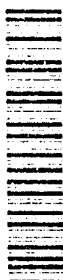


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DEPARTMENT OF DEFENSE
FINANCIAL MANAGEMENT
REGULATION

DoD 7000.14-R

VOLUME 1

GENERAL FINANCIAL MANAGEMENT
INFORMATION, SYSTEMS, AND REQUIREMENTS

MAY 1993

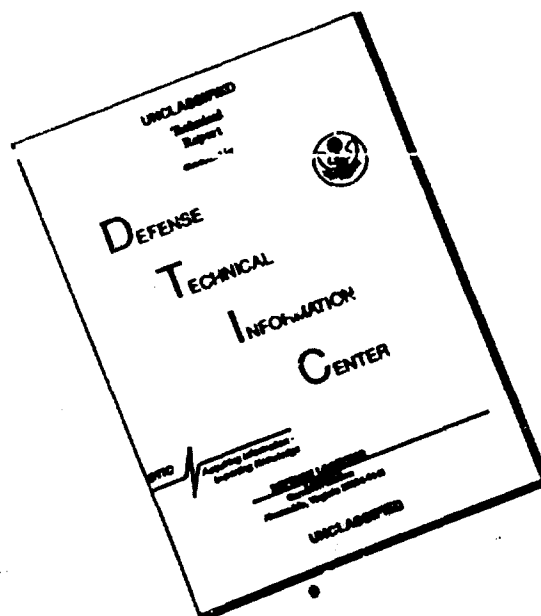
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DEPARTMENT OF DEFENSE

**FINANCIAL MANAGEMENT
REGULATION**

DoD 7000.14-R

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VOLUME 1

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**GENERAL FINANCIAL MANAGEMENT
INFORMATION, SYSTEMS, AND REQUIREMENTS**

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COMPTROLLER OF THE DEPARTMENT OF DEFENSE

WASHINGTON, DC 20301-1100

MAR 16 1993

FOREWORD

This Volume of the Department of Defense Financial Management Regulation is issued under the authority of DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures." It governs financial management by establishing and enforcing requirements, principles, standards, systems, procedures, and practices necessary to comply with financial management statutory and regulatory requirements applicable to the Department of Defense. It directs financial management requirements, systems, and functions for all appropriated, nonappropriated, working capital, revolving, and trust fund activities. In addition, it directs statutory and regulatory financial reporting requirements.

This Volume of the Regulation applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the DoD, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "DoD Components").

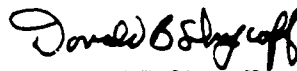
This Volume of the Regulation is effective immediately and is mandatory for use by all DoD Components. Heads of DoD Components shall ensure that it is adhered to in day-to-day operations and in the design, modification, and maintenance of their Component's financial management and reporting system or systems. The Heads of DoD Components shall not issue supplementary directives/regulations without the prior written approval of the Office of the Comptroller of the Department of Defense.

The reporting requirements contained in this regulation are exempt from licensing in accordance with paragraph E.4.f., of DoD 7750.5-M, "Procedures for Management of Information Requirements."

Forward recommended changes to this Volume of the Regulation through channels to the address below. Submit requests for deviations from or exceptions to specific standards, with justification, to:

Office of the Comptroller of the Department of Defense
Room 3E822
The Pentagon
Washington, DC 20301-1100

DoD Components will be provided copies of this Volume of the Regulation through normal publication channels. Other Federal Agencies and the public may obtain copies of this Volume from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161, (703) 487-4650.


Donald B. Shycoff
Acting Comptroller

INTRODUCTION TO THE DoD FINANCIAL MANAGEMENT REGULATION

GENERAL

The DoD Financial Management Regulation provides all DoD components with the policy, regulation, and procedures within the area of responsibility of the Comptroller, Department of Defense. The Regulation consists of the following 15 volumes:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. General Financial Management Information, Systems, and Requirements 2. Budget Formulation and Presentation 3. Budget Execution - Availability and use of Budgetary Resources 4. Accounting Policy and Procedures 5. Disbursing Policy and Procedures 6. Reporting Policy and Procedures | <ol style="list-style-type: none"> 7. Military Pay Policy and Procedures 8. Civilian Pay Policy and Procedures 9. Travel Policy and Procedures 10. Contract Payment Policy and Procedures 11. Reimbursable Operations, Policy and Procedures 12. Special Accounts, Funds and Programs 13. Nonappropriated Funds Policy and Procedures 14. Financial Management Education and Training 15. Security Assistance Policy and Procedures |
|---|--|

AUTHORIZATION

This Regulation is issued by the Comptroller, Department of Defense under authority of Department of Defense Instruction

7000.14 "DoD Financial Management Policy and Procedures."

PARAGRAPH NUMBERING SYSTEM

The paragraph numbering system of this Regulation is consistent for all 15 Volumes. The 6 digit paragraph number and its subparagraph designators are formulated as follows:

01
CHAPTER 1

01
SECTION 1

01
PARAGRAPH 1

A. 1. a. (1) (a)
SUBPARAGRAPHS

PUBLICATIONS SUPERSEDED

This Volume of the Regulation (Volume 1) will supersede the following:

DoD 7220.9-M "DoD Finance and Accounting Manual" (Chapters: 11, 12, 13, 14 17, Appendix A, Appendix B, Appendix C, and Appendix D).

DoD Directive 7045.16 "Financial Management Systems"

DoD Instruction 7045.19 "DoD Financial Management Systems Awards Program"

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REFERENCES

All references used in this Volume are specifically cited in the text. The following listing is a summary of those references.

- a. Title 31, United States Code, sections as follows:
 - 1108 Preparation and submission of appropriations requests to the President
 - 1341 Limitations on expending and obligating amounts
 - 1501 Documentary evidence requirement for Government obligations
 - 1517 Prohibited obligations and expenditures
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 - 6503 Transfer and deposit requirements
 - 9501 Government pension plan protection-purpose
 - 9503 Reports about Government pension plans
- b. U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies
 - Title 2, Accounting
 - Title 4, Claims
 - Title 6, Pay, Leave, and Allowances
- c. Office of Management and Budget Circular No. A-34, "Instructions on Budget Execution," August 1985.
- d. Office of Management and Budget Circular No. A-127, "Financial Management Systems," December 19, 1984.
- e. Treasury Financial Manual; Volume I; and Supplemental, "Cash Management Review Guide."
- f. DoD 7935.1-STD, "Automated Data Systems (ADS) Documentation Standards," April 1984, authorized by DoD Instruction 7935.1, September 13, 1977.
- g. DoD Instruction 7041.3, "Economic Analysis and Program Evaluation for Resource Management," October 18, 1972.
- h. DoD Directive 7920.1, "Life Cycle Management of Automated Information Systems (AIS)," June 20, 1988.

- i. DoD Instruction 7920.2, "Major Automated Information Systems Approval Process," March 7, 1990.
- j. DoD Instruction 7935.1, "DoD Automated Data Systems Documentation Standards," September 13, 1977.
- k. DoD Directive 7045.16, "Financial Management Systems," March 28, 1985.
- l. U.S. General Accounting Office CARE Audit Methodology to Review and Evaluate Agency Accounting and Financial Management Systems, July 1985
- m. DoD 7110.1-M, "Budget Guidance Manual," July 1985, authorized by DoD Instruction 7110.1, October 30, 1980.
- n. DoD 7750.5-M, "DoD Procedures for Management of Information Requirements," November 1986, authorized by DoD Directive 7750.5, August 7, 1986.
- o. DoD 7110.3-M, "Budget and Fiscal Coding Manual of the Office of the Secretary of Defense," April 1992.
- p. DoD 7045.7-H, "FYDP Program Structure," August 1988, authorized by DoD Instruction 7045.7, "Implementation of the Planning, Programming, and Budgeting System (PPBS)," May 23, 1984.
- q. DoD 5105.38-M, "Security Assistance Management Manual," October 1988, authorized by DoD 5105.38, August 10, 1978.
- r. Office of Management and Budget Circular No. A-11, "Preparation and Submission of Budget Estimates," updated annually.
- s. Title 31, Code of Federal Regulations (31 CFR), parts as follows:
 - 202 Depositories and Financial Agents of the Government
 - 206 Management of Federal Agency Receipts and Operation of the Cash Management Improvements Fund
- t. Title 41, United States Code, sections as follows:
 - 11 No contracts or purchases unless authorized or under adequate appropriation; report to the Congress
 - 23 Orders on contracts for material placed with Government-owned establishments deemed obligations
 - 611 Interest

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DEFINITIONS

1. Purpose

The purpose of this listing is to provide definitions for terms used in the Regulation, which are unique to the Federal Government or the Department of Defense. This list does not define terms when the normal dictionary definitions are applicable.

2. Basic Concepts

This is by no means an exhaustive list of all accounting terms. Unique terms that are of significance or importance in accounting processes discussed in various Volumes of this Regulation have been included. Suggestions for the definition of additional terms may be submitted directly to the Director, Defense Finance and Accounting Service, Washington, D.C. 20376-5-001.

3. List of Definitions:

Acceptance (Contract) - A formal certification that the goods or services have been received and that they conform to the terms of the contract.

Accessorial Charges - Costs incurred for packing, crating, and handling related to sales or shipments of property.

Accounting Classification Code - A series of alpha and numeric characters appearing on accounting source documents. The characters provide the information necessary to enter transactions into DoD accounting systems.

Accounting Entity - In the Department of Defense the accounting entity is the DoD Component; that is, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the OSD and/or the Defense Agencies, regardless of appropriation of fund.

Accounting Objectives - Goals toward which accounting efforts are directed. The goals are derived directly from legal and regulatory requirements and the needs of intended users.

Accounting System Design Documentation - Documentation supporting the design of an accounting system that assures all relevant accounting principles, standards, and related requirements have been addressed. It consists of three distinct documentation packages: (1) the functional accounting system concept design, (2) the functional detailed design, and (3) various automated data processing documentation packages which track functional user requirements to specific computer programs. See Chapter 3 of this Volume for specific documentation requirements.

Accounts Payable - Amounts owed by the accounting entity for goods and services received. (Also see "Accrued Expenditures - Unpaid.")

Accounts Receivable from the Government - Amounts due from U.S. Government organizations or funds. It also includes amounts due from U.S. Government sources that are deposited into U.S. Treasury general fund receipt accounts when collected.

Accounts Receivable from the Public - All accounts receivable arising from the sale of goods and services and from operations involving other than Federal Government organizations. It includes amounts from public sources that are deposited into U.S. Treasury general fund receipt accounts when collected. Examples are debts owed by military personnel, civilian employees, contractors, and nonappropriated fund instrumentalities.

Accrued Expenditures - The term used for the credits entered into the budgetary accounts to recognize liabilities incurred for (1) services performed by employees, contractors, other Government accounting entities, vendors, carriers, grantees, lessors, etc.; (2) goods and other tangible property received; and (3) items such as annuities or insurance claims for which no current service is required. Accrued expenditures are categorized as either paid or unpaid.

Accrued Expenditure-Paid - The budgetary account which matches the proprietary account "funds disbursed." It represents the dollar value

Volume 6 Definitions

of goods and services received for which payment has been made.

Approved Expense Account Journal - The Accounting account which matches the proprietary account and is used to represent the dollar value of the expenditure and is used to determine the propriety of the expenditure. (Also see: **Accounting Journal**.)

Approved National Transportation Budget - The difference between total paid and obligations of the budget and approved exchange rate and the foreign exchange rate current at the time of payment.

Approved Transportation Budget - The amount for both truck and trailer discounts paid for the freight plus the transportation costs. (See: **Discount Rate** and **Discount Factor**.)

Administrative Subdivision of Fund - Any subdivision or legal restriction of an appropriation or fund that makes funds available in a specified amount for incurring obligations. Frequently used subdivisions include apportionments, OSD release documents, allocations, suballocations, allotments and suballotments.

Advance of Pay - A prepayment made available to an employee in a pay status.

Advances - Disbursements of funds from Department of Treasury accounts before performance has been certified by an authorized DoD receiving official. It differs from a financing payment in that no performance has occurred.

Agency Financial Management System - The total of agency financial systems, both manual and automated, for planning, budget formulation and execution, program and administrative accounting as well as all other systems for recording and classifying financial data and reporting financial management information, including purchasing, property, and inventory.

1. Financial Management Information - All information that is expressed in dollar terms on federal spending, collections, assets, liabilities, equity, and related budgetary and accounting transactions and balances.

2. Financial Management Systems

2.1 Accounting Information Systems - The methods and procedures used to collect, classify, summarize, and report information on a financial, operational and operating position. It is comprised of the accounting system, the information system, and the reporting system. The accounting system is the system of the accounting system, the information system is the system of the information system, and the reporting system is the system of the reporting system. The accounting system is the system of the accounting system, the information system is the system of the information system, and the reporting system is the system of the reporting system. The accounting system is the system of the accounting system, the information system is the system of the information system, and the reporting system is the system of the reporting system.

2.2 Financial Accounting and Reporting - The aggregation and summarization of financial management information from the major operational areas and summarized support financial and management information needs. There are five Primary accounting systems made up of the single, standard integrated Departmental accounting systems which control all financial management information. The Primary accounting systems are General Business Operations Fund (Stock Fund and Industrial Fund), Trust Fund, Civilian Pay, and Military Pay.

b. Administrative Accounting Systems.

1. Accounting and Control Systems - The manual or automated programs, procedures and processes which authorize, record, classify, analyze, and report on financial management information for one of the Primary accounting systems. Accounting support systems provide general ledger control and financial information on operations for the distribution of the Primary accounting systems.

2. Subsidiary Accounting Systems - The manual or automated programs, procedures and processes which authorize, record, classify, analyze, and report on financial management information for the distribution of the Primary accounting systems and the Administrative Accounting Systems.

c. Accounting System Modules. Modules are distinguished by the fact that their functions and systems of internal controls are embodied in the accounting system. As such, modules are fully integrated subsystems of an accounting system, and they are inventoried and evaluated in conjunction with the accounting system.

d. Feeder Systems. The manual or automated programs, procedures and processes which develop data required to initiate an accounting or financial transaction but do not perform an accounting operation (e.g., personnel, property, or logistics systems).

Allocation and Suballocation - An authorization by a designated official of a DoD Component making funds available within a prescribed amount to an operating Agency for the purpose of making allotments and incurring obligations.

Allocations - Departmental-level accounting entity distributions of apportionments, or funds that do not require apportionment, to an operating Agency or other intermediate level accounting entity.

Allotment and Suballotment - An authorization by the Head of an operating Agency, or designee, to the Head of any organizational unit to incur obligations within a specified amount; a formal distribution of an allocation or suballocation and must contain at least the same legal and other limitations applicable to the allocation or suballocation. A distribution of budget authority to an installation-level accounting entity.

Annual (1-Year) Authority - Budget authority that is available for obligation only during a specified fiscal year and expires at the end of that time.

Anticipated Reimbursements - The dollar value of orders expected to be received during the forthcoming fiscal year. Anticipated reimbursements do not create obligational authority until an actual order is received and accepted. There is an exception to this rule for business operation funds.

Antideficiency Act - Legislation enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds; to fix responsibility within an agency for the creation of any obligation or the making of any expenditure in excess of apportionment or reapportionment or in excess of other subdivisions established pursuant to sections 1341 and 1517 of 31 U.S.C.; and to assist in bringing about the most effective and economical use of appropriations and funds.

Apportionment and Reapportionment - A distribution made by Office of Management and Budget (OMB) of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, activities, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations that may be incurred.

Appropriation Limitations - Statutory and other special restrictions which impose a restriction on the availability of funds or the authority to obligate or expend appropriations for certain objects or purposes; such as, family housing.

Appropriation Warrant - An official U.S. Treasury document that provides the dollar amounts established in the general and detailed appropriation accounts of the U.S. Treasury pursuant to Appropriation Acts authorized by law. It serves as a convenient source document for entries into accounts that establish the amount of money authorized to be withdrawn from the U.S. Treasury.

Appropriations - Statutory authority to incur obligations and to make payments out of the U.S. Treasury for specified purposes. For purposes of the Antideficiency Act Sections 1341 and 1517 of 31 U.S.C.), "appropriations" is defined as appropriations, funds, and authority to create obligations in advance of appropriations or any other authority making funds available for obligation or expenditure. (See "Contract Authority" and "Continuing Resolution.")

Asset Use Charge - A charge for the use of DoD assets (facilities and/or equipment) to recoup depreciation and interest on investment.

Bench Stock (Also Shop Stock) - Inventory held by a cost center for use as indirect material and used in support of numerous small projects or activities carried out by the cost center. Small items such as screws, washers, and lubricants characterize this type of stock.

Book Value - The original acquisition cost of a capital asset less the total recorded accumulated depreciation.

Borrowing Authority - Statutory authority to incur obligations and to make payments for specified purposes out of borrowed money. Within the Department of Defense, borrowing authority is used for mortgage assumptions under the Homeowners Assistance Program and for loans from the Federal Financing Bank.

Budget Authority - Authority provided by law to enter into obligations that will result in immediate or future outlays involving Federal Government funds. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. Budget authority relates to direct programs. (Also see "Obligational Authority.")

Budget Rate - A foreign currency exchange rate provided to DoD Components for use in preparing budget submissions during budget formulation and for recording obligations during budget execution. Budget rates are provided by the DoD Comptroller and may be modified by the Congress. During execution, foreign currency obligations are recorded using the budget rate (rates approved for execution). Also see Foreign Currency Fluctuations.

Budgetary Resources - For purposes of budget execution, budgetary resources include new budget authority, available unobligated balances at the beginning of the year, reimbursements and other income (also known as offsetting collections credited to an appropriation or fund account), recoveries of prior year obligations from unexpired accounts, and restorations. In the case of reimbursable work, budgetary resources available for obligation are comprised of earned reimbursements and unfilled customer orders (limited by the amounts collected in advance for orders from the public). In the case of loan

programs, budgetary resources available for obligation from loan repayments and interest on loans are comprised of actual collections when authorized to be used.

Business Concern - Any person or organization engaged in a profession, trade, or business, and nonprofit entities (including State and local governments, but excluding Federal entities) operating as contractors.

Cash-Flow Process - Each process of collecting or disbursing moneys for Agency programs or operations, and for balances held outside of the U.S. Treasury.

Cash-Flow Report - A document summarizing each unique cash-flow process and corresponding opportunities for new cash management improvements.

Cash Held at Personal Risk - Cash held by authorized disbursing officers, their cashiers, and their agent officers, including alternates, for making miscellaneous cash payments, meeting cash payrolls or making change; funds established for making small purchases; imprest funds; cash held pending delivery to other disbursing officers; and for other purposes specifically authorized by law.

Cashier - An officer or employee of a Federal Department, Agency or Corporation who, having been recommended by the head of the activity, has been designated as a cashier by the officer responsible for making disbursements and is authorized to perform limited cash disbursing functions or other cash operations.

Cash Management - Practices and techniques designed to accelerate and control collections, ensure prompt deposit of receipts, improve control over disbursement methods, and minimize idle cash balances.

Cash Management Review - An ongoing study of an Agency's cash-flows and corresponding cash management processes or mechanisms conducted to identify implementable improvement opportunities in an Agency's cash management practices.

Centrally Managed Allotment - Authority issued by the holder of an allocation for incurring obligations for a specific purpose and in a specific amount. It is administered by publishing a centrally-managed allotment account number that permits authorized officials to charge the account for authorized purposes without further determination or certification of fund availability for individual transactions.

Clearing Accounts - Accounts established solely to temporarily hold general, special, or trust fund collections or disbursements pending clearance to the applicable receipt or expenditure budgetary account. Except for clearance to the applicable receipt or expenditure budgetary account, clearing accounts are not available for obligation or expenditure.

Collections - Amounts received during the fiscal year. Collections are classified into two major categories: budget receipts and offsetting collections. Offsetting collections are classified into two major categories: offsetting receipts and collections credited to appropriation or fund accounts.

Commitment - An administrative reservation of funds based on firm procurement requests, unaccepted customer orders, Directives, and equivalent instruments.

Compensated Absence - An employee absence for vacation, illness, jury duty, or military leave for which the employee is paid.

Component Debt - Debt incurred by DoD Components and generally associated with housing programs determined to be necessary to carry out the DoD mission.

Component Liaison Office - When DFAS was established, each Military Department and the Defense Logistics Agency (DLA) formed financial management liaison offices in their Headquarters. The primary purpose of these staffs was to provide adequate communication among DFAS, and its larger customers; ensure the adequate dissemination of information; and help coordinate DoD finance and accounting policy and other issues.

Some of the liaison functions at the Departmental level are still required to ensure adequate communications and coordination of finance and accounting issues among DFAS and DoD Components. DoD Agencies may establish a liaison focal point to interface with DFAS on an as required basis.

Conceptual Design of Accounting System - Documentation of the process that leads to a decision to develop a new accounting system or system segment, or to initiate a major upgrade effort. Documentation reveals the deficiencies in the current system, the accounting entities involved, the parameters of the accounting system, the accounting structure, security considerations, the alternatives considered, and the economic analysis developed to support a decision.

Consolidated Working Fund Accounts - Accounts established to hold funds transferred from other Agencies, DoD Components, or accounts until transferred to an appropriate account authorized by provisions of law. Applicable funds are not available for obligation or expenditure.

Contingent Liability - The term has two meanings. As a budgetary term, it represents variables that cannot be recorded as valid obligations. Such variables include (1) outstanding fixed price contracts containing escalation, price redetermination, or incentive clauses, or (2) contracts authorizing variations on quantities to be delivered, or (3) contracts where allowable interest may become payable by the U.S. Government on contractor claims supported by written appeals pursuant to the "DISPUTES" clause contained in the contract. As a proprietary accounting term, it represents an obligation, relating to a past transaction or other event or condition that may arise in consequence, as a future event now deemed possible but not probable. When the liability is determined to be possible, but not probable, the potential liability is disclosed as a footnote to the financial statements. When the potential liability become probable, it is recorded in the accounts as a current liability or a reduction of an asset. The budget definition is the preferred usage.

Continuing Resolution - The Congressional resolution, in the absence of an appropriation act, providing authority for Agencies to continue current operations. Such continuing resolutions are subject to OMB apportionment in the same manner as appropriations.

Contract. Any enforceable agreement, including rental and lease agreements and purchase orders, between an Agency and a business concern for the acquisition of property or services.

Contract Authority - Statutory authority to incur obligations but with liquidation of obligations dependent upon future actions of the Congress.

Contract Financing Payment - A Government disbursement of monies to a contractor under a contract clause or other authorization before physical delivery and the acceptance of supplies or services by the Government.

Contract Liquidating Authority - An appropriation, or reappropriation, enacted to pay the obligations incurred under the contract authority.

Contractor-Acquired Property - Property procured or otherwise provided by a contractor for the performance of a contract. It does not include government furnished material or equipment.

Cost - A monetary measure of the amount of resources applied to a cost objective. Within the Department of Defense, "costs" are identified following General Accounting Office accounting principles and standards as implemented in this Regulation. The fact that collections for some cost elements are deposited into Miscellaneous Receipts of the Treasury does not make those costs "extraneous." It simply means the Congress has not authorized such amounts to be retained by appropriation accounts. After costs have been identified, following Comptroller General cost accounting rules, a DoD Component may proceed to eliminate cost elements, or process waivers, in accordance with legal authorities.

Cost Center - A logical or physical grouping of one or more similar services for the purpose of identifying obligations or developing the cost

identification for the services. Services are grouped into cost centers in order to (1) normalize between services that use similar resources with different capabilities, (2) apply surcharges and discounts to services, (3) identify costs for different classes of the same service, or (4) identify obligations. This is the lowest level (that is, unit) or activity that is used to identify obligations or expend resources to produce a unit of work, and the lowest level of activity to segregate costs for management in order to assess efficiency, usage, examine trends, etc.

Cost Clearing Account - An account used when standard rates are employed. The actual expenses are debited to the cost clearing account and the amounts billed to customers are credited to the account. At the end of the fiscal year, the account is closed with analysis performed to determine if rates require adjustment.

Cost Finding - Procedures designed to accomplish an end result that would approximate the results that would have been obtained if a formal cost accounting system was in operation.

Cost Objective - An activity, operation, or completion of a unit of work to complete a specific job for which management decides to identify, measure, and accumulate costs. The cost objective must be discrete enough and described in writing to such a level of detail to form a basis to establish cost centers and output products.

Current Receivable - All receivables that will be due within the 12 months following the reporting period.

Current Value of Funds Rate - The average investment rate for the U.S. Treasury Tax and Loan accounts expressed as an annual rate and published by the U.S. Treasury in the "Federal Register" each year.

Customer Order - An order received and accepted by the performing activity from a customer. It is written evidence that a meeting of the minds has taken place and that certain goods and services will be provided to the tenderer of the order for payment of a dollar amount. The order must contain an original signature or equivalent of both the ordering activity and the

receiving activity and must specify a dollar amount. The specified dollar amount cannot be exceeded.

Cutoff Time - A time prescribed by a financial institution beyond which transactions presented or actions requested will be deferred to the next banking day's business.

Day - A calendar day, unless otherwise noted. If the day on which an action is required falls on a nonworking day, then day means the next working day.

Default - Failure to meet any obligation or term of a credit, grant, or other agreement.

Defense Business Operations Fund - The Defense Business Operations Fund, or the Fund, operates with financial principles that provide improved cost visibility and accountability to ensure business management and improve the decision making process. The Fund builds on revolving fund principles previously used for industrial and commercial-type activities. Successful implementation of the Fund is essential to achieve the following Defense Management Report initiatives: 1) consolidating like functions, 2) increasing cost visibility, and 3) realizing significant monetary savings through better business practices.

Deferrals - Budgetary resources which have been deferred as reserves to provide for contingencies to achieve savings made possible by or through changes in requirements or greater efficiency of operations or as specifically provided by law.

Definite Authority - Authority that is stated as a specific sum at the time it is granted. This includes authority stated as not to exceed a specified amount. Most DoD appropriations are for definite amounts of authority.

Delinquent - Billed amounts which are not paid within 30 days of the date of the initial demand or as of the due date specified in the contract or agreement.

Demand Cash Withdrawal - Commercial checks made payable to cash for withdrawal by the cashier.

Deposit - When used as a noun, means money that is being or has been presented for credit to the U.S. Treasury. Such transfers may be made by Agencies or directly by the remitter. All such transfers are effected through a Federal Reserve bank or other financial institution. When used as a verb, means the act of presenting moneys for credit to the U.S. Treasury by an official of an Agency.

Deposit Funds - Receipts held in suspense temporarily and later refunded or paid into some other Treasury fund or other entity held by the Department of Defense as banker or agent for others and paid out at the direction of the owner.

Deposit Fund Accounts - Expenditure accounts established to account for receipts (1) held in suspense temporarily and later refunded or paid into some other fund of the Government, or other entity, or (2) held by the Government as banker or agent for others and paid out at the direction of the owner. Such funds are not available for paying salaries, grants, or other expenses of the Government. Expenditures are often offset by receipts within this type of fund.

Depository Account - Interest or non-interest bearing checking account.

Deposit (Next Day) - A deposit made before the cutoff time on the day following the day on which the funds were received by the Agency. For example, if an Agency receives funds for deposit at 3 p.m. on Monday, and transmits the deposits to the bank by 2 p.m. on Tuesday (the depository's cutoff time) then next day deposit requirements are met.

Deposit (Same Day) - A deposit made before the cutoff time on the day on which the funds were received by the Agency. For example, if an Agency receives funds for deposit at 10 a.m. on Monday and transmits the deposits by 2 p.m. on Monday (the depository's cutoff time) then same day deposit has been achieved.

Depreciation - Depreciation recognizes the allocation of cost of depreciable physical plant, property, or equipment as an operating expense over the periods in which the assets are expected to provide benefits.

Direct Cite - Citation of customer funds as the financing source on documents leaving the DoD system, that is, contracts with commercial firms, General Services Administration, or Department of Transportation. The term direct cite is not valid if any DoD organization establishes a reimbursable order to a DoD appropriation account, or business operation fund. When direct cite is used, all accounting is accomplished by the ordering activity. The source documents are returned to the allotment holder who accomplishes all required accounting. In the case of the Foreign Military Sales program, it specifically refers to documents that result in a disbursement to other than a DoD organization (a contractor, other Federal Agency, or employee).

Direct Delivery - Items shipped directly from a contractor to a customer, whether from a consolidated military services procurement or a contract solely for that customer.

Direct Loan - An obligation created when the Government disburses the funds and contracts with the debtor for repayment, with or without interest, or when the Government acquires a guaranteed private loan in satisfaction of default or other claim.

Direct Program - The budget authority in an appropriation act. (See "Budget Authority".)

Disbursements (Net of Refunds) - The amount of checks issued, cash payments made, and "no-check-issued" disbursement transactions (charges to an appropriation or fund account that were initially charged to another appropriation or fund account with reimbursement effected without a check issuance) processed that were reported to the Treasury during the reporting period, including amounts reported on DD Forms 1400, "Statement of Interfund Transactions" and Statements of Intra-Governmental Transactions. It includes amounts of mortgages assumed, but does not include amounts of principal payments. Amount reported is net of

refunds collected and reported to the Treasury and does not include nonexpenditure transactions such as appropriation transfers or investments in U.S. government securities.

Disbursing Officer - An officer or employee of a Federal Department, Agency or Corporation designated to disburse moneys and render accounts according to laws and regulations governing the disbursement of public moneys.

Discount (Cash) - A reduction in the amount due on an account payable if paid within a stated period.

Discount (Trade) - A reduction in price, usually varying in percentage with volume of transactions, made by vendors to those engaged in certain businesses and allowable irrespective of the time when the account is paid.

DoD Component - For purposes of this Regulation, "DoD Component" refers to the following organizations: the Office of the Secretary of (OSD), the Military Departments, the Joint Staff, the Defense Agencies, Washington Headquarters Services (WHS), and the Uniformed Services University of the Health Sciences (USUHS).

DoD Education Benefits Trust Fund - A fund established for education assistance purposes for active and reserve force personnel. It derives its resources through transfers from military personnel accounts and from interest earned from investments in Federal Government securities.

Earned Reimbursement - The amount recognized when a performing organization renders actual or constructive performance on a reimbursable order.

"Economy Act" Order - An order for goods or services placed by a Federal Agency or Department to another governmental agency under the provisions of Section 1535, Title 31, United States Code.

Electronic Funds Transfer (EFT) - The act of debiting or crediting accounts in financial institutions by wire rather than source documents, such as, paper checks. Processing typically occurs through the Federal Reserve Bank clearing houses.

Entitlements - Legally established benefits available to any person or unit of Government meeting eligibility requirements established by law.

Executory Costs - Those costs associated with ownership of an asset such as insurance, taxes, and normal maintenance. In the case of a capital lease, the portion of the lease payment that represents executory costs is not capitalized, but is expensed.

Expense - As a budget term, expense is generally any charge to an operation and maintenance appropriation account. Some appropriation accounts, such as the Military Construction and the Research, Development, Test and Evaluation appropriations accounts, provide authority to charge both expense and capital investments to the account. As an accounting term, expense is the value of resources consumed during current period operations.

Expired Account - An account in which budget authority to incur original obligations has ceased to be available. However, the account is available to fund upward within scope adjustments of original obligations.

Facilities - Industrial property (other than material, special tooling, special test equipment, and military property) for production, maintenance, research, development, or test including real property (other than land) and rights therein, buildings, structures, improvements, and plant equipment, (including capital leases.)

Fast Pay - Disbursement to a contractor based on the contractor's certification that delivery has been made at the time an invoice is presented for payment.

Federal Agency. This has the same meaning as the term "Agency" in Section 551(1) of Title 5, U.S.C., and also includes any entity that is operated exclusively as an instrumentality of such an Agency for administering one or more programs of that Agency. DoD nonappropriated fund activities are included under this definition.

Financial Institution - Bank, Savings Association, or Credit Union eligible under 31 CFR 202 to serve as a Government depository.

Financial Management System - The DoD Financial Management System consists of a triad architecture. The three segments of the triad are as follows: Planning, Programing, and Budgeting System (PPBS); Army, Navy, Air Force and Defense Agency accounting systems; and all other systems that provide financial information to management.

Financing Interest - Interest charged as a cost of extending credit as distinguished from interest charged because of delinquency.

Financing Payment - Disbursement of funds from Department of Treasury accounts after performance has occurred but before physical delivery. The most common type of financing payment is the progress payment made to DoD contractors in reimbursement for incurred cost before ordered items or material are delivered.

Foreign Currency Fluctuations - The difference between budget rates approved for execution and actual foreign currency exchange rates in effect at time of payment that cause changes in obligations or contractual liabilities. Obligations are recorded using the budget rate, and payments are made using the current foreign currency exchange rate.

Foreign Currency Unliquidated or Liquidated Obligations - Foreign currency unliquidated obligations are derived by taking obligations at the budget rate less the disbursements at the budget rate. Foreign currency liquidated obligations is the actual disbursement at the budget rate.

Funded Carryover - The incomplete portion of a job order for goods or services to be provided by a business operation fund activity. Usually, funded carryover is measured at the end of a fiscal period, that is, a fiscal year.

Fund Groups - The range of numeric or alpha and/or numeric account symbols assigned by the Treasury to identify groups of accounts; such as, 0000 to 3799 = General Funds.

General Fund Accounts - These consist of (1) receipt accounts used to account for collections not dedicated to specific purposes and (2) expen-

diture accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.

General Fund Receipt Accounts - Accounts established for receipts of the Federal Government that are not earmarked by law for specific purpose and that are not available for obligation and expenditure.

General Management Computer - A computer that is used for any purpose other than as a part of a process control system, space system, mobile system, or equipment that is an integral part of a weapon or weapons system. It also excludes equipment involved with intelligence activities and cryptologic national security activities.

Government-Furnished Equipment (GFE) - Property provided to a contractor by DoD. It is used in producing an end product. It is not consumed, but is returned in the same form at the end of the contract.

Government-Furnished Material (GFM) - Property provided to a contractor by the Department of Defense. It may be incorporated into an end item (a change in form) or may be consumed in the performance of a contract.

Grants - Assistance awards for which no substantial involvement is anticipated between the Department of Defense and the recipient during performance of the contemplated activity.

Guaranteed Loan - A contingent liability created when the Government insures the private lender who disbursed the funds that the lender will be repaid to the extent of the amount or percentage guaranteed in the event of default by the debtor; a DoD Component pledge to pay part or all of the loan principal and interest to a lender, or holder, of a security in the event of default by a third party borrower.

Holdback - The amount withheld from progress payments to contractors to assure compliance with contract terms. Usually the amount to be withheld is expressed as a percentage in the contract provisions.

Imprest Fund - A fixed-cash or petty-cash fund in the form of currency or coin for cash payments specifically authorized. The fund may be a revolving type, replenished to the fixed amount as spent or used, or of a stationary nature, such as a changemaking fund.

Indefinite Appropriations - Appropriations of a current or permanent nature in which a definite amount is not stated.

Indefinite Authority - Authority for which a specific sum is not stated, but is determined by other factors such as the receipts from a certain source or obligations incurred.

Information Technology Facility (ITF) - An organizationally defined set of personnel, hardware, software, and physical facilities, operated within or on behalf of the Department of Defense, a primary function of which is the operation of information technology. An ITF includes:

- (1) The personnel who operate computers or telecommunications systems; develop or maintain software; provide user liaison and training; schedule computers; prepare and control input data; control, reproduce, and distribute output data; maintain tape and disk libraries; provide security; and provide direct administrative support to personnel engaged in these activities.

- (2) The owned or leased computer and telecommunications hardware, including central processing units; associated peripheral equipment such as disk drives, tape drives, printers, and consoles; data entry equipment; telecommunications equipment including control units, terminals, modems, and dedicated telephone and satellite links provided by the facility to enable data transfer and access to users. Hardware acquired and maintained by users of the facility is excluded.

- (3) The software, including operating system software, utilities, sorts, language processors, access methods, data base processors, and similar multi-user software required by the facility for support of the facility and/or general use by users of the facility. All software ac-

quired or maintained by users of the facility is excluded.

(4) The physical facilities, including computer rooms, tape and disk libraries, stockrooms and warehouse space, office space, and physical fixtures.

Initiation - An administrative reservation of funds based on procurement directives, requests, or equivalent instruments that authorize preliminary negotiations, but require that funds be certified by the official responsible for the administrative control of funds before incurrence of the obligation. Initiations are entered into memorandum accounts to help keep precommitment actions, such as approved procurement programs and procurement directives, within the available subdivision of funds.

Intangible Assets - Amortizable investment that costs \$15,000 or more; have projected pay-back periods; have economic value but lack physical substance which is to be used over some period (useful life), the length of which is estimated to be 2 years or greater; and have no residual value at the end of the estimated useful life. Examples of intangible assets are management initiatives, organization of new functions, or reorganization of old functions, strategic planning, future system requirement development, and dedicated training initiatives.

Interagency Allocations - Distributions of an Agency's budgetary resources to another Agency, separately identified in the accounts to ensure that the recipient Agency is responsive to the allocating Agency. Such allocations may be non-expenditure transfers, which establish transfer appropriation accounts, or subdivisions of a DoD Component's funds to another DoD Component to cite directly.

Internal Control Documentation - Written policies, organization charts, procedural write-ups, Manuals, memoranda, flow charts, decision tables, completed questionnaires, software, and related written materials used to describe the internal control methods and measures, to communicate responsibilities and authorities for operating such methods and measures, and to

serve as a reference for persons reviewing the internal controls.

Internal Controls - The manner in which financial, manpower, and property resources are to be controlled and safeguarded by the regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes.

Internal Control Standards - The standards issued by the Comptroller General for use in establishing and maintaining systems of internal control. Those standards are applicable to all operations and administrative functions, but are not intended to limit or interfere with duly granted authority for the development of legislation, rulemaking, or other discretionary policymaking in an Agency.

Internal Control Techniques - The application of prescribed processes and documents to efficiently and effectively accomplish an internal control objective and to help safeguard an activity from waste, loss, unauthorized use, or misappropriation.

Inventory Price - For non-stock fund items the inventory price is the acquisition cost. For stock fund items the inventory price is acquisition cost plus prescribed surcharges. (See "Acquisition Cost".)

Investment - As a budget term, investment refers to equipment financed with procurement appropriation accounts. As an accounting term, investment is an asset that meets prescribed capitalization criteria established by the Comptroller General.

Invoice Payment - A Government disbursement of monies to a contractor under a contract or other authorization for supplies or services accepted by the Government.

Leave and Earnings Statement - A document provided to each employee or service member showing gross pay, deductions, and net pay for a pay period and cumulative totals for the calendar year to date, along with leave balances at the end of the pay period.

Leave Record - A record showing the amounts of leave earned and used, and the balance available.

Letter Contract - An offer and acceptance that is specific and definitive enough to show the purpose and scope of the final contract to be executed. When accepted in writing by the contractor, documentary evidence exists to support the recording of an obligation.

Loan Guarantees - Agreements by which a DoD Component pledges to pay part or all of the loan principal and interest to lenders or holders of securities in the event of default by third-party borrowers.

"M" Account - A successor account into which obligated balances under an appropriation are transferred (merged) at the end of the second full fiscal year following expiration. The "M" account remains available for the payment of obligations and liabilities incurred by the accounts that have been merged. Due to Public Law 101-510, the "M" Account will be canceled in its entirety as of September 30, 1993.

Management Fund Accounts - Working fund accounts authorized by law to facilitate accounting for collections from two or more appropriations or funds to finance an activity not involving a continuing cycle of business-type operations and that are available for obligation and expenditure. Those are combined receipt and expenditure accounts established by law, with receipts derived from such operations usually available in their entirety for use by the fund without further action by the Congress.

Meat, Poultry Meat, Meat Food Products Poultry Meat Food Products, Eggs, or Egg Food Products. Perishable (fresh, chilled, or frozen) meat and poultry meat, including processed meat and poultry meat food products, such as luncheon slices, frankfurters, bacon and ham, fresh eggs, and perishable egg products. It excludes non-perishable meats and poultry meats, all perishable and nonperishable mixed products (meat and/or poultry meat combined with other food ingredients), seafood, and game.

A. Eggs. Fresh whole shell eggs of the domesticated chicken, turkey, duck, goose, or guinea.

B. Egg food products. Only frozen whole eggs, egg whites, and/or egg yolks.

Military Interdepartmental Purchase Request (MIPR) - An order issued by one military service to another to procure services, supplies, or equipment for the requiring service. The MIPR (DD Form 448) may be accepted on a direct citation or reimbursable basis. It is an "Economy Act" (31 U.S.C. 1535) order subject to downward adjustment when the obligated appropriation is no longer valid for obligation.

Military Property - All property owned by the Department of Defense. In regard to Government-provided property, this is Government-owned personal property designed for military operations.

Military Retired Pay - (A reduced pay entitlement for reduced services.) The gross monthly entitlement for a retired member of the Uniformed Services based on terms and conditions of law, pay grade, years of service, percentage of disability (if applicable), and date of retirement.

Military Retirement Trust Fund - A trust fund established for the purpose of financing the retirement cost of active and reserve military personnel. An accrual amount is transferred monthly from the military personnel accounts to the Fund based on a fixed percentage of basic pay for full-time and part-time personnel. The accrual amounts are determined by the DoD Board of Actuaries who are appointed by the President for 15 year terms. In addition, amounts are deposited into the Fund to liquidate the unfunded liability of retired pay earned prior to establishment of the Fund. Interest on investments of the Fund assets in Federal Government securities are also transferred into the Fund.

Minimum Lease Payments - The payments that the lessee is obligated to make or may be required to make in connection with leased property. (Contingent rentals are excluded from the minimum lease payments.)

Moneys - All currency and negotiable instruments which are as follows: (1) held by an Agency (imprest funds), (2) paid out by an Agency, (3) owed to an Agency, or (4) collected by an Agency.

Multiple-Year Authority - Budget authority that is available for original obligation for a specified period of time in excess of 1 fiscal year.

Noncurrent Receivable - A receivable that will not be due within 12 months following the reporting period.

Nonexpenditure Transfers - A redistribution of either unobligated balances of budget authority provided in a previous year, or budget authority provided in the current year between appropriations or funds for the benefit of the gaining appropriation or fund. Transfers of obligated balances and sometimes reappropriations also require nonexpenditure transfers.

No-Year Authority - Budget authority that remains available for obligation for an indefinite period of time.

Obligational Authority - The sum of (1) budget authority provided for a given fiscal year, (2) balances of amounts brought forward from prior years that remain available for obligation, and (3) amounts authorized to be credited to a specific fund or account during that year, including transfers between funds or accounts. (See "Budget Authority.")

Obligations - Amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Such amounts include payments for which obligations previously have not been recorded, and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid.

Offsetting Collections - Collections from Government accounts or from transactions with the public. The two major categories of offsetting

collections are offsetting receipts (amounts deposited to receipt accounts) and offsetting collections credited to appropriation or fund accounts.

Offsetting Receipts - Collections that are deposited into proprietary Miscellaneous Receipt Accounts of the Department of the Treasury. Applicable deposits offset the collecting Agency's budget authority and outlays.

Operating Agency - A major organizational unit within a Military Department or Defense Agency that is responsible for (1) the active planning, direction, and control of a program or segment, thereof; and (2) the control of the funds allocated to it.

Outlays - The amount of checks issued or other payments made (including advances to others), net of refunds and reimbursements. Outlays are net of amounts that are adjustments to obligational authority. The terms "expenditure" and "net disbursement" are frequently used interchangeably with the term "outlay". Gross outlays are disbursements and net outlays are disbursements (net of refunds) minus reimbursements collected.

Overhead Rate - The rate determined by performing organizations to allocate operating costs not directly identifiable to the work order. Includes supervisory and general and administrative expenses as well as miscellaneous material and supplies.

Packing, Crating, and Handling (PCH) Costs - A subset of accessorial costs that are incurred for sales, or shipments, of property. (See "accessorial charges.")

Participation Loan - A loan that consists of both direct and guaranteed portions.

Passthroughs (Current Year) - Revolving fund revenues received during the current fiscal year which: (1) are in addition to amounts provided for in the customer stabilized rate structure and (2) represent reimbursement for current year costs or amounts in excess of amounts budgeted, or otherwise provided for, in the President's

budget on which approved customer stabilized rates for the [current] year were based.

Passsthroughs (Prior Year) - Revolving fund revenues which provide for the recoupment of amounts associated with prior year efforts or sales. These amounts represent the recoupment of amounts beyond those contained in the DoD stabilized rate structure for the applicable prior fiscal year for which the efforts were performed. These amounts are generally intended to offset prior year losses and/or amounts in excess of amounts previously budgeted.

Pay Account - The part of each individual civilian and Military Service member's master pay record that contains all transaction information on payments and deductions with an audit trail to the authorizing documents. The pay account includes information such as pay grade, record of payments, all earnings separately identified by type (basic pay, bonuses, danger pay, etc.); allowances; allotments; year-to-date gross earnings; taxable earnings, taxes withheld, and leave data (amount earned, taken, lost, forfeited, advanced, or used).

Pay and Allowances - Payment to active duty, Reserve, National Guard, and retired members and their surviving annuitants, other than travel and transportation reimbursements, and to all civilian employees and direct hire employees in foreign locations, other than travel and transportation expenses.

Paying Office - A disbursing office. In the case of contracts, the place named in the contract for forwarding invoices for payment.

Payment Due Date - The date by which payment must be made as specified in Volume 4, table 2-3.

Period of Availability - The period of time in which budget authority is available for original obligation.

Political Subdivision of Local Government - A local unit of government, including specifically a county, municipality, city, town, township, school district, or other special district created by State law, or combination of these units.

Port Loading and Unloading Costs - A subset of accessorial costs. The costs incurred for loading, unloading, and handling at the ports of embarkation and debarkation.

Pre-positioning Costs - The accessorial costs incurred to store items at locations outside the United States in anticipation of support to other authorized customers.

PPBES - The Planning, Programing, Budgeting, and Execution System (PPBES) is a cyclic process containing three distinct, but interrelated phases: planning, programing, and budgeting. In addition to establishing the framework and process for decision making on future programs, the process permits prior decisions to be examined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resources) and for the time period being addressed. The ultimate objective of PPBS is to provide operational commanders the best mix of forces, equipment, and support attainable within fiscal constraints.

Predetermined Rate - The rate established by appropriate authority for use in computing recoverable amounts.

Private Parties - Consists of non-U.S. Government activities; foreign governments, firms, and organizations; and international organizations, other than Foreign Military Sales (FMS) customers and FMS/International Military Education and Training Program (IMET) recipients.

Progress Payments - See "Financing Payment."

Project Order - An order for goods or services issued under the authority in 41 U.S.C. 23 to a separately managed and financed Government-owned and operated establishment.

Proper Invoice - A bill or written request for payment provided by a business concern for property or services rendered. It must include all of the information required by the terms of the procurement document, be accompanied by such substantiating documentation as required by regulation or the contract, and be received in the designated paying office. Supplemental billings shall include all information required for

original billings. A proper invoice must include the following:

- (1) Name and address of the business concern and the invoice date.
- (2) Contract number or other authorization for delivery of property and/or services (including order number and contract line item number).
- (3) Description, price, and quantity of property and services actually delivered or rendered.
- (4) Shipping and payment terms.
- (5) Other substantiating documentation or information as required by the contract.
- (6) Name (where practicable) title, telephone number, and complete mailing address of the responsible official to whom payment is to be sent.
- (7) Name (where practicable) title, telephone number, and mailing address of person to be notified in event of a defective invoice.

Property Book - A documentary record of every item on a "Table of Organization and Equipment List", or other type of allowance list, showing that a unit is prepared to accomplish its assigned mission. The property book lists both capitalized and expensed assets, shows quantities on hand, items due in, open requisitions, unit prices, hand receipts, etc.

Realized Variance (Foreign Currency Fluctuations) - The difference between actual obligations at the budget rate (approved execution rate) and the foreign exchange rate in effect at the time of payment (liquidation of the obligation). The variance is equal to the amount disbursed from the applicable centrally managed allotments.

Real Property - Fixed assets that are comprised of land and the rights to land; buildings to include capitalized additions, alterations, improvements, and rehabilitations; and other structures and facilities. Real property does not

include personal property (weapons systems and other military equipment).

Reappropriation - Statutory authority to restore or extend the obligational availability, whether for the same or different purpose, of all or part of the unobligated balance of budget authority that has expired or otherwise would expire in an annual or multiple-year appropriation. Reappropriation transactions require non-expenditure transfer of the funds involved from the expired or otherwise expiring account to the designated current account when the unobligated balance has not been withdrawn to the surplus fund of the U.S. Treasury. If the unobligated balance has been withdrawn, then the transaction requires a warrant. Reappropriations that provide funds to a fiscal year for which they were not previously available constitute new budget authority in the receiving account.

Refunds - Recoveries of overpayments that result from errors in paying invoices or from items returned to vendors. (Also see "Refunds and/or Transfers (Current Year)" and "Refunds and/or Transfers (Prior Year).")

Refunds and/or Transfers (Current Year) - Industrial fund amounts transferred on a non-expenditure basis which represent the transfer of revenue collected through stabilized rates which: (1) is in excess of current year costs or (2) otherwise exceeds the purpose for which initially intended in the current year. (The latter case, for example, may include the collection of Asset Capitalization Program surcharges in excess of amounts ultimately approved by the Congress for the Asset Capitalization Program.) These transfers are generally made to appropriated funds and provided for in a general provision contained in the applicable annual appropriation act.

Refunds and/or Transfers (Prior Year) - Industrial fund amounts transferred on a nonexpenditure basis which represent the transfer of amounts associated with prior year efforts or sales. These amounts usually represent the transfer of revenue collected through stabilized rates which: (1) were in excess of [then] current year costs or (2) otherwise exceeded the purpose for which initially intended. These transfers are generally

made to appropriated funds and provided for in a general provision contained in the applicable annual appropriation act.

Reimbursable Order - An order accepted into a DoD appropriation or fund.

Reimbursements - Amounts earned and collected for property sold or services furnished either to the public or another Federal accounting entity. To be an appropriation reimbursement, the collection must be authorized by law for credit to the specific appropriation or fund account.

Replacement Cost - Obligations to be incurred at a future time to procure equipment or material in place of items which have been sold or transferred. There are two methods used to determine replacement cost: (1) Replacement cost may be determined by applying the OSD prescribed inflation factor to the most recent contract price of the item to be replaced. The inflation factor is applied to each fiscal year between the year the item sold or transferred was acquired and the fiscal year in which the replacement item will be delivered. (2) Replacement cost may also be determined by obtaining a current contractor quote for the replacement item. Normally the second method is the most accurate method.

Reportable Accounting System or Segments - A system or segment that satisfies the definition of an accounting system.

Reprogramming - Realignment of budget authority from the purpose for which appropriated to finance another (usually emergent, unfunded) requirement. A necessary, desirable, and timely device during execution of Defense programs for achieving flexibility in the use of DoD funds provided in appropriation acts.

Reschedule - (Restructure, refinance, forbear, reamortize, or defer) To establish new terms or conditions in order to facilitate the repayment of debt. For example, stretching out or extending into the future such payments.

Rescission - Legislation that cancels budget authority previously provided by Congress before the time when the authority would other-

wise lapse, that is, cease to be available for obligation.

Reserves - Portions of budgetary resources set aside by OMB to (1) provide for contingencies, or (2) effect savings made possible by or through changes in requirements or greater efficiency of operations.

Residual Value - Residual value is the estimated value remaining at the end of a capital asset's useful life to the Department of Defense or the Amount that can be expected to be recovered from the asset's disposal when it is removed from service.

Restoration - An unobligated amount previously withdrawn by administrative action to the merged surplus balances that is again made available to fund within scope increases to original obligations or to fund other Congressionally approved programs pursuant to law.

Revolving Fund Accounts - Accounts authorized by specific provisions of law to finance a continuing cycle of business-type operations, and which are authorized to incur obligations and expenditures that generate receipts.

Special Defense Acquisition Fund (SDAF) - A fund established to provide the Foreign Military Assistance and Sales Programs the inventory determined necessary to meet anticipated future sales requirements for those military items being phased out of DoD inventory.

Special Fund Accounts - Separate receipt and expenditure accounts established to account for receipts of the Government that are earmarked by law for a specific purpose but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts.

Special Fund - Expenditure Accounts - Accounts established to record amounts appropriated, or otherwise made available by transfers from a special fund receipt account to be obligated and expended for special programs in accordance with specific provisions of law.

Special Funds - Receipt Accounts - Accounts credited with receipts from specific sources that

are earmarked by law for a specific purpose, but which are not generated from a continuing cycle of operations.

Specialized or Technical Services - Statistical and other studies and compilations, developmental projects, technical tests and evaluations, technical information, training activities, surveys, reports, documents, and any other similar service functions that any Federal Agency is especially equipped and authorized by law to perform.

Specific Due Date - A payment due date included in a contract or determinable from contractual language. If a contract has payment and financing terms such as "promptly," "payable upon receipt," or "net;" payment shall be made as specified in Volume 4 table 2-3.

State - Any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state. Does not include the governments of the political subdivisions of a State.

Suspense Accounts - (See Deposit Funds.)

Tangible Assets - Tangible capital assets are depreciable property, plant, equipment, and software developed, manufactured, transferred or acquired at a specific point in time for a determinable cost of \$15,000 or more; are used over some period (useful life), the length of which is estimated to be 2 years or greater; and generally, become economically worthless, (except for residual value) at the end of their estimated useful lives.

Transfer of Funds - When specifically authorized by law, all or part of the budget authority or prior year unobligated balances in one account may be transferred to another account.

Transportation Costs - The costs incurred for shipment of material.

Treasury Financial Communications System (TFCS) - The computer-to computer link between the U.S. Treasury and the Federal Reserve Bank of New York.

Trust Fund Accounts - Accounts established to account for receipts that are held in trust for use in carrying out specific purposes and programs in accordance with an agreement or statute.

Trust Fund Expenditure Accounts - Accounts that are established to record amounts appropriated, or otherwise made available by transfer from a trust fund receipt account to be obligated and expended in carrying out the specific purposes, or programs, in accordance with the terms of the trust agreement or statute.

Trust Fund Receipt Accounts - Accounts that are credited with receipts generated by the terms of a trust agreement or statute.

Trust Revolving Fund - The name given to a fund entity when a trust fund corpus is established to perform a continuing cycle of business-type operations in accordance with the trust agreement or statute, in which case a combined receipt and expenditure account is used.

Undelivered Orders - Contracts or orders issued by the ordering accounting entity for goods and services for which the liability has not yet been accrued.

Unearned Revenue - Revenue from DoD customers collected in advance of earnings and prior to delivery of goods or services.

Unfilled Customer Orders - The amount of orders accepted from ordering accounting entities within the U. S. Government for goods and services to be furnished on a reimbursable basis; or, in the case of transactions with the public, amounts collected in advance for which the accounting entity has not yet performed as requested.

Unfunded Cost - Costs not financed by the performing activity's current appropriations or fund accounts. Applicable types of cost include depreciation, interest on investment, and civilian retirement amounts funded by Office of Personnel Management.

Unified Combatant Command - A unified combatant command is a military command which has broad, continuing missions and which is

composed of forces from two or more Military Departments. Unified combatant commands are established by the President, through the Secretary of Defense, with the advice and assistance of the Chairman, Joint Chiefs of Staff.

User - An individual, organization, or accounting entity that receives services. A user may be internal or external to the DoD Component.

Warehousing - Costs normally incurred for labor, materiel, or services in packing item(s) that are removed from DoD storage, preparing item(s) for shipment, and processing related materiel release documents.

Withdrawal - The transfer of the unobligated balance from an expired annual or multiple-year appropriation to the surplus account of the U.S. Treasury's general fund, or, if appropriate, to the special fund or trust fund from which derived.

Writeoff - As a budgetary term, writeoff means the withdrawal from availability for obligation of an unobligated balance from a no-year appropriation. It excludes amounts withdrawn from

expired accounts and amounts rescinded by the Congress. As an accounting term, writeoff refers to the removal of a delinquent accounts receivable that is considered not collectible or not cost effective to pursue further collection efforts. A writeoff is not a correction to the accounting records resulting from an accounting error.

Work in Process - Costs of the materials, labor, and indirect costs used in producing an end item (real or personal property) or service, whether fabricated by a DoD business operation fund, or by a non-DoD organization under contract.

Year-end Adjustments for Reimbursements - Accounting entries made to eliminate anticipated reimbursements for orders not accepted, eliminate those unobligated accepted orders that are no longer valid obligations of the ordering activity, and transfer valid unobligated reimbursable balances from expiring and non-expiring accounts to the most current ensuing fiscal year accounts. The exception is for unobligated balances resulting from earned reimbursements (that is, sales from inventory or performance of in-house services), which must be retained in nonexpiring accounts until account expiration.

CHAPTER 1

CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF DEFENSE0101 GENERAL

The Chief Financial Officer of the Department of Defense (CFO, DoD) is the chief financial management policy officer of DoD and chief financial management advisor to the Secretary of Defense. The CFO, DoD, shall manage all functions and responsibilities as assigned in chapter 9 and Section 3515 of Title 31 of the United States Code.

0102 AUTHORITIES AND FUNCTIONS

The CFO, DoD, is charged with the responsibility of developing and implementing DoD-wide financial management systems and overseeing financial management activities relating to the CFO programs and operations of the DoD. In that capacity, and consistent with the Chief Financial Officers Act of 1990, the following authorities and functions are assigned to the CFO, DoD:

010201 Reporting. Report directly to the Secretary of Defense regarding financial management matters.

010202 Oversight. Oversee all financial management activities relating to the programs and operations of the DoD. To carry out this responsibility, the CFO, DoD, has the authority to:

A. Establish financial management policies for the DoD including its component parts.

B. Ensure compliance throughout the DoD with applicable accounting policy, standards and principles, as well as financial information and systems functional standards.

C. Establish, review and enforce internal control policies, standards and compliance guidelines involving financial management.

D. Provide oversight of financial management personnel, activities and operations, including (a) preparation and annual revision of 5-year financial management plans, and (b) development of financial management budgets.

E. Ensure adequate controls over real property, equipment and inventories.

F. Ensure timely and accurate information on contract disbursements and projected costs.

010203 Financial Management Systems. Develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls, which:

A. Complies with applicable accounting principles, standards and requirements, and internal control standards;

B. Complies with such policies and requirements as may be prescribed by the Director of OMB;

C. Complies with any other requirements applicable to such systems; and

D. Provides for:

1. Complete, reliable, consistent and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of DoD management;

2. The development and reporting of cost information;

3. The integration of accounting and budgeting information; and

4. The systematic measurement or performance.

010204 Recommendations. Make recommendations to the Secretary of Defense regarding the selection of the Deputy CFO, DoD;

010205 Management. Direct, manage and provide policy guidance and oversight of DoD financial management personnel, activities, and operations, including:

A. The preparation and annual revision of a DoD plan to implement the 5-year financial management plan prepared by the Director of OMB, and to comply with the audited financial statements provisions of the CFO Act of 1990.

B. The development of DoD financial management budgets.

C. The recruitment, selection and training of personnel to carry out DoD financial management functions.

D. The approval and management of DoD financial management systems design or enhancement projects.

E. The implementation of DoD asset management systems, including systems for cash management, credit management, debt collection and property inventory management and control.

F. To direct, manage and provide policy guidance and oversight, the CFO, DoD, has authority:

1. To manage directly, and/or monitor, evaluate and approve, the design, budget, development, implementation, operation and enhancement of DoD-wide accounting, financial and asset management systems.

2. To coordinate on the design for other information systems that provide, at least in part, financial and/or program performance data used in financial statements, to ensure that CFO needs are met.

3. To ensure that program information systems provide financial and programmatic data (including program performance

measures) on a reliable, consistent and timely basis to DoD financial management systems.

4. To evaluate, where appropriate, the installation and operation of such systems.

010206 Annual Report. Prepare and transmit an annual report to the Secretary of Defense and the Director of the Office of Management and Budget, which shall include: (a) a description and analysis of the status of financial management within the Department, (b) annual financial statements, (c) audit reports submitted to the Secretary of Defense addressing financial statements, (d) a summary of reports on the internal accounting and administrative control systems submitted under the Federal Managers' Financial Integrity Act, and (e) other information the Secretary of Defense considers appropriate to fully inform the President and the Congress concerning the financial management of the DoD.

010207 Budget Execution. Monitor the financial execution of the DoD budget in relation to actual expenditures, and prepare and submit to the Secretary of Defense timely performance reports. To enable the CFO, DoD, to prepare and submit timely performance reports, the CFO, DoD, has authority:

A. To mandate DoD-wide data and reporting format requirements.

B. To review and approve financial reports and statements prepared by DoD components for transmittal to the Secretary of Defense, OMB, the President, the Congress or external groups.

C. To prepare consolidated and/or combined financial statements and work with the Inspector General, DoD and other auditors to improve the statements' independent review and auditability.

D. To develop, in coordination with program managers, financial and programmatic performance indicators for inclusion in financial systems and financial reports and statements.

E. To ensure that data included in financial reporting (including program performance measures) becomes auditable.

F. To advise and provide direction to program managers on financial management matters.

010208 Biennial Review. Review, on a biennial basis, the fees, royalties, rents and other charges imposed by the Department for services and things of value it provides, and make recommendations on revising those charges to reflect costs incurred in providing those services and things of value.

0103 CHIEF FINANCIAL OFFICERS COUNCIL

The CFO, DoD, is a member of the Chief Financial Officers Council consisting of the Deputy Director for Management of OMB, the Controller of the Office of Federal Financial Management of OMB, the Fiscal Assistant Secretary of the Treasury and Agency CFOs. The CFO Council meets periodically to advise and coordinate the activities of the agencies of its members on such matters as consolidation and modernization of financial systems, improved quality of financial information, financial data and information standards, internal controls, legislation affecting financial operations and organizations, and other financial management matter.

0104 DEPUTY CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF DEFENSE

The CFO Act requires that each of the specified agencies shall have a Deputy CFO who shall report directly to the Agency CFO on financial management matters. The position of Deputy CFO shall be a career reserved position in the Senior Executive Service. Consistent with qualifications standards developed by, and in con-

sultation with, the Agency CFO and the Director of OMB, each Agency head shall appoint as Deputy CFO an individual with demonstrated ability and experience in accounting, budget execution, financial and management analysis, and systems development, and not less than 6 years practical experience in financial management at large governmental entities.

0105 DOD STAFF ORGANIZATIONS RESPONSIBLE FOR IMPLEMENTING CFO FUNCTIONAL REQUIREMENTS

010501 The Deputy Comptroller (Program/Budget) is responsible for overseeing and implementing budgetary functions within the DoD on a day-to-day basis.

010502 The Deputy Chief Financial Officer is responsible for overseeing and implementing accounting policy, improvements in financial management, as well as other financial management functions for the DoD on a day-to-day basis.

010503 The Director, Defense Finance and Accounting Service (DFAS) is responsible for overseeing and implementing finance and accounting operations within the DoD on a day-to-day basis.

0106 RESPONSIBILITIES OF THE HEADS OF DoD COMPONENTS FOR IMPLEMENTING CFO FUNCTIONAL REQUIREMENTS

The Heads of the DoD Components, in accordance with Pub. Law No. 101-576, "Chief Financial Officers Act of 1990," shall direct and manage financial management activities within their Components, consistent with financial management policies prescribed by the CFO, DoD, and other policies prescribed by the Heads of the DoD Components.

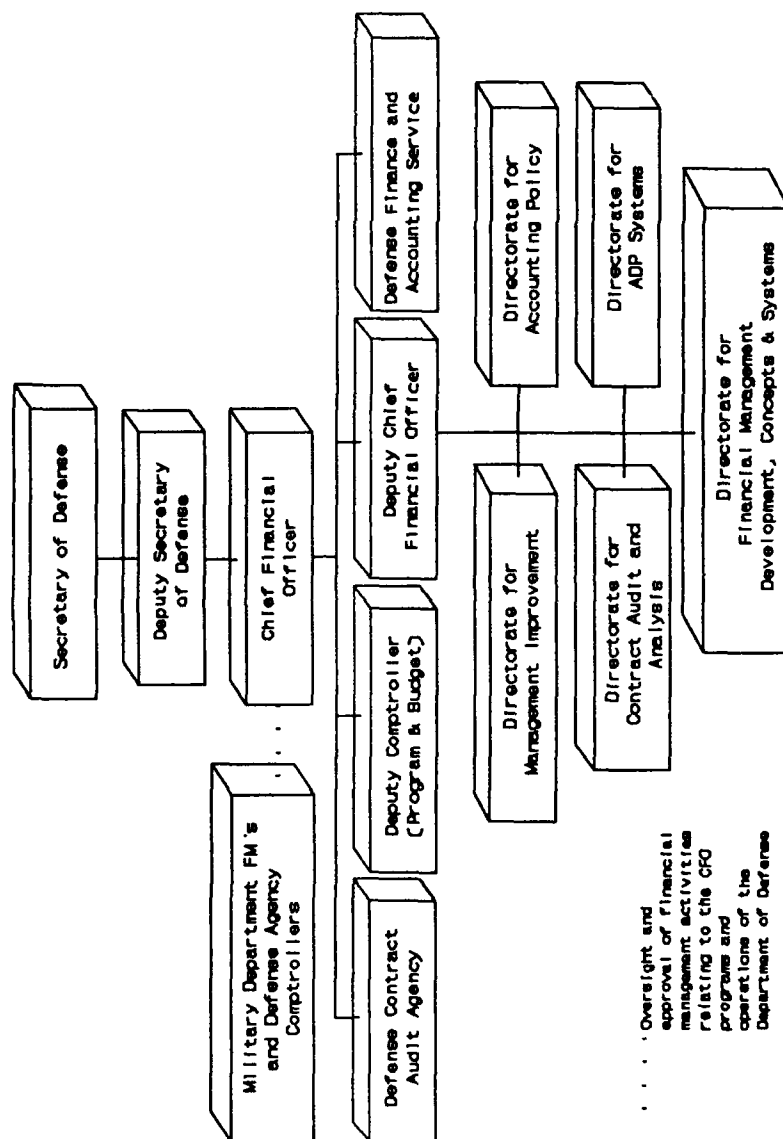


FIGURE 1-1

CHAPTER 2

CONCEPTUAL FRAMEWORK0201 INTRODUCTION

020101 System Architecture. The DoD Financial Management System consists of a triad architecture. The 3 segments of the triad are as follows:

A. Planning, Programing, Budgeting, and Execution System (PPBES). The PPBES is a cyclic process containing 3 distinct but interrelated phases: planning, programing, and budgeting. In addition to establishing the framework and process for decision making on future programs, the process permits prior decisions to be examined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resources) and for the time period being addressed. The decisions are based on and consistent with a set of objectives, policies, priorities, and strategies derived from National Security Decision Directives. The ultimate objective of the PPBES is to provide the operational commanders-in-chief the best mix of forces, equipment, and support attainable within fiscal constraints. Throughout the PPBES, the Secretary of Defense provides centralized policy direction while placing program execution authority and responsibilities with the DoD Components. The DoD Components provide advice and information as requested by the Secretary of Defense and his staff so that execution and accountability may be assessed properly. The purpose of the PPBES is to produce a plan, a program, and finally, a budget for the Department of Defense. The budget is forwarded in summary to the President for his approval. The President's budget then is submitted to the Congress for authorization and appropriation.

B. Army, Navy, Air Force and Defense Agency Accounting Systems. An accounting system is the total structure of methods and procedures used to record, classify, and report information on the financial position and operations of a governmental unit or any of its funds and organizational components. It comprises the

various operations involved in authorizing, recording, classifying, and reporting financial data related to financing sources and gains, expenses, losses and transfers out, assets, liabilities, and equity. It encompasses the procedures and processes from the point a transaction is authorized, through processing the data, to issuance of financial and management information statements, and reports containing the data in detail or summary form. It also includes payroll, disbursement, and cost accounting functions.

C. Other Financial Systems. All other systems exclusive of PPBES and accounting systems that provide financial information expressed in dollar terms to management fall into this category.

020102 System Integration. The PPBES, accounting systems, and other financial systems shall be fully integrated. Furthermore, other financial systems shall be established only after a determination has been made that an existing accounting system or budget system cannot produce the desired data display. Dollar information used by an other financial system shall be obtained from the accounting or budget system to ensure the integrity of management reports or analysis. This Regulation addresses the accounting policies, procedures, and reporting requirements for the 4 DoD accounting systems identified in paragraph 020101.B, above.

0202 CONCEPTS020201 Accounting System.

A. Statements of DoD accounting principles, objectives, standards, and procedures may be categorized as follows:

1. Principles - The body of doctrine commonly associated with the theory and procedures of accounting, serving as an explanation of current practices and as a guide

for the selection of conventions or procedures where alternatives exist.

2. Objectives - Goals toward which accounting efforts are directed. The goals are derived directly from legal and regulatory requirements and the needs of intended users.

3. Standards - The specific rules governing accounting and financial reporting that are developed from the objectives.

4. Procedures - The methods followed to facilitate consistent application of the standards.

B. DoD accounting systems shall comply with the accounting principles, standards, and related requirements promulgated within this Regulation. Specific accounting system developmental criteria and guidelines are contained in chapter 3 of this Volume. Any major investment in an accounting system shall be preceded by a comprehensive and rational planning process that includes a thorough requirements analysis, an assessment of alternatives, and a cost-benefit analysis. The amount of funds required for systems development should be determined during the system planning and pre-investment budget review analysis. Generally, funds will be made available only for systems that are integrated into the overall financial management structure.

C. The accounting principles upon which this Regulation is based are stated in the addendum to this chapter.

020202 Accounting System Objectives.

A. The primary objective of DoD accounting systems is to provide needed actual accounting data for use in:

1. Budget formulation.
2. Fund control for enacted budgets.
3. Accounting support for budget execution.

4. Supporting management with the financial information needed to help manage the cost of the U.S. Government.

5. Meeting legal accounting and reporting requirements of the Congress, Office of Management and Budget, and the Department of the Treasury.

B. DoD accounting systems shall maintain financial control over all resources during their life cycle and render accurate and timely accounting reports. This objective is met by following the principles, standards, and other requirements discussed in the remaining chapters of this Regulation.

C. Source data needed in an accounting system shall be entered only once and transferred to appropriate accounts or other segments of the system or its subsystems. Once data are entered into a system in a controlled environment, it is desirable that paper source documents not be transferred into other systems. If data is needed by both an accounting system and another administrative system, a determination shall be made as to which system shall retain the basic source document. If the accounting system does not retain the basic source document, an audit trail shall be established and maintained to allow for verification of the authenticity of the document by the accountant responsible for operating the accounting system.

020203 Accounting Entity.

A. The Defense Finance and Accounting Service is the accounting entity for the Department of Defense. The Defense Finance and Accounting Service shall maintain a central general ledger to account for the resources assigned to each DoD Component, to determine the costs of their operations, and to report on their financial position and cost of operations. The Defense Finance and Accounting Service shall perform accounting to the lowest level of management control within the DoD Components.

B. The DoD Components have been assigned agency index numbers by the U.S. Treasury to identify, separate, and report on

authorized congressional appropriations and to meet DoD reporting requirements. The index numbers assigned are as follows:

<u>Department/Agency</u>	<u>Index Number</u>
Department of the Army	21
Department of the Navy	17
Department of the Air Force	57
Office of the Secretary of Defense	97

C. This Regulation establishes uniform, self-balancing budget execution control accounts (the 4000 series of accounts). The Defense Finance and Accounting Service shall establish mandatory subsidiary budgetary accounts for all of the appropriations or funds, including "M" accounts. The sequential processing of source documents to the budgetary accounts is critical because accountants must be able to identify possible violations of the Antideficiency Act as individual transactions are recorded. It must be remembered that a violation of the Antideficiency Act occurs on a real-time basis, not just at month-end. Monthly reports on budget execution may not reveal violations that have occurred during the month. For example, if a contract is signed and released 1 day prior to receipt of necessary budget authority, a violation has occurred. The month-end report may mask the fact that a violation has occurred, but the accounting system shall provide an audit trail to identify the responsible person or persons.

D. This Regulation also establishes uniform proprietary control accounts. These accounts provide continuous accounting control over financial resources provided to the Department of Defense from the time an appropriation is received until the applicable resource is consumed (expensed), sold, or transferred to a non-DoD organization. The Defense Finance and Accounting Service shall maintain mandatory subsidiary proprietary accounts for each fund type that requires preparation of a TFS Form 220, "Report on Financial Position." Applicable fund types are set forth in chapter 5 of Volume 6 of this Regulation. The annual expense (cost) of operating the Department of Defense is contained within the 6000 series of proprietary accounts.

E. Standards for costing specific products, services, or programs are set forth in Volume 4 of this Regulation. Products, services or programs are to be costed only when management has identified a need for such information. The proprietary control account 1541, "Inventory - Work in Process - In-House," captures all financial data entered into formal cost accounting systems and is the primary control account for such systems. Cost-finding techniques, such as analytical reviews or sampling, should be employed in lieu of maintaining a cost accounting system if satisfactory results can be achieved in a timely and more economical manner. When a formal cost accounting system is established, various additional subsidiary accounts of account 1541 shall be maintained. Cost is a monetary measure of the amount of resources applied to a cost objective. Cost applied to specific cost objectives includes depreciation, unfunded liabilities, for example, annual leave accruals, net decreases in inventories, amortization of investment premiums, and the total amount of severance pay for employees eligible for such pay. Cost data may be required by management for certain pricing decisions, make or buy decisions, productivity improvement decisions, and efficiency comparisons of like activities.

020204 General Ledger.

A. The Defense Finance and Accounting Service shall operate and maintain a central double-entry general ledger. The central general ledger and its subsidiary ledgers, registers, or supplemental reports shall serve as the source data base for financial reporting requirements levied on the Military Departments and Defense Agencies. Accounting systems and subsystems or modules shall be fully integrated with the central general ledger.

B. Chapter 7 of this Volume contains the DoD Uniform Chart of Accounts that is required for use in the accounting systems of the Department.

C. General ledger accounts with adjustments for prior period balances shall be the source of required budget execution reports and annual financial statements submitted to the Treasury Department.

020205 Accrual Accounting. The standards contained in this Regulation implement accrual accounting as prescribed by 31 U.S.C. 3512(d). That law and the General Accounting Office Policy and Procedures Manual for the Guidance of Federal Agencies require that the head of each executive agency shall cause the accounts of that agency to be maintained on an accrual basis while providing for suitable integration of the agency accounting with the central accounting and reporting responsibility of the Secretary of the Treasury. The accrual basis of accounting emphasizes the significance and accountable aspects of financial transactions and events as they occur. Accrual accounting can contribute materially to the effective financial control over resources and costs of operations, and is essential in order to develop adequate financial management information.

020206 Accuracy.

A. Each accounting system shall include adequate controls to promote the accuracy of the accounts and the data produced from the accounts. Procedures shall be established for periodic verification of general ledger balances with related balances in subsidiary records, and for periodic verification of the latter with related document files or the assigned value of related assets on hand. The term "document files" includes either hard-copy documents or document records internally maintained by computer systems. Accepted statistical sampling techniques may be used for these verifications.

B. To support certifications of obligations (see Chapter 4, Volume 6), the foregoing verifications for obligated fund balances shall be made in a manner that shall ensure all of the files and balances are reconciled and validated at least once each fiscal year (not necessarily as of September 30). The work papers and records on which the determinations are based shall be retained in a form to facilitate audit and reconciliation for such periods as may be necessary. As a minimum, the following documentation shall be required to support the periodic verifications of unliquidated obligations:

1. An overall summary of the methodology, criteria, and rationale used to

select unliquidated obligations for review, such as statistical sampling techniques, aging, and months past delivery date.

2. Mechanized or manual listings identifying the unliquidated obligations selected for review and the results of their review.

3. Annotated supply status reports and letters, memoranda, or records of telephone calls requesting delivery status from contracting or procurement activities.

4. Records identifying the unliquidated obligations deobligated as a result of the review, the amount deobligated for each document, and the rationale for deobligation.

5. Deobligation documents or references to dated deobligation documents indicating the value and identity of documents deobligated.

C. Balances in appropriate subsidiary records and document files (such as records of receivables and unpaid obligations) shall be aged periodically. Items that are unduly outstanding or inactive shall be investigated and appropriate corrective action taken when necessary.

020207 System Processing Characteristics.

A. DoD Components shall use the most effective and efficient methods of processing accounting data.

B. Data shall be edited, validated, and in some instances, computed before it is integrated into an accounting system.

C. Data needed in an accounting system shall be entered only once and be transferred to appropriate accounts and other parts of the system.

D. The double-entry method of recording an event shall be employed whereby every debit entry has a corresponding credit entry. This is often accomplished through the use of transaction codes that automatically generate both entries

E. Electronic methods of processing, communicating, and displaying data shall be relied upon instead of using paper.

F. Subject to internal control requirements, due consideration shall be given to providing on line processing that allows the providers and users of financial information to input, edit, process, and request their own data at their own decentralized work stations. However, individual transactions shall be batched processed if batch processing is more economical and on-line processing is unnecessary.

G. A data base management system shall be used to reduce redundancy, allow a variety of users to concurrently update and retrieve data, and permit a variety of application modules to run independently. This means that certain accounting data is likely to be input into the system by nonaccountants external to the accounting office. For example, data concerning the issuance of a contract for, and the receipt of, property may be entered by logisticians. In such cases, the accounting office shall not obtain and maintain the source documentation but rely instead on the source documentation used and maintained by the logisticians. However, the accounting office shall ensure the existence of an adequate audit trail between its accounting records and the logisticians' source documents in order to verify the accounting records.

H. The use of a more efficient programming language for prototyping and applications development shall be considered for any major new system development effort.

I. Audit trails to the original documents and transactions shall be established and maintained.

J. Cost effective mass storage media such as optical disks, magnetic tape, microfilm, or microfiche shall be used to archive data so as to facilitate the retrieval of accounting system source documents and minimize the need for machine storage and paper copies.

K. Addendum A to this chapter, provides the DoD Financial Management System Principles, and Addendum B provides the Accounting System Data Processing Requirements.

020208 Security Requirements. All Automated Information Systems (AIS) that handle Classified or Sensitive Unclassified Information shall be safeguarded at all times while in AISs as directed in DoD Directive 5200.28. When classified information is involved, the information security requirements in DoD 5200.1-R shall be met. The information that is covered under the DoD Financial Management Regulation is generally considered either Privacy Act or Sensitive, Unclassified Information. The definition of Sensitive, Unclassified Information is described in DFAS Regulation 005, Enclosure 19. The definition of Privacy Information is provided in the Privacy Act of 1974. The minimum mandatory level of protection that is required for all this type of information contained on AISs is described in DoD Directive 5200.28 and it must be protected accordingly. The level of control and protection shall be commensurate with the maximum sensitivity of the information and shall provide the most restrictive control measures required by the data to be handled.

ADDENDUM 1
DoD FINANCIAL MANAGEMENT SYSTEM PRINCIPLES

The standards contained in this Regulation were designed to meet the following principles:

A. USEFULNESS

Financial management data shall be gathered and processed only when necessary to meet specific internal management needs or external requirements. Reports shall be tailored to specific user needs and if report usage does not justify cost, reports shall be terminated. Usefulness shall be determined in part through consultation with users as part of the reviews required by Chapter 3 of this Volume.

B. TIMELINESS

Financial management data shall be recorded as soon as practicable after the occurrence of the event, and shall be made available to managers by the fifth working day following the end of the reporting period. Other standards of timeliness may be established when the DoD Component has inventoried reports and set specific standards, with user participation. Final, corrected data shall be available in time to meet external reporting requirements.

C. RELIABILITY AND COMPLETENESS

Financial management information shall be reasonably complete and accurate, shall be verifiable and ordinarily be drawn from the official records and systems, and shall be no more detailed than necessary to meet the needs of management and external requirements.

D. COMPARABILITY AND CONSISTENCY

Financial management data shall be recorded and reported in the same manner throughout the DoD Component, using uniform definitions. Accounting shall be synchronized with budgeting. Consistency over time shall be maintained. New and revised systems shall adopt common, existing definitions and classifications.

E. EFFICIENCY AND ECONOMY

DoD Component financial management systems shall be designed and operated with reasonable total costs and transaction costs, in accordance with OMB guidelines. Financial systems that are excessively costly shall be identified and phased out. This shall be accomplished through installation of effective systems of planning and evaluation, sharing of data, elimination of overlap and duplication, and use of the best contemporary technology, including commercially available packages with proven success in other DoD Components, non-DoD Federal agencies, or the private sector.

F. COST BENEFIT

Unless required to meet a legal or other specified purpose, information shall not be provided if the costs of providing it exceed the benefits to be derived.

G. FLEXIBILITY AND ADAPTABILITY

Accounting systems shall be capable of being adapted quickly to changing needs. Accounts shall be established and maintained at a level that enable data to be aggregated readily. Accounts also shall permit summarization by responsibility center, object of expenditure, and by program, as well as permit ready reclassification to reflect organizational and other changes. The coding structure shall be broad enough to handle expanded or revised classifications. Software shall be capable of being changed to accommodate organizational, system, and user changes without requiring extensive rewrites.

H. MATERIALITY

Information shall be reported in the financial statements when it is significant enough in magnitude or nature to make a difference to a reasonable person relying on it.

I. RELEVANCY

Accounting information shall have the capacity to make a difference by helping users form predictions about the outcomes of past, present, and future events or to confirm or correct prior expectations.

ADDENDUM 2
ACCOUNTING SYSTEM DATA PROCESSING REQUIREMENTS

The following software requirements are additive to the functional accounting principles and standards established in this Regulation and shall be followed to the extent they are consistent with the DoD Financial Management System Principles established in Addendum 1 to this Chapter.

A. REPORTING

The computer system software must have the following minimum reporting capabilities:

1. Produce information at specific time intervals or upon request, including reports that span fiscal year for multiyear projects.
2. Produce information in various media, including:
 - a. Record formats or files available for computer-to-computer transfer.
 - b. Output available for subsequent processing or production of microfiche.
 - c. Computer generated standard forms or predefined hard copy formats.
 - d. Ad hoc formats designed by management.
 - e. Terminal screen display for visual inspection and/or hard copy printout.
3. Accommodate additions, deletions, or changes to report content or format without mayor interruption to normal processing, including the ability to reclassify and reformat historical data for reporting purposes only.
4. Include a report writer with capability to:
 - a. Allow user-defined reports without intervention of a programmer.
 - b. Support multiple sort key sequences.
 - c. Produce output files as well as hard copy reports.
 - d. Save report requests in files for future use, unless changed or deleted.
 - e. Produce hierarchical levels of summarization data.
 - f. Permit modeling to include budget forecasting and costing.
 - g. Permit table look-up and expansion codes.
 - h. Permit logic for selection criteria in order to support flexible record selection.

B. GENERAL LEDGER

The general ledger accounts are the primary internal control feature in an accounting system. Computer programs must provide for the perpetuation of closing balances at the end of a period as the next period's opening balances; i.e., asset, liability, and capital balances must be perpetuated, not reconstructed at the beginning of each fiscal year. The minimum general ledger requirements that the computer system software must support are:

1. Provide for the automatic generation of recurring month-end and year-end closing entries and automated rollover of the general ledger account balances.
2. Provide the capability to post to two months concurrently. At year-end, provide for the capability to post to the current year by month, as well as to the prior year, regardless of when year-end closing occurs.
3. Provide for preliminary year-end closings before final year-end closing, while maintaining the capability to post current period data.
4. Identify those transactions which would be eliminated for both intra-agency and interagency consolidations.
5. Provide for automatic generation of recurring accrual entries and reversals in the next fiscal period.

C. BUDGET EXECUTION/FUNDS CONTROL

The minimum budget execution/funds control requirements that the computer system software must support are:

1. Maintain the original funding amounts separate from the reprogramming amounts, yet combine the two at the appropriate levels for funds control checking.
2. Change, retroactively, the accounting classification code structure and the funding limitations to reflect the approved appropriation after a continuing resolution.
3. Provide an interface for entry of commitment or obligating documents from existing agency systems.
4. Provide the capability to enter commitment or obligating documents into the funds control system on-line and from multiple locations.
5. Partially liquidate commitments in the case of partially obligated requisitions.
6. Provide control features which ensure that amounts reflected in the funds control structure agree with the general ledger account balances at the end of each update cycle.

D. ACCOUNTS PAYABLE

The minimum accounts payable requirements that the computer system software must support, either internally or through interface with other systems, are:

1. Commitments

- a. Capture the desired delivery date.
 - b. Allow for commitment documents to be future-dated, archived, and posted at the appropriate level.

2. Obligations

- a. Maintain an audit trail to original obligation document. This documentation must contain the following items, as applicable:

- (1) Link item.

- (a) Stock number.
 - (b) Description.
 - (c) Quantity.
 - (d) Unit price.
 - (e) Total price.
 - (f) Estimated freight charges.

- (2) Expiration date.

- (3) Expected receipt date.

- (4) Vendor identification.

- b. Verify extensions and computations.
 - c. Maintain an on-line history file of closed out documents for a user-defined period of time.
 - d. Record distribution of individual obligation line items to multiple classification structures.
 - e. Retain for audit trail purposes the original machine readable records along with all amendments.
 - f. Record and maintain contracts and grants so that fiscal year-to-date and inception-to-date information can be presented.
 - g. Generate status and procurement history for documents such as multi-task contracts, grants, and blanket purchase agreements.

3. Receiving, Inspection, and Acceptance Process

- a. Define tolerances used for quantity variances between receiving reports and the obligating documents. The system should identify goods or services rejected if this tolerance is exceeded and provide for overrides by authorized personnel.

b. Track quantity variances between the receiving report and the obligation document. Provide inquiry and reporting of this information.

c. Communicate through the system those instances where a receiving report or acceptance is missing for an invoice, or where goods or services have been received and accepted, but an invoice has not been entered.

d. Process purchase returns, including rejection of part of a shipment. The appropriate resulting transaction should be generated.

4. Matching Process

a. Provide for the tracking and warehousing of vendor invoice from receipt of the invoice through disbursement, including those invoices returned to the vendor.

b. Provide a matching capability by document including matching criteria for noncommodity orders such as subscriptions, memberships, and training.

c. Allow orders to be reopened by authorized staff after final payment has been made.

5. Other Disbursements

a. Allow transactions to be entered directly for those events that will result in payment but are not part of the normal commitment, obligation, and matching process. (For example, travel advances.) Such transactions shall not be made without adequate internal controls, such as specific prior approval or preexisting conditions (approved travel orders, for example).

b. Establish the information so that the transactions can be included in the scheduling for disbursements.

6. Other Systems

a. Accept transactions from external systems in standard format for entry into the financial system.

b. Update the financial system based on the same accounting rules used for transactions entered directly in the financial system.

7. Schedule for Disbursements

a. Generate the appropriate transactions to reflect discounts or withholdings and adding interest or penalties when appropriate.

b. Provide for automated approval of payment schedules.

c. Include for each payment all relevant identification information, such as:

(1) Order number.

(2) Invoice number.

- (3) Disallowance (reason for and amount of).
 - (4) Interest penalty amount.
- d. Automatically calculate totals by appropriation symbol for inclusion on the payment schedule.
- e. Allow the system, through user-defined criteria, to establish the date to be used for warehousing payments or have the system default to the system date.
- f. Allow changes to payment schedules by authorized personnel.
- g. Consolidate multiple payments to a single vendor, up to the prescribed limitation, in order for the disbursing agent to produce one check and itemize all payments covered by the one check.
- h. Collect information on discounts taken and lost and on interest penalties.
- i. Exclude certain transactions from the payment process (e.g., payrolls, letters of credit).
- j. Allow a payment to be removed from the automated scheduling stream and to be manually scheduled. The system must then perform all the other necessary functions related to that payment, such as updating the payment history, the general ledger function, and funds control function.
- k. Provide techniques to handle voided checks by reversing the accounting transactions leading to the disbursement and reestablishing the obligation, if applicable.
- l. Provide information about each payment to reflect the stage of the scheduling process that the payment has reached and the data each step was reached:
 - (1) Payment warehoused.
 - (2) Schedule sent to disbursing agent.
 - (3) Payment issued by disbursing agent.
- m. Provide for the automated comparison of the agency's payment schedule and the disbursing agent's accomplished payment schedule.

8. Vendor File

- a. Maintain a vendor file that includes data to support the accounts payable process.
- b. Maintain data related to employee payments which have been made through the financial system.
- c. Provide the capability to support payments made to financial institutions acting as agent for the vendor. Provide the capability to report IRS 1099 data to the vendor instead of to the financial institution.
- d. Accommodate more than one vendor address.
- e. Allow new vendors to be added to the vendor file if there is proper authorization.

- f. Permit users to define criteria for deleting vendors from the vendor file.
- g. Reject ancillary system transactions which do not have a valid vendor identified, except when overrides are properly authorized.

9. Inquiry

- a. Provide on-line access to vendor activity by vendor name, vendor short name, and vendor number.
- b. Provide on-line access to all document by selection criteria, e.g., document number.

10. Reporting

- a. Generate aged requisitions.
- b. Generate aged receiving reports without acceptance.
- c. Generate aged outstanding obligating documents by entry date and expected receipt date.
- d. Generate aged, unmatched vendor invoice report.
- e. Produce detailed listing by level of funds control for the commitment documents, obligation documents, and expenditure of funds.
- f. Generate vendor listing by vendor name and number.
- g. Generate a cash requirement projection report indicating the dollar amount of disbursements due to be made on a particular day.
- h. Generate a report listing the payments to be scheduled on a particular day.
- i. Produce audit trail reports to support data transferred from external systems to the financial system, including an error listing.

11. Other Capabilities

- a. Identify and store information related to reimbursements made to employees or others when the payment is considered miscellaneous income which is subject to federal tax and which must be reported to the IRS.
- b. Provide for reestablishing obligations for checks that have not been negotiated but that have been returned.
- c. Provide the ability to select items for audit, based on used-defined criteria, by type of transaction.

- d. Report, in accordance with OMB Circular A-125, "Prompt Payments," the:
 - (1) Number of interest penalties paid.
 - (2) Amount of interest penalties paid.
 - (3) Relative frequency, on a percentage basis, of interest penalty payment to the total number of payments.
 - (4) Number, total amount, and relative frequency, on a percentage basis, of payments made 5 days or more before the due date, except where cash discounts were taken.

E. ACCOUNTS RECEIVABLE

The minimum accounts receivable requirements that the computer system software must support, either internally or through interface with other systems, are:

1. Account File

- a. Maintain detailed information by account, such as, individual, employee, private sector organization, state or local government, or other federal agency.
- b. Maintain data for each account, such as, identification and address, balances, billing cycles, and account history data.
- c. Update each account when billing documents are generated and collections are received.
- d. Provide the ability to add, change, or modify nonfinancial account data by authorized personnel, according to used-defined criteria.
- e. Maintain individual accounts receivable and access existing agency files required to support accounts receivable processing.

2. Processing

- a. Process data from various sources, such as, manually prepared billings or other billing and disbursing systems.
- b. Accept transactions from external agency systems in a standard format for entry into the financial system.
- c. Provide the ability to produce billings for receivables from other government agencies.
- d. Match receipt to account number and apply to appropriate billing document.
- e. Provide the ability to apply receipts to more than one outstanding bill.
- f. Update accounts receivable balances on a document-by-document basis.
- g. Provide for automatic reversal for nonsufficient funds checks.

h. Provide for the automated reporting of delinquent accounts to commercial credit bureaus and collection agencies or other appropriate governmental organization.

i. Provide for administrative offset of funds due to delinquent indebtedness.

j. Provide for the generation of repayment schedules for delinquent indebtedness.

3. Bill Generation

a. Accept billing data from other internal systems. Ensure that the financial system does not produce bills for these transactions.

b. Allow transactions related to manually prepared bills to be entered directly.

c. Record adjustments to bills and post to customer accounts.

d. Print statements as well as bills.

4. Reporting

a. Provide on-line inquiry capability into the accounts receivable account file by selection criteria.

b. Produce audit trails to support data transferred from external systems to the financial system, including error listings.

F. COST ACCUMULATION

If management determines the need for a formal cost accounting system, the minimum cost accumulation functions that the computer system software must have are:

1. Include the ability to input cost-based budgets directly into the financial system.

2. Provide cost information through (reports), on-line inquiries, and downloaded data.

CHAPTER 3

ACCOUNTING SYSTEMS CONFORMANCE, EVALUATION, AND REPORTING

0301 Purpose. This chapter prescribes the procedures for determining whether DoD accounting systems are designed, documented, and operated in accordance with the provisions of this Regulation. It also establishes the procedures to be followed in evaluating operating accounting systems, reporting the status of actions to upgrade accounting systems to meet prescribed accounting principles, standards, and related requirements, and for preparing the annual report on accounting systems required by Section 4 of the Federal Managers' Financial Integrity Act (FMFIA), 31 U.S. Code 3512.

030101 Overview. The FMFIA places the responsibility for developing and maintaining adequate accounting systems on Federal agency managers. The Act requires that agency heads annually report to the President and the Congress whether agency accounting systems comply with the Comptroller General's standards, and holds managers responsible for correcting identified deficiencies. This statutory requirement for an annual report, as per OMB guidelines, is to be based on reviews conducted annually by system managers and users and on detailed evaluations conducted on a cyclical basis. This statutory requirement is implemented in DoD by this chapter. To satisfy this statutory requirement, DoD established the Accounting Systems Review and Evaluation Program. This program consists of the System Manager/User Review (SM/UR) process which supports and provides guidance to DoD managers in conducting annual reviews and the Consolidated Systems Evaluation (CSE) process which is the detailed, cyclical, independent evaluation as required by the Act. The results of these reviews and evaluations are used to prepare Section 4 of the annual FMFIA report and for reporting accounting system status in the DoD Five Year Financial Management Plan.

0302 Policy

030201 Financial Management and Accounting System Structure. DoD is responsible for developing and maintaining an integrated financial management system structure. The financial management structure is the total of DoD's systems, both manual and automated, for planning, budget formulation and execution, and accounting. The accounting system structure is comprised of Primary (Core) accounting systems which provide full general ledger control over financial transactions and resource balances, and administrative accounting systems (i.e., subsidiary and accounting support systems) which provide data to the Primary accounting systems. Subsidiary accounting systems produce functional transactional data needed for the general ledger such as budget execution, payroll, travel, procurement, and real property. Accounting support systems must have full general ledger control and provide financial information on operations to the Primary accounting systems such as the Defense Business Operations and Foreign Military Sales. The accounting system structure falls within the scope of Section 4 of the FMFIA.

This accounting system structure shall:

A. Be in reasonable compliance with the Comptroller General, OMB, Department of Treasury and DoD accounting principles, standards and policies.

B. Provide maximum accounting and general ledger control through the use of the DoD Standard General Ledger.

C. Maximize the use of standardization in data administration, data processing and data elements and minimize the number of individual accounting and financial applications.

D. Maximize the most effective and economical use of data processing and telecommunications technology and accounting methodologies and techniques.

E. Maximize the use of information systems architectures.

F. Produce auditable financial statements.

The accounting system structure is supplemented by feeder systems. Feeder systems provide purely nonfinancial information, or they are the initial record of financial data for processing by accounting systems. Feeder systems are recordation only and do not generate or compile financial information, and are not within the scope of Section 4 of the FMFIA. Examples of feeder systems are: logistics and inventory systems that provide acquisition cost, location, and quantity information; personnel systems providing grade and entitlements information; and timekeeping systems providing attendance and leave information. Feeder systems fall under the scope of Section 2 of the FMFIA.

0303 Responsibilities

030301 The Comptroller of the Department of Defense (C, DoD):

A. Serve as the DoD senior official under OMB Circular No. A-127 for policy guidance, direction, and coordination with DoD Components and other Federal agencies on accounting system requirements.

B. Prescribe the principles, standards, and related requirements applicable to DoD accounting systems.

C. Approve, for signature by the Secretary of Defense, an annual consolidated accounting report and an inventory of operating accounting systems in accordance with Section 4 of the FMFIA.

D. Approve proposed development of or substantial revisions to accounting systems for adherence to the requirements of this chapter prior to providing DoD approval to proceed and to expend funds.

E. Approve and issue annually a Chief Financial Officers Five Year Financial Manage-

ment Plan for an integrated financial management system structure.

030302 The Defense Finance and Accounting Service shall:

A. Prescribe the procedures for conducting the annual evaluation of accounting systems required by Section 4 of the FMFIA, and prepare an accounting report for signature by Secretary of Defense.

B. Develop and maintain a Chief Financial Officers Five Year Financial Management Plan for an integrated financial management system structure which:

1. Describes the existing financial management structure and any changes needed to establish an integrated accounting system;

2. Is consistent with applicable accounting principles, standards, and requirements;

3. Provides a strategy for developing and integrating accounting and financial information to ensure adequacy, consistency, and timeliness of financial information;

4. Identifies and makes proposals to eliminate duplicative and unnecessary accounting systems, including sharing systems;

5. Identifies projects to bring existing accounting systems into compliance with the applicable standards and requirements;

6. Contains milestones for equipment acquisition and other actions necessary to implement the Five Year Financial Management Plan;

7. Identifies personnel needs and actions to ensure those needs are met;

8. Includes a plan for ensuring the annual audit of financial statements pursuant to the Chief Financial Officers Act; and

9. Estimates the cost of implementing the Five Year Financial Management Plan.

C. Develop and maintain an accounting systems planning process which monitors, coordinates and reports the compliance of the accounting systems with the requirements of the FMFIA and the status of developmental, enhancement and improvement initiatives and projects to improve accounting systems.

D. Develop and maintain a comprehensive accounting system inventory for accounting systems in operation and under development.

E. Assess the state of compliance of accounting systems with the Comptroller General, OMB, Department of the Treasury, and DoD accounting principles, standards and policies and report annually the results to the Secretary of Defense.

F. Develop, maintain, and issue the Key Accounting Requirements (KARs). KARs are a composite of GAO, OMB, and DoD regulations and are requirements with which all DoD accounting systems must comply.

G. Maintain and issue SM/UR guidance for annual compliancy reviews of the Primary and Administrative accounting systems conducted by managers of the accounting systems.

H. Perform CSEs on developmental and operational Primary and Administrative accounting systems in the DoD Accounting System inventory on a cyclical basis.

I. Ensure that the accounting systems provide complete, reliable, consistent, and timely information which is prepared on a uniform basis and is responsive to the financial information needs of management.

030303 The Managers of Accounting Systems shall:

A. Ensure that accounting systems are developed, maintained, reviewed, improved and reported on per the requirements of this chapter.

B. Conduct annual reviews of assigned accounting systems per the DoD SM/UR guide.

C. Monitor the progress of development, enhancement or improvement initiatives to accounting systems under their control.

030304 The Users of DoD Accounting Systems shall: Work with the system managers in conducting the annual reviews of these systems and in producing the documented management assessment of system compliance.

030305 The Inspector General, Department of Defense shall:

A. Provide technical assistance and advice on DoD efforts to review and improve accounting systems.

B. Perform accounting system audits to determine whether accounting system reviews and evaluations were conducted in accordance with prescribed guidelines and advise the DFAS. Performing such IG audits should not be interpreted as preventing the IG from providing technical assistance and advice.

C. Advise the Secretary of Defense annually as to the effectiveness of DoD compliance with this Regulation and the requirements of the FMFIA.

0304 Legal Requirements

030401 Budgeting and Accounting Act. The Budget and Accounting Procedures Act of 1950 requires that the head of each executive agency establish and maintain systems of accounting and internal controls that provide:

A. Disclosure of the agency's financial results;

B. Integration of the agency accounting with the central accounting and reporting requirements of the Department of the Treasury;

C. Financial management information;

D. Control and accountability for agency assets; and

E. Accounting results that will be the basis for:

1. Preparing and supporting the agency budget;

2. Controlling the execution of the agency budget; and

3. Providing financial information the President requires under the budget and appropriations authority.

030402 Federal Managers Financial Integrity Act. The Federal Managers' Financial Integrity (FMFIA) Act, P.L. 97-255, was passed by Congress in September 1982 to enhance the Budget and Accounting Procedures Act, and provide management accountability by requiring ongoing evaluations and reports. For the first time, agency heads were required under this Act to report annually to the President and the Congress as to whether accounting systems (Section 4 of the Act) conform to the principles, standards, and related requirements prescribed by the Comptroller General.

030403 Chief Financial Officer's Act. The Chief Financial Officer's Act, as implemented by OMB, requires that the annual audit of an agency's financial statements contains a report on the Agency's implementation of the Federal Manager's Financial Integrity Act. Auditors are required to review and report on management's process for evaluating and reporting on accounting systems and internal controls, and compare the most recent Federal Manager's Financial Integrity Act reports with the results of their audit.

0305 Regulatory Requirements

030501 OMB Circular No. A-34. Provides instructions on budget execution, financial plans, apportionments, reapportionments, deferrals, proposed and enacted rescissions, systems for administrative control of funds, allotments,

operating budgets, reports on budget execution, and reports on violations of the Antideficiency Act.

030502 OMB Circular No. A-127. Prescribes policies and procedures to be followed in developing, operating, evaluating, and reporting on financial management systems.

030503 The Treasury Fiscal Manual. Provides instructions for the guidance of departments and agencies of the Federal Government in the areas of central accounting and reporting, payrolls, deductions and withholdings, disbursing, deposit regulations and other fiscal matters. DoD accounting systems must be capable of producing the reports required by the applicable sections of the Treasury Fiscal Manual. This includes the general purpose financial statements prescribed in I TFM 2-4100, the Report on Obligations (SF 225) prescribed in I TFM 2-4400, and the Year-End Closing Statement (TFS Form 2108) prescribed in I TFM 2-4200.

0306 Guidelines

030601 Review and Evaluation of Accounting Systems. Section 4 of the FMFIA as implemented by OMB Circular A-127 requires an annual self-appraisal of operating accounting systems by systems managers and users, and an independent detailed evaluation performed on a cyclical basis. These self-appraisals and independent detailed evaluations form the basis for determining the compliancy of accounting systems. The DoD FMFIA Section 4 program's two processes to satisfy these requirements are the SM/UR program and the CSE program.

A. SM/URs are self-evaluations performed annually by the owners and operators of the accounting systems using the DoD SM/UR guide. The guide consolidates all accounting policies and requirements reported in Section 4 of the FMFIA, and provides direction for completing the annual review and determining accounting systems compliancy. The guide is prepared, issued, and the results evaluated and consolidated by DFAS.

B. CSEs are independent detailed reviews performed by DFAS Headquarter's

evaluation teams on a cyclical bases using the DoD Accounting Systems Review and Evaluation Policies and Procedures Handbook. Reviews and evaluations determine whether accounting systems operate in compliance with prescribed accounting principles, standards, and related requirements.

030602 Methodology for Determining Compliance of Accounting Systems

A. Key Accounting Requirement (KAR). Accounting requirements made up of a composite of all GAO, OMB, Treasury, DoD requirements, with which an accounting system must reasonably comply. Addendum A provides a list of the current 13 KARs. KARs are used both by System Managers annually and by DFAS Headquarters cyclically to review the accounting systems. This process identifies system departures and determines whether the departures are of such materiality to prevent the system from being in reasonable compliance with accounting principles, standards, and related requirements. All departures from a KAR which are determined to be material are material deficiencies and require corrective action with a reasonable implementation date.

B. Material Deficiency. DoD uses the concept of materiality to determine the compliance of its accounting systems and to identify, where appropriate, needed corrective actions. A departure from a KAR is considered a material deficiency if it could result in:

1. Loss of control of over 5% or more of the measurable resources for which the accounting system is responsible. Examples include: (1) if more than 5% of the disbursements were undistributed, KAR 7; (2) if more than 5% of Class 3 and 4 plant property could not be located using the official accounting records, KAR 2; or (3) if more that 5% of materials and supplies were not in the custody of the accountable supply officer, KAR 2.

2. Impairment of the DoD mission. Examples include: (1) maintaining memorandum records because official records cannot be relied upon, KAR 12; (2) excessive overrides and work arounds to make the system work,

KAR 11; or (3) inefficient and unnecessary procedures that result in the reduction of operating forces readiness or effectiveness, KAR 12.

3. Fraud or other criminal activities go undetected. Examples include: (1) allowing controls to be bypassed without the knowledge of an authorizing official, KAR 7; (2) inadequate supervision, KAR 11; (3) lack of separation of duties, KAR 7; or (4) inadequate audit trails to trace transactions, KAR 8.

4. An event that would result in significant adverse publicity or embarrassment to the Department and diminish the credibility or reputation of DoD. Examples include: (1) procurements without valid requirements, KAR 2; (2) excessive or unauthorized charges, KAR 7; or (3) erroneous or duplicate payments, KAR 9.

5. Violations of statutory requirements, KAR 7. Examples include: (1) use of funds for purposes other than appropriated (31 U.S.C. 1301); (2) obligations or expenditures in excess of funds available (31 U.S.C. 1517); (3) obligations not supported by documentary evidence (31 U.S.C. 1501); (4) expenditure of funds beyond the period authorized by law (31 U.S.C. 1502).

C. System Manager/User Review

1. A SM/UR is a structured and objective method for system managers to review their accounting systems for compliance. The DoD SM/UR Guide provides direction to the system managers of DoD accounting systems for conducting annual reviews of these systems for compliance to accounting statutory and regulatory requirements. It represents management's self-evaluation of its accounting systems. As such, it is based on all available knowledge of the system from the day to day operations plus the results of prior reviews and evaluations. The Guide provides the accounting criteria or requirements with which all DoD accounting systems must comply; it provides review techniques and guidance to assist system managers in determining if their systems are in compliance with the KARs, and it provides them the opportunity to identify needed corrective actions. The Guide incorporates the accounting principle of

materiality; therefore only material deficiencies, departures from KARs which are determined to be material, are used by the system managers in assessing the compliance of their systems.

2. System managers are responsible for conducting these reviews in accordance with the DoD SM/UR Guide and by the schedule provided by DFAS Headquarters. Each accounting system is to be reviewed annually unless it is scheduled to be replaced or has undergone a detailed CSE in the current fiscal year.

3. System managers, based upon the results of the SM/UR, are to certify the compliance or noncompliance of accounting system(s) and forward the SM/URs to DFAS for review, analysis, and coordination.

D. Consolidated Systems Evaluation

1. A CSE is an independent, comprehensive, systematic, and objective evaluation conducted by DFAS Headquarter's evaluation teams. It is used to provide reasonable assurance that accounting systems comply with statutory and regulatory requirements. It is a detailed evaluation to determine whether the accounting system's design, procedures, and control techniques satisfy accounting principles and standards. A CSE determines whether the accounting system captures, records, processes, and reports financial transactions in conformance with these same standards. This evaluation covers the full life cycle of the transaction from initiation of the accounting transaction, through system processing, and ultimate posting to the accounts for inclusion in output reports. This life cycle/transaction flow approach will often involve both manual and automated procedures and controls.

2. CSEs are performed on both operational and developmental accounting systems. An operational accounting system is to be covered by a CSE every three years unless it is scheduled for replacement in the near term. Developmental accounting systems are selected for CSEs based on their importance as a corrective action to the compliance determination of the applicable accounting system. CSEs of

operational accounting systems identify departures and material deficiencies with the KARs and provide a compliancy determination. CSEs of developmental accounting systems identify departures and provide recommendations to ensure that the accounting system will be compliant when implemented.

0307 Annual Report on Operating Accounting Systems

030701 General. DFAS will annually validate the inventory and status of DoD operating accounting systems as of September 30. The status will be based on SM/URs, CSEs, audits, and Inspections. DFAS will submit to the Secretary of Defense, after approval by the C,DoD, by November 15 of each year the Annual Statement of Assurance required by Section 4 of the FMFIA, and as illustrated at figure 3-1. Documentation supporting the compliancy call and the SM/UR will be the support for the Annual Statement of Assurance for Section 4. The SM/UR and supporting documentation should be maintained for audit purposes by the office responsible for performing the review. Under OMB guidelines for the Chief Financial Officers Act, auditors are required to review and report on the agency's FMFIA program when performing financial statement audits.

030702 Inventory Reporting

A. Accounting systems shall be consolidated and reported at the highest level consistent with adequate system interfaces. Consolidated systems contain interfaces and have a virtual uninterrupted data flow. Adequately interfaced systems contain edit checks and internal controls on the initial transaction that ensure the proper processing throughout the entire accounting cycle. Any system that performs an accounting function and that does not adequately interface with another accounting system will be reported separately. Systems that do not adequately interface may require reentry of source data or partially processed data, significant controls and edit checks on the data exchanged, reprocessing of data, or data conversion because of incompatibility.

B. An entity that uses an unmodified accounting system of another activity designated as the System Manager, or submits its accounting source documents to another DoD organization for processing and receives outputs from the processing organization's system, does not have an operating accounting system subject to reporting.

030703 Enclosure to the Annual Accounting Systems Report. The report shall be accompanied by an inventory listing of each Primary and Administrative accounting system. DFAS will conduct an annual validation of the inventory of accounting systems by March 31 of each year through canvassing of the System Managers. The prior year annual inventory listing shall be the beginning point for preparing the current year's inventory. New systems will be added

and Primary and Administrative accounting systems no longer in operation will be eliminated. All changes shall be explained by footnotes to the listing. See figure 3-2 for an illustration of this inventory listing.

030704 Categorization of the Inventory. The status of accounting systems in the inventory will be reported in the following classifications:

A. Primary or Administrative accounting systems substantially in compliance with prescribed accounting principles, standards, and related requirements.

B. Primary or Administrative accounting systems not in compliance with prescribed accounting principles, standards, and related requirements.

ANNUAL REPORT ON OPERATING ACCOUNTING
SYSTEMS FOR FISCAL YEAR 19XX

Pursuant to Section 4 of the Federal Managers' Financial Integrity Act of 1982, we have reviewed the Primary and Administrative accounting systems, as defined by the General Accounting Office (GAO), during the fiscal year ending September 30, 19xx. The review of each system was performed by operating personnel and encompassed the accounting principles, standards and related requirements prescribed by the this Regulation. Various methods were used in performing the reviews. They included the use of system questionnaires, transaction testing of sensitive areas in (number) systems, and review of operations. An inventory of operating accounting systems is included as an appendix.

DoD/DFAS has (number) Primary and Administrative accounting systems that meet the GAO definition of accounting systems requiring approval or conditional approval. The results of the evaluations described in the first paragraph, the approval of accounting system design documentation already provided by the GAO for certain accounting systems, assurances given by system managers, and other information, show that (number) systems are substantially in compliance with DoD Financial Management Regulation requirements.

The remaining (number) accounting system, while containing many good internal and fund control features, do not meet all necessary requirements and cannot be certified as in substantial compliance. (Describe any material deficiencies in the remaining noncompliant systems).

DEFENSE FINANCE AND ACCOUNTING SERVICE
(NAME OF CENTER)
ANNUAL INVENTORY OF OPERATING
ACCOUNTING SYSTEMS
FISCAL YEAR 19XX

A. OPERATING ACCOUNTING SYSTEMS SUBSTANTIALLY IN COMPLIANCE WITH GAO ACCOUNTING PRINCIPLES, STANDARDS, AND RELATED REQUIREMENTS

System Name

ABC Accounting System
 DEF Payroll System

B. OPERATING ACCOUNTING SYSTEMS NOT IN COMPLIANCE WITH GAO ACCOUNTING PRINCIPLES, STANDARDS, AND RELATED REQUIREMENTS

System Name

Planned Date to be
 Brought into Compliance

XYZ Installation System

Feb. 19XX

(Note: As a footnote, identify the name of the replacement accounting system if this is the action necessary to upgrade the accounting system.)

FIGURE 3-2

ADDENDUM
KEY ACCOUNTING REQUIREMENTS

KEY ACCOUNTING REQUIREMENT NUMBER 1

GENERAL LEDGER CONTROL AND FINANCIAL REPORTING

Description of Key Accounting Requirement

The system must have general ledger control and maintain an appropriate account structure approved by DoD. The general ledger account structure must follow the general ledger accounts for assets, liabilities, equity, expenses, losses, gains, transfers in and out, and financing sources. A double entry set of accounts must be maintained within the system to reflect budget authority, undelivered orders, obligations, expenditures and other necessary accounts. The system must list both control and subsidiary general ledger accounts by title and numbers with definition of each account. Subsidiary accounts shall be reconciled to the control accounts at least monthly.

Full financial disclosure, accountability, adequate financial information, and reports must be provided for management purposes, and for necessary external reporting to OMB and Treasury. General ledger control and financial reports apply to all DoD systems except pay delivery systems, including stock, industrial, and trust funds.

This key accounting requirement addresses the mandatory fiduciary general ledger and reporting for the departmental, claimant, and field level accounting. *It does not address the requirements for management information.* KAR 12 on user information needs addresses management information aspects of an accounting system.

KEY ACCOUNTING REQUIREMENT NUMBER 2

PROPERTY AND INVENTORY ACCOUNTING

Description of Key Accounting Requirement

The system must account in quantitative and monetary terms for the procurement, receipt, issue, and control of plant property, equipment, inventory, and material. Most acquisitions are recorded upon receipt of goods.

All property and equipment including ADP software with an initial acquisition cost of \$15,000 and an estimated useful life of more than two years must be capitalized and reported at cost including amounts paid to install the assets in the proper form and place. If cost is unknown, the fair value of the fixed asset at the date of acquisition is estimated. Costs of additions, alterations, or replacements that extend the asset's useful life or service capacity are capitalized as fixed assets. Proper accounting controls exist for Government-owned property held and used by contractors.

Inventory accounting must entail accounting and control over the acquisition and issuance of materials, the comparison of physical inventories and records, the planning for procurement and utilization, and effective custody of the materials.

The property management system must include accounting controls over inventory ledgers that identify the item, its location, quantity, acquisition date, cost, and other information. Subsidiary

ADDENDUM
KEY ACCOUNTING REQUIREMENTS
(CONTINUED)

property records are reconciled periodically to general ledger accounts. Physical controls include assigning specific individuals to inventory, placing physical safeguards on inventory, and periodically reconciling physical inventories to the accounting records.

KEY ACCOUNTING REQUIREMENT NUMBER 3

ACCOUNTING FOR RECEIVABLES INCLUDING ADVANCES

Description of Key Accounting Requirement

The system must account for all accounts receivables (any public indebtedness to the U.S. Government). Accounts receivable shall be recorded accurately and promptly to provide timely and reliable financial status. Accounts receivable shall be reduced upon collection of funds or when offset by previously established collateral. Uncollectible amounts should be promptly written off according to DoD instructions and the accounts receivable reduced accordingly. An allowance for uncollectible accounts and corresponding expenses must be established to provide full financial disclosure. The process should document the efforts made to collect delinquent debts (this includes compliance to the Debt Collection Act).

All collections shall be under general ledger accounting control. Cash shall be deposited as expeditiously as possible and immediately recorded in the accounting records.

Advances shall be recorded as assets until receipt of the goods or services or until contract terms are met. Accounting control must be maintained over advances made to employees, contractors, and all others. Advances must be promptly recorded and reconciled to general ledger control accounts.

KEY ACCOUNTING REQUIREMENT NUMBER 4

COST ACCOUNTING

Description of Key Accounting Requirement

Cost accounting must involve accounting analysis and reporting on costs of production of goods or services, or operation of programs, activities, functions, or organizational units. Cost accounting shall be provided in the accounting system if it is required in such instances as pricing decisions, productivity improvement decisions or measurement of performance, efficiency comparisons of like activities, and in industrial fund activities. For industrial fund activities, there is a DoD requirement for working capital funds to provide capital for industrial type and commercial type activities. Industrial fund accounting shall provide an effective means for controlling the cost of goods and services produced or furnished by industrial and commercial type activities. Cost accounting should be used in job order and process cost and in determining operating results. The primary components of DoD costs are labor and materials. However, other costs such as depreciation, amortization, unfunded liabilities such as severance pay, labor, manufacturing overhead, unallocated costs, etc., should be accumulated in the accounting system when needed.

ADDENDUM
KEY ACCOUNTING REQUIREMENTS
(CONTINUED)

KEY ACCOUNTING REQUIREMENT NUMBER 5

ACCRUAL ACCOUNTING

Description of Key Accounting Requirement

Accrual accounting must recognize the accountable aspects of financial transactions or events as they occur. Transactions may be recorded in accounting records as they occur or be adjusted to the accrual basis at each month end. Accrual accounting should be used to meet the specific needs of management and the Congress.

Amounts of accrued expenditures and revenues must be recorded only when supported by prescribed documentary evidence on the basis of initial documentation received. They are adjusted subsequently, if necessary, upon receipt of more accurate documentation. Examples of acceptable initial documentation received include receiving reports, bills of lading, job sheets, certified unpaid invoices and journal vouchers showing administrative estimates by responsible officials. This documentation shall represent a reflection of transactions and performance which actually occur.

When liabilities are incurred as work is performed rather than when deliveries are made, accruals must be recorded from performance reports for the affected accounting period. Unpaid personnel compensation and benefits which have been earned as of the end of the pay year must be accrued in full or in part, e.g., the accrual of annual leave is material and should be recognized annually in the financial statements. Accrued payroll for civilian and military for salaries and wages, employer's share of fringe benefits, allowances, foreign nationals, severance pay, unfunded annual leave, annual leave, and retirement must be recorded and reconciled with the actual payroll.

KEY ACCOUNTING REQUIREMENT NUMBER 6

MILITARY AND CIVILIAN PAYROLL PROCEDURES

Description of Key Accounting Requirement

Wherever feasible, DoD will use modern technology in its computer systems to process payroll transactions. The payroll system will interface with the accounting system providing obligation and accrual data. The military and civilian payroll processes and procedures must be available to management, users, auditors, evaluators, etc.

Payroll systems must incorporate controls of both gross and net payroll amounts and payroll deductions to ensure smooth payroll processing action and to minimize incorrect payments. Procedures will be available to ensure that only authorized deductions are made from pay and all deductions are supported by proper documentation. Accounting entries for authorized deductions from pay must be verified. Timely, accurate, and complete individual and subsidiary records are maintained for leave accounts, employee benefits, compensated personnel absences, general benefits such as bonuses and cash allowances for quarters and subsistence, allotments by type and amount, and other balances. Reconciliations of the general ledger and personnel records to payroll records will be performed.

ADDENDUM
KEY ACCOUNTING REQUIREMENTS
(CONTINUED)

Unpaid personnel compensation and benefits, including annual leave, which have been earned by employees as of the end of the pay year must be accrued in full. Accrued payroll will be reconciled with actual payroll. Personal compensation and all employee benefit expenses (including federal contributions) shall be reported and disclosed separately in financial statements.

Automated controls will include predetermined limits on the computation of pay; accumulation and tests of zero balances; checks on sequence of records; counts of records; crossfoot balances; and other tests of the validity of the data or accuracy of the processing. Separation of duties is promoted by requiring vouchers authorizing payment to be certified before payment by a duly authorized certifying officer who does not compute amounts payable, maintain the payroll records, or distribute the paychecks.

KEY ACCOUNTING REQUIREMENT NUMBER 7

SYSTEM CONTROLS (FUND AND INTERNAL)

Description of Key Accounting Requirement

A. **Fund Control.** The system must ensure obligations and expenditures do not exceed the amount appropriated, apportioned, reapportioned, allocated and allotted (Anti-Deficiency Act 31 U.S.C.). The system must provide a process and procedures for control over errors to ensure that once errors are detected: (1) corrections are made in a timely manner and reentered into the appropriate processing cycle; (2) corrections are made only once; and, (3) the correction itself is validated. The system must show the appropriations and funds to be accounted for and a description of the accounting entity's proposed fund distribution and control process. The system must have good fund control procedures to prevent untimely liquidation of obligations, unmatched expenditures, and undistributed disbursements. Obligations must be recorded immediately. Fund control procedures must include fiscal year end Section 1311 Statement of Certification by a senior accounting official to ensure the validity of all obligations and unobligated balances. Administrative funds control must ensure that funds are used economically, efficiently, and only for properly authorized purposes.

B. **Internal Controls.** The system must have adequate internal controls to prevent, detect, and correct errors and irregularities that may occur throughout the system. Separation of duties and responsibilities must be maintained for initiating, authorizing, processing, recording, and reviewing transactions. Automated systems must have system security and integrity for authorized processing to include procedures and controls which protect hardware, software, and documentation from physical damage by accident, fire, flood, environmental hazards, and unauthorized access. Also, the system must have controls to prevent unauthorized use of confidential information.

KEY ACCOUNTING REQUIREMENT NUMBER 8

AUDIT TRAILS

Description of Key Accounting Requirement

Audit trails permit tracing transactions through a system. Audit trails allow auditors or evaluators to ensure transactions are properly accumulated and correctly classified, coded and recorded in all affected

ADDENDUM
KEY ACCOUNTING REQUIREMENTS
(CONTINUED)

accounts. Audit trails should allow a transaction to be traced from initiation through processing to final reports. In addition, good audit trails allow for the detection and tracing of rejected or suspended transactions, such as unmatched disbursements, for ultimate systematic correction in a reasonable timeframe.

A fundamental requirement for any compliant accounting system is that the financial transactions for which the system must account be adequately supported with pertinent documents and source records. All transactions, including those which are computer-generated and computer-processed, must be traceable to individual source records. Audit trails enable the tracing or replicating of a transaction from its source to the resulting record or report, and from the resulting record or report to the source. Items in source records necessary for audit-trail purposes include transaction type, record or account involved, amount, processing references, and identification of the preparer and approver of the transaction. A key test of the adequacy of an audit trail is whether tracing the transaction forward from the source or back from the result will permit verification of the amount recorded or reported.

KEY ACCOUNTING REQUIREMENT NUMBER 9

CASH PROCEDURES AND ACCOUNTS PAYABLE

Description of Key Accounting Requirement

The system shall be designed to ensure timely payments based on properly approved disbursement documents. Payment process and procedures must comply with the Prompt Payment Act. Cash discounts should be taken when determined to be financially advantageous to the DoD.

Accounts payable are liabilities which should be recorded when goods or services are received. The liability reported in the annual financial statements shall reflect amounts due for goods and services received. For items manufactured by a contractor to specifications, the accounting system shall reflect the appropriate payable, including contract retentions, for each accounting period based on requests for progress payments or on reasonable estimates of unbilled contractor performance. This shall be recorded in the proper accounting period.

Accounts payable for services performed by employees, contractors, and others shall be determined based on performance as evidenced by payroll records, progress billings, or other available data. Reasonable estimates of the cost of services performed before the end of a reporting period shall be made for annual financial reporting purposes in the absence of invoices or other available data. The system shall record the liability for goods and services purchased under a long-term contract in the period in which the goods or services are received or accepted.

KEY ACCOUNTING REQUIREMENT NUMBER 10

SYSTEM DOCUMENTATION

Description of Key Accounting Requirement

The accounting system must have adequate system documentation which must include interfaces between accounting system segments. The detailed accounting system design package shall adequately document

ADDENDUM
KEY ACCOUNTING REQUIREMENTS
(CONTINUED)

the functional user's accounting requirements. Such documentation must be available in users manuals, subsystem specifications, etc. The detailed documentation must be comprehensive and shall include a combination of descriptions of processes, flowcharts and narrative description, diagrams, basic accounting entries including adjusting and closing entries, illustrations or samples of source documents for input, and sample outputs and reports. It shall also include internal controls incorporated within the accounting system. The documentation must demonstrate conformance with the DoD Financial Management Regulation and other DoD requirements for adequate and reasonable documentation. The system documentation shall be in enough detail to be understood by computer personnel and system accountants assigned to develop applicable software. It shall demonstrate readily to users, auditors, and evaluators the system's conceptual processes and procedures. The documentation should be in good order to facilitate maintenance operations and transaction testing. Good documentation would permit transaction testing which is designed to disclose whether valid transactions are processed properly, and whether the system rejects invalid transactions. The documentation shall have enough detail that a testing of the system could cover an entire transaction, from initial authorization through processing, posting to the accounts, and reporting. The documentation should indicate the mission, organization, description, objectives, financial management requirements, and boundaries of the system.

KEY ACCOUNTING REQUIREMENT NUMBER 11

SYSTEM OPERATIONS

Description of Key Accounting Requirement

Adequate organization and planning shall exist regarding systems operations to assure that financial management and accounting objectives are met in an economical and efficient manner. It must satisfy legal requirements, laws, regulations, accounting principles and standards, and related requirements as prescribed in the DoD Financial Management Regulation and other related instructions. Financial systems shall contain all data required to achieve the purposes for which they were created and maintained. They shall also be as simple as possible, consistent with regulatory requirements and users' needs. The existing and planned hardware should be adequate to process efficiently current and projected future transaction volumes. There should be compatibility of existing and planned hardware to interface effectively with other systems. The system should conform to required DoD systems documentation requirements. The best of acceptably priced contemporary technology should be used. There should be detailed system operating and maintenance procedures. Also, there should be periodic system reviews to assure that the system is functioning as intended, required procedures are being followed, any operating problems are promptly identified and corrected, and possible state-of-the-art enhancements are incorporated as appropriate.

KEY ACCOUNTING REQUIREMENT NUMBER 12

USER INFORMATION NEEDS

Description of Key Accounting Requirement

User information needs and requirements as to quality, accuracy, timeliness, reliability, responsiveness of the system shall be adequate in response to program, financial managers, and other users. The system

ADDENDUM
KEY ACCOUNTING REQUIREMENTS
(CONTINUED)

shall satisfy users as to their reporting requirements particularly as it relates to month end reports. The system must also satisfy user needs to facilitate their management decision making process. In addition, if there are departures in other key accounting requirements that adversely impact the users of the system, the materiality of these departures will be determined under this key accounting requirement.

KEY ACCOUNTING REQUIREMENT NUMBER 13

BUDGETARY ACCOUNTING

Description of Key Accounting Requirement

The system shall support formulation of the budget, support budget requests, and control budget execution. Programming, budgeting, accounting, reporting classification, and coding structure should be uniform and consistent with each other and synchronized with the organizational structure so that actual activity reported within the accounting system can be compared with enacted budgets and support future budget formulation for each activity. Presidential, Congressional, and OMB decisions shall be recorded in the system, and financial management data and results shall be appropriately classified to track such decisions. The system shall record budget resources at the appropriate level and account for appropriations, reappropriations realized, apportionments, allocations, transfers, allotments of budget authority, customer orders accepted, reimbursables, and other appropriate accounts prescribed by DoD.

CHAPTER 4

FINANCIAL MANAGEMENT CODING STRUCTURE0401 ACCOUNTING CLASSIFICATION CODE

The standard accounting classification coding structure that will be used by all DoD Components is currently being developed by the Defense Finance and Accounting Service and will be issued as soon as it is finalized. DoD Components will continue to use their current accounting classification coding structure unless otherwise notified.

0402 ACCOUNTABLE STATION CODE

This 6-character field contains the DoD Component-assigned identification number of the accountable station responsible for entering the transaction into the applicable accounting system. The accountable station code is the

Fiscal Station Number (FSN) of both OSD and the Army, the Authorization Accounting Activity (AAA) of the Navy, or the Accounting and Disbursing Station Number (ADSN) used by the Air Force. The accountable station code will be a field of the accounting classification code when it is issued.

Addendum 1 through addendum 4 to this chapter lists the current accountable stations within the Department of Defense with their current mailing addresses. DoD Components shall provide updated listings of their accountable stations with valid hard-copy and electronic mailing addresses as changes occur. This information shall be provided to the Director, Defense Finance and Accounting Service (DFAS). Addenda 1 through 4 shall be updated at least annually.

ADDENDUM 1
DoD ACCOUNTABLE STATIONS
ARMY

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
010020	21	Anniston Army Depot	FAO Anniston, AL 36201-5052
010210	21	US Army Missile Command	FAO ATTN: AMSMI-CO-FA Redstone Arsenal, AL 35898-5097
010440	21	US Army Aviation Center	FAO Fort Rucker, AL 36362
010760	21	US Army Engineer District Mobile	FAO P.O. Box 2288 Mobile, AL 36628
010790	21	USPFO for Alabama	P.O. Box 3715 Montgomery, AL 36193
010880	21	US Army Military Police School/Training Center & Fort McClellan	ATTN: ATZN-RMF Fort McClellan, AL 36205-5000
011190	21	US Army Engineer Division Huntsville	P.O. Box 1600, West Station Huntsville, AL 35807
020590	21	USPFO for Arizona	5636 E. McDowell Road Phoenix, AZ 85008
020830	21	Yuma Proving Ground	FAO Yuma Proving Ground, AZ 85365-9102
020860	21	U.S. Army Garrison	Cdr, ATTN: ASH-RM-FCA Fort Huachuca, AZ 85613-5000
020880	21	U.S. Army Information Systems Command	ATTN: AS-RM-FA-D Fort Huachuca, AZ 85613-5000
030290	21	Pine Bluff Arsenal	FAO, ATTN: SMCPB-CPF Pine Bluff, AR 71602-9500
030550	21	USPFO fo Arkansas	Camp Robinson North Little Rock, AR 72118
040130	21	National Training Center and Fort Irwin	FAO, ATTN: AFZJ-CMF Fort Irwin, CA 92310-5000

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
041420	21	Presidio of San Francisco	FAO, Finance & Accounting Division, Bldg 102 Presidio of San Francisco, CA 94129
041670	21	US Army Engineer District Sacramento	FAO, 650 Capitol Mall Sacramento, CA 95814
041700	21	Sacramento Army Depot	FAO, ATTN: SDSSA-RFA-4 Sacramento, CA 95813-5013
042960	21	Armed Forces Radio & TV Services	10888 LaTuna Canyon Rd Sun Valley, CA 91352-2098
043510	21	7th Finance Support Unit, Fort Ord	FAO, ATTN: AFZW-CM-F Fort Ord, CA 93941-5000
043530	21	US Army Engineer District, Los Angeles	FAO P.O. Box 2711 Los Angeles, CA 90053
043760	21	USPFO for California	P.O. Box G San Luis Obispo, CA 93046
050100	21	4th Finance Support Unit	ATTN: AFZC-FI FT Carson, CO 80913
050150	21	Fitzsimons Army Medical	FAO Center Aurora, CO 80045
050730	21	USPFO for Colorado	Camp George West Golden, CO 80401
051140	21	Fitzsimons Army Medical Center Services,	Office for The Civilian Health & Medical Program of the Uniformed DOD Aurora, CO 80045
060200	21	USPFO for Connecticut	360 Broad St. Hartford, CT 06115
070120	21	USPFO for Delaware	Grier Bldg 1161 River Road New Castle, DE 19720
081250	21	USPFO for Florida	P.O.Box 1008 St. Augustine, FL 32085-1008
090380	21	US Army Infantry Center	FAO Fort Benning, GA 31905

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
090570	21	US Army Signal Center and Fort Gordon	FAO Fort Gordon, GA 30905
090760	21	24th Finance Support Unit	FAO, ATTN: AFZP-CM-F Fort Stewart, GA 31314
091330	21	US Army Engineer District Savannah	FAO, P.O. Box 889 Savannah, GA 31402
091370	21	USPFO for Georgia	P.O.Box 17882 Atlanta, GA 30316
091770	21	Fort McPherson	FAO, ATTN: AFZK-CM-F Fort McPherson, GA 30330-5000
092090	21	US Army Field Mobilization Activity	P.O. Box 2133 Forest Park, GA 30051
100180	21	USPFO for Idaho	P.O. Box 45 Boise, ID 83707
110700	21	Rock Island Arsenal	FAO, ATTN: SMCRI-RMF-G Rock Island, IL 61299-5000
110740	21	Fort Sheridan	FAO, ATTN: AFZO-CM-F Fort Sheridan, IL 60037
111140	21	US Army Engineer Division North Central	536 South Clark St. Chicago, IL 60605
111150	21	USPFO for Illinois	Camp Lincoln 1301 N. MacArthur Blvd Springfield, IL 62702
111730	21	US Army Armament Munitions and Chemical Command	ATTN: AMSMC-CPF-O Rock Island, IL 61299-6000
120400	21	Jefferson Proving Ground	FAO, ATTN: STEJP-RM-F Madison, IN 47250-5100
120640	21	USPFO for Indiana	P.O. Box 41346 ATTN: Fiscal Accounting Indianapolis, IN 46241-0346
121020	21	US Army Soldier Support Center	FAO ATTN: ATZI-RMA Fort Benjamin, Harrison, IN 46249-5415

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
121170	21	US Army Fin & Acctg Ctr	Transportation Operations Indianapolis, IN 46249-0601
121200	21	US Army Fin & Acctg Ctr	Joint Uniform Military Pay System-Army Indianapolis, IN 46249-0801
121210	21	US Army Fin & Acctg Ctr	Centralized Pay Operations ATTN: FINCP-FDB Indianapolis, IN 46249-0816
121220	21	US Army Fin & Acctg Ctr	Retired Pay Operations Indianapolis, IN 46249-0501
121260	21	Crane Army Ammunition Activity	FAO Crane, IN 47522
121270	21	US Army Financial Support Activity	Indianapolis, IN 46249
121280	21	US Army Finance and Accounting Center	Centralized Pay Operations ATTN: FINC-FDC Indianapolis, IN 46249-0815
121290	21	US Army Office of Financial Management	FAO P.O. Box 50167 Indianapolis, IN 46250-0167
130350	21	USPFO for Iowa	Camp Dodge 7700 N.W. Beaver Drive Johnson, IA 50131
140210	21	Combined Arms Center and Fort Leavenworth	FAO ATTN: ATZL-RMC-F Fort Leavenworth, KS 66027
140400	21	1st Infantry Division and Fort Riley	FAO ATTN: AFZN-DRM-FP Fort Riley, KS 66442-5008
140930	21	USPFO for Kansas	P.O. Box 2099 Topeka, KS 66601
150140	21	US Army Armor Center and Fort Knox	FAO Fort Knox, KY 40121
150560	21	Fort Cambell	Finance and Accounting Office ATTN: AFZB-RM-FA Fort Cambell, KY 42223-1297

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
150580	21	USPFO for Kentucky	Boone NG Center Frankfort, KY 40601
160270	21	5th Finance Support Unit	FAO ATTN: AFZX-RM-FQ Fort Polk, LA 71459-5000
161040	21	USPFO for Louisiana	HQ Bldg Jackson Barracks New Orleans, LA 71146
170180	21	USPFO for Maine	Camp Keyes Augusta, ME 04330
180010	21	US Aberdeen Proving Ground Installation Support Activity	FAO ATTN: STEAP-RM-FP-M Aberdeen, MD 21005-5001
180200	21	US Army Engineer District Baltimore	FAO P.O. Box 1715 Baltimore, MD 21203
180430	21	Fort Meade	FAO ATTN: AFZI-CM-F Fort Meade, MD 20755
180490	21	7th Signal Cmd and Fort Ritchie	FAO ATTN: ASNJ-RM Fort Ritchie, MD 21710-5010
180640	21	Fort Detrick	FAO Frederick, MD 21701
180700	21	USPFO for Maryland	301 Old Bay Lane Havre de Grace, MD 21078-4494
181250	21	Technical Research Institute	FAO Andrews Air Force Base, MD 20331
181260	21	Army Medical Material Agency	Frederick, MD 21701
181280	21	U.S. Army Field Support Center	ATTN: IAS7-RMO-F Fort George G. Meade, MD 20755-5905
181290	21	USA Lab Cmd	Harry Diamond Laboratories ATTN: AMSLC RM-FA 2800 Powder Mill Road Adelphi, MD 20783-1197

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
181320	21	USA Material Procurement Assistance Office	P.O. Box 18556 BWI Airport Baltimore, MD 21240
181400	21	US Army Acquisition and Enhancement Office	P.O. Box 21153 Baltimore, MD 21228
181420	21	Office of Manpower and Educational Analysis	P.O. Box 143 Ft. Meade, MD 20755
190350	21	Fort Devens	FAO ATTN: AFZD-CM-F Fort Devens, MA 01433
190930	21	USPFO for Massachusetts	143 Speen St. Natick, MA 01760
191290	21	US Army Natick RD&E Center	FAO ATTN: STRNC-CFAR Natick, MA 01760-5010
200650	21	USPFO for Michigan	3111 W. St. Joseph St. Lansing MI 48913-5102
201130	21	US Army Tank-Automotive Command	FAO ATTN: AMSTA-EFPG Warren, MI 48397-5000
210390	21	USPFO for Minnesota	Camp Ripley Little Falls, MN 56345
220650	21	USPFO for Mississippi	P.O. Box 4447 Fondren Station, MS 39216
220790	21	US Army Engineer Waterways Experiment Station	FAO P.O. Box 631 Vicksburg, MS 39180
220370	21	US Army Training Center Engineer and Fort Leonard Wood	Fort Leonard Wood, MO 65473-5830
231370	21	USPFO for Missouri	1715 Industrial Dr. Jefferson City, MO 65101
231850	21	HQDA, Finance and Accounting Office, St Louis	9700 Page Blvd St. Louis, MO 63132-5000

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
231950	21	US Army Troop Support and Command	FAO, ATTN: DRSTS-CF 4300 Goodfellow Blvd St. Louis MO 63120
232040	21	US Aviation Systems Cmd	Ofc of the Comp ATTN: DRSAV-CF, F&A Div 4300 Goodfellow Blvd St. Louis MO 63120
240240	21	USPFO for Montana	P.O. Box 1157 Helena, MT 59601
250660	21	US Army Engineer District Omaha	FAO 6014 USPO and Courthouse 215 North 17th St. Omaha, NE 68102
250820	21	USPFO for Nebraska	1234 Military Rd. Lincoln, NE 68508
260160	21	USPFO for Nevada	2601 S. Carson St. Carson City, NV 89701
270120	21	USPFO for New Hampshire	P.O. 2003 Concord, NH 03301
280130	21	US Army Training Center and Fort Dix	Fort Dix, NJ 08640
280170	21	Armament Research and Development Center, USAMCCOM	FAO ATTN: AMSMC-CPF-PR(D) Dover, NJ 07801-5001
280430	21	US Army Communications -Electronics Command and Fort Monmouth	FAO ATTN: DRSEL-CP-FA Fort Monmouth, NJ 07703
280630	21	USPFO for New Jersey	131 Eggert Crossing Road Lawrenceville, NJ 08648-2805
281130	21	Military Traffic Command, Eastern Area	ATTN: MTE-RMF-A Bayonne, NJ 07002-5302
290320	21	USPFO for New Mexico	P.O. Box 4277 Santa Fe, NM 87501
290400	21	US Army White Sands Missile Range	FAO, ATTN: STEWS-RM-FA White Sands Missile Range, NM 8002

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
301210	21	Seneca Army Depot	FAO Romulus, NY 14541-5001
301440	21	Watervliet Arsenal	FAO Watervliet, NY 12189
301450	21	US Military Academy	FAO West Point, NY 10996
301920	21	USPFO for New York	330 Old Niskayuna Rd Latham, NY 12210-2224
303090	21	Army and Air Force Exchange Service	ATTN: ES-M 3911 Walton Walker Blvd Dallas, TX 75222
303560	21	33rd Finance Support Unit	ATTN: AFZS-DRM-F Fort Drum, NY 13602-5085
310010	21	18th Corps Finance Group	ATTN: AFZACM-F Fort Bragg, NC 28307
310790	21	USPFO for North Carolina	4201 Reedy Creek Road Raleigh, NC 27607-6412
311240	21	US Army Research Office	FAO P.O. Box 12211 Research Triangle Park, NC 27709
311290	21	Security Operations Training Facility Support Unit (SOTF-FSW)	Commander P.O. Box 70161 Fort Bragg, NC 28307-5600
320006	21	USPFO for North Dakota	Box 5511 Bismark, ND 58502-5511
330170	21	US Army Engineer Division, Ohio River	FAO P.O. Box 27168 Cincinnati, OH 45227
331090	21	USPFO for Ohio	2811 W. Granville Rd. Columbus, OH 43235-2712
340310	21	US Army Field Artillery Center	FAO Fort Sill, OK 73503-0500
340660	21	USPFO for Oklahoma	3501 Military Circle Oklahoma City, OK 73111

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
341010	21	McAlester Army Ammunition Plant	FAO McAlester, OK 74501
350260	21	US Army Engineer District Portland	P.O. Box 2946 Portland, OR 97208
350470	21	USPFO for Oregon	P.O. Box 14840 Salem, OR 97309-5008
360040	21	Carlisle Barracks	FAO Carlisle, PA 17013-5002
360050	21	Letterkenny Army Depot	FAO Chambersburg, PA 17201
360180	21	US Army Garrison, Fort Indiantown Gap	FAO ATTN: AFZQ-CM-F Annville, PA 17003
360280	21	New Cumberland Army Depot	FAO New Cumberland, PA 17070
361370	21	USPFO for Pennsylvania	Fort Indiantown Gap Dept of Military Affairs Annville, PA 17003
362370	21	Tobyhanna Army Depot	FAO Tobyhanna, PA 18466
362530	21	US Army Security Assistance Center	ATTN: DRSAC-CF/FO 3rd St. & M Avenue New Cumberland, PA 17070
370190	21	USPFO for Rhode Island	51 Stenton Ave. Providence, RI 02906
380420	21	US Army Training Center and Fort Jackson	FAO Fort Jackson, SC 29207
380840	21	USPFO for South Carolina	P.O. Box 1090 Columbia, SC 29202
390290	21	USPFO for South Dakota	2823 West Main Rapid City, SD 57701-8186
400980	21	USPFO for Tennessee	P.O. Box 40748 Powell Avenue Nashville, TN 37204

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
410140	21	US Army Air Defense Artillery Center and Fort Bliss	FAO Fort Bliss, TX 79916-5000
410930	21	III Corps and Fort Hood	FAO ATTN: AFZF-CM-F Fort Hood, TX 76544
411170	21	Red River Army Depot	FAO Texarkana, TX 76544
411330	21	Fort Sam Houston	FAO ATTN: AFZG-CM-F Fort Sam Houston, TX 78234
412920	21	USPFO for Texas	P.O. Box 5218 Austin, TX 78673
414430	21	US Army Engineer District Fort Worth	FAO P.O. Box 17300 Fort Worth, TX 76102
420070	21	US Army Dugway Proving Ground	FAO ATTN: STEDP-CP-F Dugway, UT 84022
420370	21	Tooele Army Depot	FAO ATTN: SDSIE-RMFA-A Tooele, UT 84074-5002
420560	21	USPFO for Utah	P.O. Box 2000 Draper, UT 84108
430070	21	USPFO for Vermont	ATTN: VT-VOL-C Bldg #3, Camp Johnson Winooski, VT 05404
440080	21	US Army Engineer Center and Fort Belvoir	FAO ATTN: ATZA-CMA-A Bldg 219 Fort Belvoir, VA 22060-5102
440090	21	US Army Belvoir Research and Development Center	ATTN: STRBE-CF Fort Belvoir, VA 22060
440190	21	Fort Eustis	FAO Fort Eustis, VA 23604
440550	21	US Army Quartermaster Center and Fort Lee	FAO Fort Lee, Va 23801

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
441100	21	US Army Engineer District Norfolk	FAO 803 Front St. Norfolk, VA 23510
441210	21	USPFO for Virginia	501 East Franklin Street Richmond, VA 23210-2317
441770	21	Applied Technology Laboratory	Director US Army Research and Technology Laboratories (AVRADCOM) ATTN: DAVDL-ATL-MSA Fort Eustis, VA 23604
441880	21	US Army Intelligence & Security Command, Finance and Accounting Activity	ATTN: IAFAA Arlington Hall Station Arlington, VA 22212
442060	21	US Army Troop Support Agency	ATTN: DALO-TAB-A Fort Lee, VA 23801
442090	21	US Army Research Control Group	P.O. Box 6067 Shirlington Station Arlington, VA 22206
42100	21	Security Assistance Training Field Activity, US Army	ATTN: ATFA-P Fort Monroe, VA 23651
442120	21	US Army Office for Educational Programming and Analysis	P.O. Box 3406 Hampton, VA 23663
442130	21	US Army Humphreys Engineer Center Support Activity	Kingman Bldg. Fort Belvoir, VA 22060-5580
442140	21	Middle East/ Africa Projects Office	Cdr, ATTN: CESAI-RMF P.O. Box 2250 Winchester, VA 22601-1450
450160	21	I Corps and Fort Lewis	FAO ATTN: AFZH-RM-FA Fort Lewis, WA 98433
451130	21	USPFO for Washington	Camp Murray Tacoma, WA 98430
460280	21	USPFO for West Virginia	P.O. Box 368 Buckhannon, WV 26201

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
470180	21	Fort McCoy	FAO ATTN: AFZR-CM-F Sparta, WI 54656
470390	21	USPFO for Wisconsin	Camp Douglas, WI 54618
480210	21	USPFO for Wyoming	5500 Bishop Blvd. P.O. Box 1709 Cheyenne, WY 82001
490130	21	Office of the Assistant Chief of Staff for Intelligence	WASH, DC 20310
490240	21	Walter Reed Army Medical Center	FAO Georgia Ave. at Butternut St. NW WASH, DC 20307
490890	21	USPFO for District of Columbia	Bldg 350 Anacostia Naval Air Station WASH, DC 20315
490920	21	USA Military District of Washington	FAO ATTN: ANFA-AO-C Room 8333 1900 Half Street SW WASH, DC 20324-0200
491870	21	US Army Audit Agency, HQDA	DAAA-PRM-B The Pentagon WASH, DC 20310
494480	21	Defense Telephone Service Washington	Office, Secretary of the Army ATTN: SAMO WASH, DC 20310
910520	21	200th Theater Army Material Management Ctr	FAO, TAAMC Finance and Accounting Div APO New York 09052
910530	21	127th Finance Support Unit	FAO NATO/SHAPE Support Group (US) APO New York 09088
912140	21	10th Finance Support Unit (D)	APO New York 09221

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
915140	21	5th Corps Finance Group	FAO ATTN: AETV-CF APO New York 09757-9714
915160	21	266th Theater Finance Center	CDR, ATTN: AEUFC-F APO New York 09007-0137
915230	21	US Army Berlin	FAO APO New York 09742
915250	21	59th Finance Support Unit	FO APO New York 09069
915270	21	201st FSU	APO New York 09757
915300	21	VII Corps Regional Finance and Accounting Office	FAO APO New York 09154
915320	21	US Army Engineer Division Europe	APO New York 09757
915330	21	45th Finance Support Unit APO New York 09227	FAO
955230	21	267th Finance Support Unit	ATTN: AFVR-RM-F P.O. Box 499 Fort Richardson, AK 99505-5400
963420	21	USPFO for Virgin Islands	P.O. Box 1050 Christiansted St. Croix, Virgin Islands 00820
965190	21	193rd Infantry Brigade (Panama)	APO Miami 34004
966080	21	USPFO for Puerto Rico	P.O. Box 34069 Ft Buchanan, PR 00934-4069

ADDENDUM 2
DoD ACCOUNTABLE STATIONS
NAVY

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N00011	17	Chief of Naval Operations	Washington DC
N00012	17	Comptroller of the Navy	Washington DC
N00014	17	Chief of Naval Research	Ballston Tower No.1 800 North Quincy Street Arlington VA 22217-5000
N00018	17	Naval Medical Command	Washington DC
N00022	17	Naval Military Personnel Command	Washington DC
N00025	17	Naval Facilities Engineering Command	Alexandria VA
N00027	17	Marine Corps (HQ-FD)	Headquarters, U.S. Marine Corps Washington DC 20380
N00060	17	Commander in Chief, U.S. Atlantic Fleet	Norfolk VA
N00061	17	Commander in Chief, U.S. Naval Forces Europe	London UK
N00062	17	Chief Naval Education and Training	Pensacola FL
N00065	17	Naval Oceanographic Command	Bay St. Louis, MS
N00070	17	Commander in Chief U.S. Pacific Fleet	Pearl Harbor, HI
N00072	17	Commander Naval Reserve Forces	New Orleans, LA
N00074	17	Naval Special Warfare Command	Naval Amphibious Base Coronado CA 92155-5037
N00102	17	Naval Shipyard Portsmouth	Portsmouth NH 03804-5000

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N00104	17	Ships Parts Control Center	PO Box 2020 Mechanicsburg PA 17055-0788
N00109	17	Naval Weapons Station	Yorktown VA 23691-5000
N00146	17	Marine Corps Air	Cherry Point NC 28533-5001
N00151	17	Naval Shipyard Philadelphia	Philadelphia PA 19112-5087
N00161	17	United States Naval Academy	Annapolis MD 21402-5070
N00163	17	Naval Avionics Center	6000 East 21st Street Indianapolis IN 46219-2189
N00164	17	Naval Weapons Support Center	Crane IN 47522-5020
N00167	17	David Taylor Research Center	Bethesda MD 20084-5000
N00168	17	National Naval Medical Center	Bethesda MD 20814-5077
N00171	17	Naval District Washington	Washington Navy Yard BLDG 176-5 Washington DC 20371-5100
N00173	17	Naval Research Laboratory	Washington DC 20375-5000
N00174	17	Naval Ordnance Station	Indian Head MD 20640-5000
N00179	17	Navy Regional Finance Center	Washington DC 20371-5100
N00181	17	Naval Shipyard Norfolk	Portsmouth VA 23709-5000
N00183	17	Naval Hospital Portsmouth	Naval Station BLDG 250 Portsmouth VA 23708-5000
N00187	17	Navy Public Works Center	Norfolk VA 23511-6098
N00189	17	Naval Supply Center	Norfolk VA 23512-5000
N00191	17	Naval Shipyard Charleston	Naval Base Charleston SC 29408-6100
N00193	17	Naval Weapons Station	Charleston SC 29408-7000

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N00197	17	Naval Ordnance Station	Louisville KY 40214-5001
N00203	17	Naval Hospital Pensacola	Naval Hospital Bldg 2268 Pensacola FL 32512-5000
N00211	17	Naval Hospital Great Lakes	Great Lakes, IL 60088-5230
N00221	17	Naval Shipyard Mare Island	Vallejo CA 94592-5100
N00228	17	Naval Supply Center	Oakland CA 94625-5000
N00243	17	Marine Corps Recruit Depot	San Diego CA 92133-5000
N00244	17	Naval Supply Center	937 North Harbor Drive San Diego CA 92132-5089
N00247	17	Naval Training Center	San Diego CA 92133-5000
N00251	17	Naval Shipyard Puget Sound	Bremerton WA 98314-5000
N00253	17	Naval Undersea Warfare Engineering Station	Supply Department Keyport WA 98345-0580
N00259	17	Naval Hospital San Diego	San Diego CA 92134-5000
N00263	17	Marine Corps Recruit Depot	Parris Island, SC 29905
N00264	17	Marine Corps Combat Development Command	Quantico VA 22134
N00285	17	Naval Hospital	Corpus Christi, TX 78419-5200
N00288	17	Naval Publications and Forms Center	5801 Tabor Avenue Philadelphia PA 19120-5099
N00311	17	Pearl Harbor Naval Shipyard	Box 400 Pearl Harbor HI 96860-5350
N00318	17	Marine Corps Air Station	Kaneohe Bay HI 96863-5001
N00367	17	Fleet Material Support Office	PO Box 2010 Mechanicsburg, PA 17055-0787

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N00383	17	Navy Aviation Supply Office	700 Robbins Avenue Philadelphia, PA 19111-5098
N00389	17	Naval Station	Roosevelt Roads, PR
N00406	17	Naval Supply Center Puget Sound	Bremerton WA 98314-5100
N00421	17	Naval Air Test Center	Supply Department Patuxent River MD 20670-5304
N00604	17	Naval Supply Center	Box 300 Pearl Harbor HI 96860-5300
N00612	17	Naval Supply Center	Charleston SC 29408-6300
N00619	17	Naval Hospital Oakland	Oakland CA 94627-5000
N00620	17	Naval Air Station Whidbey Island	Oak Harbor WA 98278-5000
N00651	17	Naval Supply Depot	Subic Bay, Phillipines
N00681	17	Marine Corps Base	Camp Pendleton, CA 92055
N08321	17	Marine Division 2nd FMF	Camp Lejeune, NC 28542
N43289	17	FIPC Branch	Corpus Christi TX 78419-5204 Naval Air Station
N43290	17	Navy Ed. and Training FIPC Branch	Millington, TN 38054-0329
N44413	17	Navy Publishing and Printing Services	3D827 Pentagon Washington DC 20350-3000
N44414	17	Navy Publications and Printing Service, Southeast Division	Bldg 628, Naval Base Charleston, SC 29408-6750
N44415	17	Navy Publications and Printing Service, Western Division	BLDG 154, Naval Station San Diego, CA 92136-5148
N44416	17	Navy Publications and Printing Service Northern Division	Bldg 4, Section D 700 Robbins Ave. Philadelphia PA 19111-5098

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N45924	17	Fleet Accounting and Disbursing Center US Pacific Fleet DET	Box 306 Pearl Harbor HI 96860-7400
N55300	17	Consolidated Fiscal Accounting OFC FMFLANT	Camp Lejeune NC 28542-5000
N55356	17	Seventh Marine Amphibious Brigade	MARCORPS Air Ground Combat Center Twenty Nine Palms CA 92278-5407
N60002	17	Naval Hospital	Millington TN 38054-5201
N60028	17	Naval Station Treasure Island	San Francisco, CA 94134-5055
N60036	17	Naval Weapons Station	Concord CA 94520-5000
N60050	17	Marine Corps Air Station	El Toro Santa Ana CA 92709-5030
N60258	17	Naval Shipyard Long Beach	Long Beach CA 90822-5099
N60478	17	Naval Weapons Station Earle	Colts Neck NJ 07722-5000
N60530	17	Naval Weapons Center	China Lake CA 93555-6001
N60666	17	Navy Resale Activity Navy Commissary	Virginia and Simonton Sts Key West FL 33040-5000
N60701	17	Naval Weapons Station	Seal Beach CA 90740-5000
N60921	17	Naval Surface Warfare Center	Dalgren, VA 22448-5000
N60951	17	Fleet Accounting and Disbursing Center, Atlantic Operating Forces Acctg	USLANTFLT BLDG X 132 Naval Station Norfolk VA 23511-6096
N60956	17	Navy Regional Finance Center	Building 3400 Great Lakes IL 60088-5797
N60957	17	FAADCPAC Operating Forces Accounting	937 North Harbor Drive San Diego CA 92132-5111

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N61119	17	Naval Supply Depot GUAM, Marianas Islands	
N61331	17	Naval Coastal Systems Center	Panama City FL 32407-5000
N61337	17	Naval Hospital	Beaufort, SC 29902-6148
N61337	17	Naval Training Systems Command	Orlando FL 32813-7100
N61751	17	Naval Medical Research Unit	Cairo United Arab Republic of Egypt
N62204	17	Marine Corps Logistics Base	Barstow, CA 92311
N62254	17	Fleet Activities Naval Air Facility	Kadena, Japan
N62269	17	Naval Air Development Center	Warminster PA 18974-5000
N62306	17	Naval Oceanographic Office	Bay St. Louis, MS 39522-5001
N62376	17	Naval Air Propulsion Center	P O Box 7176 Trenton NJ 08628-0176
N62381	17	Military Sealift CMD Atlantic	Military Ocean Terminal BLDG 42 Bayonne NJ 07002-5399
N62383	17	Military Sealift Command Pacific	Oakland CA 94625-5010
N62387	17	Military Sealift Command NIF Headquarters	Washington D.C.
N62395	17	Navy Public Works Center	GUAM, Marianas Islands
N62404	17	Military Sealift Command Far East	Yokohama, Japan
N62467	17	Southern DIV NAV FAC Engineering Command	PO Box 10068 2155 Eagle Drive Charleston SC 29411-0068

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N62470	17	Atlantic Division NAV Facilities Engineering Command	Norfolk VA 23511-6287
N62472	17	Northern Division Naval Facilities Engineering CMD	Philadelphia PA 19112
N62474	17	Western Division NAVFAC Engineering CMD	PO Box 727 Sneath Lane and El Camino Real San Bruno CA 94060-0720
N62477	17	Chesapeake Division NAV Facilities Engineering Command	Washington Navy Yard Washington DC 20374-2121
N62481	17	Naval Air Station	Bermuda
N62507	17	Naval Air Facility	Osaka, Japan
N62522	17	Military Sealift Command Europe	B. merhaven, Germany
N62576	17	Navy Publications and Printing SVC Office Northern DIV	BLDG 4 700 Robbin Avenue Philadelphia PA 19111-5094
N62578	17	Naval Construction Battalion Center	Davisville RI 02854-1161
N62583	17	Naval Construction Battalion Center	Port Hueneme CA 93043-5000
N62588	17	Naval Support Activity	Naples, Italy
N62589	17	Joint US Military Assistance Group	Quezon City, Manila, Philippines
N62604	17	Naval Construction Battalion Center	34th Ave. and 25th Street Gulfport, MS 39501-5000
N62613	17	Marine Corps Air Station	Iwakuni, Japan
N62649	17	Naval Supply Depot	Yokosuka, Japan.
N62735	17	Fleet Activities	Sasebo, Japan

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N62742	17	Naval Facilities Engineering Command Pacific Division	Pearl Harbor, HI 96860-7300
N62755	17	Navy Public Works Center	BLDG 44 Moanalua Ridge Pearl Harbor HI 96860-5470
N62766	17	NAV Facilities Engineering Command	GUAM, Marianas Islands
N62808	17	Navy Public Works Center	Subic Bay, Philippines
N62814	17	Naval Medical Research Unit No. 2	Manila, Philippines
N62863	17	Naval Station	Rota, Spain
N62864	17	NAV Facilities Engineering Command	Manila, Philippines
N62974	17	Marine Corps Air Station	Yuma AZ 85369-5000
N62995	17	Naval Air Station	Sigonella, Italy
N63028	17	Polaris Missile Facility	Charleston, SC 29408-5700
N63032	17	Naval Air Station	Keflavik, Iceland
N63073	17	Naval Security Group Activity	Edzell, Scotland
N63126	17	Pacific Missile Test Center	Point Mugu CA 93042-5000
N63135	17	Navy Publishing and Printing Service Management Office	BLDG 176-2 Washington Navy Yard Washington DC 20374-1762
N63188	17	Regional Accounting and Disbursing Center	Naval Air Station Box 15 Jacksonville FL 32212-0072
N63381	17	Joint US Military Advisory Group Thailand	Bangkok, Thailand
N63387	17	Navy Public Works Center	Naval Base San Diego CA 92136-5113

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N63394	17	Naval Ship Weapon Systems Engineering Station	Port Hueneme, CA 93043-5007
N63402	17	Strategic Weapons Facility Pacific	Bremerton WA 98315-5500
N63427	17	Naval Communication Station	Exmouth, Western Australia
N65113	17	Navy Public Works Center	BLDG 1A Great Lakes IL 60088-5600
N65114	17	Navy Public Works Center	Naval Air Station Pensacola FL 32508-6500
N65492	17	Naval Hospital Orlando	Orlando, FL 32813-5200
N65540	17	Naval Ship Systems Engineering Station	Naval Base Philadelphia PA 19112-5083
N65872	17	Navy Regional Finance Center (Ships Stores Profit, Navy only)	Navy Regional Finance Center Washington DC 20371-5600
N65885	17	Naval Aviation Depot	Building 8 1st Deck Alameda CA 94501-5021
N65886	17	Naval Aviation Depot	Naval Air Station Jacksonville FL 32212-0016
N65887	17	Naval Aviation Depot	Norfolk VA 23511-5899
N65888	17	Naval Aviation Depot	Consolidated Receiving BLDG 660-2 Naval Air Station North Island San Diego CA 92135-5112
N65889	17	Naval Aviation Depot	Building 603 1 Naval Air Station Pensacola FL 32508-5300
N65923	17	Naval Aviation Depot	Marine Corps Air Station Cherry Point NC 28533-5030
N66001	17	Naval Ocean Systems Center	271 Catalina Blvd San Diego CA 92152-5000

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N66596	17	Naval Submarine Medical Research Laboratory	Box 900 Naval Submarine Base New London Groton CT 06349-5900
N66604	17	Naval Underwater Systems Center	Newport RI 02841-5047
N66735	17	Joint U.S. Military Assist. Group Korea	Seoul, Korea
N67001	17	Marine Corps Base	Camp Lejeune NC 28542
N67004	17	Marine Corps Logistics Base	Albany GA 31704
N67011	17	Director 1st Marine Corps District	605 Stewart Ave. Garden City NY 11530-4761
N67013	17	Director 4th Marine Corps District	Naval Base Building 75 Philadelphia PA 19112
N67015	17	Headquarters 6th Marine Corps District	1365 Peachtree Street NE Atlanta GA 30309-3117
N67016	17	Headquarters 8th Marine Corps District	Naval Support Activity BLDG 10 New Orleans LA 70142-5100
N67017	17	Director 9th Marine Corps District	10000 West 75th Street Shawnee Mission KS 66204-2265
N67019	17	Director 12th Marine Corps District	Naval Support Activity BLDG 7 Treasure Island San Francisco CA 94130-5059
N67029	17	Marine Barracks	8th and I Sts S.E. Washington DC 20390
N67353	17	Headquarters Battalion Headquarters US Marine Corps	Henderson Hall Arlington VA 22214
N67399	17	Marine Corps Air Ground Combat Center	BLDG 2211 Twenty Nine Palms CA 92278-5010
N67400	17	Marine Corps Base	Camp Butler, Okinawa

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N67443	17	Marine Corps Finance Center	Kansas City MO 64197
N67446	17	Consolidated Fiscal Accounting Office, FMF	Camp Pendleton CA 92055 East Pacific Region
N68084	17	Naval Hospital Charleston	Charleston, SC 29408-6900
N68086	17	Naval Hospital Newport	Newport RI 02841-5003
N68090	17	Naval Hospital Long Beach	Long Beach CA 90822-5100
N68093	17	Naval Hospital	Camp Lejeune NC 28542-5008
N68094	17	Naval Hospital	Camp Pendleton CA 92055-5008
N68095	17	Naval Hospital	Boone Road Bremerton WA 98312-1898
N68101	17	Naval Hospital	17th and Patterson Avenue Philadelphia PA 19145-5199
N68142	17	Navy Regional Data Automation Center	Naval Air Station Pensacola, FL 32508-6100
N68248	17	OIC NAVFACENGCOM Trident Naval Submarine Base	293 Point Peter Road Kings Bay GA 31558-0768
N68292	17	Naval Hospital	Yokosuka, Japan
N68305	17	Civil Engineering Laboratory	Port Hueneme CA 93043-5003
N68335	17	Naval Air Engineering Center	Lakehurst NJ 08733-5000
N68342	17	Navy Regional Finance Center (For Use as HQ Accounting, STARS funding only)	Navy Regional Finance Center Washington DC 20371-5600
N68378	17	Navy Public Works Center	San Francisco Bay PO Box 24003 Oakland CA 94623-1003
N68438	17	Trident Refit Facility	Bremerton WA 98315-5300

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
N68462	17	Naval Ocean Research and Development Activity	Bay St. Louis MS 39529-5004
N68470	17	Naval Hospital	Okinawa, Japan
N68479	17	4th Marine Corp	FMF Div New Orleans LA
N68518	17	Naval Reserve Financial Information Processing Center	New Orleans LA 70146-5300
N68566	17	Financial Information Processing Center Pensacola	Pensacola FL 32509-5000
N68688	17	Fleet Accounting and Disbursing Center Ashore Station Accounting	937 North Harbor Drive San Diego CA 92132-5111
N68711	17	Engineering Field Activity Southwest Western Division NAVFACENGCOM	1220 Pacific Highway San Diego CA 92132-5190
N68732	17	Fleet Accounting and Disbursing Center Ashore Station Accounting	BLDG X 132 Naval Station Norfolk VA 23511-6096
N68839	17	Naval Administrative Command	Orlando FL 32813-5014
N68892	17	Regional Financial Services Department	Naval Supply Center Code 30 Charleston SC 29408-6300
N68894	17	Regional Financial Services Department	Naval Supply Center Code 800 Oakland CA 94625-5000
N70092	17	Naval Security Station	3801 Nebraska Ave. NW Washington DC 20390-5230

ADDENDUM 3
DoD ACCOUNTABLE STATIONS
AIR FORCE

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
380100	57	Air Force Accounting and Finance Center (AFAFC)	Denver, CO 80279-5000
410000	57	Air National Guard	
503000	57	Wright-Patterson AFB	2750 ABW Wright-Patterson AFB OH 45433-5260
503100	57	Tinker AFB	OC-ALC Tinker AFB, OK 73145-5260
503200	57	McClellan AFB	SM-ALC McClellan AFB, CA 95652-5260
503300	57	Robins AFB	WR-ALC Robins AFB, GA 31098-5260
503600	57	Norton AFB	63 MAW Norton AFB, CA 92409-5260
503700	57	Bolling AFB	AFDW, Bolling AFB Washington, DC 20332-5260
503800	57	Travis AFB	60 MAW Travis AFB, CA 94535-5120
503900	57	Griffiss AFB	416 BMW Griffiss AFB, NY 13441-5260
504000	57	Lowry AFB	LTTC Lowry AFB, CO 80230-5260
504200	57	Maxwell AFB	HQ AU Maxwell AFB, AL 36112-5001
504300	57	Kelly AFB	SA-ALC Kelly AFB, TX 78241-5000
504400	57	Hill AFB	OO-ALC Hill AFB, UT 84056-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
524600	57	DCASR, NY	201 Varick St. New York, NY 10014-4811
524900	57	DCASR, Chicago	O'Hare Intl Airport P.O. Box 66475 Chicago, IL 60066-0475
525000	57	Randolph AFB	12 CPTS Randolph AFB, TX 78150-5260
525100	57	Keesler AFB	KTTC Keesler AFB, MS 39534-5260
525300	57	Scott AFB	375 AAW Scott AFB, IL 62225-5260
525700	57	Offutt AFB	55 SRW Offutt AFB, NE 68113-5260
525900	57	Chanute AFB	CTTC Chanute AFB, IL 61868-5260
526100	57	Luke AFB	832 AD Luke AFB, AZ 85309-5260
526400	57	Sheppard AFB	STTC Sheppard AFB, TX 76311-5260
526500	57	Tyndall AFB	USAFADWC Tyndall AFB, FL 32403-5260
526600	57	DCASR, Atlanta	805 Walker St. Marietta, GA 30060-2789
526700	57	DCASR, Los Angeles	11099 S. La Cienega Blvd. Los Angeles, CA 90045-6197
527900	57	Eglin AFB	AD Eglin AFB, FL 32542-5260
528100	57	Shaw AFB	363 TFW Shaw AFB, SC 29152-5260
528200	57	McGuire AFB	438 MAW McGuire AFB, NJ 08641-5260
528300	57	Charleston AFB	437 MAW Charleston AFB, SC 29404-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
528400	57	Dover AFB	436 MAW Dover AFB, DE 19902-5260
528500	57	Brooks AFB	6570 ABC Brooks AFB, TX 78235-5260
539300	57	RAF Upper Heyford United Kingdom England	20 TFW APO NY 09194-5260
539500	57	Kunsan Air Base Korea	8 TFW APO San Francisco 96264-5260
558200	57	F-16 Currency Clearing House	APO New York, NY 09667
558600	57	Lindsey Air Station Germany	7100 CSW APO NY 09633-5260
590000	57	Seymour-Johnson AFB	4 TFW, Seymour-Johnson AFB, NC 27531-5260
590800	57	DCASR, Philadelphia	P.O. Box 7478 Philadelphia, PA 19101-7478
590900	57	DCASR, Boston	495 Summer St. Boston, MA 02210-2184
591000	57	DCASR, Cleveland	1240 E. 9th St. Cleveland, OH 44199-2063
591400	57	DCASR, St. Louis	1136 Washington Ave. St. Louis, MO 63101-1194
591600	57	DCASR, Dallas	500 S. Ervay St., Room 212C Dallas, TX 75201-6377
592400	57	HQ AFCMD	Kirtland AFB, NM 87117-5000
593800	57	Incirlik Air Base Turkey	39 TACG APO NY 09289-5260
594100	57	Vandenberg AFB	4392 AEROSG Vandenberg AFB, CA 93437-5260
594200	57	Space Division (SD) Los Angeles W	SD P.O. Box 92960-5260 Worldway Postal Center Los Angeles, CA 90009-2960

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
595600	57	Wright-Patterson AFB	ASD Wright-Patterson AFB, OH 45433-5260
595700	57	Columbus AFB	14 FTW Columbus AFB, MS 39701-5030
596000	57	Iraklion AF	7276 ABG Greece APO NY 09291-5260
596500	57	Beale AFB	9 SRW Beale AFB, CA 95903-5022
596600	57	Grand Forks AFB	321 CPTS Grand Forks AFB, ND 58205-5260
596900	57	K I Sawyer AFB	410 BMW K I Sawyer AFB, MI 49843-5260
597200	57	Minot AFB	91 CPTS Minot AFB, ND 58705-5260
598100	57	Misawa Air Base Japan	432 CPTS APO SF 96519-5260
598200	57	San Vito Air Base Italy	7275 ABG APO NY 09740-5260
598400	57	RAF Chicksands United Kingdom	7274 ABG APO NY 09193-5260
598800	57	Defense Commercial Communications Office	Bldg 3189 Scott AFB, IL 6225-8300
599100	57	Aerospace Guidance Newark AFS	2803 ABG Newark AFS, OH 43057-5260
658800	57	Mrytle Beach AFB	354 TFW Mrytle Beach AFB, SC 29579-5260
659300	57	Hellenikon Air Base	7206 ABG Greece APO NY 09223-5260
659600	57	Aviano Air Base Italy	40 TACG APO NY 09293-5260
659700	57	RAF Lakenheath United Kingdom	48 TFW APO NY 09179-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
659900	57	SAF/FMAF	SAF/FMAF Washington, DC 20330-1100
660000	57	MacDill AFB	56 TTW MacDill AFB, FL 33608-5260
660700	57	Lackland AFB	AFMTC Lackland AFB, TX 78236-5260
660900	57	Howard AFB Panama	24 COMPW APO Miami 34001-5260
661500	57	Little Rock AFB	314 TAW Little Rock AFB, AR 72099-5260
661600	57	Mather AFB	323 FTW Mather AFB, CA 95655-5000
662300	57	Kirtland AFB	1606 ABW Kirtland AFB, NM 87117-5260
662400	57	Patrick AFB	ESMC Patrick AFB, FL 32925-5260
662600	57	George AFB	831 AD George AFB, CA 92394-5260
663000	57	Dyess AFB	96 BMW Dyess AFB, TX 79607-5260
663200	57	Defense Mapping Agency Aerospace Center (DMAAC)	3200 S., 2nd St. St. Louis, MO 63118-3399
663600	57	Andersen AFB Guam	43 BW APO San Francisco 96334-5260
663800	57	Homestead AFB	31 TTW Homestead AFB, FL 33039-5260
664400	57	Plattburgh AFB	380 MW Plattburgh AFB, NY 12903-5260
664500	57	Pease AFB	509 BMW Pease AFB, NH 03803-5260
664600	57	Hurlburt Field	1 SOW Hurlburt Field, FL 32544-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
664700	57	Malmstrom AFB	341 SMW Malmstrom AFB, MT 59402-5260
665400	57	Williams AFB	82 FTW Williams AFB, AZ 85240-5505
665500	57	Mountain Home AFB	366 TFW Mountain Home AFB, ID 83648-5260
666200	57	Lajes Field Azores	1605 MASW APO New York 09406-5260
666300	57	Rhein Main Air Base Germany	435 TAW APO New York 09057-5260
666400	57	Fairchild AFB	92 BMW Fairchild AFB, WA 99011-5260
666500	57	McConnell AFB	384 ARW McConnell AFB, KS 67221-5260
666700	57	RAF Bentwaters United Kingdom	81 CPTS APO New York 09755-5260
667100	57	Barksdale AFB	2 BMW Barksdale AFB, LA 71110-5260
667200	57	Clark Air Base Phillipines	3 TFW APO San Francisco 96274-5260
667300	57	Arnold AFS	AEDC Arnold AFS, TN 37389-5260
668100	57	Dobbins AFB	OLEX 2400 RRMS P.O. Box 489 Marietta, GA 30061-5260
668200	57	Ellsworth AFB	44 SMW Ellsworth AFB, SD 57706-5260
668300	57	Hickam AFB Hawaii	15 ABW APO San Francisco 96853-5260
668400	57	Bergstrom AFB	67 TRW Bergstrom AFB, TX 78743-5260
668800	57	Yokota Air Base Japan	475 ABW APO San Francisco 96328-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
669100	57	McChord AFB	62 MAW McChord AFB, WA 98438-5260
669400	57	Cannon AFB	27 TFW Cannon AFB, NM 88103-5001
669800	57	Edwards AFB	AFFTC Edwards AFB, CA 93523-5260
670100	57	F E Warren AFB	90 SMW F E Warren AFB, WY 82005-5260
670900	57	Kadena Air Base Japan	18 CPTS APO San Francisco 96239-5260
671400	57	Castle AFB	93 BMW Castle AFB, CA 95342-5260
671600	57	Davis-Monthan AFB	836 AD Davis-Monthan AFB, AZ 85707-5260
671700	57	Carswell AFB	7 BMW Carswell AFB, TX 76127-5260
671800	57	Nellis AFB	TFWC Nellis AFB, NV 89191-5260
672300	57	March AFB	22 AREFW March AFB, CA 92518-5260
672900	57	Moody AFB	347 TFW Moody AFB, GA 31699-5260
673000	57	England AFB	23 TFW England AFB, LA 71301-5260
673200	57	Grissom AFB	305 AREFW Grissom AFB, IN 46971-5260
673600	57	Laughlin AFB	47 FTW ACF Laughlin AFB, TX 78843-5731
674400	57	Elmendorf AFB Alaska	21 CPTS Elmendorf AFB, AK 99506-5260
674700	57	Bitburg Air Base Germany	36 TFW APO New York 09132-5260
674800	57	Holloman AFB	833 AD Holloman AFB, NM 88330-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
674900	57	Reese AFB	64 FTW Reese AFB, TX 79489-5260
675200	57	Soesterberg Air Base Netherlands	Det 5, 32 TFS/ACF APO New York 09292-5260
675500	57	Goodfellow AFB	GTTC Goodfellow AFB, TX 76903-5260
675700	57	RAF Alconbury United Kingdom	10 TRW APO New York 09238-5260
676000	57	Hahn Air Base Germany	50 TFW APO New York 09109-5260
676100	57	Peterson AFB	1 SPACE WG Peterson AFB, CO 80914-5260
676200	57	Vance AFB	71 FTW Vance AFB, OK 73705-5000
676300	57	Sembach Air Base Germany	66 ECW APO New York 09130-5260
676500	57	Pope AFB	317 TAW Pope AFB, NC 28308-5260
676700	57	Altus AFB	443 MAW Altus AFB, OK 73523-5260
676800	57	Loring AFB	42 BMW Loring AFB, ME 04751-5260
677100	57	Whiteman AFB	351 SMW Whiteman AFB, MO 65305-5260
677600	57	Torrejon Air Base Spain	401 TFW APO New York 09283-5260
677800	57	Osan Air Base Korea	51 CPTS APO San Francisco 96570-5260
678100	57	Hanscom AFB	ESD Hanscom AFB, MA -1731-5260
678900	57	Ramstein Air Base Germany	316 AD APO New York 09012-5260

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
679100	57	Wurtsmith AFB	379 BMW Wurtsmith AFB, MI 48753-5260
679200	57	USAF Academy	HQ USAFA USAF Academy, CO 80840-5420
807800	57	Eaker AFB	97 BMW Blytheville AFB, AR 72317-5000
843000	57	Security Assistance Accounting Center	Denver, CO 80279-5000
844100	57	RAF Mildenhall United Kingdom	513 TAW APO New York 09127-5260
844200	57	Spangdahlem Air Base Germany	52 TFW APO New York 09123-5260
845600	57	Zweibrucken Air Base Germany	26 TRW APO New York 09860-5260
846100	57	Eielson AFB Alaska	343 TFW Eielson AFB, AK 99702-5260
846800	57	Foreign Military Training Affairs Group (FMTAG)	FMTAG/FAR Randolph AFB, TX 78150-5001
846900	57	Ankara Air Station Turkey	7271 ABC APO New York 09254-5260
847800	57	RAF Greenham Common United Kingdom	501 TMW APO New York 09150-5260
847900	57	Comiso Air Station Italy	487 TMW APO New York 09694-5260
850400	57	Keflavik Air Force Station	APO New York 09673-2055
852700	57	Detachment B	P.O. Box 46600 Washington, DC 20050-6600

ADDENDUM 4
DoD ACCOUNTABLE STATIONS
DEFENSE AGENCIES

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
<u>WASHINGTON HEADQUARTERS SERVICES</u>			
S49447	97	Director, Budget & Finance Washington Headquarters Services (WHS)	Room 3B287, The Pentagon, Washington, D.C. 20301-1155
<u>DEFENSE COMMUNICATION AGENCY</u>			
842500	97	Defense Communications Agency	Code: 660 Washington, DC 20305-2000
<u>DEFENSE CONTRACT AUDIT AGENCY</u>			
044201	97	Defense Contract Audit Agency, Headquarters	ATTN: FASO-CAF Cameron Station Alexandria, VA 22304-6178
045560	97	Defense Contract Audit Agency Southwestern Region	2500 Wilshire Blvd Suite 405 Los Angeles, CA 90057-4367
045570	97	Defense Contract Audit Agency, Western Region	450 Golden Gate Ave Box 36116 San Francisco, CA 94102-3563
092080	97	Defense Contract Audit Agency, Eastern Region	805 Walker Street Suite 103 Marietta, GA 30060
191440	97	Defense Contract Audit Agency, Northeastern Region	Waltham Federal Center 424 Trapelo Rd. Waltham, MA 02154-6397
036251	97	Defense Contract Audit Agency, Mid-Atlantic Region	Fed. Bldg Rm 4400 600 Arch St. Philadelphia, PA 19106
041204	97	Defense Contract Audit Agency, Central Region	106 Decker Court Suite 300 Irving, TX 75038-2414

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
<u>DEFENSE INTELLIGENCE AGENCY</u>			
503744	97	Defense Intelligence Agency (Accounting for overseas transactions performed by Department of State.)	DIA, ATTN: OC-4 Washington, DC 20340-3035
<u>DEFENSE INVESTIGATIVE SERVICE</u>			
676900	97	Defense Investigative Service	1900 Half St., S.W. Washington, DC 20324-1700
<u>DEFENSE LOGISTICS AGENCY</u>			
009206	97	Defense Contract Administration Services Region, Atlanta	DCASR 805 Walker Street Marietta, GA 30060-2887
001943	97	Defense Contract Administrative Services Region, Boston	DCASR 495 Summer Street Boston, MA 02210-2084
011202	97	Defense Contract Administrative Services Region, Chicago	O'Hare International Airport P.O. Box 66475 Chicago, IL 60666
033185	97	Defense Contract Administrative Services Region, Cleveland	DCASR 1240 East Ninth St. Cleveland, OH 44199-2064
041458	97	Defense Contract Administrative Services Region, Dallas	DCASR 1200 Main Street Dallas, TX 75202-4399
036254	97	Defense Contract Administrative Services Region, Philadelphia	DCASR P.O. Box 7478 Philadelphia, PA 19101-7478
023210	97	Defense Contract Administrative Services Region, St. Louis	DCASR 1136 Washington Ave. St. Louis, MO 63101-1194
033181	97	DLA Finance Center Columbus, Ohio	DFC-AA P.O. Box 182317 Columbus, OH 43215-2317

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
033184	97	Defense Electronics Supply Center	DESC-CA 1507 Wilmington Pike Dayton, OH 45444-0000
044203	97	Defense Fuel Supply Center	DFSC-C Cameron Station Alexandria, VA 22304-6160
044073	97	Defense General Supply Center, DLA	DGSC-C Richmond, VA 23297-5000
036054	97	Defense Industrial Supply Center	DISC-CFSC 700 Robbins Lane Philadelphia, PA 19111-5096
036030	97	Defense Personnel Support Center	DPSC-CF P.O. Box 8419 2800 South 20th Street Philadelphia, PA 19101-8019
04505	97	Defense Subsistence Region, Pacific	DSR-PAC/F 2155 Mariner Square Loop Alameda, CA 94501-1222
020114	97	Defense Reutilization and Marketing Service	DRMS-C Federal Center Battle Creek, MI 49017-3492
091501	97	Defense Reutilization and Marketing Region Europe	DRMR Wiesbaden, Germany APO New York 09633-7479
094629	97	Defense Reutilization and Marketing Region Pacific	DRMR Camp H.M. Smith Pearl Harbor, HI 96061
040110	97	Defense Depot Memphis	DDMT-CF 2163 Airways Boulevard Memphis, TN 38114-5197
042015	97	Defense Depot Ogden	DDOU-CF Ogden, UT 84407-5000
045490	97	Defense Depot Tracy	DDTC-CF S. Chrisman Road Tracy, CA 95376-5000

<u>FSN/AAA/ ADSN</u>	<u>Dept</u>	<u>Station Name</u>	<u>Station Address</u>
<u>DEFENSE NUCLEAR AGENCY</u>			
S49146	97	Defense Nuclear Agency	ATTN: COMP-3 6801 Telegraph Rd Alexandria, VA 22310-3398
290560	97	Field Command Defense Nuclear Agency	ATTN: FCCF Kirtland AFB, NM 87115-5000
S18122	21	Armed Forces Radiobiology Research Institute	ATTN: COMP Bethesda, MD 20814-5000
<u>NATIONAL SECURITY AGENCY</u>			
S18119	97	National Security Agency	FAO 9800 Savage Road Fort Meade, MD 20755
<u>DEFENSE SECURITY ASSISTANCE AGENCY</u>			
503711	97	Defense Security Assistance Agency	DSAA, Office of the Comptroller, Room 4B659, The Pentagon Washington, DC 20301-2800
<u>DOD DEPENDENTS SCHOOLS</u>			
913120	97	DODDS-Mediterranean Regional Office	Torrejon AB Spain APO New York 09283
913720	97	DODDS-Atlantic Regional Office	London United Kingdom APO New York 09241
915730	97	DODDS-Germany Regional Office	Lindsey AS Germany APO New York 09633
943900	97	DODDS-Pacific Regional Office, Futema, Japan	FPO Seattle 98772-1005
965220	97	DODDS-Panama Regional Office,	Albrook AFS Panama APO Miami 34002

CHAPTER 5

JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM0501 GENERAL050101 Purpose

This chapter sets forth the objectives of the Joint Financial Management Improvement Program (JFMIP). It provides the guidelines for DoD participation in the JFMIP and for reporting annually initiatives undertaken by DoD Components to improve financial management in the Department of Defense.

050102 Overview

A. The JFMIP is a joint and cooperative undertaking of the Office of Management and Budget, the General Accounting Office, the Department of the Treasury, and the Office of Personnel Management. The program is administered by a steering committee, which is composed of representatives of the four offices, and the Executive Director of the JFMIP. Under the guidance of the steering committee, the Executive Director and staff develop, direct, and undertake programs and projects for JFMIP on a day-to-day basis.

B. The overall objectives of the JFMIP are to:

1. Encourage and promote the sharing and exchanging of information concerning good financial policies, practices, and techniques throughout the Government, and

2. Improve financial management throughout the Government, and thereby contribute significantly to the effective and efficient planning and operation of Government programs.

0502 DoD SUPPORT OF JFMIP EFFORTS

To achieve fully the necessary coordination and cooperation, the head of each DoD Component shall designate a liaison official to serve as a point of contact on matters relating to JFMIP.

DoD liaison representatives are identified in the Federal Financial Management Directory. Their names are listed with the names of representatives of other Government Departments and Agencies. The program is implemented in the Department of Defense in two major ways:

050201 Special projects may be undertaken to study significant problem areas and recommend solutions. DoD Components benefit by cooperating with and participating in these studies as requested by the Comptroller, DoD.

050202 An annual report on the progress within the Department of Defense on its own financial management improvements helps ensure continued management attention to and interest in improving financial management. The report describes financial management activities accomplished and in progress, and becomes part of the JFMIP Annual Report highlighting some of the major financial management improvements throughout the Federal Government.

0503 INFORMATION REQUIREMENT

050301 An annual report shall be prepared on major projects. The report shall describe the project, highlight potential or actual savings, and identify the responsible action officer who may be contacted for further details. A "major" project for the JFMIP annual report is one of the following:

- A. Has estimated savings of at least \$10 million over the life cycle of the project.

- B. Eliminates weaknesses that could lead to fraud, waste, abuse, and mismanagement of Government resources.

- C. Implements actions that are in response to the Congress.

- D. Improves the accuracy, reliability, and timeliness of financial reports.

050302 The report and two copies are due to the Defense Finance and Accounting Service within 30 workdays after September 30. A Status Report of Financial Management Improvements is optional and is to be submitted only if a DoD Component has something of value, which qualifies as a "major" project.

050303 The reporting requirement of this chapter is exempt from licensing in accordance with paragraph E.4.f. of DoD 7750.5-M, "DoD Procedures for Management of Information Requirements."

050304 Instructions for completing the annual report on major financial management improvements are as follows:

A. The reporting format to be used is provided as an addendum to this chapter. The annual report should consist of a series of narrative summaries prepared in this format (one page for each major financial improvement).

B. For each item being reported, enter in the space provided one of the following report categories:

1. Improved Financial Reporting.
2. Systems Modernization and Consolidation.
3. Accounting Procedures.
4. Auditing Improvements.
5. Budgeting.
6. Cash, Credit, and Debt Management.
7. Microcomputer Applications.
8. Payroll and Personnel Systems.
9. Productivity.
10. Other.

C. The status of each reported item should be checked either as:

1. "Accomplishment;" that is, completed during the reporting period, or
2. "In process."

D. For each reported item, there should be included in narrative form in the summary section of the report (addendum):

1. A concise and succinct description of the improvement.
2. The actual or estimated implementation and/or completion date.
3. Any actual or anticipated cost savings.
4. Other major benefits.
5. The name and telephone number of an individual to whom requests for more specific information on the improvement can be directed.

E. The narrative should describe the improvement fully, yet be concise enough that it can be reported with minimum or no modification in the annual report. Do not use acronyms or abbreviations, unless they are fully explained or identified. Examples of management improvement projects are provided on pages 79 through 83 of this chapter. The summary narrative on each reported item should be limited to the space provided on the addendum. Refer to previous JFMIP annual reports for a guide concerning length and description of the summary report on each improvement. More detailed information is optional, but, if prepared, it should be attached to the summary report.

F. When special emphasis is placed on efforts that may be considered part of the financial management improvement program, such as accounting systems, approvals, and initiatives to improve integrity and efficiency, care must be taken to avoid placing duplicate or conflicting requirements upon a DoD Component's accounting entities.

050305 Instructions for updating the JFMIP Federal Financial Management Directory are as follows:

A. A current updated directory listing the top policy officials in the financial management field, and key financial management officials in headquarters and field offices for all major DoD Components shall be submitted with the annual report. The listing will include the title of the position, address, and telephone

number for each individual. The list of officials should cover, as a minimum, those functions identified in paragraph 050304.B, above.

B. The JFMIP liaison representative designated by each DoD Component should be a high official at the policy-making level designated, or redesignated, by placing an asterisk in front of his or her name.

ADDENDUM
Financial Management Improvement Initiatives

Department or Agency: _____

Bureau or Administration: _____

Contact Person: _____

Telephone Number: _____

Category of the Financial Initiative - check one:

- | | |
|--|---|
| ☐ Financial Management Systems | ☐ Cash and Credit Management |
| ☐ Financial Management and Accounting Systems | ☐ Credit Cards for Small Purchases |
| ☐ Debt Management Systems | ☐ Debit Cards |
| ☐ Procurement and Property Systems | ☐ Other Cash Management Efforts |
| ☐ Payroll Systems | ☐ Electronic Payments |
| ☐ Automated Applications | ☐ Electronic Funds Transfers |
| ☐ Cross Servicing | ☐ Automated Clearing House |
| ☐ Financial Reporting | ☐ Lockbox |
| ☐ Accounting Policies and Procedures | ☐ Third Party Drafts |
| ☐ Total Quality Management | ☐ Travel |
| ☐ Budget Formulation and Execution | ☐ Credit Management |
| ☐ Auditing and Management Review | ☐ Other Improvements |

Year-end Status (calendar year)

Accomplished _____ In Process _____

Description of the Initiative - attach no more than one page:

- Include concise description that conveys the essence of the initiative and its potential value to other agencies for application and use
- State the date of completion and/or implementation (actual or estimated)
- Describe actual or estimated benefits, such as cost savings
- Indicate future plans relating to this initiative

Financial Management Improvement Initiative

Department or Agency: Defense Finance and Accounting Service

Contact Person: Edward Grysavage

Telephone Number: (703) 607-1067

Category of the Financial Initiative: Payroll Systems

Year-end Status (calendar year 1991): In Process

In September 1991, the Navy Standard Civilian Payroll System was chosen as the standard civilian pay system DoD-wide and was renamed the Defense Civilian Pay System (DCPS). DCPS will provide DoD with a fully automated standardized civilian payroll system supported by standard payroll procedures and practices. The system will be consolidated at two locations and will eliminate the duplication and inefficiencies which occur in present payroll and central design agent operations. Other benefits include:

- (1) Uniform interpretations of regulations and payroll calculations;
- (2) Standard operating procedures, forms, and training;
- (3) Reductions of overall documentation including regulations, manuals, user manuals, etc.; and
- (4) Standardization of civilian payroll systems supports the standardization and integration in other areas such as personnel, accounting, and labor accounting.

The first payroll office is scheduled to become operational in mid-1992 with consolidation being completed in 1995. DCPS will save approximately \$700 million in a ten year period.

Financial Management Improvement Initiative

Department or Agency: Defense Finance and Accounting Service

Contact Person: Captain William Wilund

Telephone Number: (703) 602-4882

Category of the Financial Initiative: Payroll System

Year-end Status (Calendar year 1991): In Process

Currently, there are six separate pay systems paying the active, Reserve, and National Guard members of the four Services. A study was conducted to determine the feasibility of standardizing/consolidating these systems into one system and to determine if inefficiencies and duplication could be eliminated. On October 1991, the recommendations of the study were approved to implement the Defense Joint Military Pay System (DJMS). DJMS will encompass two separate subsystems, one operating at the Indianapolis, Cleveland, and Denver Centers for paying Army, Navy, and Air Force personnel and the other operating in the Kansas City Center for paying Marine Corps personnel. The high level of integration of the Marine Corps personnel and pay systems made the implementation of a single software system impractical.

Prior to starting the study, the Army and the Air Force were in the process of standardizing their active, Reserve, and National Guard pay systems to Joint Service Software (JSS). JSS will be the nucleus for DJMS and will be modified to accommodate the Navy's requirements. Consolidation of the Marine Corps active and Reserve pay systems will begin in January 1992 and be completed in August 1993. DJMS is scheduled to be completed by December 1994.

DJMS will eliminate duplicate software development efforts, standardize operations, pay computations, and interpretations; and reduce operational costs. Estimated savings are \$37.4 million over an 8 year life cycle.

Financial Management Improvement Initiative

Department of Agency: Defense Finance and Accounting Service

Contact Person: Ms. Gloria Harris

Telephone Number: (703) 607-1370

Category of the Financial Initiative: Payroll Systems

Year-end Status (calendar year 1991): In Process

Currently, eight different systems are used to process pay for military retirees and annuitants. We conducted a feasibility study which determined that the inefficiencies and duplicate operations inherent in the present processing environment could be substantially reduced upon incorporation of a standardized and consolidated pay process. As a result, on August 8, 1991, the Defense Finance and Accounting Service received approval to implement the Defense Retiree and Annuitant Pay System (DRAS) as the standard pay system for supporting military retirees and their annuitants in the future. This system will allow for enhanced customer service by providing a standard system with base level support for all military retirees and annuitants.

The DRAS implementation effort will convert the Army, Navy, Air Force, and Marine Corps retiree and annuitant systems into one consolidated system to operate at two Defense Finance and Accounting Service Centers. Payments for all military retirees will be processed at our Cleveland Center and all annuitant payments at the Denver Center. The implementation effort commenced in October 1991 and is scheduled to be completed by January 1995.

The system will provide for uniform interpretations of regulations and pay calculations; standard operating procedures, forms, and training; a reduction in the overall documentation requirement; and a significant reduction of 242 personnel billets. Additionally, it will support standardization and integration in other areas such as personnel and accounting.

The net projected life cycle savings for this standard system implementation equate to approximately \$12.2 million.

Financial Management Improvement Initiative

Department or Agency: Defense Finance and Accounting Service

Contact Person: Michael Bryant

Telephone Number: (703) 607-1587

Category of the Financial Initiative: Travel

Year-end Status (calendar year 1991): In Process

DoD has approved the implementation of a standard travel system designated the Defense Travel Pay System. The system will replace manual and automated systems in use by DoD agencies and the Military Services. All travel orders and claims will be prepared using the system at the local activity level and all claims will be paid from a central site. Local activities will use telecommunications to interface with the central site. The system will make extensive use of electronic signature and certification.

The system will be comprised of several modules, some of which will be purchased and usage limited to DoD by contractual agreement. Major modules will include a travel order writer, claim preparation modules for both permanent change of station (PCS) and temporary duty travel (TDY), and claim computation modules for both PCS and TDY.

The system will use electronic signatures to eliminate paper flow between activities and the central site. The system will feature single entry of data and automated interfaces with accounting, personnel, disbursing, and debt collection systems. These features will eliminate manual reentry of data and many accounting reconciliation problems. The system will also provide automated standard tracking of travel claims to ensure timely filing and collection of excess advances. The system will make use of EFT for advances and settlements. The system will also make use of the government travel card and travelers checks for advances. Government checks and cash will still be used for advances, but their use will be minimized.

The development of the system has already started. The first prototype is planned for January 1993. Full scale implementation is scheduled to begin in July 1993 and scheduled for completion in June 1994. Once fully implemented, the system will save \$364 million over 10 years.

Financial Management Improvement Initiative

Department or Agency: Defense Finance and Accounting Service

Contact Person: Major Gail Jennings

Telephone Number: (703) 607-0810

Category of the Financial Initiative: Other Improvements

Year-end Status (calendar year 1991): In Process

Defense Management Report Decision (DMRD) 941 directed the implementation of Electronic Commerce/Electronic Data Interchange (EC/EDI) throughout the Department of Defense (DoD) to accomplish specific cost reductions over a six year period with the goal of achieving \$98M per year savings. As a result, the Defense Finance and Accounting Service (DFAS) has undertaken a pilot project to test and implement the capabilities needed to establish an EDI system which allows paperless interoperability using standard: (1) computer system components; (2) commercial and DoD EDI transaction formats; (3) electronic mail and messaging formats; (4) DoD networks; (5) commercial networks and third-party services; and (6) electronic funds transfers. This initiative will streamline finance and accounting procedures. In addition, it impacts functional areas across the DoD; i.e., procurement/contract administration, transportation, and supply/maintenance as well as impacting on business interactions with the private sector.

The overall volume of transactions shall be the primary determiner for prioritization of pilot and migration site selection. There will be maximal use of existing automated systems and no additional networks added to implement the EDI system. This project will begin in the second quarter of FY 92. Eighty percent of full operating capabilities is anticipated in the fourth quarter of FY 95.

Currently, there is very limited EC/EDI use among the DFAS, the DoD, and the private sector, resulting in inefficient and less than timely execution of business transactions. The benefits of this DFAS initiative include, but are not limited to, lower data entry cost, more accurate and timely business data, reduced inventory, decreased paper handling, improved productivity, better business relationships, and greater customer satisfaction.

Through DMRD 941 guidance and executive direction, over 39% (\$38.9M) of the annual direct cost savings referenced above, will be realized by implementing DFAS EDI initiatives.

CHAPTER 6

DoD COMPTROLLER FINANCIAL MANAGEMENT AWARDS0601 PURPOSE

This chapter provides policy, responsibilities, and procedures for the Comptroller of the Department of Defense Financial Management Awards Program. This program is intended to recognize those individuals or groups in the Department of Defense who have made significant contributions to the improvement of financial management. This guidance also explains eligibility, criteria for nominations, and selection.

0602 APPLICABILITY AND SCOPE

Any DoD military or civilian employee or group who has made a significant contribution to the improvement of a financial management system is eligible for nomination for an award. Also eligible are those individuals or groups who have significantly contributed to a DoD-wide financial management initiative.

0603 POLICY

It is DoD policy that:

A. Military and civilian members who make outstanding contributions to the improvement of DoD financial management should be recognized.

B. Recognition, in the form of an engraved plaque, shall be presented to, and retained by, the individual or group deemed to have achieved the most outstanding contribution(s) to the improvement of a financial management system or initiative during the preceding fiscal year.

C. Award plaques shall be presented to winners in each of the following categories:

1. Financial management system improvement.

2. Financial management initiative.

D. An award shall also be presented to the activity that each award recipient represents.

0604 RESPONSIBILITIES

060401 The Comptroller of the Department of Defense shall:

A. Select award recipients for each award category.

B. Present awards to each recipient in an annual ceremony.

060402 The Deputy Comptroller of the Department of Defense (Management Systems) shall annually convene a Financial Management Awards Program Board to receive nominations from the DoD Components and to make award recommendations to the Comptroller of the Department of Defense.

060403 The Financial Management Awards Program Board shall:

A. Be composed of the Deputy Comptroller Of the Department of Defense (Management Systems) (Chair) with a representative from each of the Military Departments, the Defense Finance and Accounting Service, and a representative from among Defense Agencies. The representative from the Defense Agencies shall be selected by the Director, Washington Headquarters Services.

B. Convene annually to evaluate nominations and make recommendations for winners in each award category.

C. Recommend award winners for each award category based on the criteria in paragraph 0605.

060404 The Secretaries of the Military Departments, the Director of the Defense Finance and Accounting Service, and the Directors of the Other Defense Agencies shall:

A. Each select a representative to the Financial Management Awards Program Board and notify the Deputy Comptroller of the Department of Defense (Management Systems) by March 1, each year, of the representative selected from their DoD Component. The Director of the Washington Headquarters Services shall appoint a representative of the Defense Agencies (other than the Defense Finance and Accounting Service) from among nominees selected by the Directors of the applicable Defense Agencies.

B. Each year, nominate individuals for the Financial Management Award in accordance with the procedures and criteria in paragraph 0605.

0605 DoD FINANCIAL MANAGEMENT AWARD CRITERIA AND PROCEDURES

The procedures and criteria for the DoD Financial Management Award are as follows:

060501 Award Criteria.

A. Nominations for DoD Financial Management Awards shall be based on the individual's achievements during the immediately preceding fiscal year and evaluated on the nominee's:

1. Success in meeting assigned financial management goals.

2. Implementation of initiatives resulting in a superior improvement in the quality of financial management.

3. Other outstanding services or significant contributions to the DoD Financial Management Program.

060502 Nomination Format.

A. The narrative should be on standard letter size (8-1/2x11) paper with one inch margins. The heading of the narrative should be:

NOMINATION OF (Insert Nominee Name),
For the Fiscal Year (Insert Fiscal Year) Financial
Management Award, For (Insert Award Category)

The initial paragraph should state the name of the financial management system or initiative to which the contribution was made.

The succeeding paragraphs of the narrative should contain a description of the achievement and its value to the Department of Defense. The last paragraph of the narrative should contain a proposed citation. The nominating official should sign at the bottom.

B. Included with the nomination, on a separate page, should be the following:

1. Name, rank or grade, duty title, office mailing address, and telephone number of the nominee.

2. Name and members of group if a group is nominated for the award.

3. Name of the activity to which the nominee is assigned.

4. Name and telephone number of the official to be contacted for further information.

5. Name, rank or grade, duty title, office mailing address, and telephone number of the nomination official. The nominating official shall sign and date the nomination.

060503 Submission of Nominations.

Heads of DoD Components shall submit nominations to the Deputy Comptroller (Management Systems), Office of the Comptroller of the Department of Defense, Room 3E825, the Pentagon, Washington, DC 20301-1100, so as to be received by the last workday in March of each year.

0606 AWARDS

The awards shall consist of an engraved plaque for each winning individual or group. There shall also be an award for each individuals assigned activity.

CHAPTER 7

DEPARTMENT OF DEFENSE STANDARD GENERAL LEDGER

0701 Purpose. This chapter prescribes the Department of Defense (DoD) Uniform Chart of Accounts that is required for use in the accounting systems of the Department.

0702 General.

A. The DoD Uniform Chart of Accounts provides the basic structure of the DoD Standard General Ledger. The DoD Standard General Ledger is based upon the U.S. Government Standard General Ledger. The DoD Standard General Ledger incorporates proprietary and budgetary accounts. Both the proprietary and budgetary accounts are self-balancing within themselves. The budgetary accounts are further divided into accounts applicable to three organizational levels within the DoD. The three levels are (1) Departmental level, (2) Intermediate Command level and (3) Installation level. Budgetary accounts applicable to each of the three levels must be self-balancing within that level. Since installation level budgetary accounts are used to record budget execution transactions, they are not limited for use at an installation and may be used at any, or all, DoD organizational levels.

B. Summary and posting accounts have been provided and are so designated in the DoD Uniform Chart of Accounts and associated account descriptions. A summary account is an account that has been subdivided into subsidiary posting accounts. Accounts that are not further subdivided are posting accounts. Postings should not be made to summary accounts.

0703 Internal Control Standards. The objectives of internal controls are to reasonably assure that (1) obligations and costs comply with applicable law; (2) assets are safeguarded against waste, loss, unauthorized use, and misappropriation; (3) revenues and expenditures are recorded and accounted for properly so that accounts and reliable financial reports may be prepared and accountability of assets may be maintained.

Specific internal control standards to achieve these objectives are:

A. Documentation. Internal control systems and all transactions and significant events are to be documented clearly and the documentation is to be available for examination.

B. Recording of Transactions and Events. Transactions and significant events are to be recorded promptly and classified properly.

C. Execution of Transactions and Events. Transactions and significant events are to be authorized and executed only by persons acting within the scope of their authority.

D. Separation of Duties. Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be separated among individuals.

E. Supervision. Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved.

G. Access to and Accountability for Resources. Access to resources and records is to be limited to authorized individuals. Accountability for the custody and use of resources is to be assigned and maintained. Periodic comparison shall be made of the resources with the recorded accountability to determine whether the two agree. The frequency of the comparison shall be a function of the vulnerability of the asset.

0704 Applicability and Scope.

A. The DoD Uniform Chart of Accounts is applicable to all DoD accounting systems for all appropriations and funds.

B. A four digit account numbering system has been provided. In some instances, the numbering system has been expanded to accommodate specific DoD needs. The DoD Compo-

nents may expand this numbering system to as many alpha/numeric characters as are needed to accommodate specific DoD Component subsidiary accounts, provided such expansions continue to roll up to the basic account structure provided. The basic structure of the DoD Uniform Chart of Accounts consists of:

Proprietary Accounts

- 1000 Assets
- 2000 Liabilities
- 3000 Equity of the U.S. Government
- 5000 Revenue
- 6000 Expense
- 7000 Gains/Losses/Extraordinary Items, etc.

Budgetary Accounts

- 4000 Budgetary

0705 Basic Concept.

A. All resources acquired and used, and claims against those resources, are to be recorded on the basis of financial transactions (that is, recordation of amounts in general ledger accounts shall be transaction driven).

B. The DoD Standard General Ledger shall be used regardless of the sources of funds. However, fund identification of financial resources shall be maintained in order to (1) disclose compliance with financial authorizations and (2) prepare reports on the status of appropriations and funds for the Congress, the Office of Management and Budget, and the Treasury Department.

C. The DoD Standard General Ledger account structure is intended as the minimum structure required to assure consistent treatment of similar transactions. Additional subsidiary accounts may be established as needed to meet specific management requirements. However, the prescribed accounts shall be used as general ledger control accounts. Structures that are "similar," whether more or less detailed, are not authorized for use. Not all accounts are needed by all accounting entities.

D. The DoD Standard General Ledger account structure shall be used to record all of the series of events that occur from the time an appropriation is received until the resources acquired are used or disposed. A self-balancing set of budgetary accounts covers the appropriation, apportionment, allocation, commitment, obligation and expenditure process. Proprietary asset and liability accounts cover the receipt of funds in the Treasury, the proper classification of assets (such as receivables, prepayment, inventory and fixed assets), and the recognition and proper classification of liabilities. Revenue and expense accounts measure the realization of revenues from the sale of goods and services, and the recognition of costs through the use and consumption of assets. The financial control provided through accounting records for property provides managers with a tool that will help to discharge effectively their stewardship function for those resources.

E. The DoD Standard General Ledger account structure also facilitates the accumulation and recording of expenses by major areas of responsibility or activity. By having a single general ledger, expenses incurred by a DoD entity for any given activity for which it is responsible, and the associated revenues, if any, can be ascertained by managers with confidence that the accounting is complete and controlled. This will be possible regardless of the appropriation or fund that originally financed the cost and without the need for memorandum accounting records. Consistency in the accounting treatment of similar transactions, through the use of a uniform structure, creates reliable cost data for planning, budgeting and other management purposes.

0706 Objectives.

The objectives of the DoD Standard General Ledger are to:

A. Establish an account structure for the integration of appropriation or fund accounting, property accounting, revenue accounting and expense accounting.

B. Provide managers with the visibility over accurate and complete financial data, in-

cluding total operating expenses and total acquisition cost of real and personal property.

C. Achieve a uniform treatment of similar transactions by all DoD Components at all levels.

D. Establish accounting control over all resources from receipt to consumption or disposal.

E. Provide the capability of producing significant expense and cost information concerning programs, projects and other activities in accordance with internal management needs.

F. Provide appropriation and fund data needed to meet reporting requirements of the central fiscal agencies and the Chief Financial Officers Act of 1990, as well as to provide such other financial data as may be needed for internal and external reporting requirements.

G. Facilitate the development of future accounting improvements.

II. Assure compliance with the Office of Management and Budget pronouncements including those developed by the Federal Accounting Standards Advisory Board; DoD accounting policies and standards set forth in this Regulation; and other applicable regulations promulgated by the central fiscal agencies.

0707 Budgetary and Proprietary Accounting Relationships.

Figure 7-1 illustrates the following budgetary and proprietary accounting relationships.

A. An entry to record budget authority (vice budgetary resources) in budgetary accounts requires a corresponding entry to record funds with Treasury in proprietary accounts.

B. An entry to record accrued expenditures unpaid in budgetary accounts requires a corresponding entry to record accounts payable in proprietary accounts.

C. An entry to record accrued expenditures paid in budgetary accounts requires a corresponding entry to record funds disbursed in proprietary accounts.

D. An entry to record reimbursements earned but unpaid in budgetary accounts requires a corresponding entry to record accounts receivable in proprietary accounts.

E. An entry to record reimbursements earned and paid in budgetary accounts requires a corresponding entry to record funds collected in proprietary accounts.

F. An entry to record refunds due-accrued expenditures in budgetary accounts requires a corresponding entry to record refunds receivable in proprietary accounts.

0708 DoD Uniform Chart of Accounts. A listing of the approved DoD Uniform Chart of Accounts for use within the Department is at Addendum 1. A description of the accounts is at Addendum 2. Accounts that are underlined in Addendum 1 are summary level accounts.

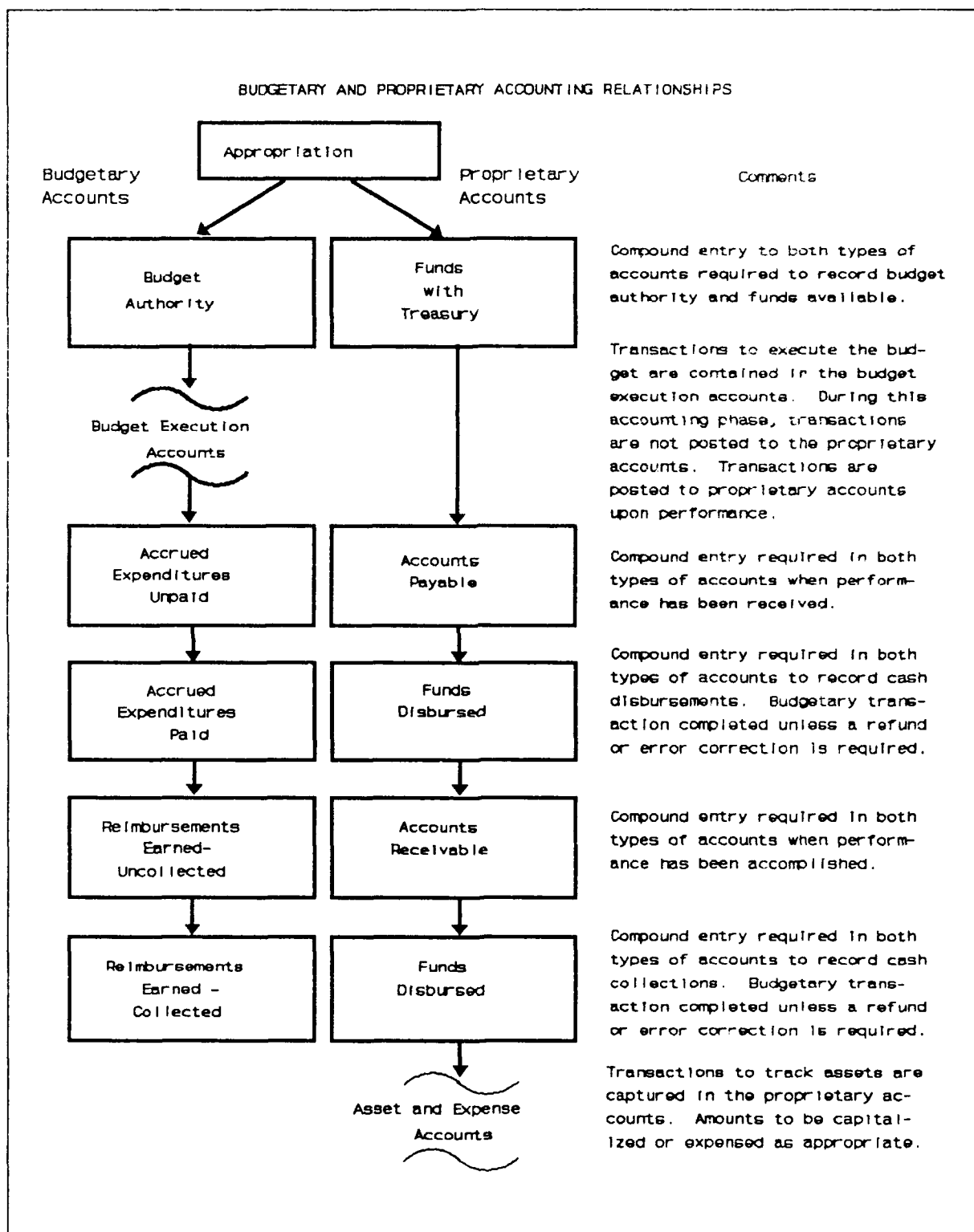


FIGURE 7-1

ADDENDUM 1
DoD UNIFORM CHART OF ACCOUNTS

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
<u>1000</u>	<u>ASSETS</u>	2
1010	<u>Fund Balance with Treasury</u>	2
1011	<u>Funds Collected</u>	2
1011.1	Funds Collected-Operation-DBOF	2
1011.2	Funds Collected-Capital Asset-DBOF	2
1011.3	Funds Collected-Depreciation-DBOF	2
1011.4	Funds Collected-MILCON-DBOF	2
1012	<u>Funds Disbursed</u>	2
1012.1	Funds Disbursed-Operating-DBOF	2
1012.2	Funds Disbursed-Capital-DBOF	2
1013	Funds With Treasury	2
1014	Undistributed Collections	2
1015	Undistributed Disbursements	2
<u>1100</u>	<u>Cash</u>	2
1110	Undeposited Collections	2
1120	Imprest Funds	2
1190	<u>Other Cash</u>	2
1191	Disbursing Officers' Cash	2
1200	Foreign Currency	2
<u>1300</u>	<u>Receivables, Net</u>	3
1310	<u>Accounts Receivable</u>	3
1311	Accounts Receivable-Government-Current	3
1312	Accounts Receivable-Government-Noncurrent	3
1313	Accounts Receivable-Public-Current	3
1314	Accounts Receivable-Public-Noncurrent	3
1315	Refunds Receivable-Government	3
1316	Refunds Receivable-Public	3
1319	Allowance for Loss on Accounts Receivable	3
1320	Claims Receivable-Public	3
1350	<u>Loans Receivable</u>	3
1351	Loans Receivable-Government-Current	3
1352	Loans Receivable-Government-Noncurrent	3
1353	Loans Receivable-Public-Current	3
1354	Loans Receivable-Public-Noncurrent	3
1359	Allowance for Loss on Loans Receivable	3

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
<u>1400</u>	<u>Advances and Prepayments</u>	5
<u>1410</u>	<u>Advances to Others</u>	5
1411	Travel Advances	5
1412	Advances to Contractors and Suppliers	5
1413	Advances to Grantees	5
1414	Advances-All Others-Public	5
1415	Advances to Government Agencies and Funds	5
<u>1450</u>	<u>Prepayments</u>	5
1451	Prepaid Expenses	5
1452	Progress Payments Made to Others	5
<u>1500</u>	<u>Inventories, Net</u>	4
1510	Inventory for Agency Operations	4
1519	Allowance for Loss on Inventory for Agency Operations	4
1520	Inventory for Sale	4
1529	Allowance for Loss on Inventory for Sale	4
1530	Inventory-Raw Material and Supplies	4
1539	Allowance for Loss on Inventory-Raw Materials and Supplies	4
<u>1540</u>	<u>Inventory-Work in Process</u>	4
1541	Inventory-Work in Process-In-House	4
1542	Inventory-Work in Process-Contractor	4
1543	Inventory-Work in Process-Other Government Activities	4
1544	Inventory-Work in Process-Government Furnished Material	4
1545	Customer Work in Progress-Capital-DBOF	4
1549	Allowance for Loss on Inventory-Work in Process	4
1550	Inventory-Finished Goods	4
1559	Allowance for Loss on Inventory-Finished Goods	4
1560	Other Inventory	4
1569	Allowance for Loss on Other Inventory	4
1570	Stockpiled Materials and Supplies	4
1579	Allowance for Loss on Stockpiled Materials and Supplies	4
1580	Inventory in Transit	4

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
<u>1600</u>	<u>Investments, Net</u>	7
1610	Securities (At Par)	7
1611	Securities-Unamortized Premium or Discount	7
1690	Other Investments	7
<u>1700</u>	<u>Fixed Assets, Net</u>	6
1710	Land	6
<u>1720</u>	<u>Construction in Progress</u>	6
1721	Construction in Progress-In House	6
1722	Construction in Progress-Contractor	6
1723	Construction in Progress-Other Government Activities	6
1724	Construction in Progress-Government Furnished Material	6
1725	Construction on Progress-Capital-DBOF	6
1730	Buildings	6
1739	Accumulated Depreciation on Buildings	6
1740	Other Structures and Facilities	6
1749	Accumulated Depreciation on Other Structures and Facilities	6
1750	Equipment	6
1759	Accumulated Depreciation on Equipment	6
<u>1760</u>	<u>Military Equipment</u>	6
1761	Industrial Property in Layaway	7
1762	Equipment in Use	6
1763	Equipment with Contractors, Testing Agencies, Defense Industrial Facilities and Others	6
1764	Equipment on Loan	6
1765	Property Awaiting Disposal	7
1766	Equipment Not in Use	6
1769	Accumulated Depreciation on Military Equipment	6
1770	Equipment in Transit	6
<u>1800</u>	<u>Other Fixed Assets</u>	6
1810	Assets Under Capital Lease	7
1819	Accumulated Depreciation on Assets Under Capital Lease	7
1820	Leasehold Improvements	7
1829	Accumulated Amortization on Leasehold Improvements	7

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
1830	Automated Data Processing Software	7
1839	Accumulated Amortization on Automated Data Processing Software	7
1840	Other Natural Resources	6
1849	Allowance for Depletion	6
1890	Other Fixed Assets	7
<u>1900</u>	<u>Other Assets, Net</u>	7
1910	Acquired Collateral	7
1919	Allowance for Loss on Acquired Collateral	7
1920	Unrequisitioned Authorized Appropriations	7
<u>1990</u>	<u>Other Assets</u>	7
1991	Intangible assets	7
1992	Accumulated Amortization on Intangible Assets	7
<u>2000</u>	<u>LIABILITIES</u>	9
<u>2100</u>	<u>Accrued Liabilities-Other</u>	9
<u>2110</u>	<u>Accounts Payable</u>	9
2111	Accounts Payable-Government-Current	9
2112	Accounts Payable-Government-Noncurrent	9
2113	Accounts Payable-Public-Current	9
2114	Accounts Payable-Public-Noncurrent	9
2115	Claims Payable	9
2120	Disbursements in Transit	9
2130	Contract Holdbacks	9
2140	Accrued Interest Payable	9
2190	Other Accrued Liabilities	9
<u>2200</u>	<u>Accrued Liabilities-Payroll and Benefits</u>	10
<u>2210</u>	<u>Accrued Funded Payroll and Benefits</u>	10
2211	Accrued Payroll-Civilian	10
2212	Accrued Payroll-Military	10
2213	Accrued Payroll-Civilian-Employer Share of Fringe Benefits	10
2214	Accrued Payroll-Military-Employer Share of Fringe Benefits	10

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
<u>2220</u>	<u>Accrued Unfunded Annual Leave</u>	10
2221	Accrued Annual Leave-Civilian (Unfunded)	10
2222	Accrued Annual Leave-Military (Unfunded)	10
<u>2300</u>	<u>Unearned Revenues (Advances)</u>	14
<u>2310</u>	<u>Advances from Others</u>	14
2311	Unearned Revenue-Advances from Government Agencies and Funds	14
2312	Unearned Revenue-Advances from the Public	14
2320	Deferred Credits	14
<u>2400</u>	<u>Liability for Deposit Funds and Suspense Accounts</u>	14
2410	Treasury Cash Advances to Disbursing Officers	14
2411	Deposit Fund Liabilities	14
<u>2500</u>	<u>Debt</u>	12
2510	Borrowing From Treasury	12
2520	Borrowing From Federal Financing Bank	12
2530	Securities Issued by Federal Agencies Under Special Financing Authority	12
2540	Participation Certificates	12
<u>2590</u>	<u>Other Debt</u>	12
2591	Mortgages Payable-Family Housing	12
2592	Mortgages Payable-Homeowners Assistance Program	12
<u>2600</u>	<u>Actuarial Liabilities</u>	10
2610	Retirement Plans	10
2620	Insurance Plans	10
2690	Other Actuarial Liabilities	10
<u>2900</u>	<u>Other Liabilities</u>	14
2910	Prior Liens Outstanding on Acquired Collateral	14
2920	Contingent Liabilities	14

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
<u>2990</u>	<u>Other Liabilities</u>	14
2991	Capital Leases Payable	13
2992	Liability for Property Furnished by Others	14
2993	Accrued Civilian Severance Pay (Unfunded)	10
2994	Progress Billings to Others	14
<u>3000</u>	<u>EQUITY</u>	17
3100	Appropriated Capital	17
<u>3200</u>	<u>Invested Capital</u>	17
<u>3210</u>	<u>Capital Investments</u>	17
<u>3211</u>	<u>Capital Investment-DBOF</u>	17
3211.1	Appropriations Available	17
3211.2	Assets Capitalized	17
3211.3	Liabilities Assumed	17
3213	Capital Investment-Special Defense Acquisition Trust Fund	17
3214	Capital Investment-Foreign Military Sales Trust Fund	17
3215	Capital Investment-Military Retirement Trust Fund	17
3216	Capital Investment- DoD Education Benefits Trust Fund	17
3217	Capital Investment-Other Trust Funds	17
3220	Transfers-In from Others Without Reimbursement	17
3221	Transfers In from Others Without Reimbursement-DBOF	17
3221.1	Transfers In from Others Without Reimbursement- Capital-DBOF	17
<u>3230</u>	<u>Transfers-Out to Others Without Reimbursement</u>	17
3231	Transfers-Out to Government Agencies Without Reimbursement	17
3232	Transfers-Out to All Others Without Reimbursement	17
3233	Transfers Out to Others Without Reimbursement-DBOF	17
3233.1	Transfers Out to Others Without Reimbursement- Capital-DBOF	17
<u>3300</u>	<u>Results of Operations</u>	17
<u>3310</u>	<u>Cumulative Results of Operations</u>	17
<u>3311</u>	<u>Cumulative Results of Operations-DBOF</u>	17
3311.1	Accumulated Operating Results	17
3311.2	Reserve-Major Real Property Maintenance-DBOF	17
3313	Cumulative Results of Operations-Special Defense Acquisition Trust Fund	17
3314	Cumulative Results of Operations-Foreign Military Sales Trust Fund	17
3315	Cumulative Results of Operations-Military Retirement Trust Fund	17

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
3316	Cumulative Results of Operations-DoD Education Benefits Trust Fund	17
3317	Cumulative Results of Operations-Other Trust Funds	17
<u>3320</u>	<u>Net Results of Operations</u>	17
3321	Net Results of Operations-DBOF	17
3323	Net Results of Operations-Special Defense Acquisition Trust Fund	17
3324	Net Results of Operations-Foreign Military Sales Trust Fund	17
3325	Net Results of Operations-Military Retirement Trust Fund	17
3326	Net Results of Operations- DoD Education Benefits Trust Fund	17
3327	Net Results of Operations-Other Trust Funds	17
3400	Donations and Other Items	17
3500	Deferred Liquidating Cash Authority	17
<u>3600</u>	<u>General Fund Receipts</u>	17
3610	Uncollected Revenue-General Fund-Miscellaneous Receipts	17
3620	Funds Returned to General Fund-Miscellaneous Receipts	17

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 3 CHAPTER REFERENCE</u>
<u>4000</u>	<u>BUDGETARY</u>	9
<u>4110</u>	<u>Appropriations Realized</u>	9
4111	Debt Liquidation Appropriations	9
4112	Deficiency Appropriations	9
4113	Appropriations Rescinded	9
4114	Appropriations Realized But Withdrawn	9
4119	Other Appropriations Realized	9
4120	Appropriations Anticipated (Indefinite)	9
<u>4130</u>	<u>Contract Authority</u>	9
4131	Contract Authority-Without Liquidating Appropriation	9
4132	Contract Authority-With Liquidating Appropriation	9
4133	Contract Authority Lapsed or Withdrawn	9
<u>4140</u>	<u>Borrowing Authority</u>	11
4141	Borrowing Authority-Definite	11
4142	Borrowing Authority-Indefinite	11
4143	Borrowing Authority-Withdrawn	11
4150	Other New Budget Authority	9
4160	Anticipated Transfers of Current Fiscal Year Authority	9
4170	Appropriation Transfers	9
4180	Anticipated Transfers of Prior Fiscal Year Authority	9
4190	Transfers-Prior Year Budgetary Resources	9
<u>4210</u>	<u>Anticipated Reimbursements and Other Income</u>	9
4211	Anticipated Reimbursements-Specific Apportionment	9
4212	Anticipated Reimbursements-Automatic Apportionment	9
<u>4220</u>	<u>Reimbursable Orders Accepted</u>	11
4221	Customer Orders Accepted-Automatic Apportionment	11
4222	Customer Orders Accepted-Specific Apportionment	11
<u>4230</u>	<u>Unfilled Customer Orders-Unobligated</u>	11
4231	Unfilled Customer Orders-Without Advance-Automatic Apportionment	11
4232	Unfilled Customer Orders-Without Advance-Specific Apportionment	11
4233	Unfilled Customer Orders-With Advance-Automatic Apportionment	11
4234	Unfilled Customer Orders-With Advance-Specific Apportionment	11

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 3 CHAPTER REFERENCE</u>
4240	Unfilled Customer Orders-Obligated	11
<u>4250</u>	<u>Reimbursements and Other Income Earned</u>	11
4251	Reimbursements Earned-Uncollected-Automatic Apportionment	11
4252	Reimbursements Earned-Uncollected-Specific Apportionment	11
4253	Reimbursements Earned-Collected-Automatic Apportionment	11
4254	Reimbursements Earned-Collected-Specific Apportionment	11
4255	Reimbursements Earned-Collected-Undistributed	11
4310	Anticipated Recoveries of Prior Year Obligations	11
<u>4320</u>	<u>Actual Recoveries of Prior Year Obligations</u>	11
4321	Actual Recoveries of Prior Year Obligations-Direct Program	11
4322	Actual Recoveries of Prior Year Obligations-Reimbursable Program	11
4330	Funds Generated from Deobligations of Prior Year Funds	11
<u>4390</u>	<u>Balance Available for Restoration, Writeoff and Withdrawal</u>	9
<u>4391</u>	<u>Restorations, Writeoffs and Withdrawals</u>	9
4391.1	Restorations and Withdrawals-Annual and Multiyear	9
4391.2	Restorations and Writeoffs-No Year	9
4392	Withdrawals Due to Rescission of Unobligated Balances	9
4410	Budgetary Resources-Not Available Pursuant To Public Law	9
4420	Appropriations Available For Apportionment-Withheld Pending Rescission	9
4430	Appropriations Available For Apportionment-OMB Deferred Programs	9
4440	Revolving Funds Available For Apportionment	9
4450	Authority Available For Apportionment	9
<u>4510</u>	<u>Apportionment Available For Distribution</u>	9
4511	Unallocated Apportionment-Direct Program-Current Period	9
4512	Unallocated Apportionment-Direct Program-Subsequent Periods	9
4513	Unallocated Apportionment-OSD Withheld Programs	9
4514	Unallocated Apportionment-Reimbursable Program-Current Period	9
4515	Unallocated Apportionment-Reimbursable Program-Subsequent Periods	9
4516	Unallocated Unfunded Contract Authority	9

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 3 CHAPTER REFERENCE</u>
4517	Unallocated Apportionment-Reserved for Other Anticipated Resources	9
4518	Unallocated Apportionment-Reserved for Anticipated Resources-Automatically Apportioned	9
4520	Allocations To Others	9
4530	Allocations From Others	9
<u>4540</u>	<u>Internal Fund Distributions Issued</u>	9
4541	Allocations Issued-Direct Program-Current Period	9
4542	Allocations Issued-Direct Program-Subsequent Periods	9
4543	Allocations Issued-Reimbursable Program-Current Period	9
4544	Allocations Issued-Reimbursable Program-Subsequent Periods	9
4545	Allocations Issued-Withheld Programs	9
4550	<u>Internal Fund Distributions Received</u>	10
<u>4560</u>	<u>Funds Available For Allotment</u>	10
4561	Unallotted Allocations-Direct Program-Current Period	10
4562	Unallotted Allocations-Direct Program-Subsequent Period	10
4563	Unallotted Allocations-Reimbursable Program-Current Period	10
4564	Unallotted Allocations-Reimbursable Program-Subsequent Periods	10
4565	Unallotted Allocations-Withheld Programs	10
4566	Unallotted Allocations-Operating Cost Authority-DBOF	10
4567	Unallotted Allocations-Capital Authority-DBOF	10
<u>4570</u>	<u>Allotments Issued</u>	10
4571	Allotments Issued-Direct Program-Current Period	10
4572	Allotments Issued-Direct Program-Subsequent Periods	10
4573	Allotments Issued-Reimbursable Program-Current Period	10
4574	Allotments Issued-Reimbursable Program-Subsequent Periods	10
4575	Allotments Issued-Withheld Programs	10
4576	Allotments Issued-Operating Cost Authority-DBOF	10
4577	Allotments Issued-Capital Authority-DBOF	10
<u>4580</u>	<u>Allotments Received</u>	11
4580.A	Operating Cost Authority-A Goal-DBOF	11
4580.B	Operating Cost Authority-B Goal-DBOF	11
4580.C	Operating Cost Authority-C Goal-DBOF	11
4580.D	Operating Cost Authority-D Goal-DBOF	11
4581	Automatic Reimbursement Program	11
4582	Allotted Reimbursable Program-Current Period	11
4583	Allotted Reimbursable Program-Subsequent Periods	11
<u>4584</u>	<u>Anticipated Earned Authority-DBOF</u>	11
4584.A	Anticipated Earned Authority-A Goal-DBOF	11
4584.B	Anticipated Earned Authority-B Goal-DBOF	11

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 3 CHAPTER REFERENCE</u>
4584.C	Anticipated Earned Authority-C Goal-DBOF	11
4584.D	Anticipated Earned Authority-D Goal-DBOF	11
<u>4585</u>	<u>Capital Program-DBOF</u>	
4585.1	Capital Authority-DBOF-Equipment-Except ADPE & Telecom.	11
4585.2	Capital Authority-DBOF-ADPE & Telecom. Equipment	11
4585.3	Capital Authority-DBOF-Software Development	11
4585.4	Capital Authority-DBOF-Minor Construction	11
4585.5	Capital Authority-DBOF- Management Improvements Initiatives	11
<u>4610</u>	<u>Allotments Available for Commitment/Obligation</u>	11
4611	Uncommitted/Unobligated Allotments-Direct Program-Current Period	11
4612	Uncommitted/Unobligated Allotments-Direct Program-Subsequent Periods	11
4613	Uncommitted/Unobligated Allotments-Withheld Programs	11
4614	Uncommitted/Unobligated Allotments-Reimbursable Program-Current Period	11
4614.A	Actual Cost Authority Earned-A Goal-DBOF	11
4614.B	Actual Cost Authority Earned-B Goal-DBOF	11
4614.C	Actual Cost Authority Earned-C Goal-DBOF	11
4614.D	Actual Cost Authority Earned-D Goal-DBOF	11
<u>4615</u>	<u>Capital Authority Available-DBOF</u>	11
4615.1	Capital Authority Available-DBOF-Equipment-Except ADPE & Telecom.	11
4615.2	Capital Authority Available-DBOF-ADPE & Telecom. Equipment	11
4615.3	Capital Authority Available-DBOF-Software Development	11
4615.4	Capital Authority Available-DBOF-Minor Construction	11
4615.5	Capital Authority Available-DBOF-Management Improvements Initiatives	11
4620	Other Funds Available for Commitment/Obligation	9
4630	Other Funds Unavailable for Commitment/Obligation	9
<u>4700</u>	<u>Commitments Available for Obligation</u>	11
4710	Outstanding Commitments-Direct Program	11
<u>4720</u>	<u>Outstanding Commitments-Reimbursable Program</u>	11
4721	Outstanding Commitments-Operating-DBOF	11
4722	Outstanding Commitments-Capital-DBOF	11

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 3 CHAPTER REFERENCE</u>
<u>4800</u>	<u>Undelivered Orders</u>	11
<u>4810</u>	<u>Undelivered Orders-Direct Program</u>	11
4811	Undelivered Orders-Without Advance-Direct Program	11
4812	Undelivered Orders-With Advance-Direct Program	11
<u>4820</u>	<u>Undelivered Orders-Reimbursable Program</u>	11
4821	Undelivered Orders-Without Advance-Reimbursable Program	11
4822	Undelivered Orders-With Advance-Reimbursable Program	11
4823	Undelivered Orders-Without Advance-Operating-DBOF	11
4824	Undelivered Orders-With Advance-Operating-DBOF	11
4825	Undelivered Orders-Without Advance-Capital-DBOF	11
4826	Undelivered Orders-With Advance-Capital-DBOF	11
<u>4900</u>	<u>Expended Appropriations</u>	11
4910	Accrued Expenditures-Unpaid-Direct Program	11
<u>4920</u>	<u>Accrued Expenditures-Unpaid-Reimbursable Program</u>	11
4921	Accrued Expenditures-Unpaid-Operating- DBOF	11
4922	Accrued Expenditures-Unpaid-Capital-DBOF	11
<u>4930</u>	<u>Accrued Expenditures-Paid-Direct Program</u>	11
4931	Accrued Expenditures-Paid-Direct Program	11
4932	Accrued Expenditures-Refunds Due-Direct Program	11
<u>4940</u>	<u>Accrued Expenditures-Paid-Reimbursable Program</u>	11
4941	Accrued Expenditures-Paid-Reimbursable Program	11
4942	Accrued Expenditures-Refunds Due-Reimbursable Program	11
4943	Accrued Expenditures-Paid-Operating-DBOF	11
4944	Accrued Expenditures-Paid-Capital-DBOF	11
4950	Accrued Expenditures-Paid-Undistributed	11

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
<u>5000</u>	<u>REVENUE</u>	20
5100	Revenue From Goods Sold	20
<u>5101</u>	<u>Revenue From Goods Sold-DBOF</u>	20
5101.1	Revenue From Goods Sold-Operating-DBOF	20
5101.2	Revenue From Goods Sold-Capital Asset-DBOF	20
5101.3	Revenue From Goods Sold-Depreciation-DBOF	20
5101.4	Revenue From Goods Sold-MILCON-DBOF	20
5200	Revenue From Services Provided	20
<u>5201</u>	<u>Revenue From Services Provided-DBOF</u>	20
5201.1	Revenue From Services Provided-Operating-DBOF	20
5201.2	Revenue From Services Provided-Capital Asset-DBOF	20
5201.3	Revenue From Services Provided- Depreciation-DBOF	20
5201.4	Revenue From Services Provided-MILCON-DBOF	20
5300	Interest and Penalties Revenue	20
5400	Benefit Program Revenue	20
5500	Insurance and Guarantee Premium Revenue	20
5600	Donated Revenue	20
5700	Appropriated Capital Used	20
<u>5900</u>	<u>Other Revenue</u>	20
5910	Miscellaneous Reimbursements	20
5911	General Fund Sales of Property	20
5912	Miscellaneous General Fund Income	20
<u>6000</u>	<u>EXPENSE</u>	19
<u>6100</u>	<u>Operating/Program Expenses</u>	19
6111	Personnel Compensation-Civilian	19
6112	Personnel Compensation-Military	19
6113	Personnel Benefits-Civilian	19
6114	Personnel Benefits-Military	19
6115	Benefits for Former Personnel	19
6116	Travel and Transportation of Persons	19
6117	Transportation of Things	19
6118	Rent, Communications and Utilities	19
6119	Printing and Reproduction	19
6120	Other Services	19
6121	Supplies and Materials	19
6122	Equipment (not capitalized)	19
6123	Grants, Subsidies, and Contributions	19
6124	Insurance Claims and Indemnities	19

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>VOLUME 4 CHAPTER REFERENCE</u>
6125	Depreciation of Equipment	19
6126	Depreciation of Real Property	19
6127	Depletion of Natural Resources	19
6128	Amortization of Leasehold Improvements and Other Intangible Assets	19
6129	Bad Debts	19
6130	Annual Leave	19
<u>6300</u>	<u>Interest Expenses</u>	19
6310	Interest Expenses on Borrowing From Treasury	19
6320	Interest Expenses on Securities	19
6330	Other Interest Expenses	19
6400	Benefit Program Expenses	19
6500	Cost of Goods Sold	19
6600	Applied Overhead	19
6900	Other Expenses	19
<u>7100</u>	<u>Gains</u>	19
7110	Gains on Disposition of Assets	19
<u>7190</u>	<u>Other Gains</u>	19
7191	Inventory Gains	19
7192	Investment Gains	19
7193	Other Miscellaneous Gains	19
<u>7200</u>	<u>Losses</u>	19
7210	Losses on Disposition of Assets	19
<u>7290</u>	<u>Other Losses</u>	19
7291	Inventory Losses or Adjustments	19
7292	Investment Losses	19
7293	Other Miscellaneous Losses	19
7300	Extraordinary Items	19
7400	Prior Period Adjustments	19
7500	Distribution of Income-Dividend	19
7600	Changes in Actuarial Liability	19

ADDENDUM 2
DEPARTMENT OF DEFENSE ACCOUNT/SUB-ACCOUNT DESCRIPTIONS

1000 Assets. Debit Balance. This is a summary account. No transactions should be posted to this account. These accounts represent amounts of physical (tangible) items or rights to ownership (intangible) owned or controlled by the Department of Defense.

1010 Fund Balance with Treasury. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the net funds available to the Department of Defense (DoD) from appropriations, reappropriations, continuing resolutions, advances, transfers in, allocations, reimbursements less rescissions, transfers out and disbursements.

1011 Funds Collected. Debit Balance. This is a summary account for Defense Business Operations Fund activities. For other activities, it is a posting account. Represents the funds received due to advances from outside sources, performance of reimbursable work, collection of receivables, sale of assets, etc. This account is subsidiary to Fund Balance with Treasury. Sub-accounts shall be maintained for each appropriation or fund.

1011.1 Funds Collected-Operating-Defense Business Operations Fund. Debit Balance. This account is used to record funds collected due to advances from outside sources, performance of reimbursable work, collection of receivables, sale of assets, and any other source other than Defense Business Operations Fund surcharge collections that are to be recorded to Subsidiary Accounts 1011.2, 1011.3 and 1011.4.

1011.2 Funds Collected-Capital Asset-Defense Business Operations Fund. Debit Balance. This account is used to record funds collected through Capital Asset surcharges included in billing rates of a business area (other than surcharges for depreciation and Military Construction (MILCON)) that are to be recorded in Subsidiary Accounts 1011.3 and 1011.4.

1011.3 Funds Collected-Depreciation-Defense Business Operations Fund. Debit Balance. This account is used to record funds collected through approved depreciation surcharges included in billing rates of a business area.

1011.4 Funds Collected-MILCON-Defense Business Operations Fund. Debit Balance. This account is used to record funds collected through approved surcharges for military construction included in the billing rates of a business area.

1012 Funds Disbursed. Credit Balance. This is a summary account for Defense Business Operations Fund activities. For other activities, it is a posting account. Represents the amount of payments made (net of refunds, erroneous payments and returns of advances) from a DoD appropriation or fund account. This account is subsidiary to Fund Balance with Treasury. Sub-accounts shall be maintained for each appropriation or fund.

1012.1 Funds Disbursed-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record disbursements made (net of refunds, erroneous payments and returns of advances) other than Defense Business Operations Fund capital disbursements (which are to be recorded to Subsidiary Account 1011.2).

1012.2 Funds Disbursed-Capital-Defense Business Operations Fund. Credit Balance. This account is used to record disbursements made for the acquisition of Capital Assets.

1013 Funds with Treasury. Debit Balance. Represents the fund balances on the books of the U.S. Treasury. The account is increased for funds made available by appropriations, reappropriation, continuing resolution, transfers in and allocations. The account is decreased for rescissions and transfers out. Sub-accounts shall be maintained for each appropriation or fund.

1014 Undistributed Collections. Credit Balance. Represents the amount of collections reported by the finance network which have not been accepted by the operating level accounting entity. Sub-accounts shall be maintained for each appropriation or fund.

1015 Undistributed Disbursements. Credit Balance. Represents the amount of disbursements as reported by the finance network which have not been accepted by the operating level accounting entity. Sub-accounts shall be maintained for each appropriation or fund.

1100 Cash. Debit Balance. This account is a summary account. Transactions should not be posted to this account. Represents the net funds available to DoD that are not yet deposited in the U.S. Treasury or are not considered an asset of a DoD Component.

1110 Undeposited Collections. Debit Balance. Represents amounts received for which a deposit confirmation has not been issued by the U.S. Treasury. This account is supported by an Agency cashier's record of collection. Sub-accounts shall be maintained for each appropriation, fund or receipt account.

1120 Imprest Funds. Debit Balance. Represents the authorized amount of cash advanced by disbursing officers and held by Agency cashiers at personal risk.

1190 Other Cash. Debit Balance. This account is a summary account. No transactions should be posted to this account. Currently, only a single subsidiary account (Account 1191) has been established. Additional subsidiary accounts that are not more appropriate to other cash accounts may be established as necessary for local and unique needs.

1191 Disbursing Officers' Cash. Debit Balance. Represents the authorized amount of U.S. Treasury cash held by disbursing officers at personal risk. It includes U.S. currency and coin on-hand, dollar equivalent of foreign currency and coin on-hand, cash in the hands of deputy disbursing officers, cashiers and agents, negotiable instruments on hand, military payment certificates, etc. A liability account for the total amount advanced by the U.S. Treasury shall be maintained.

1200 Foreign Currency. Debit Balance. Represents the U.S. dollar equivalent of foreign currency and other transactions occurring through use of the foreign currency.

1300 Receivables-Net. Debit Balance. This is a summary account. No transactions should be posted to this account.

1310 Accounts Receivable. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents amounts due from others when the right to receive funds accrues, which may result from the performance of services; delivery of goods; or, as in the case of interest income, the passage of time.

1311 Accounts Receivable-Government-Current. Debit Balance. Represents current amounts due from intrabudgetary Federal Agencies or funds. It also includes amounts due from Federal sources that are deposited into Treasury general fund receipt accounts when collected. Sub-accounts will be maintained for each appropriation, fund or receipt account.

1312 Accounts Receivable-Government-Noncurrent. Debit Balance. Represents noncurrent amounts due from intrabudgetary Federal Agencies or funds. It also includes amounts due from Federal sources that are deposited into Treasury general fund receipt accounts when collected. Sub-accounts will be maintained for each appropriation, fund or receipt account.

1313 Accounts Receivable-Public-Current. Debit Balance. Represents current amounts due from non-federal governmental organizations, commercial vendors, nonintrabudgetary transactions with Nonappropriated Fund Instrumentalities (NAFIs) and private parties. It also includes amounts from public sources that will be deposited into Treasury general fund receipt accounts when collected. Sub-accounts will be maintained for each appropriation, fund or receipt account.

1314 Accounts Receivable-Public-Noncurrent. Debit Balance. Represents noncurrent amounts due from non-federal governmental organizations, commercial vendors, nonintrabudgetary transactions with NAFIs and private parties. It also includes amounts from public sources that will be deposited into Treasury general fund receipt accounts when collected. Sub-accounts will be maintained for each appropriation, fund or receipt account.

1315 Refunds Receivable-Government. Debit Balance. Represents amounts of refunds due from intrabudgetary Federal Agencies or funds resulting from erroneous payments. Sub-accounts will be maintained for each appropriation or fund.

1316 Refunds Receivable-Public. Debit Balance. Represents amounts of refunds due from non-federal governmental organizations, commercial vendors and private parties resulting from erroneous payments and unliquidated advances. Sub-accounts will be maintained for each appropriation or fund.

1319 Allowance for Loss on Accounts Receivable. Credit Balance. Represents the estimated amount of uncollectible accounts and refunds receivable. Sub-accounts will be maintained for each appropriation or fund.

1320 Claims Receivable-Public. Debit Balance. Represents amounts due from (a) commercial carriers for damages to, and losses in, shipments occurring through the fault of the carrier; (b) vendors as a result of shortages or damages to shipments occurring through the fault of the vendor; (c) individuals held pecuniarily liable by report of survey for loss, damage or destruction of property; and (d) other claims. Sub-accounts will be maintained for each appropriation or fund.

1350 Loans Receivable. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the outstanding principal amounts due under lending and other programs. Includes the principal value of loans. Sub-accounts will be maintained for each appropriation or fund.

1351 Loans Receivable-Government-Current. Debit Balance. Represents the current outstanding principal amounts due from other Federal sources under lending and other programs. Sub-accounts will be maintained for each appropriation or fund. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1352 Loans Receivable-Government-Noncurrent. Debit Balance. Represents the noncurrent outstanding principal amounts due from other Federal sources under lending and other programs. Sub-accounts will be maintained for each appropriation or fund.

1353 Loans Receivable-Public-Current. Debit Balance. Represents the current outstanding principal amounts due from public sources under lending and other programs. Includes the principal value of mortgages that Federal Housing Authority (FHA) assumes under the Homeowners Assistance Program

and amounts of loans acquired under Defense Production Guarantees. Sub-accounts will be maintained for each appropriation or fund.

1354 Loans Receivable-Public-Noncurrent. Debit Balance. Represents the noncurrent outstanding principal amounts due from public sources under lending and other programs. Includes the principal value of mortgages that FHA assumes under the Homeowners Assistance Program and amounts of loans acquired under Defense Production Guarantees. Sub-accounts will be maintained for each appropriation or fund.

1359 Allowance for Loss on Loans Receivable. Credit Balance. Represents the estimated amount of uncollectible loans receivable. Sub-accounts will be maintained for each appropriation or fund.

1400 Advances and Prepayments. Debit Balance. This account is a summary account. No transactions should be posted to this account. The outstanding balance of amounts advanced to Federal and non-federal entities by DoD and prepayments made for future receipt of goods, services or other assets.

1410 Advances to Others. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the amount of payments made in contemplation of the future performance of services, receipt of goods, incurrence of expenditures or other assets.

1411 Travel Advances. Debit Balance. Represents the outstanding balance of advances made to military personnel, civilian employees and appointees for per diem, transportation and related expenses incidental to travel on official business or change of official duty station.

1412 Advances to Contractors and Suppliers. Debit Balance. Represents the outstanding balance of amounts advanced to organizations or individuals outside the U.S. Government under contracts for goods and services.

1413 Advances to Grantees. Debit Balance. Represents the outstanding balance of advances issued to grantees.

1414 Advances-A." Others-Public. Debit Balance. Represents the outstanding balance of other amounts advanced to the public including personnel of foreign nations.

1415 Advances to Government Agencies and Funds. Debit Balance. Represents the outstanding balance of other advances made to U.S. Government organizations and funds.

1450 Prepayments. Debit Balance. This is a summary account used. No transactions should be posted to this account. Represents the amount of expenditures which provide future benefits. Prepayments are often recurrent in nature and cover items such as rent, taxes, royalties, commissions, insurance and supplies.

1451 Prepaid Expenses. Debit Balance. Expenditures which provide future benefits. Prepaid expenses are often recurrent in nature and cover items such as rent, taxes, royalties, commissions, insurance, and supplies.

1452 Progress Payments Made to Others. Debit Balance. Expenditures for assets in advance of their receipt.

1500 Inventories-Net. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the value of items or products held by the DoD.

1510 Inventory for Agency Operations. Debit Balance. Represents the acquisition cost of all items or products used by the DoD that have not been issued for use. This account is to be supported by subsidiary accounts for major classifications of supplies and material to support reporting requirements. Excluded from this account are equipment items not in use.

1519 Allowance for Loss on Inventory for Agency Operations. Credit Balance. The estimated amount of loss of inventory due to breakage, spoilage, obsolescence, etc.

1520 Inventory for Sale. Debit Balance. Represents the cost of acquired inventory on hand and for sale. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1529 Allowance for Loss on Inventory for Sale. Credit Balance. Represents the estimated amount of loss of inventory due to breakage, spoilage, obsolescence, etc.

1530 Inventory-Raw Material and Supplies. Debit Balance. Represents the cost of raw material and supplies used in production or manufacturing, less the cost of material and supplies issued or otherwise disposed of.

1539 Allowance for Loss on Inventory-Raw Material and Supplies. Credit Balance. Represents the estimated amount of loss of inventory due to breakage, spoilage, obsolescence, etc.

1540 Inventory-Work in Process. Debit Balance. This account is a summary account. No transaction should be posted to this account. Represents the cost of work in process, accumulated costs of materials, labor and overhead.

1541 Inventory-Work in Process-In House. Debit Balance. Represents the value of work in process performed by DoD personnel. This account is supported by subsidiary accounts for each project.

1542 Inventory-Work in Process-Contractor. Debit Balance. Represents the value of completed work in process reported by contractors. This account is supported by subsidiary accounts for each contractor and each contract.

1543 Inventory-Work in Process-Other Government Activities. Debit Balance. Represents the value of completed work in process reported as completed by other Federal Agencies. This account shall be supported by subsidiary accounts for each government activity and each contract.

1544 Inventory-Work in Process-Government Furnished Material. Debit Balance. Represents the value of property furnished by the DoD to contractors for inclusion in, or fabrication of, an end item. This account shall be supported by subsidiary accounts for each contractor and each contract awarded to each contractor.

1545 Customer Work in Progress-Capital-Defense Business Operations Fund. Debit Balance. This account is used to accumulate the cost of all capital assets developed or manufactured for other Defense Business Operations Fund activities.

1549 Allowance for Loss on Inventory-Work in Process. Credit Balance. Represents the estimated amount of loss due to break- age, spoilage, obsolescence, etc.

1550 Inventory-Finished Goods. Debit Balance. Represents the cost of manufactured finished goods available for sale that are transferred from work in process. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1559 Allowance for Loss on Inventory-Finished Goods. Credit Balance. The estimated amount of loss of inventory due to spoilage, obsolescence, etc. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1560 Other Inventory. Debit Balance. The value of inventory not otherwise classified. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1569 Allowance for Loss on Other Inventory. Credit Balance. The estimated amount of loss of other inventory due to breakage, spoilage, obsolescence, etc. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1570 Stockpiled Material and Supplies. Debit Balance. Represents the value of war material held in reserve or stockpiles.

1579 Allowance for Loss on Stockpiled Material and Supplies. Credit Balance. Estimated amount of loss of stockpiled material and supplies due to breakage, spoilage and obsolescence.

1580 Inventory in Transit. Debit Balance. Represents the value of inventory which has not been received and accepted. The account is supported by subsidiary accounts established to meet local reporting and management needs.

1600 Investments-Net. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the value of securities and other assets held for the production of revenues in the form of interest, dividends, rentals or lease payments, net of premiums and discounts.

1610 Securities-At Par. Debit Balance. The par value of securities held by DoD Components.

1611 Securities-Unamortized Premium or Discount. Debit or Credit Balance. The unamortized amount of premiums or discounts on securities.

1690 Other Investments. Debit Balance. Stocks and bonds held by DoD Components. (This account shall not be used without specific approval by the Office of the DoD Comptroller.)

1700 Fixed Assets-Net. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the current book value of real and personal property in accordance with the DoD capitalization criteria.

1710 Land. Debit Balance. Represents the cost or appraised value of land owned by DoD.

1720 Construction In Progress. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the value of real property construction in progress on DoD real property facilities.

1721 Construction In Progress-In House. Debit Balance. Represents the accumulated costs of real property construction in progress performed by DoD personnel.

1722 Construction In Progress-Contractor. Debit Balance. Represents the value of progress payments to contractors.

1723 Construction In Progress-Other Government Activities. Debit Balance. Represents the value of construction undertaken for the DoD by other Federal Agencies.

1724 Construction In Progress-Government Furnished Material. Debit Balance. Represents the value of government furnished material provided contractors for inclusion in DoD construction projects.

1725 Construction In Progress-Capital-Defense Business Operations Fund. Debit Balance. This account is for use by the Defense Business Operations Fund to accumulate the cost of all capital assets developed or manufactured for use by the performing business area activity.

1730 Buildings. Debit Balance. Represents the acquisition costs of DoD-owned buildings.

1739 Accumulated Depreciation on Buildings. Credit Balance. Represents accumulated depreciation on buildings.

1740 Other Structures and Facilities. Debit Balance. Represents the acquisition cost of DoD-owned structures and facilities other than buildings, utilities and ground improvements. Includes runways, bridges, port facilities, railroad tracks, etc.

1749 Allowance For Depreciation on Other Structures and Facilities. Credit Balance. Represents the amount of accumulated depreciation charged to expense for structures and facilities.

1750 Equipment. Debit Balance. Represents the amount of tangible items of a durable nature (other than identified in account 1760) used in DoD operations that meet the DoD capitalization criteria, including, but not limited to, items such as machinery, personal computers, calculators, copiers, machinery, automotive equipment and Automated Data Processing (ADP) equipment (excluding ADP software).

1759 Accumulated Depreciation on Equipment. Credit Balance. Represents the amount of accumulated depreciation charged to expense for equipment.

1760 Military Equipment. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents all categories of combat-type equipment such as ships, aircraft and other military hardware. Subsidiary accounts shall be established by major weapons classifications and to meet reporting requirements. Military equipment shall not be depreciated. Non-military equipment should be recorded to account 1750.

1761 Industrial Property in Layaway. Debit Balance. Represents the capitalized value of DoD property that is stored for future use in meeting mobilization purposes.

1762 Equipment in Use. Debit Balance. Represents the acquisition cost of equipment placed in use.

1763 Equipment with Contractors, Testing Agencies, Defense Industrial Facilities and Others. Debit Balance. Represents the value of equipment furnished to contractors (including other Federal Agencies, testing agencies, defense industrial facilities and others) for use in providing services or items to the DoD.

1764 Equipment on Loan. Debit Balance. Represents the value of DoD equipment loaned to others.

1765 Property Awaiting Disposal. Debit Balance. Represents the capitalized value of property designated for disposal, recovery or utilization.

1766 Equipment Not in Use. Debit Balance. Represents the acquisition value of equipment not in use. Includes costs of any additions, modifications, improvements and rehabilitation.

1769 Accumulated Depreciation on Military Equipment. Credit Balance. Represents the amount of accumulated depreciation charged to expense for military equipment.

1770 Equipment in Transit. Debit Balance. Represents the acquisition cost of equipment in transit.

1800 Other Fixed Assets. Debit Balance. This is a summary account. No transactions should be posted to this account. These accounts represent the amounts and value of fixed assets other than land, construction in progress, buildings, other structures and facilities, equipment, military equipment and equipment in transit.

1810 Assets Under Capital Lease. Debit Balance. Represents the capitalized value of assets being leased under terms which are essentially equivalent to an installment purchase.

1819 Accumulated Depreciation on Assets under Capital Leases. Credit Balance. Represents the amount of accumulated depreciation charged to expense for assets under capital leases.

1820 Leasehold Improvements. Debit Balance. Represents the capitalized value of improvements made to leased property.

1829 Accumulated Amortization on Leasehold Improvements. Credit Balance. Represents the accumulated amortization charged to expense for leasehold improvements.

1830 Automated Data Processing Software. Debit Balance. Represents the value of automated data processing software meeting the DoD capitalization criteria.

1839 Accumulated Amortization on Automated Data Processing Software. Credit Balance. Represents the accumulated amortization charged to expense for automated data processing software.

1840 Other Natural Resources. Debit Balance. Represents the cost or appraised value of natural resources on land owned by DoD.

1849 Allowance for Depletion. Credit Balance. Represents the accumulated amount charged to depletion expense.

1890 Other Fixed Assets. Debit Balance. Includes the value of fixed assets not otherwise classified above such as statues, monuments and artwork. (Do not use this account without specific approval from the Office of the DoD Comptroller.)

1900 Other Assets-Net. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the value of assets not specified in specific fixed asset accounts.

1910 Acquired Collateral. Debit Balance. Represents the value of property obtained by DoD as collateral to defaulted loans.

1919 Allowance for Loss on Acquired Collateral. Credit Balance. Represents the estimated amount of future losses pertaining to the net investment of property acquired through loan default.

1920 Unrequited Authorized Appropriations. Debit Balance. Represents the amount of unrequited disbursing authority as provided for in liquidating cash authority granted by the Congress.

1990 Other Assets. Debit Balance. Represents the value of assets not otherwise classifiable to a specific asset account.

1991 Intangible Assets. Debit Balance. This account is used to record amortizable investments of \$15,000 or more; with projected payback periods; with economic value but no physical substance; with an estimated useful life of 2 or more years; and with no useful value at the end of the estimated life.

1992 Accumulated Amortization on Intangible Assets. Credit Balance. This account is used to accumulate amortization expenses charged for intangible assets.

2000 Liabilities. Credit Balance. This account is a summary account. No transactions should be posted to this account. Represents amounts owed by DoD Components for items received, services received, expenses incurred, assets acquired, construction performed, and amounts received but not earned.

2100 Accrued Liabilities-Other. Credit Balance. This account is a summary account. No transactions should be posted to this account. Represents the amounts DoD Components owe for goods and other property ordered and received, and for services received by other than employees.

2110 Accounts Payable. Credit Balance. This account is a summary account. No transactions should be posted to this account. Represents amounts owed to Federal or non-federal entities for goods and property ordered and received, and for services rendered by organizations and people other than employees.

2111 Accounts Payable-Government-Current. Credit Balance. Represents amounts owed to Federal Agencies based on actual receipt of goods and services.

2112 Accounts Payable-Government-Noncurrent. Credit Balance. Represents amounts owed to Federal Agencies or funds that will not be paid within 1 year.

2113 Accounts Payable-Public-Current. Credit Balance. Represents amounts owed to non-federal agencies for receipt of goods or services.

2114 Accounts Payable-Public-Noncurrent. Credit Balance. Represents amounts owed to non-federal agencies that will not be paid within 1 year.

2115 Claims Payable. Credit Balance. Represents amounts owed based on adjudicated claims.

2120 Disbursements in Transit. Credit Balance. Represents payments transmitted to a disbursing office by an accounting activity, which have not been processed by the disbursing office. (Do not use this account without specific approval from the Office of the DoD Comptroller.)

2130 Contract Holdback. Credit Balance. Represents amounts withheld from contractors and grantees in accordance with contract provisions.

2140 Accrued Interest Payable. Credit Balance. Represents unpaid accrued interest on borrowings and overdue accounts. (Do not use this account without specific approval from the Office of the DoD Comptroller.)

2190 Other Accrued Liabilities. Credit Balance. Represents those amounts owed that cannot be classified to a specific accounts payable account. (Do not use this account without prior approval from the Office of the DoD Comptroller.)

2200 Accrued Liabilities-Payroll and Benefits. Credit Balance. This is a summary account. No transactions should be posted to this account. Reflects accrued funded payroll and benefits and accrued unfunded annual leave.

2210 Accrued Funded Payroll and Benefits. Credit Balance. This is a summary account. No transactions should be posted to this account. Reflects the estimated liability for salaries and wages of civilians that have been earned, but are unpaid, and amounts of funded annual leave, sick leave, and other employee benefits that have been earned, but unpaid.

2211 Accrued Payroll-Civilian. Credit Balance. Represents the amount of the estimated liability for civilian employee funded compensation earned, but unpaid as of the end of the current accounting period.

2212 Accrued Payroll-Military. Credit Balance. Represents the amount of the estimated liability for military personnel- funded compensation earned, but unpaid as of the end of the current accounting period.

2213 Accrued Payroll-Civilian-Employer Share of Fringe Benefits. Credit Balance. Represents the amount of the estimated liability for currently employed civilian employee benefits earned and funded, but unpaid as of the end of the current accounting period.

2214 Accrued Payroll-Military-Employer Share of Fringe Benefits. Credit Balance. Represents the amount of the estimated liability for currently employed military personnel benefits earned and funded, but unpaid as of the end of the current accounting period.

2220 Accrued Unfunded Annual Leave. Credit Balance. This is a summary account. No transactions should be posted to this account. Reflects amounts of annual leave which have been earned and are payable, and are expected to be paid from future years' appropriations.

2221 Accrued Annual Leave-Civilian-Unfunded. Credit Balance. Represents the amount of the unfunded liability for annual leave earned by civilian employees, but not used as of the end of the current accounting period.

2222 Accrued Annual Leave-Military-Unfunded. Credit Balance. Represents the amount of the unfunded liability for annual leave earned by military personnel, but not used as of the end of the current accounting period.

2300 Unearned Revenues (Advances). Credit Balance. This is a summary account. No transactions should be posted to this account. The outstanding balance of amounts advanced or prepaid by Federal and non-federal entities to the DoD and prepayments received for the delivery of goods, services or other assets.

2310 Advances from Others. Credit Balance. This is a summary account. No transactions should be posted to this account. Payments received in contemplation of the future delivery of services, goods, incurrence of expenditures or other assets.

2311 Unearned Revenue-Advances from Government Agencies and Funds. Credit Balance. Represents the outstanding balance of advances received from Federal Agencies' organizations and funds for goods and services to be furnished under the Economy Act, Project Order Law or other legal authority.

2312 Unearned Revenue-Advances from the Public. Credit Balance. Represents the outstanding balance of advances received from sources outside the U.S. Government. This account is supported by subsidiary records giving the details of each advance.

- 2320 Deferred Credits. Credit Balance. Represents revenue received but not earned.
- 2400 Liability for Deposit Funds and Suspense Accounts. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents amounts in deposit funds, Treasury cash advances to disbursing officers, suspense accounts and budget clearing accounts, awaiting disposition or reclassification.
- 2410 Treasury Cash Advances to Disbursing Officers. Credit Balance. Represents the amount of disbursing officers' personal pecuniary liability for cash advanced by the U.S. Treasury.
- 2411 Deposit Fund Liabilities. Credit Balance. Represents the amounts in deposit funds awaiting disposition.
- 2500 Debt. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the DoD liability in the form of notes payable and other borrowing agreements.
- 2510 Borrowing from Treasury. Credit Balance. Represents amounts borrowed from the U.S. Treasury by DoD Components. (Do not use this account without the specific approval from the Office of the DoD Comptroller.)
- 2520 Borrowing from Federal Financing Bank. Credit Balance. Represents amounts borrowed from Federal Financing Banks. (Do not use this account without the specific approval from the Office of the DoD Comptroller.)
- 2530 Securities Issued by Federal Agencies Under Special Financing Authority. Credit Balance. Represents the liability arising from issuing new borrowings authorized under special financing authorities. (Do not use this account without the specific approval from the Office of the DoD Comptroller.)
- 2540 Participation Certificates. Credit Balance. Represents the Department of Defense's share of participation certificates issued pursuant to legislative authority. (DoD Components do not have authority to issue new borrowings authorized under special financing authorities. Use of this account is not authorized.)
- 2590 Other Debt. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents all other forms of DoD obligations, secured and unsecured, not otherwise classified to another liability account.
- 2591 Mortgages Payable-Family Housing. Credit Balance. Represents the liability for outstanding mortgage balances on family housing properties owned by the DoD.
- 2592 Mortgages Payable-Homeowners Assistance Program. Credit Balance. Represents the outstanding balances of mortgages assumed by the DoD on homes acquired under the provisions of the Homeowners Assistance Program.
- 2600 Actuarial Liabilities. Credit Balance. This is a summary account. No transactions should be posted to this account. Reflects the estimated present value of program benefits that will be made in the future that relate to services performed or entitlements due as of the balance sheet date.
- 2610 Retirement Plans. Credit Balance. Reflects the actuarial present value of the accumulated plan benefits of the DoD Military Retirement Fund.

2620 Insurance Plans. Credit Balance. Reflects the actuarial liability for future policy benefits of insurance plans. (Do not use this account without the specific approval from the Office of the DoD Comptroller.)

2690 Other Actuarial Liabilities. Credit Balance. Reflects the actuarial present value of other actuarial plans not classified to other accounts. (Do not use this account without the specific approval from the Office of the DoD Comptroller.)

2900 Other Liabilities. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents amounts not otherwise classified to specific liability accounts.

2910 Prior Liens Outstanding on Acquired Collateral. Credit Balance. Represents the value of liens approved and accepted as being claims against assets acquired through loan defaults.

2920 Contingent Liabilities. Credit Balance. Represents the estimated value of a probable loss.

2990 Other Liabilities. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents liabilities not classified to another 2900 series account.

2991 Capital Leases Payable. Credit Balance. Represents the liability for capital leases which have not expired.

2992 Liability for Property Furnished by Others. Credit Balance. Represents the estimated fair market value of property on hand, which was originally intended to be returned to the entity that furnished it to the DoD, was acquired by seizure or held in trust or escrow.

2993 Accrued Civilian Severance Pay-Unfunded. Credit Balance. Represents the amount of the estimated liability for DoD civilian employee unfunded severance pay accrued as of the end of the current accounting period.

2994 Progress Billings to Others. Credit Balance. Recognizes the liability resulting from progress payments billed to and/or received from Federal and non-federal Agencies for goods or services that have been ordered by those activities, but that have not been completed or delivered.

3000 Equity. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the difference between the assets and liabilities of the DoD.

3100 Appropriated Capital. Credit Balance. Represents net amounts appropriated by Congress.

3200 Invested Capital. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the net investment of the U.S. Government in DoD revolving and trust funds.

3210 Capital Investments. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the initial investment to commence operations, revenues and expenses transferred to this account.

3211 Capital Investment-Defense Business Operations Fund. Credit Balance. This is a summary account to accumulate the total value of Capital Investments recorded in sub-accounts to this account. No transactions should be posted to this account.

3211.1 Appropriations Available. Credit Balance. This account is used to record amounts appropriated or reappropriated to establish or increase the working capital of the Defense Business Operations Fund.

3211.2 Assets Capitalized. Credit Balance. This account is used to (1) record, as an increase, the net book value (acquisition cost less accumulated depreciation) of assets such as materials and supplies, work in process at contractor plants, work in process at other government plants, and contributed assets that were initially recorded to Account 3221.1, "Transfers In from Others Without Reimbursement-Defense Business Operations Fund"; (2) record decreases due to the transfer out, donation, or other disposal of contributed capital assets that were originally recorded to Account 3233, "Transfers Out to Others Without Reimbursement-Defense Business Operations Fund," and Account 3232, "Transfers Out to All Others Without Reimbursement"; and (3) close (when applicable) current year contributed asset unfunded depreciation accounts.

3211.3 Liabilities Assumed. Debit Balance. This account is used to record (1) the sum of the amounts assumed without accompanying payment for accrued annual leave and other liabilities transferred in, and (2) holdbacks on progress billings from contractors at the time of initial capitalization.

3212 (No Account Currently Assigned to this Number.)

3213 Capital Investment-Special Defense Acquisition Trust Fund. Credit Balance. Represents the initial investment and subsequent appropriations to finance program activities.

3214 Capital Investment-Foreign Military Sales Trust Fund. Credit Balance. Represents the initial investment and subsequent appropriations made available to finance program activities. (The implementing legislation did not provide for initial capitalization of the Fund. Accordingly, the balance in this account remains zero at this time.)

3215 Capital Investment-Military Retirement Trust Fund. Credit Balance. Represents amounts appropriated by the Congress to establish the program. (The implementing legislation did not provide for initial capitalization of the Fund. Accordingly, the balance in this account remains zero at this time.)

3216 Capital Investment-DoD Education Benefits Trust Fund. Credit Balance. Represents amounts appropriated by the Congress to establish the program. (The implementing legislation did not provide for initial capitalization of the Fund. Accordingly, the balance in this account remains zero at this time.)

3217 Capital Investment-Other Trust Funds. Credit Balance. Represents the initial investment and any subsequent appropriations made available to finance the programs in the Fund.

3220 Transfers In from Others Without Reimbursement. Debit or Credit Balance. Represents amounts recorded on the transferor's books for an asset or a liability transferred to a DoD Component or other Federal Agency without reimbursement. (For Defense Business Operations Fund activities, this is a summary account. For other activities, this is a posting account.)

3221 Transfers In from Others Without Reimbursement-Defense Business Operations Fund. Credit Balance. Represents the value of transfers in of other than capital assets from other Defense Business Operations Fund entities for which reimbursement by the receiving Defense Business Operations Fund entity will not be required.

3221.1 Transfers In from Others Without Reimbursement-Defense Business Operations Fund-Capital-Defense Business Operations Fund. Credit Balance. This account is used to accumulate the net book value (acquisition cost less accumulated depreciation) of capital assets transferred in from other Defense Business Operations Fund entities for which reimbursement by the receiving entity will not be required.

3230 Transfers Out to Others Without Reimbursement. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the total transfers out to Federal Agencies and to others without reimbursement.

3231 Transfers Out to Government Agencies Without Reimbursement. Debit Balance. Represents the net book value (acquisition cost less accumulated depreciation) of property transferred out to another Federal Agency without reimbursement.

3232 Transfers Out to All Others Without Reimbursement. Debit Balance. Represents the net book value (acquisition cost less accumulated depreciation) of property transferred out without reimbursement to other than a Federal Agency.

3233 Transfers Out to Others Without Reimbursement-Defense Business Operations Fund. Debit Balance. Represents the value of transfers out of other than capital assets to other Defense Business Operations Fund entities for which reimbursement will not be received by the transferring Defense Business Operations Fund activity.

3233.1 Transfers Out to Others Without Reimbursement-Defense Business Operations Fund-Capital-Defense Business Operations Fund. Debit Balance. This account is used to accumulate the net book value (acquisition cost less accumulated depreciation) of capital assets transferred out to other Defense Business Operations Fund entities for which reimbursement will not be received by the transferring Defense Business Operations Fund activity.

3300 Results of Operations. Debit or Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the cumulative and net results of operations from inception to the beginning of the current fiscal year.

3310 Cumulative Results of Operations. Debit or Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the cumulative results of operations. This account is normally a credit balance account.

3311 Cumulative Results of Operations-Defense Business Operations Fund. Debit or Credit Balance. This is a summary account used to accumulate the value of annual operating results and real property maintenance and repair reserve amounts generated since the Fund was established. No transactions should be posted to this account.

3311.1 Accumulated Operating Results. Debit or Credit Balance. This account is used to accumulate the net difference between Defense Business Operations Fund expenses and financing sources (including gains and losses and other directed adjustments) since inception through the annual closing of the balance in Account 3321, "Net Results of Operations-Defense Business Operations Fund," and gains and losses from normal operations and other directed adjustments.

3311.2 Reserve-Major Real Property Maintenance-Defense Business Operations Fund. Credit Balance. This account is used to record, as a credit, the accumulation of the amounts expensed monthly to finance approved Major Real Property Maintenance and Repair projects; and, as a debit, the amount of the Reserve used for program purposes or, if directed by the DoD Comptroller, returned to Account 3311.1, "Accumulated Operating Results."

3312 (No Account Currently Assigned to this Number.)

- 3313 Cumulative Results of Operations-Special Defense Acquisition Trust Fund. Credit Balance. Represents the net difference between revenues and expenses (gains and losses from normal operations and other directed adjustments) from inception of the activity through the beginning of the current fiscal year.
- 3314 Cumulative Results of Operations-Foreign Military Sales Trust Fund. Credit Balance. Represents the net difference between revenues and expenses (gains and losses from normal operations and other directed adjustments) from inception of the activity through the beginning of the current fiscal year.
- 3315 Cumulative Results of Operations-Military Retirement Trust Fund. Credit Balance. Represents the net difference between revenues less expenses (gains and losses from normal operations and other directed adjustments) from inception of the activity through the beginning of the current fiscal year.
- 3316 Cumulative Results of Operations-DoD Education Benefits Trust Fund. Credit Balance. Represents the net difference between revenues less expenses (gains and losses from normal operations and other directed adjustments) from inception through the beginning of the current fiscal year.
- 3317 Cumulative Results of Operations-Other Trust Funds. Credit Balance. Represents the net difference between revenues and expenses (gains and losses from normal operations and other directed adjustments) from inception through the beginning of the current fiscal year.
- 3320 Net Results of Operations. Debit or Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the net results of operations for the fiscal year.
- 3321 Net Results of Operations-Defense Business Operations Fund. Debit or Credit Balance. This account is used to accumulate the net results of operations within a fiscal year. Income and expense (including gain and loss) accounts are closed into this account to obtain the net result of operations within a fiscal year. Following fiscal yearend financial report preparation, the balance of this account is closed to Account 3311.1, "Accumulated Operating Results."
- 3322 (No Account is Currently Assigned to this Number.)
- 3323 Net Results of Operations-Special Defense Acquisition Trust Fund. Debit or Credit Balance. Reflects at year end the results of operations within a fiscal year.
- 3324 Net Results of Operations-Foreign Military Sales Trust Fund. Debit or Credit Balance. Reflects at year end the results of operations within a fiscal year.
- 3325 Net Results of Operations-Military Retirement Trust Fund. Debit or Credit Balance. Reflects at year end the results of operations within a fiscal year.
- 3326 Net Results of Operations-DoD Education Benefits Trust Fund. Debit or Credit Balance. Reflects at year end the results of operations within a fiscal year.
- 3327 Net Results of Operations-Other Trust Funds. Debit or Credit Balance. Reflects at year end the results of operations within a fiscal year.
- 3400 Donations and Other Items. Credit Balance. Represents the total fair market value of donations received by the reporting entity. This account is available for use only by trust funds.

3500 Deferred Liquidating Cash Authority. Debit Balance. Represents the amount of liquidating cash disbursing authority that has not been transferred by the U.S. Treasury to the expenditure account by year end.

3600 General Fund Receipts. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of funds uncollected and returned to the General Fund.

3610 Uncollected Revenue-General Fund-Miscellaneous Receipts. Debit Balance. Represents the uncollected amount of receivables due to be returned to the U.S. Treasury-Miscellaneous Receipts.

3620 Funds Returned to General Fund-Miscellaneous Receipts. Credit Balance. Represents the funds returned and deposited to the General Fund Miscellaneous Receipts account.

4000 Budgetary. Debit Balance. This summary account reflects budgetary operations and conditions from the time appropriations are realized until they are expended. No transactions should be posted to this account.

4110 Appropriations Realized. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of appropriations specified in an appropriations act and becoming available on or after the first day of the fiscal year.

4111 Debt Liquidation Appropriations. Debit Balance. Represents the amount appropriated to liquidate debt as specified in applicable appropriation language.

4112 Deficiency Appropriations. Debit Balance. Represents the amount appropriated to eliminate a prior year deficiency.

4113 Appropriations Rescinded. Credit Balance. Represents the amount of appropriations rescinded by the Congress.

4114 Appropriations Realized but Withdrawn. Debit Balance. Represents the amount of appropriations realized but withdrawn upon expiration for obligation purposes.

4119 Other Appropriations Realized. Debit Balance. Represents the amount of all appropriations not classified as debt liquidation appropriations, deficiency appropriations or appropriations to liquidate contract authority.

4120 Appropriations Anticipated-Indefinite. Debit Balance. Represents the current estimate of amounts anticipated to become available under existing law.

4130 Contract Authority. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents amounts of authority under which contracts or other obligations may be executed in advance of the receipt of an appropriation, or in excess of amounts otherwise available in a revolving fund.

4131 Contract Authority-Without Liquidating Appropriation. Debit Balance. Represents the amount of contract authority authorized, less the amount of contract liquidating authority that has been enacted.

4132 Contract Authority-With Liquidating Appropriation. Debit Balance. Represents the amount of contract authority for which contract liquidating authority has been enacted.

4133 Contract Authority Lapsed. Debit Balance. Represents the amount of contract authority lapsed resulting from either program completion and/or time limitation.

4140 Borrowing Authority. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of statutory authority that permits a Federal Agency to incur obligations and to make payments for specified purposes from the proceeds of borrowed funds.

4141 Borrowing Authority-Definite. Debit Balance. Represents the amount of statutory authority that permits a Federal Agency to incur obligations and make payments for specified purposes out of borrowed monies when a specific sum or a specific aggregate amount "not to exceed" is stated at the time the authority is granted.

4142 Borrowing Authority-Indefinite. Debit Balance. Represents the amount of budget authority established by assumption of mortgages under the Homeowners Assistance Program. The account is increased when a mortgage is assumed and decreased by payments on mortgage principal, or upon sale of the mortgaged property.

4143 Borrowing Authority-Withdrawn. Debit Balance. Represents the amount of budget authority withdrawn due to payments on the principal of mortgages assumed under the Homeowners Assistance Program.

4150 Other New Budget Authority. Debit Balance. Represents the amount of new budgetary authority (other than appropriations) becoming available on or after the first day of a fiscal year. Reappropriations are included in this account.

4160 Anticipated Transfers of Current Fiscal Year Authority. Debit or Credit Balance. Represents the net amount of anticipated nonexpenditure transfers to or from current year appropriations and funds.

4170 Appropriation Transfers. Debit or Credit Balance. Represents the net amount of nonexpenditure transfers to or from current year appropriations and funds.

4180 Anticipated Transfers of Prior Fiscal Year Authority. Debit or Credit Balance. Represents the net amount of anticipated nonexpenditure transfers to or from prior year appropriations and funds.

4190 Transfers-Prior Year Budgetary Resources. Debit or Credit Balance. Represents the net amount of accomplished nonexpenditure transfers to or from prior year appropriations and funds.

4210 Anticipated Reimbursements and Other Income. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of anticipated reimbursements expected to be earned during the current fiscal year which are subject to specific Office of Management and Budget (OMB) apportionment, and other authorized reimbursements for which obligational authority is automatically established on the basis of customer orders received and accepted.

4211 Anticipated Reimbursements-Specific Apportionment. Debit Balance. Represents the amount of anticipated reimbursements expected to be earned during the current fiscal year which are subject to specific OMB apportionment.

4212 Anticipated Reimbursements-Automatic Apportionment. Debit Balance. Represents the amount of anticipated reimbursements expected to be earned during the current fiscal year which are subject to automatic apportionment by OMB based upon reimbursable orders accepted.

4220 Reimbursable Orders Accepted. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of reimbursable orders accepted for performance in the current fiscal year. Includes orders accepted under both automatic and specific apportionment.

4221 Customer Orders Accepted-Automatic Apportionment. Credit Balance. Represents the amount of reimbursable orders accepted against the automatically apportioned reimbursable program.

4222 Customer Orders Accepted-Specific Apportionment. Credit Balance. Represents the amount of reimbursable orders accepted against the specifically apportioned reimbursable program.

4230 Unfilled Customer Orders-Unobligated. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the balance of reimbursable orders accepted under both the automatic and specific apportionment programs.

4231 Unfilled Customer Orders-Without Advance-Automatic Apportionment. Debit Balance. Represents the balance of reimbursable orders accepted without advance payment or progress payment for which there is an automatic increase in obligational authority under an allotment. This account is increased when a customer order is accepted and decreased as reimbursements are earned. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

- Non-Federal Sources
- Foreign Military Sales (FMS) Trust Fund
- All Other Trust Funds
- Off-Budget Federal Entities
- Other Defense Accounts
- Other Non-Defense Accounts
- Intrafund

4232 Unfilled Customer Orders-Without Advance-Specific Apportionment. Debit Balance. Represents the balance of reimbursable orders accepted without advance payment or progress payment against the specifically apportioned reimbursable program. This account is increased when a customer order is accepted and decreased as reimbursements are earned. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

- Non-Federal Sources
- FMS Trust Fund
- All Other Trust Funds
- Off-Budget Federal Entities
- Other Defense Accounts
- Other Non-Defense Accounts
- Intrafund

4233 Unfilled Customer Orders-With Advance-Automatic Apportionment. Debit Balance. Represents the balance of reimbursable orders accepted with advance payment for which there is an automatic increase in obligational authority under an allotment. This account is increased when a customer order is accepted and decreased as reimbursements are earned.

4234 Unfilled Customer Orders-With Advance-Specific Apportionment. Debit Balance. Represents the balance of reimbursable orders accepted with advance payment against the specifically apportioned reimbursable program. This account is increased when a customer order is accepted and decreased as reimbursements are earned. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

- Non-Federal Sources
- FMS Trust Fund
- All Other Trust Funds
- Off-Budget Federal Entities
- Other Defense Accounts
- Other Non-Defense Accounts
- Intrafund

4240 Unfilled Customer Orders-Obligated. Represents the amount of obligated orders accepted for goods and services to be furnished on a reimbursable basis. At such time as the goods or services are furnished, the amount obligated becomes reimbursements earned. (Do not use this account without specific approval from the Office of the DoD Comptroller.)

4250 Reimbursements and Other Income Earned. Debit Balance. This account is a summary account. No transactions should be posted to this account. Represents the amount of reimbursements and other income earned to date through the delivery of goods and performance of services, whether or not bills have been rendered or collections made. Includes reimbursements earned under both automatic and specific apportionment.

4251 Reimbursements Earned-Uncollected-Automatic Apportionment. Debit Balance. Represents the amount of uncollected automatically apportioned reimbursements earned during the fiscal year. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

- Non-Federal Sources
- FMS Trust Fund
- All Other Trust Funds
- Off-Budget Federal Entities
- Other Defense Accounts
- Other Non-Defense Accounts
- Intrafund

4252 Reimbursements Earned-Uncollected-Specific Apportionment. Debit Balance. Represents the amount of uncollected specifically apportioned reimbursements earned during the fiscal year. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

- Non-Federal Sources
- FMS Trust Fund
- All Other Trust Funds
- Off-Budget Federal Entities
- Other Defense Accounts
- Other Non-Defense Accounts
- Intrafund

4253 Reimbursements Earned-Collected-Automatic Apportionment. Debit Balance. Represents the amount of collected automatically apportioned reimbursements earned during the fiscal year. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

- Non-Federal Sources
- FMS Trust Fund
- All Other Trust Funds
- Off-Budget Federal Entities
- Other Defense Accounts

Other Non-Defense Accounts
Intrafund

4254 Reimbursements Earned-Collected-Specific Apportionment. Debit Balance. Represents the amount of collected specifically apportioned reimbursements earned during the fiscal year. Sub-accounts are required to indicate the source of the reimbursement. These sub-accounts are as follows:

Non-Federal Sources
FMS Trust Fund
All Other Trust Funds
Off-Budget Federal Entities
Other Defense Accounts
Other Non-Defense Accounts
Intrafund

4255 Reimbursements Earned-Collected-Undistributed. Debit Balance. Represents the amount of collections reported by the U.S. Treasury, Departmental, or other finance network that are not immediately distributable at the installation level.

4310 Anticipated Recoveries of Prior Year Obligations. Debit Balance. Represents the estimated amount of cancellations or downward adjustments of prior year obligations anticipated for recovery in the current fiscal year.

4320 Actual Recoveries of Prior Year Obligations. Credit Balance. This account is a summary account. No transactions should be posted to this account. Represents the actual amount of any cancellation or downward adjustment since the first day of the current fiscal year for obligations reported in prior years. This account applies only to the unexpired portion of multiple-year and no-year appropriations.

4321 Actual Recoveries of Prior Year Obligations-Direct Program. Credit Balance. Represents the actual amount of any cancellation or downward adjustment since the first day of the current fiscal year for direct program obligations reported in prior years. This account applies only to the unexpired portion of multiple-year and no-year appropriations.

4322 Actual Recoveries of Prior Year Obligations-Reimbursable Program. Credit Balance. Represents the actual amount of any cancellation or downward adjustment since the first day of the current fiscal year for reimbursable program obligations reported in prior years. This account applies only to the unexpired portion of multiple-year and no-year appropriations.

4330 Funds Generated from Deobligations of Prior Year Funds. Debit Balance. Represents the actual amount of any cancellation or downward adjustment since the first day of the current fiscal year for direct and reimbursable program obligations reported in prior years. This account applies only to the unexpired portion of multiple-year and no-year appropriations.

4390 Balance Available for Restoration, Write Off and Withdrawal. Debit or Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the net difference between amounts previously written off which have been restored to the account during the current fiscal year and amounts actually written off to date as transactions of the current fiscal year.

4391 Restorations, Write Offs and Withdrawals. Debit or Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount available for obligation during the year that ceased to be available during or at the end of the fiscal year, other than amounts rescinded

by law. Includes amounts written off or withdrawn by administrative action, unobligated balances returned to unappropriated receipts, and amounts withdrawn/lapsed from liquidating appropriations.

4391.1 Restorations and Withdrawals-Annual and Multiyear. Debit or Credit Balance. Represents the net difference between the withdrawal of unobligated balances of expired appropriations (credits) and the restoration of withdrawn amounts to cover net upward obligation adjustments (debits). (NOTE: This account is not in use at this time.)

4391.2 Restorations and Write Offs-No Year. Debit or Credit Balance. Represents the net difference between write offs of unobligated balances pursuant to U.S.C. 1555 (credits) and restorations of amounts written off (debits).

4392 Withdrawals Due to Rescissions of Unobligated Balances. Credit Balance. Represents the amount of congressional rescissions of unobligated balances of prior year budgetary resources. Statutory citation is to the rescission act.

4410 Budgetary Authority-Not Available Pursuant to Public Law. Credit Balance. Represents the amount of appropriations/ reappropriations withheld by a specific provision in law. Includes those appropriations for which availability is contingent by law upon the occurrence of a specified event, such as enactment of authorizing legislation, emergencies arising from national disasters, unanticipated increases in costs, or other events specified by law.

4420 Appropriations Available for Apportionment-Withheld Pending Rescission. Credit Balance. Represents the amount of budget authority withheld pending the enactment of legislation canceling the authority to obligate such funds.

4430 Appropriations Available for Apportionment-OMB Deferred Programs. Credit Balance. Represents the amount of budget authority specifically withheld from apportionment by the Office of Management and Budget.

4440 Revolving Funds Available for Apportionment. Credit Balance. Represents the total amount of budgetary resources used for public enterprise and intragovernmental revolving funds that are subject to apportionment.

4450 Authority Available for Apportionment. Credit Balance. Represents the amount of appropriated, reappropriated or transferred funds not yet apportioned by OMB. Reductions are recorded in this account based on apportionments made and apportionment reserves established.

4510 Apportionment Available for Distribution. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of direct program obligational authority and current period reimbursable program specifically apportioned and available at the departmental level for distribution to operating agencies or other intermediate levels.

4511 Unallocated Apportionment-Direct Program-Current Period. Credit Balance. Represents the amount of direct program obligational authority currently available at the departmental level for distribution to operating agencies or other intermediate levels.

4512 Unallocated Apportionment-Direct Program-Subsequent Periods. Credit Balance. Represents the amount of direct program obligational authority available for subsequent periods at the departmental level for distribution to operating agencies or other intermediate levels.

- 4513 Unallocated Apportionment-Office of the Secretary of Defense (OSD) Withheld Programs. Credit Balance. Represents the amount of apportioned direct program obligational authority withheld by OSD.
- 4514 Unallocated Apportionment-Reimbursable Program-Current Period. Credit Balance. Represents the amount of the current period reimbursable program specifically apportioned, but unallocated.
- 4515 Unallocated Apportionment-Reimbursable Program- Subsequent Periods. Credit Balance. Represents the amount of subsequent period reimbursable program specifically apportioned, but unallocated.
- 4516 Unallocated Unfunded Contract Authority. Credit Balance. Represents the amount of unfunded contract authority apportioned.
- 4517 Unallocated Apportionment-Reserved for Other Anticipated Resources. Credit Balance. Represents the amount of apportioned anticipated resources available, other than anticipated automatically apportioned reimbursements, that must be withheld from availability for obligation until the anticipated resource actually materializes.
- 4518 Unallocated Apportionment-Reserve for Anticipated Resources-Automatically Apportioned. Credit Balance. Represents the amount of unobligated balances set aside pending realization of the anticipated automatically apportioned reimbursements underlying the obligational authority.
- 4520 Allocations to Others. Credit Balance. Represents the amount of apportioned funds transferred to other agencies for the accomplishment of work or projects in accordance with budget authority and negotiated agreements to carry out the purposes of the parent appropriation or fund.
- 4530 Allocations from Others. Debit Balance. Represents the amount of apportioned funds transferred in from other agencies for the accomplishment of work or projects in accordance with budget authority and negotiated agreements to carry out the purposes of the parent appropriation or fund.
- 4540 Internal Fund Distributions Issued. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of apportioned funds allocated from departmental level to intermediate levels. Included also are allocations of funds derived from appropriations that are not subject to apportionment.
- 4541 Allocations Issued-Direct Program-Current Period. Credit Balance. Represents the amount of current period, direct program, obligational authority allocated from departmental level to intermediate levels.
- 4542 Allocations Issued-Direct Program-Subsequent Periods. Credit Balance. Represents the amount of subsequent period, direct program, obligational authority allocated from departmental level to intermediate levels.
- 4543 Allocations Issued-Reimbursable Program-Current Period. Credit Balance. Represents the amount of current period, specifically apportioned, reimbursable program authority allocated from departmental level to intermediate levels.
- 4544 Allocations Issued-Reimbursable Program-Subsequent Periods. Credit Balance. Represents the amount of subsequent period, specifically apportioned, reimbursable program authority allocated from departmental level to intermediate levels.

4545 Allocations Issued-Withheld Programs. Credit Balance. Represents the amount of withheld programs allocated from departmental level to intermediate levels.

4550 Internal Fund Distributions Received. Debit Balance. Represents the amount of direct and reimbursable program authority received from departmental level by an intermediate level activity. It also can represent the amount of suballocations received from another intermediate level activity.

4560 Funds Available for Allotment. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of direct and reimbursable program authority available at an intermediate level activity for allotment to installation level activities, or suballocation to other intermediate level activities.

4561 Unallotted Allocations-Direct Program-Current Period. Credit Balance. Represents the amount of current period, direct program obligational authority available at an intermediate level for allotment to installation level activities, or suballocation to other intermediate level activities.

4562 Unallotted Allocations-Direct Program-Subsequent Periods. Credit Balance. Represents the amount of subsequent period direct program obligational authority available at an intermediate level activity for allotment to installation level activities, or suballocation to other intermediate level activities.

4563 Unallotted Allocations-Reimbursable Program-Current Period. Credit Balance. Represents the amount of specifically apportioned current period reimbursable program authority available at an intermediate level activity for allotment to installation level activities, or suballocation to other intermediate level activities.

4564 Unallotted Allocations-Reimbursable Program-Subsequent Periods. Credit Balance. Represents the amount of specifically apportioned subsequent period reimbursable program authority available at an intermediate level activity for allotment to installation level activities, or suballocation to other intermediate level activities.

4565 Unallotted Allocations-Withheld Programs. Credit Balance. Represents the amount of withheld program allocations received from departmental level by intermediate level activities.

4566 Unallotted Allocations-Operating Cost Authority-Defense Business Operations Fund. Credit Balance. This account is used to record, as a credit, the amount of operating cost authority received at the DoD Component Level and, as a debit, the amount of operating cost authority issued to a Defense Business Operations Fund activity (see also Account 4576).

4567 Unallotted Allocations-Capital Authority-Defense Business Operations Fund. Credit Balance. This account is used to record, as a credit, the amount of capital budget authority received at the DoD Component Level and, as a debit, the amount of capital budget authority issued to a Defense Business Operations Fund activity (see also Account 4577).

4570 Allotments Issued. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of direct and reimbursable program authority allotted by intermediate level activities to installation level activities.

4571 Allotments Issued-Direct Program-Current Period. Credit Balance. Represents the amount of current period direct program authority allotted by intermediate level activities to installation level activities.

4572 Allotments Issued-Direct Program-Subsequent Periods. Credit Balance. Represents the amount of subsequent period direct program authority allotted by intermediate level activities to installation level activities.

4573 Allotments Issued-Reimbursable Program-Current Period. Credit Balance. Represents the amount of current period reimbursable program authority allotted by intermediate level activities to installation level activities.

4574 Allotments Issued-Reimbursable Program-Subsequent Periods. Credit Balance. Represents the amount of subsequent period reimbursable program authority allotted by intermediate level activities to installation level activities.

4575 Allotments Issued-Withheld Programs. Credit Balance. Represents the amount of withheld programs allotted by intermediate level activities to installation level activities.

4576 Allotments Issued-Operating Cost Authority-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of operating cost authority issued from the DoD Component to a Defense Business Operations Fund activity.

4577 Allotments Issued-Capital Authority-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of capital budget authority issued from the DoD Component to a Defense Business Operations Fund activity.

4580 Allotments Received. Debit Balance. This is a summary account for Defense Business Operations Fund activities. For other activities, it is a posting account. Represents the amount of direct and specifically apportioned reimbursable program allotments received for the fiscal year.

4580.A Operating Cost Authority-A Goal-Defense Business Operations Fund. Debit Balance. This account is used to record, upon receipt of the operating cost authority issued from the Component level (see Account 4576), the amount of "A Goals" included in the Activity Operating Budget.

4580.B Operating Cost Authority-B Goal-Defense Business Operations Fund. Debit Balance. This account is used to record, upon receipt of the operating cost authority issued from the DoD Component level (see Account 4576), the amount of "B Goals" included in the Activity Operating Budget.

4580.C Operating Cost Authority-C Goal-Defense Business Operations Fund. Debit Balance. This account is used to record, upon receipt of the operating cost authority issued from the DoD Component level (see Account 4576), the amount of "C Goals" included in the Activity Operating Budget.

4580.D Operating Cost Authority-D Goal-Defense Business Operations Fund. Debit Balance. This account is used to record, upon receipt of the operating cost authority issued from the DoD Component level (see Account 4576), the amount of "D Goals" included in the Activity Operating Budget.

4581 Automatic Reimbursement Program. Debit Balance. Represents the amount of obligational authority required to cover the performance of reimbursable orders subject to automatic apportionment.

4582 Allotted Reimbursable Program-Current Period. Credit Balance. Represents the balance of current period, specifically apportioned, reimbursable program authority allotted.

4583 Allotted Reimbursable Program-Subsequent Periods. Credit Balance. Represents the balance of subsequent period, specifically apportioned, reimbursable program authority allotted.

4584 Anticipated Earned Authority-Defense Business Operations Fund. Credit Balance. This account is a summary account. This account is used to record (1) as a credit, the amount of cost and reimbursable authority anticipated to be earned during the year (see Account 4580) and (2) as a debit, the amount of actual cost authority earned.

4584.A Anticipated Earned Authority-A Goal-Defense Business Operations Fund. Credit Balance. This account is used to record (1) as a credit, the amount of "A Goal" reimbursements anticipated to be earned during the year (see Account 4580.A) and (2) as a debit, the amount of actual cost authority earned (see Account 4614.A).

4584.B Anticipated Earned Authority-B Goal-Defense Business Operations Fund. Credit Balance. This account is used to record (1) as a credit, the amount of "B Goal" reimbursements anticipated to be earned (see Account 4580.B) and (2) as a debit, the amount of actual cost authority earned (see Account 4614.B).

4584.C Anticipated Earned Authority-C Goal-Defense Business Operations Fund. Credit Balance. This account is used to record (1) as a credit, the amount of "C Goal" reimbursements anticipated to be earned (see Account 4580.C) and (2) as a debit, the amount of actual cost authority earned (see Account 4614.C).

4584.D Anticipated Earned Authority-D Goal-Defense Business Operations Fund. Credit Balance. This account is used to record (1) as a credit, the amount of "D Goal" reimbursements anticipated to be earned (see Account 4580.D) and (2) as a debit, the amount of actual cost authority earned (see Account 4614.D).

4585 Capital Program-Defense Business Operations Fund. Debit Balance. This is a summary account. No transactions should be posted to this account. This account is used to accumulate the amount of capital budget amounts authorized.

4585.1 Capital Authority-Defense Business Operations Fund- Equipment-Except Automated Data Processing Equipment (ADPE) and Telecommunications Equipment. Debit Balance. This account is used to record, upon receipt of the capital budget authority issued from the DoD Component level (see Account 4577), the amount of capital authority received for the purchase of equipment other than ADPE and telecommunications equipment.

4585.2 Capital Authority-Defense Business Operations Fund-ADPE and Telecommunications Equipment. Debit Balance. This account is used to record, upon receipt of the capital budget authority issued from the DoD Component level (see Account 4577), the amount of capital authority received for the purchase of ADPE and telecommunications equipment.

4585.3 Capital Authority-Defense Business Operations Fund- Software Development. Debit Balance. This account is used to record, upon receipt of the capital budget authority issued from the DoD Component level (see Account 4577), the amount of capital authority received to fund the development of approved software applications.

4585.4 Capital Authority-Defense Business Operations Fund-Minor Construction. Debit Balance. This account is used to record, upon receipt of the capital budget authority issued from the DoD Component level (see Account 4577), the amount of capital authority received to fund approved minor construction projects.

4585.5 Capital Authority-Defense Business Operations Fund- Management Improvement Initiatives. Debit Balance. This account is used to record, upon receipt of the capital budget authority issued from the DoD Component level (see Account 4577), the amount of capital authority received to fund management improvement efforts.

4610 Allotments Available for Commitment/Obligation. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of funds received and available for commitment/obligation or withheld programs allotted. Includes obligational authority available for both the direct and reimbursable programs.

4611 Uncommitted/Unobligated Allotments-Direct Program- Current Period. Credit Balance. Represents the amount of direct program obligational authority received for the current period, but not yet committed or obligated.

4612 Uncommitted/Unobligated Allotments-Direct Program- Subsequent Periods. Credit Balance. Represents the amount of direct program obligational authority allotted for use in subsequent periods.

4613 Uncommitted/Unobligated Allotments-Withheld Programs. Credit Balance. Represents the amount of withheld programs allotted to an installation level activity.

4614 Uncommitted/Unobligated Allotments-Reimbursable Program - Current Period. Credit Balance. This is a summary account for Defense Business Operations Fund activities. For other activities, it is a posting account. Represents the amount of reimbursable program obligational authority established upon acceptance of reimbursable orders, but not yet committed or obligated.

4614.A Actual Cost Authority Earned-A Goal-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of approved "A Goal" cost authority earned. Amounts posted to this account are determined by the work units produced times the approved unit cost goal.

4614.B Actual Cost Authority Earned-B Goal-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of approved "B Goal" cost authority earned. Amounts earned are actual costs incurred for performance under the "B Goal."

4614.C Actual Cost Authority Earned-C Goal-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of approved "C Goal" cost authority earned. Amounts earned are equal to obligation authority received on other funding documents for "C Goal" outputs.

4614.D Actual Cost Authority Earned-D Goal-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of approved "D Goal" cost authority earned. Amounts earned are equal to amounts approved for outputs listed on the Activity Operating Budget as "D Goal" outputs.

4615 Capital Authority Available-Defense Business Operations Fund. Credit Balance. This is a summary account. No transactions should be posted to this account. This account is used to accumulate the amount of capital authority available for use.

4615.1 Capital Authority Available-Defense Business Operations Fund-Equipment-Except ADPE and Telecommunications Equipment. Credit Balance. This account is used to record (1) as a credit, the amount of capital authority available for the purchase of equipment other than ADPE and telecommunications equipment (see Account 4585.1) and (2) as a debit, the amount of capital authority used to purchase of equipment other than ADPE and telecommunications equipment.

4615.2 Capital Authority Available-Defense Business Operations Fund-ADPE and Telecommunications Equipment. Credit Balance. This account is used to record (1) as a credit, the amount of capital authority available for the purchase of ADPE and telecommunications equipment (see Account 4585.1) and (2) as a debit, the amount of capital authority used to purchase ADPE and telecommunications equipment.

4615.3 Capital Authority Available-Defense Business Operations Fund-Software Development. Credit Balance. This account is used to record (1) as a credit, the amount of capital authority available to fund the development of approved software applications (see Account 4585.1) and (2) as a debit, the amount of capital authority used to develop approved software applications.

4615.4 Capital Authority Available-Defense Business Operations Fund-Minor Construction. Credit Balance. This account is used to record (1) as a credit, the amount of capital authority available to fund approved minor construction projects (see Account 4585.1) and (2) as a debit, the amount of capital authority used to fund approved minor construction projects.

4615.5 Capital Authority Available-Defense Business Operations Fund-Management Improvement Initiatives. Credit Balance. This account is used to record (1) as a credit, the amount of capital authority available to fund management improvement efforts (see Account 4585.1) and (2) as a debit, the amount of capital authority used to fund management improvement efforts.

4620 Other Funds Available for Commitment/Obligation. Credit Balance. Represents the amount of appropriated funds, not subject to apportionment, that are available for commitment/obligation.

4630 Other Funds Unavailable for Commitment/Obligation. Credit Balance. Represents the amount of appropriated funds, not subject to apportionment, that are not available for commitment/obligation.

4700 Commitments Available for Obligation. Credit Balance. This account is a summary account. No transactions should be posted to this account. Represents the amount of direct and reimbursable program authority committed in anticipation of obligation.

4710 Outstanding Commitments-Direct Program. Credit Balance. Represents the amount of direct program unobligated commitments.

4720 Outstanding Commitments-Reimbursable Program. Credit Balance. This account is a summary account. Represents the amount of reimbursable program unobligated commitments.

4721 Outstanding Commitments-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of unobligated commitments for operating cost items.

4722 Outstanding Commitments-Capital-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of unobligated commitments for capital asset purchases.

4800 Undelivered Orders. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of goods and services ordered and obligated, but which have not been received. This account includes any orders for which advance payment has been made, but for which delivery or performance has not yet occurred.

4810 Undelivered Orders-Direct Program. Credit Balance. This account is a summary of Account 4811, "Undelivered Orders-Without Advance-Direct Program," and Account 4812, "Undelivered Orders-With Advance-Direct Program." No transactions should be posted to this account. Represents the amount of direct program orders for goods and services for which delivery or performance has not yet occurred.

4811 Undelivered Orders-Without Advance-Direct Program. Credit Balance. Represents the amount of direct program orders issued without an advance payment for goods and services for which delivery or performance has not yet occurred. This account is subsidiary to Account 4810, "Undelivered Orders-

Direct Program." For undelivered orders with advances, record the amount of the obligation less the advance.

4812 Undelivered Orders-With Advance-Direct Program. Credit Balance. Represents the amount of direct program orders issued with an advance payment for goods and services for which delivery or performance has not yet occurred. This account is subsidiary to Account 4810, "Undelivered Orders-Direct Program." For undelivered orders with advances, record the amount of the advance.

4820 Undelivered Orders-Reimbursable Program. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of reimbursable program orders for goods and services for which delivery or performance has not yet occurred.

4821 Undelivered Orders-Without Advance-Reimbursable Program. Credit Balance. Represents the amount of reimbursable program orders issued without an advance payment for goods and services for which delivery or performance has not yet occurred. This account is subsidiary to Account 4820, "Undelivered Orders- Reimbursable Program." For undelivered orders with advances, record the amount of the obligation less the amount of the advance.

4822 Undelivered Orders-With Advance-Reimbursable Program. Credit Balance. Represents the amount of reimbursable program orders issued with an advance payment for goods and services for which delivery or performance has not yet occurred. This account is subsidiary to Account 4820, "Undelivered Orders-Reimbursable Program." For undelivered orders with advances, record the amount of the advance.

4823 Undelivered Orders-Without Advance-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of orders issued incident to operations without an advance payment for goods or services for which delivery or performance has not yet occurred.

4824 Undelivered Orders-With Advance-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of orders issued incident to operations with an advance payment for goods or services for which delivery or performance has not yet occurred.

4825 Undelivered Orders-Without Advance-Capital-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of orders, without an advance payment, for the acquisition of capital assets for which delivery or performance has not yet occurred.

4826 Undelivered Orders-With Advance-Capital-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of orders, with an advance payment, for the acquisition of capital assets for which delivery or performance has not yet occurred for goods or services.

4900 Expended Appropriations. Credit Balance. This account is a summary account. No transactions should be posted to this account. Represents the amount of paid and unpaid expenditures for (a) services performed by employees, contractors, vendors, carriers grantees, lessors, other government funds; (b) goods and tangible property received; and (c) amounts becoming owed under programs for which no current service or performance is required (that is, annuities, insurance claims and other benefit payments).

4910 Accrued Expenditures-Unpaid-Direct Program. Credit Balance. Represents the amount of direct program goods and services received for which payment has not yet been made.

4920 Accrued Expenditures-Unpaid-Reimbursable Program. Credit Balance. This account is a summary account. Represents the amount of goods and services received against the reimbursable program for which payment has not yet been made.

4921 Accrued Expenditures-Unpaid-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of goods and services received for which payment has not been made.

4922 Accrued Expenditures-Unpaid-Capital-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of capital asset acquisitions received for which payment has not been made.

4930 Accrued Expenditures-Paid-Direct Program. Credit Balance. This account is a summary of Account 4931, "Accrued Expenditures-Paid-Direct Program," and Account 4932, "Accrued Expenditures-Refunds Due-Direct Program." No transactions should be posted to this account. Represents the amount of direct program goods and services received for which (1) payment has been made; or (2) refunds are due of erroneous payments or unliquidated advances.

4931 Accrued Expenditures-Paid-Direct Program. Credit Balance. Represents the amount of direct program goods and services received for which payment has been made. This account is subsidiary to Account 4930, "Accrued Expenditures-Paid-Direct Program."

4932 Accrued Expenditures-Refunds Due-Direct Program. Credit Balance. Represents the amount of direct program refunds due from Federal Agencies organizations or funds, non-federal governmental organizations, commercial vendors, and private parties resulting from erroneous payments and unliquidated advances. This account is subsidiary to Account 4930, "Accrued Expenditures-Paid-Direct Program."

4940 Accrued Expenditures-Paid-Reimbursable Program. Credit Balance. This account is a summary of Account 4941, "Accrued Expenditures-Paid-Reimbursable Program," and Account 4942, "Accrued Expenditures-Refunds Due-Reimbursable Program." No transactions should be posted to this account. Represents the amount of goods and services received against the reimbursable program for which (1) payment has been made or (2) refunds are due of erroneous payments or unliquidated advances.

4941 Accrued Expenditures-Paid-Reimbursable Program. Credit Balance. Represents the amount of goods and services received against the reimbursable program for which payment has been made. This account is subsidiary to Account 4940, "Accrued Expenditures-Paid-Reimbursable Program."

4942 Accrued Expenditures-Refunds Due-Reimbursable Program. Credit Balance. Represents the amount of reimbursable program refunds due from Federal Agencies organizations or funds, non-federal governmental organizations, commercial vendors, and private parties resulting from erroneous payments and unliquidated advances. This account is subsidiary to Account 4940, "Accrued Expenditures-Paid-Reimbursable Program."

4943 Accrued Expenditures-Paid-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of goods and services received and accepted for which payment has been made.

4944 Accrued Expenditures-Paid-Capital-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of capital asset acquisitions received and accepted for which payment has been made.

4950 Accrued Expenditures-Paid-Undistributed. Credit Balance. Represents the amount of disbursements as reported by the U.S. Treasury, departmental, or other finance network that are not immediately distributable at the installation level.

5000 Revenue and Financing Sources. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents the amount of off-setting collections resulting from (a) services performed, (b) goods and tangible property delivered to purchasers, (c) interest and penalties and (d) trust fund receipts.

5100 Revenue from Goods Sold. Credit Balance. This is summary account for Defense Business Operations Fund activities. For other activities, it is a posting account. Represents the value of inventory and completed projects for which revenue is billed to DoD Components.

5101 Revenue from Goods Sold-Defense Business Operations Fund. Credit Balance. This is a summary account for Defense Business Operations Fund activities. No transactions should be posted to this account. This account is used to accumulate the value of inventory or completed projects provided to customers.

5101.1 Revenue from Goods Sold-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the value of inventory items or completed projects provided to customers incident to normal operations of the business area.

5101.2 Revenue from Goods Sold-Capital Asset-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of capital asset surcharges (other than surcharges for depreciation and MILCON which are to be recorded in Subsidiary Accounts 5101.3-4) included in the price of inventory items or completed projects provided to customers.

5101.3 Revenue from Goods Sold-Depreciation-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of depreciation surcharges included in the price of inventory items or completed projects provided to customers.

5101.4 Revenue from Goods Sold-MILCON-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of MILCON surcharges included in the price of inventory items or completed projects provided to customers.

5200 Revenue from Services Provided. Credit Balance. Represents revenue earned from the sale of services provided, including sale of power, transportation, etc. (This is summary account for Defense Business Operations Fund activities. For other activities, it is a posting account.)

5201 Revenue from Services Provided-Defense Business Operations Fund. Credit Balance. This is a summary account for Defense Business Operations Fund activities. No transactions should be posted to this account. This account is used to accumulate the amount of revenue earned from the provision of services to customers.

5201.1 Revenue from Services Provided-Operating-Defense Business Operations Fund. Credit Balance. This account is used to record the value of services provided to customers incident to normal operations of the business area.

5201.2 Revenue from Services Provided-Capital Asset-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of capital asset surcharges (other than surcharges for depreciation and MILCON which are to be recorded in Subsidiary Accounts 5201.3 and 5201.4) included in the price of services provided to customers.

5201.3 Revenue from Services Provided-Depreciation-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of depreciation surcharges included in the price of services provided to customers.

5201.4 Revenue from Services Provided-MILCON-Defense Business Operations Fund. Credit Balance. This account is used to record the amount of MILCON surcharges included in the price of services provided to customers.

5300 Interest and Penalties Revenue. Credit Balance. Represents the revenue earned on investments, delinquencies and loans.

5400 Benefit Program Revenue. Credit Balance. Represents revenue received by DoD Components that administer retirement plans, education benefit plans, insurance plans and other annuity programs.

5500 Insurance and Guarantee Premium Revenue. Credit Balance. Revenue earned by DoD Components that administer insurance plans and guarantee programs. (Do not use this account without specific approval from the Office of the DoD Comptroller.)

5600 Donated Revenue. Credit Balance. Represents revenue to donation trust funds from authorized acceptance from non-federal sources of payments in cash or kind to cover travel and/or subsistence expenses of employees and other authorized donations.

5700 Appropriated Capital Used. Credit Balance. This account is a financing source to be matched against current period expenses funded by appropriations. This includes expenses funded by prior year appropriations such as (1) depreciation of fixed assets and consumption of inventory related to prior year purchases of fixed assets and inventory, (2) accrued and actual losses on inventory write downs, and (3) bad debt expense related to capitalized long term loans receivable and related interest.

5900 Other Revenue. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents amounts of revenue earned by DoD Components from miscellaneous sources not specifically provided for in other revenue accounts.

5910 Miscellaneous Reimbursements. Credit Balance. Represents the amount of revenue earned by DoD Components from miscellaneous sources not specifically provided for in other revenue accounts and reimbursable to DoD appropriations or funds.

5911 General Fund Sale of Property. Credit Balance. Represents the amount of sales not otherwise classified that are to be returned to the miscellaneous receipts accounts of the Treasury. (Do not use this account without specific approval from the Office of the DoD Comptroller.)

5912 Miscellaneous General Fund Income. Credit Balance. Represents the amount of miscellaneous receivables by DoD Components for credit to Treasury general fund receipt accounts. (Do not use this account without prior approval from the Office of the DoD Comptroller.)

6000 Expenses. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents the out-flows of assets or incurrence of liabilities during a period resulting from the rendering of services, delivering or producing goods, or carrying out other normal operating activities.

6100 Operating/Program Expenses. Debit Balance. This is a summary account. No transactions should be posted to this account. Operational and program costs incurred throughout the year. Operating program/expenses are (1) the total outlay in cash or equivalent applied in carrying out a

specific program or function, (2) the total cost of goods sold plus all selling, administrative and general expenses applicable thereto and (3) the total cost assignable against operating income or profit.

6111 Personnel Compensation-Civilian. Debit Balance. Represents the gross compensation for personal services rendered by Federal civilian employees and non-federal employees.

6112 Personnel Compensation-Military. Debit Balance. Represents the earned basic, incentive and special pays for military personnel.

6113 Personnel Benefits-Civilian. Debit Balance. Represents the benefits paid directly to DoD civilian personnel and payments to other funds for the benefit of the employees.

6114 Personnel Benefits-Military. Debit Balance. Represents benefits paid directly to military personnel or to other funds for military personnel.

6115 Benefits for Former Personnel. Debit Balance. Represents the benefits due to former personnel or their survivors.

6116 Travel and Transportation of Persons. Credit Balance. Represents the expense of transporting employees and others, their per diem allowance while in an authorized travel status, and other expenses incident to travel that are to be paid by the U.S. Government either directly or by reimbursing the traveler.

6117 Transportation of Things. Debit Balance. Represents the expense of transporting things (including animals) and for the care of such things while in the process of being transported. Excludes vendor transportation expenses for fixed assets and inventory items, which shall be charged to the same account as the purchased items.

6118 Rents, Communications and Utilities. Debit Balance. Represents the expense incurred for rents, communications and utilities purchased from commercial or U.S. Government sources.

6119 Printing and Reproduction. Debit Balance. Represents the expense incurred for printing and reproduction, and the related composition and binding operations purchased from the U.S. Government or commercial printers.

6120 Other Services. Debit Balance. Represents the expense incurred for services received not otherwise classified.

6121 Supplies and Materials. Debit Balance. Represents the expense incurred for supplies and materials, including ammunition, petroleum, oil and lubricants. Includes all supplies and materials consumed or utilized that do not meet the capitalization criteria.

6122 Equipment-Not Capitalized. Debit Balance. Represents the acquisition costs of equipment that do not meet capitalization requirements.

6123 Grants, Subsidies and Contributions. Debit Balance. Represents the value of grants, subsidies, and contributions made to further or enhance the interest of national defense.

6124 Insurance Claims and Indemnities. Debit Balance. Represents payments to veterans and their survivors for death or disability claims and judgments arising from court decisions, abrogations of contracts, claims arising from military operations and personnel expenses, etc.

6125 Depreciation of Equipment. Debit Balance. Represents a reasonable measure of the expiration of service potential of non-military equipment (see Account 1750) in use during the accounting period. Military equipment (see Account 1760) shall not be depreciated. Subsidiary accounts may be added as necessary to meet reporting requirements.

6126 Depreciation of Real Property. Debit Balance. Represents a reasonable estimate of the expiration of service potential of depreciable real property in use during the accounting period.

6127 Depletion of Natural Resources. Debit Balance. Represents the quantitative exhaustion of the physical units of the resources removed from its natural state that is a proration of the capitalized asset amount to the units removed during the accounting period.

6128 Amortization of Leasehold Improvements and Other Intangible Assets. Debit Balance. Represents a reasonable measure of the expiration during the accounting period of the service potential of leasehold improvements and other intangible capital assets subject to amortization.

6129 Bad Debts. Debit Balance. Represents the expense for bad debts. It is the estimated uncollectible portion of all receivables. If the direct write off method is used, this account is used to record receivables written off during the accounting period.

6130 Annual Leave. Debit Balance. Represents the expense for annual leave earned by military personnel and civilian employees during the accounting period.

6300 Interest Expenses. Debit Balance. This is a summary account. No transactions should be posted to this account. The interest incurred by DoD Components from late payment of accounts and loans payable and the current interest accruing on amounts owed to others.

6310 Interest Expenses on Borrowing from Treasury. Debit Balance. Represents interest payments on borrowings from Treasury. (Do not use this Account without specific approval from the Office of the DoD Comptroller.)

6320 Interest Expenses on Securities. Debit Balance. Represents interest payments on borrowings from U.S. Treasury. (Do not use this Account without specific approval from the Office of the DoD Comptroller.)

6330 Other Interest Expenses. Debit Balance. Represents the interest expense incurred for amounts due creditors for the use of moneys loaned, deposited, overpaid or otherwise made available. When a contract provides for interest to be paid to a contractor if payment of claims under a contract has been delayed by the DoD, the accrued interest payable shall be recorded in this account.

6400 Benefit Program Expenses. Debit Balance. Represents amounts paid by the Military Retirement Trust Fund and the DoD Education Benefits Trust Fund. (This account shall be used only by those DoD Components that administer the Military Retirement Trust Fund and the DoD Education Benefits Trust Fund.)

6500 Cost of Goods Sold. Debit Balance. Represents the cost of goods or services sold from stock by DoD Components authorized to provide services or material to other Federal Government Agencies, including other DoD Components, or non-federal government agencies.

6600 Applied Overhead. Debit Balance. The amount of overhead distributed to work in process or construction in progress.

- 6900 Other Expenses. Debit Balance. Represents expenses not otherwise classified.
- 7100 Gains. Credit Balance. This is a summary account. No transactions should be posted to this account. Represents gains on assets.
- 7110 Gains on the Disposition of Assets. Credit Balance. Represents the gain on the disposition of assets and personal property.
- 7190 Other Gains. Credit Balance. This is a summary account. No transactions should be posted to this account. Gains from the disposition of assets other than capital assets.
- 7191 Inventory Gains. Credit Balance. Represents inventory gains resulting from physical inventories or discovered during operations or price increases.
- 7192 Investment Gains. Credit Balance. Represents the gain on the sale, exchange, or redemption of investments held by the DoD.
- 7193 Other Miscellaneous Gains. Credit Balance. Represents the gain resulting from currency fluctuations or other transactions not classifiable in specific other gain accounts.
- 7200 Losses. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents losses on assets.
- 7210 Losses on the Disposition of Assets. Debit Balance. Represents the loss on the disposition of assets and personal property.
- 7290 Other Losses. Debit Balance. This is a summary account. No transactions should be posted to this account. Represents losses of assets other than from the disposition.
- 7291 Inventory Losses or Adjustments. Debit Balance. Represents losses discovered during a physical inventory or during operations. Also includes reductions in inventory value as a result of price decreases.
- 7292 Investment Losses. Debit Balance. Represents the loss on the sale, exchange or redemption of investments held by the Department of Defense.
- 7293 Other Miscellaneous Losses. Debit Balance. Represents those losses which are not classifiable to specific loss accounts.
- 7300 Extraordinary Items. Debit Balance. Represents those costs or income so unusual in type as to be accorded special treatment in the accounts or to be accorded separate disclosure in financial statements.
- 7400 Prior Period Adjustments. Debit Balance. Represents significant adjustments to expense or revenue transactions recorded in prior fiscal years.
- 7500 Distribution of Income-Dividend. Debit Balance. Represents distributions of income or dividends. (Do not use this Account without prior approval from the Office of the DoD Comptroller.)
- 7600 Changes in Actuarial Liability. Debit or Credit Balance. Represents the amount of increase or decrease in actuarial liability.

APPENDIX A
OBJECT CLASSIFICATION

1. Purpose

The purpose of this appendix is to provide necessary information on the object classes that are used as a uniform classification for identifying the transactions of the Federal Government by the nature of the goods or services purchased. Every obligation recorded by the Department of Defense must be coded with an object class. These obligations by object class must be accumulated and reported to the Treasury on a quarterly basis.

2. Basic Concepts

a. Obligations incurred are the amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same or a future period. Such amounts include payments for which obligations have not been previously recorded, along with adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The installation-level budgetary account structure requires that the amount of obligations incurred be segregated into undelivered orders and accrued expenditures - unpaid or paid.

b. Obligations are classified by the initial purpose for which they are incurred, rather than for the end product or service provided. For example, if payments are made directly for personal services or supplies used in the construction of a building, the amounts should be classified as obligations for personnel compensation or supplies rather than for land and structures. Conversely, if contracts are awarded for the construction of a building, the amounts should be classified in the object class for lands and structures rather than in the object class used to report individual types of materials and services required to construct the building.

c. Object class information must be incorporated into DoD accounting systems to provide for preparation of the Report on Obligations, SF-225. This may be done either by subclassifying undelivered order and accrued expenditure transactions by object class, or deriving the information from applicable expense and asset accounts.

d. Specifications for the Report on Obligations, SF-225, are contained in chapter 4 of Volume 6 of this Regulation. Obligations incurred must be reported by object classes 11 through 44, 91 and 92. The codes, titles and definitions for these object classes are contained below.

OBJECT CLASS CODES AND TITLES

10 PERSONNEL SERVICES AND BENEFITS

- 11.0 Personnel compensation
 - 11.1 Full-time permanent
 - 11.3 Other than full-time permanent
 - 11.5 Other personnel compensation
 - 11.7 Military personnel
 - 11.8 Special personal services payments
 - 11.9 Total personnel compensation
- 12.0 Personnel benefits
 - 12.1 Civilian personnel benefits
 - 12.2 Military personnel benefits
- 13.0 Benefits for former personnel

20 CONTRACTUAL SERVICES AND SUPPLIES

- 21.0 Travel and transportation of persons
- 22.0 Transportation of things
- 23.0 Rent, communications, and utilities
 - 23.1 Rental payments to GSA
 - 23.2 Rental payments to others
 - 23.3 Communications, utilities, and miscellaneous charges
- 24.0 Printing and reproduction
- 25.0 Other services
- 26.0 Supplies and materials

30 ACQUISITION OF CAPITAL ASSETS

- 31.0 Equipment
- 32.0 Land and structures
- 33.0 Investments and loans

40 GRANTS AND FIXED CHARGES

- 41.0 Grants, subsidies, and contributions
- 42.0 Insurance claims and indemnities
- 43.0 Interest and dividends
- 44.0 Refunds

90 OTHER

- 91.0 Unvouchered
- 92.0 Undistributed
- 93.0 Limitation on expenses
- 99.0 Subtotal, obligations
- 99.9 Total obligations

OBJECT CLASS DEFINITIONS

10 PERSONNEL SERVICES AND BENEFITS

11.0 Personnel Compensation

Gross compensation for personal services rendered to the Government by Federal civilian employees, military personnel, and non-Federal personnel. (See object classes 11.1 - 11.9).

11.1 Full-Time Permanent

Regular salaries and wages paid directly to civilian full-time permanent employees, as defined in section 13.2, and other payments that become a part of the employee's basic pay rate (e.g., merit pay increases for GM 13-15 employees, geographic adjustments, and critical position pay). Includes regular salaries and wages paid to employees while on annual, sick, compensatory or other paid leave, and terminal leave payments; excludes compensation above the basic rate, e.g., for overtime or other premium pay, which should be recorded in object class 11.5. Where employees are paid from more than one appropriation, the applicable portion will be included under each appropriation. Include compensation for all workdays in the fiscal year.

11.3 Other Than Full-Time Permanent

Regular salaries and wages, including obligations for terminal leave payments and merit pay increases for GM 13-15 employees, paid directly to Federal civilian employees for part-time, temporary, or intermittent employment. Includes pay for employees in the Competitive and Excepted Services with appointments that are not designated as full-time permanent under object class 11.1. Includes pay for employees in the Senior Executive Service who are serving under limited term appointments, as defined in 5 U.S.C. 3132(a)(5) and under limited emergency appointments, as defined in 5 U.S.C. 3132(a)(6).

Note: When the Government contracts with an individual for personal services and that individual is reportable under Office of Personnel Management regulations as a Federal employee, the compensation for services normally shall be classified under object class 11.3 or 11.5, as appropriate. On the other hand, payments to a contractor principally for the personal services of a group of the contractor's employees shall be classified under object class 25.0. Similarly, contracts with individuals for personal services that provide for substantial additional considerations, such as a contract with a physician who provides his or her own office, X-ray and other equipment, shall be classified under object class 25.0.

11.5 Other Personnel Compensation

All personnel compensation above basic rates paid directly to civilian employees. Excludes cash allowances for higher cost of living locations, which are classified under object class 12.1. Includes overtime, holiday pay, Sunday pay, night work differential, and hazardous duty pay. Also includes:

Post differentials - Payments authorized under 5 U.S.C. 5925 above the basic rate for service at hardship posts abroad that are based upon conditions of environment differing substantially from those in the contiguous 48 States and the District of Columbia.

Other payments above basic rates - Payments above the basic rate for any other premium pay, such as stand-by pay and premium pay in lieu of overtime and special pay that is paid periodically during the year in the same manner and at the same time as regular salaries and wages are paid. Excludes special pay which is classified under object class 12.1.

Cash incentive awards - Payments for cash awards that do not become part of the Federal employee's basic rate of pay, such as those authorized under 5 U.S.C. 4503, 4504, 4505a, 4507, 5384, and 5407.

11.7 Military Personnel

Pay of military personnel including amounts above basic rates; for example, overtime, holiday pay, night work differential, hazardous duty pay, flight pay, and extra pay based upon conditions of environment (except cost of living allowances for locations outside the contiguous 48 States and the District of Columbia, which are classified under object class 12.2). Also includes basic allowances for subsistence (BAS) and for quarters (BAQ). Excludes payments made to other agencies for services of military personnel on reimbursable detail, which are classified under object class 11.8.

11.8 Special Personal Services Payments

Regular salaries and wages paid directly to persons whose work-years are not reportable to the Office of Personnel Management as Federal civilian employees and payments for personal services that do not represent salaries or wages paid directly to Federal employees. Includes:

Compensation of persons not reportable as Federal employees - Payments for compensation to persons not included in regular employment reports to the Office of Personnel Management, such as witnesses, casual workers, and patient and inmate help. Includes compensation in the nature of allowances to trainees and volunteers. Also includes payments for salary equalization authorized under 5 U.S.C. 3373 and 3584 for individuals on leave of absence for employment with international organizations or State and local governments. (During the period of leave of absence, such persons are not included in reports on Federal employment to the Office of Personnel Management if the Federal agency pays 50 percent or less of the person's salary.)

Payments for reimbursable details - Payments made to other agencies for services of civilian employees and military personnel on reimbursable detail (both compensation and personnel benefits).

Agency reimbursement to the Civil Service retirement and disability fund for reemployed annuitants - Payments by an agency employing an annuitant to reimburse the Civil Service retirement and disability fund for the annuity paid to that employee, as required by Public Law 94-397 (5 U.S.C. 8339, 8344).

11.9 Total Personnel Compensation

Total of the amounts shown for object classes 11.1 through 11.8.

12.0 Personnel Benefits

Benefits for currently employed civilian, military, and certain non-Federal personnel. (Payments of benefits to certain former Federal civilian and military personnel are classified under object classes 13.0 and 42.0.) (See object classes 12.1 and 12.2)

12.1 Civilian Personnel Benefits

Cash allowances paid directly to Federal civilian employees and payments to other funds for the benefit of these employees, and benefits authorized by statute to be paid, including those to certain non-Federal employees.

This object class consists of all such payments whether or not the personnel compensation of these employees is classified under object classes 11.1 through 11.8. Benefit payments for non-Federal civilian employees under this object class include persons not reportable to the Office of Personnel Management as Federal employees.

Excludes cash incentive awards classified under object class 11.5 and perquisites provided in kind (which are classified under the object class representing the nature of the item purchased), and payments to former employees from their employment. Includes:

Recruitment and retention incentives - Payments above the basic rate for recruitment bonuses, relocation bonuses, and retention allowances authorized by 5 U.S.C. 5753 and 5754.

Allowances - Includes quarters allowances, uniform allowances (when paid in cash), reimbursements for notary public expenses, and allowances above basic rates of pay for service outside the contiguous 48 States and the District of Columbia to compensate for a substantially higher cost of living at the post of assignment than the cost of living in the District of Columbia (as authorized under 5 U.S.C. 5924 and 5941). Also includes allowances for separate maintenance, education for dependents, transfers for employees stationed abroad, and personal allowances based upon assignment or position.

Relocation and other expenses related to permanent change of station (PCS) - Includes authorized allowances for expenses incurred in connection with the sale of a residence, or settlement of an unexpired lease, subsistence while occupying temporary quarters, and miscellaneous moving expenses, as authorized under 5 U.S.C. 5724a. Also includes reimbursement of amounts equal to income taxes incurred by transferred employees for moving or storage expenses under 5 U.S.C. 5724b and contractual charges for relocation services under 5 U.S.C. 5724c. Charges for other PCS expenses are classified under object class 21.0, 22.0, or 25.0, as appropriate.

Payments to other funds - Includes employers share of employee retirement, life insurance, health insurance and benefits, accident compensation (such as payments to the Office of Worker's Compensation), Federal Insurance Contribution Act taxes, and other such payments. Also includes agency payments to finance fiduciary insurance costs of the Federal Retirement Thrift Investment Board.

12.2 Military Personnel Benefits

Cash allowances and payments to other funds for military personnel. Includes:

Allowances - Includes uniform allowances (when paid in cash) and reenlistment bonuses. Also includes cost of living allowances paid to personnel on duty outside the contiguous 48 States and the District of Columbia, dislocation and family separation allowances, and personal allowances based upon assignment or rank. (Excludes hazardous duty pay, flight pay, extra pay based upon conditions of environment, and other such pay, which are classified under object class 11.7, and benefit payments to veterans resulting from their past service.)

Payments to other funds - Includes the employer share of military retirement, Federal Insurance Contribution Act taxes, Servicemen's Group Life Insurance premiums, and education benefits.

13.0 Benefits for Former Personnel

Benefits due to former employees or their survivors on the basis of (at least in part) the length of service to the Government. Excludes benefits provided in kind, such as hospital and medical care, which are classified under the object class representing the nature of the items purchased. Includes:

Retirement benefits - Compensation in the form of pensions, annuities, or other retirement benefits paid to former military and certain civilian Government personnel or to their survivors, exclusive of payments from retirement trust funds, which are classified under object class 42.0.

Severance pay - Payments made to former employees involuntarily separated.

Other benefits - Unemployment compensation for Federal employees and ex-servicemen and other benefits paid directly to the beneficiary. Also includes Government payment to the Employees Health Benefits Fund for annuitants.

20 CONTRACTUAL SERVICES AND SUPPLIES

21.0 Travel and Transportation of Persons

Obligations for transportation of Government employees or others, their per diem allowances while in an authorized travel status, and other expenses incident to travel that are to be paid by the Government either directly or by reimbursing the traveler.

This object class consists of both travel away from official stations, subject to regulations governing civilian and military travel, and local travel and transportation of persons in and around the official station of an employee. In determining subclasses for administrative use, agencies may maintain such distinctions as they deem appropriate, including a separate subclass for rental of vehicles from interagency motor vehicle pools. Includes:

Transportation of persons - Contractual obligations for services in connection with carrying persons from place to place, by land, air, or water and the furnishing of accommodations incident to actual travel. Includes commercial transportation charges; rental or lease of passenger cars; charter of trains, buses, vessels, or airplanes; ambulance service or hearse service; and expenses incident to the operation of rented or chartered conveyances. (Rental or lease of all passenger carrying vehicles is

to be charged to this object class, even though such vehicles may be used incidentally for transportation of things.) Includes mileage allowances for use of privately owned vehicles and related charges that are specifically authorized (such as highway and ferry tolls). It includes rental or lease of passenger motor vehicles from Government motor pools. Also includes bus, subway, streetcar, and taxi fares (including tips) whether used for local transportation or for travel away from a designated post of duty.

Subsistence for travelers - Payments to travelers of per diem allowances or reimbursement of actual expenses for subsistence.

Transportation expenses incident to permanent change of station (PCS) - Payments to employees for transportation expenses and per diem allowances or reimbursement of actual travel expenses associated with a permanent change of station (including travel expenses and per diem for the employee's immediate family), as authorized under 5 U.S.C. 5724a. Charges for other PCS expenses are classified under object class 12.1, 12.2, 22.0, or 25.0, as appropriate.

Incidental travel expenses - Other expenses directly related to official travel, such as baggage transfer, and telephone and telegraph expenses, as authorized by travel regulations.

22.0 Transportation of Things

Contractual obligations for the transportation of things (including animals), for the care of such things while in process of being transported, and for other services incident to the transportation of things. (Excludes transportation paid by a vendor, regardless of whether the cost is itemized on the bill for the commodities purchased by the Government.) Includes:

Freight and express - Charges by common carrier and contract carrier, including freight and express, demurrage, switching, recrating, refrigerating, and other incidental expenses.

Trucking and other local transportation - Charges for hauling, handling, and other services incident to local transportation, including contractual transfers of supplies and equipment.

Mail transportation - Postage used in parcel post and charges for express package services (that is, charges for transporting freight). (It excludes other postage and charges that are classified under object class 23.3.)

Transportation of household goods related to permanent change of station (PCS) travel - Payments to Federal employees for transportation of household goods and effects or house trailers instead of payment of actual expenses when payment is for transfer of personnel from 1 official station to another. Charges for other PCS expenses are classified under object class 12.1, 12.2, 21.0, or 25.0, as appropriate.

23.0 Rent, Communications, and Utilities

Charges for possession and use of land, structures, or equipment owned by others and charges for communication and utility services. Excludes charges for rental of transportation equipment, which are classified under object class 21.0 or 22.0. (See object classes 23.1 through 23.3.).

23.1 Rental Payments to GSA

Direct obligations for rental of space and rent related services assessed by the General Services Administration (GSA) as rent, formerly known as standard level user charges (SLUC). Excludes charges for related services provided by GSA in addition to services provided under rental payments, such as extra protection, extra cleaning, or extra alterations, which are classified under object class 25.

23.2 Rental payments to others

Obligations for possession and use of space, land, and structures leased from a non-Federal source. Rental payments to agencies other than GSA for space, land, and structures that are subleased or occupied by permits regardless of whether the space is owned or leased will be classified under object class 25.0.

23.3 Communications, utilities, and miscellaneous charges

Includes:

ADP and communication services and rentals - Obligations for the transmission of messages or data, such as land telegraph service, marine cable service, radio and wireless telegraph service, electronic data transmission service, and telephone and teletype service; postage (excluding parcel post and express mail service for freight); contractual mail (including express mail service for letters) or messenger service; and rental of post office boxes, postage meter machines, mailing machines and teletype equipment. Includes charges for the rental of ADP and telecommunications equipment. (Charges for maintenance to ADP and telecommunications equipment and related training and technical assistance, when significant and readily identifiable in the contract or billing, shall be classified under object class 25.0. Contractual services involving the use of equipment in the possession of others, such as computer time-sharing, shall also be classified under object class 25.0).

Utility services - Obligations for heat, light, power, water, gas, electricity, and other utility services.

Miscellaneous charges - Periodic charges under purchase rental agreements for equipment. (Payments subsequent to the acquisition of title to the equipment should be classified under object class 31.0.) Excludes payments under lease-purchase contracts for construction of buildings, which are classified under object class 32.0 or 43.0, and for ADP and telecommunications equipment, which are classified under object class 31.0.

24.0 Printing and reproduction

Obligations for contractual printing and reproduction (including photocomposition, photography, blueprinting, photostating, and microfilming), and the related composition and binding operations performed by the Government Printing Office, other agencies or other units of the same agency (on a reimbursable basis), and commercial printers or photographers. Includes all common processes of duplicating obtained on a contractual or reimbursable basis. Also includes standard forms when specially printed or assembled to order and printed envelopes and letterheads.

Note: This object class consists of both printing and binding as defined in the Government Printing and Binding regulations issued by the Joint Committee on Printing and reproduction of the type that does not come within the Joint Committee's definition. In determining subclasses for administrative use, DoD Components may appropriately maintain such a distinction.

25.0 Other services

Obligations for contractual services not otherwise classified. Supplies and materials furnished by the contractor in connection with such services are included even though they may be separately itemized on the voucher. Excludes obligations for services in connection with the initial installation of equipment, when performed by the vendor, which are classified under object class 31.0. Includes:

Repairs and alterations - Obligations for repairs and alterations to buildings, bridges, viaducts, vessels, equipment, and like items, when done by contract.

Storage and maintenance - Obligations for contractual services for storage and care of vehicles and storage of household goods, including those associated with a permanent change of station (PCS). Obligations for other PCS expenses are classified under object class 12.1, 12.2, 21.0, or 22.0.

Subsistence and support of persons - Obligations incurred for contractual services for board, lodging, and care of persons, including hospital care (except travel items, which are classified under object class 21.0).

Typing and stenographic service contracts

Publication of notices, advertising, and radio and television time

Tuition

Fees and other charges - Fees for abstracting land titles, premiums on insurance (other than payments to the Office of Personnel Management), and surety bonds.

Custom software - Obligations for contracts covering development of software of \$25,000 or less. Excludes custom software classified in object class 31.0.

Software and hardware maintenance - Obligations for contracts to maintain software or hardware, including maintenance that is part of a rental contract, when significant and readily identifiable in the contract or billing. Excludes charges for rental of ADP and telecommunications hardware and software, which are classified in object class 23.3.

Operation of facilities or other service contracts

Research and development contracts

26.0 Supplies and materials

Obligations for commodities whether acquired by formal contract or other form of purchase that are: ordinarily consumed or expended within one year after they are put to use; converted in the process of construction or manufacture; or used to form a minor part of equipment or fixed property.

Also includes charges for off-the-shelf software purchases of \$25,000 or less. Also includes charges for off-the-shelf software with a useful life of under 2 years. Other property of little monetary value that does not meet any of these 3 criteria listed above may also be classified as "Supplies and materials" at the option of the agency. Includes:

Office Supplies - Obligations for pencils, paper, calendar pads, stenographic notebooks, standard forms (except when specially printed or assembled to order), unprinted envelopes, other office supplies, and property of little monetary value (such as desk trays, pen sets, and calendar stands).

Publications - Obligations for purchases of or subscriptions to pamphlets, documents, books, newspapers, periodicals, records, cassettes, or other publications whether printed, microfilmed, photocopied, or otherwise recorded for auditory or visual use that are off-the-shelf rather than specially ordered by or at the request of the agency. Excludes publications acquired for permanent collections, which are classified under object class 31.0.

ADP supplies and materials - Obligations for computer and word processing tapes, discs, and manuals. Includes off-the-shelf software purchases and licenses of \$25,000 or less. Excludes off-the-shelf software classified under object class 31.0.

Chemicals, surgical and medical supplies

Fuel - Obligations for fuels used in cooking, heating, generating power, making artificial gas, and operating motor vehicles, trains, aircraft, and vessels.

Clothing and clothing supplies - Obligations for articles of clothing, together with materials and sewing supplies used in manufacture of wearing apparel.

Provisions - Obligations for food and beverages.

Cleaning and toilet supplies

Ammunition and explosives

Materials and parts - Obligations for commodities (including building materials) used in the construction, repair, or production of supplies, equipment, machinery, buildings, and other structures.

30 ACQUISITION OF CAPITAL ASSETS

31.0 Equipment

Obligations for the purchase of personal property of a durable nature; that is, property that normally may be expected to have a period of service of a year or more after being put into use without material impairment of its physical condition. Includes obligations for service in connection with the initial installation of equipment when performed under contract. Excludes off-the-shelf software valued at \$25,000 or less, and supplies and materials classified under object class 26.0. Also excludes fixed equipment that is classified under object class 32.0. This object class may consist of both equipment that is not capitalized (not set up in property accounts) and equipment that is capitalized. In determining subclasses for administrative use, agencies may appropriately maintain

such a distinction. Includes:

Transportation equipment - Obligations for vehicles, including passenger-carrying automobiles, motor trucks, motorcycles, tractors, aircraft, trains, steamships, barges, power launches, and other vessels.

Furniture and fixtures - Obligations for movable furniture, fittings, fixtures, and household equipment. Includes desks, tables, chairs, typewriters, word processing equipment, and calculators.

Publications for permanent collections

Tools and implements

Machinery - Obligations for engines, generators, manufacturing machinery, transformers, ship equipment, pumps, and other production and construction machinery.

Instruments and apparatus - Obligations for surgical instruments, X-ray apparatus, signaling equipment, telephone and telegraph equipment, electronic equipment, scientific instruments and appliances, measuring and weighing instruments and accessories, photographic equipment, picture projection equipment and accessories, and mechanical drafting devices.

ADP and telecommunications equipment - Obligations for hardware, such as central processing units (CPUs), punch card accounting machines, data entry machines, modems, telephone handsets, and personal computers. Also includes purchases of off-the-shelf and custom software of more than \$25,000.

Armaments - Obligations for tanks, armored carriers, tractors, missiles, machine guns, small arms, bayonets, anti-aircraft guns, artillery, searchlights, detectors, fire control apparatus, submarine mine equipment, ammunition hoists, torpedo tubes, and other special and miscellaneous military equipment.

32.0 Land and structures

Obligations for purchase of land, buildings, and other structures, additions to buildings, nonstructural improvements, fixed equipment when acquired under contract (whether an addition or a replacement), and payments for defaulted loan guarantees on loans that have been foreclosed, so that the Federal payment results in the acquisition of a physical asset rather than a loan asset. Includes:

Land - Obligations for the purchase of land and interest in lands, including easements and rights of way.

Buildings and other structures - Obligations for the acquisition or construction of buildings and structures, and additions thereto, when acquired under contract. Includes principal payments under lease-purchase contracts for construction of buildings.

Nonstructural improvements - Obligations for improvements of land, such as landscaping, fences, sewers, wells, and reservoirs, when acquired under contract.

Fixed equipment - Obligations for fixtures and equipment that become permanently attached to a part of buildings or structures, such as elevators, plumbing, power-plant boilers, fire-alarm systems, lighting or heating systems, and air conditioning or refrigerating systems (whether an addition or a replacement), when acquired under contract. Includes amounts for services for the initial installation of fixed equipment when performed under contract.

33.0 Investments and loans

Obligations for the purchase of securities, loans made to others, expenditures in the nature of capital for other funds, and payments for defaulted loan guarantees in those cases where the default has not resulted in foreclosure, so that the Government acquires title to the note rather than title to physical assets. If payment occurs for which there is no asset (property or enforceable notes) so that the payment is a sunk cost, it should be included under object class 42.0. Includes:

Investments in securities - Obligations for the purchase of stocks, bonds, debentures, and other securities (except the par value of U.S. Government securities or securities of wholly-owned government enterprises) in which money is invested either temporarily or permanently. Includes the amounts paid for interest accrued at the time of purchase and premiums paid on all investments, including payments over par value for the purchase of Government securities and discounts under par value on sales of Government securities.

Loans - Loans to foreign governments, States, and other political subdivisions; loans to other Government agencies; and loans to corporations, associations, and individuals.

40 GRANTS AND FIXED CHARGES

41.0 Grants, subsidies, and contributions

Grants (including revenue sharing), subsidies, gratuities, and other aid for which cash payments are made to States, other political subdivisions, corporations, associations, and individuals; contributions to international societies, commissions, proceedings, or projects, whether in lump sum or as quotas of expenses; contributions fixed by treaty; grants to foreign countries; taxes imposed by taxing authorities where the Federal Government has consented to taxation (excluding the employer's share of Federal Insurance Contribution Act taxes); and payments instead of taxes. Includes readjustment and other benefits for veterans, other than indemnities for death and disability.

Note: Obligations under grant programs that involve the furnishing of services, supplies, materials, and the like, rather than cash are not charged to this object class, but to the object class representing the nature of the services, articles, or other items that are purchased.

42.0 Insurance claims and indemnities

Benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. Includes:

Social insurance and retirement - Payments for individuals from trust funds for social security, Medicare, unemployment insurance, railroad retirement, Federal civilian retirement, military retirement, and other social insurance and retirement programs.

Other claims or indemnities - Payments to veterans and former civilian employees or their survivors for death or disability, whether service connected or not. Payments of claims and judgments arising from court decisions or abrogation of contracts; indemnities for the destruction of livestock, crops, and the like; damage to or loss of property; and personal injury or death. Includes payments to or for persons displaced as a result of Federal and federally assisted programs, as authorized under 42 U.S.C. 4622-4624. Includes losses made good on Government shipments, and payments on guarantees where no asset is received and where forgiveness is not provided by law.

43.0 Interest and dividends

Payments to creditors for the use of moneys loaned, deposited, overpaid, or otherwise made available and the distribution of earnings to owners of trust or other funds. Includes interest payments under lease-purchase contracts for construction of buildings. If payment of claims under a contract has been delayed by the Government, the interest shall be recorded under the same object class used for the original contract and not in this object class.

44.0 Refunds

Payments made from an appropriation or fund account to refund amounts previously received by the Government to correct errors in computations, erroneous billing, and other factors. Also includes amounts refunded to former employees or their beneficiaries for employee contributions to retirement and disability funds (such as payments made when employees die before retirement or before their annuities equal the amount withheld). In the account receiving the refund, previously recorded obligations will be reduced in the appropriate object class(es) by the amount of the refund.

9. OTHER

The following object classes will be used, as appropriate, when preparing agency budget submissions. They will also be used at other times when such information is requested.

91.0 Unvouchered

Charges that may be incurred lawfully for confidential purposes, not subject to detailed vouchering or reporting, shall be recorded under this object class.

92.0 Undistributed

Charges that cannot be distributed to the object classes listed above. This object class shall be used for reporting purposes only with the prior approval of OMB.

93.0 Limitation on expenses

This object class is used when there is an annual limitation on administrative or nonadministrative expenses for revolving and trust funds. In the object class schedule for the revolving or trust fund, total obligations applicable to the limitation are reported as a lump sum entry without any distribution under object class 93.0. A separate object classification schedule for the limitation will distribute the lump sum obligations reported in the parent schedule in object classes 11.1 through 44.0, as appropriate, with an offsetting negative entry on line 93.0 equal to the total

obligations distributed. No amount will be shown on the subtotal line (99.0) of the separate object classification schedule for the limitation.

99.0 Subtotal, obligations

Subtotal of entries above for direct, reimbursable, or allocation account obligations when more than one of these categories are reported in a single account. The subtotal stub entry for reimbursable obligations, "Reimbursable obligations," should be used, even if all reimbursable obligations are classified in a single object class category.

99.9 Total obligations

This entry will equal the sum of the total obligations for all the object class entries. The amount must equal total obligations as shown on line 10.00 of the program and financing schedule. Only the final total of all obligations should be coded 99.9. Subtotals for schedules containing two or more sections will be coded 99.0 for the individual sections.

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