b. The store director or designated store manager will advise when a GPLD action is required.

GOVERNMENT PROPERTY LOST OR DAMAGED (GPLD) SURVEY CERTIFICATE					
<i>(For use of this form, see DeCAD 40-15; OPR is DO.)</i>					
1. ACTIVITY			2. ORIGINATOR NAME AND GRADE		
3. TO (Region)			4. VOUCHER NO.		
I certify that the loss of or damage to the items described below was not caused by negligence, willful misconduct or deliberate unauthorized use. I further certify that the loss of or damage to the items occurred under the circumstances described herein.					
5. ITEM NO.	6. NSN OR MFR PART NO.	7. NOMENCLATURE	8. QTY	9. UNIT COST	10. TOTAL COST
					0.00
					0.00
					0.00
					0.00
					0.00
				11. TOTAL COST OF LISTED ITEMS	0.00
12. CIRCUMSTANCES OF LOSS OR DAMAGE					
13. DATE		14. TYPED NAME, GRADE AND ORGANIZATION SIGNATURE <i>(Dist Mgr, Comry Off, Hand Receipt Holder)</i>			
15. REVIEWING AUTHORITY (PBO/Opns)			16. TO (Director/Commander)		
17. I have reviewed the evidence pertaining to the loss or damage and agree/do not agree (strike one out) that the loss or damage to the property was not due to negligence, willful misconduct, or deliberate unauthorized use. The following action is authorized:					
<input type="checkbox"/> An inventory adjustment for the property which was not lost through negligence, willful misconduct, or deliberate unauthorized use.					
<input type="checkbox"/> Repair the damaged property and charge to O&M/stock fund as fair wear and tear as damage was not caused by gross negligence, willful misconduct, or deliberate unauthorized use.					
<input type="checkbox"/> The circumstances surrounding the loss or damage warrant the processing of a report of survey, DD Form 200, to be initiated immediately.					
<input type="checkbox"/> Other action (Specify)					
18. DATE		19. DIR/CDR TYPED NAME, GRADE		SIGNATURE	

DeCA Form 40-70, Jan 1992

This form was designed by FormSoft Group, Ltd. using FormFlow99 v3.0

Government Property Lost or Damaged (GPLD) Survey Certificate
Figure 10-1

CHAPTER 11

MERCHANDISE ON MEDICAL HOLD

11-1. RESPONSIBILITY. Store directors are responsible for the disposition of merchandise identified on all food activities (ALFOODACT) messages. Store directors, in conjunction with MFIs, will ensure merchandise identified as subject to recall is removed from store shelves and placed in an area designated by the store director. ALFOODACTs are administered by DLA/DSCP and are available on their Web site at www.dscp.dla.mil, Supply Chain/Subsistence/Information/ALFOODACT.

11-2. MONITORING. The store director will appoint, in writing, an individual to be responsible for monitoring items placed on medical hold.

11-3. ISOLATED AREA. The store director will ensure an isolated area is designated for perishable and semi perishable products placed on medical hold.

11-4. NOTIFICATION OF DISPOSITION INSTRUCTIONS. When commissaries receive an ALFOODACT message, they should follow the recall procedures outlined in DLA's Web site, www.dscp.dla.mil and DLA Regulation 4155.26. You can also find information in Public Folders, Store Library, and ALFOODACT. Those procedures should, at a minimum, include the following:

a. Ensure the ALFOODACT reaches the widest dissemination and determine, through inventory, if recalled product is on hand.

b. If product is on hand, follow the instructions outlined in the ALFOODACT usually found in paragraph 7 or 8 in the body of the message. At a minimum, message recipients will be instructed to secure recalled items in a medical hold status pending further guidelines from DSCP. The ALFOODACT may contain additional instructions, depending on the nature of the recall.

(1) Annotate on the ALFOODACT message the results, date, and signature of individual performing the check.

(2) Maintain a file and summary log of ALFOODACT messages by message serial number for a minimum of 1 year.

Summary log must include: serial number, positive/negative (if positive how many), name of the person whom performed the check, and the date.

(3) Public Health and Safety (MPH) will produce a signed template with pertinent product information for posting in the affected stores (Figure 11-1). MPH will distribute the proposed signage template to the stores for distribution.

11-5. VOLUNTARY RECALLS. Manufacturers may initiate voluntary product recalls. Stores will follow manufacturer instructions for product disposition and ensure credit is received through a vendor credit memorandum (VCM), DSD, or DSD-S credit.

To All DeCA Patrons

If you purchased:

Product Name

with a pack date between Apr 6 and Apr 20, 2007,
use by/sell by date between Apr 23 and May 7, 2007

Please be aware that this item is being recalled by the manufacturer.

Please return the _____ for a full store refund.

The reason for the recall is the possibility of contamination with _____

If you have any questions please contact the store director at
(XXX) XXX-XXXX.

Thank you,

DeCA Management

Recall Signage
Figure 11-1

CHAPTER 12

VENDOR CREDIT MEMORANDUM (VCM)

12-1. VCM POLICY. A VCM is used by Industry to reduce the price of an item or to credit DeCA for the item entirely. VCMs may be presented and accepted for:

a. Unsalable: Items not fit for sale, excluding manufacturers with a swell allowance agreement with DeCA. This includes outdated merchandise resulting from a vendor suggested order.

b. Price Reductions: Items reduced voluntarily by the vendor in order to promote sale of products or short dated items reduced for quick sale.

(1) Commissaries may accept VCMs for price reductions for DSD type items and prepackaged meats.

(2) Vendor price reductions (VPR) that are made in conjunction with DeCA's semi-annual case lot sales, based on guidance from the Promotions/Marketing Division of the Sales Directorate (MPSM).

(3) Price reductions may be used for promotions, truckload sales, or case lot sales.

(4) Prices may be reduced for dead stock items that have been temporarily added back into DIBS.

c. Returned Merchandise: Products in good condition voluntarily returned to the vendor at their request and/or items donated by a vendor to other organizations on military installations. Product cannot be removed from the commissary without a signed/approved VCM.

d. Guaranteed Sale Items: Seasonal items that do not sell and are not unsalable and/or items that do not sell within a specific period of time.

e. Voluntary Recall/ALFOODACT: Medical or manufacturer voluntary recalls.

f. Distributor VCMs: Shortages, mispicks, credits, damages, infestation prior to receipt, expired or short dated product, etc.

g. Manufacturer deletes.

12-2. ACCEPTING PAYMENT FOR IN-STORE DEMONSTRATION (DEMO) PRODUCTS AND SUPPLIES THROUGH POS.

a. Demo products and supplies can be paid for at three different times; however, surcharge will be added to all purchases.

(1) Before the demo starts, at the register.

(2) Immediately after the demo, at the register.

(3) If payment for demo product or supplies cannot be made immediately, a VCM will be prepared and held in the admin office for vendor payment.

(a) VCMs for demos will not be held for more than 2 weeks.

(b) Payment will be made at the register as a normal sale, not as a VCM, plus the surcharge must be assessed.

12-3. FINALIZING VCMs. VCMs will be completed IAW DeCAD 70-6.

CHAPTER 13

FOOD DONATION PROGRAM

13-1. GENERAL. Only those damaged/distressed food items which have been certified by the MFI as edible and have not sold at a reduced price after a reasonable length of time or unmarketable product may be donated by the commissary or central distribution center to:

a. Organized, charitable organizations and instrumentalities of the United States designed to help needy military families/members, such as the Army Community services food lockers. These organizations have first priority for donations.

b. A charitable not-for-profit entity such as a food bank or a state or local agency that is designated by the Secretary of Defense or the Secretary of Health and Human Services as authorized to receive such donations.

c. A chapter or other local unit of a recognized national veteran's organization that provides services to persons without adequate shelter or a not-for-profit organization that provides care for homeless veterans and is designated by the Secretary of Veterans Affairs as authorized to receive such donations.

NOTE: These groups are responsible for providing the commissary with documentation showing they have been designated to receive donations.

13-2. PROCEDURAL REQUIREMENTS.

a. Unmarketable/unsalable foods for which vendor reimbursement is authorized, such as guaranteed sale items, product that has been willfully or maliciously damaged by vendor stockers, and outdated product resulting from a vendor recommended order, may be donated. Vendors must provide reimbursement to the commissary before donating these products. Authorization to donate foods may be obtained either by vendor-written annotation on DeCAF 70-10, VCM, or by using the Vendor Product Donation Authorization Form, (Figure 13-1). Retain a copy of the VCM with the products set aside for pickup.

b. Record all commissary and vendor product donations on DeCA Form 70-20, Subsistence Request for Issue or Turn-In or Transfer, (Figure 13-2). Ensure the required certification by the medical food inspector is obtained as shown on the sample form.

c. Once properly certified and documented, commissaries are authorized to hold edible foods for which a vendor has furnished reimbursement to the commissary and voluntarily authorized the donation of those products. The frequency and time of pickups by an authorized food donation organization should be mutually agreed upon by the commissary and the food donation organization.

d. Only authorized food donation organization representatives may pick up donations. Representatives must sign DeCAF 70-20 to authenticate receipt of donations. These forms will be maintained on file in the office of the store director with the applicable VCM and/or Vendor Product Donation Authorization Form.

e. Government owned or leased equipment may not be used to transport donations.

f. The total quantities of food donated through the Government-owned program should be accounted for and reported quarterly to DeCA headquarters.

g. In accordance with Public Law 104-210, the commissary and vendor are not subject to civil or criminal liability for good faith donations of grocery food products.

Instruction "Sample"

VENDOR PRODUCT DONATION AUTHORIZATION FORM

I authorize _____ Commissary to hold, awaiting pickup by any authorized local food donation organization, all distressed product for which vendor credit memorandum (VCM) reimbursement has been provided by me.

I agree to participate in this worthwhile program by donating the product lines listed below, that would otherwise be destined for disposal, to the local authorized food donation organization entity.

NAME: _____

COMPANY/BROKER: _____

TITLE: _____

COMPANIES/PRODUCT LINES I REPRESENT: _____

PRINTED NAME

SIGNATURE

DATE

**Vendor Product Donation Authorization Form
Figure 13-1**

CHAPTER 14

PRIZES, GIFTS, AND DONATIONS

14-1. USE OF ALLOWANCE/ACCRUAL FUNDS FROM PROMOTIONAL PROGRAMS, PRIZES, AND GIFTS.

a. Selection of items for DeCA's promotional packages is solely based upon sound business practices. Under no circumstances does participation by a manufacturer and/or broker cause promotion, directly or indirectly, influence MPSM in this decision making process. The support of a cause promotion is incidental to meeting the needs of our commissary patrons. Any promotional activities, including those involving non-promotional dollars, should be presented directly to MPSM. All promotional activities will be clearly communicated to the stores by MPSM in conjunction with the promotional package.

b. Promotional programs for commissaries often result in the presentation of prizes and gifts to customers or cash donation to a variety of causes. Store directors 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. DeCA personnel may not actively participate in drawings nor solicit donations in any form from Industry representatives. Commissary personnel may not donate commissary products or commissary money to causes of any type. Industry representatives who sponsor a promotion must clearly state the beneficiaries. Promotional rules will be clearly stated in presentations to the MPSM level. The following rules apply to the property or money given to DeCA organizational activities.

(1) DeCA cannot accept a gift except as authorized by law.

(2) **DeCA may ONLY accept awards won by participating in authorized MPSM approved merchandising contests.** When a store wins a contest that provides an award involving money, gift cards, or merchandise, i.e., washers, dryers, bicycles, or barbecue grills, the contest prize may be accepted and controlled by DeCA. Store Merchandising Contest Award Control Log, DeCA Form 40-279 (Figure 14-1) will be maintained by the office of the store director to document the date and type of promotional event, type of award, name of company issuing the award, name of the authorized DeCA personnel who accepted receipt of the award, and how the award was processed in support of store operations. Maintain the control log for a period of 6 years and 3 months and destroy at the end of the retention period. Contest awards involving money, (including checks) may only be applied to price reductions on MPSM approved promotional items or tents, store banners, and store decorations. Only checks awarded through a merchandising contest may be cashed and applied as payment towards rental of tents, store banners, and store decorations. The commissary will document the transactions on the control log including the serial numbers and dollar amounts of each check to be cashed. List the name of the company where the tent, banner, or store décor purchase/rental was procured, and attach the receipt(s). Change (cash) remaining from the sales or rental transaction will be deposited in the change fund and recorded as an overage. File a memorandum for record with the day's change-fund receipt records. Contest awards, in the form of merchandise, will be turned over to the installation commander who will determine the charitable beneficiaries. MPSM sanctioned promotional programs will be identified in the published promotional packages, to include area or local unique "S" coded store level optional events. Trophies, plaques, or other similar memorabilia, in recognition of performance achievements in promotional programs, may be accepted.

(3) Industry prize giveaways and gifts are intended for authorized commissary patrons and installation organizations that provide gifts and donations to military members and their dependents. At the request of Industry, store directors may provide a list of organizations seeking financial or product support. This list should be prepared with the assistance of the installation command and updated as needed. Store directors cannot suggest individual recipients but may list previous recipients of Industry donations upon request.

(a) Industry representatives are responsible for providing and setting up drop boxes with entry blanks for patron participation, arranging to draw names of winners, notifying winners, and awarding promotion proceeds directly to winners.

(b) If promotional proceeds are in the form of checks intended for patron use exclusively in a commissary, Industry representatives will make checks payable to "Defense Finance Accounting Service, Columbus" (DFAS-CO), but award those checks directly to winners. Likewise, if the promotional proceeds are commissary gift cards, the Industry representative will award them directly to the winner. DeCA personnel will not accept, handle, or store these checks or gift cards prior to presentation by patrons in payment for commissary purchases.

(c) DeCA personnel will instruct Industry representatives who sponsor a promotion in which a beneficiary is designated, e.g., Morale, Welfare and Recreation (MWR), schools, Boy Scouts, Chaplain's Fund, etc., to take action that ensures promotion proceeds are awarded directly to the designated recipient. If promotional proceeds are in the form of checks, Industry representatives will make checks payable to the designated recipient and never to DeCA, a commissary store director, or any other DeCA employee. DeCA personnel will not accept, handle, or store these checks.

c. DeCA personnel may display non-monetary promotional prizes, e.g., automobiles, boats, bicycles, computers, stuffed animals, etc., as part of promotional activity, and must exercise reasonable care to safeguard these items from damage or loss. DeCA personnel will not bear responsibility for damage to, or loss of, such items, unless this damage or loss can be traced directly to negligence of DeCA personnel.

(1) Industry representatives may not use commissaries as "long-term storage" locations for such items. To the extent possible, these items will not be kept in commissaries any longer than the period of the promotion, with which the items are associated.

(2) Under no circumstances will "presentation" checks list DeCA as one of the sources of the funds or imply that the prize is a "courtesy" of a DeCA area, zone, or store.

d. Promotional allowances, such as a monetary amount offered for ordering a truckload, are presented at the Sales Directorate, not the store level, and will be used to generate additional patron savings through DeCA gift cards or price reduction. Promotional allowances may not be used to fund equipment, services, or manpower, normally funded by appropriated funds. Examples of unauthorized use of promotional allowances are printers, fax machines, microwaves, office supplies, landscaping, tent rentals, security services, employee parties, or employee cash awards.

e. Promotional Allowances Scenarios; See (Figure 14-2)

14-2. PROMOTIONAL CONTEST. Neither DeCA employees; baggers; sales representatives, their vendor stockers and other employees; contractors and their employees; and family members of all of these may enter Industry-sponsored promotional contests in commissaries. Nor are they permitted to accept promotional proceeds from any commissary promotional activity.

Store Merchandising Contest Award Control Log <small>(Prescribing Directive DeCAD 40-5: OPR is DOB)</small>							
Receipt Date of Contest Awards	Printed Name and Signature of Authorized DeCA Representative	Name of Merchandising Contest	Printed Name and Signature of Contest Sponsor/Company Representative	List Contest Prizes Awarded to Store (Cash, Merchandise, Certif/Checks)	List Quantities Dollar Amounts, and Serial Numbers (where applicable)	Describe How Contest Award Was Processed in Support of Store Operations <small>**Attach Tent, Banner, or Store Decor Sales/Rental Receipts (if applicable)</small>	Date, Printed Name and Signature of Contest Award Beneficiary or Date and Name of Commissary Purchasing Agent for Tents, Banners, and Store Decor
Date: _____							Name _____ Date: _____
Date: _____							Name _____ Date: _____
Date: _____							Name _____ Date: _____
Date: _____							Name _____ Date: _____
Date: _____							Name _____ Date: _____
Date: _____							Name _____ Date: _____

DeCA Form 40-279, May 2008

Store Merchandising Contest Award Control Log, DeCA Form 40-279
Figure 14-1

Promotional Allowance Scenarios
Figure 14-2a

Question. The commissary earns \$750 when a full truckload of apple juice is purchased. The sales representative writes a company check and tells the store director that disbursement is left to the discretion of the store or no direction has been provided as to how the amount specified on the check should be applied.

Answer. If this is a MPSM approved promotion, the check should be returned to the representative and he should be instructed on how to complete a VPR or VCM. If it is not a MPSM approved promotion, the check should be returned to the vendor and he/she should be instructed how to make his/her presentation to MPSM.

Question. The commissary wins \$1,500 as the grand prize winner of a MPSM sanctioned merchandising contest. The store director has expressed a need for tent rentals and banners for their upcoming case lot sale and wants to use this award money to rent the tents and procure the banners.

Answer. DeCA, as an Agency, (not individual employees) may accept awards won by participating in MPSM sanctioned merchandising contests. The prize winnings must be logged into a control log in accordance with paragraph 15-1 and the use of those funds strictly controlled. Merchandising and display contest prizes, which involve money (including checks), may only be used to reduce the price of the product, or for store decorations, rental of tents for case lot or truckload sales, or promotional banners and materials.

Prizes in merchandising/display contests that involve free travel and travel related expenses (food and lodging) or free attendance at trade shows may only be accepted by the General Counsel who has been designated by the DeCA Director as the Agency approval authority on behalf of the United States Government. All such offers should be submitted in writing (e-mail is OK) to the General Counsel, for consideration.

Question. The commissary earns \$1,000 based upon a case accrual from a DSD company over a 3-month period. The vendor representative mails the check to the store director with no guidance on how the money should be applied.

Answer. Accrual funds may only be used to reduce the price of the product sold, as a direct benefit to commissary patrons, or as an indirect benefit to patrons by support for authorized institutional or installation needs. If used to reduce the price of product, the check must be returned and a VPR/VCM processed. If the intent of the accrual was for the direct benefit of commissary patrons, the vendor must make the checks payable to "DFAS-CO" and arrange for delivery directly to the winners. DeCA personnel cannot accept, handle, or store these checks prior to presentation to authorized patrons. If the intent of the accrual was for the benefit of one or more installation activities, (the Chaplain's fund, the Installation Boy Scout Troop, Youth Activities Summer Swim Program, etc.), the vendor must make all arrangements to deliver the check to the applicable organization. DeCA's employees or DeCA organizations such as the Social or Christmas Party committees may not be the beneficiary of any vendor prize, promotion, contest, or accrual.

Promotional Allowance Scenarios
Figure 14-2b

Question. The commissary receives four DeCA gift cards in the mail and has no knowledge of the sender or intent.

Answer. The gift cards should be turned over to the installation commander for distribution. The commissary will make a memorandum for record, the date the transfer to installation occurred, the serial numbers and dollar amounts of each gift card, printed name and signature of the installation representative who accepted the gift cards, and the printed name and signature of the commissary representative who conducted the transaction.

Question. The commissary is approached by a DSD vendor to authorize new item line extensions on a specific brand. In return for the authorizations, 50 free loaves of bread are offered as an incentive.

Answer. The DSD vendor should be instructed on how to submit a VCM or credit for the value of the 50 loaves of bread.

Question. A local vendor of snack foods has offered the grocery manager \$500 in return for an additional 4 linear feet of shelf space allocation.

Answer. This vendor has, in essence, offered the grocery manager a bribe. A bribe is an offer of something of value in return for official action. If this vendor is making the offer to DeCA, he is asking us to sell shelf space. Space allocation, strictly based on sales data, is determined by MPS and published within a planogram.

Question. The commissary is approached by a broker representative to support a charitable theme event of choice but not listed in the MPSM published promotional plan. Participation in the program is encouraged, with the offer of ten \$100 shopping sprees. The store director wants to support an installation event next month by offering the shopping sprees.

Answer. Because promotions may only be accepted by MPSM. The store director needs to direct the broker to the MPSM.

Question. A washer/dryer combo is shipped directly to the commissary from a manufacturer of laundry detergents to support a theme promotion not sanctioned by MPSM.

Answer. If the washer/dryer is to be a prize at the end of the promotion, the manufacturer's representative should be provided instructions prior to the promotional event. The store should report the incident to MPSM special promotions branch who will contact the broker or manufacturer to pick up the washer and dryer within a specific period of time from the commissary location.

Question. A meat manager is approached by a local sales representative who offers four tickets to a local NASCAR event. The meat manager refuses the tickets for himself but accepts the tickets to give to one of his employees.

Answer. The meat manager cannot accept this prize on his own behalf or on behalf of anyone else.

Promotional Allowance Scenarios
Figure 14-2c

Question. In support of a truckload purchase of bottled and bulk water products, the commissary earns \$800 to be applied towards a price reduction. The same manufacturer of the bottled water products also distributes soft drinks. A vendor credit memo is written to reduce the selling price of cola 12-packs.

Answer. The store director should apply the \$800 based on instructions published in the MPSM promotion package. Further inquiries should be addressed to MPSM for resolution.

Question. A commissary sweepstakes for a large flat screen TV has ended after a promotion of paper products. The raffle box and entry blanks were set up by the sales representative at the start of the promotion. Two weeks later, the entry box is missing.

Answer. The vendor should be informed of the problem. He/she is responsible for finding a solution.

Question. A large gas grill has been on display with a promotion approved by the area in support of a local DSD snack food company. The vendor provided a drop box and entry blanks. However, at the end of the promotion, the vendor fails to return to the commissary to award the drawing.

Answer. The local DSD vendor should be contacted to pick up the grill.

Question. A vendor says that their company is willing to pay for part or all of tent rentals for an upcoming case lot sale. However, the company will not allow them to make the check payable to the tent rental company.

Answer. The store director should refer the vendor back to his company for resolution.

Question. As part of a MPSM approved promotion, a manufacturer offers 25 gift cards to be given away to patrons for shopping sprees. At the end of promotion, the vendor awards 20 of the 25 gift cards directly to the patrons. However, the remaining 5 are unable to meet the vendor representative to accept their prize.

Answer. Entry forms supplied by the vendor conducting the contest must be formatted to allow each patron to fill out their full name, mailing address, phone number and e-mail address. The vendor is responsible for contacting the winning patron and issuing the prize in person or by mail. It is the responsibility of the vendor to issue the remaining five gift cards. The commissary cannot hold or issue the gift cards on behalf of the vendor.

Question. An authorized patron with a military ID card, who is also a DeCA employee, has filled out a contest entry form while shopping and has won the vendor sponsored contest.

Answer. DeCA employees and their immediate family members may not enter or participate in vendor promotions, prize drawings, contests or raffles. If a DeCA employee does enter such a contest, he/she is disqualified and the vendor should be instructed to select another winner. The same rule applies to commissary vendors and their representatives, commissary contract employees, and baggers.

Promotional Allowance Scenarios
Figure 14-2d

Question. In the middle of a 2-week promotion, a laptop computer intended for patron raffle disappears.

Answer. Contact the military police and notify the vendor. DeCA is not responsible for the security of vendor prizes.

Question. A patio table set is included as point-of-sale in a BBQ/cookout display and used by the store to merchandise hotdog and hamburger rolls, condiments, paper plates/cups, charcoal, etc., throughout the summer season. At the end of the season, the patio table set is stored in the warehouse for next year's season or used for employees at the end of the promotion.

Answer. DeCA is not and cannot be responsible for storing display props. The vendor should be contacted and directed to remove the items. DeCA employees, either individually or collectively, cannot accept gifts, gratuities, or prizes from vendors.

Question. The commissary receives a request from an organization (MWR, Chaplain, Single Soldiers, etc.) for specific items to be donated; i.e., chips, soda, gift cards, candy for their upcoming event.

Answer. Requests for donations must be conducted between the requesting activity and a vendor. Commissary staff may not request donations on behalf of the requesting organization.

Question. A vendor leaves DeCA gift cards in the hands of a general manager with directions to award them to authorized commissary patrons.

Answer. Commissary management/employees are not authorized to accept awards on behalf of the vendor for distribution to any recipient. Vendor should be provided written guidance pertaining to the handling of giveaways/prizes to patrons. If the gift cards are not to be distributed to the patrons by the vendor, the vendor must select and deliver the gift cards to an organization that is able to make such distribution such as the installation commander, the local MWR, or the Chaplain's Fund. If the vendor does not comply, the store director should turn the gift cards over to the installation commander.

Question. The store director enjoys a good working relationship with a local vendor and in return for ordering a specific quantity, the vendor offers the store director a deal by reducing the sale price on an item listed in the MPSM promotional program. The store director accepts a vendor credit memorandum from the vendor to lower the MPSM published price to the lower negotiated price.

Answer. Conducting store level price negotiations is in direct conflict with the MPSM promotional program. The store director should refer the vendor to MPSM.

Question. The store director allows Vendor X to write off Vendor Y's products and remove from the store. The commissary's accountability is not affected.

Answer. The store director is not authorized to approve this transaction, unless there is an official written agreement between DeCA, Vendor X and Vendor Y that states each vendor can act on behalf of the other.

CHAPTER 15

PROMOTIONAL PROGRAM AND DISPLAYS

15-1. DISPLAYS. Display items in the best location to reinforce the commissary's low price image and any special promotional theme. An important consideration in this plan is to try to display product before its normal location in the shopping pattern near a complementary product category. Displays should not impede the field of view for any closed circuit television systems. Displays are intended to accomplish the following:

- a. Move a high volume of merchandise
- b. Increase sales of a particular item and its complement
- c. Capitalize on promotional opportunities
- d. Reduce an overstock condition
- e. Stimulate acceptance of a new product
- f. Create suggestive selling
- g. Pass along VPR savings to patrons
- h. Create a feeling of excitement in the commissary
- i. Satisfy patron demand and take pressure off the shelf on major VPR items, where shelf capacity is inadequate

15-2. MAJOR TYPES OF DISPLAYS. Merchandising displays can affect the commissary in a variety of ways. They help shape the commissary image, improve employee productivity in relation to sales, and serve as a shopping aid. Display items should always have signs and be sufficiently stocked to sustain sales.

- a. End aisle displays are a major source of added sales. They are built at the end of the gondola and are ideal for tie-ins or multiple items.
- b. Mass displays are built along walls or the front of the store and used primarily for tie-ins and multiple high volume or bulk items. Mass displays should be tied to a season, holiday, or theme, and should be related to other items promoted.
- c. Island displays are built in the center of aisles where they are accessible from all four sides. They are ideal for tie-ins, bulky items, or produce.
- d. Dump basket displays are the easiest to build and remove and are used primarily for impulse buys. They display well in the queuing line for difficult to stock, or high volume items such as baby food, bar soap, or tuna.

e. Small displays (also called aisle or stack displays) can be located in an aisle or any unused corner of the sales floor. They are often used for slower moving items. Unless aisle width is extensive, avoid placing stack displays in the aisle.

f. Wing displays are a type of cut case or aisle display used on both sides of an end aisle display. Wing displays should be related to the featured items on the end display (i.e., a wing display of boxed juice to complement an end display of bottled juice).

g. Shipper/Pallets can be located in an aisle, an unused corner of the sales floor, or as a wing display. However, always evaluate the location to ensure there is adequate aisle width and shoppers are not impeded.

15-3. THE MOST EFFECTIVE DISPLAY. Generally, the most effective display is the one that works (i.e., sells the most amount of product without congesting the sales area).

a. End aisle and floor displays, such as island and mass displays, produce 87 percent of all impulse sales in the commissary. Floor displays should always be located in heavy traffic areas to gain maximum visibility.

b. Single item displays which feature only one product, have a profound influence on sales because they eliminate choosing multiple products.

c. Multiple product displays are those which feature more than one item. If the items on display are tied-in correctly, the sales of all items displayed will increase significantly. Usually, displaying more than five items on a display should be avoided because it tends to make displays appear cluttered and can have a negative impact on sales. Some categories of product, however, experience sales increases when variety is greater than five. Cookies and crackers are a good example.

15-4. PROMOTIONAL ACTIVITIES. MPS is responsible for the development of category management in our stock assortments, worldwide monthly promotions, pricing strategies, and plan-ograms.

a. MPSM is responsible for management of DeCA's worldwide promotional program for all product categories. The MPSM promotional program is published for a 2 or 3-week period to coincide with the 23 promotional periods for displays and other promotional activities each year. Each package is published no later than 110 days prior to the start date of the promotion period. Worldwide buy items are selected by MPSM from the core of DeCA's promotional sales program. OCONUS locations should participate in all worldwide buy promotions for items normally stocked. Many items included in the promotional package are line priced which means that all flavors/varieties of the listed item are also promoted at the special price.

b. Item selections for each promotional period are based on a number of factors including tie-in of related products, category growth and size, sales trends of the product, and the value it represents to the customer. Price alone, although important, is only one factor in selection. The existence of a lower price in prior marketing data may be the result of a one-time price used for grand openings and similar events.

c. While there is no specific display location required for an item(s) on the program, each item will be assigned a specific 2 to 3-week display period and designated as either "primary" or "secondary". Primary items should be displayed in key locations such as walls, entrance areas, and front-end caps. Secondary items should be displayed on the remaining end caps, wall, entrance area locations, or on

wing/tie-in displays. All items must be displayed to the maximum extent possible to fill the 80 percent of display space allocated for the MPSM portion of the program to include Power Buys and Managers Specials.

d. The remaining 20 percent of available display space will be allocated for MPSM/store managed DSD program and/or local item unique to a limited geographical location. Store directors will continue to promote certain DSD categories to include soda, bakery, and salty snacks. The remaining DSD categories are managed at MPS. VCMs are authorized for DSD promotional activity.

e. With the exception of case lot sales, promotions of national brand name items outside of a DeCA HQ sales package and seasonal/holiday programs are not authorized unless coordinated with the promotions manager at MPSM.

f. In general, commissaries are not required to display/promote items published on the program if promotional pricing has not been accurately transmitted from the manufacturer and is higher than published in the promotion package. VCMs should not be used to reduce the item(s) unless directed by MPSM with the following exceptions:

(1) Promotional pricing in Europe is centrally managed. DeCA Europe commissaries are only authorized to write a VCM to reduce the price of promotional items after coordination with MPSP (Europe).

(2) Alaska and Pacific Theater commissaries will write VCMs at store level for all promotional items.

g. Companies may transmit a lower price than published in the promotional package. In this event, the commissary should order and display the item at the lower price point.

h. Notices of cancellations of promotions or promotional items will be published by MPSM.

i. Commissary management should ensure appropriate POS materials are used in support of all scheduled activities for the duration of those activities. To assist MPSM in evaluating Industry support, store directors should inform MPSM of any unresolved problems or lack of merchandising support from Industry. Store directors in Europe and the Far East should report problems to their area office, rather than MPSM, for resolution.

15-5. CASE LOT SALES. Case lot sales are promotions where commissaries sell the majority of items by the case. DeCA mandates two case lot sales a year, May and September. The MPSM Promotions Team supplies a list of items for each store to choose from. These items may be augmented with the club pack items and DSD items at the local level. Stores may select the timeframe in May and September that best meets their needs to conduct the case lot sale. Dates should be coordinated with local industry representatives.

a. MPSM will assign a unique Product Look Up (PLU) to each item selected for participation in the worldwide case lot sales. These PLU numbers will be loaded via DIBS for each item. Only one stock-keeping unit (SKU) may be assigned to a PLU. Commissaries may not group more than one SKU in a line into one PLU, e.g., use Jack's Kiwi Juice, not juice, all flavors. Items with a unique UPC, or which have a case pack of one, do not need a PLU and can be scanned using the barcode. Case packs of one item will need a PLU if they are also sold in the store and are a special price just for the case lot.

b. If prices for case lot sale items are not sent down through file maintenance, commissaries should enter the case sell price from the “Case Off Invoice w/Scardown Price” column of the spreadsheet. Commissaries should not apply the coupon offers to the case cost price, as these will be processed during the customer transaction utilizing the coupon procedures.

c. Additional guidance is issued by the MPSM Promotions Team prior to each mandated case lot sale.

d. Disabled patrons are to be accommodated with the least possible inconvenience.

(1) Disabled patrons shall be allowed to enter the case lot sales area to begin shopping 30 minutes prior to normal case lot sale opening time. However, cashiers will not be scheduled to open early. Commissaries will post a sign reading: “Physically disabled patrons may enter the case lot shopping area to shop up to 30 minutes before regularly scheduled opening time.”

(2) Disabled patrons shall be allowed to move to the head of the checkout line during case lot sale events. Commissaries will post a sign at the case lot sale checkout counter that reads, “Physically disabled patrons may exercise head-of-line privileges at this checkout or request assistance from commissary personnel in doing so.”

(3) Disabled patrons may present a letter of authorization designating a person of their choice (agent) to accompany and assist them or shop on their behalf during case lot sales events. The installation commander or designated command representative is responsible for the preparation of the agent authorization letter.

15-6. GUARD/RESERVE SALES. There are two types of Guard and Reserve sales: those held “on-site” at a Guard/Reserve location and an online pre-order/pre-pay sale with the merchandise delivered to a Guard/Reserve location. All Guard and Reserve sales must be coordinated with the Guard and Reserve branch of the Promotions/Marketing Division.

a. On-site sales. The standard operating procedures for on-site sales is located on Public Folders, Store Library, Guard/Reserve Support, Standard Operating Procedure (SOP).

b. Online pre-order/pre-pay sales. Procedures for online pre-order/pre-pay sales are located on Public Folders, Store Library, Guard/Reserve Support, Guard/Reserve User’s Manual.

15-7. POINT OF SALE (POS) MATERIALS.

a. The effective use of all forms of POS materials plays a significant part in achieving category sales increases and enhances the overall success of our merchandising programs. Manufacturer and broker representatives are encouraged to play an active role in all promotional activities. Commissary management should control the use of all POS materials.

b. All products for which promotional pricing and/or activity has been accepted should be highlighted/identified by appropriate POS materials at each POS location. It is essential that commissary management and manufacturer/broker representatives work in concert to achieve mutually beneficial results.

c. DeCA furnished signs such as promotion specific signs furnished by MPSM and alternate machine or professionally printed signs, cards, or posters depicting promotional offers, are authorized for use. Industry furnished materials may be accepted provided they are neat and professionally printed. Theme-oriented decorative materials, shelf talkers, special offers, coupons, educational fliers, and recipes are acceptable and offer added customer service benefits.

d. All signs should contain a description of the item being promoted and the sale price. The description should be complete enough to distinguish the item from similar items that may not be promoted.

e. Commissary personnel will ensure the prices contained on all POS materials agree with the prices displayed by corresponding shelf tags and the price reflected in the POS.

f. Commissary personnel and vendors are encouraged to work together to optimize promotional activities within each store. Vendors are encouraged to assist in furnishing and placing POS materials in each store. Vendors should coordinate their activities with commissary management but will not be required to obtain initials/dates on signs or other materials for approval purposes. Industry is encouraged to provide special emphasis and assistance in furnishing and placing POS materials for commissaries located overseas. This is particularly important for small overseas stores.

15-8. ADVERTISING. Any advertising of sales and savings to patrons is restricted to flyers, handouts, or other no-cost media distributed within the store and other on base locations. Appropriated funds shall not be used to fund any form of direct advertising. Any information provided to the patron shall be aimed at maximizing the value of the benefit. Sale prices will not be used in any handout material that can be removed from the store. Flyers specifically addressing commissary sale items shall not be mailed to patrons. This restriction does not apply to authorized informational mailings that are no cost to the commissary. Advertising on local radio or television is not authorized unless the broadcast area is considered closed circuit for the installation housing area or the broadcast is through the Armed Forces Radio and Television Service in OCONUS locations.

15-9. PRESENTATION SAMPLES. Presentation samples are not authorized at store level except for local unique items which may be considered by the store director. Requests for additions and deletions of these type items will be forwarded to MPS for approval, subsequent contracting action, and updating the area stock list database.

15-10. IN-STORE CUSTOMER DEMONSTRATIONS AND SAMPLING.

a. In-store customer demos or sampling are encouraged. Ensure the product is available for immediate purchase.

b. Vendors may also distribute trial size or free merchandise directly to patrons. Free merchandise, which is also available on store shelves, will be distributed only after the patrons have passed through the checkout.

c. Sampling, demonstrations, or free distributions of tobacco related products are not authorized.

d. Store directors 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.

e. Store employees, unless they are off duty and in the store as authorized 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.

CHAPTER 16

TOBACCO

16-1. BACKGROUND.

a. As the result of a DoD policy change that went into effect in 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 original memorandum of agreement (MOA) was signed on October 29, 1996, between DeCA, Army and Air Force Exchange Service (AAFES), and Navy Exchange Service Command (NEXCOM); it defined the concept of selling tobacco products as consigned exchange inventory in the commissaries. The MOA between DeCA and AAFES was renegotiated and became effective February 1, 2004. The MOA between DeCA and NEXCOM was signed and became effective May 1, 2004. The provisions of the MOAs will remain in effect unless otherwise terminated by agreement.

c. As used here, the term “tobacco/tobacco products” includes cigarettes, cigars, smokeless tobacco, chewing tobacco, and pipe tobacco, unless otherwise specified.

d. The Exchange Services are reimbursed for the dollar value of tobacco products sold through POS. The price of tobacco products sold in 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. 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. Any changes to these procedures or user’s manual that impact DeCA’s tobacco inventory balance must be approved by DeCA HQ, AAFES HQ, and NEXCOM HQ.

h. Cost Recovery Fee: DeCA will deduct from the sales proceeds remitted to the Exchange Services a cost recovery fee of 2.9 percent of sales before surcharge for handling fees.

i. Termination of Agreement. In the event 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.

j. Sale of Restricted Products. On August 28, 1996, the FDA published 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.”

k. In June 22, 2009, FDA further restricted the regulations on cigarettes and smokeless tobacco products as follows:

(1) A prohibition on tobacco sales to consumers under the age of 18.

(2) Requires age verification for tobacco customers who appear to be under the age of 27. As stated by the FDA, retailers must card everyone appearing under the age of 27, even if the consumer is a loyal and frequent tobacco customer known to be of legal tobacco consumption age. Because the appearance issue is subjective, the FDA has issued guidance for retailers, but they should use their best judgment to protect themselves and the customers. Card customers when there is any conceivable doubt, and educate loyal customers that the requirement is a federal law.

(3) Requires all cigarette transactions be conducted face-to-face (prohibits vending or self-serve displays).

(4) Bans free samples of cigarettes and will allow only very limited free samples of smokeless products. The FDA has ruled that matches are permitted to be given with the sale of cigarettes; however, a ruling has not yet been made for lighters, so retailers are advised to not give away lighters as of the effective date, June 22, 2009. In addition, the FDA issued guidance recently saying tobacco purchases must be separate from loyalty programs rewarding customers with cash back, rewards, points and discounts on non-tobacco items. Tobacco purchases cannot count toward loyalty programs; however, a buy one, get one free promotion or similar restriction to tobacco items would be permitted.

(5) Bans the act of selling cigarettes in any package size smaller than a pack (no single sales or mini-packs).

(6) Prohibits gifts or free items in connection to tobacco purchases. Manufacturers that own the rights to tobacco brands are not permitted to make non-tobacco merchandise containing the brand, such as shirts or hats, and retailers are not permitted to sell or give away such items.

l. 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.

m. Signage on Sale of Tobacco Products: Commissaries will post in a conspicuous place, the applicable installation, local, state, or host country laws concerning restrictions on the possession of untaxed tobacco products. Commissaries may post signs approved by the Exchange Services. Color advertising is permitted at retail locations.

n. The AAFES forms referred to in this manual, will be obtained from the local exchange. Copies of all completed forms must be given to the AAFES POC. The AAFES POC should provide a copy of the completed form with the reference number assigned to the commissary.

16-2. TOBACCO PRODUCT SELECTION.

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

b. Commissaries will be provided a list of all cigarettes and tobacco products on the master stock assortment lists that are available for ordering from AAFES Distribution Center (DC). Commissaries can

order any of these items. If an item requested by a customer is not on the master stock assortment, the store director may e-mail the area POC to request this product be added to the stock list for the commissary. Ensure the following information is provided: UPC, vendor, and description. The product must have sufficient sales projections to be added.

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. If sales are less than 0.25 percent of tobacco sales, the item may be deleted. The discontinuance should be discussed and agreed upon with the exchange manager or POC before the product is removed from the stock list. The MOA specifies 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. Europe commissaries and exchanges located on the same installation will carry 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, MPSP (Europe) and coordinated with AAFES HQ. Commissary requests to delete low demand tobacco products will be forwarded through the respective zone manager to MPSP (Europe) for approval. MPSP (Europe) will coordinate deletions with AAFES HQ.

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

16-3. TOBACCO MERCHANDISING.

Merchandising: The MPS will determine the planogram for tobacco products sold in the commissary based on customer demand. The planogram for each store can be located at www.commissaries.com, About Us, Business with DeCA, Marketing, Planograms, Semi-Perishables, and Tobacco Products. Tobacco products will not be displayed on end caps. The Exchange Services will inform DeCA HQ of exchange merchandising policies. All tobacco allowances and rebates obtained because of contracting actions are retained by the Exchange Services.

16-4. TOBACCO STORAGE AND STOCKING.

a. Sales Floor/Storage: Commissaries will provide sufficient sales floor space to display tobacco products based on customer demand and sales. DeCA will also provide secure storage space for exchange tobacco products within commissaries. DeCA must reimburse the Exchange Services for any shrinkage more than 0.85 percent of tobacco product sales. It is in DeCA's best interest to safeguard exchange tobacco inventory. Display cases shall be secured and non-self service, ensuring the product and the price can be seen by the customer.

b. Stocking: The commissary is responsible for stocking and merchandising of tobacco products.

16-5. TOBACCO PRICING.

a. In order to support the *Healthy People 2010* goals, DoD established the following pricing policy on November 1, 2000, for tobacco products sold in, at, or by the Armed Services exchanges and commissaries:

(1) Prices of tobacco products sold in the military resale outlets in the 50 United States and Washington, DC, shall be set so as not to exceed the most competitive commercial price in the local community and shall not be lower than 5 percent below the most competitive commercial price in the local community, to include sales tax. Prices are set by AAFES HQ by pricing zones.

(2) Prices of tobacco products sold in military resale outlets in Europe, Far East, Guam, and Puerto Rico will be established by AAFES HQ.

b. The local exchange is required to conduct a survey quarterly to determine the selling price of cigarettes.

c. After the survey is completed, the local exchange forwards the results to AAFES HQ for consolidation by exchange zones. The prices are sent to MPS to be distributed to each commissary. The prices will be DeCA shelf price minus the 5 percent surcharge.

d. A price adjustment inventory must be conducted for all price changes. Inventories will be taken before the store opens on the effective date, or after closing the last day before the price change goes into effect.

e. Extend the document to obtain separate totals for markups and markup cancellations. Prepare AAFES Form 4350, Retail Price Vouchers, one for markups and one for markup cancellations.

f. Post the AAFES Form 4350 to the Tobacco Document Log (TDL) to column (6), Price Adjustment Increase as transaction code (TC) 441 or Column (7), Price Adjustment Decrease as TC 442.

16-6. TOBACCO PRICE CHANGES.

a. Price changes for commissaries supported by AAFES distribution centers (DC) in the United States, its territories and possessions, and Far East commissaries will receive pricing through DeCA HQ.

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

(2) Each time there is a price change, commissaries will inventory all tobacco products on hand affected by the price change at the regular shelf price before the VPR. Procedures for price adjustment inventories (PAI) are described in paragraph 14-5.c. Extend the price change, post to the TDL, and forward a copy of the PAI to the exchange POC.

(3) Based on price change information, commissary personnel must update POS; print and post updated shelf labels, and conduct physical PAI counts. These PAIs must be completed before opening the next business or the effective day of the price change.

(4) Commissary personnel should update the POS and print a price look-up (PLU) report 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 Price Change Voucher (PCV) report already matches the PLU. Conduct physical PAI counts of the items whose new prices differed from the PLU price. Count the total quantity of these items on hand. **NOTE:** Count only those items that have changed price and count all stock on display and in holding/storage areas.

(5) Exchange and commissary prices must be continuously synchronized; vendor promotions (VCMs/VPRs) must start and stop simultaneously at all exchange and commissary facilities on the same installation.

(6) Commissaries will apply commissary shelf/selling tobacco price changes to the commissary POS and at shelf locations. In commissaries located in the 50 United States, Pacific overseas areas, and Puerto Rico, commissary personnel must manually change tobacco prices in POS.

b. Price Changes for DeCA Europe Commissaries.

(1) In DeCA Europe, all commissaries will have the same selling price for tobacco products.

(2) Europe's pricing for commissaries will be processed and sent from AAFES HQ to MPSP (Europe) or through DeCA HQ. Once pricing is received, the commissaries will be notified of the new pricing via e-mail and the effective date of the price change. DeCA Europe commissaries will not change prices until officially notified by the area POC. DeCA Europe commissaries will not accept price change notifications from local AAFES exchanges. Refer any price changes to the area POC.

(3) Each time there is a price change, commissaries will inventory all tobacco products on hand that are affected by the price change. Procedures for PAIs are described in paragraph d below. A copy of the PAI will be forwarded to the exchange and scanned to the Europe Accounting Branch (BERUC) within 24 hours.

(4) Commissary personnel will update the POS based on price change information received via file maintenance from the area POC. Commissary personnel must complete POS price updates, print and post updated shelf labels, and do physical PAI counts before opening the next business day or the effective day of the price change.

(5) In the event the electronic update is not received in time for the effective date, the local store director will use the price list faxed from DeCA Europe to manually update the prices in POS.

c. PAI.

(1) To account for any gain/loss to the tobacco account that results from price changes, commissary personnel must complete a PAI each time any tobacco item changes price. Store directors will schedule commissary personnel to conduct the physical inventories required to document the price change.

(2) U.S. commissaries will use the AAFES price change documents to record the PAI.

(3) Overseas commissaries should use POS HHT to inventory the product on hand on the price change.

(4) Enter the total quantity of each item counted for the PAI, expressed in terms of sales units, e.g., cartons for cigarettes, on the Price Change Voucher (PCV) report. Compute the gain/loss for each item, then, total the gains/losses for all items.

(5) For AAFES supported commissaries: By close of business on the day following the effective date of the price change, commissary personnel will provide the PAI to the AAFES POC. Retain a copy of each completed PCV in the commissary tobacco folder for posting to the TDL.

(6) For Moffett Field, NWS Charleston, and Pearl Harbor Commissaries: By close of business (COB) on the day following the effective date of the price change, commissary personnel will mail the PAI to:

NEXCOM
ATTN: Tobacco Buyer
3280 Virginia Beach Blvd
Virginia Beach, VA 23452-5724

Retain a copy of each completed PCV in the commissary tobacco folder for the completion of the tobacco reconciliation sheet.

d. Tobacco Item Listing Report. A tobacco item listing report, commonly referred to as a PLU report, will be printed every Monday and/or after an out-of-cycle price change. The report will be used to validate prices on the store ordering/vendor shipped (STO/VES) receipts, manifest, transfers, etc. If there is a VPR, the VPR will not be used for pricing documents. The regular price before the VPR will be used for pricing.

e. Automated Price Changes through POS.

(1) In March 2010, AAFES changed their procedures for determining tobacco prices. Previously, each local exchange conducted a price survey of the local retail tobacco prices, determined the selling price, and gave the commissary a hard copy of the price change. Today, the local exchanges continue to conduct price surveys quarterly and then the prices are sent to AAFES HQ to consolidate prices by state/zone. AAFES currently sends an Excel spreadsheet with the new prices to DeCA HQ and the spreadsheet is sent to each commissary.

(2) Under the proposed procedures, prices will be received in the DeCA buffer zone and then will be transferred to POS. AAFES will transmit the prices by Department of Defense Activity Address Code (DoDAAC). AAFES currently sends DeCA a price file; however, it does not contain all of the elements required to download the prices to POS. Currently, AAFES sends DeCA all of the prices by store, whether or not the store carries the item. DeCA systems sorts through the file and only transmits prices for items carried by the store.

16-7. TOBACCO ORDERING AND RECEIVING.

a. Ordering and Receiving via STO/VES (Vendors) for U.S. Commissaries.

(1) Commissaries that can meet the minimum quantities for ordering short-dated tobacco products (Skoal and Copenhagen) will use the AAFES STO/VES system, where installed, for ordering and receiving tobacco products from vendors. The STO/VES ordering and receiving procedures are provided in the AAFES/Commissary Tobacco Manual. The commissary will use the AAFES hand-held

device (HHD) to scan the shelf label/product and enter order quantities. The orders are then transmitted to AAFES HQ for forwarding to the vendor. Stores that cannot meet minimum shipments will order the tobacco items from AAFES DCs. These procedures do not apply to Pearl Harbor, Moffett Field, and NWS Charleston.

(2) After printing the BRANCH REQ EDIT REPORT, print the applicable SD PO WRITE RECVG RPT WORKSHEET.

(3) Give the receiver the worksheet to file until the merchandise is received. If UPS/FedEx delivers to the office, ensure the package is taken to receiving to be properly received.

(4) The receiver will verify the quantities received. If there are any quantity differences, change the total on the purchase order. Re-extend the receipt for the quantity changes.

(5) Verify the prices with the current shelf price.

(6) If there are any price differences, prepare an AAFES Form 4350, Retail Price Voucher; prepare one form for price markups and a separate form for markup cancellations.

(7) Post the receipt with any quantity adjustment to the TDL column (4), STO/VES Receipt Amount as a TC 491. If there are any pricing adjustments, post to column (6), Price Adjustment Increase as TC 441 or Column (7), Price Adjustment Decreases as a TC 4412.

b. Ordering and Receiving from AAFES Distribution Center.

(1) Ordering: The selection of items will be made jointly by DeCA and AAFES. AAFES buyers will identify those vendors' products that will be stocked in the AAFES DC for store replenishment.

(a) Other tobacco products, e.g., Skoal, and Copenhagen, may be ordered directly from the vendor, if minimum shipments can be met. If minimum shipments cannot be met, then these products will also be ordered from AAFES DCs.

(b) AAFES HQ will establish all contracts and files needed to support their DC replenishment. Local AAFES personnel do not establish these types of items, nor determine what is stocked in AAFES DCs.

(c) The local AAFES tobacco POC for the commissary tobacco program will provide assistance on/with the use of the AAFES HHD for ordering from the DC. Listed below are unique DC warehouse numbers, which must be used for ordering cigarettes from the DCs. The HHD user guide is provided in Chapter 9 of the AAFES/Commissary Tobacco Procedures Manual, located in Public Folders, Store Library, Tobacco.

<u>Distribution Center</u>	<u>Acronym</u>	<u>Warehouse Number</u>
Dan Daniels DC	DDDC	1059902
Waco DC	WADC	1059915
West Coast DC	WCDC	1059966

(d) The AAFES DC manager establishes and provides the ordering and delivery schedules to the commissaries. All store personnel who order and receive tobacco will be familiar with this schedule. A copy will be posted in a visible location and a copy also kept on file at the store.

(e) Authorized commissary personnel will scan merchandise using the AAFES HHD for ordering from AAFES DCs by entering Poll # 1, poll week, applicable warehouse number, and determine an order quantity for the selected item(s). Commissaries must order, at a minimum, five cartons per UPC and the minimum order total is five cartons. **The cartons must be ordered in multiples of 5**, e.g., 5, 10, 15. Commissaries are not required to order cases unless commissary sales for a specific UPC warrant the ordering of a case(s). The commissary may order, for example, five cartons of one UPC, 15 cartons of another UPC, and 60 cartons of another UPC. When processing the order, **always order in cartons**, not cases. Commissaries without an AAFES HHD for transmitting orders will manually record their order on the DC Stock List and deliver that list to the AAFES tobacco POC at least 24 hours prior to the order poll date for manual ordering. The local exchange will process the order using the commissary's 7-digit facility number.

(f) DC ordering (called polling) is a "Fill or Kill/No Back-Order" system. Only one shipment per order will be made by the DC, according to DC established delivery schedules.

(g) The DC will provide a schedule for transmitting the order. This is found on the AAFES DC schedule. The schedule also contains the day of the week the DC will pick/process the order for shipment. The commissary's delivery date will also be provided by AAFES. **Orders must be transmitted NLT 1400 Central Standard Time (CST) on the poll order date, as shown in column 8 of the AAFES DC schedule. Ensure the transmission is received at AAFES HQ before the cutoff time for the day.**

<u>Time Zone</u>	<u>Local Cutoff Time</u>
Eastern	1500
Central	1400
Mountain	1300
Pacific	1200
Alaska	1100

(2) Reviewing Orders: The next business day after the order was transmitted, log into the Sister Service Report Viewer (SSRV) on a DeCA computer. Enter your user name and password. Click on "Login." At the next screen, enter the store's 7-digit facility number. At the top, click on "hide all". This makes it easier to find the different reports. Find the "LG – WCS BRNCH REQ EDIT REPORT." Click the box on the left of the report to expand the file. Click on the last report and print (Figure 16-1). The first pages of the report will show the items ordered from the DC and the vendor. The next pages after the items ordered show any rejected items and the reasons why. The following pages show where the merchandise is coming from, the DC or vendor. Research must be done to determine why the items were rejected.

(3) Tobacco Deliveries: Each order delivered from an AAFES DC will be accompanied with a truckload list (TLL) and may also be accompanied by a copy of the manifest from the DC. The TLL documents the number of cases in the shipment.

(a) The morning the order is to be delivered, from the SSRV, print a copy of the manifest from the LG WMS MANIFEST from the applicable distribution center (DDDC/WADC/WCDC) using your 10-digit facility number.

(b) When the order is delivered, the driver will bring the AAFES WAREHOUSE MANAGEMENT SYSTEM – BILL OF LADING (Figure 16-2).

(c) After the driver unloads the truck, the receiver will count the number of cases received. If it agrees with the bill of lading, the receiver will sign and date the document, along with the AAFES driver. Retain a copy of the signed bill of lading.

(d) If there is a difference between the number of cases on the bill of lading and the actual number of cases, annotate the shortages/overages on the bill of lading. Ensure the receiver and the driver sign the bill of lading.

(e) If there are any visible damages to the cases/cartons, annotate the damages on the bill of lading. The receiver and the driver will sign the bill of lading. If there is major damage, take pictures to document the damage.

(f) After the driver leaves, conduct a 100 percent count of the cartons received immediately. Annotate on the AAFES manifest (Figure 16-3), the quantities received. Circle the quantities that agree; when there is a difference, line through the printed quantities and write in the quantity received.

(g) If there is excessive damage, take pictures to send to the distribution center for credit. Small dents on corners of cartons are not considered excessive damage and these items can be sold.

(h) For shortages/overages, complete the following and e-mail to the DC customer service office:

Listed on Manifest:	Yes/No	Manifest No.	Trailers #:	
Date Received:	Was Discrepancy noted on signed bill of lading:	Yes/No		
Facility No.	Label	CRC	Cost:	Retail
Qty:	Description			
Shortage/Overages				

(i) Ensure your 7-digit AAFES facility number is on the subject line of the e-mail and send to the DC customer service office (CSO):

DDDC Customer Service	DDDCCustSer2@aafes.com
WADC Customer Service	WADCCSO@aafes.com
WCDC Customer Service	WCDCCS@aafes.com

(j) In the body of the email include the following:

Facility Name:
7-Digit Facility #:
Point of Contact:
Telephone No:

(k) If the correct number of cartons was received, but items were mis-shipped, prepare a separate e-mail. Ensure the commissary's 7-digit facility number is in the subject line and send to the DC CSO as applicable. Complete the following for each item mislabeled:

Facility Name:
Point of Contact
Telephone number:

CRC NUMBER ORDERED
CRC Number: _____ Price: _____ Quantity: _____
Description: _____

CRC NUMBER RECEIVED
CRC Number: _____ Price: _____ Quantity: _____
Description: _____

(l) Within 24-hours of receipt of merchandise, the AAFES DC must be notified of any quantity discrepancies. Complete the following information and e-mail to the DC CSO.

LABEL INFORMATION
Origin Dist.Center #: _____ Name: _____
Label Requisition Number: _____ Label Requisition Date: <u>DD/MM/YY</u>
Cycle Number: _____ Manifest Number: _____ Batch Number : _____
Location Number: _____
Remarks:

:

(m) Do not just change the price on the manifest for mis-shipped items. If you do not send the required e-mails, the commissary will not be given credit for the mis-shipped items, damages, or missing cases/cartons.

(n) Verify the sell prices on the manifest with the price list sent by AAFES HQ to DeCA HQ Sales Directorate (MPS). Do not use the VPR price. If the prices are different, prepare an AAFES Form 4350, Retail Price Change Voucher (Figure 16-4); a separate form will be used for price increases and a separate form for price decreases. Complete the following blocks at the top of the form: Markup or markup cancellation, commissary name, facility 10-digit number and date prepared. Total the amount in

the change column. In the reason block, enter the reason for the price adjustment (e.g., manifest number and date). Sign the Retail Price Change Voucher in approval block.

(o) Ensure the store receives a reply to the e-mails sent to the DC CSO giving credit for the missing, damaged, and mis-shipped items. E-mail should be received within 2 weeks. Follow-up if the adjustment has not been approved and e-mailed back to the commissary. DC CSO is the only one who can approve quantity adjustments on manifest.

WACO DISTRIBUTION CENTER

DSN 566-8505
1-800-543-2057
1-254-666-8505

DAN DANIELS DISTRIBUTION CENTER

DSN 274-2867
1-800-338-2179
1-757-888-2867

WEST COAST DISTRIBUTION CENTER

1-888-675-5540
1-209-234-3742/3789

(4) Tobacco Receiving from DC: After the delivery has been made and signed for, the delivery driver will depart. Store receivers will, prior to moving tobacco products from the receiving point, conduct a 100 percent line-item count of merchandise received and compare those counts to the manifest. A manifest may accompany the shipment or can be printed prior to delivery. Manifest reports are on the SSRV by each commissary's unique 7-digit facility number and reports are listed separately by the supporting warehouse. Prior to scheduled delivery time, each store will print the manifest the day the merchandise is delivered to the commissary. A copy of the manifest for conducting the 100 percent line-item count will be given to the receiving office. Commissaries are not required to send copies of the manifest/requisition document to the exchange DC CSO, unless they ask for the documentation.

(5) Receipt Processing: The AAFES system automatically charges the dollar value from each manifest to that commissary's book inventory within the AAFES system. The dollar value of the order is charged to the commissary when the order leaves the DC.

(a) Commissary personnel will post the receipt retail total as printed on the manifest/requisition to the TDL, column 5 (Warehouse Receipt - Transaction Code (TC) 431). **NOTE:** If there are discrepancies, still, post the total value shown on the manifest. Any adjustment for discrepancies will be handled as described below. Do not change the manifest total in column (5) of the in-store TDL.

(b) Total Shortages: AAFES CSO will process the manifest adjustment as credits for the commissary by using TC 412. Commissaries will post these adjustments to column 11 of the TDL, using brackets.

(c) Total Overages: AAFES CSO will process debits for the commissary by using TC 412. Commissaries will post the adjustments to column 11 of the TDL.

(d) Credits/debits for shortages will be available on the daily merchandise reports, once processed by the AAFES CSO. If the credits/debits do not appear on the SSRV report within 2 weeks, notify the servicing DC. Once the adjustment is posted to the SSRV report, if there is a difference in the adjustment amount, the commissary POC will contact the servicing DC CSO.

(6) Price Discrepancies: Once the shipment has been verified by quantity, the next step is to verify the sell price charged on the manifest against the current commissary sell/shelf price.

NOTE: VPR items should be at the regular, non-VPR sell price; not the VPR price. For all other cigarettes, the shelf price should match the manifest price. Print a PLU report for the Monday or the effective day of the price change.

(a) If a price discrepancy is identified, annotate by line on the manifest the correct sell price. Re-extend the manifest and list the new manifest dollar amount. Post the difference to the TDL, column 6 for increases and column 7 for decreases. Do not change the manifest total on the TDL.

(b) Send a copy of the adjusted manifest to your local AAFES tobacco POC. The AAFES POC will prepare a PCV, send it to AAFES HQ Finance and Accounting (FA) for processing, and send a copy to the commissary. The PCV should equal the amount posted to column 6 or 7 TDL.

(c) AAFES HQ FA will adjust the price discrepancy using a TC 441 if the adjustment was a markup and a TC 442 if it was a markdown. The price adjustment should match the amount posted to column 6 or 7 of the TDL. If the adjustment does not appear on the daily merchandise report within 2 weeks, contact your local AAFES POC for assistance or contact the applicable AAFES representative.

(7) Merchandise in Transit (MIT): MIT is DC product shipped, but not received at time of the accountable inventory. End of year inventory processes will be published under separate cover. There should not be MIT for vendor supplied merchandise, unless the receipts are not posted before the closing date for the fiscal year.

c. Ordering and Receiving for Commissaries from NEXCOM DCs.

(1) For NEXCOM Installations: Commissaries supported by NEXCOM DCs for tobacco will call their order into the CSO for processing.

(2) The receiving procedures are as follows:

(a) Deliveries are line-item received against the order sheet for each order placed. Quantities are verified at the time of delivery. Any discrepancies will be noted on the order sheet and the manifest. Both NEXCOM delivery and store personnel must sign the manifest.

(b) Update prices on the order sheet to agree with the current PLU shelf prices. If not the same, change the price before extending the order sheet. Extend the order sheet and attach the adding machine tape. Extend at the regular shelf price and not the VPR price.

(3) After the orders have been received and extended, mail the original extended order sheet and the manifest to:

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

(4) A copy of the order sheet and the manifest will be placed in the tobacco folder for posting of the TDL.

(5) **Caution: Do not enter the dollar value of tobacco products receipts into DIBS.**

d. Ordering and Receiving for Commissaries in Japan, Korea, Guam, and Puerto Rico.

(1) Fort Buchanan: Tobacco will be ordered from the local exchange.

(2) Commissaries in Japan, Korea, and Guam order tobacco products directly from the AAFES DCs or from the local exchange using the AAFES HHD.

(3) The Orote (Guam) and Chinhae commissaries will order from the local AAFES DC.

(4) Ordering: The local AAFES POC for the commissary tobacco program will provide training on the use of the HHD. The AAFES DC manager will establish and provide ordering and delivery schedules to the store directors. A listing of approved items will be provided to commissary personnel by AAFES.

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

(b) DC polling is a “fill or kill” system. The DC will make only one shipment per order. Commissary orders will be placed, picked, loaded, and delivered, based on schedules published by the DC manager.

(5) Physical Receiving: 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 receive merchandise by line-item. 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 in-checker. Additionally, if any discrepancies are noted, the commissary POC will contact the local AAFES accounting POC and report shipment discrepancies. 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.

(6) Processing Receipts: Commissary personnel will post the receipt retail total as printed on the manifest/requisition to the TDL.

NOTE: Post total value shown on the manifest/requisition. Any adjustments for discrepancies will be handled as described below.

(7) 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.

e. Ordering and Receiving for Europe Commissaries. Stores in DeCA Europe that order tobacco products directly from the AAFES DC or from the local exchange, will use the AAFES HHD.

(1) Ordering: The selection of items will be made jointly by -MPSP (Europe) and AAFES, and will be consistent with each store’s capacity to store and display products, as determined by MPSP (Europe). AAFES and MPSP (Europe) buyers will identify those tobacco products that will be stocked in

the AAFES DCs for store replenishment. The AAFES buyer will establish all files needed to support DC replenishment. The local AAFES POC for the commissary tobacco program will provide training on the use of the AAFES HHD.

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

(b) DeCA MPSP (Europe) will provide a listing of approved items to the commissary.

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

(d) DC polling is a “fill or kill” system. The DC will make only one shipment per order.

(e) Commissary orders will be placed, picked, loaded, and delivered based on schedules published by the DC manager.

(f) The day after the order is transmitted; commissary personnel will verify with the DCs CSO, that the order was generated at the DC and identify any NIS items.

(2) **Physical Receiving:** 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 in-checker. Additionally, if any discrepancies are noted, the commissary POC will contact the local AAFES accounting POC and report shipment discrepancies. 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.

(3) **Processing Receipts:** Commissary support personnel will scan the manifest/requisition document for processing to the BERCU.

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

16-8. DAMAGED/DISTRESSED TOBACCO MERCHANDISE. The tobacco inventory at commissaries is subject to the same wear and tear and 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, or damaged tobacco product of any kind.

a. **Salvage:** Losses from salvage and/or damaged merchandise must be absorbed by the commissary, if a credit is not given for such merchandise by the vendor/distributor. The value of merchandise which the vendor/distributor agrees to give credit must be determined before the merchandise is taken from the commissary. Saleable merchandise, such as partial cartons, can be transferred to the exchange. DeCA must absorb the loss for other damaged or missing packs. Determine the value of any merchandise for which credit is received and record the credit using DeCAF 70-10, Vendor Credit Memo. Provide a copy of the documentation to support the credit to the exchange representative and place the original copy in

the tobacco folder. Any salvage or damaged merchandise, for which credit is not received, will be destroyed according to commissary procedures. Damaged/distressed merchandise should be handled as follows:

b. Damaged/Distressed:

(1) Commissary and exchange POCs should meet at least once every 2 weeks to review commissary merchandise displays, stock levels, and presence of damaged/distressed items.

(2) Both DeCA and the exchanges should minimize costs and labor investment associated with handling damaged/distressed tobacco products.

(3) For DeCA Europe, unsalable tobacco products may be transferred at commissary shelf price value to the local exchange on a DeCAF 70-20 for inventory adjustment, if authorized by the exchange.

(4) Return to vendor for full credit.

(a) The first and least costly option is to simply have the vendor issue a return authorization and issue a 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.

(b) 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 or NEXCOM charge back can be included with the shipment. If this is not possible, the VCM will be used to document return to vendor shipments. VCMs should be prepared and sent to the exchange. The VCM will be extended at the commissary shelf price. 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 folder and posted to the document log. Ensure the VCM is extended at the regular shelf price without the promotional price.

(c) Commissary personnel will include the values of these transactions on the tobacco reconciliation sheet.

(d) If the vendor issues a check at the time the product is picked up, the vendor will deliver the check to the exchange, or the commissary will forward the check to the supporting exchange for processing. Determine the shelf price by pack, by dividing the carton price by 10. Prepare the transfer document for the number of saleable packs times the pack price.

(5) If a carton is partially damaged, or packs are missing, the remaining undamaged packs can be transferred at the commissary regular shelf price to the exchange.

(a) Commissary POCs will coordinate with exchange POCs regarding disposition of such items. Commissaries will document these transactions on a DeCAF 70-20 to the exchange, signed by both commissary and exchange POCs.

(b) SDO personnel will retain copies of documentation in the tobacco folder and forward documentation to the exchange. Commissary personnel will include the values of these transactions on the TDL. The exchange will process these transfers into their accounting system.

(6) Damaged/distressed merchandise that CANNOT be sold and the vendor will not provide credit for the merchandise, will be handled as follows:

(a) Commissary POCs are responsible for coordinating with exchange POCs, to advise disposition of such items. Commissary personnel will take all actions 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 memorandum for record annotated as "IDENTIFIABLE UNCREDITED LOSS," signed by both commissary and exchange POCs.

(b) Commissary personnel will retain copies of documentation in the tobacco folder and forward documentation to the exchange.

(c) Commissary personnel will **NOT** include the values of these transactions on the TDL. Commissaries will absorb these identifiable losses in the 0.85 percent of loss variance permitted in the consigned inventory tobacco program.

(d) 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 losses as described above, the value of these normal operating losses will be in the year-end inventory variance.

(8) 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.

(9) Philip Morris has changed their policy for **aged/expired products**. **They have stated they will not give credit for aged/damaged merchandise.** DeCA must absorb this loss as part of the inventory shrink.

16-9. TOBACCO PROMOTIONS.

a. Procedures for accounting gains and losses to the value of the inventory resulting from promotional and incentive programs must be adopted and followed at all commissary activities. VPRs always impact inventory values. There are two acceptable methods of accounting for inventory gains/losses resulting from VPRs.

(1) Determine inventory gains/losses from the POS VPR Promotion Report. Determine the quantity sold from the POS VPR Promotion Report and Commissary Operations Management System (COMS) item movement reports.

(2) Provide copies of the documentation to support the inventory gains/losses, to the local exchange representative. Place the original copy of the supporting documentation in the tobacco folder. Post the VPR amount to column 10-VPR.

(3) Once a month, Philip Morris, RJ Reynolds, and Liggett may offer VPRs. Lorillard offers a promotion for a quarter and may not be effective for the whole 3 months.

(4) VPRs will be set up according to POS procedures. The VPR for Philip Morris, RJ Reynolds and Liggett are usually effective the last Monday of the month until the last Sunday of the following month. Each VPR e-mail will contain the specific dates of the promotion.

(5) At the end of the promotional period, print a movement report in accordance with POS procedures. Prepare a PCV, AAFES Form 4350, check the markup cancellation box, and submit to the

AAFES POC with the movement report for processing. Attach the copy of the item movement to the PCV for back-up.

(6) Post the VPR to the Tobacco Document Log, column 10, VPR. Post each VPR separately. Do not combine different vendors together.

b. Commissary Tobacco Promotions, Except for Overseas Commissaries.

(1) System-Wide Promotions. The Exchange Services may establish promotions with the different tobacco vendors. The Exchange Services will provide procedures for implementation of these promotions.

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

(3) The Exchange Services will provide procedures for promotional and incentive programs.

(4) The commissaries will use the POS VPR Promotion Report 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-promotion period report for tobacco products is provided to the vendor with a copy retained in the commissary tobacco file. The amount of the credit posted to the TDL 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.

(5) Coupons. Only coupons that are available to the general public will be permitted. Special "Military Only" coupons are prohibited. 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., will be accepted.

(6) Exchange policies will apply to promotional activities such as giveaways, etc.

c. Overseas Commissary Promotions.

(1) System-Wide and Local Promotions: AAFES may establish promotions with the different tobacco vendors. The exchange will provide procedures for implementing the promotion to MPSP (Europe).

(2) Coupons: 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.

(3) Exchange policies will apply to promotional activities such as giveaways, etc. Exchange policies will apply to POS and off-shelf displays.

16-10. TOBACCO TRANSFERS.

a. To Exchanges/Other Commissaries:

(1) Tobacco products may be transferred to the exchange or other commissary at the shipping commissary's shelf price. Prepare an AAFES Form 7350, Transfer Voucher (Figure 16-5).

(2) Complete the top portion of the form, and then list the products to be transferred in column A, B, C, D, G and H. In column G, use the shipping commissary's regular shelf price (not VPR price). Extend the document.

(3) Post the transfer to Tobacco Document Log to column (8), Transfers to Exchange/Commissary, as TC 529.

b. From the Exchange:

(1) The exchange will prepare the AAFES Form 7350 for the merchandise requested by the commissary.

(2) When the merchandise is received from the local exchange, count the merchandise and sign the form. If there are discrepancies, line through the incorrect quantity and enter correct quantity. Ensure the exchange signs the document.

(3) The exchange will transfer the merchandise at their retail price (which includes surcharge). Prepare an AAFES 4350 for the difference between the prices that AAFES transferred the merchandise and the current commissary shelf price. Use the regular shelf price, not the VPR price.

(4) Post the AAFES Form 7350 to the Tobacco Document Log to column (9), Transfers from Exchange, as a TC 530. Post the Retail Price Change Voucher, AAFES Form 4350, to Column (7) as a TC 442.

c. Between Commissaries:

(1) When transferring between commissaries, prepare an AAFES Form 7350. The price on the Transfer Voucher will be the regular shelf price of the shipping store. The shipping store will post the transfer to the Tobacco Document Log, column (8), Transfers to Exchange/Commissaries, as a TC 529.

(2) The receiving commissary will verify the quantities received and sign for receipt. The commissary receiving the merchandise will post the transfer to Tobacco Document Log, column (10), Transfers from Exchange/Commissaries, as a TC530. The receiving commissary will verify the prices. If the prices are different, prepare the AAFES Form 4350 for any price differences. Separate forms will be prepared for any markups and markup cancellations. Post to Tobacco Document Log, Column (6), Price Adjustment Increase, as TC 441 and/or Column (7), Price Adjustment Decrease, as TC 442.

16-11. TOBACCO VENDOR CREDIT MEMORANDUMS

a. When outdated or damaged merchandise is picked up by the vendor representative, sign the vendor's credit document. The vendor will only give credit at exchange cost.

b. Complete an AAFES Form 7250, Charge Credit Voucher (Figure 16-6). Insert the cost amount in column G and DeCA shelf price column I. Extend the document. In the "number" block, enter the control number from the vendor's documentation. Attach a copy of the vendor's credit document.

16-12. ACCOUNTING FOR EXCHANGE-OWNED TOBACCO PRODUCTS IN DeCA COMMISSARIES.

a. General: DeCA has agreed to pay the Exchange Services for losses to the tobacco accounts that exceed 0.85 percent of sales; therefore, DeCA must have a standard and reasonably efficient way of determining the gain or loss in the tobacco account. TDLs will include all accountable transactions for a month to determine the gain/loss in the tobacco account.

b. Tobacco Folder: All commissaries that handle tobacco products will establish and maintain a tobacco account folder by month and by the exchange fiscal year. The tobacco account folder will contain all documents, e.g., receipts, transfer documents, sales certification, physical inventory, and documents that record transactions relating to the status of the tobacco account during a month. The first month is February and the last month is January. The folder to be used is a hard copy with two partitions and six fasteners. The documents will be placed in the folder as follows:

Inside Front Cover: Signed Tobacco Log
Signed Tobacco Reconciliation Worksheet
Daily Merchandise Reports
Monthly Merchandise Report
AAFES TC Reports

1st Partition Front: Manifests
Vendor Receipts (STO/VES)

1st Partition Back: Price Changes

2nd Partition Front: VPRs

2nd Partition Back: Transfers
VCMs
Miscellaneous documents

Inside Back Cover: Sales Documentation

At the end of each month, send a copy of the TDL to the local Exchange. Also, file a copy of the document log with the tobacco documents for the quarter.

c. TDL: The TDL (Figure 16-7), is used to track all documents that record transactions relating to the status of the tobacco account during the month. All commissaries that sell tobacco products will use the TDL. TDLs will be set up by month. The TDL in Excel that was previously sent to the commissaries can be used.

(1) Document numbers are assigned to all transactions that impact accountability. Assign a document number as described below. Record the next number for the month on the TDL with the reference number, date, and dollar amount under the applicable column. The document number assigned will be written on the document in the upper right hand corner. Each month, send a copy of the completed TDL to the Store Support Directorate (SOS) tobacco POC and to the local exchange or AAFES HQ accounting by the 10th of the month. The store director will sign the Tobacco Reconciliation Worksheet.

(2) Prepare and document all tobacco accountable documents sent to the exchange with the Tobacco Transmittal Batch Ticket (Figure 16-8). If documents are lost, DeCA will have a record of what was sent to the exchange. Ensure a copy of the transmittal log and the accountable documents are retained.

(3) When an adjustment is required, a price change will be completed and attached to the document requiring any corrections and then sent to the exchange. Ensure the adjustment is given a document number and is listed on the transmittal log before sending it to the exchange.

(4) Description of TDL:

COLUMN NUMBER	COLUMN NAME	TRANS CODE	DESCRIPTION
(1)	Control Number		<p>Every document that affects tobacco accountability will be assigned a control number and entered on the TDL. The control number will be written on each and every document in the upper right hand corner. The first character will be a “T” designating tobacco. The second character designates the month by using the following character designation:</p> <p>October B November C December D January E February F March G April H May J June K July L August M September N</p> <p>The third and fourth characters are numeric characters assigned in sequential order. These numbers are preprinted on the document log.</p>
(2)	Reference Number		Enter the reference number associated with the document, such as: purchase order number, price change number, transfer number, and manifest, etc.
(3)	Date		Enter the date the merchandise was received, the date the price change was completed, date of VPR, etc.
(4)	STO/VES Receipt Amount	491	Enter the receipt sell amount after manually extending the receipt using the prices from the daily PLU report. Extend at the regular shelf price and NOT the VPR price. If the prices on the receiving document do not agree with the PLU report, verify the price and extend at the current shelf price, then research the correct price. When entering the receipt data into STO/VES, verify that the commissary sell price agrees with the sell price in STO/VES. Highlight all price differences. If the price in STO/VES is incorrect, prepare a “Notification of Adjustment” and forward with the receipt to AAFES accounting office.
(5)	Warehouse Manifest	431	Post the amount that appears on the manifest. The AAFES system automatically charges the dollar value from each manifest to the commissary’s book inventory. If there are quantity changes, determine the value of the quantity changes and post as a separate entry to column (5). If the prices on the warehouse manifest do not agree with the PLU report, verify the price and extend at the current shelf price. Do NOT extend using the VPR price. Post the sell price adjustment as a separate entry in column (5).
(6)	PAIs – Gains	441	Post all markups as a gain. All price change documents may be posted as one entry on the log. Price change increases/decreases are on separate price change documents. They are not mixed on the same document. Post price change gain adjustments for vendor receipts and warehouse manifest in column (6),
(7)	PAIs – Losses	442	Post all markdowns as a negative number (-). All price change documents may be posted as one entry on the log. Post price change loss adjustments

			for vendor receipts and warehouse manifest as a negative number (with a minus sign).
(8)	Transfers to Exchange	529	Post all transfers to AAFES from the commissary at the DeCA shelf price. Post all negative numbers with a minus sign (-).
(9)	Transfers from Exchange	530	Post all transfers from AAFES to the commissary at the exchange price. Post all transfers to the commissary as a gain. Post the 5 percent difference as a separate negative entry (-) in column (7).
(10)	VPRs	510/444	At the end of the promotional period, post the amount on the AD/Markdown Report or POS VPR Report. Post all negative numbers with a minus sign.
(11)	Other Adjustments	412	Post any adjustments reflected on the Merchandise Report after verifying why the correction was made. If additional information is needed to verify the entry, call AAFES accounting at 1-800-582-3289.
(12)	VCMs	419	Post all VCMs for merchandise that the vendor has given credit for, such as aged and damaged merchandise. Post all negative numbers with a minus sign.
		460	Post checks from tobacco vendors have given to AAFES for processing. Post all negative numbers with a minus sign. Do not post a second time if it has already appeared on the Merchandise Report under TC 419.
(13)	Sales	427	Enter the amounts from the sales certification for the periods of 1-15 and 16 to the end of the month. Post all sales with a minus sign.
(14)	Balance		The total column amount is a running balance of the tobacco accountability. The Excel spreadsheet will automatically calculate the balance.
(15)	Date of RMDS Report		Record the date the transaction appears on the Daily Merchandise Report or AAFES TC report. It may not be in the same month as the posted transaction. Sales from the 16 th to the end of the month will appear in the next month, except at the end of the AAFES fiscal year.
(16)	Amount Agrees with RMDS		Verify that the sell amount on the Daily Merchandise Report or TC report agrees with the entry on the document log. If they agree, enter "Y" for yes. If they do not agree, enter "N" for no, and determine the reason why. If the error is DeCA's, enter the amount as an adjustment to the correct transaction exchange POC. If the difference is because the commissary has a different sell price, and the correction on the receipt document has been forwarded, allow time for the paperwork to get to the AAFES accounting office and be processed. The correction should be posted within 2 weeks. Ensure all "Ns" are resolved.

The beginning inventory will be posted to the first line of the Daily Running Total Column (14). After training has been provided by the AAFES HQ tobacco training team, verify all entries with the daily Merchandising Report printed from AAFES computer system. The total amount in column (14) at the end of the month will be the final book inventory for that month. **When a formal inventory is taken (at the end of the exchange fiscal year), the inventory dollar value will be the beginning inventory figure for the next month.** The TDL preparer and the store director will sign and date the log on the last page. When a formal physical inventory is taken, record the dollar amount on the last page.

d. Commissary Tobacco TCs.

TRANS CODE	TC NAME	DESCRIPTION
41412-XX	Non-HQ General Journal Vouchers (GJV)	Offices outside AAFES HQ will use for corrections or adjustments of any kind. Support these entries with a copy of GJV. The various sub-TCs indicate the type of adjustment made.

419-00	Purchase Journal CONUS	Records the payment to vendors for matched receiving reports and invoices (may have been part of a previous month's un-audited accrual) processed in the current month. The sub-TC indicates the type of receipt and is used primarily for vender credit memos.
414-XX	Receipts of CONUS Procurement	Receipts processed manually for open orders and regular orders from CONUS vendors.
427-XX	Miscellaneous Corrections – Headquarters	Corrections made by AAFES HQ for any reason. To correct entries booked through other TCs. Supporting document is a GJV or notice of journal entry for distribution centers, VPRs and sales.
431-XX	Mechanized TV Receipts (DC shipments)	Record mechanized shipments from DCs.
437-00	Year End MIT Reversal	Reverses prior months TC438.
438-00	Year End MIT	Record the value of inventories force-charged but not received, or received but not charged as of the physical inventory date. Automatically reverses in the following month.
441-XX	Price Changes-Markups	Sell price increases above the original sell price. Also includes markup for labor and video rental and PSDPSC management fee.
442-XX	Price Changes-Markup Cancellation Regular	Decreases in sell price that cancel part or all of previous markups. Although representing price reductions, treat markup cancellations as negative markups. This TC requires approval of AAFES HQ. A change in pricing policy and fluctuations of currency exchange rates also fall under this category. Although these decreases are not part of the cost of goods calculation, any reduction to sell will affect the facility's cost percent which will, in turn, affect cost of goods.
444-10	Price Changes-Markup Cancellation-VPR On-Line	Record decreases in the sell price based on a vendor promotion.
460-XX	Mechanized Case and Sales	Reports input sales transactions at branch level through electronic transmission to AAFES HQ. Checks received from vendor for damaged or outdated merchandise.
473-XX	Markdowns-Directed-HQ-OSC/OR	Record decreases in the sell price of all merchandise. It includes warehoused and open-order merchandise, when directed or authorized by HQ AAFES, USR/OR.
491-XX	Mechanized Receipts	Record mechanized receipts. Offset to purchases-in-transit (PIT). Charge PIT for invoices paid by FA-O/A. .
529-01	On-Line-Transfers-Out	Manual transfers processed through AAFES tobacco system data entry screens. The TC 529 transaction is created for the shipping facility.
530-01	On-Line-Transfers-In	Manual transfers processed through IGLAS data entry screens. The TC 530 transaction is created for the receiving facility
563-01	Frozen Accrual-Commissary Sales	Frozen accrual account used for FM January sales. Automatically reverses in following month.
564-01	Frozen Accrual-Commissary Sales Reversal	Reverses prior month's TC563.

16-13. TOBACCO INVENTORIES.

a. At NWS Charleston, Moffett Field, and Pearl Harbor, a 100 percent physical inventory of tobacco products must be conducted at the end of each exchange quarter. The scheduled dates of inventories are the last business day of the exchange quarter after COB. At AAFES supported tobacco commissaries, inventory will be taken annually. Semi-annual inventories with the exchange are only required if the commissary was out of tolerance the previous year. The physical inventory will be conducted jointly by commissary and exchange personnel.

b. DeCA requires all commissaries selling tobacco to conduct monthly in-house inventories. If the stores were in tolerance for the previous Exchange Service fiscal year, they are not required to do a joint semi-annual inventory with the exchanges.

16-14. TOBACCO RECONCILIATION.

a. About 2 weeks after AAFES closes their books each month, AAFES will e-mail to each CONUS store the Transaction Code (TC) Report (Figure 16-9) from February to the current month for all of the transactions that happened in the AAFES accounting months.

b. Click on the month you want to print at the bottom of screen. Go to "File," "Page Setup," then on the "Page" tab click on "Landscape." Next, click on the "Sheet" tab and then click on the box next to "Gridlines." The spreadsheet can be printed on 8 ½ by 14 inch paper. Columns not required for reconciling can be hidden; these columns are: column A, FACILITY NBR, ACCOUNT NBR, SITE ID, REF CODE 1, REF CODE 2, REF CODE 3, and REF CODE 4. To hide the columns, go to "print" → "set up" –hold down the "control" key and then click on the columns that can be hidden are: then go to "format" → "column" → "hide". Before printing click on "Print Preview" and ensure the form will print on one page. If it will not fit, reduce the right and left margins. If that does not work, reduce the size of the other columns. Do not touch the "SELL AMOUNT" column. Recheck the "print preview" and ensure that all will fit on the page. Then print.

c. Remember, there is a time delay in the posting of the accountable documents by AAFES of at least 2 weeks, except for manifests.

d. Match the TC Report to the TDL. Because of the delay of postings and the difference in accounting months, you may need to use previous TDLs to match the entries on TC Report. Begin by matching the manifests. These should match exactly. Then match the vendor receipts. From there, match the price changes, transfers, VPRs, VCMs, and other adjustments. When the report and log agree, indicate on the tobacco document log, column (15) and (16), that the entries match the date. If they do not match, research why. If it is a DeCA error, post the correction in the current month. If it is an AAFES error, notify AAFES and request a correction be made. Follow-up to ensure the correction is processed.

e. On the TC Report, "Ref 1" usually contains the manifest number, purchase order number, control number, or month. The other "Ref" columns contain additional information to help to match the entries to the TDL.

f. If you are having problems with the reconciliation, contact Store Support Directorate (SOS) POC.

g. DeCA is required to periodically reconcile the tobacco accounts with the Exchange Services monthly and at the end of the Exchange fiscal year. Based on the reconciliation, any losses exceeding 0.85 percent must be reimbursed to the Exchange Services. The Excel version of the TDL will be completed and submitted to the area POC monthly.

h. All commissaries, except DeCA Europe commissaries, must complete the TDL monthly and reconcile with the AAFES Daily Merchandise Reports/TC Reports. The TDL and inventories may be completed monthly. The TDL and the inventory certification will be submitted to Store Support Directorate (SOS). The SOS POC will review the reports from each store and take appropriate action, if necessary. The annual report will be consolidated and the reports sent to SOS. The beginning inventory for the TDL will reflect the end of year physical inventory. The inventory dates will be published by the Exchange Services every January.

i. For STO/VES receipts, the sell price extension will be used and **NOT** the cost price extension.

j. DeCA Europe. DeCA Europe will use the Excel version of the TDL. These reports will be completed monthly by the BERUC.

k. Possible Contributing Factors to Inventory Variances. When commissary reconciliations show excessive variances, the following items should be reviewed:

- (1) Inaccurate inventory counts on both the yearly and monthly inventories.
- (2) Inaccurate price change counts.
- (3) Failure to remove promotional items off sale once the sale ends.
- (4) An incorrect price on purchase order (PO) or manifests. Prices are not corrected to the current DeCA sell price.
- (5) Promotional items inventoried at VPR selling price instead of regular selling price.
- (6) Over processing/under processing quantities in POS (processing errors).
- (7) Incorrect POS prices.
- (8) Incorrect item movement counts on promotional items.
- (9) Copies of transfers, price changes, credit memos, not forwarded to AAFES for processing.
- (10) Selling promotional items at an incorrect VPR price.
- (11) Inaccurate sales figures reported.
- (12) Theft/pilferage.
- (13) Not verifying that the POS price, PO price, and AAFES price (from the price list provided by price surveyor) are all in unison.
- (14) DC not contacted for shipping discrepancy.

- (15) Unreported MIT.
- (16) DC did not process credit for shortage/overage.
- (17) Price change for price discrepancies not submitted.
- (18) Lack of communication between AAFES and DeCA POCs.

16-15. DISPOSAL OF DAMAGED/OUTDATED TOBACCO PRODUCTS

- a. Merchandise that is damaged or outdated and the vendor will not provide credit cannot be transferred to the exchange, except for undamaged packs in a carton that can be transferred to the exchange to sell.
- b. The amount of the damaged/outdated merchandise cannot be written off on the Tobacco Document Log. This loss becomes part of your 0.85 percent authorized loss.
- c. Complete the AAFES Form 6450, Standard Certificate of Disposal (Figure 16-10), and using commissary shelf price. Ensure the commissary store director and the exchange POC sign the form.
- d. Phillip Morris and RJ Reynolds do not provide any credit for out dated or damaged merchandise. The Commonwealth, Liggett, and Lorillard will provide credits for outdated and damaged merchandise. Phillip Morris will provide credit for outdated Skoal and Copenhagen. Request a credit voucher from the vendor representative for outdated/damaged merchandise.

BILL OF LADING - 108111
 CONTAINER NUMBER: AAFES2200
 TO: 012063 3851-19-11-00 HOCMSR
 VANCE CORM TOBACCO
 DLG 410
 216 FIELD ST
 VANCE AFB OK 737055

AAFES WAREHOUSE MANAGEMENT SYSTEM WALK
 FROM: 1059815 3750-91-01-00
 WACC AAFES
 AAFES WACC DC
 1801 EXCHANGE PARKWAY
 WACC TX 767126

24/02/11 13:33:39 PAGE: 1
 CARRIER: 9102400
 AAFES TRANSPORT

OPENING SEAL: _____
 CLOSING SEAL: _____

CASES	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS	WEIGHT (LBS)	CUBE	FRT BAZ	CLE CODE	SEAL TRICK
6	FREIGHT ALL KINDS	67.95	4.85	01		2753.60
6	*** BRANCH TOTAL *** DRIVER SIGNATURE _____ RECEIVED BY _____ DRIVER CODE# _____	67.95	4.85			2753.60

DELIVERY TIME/DATE _____
 RECEIPT TIME/DATE _____

 * Transportation here under is for the account of the U.S. Government and any charges will be *
 * Paid by the Army & Air Force Exchange Service, an instrumentality of the U.S. Government. *

 YOUR ASSURED RECEIVING WORKS
 - Accurate Delivery
 - Special Loss Accrual
 - Audit Verified

Truck Load List (TLL)
Figure 16-2

28/02/11 13:53:35 PAGE:

AAFES WAREHOUSE MANAGEMENT SYSTEM WADC

HCCM2LS

SHIPPING MANIFEST - 308331
CONTAINER NUMBER - AAFES230
TO: 1012065 3051-19-11-03
WANCH DUMN TORACCO
BLDG 410
316 PERIOD ST
WANCE AFB

FROM: 1059315 3760-51-01-02
WACO AAFES
1801 EXCHANGE PARKWAY
WACO TX 767136

NEW SELL PRICES EFFECTIVE TUESDAY 01/03/11

TASFT. #	ITEM #	CRC #	QTY	COST PRICE	CURRENT SELL PRICE	NEW SELL PRICE	OR WK	PROMO ACCT	DEBT	SURCHG	TYPE
4C:23812	411605163	1066527	20	2.49000	3.1900		08				REGULAR ORDER
	07300001483		5	3.49000	00148	00.46	08				REGULAR ORDER
	411605406	1062702	80	3.45000	3.1900	00.07	08				REGULAR ORDER
	07310001079		80	3.45000			08				REGULAR ORDER
	411600350	1584164	5	35.74000	43.4600		08				REGULAR ORDER
	070195000082		10	35.14000	36.2900		08				REGULAR ORDER
4C:24296	411611010	1031966	5	25.15000	36.9100		08				REGULAR ORDER
	028200101808		5	35.74000	43.4600		08				REGULAR ORDER
4C:24338	411618011	6085045	5	35.74000	43.4600		08				REGULAR ORDER
	028200163309		5	35.74000	43.4600		08				REGULAR ORDER
	411618013	6500890	5	35.74000	43.4600		08				REGULAR ORDER
	011600837060		5	35.74000	43.4600		08				REGULAR ORDER
4C:24468	411611010	1034701	5	35.74000	43.4600		08				REGULAR ORDER
	028200106902		5	35.74000	43.4600		08				REGULAR ORDER
	411611010	3543766	5	35.74000	43.4600		08				REGULAR ORDER
	028200127006		5	35.74000	43.4600		08				REGULAR ORDER
	411611010	7831506	5	35.74000	43.4600		08				REGULAR ORDER
	028200117509		5	35.74000	43.4600		08				REGULAR ORDER
4C:24515	411618002	4171658	10	29.24000	40.4600		08				REGULAR ORDER
	020400050362		5	35.74000	43.4600		08				REGULAR ORDER
4C:24517	411611010	1103803	5	35.74000	43.4600		08				REGULAR ORDER
	028200106505		5	35.74000	43.4600		08				REGULAR ORDER
	411611010	3211107	5	35.74000	43.4600		08				REGULAR ORDER
	028200117908		5	35.74000	43.4600		08				REGULAR ORDER

S - SELL DESCRIPTION USED
A - INDICATES VBR ITEM COST
I - DEFAULT VALUE USED

AAFES Manifest
Figure 16-3a

28/02/11 13:33:33 PAGE: 2

AAFES WAREHOUSE MANAGEMENT SYSTEM WADC

SHIPPING SUMMARY - 309311

CONTAINER NUMBER - AAFES280
 TO: 1073263 3031-19-11-00 BOCOMC
 VANCE COMM TOBACCO
 BLDG 410
 216 FISH ST
 VANCE AFB

FROM: 1055925 3763-91-01-00
 WACC MAPES
 AAFES WACC DC
 1601 EXCHANGE PARKWAY
 WACO TX 767126

OK 737055

ACCT DEPT	PRODUCT COST	WAREHOUSE SURCHARGE	TRANSPORT CHRG	ACTUAL BRANCH COST	TOTAL BRANCH SELL
331-10	2229.70	30.95	0.00	2250.65	2753.60
ACCOUNT BAL TOTAL	2229.70	30.95	0.00	2250.65	2753.60
* RETAIL TOTAL *	2229.70	30.95	0.00	2250.65	2753.60
** MERCHISE TOTAL **	2229.70	30.95	0.00	2250.65	2753.60
TOTAL PIERCES SOLD	6				
TOTAL BARRELS	6				

AAFES Manifest
Figure 16-3b

READ ONLY FORM

ARMY AND AIR FORCE EXCHANGE SERVICE CHARGE/CREDIT VOUCHER										ACCOUNTABLE		DATE PREPARED		NUMBER		TYPE OF INVOICE	
<input type="checkbox"/> INVOICE (DUE US) <input type="checkbox"/> CREDIT MEMO (DUE YOU)										<input type="checkbox"/> YES <input type="checkbox"/> NO				XXXXXX		<input type="checkbox"/> RETURN TO VENDOR <input type="checkbox"/> VENDOR CLAIM CLAIM # _____ <input type="checkbox"/> CARRIER CLAIM CLAIM # _____ <input type="checkbox"/> CHARGE SALE, REG. <input type="checkbox"/> CHARGE SALE, COST <input type="checkbox"/> PROCUREMENT SALE <input type="checkbox"/> CHARGE SALE, DISC. <input type="checkbox"/> VENDING MACH. <input type="checkbox"/> CONCESSIONAIRE <input type="checkbox"/> MDSE. REPAIR (CUSTOMER) <input type="checkbox"/> MDSE. REPAIR (AAFES) <input type="checkbox"/> CORRECTION OF RECEIPTS _____ _____ _____	
FACILITY NUMBER		DEBIT	ACCOUNT NO.		SUB ACCT./DEPT.		DOLLAR AMOUNT		PURCHASE ORDER NO.		VENDOR CODE NO.						
FACILITY NUMBER			CREDIT							REC. REPORT NO.		FREIGHT ENTRY NO.					
FROM (FACILITY NAME & ADDRESS)							SHIPPED/RECEIVED VIA (CARRIER NAME - RAILCAR NO., VESSEL, VOYAGE NO., ETC.)										
PREPARING FACILITY							SHIPPING NO:										
TO: NAME _____														<input type="checkbox"/> COLLECT <input type="checkbox"/> PREPAID			
ADDRESS _____														OSE CLAIMS			
CITY, STATE _____														CLAIM NO. _____			
ZIP (APO) NO. _____														TYPE CODE _____		SITE CODE _____	
DESCRIPTION					STOCK NUMBER/UPC/CRC		COLOR CODE	SIZE CODE	UNIT	QUANTITY	COST IN.	UNIT PRICE	EXTENSION	ACCOUNTABLE VALUE			
A					B		C	D	E	F	G	H	I	J			
WHOLE DOLLAR ADJUSTMENT															50		
REMARKS: (AUTHORITY FOR RETURNS, CUSTOMERS SIGNATURE, ETC.)										TOTAL		DUE US		TOTAL ACCOUNTABLE VALUE		XX	
										DUE YOU							
PREPARED BY _____										BRANCH MGR. _____		APPROVED _____		TYPE OF CREDIT			
FOR CLAIMS REFERENCE - DATA PROCESSING														<input type="checkbox"/> TO VENDOR <input type="checkbox"/> CANCEL CLAIM <input type="checkbox"/> AGAINST CHARGE SALE, REG. <input type="checkbox"/> AGAINST CHARGE SALE, COST <input type="checkbox"/> CONCESSIONAIRE <input type="checkbox"/> _____			
JV. NO.	MONTH	BATCH	CODE	CASE NO.	CLAIM NO.	AMOUNT											
GOODS COUNTED AND CHECKED BY		EXTENSIONS MADE BY		CHECKED BY		POSTED TO STOCK RECORD		ENTRY DATE TRANSMITTAL RPT.		ACCT. DISTR. CHECKED BY		EXTENSIONS RECHECKED BY		DATA PROCESSING USE			

AAFES FORM 7250-005 (REV FEB 00) (Prev Editions Usable) Item No. 753725005 CRC No. 507-5270

EOP 55-20

**Charge Credit Voucher, AAFES Form 7250
Figure 16-6**

DeCA TOBACCO DOCUMENT LOG (Revised Jan 2011)															
STORE:		FACILITY NO:			MONTH:			FEBRUARY 2011							
01	02	03	04	05	06	07	08	09	10	11	12				
Control No.	Ref. No.	Date	STOVES Receipt Amount	Warehouse Manifest	Price Adj Increase	Price Adj Decrease	Transfer To Warehouse	Transfer From Warehouse	VPR (-)	Other Adj (+/-)	VCMA (-)	Sales	Balance	Date of Merch Report	Net Sales with Merch VSN
Opening Inventory - 31 JANUARY 2011															
TF-01			49,944	43	11	2,025	59	39	14	43	43	47	50		
TF-02													50		
TF-03													50		
TF-04													50		
TF-05													50		
TF-06													50		
TF-07													50		
TF-08													50		
TF-09													50		
TF-10													50		
TF-11													50		
TF-12													50		
TF-13													50		
TF-14													50		
TF-15													50		
TF-16													50		
TF-17													50		
TF-18													50		
TF-19													50		
TF-20													50		
TF-21													50		
TF-22													50		
TF-23													50		
TF-24													50		
TF-25													50		
TF-26													50		
TF-27													50		
TF-28													50		
TF-29													50		
TF-30													50		
Total			50	50	50	50	50	50	50	50	50	50	50		

Tobacco form 11-01

Tobacco Document Log, Tobacco Form 11-01
Figure 16-7a

DeCA TOBACCO DOCUMENT LOG (Revised Jan 2011)													
STORE: 0		FACILITY NO: 0		MONTH: FEBRUARY 2011									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Control No.	Ref. No.	Date	Receipt Amount	Warehouse Shrinkage	Physical Increase	Physical Decrease	Transfer To Exchange	Transfer From Exchange	VRG	Disgr. VRG	Ad. VRG	Sales	Balance
Transactions Cash			492411	01	41	4320	329	50	44	155	412	419	157
Forward			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TF-31													\$0
TF-32													\$0
TF-33													\$0
TF-34													\$0
TF-35													\$0
TF-36													\$0
TF-37													\$0
TF-38													\$0
TF-39													\$0
TF-40													\$0
TOTAL			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Physical Inv 28 February 2011													
DIFFERENCE BETWEEN BOOK INVENTORY AND PHYSICAL INVENTORY													
PERCENT OF GAIN/LOSS													
INVENTORY TO SALES RATIO													
CUMULATIVE TOTALS FOR A FISCAL YEAR USING BOOK INVENTORY:													
PRIOR TOTALS NONE													
TOTAL FOR A FISCAL YEAR			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Tobacco form 16-31

Tobacco Document Log, Tobacco Form 11-01
Figure 16-7b

TOBACCO RECONCILIATION WORKSHEET			
COMMISSARY NAME:	0		
ACCOUNTING PERIOD ENDING 28 FEBRUARY 2011			
	MONTH	YEAR TO DATE	
1. BEGINNING INVENTORY			
Total Inventory - Taken On COB 29 January, 2011		\$0	\$0
2. RECEIPTS			
From 31 January - 28 February 2011			
a. Directly from Vendors	\$0		\$0
b. From Exchange Distribution Center	\$0		\$0
3. PRICE CHANGE INCREASE	\$0		\$0
4. PRICE CHANGE DECREASE	\$0		\$0
5. TRANSFERS TO EXCHANGE	\$0		\$0
6. TRANSFERS FROM EXCHANGE	\$0		\$0
7. VPRs	\$0		\$0
8. OTHER ADJUSTMENTS	\$0		\$0
9. VCF	\$0		\$0
10. TOTAL	\$0		\$0
11. SALES	\$0		\$0
12. ENDING STOCK INVENTORY	\$0		\$0
13. PHYSICAL INVENTORY	\$0		\$0
14. GAIN/LOSS FOR ACCOUNTING PERIOD	\$0		\$0
15. PERCENTAGE OF GAIN/LOSS	#DIV/0!		#DIV/0!
Remarks:			
		Previous Month:	\$
		Write off for Feb 2011	\$
		Total for year	\$
PREPARED BY:			
		STORE DIRECTOR:	(Name)
		(Date)	(Date)

Tobacco form 11-01

Tobacco Document Log, Tobacco Form 11-01
Figure 16-7c

DeCA's Version of AAFES
TRANSMITTAL/BATCH
TICKET

TO: (MAIL ADDRESS)

DATE:

FROM: (STORE NAME)

STORE 10 DIGIT FACILITY TRANSMITTAL NUMBER:
NUMBER:

NUMBER	TYPE OF DOCUMENT	DATE OF DOCUMENT	DOLLAR VALUE
01			
02			
03			
04			
05			
06			
07			

FISCAL MONTH:

EFA Transmit Date:

Sys Batch #:

User Batch #:

TC

Commissary Tobacco POC

Date Mailed

Phone Number

AAFES Accounting

Date Received

Tobacco Transmittal Batch Ticket
Figure 16-8

TRANSACTION CODE (TC) REPORT										
"FISCAL PERIOD"	"TRN CD"	"COST AMT"	"SELL AMOUNT"	"REF 1"	"REF 2"	"REF 3"	"REF 4"	"TRN DESC"		
AUG FY 08	43109	25024.08	35817.00	000308085	3760 9101	031 10		TV-MECH REC-WACO		
AUG FY 08	43109	17357.84	24857.00	000308082	3760 9101	031 10		TV-MECH REC-WACO		
AUG FY 08	43109	28358.94	40384.00	000307374	3760 9101	031 10		TV-MECH REC-WACO		
AUG FY 08	43109	27740.6	37770.00	000367742	3760 9101	031 10		TV-MECH REC-WACO		
AUG FY 08	49150	675	1112.00	001037198	8917	0327	140908	MECH RCTPT DECA TOBACCO		
AUG FY 08	41201	-138.2	-188.96	361815				PYMTS/RECT APP - WRONG PO		
AUG FY 08	41201	-766.05	-945.36	1149				PYMTS/RECT APP - WRONG PO		
AUG FY 08	41201	-254.4	-350.96	3558				PYMTS/RECT APP - WRONG PO		
AUG FY 08	41201	-437.1	-540.96	3668				PYMTS/RECT APP - WRONG PO		
AUG FY 08	44110	0	38.12	0608				PRICE CHANGES-MARKUP-OIL		
AUG FY 08	44210	0	0	5	140808			PIC-MARKUP C/MC ON-LINE		
AUG FY 08	44410	0	-1896.24	0108				PRICE CHANGES-VPR ON-LINE		
AUG FY 08	44410	0	-1475.01	0308				PRICE CHANGES-VPR ON-LINE		
AUG FY 08	44410	0	-158.31	0308				PRICE CHANGES-VPR ON-LINE		
AUG FY 08	44410	0	-3885.29	0308				PRICE CHANGES-VPR ON-LINE		
AUG FY 08	44410	0	-81.31	0308				PRICE CHANGES-VPR ON-LINE		
AUG FY 08	51071	-579.5	0	T000215569	TOB.VPR	RJRDECA	7JUL-13JUL	TOBACCO INCOME		
AUG FY 08	51071	-1173	0	T000215573	TOB.VPR	RJRDECA	14JUL-27JUL	TOBACCO INCOME		
AUG FY 08	51071	-1173	0	T000216573	TOB.VPR	RJR	28JUL-10AUG	TOBACCO INCOME		
AUG FY 08	52801	-2420.95	-3219.01		4124100100	08110		ON-LINE TRANSFERS OUT		
AUG FY 08	52801	-10482.99	-13887.02		4124100100	08110		ON-LINE TRANSFERS OUT		
AUG FY 08	52901	-1377.65	-1825.03		4124100100	08110		ON-LINE TRANSFERS OUT		
AUG FY 08	52901	-2363.52	-3131.04		4124100100	08110		ON-LINE TRANSFERS OUT		
AUG FY 08	53001	288.8	488.57	661	4124100100	08110	57861	ON-LINE TRANSFERS IN		
AUG FY 08	53001	288.8	498.57	667	4124100100	08110	57867	ON-LINE TRANSFERS IN		

AAFES Transaction Code (TC) Report
Figure 16-9

ACRONYMS

AAFES	Army and Air Force Exchange Services
ALFOODACT	all food activities
BERUC	Europe Accounting Branch, Resource Management Directorate
BOH	balance on hand
CA	commercial activity
CAO	computer assisted ordering
CAOS	computer assisted ordering specialist
CARTS	Commissary Advanced Resale Transaction System
CDC's	central distribution center
CMF	catalog master file
COB	close of business
CONUS	continental United States
COPPS	Commissary On-Line Product Pricing System
CSO	customer service office
CST	Central Standard Time
DC	distribution center
DDDC	Dan Daniels Distribution Center
DDO	defect documentation/observations
DDR	distributor discrepancy rate
DeCA	Defense Commissary Agency
DeCAD	Defense Commissary Agency directive
DeCAF	Defense Commissary Agency form
DeCAM	Defense Commissary Agency manual
DFAS-CO	Defense Finance and Accounting Service-Columbus
DIBS	DeCA Interactive Business System
DLA	Defense Logistics Agency
DoD	Department of Defense
DoDACC	Department of Defense activity address code
DOORS	DeCA Overseas Ordering and Receiving System
DSCP	Defense Supply Center Philadelphia
DSD	direct store delivery
DSD-S	direct store delivery-single
DTI	delivery ticket invoice
DWCF	Defense Working Capital Fund
EDI	Electronic Data Interchange
EDW	Electronic Data Warehouse
ESL	electronic shelf labels
FA	Finance and Accounting
FAQ	frequently asked questions
FDA	U.S. Food and Drug Administration
FDS	frequent delivery system
FIFO	first in first out

GPLD	government property lost or damaged
GTIN	Global Trade Identification Number
HBC	health and beauty care
HHD	hand held device
HHT	hand held terminal
HQ	headquarters
IAW	in accordance with
ID	identification
LELD	Distribution/Transportation Division, Logistics Directorate
MFI	medical food inspector
MIT	merchandise in transit
MOA	memorandum of agreement
MPH	Public Health and Safety Directorate
MPS	Sales Directorate
MPSM	Promotions/Marketing Division, Sales Directorate
MPSP	Perishable Division, Sales Directorate
MRE	meal, ready-to-eat
MWR	Morale, Welfare, and Recreation
NEXCOM	Navy Exchange Service Command
NIS	not in stock
OCONUS	outside the continental United States
OOP	overseas ordering point
OPP	overseas processing point
OSA	off-shore acquired
OSS	overseas support section
PAI	price adjustment inventories
PCV	price change voucher
PEL	price extended list
PIIN	procurement instrument identification number
PIT	purchases-in-transit
PLU	product look-up
PO	purchase order
POC	point of contact
POS	point of sale
PWS	performance work statement
QAE	Quality Assurance Evaluator
RAB	Resale Accounting Branch, Resource Management Directorate
RF-HHT	radio frequency hand-held terminals
ROD	Report of Discrepancy
ROR	Requisition Order Report
RSHA	receiving/storage/holding area
RSUL	Requisition Status Update List

SDO	Office of the Store Director
SKU	stock keeping unit
SOP	standard operating procedure
SOS	Store Operations Directorate
SSRV	Sister Service Report Viewer
STO/VES	Store Ordering/Vendor Shipped
TC	transaction code
TDL	Tobacco Document Log
TLL	truckload list
TOTM	Tailored Operational Training Meals
UPC	universal product code
VCM	Vendor Credit Memorandum
VPR	vendor price reduction
VRGC	Voucher Register General Control
WADC	Waco Distribution Center
WCDC	West Coast Distribution Center