

change/sale. Only those items so designated by the turn-in activity will be processed as exchange/sale.

(c) Necessary screening will be done by the turn-in activity. Property to be exchanged will not be turned in to a property disposal officer (PDO). Only property to be sold will be turned in to the PDO and the only action required of the PDO is to report the property for sale.

(d) Items designated are not to be donated.

(e) Turn-in documents for property to be sold will be identified as exchange/sale by the turn-in activity and will cite the appropriation to which the proceeds from sale (less 10 percent) are to be deposited. It is anticipated that the separate category deposit accounts will be abolished when all property currently on hand has been sold, the proceeds deposited, and disposition is made of the proceeds.

(f) All items are subject to application of exchange/sale procedures except items cataloged in the Federal supply classification groups (FSCG's) listed in attachment 1 hereto. The group listing contained in DOD 4160.21-M (attachment 2, ch. III, pt. 2) is no longer to be considered an eligible list.

2. In view of the above, the following procedures apply pending further implementation of the pending changes:

(a) For property currently on hand:

(1) Compliance with AFLC CMAL No. 68-11 dated February 19, 1968, (hereby rescinded) should have resulted in all items in FSCG's listed in attachment 1, which have not reached the point of final utilization or sale, being transferred to the appropriate excess and surplus inventory record. If this has not been done, compliance with AFLC CMAL 68-11 should be accomplished prior to discarding.

(2) All remaining items will be processed to final disposal action according to currently published procedures. These actions will be recorded in the current exchange/sale records. Proceeds from the sale of these items will be deposited as in the past to the existing categorized accounts.

(b) New generations:

(1) Only those items identified by the turn-in activity as exchange/sale will be processed as such. The turn-in document will cite the appropriation to which the proceeds from sale are to be deposited (less 10 percent for sales cost).

(2) Items designated by the turn-in activity as exchange/sale which fall within the ineligible list (attachment 1) will be processed as excess and surplus property. When these changes are made, the turn-in activity will be advised.

(3) Items properly identified as exchange/sale will not be subject to utilization screening or donation after receipt by the PDO. The turn-in activity is the only activity permitted to obtain the property (by withdrawal). The only actions required by the PDO are normal sales actions and furnishing to the sales office the appropriation to which 90 percent of the proceeds is to be deposited.

All of the required utilization screening will be performed by the appropriate item manager at depot or base level prior to turn-in to the R. & M. activity.

3. Exchange/sale property presently on hand and new generations identified by the turn-in activity to be processed as exchange/sale will be separately accounted for as presently prescribed and will be reported on the AF form 362b through June 1968. Effective with the inventory data report (RSC HAF-S57) for the month of July 1968, the total on-hand inventory on the AF form 362b (line 75, col. P) from the month of June will be reflected on line 42, column A, AF form 362 and all exchange/sale transactions will be shown under the appropriate column of that line. All entries in line 42 will be included in line 43 totals of the AF form 362. Entries in sections IV, V, VI, VII and VIII will include exchange/sale transactions. Entries in section IX will exclude breakout of on-hand status of exchange/sale property and be limited to excess and surplus property only. Therefore, the status of on-hand inventory (sec. IX, AF form 362) will equal the total on-hand inventory reflected on line 43, column N minus the on-hand inventory of exchange/sale property, line 42, column N. Subsequent to the reporting of exchange/sale property on the AF form 362b for the month of June 1968, the AF form 362b is obsolete. Effective with the start of July report period, all monetary records for exchange/sale may be maintained on one record or by category breakout if desired; however, care should be taken to insure class and item (C. & I.) records are maintained by a compatible method.

For the Commander:

C. E. BROWN,
Redistribution and Marketing Division, Directorate of
Investment Materials DSC/Supply.