



MINISTRY OF DEFENCE

JSP 886 DEFENCE LOGISTIC SUPPORT CHAIN MANUAL

VOLUME 4 MATERIEL ACCOUNTING

PART 324 LOAN PROCEDURES

**THE MASTER VERSION OF JSP 886 IS PUBLISHED ON
THE DEFENCE INTRANET.**

**FOR TECHNICAL REASONS, EXTERNAL LINKS ON THIS
INTERNET VERSION HAVE BEEN REMOVED.**

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1.1	23/10/08	Re-issue of Version 1.0 – No Change
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LOAN PROCEDURES

PURPOSE

1. The purpose of this leaflet is to detail the procedures for internal loans, external loans to other Units, external loans out of the MOD, inward loans to the Air environment and calibration loans. It should be read in conjunction with the relevant User Guides. Certain other items may be subject to special instructions as advised by relevant PTs.

PART 1 - INTERNAL LOANS

Internal Loans within Flights and Sections

2. Loan issues to individuals of items held on inventory charge may be arranged by an inventory holder or deputy to transfer responsibility for equipment that cannot be controlled directly. Such loans are to be recorded on loan cards Form 668, which are to be held by the inventory holder.

3. A separate loan card is to be maintained for each individual holding equipment. The holder is to sign each entry at the time of issue. When serially numbered items are issued, the serial numbers are to be recorded on the Form 668.

4. When items on loan to individuals are returned to the inventory holder the appropriate columns of the loan card are to be completed and the entry signed by the inventory holder or deputy. The individual returning the items is to ensure that this action has been taken.

5. An individual may inspect his loan record at any time, but only in the presence of the inventory holder or deputy.

6. Loan cards are to be reviewed regularly by inventory holders in conjunction with the movement's roll, to ensure currency. In the event of a discrepancy, the inventory holder is to take action to clear the loan record either by recovery of the equipment or by other appropriate action.

7. The inventory holder is to physically check that items on loan by individuals correspond to items recorded on the Form 668. Attractive items are to be checked once every 12 months. The dates of such checks are to be recorded. Materiel lost or damaged is to be actioned in accordance with JSP 886 Volume 4 Part 6: Losses.

PART 2: EXTERNAL LOANS - TO OTHER UNITS

External Loans - To Other Units

8. Loans can only be made on the authority of the relevant PT. For SCC controlled items, the Legacy Transaction Codes GLR and GLZ will cause the appropriate 'on-loan' or 'off-loan' annotation to be printed automatically in the 'Special Instructions' block of the voucher. For Non-SCC controlled items, vouchers are to be annotated in red ink '**on-loan**' or '**off-loan**'. Loans for SCC controlled items to off-line units e.g. 6 figure Unit Identification Numbers (UIN's), are to be issued by navigating to Issues, Without SCC Request (Legacy TC GEO) and accompanied with a RAF Issue Voucher – For Issues to other than MOD Units Form 603 for Fleet Units and contractors and Issue and Receipt Voucher, AF G1033 for Land Unit loans.

Outward Loans

9. Issues on loan are to be recorded and progressed to completion in the Outward Loan Register Form 4135 (Form 4135). Issue vouchers are to be annotated with the authority for the loan.

10. The receipt voucher numbers for items returned from loan are to be entered in Form 4135 to show that the loan transaction has been completed. Should the equipment on loan not be returned (see Paragraph 17), the copy of the Certificate Issue Voucher (CIV) received from the consignor (lending unit) is to be used to support the clearance of Form 4135.

Inward Loans

11. Relevant internal issue vouchers are to be annotated 'On Loan' in the remarks line. Details of the equipment are to be recorded in the Inward Loan Register Form 4138.

12. Progression of the loan, to ensure that the equipment is returned on expiration of the loan period, is to be conducted through Form 4138. If an extension of loan is required or a change of the terms of issue, authority is to be requested from the relevant PT to sanction the extension. The consignor (lending unit) is to be informed of the progress and results of such action.

13. **When equipment held on loan by a Flight or Section is no longer required, it is to be returned to Logistics Squadron. Vouchers are to be annotated 'Returned from Loan'. Disposal action is to be as follows:**

- a. Forms 600 VDU (Form 600 VDU) or RAF Supply External Voucher Form 600 (Form 600), as appropriate, are to be used to return loan items to the consignor and are to be used to support the clearance of Form 4138. When equipment is returned in a different material condition than that in which it was received, other than scrap, the Form 600 VDU or Form 600 is to be certified by a Supply SNCO with the reason for the change of condition.
- b. When an item is totally consumed in use, or is returned by a Flight or Section categorised as 'scrap', a CIV is to be prepared and annotated in red ink 'On Loan' and certified by the Supply Officer as to the circumstances resulting in the total consumption in use or damage beyond repair (categorised as scrap). The No 1 copy of the CIV is to be cross-referred with the external receipt voucher on which the loan was originally made and used to clear Form 4138; the No 2 copy or certified true copy (CTC) is to be forwarded to the consignor from which the equipment was borrowed.

MJDI Dues Records

14. **Clearance of MJDI Dues Records for SCC Controlled Items.** When an external loan issue is reported, external dues-in to the lending unit and an external dues-out from the borrowing unit are created. These records will remain outstanding until the equipment is returned. When loaned equipment is lost, damaged beyond repair, (categorised as scrap) or totally consumed in use at the consignee (borrowing unit), the following action must be taken to clear the dues records:

- a. Action by the borrowing unit:

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- (1) Request internal receipt voucher returning item to stock as serviceable. To clear any outstanding internal loan dues held, navigate to Receipts, Off Loan (Legacy TC RIL).
 - (2) Request external issue voucher by navigating to Issues, Loans (Legacy TC GLR).
 - (3) Input for under-issue by navigating to Asset Maintenance, Management (Legacy TC RES).
 - (4) Strike the equipment off-charge by navigating to Asset Maintenance, Adjustment (Legacy TC GSA).
 - (5) Forward No 2 copy of CTC of the CIV to the consignee.
- b. Action by the lending unit:
- (1) Use copy of the borrowing unit CIV to clear entry in the Form 4135 and file CIV with Asset Maintenance Adjustment made at 14b(2).
 - (2) Clear any outstanding safe custody internal dues out that may be held by navigating to Asset Maintenance, Adjustment (Legacy TC RIS), followed by Issues, From Safe Custody (Legacy TC GIC) and finally Asset Maintenance, Adjustment (Legacy TC GUA) in that order.

Transfer of Loan

15. **SCC Controlled Items.** Should a unit, holding equipment on loan receive instructions to forward the equipment to a unit other than that from which it was loaned, it will first be necessary to adjust the computer held dues-in and dues-out records. To achieve this, the equipment should either be returned to the consignee or re-issued, or alternatively the following action may be taken:

a. **Action by Existing Borrowing Unit:**

- (1) Request appropriate internal receipt voucher returning item to stock and clear any internal loan dues held.
- (2) Request External Issue Voucher by navigating to Issues, Loans (Legacy TC GLR).
- (3) Forward 2 copies of External Issue Voucher, by post, to the consignor advising them that the equipment has been transferred to the new borrowing unit quoting the authority for transfer.
- (4) Forward the equipment to the new consignee (borrowing unit) quoting the authority for transfer and advising the unit that the consignor will forward the external issue voucher.
- (5) Clear Form 4138 by reference to the external issue voucher.

b. **Action by Lending Unit:**

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- (1) On receipt of 2 copies of the external issue voucher advising the transfer of the equipment from the existing to the new consignee (borrowing unit), request an external receipt voucher by navigating to Receipts, Normal (Legacy TC RER).
- (2) Request external issue voucher by navigating to Issues, Loans (Legacy TC GLZ).
- (3) Cross-refer external issue and receipt vouchers.
- (4) Forward 2 copies of the external issue voucher by post to the new consignee (borrowing unit), quoting the authority for transfer and advising the unit that the existing consignee is transferring the equipment.
- (5) Record the new loan in Form 4135 and clear old loan.

c. **Action by New Borrowing Unit.** On receipt, the equipment is preferably to be held pending receipt of the 2 copies of the External Issue Voucher from the consignor, when normal receipt action is to be taken.

16. **Non-SCC Controlled Items.** Should a unit holding equipment on-loan receive instructions to forward the equipment to a unit other than that from which it was loaned, is to be taken except that the Form 600 is to be annotated in red ink '**On Loan**'. In addition, two extra Advice (No3) copies are to be forwarded to the consignee unit, which is to complete and return all three copies. The consignor unit is to file one Advice (No 3) copy with Form 600 Record (No 1) copy and clear the entry in Form 4138. The remaining two copies of Form 600 Advice (No 3) are to be forwarded to the unit from which the equipment was originally loaned. One copy is to be used to adjust Form 4135 and the second copy, annotated 'Outward Loan Register Adjusted', forwarded to the unit holding the equipment. On receipt, it is to be compared with and attached to, the receipt voucher by which the loaned item was brought on charge.

Transfer Issue of Equipment on External Loan

17. **SCC Controlled Items.** Should equipment held on loan by a unit be made the subject of a permanent transfer issue to that unit or to another unit, it will be necessary to cancel the outstanding loan and the MJDI dues-in and dues-out. Action is to be taken in the following manner.

a. **Action by the Borrowing Unit:**

- (1) Request appropriate internal receipt voucher returning item to stock and clear any internal loan dues held, receipts, off loan (legacy TC RIL).
- (2) Request external issue voucher by navigating to Issues, Loans (Legacy TC GLR). Input for under-issue of above transaction by navigating to Asset Maintenance, Management (Legacy TC RES).
- (3) Forward a copy of the GLR voucher to the consignor (lending unit) endorsed with details of the transfer issue and the authority for transfer.
- (4) If the transfer issue is to another unit, request an external issue voucher to that unit by navigating to Issues, Without SCC Request (Legacy TC GEO).

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(5) Clear Forms 4138 by reference to GLR or GEO if appropriate, external issue voucher.

b. **Action by Lending Unit.** Use a copy of the consignee (borrowing units) GLR voucher to clear entry in the Form 4135 and retain consignee's GLR with the Form 4135.

18. **Non-SCC Controlled Items.** The consignor from which the equipment was loaned is to prepare a CIV annotated 'For Outward Loan Register Action Only'. The consignee is to prepare a CRV (in duplicate) annotated 'For Inward Loan Register Action Only'. The internal issue voucher is to be cross-referred to the CRV and the inventory annotation 'On Loan' is to be deleted. The original copy of the CRV is to be issued to clear the entry in the Inward Loan register and the duplicate copy is to be forwarded to the consignor where it is to be attached to their CIV and filed.

PART 3 – EXTERNAL LOAN - OUT OF MOD

19. See JSP886 Volume 4 Part 4: Government Furnished Equipment.

PART 4 – INWARD LOANS TO THE AIR ENVIRONMENT (FROM OTHER THAN FLEET, LAND AND MOD UNITS)

20. Materiel is only to be accepted on loan from an outside the MOD (Industry, foreign forces and Other Government departs) with PT authority. The PT is to specify the accounting procedures.

PART 5: CALIBRATION LOANS

21. See JSP886 Volume 7 Part 8.06: Test Equipment.