



DOD 7000.14-R

DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

VOLUME 6

REPORTING
POLICY AND PROCEDURES

FEBRUARY 1996

UNDER SECRETARY OF DEFENSE
COMPTROLLER

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FOREWORD

This Volume of the DoD Financial Management Regulation is issued under the authority of DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures," November 15, 1992. 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, 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, the Unified Combatant Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "DoD Components").

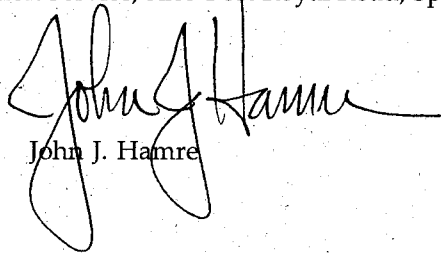
This Volume of the Regulation is effective immediately and is mandatory for use by all DoD Components. Heads of DoD Components shall ensure that the provisions of this Volume are adhered to in day-to-day operations and in the design, modification, and maintenance of their Component's financial management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

The reporting requirements contained in this regulation are exempt from licensing in accordance with paragraph E.4.f., of DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," November 1986.

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 Under Secretary of Defense (Comptroller)
1100 Defense Pentagon
Washington, DC 20301-1100

The Defense Finance and Accounting Service will provide copies of this Volume of the Regulation through its normal publications channels. Other Federal Agencies and the public may obtain copies of this Volume from the National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161; telephone (703) 487-4650.


John J. Hamre

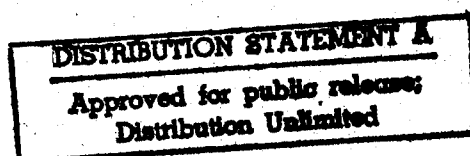


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CHAPTER 1

GENERAL REPORTING0101 GENERAL010101 Purpose

A. This chapter provides guidance to DoD Components on the reports that must be produced for submission to the Defense Finance and Accounting Service, Office of the Secretary of Defense (OSD), Office of Management and Budget (OMB) and the Department of the Treasury. The reports are end products of the accounting process and must be accurate, timely, and provide full disclosure to users.

B. Accounting report requirements are incorporated into the concept and detail designs of DoD accounting systems. Therefore, they are exempt from Report Control Symbol (RCS) assignment in accordance with paragraph E.4.f. of 7750.5-M, "DoD Procedures for Management of Information Requirements." Over the years, some reports have become identified throughout the Department of Defense by their RCS assignments. In order to provide continuity in accounting report identification, certain report designations shall be assigned by the Defense Finance and Accounting Service (DFAS). For example, the Report on Appropriation Status by Fiscal Year Program and Subaccounts, which was assigned RCS: DD-Comp(M)1002, has been known for many years as the "1002 Report." It now shall be redesignated as the "Acct Rpt (M) 1002" to maintain its well-recognized identification.

010102 Overview

A. The provisions of this chapter and other chapters in this Volume, covering detailed reporting requirements, apply to all DoD Components and, when applicable, to DoD disbursing officers.

B. The following chapters of this Volume provide detailed guidance on the report forms required, authorized formats, or exceptions. In some instances, reproducible

facsimile copies are provided for use by DoD Components. Specific guidance is also provided regarding whether hard copy or electronic submissions are required or authorized.

0102 STANDARDS

010201 Financial reports shall be prepared and issued to the Department of the Treasury or other designated recipient at the end of each fiscal year or other period as specified in the appropriate report chapters in this regulation. These reports shall be the culmination of a systematic, disciplined financial information process. The amounts contained in the reports, shall be obtained only from the general ledger accounts prescribed in this regulation or subsidiary records supporting such general ledger.

010202 Financial reports shall result from an accounting and budgeting system that is an integral part of its total financial management system and one that contains sufficient discipline, internal controls and reliable data. In addition, interfaces with both logistic and acquisition systems should be provided.

010203 The financial reports and underlying financial system shall report on the total operations of the reporting entity and shall comply with the policies and procedures and related requirements as implemented in this regulation.

010204 Should circumstances warrant additional disclosures not specifically provided for in a report, DoD Components are responsible for assuring that all appropriate disclosures considered necessary for fair presentation of their financial position are included in the report.

010205 General purpose reports have been coded, line by line, to identify the specific general ledger accounts from which the financial data are to be obtained to complete the statement.

010206 When DoD Components discover errors or identify changes required to be made to information previously reported, an amended report shall be prepared that clearly identifies the material corrected. The statement shall be clearly identified as an "Amended Report."

010207 When required by the Office of the Secretary of Defense, the presentation of financial information from the preceding year shall be included in annual financial statements.

A. The annual financial statements shall include consolidated comparative financial data from the immediate prior year if the DoD Component was in operation during the prior year. Data shall be reported in a format consistent with the current years.

B. Reclassification of significant prior year amounts to achieve comparability shall be explained in the footnotes.

C. Footnotes and other explanations from prior-year statements necessary to disclose information regarding the prior-year data properly shall be included in the current-year statements.

D. Comparative financial statements need not be included in the first year that financial statements are prepared. Thereafter, comparative financial statements shall be included.

010208 Under certain circumstances financial events are recognized as adjustments to prior period financial statements.

A. Expenses, losses, gains, transfers out, and financing sources (e.g., appropriations and revenues), related to the correction of an error in the financial statements of a prior period, and changes in DoD Components shall be reported as adjustments to previously reported results, when material. All other expenses, financing sources, gains, losses, and transfers recognized in an accounting period shall be reported in the operations of that period.

B. Errors in prior-period financial statements include the following:

1. Mathematical errors in statement preparation or information supporting the statements.

2. Errors in the application of accounting principles contained in this Regulation.

3. Errors using or interpreting information that existed at the time the prior period statements were developed.

C. A change from an unauthorized accounting principle to a principle included in this Regulation shall also be reflected in a DoD Component's financial statement as an adjustment to prior periods when the unauthorized principle was used.

D. The nature of a material error in prior-period financial statements shall be disclosed in the financial statements of the period in which it is discovered.

1. If financial statements for only the current period are presented, the correction of the error shall be reported as an adjustment to the accumulated results of operations as of the beginning of the current period. The impact on the excess of costs over financing sources (excess of financing sources over costs) in the period that the error occurred shall also be disclosed.

2. If the prior period data containing the error are included in comparative financial statements, the amount of the correction applicable to the prior period presented shall be added to or subtracted from previously reported amounts, and the impact disclosed in a footnote to the statements. The amount of the correction, if any, applicable to periods before the prior period presented shall be applied to the accumulated results of operations at the beginning of the earliest period presented. The impact on the excess of costs over financing sources (excess of financing sources over costs) for each prior period affected shall be disclosed.

0103 REPORTS

010301 Audited Financial Statements. Chapter 2 of this Volume provides the requirement for the annual submission of financial statements.

010302 Accountability for Cash. Chapter 3 of this Volume provides guidance on monthly reports that disbursing officers submit to the Treasury Department. The chapter prescribes detail reporting requirements for the Statement of Accountability (SF 1219) and the Statement of Transactions (DD Form 1329), which supports the Statement of Accountability. Special data are required to highlight Borrowing Account (Payable) Transactions under the Homeowners Assistance or DoD Family Housing Programs and transactions for trust fund investments in U.S. Government securities.

010303 Appropriation and Fund Status. Chapter 4 of this Volume prescribes detailed specifications for preparing periodic reports on the status of DoD appropriations and funds. The chapter provides instructions for preparation and submission of reports required by OSD and OMB on the status and application of budgetary resources. These include the monthly "Flash Report on Obligation Status," the DD Form 1176, "Report on Budget Execution," and its related detailed reports, "Appropriation Status by Fiscal Year Program and Subaccounts," and "Report on Reimbursements." Instructions also are included for the quarterly SF-225, "Report on Obligations," semiannual FMS Form 7304, "Status of Contract Authority," and the annual FMS Form 2108, "Yearend Closing Statement," which are required by the Treasury Department.

010304 General Purpose Financial Statements. Chapter 5 of this Volume prescribes the general purpose financial statements and a series of related schedules required by the Treasury Department. The statements may also be used by OMB; OUSD(C) and DFAS in verifying and evaluating current year data submitted by DoD Components as a part of their budget justification.

010305 Foreign Currency Reports. Chapter 7 of this Volume prescribes the reporting requirements for tracking all transactions to the Foreign Currency Fluctuation Accounts.

010306 Other Funds Statements. Chapter 8 of this Volume prescribes the detailed procedures for preparing financial statements and other reports on special funds not discussed in chapters 3 through 7 of this Volume.

010307 Family Housing. Chapter 9 of this Volume discusses accounting and reporting for the Family Housing Program.

010308 Information Returns, Form 1099. Chapter 10 of this Volume addresses the preparation of Form 1099.

010309 Military Resources Used in Civil Disturbances. Chapter 11 of this Volume prescribes the requirements for financing and reporting costs associated with civil disturbance operations.

010310 Foreign Indebtedness Within the Department of Defense (DOD). Chapter 12 of this Volume establishes standard procedures to be used for the collecting and reporting of foreign indebtedness.

010311 International Balance of Payments Reporting and Estimating. Chapter 13 will be issued at a later date.

010312 Depot Maintenance Reporting. Chapter 14 prescribes requirements that the DoD Components must satisfy with regard to reporting the accomplishment and status of depot maintenance workloads.

010313 Business Operations Fund Statements. Volume 11B of this regulation provides guidance on the preparation of Defense Business Operation Fund Statements.

CHAPTER 2

DEPARTMENTAL FINANCIAL REPORTS
ROLES AND RESPONSIBILITIES0201 GENERAL

The preparation and issuance of DoD Component financial reports, for which accounting support is provided by the Defense Finance and Accounting Service (DFAS), is a responsibility of the DFAS. Both the DFAS and DoD Component customers of the DFAS are responsible for reviewing financial reports to assess the accuracy of the reported financial information and take corrective actions, when needed, to improve the timeliness and quality of those financial reports. Ultimately, however, the DoD Component customer is responsible for the financial information in reports which present the financial effects of the Component's operations.

020101. PURPOSE. The purpose of this chapter is to define the roles and responsibilities of the DFAS and its customers regarding the proper and consistent preparation of the financial reports at the DoD Component departmental level and the treatment of transactions from which the financial data included in the reports are derived. (Additional guidance will be developed, and provided separately at a later date, to address the responsibilities for financial reports at the intermediate and installation levels.)

020102. SCOPE. These policies apply to departmental-level financial reports prepared by the DFAS for its DoD Component customers -- the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff or 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 Component customers). The departmental financial reports encompassed within the scope of this chapter are listed in Appendix 1.

0202 RESPONSIBILITIES

020201. Stewardship and General Responsibilities. The Congress provides resources to finance the programs, missions, and functions of the Department and its Components. Financial reports are a tool to display the status and uses of those resources. For managers to exercise proper stewardship over their resources, it is essential that financial reports be accurate and timely. To achieve the objective of quality and timely financial reports, the following general responsibilities apply:

A. Under Secretary of Defense (Comptroller). The Under Secretary of Defense (Comptroller) is responsible for the development and approval of DoD policy on financial reports and oversight of the issuance and implementation of such policy. This responsibility includes determination of policies governing:

1. The division of responsibilities between the DFAS and its customers.
2. The establishment of internal controls and audit trails required for the preparation of financial reports and the processing of associated transactions (see paragraphs 020202 and 020203, below).
3. The reconciliation of subsidiary records with financial balances (see paragraph 020204, below).
4. The establishment and approval of schedules required to meet financial reporting deadlines (see paragraph 020205, below).
5. Customer approval and adjustment of draft annual reports (see paragraphs 020206 and 020207, below).

6. The types and levels of adjustments that the DFAS is authorized to make without specific prior approval of the customer (see paragraph 020207, below).

7. The types of documentation required from the customer to support adjustments to the official accounting records (see paragraph 020207, below).

8. The processing of prior period adjustments (see paragraph 020208, below).

9. The release of reports (see paragraph 020209, below).

10. Requirements for certifications and letters of representation (see paragraph 020210, below).

11. Adjudication of adjustments and other issues where there is a disagreement between the DoD Component customer and the Defense Finance and Accounting Service (See paragraph 020206.A.1.e.).

B. DoD Components (DFAS Customers). DoD Components are responsible for:

1. Ensuring the accuracy, completeness, timeliness and documentary support for all data generated by the customer and input electronically into finance and accounting systems or submitted to the DFAS for input and/or recording in the finance and accounting systems and inclusion in financial reports.

2. Establishing appropriate internal controls to assure the accuracy of data provided to the DFAS.

3. Reviewing all reports provided by the DFAS to assess the accuracy of the financial information being reported.

a. For financial reports prepared at appropriation level, the

appropriation manager(s) should be involved in such reviews.

b. Such reviews should identify obvious errors, omissions, and significant diversions from expected or planned amounts.

c. Such reviews should compare budgeted and planned levels of activity with the data included in the reports.

d. When errors or omissions are identified, changes to the reports shall not be made by the DoD Component customer, but instead should be referred to the DFAS for correction. This is because other reports, including subsequent iterations of the same report, are/should be produced from official accounting records. These official accounting records must be accurate in order for such other reports to be accurate. Additionally, proposed adjustments to the accounting records are required in order to establish a proper audit trail for all the transactions impacting reports.

4. Perform program and management analyses on the information contained in financial reports.

5. Ensuring that the amounts in the financial reports are consistent and reconcilable with the same data included in management reports prepared by the DoD Component customer.

6. Reconciling and validating that source data for financial transactions.

7. Identifying any conditions in the financial reports that indicate an apparent violation of the Antideficiency Act and initiating an investigation in accordance with Volume 14 of this regulation.

C. The Director, Defense Finance and Accounting Service (DFAS). The Director of the DFAS shall establish procedures to ensure that:

1. The process for preparing financial reports is consistent, timely, auditable, and controls are in place to provide for the accuracy of the reports.

2. Repetitive or comparable financial reports are prepared consistently in the same manner by use of the same procedures, practices, and systems. Implementing this policy may require the joint efforts of the DFAS and its customers to achieve standard procedures, practices, and systems used in preparing financial reports. To achieve this:

a. It is envisioned that a report prepared on a regular recurring basis should be consistently prepared by use of the same correct procedures, practices, and system at a particular location from reporting period to reporting period.

b. It is not envisioned that all financial reports will be required to be prepared at a single location or by use of a single automated financial system.

c. It is not intended that the introduction of improvements in policies, procedures, or systems used to prepare financial reports will be prohibited or limited.

3. Repetitive or comparable reports are edited and validated for accuracy and consistency between reports from the prior period(s) and reports for the current period.

4. Reports are validated to ensure that all data elements are included in the reports and that the same data elements included in different reports are reported consistently from the same source during the same reporting period.

5. Data provided by the customer (including data input to finance and accounting systems by the customer) is accurately and timely recorded and processed in finance and accounting systems. This includes performing designated disbursing and accounting operations

on behalf of the customer and recording the results of those operations in a timely and accurate manner.

6. Reports are prepared and verified to the official accounting records. The DFAS shall ensure that reported amounts agree with the appropriate general ledger balance(s), whenever applicable.

7. A complete, documented audit trail to the source transactions supports the DFAS-prepared reports.

8. Classified financial information is properly safeguarded.

020202. Internal Controls

A. DoD Components (DFAS Customers). DoD Components shall establish appropriate internal controls to ensure that data provided to the DFAS, whether electronically or otherwise, to be recorded in the accounting systems and subsequently used in financial reports is accurate, complete, and supportable. DoD Components shall install controls to ensure that:

1. All financial transactions are submitted to the DFAS. These controls should include tools to identify and track the numbers, types, and dollar amounts of transactions submitted to the DFAS.

2. Before submission to the DFAS, all transactions (whether hard copy or electronic) are edited to assure accuracy, e.g., that the transaction is identified correctly in terms of the type of transaction, reported quantity(ies), the dollar amount(s) and other data.

3. Transactions that have occurred during a reporting period are uniquely identified with the reporting period and transmitted to the DFAS during that same reporting period. The reporting period normally ends on the last day of each month, quarter, or fiscal year. The last day of the reporting period, and the final due

date for transactions, may be established for a date(s) other than the last day of each month, quarter, or fiscal year if agreed between the DFAS and the DoD Component customer, and approved by the Office of the Under Secretary of Defense (Comptroller).

4. Draft reports provided by the DFAS for review, certification or approval are returned to the DFAS, with proposed adjustments, if any, for verification with official accounting records. Upon verification with official accounting records, the reports will be released directly by the DFAS to the external recipients of the reports. The requirement to return draft reports to the DFAS for release only applies to financial reports being provided to recipients external to the DoD Components.

5. Annual certifications required by 31 U.S.C. 1501(a) and management representation letters required by the Inspector General, Department of Defense (DoDIG) for annual Chief Financial Officer's financial statements are prepared and submitted when required.

6. The Defense Business Operations Accounting Report (Accounting Report(M)1307) is validated and approved by the DoD Component customer each month.

7. Noted potential Antideficiency Act violations are reviewed and investigated in accordance with Volume 14 of this regulation.

B. Defense Finance and Accounting Service. The DFAS shall establish internal controls to ensure that data provided by each DoD Component customer is recorded accurately and processed timely into the finance and accounting systems. The DFAS shall install controls to ensure that:

1. All transactions that are received are processed correctly. These controls should include tools to identify and track

numbers, types, and dollar amounts of transactions that are received by the DFAS. Such controls also apply to all transactions generated by the DFAS.

2. All transactions generated (whether electronic or hard copy) are edited to assure accuracy, e.g., that the transaction is identified correctly in terms of the type of transaction, reported quantity(ies), the dollar amount(s) and other data.

3. Transactions that have occurred during a reporting period are uniquely identified with the reporting period and processed in order to meet the reporting schedule for the report due date.

4. DFAS-prepared reports are supportable, reliable, and accurate. These controls include tools to ensure that:

a. All transactions applicable to the effective period of the report have been edited and posted to the official accounting records.

b. All DFAS or DoD Component customer proposed adjustments to a previously issued report that are material (see paragraph 020208, below) are edited, validated, documented and posted to the official accounting records.

c. Reported amounts are verified to the amounts contained in the official accounting records.

d. Report lines have the proper sign (plus or negative).

e. Mathematical calculations on each report are validated.

f. Identified relationships between amounts on report lines within a report and from one report to another report are checked and validated.

g. Current reports are compared to prior reports and checks are made to identify significant errors, omissions, and distortions.

h. Applicable corrections are made to the reports before release to the recipients.

5. Noted potential Antideficiency Act violations are reported to customers for their review and investigation in accordance with Volume 14 of this regulation.

020203. Audit Trails

A. DoD Components (DFAS Customers). DoD Components shall ensure that audit trails are maintained in sufficient detail to permit tracing of transactions with a unique identity from its source to its transmission to the DFAS. This is necessary to demonstrate the accuracy, completeness, and timeliness of a transaction; as well as to provide documentary support, if required, for all data generated by the DoD Component and submitted to the DFAS for recording in the accounting systems and use in financial reports.

B. Defense Finance and Accounting Service. The DFAS shall ensure that a complete and documented audit trail is maintained to support the reports it prepares. The audit trail shall include assurance that:

1. The numbers, types, and dollar amounts of transactions transmitted by the customer are received and tracked by the DFAS to ensure that they are properly processed and recorded.

2. The numbers, types, and dollar amounts of transactions received from customers, as well as those generated by the DFAS, are processed timely and entered accurately into the finance and accounting systems.

3. All transactions received from customers, as well as generated by the DFAS, with an effective date of the current reporting period are included in the data reported for that reporting period.

4. Specific edits shall be applied by type of transaction in each finance or accounting system. Those transactions failing to pass edits, and/or otherwise not entered, are controlled and assigned for research and correction by the DFAS and/or the customer and, to the degree feasible, are recorded in suspense accounts in the accounting system. Examples of input transactions that may require research by the customer include but are not limited to:

a. Personnel transactions inputting data to the payroll system that exclude data essential to pay employees.

b. Obligation transactions as a result of contracts or purchase orders that exclude data essential for recording the transactions in accounting or payment systems.

c. Receipt and acceptance transactions that exclude data essential for recording the transactions in accounting or payment systems.

d. Disbursements that do not match obligations or receipts because of missing program data.

5. The preparation of all financial reports is consistent from one reporting period to another reporting period, and that the same financial information is used as the source for different reports whenever the same information is reported.

6. Ending balances for one reporting period will be perpetuated as the beginning balances for the next reporting period and those values shall not be changed as they are carried forward to the subsequent reporting period.

7. The source of financial information for all financial reports is recorded in the official accounting records. Supporting documents or images of the supporting documents should be retained by the organization that translates the information into an electronic mode. Incoming electronic information need not be supported with documentation, provided that internal controls are in place to assure that the transactions are:

- a. Adequately edited for accuracy and completeness.
- b. Properly controlled from unauthorized access and use.
- c. Identified, tracked and controlled to ensure that the numbers, types and dollar amounts are complete.
- d. Properly authorized and approved by duly designated officials.

8. The major sources of data provided to the accounting and reporting systems are documented at a high level and a copy of the documentation provided to the customer for their information and appropriate action, if required.

020204. Reconciliation of Subsidiary Records with Financial Balances. Many financial balances (e.g., general ledger proprietary and budgetary accounts such as assets, liabilities, commitments and undelivered orders) require supporting subsidiary records to validate the amount of the financial balance. Such subsidiary records shall be reconciled to financial balances in accordance with the policies, requirements, and frequencies prescribed in the DoD Financial Management Regulation.

A. DoD Components (DFAS Component Customers). The supporting records for many financial balances are maintained by the DFAS customers and are outside the control of the DFAS—for example, assets such as inventories, plant property, and equipment. This

also is true of some liabilities such as some claims payable.

1. When subsidiary records are maintained by the DoD Component customer, outside the control of the DFAS, the DFAS shall establish a reconciliation schedule, mutually agreed to by the DoD Component customer and subject to approval by the Office of the Under Secretary of Defense (Comptroller), to reconcile the subsidiary records with the financial balance. The reconciliation of such supporting records with the financial balance is a joint responsibility of the DFAS and the customer.

2. The accuracy of such subsidiary records shall be validated periodically, on a sample or other authorized basis, against applicable physical assets or other appropriate confirmations of the source documents.

a. For example, in the case of equipment, inventories, supplies and materials, or real property, periodic counting or other physical verification of the assets is required by various regulations depending upon the nature of the asset.

b. In the case of commitments, obligations and accounts payable; periodic validation of source data is required. These validations shall include reviews of requests for procurement actions, contracts and other procurement actions, personnel status information, supply requisitions, receipts and acceptances to ensure the integrity and currency of the source data.

3. Changes in the source data shall be documented and provided to the DFAS for recording as financial transactions.

B. Defense Finance and Accounting Service.

1. The DFAS shall establish procedures to ensure that all general ledger balances and other associated financial balances

reconciled, at least on a quarterly basis, or more frequently, if specifically required by the Office of the Under Secretary of Defense (Comptroller), with the amounts contained in the supporting records, including original source data.

2. Unreconciled differences shall be investigated in accordance with applicable provisions of this Regulation and appropriate adjustments documented and processed to balance the general ledger amount with the amount of the subsidiary records.

3. Many of the supporting subsidiary records for the financial balance amounts are established and maintained by the DFAS. Examples of these subsidiary records are accounts receivable, accounts payable, and various other asset and liability balances. DoD Component customer participation may be required in the reconciliation process for the DFAS maintained subsidiary records if the original source documents or transactions that require research to complete the reconciliation are retained by the customer.

4. When unreconcilable differences between the general ledger and the subsidiary ledger records exceed \$1 million, the reconciliations shall be performed on a monthly basis in order to determine the cause of the differences and to take appropriate corrective actions to ensure the accuracy and integrity of the accounting system and monthly reports.

020205. Reporting Schedules

A. The DFAS shall establish procedures to require their activities that prepare external financial reports to develop report preparation schedules jointly with customers. The purpose of these schedules is to meet the reporting due dates consistent with the policies in this chapter.

B. Reporting schedules for reports being provided to external recipients shall

include the opportunity to present a draft of the report to the customer for approval prior to release to the recipients.

C. Reporting schedules for DoD Departmental-level reporting entities shall be submitted to the Office of the Under Secretary of Defense (Comptroller) for approval.

020206. Draft Reports

A. DoD Components (DFAS Customers). DoD Component customers shall take the following actions on all financial reports including draft annual reports:

1. Review the reports provided by the DFAS to assess the accuracy of the financial information being reported.

a. The review should attempt to identify obvious errors, omissions, and significant diversions from expected or planned amounts.

b. The review should compare budgeted and planned levels of activity with the data included in the reports.

c. When material errors or omissions are identified in a draft report, the DFAS will be requested to revise the report and include the changes in the final report.

d. DoD Component customers shall not make changes to draft annual reports nor release the reports to external recipients. To do so will result in the official accounting records being unreconcilable to such reports, and the reports will not be supported fully with documented audit trails for all the transactions impacting the reports.

e. Requests for adjudication may be submitted by either the DoD Component or the DFAS. DoD Component-proposed changes to the draft annual reports with which the DFAS does not concur shall be referred to

the OUSD(C) for adjudication within fifteen calendar days.

f. When the amount of the proposed adjustments are material (see paragraph 020208, below), the DFAS shall revise the report as a result of processing the adjustments.

2. Research and propose adjustments to correct, as appropriate, abnormal account balances in terms of reverse signs, unusual amounts, and other obvious errors.

3. Research any unusual trends and comparisons with prior year and/or prior period amounts to determine what corrective actions are appropriate or needed.

4. Ensure that the amounts in financial reports are consistent and reconcilable with the same financial data included in management reports prepared by the DoD Component customer.

B. Defense Finance and Accounting Service. Prior to release of a draft report to the customer for review and approval, or release of a final report to a recipient, the DFAS shall validate the report to ensure that the reported amounts agree with the official accounting records. The DFAS shall perform quality reviews on all reports to confirm that:

1. Amounts on the report are mathematically correct.

2. Internal relationships of amounts included in a report that are interdependent are proven to be correct.

3. Abnormal account balances in terms of reverse signs, unusual amounts, and other obvious errors are identified and assigned for research and correction to the DFAS or to the customer.

4. Reported amounts for the same data elements for the same report period are consistent across all similar financial reports.

5. Unusual trends and comparisons with prior year and/or prior period amounts are identified and called to the attention of the customer for appropriate action or analysis by the customer.

020207. Current Period Adjustments

A. DoD Components (DFAS Customers). In addition to other reports, these procedures also apply to the Chief Financial Officer's annual financial statements that have been provided to the DODIG for audit. DoD Components shall adequately document and support any proposed adjustment.

1. This documentation shall consist of evidence of the need for the adjustment in sufficient detail to provide an audit trail to the source transaction(s) that requires the adjustment.

2. Adjustments to recurring monthly, quarterly, and semiannual reports shall be made during the course of routine operations and provided to the DFAS as with any other input as a part of current period business.

3. The Component may be required to review and approve documentation of adjustments proposed by the DFAS in accordance with the policies specified in this chapter.

4. The Component also shall maintain records of notifications, by the DFAS, of adjustments made by the DFAS.

B. Defense Finance and Accounting Service. The DFAS shall identify the requirement for adjustments to financial data.

1. There are many reasons for adjustments. In some cases, the need for

correction of errors is apparent. Examples include:

a. The total of the subsidiary records for an account does not agree with the financial balance representing the total.

b. Correction of a transaction.

c. Correction of an earlier adjustment that has been determined to have been made in error.

d. Adjustments to obligations and, if applicable, liabilities and expenses by aligning the obligation, accrual, or expense amount with the liquidation amount for receipts, acceptances, and/or disbursements. Such adjustments may be required when the unit price of an item or service being procured is revised, when special terms are offered on an invoice such as a voluntary price reduction or when a final payment for a delivery of products or services varies from the amount obligated or accrued for the delivery, and when final payment on a contract or order varies from the total amount obligated or accrued.

2. DFAS errors that are corrected prior to the results of the error being provided to the customer are not adjustments, but merely the correction of errors and need not be reported to the customer.

3. The DFAS shall support adequately, and justify in writing, any adjustment to the official accounting records. Documentation shall consist of evidence that supports the need to correct the error and adjust the balances in sufficient detail to provide an audit trail to the source transaction(s) that requires the adjustment.

a. The documentation shall include the rationale and justification for the adjustment, the detail numbers and dollar amounts of errors or conditions that are related to the transactions or records that are proposed for adjustment, the date of the adjustment, and

the name and position of the individual approving the adjustment. The documentation also shall be sufficient to provide an audit trail to the detail transaction(s) being adjusted or corrected.

b. The following types of adjustments may be made by the DFAS without the prior approval of the customer.

1 Adjustments to correct systems processing deficiencies. For example, a systems programming error may under some conditions cause a sign of a transaction to be reversed. Therefore, instead of accounts payable being increased as a result of a receipt and acceptance, the accounts payable may be reduced. Correction of these types of programming deficiencies requires the processing of an adjustment by the DFAS.

2 Adjustments to correct an error made by the DFAS in processing a transaction or a previous adjustment.

3 An adjustment to correct a financial balance (i.e., general ledger amount) to equal the sum of subsidiary records.

4 Adjustments to obligations and, if applicable, liabilities and expenses by aligning the obligation, accrual, or expense amount with the liquidation amount for receipts, acceptances, and/or disbursements when such adjustments are required by applicable supporting information.

5 Adjustments to correct errors made by the DFAS in the preparation of a report, i.e., calculation errors and similar mistakes, shall be corrected by the DFAS with notice provided to the customer only when the customer previously was provided a copy of the report. A corrected report will be provided to the customer.

6 Adjustments to correct other DFAS errors.

c. Those adjustments proposed by the DFAS not identified in paragraph 020207.B.3.b, above, shall be approved by the customer before the adjustment is recorded.

d. The DFAS shall advise the customer at least once each month of the total amount, by type, and the categories of reasons for such adjustments made by the DFAS at the operating activity level. DFAS errors that are corrected before the customer is aware of the error need not be included in this report.

e. If a proposed adjustment by the DFAS or by a DoD Component customer to any amount on a draft annual report is not material (see paragraph 020208, below), the DFAS shall request the customer to approve the annual report without a revision to the report. The DFAS shall process such non-material adjustments as current business for inclusion in the next current report period.

f. The chief of the applicable DFAS reports section shall ensure that any proposed adjustments to an annual report are documented and supported in terms of reasons for the adjustment. If the reason for the adjustment is adequately documented and supported, the adjustment will be processed provided that there is an identifiable audit trail to the source transactions. The documentation shall include the name, position and title of the approving official, as well as, the date approved.

020208. Prior Period Adjustments Guidance describing the roles and responsibilities for recording and controlling Prior Period Adjustments pertaining to the Chief Financial Officer Act financial statements and Defense Business Operations Fund accounting report statements are contained in "DoD Guidance on Form and Content of Financial Statements" (as updated yearly) and Financial Management Regulation (DoD 7000.14R, Volume 11B), "Reimbursable Operations, Policy and Procedures--Defense Business Operations Fund", respectively.

Guidance describing the recording and reporting of prior year corrections in budgetary accounts are contained in Chapters 24 and 93 of the DoD Accounting Manual (DoD 7220.9-M). That information is scheduled for incorporation into Chapter 4 of this Volume.

020209. Release of Reports

A. DoD Components (DFAS Customers). DoD Components shall approve draft annual reports and return those reports to the DFAS for appropriate revision, validation, and release as final reports. The DoD Component customers shall take the following actions on all reports, including monthly, quarterly, semiannual and annual reports, after release by the DFAS:

1. Review the reports provided by the DFAS to assess the accuracy of the financial information being reported. The review should attempt to identify obvious errors, omissions, and significant diversions from expected or planned amounts.

2. The review should compare budgeted and planned levels of activity with the data included in the reports. When errors or omissions are identified, proposed adjustments will be identified for inclusion in the next current report period.

3. Research and correct, as appropriate, abnormal account balances in terms of reverse signs, unusual amounts, and other obvious errors that are identified by the DFAS.

4. Research any unusual trends and comparisons with prior year and/or prior period amounts to determine if corrective actions are appropriate to deal with adverse trends or cycles.

5. Ensure that the amounts in the financial reports are consistent and reconcilable with the same financial data included in

management reports prepared by the DoD Component.

6. The DoD Component customer, shall not release officially any reports--including monthly recurring reports such as budget execution reports--submitted to any organization external to the DoD Component. (Such reports may be released only by the DFAS.)

B. Defense Finance and Accounting Service. The DFAS shall validate all final reports using the official accounting records prior to release to the recipients.

1. Upon receipt of approved annual draft reports from the DoD Components, such reports shall be reviewed to ensure that the reported amounts agree with the official accounting records or that properly documented material adjustments have been submitted to support any proposed changes to the reports.

2. For annual financial reports that have been revised for material adjustments as indicated in paragraph 020208, above, the DFAS departmental-level reports section shall have on file documentation supporting the prior period adjustments along with an audit trail of the approval and recording of the transactions and reports on the recording of the associated installation level adjustments.

3. For adjustments requested by DoD Component customers, the request shall be provided in writing with the documentation for the proposed prior period adjustments.

4. When material errors or omissions are identified after a final report has been released to the recipients, the DFAS will not revise and reissue the final reports. However, the DFAS will process and control all material prior period adjustments solely for presentation in a supporting schedule for the prior year column in the subsequent year's Chief Financial Officer comparative financial statements. The prior year column of the report will reflect the amounts previously reported for

that fiscal year. The report will be footnoted and a schedule included with the footnote to disclose the prior period adjustments processed after the report was finalized and the related impacts on the applicable report lines in the prior year column.

5. The DFAS, rather than the DoD Component customer, shall release officially all reports--including monthly recurring reports such as budget execution reports--submitted to any organization external to the DoD Component. This action shall be taken after final validation that corrections and adjustments have been made, the reports agree with the official accounting records and annual reports are approved by the customer.

020210. Certifications/Letters of Representation

A. DoD Components/Reporting Entity. A reporting entity is the organization represented by the financial information on the report. This may be a DoD Component headquarters, or a subordinate command/organization. For example, reporting entities may include an individual command or activity such as a shipyard or a supply depot. It also could encompass a number of activities within a business area (such as all shipyards or aircraft depot maintenance activities) in a Military Department. A reporting entity also can be at a DoD Component level. For example, the Chief Financial Officer annual financial statements for a Military Department include all financial information required to portray fully all relevant activities of the Military Department.

1. The information presented in the financial reports for a reporting entity, at a subordinate reporting entity, major command or Departmental-level reflects the net effect or results of decisions made, and actions taken, by the personnel responsible for conducting the programs, operations and affairs of the reporting entity.

2. It is recognized that the DFAS is authorized to perform disbursing for some

payments and accounting functions on behalf of the reporting entity.

a. However, the originating decisions that resulted in the obligation and/or the acceptance of performance and ultimately the need for a disbursement were made by operating officials of the reporting entity. The disbursement is merely the satisfaction of a liability incurred as a result of such decisions taken by operating or program officials of the reporting entity. The DFAS does not make the decisions to incur the liabilities but merely to make payment in conformance with the liabilities incurred by the operating or program officials.

b. The same operational concept applies to accounting adjustments. Adjustments are needed to correct errors of commission and omission in financial data. The purposes for adjustments include revising records to permit payments to be made accurately and/or to properly present financial information in accordance with the decisions made and actions taken by the program and operating officials of the reporting entity.

c. The DFAS performs these payment and accounting functions on behalf of the DoD Component customer only to the degree of carrying out the full intent and effect of the actions taken or decisions made by the program and operating officials of the reporting entity. Thus, only to this limited degree could the performance of the disbursing and accounting functions by the DFAS be viewed as being responsible for the actions summarized in the information contained in financial reports.

d. Therefore, the financial information presented in the report is considered to be a representation of the financial status of the reporting entity and not the organization preparing the report (DFAS).

3. For the above reasons, the reporting entity is responsible for annual certifications required by 31 U.S.C. 1501(b) and representation letters in support of annual Chief

Financial Officer's financial statements required by the DoDIG.

4. The reporting entity also is responsible for signing the "Defense Business Operations Fund Accounting Report," (Accounting Report(M)1307).

5. However, because of the role that the DFAS plays in these functions and in the preparation and presentation of the financial reports, the DFAS is required to provide supporting certifications and letters to the reporting entity, as described in the following section, in order to properly support the reporting entity's certification and representation letter.

B. Defense Finance and Accounting Service. The DFAS has been designated to provide accounting and reporting support for the Military Departments and selected DoD Agencies. The DFAS has certain responsibilities, as defined above, in regard to the processing of financial data and the preparation of the financial reports for these customers. Therefore, the DFAS shall provide the following for the DoD Component customer:

1. The DFAS is responsible to the reporting entity for the performance of disbursing, accounting, and reporting responsibilities and shall provide assurances and certifications, when requested, to the reporting entity regarding the quality of the accounting and report preparation services performed for the DoD Component customers.

2. The DFAS is responsible for signing the recurring monthly, quarterly and semiannual reports on behalf of the DoD Component customers with the exception of the "Defense Business Operations Fund Accounting Report," (Accounting Report(M)1307).

3. In support of the DoD Component customers requirement to provide annual certifications required by 31 U.S.C.

1501(b), the Director of the DFAS Center preparing the report shall provide the following certification with the annual TFS 2108, "Year-end Closing Statement":

"I hereby certify that the amounts shown in this report are a complete compilation of amounts contained in official accounting records, have been validated to the official accounting records, and have been reconciled, as required, to appropriate general ledger and subsidiary ledgers. All known material transactions have been included in the report."

4. A similar certification shall be provided by the chief of the applicable reports section to the customer with the monthly "Defense Business Operations Fund Accounting Report," (Accounting Report(M)1307).

5. In support of the DoD Component customers requirement to provide a management representation letter with the annual Chief Financial Officer's financial statements to the DoDIG, or audit activities designated by the DoDIG, the Director of the DFAS shall provide the customer with a certification letter before the due date for the management representation letter.

a. The DFAS certification letter shall include the following statements:

"I hereby certify that the amounts reported in the Chief Financial Officer financial statements are a complete compilation of amounts contained in official accounting records, have been validated to the official accounting records, and have been reconciled, as required, to appropriate general ledger and subsidiary ledgers. All known material transactions have been included in the financial statements."

b. To the degree that problems have been identified to, and acknowledged by, the DFAS in audit reports or other means, the annual certification letter issued by the DFAS to the customer shall disclose such conditions. The recognition of problems shall include any known deficiency that could prevent an auditor from issuing an unqualified opinion; any unresolved financial policy issues; uncorrected material errors, omissions, or unrecorded adjustments; proposed material writeoffs of assets or liabilities; identification of "stop payment" conditions, or evidence of potential or apparent violations of the Antideficiency Act.

APPENDIX 1

DEPARTMENTAL FINANCIAL REPORTS

REPORT TITLE	FREQUENCY	REPORT NUMBER:	APPROVAL/CERTIFICATION	
			LEVEL:	TYPE:
Year-end Closing Statement	Annual	FMS 2108	Army, Navy, Air Force: Assistant Secretary (Financial Management & Comptroller) 1/ Defense Agency/DoD Field Activities: Comptroller 1/	Certification of Obligations
Report on Budget Execution	Monthly Year-end Report	Acci Rpt (M) 1176 Acci Rpt (M) 1176	DFAS Center Authorized Officer Army, Navy, Air Force: Assistant Secretary (Financial Management & Comptroller) 1/ Defense Agency/DoD Field Activities: Comptroller 1/ DFAS Center Authorized Officer	Certification Responsible Officer Signature
Appropriation Status by Fiscal Year, Program & Subaccount	Monthly	Acci Rpt (M) 1002	DFAS Center Authorized Officer	Responsible Officer Signature
Flash Report on Obligations	Monthly	DD Form 1445	DFAS Center Authorized Officer	Report Issued-No signature or statement required
Report of Reimbursable Transactions	Monthly	DD COMP(M)725	DFAS Center Authorized Officer	Report Issued-No signature or statement required
Report on Obligations	Quarterly	SF 225	DFAS Center Authorized Officer	Report Issued-No signature or statement required
Report on Accounts and Loans Due From the Public	Annual	None	Army, Navy, Air Force: Assistant Secretary (Financial Management & Comptroller) 1/ Defense Agency/DoD Field Activities: Comptroller 1/ DFAS Center Authorized Officer	Certification
Federal Agency Centralized Trial Balance System	Annual	FACTS	DFAS Center Authorized Officer	Report Issued-No signature or statement required
Foreign Currency Fluctuations, Defense	Monthly	DD-COMP(M)1506	DFAS Center Authorized Officer	Report Issued-No signature or statement required
Foreign Currency Fluctuations, Construction Defense	Monthly	DD-COMP(M)1761	DFAS Center Authorized Officer	Report Issued-No signature or statement required
Statement of Accountability	Monthly	Standard Form 1219	Disbursing Officer	Certify True & Correct
Statement of Transactions	Monthly	DD-COMP(M)1247 DD Form 1329	Disbursing Officer	Responsible Officer Signature
Statement of Inter-Fund Transactions	Monthly	DD Form 1400	DoD Component Authorized Officer	Responsible Officer Signature
CFO Financial Statements	Annual	None	Army, Navy, Air Force: Assistant	Approves statements and signs

APPENDIX 1

DEPARTMENTAL FINANCIAL REPORTS

REPORT TITLE	FREQUENCY	REPORT NUMBER:	APPROVAL/CERTIFICATION	
			LEVEL:	TYPE:
			Secretary (Financial Management & Comptroller) <i>IV</i> Defense Agency/DoD Field Activities: Comptroller <i>V</i> DBOP Component Program Manager <i>VI</i> Authorized Officer	transmittal to DoD, CFO
Accounting Report AR 1307 (DBOP Only)	Monthly	AR 1307		Acceptance
Prompt Payment Report	Quarterly	Acct Rpt (Q) 1619		Quarterly Input - No signature or statement required
Prompt Payment	Annual	Acct Rpt (A) 1607	Component senior official with authority over procurement, logistics, and payment processes DFAS Center	Accurate Data Certification
DEFT Status Report	Quarterly	None		Report Issued - No signature or statement required
Mutual Logistics Report	Annual	Acct Rpt (A) 1570	Secretaries of Military Departments or designees	Report Issued - No signature or statement required

IV DFAS will provide a consolidation certification to the applicable DoD Component.

CHAPTER 3

ACCOUNTABILITY FOR CASH0301 GENERAL

030101 This chapter provides guidance necessary to prepare the consolidated monthly reports of DoD disbursing officers and the monthly report on cash transactions.

A. The disbursing officers reports are required by 31 U.S.C. 3522, 7 GAO 28.8, and Treasury Financial Manual (TFM) 2-3100. These reports provide the Treasury Department with data for reporting purposes and for maintaining the central accounts of the U.S. Government.

B. The statement of transactions provides the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) with a summarized classification of receipts and outlays.

030102 This chapter applies to all DoD Components and to their disbursing officers, including the Department of the Navy associate disbursing officers (referred to collectively as "disbursing officers").

0302 STATEMENT OF ACCOUNTABILITY
(SF 1219)

030201 Report Form and Frequency. The Statement of Accountability and certain supporting schedules are prescribed by TFM 2-3100 for use in reporting to the Treasury. Treasury has agreed to accept the Statement of Accountability and supporting schedules in a machine-sensible format in advance of the hard copy reports in order to obtain reporting by the eighth workday following the close of the reporting month. The hard copy format is shown in Figure 3-1. The tape format specifications are shown in figure 3-2. The tape must be forwarded to the Treasury no later than the close of business of the eighth workday after the close of the reporting month.

030202 Report Preparation

A. Hard Copy Report. The Statement of Accountability or equivalent machine listing previously approved by the Department of the Treasury and supporting schedules must be prepared in accordance with this chapter. The hard copy report is required for certification purposes even though the data are received in advance in a tape format. Because of this advance submission, the hard copy must reach Treasury no later than the tenth workday after the reporting month.

B. Electronic Submissions.

1. For reports submitted in electronic media, magnetic tape containing the information in the hard copy reports is prescribed. The information should be recorded in the following format:

Tape Format

IBM labeled
ASCII
80 characters per logical record
1600 characters per physical record
9 track
density--1600 bpi

2. The information reported shall be at the departmental total level except as follows:

a. Checks issued and related adjustments shall be by Disbursing Station Symbol Number and by month of issue (Statement of Accountability Transaction Codes 210, 211 and 212).

b. Confirmed Deposits, Debit Vouchers and Letters of Credit shall be reported at the document level (Statement of Accountability Transaction Codes 213 and 420).

3. The prescribed level of detail results in a tape with an average of 1,500 records for each Component.

030203 SECTION I - GENERAL STATEMENT OF ACCOUNT

A. PART A - TRANSACTIONS DURING PERIOD AFFECTING ACCOUNTABILITY

1. Line 1.00 Total Accountability - Beginning of Period. Report on this line the balance of accountability for the disbursing office or station as of the close of the previous accounting period. This balance must be the same figure reported as the closing balance on line 5.00 of the SF 1219 for the prior accounting period.

2. Line 2.1 Checks Issued on U.S. Treasury. Report on this line the total amount of checks drawn on the U.S. Treasury for the period, including any adjustments of check issue amounts reported in prior periods. An analysis of this total amount, by check symbol, shall be shown in Section II, Part A, on the reverse of the statement.

3. Line 2.3 Other Transactions. All amounts reported under this classification must be analyzed on a separate support schedule. Each separate support schedule must list each detail transaction which supports the summary line total.

a. Discrepancies in D.O. Accounts - Credits. Report on line 2.34 the total amount of all unidentified transactions during the period of account that increases the disbursing office accountability and that cannot accurately be classified to line 2.36 or 2.37. Activity reported on this line must be carefully researched before entry. Every effort should be made to clear items reported on this line in the next period of account.

b. Payments by Another D.O. Report on line 2.36 the total amount of Treasury check payments issued by another disbursing office, at the reporting office's request, during the period of account.

c. Transfers from Other Disbursing Officers. Report on line 2.37 the total amount of transfers received from other disbursing officers during the period of account.

d. Line 2.39 shall only be used when authorized by Treasury.

4. Line 2.9 Total Increases in Accountability. Show in this line the sum total of lines 2.1, 2.34, 2.36, 2.37, and 2.39.

5. Line 3.0 Subtotal. Report on this line the sum of the accountability at the beginning of the period and the increases in accountability during the reporting period, line 1.00 plus line 2.9.

6. Line 4.1 Net Disbursements. Report on this line the total of gross vouchered charges to appropriation and fund accounts net of collections for the reporting period. The detail of the accounts charged shall be reported on the related Statement(s) of Transactions. Components which do their own disbursing shall include payment vouchers on letters of credit on an issue month basis. See TFM 6-2000 for more detailed information concerning letters of credit.

7. Line 4.2 Deposits Presented or Mailed to Bank. This line is used to report deposits of disbursing officers net of related debit vouchers. A summary analysis by deposit symbol and date presented or mailed to bank will be shown on the reverse of the statement, Section II, Part B.

8. Line 4.3 Other Transactions. All amounts reported under this classification must be analyzed on a separate support schedule. Each separate support schedule must list each detail transaction that supports the summary line total.

a. Discrepancies in D.O. Accounts - Debits. Report on line 4.34 the total amount of all unidentified transactions during the period of account that decreases the disbursing office accountability and that cannot accurately be classified to line 4.36 or 4.37.

STANDARD FORM 1219 Revised April 1982 Department of the Treasury 1-TFM 2-3100		
STATEMENT OF ACCOUNTABILITY		
NAME OF DISBURSING OFFICER		LOCATION OF DISBURSING OFFICER (Mailing Address)
NAME OF AGENCY		
PERIOD OF ACCOUNT FROM	THROUGH	AGENCY LOCATION CODE (ALC) (Show main check symbol number)
SECTION I. - GENERAL STATEMENT OF ACCOUNT		
PART A. - TRANSACTIONS DURING PERIOD AFFECTING ACCOUNTABILITY		
1.00	TOTAL ACCOUNTABILITY BEGINNING OF PERIOD	
INCREASES IN ACCOUNTABILITY		
2.1	CHECKS ISSUED ON U.S. TREASURY	
2.3	OTHER TRANSACTIONS	
2.34	DISCREPANCIES IN D.O. ACCOUNTS - CREDITS	
2.36	PAYMENTS BY ANOTHER D.O.	
2.37	TRANSFERS FROM OTHER DISBURSING OFFICERS	
2.39		
2.9	TOTAL INCREASES IN ACCOUNTABILITY	
3.0	SUBTOTAL	
4.0	DECREASES IN ACCOUNTABILITY	
4.1	NET DISBURSEMENTS	
4.2	DEPOSITS PRESENTED OR MAILED TO BANK	
4.3	OTHER TRANSACTIONS	
4.34	DISCREPANCIES IN D.O. ACCOUNTS - DEBITS	
4.36	PAYMENTS FOR ANOTHER D.O.	
4.37	TRANSFERS TO OTHER DISBURSING OFFICERS	
4.39		
4.9	TOTAL DECREASES IN ACCOUNTABILITY	
5.00	TOTAL ACCOUNTABILITY CLOSE OF PERIOD	
PART B. - ANALYSIS OF INCUMBENT OFFICER'S ACCOUNTABILITY		
6.1	CASH ON DEPOSIT IN DESIGNATED DEPOSITORY	
	(Name and location of depository)	
6.2	CASH ON HAND	
6.3	CASH - UNDEPOSITED COLLECTIONS	
6.4		
6.5	CASH IN CUSTODY OF GOVERNMENT CASHIERS	
6.6		
6.7		
6.8	PAYROLL CASH	
6.9		
7.1	DEFERRED CHARGES - VOUCHERED ITEMS	
7.2	RECEIVABLES - CHECK OVERDRAFTS	
7.3	LOSSES OF FUNDS	
7.4	RECEIVABLES - DISHONORED CHECKS	
7.5		
7.6		
7.7		
7.8		
7.9		
8.0	TOTAL OF MY ACCOUNTABILITY	0.00
PART C. - ANALYSIS OF PREDECESSOR OFFICERS' ACCOUNTABILITY		
9.2	RECEIVABLES - CHECK OVERDRAFTS	
9.3	LOSSES OF FUNDS	
9.4	OTHER ACCOUNTABILITY	
10.0	TOTAL PREDECESSOR OFFICERS' ACCOUNTABILITY	
11.0	TOTAL DISBURSING OFFICER ACCOUNTABILITY (Same as line 5.00 above)	
NAME AND TELEPHONE NUMBER OF CONTACT		
SIGNATURE AND TITLE OF CERTIFIER		DATE
NSN 7540-00-634-4245 (OVER) PREVIOUS EDITION NOT USABLE 1219-106		

FIGURE 3-1

SECTION II - SUMMARY BY SYMBOL OF CHECK AND DEPOSIT TRANSACTIONS WITH U.S. TREASURY						
PART A. - CHECKS ISSUED AND ADJUSTMENTS FOR PRIOR PERIODS *						
CHECK SYMBOL	AMOUNT OF CHECKS ISSUED THIS PERIOD	ADJUSTMENTS FOR PRIOR MONTH'S ISSUES (+ or -)				TOTAL CHECKS ISSUED + (Columns 2 + 3 and + 4)
		BY TFS FORM 5206		OTHER		
		ISSUE (Month and year)	AMOUNT	ISSUE (Month and year)	AMOUNT	
(1)	(2)	(3)		(4)		(5)
	TC 210		TC 211		TC 212	
TOTALS!						
PART B. - SUMMARY OF DEPOSITS PRESENTED OR MAILED TO BANK (Line 4.2)						
DEPOSIT SYMBOL	DEPOSITS PRESENTED OR MAILED TO BANK THIS MONTH	DEPOSITS PRESENTED OR MAILED TO BANK IN PRIOR MONTHS BUT RECORDED IN ACCOUNTS THIS MONTH		TOTAL DEPOSITS PRESENTED OR MAILED TO BANK ^		
		MONTH PRESENTED OR MAILED TO BANK	AMOUNT			
(1)	(2)	(3)	(4)	(5)		
	TC 420		TC 420			
TOTALS!						

* The totals reported in these columns must be in agreement with the corresponding amounts reported on the SF 1179.

+ The total reported in this column must be in agreement with the total shown on Line 2.1 on the face of this statement.

! For use only if more than one (1) symbol is listed.

^ The total reported in this column must be in agreement with the total shown on Line 4.2 on the face of this statement.

FIGURE 3-1 (CONT.)

Activity reported on this line must be carefully researched before entry. Every effort should be made to clear items reported on this line in the next period of account.

b. Payments for Another D.O.

Report on line 4.36 the total amount of Treasury check payments issued by your disbursing office, at the request of another disbursing office, during the period of account.

c. Transfers to Other Disbursing Officers. Report on line 4.37 the total amount of transfers sent to other disbursing officers during the period of account.

d. Line 4.39 shall only be used when authorized by Treasury.

9. Line 4.9 Total Decreases in Accountability. Report on this line the sum total of lines 4.1, 4.2, 4.34, 4.36, 4.37, and 4.39.

10. Line 5.0 Total Accountability Close of Period. The total to be reported on this line will be the difference between the amounts reported on line 3.0 and line 4.9. This amount will be detailed in the analysis required by Section I, Parts B and C.

B. PART B - ANALYSIS OF INCUMBENT OFFICER'S ACCOUNTABILITY

NOTE: Disbursing officers shall maintain a separate account for each classification of accountability shown in Parts B and C.

1. Line 6.1 Cash on Deposit in Designated Depository. Report on this line the total of all checkbook balances in U.S. dollar or U.S. dollar equivalent of foreign currencies on deposit in designated depository accounts. The grand total of all depository funds shall be shown on line 6.1.

2. Line 6.2 Cash on Hand. Report on this line the total of cash items held at the disbursing office or station. This shall include coin or currency, checks, money orders, and other forms of negotiable paper. Depending upon the system of cash accounts maintained by the disbursing office, this classification may

include cash collections that have been credited to government accounts and are in the process of preparation for deposit to the credit of the U.S. Treasury. If a separate accounting is maintained for undeposited collections, as distinguished from disbursing cash on hand, show such classification on line 6.3.

NOTE: On the September 30 final account for each fiscal year, that portion of the totals shown on lines 6.1 and 6.2, which represents U.S. equivalent of foreign currency, shall be shown in parenthesis on the respective line.

3. Line 6.3 Cash - Undeposited Collections. Report on this line the cash collections on hand at the close of the accounting period that are for deposit to the credit of the U.S. Treasury.

4. Line 6.5 Cash in Custody of Government Cashiers. Report on this line the total cash that has been advanced to officially authorized government cashiers for which they are accountable to the disbursing officer.

5. Lines 6.6 thru 6.9. These lines have been provided for the reporting of special classifications of cash maintained by the disbursing office that have not been specially provided for on other lines.

6. Line 7.1 Deferred Charges - Vouchered Items. Report on this line all payments that have been made on vouchers that are not complete, and therefore cannot be charged to the appropriation or fund account in the current reporting period. All amounts reported on this line shall be cleared in the next accounting period.

7. Line 7.2 Receivables - Check Overdrafts. Report on this line the total of uncollected check overdrafts (checks drawn in excess of certified voucher amounts) as of end of accounting period.

8. Line 7.3 Losses of Funds. Report on this line the total funds that have been lost, stolen, or are otherwise not available.

9. Line 7.4 Receivables - Dishonored Checks. Report on this line the total of all dishonored checks held for redemption by the drawer. If the item cannot be collected within the following 30-day period and the collection was credited to an appropriation, fund or receipt account, the collection credit should be reversed (reducing the appropriation, fund, or receipt account originally credited) to clear the disbursing office receivable. Otherwise, the item should be reported on this line until collected or ultimately processed as a loss of funds.

10. Lines 7.5 thru 7.9. These lines have been provided for reporting any additional classifications that may be maintained to reflect an appropriate analysis of accountability.

11. Line 8.0 Total of My Accountability. Report on this line the total of lines 6.1 through 7.9. This amount shall be the total of the incumbent disbursing officer's accountability for which he is personally liable.

C. PART C - ANALYSIS OF PREDECESSOR OFFICER'S ACCOUNTABILITY

1. Line 9.2 Receivables - Check Overdrafts. Report on this line the amount of uncollected check overdrafts applying to checks issued by predecessor disbursing officers.

2. Line 9.3 Losses of Funds. Report on this line the total funds of the predecessor disbursing officer that have been lost, stolen, or are otherwise not available.

3. Line 9.4 Other Accountability. Report on this line the total of any other items of accountability relating to predecessor disbursing officers that were carried forward to the accounts now maintained by the incumbent disbursing officer.

4. Line 10.0 Total Predecessor Officer's Accountability. Report on this line the total of lines 9.2 through 9.4.

5. Line 11.0 Total Disbursing Office Accountability. Report on this line the sum of the totals shown on lines 8.0 and 10.0.

This total shall be the same as reported on line 5.00.

030204 SECTION II - SUMMARY BY SYMBOL OF CHECK AND DEPOSIT TRANSACTIONS WITH U.S. TREASURY (Double Space All Line Entries)

A. PART A - CHECKS ISSUED AND ADJUSTMENTS FOR PRIOR PERIODS

The detailed information required to be reported in this part is indicated by the columnar headings. The information must be shown for each check symbol under which there were checks issued or check issue adjustment transactions in the current period. The amounts reported in the respective columns for each check symbol must agree with amounts reported on SF 1179 "Month End Accounting Summary of Checks Issued" for the same check issue transactions. The columns shall be completed as follows:

1. Column 1 Check Symbol. Report in this column the check symbol number under which the checks were drawn or to which the check issue adjustment transactions apply.

2. Column 2 Amount of Checks Issued This Period. Report in this column the total amount of all checks issued during the current accounting period under the related check symbol. This amount must agree with the amount reported on line 1 of the related SF 1179. Such amounts will be supported by listings, magnetic tapes, or check copies, in accordance with the requirements of the Financial Management Service (FMS), Department of the Treasury.

3. Columns 3 & 4 Adjustments for Prior Months Issues.

a. By TFS Forms 5206. Report in column 3 the issue month and year and the net total of the check issue discrepancy notices, TFS Form 5206, received and entered in the disbursing office accounts for the current accounting period. The totals shown will agree with the amounts on line 2(a) of the SF 1179.

b. Other. Report in column 4 the issue month and year and the net total of adjustments (Optional Form 1017-G "Journal Voucher" etc.) initiated by the disbursing office to correct prior periods check issue totals, for which adjustments have been entered in the current month accounts and reported on line 2(b) of the SF 1179 for the current month.

4. Column 5 Total Checks Issued. Report in this column the net total of the amounts reported in columns 2, 3, and 4 for each check symbol number being reported. Each amount column shall also be totaled if more than one check symbol is reported to show the grand total for all check symbols. The grand total amount of column 5 shall be the amount to be reported on line 2.1 of Section I, Part A, of SF 1219.

B. PART B - SUMMARY OF DEPOSITS PRESENTED OR MAILED TO BANK (Line 4.2)

In this part, an analysis shall be shown by deposit symbol number of the deposit items and related debit vouchers that have been taken up in the accounts of the disbursing office during the current accounting period. The information to be shown in the respective columns is as follows:

1. Column 1 Deposit Symbol. Report in this column the deposit symbol

numbers used by the disbursing office. Normally, only one deposit symbol is used by a disbursing office. Where more than one deposit symbol is used at the direction of FMS, the deposit symbol affected shall be shown in this column and an analysis of the deposits shown in columns 2, 3, and 4 as explained below.

2. Column 2 Deposits Presented Or Mailed to Bank This Month. Report in this column the total deposits presented or mailed to bank this month at the deposit symbol level, net of debit vouchers recorded during the current month.

3. Columns 3 & 4 Deposits Presented or Mailed to Bank in Prior Months But Recorded in Accounts This Month. Report in column 3 the month presented or mailed to bank and in column 4 the total amount of deposit items less debit vouchers entered in the disbursing officer's accounts during the current accounting month.

4. Column 5 Total Deposits Presented Or Mailed To Bank. Report in this column the sum of amounts shown in columns 2 and 4 for each deposit symbol. The grand total of column 5 shall be the amount to be reported on line 4.2 in Section I, Part A of the Statement of Accountability.

TAPE FORMAT FOR STATEMENT OF ACCOUNTABILITY AND SUPPORTING REPORTS INCLUDING THE STATEMENT OF TRANSACTIONS

The tape format for submitting the Statement of Accountability and necessary supporting reports including the Statement of Transactions and the Statement of Inter-Fund Transactions is as follows:

A. HEADER

1. Positions 1--4 Identification. Enter 1HDR
2. Position 5 Blank. Not used
3. Positions 6--10 Serial. Locally generated tape serial number.
4. Positions 11--15 Blank. Not used

FIGURE 3-2

5. Positions 16--19 Reel Sequence No. Use a dash (-) in position 16 followed by the number of the reel in sequence preceded by zeros (e.g. -001).
6. Position 20 Blank. Not used
7. Positions 21--30 File Identification. Enter XXXXXTRAIL
8. Positions 31--35 Creation Date. The date the tape was created. The last two digits of the calendar year are shown in positions 31 and 32. The numeric day of the year preceded by zeros as applicable in positions 33--35. January 8 is 008; February 11 is 042 (YYDDD).
9. Positions 36--39 Retention Cycle. Use a dash (-) in position 36 followed by numeric 090.
10. Positions 40--80 Blank. Not used

B. STATEMENT OF ACCOUNTABILITY

1. Positions 1--4 Blanks. Not used
2. Positions 5--8 Reporting Organization. Enter departmental index number of the reporting organization in positions 5 and 6 followed by two zeros. (Navy shows 1700, Army shows 2100, Air Force shows 5700, WHS shows 9711 and 9720, and DLA shows 9700.)
3. Positions 9--22 Amount. Enter the amount in dollars and cents. In the event the value is negative, the sign shall be entered in position 22.
4. Positions 23--27 Accounting Date. Positions 23 and 24 indicate the month, positions 25 and 26 the day, and position 27 the last digit of the calendar year (MMDDY).

(NOTE: Treasury has a waiver to use this nonstandard data element for the present. Plans are in being to convert to the standard data element. Adequate advance notice shall be provided.)

5. Positions 28--33 Transaction Date. Enter the transaction date; for example, the date the deposit was confirmed or the date of the voucher drawn against a letter of credit. The first two digits indicate the year, the second two digits indicate the month, and the last two digits the day (YYMMDD)
6. Positions 34--37 Prefix for Agency Station Symbol for Letter of Credit Transactions (Transaction Code 215). Enter the first four digits of the Agency Station Symbol for letter of credit transactions. (Army shows 2100, Navy 1700, Air Force 5700. If any other organizations issue letters of credit, Treasury will assign a symbol.) For all other Transaction Codes, leave blank.
7. Positions 38--41 Accounting Station Symbol Number. For all detail records except letter of credit (Transaction Code 215), enter the four digit accounting station symbol number assigned by Treasury. This symbol is commonly referred to as the Disbursing Station Symbol Number (DSSN), the Check Issue Symbol Number, or the DO Symbol Number. For letter of credit records enter 9701.

FIGURE 3-2 (Con't)

8. Positions 42--49 Debit Voucher or Letter of Credit Number. Enter the debit voucher number or letter of credit number, if applicable. A debit voucher is indicated by Transaction Code 420 (positions 50--52) and special code 3 (position 61). When both of these conditions exist, show the debit voucher number in this field and a minus sign in position 22 (amount field). If the Transaction Code is 215, enter the letter of credit number. Either number must be right justified. If the number is 8 digits or more, report the last 8 digits of the number. If 7 digits or less, leave unfilled positions blank.
9. Positions 50--52 Transaction Code. The first two positions indicate the line on the Statement of Accountability. The Transaction Code shall be used in conjunction with position 61 for complete transaction identification. Definitions of the line items may be found in appendix I of I TFM 2-3100. The Transaction Codes are as follows:

<u>CODE</u>	<u>TITLE</u>
100	Total Accountability at Beginning of Period, U.S. Dollars
120	Total Accountability at Beginning of Period, Foreign Currency
130	Total Accountability at Beginning of Period, Military Payment Certificates
210	Checks Issued on U.S. Treasury, Current Period (Initial reporting of all checks issued even if issued in a prior month)
211	Checks Issued on U.S. Treasury, (Adjustments for Prior Months Issued based on an advice of Check Issue Discrepancy (TFS Form 5206))
212	Checks Issued on U.S. Treasury, (Adjustments for Prior Months Issues, Other)
215	Payment Vouchers on Letters of Credit
230	Other Transactions
234	Discrepancies in D.O. Accounts - Credits
236	Payments by another D.O.
237	Transfers From Other D.O.s
290	Total Increase in Accountability
300	Subtotal
410	Net Disbursements
420	Confirmed Deposits with U.S. Treasury, (NOTE: Normal transactions must show a 2 in position 61. Debit vouchers will also bear Transaction Code 420, but must show a 3 in position 61.)
430	Other Transactions

FIGURE 3-2 (Con't)

<u>CODE</u>	<u>TITLE</u>
434	Discrepancies in D.O. Accounts - Debits
436	Payments for Another D.O.
437	Transfers to Other D.O.s
490	Total Decrease in Accountability
500	Total Accountability at Close of Period, U.S. Dollars
520	Total Accountability at Close of Period, Foreign Currency
530	Total Accountability at Close of Period, Military Certificates
610	Cash on Deposit
620	Cash on Hand
630	Cash--Undeposited Collections
650	Cash in Custody of Government Cashiers
660	Cash in Transit
670	Cash
690	Cash--Other
710	Deferred Charges--Vouchered Items
720	Receivables--Check Overdrafts
730	Losses of Funds
740	Receivables
750	Advances
780	Unexplained Differences (NOTE: Reserved for Reporting unexplained differences between section A and the total of sections B and C of the Statement of Accountability)
790	Other
800	Total Accountability
920	Predecessors' Accountability--Receivables--Check Overdrafts
930	Predecessors' Accountability--Losses of Funds

FIGURE 3-2 (Con't)

- | <u>CODE</u> | <u>TITLE</u> |
|-------------|---|
| 940 | Predecessors' Accountability--Other |
| 100 | Total Predecessor Officer's Accountability |
| 110 | Total Disbursing Office Accountability (same as code 500) |
10. Positions 53--60 Certificate of Deposit or Letter of Credit Voucher Serial Number. Enter the certificate of deposit number or letter of credit voucher serial number. A certificate of deposit is indicated by Transaction Code 420 (positions 50-52 and Special Code 2 (position 61)). A letter of credit is indicated by Transaction Code 215. The letter of credit voucher serial number is preprinted on the document and has 7 digits. Components shall account for all letter of credit serial numbers. Vouchers voided must also be reported by serial number in this field. To show the voucher was voided, zero fill the Amount Field (positions 9--22) and leave the Transaction Date Field (positions 28-33) blank. Letter of credit voucher serial number and certificate of deposit numbers are right justified, with zero fill to the left.
11. Position 61 Special Code. Enter one of the following Special Codes. It is used in conjunction with the Transaction Code (positions 50-52) to identify the type of transaction being reported.
- a. Transactions during period affecting accountability:
- | <u>CODE</u> | <u>USED FOR</u> |
|-------------|---|
| 1 | Transaction Codes 100, 120, 130, 215, 230, 410, 430, 500, 520, and 530. |
| 2 | Transaction Codes 210, 211, 212, and 420 if a Confirmed Deposit. |
| 3 | Transaction Code 420 if transaction represents a debit voucher. |
- b. Analysis of Accountability by type of currency (Transaction Codes 610 through 940)
- | | |
|---|--|
| 6 | U.S. Dollar equivalent of purchased foreign currency |
| 7 | Military Payment Certificates |
| 8 | U.S. Dollars |
- c. Other Use:
- | | |
|---|---|
| 9 | All totals and subtotals not otherwise identified as a separate transaction code. The inclusion of such totals is optional. |
|---|---|
12. Positions 62--63 Area Code. This code identifies the reporting Component. The Air Force shall report a constant 61, the Army a constant 62 and the Navy a constant 63.
13. Position 64 Record Mark. Enter the end of the record mark.

FIGURE 3-2 (Cont)

C. STATEMENT OF TRANSACTIONS

Tape positions must be as follows to report Statement of Transactions data:

1. Positions 1--4 Blanks. Not used
2. Positions 5--8 Reporting Organization. Enter the departmental index number of the reporting organization: (Navy-1700, Army-2100, and Air Force-5700)
3. Positions 9--22 Amount. If negative, the sign is entered in the units position (position 22).
4. Positions 23--27 Accounting Date. Positions 23 and 24 indicate the month, positions 25 and 26 the day, and position 27 the last digit of the calendar year (MMDDY). The accounting date for the 12th report is the last day of the fiscal year.

(NOTE: As indicated above, a waiver has been issued to use this nonstandard data element for the present. Plans are in being to convert to the standard data element. Adequate advance notice shall be provided.)

5. Positions 28--32 Processing Date. Enter the date the tape is forwarded to Treasury. As in positions 23--27, above, this date must be shown MMDDY. The same note is also applicable.
6. Positions 33--34 Departmental Index No. Enter the two digit departmental index number assigned by Treasury to the funded DoD Component. This number is the two digit prefix assigned to appropriations of that Component that immediately precedes the fiscal year code.
7. Positions 35--36 Transferring Department Index No. Enter the departmental index number of the organization to whom the appropriation was originally made when the transaction affects a transfer appropriation account. If not applicable leave blank.
8. Positions 37--40 Account Number. Enter four digit basic account number assigned by Treasury to the appropriation, other fund, or receipt account.
9. Positions 41--43 Appropriation Suffix. Enter any applicable suffix assigned by Treasury to the account number reported in positions 37--40, above. Units must be shown in position 43. Zero fill unused positions. For example; for account 17X8008.1, this field would be coded 001; for account 21X4080, this field would be coded 000.
10. Positions 44--47 Fiscal Year. Four positions are provided for entering the appropriation or fund account availability period. All unused positions must be left blank.
 - a. Annual Appropriations. Enter the last two digits of the fiscal year of availability in positions 46 and 47.
 - b. Multi-year Appropriations. Enter the first fiscal year of availability in positions 44 and 45. Enter the last fiscal year of availability in positions 46 and 47:

FIGURE 3-2 (Con't)

- c. No Year Appropriations. "X" in position 47.
 - d. Receipt Clearing Accounts. "F" in position 47.
 - e. Estimate Clearing Account. "A" in position 47.
 - f. Deposit Fund Accounts. Enter the fiscal year in positions 46 and 47 or "F" or "X" in position 47, as applicable.
 - g. Transfer Appropriation and Trust Fund Accounts. Enter the fiscal year in positions 46 and 47 or an "X" in position 47, as applicable.
 - h. Miscellaneous Receipt Accounts. Not used.
11. Positions 48--49 Appropriation Prefix. Enter the appropriation prefix (called subclass) assigned by Treasury for identification of selected transactions. The standard codes are:

STANDARD
SUBCLASS
CODE

TITLE

38	Interest and Profits on Investments in Participation Certificates
41	Funds Held Outside the Treasury - Imprest Funds
46	Payments from Current Appropriations for obligations of Closed Accounts
62	Unamortized Premium on Investments
67	Redemption of Participation Certificates
68	Investment (Purchase) in Federal Home Loan Bank and Federal Land Bank Securities (par)
69	Redemption of Participation Certificates (par)
72	Unamortized Discount on Investments
75	Unrealized Discount on Investments
76	Earning on Treasury Securities
77	Net Distribution of Participation Sales Transactions
78	Redemption of Federal Home Loan Bank and Federal Land Bank Securities (par)
79	Sale of Participation Certificates (par)
80	Investment (Purchase) in Participation Sales Certificates (par)

FIGURE 3-2 (Con't)

STANDARD
SUBCLASS
CODE

TITLE

81	Investment (Purchase) in Non-guaranteed Government Agency Securities
82	Repayment of Borrowing from FFB
85	Repayment of Borrowing from U.S. Treasury
86	Actual Borrowing Against Borrowing Authority
87	Redemption of Non-guaranteed Government Agency Security in Market (par)
89	Investment (Purchase) in U.S. Public Debt Securities
90	Redemption (Sales) of Participation Sales Certificates (par)
91	Redemption (Sales) of Non-guaranteed Government Agency Securities
92	Borrowing from FFB
95	Borrowing from U.S. Treasury
96	Sales of Guaranteed Government Agency Securities in Market and Domestic Postal Money Orders (par)
97	Sales of Non-guaranteed Government Agency Securities in Market (par)
98	Redemption (Sales) of U.S. Public Debt Securities
99	Redemption (Sale) of Guaranteed Government Agency Securities and Foreign Postal Money Orders (par)

12. Positions 50--51 Transaction Code. Enter one of the following codes:

<u>CODE</u>	<u>TITLE</u>
16	Gross Collections for Receipt Clearing Accounts
17	Available Receipts
51	Unavailable Receipts
61	Disbursements
71	Reimbursements

13. Position 52 Blank. Not used

FIGURE 3-2 (Con't)

14. Positions 53--56 Reporting Organization. Enter the departmental index number followed by two zeros. These positions shall agree with positions 5 through 8.
15. Positions 57--60 Blank. Not used
16. Position 61 Report Identifier. Enter "T" to identify records applicable to the Statement of Transactions and "I" to identify the records applicable to the DD Form 1400, "Statement of Inter-Fund Transactions."
17. Positions 62--63 Area Code. This code identifies the reporting department. The Air Force shall enter 61, the Army 62, and the Navy 63.
18. Position 64 Record Mark. Enter the end of the record mark.

D. TRAILER

1. Positions 1--4 Identification. Enter IEOF
2. Position 5 Blank. Not used.
3. Positions 6--10 Record Count. Enter the number of records in the file. Units will be shown in position 10. Zero fill unused portions of the field. The field shall be right justified.
4. Positions 11--80 Blanks. Not used.

FIGURE 3-2 (Cont)

0303 STATEMENT OF TRANSACTIONS
(DD Form 1329 or DD Form 1329m)

030301 Purpose and Report Control Number
This section prescribes the preparation and submission of monthly reports of outlays incurred in the appropriations and funds of the Department of Defense. These reports are a valuable tool in monitoring the planned monthly execution of approved DoD programs. The reporting requirements prescribed in this section are designated as DD Form 1329.

030302 Applicability and Scope. Outlay reporting applies to the DFAS Centers as the departmental-level accounting entity for the Military Departments and the Defense Agencies with respect to outlays incurred for all military functions.

030303 Report Form and Frequency. The Statement of Transactions shall be submitted to the Director for Program and Financial Control, OUSD(C), not later than the close of business on the eighth workday of the month after the close

of the reporting month. This information shall be submitted electronically as illustrated in figure 3-2, section C. Minor deviations in the mode of submission of data are permitted if approved in advance. The DFAS has primary responsibility for the submission of this data. The DoD Components will assist the DFAS to ensure the integrity and timeliness of the data to be submitted. Hard copy Statements of Transactions, either DD Form 1329 or 1329m, shall be submitted in support of the electronic transmission (see figures 3-3 and 3-4, respectively). Report deviations must be approved in advance.

030304 Distribution. The DFAS shall furnish a Statement of Transactions to each DoD Component and other agency for which it collects or disburses showing the transactions for that Component. In addition, a Statement of Transactions summarizing the transactions by appropriation for each Defense Agency shall be provided by DFAS. These reports shall be in hard copy unless the recipient has agreed to accept the report in some other form. Report

recipients may require additional detailed information in specified tape format.

030305 Hard Copy Report Preparation

A. General

1. Each DD Form 1329 or 1329m shall show the name and office location, the period covered by the statement, the reporting department index number, and, if desired, an optional Component number for which the statement is rendered. The department index number is the two-digit number assigned by Treasury as a prefix to that department's appropriation symbols.

2. If more than one sheet is used to report the amounts of transactions, the grand total for each column shall be shown on the last page of the statement. Page totals are optional.

3. Each hard copy statement shall be signed by the officer under whose direction it was prepared.

4. Negative amounts shall be identified by the suffix "Cr."

B. Columnar Entries

1. Column a Appropriation, Fund, or Receipt Symbol. Enter the symbol of the appropriation, other fund, or receipt account for which the amounts of transactions are being reported. Include any prefix or suffix prescribed by the Treasury Department on the Classification Authorization (TFS Form 7102 or 7103). No other suffix or prefix may be shown.

2. Column b Receipts. Enter the amounts of receipt transactions (including voucher deductions which apply to general, special, and trust fund receipt accounts, net of any uncollectible (dishonored check) items and any related adjustment transactions.

3. Column c Reimbursements. Enter the amount of appropriation reimbursements collected applicable to each related appropriation or other fund account. The amounts so reported are net of any uncollectible

(dishonored check) items and any related adjustment transactions.

4. Column d Disbursements (Net of Refunds). Enter the amount of disbursements, by check, cash, or voucher deduction chargeable to each appropriation or other fund account shown in column a. The amounts so reported are net of amounts collected as refunds to the applicable appropriation or other fund. Cancelled check transactions are reported as reductions of disbursements.

030306 Electronic Media Submissions

A. For reports submitted electronically, magnetic tape or diskettes containing the information in the hard copy reports is prescribed. The information should be recorded in the following formats:

1. Tape Format

IBM labeled
ebcdic
64 characters per logical record
1280 characters per physical

record

9 track
density--1600 bpi

2. Diskette Format

3 1/2" diskette--double sided and
high density
formatted PC DOS--release 5.0 or
later

ASCII
character record length--64
paper label showing file name
and transaction count

B. The information reported shall be at the department total level.

030307 Special Reporting of Borrowing Account Transactions

A. A DoD Component becomes the mortgagor when it acquires property subject to a previous mortgage under the DoD

Homeowners Assistance Program, or when it borrows money to finance or issues a mortgage instead of immediate payment for new construction under the DoD Family Housing Program.

B. The total acquisition cost of property, including mortgages payable, shall be reported as a disbursement along with all other disbursements without prefix to liquidate the entire related obligation. The amount of the mortgage assumed shall be reported in column c as a reimbursement with prefix (97). Amounts reported shall be extracted from General Ledger account Number 2592.

C. Payments to the mortgagee shall be reported in two parts: Payments on principal as disbursements with prefix (87); Interest payments included in the balance of regular disbursements without prefix.

D. The sale of property subject to a previous mortgage that is assumed by the buyer shall be shown as a receipt or reimbursement, as appropriate, in the amount of the total sales price without prefix. Report amount of the existing mortgage assumed by the buyer as a disbursement identified by the appropriation symbol prefix (87).

030308 Special Reporting for Trust Fund Investments in U.S. Government Securities.

A. The purchase of U.S. Government securities as an investment by a trust fund must be reported as a disbursement at par value in column d identified by the prefix (88). Investments in Federal Securities are recorded in General Ledger account Number 1610. Any difference between par value and the purchase price must be shown without prefix as a disbursement in column d or as a reimbursement in column c, as the case may be. This difference is recorded in General Ledger account No. 1611.

B. Report securities acquired as a gift at par value as a disbursement in column d identified by the prefix (88). The par value is to be reported as a receipt along with all other reportable amounts in column b.

C. Report the sale of securities at par value as a receipt identified by the prefix (98) in column b. The difference between par value and the amount received shall be reported without prefix as a reimbursement or disbursement, as the case may be.

D. Detailed guidance on special reporting for the Military Retirement Fund and the Education Benefit Fund can be found in Volume 12, of this Regulation.

030309 Reconciliation of DD Forms 1329 and 1329m with SF 1219. The totals reported on DD Forms 1329 and 1329m shall be consistent with the totals for the related transactions reported on the SF 1219, "Statement of Accountability," for each disbursing officer or any consolidation of disbursing officers.

030310 Foreign Currency Transactions. A separate Statement of Transactions and Accountability is required by Volume 5 of this Regulation to meet OMB and Treasury information needs on foreign currency transactions.

030311 Equivalent Instruments.

DoD 4000.25-7-M prescribes two reports to the Treasury that are closely related to the Statement of Transactions. These reports are the Statement of Inter-Fund Transactions (DD Form 1400 or 1400m) and the Statement of Intra-Governmental Transactions (no form number). These statements are illustrated in appendices C1, C2, and C6 of DoD 4000.25-7-M. These reports serve the same purpose as Statements of Transactions; that is, they are the warrants for charging applicable appropriation or other fund accounts and crediting the applicable DoD or GSA appropriations or revolving funds on the central records of the agencies concerned and the Treasury Department. The amounts shall be reported in the tape format prescribed in figure 3-2, section C, as an integral part of the Statement of Transactions. (The amounts are not included in the disbursing officers' Statements of Accountability, although they are included in the reports of the agency that processed the transactions.)

[illegible]

DD FORM 1329

Form approved by Comptroller General, U. S.
May 2, 1969.

FIGURE 3-3

STATEMENT OF TRANSACTIONS

[illegible]

DD FORM 1329 10-64

Form approved by Comptroller General, U. S.
May 6, 1960

FIGURE 3-4

CHAPTER 4

APPROPRIATION AND FUND STATUS REPORTS

TO BE ISSUED AT A LATER DATE

CHAPTER 5

GENERAL PURPOSE REPORTING0501 REPORT ON FINANCIAL POSITION,
(SF 220)

050101 Purpose and Accounting Report Number. This section prescribes the report form and instructions for preparation of the annual report on appropriations and funds required pursuant to I TFM 2-4100. The report discloses the basis on which major categories of assets are accounted for and reported, the nature of any significant restrictions on the use of assets, the amount and nature of significant contingent liabilities, and such explanatory information on the assets, liabilities and equity as is necessary to fully and clearly disclose the financial position of the reporting entity. The reporting requirements prescribed in this section are designated as SF 220 (IAR 1178-TD-XX)

050102 Applicability and Scope

The provisions of this section apply to all DoD Components. It covers the following types of appropriation and fund accounts:

- A. General funds
- B. Deposit and special funds
- C. Management and revolving funds
- D. Trust funds

050103 Report Form. I TFM 2-4100 contains a copy of the SF 220. This form may be reproduced, or a machine-produced facsimile may be used. Figure 5-1 illustrates SF 220.

050104 Frequency and Distribution

A. Reports shall be prepared as of September 30 of each year unless otherwise specified and are due to Treasury as established by Treasury's annual bulletin on year-end closing dates by memorandum.

Departmental-level accounting entities shall establish year-end closing due dates to meet reporting dates established by the DFAS.

B. Reports shall be submitted under cover of a transmittal letter signed by the responsible official. Departmental-level accounting entities will make distribution in accordance with the addresses provided in the addendum to this chapter. The Treasury Department encourages Federal agencies to submit the SF 220 series of reports on the Federal Agencies' Centralized Trial-Balance System (FACTS). To the extent DoD Components can do so, the reports should be transmitted electronically.

050105 Preparation Instructions for the SF 220

A. General. Amounts for the SF 220 and all supporting reports shall be reported in dollars. Negative figures shall be identified by the use of a minus sign (-).

B. Heading. Complete the heading identifying: (1) "as of" date of the report (September 30, 19XX); (2) reporting DoD Component and the reporting entity; and (3) OMB Identification Code (Appropriation Symbol), when applicable, and fund type. (See table 5-2.) Each OMB Identification Code assigned for type 1, 2, and 3 funds requires a separate series of reports.

C. Line 1. Fund Balance with Treasury and Cash. This is a title line for lines 1.a. through 1.d. No dollar amounts are reported on line 1. This account balance includes amounts of available expenditure authorizations as shown in the reporting departmental-level accounting entity accounts with the Treasury and as reported on TFS Form 6653, "Undisbursed Appropriation Accounts." It also indicates all other cash, currency, bank, and other financial institution amounts, and imprest funds.

Standard Form 220
November 1988
1 TFM 2-4100

REPORT OF FINANCIAL POSITION

as of _____
(in dollars)

Page 1 of 3
IAR No. 1178-TD-XX

IDENTIFICATION:

DEPARTMENT/AGENCY: _____

BUREAU/ORGANIZATIONAL UNIT: _____

OMB IDENTIFICATION CODE: _____ FUND TYPE: _____

Assets	Amount	Total current period
1. Fund balance with Treasury and cash (SF 220-1)		
a. Fund balance(s) _____		
b. Cash * _____		
c. Foreign currency, net _____		
d. Subtotal _____		
2. Accounts receivable (SF 220-9)		
a. Federal agencies _____		
1. Current _____		
2. Noncurrent _____		
b. Public _____		
1. Current _____		
2. Noncurrent _____		
c. Less: Allowances _____		
d. Subtotal _____		
3. Advances and prepayments		
a. Operating consumables _____		
b. Product or service components _____		
c. Stockpiled materials _____		
4. Inventories (SF 220-1)		
a. Operating consumables _____		
b. Product or service components _____		
c. Stockpiled materials _____		
d. Other 1. _____		
2. _____		
3. _____		
4. _____		
e. Subtotal _____		
5. Investments, net (SF 220-1)		
a. Federal securities _____		
b. Non-Federal securities _____		
c. Other 1. _____		
2. _____		
3. _____		
4. _____		
d. Subtotal _____		
6. Loans receivable (SF 220-8, SF 220-9)		
a. Federal agencies _____		
1. Current _____		
2. Noncurrent _____		
b. Public _____		
1. Current _____		
2. Noncurrent _____		
c. Less: Allowances _____		
d. Subtotal _____		

FIGURE 5-1

Standard Form 220
November 1988

REPORT OF FINANCIAL POSITION

as of
(in dollars)

Page 2 of 3

BUREAU/ORGANIZATIONAL UNIT:		
Assets-Continued	Amount	Total current period
7. Property, plant, and equipment, net (SF 220-1)		
a. Structures, facilities and leasehold improvements		
b. Military equipment		
c. ADP software		
d. Equipment		
e. Assets under capital lease		
f. Other 1.		
2.		
3.		
4.		
g. Construction-in-progress		
h. Land		
i. Allowances		
j. Subtotal		
8. Other assets		
a.		
b.		
c.		
d.		
e.		
9. Total assets		
Liabilities		
10. Accounts payable		
a. Federal agencies		
b. Public		
c. Subtotal		
11. Interest payable		
a. Federal agencies		
b. Public		
c. Subtotal		
12. Accrued payroll and benefits		
13. Accrued unfunded annual leave		
14. Unearned revenue (advances)		
a. Federal agencies		
b. Public		
c. Subtotal		
15. Deposit funds		
16. Debt Issued under borrowing authority (SF 220-1)		
a. Gross Federal debt		
b. Intragovernmental debt		
c. Other debt		
d. Subtotal		
17. Actuarial liabilities (SF 220-1)		
a. Pension plans		
b. Insurance and annuity programs		
c. Subtotal		

FIGURE 5-1 (Cont)

Standard Form 220
November 1988

REPORT OF FINANCIAL POSITION
as of 30 September 1991
(in dollars)

Page 3 of 3

BUREAU/ORGANIZATIONAL UNIT:		
Liabilities-Continued	Amount	Total current period
18. Other liabilities		
a. _____		
b. _____		
c. _____		
d. _____		
e. Subtotal _____		
19. Total liabilities _____		
Equity		
<u>Appropriated fund equity</u>		
20. Unexpended financed budget authority		
a. Unexpended appropriations _____		
b. Less: Unfilled customer orders (Federal) _____		
c. Subtotal _____		
21. Invested capital _____		
<u>Revolving fund equity</u>		
22. Revolving fund balance(s)		
a. Appropriated capital _____		
b. Cumulative results _____		
c. Donations _____		
d. Subtotal _____		
<u>Trust fund equity</u>		
23. Trust fund balance(s) _____		
24. Total equity _____		
25. Total liabilities and equity _____		
AGENCY CONTACTS		
1. Preparer's Name	2. Telephone No.	
3. Address		
4. Supervisor's Name	5. Telephone No.	

FIGURE 5-1 (Cont)

1. Line 1.a. Fund balance(s).
Enter the balance in general ledger account 1010, "Fund Balance with Treasury."

2. Line 1.b. Cash. Enter the balance in general ledger account 1100, "Cash."

3. Line 1.c. Foreign currency, net. Enter the balance in general ledger account 1200, "Foreign Currency."

4. Line 1.d. Subtotal. Enter the sum of lines 1.a. through 1.c.

D. Line 2. Accounts Receivable. The amounts reported as accounts receivable shall agree with support report SF 220-9, "Report on Accounts and Loans Receivable Due from the Public" (figure 5-4). However, If the SF 220-9 includes receivables not included on line 2., the SF 220-9 amount must be footnoted.

1. Line 2.a.1. Federal agencies, Current. Enter the sum of the following general ledger accounts:

1311 Accounts Receivable-Government-Current
1315 Refunds Receivable-Government

2. Line 2.a.2. Federal agencies, Noncurrent. Enter the balance in general ledger account 1312, "Accounts Receivable-Government-Noncurrent."

3. Line 2.b.1. Public, Current. Enter the sum of the following general ledger accounts:

1313 Accounts Receivable-Public-Current
1316 Refunds Receivable-Public
1320 Claims Receivable-Public

4. Line 2.b.2. Public, Noncurrent. Enter the balance in general ledger account 1314, "Accounts Receivable-Public-Noncurrent."

5. Line 2.c. Less: Allowances. Enter the balance in general ledger account 1319, "Allowances for Loss on Accounts Receivable."

6. Line 2.d. Subtotal. Enter the sum of lines 2.a. and 2.b. minus 2.c.

E. Line 3. Advances and Prepayments

1. Line 3.a. Federal agencies. Enter the balance in general ledger account 1415, "Advances to Government Agencies and Funds."

2. Line 3.b. Public. Enter the sum of the following general ledger accounts:

1411 Travel Advances
1412 Advances to Contractors and Suppliers
1413 Advances to Grantees
1414 Advances-All Others-Public
1450 Prepayments

3. Line 3.c. Subtotal. Enter the sum of lines 3.a. and 3.b.

F. Line 4. Inventories. The amounts recorded as the value of inventories shall agree with SF 220-1 (figure 5-2).

1. Line 4.a. Operating consumables. Enter the net sum of the following general ledger accounts:

1510 Inventory for Agency Operations
1519 Allowance for Loss on Inventory for Agency Operations
1580 Inventory in Transit

2. Line 4.b. Product or service components. Enter the net sum of the following general ledger accounts:

1520 Inventory For Sale
1529 Allowance for Loss on Inventory for Sale
1530 Inventory-Raw Material and Supplies
1539 Allowance for Loss on Inventory-Raw Materials and Supplies
1540 Inventory-Work in Process
1549 Allowance for Loss on Inventory-Work in Process
1550 Inventory-Finished Goods
1559 Allowance for Loss on Inventory-Finished Goods

NOTE: Only the Special Defense Acquisition Fund (SDAF) shall report amounts under account 1520, "Inventory For Sale," and account 1529, "Allowance for Loss on Inventory for Sale."

3. Line 4.c. Stockpiled materials.

Enter the net sum of the following general ledger accounts:

1570	Stockpiled Materials and Supplies
1579	Allowance for Loss on Stockpiled Materials and Supplies

4. Lines 4.d.1. through 4.d.4.

Other. Enter the net sum of the following general ledger accounts:

1560	Other Inventory
1569	Allowance for Loss on Other Inventory

5. Line 4.e. Subtotal. Enter the sum of lines 4.a. through 4.d.

G. Line 5. Investments, net. The amounts recorded as the value of investments shall agree with SF 220-1, (figure 5-2).

1. Line 5.a. Federal securities.

Enter the net sum of the following general ledger accounts:

1610	Federal Securities (At Par)
1611	Federal Securities-Unamortized Premium or Discount

2. Line 5.b. Non-Federal securities. No entries shall be made by DoD Components without prior approval of the OUSD(C).

3. Line 5.c. Other. No entries shall be made by DoD Components.

4. Line 5.c. Subtotal. Enter the sum of lines 5.a. through 5.c.

H. Line 6. Loans receivable. The amounts recorded as loans receivable shall agree with SF220-8, "Direct and Guaranteed Loans Reported by Agency and Program Due From the Public" (figure 5-3) and SF 220-9, "Report on

Accounts and Loans Receivable Due From the Public" (figure 5-4).

1. Line 6.a.1. Federal agencies, Current. Enter the balance in general ledger account 1351, "Loans Receivable-Government-Current."

2. Line 6.a.2. Federal agencies, Noncurrent. Enter the balance in general ledger account 1352, "Loans Receivable-Government-Noncurrent."

3. Line 6.b.1. Public, Current. Enter the balance in general ledger account 1353, "Loans Receivable-Public-Current."

4. Line 6.b.2. Public, Noncurrent. Enter the balance in general ledger account 1354, "Loans Receivable-Public-Noncurrent."

5. Line 6.c. Less Allowances. Enter the balance in general ledger account 1359, "Allowance for Loss on Loans Receivable."

6. Line 6.d. Subtotal. Enter the sum of lines 6.a. through 6.c.

I. Line 7. Property, plant, and equipment, net. The amounts recorded as plant, property, and equipment shall agree with the SF 220-1, "Additional Financial Information" (figure 5-2).

1. Line 7.a. Structures, facilities, and leasehold improvements. Enter the sum of the following general ledger accounts:

1730	Buildings
1740	Other Structures and Facilities
1820	Leasehold Improvements

2. Line 7.b. Military equipment. Enter the sum of the following general ledger accounts:

1760	Military Equipment (Summation of Accounts 1761-1766)
1770	Equipment in Transit

3. Line 7.c. ADP software.
Enter the sum of the following general ledger account 1830, "Automated Data Processing Software."

4. Line 7.d. Equipment. No entry shall be made without the prior approval of DFAS.

5. Line 7.e. Assets under capital lease. Enter the balance in general ledger account 1810, "Assets Under Capital Lease." This account indicates the fair market value of assets under capital lease. Amounts due under capital leases shall also be reported in the liabilities section of this report.

6. Lines 7.f.1. through 7.f.4. Other. Enter the sum of the following general ledger accounts:

1840 Other Natural Resources
1890 Other Fixed Assets

Identify the nature of any asset that (a) comprises more than 25 percent of the total amount reported for this category, and (b) exceeds \$100,000.

7. Line 7.g. Construction-in-progress. Enter the balance in general ledger account 1720, "Construction in Progress."

8. Line 7.h. Land. Enter the balance in general ledger account 1710, "Land."

9. Line 7.i. Allowances. Enter the sum of the following general ledger accounts:

1739 Accumulated Depreciation
on Buildings
1749 Accumulated Depreciation on
Other Structures and Facilities
1769 Accumulated Depreciation on
Military Equipment
1819 Accumulated Depreciation on
Assets Under Capital Lease
1829 Accumulated Amortization on
Leasehold Improvements
1839 Accumulated Amortization on
Automated Data Processing Software

1849 Allowance for Depletion

10. Line 7.j. Subtotal. Enter the net sum of lines 7.a. through 7.i.

J. Line 8. Other assets

1. Lines 8.a. through 8.d. Other assets. Enter the net sum of the following general ledger accounts:

1900 Other Assets, Net
1919 Allowance for Loss on Acquired
Collateral

Identify the nature of any asset that (a) comprises more than 25 percent of the total amount reported for this category, and (b) exceeds \$100,000.

2. Line 8.e. Subtotal. Enter the sum of lines 8.a. through 8.d.

K. Line 9. Total assets. Enter the sum of lines 1. through 8.

L. Line 10. Accounts payable

1. Line 10.a. Federal agencies.
Enter the net sum of the following general ledger accounts:

2111 Accounts Payable-Government-
Current
2112 Accounts Payable-Government-
Noncurrent

2. Line 10.b. Public. Enter the net sum of the following general ledger accounts:

2113 Accounts Payable-Public-Current
2114 Accounts Payable-Public-Noncurrent
2115 Claims Payable
2120 Disbursements in Transit
2130 Contract Holdbacks
2190 Other Accrued Liabilities

NOTE: The amount reported on this line shall include all amounts payable to the public, off-budget U.S. Government Agencies and instrumentalities, and deposit funds.

3. Line 10.c. Subtotal. Enter the sum of lines 10.a. and 10.b.

M. Line 11. Interest payable

1. Line 11.a. Federal agencies. Enter the interest owed to Federal agencies; such as, Treasury and the Federal Financing Bank. This line is not applicable to DoD Components.

2. Line 11.b. Public. Enter the balance in general ledger account 2140, "Accrued Interest Payable."

3. Line 11.c. Subtotal. Enter the sum of lines 11.a. and 11.b.

N. Line 12. Accrued payroll and benefits. Enter the balance in general ledger account 2210, "Accrued Funded Payroll and Benefits." This account balance includes the total funded (appropriated) but unpaid personnel compensation and benefits that have been earned by employees as of the close of the reporting period.

O. Line 13. Accrued unfunded annual leave. Enter the balance in general ledger account 2220, "Accrued Unfunded Annual Leave."

P. Line 14. Unearned revenue (advances)

1. Line 14.a. Federal agencies. Enter the balance in general ledger account 2311, "Unearned Revenue-Advances from Government Agencies and Funds."

2. Line 14.b. Public. Enter the sum of the following general ledger accounts:

2312	Unearned Revenue-Advances from the Public
2320	Deferred Credits

3. Line 14.c. Subtotal. Enter the sum of lines 14.a. and 14.b.

Q. Line 15. Deposit Funds. Enter the balance in general ledger accounts 2410,

"Treasury Cash Advances to Disbursing Officers" and 2411, "Deposit Fund Liabilities."

R. Line 16. Debt issued under borrowing authority. Line 10., SF 220-1, "Additional Financial Information" (figure 5-1) requires disclosure of changes in account balances reported on this line.

1. Line 16.a. Gross Federal debt. No entries shall be made by a DoD Component.

2. Line 16.b. Intragovernmental debt. Enter the sum of the following general ledger accounts:

2510	Borrowing from Treasury
2520	Borrowing from Federal Financing Bank
2540	Participation Certificates

3. Line 16.c. Other debt. Enter the sum of the following general ledger accounts:

2530	Securities Issued by Federal Agencies Under Special Financing Authority
2590	Other Debt

4. Line 16.d. Subtotal. Enter the sum of lines 16.a. through 16.c.

S. Line 17. Actuarial liabilities. Further disclosure of amounts reported on this line shall also be reported on line 9. of SF 220-1 (figure 5-1).

1. Line 17.a. Pension plans. Enter the balance in general ledger account 2610, "Retirement Plans." Actuarially determined liabilities for the DoD pension plan administered by DFAS shall be reported on this line.

2. Line 17.b. Insurance and annuity programs. Enter the sum of the following general ledger accounts:

2620	Insurance Plans
2690	Other Actuarial Liabilities

3. Line 17.c. Subtotal. Enter the sum of lines 17.a. and 17.b.

T. Line 18. Other liabilities

1. Lines 18.a. through 18.d. Other liabilities. Enter the sum of the following general ledger accounts:

2910 Prior Liens Outstanding on
Acquired Collateral
2920 Contingent Liabilities
2990 Other Liabilities (Summation of
accounts 2991 - 2993)

2. Line 18.e. Subtotal. Enter the sum of lines 18.a. through 18.d. Identify the nature of any liability that (a) comprises more than 25 percent of the total amount reported for this category, and (b) exceeds \$100,000. Liabilities related to accruals of loss contingencies shall be reported in this category as well as long-term agreements and contracts not reported elsewhere. Refer to the instructions in this chapter for reporting accounts payable.

U. Line 19. Total liabilities. Enter the sum of lines 10. through 18.

V. Lines 20. and 21. Appropriated fund equity. This section shall be completed by all reporting entities for revolving fund and non-revolving fund activities. Fund type 5 (Special Funds, Deposit Funds, and General Funds) activities, shall report only on lines 20., 21., 24., and 25., as applicable. Fund type 1 (Revolving Funds) activities shall report only on lines 22., 24., and 25. Fund types 2, 3, and 4 (Trust Funds) activities shall report only on lines 23., 24., and 25.

1. Line 20. Unexpended financed budget authority. This line is used only by fund type 5 (Special Funds, Deposit Funds, and General Funds) activities.

a. Line 20.a. Unexpended appropriations. Enter the net sum of the following general ledger accounts. (Note: All unliquidated obligation balances of successor "M" accounts shall be included in this line. Also, unexpended appropriations may reflect a negative balance due to the mechanics employed to arrive at the balance. A "negative" balance

shall not be construed as a violation of the Antideficiency Act.):

1010 Fund Balance with Treasury
1100 Cash
1200 Foreign Currency
1300 Receivables, Net
1400 Advances and Prepayments
2000 Liabilities

b. Line 20.b. Less: Unfilled customer orders (Federal). No entries shall be made by DoD Components.

c. Line 20.c. Subtotal.
Enter the net sum of lines 20.a. and 20.b.

2. Line 21. Invested capital.
This line is used only by fund type 5 (Special Funds, Deposit Funds, and General Funds) activities. Enter the sum of the following general ledger accounts:

1500 Inventories, Net
1600 Investments, Net
1700 Fixed Assets, Net
1800 Other Fixed Assets
1900 Other Assets, Net

W. Line 22. Revolving fund equity.
This line is used only by fund type 1 (Business Operations Fund) activities.

1. Line 22.a. Appropriated capital. Enter the balance in general ledger account 3200, "Invested Capital."

2. Line 22.b. Cumulative results. Enter the balance in general ledger account 3300, "Results of Operations."

3. Line 22.c. Donations. No entries shall be made by DoD Components.

4. Line 22.d. Subtotal. Enter the sum of lines 22.a. through 22.c.

X. Lines 23. through 25. Trust fund equity

1. Line 23. Trust fund balance(s). This line is used by fund types 2, 3,

and 4 (Trust Funds) activities. Enter the sum of the applicable 3000 general ledger account series (such as, 3100, 3220, 3230, 3310, 3400 and 3500).

2. Line 24. Total equity. This line is used by all fund type activities. Enter the sum of lines 20., 21., 22., and 23., as applicable.

3. Line 25. Total liabilities and equity. This line is used by all fund type activities. Enter the sum of lines 19. and 24.

Y. Agency Contacts. Enter in the blocks provided the preparer's name, telephone number, and address, along with the supervisor's name and telephone number.

0502 ADDITIONAL FINANCIAL INFORMATION, SF 220-1

050201 Purpose and Accounting Report Number. This section prescribes the report form and instructions for preparation of additional financial information necessary to support the Report on Financial Position (SF 220). Where circumstances warrant additional disclosure, DoD Components are responsible for assuring that all appropriate disclosures considered necessary for fair presentation of their financial position are included in this supporting report. The reporting requirements prescribed in this section are designated as SF 220-1, SF 220.

050202 Applicability and Scope. The provisions of this section apply to all DoD Components and cover the same fund types and appropriations as the SF 220 report on financial position, as identified in paragraph 050102 of this chapter.

050203 Report Form. DoD Components may either reproduce copies from the Treasury original provided in I TFM 2-4100 or use machine produced facsimiles. A copy of the SF 220-1 is provided as figure 5-2.

050204 Frequency and Distribution. The report shall be submitted as of September 30 of each year by the date established by the appropriate departmental-level accounting entity. Negative reports shall be submitted, when appropriate.

050205 Preparation Instructions for the SF 220-1

A. General. The general ledger account balances to be used in preparing this supporting report are the same as those account balances used to prepare related lines in the SF 220 report. The amounts reported shall agree with the balances reported in the SF 220 report.

B. Heading. Enter on the designated lines (1) date of the report, (2) name of the DoD Component submitting the report, (3) reporting entity, (4) OMB identification code, and (5) fund type.

C. Line 1. Fund balances with Treasury

1. Column (a) Treasury account symbols. Enter the appropriation or fund account symbol.

2. Column (b) Fund balance with Treasury. Enter the account balance, including unexpended balances of transfer appropriation accounts from other agencies and a subtotal for all balances.

3. Column (c) Clearing accounts. Enter the total of balances in clearing accounts and a subtotal for all balances. Columns (b) and (c) shall equal the amount reported in the SF 220, line 1.a.

4. Column (d) Foreign currency funds. Enter foreign currency fund balances reported in the SF 220, line 1.c. (except as noted in the instructions for column (e)) and a subtotal for all balances.

5. Column (e) Foreign currency allowances. This column is applicable only to those DoD Components reporting nonpurchased foreign currency that is accounted for in Treasury-assigned FT account symbols. Components should report gross foreign currency funds in column (d), the allowances for foreign currency accounts in column (e) and a subtotal for amounts. The net of columns (d) and (e) shall equal the foreign currency reported in the SF 220, line 1.c.

6. Column (f) Total. Enter the net amount posted for each account symbol in all columns and a grand total on the subtotal line.

D. Line 2. Cash

1. Lines 2.a.1. through 2.a.5. Restricted cash. Enter the amount and describe any cash holdings that have restrictions.

2. Line 2.b. Subtotal. Enter the total of all amounts reported on line 2.a.

3. Line 2.c. Unrestricted cash. Enter the total of all cash holdings having no restrictions.

4. Line 2.d. Total cash. Enter the total of lines 2.b. and 2.c. This total shall equal SF 220, line 1.b.

E. Line 3. Total: Fund balances with Treasury and cash. Enter the total of lines 1. and 2. This total shall equal SF 220, line 1.d.

F. Line 4. Summary of transfer appropriation accounts. Enter in columns (a) through (c) the required transfer appropriation account data. This data should be entered only by the parent (transferor) account. Transfer appropriation accounts are established to receive (and subsequently disburse) allocations that are treated as nonexpenditure transactions at the time the allocation is made, including certain transfers under section 601 of the Economy Act (31 U.S.C. 1535), and similar provisions of law. An example of a transfer appropriation account and parent account is 97-11X8242 and 11X8242. Allocation holders shall not report status of allocations on this line.

G. Line 5. Investments

1. Lines 5.a.1. and 5.a.2. Federal securities. Enter the data required for holdings in securities issued by Federal agencies. Holdings in Federal securities should be reported as marketable or nonmarketable. Marketable Federal securities are bought and sold on the open market. Nonmarketable Federal securities are market-based securities issued by the Bureau of the Public Debt and purchased exclusively through Treasury's Finance and Funding Branch (for example, MK bills, MK notes, MK bonds, par value special issues, and 1-day certificates).

2. Line 5.b. Subtotal. Enter the total of all amounts reported as nonmarketable and marketable securities. The net (columns (1) and (4)) shall equal SF 220, line 5.a.

3. Lines 5.c.1. through 5.c.4. Non-Federal securities. Enter the data required and describe any holdings in securities issued by organizations (such as State and local governments, private corporations, and government-sponsored enterprises) other than the Federal Government. DoD Components should not report values in this section without the prior approval of DFAS.

4. Line 5.d. Subtotal. Enter the total of all amounts reported as Non-Federal securities. The net (columns (1) and (4)) shall equal SF 220, line 5.b.

5. Lines 5.e.1. through 5.e.4. Other investments. Enter the data required and described any holdings in other investments.

6. Line 5.f. Subtotal. Enter the total of all amounts reported as other investments. The net (columns (1) and (4)) shall equal SF 220, line 5.c.

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DEPARTMENT/AGENCY: _____
BUREAU/ORGANIZATIONAL UNIT: _____
OMB IDENTIFICATION CODE: _____ FUND TYPE: _____

[illegible]

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BUREAU/ORGANIZATIONAL UNIT:

4. Summary of transfer appropriation accounts:				
Transfer appropriation account (a)	Parent account (b)	Amount (c)		

	Face amount (1)	Market value (2)	Amortization method (3)	Unamortized premium/discount (4)
5. Investments: (SF 220)				
a. Federal securities				
1. Non-marketable				
2. Marketable				
b. Subtotal				
c. Non-Federal securities (describe)				
1. _____				
2. _____				
3. _____				
4. _____				
d. Subtotal				
e. Other investments (describe)				
1. _____				
2. _____				
3. _____				
4. _____				
f. Subtotal				
g. Total				

FIGURE 5-2 (Cont)

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ADDITIONAL FINANCIAL INFORMATION
as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

6. Inventory: (SF 220)		Amount	Costing method code			
a. Categories						
1. Operating consumables	_____	_____	_____			
2. Product or service components	_____	_____	_____			
3. Stockpiled materials	_____	_____	_____			
4. Other	_____	_____	_____			
b. Restrictions on inventory use, sale and disposition						

7. Property, plant and equipment: (SF 220)						
Classes of fixed assets	1.*	2.*	3. Fully Depreciated Assets	4. Non-Depreciated Assets	5. Assets Being Depreciated	6. Value Property Not in use
a. Structures, facilities, and leasehold improvements						
b. Military equipment						
c. ADP software						
d. Equipment						
e. Assets under capital lease						
f. Other						
g. Capitalization policy						
h. Fixed asset valuation basis						
i. Description						

*KEY:

1. Depreciation methods
 - a. Interest (sinking fund)
 - b. Straight line
 - c. Doubling-declining balance
 - d. Sum-of-the-year's digits
 - e. Production (activity or use method)
 - f. Other

2. Range of service life
 - a. 1 to 5 years
 - b. 6 to 10 years
 - c. 11 to 20 years
 - d. over 20 years

FIGURE 5-2 (Cont)

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ADDITIONAL FINANCIAL INFORMATION
as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

8. Leases: (SF 220)			
a. Entity as lessee:		Payments Due	
Leases by major category	Yr. 1	Yr. 2	Yr. 3
Capital leases:			
1. _____			
2. _____			
3. _____			
Operating leases:			
4. _____			
5. _____			
6. _____			
Leases by major category	Yr. 4	Yr. 5	After 5 yrs.
Capital leases:			
7. _____			
8. _____			
9. _____			
Operating leases:			
10. _____			
11. _____			
12. _____			
b. Entity as lessor:		Payments Receivable	
Leases by major category	Yr. 1	Yr. 2	Yr. 3
Capital leases:			
1. _____			
2. _____			
3. _____			
Operating leases:			
4. _____			
5. _____			
6. _____			
Leases by major category	Yr. 4	Yr. 5	After 5 yrs.
Capital leases:			
7. _____			
8. _____			
9. _____			
Operating leases:			
10. _____			
11. _____			
12. _____			

FIGURE 5-2 (Cont)

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ADDITIONAL FINANCIAL INFORMATION
as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

9. Actuarial liabilities: (SF 220)	
a. Federal employee pension plans:	
1. Name _____	
2. Present value of accumulated plan benefits _____	
3. Assumed interest rate used to calculate benefits _____	
4. Assets of pension trust fund held to pay benefits _____	
b. Insurance or annuity programs: (SF 220)	
1. Name _____	
2. Present value of accumulated future payments _____	
3. Assumed interest rate used to calculate benefits _____	
4. Assets available to pay benefits _____	
c. Social security trust funds:	
1. Present value of accumulated future payments _____	
2. Assumed interest rate used to calculate benefits _____	
3. Assets available to pay benefits _____	
10. Debt issued under borrowing authority: (SF 220)	
a. Gross Federal debt:	
1. Beginning balance _____	
2. New borrowings _____	
3. Repayments _____	
4. Ending balance (SF 220) _____	
5. Refinancing _____	
b. Intragovernmental debt:	
1. Borrowing from the Treasury:	
a. Beginning balance _____	
b. New borrowings _____	
c. Repayments _____	
d. Ending balance (SF 220) _____	
e. Refinancing _____	
2. Borrowing from the Federal Financing Bank:	
a. Beginning balance _____	
b. New borrowings _____	
c. Repayments _____	
d. Ending balance (SF 220) _____	
e. Refinancing _____	
3. Borrowing from other Federal agencies:	
a. Beginning balance _____	
b. New borrowings _____	
c. Repayments _____	
d. Ending balance (SF 220) _____	
e. Refinancing _____	
4. Total intragovernmental debt, ending balance _____	
c. Other (describe) (SF 220) 1. _____	
2. _____	
3. _____	
4. _____	
d. Total _____	

FIGURE 5-2 (Cont)

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ADDITIONAL FINANCIAL INFORMATION
as of _____

(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

11. Unexpended budget authority: (SF 220)	
a. Unobligated	
b. Undelivered orders:	
1. Federal	
2. Public	
c. Total	
12. Unfinanced budget authority:	
a. Contract authority	
b. Borrowing authority	
c. Unfilled customer orders (Federal)	
d. Total	
13. Summary of commitments and contingencies:	
a. Guaranteed or insured loans: (SF 220-8)	
1. Amount of guarantees or insurance in force	
2. Amount of commitments to guarantee or insure	
3. Amount included in undelivered orders	
4. Range of future losses	
b. Insurance programs:	
1. Amount of insurance in force	
2. Amount of commitments to insure	
3. Amount included in undelivered orders	
4. Range of future losses	
c. Indemnity agreements:	
1. Amount of indemnity agreements	
2. Amount included in undelivered orders	
3. Range of future losses	
4. Description	

FIGURE 5-2 (Cont)

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ADDITIONAL FINANCIAL INFORMATION

as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

13. Summary of commitments and contingencies - Continued	
d. Unadjudicated claims:	
1. Amount of unadjudicated claims	
2. Amount included in undelivered orders	
3. Range of future losses	
e. Commitments to international institutions:	
1. Name of international institutions	
2. Amount of commitment	
f. Other commitments or contingencies:	
1. Description	
2. Amount of other commitments or contingencies	
3. Range of future losses	
g. Accrual for loss contingencies	
14. Other disclosures (e.g., change in the reporting entity, subsequent events, prior period adjustments):	

AGENCY CONTACTS	
1. Preparer's Name	2. Telephone No.
3. Address	
4. Supervisor's Name	5. Telephone No.

FIGURE 5-2 (Cont)

7. Line 5.g. Total. Enter the total of lines 5.b., 5.d., and 5.f. The net (columns (1) and (4)) shall equal SF 220, line 5.d.

H. Line 6. Inventory

1. Lines 6.a.1. through 6.a.4. Categories. Disclose the inventory amount and cost method used in arriving at the value of inventory reported on line 4. of the SF 220 for each inventory category in accordance with the following code: a-FIFO, b-LIFO, c-moving average, d-weighted average, e-other (describe).

2. Line 6.b. Restrictions on inventory use, sale and disposition. Describe any restrictions on the use, sale, or other disposition of inventory.

I. Line 7. Property, plant, and equipment. For each class of fixed assets (lines 7.a. through 7.i.) provide the information requested in each column on the chart. Use the following instructions as a reference to information that should be reported.

1. Column 1 - Depreciation methods. Depreciation methods for depreciable assets are: (a) Interest (sinking fund), (b) Straight line, (c) Double-declining balance, (d) Sum-of-the-year's digits, (e) Production (activity or use method), and (f) Other. Refer to chapter 6, of Volume 4, of this regulation for additional guidance on depreciation.

2. Column 2 - Range of service life. Service life for depreciable assets are: (a) 1 to 2 years, (b) 3 to 5 years, (c) 6 to 10 years, (d) 11 to 15 years, (e) 16 to 20 years, (f) 21 to 25 years, and (g) over 25 years (describe).

3. Column 3 - Fully Depreciated Assets. Enter the dollar amount and one of the following codes: (a) original purchase price, or (b) market value.

4. Column 4 - Non-Depreciated Assets. Enter the dollar amount and one of the following: (a) not subject to depreciation or (b) other (describe).

5. Column 5. Assets Being Depreciated. Enter the dollar amount of assets being depreciated or amortized.

6. Column 6 - Value Property Not In Use. Enter the dollar amount and one of the following codes: (a) obsolete, (b) storage (lay-away), (c) assets awaiting disposal, or (d) Property held for military contingency. (DoD Components should use (d) unless property is in a PDO yard.) In addition, disclose in the space provided the capitalization policy used by the reporting DoD Component and the basis used in valuing fixed assets. The amounts reported should agree with the balance reported on the SF 220, line 7., less the amount for land and leases.

J. Line 8. Leases

1. Lines 8.a.1. through 8.a.12. Entity as lessee. Enter future lease costs by major category for all noncancelable leases with terms longer than 1 year (for example, buildings, equipment, telecommunications). Normally DoD Components will have no noncancellable leases. Report only to the extent that statute precludes cancellation.

2. Lines 8.b.1. through 8.b.12. Entity as lessor. Enter future lease revenues by major category for all noncancelable leases with terms longer than 1 year (for example, land, oil, gas).

K. Line 9. Actuarial liabilities. Report in this category the actuarial liabilities and the net assets of each pension, insurance, or annuity program administered by the reporting DoD Component. If more than one pension, insurance, or annuity program is administered by the reporting DoD Component, submit separate data on each plan or program.

1. Line 9.a. Federal employee pension plans. Report information derived from the most recent annual pension report under Public Law 95-595).

a. Line 9.a.1. Enter the name of the plan.

b. Line 9.a.2. Enter the amount of the present value of accumulated plan benefits. This amount shall agree with line 17.a. of the SF 220.

c. Line 9.a.3. Enter the assumed interest rate used.

d. Line 9.a.4. Enter the amount of net assets held to pay benefits.

2. Line 9.b. Insurance or annuity programs. Report actuarial liabilities of those programs based on actuarial estimates of future benefits or payments; for example, veterans benefits, black lung disability program, etc., administered by the reporting DoD Component.

a. Line 9.b.1. Enter the name of the program.

b. Line 9.b.2. Enter the amount of the present value of accumulated future benefits. This amount shall agree with line 17.b. of the SF 220,

c. Line 9.b.3. Enter the assumed interest rate used.

d. Line 9.b.4. Enter the amount of net assets held to pay future benefits.

3. Line 9.c. Social security trust funds. DoD Components shall not report amounts on this line. Leave line 9.c.1. through 9.c.3. blank.

L. Line 10. Debt issued under borrowing authority

1. Line 10.a. Gross Federal debt. DoD Components shall not report amounts on this line. Leave lines 10.a.1. through 10.a.5. blank.

2. Line 10.b. Intragovernmental debt. Enter the amounts required relative to any borrowings from Federal agencies. Separately report borrowings from the Treasury on lines 10.b.1.a. through 10.b.1.e., and borrowings from the Federal Financing Bank on lines 10.b.2.a.

through 10.b.2.e. For borrowings from any other Federal agencies, provide the name of the agency and enter the amounts required on lines 10.b.3.a. through 10.b.3.e. Lines for new borrowings and repayments should not include amounts that result from refinancing. The amount of beginning balance borrowings that were refinanced during the period should be entered on the line for refinancing. Total ending balance on line 10.b.4. for all borrowings from Federal agencies shall equal the amount reported on SF 220, line 16.b.

3. Line 10.c. Other. Enter on lines 10.c.1. through 10.c.4. any other debt that is not included in lines 10.a and 10.b. Provide a brief description and amount of the debt. The total of all amounts reported on this line should equal the amount reported on SF 220, line 16.c.

4. Line 10.d. Total. Enter the total of the ending balances on lines 10.a., b., and c. This total shall equal the amount reported on SF 220, line 16.d.

M. Line 11. Unexpended budget authority. This category provides details relating to balances of budget authority that result from the fact that not all budget authority enacted in a fiscal year is obligated and paid out in that same year.

1. Line 11.a. Unobligated. Enter the total unobligated balances of budget authority. This shall agree with column (11) of the TFS Form 2108, "Year-end Closing Statement."

2. Line 11.b. Undelivered orders. Enter the amounts for goods and services that have not yet been received, unperformed contracts, and similar outstanding obligations. The amounts relating to Federal agencies should be reported on line 11.b.1., separately from all others (public), which are to be reported on line 11.b.2. The total amount of public and Federal undelivered orders shall agree with column (9) of the TFS Form 2108, "Year-end Closing Statement."

3. Line 11.c. Total. Enter the total of lines 11.a., 11.b.1., and 11.b.2.

N. Line 12. Unfinanced budget authority (4000 Series-Budgetary Accounts)

1. Line 12.a. Contract authority. Enter the total contract authority that has not been liquidated.

2. Line 12.b. Borrowing authority. Enter the total borrowing authority that has been unused.

3. Line 12.c. Unfilled customer orders (Federal). Enter the amount of unfilled customer orders from other Federal entities.

4. Line 12.d. Total. Enter the total of lines 12.a., 12.b., and 12.c.

O. Line 13. Summary of commitments and contingencies (4000 Series-Budgetary Accounts). Do not report contingent liabilities that were reported as liabilities on the SF 220.

1. Line 13.a. Guaranteed or insured loans. Enter on lines 13.a.1. through 13.a.4. the requested data applicable to guaranteed or insured loans.

2. Line 13.b. Insurance programs. Enter on lines 13.b.1. through 13.b.4. the requested data applicable to insurance programs.

3. Line 13.c. Indemnity agreements. Enter on line 13.c.1. through 13.c.4. the requested data applicable to indemnity agreements.

4. Line 13.d. Unadjudicated claims. Enter on line 13.d.1. through 13.c.3. the requested data applicable to unadjudicated claims.

5. Line 13.e. Commitments to international institutions. Enter on lines 13.e.1. and 2. the name and the amount of programs committing the use of U.S. Government funds in the future such as callable capital of international organizations.

6. Line 13.f. Other commitments or contingencies. Describe and enter on line

13.f.1. through 13.f.3. any other contingent liabilities or commitments (for example, long-term contracts) that are not included in any of the above categories and range of expected future losses.

7. Line 13.g. Accrual for loss contingencies. Enter the amount of any accrual established for loss contingencies. Normally, this amount will be -0- unless approved by the OUSD(C).

P. Line 14. Other disclosures. Examples for other disclosures are changes in the reporting entity, such as acquiring new areas of responsibility. Also report any events that may have an impact upon the reports that occurred after the close of the reporting period. Report any material prior period adjustments.

Q. Agency Contacts. Enter in the blocks provided the preparer's name, telephone number, and address along with the supervisor's name and telephone number.

0503 DIRECT AND GUARANTEED LOANS REPORTED BY AGENCY AND PROGRAM DUE FROM THE PUBLIC, SF 220-8

050301 Purpose and Accounting Report Number. This section provides the report form and instructions for preparation of the supporting report, Direct and Guaranteed Loans Reported by Agency and Program Due From the Public. The supporting report provides an analysis of the outstanding contingent liability for guaranteed loans. The reporting requirements prescribed in this section are designated as SF 220-8, SF 220.

050302 Report Form. The Treasury report format provided in I TFM 2-4100) may be reproduced or a machine-produced facsimile may be used. A copy of the SF 220-8 is provided as figure 5-3.

050303 Frequency and Distribution

A. The SF 220-8 shall be submitted as of September 30 of each year by the due dates established by the appropriate

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REPORT ON GUARANTEED LOANS

as of _____
(in dollars)

Identification:

Department/Agency: _____

Bureau/Organization Unit: _____

Program Name: _____

OMB Identification Code: _____

Fund Type: _____

PART I**STATUS OF GUARANTEED LOANS**

Section A		Number	Amount
Guaranteed Loans Outstanding			
1. Outstanding, Beginning of FY			
a. Agency Share of Risk			
b. Lender Share of Risk			
2. New Guaranteed Loans (+)			
3. Collections (-)			
4. Guaranteed Loans Terminated (-)			
5. Adjustments, Net (+) or (-)			
6. Outstanding, End of Period			
a. Agency Share of Risk			
b. Lender Share of Risk			
Section B			
Delinquent and Rescheduled Guaranteed Loans			
1. Total Delinquencies Over 30 Days			
a. 31-60 Days			
b. 61-90 Days			
c. 91-120 Days			
d. 121-180 Days			
e. 181-365 Days			
f. Over 1 Year			
2. Loans Rescheduled			
Section C			
Portfolio Status			
1. Loan Classification			
a. Problemless			
b. Program Standard (commercial only)			
c. Substandard			
d. Doubtful (commercial only)			
e. Loss			
2. Loan Loss Estimate			

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FIGURE 5-3

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REPORT ON GUARANTEED LOANS

as of _____
(in dollars)

Bureau/Organization Unit: _____

PART II		
PORTFOLIO MANAGEMENT BY AGENCY		
Section A	Number	Amount
Claims		
1. Outstanding Claims, Beginning of FY		
2. Claims Filed (+)		
3. Claim Amounts Denied/Adjusted/Reduced (-)		
4. Claims Paid (-)		
a. For Full Outstanding Guarantee (-)		
b. For Balance after Lender Liquidation (-)		
5. Outstanding Claims, End of Period		
Section B		
Defaulted Guaranteed Loans		
1. New Defaulted Guaranteed Loans Receivable		
a. Assigned in Full		
b. Deficiency		
Section C		
Real Property Inventory		
1. Outstanding, Beginning of FY		
2. Property Acquired (+)		
3. Property Liquidated (-)		
4. Adjustments (+) or (-)		
5. Balance, End of Period		
a. Single Family Housing		
b. Multi-Family Housing		
c. Farms		
d. Commercial Properties		
e. Other		
PART III		
LENDER MANAGEMENT BY AGENCY		
Section A		
Certification and Reviews		
1. Total Number of Lenders Participating		
2. Lender Certifications		
a. Approved		
b. Disapproved		
3. Lender Recertifications		
a. Approved		
b. Disapproved		
4. On-site Reviews		
Section B		
Sanctions		
1. Lender Penalties		
a. Assessed		
b. Collected		
2. Lenders Debarred/Suspended		

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FIGURE 5-3 (Cont.)

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REPORT ON GUARANTEED LOANS

as of _____
(in dollars)

Bureau/Organization Unit: _____

**PART IV
FOOTNOTES**

AGENCY CONTACTS	
1. Preparer's Name	2. Telephone No.
3. Address	
4. Supervisor's Name	5. Telephone No.

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FIGURE 5-3 (Cont.)

departmental-level accounting entity. The report shall be attached to the SF 220 and shall be distributed to the addresses provided in the addendum to this chapter.

B. The SF 220-8 shall be prepared and submitted annually by each reporting DoD Component (except for the Defense Security Assistance Agency (DSAA)) that has a loan program, either direct or guaranteed. The DSAA is required to submit an SF 220-8 quarterly.

050304 Preparation Instructions for the SF 220-8

A. PART I STATUS OF GUARANTEED LOANS. Part I of the SF 220-8 addresses the status of guaranteed loans. Outstanding loan balances are captured; guaranteed loans are classified according to collection probability; and delinquent guaranteed loans are aged. Guaranty amounts should be reported on the form in terms of principal only, except for cases in which the agency provides a guaranty of both principal and interest.

1. Section A - Guaranteed Loans Outstanding shows: the beginning fiscal year balance of outstanding guaranteed loans; cumulative activity during the fiscal year as of the end of the reporting period, for new guarantees, collections, terminations due to defaults, and adjustments; and, the outstanding balance at the end of the reporting period. The "Adjustments" line is for reporting changes in guaranteed loan balances that are not the result of new guarantees, collections, or terminations due to defaults. These changes should be footnoted and include:

- o Correction to a previously reported guaranteed loan amount.
- o Refunds of amounts previously reported as paid.
- o Adjustments made in a prior period.

a. Line 1. Outstanding, Beginning of FY. Enter the number and amount of all guaranteed loans outstanding as of the beginning of the fiscal year. These figures must

agree with the ending balance reported on the year-end SF 220-8 for the previous fiscal year. The beginning balance remains unchanged throughout the fiscal year. These figures equal the sum of lines 1.a. and 1.b. of this section.

(1). Line 1.a. Agency Share of Risk. Enter the amount of guaranteed loans outstanding for which the agency has assumed risk (guaranteed).

(2). Line 1.b. Lender Share of Risk. Enter the amount of guaranteed loans outstanding for which the lenders have assumed risk.

b. Line 2. New Guaranteed Loans. Enter the number and amount of all guaranteed loans disbursed by approved lenders during the current fiscal year.

c. Line 3. Collections. Enter the amount of payments made to lenders by borrowers on guaranteed loans during the fiscal year. The dollar amount reported captures all collections, including partial payments. Enter collections with a minus (-) sign before the figures. Non-cash collections (e.g., personal property) are to be footnoted,

d. Line 4. Guaranteed Loans Terminated. Enter the number and amount of accounts for loans that have been terminated for default during the fiscal year. Include only those loans where a default claim has been paid and the guarantee is no longer in effect. Entries on this line are preceded by a minus (-) sign.

e. Line 5. Adjustments. Enter the amount of accounts for guaranteed loans adjusted and transferred either into or out of guaranteed loan balances during the fiscal year. Terminations for reasons other than default and prior period adjustments are also included on this line. All amounts reported on this line are footnoted; these figures may be either positive or negative.

f. Line 6. Outstanding, End of Period. Enter the number and amount of guaranteed loans outstanding at the end of the

reporting period. The amount is equal to the sum of lines 1. through 5. of this section, realizing that lines 3. and 4. are negative figures and line 5. may be either positive or negative. The amount also equals the sum of lines 6.a. and 6.b. of this section. Amounts reported on this line represent principal only.

(1). Line 6.a. Agency Share of Risk. Enter the amount of guaranteed loans outstanding for which the agency has assumed risk (guaranteed).

(2). Line 6.b. Lender Share of Risk. Enter the amount of guaranteed loans outstanding for which the lenders have assumed risk.

2. Section B - Delinquent and Rescheduled Guaranteed Loans contains an aging schedule of guaranteed loan delinquencies. The amounts include delinquent guaranteed loans as of the end of the reporting period. The following criteria must be used when preparing this section:

- o Guaranteed loans are recorded as delinquent if not paid by the payment due date unless terms of the contract or agreement provide otherwise. Loans are aged from the payment due date or the day notification of the debt was mailed.

a. Line 1. Total Delinquencies Over 30 Days. Enter the number and amount of delinquent guaranteed loans as of the end of the quarterly reporting period. The amount to be reported is ordinarily that of the past due payment; however, when the full amount of the account is formally due and declared payable, then the entire amount of the loan is reported as delinquent. The amount is equal to lines 1.a. through 1.f. of this section.

(1). Lines 1.a. through 1.f. Enter on the appropriate line item the amount of guaranteed loans that are delinquent for 31 to 60 days, 61 to 90 days, 91 to 120 days, 121 to 180 days, 181 to 360 days, and over 1 year.

b. Line 2. Loans Rescheduled. Enter the number and amount of delinquent guaranteed loans for which terms and conditions of the original lending agreements were renegotiated during the reporting period to establish new terms or conditions for facilitating debt repayment. Each rescheduling of a loan is individually counted.

3. Section C - Portfolio Status shows the number and amount of guaranteed loans, classified according to their collection probability, as of the reporting period. Agencies classifying guaranteed loans into different categories should, for this report, adapt their information to the five categories identified on lines 1.a. through 1.e. in this section (i.e., Comptroller of the Currency's model risk rating as provided in Appendix 5 to OMB Circular A-129). Also included in this section are loan loss estimates which are the anticipated long-term losses (net of collateral liquidation and other recoveries) from the portfolio based on the analysis of collection probability and other factors.

a. Line 1. Loan classification. Enter the total number and amount of guaranteed loans outstanding at the end of the reporting period. These figures equal the sum of lines 1.a. through 1.e. of this section. The number and amount must agree with Part I, Section A, line 6. of this report. For commercial loans, all classifications (line 1.a. through 1.e.) are applicable. For consumer loans, use only those classifications listed on lines 1.a., 1.c., and 1.e.

(1). Line 1.a. Problemless. Enter the number and amount of loans in which payments are being made consistent with terms of the agreement (i.e., non-delinquent.)

(2). Line 1.b. Program standard (commercial only). Enter the number and amount of loans in which assets are potentially weak, but may meet minimum program standards for creditworthiness. Assets in which actual, not potential, weaknesses are evident and significant should be considered for more serious analyses. This line item is not applicable for consumer loans.

(3). Line 1.c. Substandard. Enter the number and amount of loans in which assets contain actual weaknesses that jeopardize collection of the debt. They are characterized by the distinct possibility that the lender will sustain some loss if the deficiencies are not corrected. For consumer accounts, loans with four (4) missed payments should be classified as "substandard."

(4). Line 1.d. Doubtful (commercial only). Enter the number and amount of loans in which liquidation of an asset for full value is improbable and the possibility of loss at this time is high; however, certain conditions exist that may positively affect the asset. This line item is not applicable for consumer loans.

(5). Line 1.e. Loss. Enter the number and amount of loans in which assets are determined to be uncollectible and of such little value that their continuance as assets is not warranted. For consumer accounts, loans with five (5) or more missed payments should be classified in this category.

b. Line 2. Loan Loss Estimate. Enter the number and amount of estimated future losses as of the reporting period. The total portfolio less any recoveries should be considered when determining a loan loss estimate.

B. PART II PORTFOLIO MANAGEMENT BY AGENCY. Part II of the SF 220-8 reflects the beginning balance, outstanding balance, and activity of claims that were submitted by lenders to the agency during the fiscal year for payment. Balances for defaulted guaranteed loans and real property inventories are also shown.

1. Section A - Claims shows outstanding balances and activity for claims submitted by lenders to the agency during the fiscal year. The amounts in this section include principal, interest, and additional costs due to lenders.

a. Line 1. Outstanding Claims, Beginning of FY. Enter the number and amount of claims outstanding (principal, interest,

etc.) at the beginning of the fiscal year. These figures must agree with the ending balance reported on the year-end SF 220-8 for the previous fiscal year. The beginning balance remains unchanged throughout the fiscal year.

b. Line 2. Claims Filed. Enter the number and amount for all new claims (principal, interest, etc.) filed with the agency during the fiscal year.

c. Line 3. Claim Amounts Denied/Adjusted/Reduced. Enter the number and amount (principal, interest, etc.) for claims that were either denied, adjusted, or reduced by the agency during the fiscal year. The amounts reported represent the full value of the denials, the amount of the adjustments, and the amount of the reductions. Entries on this line are preceded by a minus (-) sign.

d. Line 4. Claims Paid. Enter the number and amount of claims that were paid by the agency during the fiscal year. The amount equals the sum of lines 4.a. and 4.b. of this section. Entries on this line are preceded by a minus (-) sign.

(1). Line 4.a. For full outstanding guarantee. Enter the number and amount of claims that were paid for the full outstanding guarantee (plus any interest and lender costs.) Entries on this line are preceded by a minus (-) sign.

(2). Line 4.b. For balance after lender liquidation. Enter the number and amount of claims that were paid (including any interest and lender costs) after the lender has liquidated all available property. Entries on this line are preceded by a minus (-) sign.

e. Line 5. Outstanding Claims, End of Period. Enter the outstanding number and amount of claims as of the end of the reporting period. The amount equals the sum of lines 1. through 4. of this section, recognizing that lines 3. and 4. are negative figures.

2. Section B - Defaulted Guaranteed Loans shows the balances for defaulted guaranteed loans (principal, interest, etc.) which have been assumed by the agency during the fiscal year and for which claims were paid. Upon payment of reinsurance, defaulted guaranteed loans are to be reported as loans receivable on the SF 220-9, "Report on Accounts and Loans Receivable Due From the Public." Any differences between the totals on line 4., Section A, Part II, and line 1., of this Section must be explained in a footnote.

a. Line 1. New Defaulted Guaranteed Loans Receivable. Enter the number and amount (principal, interest, etc.) of all defaulted guaranteed loans for which reinsurance has been paid and/or claims were paid during the fiscal year. This line item equals the sum of lines 1.a. and 1.b. of this section.

(1). Line 1.a. Assigned in full. Enter the number and amount of defaulted loan claims for the full amount of the guaranty outstanding.

(2). Line 1.b. Deficiency. Enter the number and amount of defaulted collateralized loans whereby the net proceeds from liquidation were insufficient to cover that portion of the default amount which the agency guaranteed.

3. Section C - Real Property Inventory shows the outstanding balances and classifications for real property owned by the agency. The property values are the appraised values of properties at the time of acquisition. If the appraised value was not used, please provide a footnote to explain the method used.

a. Line 1. Outstanding, Beginning of FY. Enter the number and value of real properties outstanding at the agency (i.e., title held by the agency) at the beginning of the fiscal year. These figures must agree with the outstanding balance reported on the year-end SF 220-8 for the previous fiscal year. The beginning balance remains unchanged throughout the fiscal year. This balance should represent the appraised value at the time of acquisition. If the

appraised value at the time of acquisition is not used, please provide a footnote which explains the method used to value the property.

b. Line 2. Property Acquired. Enter the number and value of properties acquired (i.e., title held) by the agency during the fiscal year. The amount reported on this line should represent the appraised value at the time of acquisition. If the appraised value at the time of acquisition is not used, please provide a footnote which explains the method used.

c. Line 3. Property Liquidated. Enter the number and value of properties that were liquidated by the agency during the fiscal year. The amount should be the liquidated value of the property (gross selling price). If this value is not used, please provide a footnote which explains the method used. Figures on this line are preceded by a minus (-) sign.

d. Line 4. Adjustments. Enter the amount for adjustments made to real property during the fiscal year. These changes include prior period adjustments (e.g., mathematical corrections); reappraisals; and the difference between the liquidated value of the property and the appraised value of the property at the time of acquisition. All amounts reported on this line are footnoted; these figures may be either positive or negative.

e. Line 5. Balance, End of Period. Enter the number and amount for the outstanding balance of real property at the end of the reporting period. The amount equals the sum of lines 1. through 4. of this section, recognizing that line 3. is negative and that line 4. may be either positive or negative. This line also equals the sum of lines 5.a. through 5.e. of this section.

(1). Line 5.a. Single family housing. Enter the number and amount of houses for this category.

(2). Line 5.b. Multi-family housing. Enter the number and amount of properties for this category.

(3). Line 5.c. Farms.

Enter the number and amount of farms, including land, dwellings, or other buildings such as barns.

(4). Line 5.d.

Commercial properties. Enter the number and amount of commercial properties. Properties making up a commercial complex (shopping center, etc.) are to be treated as a single property.

(5) Line 5.e. Other.

Enter the number and amount for properties not covered by the above categories. Included in this category is undeveloped and partially developed land. Entries on this line must be footnoted.

C. Part III LENDER MANAGEMENT BY AGENCY. Part III of the SF 220-8 focuses on activities the Federal/guaranty agency conducts to certify, review, and sanction lenders who participate in guaranteed loan programs.

1. Section A - Certification and Reviews shows analysis of current activity involving lender certification and review during the fiscal year.

a. Line 1. Total Number of Lenders Participating. Enter the number of lenders who are participating in guaranteed loan programs at the end of the reporting period.

b. Line 2. Lender Certifications reflect the number of lenders that were either approved or disapproved by the agency for participation in a guaranteed loan program during the fiscal year.

(1). Line 2.a. Approved.
Enter the number of lenders approved by the agency.

(2). Line 2.b. Disapproved. Enter the number of lenders rejected by the agency.

c. Line 3. Lender Recertifications reflect the number of lenders who were either approved or disapproved by the

agency for continued participation in a guaranteed loan program during the fiscal year.

(1). Line 3.a. Approved.
Enter the number of lenders approved by the agency.

(2). Line 3.b. Disapproved. Enter the number of lenders rejected by the agency.

d. Line 4. On-site Reviews.
Enter the number of reviews that were conducted by agency personnel physically visiting lender sites during the fiscal year.

2. Section B - Sanctions capture lender penalty data and the number of lenders who were debarred or suspended during the fiscal year.

a. Line 1. Lender Penalties shows the status on the number and amount of penalties assessed against lenders during the fiscal year for noncompliance with administrative and statutory requirements.

(1). Line 1.a. Assessed.
Enter the number and amount of penalties assessed.

(2). Line 1.b. Collected.
Enter the number and amount of penalties collected.

b. Line 2. Lenders Debarred/Suspended. Enter the number of lenders who were either debarred or suspended during the fiscal year.

D. PART IV FOOTNOTES. Part IV provides additional information and clarification on specific transactions as required per instructions for completing the SF220-8, "Direct and Guaranteed Loans Reported by Agency and Program Due From the Public."

AGENCY CONTACTS: Enter the preparer's name, telephone number, address, and the supervisor's name and telephone number.

0504 REPORT ON ACCOUNTS AND
LOANS RECEIVABLE DUE FROM
THE PUBLIC, SF 220-9

050401 Purpose and Accounting Report Number. This section prescribes the report form and instructions for preparation of the report on Accounts and Loans Receivable Due From The Public required pursuant to I TFM 2-4100. This supporting report provides the Treasury Department with information needed pursuant to OMB Circular A-129, "Managing Federal Credit Programs." It will also advise agency managers on the status of receivables and credit management efforts. The reporting requirements prescribed in this section are designated as SF 220-9, SF 220.

050402 Applicability and Scope. The provisions of this section apply to all DoD Components, including those with no receivable activity.

050403 Report Form. DoD Components may either reproduce copies from the Treasury original provided in I TFM 2-4100, or use machineproduced facsimiles. A copy of the SF 220-9 is provided as figure 5-4.

050404 Frequency and Distribution

A. Departmental-level accounting entities with accounts and loans receivable totaling less than \$50 million must submit SF 220-9 annually. They must complete only part I and the "Agency Contacts" part. Entities with accounts and loans receivable totaling \$50 million or more must submit SF 220-9 quarterly. They must complete parts I and II and the "Agency Contacts" part. Departmental-level accounting entities must advise their reporting components of the accounts and fund types that require quarterly submission of SF 220-9.

B. The report shall be submitted with the basic SF 220 report. However, quarterly reports shall be submitted under a cover transmittal letter signed by the responsible individual and distributed by the departmental-level accounting entity in accordance with the

addresses provided in the addendum to this chapter.

050405 Preparation Instructions for the SF 220-9

A. General

1. A consolidated schedule shall be prepared by each Military Department and by each reporting Defense Agency. The DFAS shall consolidate the reports from the Defense Agencies. The consolidated schedule shall show all receivables, including those due from foreign, State, and local governments, as well as receivables not supported by the SF 220 report. A memorandum SF 220-9 must be prepared to show amounts due the U.S. Government as a result of audits.

2. All amounts due and payable through receipt accounts (including Miscellaneous Receipts) that represent public receivables (including those due from foreign, State and local governments) shall be reported as receivables even if the amount is subject to change through administrative appeal or litigation in order to complete most line entries in part 1 of the SF 220-9, an analysis of the receivable accounts will have to be made. Use the balances of the following general ledger accounts:

Accounts Receivable:

1313	Accounts Receivable-Public-Current
1314	Accounts Receivable-Public-Noncurrent
1316	Refunds Receivable-Public
1319	Allowance for Loss on Accounts Receivable
1320	Claims Receivable-Public

Loans Receivable:

1353	Loans Receivable-Public-Current
1354	Loans Receivable-Public-Noncurrent
1359	Allowance for Loss on Loans Receivable

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TFM 2-4100

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JAR No. 1178-TD-XX

REPORT ON ACCOUNTS AND LOANS RECEIVABLE DUE FROM THE PUBLIC

as of _____
(In dollars)

IDENTIFICATION:

DEPARTMENT/AGENCY: _____

BUREAU/ORGANIZATIONAL UNIT: _____

OMB IDENTIFICATION CODE: _____ FUND TYPE: _____

PART I	ACCOUNTS RECEIVABLE		LOANS RECEIVABLE	
STATUS OF RECEIVABLES	NUMBER	AMOUNT	NUMBER	AMOUNT
Section A				
Outstanding Receivables				
1. Current Receivables.....				
a. Not Delinquent.....				
b. Delinquent.....				
(1) 1-30 days.....				
(2) 31-60 days.....				
(3) 61-90 days.....				
(4) 91-120 days.....				
(5) 121-180 days.....				
(6) 181-360 days.....				
(7) > 1 year ≤ 2 years.....				
(8) > 2 years ≤ 3 years.....				
(9) over 3 years.....				
2. Noncurrent Receivables.....				
3. Total Receivables.....				
Section B				
Activity FYTD				
1. Beginning FY Balance.....				
2. New Receivables.....				
3. Collections on Receivables.....				
4. Reclassified/Adjusted Amounts.....				
5. Amounts Written-off.....				
6. Ending Balance.....				
Section C				
Allowances and Write-offs				
1. Allowances Beginning of FY.....				
2. Write-offs During FY.....				
3. Adjustment to Allowance Account.....				
4. Allowances End of Period.....				
Section D				
Rescheduled Receivables				
1. Current Rescheduled Receivables.....				
a. Not Delinquent.....				
b. Delinquent.....				
2. Noncurrent Rescheduled Rec.....				
3. Total Rescheduled Receivables.....				

FIGURE 5-4

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REPORT ON ACCOUNTS AND LOANS RECEIVABLE DUE FROM THE PUBLIC

as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

PART II	ACCOUNTS RECEIVABLE		LOANS RECEIVABLE	
CREDIT MANAGEMENT INFORMATION	NUMBER	AMOUNT	NUMBER	AMOUNT
Section A Loan Applications				
1. New Applications.....				
a. Approved.....				
b. Rejected.....				
c. Pending.....				
2. Credit Reports Purchased.....				
3. Rescheduled Debt.....				
a. Approved.....				
b. Rejected.....				
c. Pending.....				
4. Credit Reports Purchased.....				
Section B Credit Bureau Reporting				
1. Accounts Eligible for Referral.....				
a. Commercial.....				
b. Delinquent Consumer.....				
2. Accounts Referred.....				
a. Commercial.....				
b. Delinquent Consumer.....				
Section C Account Servicing				
1. Loan Classification.....				
a. Problemless.....				
b. Program Standard.....				
c. Substandard.....				
d. Doubtful.....				
e. Loss.....				
Section D Financing Interest				
1. Financing Interest.....				

FIGURE 5-4 (Cont)

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REPORT ON ACCOUNTS AND LOANS RECEIVABLE DUE FROM THE PUBLIC

as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

PART II	ACCOUNTS RECEIVABLE		LOANS RECEIVABLE	
CREDIT MANAGEMENT INFORMATION — Continued	NUMBER	AMOUNT	NUMBER	AMOUNT
Section E				
Delinquent Debt Allocation				
1. Total Delinquent Receivables.....				
a. At Dept. of Justice.....				
b. Not at Dept. of Justice.....				
(1) At Collection Contractors.....				
(2) At Work-out Groups.....				
(3) At Agency Counsel.....				
(4) Referred for Salary Offset.....				
(5) Referred for Tax Refund Offset.....				
(6) Referred for Admin. Offset.....				
(7) Collection Action Suspended.....				
(8) Other.....				
2. Collection Contractors Activity.....				
a. Referred.....				
b. Collected.....				
c. Otherwise Resolved.....				
d. Outstanding.....				
3. Workout Group Activity.....				
a. Referred.....				
b. Collected.....				
c. Otherwise Resolved.....				
d. Outstanding.....				
4. Administrative Offset.....				
a. Referred.....				
b. Collected.....				
c. Otherwise Resolved.....				
d. Outstanding.....				
Section F				
Litigation				
1. Agency Counsel Activity.....				
a. Beginning Balance.....				
b. New Referrals.....				
c. Collections.....				
d. Otherwise Resolved.....				
e. Outstanding Balance.....				
2. Dept. of Justice Activity.....				
a. Beginning Balance.....				
b. New Referrals.....				
c. Collections.....				
d. Otherwise Resolved.....				
e. Outstanding Balance.....				

FIGURE 5-4 (Cont)

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REPORT ON ACCOUNTS AND LOANS RECEIVABLE DUE FROM THE PUBLIC

as of _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

PART II	ACCOUNTS RECEIVABLE		LOANS RECEIVABLE	
CREDIT MANAGEMENT INFORMATION — Continued	NUMBER	AMOUNT	NUMBER	AMOUNT
Section G				
Interest/Penalties/Admin. Cost				
1. Interest Collected in FY.....				
2. Penalties Collected in FY.....				
3. Admin. Costs Collected in FY.....				
4. Range of Interest Rates on Delinquent Debts.....				
Section H				
Write-offs				
1. Pending Justice Concurrence.....				
2. Reported to IRS.....				
3. Not yet Reported to IRS.....				
4. Ineligible for Reporting to IRS.....				
Section I				
Loan Asset Sales				
1. Portfolio Value Sold.....				
2. Gross Proceeds.....				
3. Net Proceeds.....				

AGENCY CONTACTS	
1. Preparer's Name	2. Telephone No.
3. Address	
4. Supervisor's Name	5. Telephone No.

FIGURE 5-4 (Cont)

3. Receivables are to be classified into one of two categories--"Accounts Receivable" or "Loans Receivable." "Loans Receivable" shall include only the principal for all direct loans made as a result of legislatively mandated credit programs, including the direct portions of a participation loan and defaulted guaranteed loans. Interest, penalties, administrative costs and other receivables for these direct loans shall be reported as a single receivable under "Accounts receivable." All amounts originally classified as "Accounts Receivable" (that is, principal, interest, penalties, administrative costs, and other receivables) shall be counted only once and reported as a single amount under "Accounts Receivable." Exceptions to these rules are noted in the appropriate sections.

4. Audit findings are to be recorded as "Accounts Receivable" when management agrees with the auditors that resources should be recovered and the contracting officer has made a final determination regarding the existence, amount, and collectibility of the debt. The memorandum SF 220-9 shall include only that portion of the receivables reported in sections A and B totals that result from audit activity. This requirement does not affect any instructions on the preparation of individual reports for each revolving fund, business-type general and special funds, each transfer appropriation account, and certain trust funds. The memorandum SF 220-9 is merely a subset of the primary schedule. It is referred to the Treasury Credit Management Group for further analysis and subsequent submission to OMB. This

memorandum report will be used by OMB for monitoring agency compliancy with the policies of OMB Circular A-50, "Audit Follow-up."

5. The accounts and loans receivable totals reported quarterly by DSAA shall represent cumulative fiscal year to date (FYTD) activity. Information submitted on the SF 220-9 must be consistent with that required in the debt collection exhibit in OMB Circular A-11, "Preparation and Submission of Budget Estimates." If the report is submitted on paper, any required footnotes are to be prepared on a blank sheet of paper and attached to the report. If submitted by GOALS, footnotes are to be entered in the designated area and referenced to the appropriate line item of the report.

6. Receivables from the foreign military sales trust fund are not transactions with the public. FMS transactions are from the public only if reported by the Security Assistance Accounting Center (SAAC). DoD Components shall report orders from SAAC as within the Department of Defense.

7. Transactions with nonappropriated fund activities resulting in receivables are considered to be transactions with the public and shall be reported on the SF 220-9.

8. Table 5-1 provides a decision table on how certain other debt-like items are to be treated in the accounting records. It should be understood that this table does not include all debt-like items and that the terms used may not definitively describe the debt.

DECISION TABLE ON RECORDING AND REPORTING DEBT-LIKE ITEMS			
NO.	ITEM	DECISION	REMARKS
1	Progress Payments	Do not record as a receivable.	Procedures for handling Progress Payments are provided in this Regulation.
2	Survivor Benefits	Record/Report	Debts due from overpayments or erroneous payments.
3	General Revenue Receipts (GRR)	Record/Report.	Debts due that will be deposited to GRR.

DECISION TABLE ON RECORDING AND REPORTING DEBT-LIKE ITEMS			
NO.	ITEM	DECISION	REMARKS
4	Third Party Liability	Record/Report	Record claim at best estimate.
5	Payroll Overpayments	Record/Report	
6	Fines, Fees, Assessed	Record/Report	Record unless simultaneous collection can be made.
7	Report of Item Discrepancy	Record/Report	
8	Losses of Funds	Record/Report	Record only after disbursing officer has been denied relief.
9	Dishonored/Dup. Checks	Record/Report	
10	Overpayments to Contractors	Record/Report	Record unless disbursing officer can offset within a month.
11	Amounts Owed By Contractors as a Result of Final Decision of Contracting Officer	Record/Report	
12	Collections Due From SBA	Do not record as public.	Record as other Government agency receivable.
13	GPLD and Reports of Survey <u>1/</u>	Record/Report	
14	Transport Carrier Claims	Record/Report	Accrue interest and penalty charges only after expiration of time allowed by ICC Reg. (49 CFR 1005)
15	Unused Tickets From Carriers	Record/Report	Record unless reimbursement is instantaneous
16	Statement of Charges	Record/Report	
17	Check Issue Overdraft	Record/Report	
18	Sales to Foreign Governments	Record/Report	Record unless under FMS Program.
19	All other Contractual claims due to bankruptcy, default, or renegotiation <u>2/</u>	Record/Report	Record claim at best estimate

1/ Government Property Lost or Damaged

2/ For further guidance see Chapter 15, Volume 3 of this Regulation

TABLE 5-1

B. Definitions. The Glossary of Terms, found in Volume 1 of this regulation, provides terms and definitions relative to receivables due from the public. Other definitions applicable to credit management and debt collection can be found in I TFM 4100 and OMB Circular A-129.

C. Heading. Enter on the designated lines (1) date of the report, (2) name of DoD Component submitting report, (3) reporting entity, (4) OMB identification code, and (5) fund type.

D. PART I Section A - Outstanding Receivables

1. Line 1. Current Receivables. Enter the numbers and amounts of all current receivables. This figure will equal the sum of lines 1.a. and 1.b.

a. Line 1.a. Not Delinquent. Enter the numbers and amounts of accounts that are outstanding 1 to 30 days from the date of invoice or date of notice that payment is due. Also include the numbers and amounts that will become due during the next 12 months following the end of the reporting period.

b. Line 1.b. Delinquent. Enter the numbers and amounts determined to be delinquent. The amount to be reported ordinarily will be the payment past due. However, when the full amount of the account is formally due and declared payable, the entire amount of the account or loan and related interest should be reported as delinquent. The full amount should be declared due and payable on all direct loans that are more than 180 days delinquent. Any amount that is under appeal or in litigation should be classified as delinquent and carried in its original status as a current receivable until the government changes its position regarding the amount that is due and payable through either a decision of the courts or an administrative settlement directed by a responsible government official. In those cases where a DoD Component is uncertain of the

amount owed or validity of the debt, the Component should use good judgment in establishing the debt and making the best estimate available. These figures will equal the sum of lines 1.b.(1) through 1.b.(9).

c. Lines 1.b.(1) - b.(9) (1-30 days through over 3 years). Enter the numbers and amounts for accounts and loans receivable that have been delinquent 1 to 30 days, 31 to 60 days, 61 to 90 days, 91 to 120 days, 121 to 180 days, 181 to 360 days, greater than 1 year and equal to or less than 2 years, greater than 2 years and equal to or less than 3 years, and over 3 years on their respective lines.

2. Line 2. Noncurrent Receivables. Enter the numbers and amounts of noncurrent receivables.

3. Line 3. Total Receivables. Enter the sum of lines 1. and 2. for amounts only. The balance reported on this line shall agree with the balance reported on the SF 220, lines 2.b.1. and 2. for accounts receivable and lines 6.b.1. and 2. for loans receivable.

E. PART I Section B - Activity FYTD

1. Line 1. Beginning FY Balance. Enter the numbers and amounts of all accounts and loans receivable outstanding as of the beginning of the fiscal year. This balance remains unchanged throughout the fiscal year.

2. Line 2. New Receivables. Enter the numbers and amounts of all new receivables generated for the fiscal year to date.

3. Line 3. Collections on Receivables. Enter the numbers and amounts for collections on receivables for the fiscal year to date. Included are repayments on prior and current year receivables. Enter repayments in brackets. Non-cash collections must be footnoted.

4. Line 4. Reclassified/Adjusted Amounts. Enter the numbers and amounts not reportable as "New Receivables" (line 2.),

"Collections on Receivables" (line 3.), or "Amounts Written Off" (line 5.), that were transferred either into or out of receivables during the fiscal year or between receivables classifications during the fiscal year. Prior period adjustments must also be included on this line. Enter net receivable amounts transferred out in brackets. Amounts reported on this line must be footnoted.

5. Line 5. Amounts Written off.

Report all numbers and amounts for uncollectible accounts that were actually written off during the fiscal year to date. A minus (-) sign should be placed in front of these figures.

6. Line 6. Ending Balance.

Enter the sum of lines 1. through 5. These figures will indicate the net activity or ending balance for the fiscal year to date and must agree with line 3, section A of part I.

F. PART I Section C - Allowances and Write-offs

1. Line 1. Allowances Beginning of FY. Enter the amounts of allowances for uncollectible accounts as reflected on the agency records at the beginning of the fiscal year.

2. Line 2. Write-offs During FY. Enter the amounts of all uncollectible accounts that were actually written off during the fiscal year to date. These figures shall agree with part I, section B, line 5.

3. Line 3. Adjustment to Allowance Account. Enter the expense adjustment for estimated uncollectibles for the fiscal year to date. The adjustment to the allowance account is the difference between the allowances needed by the DoD Component to accurately reflect potential losses and the existing balance after accounting for write-offs to date. For example:

Tot. Req. Allow. End of Period	\$1,600.00
Existing Balance	485.00
Bad Debt Expense (Adjustment)	\$1,115.00

4. Line 4. Allowances End of Period. Enter the amounts of allowances for uncollectible accounts as shown on the DoD Component's records for the fiscal year to date as of the end of this reporting period. For fiscal year end reporting, enter the amounts of allowances for uncollectible accounts for the next fiscal year.

G. PART I, Section D - Rescheduled Receivables

1. Line 1. Current Rescheduled Receivables. Enter the number and amount of accounts for current receivables that have been rescheduled. These figures are included in part I, section A, line 1., and shall equal the sum of lines 1.a. and 1.b. of this section.

a. Line 1.a. Not Delinquent. Enter the number and amount of accounts for rescheduled receivables due and payable during the 12 months following the end of the reporting period.

b. Line 1.b. Delinquent. Enter the number and amount of accounts for delinquent rescheduled receivables. The amounts reported will ordinarily be the rescheduled payments past due. However, when the full amount of the account has formally been declared due and payable, the entire amount of the rescheduled account or loan and related interest is reported as delinquent.

2. Line 2. Noncurrent Rescheduled Receivables. Enter the number and amount of accounts for noncurrent receivables that have been rescheduled. These figures are included in part I, section A, line 1.

3. Line 3. Total Rescheduled Receivables. Enter the sum of lines 1. and 2. for amounts only.

H. PART II, Section A - Loan Applications. Show analysis of the current activity in credit extension, including the number and amount of new loan applications and the

number and amount of rescheduled debts that have been approved, rejected, or are pending during the fiscal year. The number of credit reports purchased is also captured in this section. Note: This information cannot be extracted from general ledger account balances.

1. Line 1. New Applications.

Enter the number and amount of new loan applications received during the fiscal year. These figures shall equal the sum of lines 1.a. through 1.c. of this section for the number of accounts.

a. Line 1.a. Approved.

Enter the number and amount of approved loan applications.

b. Line 1.b. Rejected.

Enter the number and amount of rejected loan applications.

c. Line 1.c. Pending.

Enter the number and amount of pending loan applications.

2. Line 2. Credit Reports

Purchased. Enter the number of credit reports purchased for new loan applications received.

3. Line 3. Rescheduled Debt.

Enter the number and amount of debts for which rescheduling has been requested during the fiscal year. These figures shall equal the sum of lines 3.a. through 3.c. of this section for the number of accounts:

a. Line 3.a. Approved.

Enter the number and amount of debts approved for rescheduling.

b. Line 3.b. Rejected.

Enter the number and amount of debts not approved for rescheduling.

c. Line 3.c. Pending.

Enter the number and amount of debts pending rescheduling.

4. Line 4. Credit Reports

Purchased. Enter the number of credit reports purchased for those rescheduled debts that were approved, rejected, or pending.

I. PART II, Section B - Credit Bureau Reporting

1. Line 1. Accounts Eligible for

Referral. Enter the number and amount of accounts not statutorily exempted from being reported to credit bureaus. All commercial and delinquent consumer accounts, except for debts arising under the IRS Code of 1954, the Social Security Act, the tariff laws of the United States, or debts owed by State and local or foreign governments, are entered on this line. These figures shall equal the sum of lines 1.a. and 1.b. of this section.

a. Line 1.a. Commercial.

Enter the number and amount of all commercial accounts eligible for referral to credit reporting bureaus.

b. Line 1.b. Delinquent

Consumer. Enter the number and amount of all delinquent consumer accounts eligible for referral to credit reporting bureaus.

2. Line 2. Accounts Referred.

Enter the number and amount of accounts referred to credit reporting bureaus during the fiscal year. These figures equal the sum of lines 2.a. and 2.b. of this section.

a. Line 2.a. Commercial.

Enter the number and amount of all commercial accounts referred to credit reporting bureaus.

b. Line 2.b. Delinquent

Consumer. Enter the number and amount of delinquent consumer accounts referred to credit reporting bureaus.

J. PART II, Section C - Account Servicing. Show the number and amount of loans receivable, classified according to their collection probability during the fiscal year. DoD Components classifying loans into different categories should, for this report only, adapt their information to the 5 categories identified on lines 1.a. through 1.e. in this section.

1. Line 1. Loan Classification.
Enter the total number and amount of balances outstanding at the end of the reporting period, classified according to collection probability this fiscal year for loans receivable. These figures should equal the sum of lines 1.a. through 1.e. of this section. The dollar amount must agree with part I, section A, line 3. of this report.

a. Line 1.a. Problemless.
Enter the number and amount of loans receivable in which loan payments are made consistent with terms of the agreement.

b. Line 1.b. Program Standard. Enter the number and amount of loans receivable in which assets are potentially weak, but may meet minimum program standards for credit worthiness.

c. Line 1.c. Substandard.
Enter the number and amount of loans receivable in which assets contain actual weaknesses that jeopardize the collection of the debt.

d. Line 1.d. Doubtful.
Enter the number and amount of loans receivable in which liquidation of an asset for full value is improbable and the possibility of loss at this time is high; however, certain conditions exist that may positively affect the asset.

e. line 1.e. Loss. Enter the number and amount of loans receivable in which assets are determined to be uncollectible and of such little value that their continuance as assets is not warranted.

K. PART II, Section D - Financing Interest

1. Line 1. Financing Interest.
Enter the number and amount of interest receivables generated from interest charged as a cost of extending credit on legislatively mandated credit programs during the fiscal year. For the purpose of this section, financing interest should be reported as "Accounts Receivable."

L. PART II Section E - Delinquent Debt Allocation

1. Line 1. Total Delinquent Receivables. Enter the number and amount of accounts for all delinquent receivables. These figures are the sum of lines 1.a. and 1.b. only of this section. These figures should also agree with part I, section A, line 1.b.

a. Line 1.a. At Dept. of Justice. Enter the number and amount of accounts for all delinquent receivables outstanding at the Department of Justice, including those being worked on by special attorneys.

b. Line 1.b. Not at Dept. of Justice. Enter the number and amount of accounts for all outstanding delinquent receivables under DoD Component control. Identify on lines 1.b.(1) through 1.b.(8) those receivables: with collection contractors; at workout groups; at Component counsel; referred for salary offset; referred for tax refund offset; referred for administrative offset; collection action suspended or other status.

2. Line 2. Collection Contractors Activity. Enter the number and amount of delinquent accounts turned over to collection contractors (DoD Component collection contractors and GSA debt collection contractors) during the fiscal year.

a. Line 2.a. Referred. Enter on line 2.a. the number and amount of

delinquent accounts turned over to collection contractors.

b. Line 2.b. Collected.

Enter the number and gross amount of accounts recovered by collection contractors. Enter collections with a minus (-) sign before the figures. Do not deduct agency reimbursements to collection agencies for services provided.

c. Line 2.c. Otherwise Resolved. Enter the number and amount of accounts returned to the agency. These figures should also be preceded with a minus (-) sign.

d. Line 2.d. Outstanding. Enter the number and amount of all accounts outstanding with collection contractors.

3. Line 3. Workout Group Activity. Show the number and amount of delinquent accounts referred, collected, or otherwise resolved by DoD Component workout groups during the fiscal year.

a. Line 3.a. Referred. Enter the number and amount of delinquent accounts, including accounts written off, referred to DoD Component internal workout groups.

b. Line 3.b. Collected. Enter the number and amount of accounts collected by DoD Component workout groups. Enter collections with a minus (-) sign before the figures.

c. Line 3.c. Otherwise Resolved. Enter the number and amount of accounts returned by the workout groups to the DoD Component or some other entity, such as the Department of Justice, for disposition. These figures are also preceded with a minus (-) sign.

d. Line 3.d. Outstanding. Enter the number and amount of accounts that remain outstanding with DoD Component internal workout groups.

4. Line 4. Administrative Offset. Show the number and amount of delinquent

accounts referred, collected, and/or otherwise resolved by administrative offset during the fiscal year. As indicated for line 3 above, enter on lines 4.a. through 4.d. the numbers and amounts of delinquent accounts referred for offset, collected, otherwise resolved, or outstanding.

M. PART II, Section F - Litigation. Show the beginning fiscal year balance of seriously delinquent accounts held by DoD Component counsels and/or the Department of Justice. Activity is also captured during the fiscal year for new referrals, collections on receivables, receivables otherwise resolved, and the outstanding (ending) balance of accounts in litigation. This section covers debts not likely to be fully or partially recovered without the aid of legal action. For further guidance see Chapter 15 of Volume 3 of this Regulation.

1. Line 1. Agency Counsel Activity. Show the number and amount of all delinquent accounts and loans receivable outstanding at agency counsel as of the beginning of the fiscal year. These figures must agree with the outstanding balance reported on the year-end SF 220-9 the previous fiscal year. The beginning balance remains unchanged throughout the fiscal year.

a. Line 1.a. Beginning Balance. Enter the number and amount of all delinquent accounts and loans receivable outstanding at DoD Component counsel as of the beginning of the fiscal year.

b. Line 1.b. New Referrals. Enter the number and amount of delinquent accounts referred to agency counsel for resolution during the fiscal year.

c. Line 1.c. Collections. Enter the number and amount of collections received during the fiscal year on delinquent accounts held by agency counsel. Place a minus (-) sign in front of these figures.

d. Line 1.d. Otherwise Resolved. Enter the number and amount of

delinquent accounts returned during the fiscal year to the originating DoD Component for disposition. Place a minus (-) sign in front of these figures.

e. Line 1.e. Outstanding Balance. Enter the sum of lines 1.a. and 1.b. minus 1.c. and 1.d. of this section. These figures also agree with part II, section E, line 1.b. (3).

2. Line 2. Department of Justice Activity. Show the status on the number and amount of delinquent accounts, as of the end of the reporting period, submitted to the Department of Justice for litigation. Enter on lines 2.a. through 2.e. respectively, the information requested for the beginning balance, new referrals, collections, accounts otherwise resolved, and compute the outstanding balance.

N. PART II, Section G - Interest/Penalties/Administrative Cost. Show the number and amount of interest, penalties, and administrative costs collected during the fiscal year plus the range of interest rates assessed on delinquent accounts. The amounts reported in this section include only the additional interest, penalties, and administrative costs collected because a debt is delinquent. For this section, interest, penalties, and administrative costs are reported as "Accounts Receivable" or "Loans Receivable," depending on the nature of the transaction generating the charge. For example: Interest, penalties, and administrative costs collected in the amount of \$2,000 on a \$10,000 loan, are recorded as "loans receivable" for \$2,000. Likewise, interest, penalties, and administrative costs collected in the amount of \$1,000 on accounts receivable of \$8,000 are recorded as "accounts receivable" for \$1,000.

1. Line 1. Interest Collected in FY. Enter the number and amount of accounts for which additional interest on delinquent accounts was collected during the fiscal year.

2. Line 2. Penalties Collected in FY. Enter the number and amount of accounts for which penalties were collected during the fiscal year.

3. Line 3. Admin. Costs Collected in FY. Enter the number and amount of accounts for which administrative costs were collected during the fiscal year.

4. Line 4. Range of Interest Rates on Delinquent Debts. Enter the lowest and highest interest rates assessed on outstanding delinquent accounts. These rates are entered in the number column for "Accounts Receivable."

O. PART II, Section H - Write-Offs. Show the number and amount of accounts either pending disposition by the Department of Justice or written off during the fiscal year. Actions concerning the reporting of written off amounts to IRS are also reflected in this section. The sum of lines 2., 3., and 4. in this section must agree with part I, section B, line 5.

1. Line 1. Pending Justice Concurrence. Enter the number and amount of delinquent accounts pending concurrence by the Department of Justice for write-off during the fiscal year.

2. Line 2. Reported to IRS. Enter the number and amount of delinquent accounts written off and subsequently reported to IRS as income on IRS Form 1099G.

3. Line 3. Not Yet Reported to IRS. Enter the number and amount of delinquent accounts written off, but not yet reported to IRS as required.

4. Line 4. Ineligible for Reporting to IRS. Enter the number and amount of delinquent accounts written off, but not required to be reported to IRS.

P. PART II, Section I - Loan Asset Sales. Show the number and face value of loans offered for sale during the fiscal year and the actual proceeds of the sales.

1. Line 1. Portfolio Value Sold. Enter the number of loans and their face value sold during the fiscal year.

2. Line 2. Gross Proceeds.

Enter the gross amount realized during the fiscal year from the sale of these loans. These proceeds are amounts paid by purchasers less any transaction costs paid on the day of the sale. Examples include underwriting, rating agency, and legal fees. Gross proceeds do not include transaction costs such as financial advisors' fees paid as direct obligations by a DoD Component. The difference between line 1., "Portfolio Value Sold", and line 2., "Gross Proceeds," should be reported as reclassified and must be included in part I, section B, line 4.

3. Line 3. Net Proceeds. Enter the amount equivalent to "gross proceeds" less all other cost associated with each sale, such as financial advisors' fees.

Q. Agency Contacts. Enter in the blocks provided the preparer's name, telephone number, and address along with the supervisor's name and telephone number.

0505 REPORT ON OPERATIONS, SF 221

050501 Purpose and Accounting Report Number. This section prescribes the report form and instructions for preparation of the annual Report on Operations required pursuant to I TFM 2-4100. The report on operations discloses the financial results of activities, including revenues and other financing sources, and operating expenses. The reporting requirements, financing sources and operating expenses, prescribed in this section are designated as SF 221 (IAR 1180-TD-AN).

050502 Applicability and Scope. The provisions of this section apply only to those revolving funds and trust funds managed by DoD Components (type 1 and type 2 funds). (See table 5-2.) Negative reports are not required for other than type 1 and type 2 funds.

050503 Report Form. The Treasury report format provided in I TFM 2-4100 may be reproduced, or a machine-produced facsimile may be used. A copy of SF 221 is provided as figure 5-5.

050504 Frequency and Distribution

A. The report shall be submitted as of September 30 of each year by the date established by the appropriate departmental-level accounting entity.

B. The report shall be submitted under the cover transmittal letter provided for the SF 220 report and signed by the responsible official. Departmental-level accounting entities will make distribution in accordance with the addresses provided in the addendum to this chapter.

050505 Preparation Instructions for the SF 221

A. The report shall be prepared by each revolving fund and trust fund activity (fund types 1 and 2).

DoD Components shall analyze figure 5-5 and report fund balances on the applicable report lines.

B. Heading. Enter on the designated lines (1) date of the report, (2) name of the DoD Component submitting report, (3) reporting entity, (4) OMB identification code, and (5) fund type. The reporting entity shall also indicate the basis used in preparing the report (accrual/cash).

C. Financing Sources

1. Line 1. Accrued expenditures. Enter the amount of accrued expenditures. This amount should also include amounts related to appropriations expended for inventory, property, plant, and equipment that are recorded as assets and an increase in invested capital, and should be net of revenues or gains for which amounts were not returned to the Treasury. This treatment is necessary to preclude double counting of financing sources. Enter the sum of budgetary accounts 4910 and 4930.

2. Line 2. Revenue. Enter amounts earned resulting from services performed or goods and other tangible property delivered to purchasers.

a. Line 2.a. Federal sources. Enter the amount received from Federal sources.

b. Line 2.b. Public sources.
Enter the amount received from public sources.

c. Line 2.c. Subtotal. Enter the total of lines 2.a. and 2.b.

NOTE: DoD Components shall establish subsidiary accounts to distinguish revenue received from Federal sources and public sources. Revenue should also be tracked in subaccounts by appropriation or fund. Enter the sum of the following general ledger accounts:

5100	Revenue from Goods Sold
5200	Revenue From Services Provided
5300	Interest and Penalties Revenue

5400	Benefit Program Revenue
5500	Insurance and Guarantee Premium Revenue
5600	Donated Revenue
5900	Other Revenue

3. Line 3. Governmental receipts. Enter the amount of governmental receipts collected. Governmental receipts are collections from the public that result from the exercise of the government's sovereign powers, excluding receipts offset against outlays. These collections consist mainly of tax receipts (including social insurance taxes), receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. DoD Components shall not report amounts on this line. Leave line 3. blank.

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REPORT ON OPERATIONS
for the period ended _____
(In dollars)

IDENTIFICATION:

DEPARTMENT/AGENCY: _____

BUREAU/ORGANIZATIONAL UNIT: _____

OMB IDENTIFICATION CODE: _____ FUND TYPE: _____

BASIS USED: _____

FINANCING SOURCES	Amount	Total
1. Accrued expenditures		
2. Revenue		
a. Federal sources		
b. Public sources		
c. Subtotal		
3. Governmental receipts		
4. Other a.		
b.		
c.		
d.		
e. Subtotal		
5. Less: Receipts returned to Treasury		
6. Total financing sources		
OPERATING EXPENSES		
7. Cost of goods sold		
8. Operating/program expenses, funded		
9. Interest expense, funded		
a. Federal Financing Bank/ Treasury borrowings		
b. Federal securities		
c. Other 1.		
2.		
3.		
4.		
d. Subtotal		
10. Other, funded expenses		
a.		
b.		
c.		
d.		
e. Subtotal		

FIGURE 5-5

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REPORT ON OPERATIONS
for the period ended _____
(In dollars)

BUREAU/ORGANIZATIONAL UNIT: _____

OPERATING EXPENSES-Continued	Amount	Total
11. Unfunded expenses		
12. Total operating expenses		
NET RESULTS		
13. Net results before adjustments		
14. Less: Capital expenditures (all funds refer to the instructions)		
15. Less: Extraordinary items		
16. Net results		

AGENCY CONTACTS	
1. Preparer's Name	2. Telephone No.
3. Address	
4. Supervisor's Name	5. Telephone No.

FIGURE 5-5 (Cont)

4. Line 4. Othera. Lines 4.a. through 4.d. -

Other. Enter all other financing sources not included in other categories. Identify the nature of any types of financing sources (1) comprising more than 25 percent of the total amount reported for this category, and (2) exceeding \$100,000. Other financing sources should be tracked by funded/unfunded. Enter on this line the sum of the following general ledger accounts:

7110 Gains on Disposition of Assets
7190 Other Gains

b. Line 4.e. Subtotal. Enter the total of other financing sources shown on lines 4.a. through 4.d.

5. Line 5. Less: Receipts returned to Treasury. Enter the amounts returned to the Treasury that have been reported as a financing source in one of the above line items. Enter on this line the balance of general ledger account 3620, "Funds Returned to General Fund - Miscellaneous Receipts."

6. Line 6. Total financing sources. Enter the net sum of lines 1. through 5.

D. Operating Expenses

1. Line 7. Cost of goods sold. Enter all costs applying to goods and services sold, including the inventory value of commodities sold from stock, and all labor, material, and other expenses. Enter on this line the funded amounts in general ledger account 6500, "Cost of Goods Sold." Subaccounts should be maintained to track costs by funded/unfunded.

2. Line 8. Operating/program expenses, funded. Enter the total expenses or losses incurred in conducting all activities and program costs of the organizational unit. Exclude capital expenditures, unfunded expenses, interest expenses, and direct and indirect costs associated with cost of goods sold (line 7.) for businesslike activities. Subaccounts are required to track expenses by direct/reimbursable and funded/unfunded. The

unfunded amounts shall be included in line 11. Enter the sum of the following general ledger accounts:

6100 Operating/Program Expenses
6400 Benefit Program Expenses
6600 Applied Overhead

3. Line 9. Interest expense, funded. Report the interest expense on the lines provided including the amortization of any premium or discount on securities issued.

a. Line 9.a. Federal Financing Bank/Treasury borrowings. DoD Components shall not report on this line.

b. Line 9.b. Federal Securities. DoD Components shall not report on this line.

c. Lines 9.c.1. through 9.c.4. Other. Enter all other interest expenses identifying the interest expense that exceeds 25 percent of the amount reported in this category and is in excess of \$100,000. Enter on this line the balance in the general ledger account 6330, "Other Interest Expenses."

d. Line 9.d. Subtotal. Enter the total interest expense reported on lines 9.a. through 9.c.4.

4. Line 10. Other funded expenses. Enter on lines 10.a. through d. amounts of other expenses or losses. Identify the nature of any amount that exceeds 25 percent of the amount reported in this category and exceeds \$100,000. Enter on line 10.e.(Subtotal) the sum of the following general ledger accounts:

7210 Losses on Disposition of Assets
7290 Other Losses
6125.1 Equipment Replacement Surcharge-Business Operations Fund

E. Net Results

1. Line 11. Unfunded expenses. Enter all expenses that (a) were funded in prior years; (for example, depreciation and amortization); (b) will be funded in future years;

(for example, annual leave); and (c) are funded by other than the reporting account; (for example, military labor in Business Operations Fund). Enter the sum of the following general ledger accounts:

6100	Operating/Program Expenses
6330	Other Interest Expenses
6400	Benefit Program Expenses
6500	Cost of Goods Sold
6600	Applied Overhead
6900	Other Expenses

2. Line 12. Total operating expenses. Enter the sum of lines 7. through 11.

3. Line 13. Net results before adjustments. Enter the net of lines 6. and 12.

4. Line 14. Less: Capital expenditures. Enter the amount of capital expenditures expended from appropriated funds for inventory, property, plant, and equipment, and other nonmonetary assets during the reporting period. Enter the sum of the following general ledger accounts used to acquire these assets:

4910	Accrued Expenditures - Unpaid - Direct Program
4930	Accrued Expenditures - Paid - Direct Program

5. Line 15. Less: Extraordinary items. Enter any material expense or loss resulting from an event or transaction that is unusual and occurs infrequently. Do not include amounts entered on this line with amounts reported in the "Operating Expenses" section. Describe any transaction entered on this line on SF 220-1, "Additional Financial Information." Report on this line the balance of general ledger account 7300, "Extraordinary Items."

6. Line 16. Net results. Enter the net sum of lines 13. through 15.

F. Agency Contacts. Enter in the blocks provided the preparer's name, telephone number and address, along with the supervisor's name, and telephone number.

0506 REPORT ON CASH FLOW, SF 222

050601 Purpose and Accounting Report Number. This section prescribes the report form and instructions for preparation of the annual report on appropriations and funds required pursuant to I TFM 2-4100. The SF 222, "Report on Cash Flow," reconciles the beginning and ending fund balances with Treasury and cash by presenting all significant sources and application of resources during the fiscal year. The reporting requirements prescribed in this section are designated as SF 222 (IAR 0341-TD-AN).

050602 Applicability and Scope. The provisions of this section apply to all DoD Components, appropriations, and funds.

050603 Report Form. DoD Components may reproduce the copy provided in I TFM 2-4100 or use machine-produced facsimiles. A copy of the SF 222, with the applicable source general ledger accounts, is provided as figure 5-6.

050604 Frequency and Distribution

A. The report shall be submitted as of September 30 of each year by the date established by the appropriate departmental-level accounting entity.

B. The report shall be submitted under the cover transmittal letter provided for the SF 220 report and signed by the responsible official. Departmental-level accounting entities will make distribution in accordance with the addresses provided in the addendum to this chapter.

050605 Preparation Instructions for the SF 222

A. DoD Components shall analyze figure 5-6 and report balances on the appropriate report.

B. Heading. Enter on the designated lines (1) date of the report, (2) name of DoD Component submitting the report, (3) reporting entity, (4) OMB identification code, and (5) fund type.

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IAR No. 0341-TD-AN

REPORT ON CASH FLOW

for the period ended _____
(In dollars)

IDENTIFICATION:

DEPARTMENT/AGENCY: _____

BUREAU/ORGANIZATIONAL UNIT: _____

OMB IDENTIFICATION CODE: _____ FUND TYPE: _____

Description	Amount	Total
1. Fund balance with Treasury and cash, beginning of period (PY SF 220) _____		
2. Sources of funds:		
a. Increase in debt _____		
b. Appropriations _____		
c. Revenue _____		
d. Sale of assets _____		
e. Increase in payables _____		
f. Decrease in receivables and advances _____		
g. Other 1. _____		
2. _____		
3. _____		
4. _____		
h. Total _____		
3. Application of funds:		
a. Operating expenses (SF 221) _____		
b. Less: Expenses not requiring outlays (SF 221) _____		
c. Increase in investments _____		
d. Increase in inventory _____		
e. Purchase of property, plant, and equipment _____		
f. Other 1. _____		
2. _____		
3. _____		
4. _____		
g. Total _____		
4. Fund balance with Treasury and cash, end of period (SF 220) _____		

AGENCY CONTACTS	
1. Preparer's Name	2. Telephone No.
3. Address	
4. Supervisor's Name	5. Telephone No.

FIGURE 5-6

C. Line 1. Fund balance with Treasury and cash, beginning of period. Enter the beginning sum of the following general ledger accounts:

1010	Fund Balance with Treasury
1100	Cash
1200	Foreign Currency

D. Line 2. Sources of funds. The balances of the general ledger accounts listed below summarize the resources made available to the reporting entity.

1. Line 2.a. Increase in debt. Enter the differences between the beginning and the ending balances of the following general ledger accounts:

2510	Borrowing From Treasury
2520	Borrowing From Federal Financing Bank
2530	Securities Issued by Federal Agencies Under Special Financing Authority
2540	Participation Certificates
2590	Other Debt

2. Line 2.b. Appropriations. Enter the amount of the original appropriations received for the current period (not including offsetting collections credited or offsetting receipts appropriated). Enter the amount from general ledger account 3100, "Appropriated Capital."

3. Line 2.c. Revenue. Enter the amounts of revenue and gains that were not returned to Treasury. Report the sum of general ledger accounts:

5100	Revenue From Goods Sold
5200	Revenue From Services Provided
5300	Interest and Penalties Revenue
5400	Benefit Program Revenue
5500	Insurance and Guarantee Premium Revenue
5600	Donated Revenue
5900	Other Revenue
7190	Other gains

4. Line 2.d. Sale of assets. Enter the proceeds from the sale of assets by

analyzing general ledger account 1011, "Funds Collected."

5. Line 2.e. Increase in payables. Enter the increase in total liabilities less debt between the current period and the beginning balance. Any decrease in liabilities should be shown as a negative entry (-). Enter the net sum of the following general ledger accounts:

2110	Accounts Payable
2120	Disbursements in Transit
2130	Contract Holdbacks
2140	Accrued Interest Payable
2190	Other Accrued Liabilities
2210	Accrued Funded Payroll and Benefits
2220	Accrued Unfunded Annual Leave
2310	Advances from Others
2320	Deferred Credits
2400	Liability for Deposit Funds and Suspense Accounts
2610	Retirement Plans
2620	Insurance Plans
2690	Other Actuarial Liabilities
2910	Prior Liens Outstanding on Acquired Collateral
2920	Contingent Liabilities
2990	Other Liabilities

6. Line 2.f. Decrease in receivables and advances. Enter any decrease in total receivables and advances between the beginning and ending account balances. An increase in receivables and advances would be shown as a negative entry. Enter the net sum of the following general ledger accounts:

1310	Accounts Receivable
1320	Claims Receivable-Public
1350	Loans Receivable
1410	Advances to Others
1450	Prepayments

7. Lines 2.g.1. through 2.g.4. Other. Enter the amount of other sources of funds and describe any types of sources that comprise more than 25 percent of the total amount reported in this category in excess of \$100,000. Enter the sum of the following general ledger accounts:

7110	Gains on Disposition of Assets
7190	Other Gains
7300	Extraordinary Items
7400	Prior Period Adjustments
7600	Changes in Actuarial Liability

8. Line 2.h. Total. Enter the total for lines 2.a. through 2.g.

E. Line 3. Application of funds

1. Line 3.a. Operating expenses.

Enter the amount of total operating expenses from the SF 221, line 12. If no SF 221 is prepared, enter the sum of the following general ledger accounts:

6100	Operating/Program Expenses
6310	Interest Expenses on Borrowing From Treasury
6320	Interest Expenses on Federal Securities
6330	Other Interest Expenses
6400	Benefit Program Expenses
6500	Cost of Goods Sold
6600	Applied Overhead
6900	Other Expenses
7210	Losses on Disposition of Assets
7290	Other Losses

2. Line 3.b. Less: Expenses not requiring outlays. Analyze the above general ledger accounts and enter the amount of any operating expenses not requiring outlays. Typically, these expenses include such items as depreciation and allowances for uncollectible receivables, which are reported on SF 221, line 10.

3. Line 3.c. Increase in investments. Analyze the following general ledger accounts and enter any increase (difference between current and prior balances) in investments between the current and prior period as reported on SF 220, line 5:

1610	Federal Securities (At Par)
1611	Federal Securities-Unamortized Premium or Discount
1690	Other Investments

4. Line 3.d. Increase in inventory. Enter any increase in inventory (difference between current and prior balances) between the current period and the prior period as reported on the SF 220, line 4. Exclude transactions directly affecting equity accounts. After analysis, enter the appropriate net sum from the following general ledger accounts:

1510	Inventory for Agency Operations
1530	Inventory-Raw Material and Supplies
1540	Inventory-Work in Process
1550	Inventory-Finished Goods
1560	Other Inventory
1570	Stockpiled Materials and Supplies
1580	Inventory in Transit

5. Line 3.e. Purchase of property, plant, and equipment. Enter the amount expended for property and equipment capitalized in the current reporting period. Exclude transactions directly affecting equity accounts. This amount is also reported as increases on the SF 220, line 7. Compute and enter the appropriate net sum from the following general ledger accounts:

1710	Land
1720	Construction in Progress
1730	Buildings
1740	Other Structures and Facilities
1760	Military Equipment
1770	Equipment in Transit
1810	Assets Under Capital Lease
1820	Leasehold Improvements
1830	Automated Data Processing Software
1840	Other Natural Resources
1890	Other Fixed Assets

6. Lines 3.f.1. through 3.f.4. Other. Enter on line 3.f. any applications of funds not otherwise identified in the previous lines. Describe any types of applications that comprise more than 25 percent of the total amount reported in this category and that exceed \$100,000. Include on this line expired appropriations and offsetting receipts returned to Treasury. Compute and enter the sum of the following general ledger accounts:

1910	Acquired Collateral
1990	Other Assets

7300 Extraordinary Items
 7400 Prior Period Adjustments
 7500 Distribution of Income-Dividend

7. Line 3.g. Total. Report the total for lines 3.a. through 3.f.4.

F. Line 4. Fund balance with Treasury and cash, end of period. Add lines 1. and 2.h. and subtract line 3.g. This amount shall agree with line 1.d. of the SF 220 for the current reporting period and can be computed by adding the sum of the following general ledger accounts:

1010 Fund Balance with Treasury
 1110 Undeposited Collections
 1120 Imprest Funds
 1190 Other Cash
 1200 Foreign Currency

G. Agency Contacts. Enter in the blocks provided the preparer's name, telephone number, and address, along with the supervisor's name and telephone number.

0507 REPORT ON RECONCILIATION, SF 223

050701 Purpose and Accounting Report Number. This section prescribes the report form and instructions for preparation of the annual Report on Reconciliation pursuant to I TFM 2-4100. The SF 223 reconciles operating expenses and cash outlays for the fiscal year. The reporting requirements prescribed in this section are designated as SF 223 (IAR 0342-TD-AN).

050702 Applicability and Scope. The provisions of this section apply to all DoD Components, appropriations, and funds. Negative reports shall be submitted when there were no transactions during the fiscal year.

050703 Report Form. DoD Components may reproduce the copy provided in I TFM 2-4100 or use machine-produced facsimiles. A copy of the SF 223 is provided as figure 5-7.

050704 Frequency and Distribution

A. The report shall be submitted as of September 30 of each year by the date established by the appropriate departmental-level accounting entity.

B. The report shall be submitted under the cover transmittal letter provided for the SF 220 report, signed by the responsible official and distributed in accordance with the addresses provided in the addendum to this chapter.

050705 Preparation Instructions for the SF 223

A. DoD Components shall analyze the appropriate general ledger accounts identified in figure 5-7 and report balances on the appropriate report lines.

B. Heading. Enter on the designated lines (1) date of the report, (2) name of DoD Component submitting the report, (3) reporting entity, (4) OMB identification code, and (5) fund type.

C. Line 1 Total operating expenses. Enter the total operating expenses as disclosed on SF 221, line 12. for type 1 and 2 reporting entities. Other reporting entities enter the sum of the following general ledger accounts:

6100 Operating/Program Expenses
 6310 Interest Expenses on Borrowing
 From Treasury
 6320 Interest Expenses on Federal Securities
 6330 Other Interest Expenses
 6400 Benefit Program Expenses
 6500 Cost of Goods Sold
 6600 Applied Overhead
 6900 Other Expenses
 7210 Losses on Disposition of Assets
 7290 Other Losses

D. Line 2. Adjustments. Add the net amount of capital expenditures as disclosed on the SF 221, line 14. and deduct any increase in

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November 1988
1 TFM 2-4100

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REPORT ON RECONCILIATION
for the period ended _____
(In dollars)

IDENTIFICATION:

DEPARTMENT/AGENCY: _____

BUREAU/ORGANIZATIONAL UNIT: _____

OMB IDENTIFICATION CODE: _____ FUND TYPE: _____

Description	Total
1. Total operating expenses (SF 221) _____	
2. Adjustments:	
Add:	
a. Capital expenditures _____	
Deduct:	
b. Increase (decrease) in accounts payable _____	
c. Decrease (increase) in inventories _____	
d. Accrued expenses not requiring outlays _____	
3. Subtotal _____	
4. Less: Offsetting collections credited _____	
5. Net disbursements _____	

AGENCY CONTACTS	
1. Preparer's Name	2. Telephone No.
3. Address	
4. Supervisor's Name	5. Telephone No.

FIGURE 5-7

accounts payable, or inventories and accrued expenses not requiring outlays that are not captured as accounts payable (for example, depreciation). Otherwise, determine the amounts for this line by use of the appropriate general ledger accounts.

Add:

1. Line 2.a. Capital expenditures: Enter the current year increase in the balances of the following general ledger accounts:

6100	Operating/Program Expense
6320	Interest Expense on Federal Securities
6330	Other Interest Expense
6500	Cost of Goods Sold
6600	Applied Overhead

Deduct:

2. Line 2.b. Increase (decrease) in accounts payable. Enter all increases and/or decreases in accounts payable netted against receivables, (such as, general ledger accounts 1310 and 1350). Use the accounts payable amount determined for line 2.e. of SF 222, or use appropriate amounts extracted from the following general ledger accounts:

2110	Accounts Payable
2140	Accrued Interest Payable

Deduct:

3. Line 2.c. Increase (decrease) in inventories. Enter all increases and/or decreases in inventories. Use appropriate amounts extracted from the following general ledger accounts:

1510	Inventory for Agency Operations
1520	Inventory for Sale
1530	Inventory-Raw Material and Supplies
1540	Inventory-Work in Process
1550	Inventory-Finished Goods
1560	Other Inventory
1570	Stockpiled Materials and Supplies

Deduct:

4. Line 2.d. Accrued expenses not requiring outlays. Enter the balance determined for line 3.b. of SF 222, or analyze the general ledger accounts used in line 1., above, and report the amount of any operating expenses not requiring outlays.

E. Line 3. Total gross disbursements. Enter the net sum of lines 1. and 2.a. less lines 2.b., 2.c. and 2.d.

F. Line 4. Less: Offsetting collections credited. Enter the amount of agency collections not reported to receipt accounts.

G. Line 5. Net disbursements. Enter the net sum of lines 3. and 4. This amount should agree with "Net Disbursements" reported in column 4 of the TFS Form 6653, "Undisbursed Appropriation Account."

H. Agency Contacts. Enter in the blocks provided the preparer's name, telephone number, and address, along with the supervisor's name and telephone number.

0508 FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM REPORTING

Upon implementation of agency reporting via the Federal Agencies' Centralized Trial-balance System (FACTS), the above reports will become obsolete and this chapter will be revised accordingly. FACTS replaces the SF 220: Statement of Financial Position, SF 221: Statement of Operations, SF 222 Cash Flow Statement, and SF 223: Statement of Reconciliation. The NOTES report replaces the SF 220-1: Additional Financial Information.

The Report on Obligations (SF 225), SF 220-8: Report on Guaranteed Loans, and the Report on Receivables Due From the Public (Receivables Report), will continue to be reported as prescribed above.

Under FACTS, agencies must electronically transmit a pre-closing adjusted trial balance(s) (ATB) at the Treasury appropriation/fund group level, using the U.S. Government Standard General Ledger (SGL) accounts. Agencies must also electronically transmit the NOTES report(s). The pre-closing ATB should include balances for all revenues earned and all expenses incurred during the reporting period.

The preparation and submission of timely and reliable ATBs that fully disclose the financial results of all programs and activities and the consolidation of this information are the responsibilities of the head the Department of Defense and each Federal agency. Amounts should be reported in whole dollars. Amounts from 1 to 49 cents should be rounded down to the nearest dollar and amounts of 50 to 99 should be rounded up to the next dollar.

This chapter will be revised with the next issue of this publication. Additional information on FACTS is contained in Treasury Financial Manual, Volume 1, Transmittal Letter No. 559.

0509 CIVIL MONETARY PENALTY REPORT

The Federal Civil Penalties Inflation Adjustment Act of 1990, Public Law 101-104, established annual reporting requirements for civil monetary penalties (CMPs) assessed and collected by Federal agencies. Additionally, agencies are required to submit a separate report every 5 years identifying all applicable penalties and providing inflation adjustments for those that have not been adjusted by law in the last 5 years. CMPs include any non-criminal penalty, fine, or other sanction for which a given dollar amount (or maximum amount) is specified by Federal law, and which is assessed or enforced by an agency as a result of an administrative proceeding or civil action in the Federal courts.

The CPM information is due to Defense Finance and Accounting Service Headquarters by November 1st of each fiscal year for preceding fiscal year. The information should be sent to the General Accounting Deputate, Financial Statements Directorate.

<u>REPORTING ENTITIES MATRIX</u>				
	ARMY	NAVY	USAF	DFAS
<u>TYPE 1 - REVOLVING FUNDS (SEPARATE STATEMENTS FOR EACH FUND)</u>				
Defense Production Guarantees	X	X	X	X
Defense Business Operations Fund				X
Defense Homeowners' Assistance Fund	X			
WHS Building Management Revolving Fund				X
Special Defense Acquisition Fund				X 1/
Conventional Ammunition Working Capital Fund	X			
National Defense Stockpile Transaction Fund				X
Pentagon Reservation Maintenance Revolving Fund				X
Emergency Response Fund	X			X
<u>TYPE 2 - TRUST REVOLVING FUNDS (SEPARATE STATEMENTS FOR EACH FUND)</u>				
Surcharge Collections, Commissary Stores				X
Midshipmen's Store		X		
Air Force Cadet Fund			X	
<u>TYPE 3 - TRUST FUNDS (SEPARATE STATEMENTS)</u>				

REPORTING ENTITIES MATRIX				
	ARMY	NAVY	USAF	DFAS
Defense Military Retirement Fund				X
Advances, Foreign Military Sales, Executive				X <u>1/</u>
TYPE 4 - OTHER TRUST FUNDS (CONSOLIDATED REPORT)				
Education Benefit Fund				X
Foreign National Employees Separation Pay Account				X
Officer of Naval Records & History Fund		X		
General Gift Fund	X	X	X	
Ships' Stores Profits, Navy		X		
U.S. Naval Academy Museum Fund		X		
U.S. Naval Academy General Gift Fund		X		
Bequest of Major General Fred C. Ainsworth	X			
Voluntary Separation Incentive Trust Fund		X		
National Security Education Trust Fund		X		
TYPE 5 - SPECIAL, DEPOSIT AND GENERAL FUNDS (CONSOLIDATED FUNDS)				
All Special Funds	X		X	
All Deposit Funds	X	X	X	X
All General Funds	X	X	X	X <u>2/</u>
TYPE 6 - CONSOLIDATED (ONE EACH ENTITY)	X	X	X	X

1/ DSAA only

2/ DSAA only for MAP & IMET

TABLE 5-2

ADDENDUM
ADDITIONAL REPORTING AND DISTRIBUTION INSTRUCTIONS

1. Fund Types. Table 5-2 identifies the DoD reporting entities and the specific reporting packages required. Annually, DoD Components shall prepare a separate SF 220 with supporting reports for the fund types listed below. In addition, an SF 221, 222, and 223 shall be prepared for type 1 and type 2 funds. The fund types and reporting packages are as follows:

- Type 1: Each revolving fund
- Type 2: Each trust revolving fund
- Type 3: Each of the applicable major trust funds
- Type 4: All other trust funds
- Type 5: All other activity combined
- Type 6: Consolidated report

NOTE: SF 220-1, 220-8 and 220-9 shall not be submitted for fund type 6 reports.

2. Report Distribution. Reports shall be distributed by the departmental-level accounting entities as follows:

- a. Original reports shall be submitted to:

Department of the Treasury
Financial Management Service
Financial Reports Branch
Liberty Center
Attn: GAO Bldg, Rm 3021
Washington, D.C. 20227

- b. One copy of each annual and quarterly report shall be submitted to:

Directorate for Program and Financial Control, ODC(P/B)
Office of the Under Secretary of Defense (Comptroller)
The Pentagon, Room 3B872
Washington, D.C. 20301-1100

Defense Finance and Accounting Service
ATTN: Deputy Director for General Accounting
Arlington, VA 22240-5291

- c. One copy of the Services SF220 and SF221 for Business Operations Fund, and one copy of the SF220-8 and SF220-9 shall be submitted to:

Defense Finance and Accounting Service
ATTN: Deputy Director for Business Funds
Arlington, VA 22240-5291

CHAPTER 6

(RESERVED FOR FUTURE USE)

CHAPTER 7

FOREIGN CURRENCY REPORTS0701 GENERAL

070101 Purpose. This chapter establishes reporting requirements for tracking all transactions that increase or decrease the foreign currency fluctuations accounts. It provides guidance to DoD Components on the recording of obligations for expenses payable in certain foreign currencies.

070102 Overview

A. The provisions of this chapter apply to all DoD Components unless specific exceptions have been granted in writing by the Under Secretary of Defense (Comptroller) (USD(C)).

B. The reports discussed in this chapter are as follows:

1. DD-COMP(M)1506
Foreign Currency Fluctuations, Defense.
2. DD-COMP(M)1761
Foreign Currency Fluctuations, Construction, Defense

070103 Foreign Currency Fluctuation, Operation and Maintenance

A. Beginning in Fiscal Year 1979, the Congress authorized the transfer of funds to Department of Defense operating appropriations to cover significant losses from foreign exchange rate fluctuations. Significant net gains from foreign currency exchange rate fluctuations must also be transferred to this new account. The operations and maintenance appropriations are the only appropriations affected. The purpose of the new appropriation is to alleviate the adverse effect of significant fluctuations in the specified currency exchange rates on authorized DoD programs subsequent to September 30, 1978. The title of the appropriation is the "Foreign Currency Fluctuations, Defense Appropriation (FCF,D)," Symbol 97X0801.

B. The OUSD(C) will manage the appropriation for Foreign Currency Fluctuations, Defense (FCF,D). Amounts will be transferred by OUSD(C) to the operating appropriations by means of a Nonexpenditure Transfer Authorization (SF 1151). These transferred funds will be available only for funding a centrally managed allotment (CMA) that each Component's operating appropriation has established to cover net losses in direct programs due to unfavorable fluctuations in foreign exchange rates in the selected currencies. These transfers may not fully fund such losses, but will be based on need, on the funds available to cover such losses DoD-wide, and on other budgetary considerations.

C. Since the FCF,D appropriation is only available to fund net losses, gains and losses will be accumulated in the CMA in each affected operating appropriation, and if a net gain results, the balance must be returned to FCF,D prior to the funds lapsing. Prior to passage of the 1979 appropriation act, the CMA had to be funded entirely by the operating appropriation. However, now that the appropriation is available, prompt action will be taken to provide funding based on justified requests received by USD(C).

D. The following statutes provide authority for the FCF,D appropriation:

1. Public Law 96-38, "Supplemental Appropriation, 1979" allows previously transferred FCF,D funds to be transferred back to the FCF,D appropriation from the appropriation to which they were transferred if the funds are not needed to finance increased obligations due to fluctuations in currency exchange rates because of subsequent favorable fluctuations in currency exchange rates or because other funds are, or become, available to finance these cost increases.

2. Section 767A of Public Law 96-527, "DoD Appropriations Act, 1981,"

prohibits the transfer of funds from the FCF,D appropriation to Military Personnel appropriations for obligations incurred after September 30, 1980.

3. Section 791 of Public Law 97-377, "DoD Appropriations Act, 1983," permits FY 1982 and subsequent O&M unobligated balances to be transferred to the FCF,D appropriation provided the transfers are made prior to the funds lapsing. The general provision limits the use of this authority so that the amount in the FCF,D appropriation does not exceed \$970.0 million at the time the unobligated balance transfer is made.

4. Section 774 of Public Law 98-212, "DoD Appropriations Act, 1984," requires that for FY 1984 and all subsequent fiscal years for the FCF,D appropriation the foreign currency exchange rates in preparing the budget submissions shall be the foreign currency exchange rates as adjusted or modified by the congressional committee reports.

5. Section 9092 of Public Law 99-591, "DoD Appropriations Act, 1987," allows the Department to transfer unobligated FY 1983 Procurement funds, except for Shipbuilding and Conversion, Navy funds, to the FCF,D appropriation provided that the transfers are made by September 30, 1987 and provided that at the time the transfer is made using this authority, the balance in the FCF,D appropriation does not exceed \$970.0 million.

070104 Foreign Currency Fluctuation, Military Construction, Family Housing and NATO Infrastructure

A. Beginning in Fiscal Year 1987, Congress established a foreign currency fluctuation account to protect DoD Military Construction, Family Housing and North Atlantic Treaty Organization infrastructure programs from substantial gains or losses resulting from foreign currency fluctuations. The title of this appropriation is the "Foreign Currency Fluctuation, Construction, Defense Appropriation (FCF,C,D)," Symbol 97X0803.

B. The OUSD(C) will centrally administer the FCF,C,D appropriation. Initial capitalization for the account is to be accomplished by transferring unobligated balances from the family housing and military construction appropriations to the FCF,C,D account. Unobligated balances may be transferred up to 5 fiscal years after they have expired for original obligation purposes. The capitalized amount is available for obligation or expenditure during FY 1987, or thereafter, for military construction, expenses of family housing, or NATO Infrastructure programs for the Military Departments and Defense Agencies resulting from foreign currency fluctuations. Military Departments should retain sufficient balances in each account as required to cover contingencies.

C. All amounts to be transferred from this appropriation to other appropriations available for construction will require the specific approval of the USD(C). Upon determination of amounts to be transferred from the FCF,C,D accounts, the OUSD(C) will request the DFAS Indianapolis Center to initiate action for transfer of funds to applicable appropriations by means of Nonexpenditure Transfer Authorization (SF 1151).

070105 Definitions

A. Foreign Currency Unliquidated or Liquidated Obligations. These are obligations payable either in a specified foreign currency or in U.S. dollars, the amount of which is determined by the budget rate in effect at the time of the transaction.

B. Accrued Variance. The accrued variance is the difference between unliquidated obligations at the budget rate and the current foreign currency exchange rate.

C. Realized Variance. The realized variance is the difference between liquidated obligations at the budget rate and the foreign currency exchange rate at the time of payment. The variance is equal to the amount disbursed from the applicable centrally managed allotments.

070106 Standards

A. The foreign currency fluctuation legislation limits the use of funds provided the two appropriations (FCF,D and FCF,C,D) solely to losses sustained owing to unfavorable foreign currency fluctuations. The appropriations are not available to finance cost increases resulting from changes in the scope of programs, inflation increases, or other such changes. Other important features of the foreign currency fluctuations appropriations language are the following provisions relating to obligation/expenditure limitations and financial accounting procedures, relative to foreign currency exchange fluctuations:

1. Authorizations or limitations now or hereafter contained within appropriations or other provisions of law limiting the amounts that may be obligated or expended are hereby increased to the extent necessary to reflect fluctuations in foreign currency exchange rates from those used in preparing the applicable budget submission.

2. Contracts or other obligations entered into payable in foreign currencies may be recorded as obligations based on currency exchange rates used in preparing budget submissions, as amended by the Congress, and adjustments to reflect fluctuations in such rates shall be recorded as disbursements are made.

B. Funds transferred from the foreign currency fluctuation appropriations will be available only for funding centrally managed allotments (CMAs) that are to be established in the applicable operations and maintenance, construction, family housing, or NATO Infrastructure appropriations to cover losses/gains in direct programs due to fluctuations in foreign exchange rates.

C. DoD Components shall record foreign currency obligations at the installation level in dollars at the budgeted rate or at the congressionally established budget exchange rate for direct programs of affected appropriations as reflected in applicable committee reports or the appropriate appropriation acts. These rates shall be provided to the DoD Components by the

OUSD(C). Foreign currency obligations are those obligations that are either payable in specified foreign currency or payable in dollars, the amount of which is determined by the rate of exchange. When payment is made, the disbursing officer will charge the variance between the budget rate and the current rate directly to the applicable CMA. Other obligation adjustments, such as a change in scope of the contract, will necessitate an adjustment, at the budget rate, in the obligation on the installation's books prior to any adjustment for the currency rate variance.

D. The Component's central accounting activity will determine the total foreign currency unliquidated obligations at the budget exchange rate for each appropriation. An "accrued variance," will be determined at the end of each month based on the difference between unliquidated obligations at the budget rate and unliquidated obligations at the current rate, using the exchange rate on the last day of the month. The accrued variance will never be obligated in the official accounting documents. The exchange rate will be provided by the OUSD(C). Appropriate favorable variances must be identified and accumulated as well as unfavorable variances.

E. It is the responsibility of the component holding the CMA to establish controls and carefully monitor fund availability at all times. Antideficiency Act provisions will apply to each CMA. Controls established must ensure that a sufficient amount of funds within the appropriation's availability are reserved for the CMA to finance projected disbursement requirements. For family housing and construction, this is recommended to be a six month requirement. Should CMA funding availability drop below this level, immediate action must be taken to avoid overobligation. Such action shall include providing additional funds from current accounts and, if necessary, advising all disbursing officers to cease payments from the CMA without prior certification until funding is obtained. In no case should any action be taken which presumes relief through a transfer of funds from the foreign currency fluctuations appropriations,

owing to the limited capitalization available in these accounts.

F. Currently, there are 14 specified currencies included in the foreign currency fluctuation program. Additional currencies may be added and some deleted by the OUSD(C) as conditions warrant. Specific currencies and exchange rates are published by OUSD(C).

070107 General Reporting Guidance

A. Other than including the variance between the budget rate and current foreign currency exchange rate in the month end accrual at the Component headquarters, as described in subsection 070106.D., above, no further adjustment is necessary until disbursement is made or until the appropriation lapses.

B. Only direct programs are affected by this procedure. The performing activity shall continue to accept reimbursable orders, incur obligations and bill for reimbursement at the current foreign currency exchange rate using the procedures prescribed in Volume 3, chapters 9 and 16, and Volume 11A, Chapter 1 of this Regulation. However, when the performing activity and the benefiting activity are within DoD, the performing activity shall notify the benefiting activity of the amounts obligated that are to be paid in foreign currency. The benefiting activity shall record that portion of its obligation for direct programs at the budget rate in the manner prescribed in subparagraph 070106.C., above. The variance for the unliquidated obligation and disbursement shall be recorded in the CMA at the headquarters level of the benefiting activity.

C. Normal operating budgets or other funding documents issued for the affected appropriations by DoD Components shall not be adjusted for foreign currency exchange rate fluctuations.

D. Prior to the close of the books at year-end, each Component shall review the status of its CMA. Net gains in a CMA will be promptly transferred back to the applicable Foreign Currency Fluctuations appropriation. Components shall also determine the portion of

the losses that can be absorbed by the CMA and transfer back to the appropriation account any balances that are not required.

0702 REPORTING PROCEDURES

070201 Transfers Made to and from the Foreign Currency Fluctuations, Defense Appropriation Report

DFAS is responsible for providing to the House and Senate Appropriations Committees the annual report on all transfers made to or from the Foreign Currency Fluctuations, Defense Appropriations.

070202 Foreign Currency Fluctuations, Defense (DD-Comp(M)1506)

A. The DFAS is responsible for providing the consolidated monthly DD-Comp(M)1506 report to OUSD(C)P/B.

B. Each DoD Component participating in the program shall submit a monthly report to the DFAS using the format in figure 7-1.

C. The report is due no later than 22 work days after the end of each month.

D. The report shall include the following:

1. Column 1 - Country. The specified countries shall be listed alphabetically.

2. Column 2 - Monetary Unit. Enter the monetary unit of the country.

3. Column 3 - Foreign Currency Unliquidated Obligations. Enter the dollar amount of unliquidated obligations at the budget rate. This is derived by taking the obligations incurred at the budget rate less the disbursements at the budget rate.

4. Column 4 - Accrued Variance. Enter the accrued variance for the unliquidated obligations in column 3. Note: This amount may change from month to month as the current foreign currency exchange rate changes and/or

as the amount of unliquidated obligations changes.

5. Column 5 - Realized Variance.

Enter the actual dollar amount of the variance resulting from liquidated obligations to date. This amount represents the variance (difference) between obligations at the budget rate and the amount actually disbursed.

6. Column 6 - Foreign Currency Obligations Incurred. Enter the dollar amount of total obligations incurred to date at the budget rate. This will be based on actual accounting data of obligations incurred at the budget rate. It will not be a derived number.

7. Column 7 - Planned Overseas Program. The planned overseas program for execution at the budget rate should agree with the current year (CY) column of the PB-18 exhibit, required by Volume 2B, Chapter 19, of this Regulation, supporting the budget year's President's budget request. Any increases/decreases to the planned overseas program during the execution of the CY must be explained by country in the monthly report.

E. The report also shall include footnotes showing:

1. The total funding provided to the centrally managed allotment by source.

a. Transfers from the FCF,D appropriation

b. Transfers from the Component's O&M availability

c. Total CMA funding

2. The anticipated gains or losses for the remainder of the fiscal year. The anticipated gains or losses on projected disbursements to the end of the year shall be estimated by computing the variance that would occur if the current foreign currency exchange rates were to remain in effect during the remainder of the year.

3. Transfers to FCF,D due to Favorable Realized Variances.

4. Projected Liquidations (budget rate) for the FY. Provide an estimate of the obligations (budget rate) that will be disbursed during the FY.

5. Explanation of deviations from planned overseas program by country is required when significant variances from the "obligations incurred" column exist. This explanation can occur any time prior to the lapsing of funds.

F. Based on the reports received, DFAS shall prepare a monthly consolidated report for the OUSD(C), Office of the Deputy Comptroller (Program/Budget) (ODC (P/B)), ATTN: Directorate for Operations. The Reports Control Number under which this report is to be made is RCS DD-COMP(M)1506.

070203 Foreign Currency Fluctuations, Construction, Defense Appropriation Report.

DFAS is responsible for providing to the House and Senate Appropriations Committees the semi-annual report on the Foreign Currency Fluctuations, Construction, Defense Appropriations.

070204 Foreign Currency Fluctuations, Construction, Defense (DD-Comp(M) 1761)

A. The DFAS is responsible for providing the consolidated monthly DD-Comp(M)1761 report to OUSD(C)P/B.

B. DoD Components shall prepare monthly reports on Foreign Currency Fluctuations, Construction, Defense, appropriations obligations using the format in Figure 7-2.

C. The report is due no later than 22 work days after the end of each month.

D. The report shall include the following:

1. Column 1 - Country. The specified country shall be listed alphabetically.

2. Column 2 - Monetary Unit. Enter the monetary unit of the country.

3. Column 3 - Foreign Currency Unliquidated Obligations. Enter the dollar amount of unliquidated obligations at the budget rate. Report unliquidated obligations by fiscal year.

4. Column 4 - Accrued Variance. Enter the accrued variance for the unliquidated obligations in column 3. Note: This amount may change from month to month as the current foreign currency exchange rate changes. Report accrued variances by fiscal year.

5. Column 5 - Foreign Currency Liquidated Obligations. Enter the dollar amount of total obligations liquidated for the report month at the budget rate.

6. Column 6 - Realized Variance. Enter the actual dollar amount of the variance resulting from liquidated obligations for the month. This amount represents the variance (difference) between obligations at the budget rate and the amount actually disbursed. All realized variances will be charged against the current year CMAs for construction, military family housing operations and maintenance and military family housing construction.

7. Column 7 - CMA Projected Six Month Disbursements. Enter the projected 6-month disbursements from the centrally managed allotment based on historical outlay data, contract requirements, and payment schedules.

E. The report also shall include footnotes showing:

1. The anticipated gains or losses for the rest of the fiscal year (estimate this by computing the variance that would occur if the present currency exchange rates were to remain unchanged during the remainder of the fiscal year).

2. The total funding provided to the Centrally Managed Allotments from the FCF,C,D appropriation.

F. Based on the reports received, the DFAS shall prepare a monthly consolidated report for OUSD(C), ODC (P/B), ATTN: Directorate for Military Construction. The fiscal year reports submitted by DoD Components shall be used by DFAS as the basis for preparing and submitting the required biannual and annual reports to the Congress. The Reports Control Number under which this report is to be made is RCS DD-COMP(M)1761.

<u>FOREIGN CURRENCY FLUCTUATIONS, DEFENSE REPORT</u> <u>FOR (Component and Appropriation)</u> <u>AS OF: (date) (YYMMDD)</u> <u>DD-COMP(M)1506</u>						
Country (List Alphabetically)	Monetary Unit	Foreign Currency Unliquidated Obligations (Budget Rate)	Accrued Variance	Realized Variance	Obligations Incurred (Budget Rate)	Planned Overseas Program (Budget Rate)
<u>FOOTNOTES:</u> (1) CMA Funding Transfers from FCF,D _____ Transfers from O&M _____ Total _____ (2) Anticipated Gains/Losses (3) Transfers to FCF,D (Favorable Fluctuations) (4) Projected Liquidations (Budget Rate) (5) Explanation of Deviation From Plan						

FIGURE 7-1

<u>FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION, DEFENSE REPORT</u> <u>FOR (Component and Appropriation)</u> <u>AS OF: (date) (YYMMDD)</u> <u>DD-COMP(M)1761</u>						
Country (List Alphabetically)	Monetary Unit	Foreign Currency Unliquidated Obligations (Budget Rate)	Accrued Variance	Foreign Currency Liquidated Obligations (Budget Rate)	Realized Variance	CMA Projected Six Month Disbursements
<u>FOOTNOTES:</u> (1) Anticipated Gains/Losses remainder of year (2) Total funding provided from FCF,C,D						

FIGURE 7-2

CHAPTER 8

SPECIAL REPORTS0801 CASH FLOW REPORT

080101 Purpose. The Cash Flow Report is the result of conducting periodic cash management reviews as required by the Deficit Reduction Act of 1984. The review is conducted to identify potential improvements in the Agency's cash management practices, with the general goal of accelerating the collection process, the proper timing of disbursements, and the minimizing of cash balances held outside the U.S. Treasury. The cash management review shall:

A. Determine if the DoD Component is appropriately billing, collecting, depositing, disbursing, and holding funds in compliance with I TFM 5-2000, I TFM 6-2000, and I TFM 6-8000.

B. Document DoD Component cash flows to include collections, disbursements, and cash holdings.

C. Determine if an opportunity exists to implement a better mechanism or process, upgrade an existing mechanism or process, or adopt changing technology.

080102 Applicability and Scope. The provisions of this section apply to all DoD Components. Comprehensive cash management (flow) reviews shall be conducted every 5 years. The DoD Components shall complete the cash flow reviews over a 2-year period. During interim years between cash flow reviews, each DoD Component shall certify annually that its cash management practices are in compliance with appropriate standards for its collection and disbursement cash flows and imprest funds.

A. The Military Services and Defense Agencies shall review and document incoming (collection) and outgoing (disbursement) cash flows that exceed an aggregate of \$1 million per annum, and imprest funds. Before the start of the reviews, DoD Components shall prepare implementation plans which stratify by

milestones and dates the cash flows that shall be reviewed. These plans are subject to approval by the Defense Finance and Accounting Service (DFAS).

B. Cash flows, common to the DoD Components are described at paragraphs 080106 and 080107, below and, as a minimum, shall be reviewed as appropriately meet the threshold level.

C. Use of existing systems is encouraged to monitor cash flows for subsequent year reviews. Failure to perform a cash management review or implement initiatives timely without adequate reason may result in assessment by the Treasury Department of charges for noncompliance in the amount of savings which would have otherwise been realized. Further information on the assessment of charges and appeal procedures are in I TFM 6-8080. The Treasury Department may elect to identify cash management initiatives with corresponding implementation dates based on available information. The DoD Component will be responsible for reporting on such initiatives.

080103 Report Format

A. Cash Flow Reports shall be prepared, as prescribed in paragraph 080105, below, in the format illustrated as figure 8-1.

B. Cash Management Agency Certifications (Certifications) shall be prepared, as prescribed in paragraph 080105, below, in the format illustrated as figure 8-2.

080104 Frequency and Distribution

A. Cash Flow Reports and implementation plans, as required by paragraph 080102, above, shall be submitted by the DoD Components as follows:

1. The Military Departments, shall submit implementation plans to be received by

DFAS by August 15 in the FY preceding the start of the 2-year cash flow review cycle. As cash flows are documented, they shall be submitted to DFAS in accordance with the dates established by the implementation plan.

2. Defense Agencies and DoD Field Activities shall submit implementation plans to be received by the DFAS by August 5 in the FY preceding the start of the 2-year cash flow review cycle. As cash flows are documented, they shall be submitted to the DFAS in accordance with the dates established by the implementation plan.

B. DoD Component cash flow implementation plans shall be approved by the DFAS and consolidated for transmittal to the Treasury Department, by September 1, in the FY preceding the start of the 2-year cash flow review cycle. Cash Flow Reports shall be approved and submitted to Treasury by the DFAS in accordance with the agreed upon implementation schedule for each flow.

C. Cash Management Agency Certifications, as required by paragraph 080105, above, shall be submitted by the DoD Components as follows:

1. The Military Departments shall submit Cash Management Certifications to be received by the DFAS by August 31 during each FY in which a cash flow review is not required.

2. Defense Agencies and DoD Field Activities shall submit Cash Management Certifications, as appropriate, to be received by the DFAS, by August 20 in the FYs in which a cash flow review is not completed.

D. The results of DoD Component Cash Management Certifications shall be approved and consolidated by the DFAS for transmittal, by September 15 each year, to the Treasury Department.

080105 Preparation Instructions

A. A Cash Flow Report must be accomplished for each individual cash flow that meets the criteria of paragraph 080102, above. Minimum review requirements, described at paragraph 080106 and 080107, below, have been prepared to assist DoD Components in preparing their cash flow reports.

B. Cash flow identification numbers shall be assigned by the DoD Component as prescribed by the following criteria:

1. Army

Receipt	DA 1001 - 1999
Disbursement	DA 2001 - 2999

2. Air Force

Receipt	DF 1001 - 1999
Disbursement	DF 2001 - 2999

3. Navy

Receipt	DN 1001 - 1999
Disbursement	DN 2001 - 2999

4. Defense Agencies and OSD

Field Activities

Receipt	D 1001 - 1999
Disbursement	D 2001 - 2999

DB - DMA
 DH - DNA
 DR - DCAA
 DZ - DODDS
 DJ - CJCS
 DS - DLA
 DO - OCHAMPUSDK - DCA
 DT - DSAA
 DD - OSD and WHS
 DL - DIA
 DV - DIS
 DE - ARPADM - USMC
 DW - USUHS
 DG - NSA
 DQ - DLSA
 DX - DODIG

080106 Minimum Receipt and/or Collection Cash Flow Review Requirements:

A. Individuals

1. Collections from Military Personnel

a. Refund of Pay and Allotments. Refunds from military personnel for overpayments of pay or allotments.

b. Transportation. Collections from military personnel related to "space available" military airlift command flights.

c. Veterans Education Assistance Program. Contributions from service members towards education benefits.

d. Debt. Collections on outstanding military debt.

e. Servicemen Group Life Insurance Premiums (SGLI). Payments received for SGLI premiums.

f. Other Overpayments. Collections for other overpayments.

g. Tuition Reimbursement. Repayment of tuition fees by military personnel who dropped a college course paid for by the Government.

h. Commissary. Receipts of daily deposits from service commissaries.

i. Service Academies. Collections from the operation of stores at the respective service academies.

2. Collections from Civilian Personnel

a. Refund of Pay and Allotments. All collections from civilian personnel for the maintenance of health and life insurance benefits, jury duty pay, returned checks for duplicate payments, overpayments, or withdrawn Civil Service Retirement Funds.

b. Debt. Collections from repayment of outstanding civilian debt.

3. Collections from Military or Civilian Personnel

a. Excess Shipping Allowance. Refunds from military and civilian personnel who shipped more weight than authorized by the Joint Federal Travel Regulation or the Joint Travel Regulation.

b. Government Property Lost or Damaged. Collections from military and civilian personnel for Government-owned items that were lost or damaged.

c. Hospital and/or Medical. Collections made at service hospitals, clinics, and medical facilities.

d. Dining Facilities. Collections made at dining and mess facilities for meals served to military and civilian personnel.

e. Travel Advance Overpayments. Repayment of retained advances for travel.

f. Judge Advocate General (JAG) Claims. Claims processed through the JAG office from individuals for recovery of disputed medical charges, traffic fines on installations, and other amounts.

g. Other. Other collections from military and/or civilian personnel, that do not fit into the above categories and cannot be allocated separately to collections from either military or civilian personnel.

4. Collections from Individuals Outside of Government

a. Refund of Pay and Allotments - Retired. Refunds collected from retirees for overpayments of pay and allotments.

b. Out-of-Service Debt. Collections of outstanding debts by former Service members.

c. Retired Debt. Collections of outstanding debts by retired Service members.

d. Tuition Payments. Collections of tuition from U.S. citizens, or other students (not employed by Department of Defense) attending DoD-operated schools.

e. Survivor Benefit Plan and Retired Servicemen Family Protection Plan. Collections from the Survivor Benefit Program, the Retired Servicemen Family Protection Plan, and/or other similar type plans.

B. Business

1. Transportation Request Refunds. Collections from carriers for unused airline tickets; or refunds arising from a difference between the ticket cost at the time of payment and the cost when the travel was completed.

2. Loss and Damage Refunds. Payment received from commercial carriers for settlement of claims for loss or damage of government shipments.

3. JAG Claims. Recoveries processed through the JAG office from carriers for goods damaged during shipments.

4. Bill of Lading Refund - Reweigh. Remittances from carriers for shipping weight variances and reweighs.

5. Duplicate Pay Refunds. Collections from companies for duplicate payments.

6. Coupon Reimbursement. Collections from contractors used as clearinghouses to process manufacturer's coupons accepted at commissaries.

7. Contractor Refunds, Debt and/or Default. Repayments by contractors for incorrect charges and overpayments due to contract modifications or final audits, collections from contractors on debt outstanding, and/or receipts from claims against contractors for damages and defaults on contracts.

8. Sales and Services. Collections exclusively from business entities for sales and services performed and provided by a Government activity, or a byproduct of such activity, including, but not limited to, items such as plans, specifications, parts, materials, and airlift services.

C. Other: Individuals and/or Business and/or Government

1. Rent and/or Lease and/or Utilities. Collections received from the use and tenancy of government property, both real and personal, including land, buildings, housing facilities, and equipment; and from the provision of utility services by the government to non-government activities such as banks, restaurants, and contractor offices.

2. NSF Checks. Collections from nonsufficient funds checks and canceled checks.

3. Freedom of Information Act (FOIA) (reference (cc)). Receipts from fees and other charges for services under the FOIA.

4. Disposal. Sale of obsolete and surplus Government property and equipment.

5. Reimbursable Orders. Receipts for services and work performed for other Federal agencies, state or local governments, and nonappropriated fund instrumentalities.

6. Tax Refunds. Receipts from State and local governments for taxes incurred in government purchases for which the Federal Government is not liable.

7. Interest Receipts. Interest collected on loans, investments, and other equities, in addition to interest collected on advances, deposits, duplicate payments, and default claims.

8. Foreign Currency. Funds received for foreign currency conversion and gains made on foreign currency exchange.

9. Sales. Proceeds from the sale of any article or commodity produced by, or that

results from, the effort of a government activity, or the byproduct of any activity, as well as the proceeds from services performed by such activities. Excludes foreign military sales.

10. Foreign Military Sales. Proceeds from foreign military sales.

11. Miscellaneous. Other receipts and collections which do not fit into any of the categories and cannot be allocated separately to individuals or companies.

080107 Minimum Disbursement Cash Flow Review Requirements:

A. Individuals

1. Disbursements to Military Personnel

a. Net Pay. Net pay disbursed to Active Duty, Reserve, or National Guard personnel.

b. Military Pay - Casual. Casual and advance payments made to Active Duty, Reserve, or National Guard personnel.

c. Military Pay Allotment. Disbursements made to active duty military personnel for insurance, dependents, savings, loans, or mortgages.

d. Permanent Change of Station (PCS) Travel. Payments made to military personnel when they are making a PCS move (advances and settlements).

e. Miscellaneous Pay. Disbursements for separation payments, replacement payments, and nonpayroll payments.

2. Disbursements to Civilian Personnel

a. Civilian Payroll. All pay disbursed to civilian personnel.

b. Civilian Allotment. Disbursements made for insurance, dependents, savings, loans, or mortgages.

c. Change of Station. Payments made to civilian employees who are making a PCS move (advances and settlements).

3. Disbursements to Military or Civilian Personnel

a. Travel Advance. Payments made to both military and civilian personnel performing travel.

b. Travel Payments. Payments for accrued per diem and full reimbursement for travel.

c. Other Advances. Other advances that are issued to personnel, both military and civilian, that are not categorized elsewhere.

d. Payroll Taxes. Tax payments made to the Federal, State, and local government taxing authorities.

e. Stipends. Payments made to students attending DoD-operated schools.

4. Disbursements to Individuals Outside of Government

a. Military Net Pay - Retired. Military pay disbursed to retirees.

b. Monthly Allotment - Retired. Disbursements made to retirees for insurance, dependents, home mortgages, garnishments, loans, or savings.

c. Travel Settlements. Disbursements made to retirees for travel claims and unsettled travel claims.

d. Miscellaneous. Other disbursements which do not fit into any of the categories and cannot be allocated separately.

B. Business1. PPA Vendor Payments.

Disbursements, covered under the Prompt Payment Act, made to vendors in fulfillment of contracts with commercial freight and passenger carriers for transportation charges and utility services.

2. Other Vendor Payments.

Disbursements made to vendors with contracts for financing arrangements or contracts with advance or partial payments, and disbursements made to contractors for overhead and interim fees and costs.

C. Other: Individuals and/or Business and/or Government

1. Payments made for the purchase of foreign currency.

2. Payments made to other Government Agencies.

3. Payments that do not fit into any of the specified categories and which cannot be allocated separately to either individuals or business.

080108 Minimum Imprest Fund Cash Flow Review Requirements: Reviews of imprest funds must be accomplished during the two-year cash flow review process to determine compliance with cash holding authority.

080109 Review Closeout. Treasury Department recommendations from the Cash Flow Review shall be discussed during a DoD closeout meeting. The recommendations that are agreed to by the Treasury Department and the DoD Component shall be summarized in writing. This correspondence shall be sent by the Treasury Department to the DFAS. These recommendations shall be transmitted by the DFAS to the respective DoD Components. Within 60 days, DoD Components shall respond to DFAS with:

A. Cash management initiatives for those Treasury Department recommendations with which DoD concurs. These initiatives shall

include documented cash flows, estimated savings, and implementation milestones. They shall be completed in accordance with paragraph 080204 below. Initiatives shall be reported as part of the Department's annual Cash Management Plan.

B. Reasons why the recommendations are not feasible, or suggestions for alternative changes. The DFAS shall provide the Treasury Department with the DoD response.

0802 CASH MANAGEMENT INITIATIVE REPORT

080201 Purpose. Each DoD Component is responsible for continually reviewing its operations and ensuring that effective cash management practices are in place, and initiating new action items when the need for improvement is indicated. The Treasury Department has developed and implemented a tracking system for all cash management initiatives. The system is used to monitor progress toward initiative completion. Each initiative is assigned milestone completion dates. Progress is reported quarterly to the Treasury Department. The Cash Management Initiative Report identifies new initiatives, reports progress on current initiatives and provides input for the annual Cash Management Plan. Specifically, there are three types of Cash Management Initiative Reports:

A. New Initiative Request. To request approval of a new initiative identified either separately through normal operations or through performance of the Cash Flow Review/Certification process.

B. Quarterly Initiative Status Report. To report on:

1. Interim Actions and/or Changes. To report completion of interim action milestones or changes in the scope, estimated cash flow, estimated savings, and estimated completion date of an initiative.

2. Initiative Completion. To report completion of an initiative.

3. Cash Flow and Savings Results.

To report the actual cash flow and savings results for the quarter.

C. Annual Cash Management Plan. To update all initiatives for the following fiscal year by providing the expected cash flow and savings goals by quarter, to report changes in the scope, interim milestones, and estimated completion dates of incomplete initiatives; and to request approval for new initiatives.

080202 Applicability. This section applies to all DoD Components.

080203 Frequency and Distribution.

A. Cash Management Initiative Reports shall be submitted to the DFAS by the DoD Components at least 5 calendar days before the due dates below. The results of each DoD Component Cash Management Initiative Report shall be consolidated by the DFAS for transmittal to the Treasury Department.

B. The following reports shall be submitted in the frequency stated:

1. New Initiative Request.

Reports requesting approval of new initiatives shall be received during the update cycle for the following year's Cash Management Plan, normally by August 31 each year, or whenever a new initiative is deemed appropriate, either through the Cash Flow Review/Certification process or as circumstances dictate throughout the year.

2. Quarterly Initiative Status Report. Quarterly updating and reporting is required for all initiatives. Reports shall be received by the end of the month following the close of each fiscal quarter.

3. Annual Cash Management Plan. Reports citing the cash flows and savings goals of each initiative for the following fiscal year shall be received by the DFAS during the update cycle for the following year's Cash Management Plan, normally by August 31 each year.

080204 Preparation Instructions. The reporting format, as prescribed in figure 8-3, shall be prepared for the New Initiatives Report, the quarterly Cash Management Initiative Report and the annual Cash Management Plan.

A. Purpose of Report

1. New Initiative Request. Figure 8-3 report format shall be followed for the identification of new initiatives. Specific elements of the report include.

a. Type of Initiative. State whether the initiative is mechanized or other.

b. DoD Component. State the name of the DoD Component providing the report.

c. Def No. Leave this space blank for new initiatives. This number will be assigned by the DFAS.

d. Initiative Title. Provide the name of the cash management action.

e. Purpose of Report. Indicate that the submission is for a new initiative.

f. Description of Initiative. Describe the DoD Component improvement effort. Include a statement which contains a brief summary of the program, the cash management deficiency, the revised procedure, and the time phased steps necessary to correct the deficiency. State the related cash flow name and number, if applicable.

g. Current Status. This section shall be left blank for new initiatives.

h. Schedule of Tasks. State the major actions that must be completed, along with their estimated completion dates. Milestones should include the major decision points of effort, be few in number, but frequent enough to provide tracking of results. If initiative has been completed, provide a statement indicating this.

i. Reason for Variance Between Savings Goal and Actual. This section shall be left blank for new initiatives.

j. Project Officer. Provide the name and telephone number of the action officer assigned to the project. This individual should have a sound working knowledge of the initiative scope, current status of work effort, cash flows and interest saving calculations.

k. Completion Date. Provide the estimated completion date of the cash management improvement. Revisions to this date shall be justified.

l. Number of Benefit Days. State the number of benefit days that will be gained by the cash management improvement. The prescribed number of benefit days are provided in paragraph 080204.B below. Actual days may be used. However, the DoD Component shall submit an explanation justifying how actual days were computed.

m. Savings Goals. State, by quarter, the cash flow and interest savings to be achieved. Prior year experience should be used, if appropriate, to project realistic dollar flows and/or savings for each quarter.

n. Actual Cash Flow and Savings Results. This section shall be left blank for new initiatives.

o. Computation of Savings. The formulas and prescribed benefit days, as provided in paragraph 080204.B below, shall be used for interest savings calculations. If a cash management improvement is not covered by one of the established formulas, the DoD Component must provide an explanation of the calculation and a justification.

2. Quarterly Initiative Status Report. Figure 8-3 report format shall be followed for preparing quarterly reports. Specific items shall include:

a. Type of Initiative. State whether the initiative is mechanized or other.

b. DoD Component. State the name of the DoD Component providing the report.

c. Def No. Maintain the same assigned number for ongoing and completed initiatives. Leave this space blank for new initiatives. This number will be assigned by the DFAS.

d. Initiative Title. Provide the name of the cash management action.

e. Purpose of Report. Indicate whether the submission is for a new initiative or a quarterly status report on an ongoing or completed initiative.

f. Description of Initiative. Describe the DoD Component improvement effort. Include a statement which contains a brief summary of the program, the cash management deficiency, the revised procedure, and the time phased steps necessary to correct the deficiency. State the related cash flow name and number, if applicable.

g. Current Status. Provide a summary of efforts to date since the last reporting period. Efforts shall include a statement on the degree of success that was realized in implementing a specific improvement, what actions were taken, and what, if any, new initiatives were established in the process of implementation. This section will not be left blank. If an initiative was completed, then a statement will be provided on the result of the improvement. For example, if the initiative focuses on efforts to implement DD/EFT for military pay, then this section might state "The Army maintains a 98.3 percent participation rate for active duty officers. It now requires all new recruits to be paid by DD/EFT." This section shall be left blank for new initiatives.

h. Schedule of Tasks. State the major actions that must be completed, along with their estimated completion dates. Milestones should include the major decision points of effort, be few in number, but frequent enough to provide tracking of results. If

initiative has been completed, provide a statement indicating this.

i. Reason for Variance Between Savings Goal and Actual. Provide an explanation for all variances 10% above/below projected goals. This section shall be left blank for new initiatives.

j. Project Officer. Provide the name and telephone number of the action officer assigned to the project. This individual should have a sound working knowledge of the initiative scope, current status of work effort, cash flows and interest saving calculations.

k. Completion Date. Provide the estimated completion date of the cash management improvement. The actual completion date shall be entered for those initiatives completed within the reporting period. Where a planned completion date falls within the reporting period and the initiative has not been completed, that date shall be revised and an explanation given as to why the target date was not met.

l. Number of Benefit Days. State the number of benefit days that will be gained by the cash management improvement. The prescribed number of benefit days are provided in paragraph 080204.B below. Actual days may be used. However, the DoD Component shall submit an explanation justifying how actual days were computed.

m. Saving Goals. State, by quarter, the cash flow and interest savings to be achieved.

n. Actual Cash Flow and Savings Results. State, by quarter, the actual cash flow and interest savings achieved. This section shall be left blank for new initiatives.

o. Computation of Savings. The formulas and prescribed benefit days, as provided in paragraph 080204.B below, shall be used for interest savings calculations. If a cash management improvement is not covered by one of the established formulas, the DoD Component must provide an explanation of the calculation and a justification.

3. Annual Cash Management Plan. DoD Component submissions shall include: (1) all completed initiatives with estimated savings greater than \$5,000; (2) required initiatives in specified collection and disbursement areas as directed annually by DFAS; (3) recommendations made by Treasury, as contained in the Cash Management Agency Certification package, or justification provided otherwise, and (4) new initiatives as deemed appropriate, either through the Cash Flow Review process or as circumstances dictate throughout the year. Figure 8-3 report format shall be followed for preparing submissions for the Cash Management Plan. Specific items shall include:

a. Type of Initiative. State whether the initiative is mechanized or other.

b. DoD Component. State the name of the DoD Component providing the report.

c. Def No. Maintain the same assigned number for ongoing and completed initiatives. Leave this space blank for new initiatives. This number will be assigned by DFAS.

d. Initiative Title. Provide the name of the cash management action.

e. Purpose of Report. Indicate that the submission is for the Cash Management Plan.

f. Description of Initiative. Describe the DoD Component improvement effort. Include a statement which contains a brief summary of the program, the cash management deficiency, the revised procedure, and the time phased steps necessary to correct the deficiency. State the related cash flow name and number, if applicable.

g. Current Status. This section shall be left blank.

h. Schedule of Tasks. State the major actions that must be completed, along with their estimated completion dates.

Milestones should include the major decision points of effort, be few in number, but frequent enough to provide tracking of results. If initiative has been completed, provide a statement indicating this.

i. Reason for Variance Between Savings Goal and Actual. This section shall be left blank.

j. Project Officer. Provide the name and telephone number of the action officer assigned to the project. This individual should have a sound working knowledge of the initiative scope, current status of work effort, cash flows and interest saving calculations.

k. Completion Date. Provide the estimated or actual, as applicable, completion date of the cash management improvement. Revisions to this date, as specified from the last quarterly report, shall be justified.

l. Number of Benefit Days. State the number of benefit days that will be gained by the cash management improvement. The prescribed number of benefit days are provided in paragraph 080204.B below. Actual days may be used. However, the DoD Component shall submit an explanation justifying how actual days were computed.

m. Savings Goals. State, by quarter, the cash flow and interest savings to be achieved. Prior year experience should be used, if appropriate, to project realistic dollar flows and/or savings for each quarter.

n. Actual Cash Flow and Savings Results. This section shall be left blank.

o. Computation of Savings. The formulas and prescribed benefit days, as provided in paragraph 080204.B below, shall be used for interest savings calculations. If a cash management improvement is not covered by one of the established formulas, the DoD Component must provide an explanation of the calculation and a justification.

B. Type of Initiative

1. Mechanized Initiatives. This category encompasses those improvements that are measured by a standard formula in which benefit days are a factor. Interest savings are measured using benefit days (the average number of days by which a collection flow is accelerated or a disbursement flow is deferred). Examples of mechanized initiatives include: lockbox, wire collections and payments, Governmentwide credit or charge cards, and third party drafts.

a. Formulas. DoD Components shall use the following formulas to calculate savings:

$$\frac{\text{Annual Mechanism Flow}}{250 \text{ Business Days}} = \text{Daily Flow}$$

$$\text{Daily Flow} \times \text{Benefit Days} \times \text{Current Value of Funds Rate} = \text{Interest Savings}$$

$$\frac{\text{Interest Savings}}{360 \times 90} = \text{Quarterly Interest Savings}$$

b. Benefit Days. To report cash flows and savings, DoD Components shall use the following benefit days in their calculations unless supporting documentation is received showing actual computations of benefit days:

(1) Collections

a. Lockbox	3 days
b. Federal Deposit System	3.5 days
c. TGA and/or CCS	3 days
d. CCCN (Electronic Only)	1 day
e. ACH and/or PAD or CIE	3.3 days

(2) Disbursements

a. LOC and/or TFCS	4.7 days
b. American Express Cards (GCA)	45 days
c. American Express Government Travel Account (GTA)	30 days
d. Third Party Drafts	20 days

NOTE:

TGA = Treasury General Account
 CCS = Cash Concentration System
 CCCN = Credit Card Collection Network
 ACH = Automated Clearing House
 PAD = Pre Authorized Debit
 CIE = Customer Initiated Debit
 LOC = Letter of Credit
 TFCS = Treasury Financial Communications System

2. Other Initiatives. This category encompasses those improvements that are measured by a standard cost saving formula or a formula unique to the DoD Component. Interest savings are measured using a standard cost saving per item method or by formulas devised by a DoD Component and approved by DFAS. Where the following formulas are not used, DoD Components shall provide the calculations and the justifications used to determine cash flows and savings. Examples of other initiatives are direct deposit and/or electronic funds transfer (DD/EFT), automated clearing house (ACH) and/or vendor express, Governmentwide credit card for small purchases, and reductions in imprest funds.

3. Formulas. DoD Components shall use the following formulas to calculate savings, unless greater savings can be justified:

a. DD/EFT (Civilian).

(1) Number of DD/EFT salary payments in last pay period of quarter x 6.5 (pay periods) x \$1.10.

(2) Number of DD/EFT allotment payments in last pay period of quarter x 6.5 (pay periods) x \$.40.

b. DD/EFT (Military).

(1) Number of DD/EFT salary payments in last pay period of quarter x 6 (pay periods) x \$1.10

(2) Number of DD/EFT allotment payments in last pay period of quarter x 6 (pay periods) x \$.40

(3) Number of DD/EFT monthly pension payments in last month of quarter x 3 (pay periods) x \$.26.

c. Vendor Payments (ACH).

Number of vendor or miscellaneous ACH payments in quarter x \$.26.

d. Change in Cash Position

(CP). If the improvement is a one time change in the cash position of the Treasury (i.e., reduction in imprest funds, overseas custody accounts, grant advances/advance payments, and outstanding travel advances or improvement in billing procedures), then the following formula shall be used:

CP Improvement x Current Value of Funds Rate
 = Interest Savings

Interest Savings / 360 x 90
 = Quarterly Interest Savings

0803 PROMPT PAYMENT REPORT080301 Purpose and Report Control Number.

This section prescribes quarterly and annual reports on prompt payment practices of appropriated and non-appropriated activities. These reports are designed to notify the Office of the Secretary of Defense (OSD), the Treasury Department, and the Congress of the DoD performance in achieving the goals of zero early payments and zero interest penalty payments. The DoD Component reports are consolidated into DoD-wide reports for the USD(C). The DoD Prompt Payment Report is transmitted to The Treasury Department by November 30 each year, and reported by the Treasury Department to Congress. Accounting Report Control Numbers: Acct Rpt(Q)1619, Prompt Payment Report, and Acct Rpt(A)1607, Prompt Payment, have been assigned to these two reporting requirements.

080302 Applicability and Scope

A. This section applies to all DoD Components with disbursing authority. It is the paying office's responsibility to pay and report all payments for which they are responsible, regardless of the Agency being serviced.

B. The Defense Agencies and DoD Field Activities, receiving disbursing support from another DoD Component shall ensure that the prompt payment data of its Agency or field activity are accurately reflected in the quarterly and annual Prompt Payment Report of the supporting disbursing office.

C. Subject to the "Prompt Payment Act", reports are required on total early (8 days or earlier, before due dates, except where cash discounts are justifiably taken or a management decision is made), late (with interest penalty), and grace period payments (if applicable).

080303 Report Format. Quarterly and annual Prompt Payment Reports and the Prompt Payment Quality Control System Initiative Reports shall be prepared in the formats illustrated as figures 8-4 and 8-5.

080304 Frequency and Distribution

A. Quarterly Status Report. The quarterly Prompt Payment Report shall be submitted by the DoD Components, as follows:

1. Military Departments shall submit reports directly to DFAS to arrive by the end of the month following the close of each fiscal quarter.

2. Defense Agencies and DoD Field Activities shall submit reports to be received by the DFAS by the 25th calendar day following the close of each fiscal quarter.

B. Annual Status Report. The annual FY Prompt Payment Report shall be submitted by the DoD Components, as follows:

1. Military Departments shall submit reports directly to the DFAS to arrive by November 15, each year.

2. Defense Agencies and OSD Field Activities shall submit reports to be received by the DFAS by November 10, each year.

C. Quality Control System Initiative Report. The annual Quality Control System Initiative Report shall be submitted by the DoD Components, as follows:

1. Military Departments shall submit reports directly to the DFAS to arrive by November 15, each year.

2. Defense Agencies and DoD Field Activities shall submit reports to be received by the DFAS by November 10, each year.

D. The results of DoD Component FY prompt payment data shall be consolidated by the DFAS into the annual DoD Prompt Payment Report for transmittal annually, by November 30, to the Treasury Department.

080305 Preparation Instructions

A. Quarterly Prompt Payment Report. With respect to figure 8-4, DoD Components shall submit report elements A through H, including year-to-date totals, for the quarterly status report.

B. Annual Prompt Payment Report. When supplemented with sections IX through XII report elements I through L (see figure 8-4) and the Quality Control Initiatives Report (paragraph 080305.C, below), the fourth quarter report will satisfy the annual requirement. DoD Component reports shall be certified by an Agency senior official with line authority over the procurement, logistics, and payment processes.

C. Quality Control Initiatives Report. Initiatives to establish, improve, or maintain a quality control program to assess performance of payment systems and provide a reliable way to improve payment performance shall be reported in the format provided at figure 8-5.

0804 DIRECT DEPOSIT/ELECTRONIC FUNDS TRANSFER (DD/EFT) STATUS REPORT

080401 Purpose. DoD is required to provide data to the Treasury Department's Financial Management Service that reflect payment volumes stratified by payment mechanism; e.g., cash, Treasury Department check, direct deposit of salary payments and EFT of vendor payments. The DD/EFT Status Report has been designed to provide data for consolidation and transmission

to fulfill this Treasury Department requirement. The report also serves as a gauge for compliance with the DoD policy that travel vouchers must be paid within 15 days after receipt in the disbursing office.

080402 Applicability and Scope. Each DoD Component with disbursing authority shall submit DD/EFT Status Reports, as specified herein. Data for the U. S. Marine Corps shall be identified separately in Department of the Navy submissions.

080403 Report Format. DD/EFT Status Reports shall be prepared, as prescribed in paragraph 080405, below, in the format illustrated as figure 8-6.

080404 Frequency and Distribution

A. DD/EFT Status Reports, as required by paragraph 080402, above, shall be submitted by the DoD Components, as follows:

1. Military Departments submit reports to be received by DFAS within 30 days following the close of each fiscal quarter.

2. Defense Agencies submit reports to be received by DFAS within 20 days following the close of each fiscal quarter.

B. DoD Component data shall be consolidated by DFAS for transmittal quarterly to the Treasury Department's Financial Management Service.

080405 Preparation Instructions

A. The DD/EFT Status Report Encompasses the Following Types of Payments:

1. Centralized military pay.
2. Centralized military retiree pay.
3. Centralized annuitant pay.
4. Centralized Reserve Component pay.
5. Centralized allotments.

6. U.S. civilian pay (i.e., Executive Level, Senior Executive Service (SES), General Manager and/or General Schedule (GM/GS), Wage Grade, and Wage Board), both for employees in the 50 States and overseas.

7. Travel settlement payments.

8. Vendor payments.

B. Part I - Direct Deposit. Personnel strength and participation, rounded to the nearest 100, shall be as of the last pay period of the fiscal quarter. Dollar amount shall be total payments for the fiscal quarter. The participation rate shall be obtained by dividing the number of participants by personnel strength and rounding to the nearest tenth of one percent. Any categories of personnel excluded due to training or operational considerations shall be so footnoted.

C. Part II - Allotments. Number (of payments) and dollar amount both shall be totals for all pay periods in the fiscal quarter. Any categories of personnel excluded due to training or operational considerations shall be so footnoted.

D. Part III - Travel Payments. To provide for necessary local reporting and consolidation, the number (of payments) and dollar amount, both shall be totals for the 3-month period ending at the close of the second month of each fiscal quarter. Average settlement time shall be the average (mean) of days taken by all reporting disbursing stations to process and pay travel vouchers once submitted by serviced personnel. The range shall be the low and high number of days reported by disbursing offices for the period.

E. Part IV - Vendor Payments. To provide for necessary local reporting and consolidation, the number (of payments) and dollar amount both shall be totals for the 3-month period ending at the close of the second month of each fiscal quarter.

<u>COLLECTIONS CASH FLOW REPORT *</u>		
Name and Number of Cash Flow:		
A. Provide a concise description of the Cash Flow:		
B. List types of remitters (individuals, corporations, etc.):		
C. How many locations collect this Cash Flow?		
D. What Fiscal Year Does data reflect?		
	Item Count	\$ Volume
E. Annual Item/Dollar Volume:		\$
F. Average Per Item Dollar Amount:		\$
G. Frequency of Receipts:		
-- Nonrecurring	_____	\$
-- Recurring at a Fixed Amount	_____	\$
-- Recurring with Fluctuating Amounts	_____	\$
H. Size of Receipts:		
-- \$0 - \$1,000	_____	\$
-- \$1,001 - \$24,999	_____	\$
-- \$25,000 and over	_____	\$
I. Composition of Receipts:		
-- Cash	_____	\$
-- Treasury Checks	_____	\$
-- Checks (Domestic)	_____	\$
-- Foreign Checks	_____	\$
-- Credit Cards	_____	\$
-- Wires	_____	\$
-- ACH (Type _____)	_____	\$
-- Other (Type _____)	_____	\$
J. Method of Receipt:		
(Over the counter, mail, courier, ACH, wire, etc.)	_____	\$
_____	_____	\$
_____	_____	\$

<u>COLLECTIONS CASH FLOW REPORT *</u>		
Collection Cash Flow Report # _____		
	Item Count	\$ Volume
K. Method of Deposit: (Lockbox, TGA, FRB, EFT, etc.) _____ _____	_____ _____	\$ \$
L. DSSN:	ZIP CODE:	
M. Describe briefly how item counts and dollar volumes for this report were computed and how data were collected:		
N. Do you expect the dollar amount and/or item count change by 25% in the foreseeable future? Increase:___ Decrease:___ Remain the Same:___ Please explain Changes:		
O. Does this Cash Flow combine or replace any previously identified flows? If so, which ones?		
P. What percentage of total receipts for the DoD Component does this Cash Flow represent? ___%		
Q. Component Evaluation: -- What percentage of this Cash Flow is acceptable? _____ _____ -- What percentage of this Cash Flow requires Internal Improvements? (Description, Projected Savings, End Date) _____ _____ -- What percentage of this Cash Flow requires a Treasury assisted mechanism? (Name of mechanism suggested) _____ _____		
R. Cash Management Plan DEF Number:		

* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-1

DISBURSEMENTS CASH FLOW REPORT *		
Name and Number of Cash Flow:		
A. Provide a concise description of the Cash Flow:		
B. List types of payees (individuals, corporations, etc.):		
C. How many locations authorize these payments?		
D. What Fiscal Year Does data reflect?		
	Item Count	\$ Volume
E. Annual Item/Dollar Volume:		\$
F. Average Per Item Dollar Amount:	\$	
G. Frequency of Payments:		
-- Nonrecurring	_____	\$
-- Recurring at a Fixed Amount	_____	\$
-- Recurring with Fluctuating Amounts	_____	\$
H. Size of Payments:		
-- \$0 - \$1,000	_____	\$
-- \$1,001 - \$24,999	_____	\$
-- \$25,000 and over	_____	\$
I. Composition of Payments:		
-- Cash	_____	\$
-- Third Party Drafts	_____	\$
-- Treasury Checks	_____	\$
-- Checks (Type _____)	_____	\$
-- IMPAC Card	_____	\$
-- Wire (Type _____)	_____	\$
-- Letter of Credit (Type _____)	_____	\$
-- Direct Deposit	_____	\$
-- ACH/Vendor Express	_____	\$
-- Other _____	_____	\$
J. Method of Delivery:		
(Mail, over the counter, courier, ATM, ACH, wire, etc.)	_____	\$
	_____	\$
K. DSSN:	ZIP CODE:	

DISBURSEMENTS CASH FLOW REPORT *	
Disbursement Cash Flow Report # _____	
L.	Describe briefly how item counts and dollar volumes for this report were computed and how data were collected:
M.	Do you expect the dollar amount and/or item count change by 25% in the foreseeable future? Increase:____ Decrease:____ Remain the Same:____ Please explain Changes:
N.	Does this Cash Flow combine or replace any previously identified flows? If so, which ones?
O.	What percentage of total payments for the DoD Component does this Cash Flow represent? ____%
Q.	Component Evaluation: -- What percentage of this Cash Flow is acceptable? _____ -- What percentage of this Cash Flow requires Internal Improvements? (Description, Projected Savings, End Date) _____ -- What percentage of this Cash Flow requires a Treasury assisted mechanism? (Name of mechanism suggested) _____ _____
R.	Cash Management Plan DEF Number:

* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-1 (Cont)

<u>IMPREST FUND CASH FLOW REPORT *</u>	
Name(s) and number(s) of Cash Flows which include Imprest Fund disbursements (Vendor Payments, etc.)	
A. Number of locations with Imprest Funds:	
B. Average Imprest Fund Balance:	
C. Average Imprest Fund Disbursements:	
	CHECK APPLICABLE Lines
D. Type of Disbursement: Small Purchase Travel Advance Travel Reimbursements Emergency Salary Payments Other: _____	_____ _____ _____ _____ _____
	CHECK APPLICABLE Lines
E. Method of Disbursement Used to Reduce Imprest Funds: IMPAC Credit Card Third Party Draft Travelers Checks AMEX Charge Card Other: _____	_____ _____ _____ _____ _____
F. Frequency of Imprest Fund Replenishment: _____	
G. Describe how the Imprest Fund is Replenished: _____ _____ _____	
H. Frequency of Unannounced Verification of Cash Balances: _____ _____	
I. Frequency of Review to Ensure Imprest Fund is Commensurate with Actual Needs: _____ _____ _____	

* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-1 (Cont)

SECTION I. TREASURY FINANCIAL MANUAL (TFM) STANDARDS

DEPARTMENT OF DEFENSE
DoD COMPONENT

CASH FLOW NUMBER	TITLE	DOLLAR AMOUNT	DOES THE FLOW MEET THE TFM STANDARDS? (YES/NO)	IF "NO": INCLUDE AN ACTION PLAN FOR THE IMPROVEMENTS NECESSARY TO BRING THE FLOW INTO COMPLIANCE WITH THE TFM STANDARDS

FIGURE 8-2

<u>AGENCY CERTIFICATION:</u> <u>CASH MANAGEMENT PRACTICES *</u>	
SECTION II. CASH MANAGEMENT RECOMMENDATIONS	DEPARTMENT OF DEFENSE DoD COMPONENT
CURRENT STATUS OF CASH MANAGEMENT RECOMMENDATIONS	AGENCY RESPONSE/ ACTION PLAN
<u>COLLECTIONS</u>	
1. CREDIT CARDS	
2. OFFSET	
3. LOCKBOX	
4. DEBIT CARDS	
5. AUTOMATED CLEARING HOUSE	
6. OTHER	
<u>DISBURSEMENTS</u>	
1. ACH/VENDOR EXPRESS	
2. DIRECT DEPOSIT/ELECTRONIC FUNDS TRANSFER (DD/EFT)	
3. ON-LINE PAYMENT AND COLLECTION SYSTEM (OPAC)	
4. OTHER	

* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-2 (Cont)

AGENCY CERTIFICATION:
CASH MANAGEMENT PRACTICES *

SECTION III . AGENCY CERTIFICATION

AGENCY CASH MANAGEMENT POLICY OFFICIAL

TYPE OR PRINT NAME _____

TITLE WITHIN AGENCY _____

ORGANIZATIONAL UNIT _____

NAME OF AGENCY _____

I certify that the information contained in this Agency Certification package is accurate and complete to the best of my knowledge and that it complies with TFM cash management provisions unless otherwise noted in the package.

SIGNATURE OF CASH MANAGEMENT POLICY OFFICIAL

DATE

FOR INFORMATION REGARDING THIS CERTIFICATION PACKAGE, CONTACT:

NAME/TITLE

PHONE NUMBER

* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-2 (Cont)

CASH MANAGEMENT INITIATIVES

TYPE--

DEF NO.

PURPOSE OF REPORT:

- () - New Initiative Report
() - Quarterly Status Report
() - Cash Management Plan

CURRENT STATUS:

REASON FOR VARIANCE BETWEEN SAVINGS GOAL AND ACTUAL:

PROJECT OFFICER:

PHONE NO:

COMPLETION DATE:

NO. OF BENEFIT DAYS:

SAVINGS GOALS:

FY:	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
CASH FLOW:					
INTEREST:					

ACTUAL CASH FLOW AND SAVINGS RESULTS:

FY: CASH FLOW: INTEREST:	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
--------------------------------	---------	---------	---------	---------	-------

COMPUTATION OF SAVINGS:

* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-3

PROMPT PAYMENT REPORT ACCT RPT (Q) 1619 FOR QUARTER ENDING _____, 199X		
COMPONENT:		DATE:
PROJECT OFFICER:		PHONE NO.:
	Current Qtr.	Year-to-date
A. <u>Total Invoices Paid:</u>		
1. Invoices Paid Subject to the "Prompt Payment Act" and OMB Circular A-125:		
a. Dollar Amount of Invoices	\$ _____	\$ _____
b. Number	_____	_____
2. Invoices Paid Not Subject to the "Prompt Payment Act" and OMB Circular A-125:		
a. Dollar Amount of Invoices	\$ _____	\$ _____
b. Number	_____	_____
B. <u>Invoices Paid Late: 1/</u>		
1. Dollar Amount of Invoices	\$ _____	\$ _____
2. Number (sum of B.3.b. and B.6.a.(2))	_____	_____
3. Interest Penalties Paid:		
a. Dollar Amount	\$ _____	\$ _____
b. Number	_____	_____
c. Relative Frequency (B.3.b. / A.1.b.)	_____ %	_____ %
4. Additional Penalties Paid for Failure to Pay Interest Penalties:		
a. Dollar Amount	\$ _____	\$ _____
b. Number	_____	_____
c. Relative Frequency (B.4.b. / A.1.b.)	_____ %	_____ %

PROMPT PAYMENT REPORT ACCT RPT (Q) 1619 FOR QUARTER ENDING _____, 199X		
COMPONENT:		DATE:
PROJECT OFFICER:		PHONE NO.:
	Current Qtr.	Year-to-Date
(2) Number		
(3) Specify Reason(s):		
C. <u>Payment Made 1 to 15 Days After Due Date 2/</u>		
1. Dollar Amount:	\$ _____	\$ _____
2. Number:	_____	_____
3. Relative Frequency (C.2. / A.1.b.)	_____ %	_____ %
D. <u>Invoices paid 8 Days, or More Before Due Date, Except When Cash Discounts Taken:</u>		
1. Subject to a Determination under Section 4.1 of OMB Circular A-125:		
a. Dollar Amount	\$ _____	\$ _____
b. Number	_____	_____
c. Relative Frequency (D.1.b. / A.1.b.)	_____ %	_____ %
2. Not subject to a Determination Under Section 4.1 of OMB Circular A-125:		
a. Dollar Amount	\$ _____	\$ _____
b. Number	_____	_____
c. Relative Frequency (D.2.b / A.1.b.)	_____ %	_____ %

COMPONENT:

DATE:

PHONE NO.:

Year-to-Date

1. Number Available

2. Number Taken

3. Number Not Taken Because Not Economically Justified

4. Reasons for Failing to Take Economically Justified Discounts, in Declining Order of Importance:

-
-
-
-
-

1. Number of Invoices Paid Subject to the Prompt Payment Act and Circular A-125.
(Should equal A.1.b.)

2. Number and Dollar Amount of Interest Penalties Paid.
(Should equal B.3.(a. and b.) and B.4.(a. and b.)

For the Current Year Provide the Following Data:

Interest Penalties Paid
AS Reported in B.3.a and B.3.b

PROMPT PAYMENT REPORT ACCT RPT (Q) 1619 FOR QUARTER ENDING _____, 199X		
COMPONENT:	DATE:	
PROJECT OFFICER:	PHONE NO.:	
<u>Amount of Penalty</u>	Number of Payments	Dollars Paid
\$1.00 - \$25.00	_____	_____
\$25.01 - \$500.00	_____	_____
\$500.01 - 1,000.00	_____	_____
\$1,000.01 - \$2,500.00	_____	_____
\$2,500.01 - \$5,000.00	_____	_____
Over \$5,000.00	_____	_____
H. <u>Progress Made:</u> On a separate sheet, describe specific achievements and problems during the FY in implementing the "Prompt Payment Act" and OMB Circular A-125. Include a description of any agency experience in determining the most appropriate timing for release of payment authorization so that invoices are paid as close as possible to the due date without exceeding it.		
I. <u>Description of Agency Payment Practices:</u> On a separate sheet, describe the extent to which Agency payment practices satisfy the requirements of the "Prompt Payment Act" and Circular A-125.		
J. <u>Updated Description of Agency Quality Control System:</u> Describe the extent to which the Agency quality control system conforms to the requirements of subsection 3.e. of Circular A-125. Where appropriate, describe Agency plans to implement or upgrade a quality control system. Data reported in sections B. through E. were /_/ were not /_/ collected through a quality control process meeting the requirements of subsection 3.e. of Circular A-125.		
K. <u>Designated Agency Contacts:</u> Provide the address, title of position if applicable), and telephone number where the public may obtain the most current list of designated Agency contracts within payment or finance centers to provide assistance in determining the status of invoices. Provide the Agency schedule for publishing the list.		
L. <u>Certification:</u> I certify that the data reported on this form are as accurate as possible: _____		

1/ For contracts before April 1, 1989, include payments made after the grace period. For contracts date on or after April 1, 1989, include all payments made after the due date.

2/ Applies to contracts awarded before April 1, 1989, only.

FIGURE 8-4

<u>PROMPT PAYMENT</u> <u>QUALITY CONTROL SYSTEM INITIATIVE</u>			
A. COMPONENT:		B. DATE	
C. PROJECT OFFICER:		D. TELEPHONE NO.:	
E. INITIATIVE TITLE:		F. ID NO. PAA-	
G. BACKGROUND			
H. SUMMARY OF PROPOSED ACTIONS AND EXPECTATIONS:			
I. MILESTONES		COMPLETION DATES	
		ESTIMATED	ACTUAL
J. STATUS:			

FIGURE 8-5

<u>DIRECT DEPOSIT/ELECTRONIC FUNDS TRANSFER (DD/EFT)</u> <u>STATUS REPORT</u> FOR QUARTER ENDING _____, 199_				
COMPONENT:		DATE:		
POINT OF CONTACT:		TELEPHONE NO.:		
PART I - DIRECT DEPOSIT	PERSONNEL STRENGTH	NO. OF PARTICIPANTS	PARTICIPATION RATE	DOLLAR AMOUNT
Cat.- Personnel:				
Active Duty Mil				
Military Retired				
Annuitants				
Reserve Components				
Civilians - 50 States/Overseas				
PART II - ALLOTMENTS	INDIVIDUAL CHECKS	COMPOSITE CHECKS	EFT PAYMENTS	TOTAL
Number				
Dollar Amount				
PART III - TRAVEL PMTS	CASH	TREASURY CHECKS	EFT PAYMENTS	TOTAL
Number				
Dollar Amount				
Average Settle- ment Days				
Range - Settle- ment Days				
PART IV - VENDOR PMTS	CASH	TREASURY CHECKS	EFT PAYMENTS	TOTAL
Number				
Dollar Amount				

FIGURE 8-6

0805 MUTUAL LOGISTICS REPORTS080501 Purpose and Report Control Number.

This section prescribes the annual reports required by 10 U.S.C., Chapter 138, Sections 2341 through 2350, "North Atlantic Treaty Organization (NATO) Mutual Support Act of 1979," as amended. These reports are designed to advise the Congress of the various DoD Components' performance in reimbursable and exchange transactions related to the sale to or exchange of mutual logistics support, supplies, and services with a foreign country. This report has been assigned Report Control Number, Acct Rpt(A)1570 for both reimbursable and exchange transactions. These transactions are to be reported as either "reimbursable purchases and sales" or "reimbursable purchases and sales exchanges."

080502 Applicability and Scope

A. The reporting requirements apply to the Office of the Secretary of Defense (OSD); Military Departments, the Chairman, Joint Chiefs of Staff, Joint Staff; and the Unified Combatant Commands; and the Defense Agencies (DoD Components).

B. Amounts reported as reimbursable or exchange transactions are to be supported by country-to-country or multinational agreements for mutual logistics support between the United States and Governments of other NATO countries, NATO subsidiary bodies, and other eligible foreign countries.

080503 Report Format. Annual reports shall be prepared in the format illustrated in figures 8-7 and 8-8.

080504 Frequency and Distribution. Annual reports shall be submitted as follows:

A. The Secretaries of the Military Departments or designees shall submit to the Director, Washington Headquarters Service (WHS), not later than December 1 of each year, the following:

1. A detailed report for each country-to-country or multinational agreement

entered into under the authority of 10 U.S.C., Chapter 138, sections 2341 through 2350, "NATO Mutual Support Act of 1979," as amended, that was in effect during the prior fiscal year, itemized by reimbursable or exchange transactions.

2. A detailed report for each agreement expected to be effective in the current year, itemized by reimbursable or exchange transactions.

B. WHS shall consolidate the Military Department reports for the annual report. The annual report is to be coordinated with the Office of the Under Secretary of Defense (Acquisition and Technology), Office of the Assistant Secretary of Defense (Legislative Affairs), and the OUSD(C). WHS is to submit the annual report, no later than February 1 of each year, to the Congress.

080505 Preparation Instructions. The information prescribed in paragraph 080505.A through 080505.D, below, is to be included in the Acct Rpt(A)1570.

A. Agreement Identification. Each basic source document used to report a transaction shall be cross referenced to the applicable country-to-country or multinational agreement. The agreement subject, date and number shall be identified.

B. Appropriation or Fund Account Symbol. Each DoD appropriation is assigned an appropriation code by the Treasury Department. The appropriation code should be reflected in each basic source document.

C. Transaction Types. The following types of reimbursable and/or exchange transactions are to be reported:

1. Purchase of petroleum, oil, and lubricants (POL) and services.

2. Purchase of supplies (material) other than POL.

3. Purchases when an exchange of POL and services is converted to a reimbursable

transaction (purchase) due to nonissue of replacement POL or services.

4. Purchases when an exchange of supplies (material), other than POL, is converted to a reimbursable transaction (purchase) due to nonissue of replacement material.

5. Sale of materials, POL, or services.

6. Sale when an exchange is converted to a reimbursable transaction (sale) due to nonreceipt of replacement material, POL, or service.

7. Exchanges when a DoD activity requests the transfer subject to future replacement of material, POL, or services from a military component of a foreign country.

8. Exchanges when a military component of a foreign country requests the transfer subject to future replacement of material, POL, or services from a DoD activity.

9. Exchanges when a DoD activity receives replacement material, POL, or service.

10. Exchanges when a DoD activity issues replacement material, POL, or service.

D. Other Information. The following information is provided to assist the performing DoD Component in processing reimbursable and exchange transactions:

1. Source Document Control Number. Efforts should be made to establish a control number similar to a DoD requisition number; e.g., a number containing a code for Military Service, a code for requisitioner, a date, and a document serial number.

2. Unit of Issue. Unit of issue refers to the quantity of an item such as each

number, dozen, gallon, pair, pound, ream, set, or yard.

3. Quantity. Amount either issued or received depending on transaction type.

4. Unit Price. This is a price based on unit of issue.

5. Extended Dollar Value. This is the dollar value resulting from a combination of items in paragraphs 080505.D.2 through 080505.D.4, above.

6. Name and mailing address of the organization to be billed. This should be included in the country-to-country or multinational agreement.

7. Name and mailing address of receiving organization. This should be included in the country-to-country or multinational agreement.

8. Signature of receiver. Self-explanatory.

9. Name and mailing address of issuing organization. This should be in the country-to-country or multinational agreement.

10. Date (year, month, day) (YYMMDD). The date services were performed or material delivered.

11. National Stock Number (NSN) of material or abbreviated description of services provided. The NSN is a number assigned under the Federal Cataloging System and/or North Atlantic Treaty Organization Codification of Equipment System to each approved item identification. This number provides a unique identification of an item of supply within a specified Federal supply classification.

<u>TITLE 10 U.S.C. CHAPTER 138;</u> <u>"TRANSACTIONS,</u> <u>REIMBURSABLE PURCHASES, AND SALES</u> (in thousands)" Acct Rpt (A) 1570		
DoD COMPONENT:		FY:
AGREEMENT IDENTIFICATION:		<u>1/</u>
APPLICABLE PRICING PROCEDURES <u>2/</u>		
APPROPRIATION OR FUND ACCOUNT	DOLLAR VALUE OF PURCHASES (ACQUISITION)	DOLLAR VALUE OF SALES (TRANSFERS)
<u>3/</u>	<u>3/</u>	<u>4/</u>
<u>DESCRIPTION:</u> Describe in brief detail the essential elements of the applicable agreement.		

NOTES:

- 1/ Subject of the agreement, date, and number is to be taken from the applicable agreement.
- 2/ Annotate either "(a) reciprocal" or "(b) nonreciprocal," depending upon terms of the agreement.
- 3/ Obligations and expenditures are to be included in the direct program portion of the applicable Acct Rpt(M)1002, "Report On Appropriation Status By Fiscal Year Program Subaccounts."
- 4/ The value of customer orders and their status are to be included in the Non-Federal source portion of the applicable Acct Rpt(M)725 "Report on Reimbursements." If payment is not received by the due date, Chapter 12 of this Volume shall be followed.

FIGURE 8-7

<u>TITLE 10 U.S.C. CHAPTER 138;</u> <u>"TRANSACTIONS,</u> <u>REIMBURSABLE PURCHASES, AND SALES</u> <u>EXCHANGES</u> (in thousands)" Acct Rpt (A) 1570				
DoD COMPONENT:		FY:		
AGREEMENT IDENTIFICATION:		1/		
A. RECEIPT DATA 2/ 3/				
APPROPRIATION OR FUND ACCOUNT	VALUE OF MATERIAL OWED AT BEGINNING OF FY	VALUE OF MATERIAL RECEIVED DURING FY	VALUE OF MATERIAL REPLACED DURING FY	VALUE OF MATERIAL OWED AT END OF FY
B. ISSUE DATA 2/ 3/				
APPROPRIATION OR FUND ACCOUNT	VALUE OF MATERIAL OWED AT BEGINNING OF FY	VALUE OF MATERIAL RECEIVED DURING FY	VALUE OF MATERIAL REPLACED DURING FY	VALUE OF MATERIAL RECEIVABLE AT END OF FY
<u>DESCRIPTION:</u> Describe in brief detail the essential elements of the applicable agreement.				

NOTES:

- 1/ Subject of the agreement, date, and number is to be taken from the applicable agreement.
- 2/ The types of information to be included is addressed in paragraph 080505.C, of this chapter.
- 3/ When services which are difficult to cost, such as range target details, are exchanged within the same accounting period, the DoD activity providing or receiving the service may process transactions at an estimated dollar value. Under this type of transaction, the DoD activity shall process separate transaction reports for transaction type in paragraph 080505.C.9 of this chapter ("exchanges, when a DoD activity receives replacement material, POL, or services") and transaction type, in paragraph 080505.C.10 of this chapter ("exchanges when a DoD activity issues replacement material, POL, or service").

FIGURE 8-8

CHAPTER 9

ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE
OF THE FAMILY HOUSING PROGRAM0901 GENERAL

090101 Purpose. The Congress established the family housing operation and maintenance (O&M) appropriation to separate the funding of family housing O&M from other O&M programs. All obligations incurred for O&M to support the military family housing program shall be charged to the family housing O&M appropriation. This chapter provides accounting support for O&M requirements set forth in Volume 2B, Chapter 6, of this Regulation. This chapter prescribes an accounting structure that accumulates O&M costs consistent with guidance in Volume 2B, Chapter 6, Section 060106, of this Regulation. The purpose of the account structure is to provide DoD Components with uniform procedures for consistently identifying, accumulating, and reporting family housing program costs. Costs for operating and maintaining family housing facilities shall be identified as prescribed in this chapter and shall be the basis for reports referenced herein.

090102 Overview

A. This chapter strengthens compliance with related DoD policy requirements involving program administration, reporting, internal management and fund control, management analysis and decision-making by directly linking the financial accounting to budget accounts and reporting requirements.

B. It is important that methods for computing costs for the family housing program are as uniform as practicable among the DoD Components. Such uniformity is essential to permit intra-DoD and inter-DoD Component program, budget, and cost comparison, irrespective of the management service, the agency, or the accounting system used at the installation. Also, cost identification and computation methods specified herein should minimize the accounting effort and detail

required to compute costs. Section 0903 provides the account structure and content for identifying costs for work and services performed for the family housing program. Guidelines are also provided for computing labor, materials and supplies, equipment usage, and support service charges.

C. Compliance with the requirements in this chapter will provide management reasonable assurance that program cost information is developed and maintained on a consistent basis throughout the Department.

0902 ACCOUNTING REQUIREMENTS. A series of accounts shall be established and maintained for accumulating family housing O&M costs and reimbursements. Costs and reimbursements shall be computed and identified to the accounts in accordance with the guidance herein. The accumulated costs and reimbursements in the accounts shall be used to support budget exhibits and budget execution reports.

0903 ACCOUNT STRUCTURE AND
CONTENT

090301 DoD Components receiving obligation authority for family housing O&M shall establish and maintain the uniform accounts specified in this chapter. The accounts shall be used to accumulate the obligations incurred for the family housing O&M program.

090302 The following summary and subordinate accounts are required:

Operations

- Management
- Services
- Furnishings
- Miscellaneous

Utility Operations

Maintenance of Real Property Facilities

- Dwellings
- Exterior Utilities
- Other Real Property
- Alteration and Additions
- Leased Housing
- Lease Cost - Foreign
- Lease Cost - Foreign - Government Rental Guarantee Program
- Lease Cost - Domestic
- Lease Cost - Section 801
- Other O&M Cost - Foreign
- Other O&M Cost - Foreign - Government Rental Guarantee Program
- Other O&M Cost - Domestic
- Other O&M Cost - Section 801

Interest Payments On Debt

Servicemen's Mortgage Insurance Program

Foreign Currency Fluctuations

- Gains
- Losses

Reimbursements

- Foreign Military Sales (FMS)
- Other

090303 The following guidance defines the basic scope and content of the accounts:

A. Operations Account. This is a summary account for consolidating costs accumulated in the following subordinate accounts:

1. Management Account. Accumulates costs of management, administrative, and support type services at installation level involving:

a. Administration costs for installation housing offices including management office personnel, supplies, equipment, and utilities pertaining to the functions of a family housing office. Costs for administrative support services provided in supply, comptroller, maintenance, and other installation offices when the costs for such services are attributable to family housing.

b. Costs for housing referral administration costs pertaining to private housing, including rental guarantee projects and the provision of referral services. Assistance in locating and inspecting privately owned family housing for DoD personnel.

c. Requirements surveys and preliminary family housing studies or engineering construction plans made before Secretary of Defense project approval. Also includes planning for improvement and rental guarantee projects and inspection of construction of rental guarantee housing.

d. Other identifiable management costs that directly support the family housing program.

2. Services Account.

Accumulates costs for the following types of authorized services:

a. Refuse collection and disposal - Include costs of family housing for collecting garbage, trash, ashes and debris, and for refuse disposal, such as the operation and maintenance of incinerators; sanitary fill, and regulated dumps. Also included are costs for acquisition, maintenance and repair of garbage and trash containers, and operation of can washing facilities.

b. Fire protection - Include costs for protection and prevention of family housing facilities.

c. Police protection - Include costs for law enforcement, traffic control, and protection of family housing facilities.

d. Entomological services - Include costs of all control measures against fungi, insects, and rodents within family housing dwellings, facilities, and areas.

e. Custodial services - Include costs of janitorial and custodial services performed in common service areas and the cost of elevator operation in family housing facilities.

f. Snow removal - Include costs of removing, hauling, and disposal of snow, the cost of ice alleviation, and erection, maintenance, repairs and removal of snow fences for family housing areas.

g. Street cleaning - Include costs of cleaning streets comprised of sweeping, flushing, and picking up litter.

h. Municipal type services - Include costs of miscellaneous municipal type services not identifiable to other listed accounts.

i. Other services - Include costs of all other authorized services for family housing.

3. Furnishings Account. Accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. Also includes control, handling, record keeping, moving of Government-owned furnishings into and out of dwelling units and charges for connecting and disconnecting equipment, as well as handling costs incident to storage.

4. Miscellaneous Account. Accumulates costs for:

a. Lease rents and permit payments for housing and trailer spaces leased by the Government from private sources or provided by the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA). Also included are the reimbursement costs for dwellings provided by State, municipal, or foreign governments or by Federal Agencies other than the FHA or VA.

b. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization Status of Forces Agreement for local taxes on land and improvements of family housing property.

c. Fire insurance charges paid to the Federal Republic of Germany to cover fire damage to family housing dwelling units.

d. United Kingdom accommodation charges paid in accordance with the country-to-country agreement for housing provided to U.S. Forces.

e. Other miscellaneous operations costs not covered elsewhere.

B. Utility Operations Account. This is a summary account for accumulating costs for utilities consumed in family housing. This account excludes the costs of maintenance and repair of utility systems identified to the family housing property covered under the Maintenance of Real Property Facilities Account. Electricity, water, sewage, gas fuel oil or other heating fuels are the types of utilities reported in this account. Other services reported under paragraph 090303.A.2 above are excluded from the utility operations account.

C. Maintenance of Real Property Facilities Account. This is a summary account for consolidating costs accumulated in the following subordinate accounts:

1. Dwellings Account. Accumulates costs of maintenance and repair of all family housing buildings in real property category codes 711, 712, and 714 as defined in DoD Instruction 4165.3 including all interior utilities and installed equipment. Typically this involves:

a. Service calls for minor work including emergency and temporary repairs normally not in excess of 16 workhours.

b. Routine maintenance for occupancy work and other maintenance usually scheduled annually or more frequently.

c. Repairs and replacements for rehabilitations and replacement of major components and installed equipment.

d. Interior and exterior painting and the necessary preparation.

e. Contract cleaning between occupancy, where authorized.

2. Exterior Utilities Account.

Accumulates costs of maintenance and repair of electric, gas, water, sewage and other utility distribution, collection, or service systems assigned to family housing. Street and area lighting systems are included in exterior utilities beginning at a point 5 feet from the house line and ending at a point where the utility system joins a common use main or terminates.

3. Other Real Property Account.

Accumulates costs for the following:

a. Maintenance, care, and repair of improved and unimproved grounds, storm sewerage, and drainage structures and costs of acquisition, maintenance, and repair of Government-owned minor equipment, such as hand-operated lawn mowers used for grounds maintenance by occupants.

b. Maintenance and repair of paved or stabilized streets, roads, walks, driveways, utility, service, and parking areas, as well as curbs, gutters, signs, and other road appurtenances.

c. Maintenance and repair of facilities other than dwellings, such as fences when the facility is dedicated to housing, athletic and recreation facilities, community buildings, and service facilities. Also included are the costs of maintenance of trailer sites including outlets.

4. Alterations and Additions Account. Accumulates costs for incidental additions, expansions, extensions, and alterations to the existing real property. Also includes the payments made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed nonpermanent change of station moves and charges resulting from improvement or repair projects funded in part from the family housing construction account.

D. Leased Housing Account. This is a summary account for consolidating costs accumulated in the following subordinate accounts:

1. Lease Cost - Foreign Account.

Accumulates costs for charges and other payments specified in the lease agreement for housing in foreign countries.

2. Lease Cost - Foreign Account Government Rental Guarantee Program (GRGP). Accumulates costs for charges and other payments specified in the lease agreement for housing in Europe under the Army GRGP program.

3. Lease Cost - Domestic Account. Accumulates costs for charges and other payments specified in the lease agreement for housing in the United States including U.S. possessions and territories.

4. Lease Cost - Section 801 Account. Accumulates costs for charges and other payments specified in the lease agreement for Section 801-type housing.

5. Other Operation and Maintenance Cost - Foreign Account. Accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for housing in foreign countries. Also includes initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel, and reimbursements to the Department of State for foreign affairs administrative support costs.

6. Other Operation and Maintenance Cost - Foreign Account Government Rental Guarantee Program (GRGP). Accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for housing in foreign countries. Also includes initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel, and reimbursements to the Department of State for foreign affairs administrative support costs.

7. Other Operation and Maintenance Cost - Domestic Account. Accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for housing in the United States. Also includes initial makeready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel.

8. Other Operation and Maintenance Cost - Section 801 Account. Accumulates the costs for maintenance, utilities, and contracted services not provided by the lessor for Section 801-type housing. Also includes initial makeready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel.

E. Interest Payment On Debt Account. This is a summary account for accumulating the costs for interest payments on Capehart and Wherry mortgages or related notes.

F. Servicemen's Mortgage Insurance Premiums Account. This is a summary account for accumulating the costs for servicemen's mortgage insurance premium payments pursuant to Section 222 of the National Housing Act.

G. Foreign Currency Fluctuations Account. This is a summary account for accumulating the gains or losses arising from foreign currency exchange rate fluctuations in accordance with Volume 6, Chapter 7 requirements. The OUSD(C) manages the appropriation and transfers amounts to the operating appropriations. The transferred funds are only available for funding a Component's centrally managed allotment that is used to cover foreign currency fluctuations. Gains and losses shall be separately identified within the account.

H. Reimbursements Account. This is a summary account for accumulating reimbursements collected during the current fiscal year for O&M rental and service charges billed to occupants and for proceeds from

handling or disposing of excess housing property. Foreign Military Sales (FMS) funded and non-FMS funded reimbursements shall be separately identified as follows:

1. Foreign Military Sales-Funded Account. Accumulates all reimbursements from FMS-funded activities or sources. The amounts shall be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

2. Non-Foreign Military Sales Funded Account. Accumulates reimbursements from other than FMS-funded activities or sources. The amounts shall be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

0904 COST IDENTIFICATION PROCEDURES

090401 DoD Components shall identify the obligations incurred both in-house and by contract to operate and maintain the family housing program. All costs of providing program support will be computed and costed to the program on a full absorption basis; that is, full cost for dedicated support and pro rata cost for other support.

A. Defense Business Operations Fund real property maintenance activities such as Navy Public Works Centers, which have a primary mission of facility maintenance, shall apply the normal business fund overhead rates to family housing support.

B. Other-funded real property maintenance activities having established shop or productive expense rates shall apply the applicable rate to direct work or service in support of family housing.

090402 Costs shall be charged to the applicable family housing account to the extent that they are practically identifiable and measurable to the

housing program. This does not prevent the use of engineered standards or estimates in charging utilities when metering devices are not used.

090403 To the extent that obligations are incurred for administrative support and supervision efforts, they shall be limited to those incurred at installation level and will not include those which may be incurred at echelons of command above the installation. An exception is made, however, when amounts for administrative support and supervision are included in charges assessed by a field office of a construction agent.

090404 The costs charged to the program shall be in proportion to the efforts, the use or consumption of goods, or the services received by the family housing program. Dedicated efforts or responsibilities for the program shall be fully charged. For example, total costs for full-time management and staff shall be charged to the family housing program.

090405 Other efforts, goods or services that are provided to the family housing and to other programs shall be assigned to appropriate family housing accounts based on the relative workload, benefit, or other measurement. The following general criteria shall be used in assigning support costs to the family housing program:

A. When the support being provided is predominantly personnel intensive, costs should be allocated based on a pro rata basis of workload. This would include collateral duty management assignments involving command or policy determinations related to personnel, financial management, legal, procurement, or similar areas.

B. When the support being provided has a mix of personnel, equipment, materials or supplies, costs should be allocated based on workload. For example, printing or reproduction services or computer support involve a mix of resources. When such support services are provided, the proportion of workload for the family housing program to the total workload would be used to compute the

portion of the total costs identified to the family housing program.

C. When the support being provided predominantly involves specific goods or services (for example, electricity, gas, water, sewer, etc.), costs should be allocated based on the relative amount consumed or quantity used. For example, the costs of heat or air-conditioning for an occupied area can be allocated based on the assigned space.

090406 When a set of quarters is intended for, or occupied by, officers of General or Flag rank, the costs accumulated for the operation and maintenance of each set of quarters shall be identified within the accounts specified in Section 0903 above, and reported in accordance with the requirements prescribed by the Deputy Under Secretary of Defense (Logistics).

090407 When identifying O&M costs to the program, the general premise is that all applicable costs shall be assigned. When an incidental level of effort, supplies, or services are provided on a nonrecurring basis, costs need not be identified to the program if they are insignificant and it is not cost-effective to measure and assign the costs. As a general rule, cost identification is necessary when the support is more than incidental.

090408 Installation management officials such as the installation commander, public works officer, housing director, or comptroller are responsible for identifying the O&M costs for the family housing program whether funded by the family housing O&M or some other appropriation. Installation managers shall periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. The basis of allocating such costs to the program shall be reset when variances occur in efforts, workload, or other resources consumed. Management shall also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

0905 COST ELEMENTS AND
COMPUTATION OF CHARGES

090501 The program cost elements and the basis for charging the accounts of the family housing program for O&M costs are provided in this section.

090502 The labor effort of military or civilian personnel assigned and identified to family housing shall be computed for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A of this regulation. Personnel efforts shall be reviewed and validated annually to support a charge to family housing. Military labor shall be accumulated and classified as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

090503 The costs for material and supplies shall be computed based upon consumption; that is, the relative amount consumed or the quantity used. Material and supplies shall be computed at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

090504 Services such as refuse collection and disposal, entomological, custodial, etc., may be provided by government forces or by a contractor and shall be computed and charged when received. When family housing is the sole customer, the full cost shall be borne by family housing. When the family housing portion of such services is readily separable and distinct, that portion will be charged to family housing. When the service operation is too intertwined or complex to enable ready identification of proper family housing costs, the costs charged to family housing funds shall be based on the proportionate amount of service received on a unit of service basis; for example, number of refuse pick-ups and locations, and square feet of floor area receiving custodial service.

090505 Utility costs shall be computed based upon the quantity used or consumption. DoD business operations fund activities providing utilities shall compute the charges consistent with their normal procedures. All other activities shall compute the charge to family

housing at the rate the utility is purchased from the supplier. If not metered, consumption should be based on documented engineering estimates.

090506 Equipment usage costs for rented property shall be computed at the lease or rental rate. In the case of Government-owned equipment, the cost computation is limited to the expenses of operating and maintaining the equipment and a charge for the operator's time when provided by other than family housing. Neither acquisition costs nor periodic depreciation charges shall be computed.

090507 Two cost items shall be treated as unfunded costs in computing the family housing O&M costs. Military labor is one and the headquarters costs, included in construction agent administrative support and supervision effort above the installation level, is the other.

0906 REIMBURSEMENTS

090601 The reimbursement accounts specified in section 0903 above, shall be used to accumulate reimbursements for charges initially financed by the O&M appropriation for the family housing program or proceeds from handling or disposing of family housing property. All reimbursements shall be recorded in the family housing reimbursement accounts.

090602 Ordinarily, these reimbursements are for rental and service charges paid by occupants or users of family housing facilities. Some collections may be refunds that include the costs of repairing damages to family housing facilities, caused by occupants, including the replacement of items.

090603 Other reimbursements involve the recovery of expenses for handling and disposing of excess family housing property as well as the proceeds from sales of such property. Collections may be used for various purposes such as defraying O&M expenses or the payment of debt. Policy guidance governing such collections, use and reporting is provided in Volume 2B, Chapter 6, Section 060106, of this Regulation.

0907 REPORTING. Data derived from the uniform account structure, to be established and maintained consistent with this chapter, shall be used by DoD Components required to prepare and submit the following reports:

090701 Appropriation Status By Fiscal Year Program and Subaccounts Report - Acct Rpt(M)1002. DoD Components shall prepare and distribute the report in accordance with the guidance contained in chapter 4 of this Volume.

090702 Family Housing - Operation and Maintenance Summary, DD Form 2456. In accordance with guidance in Volume 2B, Chapter 6, of this Regulation, DoD Components shall prepare separate reports for the total program as well as for each of the following groupings:

- Conterminous U.S. areas
- U.S. Overseas and Possessions
- Foreign areas

090703 Report on Budget Execution, DD Form 1176 - RCS: Acct Rpt(M)1176. DoD Components shall prepare and distribute the monthly report for the annual portion of the O&M category of the family housing appropriation in accordance with the guidance prescribed in chapter 4 of this Volume.

0908 INTERNAL CONTROL. Management shall develop and implement internal control techniques to ensure effective control over and accountability for the resources charged to this program and for the full and prompt receipt of all proceeds from reimbursements for rents, service charges, and disposal or handling of excess family housing property. Volume 4, Chapter 3, of this Regulation provides specific internal control guidance:

CHAPTER 10

INFORMATION RETURNS - FORM 1099

1001 GENERAL. Requirements established by the Internal Revenue Service (IRS) are normally not addressed in this Regulation. However, the requirements for Information Returns are included because of difficulties encountered in their implementation.

1002 PURPOSE

100201 Statutory requirements for Information Returns are contained in 26 U.S.C. 6001. Detailed guidance for using the multipurpose Forms 1099 is contained in IRS publication "Instructions for Forms 1099, 1098, 5498, 1096, and W-2G." For instance, Form 1099-MISC, "Miscellaneous Income," is used to report by recipient those payments for services accumulating to \$600 or more for the calendar year. Recipients include individuals (other than employees), sole proprietorships, partnerships, and all providers of medical or health care services, or engaged in the billing and collection for such services. The latter category includes physicians and physicians' corporations. The Department is not required to report payments to any corporation other than those providing medical or health care services, or engaged in the billing and collection for such services.

100202 Forms 1099 are also used to report discharges of indebtedness, payments of interest, and total distributions of survivor benefits. Figure 10-1 summarizes the use of Forms 1099 applicable to the Department of Defense.

1003 APPLICABILITY AND SCOPE.

100301 The Information Return requirements of this chapter apply to all DoD disbursing offices performing those functions referred to in paragraphs 100201 and 100202 above.

100302 It is the responsibility of the office administering the action that gives rise to the entitlement to collect the Taxpayer Identification

Number (TIN) and provide it to the disbursing office. For example, it is the responsibility of the contracting office to obtain the TIN from applicable contractor at the time a contract is awarded. The contracting office must provide the TIN and identify whether or not the contractor is subject to Form 1099 reporting requirements.

100303 It is the responsibility of each functional manager with responsibility for an entitlement determinations process or system to ensure that Form 1099 applicable payments and the associated TINs are specifically identified to the disbursing office. This included the identification of payments subject to withholding because a required TIN has not been provided.

100304 Detailed guidance for applicability of Forms 1099 reporting are found in the following in this Regulation:

A. Form 1099-C, "Canceled debt" Volume 5, Chapter 31.

B. Form 1099-INT, "Statements for Recipient of Interest Income". Volume 5, Chapter 23.

C. Form 1099-MISC, "Statement of Receipts of Miscellaneous Income," Volume 8 Chapters 1, 3, and 7; Volume 10, Chapter 6; and Volume 13, Chapter 7.

D. Form 1099-R, "Statement of Receipts of Total Distributions from Profit Sharing, Retirement Plans, Individual Retirement Arrangements, Insurance Contracts, etc." Volume 7B, Part Nine, Chapter 11.

E. Withholding requirements associated with the failure of an applicable contractor to provide the required TIN Volume 10, Chapter 6.

1004 REPORT FORMAT

100401 Forms 1099 shall be prepared and reported electronically on magnetic tape, diskette, cassette or minidisk, when such reporting capability exists. The detailed formats and procedures for electronic media reporting are obtainable directly from IRS centers and district offices.

100402 When the capability for electronic media reporting does not exist, or the number of reports to be filed is so small that using electronic media cannot be justified, paper Forms 1099 shall be used. IRS will accept paper Forms 1099 for the noncomputerized portion of a disbursement operation along with electronic media records for the computerized portion.

100403 Form 1096, "Annual Summary and Transmittal of U.S. Information Returns," shall be prepared and submitted to IRS as the transmittal document for Forms 1099.

1005 FREQUENCY AND DISTRIBUTION.

Form 1099 shall be furnished when the contract or order for service is completed, unless contract disbursements extend over a calendar year. In this case, a Form 1099 shall be furnished for payments made in the calendar year. See the IRS publication "Instructions for Forms 1099, 1098, 5498, 1096, and W-2G" for detailed instructions for the distribution of Forms 1099.

1006 PREPARATION INSTRUCTIONS.

100601 Preparation guidelines for Forms 1099 are prescribed in the IRS publication entitled "Instructions for Forms 1099, 1098, 5498, 1096, and W-2G."

100602 The taxpayer identification number TIN is required to be shown on Forms 1099. For an individual, or an individual operating a business as a sole proprietorship, the TIN is the taxpayer's social security number. For all others, it is the taxpayer's employer identification number. If a TIN is not furnished, IRS Circular E, "Employer's Tax Guide," requires the Department of Defense to withhold 31 percent of payment for services.

FORM NUMBER	TITLE	WHAT TO REPORT (EXAMPLES)	AMOUNT TO REPORT (CAL YEAR)	DUE DATE TO RECIPIENT	DUE DATE TO IRS
1099-C	Statement for Recipients of Canceled Debts	Discharge of indebtedness.	Total	January 31	February 28
1099-INT	Statement for Recipients of Interest Income	Payment of interest.	\$10 or more	January 31	February 28
1099-MISC	Statement for Recipients of Miscellaneous Income	Payment to other than employees (e.g. suppliers or vendors) for services rendered. This includes payment to a physician, a physicians' corporation or other supplier of health and medical services. Amount of backup withholding. Payment of Rent. Payment of royalty. Payment of prizes and awards that are not for services rendered.	\$600 or more	January 31	February 28
1099-R	Statement for Recipients of Total Distributions From Profit Sharing, Retirement Plans, Individual Retirement Arrangements, Insurance Contracts, Etc.		Total distribution regardless of amount	January 31	February 28

CHAPTER 11

**FINANCING AND REPORTING COSTS OF MILITARY RESOURCES
USED IN CIVIL DISTURBANCES**1101 **PURPOSE**

This chapter implements the requirements for financing and reporting costs associated with civil disturbance operations.

1102 **APPLICABILITY AND SCOPE**

The provisions of this chapter apply to all DoD Components responsible for the military resources which may be employed in civil disturbances under DoD Directive 3025.12, "Employment of Military Resources in the Event of Civil Disturbances."

1103 **PROCEDURES**

110301. **Financing.** The costs of DoD resources employed or provided in connection with civil disturbance operations will be financed in accordance with the following guidance.

A. **Resources Employed Under a Presidential Directive.** Under an Executive Order or other Presidential directive authorizing and directing the Secretary of Defense to provide for the restoration of law and order in a specific state or locality, expenses will be financed as follows:

1. **Employment of Active DoD Military Forces.** When the Presidential directive specifies the fund or appropriation for financing the expenses incurred, reimbursement to DoD appropriations will be in accordance with the provisions of that directive. This includes expenses incurred in prepositioning resources prior to the issuance of the Presidential directive. When the Presidential directive does not specify the fund or appropriation, expenses incurred will be financed as follows:

a. Costs for travel and transportation (except commercial or Air Mobility Command (AMC) airlift), communications, supplies, and other operating costs will be financed from the appropriations of

the military service sponsoring the movement of troops, and/or providing the government-owned transportation.

b. Costs for commercial or AMC airlift will be financed from Army appropriations under the Secretary of the Army's responsibilities as DoD Executive Agent pursuant to subsection VII.A. of DoD Directive 3025.12.

c. Costs of military pay, allowances, subsistence and other costs to military personnel appropriations of military personnel on active duty will be financed by the respective parent military department.

2. **Employment of Reserve Component Forces Called to Active Duty.** The policies set forth in 110301.A.1.a. and b., above, apply. Reserve forces called to active duty will be financed by the respective parent Military Department. In the event that the President determines that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in the current DoD Appropriation Act, the cost of such increased military personnel is authorized as an excepted expense in accordance with 41 U.S.C. 11.

B. **Resources Employed Without Presidential Directive.** When the immediate employment of military resources is required in cases of sudden and unexpected civil disturbances or other emergencies endangering life or Federal property or disrupting the normal processes of government, or in protecting life or Federal property or preventing the disruption of Federal activities, expenses incurred will be financed as a mission responsibility of the DoD Component employing the military resources. The policies set forth in subparagraph 110301.A.1., above, apply except that the use of commercial or Military Airlift Command will be financed from the appropriations of the military service sponsoring the movement of troops.

C. Resources Provided to Other Federal Agencies. Supplies, equipment, and services provided to other Federal agencies will be on a reimbursable basis.

D. Resources Provided to Civil Authorities. Loan or sale of military equipment to civil authorities under the provisions of section X of DoD Directive 3025.12, will be handled as follows:

1. Loan or Sale of Equipment Other than Sale of Surplus Military Equipment. Policies established by the DoD Executive Agent will apply. Generally, these policies will follow the guidance contained in DoD Directive 3025.1.

2. Sale of Surplus Military Equipment. Policies set forth in DoD Instruction 4160.23 apply.

110302 Reporting

A. The "Report of Civil Disturbance Costs" (Figure 11-1), will be prepared by the Secretary of the Army as DoD Executive Agent and submitted in duplicate to the Deputy Comptroller (Program/Budget), OUSD(C). The initial report, showing estimated data by DoD Component, shall be submitted within 72 hours of the time designated by the DoD Executive Agent. A complete accurate report detailing the data required will be provided within 20 working days. This reporting requirement has been assigned Report Control Symbol DDComp(AR)991.

B. DoD Components involved shall submit timely information to the DoD Executive Agent as requested.

C. Where the payment of costs in accordance with the foregoing presents serious reprogramming or budgetary problems, the responsible DoD Component promptly shall advise the Deputy Comptroller (Program/Budget), OUSD(C).

1104 INSTRUCTIONS FOR PREPARATION OF REPORT OF CIVIL DISTURBANCE COSTS

The Department of the Army, as the DoD Executive Agent, will prepare a separate report, by location for each disturbance, in accordance with the sample format shown in Figure 11-1. The Executive Agent will accumulate costs incurred by DoD Components separately for each location (city or town) at which an incident occurs, from the time the first action is taken to provide DoD resources until such resources are withdrawn.

110401 Estimated Costs. Costs will be identified and reported as: (1) normal operating costs and (2) incremental costs. Normal operating costs will be those costs which would have been incurred in the absence of a civil disturbance. Examples are the salaries and meals of military personnel assigned to civil disturbance operations. Incremental costs are those costs which would not have been incurred in the absence of a disturbance. Costs reported for each DoD Component will reflect the ultimate net costs of the resources used by that component. Therefore, the DoD Executive Agent will report for each Component the costs incurred for others which will be reimbursed.

110402 Reimbursement Between DoD and Other Government Agencies or Activities. As memorandum information, show by government agency or activity outside the DoD, all plus and minus reimbursement adjustments between the agency or activity and the DoD, as well as the amount of reimbursement due to/from the Department.

110403 Number of Forces Employed. As memorandum information, show by Military Service the numbers of forces -- Active, Reserve, Federalized National Guard, and total -- employed as of the end of the month, unless the period is less than a month. If less than a month, the beginning and ending strengths should be reported.

110404 Record Information. The DoD Executive will maintain detailed cost information on each disturbance by appropriation and budget activity to be made available on call to the Deputy Comptroller (Program/Budget), OUSD(C).

REPORT OF CIVIL DISTURBANCE COSTS

Location _____ Inclusive Dates: From _____ Thru _____

A. Estimated costs

<u>Department/Agency</u>	<u>Normal Operating Cost</u>	<u>Incremental Cost</u>	<u>Total Costs</u>
Army	\$	\$	\$
Navy			
Air Force			
DLA			
DISA			
Total DoD	\$	\$	\$

B. Reimbursement Between DoD and Other Government Agencies or Activities

<u>Agency/Activity</u>	<u>Due DoD From Others</u>	<u>Due Others From DoD</u>
Department of Justice	\$	\$
General Services Administration		
City or County and State		
Etc.		
Totals	\$	\$

C. Number of Forces Employed

<u>Department</u>	<u>Active</u>		<u>Reserve</u>		<u>Federalized National Guard</u>		<u>Total</u>	
	<u>Off</u>	<u>Enl</u>	<u>Off</u>	<u>Enl</u>	<u>Off</u>	<u>Enl</u>	<u>Off</u>	<u>Enl</u>
Army								
Navy								
Air Force								
Total DoD								

FIGURE 11-1

CHAPTER 12

COLLECTING AND REPORTING OF FOREIGN INDEBTEDNESS
WITHIN THE DEPARTMENT OF DEFENSE (DOD)1201 POLICY

120101 Purpose. This chapter establishes standard procedures to be used for the collecting, billing, and reporting of foreign indebtedness. Such indebtedness may arise through the (a) sale of Defense articles and services pursuant to the Arms Export Control Act, as amended, (b) operation of military missions, (c) logistical support provided under country-to-country agreements, and (d) other programs which are contained in Table 12-1.

120102 Applicability. The provisions of this chapter apply to the Office of the Secretary of Defense, the Military Departments, the Unified Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to as "DoD Components").

120103 DoD Policy for Collections. It is the policy of the Department of Defense that timely and aggressive collection efforts will be conducted to assure that foreign arrearages to DoD Components are held to the absolute minimum. Foreign indebtedness will be uniformly and accurately reported to the Department of the Treasury on forms prescribed in the Treasury Financial Manual.

120104 Responsibilities

A. The Under Secretary of Defense (Comptroller) (USD(C)) is the DoD point of contact for matters concerning foreign indebtedness requirements imposed on DoD from outside the Department, such as by the Congress and Treasury Department.

B. The Defense Finance and Accounting Service-Denver Center (DFAS-DE)

has been delegated overall responsibility by the OUSD(C) for billing, collecting, follow-up, and consolidation of all arrearage reports and submissions except for those made under security assistance programs.

C. The DFAS-DE is responsible for collecting, follow-up, and consolidation of arrearage reports for all security assistance programs and submits them to the Defense Security Assistance Agency (DSAA) for review and approval.

1202 COLLECTION AND FOLLOW-UP
PROCEDURES

120201 General. Each DoD Component is responsible for taking timely and aggressive billing and follow-up collection actions for each category of indebtedness incurred by official and private organization pursuant to authorized programs.

120202 Foreign Military Sales (FMS) Indebtedness. Initial billings for debts incurred under the FMS program will be initiated by using the DD Form 645 (Foreign Military Sales Billing Statement) on the basis of billing procedures prescribed in Volume 15 of this Regulation. Follow-up action will be taken for any nonpayment by the due date or corresponding date specified in the DSAA supplementary billing statement.

PROGRAM CODES

(Source: U.S. Department of the Treasury)

<u>Code</u>	<u>Name</u>
<u>Under Military Sales</u>	
141	Arms Export Control Act
142	Logistical Support
143	Military Assistance Advisory Groups
144	Korean War Related Logistical Support
145	Subrogated Claims from Guarantee Contracts
146	U.N. Congo Logistical Support Operation
<u>Under Foreign Assistance Act</u>	
111	Country Loans
112	Social Progress Trust Fund
113	Deficiency and Basic Material Development
115	OPIC - Investment Support
118	Housing Guarantee Receivables
119	A.I.D. Refund Claims
<u>Under Surplus Property Sales</u>	
431	Sales of Overseas Surpluses
432	Sales of Domestic Surpluses
434	Sales of Foreign Service Property
<u>Under Debt Reorganization and Adjustments</u>	
911	Indonesian Debt Rescheduling of 3/16/71
915	Over-payments other than A.I.D. Refund Claims
950	Panama Canal Commission
<u>Other</u>	
170	Mutual Education and Cultural Exchange Act
250	Commodity Credit Corporation Charter Act
310	Export-Import Bank Act
350	Postal Debt Settlements
410	Administrative Area Development
440	British Loan
450	Loans to United Nations
460	Asset Acquired in European Fund Liquidation
470	War Account Settlements and Lend Lease
480	Atomic Energy Act
490	EURATOM Cooperation Act
610	International Ice Patrol
620	Canal Zone Government
630	Research & Special Programs Adm., OS/DOT
640	St. Lawrence Seaway Development Corporation
650	Federal Aviation Administration
660	United States Coast Guard
670	Library of Congress
680	Tennessee Valley Authority
690	Immigration and Naturalization Service
700	U.S. Customs Service
710	National Institute of Standards and Technology
720	National Oceanic and Atmospheric Administration
730	Bureau of the Census
740	Department of the Interior

TABLE 12-1

120203 Non-FMS Foreign Indebtedness. Initial billings and subsequent follow-up actions for all non-FMS foreign indebtedness will be initiated by the DFAS-DE in conjunction with the DoD component concerned. All follow-up actions for non-payment will be initiated by the DFAS-DE in accordance with established debt follow-up procedures cited in paragraph 120204.

120204 Follow-up Actions. All foreign debts require written follow-up by the applicable billing office should payment for billings not be received by the required date. The initial written follow-up actions will be taken 30 days after the payment due date established for the debt. If no response is received, additional written follow-up action will be made 60, 90, and 120 days after the payment due date. All billing/follow-up letters for the non-FMS foreign indebtedness program are prepared by the DFAS-DE. The first two follow-up letters are prepared by the DFAS-DE for the FMS program. A sample format for follow-up actions will be maintained by the billing office until final disposition of each bill has been made. Copies of follow-up letters prepared by the DFAS (non-FMS) or the DSAA (FMS) will be sent to the DoD components referring the debt. For FMS cases, the DFAS-DE also performs case-level follow-up action.

120205 Referral of Arrearages. All foreign indebtedness (arrearages) not collected within 90 days after the due date will be reported to the Treasury (see Section 1203 of this Volume). DoD activities reporting arrearages for the first time will include copies of the previous follow-up letters along with any responses received. The DoD activity which refers the debt will assure that the DoD reporting focal point is immediately notified of any payment received after referral. This is essential to preclude unnecessary and possibly embarrassing diplomatic collection actions being continued after payment has been received. Detailed directions for reporting these arrearages are prescribed in Sections 1203 and 1204 of this Volume.

120206 Collection of Arrearages.

A. DSAA (FMS) will prepare a fourth follow-up letter on arrearages referred from the

DoD components and will use all available means to effect collection of the foreign arrearages within 60 days of referral of the report from the DoD component concerned.

B. After the 60 days have elapsed, all arrearages from foreign countries and international organizations which cannot be collected through DoD efforts and are not compromised, terminated, or suspended in accordance with paragraph 120207 of this Volume, shall be referred to the Department of State via the Assistant Secretary of Defense (International Security Affairs) (ASD(ISA)), with a request for diplomatic assistance to effect settlement. Data provided to the State Department will include a listing of delinquent billings to the country. The State Department will provide appropriate listings to the American Embassies, whose personnel will contact the appropriate officials in their respective countries to assist in any follow-up action. Any additional supporting documentation should be requested from the DoD Component from which the bill was originated.

C. Arrearages from foreign private parties will be referred to the Department of Justice by DFAS-DE.

120207 Compromise, Termination, or Suspension of Collection Actions

A. Pursuant to the Federal Claims Collection Act of 1966, the Secretary of Defense is authorized under certain circumstances, in accordance with Title 4, Chapter II of the Code of Federal Regulations (CFR), to compromise or cause collection action to be terminated or suspended for claims of \$100,000 or less. This dollar threshold will be computed on a contract or transaction basis (in FMS the DD Form 1513 represents a transaction). The actions permitted by references (f) and (g) shall be implemented in accordance with DoD Directive 7045.13. However, DoD Component proposals to reduce a claim by over \$100,000 through compromise or termination, or to suspend collection actions on such amounts will require the concurrence of the Director, DSAA (FMS only), and the OUSD(C). For claims of \$100,000 or less the concurrence of the Director, DSAA (FMS only) and the Director,

DFAS are required. For FMS, see paragraph 030207.B. of Volume 15 of this Regulation for bad debts.

B. Each DoD Component that compromises or terminates a foreign arrearage shall maintain sufficient records to respond to inquiries on the amounts written off. The records shall be maintained on a transaction basis and documented in compliance with the provisions of this chapter. The documentation shall show adherence to the specific steps required by reference (g) and that required coordination has been obtained.

120208 Accounting for Arrearages. Each foreign arrearage will be maintained as a receivable on the books of the DoD Component which established the debt, until disposition instructions are received from the OUSD(C) or there is a justified and documented compromise, termination, or suspension of collection actions pursuant to DoD Directive 7045.13.

1203 REPORTING OF ACCOUNTS RECEIVABLE AND SALES UNDER 120-DAY DELAYED PAYMENT TERMS (SHORT-TERM CREDIT)

120301 Reporting of Accounts Receivable. Foreign indebtedness to DoD Components for logistical support, mission support costs, and other programs is payable upon presentation of the appropriate billing documents. Amounts payable to DoD components for sales of Defense articles and services on terms that require payment of cash in advance of delivery/ performance or within 60 days thereof will be classified as accounts receivable. The DFAS-DE shall submit reports to the DFAS-HQ of foreign indebtedness related to non-FMS sales on TFS Form 4503. Reports on FMS indebtedness will be submitted by the DFAS-DE to the DSAA for review and evaluation prior to consolidation by DFAS on Forms TFS 4503 sent to the Department of Treasury.

120302 Reporting of Sales Under 120-day Delayed Payment Terms. Sales made by the DoD Components under existing FMS cases which provide for 120-day payment terms shall be classified as short-term credit sales. Similarly,

those sales made after September 30, 1976, under special emergency appropriations which provide for payments 120 days after delivery of articles or services will also be classified as short-term credit sales. The DFAS-DE shall submit reports to the DSAA Comptroller of these short-term credit sales on TFS Forms 4502 and 4502B. The DSAA will submit a description of each of these credit sales, or short-term loans, to the Treasury Department on TFS Forms 4501.

120303 Basis for Reporting. Amounts to be reported for FMS will be determined by analyzing unpaid bills using the criteria shown for conditions 3 and 4 in Table 12-3 and the following supplementary guidance:

A. Foreign Military Sales. The "total amount outstanding" and the "amount due and unpaid 90 days or more" will be determined as follows:

1. Countries will be reported as having a "total amount outstanding" (arrearage) in column 3 of the TFS Form 4503, based upon DSAA review of reports submitted by The DFAS-DE. The DFAS-DE will report using the following criteria:

a. The accrued expenditures recorded in column 10 exceeds (1) the total in column 13 of the DD Form 645 on a net country basis (adjusted for over-collected cases) plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed FMF); or (2) the total of the amount paid on the DSAA supplementary bill plus the country's cash resources (including holding accounts, interest bearing accounts, and undisbursed FMF).

b. When column 13 exceeds the accrued expenditures in column 10 and/or the cash resources exceed a six months' supply, no accounts receivable exists; therefore, the DFAS-DE will not report the country.

c. The DSAA will review the DFAS-DE reports to determine the values to be reported in column 3 of the TFS Form 4503.

2. Entries to column 5 of the TFS Form 4503 will be the amounts reported for the previous quarter less collections received during the current period.

B. Other Programs. For other programs, the amount of outstanding bills and any amount in arrears will be reported as "accounts receivable" unless specific credit terms have been authorized in a country-to-country agreement or similar document.

120304 Report Preparation. Instructions for the preparation of TFS Forms 4501, 4502, 4502B, and 4503 are contained in the following paragraphs. To facilitate preparation of the Department of Defense report, pre-punched cards or tape submission for each line entry on the TFS Forms 4502B will accompany the reports to the DSAA Comptroller. Card punching instructions are provided in Table 12-4. Country codes currently published in the Security Assistance Management Manual will be cited on the TFS Form 4503 prepared by the DoD Components. Conversion of the data to the Treasury

FOLLOW-UP SAMPLE LETTER

[Country/Organization Address]

Dear [Mr/Ms Addressee]:

Records of this activity reflect that payment has not been received to date for statement _____ covering [purchases/services] furnished in accordance with the [reference agreement] between the U.S. [Military Service] and the Government of _____. Interest will be charged for all disbursements not covered by cash deposits. In addition, we are required to report to the Department of Treasury indicating an arrearage for your [country/organization] 90 days after the due date for payment of these funds.

A copy of the original bill [or for FMS, a list of cases] is attached.

It is requested that an immediate response be made in order to preclude alternative actions which might result from further delay in payment.

Sincerely,

Signature

Attachment - 1
Cy Original Billing

cc: DSAA/COMPT/FMD

ANALYZING THE STATUS OF COUNTRY DEPOSITS

CONDITIONS	CASH POSITION (ALL SOURCES)	BILLING DUE/ PAYMENT STATUS	ACCRUED EXPENDITURES	DEBT OR ARREARAGE STATUS
1*	6 Months or more cash available	Billed per schedule Unpaid after due date	Less than cash available from all sources	No Debt
2*	6 Months or less cash available	Billed per schedule Paid on due date	Less than cash available from all sources	No Debt
3**	Less than 6 months cash available	Billed per schedule Unpaid after due date	Less than cash available from all sources	Debt
4***	Less than 6 months cash available	Billed per schedule Unpaid after due date	More than cash available from all sources	Arrearage
*No country-level follow-up required - no current accounts receivable. **Country-level follow-up is required. This accounts receivable will be aged (see paragraph 050302 of Volume 15 of this Regulation. Termination liability is a component of debt but not arrearage. ***Country-level follow-up is required. This accounts receivable will be aged and the country will be reported to the Treasury on TFS Form 4503.				

TABLE 12-3

Country Codes as contained in Appendix 8 of the Treasury Financial Manual will be made prior to final submission to Treasury. Instructions for the preparation of TFS Form 4501 are contained in Appendix 1 to the Treasury Financial Manual.

120305 Instructions for Preparation of TFS Forms 4502, Current Status of Active Credits.

A. General Instructions. TFS Form 4502 (Table 12-5) will be used to report the current status at the end of the quarter of each separate official long-term or short-term loan or credit agreement involving foreigners. TFS Forms 4502 also will be used to report the status of individual sales agreements. All amounts reported on TFS Forms 4502 should be stated to the nearest whole dollar or dollar equivalent. Separate TFS Form 4502 should be submitted for each program. TFS Forms 4502 should be stated to the nearest whole dollar or dollar equivalent. Separate TFS Form 4502 should be submitted for each program. TFS Form 4502 should be reported as follows: (a) all entries should be listed primarily by country name in alphabetical order, (b) entries within each country should be listed by classification (e.g., short-term obligations), (c) within each classification, entries should be listed in order of Treasury transaction number. All totals should be listed as one entry representing the combined total of U.S. dollar and dollar equivalent amounts reported.

B. Specific Instructions. The following instructions should be observed in filling out the TFS Form 4502:

1. Report Identification. The following information should be entered in the space provided at the top of the TFS Form 4502:

a. Reporting Agency. Enter the code and name of the reporting agency as follows:

9700	DSAA
9702	DSAA, TFS Form 4502
9705	DSAA, TFS Form 4505
9710	USAF
9720	Army
9730	Navy

b. Program. Enter code "141 FMSA" as indicated in Table 12-1. Enter also Section 22a or b of FMSA, as applicable.

c. Current Status as of. Enter the terminal date of the calendar quarter for which the report is required.

d. Date of Submission. Enter the date on which the report is transmitted to the Department of the Treasury. Under the Date of Submission add "page -- of -- pages."

e. Agreements Reported. Enter "Sale Agreements" in the space provided.

2. Agreement Identification -- (Columns 1-3).

a. Country. Enter on the first available line the name of the first applicable country.

b. Classification. Agreements should be reported by classification as follows:

(1) Short-Term Obligations. Enter the words "Short-Term Obligations." List on subsequent lines the short-term obligations as follows:

(a) Treasury Transaction Number. Enter in column 1 the number assigned to the agreement by the Department of the Treasury for reporting purposes. If the number is not known, contact the DSAA. An alphameric suffix, other than "S" or "X," must be added to the agency assigned six digit Treasury transaction number of those credits where the agency has more than one case number, i.e., a sub-repayment schedule different and separate from the underlying basic credit agreement. The following are given as examples of the use of the alphameric suffix:

CHINA, Republic of

///// LONG-TERM OBLIGATIONS /////	
711506	TW712
711506A	TW713
711506B	TW714
711506C	TW715

///// SHORT-TERM OBLIGATIONS /////

711506S	TW???
711506SA	TW???
711506SB	TW???
711506SC	TW???

//GOVERNMENT CREDIT INTERMEDIARY//

711506	TW???
711506XA	TW???
711506XB	TW???
711506XC	TW???

(b) Agency Agreement Number. Enter in column 2 the number assigned to the agreement by the reporting agency for agency purposes.

(c) Currency Indicator. Enter in column 3 the code describing the amounts to be reported on that line. Right justified; e.g., CCs 33-35, enter "S" in CC35. Loans payable in foreign currencies without maintenance of dollar value should be reported in the given currency units (FC). The following codes are used for identification of amounts:

\$ - Repayable in U.S. dollars,

MO\$ - U.S. dollar equivalents of obligations to pay foreign currency amounts equivalent to a stated amount of U.S. dollars calculated at the reporting rate existing for that country at the time of payment (with maintenance of dollar value),

FC\$ - U.S. dollar equivalents of obligations, obligations, the liquidation of which requires repayment of a stated amount of foreign currency units (without maintenance of dollar value), and

FC - Foreign currency units.

(d) Classification Subtotals. Subtotals for each classification shall be reported by currency indicator where more than one agreement has been reported within the classification. A separate classification subtotal line should be provided for each currency indicator which has been designated in column 3. On the line(s) following the last agreement listed in steps (1)-(3), above, enter the words "Classification Subtotals" in columns 1-2 and the

currency indicator for those subtotals in column 3. Where only one currency indicator has been reported within the classification, the classification subtotals shall also serve as the classification totals and the entry should be labeled "Classification Totals" in columns 1-2 and column 3 should be left blank.

(e) Classification Totals. Totals of combined U.S. dollar and dollar equivalent amounts reported for each classification shall be provided where more than one currency indicator subtotal has been reported within the classification. On the line following the last classification subtotals, enter the words "Classification Totals" in column 1-2 and leave column 3 blank.

c. Country Subtotals. Country subtotals shall be reported by currency indicator where more than one classification has been reported within the country. A separate country subtotal line shall be provided for each currency indicator which has been listed in column 3 for the classification subtotals. On the line(s) following the last classification subtotals for the designated country, enter the words "Country Subtotals" in column 3. Where only one currency indicator has been reported within the country designation, the country subtotals shall also serve as the country totals and the entry should be labeled "Country Totals" in columns 1-2 and column 3 should be left blank.

d. Country Totals. Totals of combined U.S. dollar and dollar equivalent amounts reported for each country shall be provided where more than one currency indicator subtotal has been reported within the country. On the line following the last country subtotals, enter the words "Country Totals" in columns 1-2 and leave column 3 blank.

e. Repeat steps in subparagraphs 2a-d above until all applicable countries and the related agreements have been listed on the form.

3. Loan and Credit Data

a. Commitments. Enter in column 4 the gross amount of commitments as

of the end of the reporting quarter. For the purpose of loan or credit data, a "commitment" represents the dollar amount which is subject to delayed payment terms of the sales agreement. This figure must equal the total amount reported for each case agreement. (Column 7 of DD Form 645).

b. Cancellations. (Not applicable to FMS 120-day delayed payment cases. There, show "-0-" in this column.)

c. Undisbursed. Enter in column 6 the total amount undisbursed at the close of the reporting quarter for each loan or credit. This amount is equal to column 7 (Disbursed) less column 12 of the DD Form 645 and may be verified by subtracting Disbursed, column 7, from Commitments, column 4, of TFS Form 4502.

d. Disbursed. Enter in column 7 the total amount of disbursements (or noncash transfers) made under each agreement. (Column 10, Cumulative Deliveries/Work-In-Process, of the DD Form 645).

e. Disbursed and Still Outstanding. Enter in column 8 the total amount disbursed and still outstanding as of the close of the reporting quarter. This figure may be obtained from column 14 of DD Form 645 and should equal Disbursed (column 7), less Amortization (column 9).

f. Service Payment - Amortization. Enter in column 9 the total amounts of principal repayments received on each agreement. Obtain this amount from column 13 of the DD Form 645.

g. Service Payments - Interest. (Not applicable to FMS 120-day delayed payment cases.)

h. Fees Collected. (Not applicable to FMS 120-day delayed payment cases.)

120306 Instruction for Preparation of TFS Form 4502B - Current Status of Active Credits and Statement of Arrearages

A. General Instructions. TFS Forms 4502B (Table 12-6) will be used to report the status at the end of the quarter of accounts receivable from foreign obligors consisting of short-term obligations (sales financed under 120-day delayed payment terms) and long-term obligations (sales financed from loans or credits). All amounts reported on TFS Forms 4502B will be stated to the nearest dollar or dollar equivalent. The amounts reported on TFS Forms 4502B will be based on records maintained by the military components and DSAA as of the report dates. Accounts receivable from foreign obligors (under 120-day delayed payment terms and FMS credit programs) must be reported on TFS Forms 4502B as follows: (a) all entries will be listed by country name in alphabetical order, (b) all entries listed will represent the combined total of U.S. dollar and dollar equivalents, where applicable. For FMS, see instructions in paragraph 120302 for determining the reportable amounts.

B. Specific Instructions. The following instructions will be observed in filling out TFS Forms 4502B.

1. Report Identification. The following information must be entered in the space provided at the top of TFS Forms 4502B:

a. Reporting Agency. Enter the name of the reporting agency. Enter applicable agency codes as follows:

9700	DSAA
9710	USAF
9720	Army
9730	Navy

b. Program. Enter code "741 FMSA" as indicated in Table 12-1. Enter also Section 22 a or b of FMSA, as applicable.

c. Current Status as of. Enter the terminal date of the calendar quarter for which the report is required.

d. First Line of Report. Military components must enter the words "Short-Term Obligations," for amounts reported under 120-day delayed payment terms. The

DSAA will enter words "Long-Term Obligations" when reporting on the normal credit program

e. Columns 1 & 2. Enter country name, extending into column 2, if necessary. Then list "Treasury Transaction Numbers" and "Agency Agreement Numbers" which are applicable to that country.

f. Currency Indicator. Enter the code describing the code describing the amount reported on that line for that country. Foreign currency obligations shall be reported in dollar equivalents (FC\$) computed at the appropriate reporting rate. The following codes are used for identification of amounts:

\$ - Repayable in U.S. dollars,

MO\$ - U.S. dollar equivalents of obligations to pay foreign currency amounts equivalent to a stated amount of U.S. dollars calculated at the reporting rate existing for that country at the time of payment (with maintenance of dollar value), and

FC\$ - U.S. dollar equivalents of obligations, the liquidation of which requires repayment of a stated amount of foreign currency units (without maintenance of dollar value).

g. Amount Due and Unpaid 90 Days or More. Enter in columns 4 and 5 the amounts of the principal and interest recorded in columns 6 and 7 which are due and unpaid 90 days or more. Note: For "short-term obligations" reported by military components, only the "principal" column will be used.

h. Due Date of Oldest Arrearage. This is not applicable to "short-term obligations," therefore, military components will make no entry. The DSAA will enter the due date of oldest arrearage applicable to each loan or credit program reported.

i. Footnote Codes. To be used only by the DSAA which will enter the applicable code listed in Appendix No. 3 of reference (a) for each loan or credit program being reported.

j. Agency Totals. On the line following the last country listed on the report, enter in columns 1-2 the words "Agency Totals" and enter the totals of all columns contained dollar amounts (and/or U.S. dollar equivalents where applicable).

120307 Instructions for preparation of TFS Form 4503 - Current Status of Accounts Receivable (Original Maturity of Less than 90 days) from Foreign Obligors

A. General Instructions. TFS Forms 4503 (Table 12-7) will be used to report the status at the end of the quarter of accounts receivable from foreign obligors. All amounts reported on TFS Forms 4503 will be stated to the nearest dollar or dollar equivalent. Accounts receivable from foreign obligors must be reported on TFS Forms 4503 as follows: (a) all entries will be listed primarily by country name in alphabetical order; (b) entries within each country are to be reported by program or legislative authorization (Table 12-1) applicable to the accounts receivable outstanding; (c) country totals are to be provided for each country for which accounts receivable are reported for more than one program; (d) program totals must be provided where more than one country is listed on the schedule; (e) Agency/Service totals will be provided where more than one program total is reported. All totals will be provided where more than one program total is reported. All totals are to be listed as one entry representing the combined total of U.S. dollar and dollar equivalent amounts reported. For continuing operations involving periodic settlement of accounts on a net settlement basis, the net balances representing receivables are to be reported. For FMS, see instructions in paragraph 120302 for determining reportable amounts.

B. Specific Instructions. The following instructions will be observed in filling out TFS Form 4503.

1. Report Identification. The following information must be entered in the space provided at the top of TFS Forms 4503:

a. Reporting Agency. Enter the name of the reporting agency. Enter applicable agency codes and titles as follows:

9700	DSAA
9710	USAF
9720	Army
9730	Navy

b. Current Status as of. Enter the terminal date of the calendar quarter for which the report is required. For example, the first and second quarter of calendar year 1994 will be identified as 941 and 942, respectively. In the open space show also the actual date of the quarter ending.

2. Report Data. In the space provided, enter the data for accounts receivable from foreign obligors as follows:

a. Country. Enter in column 1 on the first available line the name of the first applicable country from the alphabetical list of country names and codes provided in the SAMM and/or Table 12-8. Enter in column 7 the identification code assigned to the country.

b. Program. On the line(s) following the country designation, enter in column 1 each program applicable to the accounts receivable outstanding. Enter in column 8 the identification code assigned to the program.

c. Currency Indicator. Enter in column 2 the code describing the amounts to be reported on that line. Foreign currency obligations shall be reported in dollar equivalents (FC\$) computed at the appropriate reporting rate. The following codes are used for identification of amounts:

\$ - Repayable in U.S. dollars,

MO\$ - U.S. dollar equivalents of obligations to pay foreign currency amounts equivalent to a stated amount of U.S. dollars calculated at the reporting rate existing for that country at the time of payment (with maintenance of dollar value), and FC\$ - U.S. dollar equivalents of obligations, the liquidation of which requires

repayment of a stated amount of foreign currency units (without maintenance of dollar value).

d. Total Amount Outstanding - Official. Enter in column 3 the total amount of outstanding accounts receivable from foreign official obligors as of the end of the reporting period. Include foreign private obligations guaranteed by official foreigners.

e. Total Amount Outstanding - Private. Enter in column 4 the total amount of outstanding accounts receivable from foreign private obligors as of the end of the reporting period. Exclude foreign private obligations guaranteed by official foreigners (see step 4 above).

f. Amount Due and Unpaid 90 Days or More - Official. Enter in column 5 the portion of the amount recorded in column 3 which is due and unpaid 90 days or more.

g. Amount Due and Unpaid 90 Days or More - Private. Enter in column 6 the portion of the amount recorded in column 4 which is due and unpaid 90 days or more.

h. Country Totals. On the line following the data for the last program reported: (a) enter in column 1 the words "Country Totals;" (b) leave column 2 blank; (c) enter in columns 3-6 the totals of amount (U.S. dollars plus dollar equivalents) reported for the programs within that country. A separate entry for country totals will not be necessary where only one program has been reported.

i. Enter the next applicable country name and repeat steps 2a-h above until all countries and the related data have been reported.

j. Program Totals. On the line following the last country totals, enter the words "Program Totals" in column 1. On subsequent lines (a) enter in columns 1 and 8 the name and identification code, respectively, for each program listed on the schedule; (b) leave

column 2 blank; (c) enter in columns 3-6 the totals of amounts (U.S. dollars plus dollar equivalents) reported by country for each program. Separate entries for program totals will not be necessary where only one country has been listed.

k. Agency Totals. On the line following the last program totals (a) enter in column 1 the words "Agency Totals;" (b) leave column 2 blank; (c) enter in columns 3-6 the totals of all agency programs. A separate entry for agency totals will not be necessary where only one program total has been reported.

120308 Guaranteed Loans. The Treasury Department requires TFS Forms 4504, 4505, 4505A, and 4506 to be submitted on Guaranteed Loan programs. Currently these programs are managed by the DSAA. Instructions for the completion of these forms are found in the Treasury Financial Manual, Volume 1, Part 2, Chapter 4500, "Grants, Loans, Credits, and Contingent Liabilities Involving Foreigners," Appendix 1.

120309 Submission. The Treasury Department requires the submission of indebtedness reports within 30 days after the end of the quarter. DoD Components shall submit the original to DFAS with a copy to DSAA Comptroller (TFS Form 4503, TFS 4502 and 4502B) within 20 days after the end of the quarter; one copy of the report will also be provided to the OUSD(C) and the ASD(ISA). Copies of the reports may be distributed within the Military Departments as desired.

120310 Flash Report of Major Foreign Debt Arrearages. Major foreign debt arrearages are monitored by the NAC. Therefore, periodically, flash reports will be requested from the DoD Components to satisfy NAC requirements for information on major foreign debt arrearages. For this purpose, a "major" foreign debt arrearage is any country program arrearage which involves the sum of \$250,000 or more. Flash reports will be submitted directly to DFAS-DE by the local command in message form with information copies to the next higher command. The report will reflect any significant changes in major foreign debt arrearages from the quarterly

foreign indebtedness reports submitted in accordance with this section. Collections, information or increased indebtedness, problems encountered in unsuccessful collection attempts, or country circumstances which may adversely affect collections are examples of the information which should be included in the flash reports.

120311 Information Requirements. The reporting requirements prescribed in this Chapter are assigned to control numbers as given in the following subparagraphs.

A. TFS Form 4501. "Description of Foreign Loan or Credit." The DSAA is the focal point for submitting this report to the Department of the Treasury.

B. TFS Form 4502. "Current Status of Active Credits," cumulative amount at end of quarter, Interagency Report Control Number 0102-TD-QU. The DSAA is the focal point for submitting this report to the Department of the Treasury.

C. TFS Form 4502B. "Current Status of Active Credits Statement of Arrearages," Interagency Report Control Number 0104-TD-QU. The DSAA is the focal point for submitting this report to the Department of the Treasury.

D. TFS Form 4503. "Current Status Accounts Receivable (Original Maturity of Less than 90 Days) from Foreign Obligors," Interagency Report Control Number 0105-TD-QU. The DFAS is the focal point for submitting this report to the Department of the Treasury.

E. TFS Form 4504. "Description of Guaranteed (Insured) Foreign Loan, Credit, or Other Payment Scheduling Agreement and U.S. Government Contingent Liability."

F. TFS Form 4505. "Current Status of Active Credits Foreign Loans, Credits or other Payment Scheduling Agreements." The DSAA is the focal point for submitting this report to the Department of the Treasury.

G. TFS Form 4505A. "Current Status of Guaranteed (Insured) Foreign Loans, Credits or Other Payment Scheduling Agreements

Statement of Claims." The DSAA is the focal point for submitting this report to the Department of the Treasury.

1204 COLLECTING AND REPORTING OF
FOREIGN DEBTS UNDER LONG-
TERM LOANS AND DEBTS

120401 General. The DSAA is responsible for administering FMS long-term loans and credit programs authorized by Section 23 of the Arms

Export Control Act, as amended, and likewise is responsible for determining foreign indebtedness against these programs. Debts remaining uncollected 90 days after the due date must be reported to Congress via data submitted on the quarterly TFS Form 4502B (see Section 1203 of this Volume for instructions on completing the form). Debts remaining uncollected one calendar year after the due date subject the indebted country to Brooke-Alexander Amendment sanctions.

TFS FORM 4502B CARD

<u>Field</u>	<u>Caption</u>	<u>Columns</u>
1	Reporting Agency	1-4
2	Program	5-7
3	Current Status as of	6-8
4	Name of Country	11-32
5	Currency Indicator	33-35
6	Enter "E" (Indicates TFS Form 4502B)	36
7	Amount Due and Unpaid 90 Days or More - Principal	37-45
8	Amount Due and Unpaid 90 Days or More - Interest	46-54
9	Total Amounts Due and Unpaid - Principal	55-63
10	Total Amounts Due and Unpaid - Interest	64-72
11	Due Date of Oldest Arrearage	73-78
12	Footnote Codes	79-80

TABLE 12-4

TFS FORM 4502, CURRENT STATUS OF ACTIVE CREDITS[illegible]

TABLE 12-5

TFS FORM 4502B, CURRENT STATUS OF ACTIVE CREDITS STATEMENT OF ARREARAGES

[illegible]

TABLE 12-6

TFS FORM 4503, CURRENT STATUS OF ACCOUNTS RECEIVABLE

Reporting Agency [9]7[0]8 NAVY		TFS FORM 4503 CURRENT STATUS OF ACCOUNTS RECEIVABLE (ORIGINAL MATURITY OF LESS THAN 90 DAYS) FROM FOREIGN OBLIGORS (Amounts stated to nearest whole unit)				Date of Submission April 30, 1976.		
Current Status as of [7]6[1] March 31, 1976.		(1) Country/Program	(2) Cur. Ind. (10-12)	(3) Total Amount Outstanding (13-23) Official 1/	(4) Private (24-34)	(5) Amount Due and Unpaid 90 Days or More (35-45) Official 1/	(6) Private (46-56)	(7) Codes CY Prg (57-59) (60-62)
		ARGENTINA		100000		53075		AR
		MILITARY SALES ACT	\$					
		LOGISTICAL SUPPORT		50000		5000		
		MILITARY ADVISORY GROUP		3000		1000		
		COUNTRY TOTALS		153000		59075		
		BRAZIL						BR
		MILITARY SALES		20000		15000		
		MILITARY ADVISORY GROUP		5000		3000		
		COUNTRY TOTALS		25000		18000		
		NATO						
		LOGISTICAL SUPPORT		100000		75000		
		PROGRAM TOTALS						
		MILITARY SALES ACT		120000		68075		
		LOGISTICAL SUPPORT		150000		80000		
		MILITARY ADVISORY GROUP		8000		4000		
		AGENCY TOTALS		278000		152075		

1/ Includes foreign private obligations guaranteed by official foreigners.

(Note: 10 Pitch Typewriter spacing at 6 lines per inch).

Form

TFS 1-76 4503

0105-TD-QU

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

TABLE 12-7

UNSPECIFIED COUNTRY DESIGNATIONS AND OFFICIAL MULTINATIONAL ORGANIZATIONS

(Source: U.S. Department of the Treasury)

805	Andean Development Corporation
815	Caribbean Development Bank
820	Central American Bank for Economic Integration
825	Central American Fund for Monetary Integration
827	Central Treaty Organization
830	Council of the Entente States
835	East Africa Development Corporation
837	East African Common Services Organization
842	European Atomic Energy Community
844	European Coal and Steel Community
845	International Atomic Energy Agency
850	International Coffee Organization
855	International Finance Corporation
857	International Statistical Institute
860	Lake Chad Basin Commission
866	North Atlantic Treaty Organization
870	O.E.C.D.
881	United Nations
885	University of East Africa
890	West Africa Development Bank
970	Western European - Regional

TABLE 12-8

CHAPTER 13

INTERNATIONAL BALANCE OF PAYMENTS
REPORTING & ESTIMATING

TO BE ISSUED AT A LATER DATE

CHAPTER 14

DEPOT MAINTENANCE REPORTING1401 GENERAL

140101 This chapter prescribes requirements that the DoD Components must satisfy with regard to reporting the accomplishment and status of depot maintenance workloads in:

- DoD depot maintenance activities;
- other DoD activities; and
- private sector activities,

whether accomplished by DoD military or civilian employees or by non-Federal government employees. Further, these requirements apply to all depot maintenance workloads regardless of DoD funding source, e.g., Defense Business Operations Fund (DBOF), Research and Development, Procurement, General Purpose Forces, Special Operations Forces, Operations and Maintenance, or other appropriations; or non-DoD funding source such as for work done on a reimbursable basis for other Federal, state, local, foreign government and private sector customers. DoD depot maintenance activities that are funded by the DBOF are required to follow the formal cost accounting requirements specified in Chapter 63, "Cost Accounting Requirements for Depot Maintenance," of Volume 11B, "Reimbursable Operations, Policy and Procedures," of this Regulation. Other DoD activities performing depot maintenance workloads may use other cost finding procedures to satisfy the reporting requirements specified in section 1402, below. DoD activities that contract with private sector activities for depot maintenance will report as prescribed in section 1403 below.

140102 The uniform recordation, accumulation, and reporting of costs incurred in depot maintenance operations is required to document the use of scarce DoD resources and to assist management in the: measurement of productivity and efficiency; the development and use of performance measurement and cost standards; and to highlight areas in need of increased management emphasis. Also, the data will assist in the identification of total DoD maintenance capability, duplication of capacity,

and areas of interservice support for maintenance workloads.

140103 Specifically, management should have depot maintenance information available from the cost accounting and reporting module to assist in the:

A. Comparison of historical unit cost trends with replacement cost-trends.

B. Oversight of the utilization of depot maintenance resources.

C. Evaluation of budgets for depot maintenance work programs.

D. Comparison of cost trends among organic DoD depots or between organic and contract (private sector) sources.

E. Managerial direction and guidance for depot maintenance programs.

F. Evaluation of depot maintenance activities for efficient use of resources.

G. Estimation of depot maintenance requirements.

H. Monitoring of DoD Component compliance with various Congressionally mandated reporting requirements, including contract/organic shares.

I. Examination of the behavior of cost drivers over time.

140104 To ensure that all workloads are accounted for and reported on, regardless of funding source, reporting requirements have been stratified to allow reporting of "Funded" and "Unfunded" costs:

A. Funded costs are costs included within the budget of and financed by an operation and maintenance appropriation or

revolving fund available, either currently or in the past, to the performing activity. Funded costs include items, such as operating materials and supplies, for which an outlay was made in a prior period or year but which are recognized in the current period in which the asset is used or consumed.

B. Unfunded costs are costs financed by an appropriation other than one available, either currently or in the past, to the performing activity. Within the DBOF, there are few unfunded costs. The predominant example is depreciation or real property assets (buildings, etc.) used by the DBOF activity but financed by a military construction appropriation.

1402 REPORTING REQUIREMENTS

140201 The reporting requirements contained herein and in the addendums to this chapter, including any subsequent data and format revisions, are the responsibility of the Assistant Deputy Under Secretary of Defense for Maintenance Policy, Programs and Resources (ADUSD[MPP&R]), Office of the Under Secretary of Defense (Acquisition & Technology). The ADUSD(MPP&R) shall provide the data revisions and report format changes to the Director for Accounting Policy, OUSD(C), for publication in subsequent revisions of this chapter. The senior official with responsibility for logistics in each DoD Component is responsible for timely reporting. The Assistant Secretary responsible for financial management in the Military Departments (or equivalent in other DoD Components) is responsible for providing complete and accurate financial data to the report preparer in sufficient time for report finalization. Included with automated data submissions will be, as a minimum, those hard copy reports described in Addendum 5 below. Further, results of the reconciliation required in paragraph 140207, below, will be included with each annual submission. Additionally, each annual submission will identify points of contact for that DoD Component for queries regarding the content or status of any reports that are required.

140202 The depot maintenance cost report required by this chapter applies to all Military

Services and other DoD activities that accomplish depot maintenance workloads or have depot maintenance workloads accomplished by contract. A list of DoD activities that historically have accomplished depot maintenance workloads is at Addendum 1 to this chapter. Depot maintenance activities not operated as DBOF activities shall report only depot maintenance efforts in the depot maintenance cost report. Other work efforts shall not be reported by these activities. However, depot maintenance activities funded by the DBOF shall report all operating costs incurred by the Fund. If lower echelons of maintenance normally performed below a depot maintenance facility are performed at a depot maintenance facility that is funded by DBOF, the cost incurred by the depot for these functions shall be reported under the appropriate work performance category described in Addendum 2 to this chapter.

140203 The Work Performance Categories (WPCs) at Addendum 2 to this chapter identify, for reporting purposes, the work performed at a government or commercial depot maintenance facility. The definition of primary depot maintenance work includes the following categories: overhaul (code A), progressive maintenance (code B), renovation (code F), analytical rework (code G), repair (code I), inspection and test (code J), scheduled maintenance (code S), and software support (code U). Modernization includes the categories of conversion (code C) and modification (code H). Other costs required to be included in the depot maintenance cost report include the following WPCs: activation (code D), inactivation (code E), manufacture (code K), reclamation (code L), storage (code M), technical assistance (code N), calibration (code P), depot level portion of contractor logistics support (CLS)(code R), and Other Work (code T). When depot maintenance employees are temporarily assigned to non-depot maintenance activities, their payroll cost shall be recorded as other work, WPC "T."

140204 Each DoD Component shall maintain, in a central location, a file of the data required under the provisions of this chapter in the defined format. The file shall be updated quarterly on a cumulative fiscal year-to-date

basis for closed, completed work and active work in process. Final fiscal year end hard copy reports in the format prescribed in Addendum 5 to this chapter and a magnetic tape of the data in the file shall be submitted to the ADUSD(MPP&R), within 90 days of the end of the fiscal year. The DoD Component data file shall be available for processing inquiries for the most recent 5 years. This information is necessary to plot weapon system maintenance cost trends. Copies of the quarterly data update tapes shall be available for review for a minimum of 2 years. Reporting requirement symbol AP-MP(A)1397 is assigned to this reporting requirement.

140205 Cost and production reporting systems shall be designed to provide an audit trail from the quarterly data file back to the individual job order cost records if needed to support the reported data.

140206 A report line (data record) is required for each type of depot maintenance work (field 14) performed for each different weapon system or item identification number as indicated by different data entries in any of fields 7, 9, 10, 12, or 13 at each activity (field 5). Special attention should be paid to any consolidation of job orders that may be consistent with this schema to ensure that the integrity of other fields (e.g. shop flow days) is maintained.

A. Detailed reporting requirements are specified in Addendum 3 to this chapter. All quantities and amounts shall be right-justified and the unused high order positions shall be zero filled. Submitted data shall be edited by the DoD Components prior to submission to ensure that the edit requirements outlined in Addendum 3 are met.

B. The ADUSD(MPP&R) will maintain a cross-reference file of pertinent data elements and codes for use by the Military Departments in compiling the AP-MP(A)1397 report. A complete listing of applicable data elements and codes will be forwarded to the DoD Components, designated points of contact during the third quarter of each fiscal year for AP-MP(A)1397 report usage. These codes will include as a minimum Weapon or Support

System Codes (WSSC), Performance Activity CAGE Codes, Reporting Facility CAGE Codes, and Work Performance Category Codes. Each Military Department will ensure that any codes or elements used in the subsequent AP-MP(A)1397 report other than those so provided is fully defined in the annual report submission.

C. The Defense Manpower Data Center (DMDC) will process each DoD Component APMP(A)1397 report data submissions for the ADUSD(MPP&R). The DMDC will edit annual data submissions and conduct necessary integrity checks. The ADUSD(MPP&R) will provide the Military Departments the results of data edits and checks within 30 days of the annual report submission. The DMDC will produce a defined set of standard reports for the ADUSD(MPP&R), which will also be made available to the Military Departments and DoD activities. The ADUSD(MPP&R) will review the DMDC-prepared standard reports and the Component-prepared reports (outlined in Addendum 5) to support final reconciliation of fiscal year reporting and data base establishment. The DMDC also will support ad hoc queries and data base extracts as may be requested and authorized by the ADUSD(MPP&R). Authorized Military Department data queries and other requirements will be supported as resources permit.

D. The Defense Finance and Accounting Service (DFAS) shall be responsible for the following:

1. DFAS Defense Accounting Offices (DAOs) and Operating Locations (OPLOCs) supporting depot maintenance activities will provide accurate and timely financial data (in accordance with paragraph 140201) needed to produce the AP-MP(A)1397 report. Report preparation shall be the responsibility of the depot maintenance commander.

2. Supporting DAOs and OPLOCs will be responsible for the accuracy of the job order costs provided above and the inclusion of all DBOF operating and capital costs in accordance with current policies.

3. Supporting DAOs and OPLOCs shall be responsible for the consistency of the reported costs; i.e., job order costs must be consistent with - and reconcilable to - the managerial financial reports and the DBOF Accounting Report 1307 for the depot maintenance business area.

140207 The data submission report shall consist of two types of report records.

A. The first type is cumulative completed work. All report transaction records for customer orders that have been financially completed and recorded as cost of goods sold shall be identified with a "C" in field 51. The total of all reported amounts of completed work in the current reporting fiscal year shall be reconciled to the amount recorded in general ledger account 6500, "Cost of Goods Sold." The reported amount for completed work shall equal the total amount of cost incurred on that item. The amount of variance in applied overhead should be considered an element in the cost of goods sold for reconciliation purposes. Reporting entities other than DBOF activities shall reconcile their completed job orders to the amount recorded in account 6120, "Other Services," for repair expenses.

B. The second type of report record is cumulative work in process. All work in process shall be reported in order to currently report all costs incurred by a depot maintenance activity. All report transaction records for work in process shall be identified with a "W" in field 51. The total of all reported amounts of job orders in process and contractor costs shall be reconciled to general ledger account series 1580, "Work in Process," including progress payments to contractors. Non-DBOF reporting entities shall reconcile their work in process job orders to the amount recorded in account 6120, "Other Services," for repair expenses.

C. Large job orders that have revenue recognized periodically shall be reported with a "W" but included in the reconciliation to account 6500, "Cost of Goods Sold," to the degree that revenue may have been recognized during that fiscal year. The costs reported on such job orders shall be cumulative since inception until

the job is finally completed even though the revenue may have been recognized on a percentage of completion or other basis. Progress payments are not considered under the guidance in this paragraph.

140208 Each DoD Component shall submit a magnetic tape in "Extended Binary Coded Decimal Interchange Code (EBCDIC)," unblocked or block 10, 9 track, and with a tape density of 1600 or 6250 characters per inch. Do not include header records on the tape, only data records as described in paragraph 140206., above, followed by a tape mark. Each report record shall have a unique record identified code in field 46 to facilitate the identification of individual report transaction records.

140209 Tape reels must have an attached label identifying the contents; that is, Depot Maintenance Cost and Production Report, fiscal year of the report, submitting component name and office name and mailing address to which the reels are to be returned, and tape characteristics. Also, the letter of transmittal for the hard copy report shall include the same information as contained on the tape label.

140210 The AP-MP(A)1397 report serves as a principal data base in support of ADUSD(MPP&R) weapon systems depot maintenance cost and production analyses and external reporting, as well as the principal joint-Service data base on depot maintenance production operations. As an integral part of the Component edit process on the data submission report, a review shall be performed by maintenance or logistics experts to determine the accuracy, completeness, and reasonableness of the data being submitted. The hard copy report formats described in Addendum 5 provide summary information at the activity, commodity and weapon system levels and are consistent with and fully supported by the depot maintenance cost accounting practices of the Military Departments as required by this regulation. The hard copy reports shall be accompanied by a narrative analysis of significant developments, information, or trends portrayed in the data submission report. The report formats are direct derivatives from the annual data submission report. In reviewing

these minimal hard copy report formats, the reporting official and reviewing experts in each Military Department will be able to gain a general overview of the depot maintenance program for which detailed data is being submitted. The transmittal memorandum for the report shall identify a logistics point of contact for issues and questions relating to the data being reported.

140211 In addition to the above reports, depot maintenance activities are subject to reporting requirements specified in other chapters of this Regulation.

1403 DEPOT MAINTENANCE WORKLOAD PERFORMED BY ACTIVITIES OTHER THAN DBOF DEPOT MAINTENANCE ACTIVITIES

140301 Depot Maintenance may also be performed on a reimbursable basis at the DBOF-funded maintenance depots and at various other DoD in-house facilities, such as arsenals, ordnance stations, public works centers, and by private sector commercial contractors. A list of DoD organic activities that accomplish depot maintenance type workloads is at Addendum 1, below, to this chapter. In order for the entire DoD depot maintenance program to be visible in required reports, the depot maintenance workload performed in all DoD and contractor facilities, including the depot portion of Contractor Logistics Support (CLS), shall be included in the report required by section 1402 of this chapter.

140302 The identification of maintenance work effort as depot maintenance must be made in connection with requests for funds to maintain the equipment end-items or components. Depot maintenance budgetary requirements should be identified by equipment end-item.

140303 The reporting requirements specified in section 1402, above, apply to all contracted out depot maintenance work. Depot Maintenance

workloads may be performed by private sector commercial contractors under contract at their facilities or at U.S. Government-owned, contractor-operated (GOCO) facilities. Specifically, the AP-MP(A)1397 report must identify reporting activities in field 8 (see Addendum 3 to this chapter) that contract for depot maintenance work. For example, depot maintenance activities, systems program offices, program managers, major commands, major subordinate commands, supervisors of shipbuilding, the Navy Aviation Supply Office, the Navy Ships Parts Control Center, and all other activities that use DoD funds, regardless of source, to contract for depot maintenance functions shall take steps to ensure the cost of the effort is reported in field 36 of the report. Further, they shall ensure that data submissions are complete and accurate as required by this chapter.

140304 The activity requiring and funding the work shall report the amount paid in field 36, "Contract and/or Other Maintenance Activity Cost," as specified in Addendum 3, below, to this chapter. The report shall identify the item worked on, the work performance category, and work breakdown structure classification to the extent economically feasible. The report shall include work performed by other DoD depot maintenance activities on behalf of the reporting activity. Any depot maintenance work, performed by an in-house DoD facility that is not listed in Addendum 1, below, to this chapter shall be reported by the requiring activity with a "2" in field 7, "Owner/Operator Code."

1404 SPECIAL REPORTS

Any one time or additional reports required shall be prescribed by the Office of the Deputy Chief Financial Officer in coordination with the ADUSD(MPP&R).

ADDENDUM 1DoD ORGANIC ACTIVITIES THAT ACCOMPLISH DEPOT MAINTENANCE TYPE FUNCTIONSDEPARTMENT OF THE ARMYFacilityLocation

Anniston Army Depot
 Corpus Christi Army Depot
 Letterkenny Army Depot
 *Lexington Depot
 Red River Army Depot
 *Sacramento Army Depot
 Seneca Army Depot
 Sierra Army Depot
 Tobyhanna Army Depot
 *Tooele Army Depot

Anniston, Alabama
 Corpus Christi, Texas
 Chambersburg, Pennsylvania
 Lexington, Kentucky
 Texarkana, Texas
 Sacramento, California
 Romulus, New York
 Herlong, California
 Tobyhanna, Pennsylvania
 Tooele, Utah

DEPARTMENT OF THE NAVYNaval ShipyardsLocation

*Naval Shipyard Charleston
 Naval Shipyard Long Beach
 *Naval Shipyard Mare Island
 Naval Shipyard Norfolk
 Naval Shipyard Pearl Harbor
 *Naval Shipyard Philadelphia
 Naval Shipyard Portsmouth
 Naval Shipyard Puget Sound

Charleston, South Carolina
 Long Beach, California
 Vallejo, California
 Portsmouth, Virginia
 Pearl Harbor, Hawaii
 Philadelphia, Pennsylvania
 Kittery, Maine
 Bremerton, Washington

Naval Aviation Depots

*NADEP Alameda
 NADEP Cherry Point
 NADEP Jacksonville
 *NADEP Norfolk
 NADEP North Island
 *NADEP Pensacola

Alameda, California
 Cherry Point, North Carolina
 Jacksonville, Florida
 Norfolk, Virginia
 San Diego, California
 Pensacola, Florida

Naval Ordnance Facilities

Naval Ordnance Station
 Naval Ordnance Station
 Naval Weapons Station
 Naval Weapons Station
 Naval Weapons Station
 Naval Weapons Station, Earle
 Naval Weapons Station

Indian Head, Maryland
 Louisville, Kentucky
 Yorktown, Virginia
 Charleston, South Carolina
 Concord, California
 Colts Neck, New Jersey
 Seal Beach, California

ADDENDUM 1DoD ORGANIC ACTIVITIES THAT ACCOMPLISH DEPOT MAINTENANCE TYPE FUNCTIONS
(CONTINUED)Ship Repair FacilitiesLocation

SRF Guam
SRF Yokosuka

Guam, Mariana Islands
Yokosuka, Japan

Other Navy Facilities

Strategic Weapons Facility, Atlantic
Strategic Weapons Facility, Pacific
Polaris Missile Facility, Atlantic
TRIDENT Refit Facility
Naval Air Warfare Center
Naval Surface Warfare Center
Naval Surface Warfare Center
Naval Undersea Warfare Center
Naval Command, Control and Ocean Surveillance Center
Naval Command, Control and Ocean Surveillance Center
*Naval Electronic Systems Engineering Activity Detachment
*Naval Electronic Systems Engineering Center

Kings Bay, Georgia
Bremerton, Washington
Charleston, South Carolina
Bangor, Washington
Indianapolis, Indiana
Crane, Indiana
Port Hueneme, California
Keyport, Washington
Norfolk, Virginia
San Diego, California
Philadelphia, Pennsylvania
St. Inigoes, Maryland

MARINE CORPSMarine Corps Logistics BasesLocation

MCLB Albany
MCLB Barstow

Albany, Georgia
Barstow, California

DEPARTMENT OF THE AIR FORCEAir Logistics CentersLocation

Ogden ALC
Oklahoma City ALC
Sacramento ALC
San Antonio ALC
Warner-Robins ALC

Hill AFB, Utah
Tinker AFB, Oklahoma
McClellan AFB, California
Kelly AFB, Texas
Robins AFB, Georgia

Other Air Force Facilities

*Aerospace Guidance and Metrology Center
Support Group Pacific
Aerospace Maintenance and Regeneration Center
Air Force Space Depot

Newark AFS, Ohio
Kadena AFB, Japan
Davis-Monthan AFB, Arizona
Colorado Springs, Colorado

ADDENDUM 1

DoD ORGANIC ACTIVITIES THAT ACCOMPLISH DEPOT MAINTENANCE TYPE FUNCTIONS
(CONTINUED)

DEFENSE LOGISTICS AGENCY

Location

Defense General Supply Center Industrial Plant
Equipment Repair Facility

Mechanicsburg, Pennsylvania

* Indicates depot activities scheduled for closure or realignment.

ADDENDUM 2
WORK PERFORMANCE CATEGORIES (WPC)

Code A – Overhaul. The disassembly, test, and inspection of the operating components and the basic structure to determine and accomplish the necessary repair, rebuild, replacement and servicing required to achieve the desired level of performance. Overhaul is synonymous with "rework" and "rebuild."

Code B – Progressive Maintenance. A predetermined amount of work that represents a partial overhaul under a program that permits the complete overhaul to be accomplished by means of two or more scheduled work efforts in the maintenance process. Progressive maintenance is synonymous with "cycle maintenance," "restricted availability," "preventive servicing," "recondition," and "phased" or "incremental maintenance."

Code C – Conversion. The alteration of the basic characteristics of an item to such an extent as to change its mission, performance, or capability.

Code D – Activation. The process of returning an item from preservation, storage, or inactive status to an active, serviceable status by means of removal from storage and containers, stripping, inspection, servicing, testing, and repair, replacement of components, assemblies, or subassemblies as required.

Code E – Inactivation. The servicing and preservation of an item prior to placement in storage or an inactive status.

Code F – Renovation. The proof and test evaluation, rework of ammunition or ordnance items as required for retaining their desired capability.

Code G – Analytical Rework. The disassembly, test and inspection of end-items, assemblies or subassemblies to determine and accomplish the necessary rework, rebuild, replacement, or modification required. It includes the technical analysis of the findings and determination of maintenance criteria. Includes prototype teardown, analysis and rework of an item to determine job and material specifications for a subsequent maintenance requirement.

Code H – Modifications and Upgrades. Modifications and upgrades are changes to systems and equipment for safety reasons, to correct a deficiency, or to improve program performance. A "modification" is a change to a system that is still being produced; an "upgrade" is a change to a system that is out of production.

Code I – Repair. Action to restore an item to a serviceable condition from an unserviceable condition, correcting principally those defects that rendered the item unserviceable.

Code J – Inspection and Test/Engineering Investigations. The examination and confirmation of the condition or operational status of an item relative to its applicable specifications; includes First Article Test. Engineering investigations are used to determine the cause of reported equipment failure or malfunction and are accomplished through the application of a disassembly and inspection investigation, material analysis inspection, and/or an engineering assistance investigation.

Code K – Manufacture. The fabrication of an item from raw materials or components.

ADDENDUM 2 (CONTINUED)
WORK PERFORMANCE CATEGORIES (WPC)

Code L – Reclamation. The authorized processing of end-items, assemblies or subassemblies to obtain parts or components that are to be retained in operating materials and supplies prior to taking disposal action on the end-item, assembly or subassembly. Covers demilitarization actions on items prior to disposal when the demilitarization is incidental to the reclamation.

Code M – Storage. The inspection, represervation, and maintenance in a storage status of weapons and equipment items as well as their subsystems and components in the supply system.

Code N – Technical Assistance. The use of qualified depot maintenance personnel to provide technical information, instructions, or guidance, or to perform specific work requiring special skills for operational activities or other maintenance organizations. Includes all demilitarization other than that incidental to reclamation when required to be reported.

Code O, P, Q, R, and S – Not Used.

Code T – Other Work. Used to complete the reporting of all maintenance work force costs incurred. Any costs incurred at a depot maintenance activity funded by the Defense Business Operations Fund that do not meet the criteria for reporting under the other work performance categories shall be reported in this category. This includes any maintenance support costs funded by a Defense Business Operations Fund activity. Maintenance support includes centralized programming and planning support, technical and engineering services, preparation of maintenance publications and engineering data, and technical and administrative training.

Code U – Software Support. The sum of all amounts for efforts required to correct software deficiencies to ensure that, during the post-deployment phase of a mission-critical computer system's life, the implemented and fielded software continues to support the system mission. Depot maintenance software support excludes efforts required to update software to operate the new hardware configurations or required to support new missions. Depot maintenance software support addresses both embedded software systems and support equipment software (e.g., automated test equipment).

Code V – Calibration. The comparison of a measurement system or device of unknown accuracy to a system or device of known and greater accuracy. The system or device of greater accuracy is a measurement standard.

Code W – Contractor Logistics Support (CLS). CLS is commercial support for those weapon systems and equipment that do not have an organic support base established. Contractors provide total support including depot maintenance for the equipment, end-item, and components. Only those maintenance functions that would be classified as depot level, if the equipment was maintained organically, will be included.

Code X – Not Used.

Code Y – Scheduled Maintenance. The application of certain maintenance procedures to ensure that aeronautical equipment is maintained by controlling degradation resulting from time, operational cycles, use, and climatic exposure. Scheduled maintenance requirements are the minimum necessary under all conditions and are mandatory to ensure timely discovery and correction of defects. Includes Standard Depot Level Maintenance (SDLM) and Programmed Depot Maintenance (PDM).

Code Z – Not Used.

<u>ADDENDUM 3</u> <u>SECTION A</u> <u>DoD DEPOT MAINTENANCE COST REPORT FOR ITEMS OR SERVICES</u>			
FIELD NO.	DESCRIPTION OF DATA	TAPE POSITIONS	NO. OF POSITIONS
<u>RECORD IDENTIFICATION:</u>			
1	Record Type "F"	1	1A
2	Report Period Quarter Code	2	1N
3	Fiscal Year	3-4	2N
<u>IDENTIFICATION OF FACILITY:</u>			
4	Customer Program Element	5-10	6A/N
5	Performing Activity CAGE Code	11-15	5A/N
	a. Organic Activity CAGE Code	11-15	5A/N
	b. Contractor CAGE Code	11-15	5A/N
	c. Not Used (Leave Blank)	16-24	9B
6	Inside or Outside U.S. Code	25	1N
7	Owner and/or Operator Code	26	1N
8	Reporting Facility CAGE Code	27-31	5A/N
<u>IDENTIFICATION OF ITEM AND/OR SERVICE AND CUSTOMER:</u>			
9	Item Identification Number	32-44	13A/N
10	Item Nomenclature	45-64	20A/N
11	Not Used - Leave Blank	65-74	10B
12	Weapon or Support System Code	75-78	4A/N
13	Work Breakdown Structure Code	79-81	3A/N
14	Work Performance Category	82-84	3A/N
15	Customer Code	85-86	2A/N
16	Not Used (Leave Blank)		
<u>LABOR HOUR AND COST DATA:</u>			
17	Direct Civilian Labor (Production)-Cost-DBOF	87-94	8N
18	Direct Civilian Labor (Production)-Hours	95-102	8N
19	Direct Civilian Labor (Other)-Cost-DBOF	103-110	8N
20	Direct Civilian Labor (Other)-Hours	111-118	8N
21	Direct Military Labor (Production)-Cost-Non-DBOF	119-126	8N

ADDENDUM 3 SECTION A DoD DEPOT MAINTENANCE COST REPORT FOR ITEMS OR SERVICES			
FIELD NO.	DESCRIPTION OF DATA	TAPE POSITIONS	NO. OF POSITIONS
22	Direct Military Labor (Production)-Hours	127-134	8N
23	Direct Military Labor (Other)-Cost-Non-DBOF	135-142	8N
24	Direct Military Labor (Other)-Hours	143-150	8N
25	Direct Material Cost-DBOF	151-158	8N
26	Direct Material Cost-(Investment Items at Full Price)-Non-DBOF	159-166	8N
27	Direct Material Cost-(Exchanges)-Non-DBOF	167-174	8N
28	Direct Material Cost-(Modification Kits)-Non-DBOF	175-182	8N
29	Direct Material Cost-(Expense)-Non-DBOF	183-190	8N
30	Other Direct Cost-DBOF	191-198	8N
31	Other Direct Cost-Non-DBOF	199-206	8N
32	Operations Overhead-DBOF	207-214	8N
33	Operations Overhead-Non-DBOF	215-222	8N
34	General and Administrative Expense-DBOF	223-230	8N
35	General and Administrative Expense-Non-DBOF	231-238	8N
36	Contract and/or Other Maintenance Activity Cost-DBOF and Non-DBOF	239-246	8N
37	Government-Furnished Material (Investment Items at Full Price)	247-254	8N
38	Government-Furnished Material (Exchanges)	255-262	8N
39	Government-Furnished Material (Modification Kits)-Non-DBOF	263-270	8N
40	Government-Furnished Material (Expense)-DBOF	271-278	8N
41	Government-Furnished Services-DBOF	279-286	8N
42	Government-Furnished Services-Non-DBOF	287-294	8N
43	End Item	295	1A
44	Not Used (Leave Blank)	296-310	15B

<u>ADDENDUM 3</u> <u>SECTION A</u> <u>DoD DEPOT MAINTENANCE COST REPORT FOR ITEMS OR SERVICES</u>			
FIELD NO.	DESCRIPTION OF DATA	TAPE POSITIONS	NO. OF POSITIONS
<u>PERFORMANCE-PRODUCTIVITY (PRODUCTION) DATA:</u>			
45	Total Production Quantity	311-318	8N
46	Report Data Record Identifier	319-326	8A/N
47	Quantity of Items Inducted During Reporting Year	327-334	8N
48	Quantity of Items Inducted During Year Preceding Reporting Year	335-342	8N
49	Quantity of Items Inducted During All Other Previous Years	343-350	8N
50	Shop Flow Days	351-354	4N
51	Work Status Code	355	1A
52	Exception Code	356	1A/N
53	NIMSC Code	357	1N
54	Not Used (Leave Blank)	358-360	3B

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD

1. Field 1 - Record Type

Use record-type "F" to identify this record.

2. Field 2 - Report Period Quarter Code

Use reference No. QU-JB.

3. Field 3 - Fiscal Year

Use reference No. YE-NA.

4. Field 4 - Customer Program Element

Use primary program element codes for customers as specified in DoD 7045.7-H. Zero fill for customers not funded with DoD funds. In position 10, enter A, F, M, N, or D to designate a DoD Component being supported. Otherwise, enter a zero.

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

5. Field 5 - Performing Activity CAGE Code

a. Organic Activity CAGE Code. If the activity is Government-Operated (Code 1 or 2 in field 7), enter the CAGE code in positions 11 through 15 for the activity identified in addendum 1.

b. Contractor CAGE Code. If the maintenance activity is contractor-operated (Code 3 in field 7), enter the contractor CAGE code as specified in the DoD Supplement to the Federal Acquisition Regulation (FAR) and assigned in the Federal Supply Catalog, CAGE (H4/H8 Series). Start in position 11 and leave positions 16 through 24 blank. If a CAGE code has not been established for a contractor, a number should be requested through appropriate channels.

6. Field 6 - Inside or Outside U. S. Code

Enter one of the following codes to indicate whether the organic or contractor activity performing the depot maintenance is located within or outside the contiguous United States. Code 1 shall be used to indicate within the United States. Code 2 is for outside the United States including Alaska and Hawaii.

7. Field 7 - Owner and/or Operator Code

Enter one of the following to indicate the type of activity performing the maintenance:

Code 1 - DoD Component-In-House-Depot Maintenance Activity (Listed in addendum 1, above, to this chapter).

Code 2 - DoD Component-In-House-Depot Maintenance Activity (Not listed in addendum 1, above, to this chapter).

Code 3 - Contractor-Owned, Contractor-Operated.

Code 4 - Not Used

Code 5 - Not Used

Code 6 - Jointly (Contractor and Government)-Owned, Contractor-Operated; or Government-Owned, Contractor-Operated, or other arrangements, e.g., teaming.

When Code 1 is entered in this field, fields 36 through 42 shall be zero filled. When Codes 2 or 3 are entered in this field, fields 17 through 35 shall be zero filled.

When Code 2 is entered, field 36 shall be the cost of DoD In-House maintenance performed by a DoD non-depot maintenance activity. When Code 3 is entered, field 36 shall be contract cost. When Code 4 is entered in this field, every effort should be made to complete fields 17-35.

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

8. Field 8 - Reporting Facility CAGE Code

A code identifying the reporting activity, including activities contracting for depot maintenance work with commercial contractors and with other in-house DoD maintenance facilities. Depot maintenance activities performing in-house work for all other DoD activities including other depot maintenance activities shall report their work by using their own CAGE code in this field.

9. Field 9 - Item Identification Number

A code to identify the specific item on which depot maintenance was or is being performed. Do not use punctuation such as dashes or slashes, or blank spaces between characters. Start in position 32 and enter left-justified up to 13 characters; zero fill unused positions. Sample entries for this field are as follows:

- a. If the item is an aerospace vehicle (aircraft, guided missile, rocket, or probe), show the mission design series (MDS) according to DoD Directive 4120.15 (i.e., DoD 4120.15-L, "Model Designation of Military Aerospace Vehicles"). See examples below:

<u>ITEMS</u>	<u>TAPE POSITIONS</u>												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Basic (Standard) Mission Aircraft	F	1	6	C									
Modified (Special) Mission Aircraft	M	H	5	3	E								
Special Test (Permanent) Aircraft	N	K	C	1	3	5	E						
Basic (Standard) Missile	U	G	M	1	3	3	A						
Basic (Standard) Rocket	R	U	R	5	A								
Basic (Standard) Probe	P	W	N	1	2	A							

- b. If the item is an aerospace vehicle propulsion engine, equipment or aeronautical support equipment, or photographic item, show the type designation according to Military Standard (MIL-STD) 1812, "Type Designation, Assignment and Method for Obtaining." See examples below:

<u>ITEMS</u>	<u>TAPE POSITIONS</u>												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Turbofan Engine	F	1	1	8	G	E	1	Ø	Ø	A			
Turboshaft, Turboprop Engine	T	F	3	4	G	E	1	Ø	Ø	B			
Solid Propellant Rocket Motor	S	R	1	1	Ø	A	D	1	A				

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

<u>ITEMS</u>	<u>TAPE POSITIONS</u>												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Manufacturer's Model Engine	C	F	M	5	6	2	A	2					
Reconnaissance Camera	K	A	7	A									
Crash/Fire Truck	A	S	3	2	P	2	6						
Chemical Alarm Unit	A	E	2	3	D	3							

NOTE: Ø means numeric; O is alphabetic

- c. If the item is a vessel, show ship type and hull number in the first eight (8) positions and zero fill the remaining five (5) positions.
- d. If ammunition rework or renovation is performed by a depot level maintenance activity, total cost shall be recorded by work breakdown structure code H3 (field 13) only and this field shall be zero filled.
- e. If none of the above is applicable and the job order criterion in Volume 11B, Chapter 63, Section G. requires national stock number identification, enter that national stock number; such as, 6730001161618 in positions 32 through 44.
- f. If none of the above are applicable, enter the letters or numbers used for the identification of the job order as required by Volume 11B, Chapter 63, Section G. of this Regulation. The first four digits should identify Federal Supply Class and of the remaining 9 positions, one must be alphabetic. Zero fill when Work Performance Category (field 14) is "Other Work, (T)."

10. Field 10 - Item Nomenclature

A 20-digit field describing the specific item on which maintenance was performed, or the support service that was performed. Use common abbreviations if more than 20 positions would otherwise be required. Start in position 45 and leave blank, unused positions to the right (left justify).

- a. For aircraft and missiles, use popular names, if assigned; such as, PATRIOT, COBRA, PHOENIX, FALCON, MINUTEMAN, HARRIER, etc. If a popular name has not been assigned, or is unknown, use the basic mission of the aircraft or missile; such as, FIGHTER AIRCRAFT, TRAINER AIRCRAFT, CARGO TRANS AIRCRAFT, UTIL HELICOPTER, SURFACE ATTACK MISSILE. DoD 4120.15-L, "Model Designation of Military Aerospace Vehicles," includes a current complete listing.
- b. For aircraft and rocket engines, use the name of the engine type. Examples are: TURBOFAN ENG, ROCKET MOTOR, etc.
- c. For vessels, use the name of the ship. Examples are USS GEORGIA, etc.
- d. For conventional ammunition, use "Ammunition."

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

e. For items with a national stock number, use the standard description generally carried in the Federal Supply Catalog.

f. For all other items, use the noun and modifiers that adequately describe the item.

11. Field 11 - Not Used

12. Field 12 - Weapon or Support System Code

A code identifying a specific weapon or support system. Use existing coding systems now used by DoD Components for depot maintenance reporting. Code 997 shall be used if an item cannot be identified to a specific weapon or support system, but can be identified in field 13 to a major commodity group (such as, aircraft, missiles) and to a category (such as, fighters, bombers, etc.) within the major commodity group. Code 998 shall be used if identification is possible only to the major commodity group and not to a category. Code 999 shall be used if identification cannot be made to a major commodity group and the Work Breakdown Structure Code L11 is used in field 13.

13. Field 13 - Work Breakdown Structure Code

Each report line (data record on the magnetic tape) shall carry in Positions 79-81 a code to identify the weapon or support system work breakdown structure applicable to the item described by the Item Identification Number (field 9) and Item Nomenclature (field 10). Use the Work Breakdown Structure Code established in addendum 4, below, to this chapter. Code L11 shall be used if the item, service, or investment cannot be identified with a specifically listed Work Breakdown Structure Code and Code 999 is used in field 12.

14. Field 14 - Work Performance Category (WPC)

This is a code to indicate the type of maintenance work provided on the item identified in field 9 or the type of maintenance service provided. Use the Codes in addendum 2, above, to this chapter. Basic alpha codes should be subdivided with a numerical designation by each Component as required for internal management and analysis, budget review, and justification. If the report record is "N" (Technical Assistance), then fields 17, 18, 21, and 22 must be zero. If the report record is "N" or "T" (Other Work), then fields 45, 47, 48, 49, and 50 must be zero.

15. Field 15 - Customer Code

A two digit code identifying the DoD Program and Department or Agency billed for the maintenance cost (that is, "Sales code"). Position 85 shall identify the DoD program by a numeric from 1 through 0. If no DoD program is involved; such as, work performed for other Federal agencies, leave blank. Position 86 shall use Reference No. DE-NM for DoD Component. Use "Y" for Other Federal agencies and "Z" for Non-Federal agencies.

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

16. Field 16 - Not Used

17. Fields 17 - 42 - Labor Hour and Cost Data

a. General. The direct labor hours and summary elements of cost to be reported are set forth below. The various elements of cost are explained in detail in the basic chapter. Some clarifying notations are included below for certain fields. The terms "Funded" and "Unfunded" costs are defined in paragraph 140104.

b. Field 17 - Direct Civilian Labor (Production) Cost-Funded Costs

This field shall be completed for all WPCs except "N" in field 14.

c. Field 18 - Direct Civilian Labor (Production) Hours

This field shall be completed for all WPCs except "N" in field 14.

d. Field 19 - Direct Civilian Labor (Other) Cost-Funded Costs

This field shall be completed for all WPCs in field 14.

e. Field 20 - Direct Civilian Labor (Other) Hours

This field shall be completed for all WPCs in field 14.

f. Field 21 - Direct Military Labor (Production) Cost

This field shall be completed for all WPCs except "N" in field 14.

g. Field 22 - Direct Military Labor (Production) Hours

This field shall be completed for all WPCs except "N" in field 14.

h. Field 23 - Direct Military Labor (Other) Cost

This field shall be completed for all WPCs in field 14.

i. Field 24 - Direct Military Labor (Other) Hours

This field shall be completed for all WPCs in field 14.

j. Field 25 - Direct Material Cost-Funded Costs

k. Field 26 - Direct Material Cost (Investment Items at Full Price)-Unfunded Costs

l. Field 27 - Direct Material Cost (Exchanges)-Unfunded Costs

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

m. Field 28 - Direct Material Cost (Modification Kits)-Unfunded Costs

n. Field 29 - Direct Material Cost (Expenses)-Unfunded Costs

Customer furnished expense items shall be included in this cost element.

o. Field 30 - Other Direct Costs-Funded Costs

For example, contracted services.

p. Field 31 - Other Direct Costs-Unfunded Costs

For example, customer provided services.

q. Field 32 - Operations Overhead-Funded Costs

r. Field 33 - Operations Overhead-Unfunded Costs

Military personnel costs for indirect effort is a primary example.

s. Field 34 - General and Administrative Expense-Funded Costs

t. Field 35 - General and Administrative Expense-Unfunded Costs

u. Field 36 - Contract and/or Other Maintenance Activity Cost-Funded or Unfunded Costs

When code 1 or Code 4 is entered in field 7, this field shall be zero filled. When code 2 is entered in field 7, this field shall be the non-depot maintenance activity cost. When code 3 is entered in field 7, this field shall be the cost of the contract.

v. Field 37 - Government Furnished Material (Investment Items at Full Price)

w. Field 38 - Government Furnished Material (Exchanges)

x. Field 39 - Government Furnished Material (Modification Kits)-Non-DBOF

y. Field 40 - Government Furnished Material (Expense)-DBOF

z. Field 41 - Government Furnished Services-DBOF

aa. Field 42 - Government Furnished Services-Non-DBOF

For example, customer provided services.

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

18. Field 43 - End Item.

Enter "Y" if the item being repaired is an end-item. Enter "N" if the item being repaired is not an end-item.

19. Field 44 - Not Used (leave Blank)

20. Field 45 - Total Production Quantity

a. If field 51 is a "C," enter the total quantity of items for which work was completed that is being reported by this transaction record. This field must be zero filled for WPCs "N" and "T." See instructions for field 11 for special reporting of quantities in hundreds or thousands to avoid distortion of data.

b. If field 51 is a "W," enter the total quantity of items covered by job orders financially in process at the end of the period covered by the report record. This field must be zero filled for WPCs "N" and "T." See instructions for field 11 for special reporting of quantities in hundreds or thousands to avoid distortion of data.

21. Field 46 - Report Data Record Identifier.

A unique DoD Component alpha and/or numeric code used to identify each individual report transaction record. The field is used to permit the unique identification of each report record. It is recommended that the first two digits be the FY of the report submission followed by a unique record serial number.

22. Field 47 - Quantity of Items Inducted During Reporting Year

23. Field 48 - Quantity of Items Inducted During Year Preceding Reporting Year

24. Field 49 - Quantity of Items Inducted During All Other Previous Years

25. Field 50 - Shop Flow Days

a. If field 51 is a "C," report average number of days that items were in process; that is, from date of physical induction to date when items are completed, passed final inspection, and are ready for delivery to the customer. Not applicable for contract work or for work performed at another depot maintenance activity.

b. If field 51 is a "W," report the average number of days that items have been in process; that is, since the date of physical induction.

ADDENDUM 3
SECTION B
EXPLANATION OF ENTRIES REQUIRED FOR DATA RECORD
(CONTINUED)

26. Field 51 - Work Status Code

A single digit alpha code that indicates if the transaction being reported has been completed or is still in process at the time of the report. Enter a "C" if the transaction being reported has been financially completed and recorded as cost of goods sold. If the transaction being reported is still in work in process as of the report date, enter a "W."

27. Field 52 - Exception Code

Used as needed for an exception data.

28. Field 53 - NIMSC Code

The Joint Service Regulation AMC-R700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22C, "Wholesale Inventory Management and Logistics Support of Multiservice Used Nonconsumable Items," prescribes policies and procedures relative to the assignment of Nonconsumable Item Materiel Support Codes (NIMSCs). One digit numeric NIMSCs are assigned to items used by two or more Military Services to indicate the wholesale logistics functions performed by the Primary Inventory Control Activities (PICAs) in support of Secondary Inventory Control Activities (SICAs). For NIMSCs 3, 4, and 8 items, the depot maintenance is provided under a Depot Maintenance Interservice Support Agreement (DMISA). For NIMSC 5 items, the PICA is responsible for all logistics functions to include depot maintenance.

29. Field 54 - Not Used (leave blank)

<u>ADDENDUM 3</u> <u>SECTION C</u> <u>EDIT REQUIREMENTS</u>			
FIELD	DESCRIPTION	TAPE POS.	EDIT INSTRUCTIONS
1	Record Type	1	Must be F.
2	Report Period Quarter Code	2	Must be 1-4 for fiscal quarter of the report date.
3	Fiscal Year	3-4	Must be the two terminal digits of current fiscal year being reported.
4	Customer Program Element	5-10	Position 10 (low order position) must contain code A, F, M, N, or D for Military Service reporting.
5	Performing Activity CAGE Code	11-24	Must be valid CAGE code.
6	Inside or Outside U.S. Code	25	Must be 1 or 2.
7	Owner and/or Operator Code	26	Must be 1,2,3, or 6. See Note 1.
8	Reporting Facility CAGE Code	27-31	Must be valid CAGE code.
9	Item Identification Number	32-44	Must have an entry or zeroes.
10	Item Nomenclature	45-64	Must have an entry.
11	Not Used	65-74	Must be blank.
12	Weapon or Support System Code	75-78	Must have a code entry. Also, see note 2.
13	Work Breakdown Structure Code	79-81	Must have a valid code from Addendum 4, below. See note 2.
14	Work Performance Category	82-84	Position 82 must be A-N, T-W, or Y. Positions 83-84 must be numeric or blank. See note 3.
15	Customer Code	85-86	Must have an entry.
16	Not Used		
17-42	Labor Hours & Cost Data	87-294	Must be numeric or zero filled. See notes 1, 3, and 4.
43	End-item Code	295	Must be "N" or "Y".
44	Not Used	296-310	Must be blank.
45	Production Data	311-318	Must be numeric or zero filled. See note 3

<u>ADDENDUM 3</u> <u>SECTION C</u> <u>EDIT REQUIREMENTS</u>			
FIELD	DESCRIPTION	TAPE POS.	EDIT INSTRUCTIONS
46	Report Data Record Identifier	319-326	Must be alpha and/or numeric or blank.
47-49	Quantities Inducted	327-350	Must be numeric. See note 3.
50	Shop Flow Days	351-354	Must be numeric.
51	Work Status Code	355	Must be "C" or "W".
52	Exception Code	356	Must be A/N or blank.
53	NIMSC Code	357	Must be numeric.
54	Leave Blank	358-360	

Note 1. If field 7 is "2," or "3," then fields 17-35 must be zero. If field 7 is "1" then fields 36-42 must be zero.

Note 2. If field 12 is 999, then field 13 must be "L11". If field 12 is 998, then field 13 positions 80 and 81 must be blank. If field 12 is 997, then field 13 position 81 must be blank.

Note 3. If field 14 is "N", then fields 17, 18, 21, and 22 must be zero. If field 14 is "N" or "T", then fields 45 and 47 through 50 must be zero.

Note 4. If cost data in fields 17, 19, 21, or 23 have zeros; then the accompanying Hours Data in fields 18, 20, 22, or 24 must also have zeros. The reverse conditions are also edited in the same manner.

<u>ADDENDUM 4</u> <u>WORK BREAKDOWN STRUCTURE CODE</u> <u>(REPORTED IN FIELD 13)</u>			
TAPE POSITION			DESCRIPTION
79	80	81	
A			Aircraft
	1		Fighters
		1	Basic Aircraft
		2	Engine
		3	Aircraft and Engine Accessories and Components
		4	Electronics and Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
	2		Bombers
		*	Same as for Fighters
	3		Cargo and/or Transports
		*	Same as for Fighters
	4		Trainers
		*	Same as for Fighters
	5		Utility
		*	Same as for Fighters
	6		Attack
		*	Same as for Fighters
	7		Patrol
		*	Same as for Fighters
	8		Antisubmarine
		*	Same as for Fighters
	9		Other (Includes Helicopters)
		*	Same as for Fighters
B			Automotive Equipment

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODE (REPORTED IN FIELD 13)			
TAPE POSITION			DESCRIPTION
79	80	81	
	1		Tactical Vehicles
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Electronic And Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
	2		Support Vehicles
		*	Same as for Tactical Vehicles
	3		Administrative
		*	Same as for Tactical Vehicles
C			Combat Vehicles
	1		Tanks
		*	Same as for Tactical Vehicles
	2		Armored Personnel Carriers
		*	Same as for Tactical Vehicles
	3		Self-Propelled Artillery
		*	Same as for Tactical Vehicles
	4		Other Combat Vehicles
		*	Same as for Tactical Vehicles
D			Construction Equipment
	1		Tractors and Earth Moving Equipment
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine

<u>ADDENDUM 4</u> <u>WORK BREAKDOWN STRUCTURE CODE</u> <u>(REPORTED IN FIELD 13)</u>			
TAPE POSITION			DESCRIPTION
79	80	81	
		3	Vehicle and Engine Components and Accessories
		4	Other
	2		Cranes and Shovels
		*	Same as for Tractors and Earth Moving Equip.
	3		Other
		*	Same as for Tractors and Earth Moving Equip.
E			Electronics and Communications Systems
	1	**	Radio
	2	**	Radar
	3	**	Computer
	4	**	Wire and Communications
	5	**	Other
F			Missiles
	1		Ballistic Missiles
		1	Basic Missile (Frame)
		2	Propulsion System and Components
		3	Missile Accessories and Components
		4	Support and Launch Equipment
		5	Guidance System and Components
		6	Surface Communications and Control Systems
		7	Payload System and Components
		8	Other
	2		Other Missiles
		*	Same as for Ballistic Missiles
G			Ships
	1		Battleships and Cruisers

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODE (REPORTED IN FIELD 13)			
TAPE POSITION			DESCRIPTION
79	80	81	
		1	Hull Structure
		2	Propulsion Plant
		3	Electric Plant
		4	Command and Surveillance
		5	Auxiliary Systems
		6	Outfit and Furnishings
		7	Armament
		8	Engineering (Direct Support)
		9	Ship Support Service
	2		Carriers
		*	Same as for Battleships and Cruisers
	3		Destroyers
		*	Same as for Battleships and Cruisers
	4		Submarines
		*	Same as for Battleships and Cruisers
	5		Patrol Vessels
		*	Same as for Battleships and Cruisers
	6		Mine Warfare Vessels
		*	Same as for Battleships and Cruisers
	7		Auxiliary and Amphibious Vessels
		*	Same as for Battleships and Cruisers
	8		Service Craft and Miscellaneous Vessels
		*	Same as for Battleships and Cruisers
	9		Frigates
		*	Same as for Battleships and Cruisers
H			Ordnance Weapons and Munitions

ADDENDUM 4 <u>WORK BREAKDOWN STRUCTURE CODE</u> <u>(REPORTED IN FIELD 13)</u>			
TAPE POSITION			DESCRIPTION
79	80	81	
	1	**	Nuclear Weapons
	2	**	Chemical and Bacteriological Weapons
	3	**	Conventional Arms and Explosives
	4	**	Small Arms
	5	**	Artillery and Guns
	6	**	Other
I&J			NOT USED
K			General Purpose Equipment
	1	**	Rail Equipment
	2	**	Generator or Sets
	3	**	General Purpose Maintenance Tooling and Equipment
	4	**	Other Items (Includes Medical, Chaplain, Musical, and Personal Equipment, Tents, Tarpaulins, etc.)
	5	**	Federal Supply Group 34 Metalworking Machinery
L	1	1	All Other Items Not Identified to Above Categories

** Report to second level only.

ADDENDUM 5
HARDCOPY REPORTS
NOTES

HARD COPY REPORT #1 – COST BY FACILITY TYPE AND COMMODITY GROUP
(Figure 14-1)

Costs will identify completed work only. Costs that cannot be identified to a specific depot, activity or commercial contractor should be reflected in a line entry as unknown costs. Costs that cannot be identified to a specific commodity category should be reflected as other items or as unknown. The "Total All Facility Types" row should reflect the total costs being reported by the Military Department for the AP-MP(A)1397 report.

HARD COPY REPORT #2 – ORGANIC FACILITY PRODUCTION AND COSTS
(Figure 14-2)

The "Total Production Costs" should reconcile with the "Facility Type - Organic Depot Maintenance Activity" total costs from Report #1.

HARD COPY REPORT #3 - DEPOT MAINTENANCE PRODUCTION COSTS BY WEAPON SYSTEM OR SUPPORT SYSTEM (Figure 14-3)

Costs that cannot be identified to a specific WSSC should be reflected as unknown in the "Other Items" commodity group. The "Grand Total – All Commodities" should reconcile with the "Total: All Facility Types" from Report #1.

ADDENDUM 5
COST BY FACILITY TYPE AND COMMODITY GROUP

HARDCOPY REPORT #1 FORMAT
 (Reporting Military Service)
 Fiscal Year XXXX
 Cost by Facility Type and Commodity Group (\$000)

Facility Type -- Organic Depot Maintenance Activity										Report Date:		
	Aircraft	Auto-motive	Combat Vehicles	Construction Equipment	Comm/ Electronic Equip	Missiles	Ships	Ordnance Weapons, & Munitions	General Purpose Equip	Other Items	Unknown	Total
Depot A												
Depot B												
Etc												
Unknown												
Sub-Total												

Facility Type -- Organic Non-Depot Maintenance Activity												
	Aircraft	Auto-motive	Combat Vehicles	Construction Equipment	Comm/ Electronic Equip	Missiles	Ships	Ordnance Weapons, & Munitions	General Purpose Equip	Other Items	Unknown	Total
Activity A												
Activity B												
Etc												
Unknown												
Sub-Total												

Facility Type -- Commercial Contractor												
	Aircraft	Auto-motive	Combat Vehicles	Construction Equipment	Comm/ Electronic Equip	Missiles	Ships	Ordnance Weapons, & Munitions	General Purpose Equip	Other Items	Unknown	Total
Company A												
Company B												
Etc												
Unknown												
Sub-Total												
Total All Fac Types												

FIGURE 14-1

ADDENDUM 5
ORGANIC FACILITY PRODUCTION AND COSTS

HARDCOPY REPORT #2 FORMAT
(Reporting Military Service)
Fiscal Year XXXX
Organic Facility Production and Costs

Report Date:

Performing Facility	Direct Labor Hours (000)	Direct Labor Costs (\$000)	Direct Material Costs (\$000)	Other Direct Costs (\$000)	Operations Overhead Costs (\$000)	General & Administrative Costs (\$000)	Total Production Costs (\$000)	Cost Per Direct Labor Hour
Facility A								
Facility B								
Etc.								
Total								

FIGURE 14-2

ADDENDUM 5**DEPOT MAINTENANCE PRODUCTION COSTS BY WEAPON OR SUPPORT SYSTEM**

HARDCOPY REPORT #3 FORMAT
(Reporting Military Service)
Fiscal Year XXXX

Depot Maintenance Production Costs by Weapon or Support System Report Date:

Weapon or Support System (WSSC)	Total Cost (\$000)	Weapon or Support System (WSSC)	Total Cost (\$000)
Commodity: Aircraft		Commodity: Missiles	
WSSC 1		WSSC 1	
WSSC 2		WSSC 2	
Sub-Total		Sub-Total	
Commodity: Automotive		Commodity: Ships	
WSSC 1		WSSC 1	
WSSC 2		WSSC 2	
Sub-Total		Sub-Total	
Commodity: Combat Vehicles		Commodity: Ordnance, Weapons, & Munitions	
WSSC 1		WSSC 1	
WSSC 2		WSSC 2	
Sub-Total		Sub-Total	
Commodity: Construction Equipment		Commodity: General Purpose Equipment	
WSSC 1		WSSC 1	
WSSC 2		WSSC 2	
Sub-Total		Sub-Total	
Commodity: Communications/Electronic Equipment		Commodity: Other Items	
WSSC 1		WSSC 1	
WSSC 2		WSSC 2	
Sub-Total		Sub-Total	
		Unknown WSSC	
		Grand Total - All Commodities	

FIGURE 14-3

CHAPTER 15

AUDITED FINANCIAL STATEMENTS1501 GENERAL

The Chief Financial Officers Act of 1990 requires the Secretary of Defense to prepare and submit to the Office of Management and Budget, financial statements covering DoD substantial commercial functions, revolving funds and trust funds for the preceding fiscal year. These financial statements are expected to provide information to DoD program managers, the Congress and the public, regarding the effective allocation of resources, the assessment of management performance and the stewardship of public assets entrusted to the Department. Information contained in these financial statements must be accurate, consistent and meaningful—resulting in statements that can and will be used to improve the management of the Department. To accomplish this, program and financial information at all levels must be integrated for all programs and organizations.

1502 SCOPE

A separate financial statement is to be prepared for each reporting entity within the Department of Defense. A reporting entity is defined as a DoD Component (Army, Navy, Air Force, or Defense Agency), or a portion of such component (revolving fund, trust fund, etc.), for which meaningful performance measures can be developed. Reporting entities are determined by the Chief Financial Officer of the Department of Defense (CFO, DoD) in consultation with DoD Components, the Office of Management and Budget, and the Inspector General, DoD. Guidance issued by the CFO, DoD, will identify the substantial commercial functions, revolving funds, and trust funds to be covered in the financial statements, and will identify the types of financial activity into which to group these functions and funds. Groupings will consist of like functions for which meaningful performance

measures can be identified, including significant program outputs and program outcomes.

1503 FORMAT FOR FINANCIAL STATEMENTS

Each annual financial statement shall be comprised of the following, and be presented in the following sequence:

- (1) Overview of the Reporting Entity
- (2) Principal Statements and Related Notes
- (3) Consolidating Statements (when feasible and appropriate)
- (4) Supplemental Financial and Management Information

Preparation of all four parts of the annual financial statement is the joint responsibility of both the DoD accounting activity maintaining the official departmental accounting records and the DoD Component for which those official accounting records are maintained.

1504 OVERVIEW OF THE REPORTING ENTITY

150401 Each DoD Annual Financial Statement should include a narrative "Overview of the Reporting Entity." This Overview should provide a brief description of the reporting entity, to include program and administrative highlights. It also may identify critical areas for financial and management improvement. The Overview should include a narrative discussion and analysis of the financial condition of the reporting entity. This discussion should present information based on the results of an analytical review of relevant financial and performance data of the programs, activities and funds that make up the reporting entity. Important aspects of the reporting entity's financial operations

should be discussed and relevant trends identified.

150402 Wherever possible, financial data should be related to other measures of performance on a program-by-program basis. The inclusion of performance measures will facilitate using the financial statement to assess both financial and program performance. The Overview may identify programs or activities that may need significant future funding or may provide an early warning of other potential financial management problems.

150403 In developing financial, statistical and other information for presentation in the Overview, DoD Components should prepare adequate supporting documentation and retain such documentation to facilitate future review and audit. In the event that information is not available to complete the foregoing narrative discussion and analysis of the financial condition of the reporting entity, management must discuss why such information is not available and describe its plan for meeting these reporting requirements in the succeeding year and future years.

150404 Each applicable DoD Component is required to include performance measurements as a part of their financial statements. These performance measures provide quantification of the output of the applicable entities for which financial statements are prepared. For Business Operations Fund activities, separate performance measures should be provided for each business function. For appropriated funds, separate performance measures should be provided for each budget activity/major force program. Performance measures should be expressed in both financial (dollar) and nonfinancial (workload) terms.

1505 PRINCIPAL STATEMENTS

150501 The Principal Statements shall include:

Statement of Financial Position

Statement of Operations and Changes in Net Position

150502 Financial statements shall result from an accounting and budgeting system that is an integral part of the DoD Component financial management system, and one that contains sufficient discipline, effective internal controls, and reliable data. The financial statements, and underlying financial system, shall report on the total operations of the reporting DoD entity and shall comply with policies and procedures and related requirements published in this regulation. Principal statements shall present the financial position and operating results of the Department of Defense and contain proprietary information and footnote disclosures not found in monthly budget execution reports.

150503 Statement of Financial Position. The Statement of Financial Position, or Balance Sheet, presents the assets, liabilities, and equity of the DoD Component as of the end of the fiscal year. The Statement of Financial Position and accompanying Notes to the Principal Statements discloses the basis on which major categories of assets are accounted for and reported, the nature of any significant restrictions on the use of assets, the amount and nature of significant contingent liabilities, and such explanatory information on the assets, liabilities, and equity as is necessary to fully and clearly disclose the financial position of the DoD Component.

150504 Statement of Operations and Changes in Net Position. The Statement of Operations and Changes in Net Position, or revenue and expense statement, presents the financial results of activities of the reporting entity for the fiscal year, including (a) revenues and other financial sources, such as appropriations, and (b) operating expenses, including administrative

costs. The statement also presents the relevant changes in the net position during the year.

1506 NOTES TO THE PRINCIPAL STATEMENTS

The Notes to the principal statements should contain all disclosures necessary to make the financial statement fully informative and to avoid misinterpretations. The notes should be an integral part of the principal statements. The notes should contain a discussion of all accounting policies, and any deviations from the standards contained in the policies and procedures published in this Regulation. The Federal Accounting Standards Advisory Board, with approval of the General Accounting Office, Office of Management and Budget, and the Treasury, has approved the following hierarchy of account standards for use in preparing federal agency financial statements:

A. Individual standards agreed to and published by the Joint Financial Management Improvement Program (JFMIP) principals. (The JFMIP principals are the Secretary of the Treasury, the Directors of the Office of Management and Budget, the Office of Personnel Management, and the Comptroller General of the United States.)

B. Form and content requirements included in OMB Bulletin 94-01, dated November 16, 1993 and subsequent issuances.

C. Accounting standards contained in agency (i.e., DoD) accounting policy, procedures manuals, and/or related guidance as of March 29, 1992, so long as they are prevalent practices.

D. Accounting principles published by authoritative standard setting bodies and other authoritative sources (1) in hierarchy, and (2) if the use of such accounting standards improves the meaningfulness of the financial statements.

1507 CONSOLIDATING/COMBINING STATEMENTS

Consolidating Statements present by programs, activities or funds, summary information which is presented in total in the principal statements. Consolidating statements show programs, activities or funds of a reporting entity horizontally with a consolidated total equal to that of the principal statement.

1508 SUPPLEMENTAL FINANCIAL AND MANAGEMENT INFORMATION

Each Annual Financial Statement should contain, where appropriate, "Supplemental Financial and Management Information" that supports information presented in the Overview or which otherwise enhances an understanding of the financial condition and operations of the reporting entity. Within the DoD, such supplemental financial and management information will consist of program and agency attributes quantified in terms of measures and indicators analyzed to produce an evaluation and interpretation of the program and agency financial attributes.

1509 RESPONSIBILITY FOR PREPARATION AND SUBMISSION OF FINANCIAL STATEMENTS

The Defense Finance and Accounting Service (DFAS), the DoD Components, and the Office of the Under Secretary of Defense (Comptroller) (USD(C)) are identified as lead organizations for specific parts of the report. In addition, some actions require a coordinated effort between the DFAS and the DoD Components. Figure 15-1 depicts the responsibilities of lead organizations and coordinating office.

1510 SUBMISSION OF FINANCIAL STATEMENTS AND CFO ANNUAL REPORT TO OFFICE OF MANAGEMENT AND BUDGET

151001 Financial Statements. Not later than March 1st of each year, the Secretary of Defense shall prepare and submit to the Director of the Office of Management and Budget a financial statement for the preceding fiscal year. These statements shall encompass each revolving fund and trust fund of the Department of Defense and, to the extent practicable, the accounts of each office, bureau and activity which performed substantial commercial functions during the preceding fiscal year.

151002 Report On Audited Financial Statements. Office of Management and Budget (OMB) Bulletin No. 93-18, "Audited Financial Statements," of June 25, 1993, and OMB memorandum on "Submission of Annual Financial Statements" of February 7, 1994, require that the Chief Financial Officer of the Department of Defense (CFO, DoD) prepare an annual report, not later than March 1, following the fiscal year reported, summarizing the critical information contained in the audit reports and include the Department's summary response to those reports. The "Report of Audited Financial Statements" includes:

- Scope and results of audit,
- Findings, internal controls, and compliance issues contained in audit reports,
- Impediments to auditable financial statements, identified deficiencies, and management responses and corrective actions,

- Annual financial statements prepared in response to the Chief Financial Officers Act, and
- Audit reports prepared and transmitted to the Secretary of Defense under the CFO Act.

The Report on Audited Financial Statements replaces the Chief Financial Officer Annual Report required by the Chief Financial Officers Act.

1511 REPORTING AUTHORITIES

To meet the above reporting requirements, the CFO, DoD, is provided the following authorities:

151101 To mandate DoD-wide data and reporting format requirements.

151102 To review and approve financial reports and statements prepared by DoD Components for transmittal to the Secretary of Defense, the OMB, the President, the Congress or external groups.

151103 To prepare consolidated and/or combined agency financial statements and work with the Inspector General and other auditors to improve the statements' independent review and auditability.

151104 To develop, in coordination with program managers, financial and programmatic performance indicators for inclusion in financial systems and financial reports and statements.

151105 To advise and provide direction to program managers on financial management matters.

RESPONSIBILITY FOR PREPARATION AND SUBMISSION OF FINANCIAL STATEMENTS				
	CFO, DoD	DFAS	DoD COMPONENT	COORD. EFFORT
Overview of the Reporting Entity			L	X
Preparation of Principal Statements		L		
Notes to the Principal Statements:				
Note 1 Significant Accounting Policies		L		X
All other Footnotes			L	X
Consolidating Statements		L		X
Supplemental Financial and Management Information			L	X
Supplemental Schedules			L	X
Revaluation of Inventories			L	X
Valuation of Property			L	X
Submission of Unaudited Financial Statements to OIG	L			
Preparation of Report on Audited Financial Statements	L			

L = Organization to take leadership role in the preparation of the specified part of the financial statement.

X = Coordinated Effort

Figure 15-1