JSP 886
THE DEFENCE LOGISTICS SUPPORT CHAIN MANUAL

VOLUME 2
INVENTORY MANAGEMENT

PART 5
PURCHASING INVENTORY USING PURCHASE TO PAYMENT

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VERSION RECORD		
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1.0	7 Mar 08	Initial Issue.
1.1	12 Feb 10	Changes to details of Ownership and Points of Contact
1.2	19 Jul 12	Reformat and update of Ownership and Points of Contact

Contents

CHAPTER 1: INTRODUCTION TO PURCHASING INVENTORY USING PURCHASE TO PAYMENT(P2P)

INTRODUCTION

1.   The initial Policy, Regulations, Guidance and Procedures (PRGP) for electronic purchasing, receipting and payment has migrated from the former JSP 886 instruction on Interim Purchasing to Purchase to Payment (P2P). Work continues on the development of Inventory Purchasing processes and this instruction will be revised as these processes become more clear and coherent. When revised, this instruction will also include the PRGP for Receipting of Non-Inventory Items Purchased Via the P2P System formerly contained in JSP 886 Volume 10 Part 8.

PURPOSE

2.   The Purchase to Payment (P2P) system provides users with the ability to manage purchases on line, including sending Purchase Orders and receiving responses from Trading Partners electronically using the Defence Electronic Commerce Service (DECS). Trading Partners submit their invoices electronically to P2P, thus doing away with the MOD Form 640 paper based payment processes. This considerably improves the time taken from delivering the goods or services ordered from the Trading Partner to authorising payment.

3.   The main benefits that arise through using the P2P processes are:

a.   A single record of contracts on one system thus providing a comprehensive source of management information about on line contracts, purchases and payments. Whilst P2P is a primary source of contract information, contract information will continue to be available on the Inventory Management Systems CRISP, SS3 and SCCS.

b.   Electronic messaging between the MOD and Trading Partners with no resulting paperwork.

c.   Automated ordering and approval to speed up workflow through P2P.

d.   System controlled authorisation and approval of contracts, purchase orders, amendments and payments.

e.   Simple process for recording receipts.

f.   Electronic invoice and payment system with no use of MOD Form 640s and no further requirement for the manual checking of claims for payment by the Defence Bills Agency (DBA).

g.   Prompt payments to Trading Partners.

h.   Automatic feed of information about invoices and payments to update the accounts on DFMS.

i.   Earlier visibility of material in the supply chain through production of Advanced Shipping Notifications.

4.   Up until 2007, some electronic purchasing of requirements from the Inventory Management Systems has been carried out on a sister system to P2P called Interim Purchasing (IP). Only a limited inventory capability was provided on IP. This capability has been migrated onto P2P and will be developed as new requirements for inventory purchasing using P2P are identified and accepted. Meanwhile, purchases using paper orders and the MOD Form 640 processes will continue to be used for the foreseeable future although it is expected that volumes of paper based orders will diminish considerably.

5.   This instruction focuses on the business processes for purchasing inventory requirements using P2P.

SCOPE

6.   This instruction describes the PRGP for ordering, receipting and invoicing of inventory items. It also briefly covers discrepancy procedures where they differ from existing regulations.

OWNERSHIP AND POINTS OF CONTACT

7.   The policy, processes and procedures described in the Defence Logistics Support Chain Manual (JSP 886) is owned by DE&S Commercial Projects Enablement Team (CPET), Defence e-Procurement Service (DePS). D Commercial is responsible for the management of DE&S commercial policy.

8.   This instruction is sponsored by DE&S D Commercial who should be approached in case of technical enquiries about the content:

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GLOSSARY

10.   A glossary of Support Chain terms is available in JSP 886 Volume 1 Part 1A.

THE INVENTORY MANAGER

11.   Throughout this instruction, many activities are attributed to the role of Inventory Manager. This role is performed by posts in different organisations with titles such as Commodity Manager, Supply Manager, Range Manager, Provision Branch and Provisioner.

LINKED PUBLICATIONS

12.   This instruction is in support of the following linked publications:

    a.   [JSP 886 Volume 1 Part 2](#) – The JSC Blueprint.

    b.   [JSP886 Volume 3 Part 3](#) – The Purple Gate.

    c.   [JSP886 Volume 3 Part 5](#) - Packaging for the Handling, Storage and Transportation of Material.

    d.   [JSP 886 Volume 3 Part 7](#) - Consignment Tracking.

    e.   [JSP 886 Volume 11 Part 1 - 4](#) - Materiel Accounting and Storekeeping for the Royal Navy.

    f.   [JSP 886 Volume 11 Part 5](#) – Materiel Accounting Instructions for the Warship Support Agency.

    g.   [JSP 886 Volume 11 Part 7](#) – Storehouse Management and Storekeeping.

    h.   [JSP 886 Volume 11 Part 8](#) – Commodity Management.

    i.   [JSP 886 Volume 11 Part 9](#) – CRISP User Manual.

    j.   [JSP 886 Volume 12](#) - Supply Chain Instructions for the Land Environment.

    k.   [JSP 886 Volume 13 Leaflet MG 6/3](#) – Reprovisioning Process.

    l.   [JSP 886 Volume 13 Leaflet MM 11](#) – The Preparation, Submission, Progression and Orders for the Purchase, Repair, Conversion or Modification of Equipment.

    m.   [JSP 886 Volume 13 Leaflet UG 7/4](#) – Receipts.

    n.   [JSP 886 Volume 13 Leaflet UG 8/1](#) – Discrepancies.

    o.   [Support Solution Envelope Version 4.2](#).

    p.   [Acquisition Operating Framework](#).

    q.   [Commercial Managers Toolkit](#).

    r.   [P2P User Guide](#) - Further detailed guidance on using P2P is provided in the ''P2P User Guide" and associated training courses.

SUPERSEDED PUBLICATIONS

13.   The following publication is superseded by this instruction:

    JSP 886 Volume 10 Part 10 – Interim Purchasing.

CHAPTER 2: PURCHASE TO PAYMENT INVENTORY PROCESSES

OVERVIEW

1.   Purchase to Payment (P2P) has been designed to have minimal effect on inventory management purchasing and receipting systems. Its purpose is to link requirements to approved contracts already set up in P2P using the Defence Electronic Commerce Service (DECS) to provide a single common electronic messaging interface to industry that will enable Trading Partners to use a standard set of procedures for trading electronically with the MOD. The P2P Inventory Purchasing process will:

   a.   Take approved requirements into P2P electronically from the Comprehensive Royal Naval Inventory Systems Project (CRISP), Supply Central Computer System (SCCS)[1], Purchasing Management System (PUMAS) and Clothing and Textiles Management Information Systems (C&TMIS).

   b.   Establish whether the items (or service – e.g. Repair) required by the Inventory Management Systems are already set up within P2P, including whether there is a live contract for purchasing the requirement and, if they are, create a Purchase Order. In cases where there is no live contract on P2P the requirement will be placed automatically in the P2P Requisition Pool. Inventory/purchasing managers need to regularly check the Pool and take action to raise and approve Purchase Orders.

   c.   Transmit Purchase orders electronically from P2P to Trading Partners in a standard electronic message format via the DECS interface.

   d.   Receive Order Acknowledgements electronically from Trading Partners.

   e.   Receive Advanced Shipping Notifications from Trading Partners electronically. Advise the Warehouse Management Systems (where requested) of impending deliveries.

   f.   Take details of deliveries from Trading Partners into Inventory Management Systems using the information contained on the MOD shipping label.

   g.   Take receipt information electronically from CRISP, SS3 and SCCS into P2P.

   h.   Receive invoices electronically from Trading Partners into P2P.

   i.   Perform a three-way match in P2P using purchase order, receipt details and invoice. Authorise the Defence Bills Agency (DBA) to pay the Trading Partner.

   j.   Provide information to Defence Financial Management System (DFMS).

2.   P2P enables the processes outlined below and will be depicted in the process maps for future promulgation at Annex A.

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[1] Orders from SCCS are limited to those generated by the Wholesale Automated Direct Supply (WADS) process that takes demands from MJDI(POC) and turns them into Purchase requirements without going through provisioning and EP3.

ITEM AND CONTRACT CREATION AND AMENDMENT

3.   Before P2P can create a Purchase Order, a record of inventory items must be established on P2P. As a rule the item master record on P2P must be an accurate reflection of what is in the contract issued to the Trading Partner.

4.   Once the item master record is created, then details of the contract and the items to be purchased from the contract must also be recorded on P2P.

5.   No changes to either the item master record or the contract records are to be made on P2P until a contract amendment has been issued to the Trading Partner. This includes any proposed changes resulting from changes to the Inventory Management Systems (eg. item supersessions).

6.   It is the contract owner (usually a Commercial Officer) who is responsible for ensuring that item records are set up correctly on P2P and then create a contract record linking the items to the contract. It is the Inventory Manager's responsibility to ensure that item details are synchronised across the inventory systems and P2P.

PURCHASE ORDER CREATION

7.   Using the details contained in the requisition message sent from the Inventory Management Systems, PUMAS and C&TMIS, P2P searches for the item in the item master record and also the contract record. A Purchase Order is then automatically created using the following:

  a.   The contract number and line (item) number details recorded in P2P linked to the Item NATO Stock Number (NSN).

  b.   The description, packaging code and unit of measure from the contract record.

  c.   Price details (including price/quantity breaks) from the contract record.

  d.   The quantity required and delivery details from the Inventory Management Systems.

  e.   Part no/procurement reference from the Inventory Management Systems.

  f.   The Required Delivery Date and Standard Priority System Code where this is provided as part of the requirement details from the Supply Chain systems.

8.   A P2P order reference is allocated and a Unique Receipt Reference Identifier (URRI) is also allocated to each separate shipment against each item on the order for deliveries to different destinations. The name of the order manager (usually the Inventory Manager), and contact details are also provided from the Employee record on P2P.

9.   The requisitions will be filtered by the Inventory Management System to ensure that only those applicable to P2P are processed. P2P will perform data validation checks Error reports will be produced by P2P for any orders that do not contain sufficient information for processing. Error reports will be sent to the order manager responsible for the Inventory Management Code/Domestic Management Code (IMC/DMC).

10.   All requisitions from the Inventory Management Systems are passed to P2P as approved. They then take one of the two following approval routes within P2P:

     a.   Auto approval – no manual intervention by Inventory Managers.

     b.   Approval required – Inventory Managers access P2P from their personal notifications screen to approve and release orders within their signing powers. Each order must be approved and released at the appropriate level.

11.   Managers will have full visibility of all orders within their area of responsibility on P2P. In addition to the normal order feed from the Inventory Management Systems, the facility exists for Inventory Managers to raise orders directly into P2P. It will be the Inventory Manager's responsibility to record details of these orders in Inventory Management Systems as appropriate and ensure the audit requirements are met.

12.   Orders for repairing inventory items can be placed using P2P. In most cases, orders are raised manually on P2P as a result of reviewing repair stocks, or to meet operational requirements. Items sent for repair can be sentenced Beyond Economical Repair (BER); the price for each repair can be different and delivery dates can vary for each item sent for repair. To ensure that repair orders can be easily processed by suppliers, receipting must carried out quickly and payment made promptly. Each repair order raised on P2P will be for quantity one only.

PURCHASE ORDER AMENDMENT

13.   Inventory Managers who have opted for the 'approval required' (see Paragraph 10b above) route can amend orders before they are transmitted to the Trading Partner. It will also be possible to amend purchase orders after they have been transmitted to Trading Partners. Orders can be amended as follows:

     a.   Cancel Order.

     b.   Cancel Line.

     c.   Cancel Shipment.

     d.   Change Price.

     e.   Change Quantity.

     f.   Change Delivery Point (Diversion Order).

     g.   Change Delivery Date.

Where the NSN is changed, the original order is to be cancelled and a new order raised with the new NSN.

14.   There are no interfaces between P2P and the Inventory Management Systems after the initial order creation. Inventory Managers must ensure that all amendments in P2P or the Inventory Management Systems are reflected in both systems. P2P data should not be amended without the prior agreement of the Trading Partner and the issue of a formal contract amendment.

PURCHASE ORDER MESSAGE TO TRADING PARTNERS

15.   Purchase Orders will be transmitted to Trading Partners in Electronic Data Interchange for Administration, Commerce, and Transport (EDIFACT) standard format.

The message will consist of the required Inventory Management System order data plus a unique five character alpha/numeric URRI allocated by P2P for each Purchase Order Shipment Line. This is required to cope with the different methods of receipting used across the Supply Chain (SC) which do not all utilise the original Inventory Management System order number as the trigger for the receipting process. The P2P allocated URRI will be the common key in all processes. A URRI, (eg A033H) is allocated to each shipment of a multi-line Purchase Order. For orders produced by SCCS it will be transmitted as A033H. For CRISP orders a prefix of S will be added to replicate the Streamlined Certificate of Receipt (SCOR)[2] processes, and PUMAS/C&TMIS (SS3) orders will be prefixed by an L on all URRIs. The Trading Partner will notify the number of shipments for an order by adding an alpha suffix, e.g. an order for quantity 50 being delivered in 2 separate deliveries of 25 will be advised as A033HA and A033HB to Air delivery points, LA033HA and LA033HB to Land delivery points and SA033HA and SA033HB to Fleet delivery points; this will ensure that each delivery has a unique number. The alpha suffix will be added even if the Trading Partner intends to deliver the order in one shipment. It is imperative that the URRI is accurately recorded on receipting systems, particularly to ensure the alpha characters are not recorded as numeric characters eg zeros (0) ones (1) fives (5) and eights (8) with alpha Os, Is, Ss, and Bs.

ORDER ACKNOWLEDGEMENTS

16.   Order Acknowledgements (OA) will be received electronically into DECS and P2P for all orders. Negative Acknowledgements are sent in where Trading Partners are unable to meet one or more of the order requirements.

17.   OA are visible to the nominated Inventory Manager by either running the OA Report or by viewing the Purchase Orders screen. Inventory Managers should check the OA screen on a daily basis. P2P will also send a notification to the Inventory Manager whenever an OA is received.

18.   Inventory Managers must take action in accordance with local policy and procedures on all accepted Purchase Orders with amendment or Negative Aknowledgements received by amending or cancelling the order using the process outlined in 'Purchase Order Amendments' as described at Paragraph 13. Inventory Managers must ensure that amendments and cancellations are reflected in the originating Inventory Management System and inform demanding units accordingly.

DIVERSION ORDERS

19.   Inventory Managers need to be able to divert an item or part or all of an order already placed with a Trading Partner to another destination, usually to satisfy urgent demands from operational units. The process on P2P will amend the order shipment details including the new delivery details and quantity and resend the order to the Trading Partner. Inventory Managers are to amend the requisition and dues in details on the Inventory Management Systems.

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[2] SCOR was the electronic receipting process that operated in the CRISP inventory areas of business before the introduction of Oracle enabled Purchase to Payment processes.

ADVANCED SHIPMENT NOTIFICATION

20.   Advanced Shipment Notifications (ASN) will be sent electronically into DECS by Trading Partners. The ASN information will include the URRI that will have been updated by the Trading Partner to include the alpha suffix.

21.   ASN information for orders originating from CRISP will be passed electronically from P2P to the receipting process on WITS. The ASN information will be used to set an advanced notification record at the delivery point.

22.   ASN information for orders originating in the SS3 and SCCS will be held within P2P. Exceptionally, Inventory Managers will be able to extract a print of ASN information as necessary to pass to their receiving points if there is a requirement for advance notification. The print can be obtained by access to the 'Purchase Orders Submitted to Trading Partners' screen*.*

DELIVERY OF GOODS

23.   Trading Partners will deliver the goods to the required delivery point accompanied by two copies of the MOD shipping label shown at Annex B; commercial consignment notes may also accompany the consignment (eg Parcel Force or UPS own delivery notes). One copy will be affixed to the package and the other copy will be contained in an envelope attached to the package for ease of processing at the receiving points.

24.   For orders generated by the CRISP Vendor Managed Inventory (VMI) process, the packages will also be marked with a small pink sticky label annotated 'VMI' placed adjacent to the shipping label. This will highlight to the delivery point that the delivery should be handled using the cross-docking process and not as a normal receipt. These orders are easily identified by the Trading Partners as the Inventory Management System order number is suffixed with an 'N'.

RECEIPT OF GOODS

25.   **General.** Delivery points will receipt the goods on to Inventory Management Systems from the information provided on the MOD shipping label. For those areas that do not use the original inventory management order number to process the receipt, the URRI should be used in lieu of the traditional MOD F640 number. Great care must be taken to ensure that receipt identifiers, particularly the URRI, are recorded accurately on the warehouse management system (BODMS, WITS) or Management of the Joint Deployed Inventory (MJDI). It is very important that the URRI is accurately recorded on receipting systems, particularly to ensure the alpha characters are not recorded as numeric characters eg zeros (0) ones (1) fives (5) and eights (8) with alpha Os, Is, Ss, and Bs. The date the delivery was actually made is also to be accurately recorded. Only in exceptional circumstances can the date the receipt is processed be used. This is essential to allow the MOD to be able to respond with reliable and accurate information to claims for late payment under the terms of the Late Payment of Commercial Debt (Interest) Act. It is imperative that the URRI is accurately and promptly captured and recorded to ensure that P2P can later identify the receipt from the information it receives from the Inventory Management Systems.

26.   **User Guide.** A user guide for receipting on to MJDI has been developed specifically in conjunction with HQ Air Command to cover the direct supply process called WADS and has been issued to all Air units that process receipts electronically directly into MJDI. A

copy of the guide is at Annex C. User Guides have not yet been developed for other users as there was no requirement perceived at the time. However, the requirement for User Guides for the Land and Maritime environments will be reviewed prior to the next iteration of this instruction.

27. **Part Delivery.** The addition of an alpha suffix by the Trading Partner to the URRI will ensure that each part delivery of an order can be uniquely identified. It is essential that the suffix is accurately recorded for each part delivery.

28. **RAF Overseas Orders.** The Onward Transmission Section at Defence Storage and Distribution Centre (South) (DSDC(S)) Bicester has been provided with direct P2P access in order to process receipts for deliveries of goods destined for overseas units. It is necessary to record the receipt prior to overseas shipment to ensure that payment is processed within the timescales demanded by the Late Payment of Commercial Debt (Interest) Act. The receipt will be entered directly into P2P against the original Purchase Order using the information supplied on the MOD shipping label. The receipting staff will access the 'receipts' screens on P2P to undertake this function. The final overseas destination will still record the receipt on to MJDI and then the Inventory Management System (SCCS) as normal. This receipt record will also be passed to P2P as part of the Inventory Management System receipt interface. P2P will be able to recognise the duplication and ignore the second record.

29. **Inventory Purchases.** Inventory Purchases resulting from requisitions/orders from CRISP and SS3/PUMAS that are processed through P2P are generally despatched to DSDA or to the Naval Bases. Any special direct delivery arrangements, including deliveries to units overseas, are set up offline with special instructions to the supplier and to the receiving Unit. These instructions will confirm delivery to the item owner/buyer in order that P2P records can be updated.

30. **Diversion Orders.** Where orders are subject to diversion order procedures, the Inventory Manager must receipt them directly on to P2P if the end customer has no access to the Inventory Management Systems receipting process. The end user is to forward one copy of the shipping label to the Inventory Manager responsible for originating the Purchase Order. The Inventory Manager will access the 'receipts' screen in P2P to record the receipt details onto the P2P system and then update the dues in record on the Inventory Management System though the normal process.

31. **Non-Codified Orders.** Orders raised for non-codified items directly into P2P and not through Inventory Management Systems will have to be receipted directly into P2P. The receiving point must forward the second (loose) copy of the shipping label to the Inventory Manager responsible for originating the purchase order who will input the receipt into P2P. It will also need to clear any Inventory Management System records that exist (eg liability) and record receipt of all MOD funded materiel onto their inventory account.

32. **Discrepancies.** There will be no major changes to the current processes for dealing with receipt discrepancies. The loose copy of the shipping label should be used in lieu of a copy of the Green Copy MOD F640 for internal processing. Receiving points will pass all discrepant receipt information to the appropriate Inventory Manager for resolution.

33. **Receipting by MOD Packaging Contractors (Maritime).** A special process has been developed that ensures that goods ordered through P2P and delivered to the Maritime packaging contractor are cleared for payment on P2P without waiting for the receipt to be processed. This ensures that the invoice is paid within the 30 days statutory

limit. The Packaging contractor will record the date and time of the receipt on one copy of the MOD shipping label and once the packaging is completed, forward the goods to the Naval Base. The normal receipting process then follows to ensure that the goods are brought on charge and receipt details are passed to P2P for audit purposes.

RECEIPT INFORMATION

34.   Receipt information will pass electronically from the Inventory Management Systems to P2P. The information received from CRISP will include both the original Inventory Management System purchase order number and the URRI. SCCS and SS3 will only provide receipt data against the URRI, hence the importance of using this identifier when recording a receipt.

35.   The receipt data from the Inventory Management System will be matched against the Purchase Order data held in P2P and successful matches of Purchase Order (including contract price), NSN and Quantity will be held pending receipt of invoice data. Discrepant receipt details will only be identified when an invoice is received from a Trading Partner and matched to a Purchase Order.

INVOICING

36.   Trading Partners will pass invoice data electronically to DECS at the time the order is despatched to the MOD. The invoice data must include the original Inventory Management System purchase order number, the URRI, NSN, quantity and price.

37.   Invoice data is taken into P2P and a three-way match is attempted against the Purchase Order, the receipt and the invoice, including the price. If there is a discrepancy on the match, then the invoice will be put on hold. Notifications will be produced to either the inventory manager or the contract manager advising them of the details of the invoice on hold, including the reason for on hold. Action should be taken to ensure that MOD complies with the Late Payment of Commercial Debt (Interest) Act. There is a invoice on hold report available.

38.   P2P will filter data on the Invoice Approval Report by Inventory Manager. Quantity mismatches are to be investigated by Inventory Managers by reference to Inventory Management System data and/or liaison with the receipting point. Once resolved, the correct data must be fed into P2P and the Inventory Management System as required. It is important that mismatches are dealt with promptly to ensure that payment is not delayed beyond the 30-day deadline. The Director General Financial Management (DGFM) Shared Service Centre (FMSSC) will resolve price mismatches with assistance from commercial and inventory staffs

39.   Invoice data can be viewed by access to the 'Invoice' screens.

PAYMENT

40.   Once P2P has successfully matched details from the Purchase Order, Invoice and Receipt, payment to the Trading Partner is authorised by the FMSSC.

41.   The Purchase Order is closed on P2P when all the requirements on the purchase order have been supplied. Inventory Managers will need to check POs that remain open after delivery was expected to be completed and take action to close the order.

MANAGEMENT INFORMATION

42. There are numerous reports available to produce P2P Management Information. These can be accessed through the P2P core application or by using the P2P Discoverer Reporting tool dependent upon the report required.

43. Within the P2P IS application, the software provider, Oracle, has provided standard reports for a wide range of purposes covering data relating to requests, orders, invoices, payments etc. Also, in response to P2P user requirements, there are various bespoke reports that cover a similar range of situations but include data specific to P2P users. The user's P2P responsibility determines which reports are available to them.

44. In addition to reports accessed from within the P2P application, there is an ad-hoc reporting tool available to users on request. P2P Discoverer is a utility that allows users to write reports based on a preconfigured dataset or run reports written by other users. A number of reports are currently available that have been written in response to user requirements. This includes, amongst others, the 'P2P Payment Audit Report' written to allow users to adhere to Finance Instruction FI 35/04.

45. A P2P Reporting Strategy is currently under development to exploit the availability of P2P data and to deliver a reporting function to the user.

46. Click on this link to access the P2P Website, specifically P2P Application Purchasing Reports.

47. Click on this link to access the P2P Website, specifically P2P Application Accounts Payables Reports.

HELP AND ADVICE

48. Further help and advice on purchasing inventory, using P2P, can be obtained from:

DEPs Operational Support Teams located at:

Abbey Wood: - 9352 33192.
Telford: - 94480 5200.
Wyton: - 95371 6983.

ANNEX A: PROCESS MAPS FOR INVENTORY PURCHASES USING THE PURCHASE TO PAYMENT SYSTEM (P2P)

(Introduced at Paragraph 2)

1.   The process maps are being reviewed as part of the e-Procurement and Joint Supply Chain Coherence Project and as a result of development work to improve inventory purchasing processes using P2P being lead by the Defence e-Procurement Services Integrated Business Team. (DePSIBT). These process maps will be re-issued when this instruction is next revised.

ANNEX B: MOD SHIPPING LABEL

(Introduced at Paragraph 23)

1.   **Purpose.** This interface specification provides details of the MOD shipping label to be used by Trading Partners for item deliveries for purchases using P2P.

2.   **Description.** The shipping label provides hard copy details of the item being supplied to the MOD by a Trading Partner. An example of a completed shipping label is shown at Appendix 1.

3.   **Requirement.** The label is a requirement for MOD delivery points to enable their receipting and administration processes to remain effective following the removal of MOD Form 640 for all orders created by P2P.

4.   **Content.** The shipping label provides recipients with details of the delivery to enable them to identify the materiel, carry out the formal receipt processes. The attributes of the shipping label and its data contents are at Appendix 2.

5.   **Adherence to Standards.** The information provided in this label is based on the standards laid down in the revised draft of DefCon 129.

APPENDIX 1 TO ANNEX B: EXAMPLE OF COMPLETED SHIPPING LABEL

Description: Thermal Transfer Label

Size: 102mm x 152mm (4'x 5 15/16')

Bar Code Data: Code 39

APPENDIX 2 TO ANNEX B: SHIPPING LABEL ATTRIBUTES

Ser	Attribute	Attribute Description	Data on Order	Formatting details
1	**FROM: COMPANY ADDRESS** (Consignor)	The Company/Trading Partner name and address from which the goods originated.	Y	
2	**UNIQUE RECEIPT REFERENCE IDENTIFIER (URRI)**	An alpha/numeric sequence that links the item received to original Purchase Order/Dues-In. For each full or part item delivery the Trading Partner will add an alpha suffix to the Unique Receipt Reference Number. This attribute is provided in both Bar Code 39 and human readable text format. This field can be bar code read if the corresponding advanced shipping notice has been received.	Y	5 or 6 alphanumeric in the following formats: For deliveries to Sea: Sxxxxxa eg S1234AA For deliveries to Land: Lxxxxxa eg L1234BA For deliveries to Air: Axxxxxa eg A12345A
3	**VIA: INTERMEDIATE ADDRESS** (DSDC/RNSD/DO).	An intermediate address responsible for forwarding the package to the final destination (Field may be blank).	Y	PO Outbound to suppliers allows for: Location Name – 256 alphanumeric Address Lines – 5 x 35 alphanumeric Postal Address – 17 alphanumeric Country Code – 3 alphanumeric
4	**TO: FINAL ADDRESS** (Consignee)	The final address to which the package must be delivered.	Y	PO Outbound allows for: Location Name – 256 alphanumeric UIN forward to location – 25 alphanumeric
5	**CONTRACT NUMBER**	The identifying number of the MOD Enabling Contract placed on a Trading Partner responsible for the supply of specific goods.	Y	6 to 12 alphanumeric
6	**ORDER NUMBER**	The identifying number of a Purchase Order / Warrant Order / Requisition placed against an Enabling Contract for the delivery of goods against that Contract. In the Land environment this attribute is created in SS3 as the Dues In Identification Number (DIIN). In the Air environment this attribute is created in USAS/SCCS as the Demand Number. This attribute is provided in both Bar Code 39 and human readable text format. It provides a key input parameter for Land environment based deliveries to Bicester and Donnington.	Y	6 to 20 alphanumeric
7	**IMC / DMC**	The Inventory Management Code (IMC) / Domestic Management Code (DMC) code given to a range of like or linked items managed by an Inventory Manager within the main inventory.	Y	2 to 6 alphanumeric
8	**DESCRIPTION**	A short description of the items within the package.	Y	12 to 240 alphanumeric
9	**RDD**	The Required Delivery Date that the package is required to be at demander's point of delivery.	Y	DDMMYY

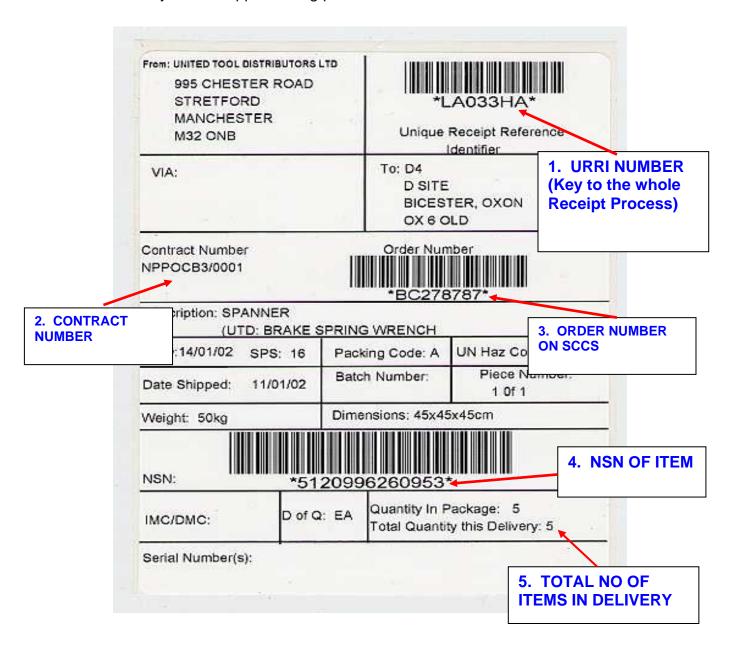| Ser	Attribute	Attribute Description	Data on Order	Formatting details
10	SPC	The Standard Priority Code(SPC) denoting at what speed the package should be handled within the MOD Supply Chain. Note: The SPC is available on orders that originate from the Maritime and Air environments.	Y	2 numeric
11	PACKING CODE	A code quoted on the contract denoting the packing standard the goods are to be supplied to.	Y	2 numeric
12	UN HAZARD CLASS	Denotes the potential hazard of items within a package.		
13	DATE SHIPPED	Date package despatched from supplier.		
14	BATCH NUMBER	The Batch production number indicated on the goods.		
15	PIECE NUMBER	The specific number of the package as a constituent of a number of packages delivered to complete one order. i.e. 1of 2, 2 of 2		
16	WEIGHT	The gross weight of the package in metric format.		
17	DIMENSIONS	The size of the package in L x B x H in metric format.		
18	NSN	The NATO Stock Number. The NATO Supply Classification (NSC), Nation Code (NC) and Item Identity Number (IIN) that denotes the unique identification of a line item within the Inventory system. This 13-character attribute (NSC 4, NC 2, IIN 7) is provided in both Bar Code 39 and human readable text format. It provides an alternate input parameter for Sea environment based deliveries of direct supply items if the advanced shipping notice has not been received.	Y	13 numeric NSC (4), NC (2), and IIN (7)
19	D of Q	The Denomination of Quantity of the items within the package.	Y	Up to 3 alphanumeric
20	QUANTITY	The total quantity of the item contained within the package. This attribute is provided in human readable text format. It provides an additional input parameter for Sea environment based deliveries of direct supply items if the advanced shipping notice has not been received.	N	1 to 6 numeric
21	TOTAL QUANTITY THIS DELIVERY	The total quantity being delivered under cover of this Shipping Label	N	1 to 6 numeric
22	SERIAL NUMBER(S)	The serial number(s) of the items contained within the package, if required by the contract.	N	

ANNEX C: GUIDELINES FOR PROCESSING RECEIPTS INTO MJDI FOR ORDERS RAISED ON P2P USING A MOD SHIPPING LABEL

(Introduced in Paragraph 26)

1.   This guide covers receipting information to be entered on the Management of the Joint Deployed Inventory (MJDI) for items delivered against Purchase To Payment (P2P) orders. Orders raised against contracts set up on P2P are transmitted via the Defence Electronic Commerce Service (DECS) to Trading Partners. The goods are delivered accompanied by two copies of the MOD shipping label by the Trading Partners. Some of the key information on the MOD shipping label is Bar coded and Bar code readers are available at Air Units to allow electronic processing of the receipts. The complete process from order to payment is carried out electronically, with MOD Forms 640 no longer accompanying deliveries.

2.   A key reference allocated to each order line by the P2P process is the Unique Receipt Reference Identifier (URRI) which is used to match the order / receipt and invoice electronically. Failure to correctly record the URRI could result in the following:

   a.   The incorrect receipt details are passed from SCCS to P2P, which results in a failure on the receipt file in P2P.

   b.   The receipt fails so the invoice is not released for payment and becomes dependent on manual intervention by the Integrated Project Teams (IPT) to process the receipt.

   c.   The MOD's ability to clear invoices for payment within the 30-day statutory period is seriously jeopardised, leaving the MOD open to interest charges on unpaid invoices.

   d.   There is a serious resource implication within IPTs, who have to manually investigate errors to process receipts in P2P, which in turn releases the invoice for payment.

3.   At Appendix 1 is an example of an MOD shipping label. Appendix 2 provides the guidelines which have been compiled to assist in the correct receipting process for items received against P2P orders.
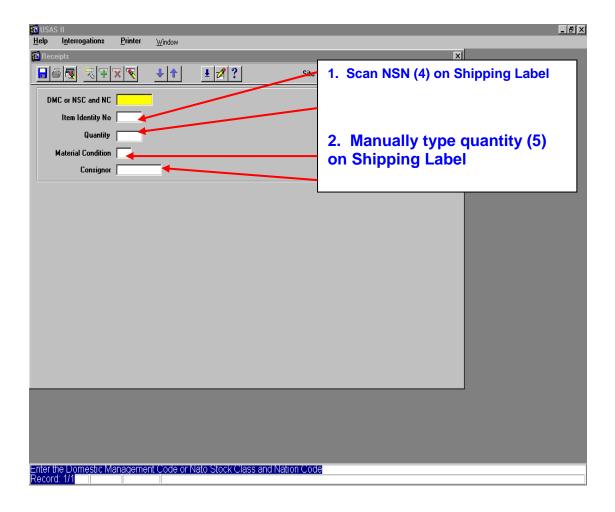
APPENDIX 1 TO ANNEX C: MOD SHIPPING LABEL

1.   Processing receipts using the correct details from the MOD shipping label is essential to ensure that the Supplier is paid on time. The Unique Receipt Reference Indentifier (URRI) number is the key field to the full electronic process.

2.   If the receipt record is not correct, the Integrated Project team (IPT) Inventory Manager is required to manually investigate the details and subsequently carry out a manual receipt in Purchase to Payment (P2P), to clear the linked invoice. This has a huge resource implication for the Inventory Managers and can also result in a considerable delay in the Supplier being paid.
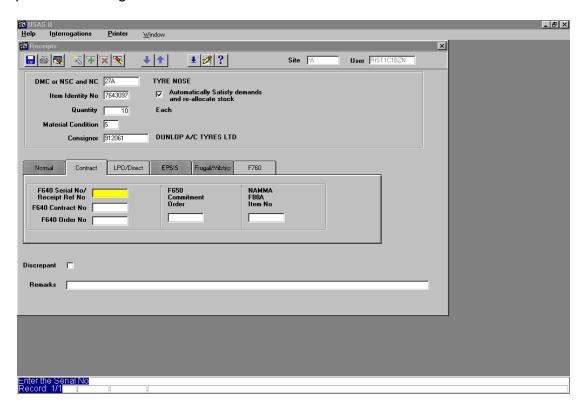
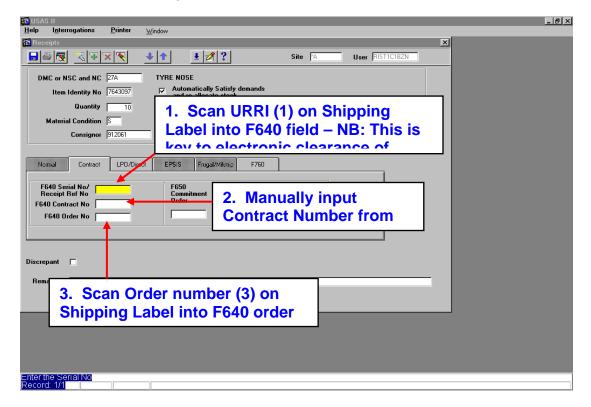## APPENDIX 2 TO ANNEX C: RECEIPT SCREEN IN MJDI

1.   Blank Receipts Screen, showing required input details and source of information.
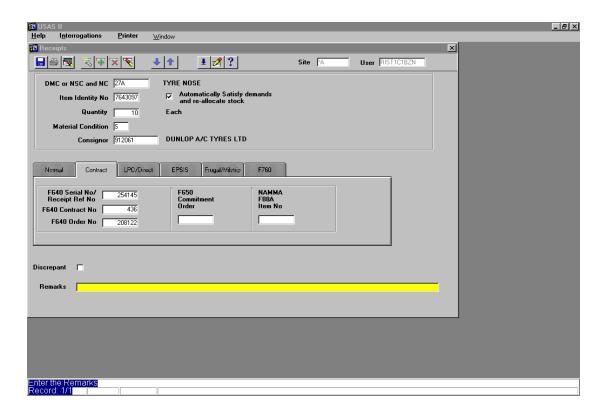
2.   Receipt screen with details showing after input completed and user has tabbed past the Consignor field.
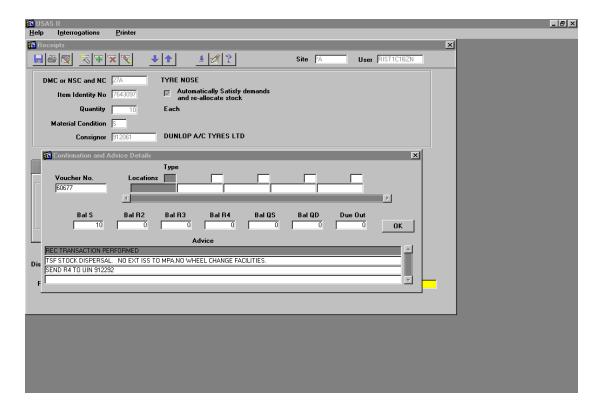

3.   Tabs shown, with a guide for completion and the data source.

4.   Completed Input Screen completed prior to Commit (F10).

5.   Confirmation and Advice Screen Showing REC Transaction Performed.

6.   On Completion, Screen Returns to Blank Receipts Input Screen.