

GLOSSARY

Department of War

Financial Management Regulation (DoW 7000.14-R)

Alphabetized · Consolidated · Unclassified

A. OVERVIEW

The following list defines general terms of significance or importance in financial management policies for the Federal Government or the Department of War (DoW) that are discussed in various Volumes or sections of this Regulation. This glossary is provided for general information. It is not an exhaustive list of all financial management terms, and it does not define terms when standard dictionary definitions apply. Refer to the consolidated authoritative guidance by Volume for more detailed explanations or nuances.

This edition has been placed in strict alphabetical order. Duplicate entries appearing in the source draft were consolidated, retaining the most complete definition. 830 unique terms are included.

B. LIST OF DEFINITIONS

A · TERMS

Abnormal Balance

A general ledger balance that does not comply with the normal debit or credit balance established in the DoD Standard Reporting Chart of Accounts. Abnormal Balances appearing on individual note schedules or financial statement lines require disclosure and investigation.

Abuse

Willful misconduct or deliberate unauthorized use.

Acceptance Authorities

Acceptance Authorities are the appropriate concerned Secretary and all designees who may accept gifts. The concerned Secretaries may approve additional delegations.

Accepted for Service Use

This is the major milestone in a development program that represents formal acceptance of an item for operational use by the Components. In some instances, items are approved for Component use with qualifying restrictions or provisions pending completion of specific development deficiencies. In such instances, the appropriation to fund the correction and test must be determined on a case-by-case basis, according to the expense and investment criteria. Typically, all post-Component acceptance efforts will be funded in Procurement appropriations.

Accessorial Charges

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

Accountability

The obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability upon an organization or person.

Accountable Official (Departmental)

An individual—such as a receiving official, contracting officer, purchase card official or military, civilian, and travel pay officials—responsible for providing a certifying officer with information, data, or services that the certifying officer relies upon in the certification of vouchers for payment.

Accountable Property

A term used to identify property recorded in the APSR.

Accountable Property Officer

Comparable terms include: Army -- Supply Support Accountable Officer/Property Book Officer; Navy -- Personal Property Manager; Air Force -- Accountable Officer/Chief of Supply/Chief of Materiel Management; Marine Corps -- Accountable Officer; Defense Logistics Agency -- Accountable Property Officer. An individual who, based on his or her training, knowledge, and experience in property management, accountability, and control procedures, is appointed by proper authority to establish and maintain an organization's accountable property records, systems, and/or financial records, in connection with Government property, irrespective of whether the property is in the individual's possession.

Accountable Property Record

The record contained within the APSR.

Accounting Entity

In DoD, the accounting entity is the DoD Component; that is, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense (OSD) and/or the Defense Agencies, regardless of appropriation or fund.

Accounting Objectives

Goals toward which accounting efforts are directed. The goals are derived directly from higher authority, audit requirements, legal, and regulatory requirements and the needs of intended users.

Accounting System Design Documentation

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

Accounts Payable

Amounts owed to other entities for goods and services received (i.e., actual or constructive receipt), progress in contract performance, and rents due to other entities.

Accounts Receivable from the Public

All accounts receivable arising from the sale of goods and services and from operations involving other than Federal Government organizations. Examples are debts owed by military personnel, civilian employees, and contractors.

Accrual Basis of Accounting

A method of accounting in which revenues are recognized in the period earned and costs are recognized in the period incurred, regardless of when payment is received or made. Although the budget is on a cash basis, DoD accounting is on the accrual basis.

Accrued Variance (Foreign Currency Fluctuations)

The difference between un-liquidated obligations at the budget rate (approved execution rate) and the foreign exchange rate current at the time of payment.

Acquisition Cost

The amount, net of both trade and cash discounts, paid for property plus transportation costs and other ancillary costs to bring the item(s) to its current condition and location.

Acquisition Leadtime (Logistics)

The interval in months between the initiation of procurement action and the receipt into the supply system of the production model (excludes prototypes) purchased as the result of such actions. Acquisition Leadtime is composed of two elements, production lead-time and administrative lead-time.

Acquisition Segment (510-000)

IT supporting the activities necessary to provide goods/services for DoD operations, including during the stages of conceptualization, initiation, design, development, test, contracting, production, deployment, modification, and disposal of weapons and other systems, supplies, or services (including construction) to satisfy DoD needs, intended for use in, or in support of, military missions. This does not include logistics support, which should be reported within the 'Logistics and Supply Chain Management' Segment (530-000).

Activities

An organizational unit of a DoD Component that performs a specific function.

Activity

The actual work task or step performed in producing and delivering products and services, or an aggregate of actions performed within an organization that is useful for purposes of activity based costing.

Activity Based Costing

Cost accounting method that measures the cost and performance of process related activities and cost objects. It assigns cost to cost objects, such as products or customers, based on their use of activities. It recognizes the causal relationship of cost drivers to activities.

Adjustment

Posting to the accountable property records the changes made necessary by the loss, damage, destruction, or theft.

Adjustments to Expired or Closed/Canceled Accounts (Upward or Downward)

Increases or decreases to obligations or expenditures. Adjustments involve recording obligations or expenditures that were made or incurred, but not recorded, during the period prior to expiration or cancellation of the account.

Administration

An established process or system to determine whether a responsible party should be held financially liable.

Administrative Leadtime (Logistics)

That portion of the Acquisition Leadtime that begins with the identification of the need to buy and the contract award. The time between the initiation of paperwork and contract.

Administrative Subdivision of Funds

Any sub-division or legal restriction of an appropriation or fund that makes funds available in a specified amount for incurring obligations. Frequently used subdivisions include apportionments, allocations, sub-allocations, allotments, and sub-allotments.

Advance Billings

The term "advance billing" means a billing to a customer by the fund, or a requirement for a customer to reimburse or otherwise credit the fund, for the cost of goods or services provided (or for other expenses incurred) on behalf of the customer that is rendered or imposed before the customer receives the goods or before the services have been performed. The term "customer" means a requisitioning component or agency.

Advance Procurement

Authority provided in an appropriations act to obligate and disburse during a fiscal year before that in which the related end item is procured. The funds are added to the budget authority for the fiscal year and deducted from the budget authority of a succeeding fiscal year. Used in major acquisition programs for advance procurement of components whose long-lead-times require purchase early to reduce the overall procurement lead-time of the major end item. Advance procurement of long lead components is an exception to the DoD "full funding" policy and must be part of the President's Budget request.

Advances

Advances are cash outlays made by a federal entity to its employees, contractors, grantees, or others to cover a part or all of the recipients' anticipated expenses or as advance payments for the cost of goods and services the entity acquires. The outlay is made before an authorized DoD receiving official has certified performance. Common examples include travel advances disbursed to employees prior to business trips, and cash or other assets disbursed under a contract, grant, or cooperative agreement before services or goods are provided by the contractor or grantee.

Agency Financial Management System

The total of agency financial systems, both manual and automated, for planning, budget formulation and execution, program and administrative accounting; as well as all other systems for recording and classifying financial data and reporting financial management information, including purchasing, property, and inventory. A. Financial Management Information. All information that is expressed in dollar terms on federal spending, collections, assets, liabilities, equity, and related budgetary and accounting transactions and balances. B. Accounting System. The structure of methods and procedures used to record, classify, accumulate, analyze, summarize, and report information on the financial condition and operating position. It is comprised of the various functional operations involved in authorizing, recording, classifying, analyzing, and reporting financial information related to financing sources, gains, expenses, losses, transfers, assets, liabilities, equity, and internal controls. It encompasses the procedures and processes from the point a transaction is authorized through processing the data, either manually or automatically, to issuance of financial and management information statements and reports. 1. Primary Accounting Systems. The aggregation of like financial management information aligned by the major operational areas and summarized to support financial and management information needs. There are five Primary accounting systems made up of the single, standard integrated Departmental accounting systems, which controls all financial management information. The Primary accounting systems are General Fund, Working Capital Fund, Trust Fund, Civilian Pay, and Military Pay. 2. Administrative Accounting Systems. a. Accounting Support Systems. The manual or automated programs, procedures and processes that authorize, record, classify, analyze, and report on financial management information for one of the Primary accounting systems. Accounting Support systems provide general ledger control and financial information on operations for consolidation to the Primary accounting systems. b. Subsidiary Accounting Systems. The manual or automated programs, procedures, and processes for one of the various functional operations involved with revenues, expenses, assets, liabilities, and equity. The Subsidiary accounting systems form the foundation and audit trail for the Primary accounting systems and the Accounting Support systems. 3. Accounting System Modules. Modules are distinguished by the fact that their functions and systems of internal controls are embodied in the accounting system. As such, modules are fully integrated subsystems of an accounting system, and they are inventoried and evaluated in conjunction with the accounting system. 4. Feeder Systems. The manual or automated programs, procedures and processes which develop data required to initiate an accounting or financial transaction but do not perform an accounting operation (e.g., personnel, property, or logistics systems).

Agency Financial Report (AFR)

A report that includes the annual audited financial statements, which is submitted in draft and final form to the Office of Management and Budget (OMB) and other stakeholders. It also includes the Agency Head Transmittal Letter, Management's Discussion and Analysis (MD&A), the Financial Section, and Other Information

Agency Head Transmittal Letter

A dated letter signed by the agency head at the beginning of the AFR, containing an assessment of whether the financial and performance data in the report are reliable and complete.

Agreement

A negotiated and typically legally binding arrangement between parties as to a course of action.

Allied Forces

For the purposes of this DoW Awards Program only, the term "allied forces" is defined as foreign government personnel participating with the U.S. Armed Forces in combined operations outside of the U.S. against international terrorism.

Allocation (FM)

Following approval of apportionment / reapportionment requests by OMB, OUSD(C) allocates funds to the Military Services and Defense Agencies. Funds distributed by OUSD(C) may be further subdivided through sub-allocation and suballotment to lower levels within the organizations or across organizations for execution.

Allocations

A further subdivision of allotments. Within DoD, the term has been used to refer to departmental-level accounting entity distributions of apportionments, or funds that do not require apportionment, to an operating Agency or other intermediate level accounting entity.

Allotments

Subdivisions of apportionments that are made by the heads of agencies, or their designee, to incur obligations within a prescribed amount. Subdivision and distribution of an allotment (e.g., sub-allotments and allocations to

operating agencies or installation-level accounting activities) must contain at least the same legal and other limitations applicable to the original allotment. Such subdivisions and distributions may establish additional legal and other limitations applicable to execution of budgetary resources.

Allowance for Loss on Accounts Receivable

When it is more likely than not that DoD is not able to totally collect the receivables. The phrase "more likely than not" means more than a 50 percent chance of loss occurrence. The allowance for loss on accounts receivable is recorded as allowance for uncollectible accounts in the DoD consolidated and components financial statements and notes.

Annual (1-Year) Authority

Budget authority that is available for obligation only during a specified fiscal year and expires at the end of that time.

Annual Performance Report (APR)

A report that serves as the primary document for comprehensive organizational performance reporting, pursuant to the GPRA Modernization Act of 2010.

Anticipated Recoveries of Prior Year Contract Authority

Components must estimate additional contract authority requirements and include on SM-1 Supply Management Summary by Division exhibit.

Anticipated Reimbursements

The dollar value of orders expected to be received during the forthcoming fiscal year. Anticipated reimbursements do not create obligational authority until an actual order is received and accepted.

Antideficiency Act

Legislation enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds; to fix responsibility within an agency for the creation of any obligation or the making of any expenditure in excess of apportionment or reappropriation or in excess of other subdivisions established pursuant to Title 31, United States Code, sections 1341, 1342, and 1517; and to assist in bringing about the most effective and economical use of appropriations and funds.

Appeal

A request for reconsideration of an action taken to modify funding for an item during the congressional review of the Defense budget (authorization and appropriation). This process is discussed in Chapter 2, paragraph 3.6.

Appointing Authority

An individual designated in writing by the approving authority. The approving authority may act as the appointing authority. The appointing authority appoints financial liability officers, if required; approves or disapproves the recommendations of the accountable property officer, reviewing authority, or financial liability officer; and recommends actions to the approving authority. The appointing authority is normally senior to the reviewing authority, accountable property officer, and financial liability officer.

Apportionment

A distribution made by the OMB of amounts available for obligation and expenditures in an appropriation or fund account into amounts available for specified time periods (usually fiscal quarters), programs, activities, projects, objects, or any combination of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an agency into allotments, sub-allotments, and allocations.

Appropriation

A provision of legal authority by an act of the Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation usually follows enactment of authorizing legislation. An appropriation act is the most common means of providing budget authority (see Budget Authority). Appropriations do not represent cash actually set aside in the Treasury for purposes specified in the appropriation act. Instead, appropriations represent limitations of amounts which agencies may obligate during the time period specified in the respective appropriation acts.

Appropriation and Fund Status Reports

Reports that identify, for the Defense Finance and Accounting Service (DFAS) and its customers, the status of accounting transactions on a monthly, quarterly, and annual basis at the departmental level.

Appropriation Limitations

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

Appropriation Warrant

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

Approved Acquisition Objective (AAO) level

Quantity of an item authorized for peacetime and wartime requirements to equip and sustain U.S. and allied forces according to current DoD policies and plans.

Approving Authority

The approving authority makes determinations to either relieve involved individuals from responsibility and/or accountability or approve the assessment of financial liability. The approving authority may act as the appointing authority or designate an appointing authority in writing. DoD Component regulations must designate who may serve as the approving and appointing authority. The approving authority is normally senior to the appointing authority.

Artificial Intelligence (AI) Segment (400-000)

AI refers to the ability of machines to perform tasks that normally require human intelligence – recognizing patterns, learning from experience, drawing conclusions, making predictions, taking actions, and more – whether digitally or as the smart software behind autonomous physical systems. This segment includes any investments for AI programs or stand-alone AI projects. This segment also includes AI supporting activities for creating a common foundation of shared data, reusable tools, frameworks and standards, and edge services, through decentralized development and experimentation such as research, longer-term technology creation, and innovative concepts. Do not include AI resources embedded within end-item software system/application investments; report AI embedded within applications as application costs within the appropriate application Investment.

Asset Use Charge

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

Assets

Items owned by the federal government that have probable (more likely than not) economic benefits that can be obtained or controlled by a Federal Government entity.

Assisted Acquisition

A type of interagency acquisition where a servicing agency performs acquisition activities on a requesting agency's behalf.

Audit Committee

A committee established by each DoD Component to oversee its financial audit, establish audit requirements, identify contract deliverables, monitor the execution of the contract, and assist with the resolution of obstacles to an unmodified audit opinion.

Authorization

Official approval or permission, typically in the form of a law (e.g., an authorization act).

Authorization (Authorizing Legislation)

Basic substantive legislation enacted by the Congress which sets up or continues the legal operation of a Federal program or agency either indefinitely or for a specific period of time or sanctions a particular type of obligation or expenditure within a program. Such legislation is normally a prerequisite for subsequent appropriations or other kinds of budget authority to be contained in appropriation acts. It may limit the amount of budget authority to be provided subsequently or may authorize the appropriation of "such sums as may be necessary."

Authorizing Official (or Officer)

An individual who approves a transaction and verifies and validates the funds cited on a commitment or obligation document are accurate and available.

B TERMS**Balance Sheet**

A principal financial statement of financial position that presents comparative fiscal year data (current and preceding) as of a specific time. It reports assets, liabilities, and the net position of a consolidation entity.

Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA)

Legislation that shaped the budget process, first by setting fixed targets for annual deficits and then by replacing those with a Pay-As-You-Go requirement for new tax or mandatory spending legislation and with caps on annual discretionary funding. Most of these requirements expired in 2002. The Statutory Pay-As-You-Go Act of 2010, which did not amend the BBEDCA, reinstated a statutory pay-as-you-go rule for revenues and mandatory spending legislation. The Budget Control Act of 2011, which amended the BBEDCA, reinstated discretionary caps on budget authority.

Baseline

A study or survey used to establish the initial site universe of environmental and disposal liability sites. The baseline provides a starting point from which sites that contribute to financial statement reporting balances will be adjusted over time. Once the baseline is established, DoD Components must rely upon established procedures to maintain their environmental and disposal liability universe.

Battlespace Awareness-Environment Segment (710-000)

IT supporting the ability to collect, analyze, predict and exploit meteorological, oceanographic and space environmental data.

Battlespace Awareness-ISR Segment (700-000)

IT supporting the ability to conduct activities to meet the intelligence needs of national and military decision-makers.

Battlespace Networks Segment (720-000)

IT that extends DoD's "commercial like" IT Infrastructure to meet the unique connectivity and interoperability needs of deployed and mobile warfighting capabilities. Focuses on information transport, computing, enterprise services capabilities that supports the Combined Joint Task Force. NOTE: All investments aligned with the Battlespace Networks segment should be identified as NSS. If it is not an NSS system, then it probably should be aligned with the IT Infrastructure segment (600-000).

Beginning of Period (BOP) (both)

The start of a specified fiscal month, quarter, or year used to determine the opening "snapshot" status of resources. The BOP for a fiscal year is October 1. Typically, the end of period accounting balances from the previous fiscal year become the BOP balances of the current FY; BOP balances may be adjusted for price changes.

Bench Stock (Also Shop Stock)

Inventory held by a cost center for use as indirect material and used in support of numerous small projects or activities carried out by the cost center. Inventory includes items such as screws, washers, and lubricants.

Bill

A notice of payment due for goods or services provided.

Bona Fide Need

A rule of appropriations law providing that funds may be obligated only to meet a legitimate need arising in the fiscal year for which the appropriation was made.

Book Value

The recorded cost of a general PP&E asset less accumulated depreciation.

Borrowing Authority

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

Branding

The term "branding" includes a program or process of creating awareness, public goodwill, and a positive image for the DoD and its Components through the marketing and promotion of its marks.

Budget Activity

Categories within each appropriation and fund account, which identify the purposes, projects, or types of activities financed by the appropriation or fund.

Budget Amendment

A formal request submitted to the Congress by the President, after his formal budget transmittal but prior to completion of appropriation action by the Congress, that revises previous requests, such as the amount of budget authority.

Budget Authority

Authority provided by law to incur financial obligations that will result in outlays. Specific forms of authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections.

Budget Control Act (BCA) of 2011

Legislation that, among other things, amended the Balanced Budget and Emergency Deficit Control Act of 1985 to reinstate discretionary spending limits on budget authority through 2021 and restored the process for enforcing those spending limits; increased the statutory debt ceiling; and established a Joint Select Committee on Deficit Reduction that was instructed to develop a bill to reduce the Federal deficit by at least \$1.5 trillion over a 10-year period. It also provided a process to implement alternative spending reductions in the event that legislation achieving more than \$1.2 trillion of deficit reduction was not enacted by January 15, 2012.

Budget Deficit

The amount by which the Government's budget outlays exceed its budget receipts for any given period. Deficits are financed primarily by Treasury borrowing from the public.

Budget Formulation Rates and Prices

All RF activities will establish rates using the following multiple step process:

Budget Identification Number (BIN)

See definition for Unique Investment Identifier (UII).

Budget Rate

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

Budget Receipts

Amounts received by the Federal Government from the public that arise from the exercise of governmental or sovereign power (primarily tax revenues, but also receipts from premiums of compulsory social insurance programs, court fines, and license fees); premiums from voluntary participants in Federal social insurance programs; and gifts and contributions. Excluded from budget receipts are collections resulting from business-type transactions and payments between government accounts as a result of intragovernmental transactions.

Budgetary Accounting

System that measures and controls the use of resources according to the purposes for which budget authority was enacted, and that records receipts and other collections by source. It is undertaken to assess and ensure compliance with fiscal legal requirements applicable to an appropriation or fund. It tracks the use of each appropriation for specified purposes in separate budgetary accounts through the various stages of budget execution—from appropriation to apportionment and allotment to obligation and eventual outlay.

Budgetary Commitment

A firm administrative reservation of funds, based on firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The recording of a commitment reserves funds for future obligations. The RF activities are not limited to the amount of commitments that can be incurred in the course of operations (unlike other DoD appropriations). Annual Operating Budgets (AOBs) provide legal and administrative restrictions only on the amount of contract authority that may be obligated in a given fiscal year.

Budgetary Resources

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

Budgeted Rates

The OUSD(C) or designee will review and approve all final composite rates and prices developed for the President's Budget and documented subsequent in the OUSD(C) Rates Memo.

Building Partnerships Segment (790-000)

This segment covers the IT supporting the capability for setting conditions for interaction with partner, competitor or adversary leaders, military forces, or relevant populations by developing and presenting information and conducting activities to affect their perceptions, will, behavior, and capabilities.

Bulk Acquisition

Acquisition of like items, of which their individual value does not meet the capitalization threshold, as part of multiple leases with a single lessor within a fiscal year.

Business Concern

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

Business Domain

A business domain represents a line of business for DoD and its corresponding business events.

Business Enterprise Architecture (BEA)

The Business Enterprise Architecture (BEA) is the enterprise architecture for the DoD business mission area that guides and constrains implementation of interoperable Defense business system solutions as required by 10 U.S.C. § 2222. The BEA defines the DoD business transformation priorities, the business capabilities required to support those priorities, and the combinations of enterprise systems and initiatives that enable those capabilities. It is used to determine compliance for systems reviewed by the Defense Business Council (DBC) and includes the SFIS requirements. The BEA structure was developed using a set of integrated DoD Architecture Framework products to include the All View, Operational View, Systems and Services View, and Technical Standards View. It includes activities, processes, data, information exchanges, business rules, system functions, system data exchanges, terms, and linkages to laws, regulations, and policies.

Business Mission Area (BMA)

The BMA ensures that the right capabilities, resources, and materiel are reliably delivered to our warfighters: what they need, where they need it, when they need it, anywhere in the world. In order to cost-effectively meet these requirements, the DoD current business and financial management infrastructure - processes, systems, and data standards - are being transformed to ensure better support to the warfighter and improve accountability to the taxpayer. Integration of business transformation for the DoD business enterprise is led by the CMO of the Department.

Business Services Segment Group

This segment includes investments for foundational mechanisms and back-office services used to support the mission of the agency, which encompasses all the segments under the BMA. Segments included in this group are: Financial Management, Acquisition, Human Resources Management, Logistics and Supply Chain

Management, Real Property Management (EI&E), Planning and Budgeting, Training and Readiness, Security Cooperation, Defense Security Enterprise, and Defense Health. NOTE: there could be a few defense business services related to IT investments that do not currently fit within the Other business service segments.

C TERMS

Cancellation

Cancellation means the cancellation (within a contractually specified time) of the total requirements of all remaining program years. Cancellation results when the contracting officer notifies the contractor of nonavailability of funds for contract performance for any subsequent program year or fails to notify the contractor that funds are available for performance of the succeeding program year requirement.

Cancellation Ceiling

The maximum cancellation charge that the contractor can receive in the event of cancellation (reference FAR 17.103).

Cancellation Charge

The amount of unrecovered costs that would have been recouped through amortization over the full term of the contract, including the term canceled.

Capitalization (Both)

The process whereby the Fund assumes management responsibility and ownership of assets (such as inventory) without reimbursing other DoD appropriations or funds.

Capitalized Inventory (Both)

On-hand and on-order inventories of supplies funded by other appropriations and funds are considered as contributed capital as of the date when management responsibility for the items is undertaken (see Provisioning).

Carryover

The dollar value of work that has been ordered and funded (obligated) by customers, typically using other DoD appropriations, but not yet completed by DWCF activities at the end of the fiscal year. Carryover consists of the unfinished portion of work accepted but not yet completed.

Cash

Cash includes: (a) coins, paper currency and readily negotiable instruments, such as money orders, checks, bank drafts on hand or in-transit for deposit; (b) amounts on demand deposit with banks or other financial institutions; and (c) foreign currencies.

Cash Held at Personal Risk

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

Cash Held Outside of Treasury

All monetary resources on hand or deposit with financial institutions, including coins, currency, and readily negotiable instruments (such as checks and money orders).

Cash Management

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

Cash Management Review

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

Cash-Flow Process

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

Cash-Flow Report

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

Centrally Managed Account

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

Centrally Managed Enterprise Software License Segment (620-000)

An organization-wide (i.e., DoD-wide, Component-wide, Subcomponent-wide) software license that provides common usage rights within a defined community of users in the organization and may be customized to the organization's requirement. Typically, the defined community of users interface with the Software Publisher/Licenser under a single point of contact (i.e., centrally managed) including for acquisition, payments, inventory reporting, and other contractual actions. Examples include: ELA, JELA, CETA, and purchasing agreements such as DoD ESI ESA (e.g. GSA IT Schedule 70 BPA and NASA SEWP agency catalog), Federal CMLC BIC purchasing agreement (e.g. GSA IT Schedule 70 Software SINs and NASA SEWP), and DoD Component level software purchasing vehicles.

Certification Mark

The term "certification mark" means any word, name, symbol, or device, or any combination thereof – Used by a person other than its owner, or Which its owner has a bona fide intention to permit a person other than the owner to use in commerce (use of a mark in the ordinary course of trade) and files an application to register on the principal register established in 15 U.S.C. § 1051-1072, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

Certifying Officer

An individual designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher, or other documents. A certifying officer is pecuniary liable for payments in accordance with 31 U.S.C. § 3528.

CIR factor

A surcharge that generates revenue to cover the cost of the asset over its useful life (typically two or more years). The revenue collected from the CIR is then used to liquidate the contract authority that was initially used to purchase the asset. This means the activity allocates a portion of the customer revenue to cover the financial obligation created by the original contract. In effect, cash from the activity's operating program is transferred to its capital program. The amount of revenue used to liquidate the contract authority will equal the original amount obligated, minus any reductions or withdrawals of that authority. If the activity does not have enough revenue to fully liquidate the contract authority, it must, at a minimum, liquidate enough to cover any cash outlays related to CIP. This ensures sufficient funds are available for those projects.

Clarification of Rate Estimation

During the budget review process, each non-supply DWCF activity will use proposed new customer orders for each budget year to establish rates that will remain stabilized through the execution year. Accurate customer order projections are essential in determining the annual increase or decrease in rates. Industrial activities (to include the maintenance and repair function of base support activities) will identify total DLHs required to accomplish the budget year's work program. The work program is the total number of DLHs planned to be executed in support of known and projected customer requirements during execution of the budget. All DLHs should be identified in the budget, even though some workload may be direct reimbursable rather than rate based. Total costs estimated to be incurred in execution of this workload will be projected. This process should include application of general inflation, pay raise, and other inflation or OUSD(C)-directed price adjustments, as specified in the OUSD (Comptroller) budget formulation Budget Guidance. The sum of all these costs (including supplies, materiel, pay, CIR, and other charges, etc.) is the estimate of the total costs. Customer requirements must be projected and separately identified to include: current (on hand) unfilled customers' orders expected to be executed during the

budget year (carry-in or backlog), and work in process that will be completed; new orders anticipated to be accepted and executed during the budget year; and orders anticipated to be accepted but not executed during the year (anticipated carry-over). Workload mix (outputs), availabilities, and production schedules must be assessed, along with any other factors that may impact program outputs such as policy changes, productivity initiatives, planned workload competitions, plant capacity, and other factors. Based on these factors, the work counts associated with each major workload category (output or product) will be identified and reported. Total costs required to execute the planned program to produce the outputs in the approved execution program will be identified and reported in budget exhibits, with significant changes from the prior year highlighted in the Exhibit Fund-2, "Changes in the Costs of Operations."

Classified Items

Materiel that requires protection in the interest of national security.

Clearing Accounts

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

Close-Out (Applies to Public Debt Only)

One of two accounting classifications for writing off debt that indicate whether or not an agency will continue debt collection efforts after write-off. The ARO, in conjunction with the DoD Component Fund Holder, closes out a debt when it is determined that further debt collection actions are prohibited (e.g., a debtor is released from liability in bankruptcy) or there are no plans to take any future active or passive actions to try to collect the debt. Close-out may occur concurrently with the write-off of an account receivable or at a later date, depending on the collection strategy and the ultimate determination that the debt has been discharged. At close-out, DoD may be required to report to the Internal Revenue Service (IRS) the amount of the debt as potential income to the debtor on IRS Form 1099C, Cancellation of Debt.

Closed (Canceled) Appropriations

An appropriation that is no longer available for the adjustment or payment of obligations. Appropriation accounts are closed (canceled) after being in the expired status for 5 years. A Comptroller General opinion has provided the DoD with authority to make disbursement adjustments to closed appropriations to correct errors only. (See Expired Appropriation.)

Closed/Canceled Accounts

An appropriation that has been closed in accordance with 31 U.S.C. §§ 1551-1557. This term also includes an appropriation that otherwise would have been closed by 31 U.S.C. §§ 1551-1557, but has not been closed by the Department of the Treasury because the appropriation has a negative balance. When balances are canceled, the amounts are not available for obligation or expenditure for any purpose, unless exempt by a provision of an appropriation law.

Cohort

Direct loans obligated or loan guarantees committed by a program in the same year, even if disbursements occur in subsequent years or the loans are modified. Modified pre-1992 direct loans will constitute a single cohort; modified pre-1992 loan guarantees will constitute a single cohort. For loans subsidized by no-year or multi-year appropriations, the cohort may be defined by the year of appropriation or the year of obligation. The Program and Financial Control Directorate of OUSD (Comptroller) P/B will contact OMB for proper determination.

Collections

Amounts received during the fiscal year. Collections are classified into two major categories: budget receipts and offsetting collections. Budget receipts are amounts received by the Federal Government from the public, e.g. tax revenues, premiums of compulsory social insurance programs, court fines, and license fees. Offsetting collections are classified into two major categories: offsetting receipts and collections credited to appropriation or fund accounts.

Collective Liability

Where more than one individual may be liable for a debt, both collectively or individually.

Collective Mark

The term "collective mark" means a trademark or service mark – Used by the members of a cooperative, an association, or other collective group or organization, or Which such cooperative, association, or other collective group or organization has a bona fide need to use in commerce and applies to register on the principal register established in 15 U.S.C. § 1051-1072, and includes marks indicating membership in a union, an association, or other organization.

Combatant Command (CCMD)

A unified or specified command with a broad continuing mission under a single commander.

Combatant Commands Reward Programs (CCRP)

The collective activities of a combatant command to incentivize eligible persons, through the offer and payment of rewards, to provide information or non-lethal assistance that enables or enhances force protection of, or combating terrorism by, U.S. or allied forces.

Combined Statement

The Statement of Budgetary Resources (SBR) is required to be presented as a combined statement where intragovernmental transactions are not eliminated, which is consistent with the aggregate of account level information on GTAS submissions.

Command and Control (C2)

Includes the facilities, systems, and manpower essential to a commander for planning, directing, coordinating and controlling operations of assigned forces. C2 capabilities cover the joint/tactical operations echelon and down to front line tactical elements.

Command and Control Segment (730-000)

This segment provides the IT that facilitates the exercise of authority and direction over DoD-mission related activities supporting the joint warfighter.

Command Support Costs

This term is used in the context of the Test and Evaluation (T&E) programs. It refers to "people-related" costs of the command and operational units providing collateral support to the T&E effort. These are additional costs incurred because of this test support. Examples include per diem pay, travel allowances, and overtime.

Commander

An individual vested with command authority in a DoD Component.

Commercial Functions

Activities identified within the MD&A that include buying/leasing real estate, providing insurance, making loans, and any other activity involving the provision of a service or thing for which a fee is charged.

Commitment

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

Communications

Communications elements include fixed plant, sustaining base infrastructure in the U.S. and selected overseas locations; long haul transmissions via Defense-owned or leased terrestrial facilities; transmissions via satellite or other radio systems; and mobile, tactical transmission systems.

Comparative Data

Financial statements that present information for the current and preceding years, regardless of the audit opinion rendered. The prior year column must be identical to the amounts reported in the prior year's financial statements.

Component

A subordinate organization of a joint force. In the context of the FMR, it often refers to a DoD Component.

Component Liaison Office

Military Department and Agency formed liaison offices to communicate with the Defense Finance and Accounting Service to ensure adequate dissemination of information and help coordinate DoD finance and accounting policy and other issues.

Conceptual Design of Accounting System

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

Concurrent Resolution

A resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth, reaffirming, or revising the congressional budget for the United States Government for a fiscal year. Pursuant to 2 U.S.C. § 632, a concurrent resolution on the budget, due by April 15, shall be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues or the public debt limit is considered. Other concurrent resolutions for a fiscal year may be adopted at any time following the first required concurrent resolution for that fiscal year.

Condition Assessment Surveys

Periodic physical inspections of General PP&E to determine their current condition and the estimated cost to correct any deficiencies. This is one of the methods permitted by SFFAS 42 to measure Deferred Maintenance and Repairs.

Confirmed Fraud

Does not include transactions determined by management to be anomalous or indicative of potential fraud that were referred to the DoD Office of Inspector General or the Department of Justice, unless the appropriate judicial or adjudicative process has made the determination.

Consolidated Working Fund Accounts

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

Consolidation Entity

An organization is considered a consolidation entity if, based on an assessment of the following characteristics as a whole, the organization: (1) is financed through taxes and other non-exchange revenues, (2) is governed by the Congress and/or the President, (3) imposes or may impose risks and rewards to the federal government, or (4) provides goods and services on a non-market basis.

Constant Dollars

A dollar value adjusted for changes in prices. Constant dollar series are derived by dividing current dollar estimates by appropriate price indices, a process generally known as deflating. The result is a time series as it would presumably exist if prices were the same throughout as in the base year - in other words, as if the dollar had constant purchasing power. Any changes in such a series would reflect only changes in the real (physical) volume of output. Constant dollar figures are commonly used for gross national product and its components.

Construction

The erection, installation, or assembly of a new facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing facility; the acquisition of a facility; or the relocation of a facility from one installation to another.

Construction in Progress (CIP)

A temporary classification of assets under construction equal to the amount of direct labor, direct material, and overhead incurred in the construction of General PP&E for which the acquiring DoD agency will be accountable for financial reporting purposes. General property includes real property such as land and buildings. Upon completion, these costs will be transferred to the proper capital asset account as the acquisition cost of the item. CIP is not to be used for information technology software. The Internal Use Software in Development account is used for information technology software.

Constructive Delivery

When a recipient receives title based on the terms of the contract regarding shipping and delivery, even though the physical items haven't been physically delivered.

Consumer Level of Materiel and Supplies

Materiel and Supplies, usually of limited range and depth, held only by the final element in an established supply distribution system for the sole purpose of internal consumption. Materiel and Supplies at the consumer level is normally no longer considered DWCF inventory.

Consumption Method

Recognize and report as assets on the balance sheet when produced or purchased. "Purchased" is when title passes to the purchasing entity.

Contingency

An existing condition, situation, or set of circumstances that involves an uncertainty as to possible gain or loss. The uncertainty will be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm a gain (i.e., acquisition of an asset or reduction of a liability) or a loss (i.e., loss or impairment of an asset or the incurrence of a liability).

Contingency Operation

A situation requiring a sequence of tactical actions with a common purpose or unifying theme, or the carrying out of a strategic, operational, tactical, service, training, or administrative military mission in response to natural disasters, terrorists, subversives, or as otherwise directed by appropriate authority to protect United States interests.

Contingency or Emergency Operations

Pricing and financing requirements may be waived by Fund managers to facilitate Department operations during times of war or other national emergencies. Notification of Fund Managers actions must be provided in writing to the Director for Revolving Funds within 30 days of the event.

Contingency Retention Stock (Logistics)

That portion of the quantity of an item excess to the Approved Acquisition Objective for which there is no predictable demand or quantifiable requirement and that normally would be allocated as potential reutilization stock, except for a determination that the quantity will be retained for possible contingencies. This is a budget stratification category and is not the same as "War Reserve Materiel," which is held for immediate use of military deployments.

Contingent Liability

The term has two meanings. As a budgetary term, it represents variables that cannot be recorded as valid obligations. Such variables include (1) outstanding fixed price contracts containing escalation, price redetermination, or incentive clauses, or (2) contracts authorizing variations on quantities to be delivered, or (3) contracts where allowable interest may become payable by the Federal Government on contractor claims supported by written appeals pursuant to the "DISPUTES" clause contained in the contract. As a proprietary accounting term, it represents a contingency posing the possibility of a loss when one or more events occur or fail to occur. Examples of loss contingencies include the collectability of accounts receivable, pending or threatened litigation, and possible claims and assessments. DoD recognizes contingent liabilities when a future loss related to past events or exchange transactions is probable and the loss amount can be reasonable estimated.

Continuing Resolution

Legislation enacted by the Congress to provide budget authority for specific ongoing activities in cases where the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year. The continuing resolution usually provides formulas which the agency uses to compute amounts available for continuing programs at minimum levels. Formulas typically include obligation rates of the prior year, the President's Budget request, or an appropriation bill passed by either or both Houses of the Congress.

Contract

As defined by the Federal Acquisition Regulation (FAR) 2.101, "Definitions," a contract is a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include

(but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C.6301, et seq.

Contract Authority

Statutory authority to incur obligations but with liquidation of obligations dependent upon future actions of the Congress or by the receipt of customer orders or other available resources. Within the Department, Contract Authority is apportioned budget authority that can be legally obligated. Contract Authority, however, is not funded and is apportioned and allocated without a supporting Treasury cash balance. Consequently, before an obligation incurred against Contract Authority can be liquidated, sufficient budgetary resources should be available for the outlay. For the Defense Working Capital Funds, obligations against Contract Authority are based on earned customer orders and cash balances in the fund corpus.

Contract Change

An order relating to an existing contract under which a contractor is required to perform additional work; it does not include adjustments related to an escalation clause.

Contract Design Costs

The contract design phase of shipbuilding programs follows the preliminary design phase and results in a design that carries equipment specifications necessary to meet Navy requirements. These costs are RDT&E-funded.

Contract Financing Payment

A Federal Government cash disbursement to a contractor under the contract prior to acceptance of goods or services by the Federal Government.

Contract Liquidating Authority

An appropriation, or re-appropriation, enacted to pay the obligations incurred under the contract authority.

Contractor Acquired Property (CAP)

Any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. Although the Government may have the title, CAP has not yet been delivered. CAP that is subsequently delivered to the Government for use on the same or another contract is considered Government Furnished Property. See definition 20, "Government Furnished Property."

Contractor-Acquired Property

General PP&E assets acquired by a contractor on behalf of a DoD Component for use in the performance of a contract. It does not include federal government furnished material or equipment. Also, see Government Furnished Equipment.

Control Limits

The Lower Control Limit (LCL) represents the amount of cash on hand that an activity should maintain in the ordinary course of business. This amount should be sufficient to maintain a positive cash balance for the weeks or months necessary to implement cash levers for any plausible risk, other than congressional actions or a lapse in appropriations. The control limits are not inviolable, but as in statistical process control, breaching them implies an extraordinary circumstance. The Upper Control Limit (UCL) serves as a threshold for cash balances held by activities. Exceeding the UCL in a given budget year suggests a reduction in rates.

Control System

A system in which deliberate guidance or manipulation is used to achieve a prescribed value for a variable. Control systems include supervisory control and data acquisition (SCADA), distributed control system (DCS), programmable logic controllers (PLCs) and other types of industrial measurement and control systems. Examples: Utility monitoring and control systems, building control systems, microgrid control systems.

Controlled Inventory Items

Those items designated as having characteristics that require that they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. Controlled inventory items in descending order of the degree of control normally exercised are:

Converged System

A system of systems that includes a combination of traditional IT, control systems, and/or platform information technology.

Cooperative Agreement

Transfer anything of value from the federal awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by a United States law. The federal government or pass-through entity does not acquire property or services for their direct benefit or use. A cooperative agreement requires substantial involvement between the federal awarding agency or pass-through entity and the non-federal entity in carrying out the activity defined in the federal award. Refer to 31 U.S.C. § 6305.

Core Financial System

Is an information system, or system of system, that may perform all financial functions including general ledger management, funds management, payment management, receivable management, and cost management. The core financial system is the system of record that maintains all transactions resulting from financial events. It may be integrated through a common database or interfaced electronically to meet defined data and processing requirements. The core financial system is specifically used for collecting, processing, maintaining, transmitting, and reporting data regarding financial events. Other uses include supporting financial planning, budgeting activities, and preparing financial statements. Any data transfers to the core financial system must be: traceable to the transaction source; posted to the core financial system in accordance with applicable guidance from the Federal Accounting Standards Advisory Board (FASAB); and in the data format of the core financial system.

Core Financial Systems

Core financial systems and financial systems are synonymous terms and consist of six functional areas: general ledger management, funds management, payment management, receivable management, cost management, and financial reporting. Core financial systems are comprised of one or more software programs (commonly referred to as applications), that are used for: collecting, processing, maintaining, transmitting, or reporting data about financial events; supporting financial planning or budgeting activities; accumulating and reporting costs information; or supporting the preparation of financial statements.

Core Mission Services Segment (799-000)

Placeholder for those "few" core mission service related IT investments that do not currently fit into the existing core service segments.

Core Mission Services Segment Group

This segment group contains investments that directly support the Department's core missions. Segments included in this group are; Battlespace Awareness – Environment, Battlespace Awareness – Intelligence, Surveillance, and Reconnaissance (ISR), Battlespace Networks, Command and Control, Force Application, Protection, Building Partnerships, Force Management, Force Training, and Health.

Correcting Entries

Journal Voucher adjustments for errors identified during the report review process.

Cost

A monetary measure of the amount of resources applied to a cost objective. Within DoD, "costs" are identified following generally accepted accounting principles and standards. The fact that collections for some cost elements are deposited into Miscellaneous Receipts of the Treasury does not make those costs "extraneous." It simply means the Congress has not authorized such amounts to be retained by appropriation accounts. After costs have been identified, following Federal Accounting Standard Advisory Board (FASAB) standards, including the Statement of Federal Financial Accounting Standard (SFFAS) 4 on cost accounting rules, a DoD Component may proceed to eliminate cost elements, or process waivers, in accordance with legal authorities.

Cost Accounting System

Continuous and systematic cost accounting process, which may be designed to accumulate and assign costs to a variety of objects routinely or as desired by management.

Cost Accumulation

Collection of costs in an organized fashion by means of a cost accounting system. There are two primary approaches to cost accumulation: job order and process costing. Under a job order system, the three basic

elements of costs: direct materials, direct labor, and overhead, are accumulated according to assigned job numbers. Under a process cost system, costs are accumulated according to processing department or cost center.

Cost Allocation

Method of assigning costs to activities, outputs, or other cost objects. The allocation base used to assign a cost to objects is not necessarily the cause of the incurred cost. For example, assigning the cost of power to machine activities by machine hours is an allocation because machine hours are an indirect measure of power consumption.

Cost Assignment

Process that identifies costs with activities, outputs, or other cost objects. In a broad sense, costs can be assigned to processes, activities, organizational divisions, goods, and services. There are three approaches of cost assignment: (a) directly tracing costs wherever economically feasible, (b) using cause and effect, and (c) allocating costs on a reasonable and consistent basis.

Cost Center

An element of a cost accumulation structure—representing the lowest level organization or activity used to identify obligations or expend resources—to logically group costs of goods and services for management to assess efficiency, usage, examine trends, and make decisions. Cost centers enable organizations to apply process costing, one of two primary approaches to cost accumulation, the other approach being has job order costing. SFFAS 4 requires organizations to accumulate costs for the identified types of outputs produced for various programs or projects.

Cost Clearing Account

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

Cost Finding

Techniques that produce cost data by analytical or sampling methods for certain kinds of costs, such as indirect costs, items with costs below set thresholds within programs, or for some programs in their entirety. These techniques support the overall managerial cost accounting process and can represent nonrecurring analysis of specific costs.

Cost Model

A framework upon which an estimating methodology is developed. The model may use mathematical equations to convert resource data into cost data and require users to enter a minimal amount of information to generate cleanup cost estimates.

Cost Objective

An activity, operation, or item whose cost is to be measured for which management decides to identify, measure, and accumulate costs. The cost objective must be discrete enough and described in writing to such a level of detail to form a basis to establish cost centers and output products. In a broad sense, a cost object can be an organizational division, function, task, good, service, or customer. It is also defined as an activity, operation, or completion of a unit of work to complete a specific job for which management decides to identify, measure, and accumulate costs. The cost object must be discrete enough and described in writing to such a level of detail as to form a basis to establish cost centers and output products.

Cost of Goods (Materiel) Sold (COGS) (FM)

The COGS is the expensed value of the items sold using an inventory valuation method (e.g., Moving Average Cost or Latest Acquisition Cost methods). The COGS is recorded in the period the Supply activity sells the inventory, not the period the Supply activity purchases the inventory. Even though the Supply activity may have purchased and a cash outlay occurred in a previous fiscal year, the COGS is recorded after the inventory is sold. The COGS is based on inventory valuation that may not be directly related to the actual cash paid to purchase the inventory for the continuity of operations

Cost Recovery Elements/Surcharges (FM)

Factors added to the acquisition cost or repair cost price of an item to arrive at the customer's standard or exchange price. Cost Recovery Elements/Surcharges include: (1) transportation deliveries from production site to points of use or storage (Second Destination Transportation (SDT)); (2) inventory obsolescence and loss, for the

costs of pilferage, damage, deterioration, physical inventory shortages and excess; (3) inventory maintenance; (4) supply operations support costs; (5) inventory augmentation; (6) CIR factor; (7) cash surcharge; and (8) Depot Level Repairable (DLR) carcass attrition costs, if applicable.

Cost-to-Complete (CTC)

Represents the total estimated future costs for site level cleanup not currently funded at the end of a given fiscal year. CTC estimates assume that approved funding in the year of execution will be received and obligated in full. CTC (including DERP CTC) estimates also include program management costs.

Covered Employee

A civilian DoD employee who, while an employee on or after September 11, 2001, incurred an illness or an injury under the criteria Volume 12 Section 28.

Covered Member

Service member who, while performing active duty, full-time National Guard duty, or inactive-duty training on or after September 11, 2001, incurred an injury or illness under Volume 12 Section 28.

Critical Elements

Items that, if reported incorrectly for financial reporting purposes, would have a direct effect on the amounts presented on the financial statements

Culpability

Determination of fault.

Cumulative Results of Operations

One of the two components of Net Position. This section of the Statement of Changes in Net Position includes a line item for non-exchange revenue.

Current (Non-Delinquent) Receivables

Debts are categorized as current and non-current assets. The portion of a non-delinquent debt that is scheduled to be collected in the next 12 months is recorded as current; the portion of a non-delinquent debt scheduled for collection after 12 months is recorded as non-current. The importance of these categories is to inform DoD and Treasury of the expected cash flow/liquidity of the asset (i.e., current versus non-current assets).

Current Accounts Receivable

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

Current Liability

Amount owed by an entity for which the financial statements are prepared, and for which the entity expects to outlay the resources within one year of the reporting date.

Current Services Estimates

Estimated budget authority and outlays for the upcoming fiscal year based on continuation of existing levels of service, i.e., assuming that all programs and activities will be carried on at the same level as in the fiscal year in progress and without policy changes in such programs and activities. These estimates of budget authority and outlays, accompanied by the underlying economic and programmatic assumptions upon which they are based (such as the rate of inflation, the rate of real economic growth, pay increases), are required to be transmitted by the President to the Congress.

Current Value of Funds Rate (CVFR)

The average investment rate for the U.S. Treasury Tax and Loan accounts expressed as an annual rate and published by the U.S. Treasury in the "Federal Register" each year. Uses of the CVFR include determining the effectiveness of taking cash discounts and calculating interest on overdue federal government accounts receivables.

Currently Not Collectible (CNC)

One of two accounting classifications for writing off debt that indicate whether or not an agency will continue debt collection efforts after write-off. CNC is a category of debt that has been written off on the DoD Component's financial statements, but cost effective debt collection efforts will continue to be taken by the cognizant Debt Collection Management Office (DCMO), Debt Collection Office (DCO), or Debt Management Office (DMO).

Customer Order

An order received and accepted by the performing activity from a customer. It is written evidence that certain goods and services will be provided to the tenderer of the order for payment of a dollar amount. The order must contain an original signature or equivalent of both the ordering activity and the receiving activity and must specify a dollar amount. The specified dollar amount cannot be exceeded.

Cutoff Time

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

Cyber Mission Forces (CMF)

The U.S. military's first joint tactical command with a dedicated mission focused on Cyberspace Activities and primarily support the Combatant Commands and U.S. Cyber Command (USCYBERCOM). The CMF consists of three elements: (1) the Cyber Protection Force (CPF), (2) Cyber National Mission Forces (CNMF), and (3) Cyber Combat Mission Force (CCMF). Further definition is available in Joint Staff Publication (JP 3-12). For IT/CA budget purposes, the CMF budget represents a virtual Major Force Program and consists of the resource to man, train and equip the CMF.

Cybersecurity

As referenced in DoDI 8500.01 "Prevention of damage to, protection of, and restoration of computers, electronic communications systems, electronic communications services, wire communication, and electronic communication, including information contained therein, to ensure its availability, integrity, authentication, confidentiality, and nonrepudiation."

Cyberspace

A global domain within the information environment consisting of the interdependent networks of information technology infrastructures and resident data, including the Internet, telecommunications networks, computer systems, and embedded processors and controllers.

Cyberspace Activities (CA)

Employment of cyberspace capabilities for the primary purpose of achieving objectives in or through cyberspace. For the purposes of budget reporting within the SNaP-IT, there are three major components of CA: Cybersecurity, Cyberspace Operations, and Research & Development. Refer to definitions in subparagraphs 1.4.11 and 2.0.23. The DoD CIO DCIO(R&A) office will provide further guidance on CA budget reporting via classified channels.

Cyberspace Activities (CA) Segment (610-000)

IT supporting the DoD's ability to maintain an appropriate level of confidentiality, integrity, authentication, non-repudiation and availability; the information and information assets; the documentation of threats and vulnerabilities; the trustworthiness of users and interconnecting systems; the impact of impairment or destruction to the DoD information system(s) and cyberspace; and cost effectiveness (see subparagraph 1.4.11). For the purposes of budget reporting within SNaP-IT, there are three major components of CA: Cybersecurity, Cyberspace Operations, and Research & Development (see subparagraph 2.0.22).

D TERMS**Data Administration**

Program Area of Related Technical Activities. Activities reported in this area include: Data sharing and data standardization. Component data administration programs are defined in the Data Administration Strategic Plans.

Data Center Budget

All Data Centers reported in the DoD Data Center Optimization Initiative (DCOI)[1] inventory currently maintained in the DCIM System must maintain an appropriate budget estimate in DITIP at all times. Components must develop individual investments Core Data Center (CDC), Component Enterprise Data Centers (CEDC), and Installation Processing Nodes (IPN) data centers and report resources in the DoD IT/CA Budget accordingly. Working Capital Funds (WCF) Investments delivering IT Services are not required to have a separate Investment per data center. (see subparagraph 1.3.12).

Data Source

Includes all financial and programmatic information used in budgeting and accounting. It is not limited to computerized systems or the general ledger but also includes non-financial data like human capital and operational information from various sources, including manual reports.

Data System

An organized grouping of methods, source information, and activities surrounding data collection used to produce reliable cost information on a consistent basis. Data systems include a collection of system tools and sources used for automating managerial cost accounting reporting, but can also include manual processes, such as cost finding reports.

Day

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

Debt

Defined in 31 U.S.C. § 3701(b)(1) as any amount of funds or property that has been determined by an appropriate official of DoD to be due to DoD by a person, organization, or entity other than another Federal agency. See Volume 16 for additional information on debt management.

Debt Collection Office (DCO)

Responsible for initial debt collection actions and serving due process. The DCO refers to a general category of offices and includes, but is not limited to, the ARO, military and civilian payroll offices, and other organizational elements within the DoD Components that perform debt management/collection actions (e.g., personnel offices).

Decapitalization (Both)

The transfer of DWCF assets (such as inventory) to other appropriations or funds without reimbursement. Transfers of on order inventory between DWCF DoD Components are not considered de-capitalizations. Gains and losses of cash, relative to continuing operations at the DWCF activity level, should be taken into consideration to establish an acceptable reimbursement process based on validated undelivered orders (dues in).

Deemed Cost

An alternative valuation method allowed under SFFAS 50 that a reporting entity can use to establish opening balances for its General Property, Plant, and Equipment.

Default

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

Defense Business System (DBS)

The term "defense business system" as defined in 10 U.S.C §2222(i)(1)(A) means an information system operated by, for, or on behalf of the DoD, including: financial systems, financial data feeder systems, contracting systems, logistics systems, planning and budgeting systems, installations management systems, and human resource management systems. The term does not include NSS, or an information system used exclusively by and within the defense commissary system or the exchange systems or other instrumentality of the DoD conducted for the morale, welfare, and recreation of members of the armed forces using nonappropriated funds (see 10 U.S.C §2222(i)(1)(B)). The term "covered defense business system" as defined at 10 USC §2222(i)(2) means any defense business system that is expected to have a total amount of budget authority in excess of \$50,000,000 over the period of the current future-years defense program submitted to the Congress under 10 U.S.C §221.

Defense Health Segment (760-000)

IT systems and services that enable the Department's capabilities to maintain the health of military personnel, which includes the delivery of healthcare required during wartime. The Defense Health Program provides for worldwide medical and dental services (including delivery of TRICARE benefits) to active forces and other eligible beneficiaries, veterinary services, occupational and industrial health care, specialized services for the training of medical personnel, and medical command headquarters.

Defense Security Enterprise Segment (580-000)

IT supporting the activities necessary to provide the organizations, infrastructure, and measures (to include policies, processes, procedures, and products) in place to safeguard DoD personnel, information, operations, resources, technologies, and facilities against harm, loss, or hostile acts and influences, in accordance with DoDD

5200.43. This includes any IT that supports Industrial Security Control systems and the National Security Investigation System. This does not include systems/applications that support CA, which doesn't belong within this business function or the 'Business Mission Area' domain.

Defense Support of Civil Authorities

Support provided by U.S. Federal military forces, DoD civilians, DoD contract personnel, DoD component assets, and National Guard forces (when Secretary of Defense, in coordination with the governors of the affected States, elects and requests to use those forces in Title 32 U.S.C., status) in response to requests for assistance from civil authorities for domestic emergencies, law enforcement support, and other domestic activities, or from qualifying entities for special events. Also known as civil support. (DoD Directive 3025.18).

Defense Working Capital Fund (DWCF)

A revolving fund using a business-like buyer and seller approach with a goal of breaking even over the long term. Stabilized rates or prices are generally established each fiscal year. DWCF stabilized rates or prices are adjusted for sales to customers to include an amount for unfunded civilian retirement and post-retirement health benefits costs. The DWCF was established on December 11, 1996, upon the reorganization of the former Defense Business Operations Fund.

Defensive Cyberspace Operations (DCO)

Missions to preserve the ability to utilize blue cyberspace capabilities and protect data, networks, cyberspace-enabled devices, and other designated systems by defeating on-going or imminent malicious cyberspace activity. Also called DCO.

Deferral of Budget Authority

Any action or inaction by any officer or employee of the United States that withholds, delays, or effectively precludes the obligation or expenditure of budgetary resources, including the establishment of reserves under the Antideficiency Act, as amended by the Congressional Budget and Impoundment Control Act of 1974. Section 1013 of the Congressional Budget and Impoundment Control Act of 1974 requires a special message from the President to the Congress reporting a proposed deferral of budget authority. Deferrals may not extend beyond the end of the fiscal year in which the message reporting the deferral is transmitted and may be overturned by the passage of an impoundment resolution by either House of Congress.

Deferrals

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

Deferred Maintenance and Repairs (DM&R)

Maintenance and repairs that were not performed when required or scheduled and have been delayed for a future period. This includes activities directed toward keeping fixed assets in an acceptable condition but excludes capital improvements.

Definite Authority

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

Delinquent Receivables

Delinquent Receivables are debts that have not been paid by the date specified in the DoD's initial written demand for payment or applicable agreement or instrument unless other satisfactory payment arrangements have been made. If the contract or agreement provides for a "grace" period, DoD Components do not report the debt as delinquent until the grace period expires without payment. In such cases, however, the original due date is used for delinquency date.

Delivered Orders

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

Delivered Orders-Paid

The budgetary account that represents the dollar value of goods and services received for which payment has been made.

Delivered Orders-Unpaid

The budgetary account matching the proprietary account, "accounts payable." It represents the dollar value of goods and services received for which payment has not been made. (Also, see "Accounts Payable.")

Demand (Customer Order) (Both)

Demand is an indication of a requirement (i.e., requisition, request, issue, reparable generation, etc.) for issue of serviceable materiel. Demands are categorized as either recurring or nonrecurring and are also referred to as funded orders. Demands for reparable items should indicate whether or not a carcass will be returned.

Demand Cash Withdrawal

Commercial checks made payable to cash for withdrawal by the cashier.

Department of Defense Information Network (DODIN)

DODIN (as defined in DoDD 8000.01 as well as the Office of the Chairman of the Joint Chiefs of Staff, "DoD Dictionary of Military and Associated Terms)," is the set of information capabilities, and associated processes for collecting, processing, storing, disseminating, and managing information on-demand to warfighters, policy makers, and support personnel, whether interconnected or stand-alone, including owned and leased communications and computing systems and services, software (including applications), data, security services, other associated services, and NSS. The DODIN includes owned and leased communications and computing systems and services, software (including applications), data, security services, other associated services, and NSS. The DODIN consists of information capabilities that enable the access to, exchange, and use of information and services throughout the Department and with non-DoD mission partners. The principal function of the DODIN is to support and enable DoD missions, functions, and operations. The overarching objective of the DODIN vision is to provide the National Command Authority (NCA), warfighters, DoD personnel, Intelligence Community, business, policy-makers, and non-DoD users with information superiority, decision superiority, and full-spectrum dominance.

Department of Defense Information Technology Investment Portal (DITIP)

DITIP provides a centralized location for IT investment portfolio data and aligns IT systems information in the DITPR with budget information in the SNaP-IT. DITIP provides for the entry and maintenance of common DITPR and SNaP-IT data elements and supports the CMO DBS certification.

Department of Defense Information Technology Portfolio Registry (DITPR)

DITPR is the enterprise service composed of a centralized consolidated inventory of IT systems. DITPR provides a comprehensive inventory of mission critical and mission essential DoD information systems as required in 10 U.S.C. 2223(a)(5) and DoDD 5144.02. DITPR supports IT portfolio management (PfM) in accordance with the Office of Management and Budget (OMB) Circular A-130, "Managing Information as a Strategic Resource" and DoD enterprise architecture management under 44 U. S. C. 3601. DITPR is used to support portfolio management of the Defense Business Systems (DBS), Information Enterprise Mission Area (EIEMA), Warfighter Mission Area (WMA), and DoD Portion of the Intelligence Mission Area (DIMA).

Deposit (noun)

Money presented for credit to the U.S. Treasury. Such transfers may be made by Agencies or directly by the remitter. All such transfers are effected through a Federal Reserve Bank or other financial institution.

Deposit (verb)

The act of presenting moneys for credit to the U.S. Treasury by an Agency official.

Deposit Fund Accounts

Expenditure accounts established to account for deposit fund receipts. Such funds are not available for paying salaries, grants, or other expenses of the Federal Government. Expenditures are often offset by receipts within this type of fund.

Deposit Funds

Receipts held temporarily and later refunded or paid into some other Treasury fund or other entity, or held by DoD as banker or agent for others and paid out at the direction of the owner.

Depot Maintenance Additional Requirements

Unplanned depot losses recouped in subsequent years may be financed with prior year funds from the customer provided all other criteria associated with prior year upward obligations are met.

Depot Maintenance and Repairs

Material maintenance or repair requiring the overhaul, upgrade, or rebuild of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary.

Depreciation

All capital assets owned by activities in the Fund will be depreciated or amortized by the individual Component business area. Depreciation will be on a straight-line basis and based on the acquisition cost, less residual value when residual value is expected to be 10 percent or more of the acquisition cost, including installation and related costs.

Designated Agency Ethics Official

A DoD employee appointed in writing by the head of the DoD agency to coordinate and manage the agency's ethics program.

Detail Design Costs

The final design effort on ships normally performed in conjunction with lead ship construction, is called "detail design." This effort is procurement funded (SCN).

Determination of Proximate Cause

Ascertaining whether the loss, damage, destruction, or theft was proximately caused by an individual's negligence or abuse.

Development, Modernization, and Enhancement (DME)

DME refers to projects and activities leading to new IT assets/systems, as well as projects and activities that change or modify existing IT assets to substantively improve capability or performance, implement legislative or regulatory requirements, or meet an agency leadership request. DME activity may occur at any time during a program's life cycle. As part of DME, capital costs can include hardware, software development and acquisition costs, commercial off-the-shelf acquisition costs, government labor costs, and contracted labor costs for planning, development, acquisition, system integration, and direct project management and overhead support. Technical Refresh is not included in Dev/Mod, but rather in O&S (see subparagraph 2.0.65).

Developmental Test and Evaluation (DT&E)

DT&E is test and evaluation conducted to assist the engineering design and development process and to verify attainment of technical performance specifications and objectives.

Direct Acquisition

A type of interagency acquisition where a requesting agency places an order directly against another agency's indefinite-delivery contract.

Direct Appropriations

Amounts appropriated by the Congress to the DWCF for war reserve materiel, Defense Commissary Agency, or other purposes.

Direct Cite

A financing action by a DoD organization (customer) to procure products and services from another entity. When direct cite is used, the procuring entity sends the procurement source documents to the customer for the customer to perform all accounting functions. In the case of the Foreign Military Sales program, it specifically refers to documents that result in a disbursement to other than a DoD organization (a contractor, other Federal Agency, or employee).

Direct Costs

Any cost that is identified specifically with a particular final cost objective.

Direct Delivery

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

Direct Loan

A disbursement of funds by the Government to a non-Federal borrower under a contract that requires repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by a non-Federal lender. It also includes the sale of a Government asset on credit terms of more than 90 days duration.

Direct Loan Obligation

A legal or binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

Direct Program

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

Direct Reimbursable Work, Service Level Billings and Other Income

Work performed may be billable outside the rate structure as approved in the President's budget. In these cases, revenue generated by direct reimbursable work, service level billings and any additional form of "other income" is subtracted from total revenue before the rates are developed. Forms of direct reimbursable work may include materiel purchases for non-supply activities, provisioning purchases for supply activities, work performed outside the mission scope of the activity, or if the customer has a centralized billing process to pay for a significant number of multiple outputs.

Disaggregated SBR

The SBR reported in the Required Supplementary Information (RSI) section of the financial statements, broken down by major budget account groups to provide more detailed information.

Disbursements

Amounts paid by Federal Agencies, by cash or cash equivalent, during the fiscal year to liquidate government obligations. "Disbursement" is often used interchangeably with the term "outlay." In budgetary usage, gross disbursements represent the amount of checks issued and cash or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriation or fund account, such as amounts received for goods and services provided. For purposes of matching a disbursement to its proper obligation, the term disbursement refers to the amount charged to a separate line of accounting.

Disbursements in transit

Disbursements reported by a disbursing office, through a paying center, to the Treasury and charged against the Department's fund balances but have not yet been received or processed by the applicable accounting office for recordation against the applicable corresponding obligation.

Disbursing Officer

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

Disclosure Entities

Non-DoD entities that are required to be disclosed in the footnotes to the consolidated financial statements but are not included in the primary financial statements of the Department.

Discount

The excess of the security's face amount over its purchase price.

Discount (Cash)

A reduction in the amount due on an accounts payable offered by the vendor if paid within a stated period.

Discount (Trade)

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

Discretionary Authority/Spending

Budgetary resources (except those provided to fund mandatory spending) provided in appropriations acts.

Disposition of Proceeds

The process of crediting payments to either the appropriation that funded the expense or to the U.S. Treasury as miscellaneous receipts.

Distributed Offsetting Receipts

Receipts that increase budget authority and reduce outlays at the Component level in the Budget of the U.S. Government. These are included on the SBR to reconcile with the Fiscal Service Quarterly Distributed Offsetting Receipts by Department Report.

DLH

The DLHs, sometimes referred to as Direct Product Standard Hours, are the hours required to perform the direct work on a product, or to perform a billable service for customers. The DLHs generally include the hands-on maintenance, repair, overhaul, test, and related direct production effort that follows the established sequence and content of work necessary to accomplish the billable job. The DLHs do not include the support work or man-hours identified as either indirect production (such as supervisory) or general and administrative in nature. The DLHs are estimated for budget purposes by product or service, based on industrial or management engineering standards developed using time, method, and motion studies, historical usage averages, or professional estimating and evaluation (E&E) techniques.

DLH Rate

The stabilized rate method that assigns revenue per DLH. The DLH rate is computed by dividing the sum of all direct and indirect production labor, non-labor, and materiel, and general and administrative expenses, adjusted for direct reimbursements, NOR, and Capital Investment Program (CIP) or Cash surcharges, by the total number of DLHs (or other outputs) anticipated to be accomplished during the fiscal year.

DoD Component

For purposes of this Regulation, unless otherwise noted "DoD Component" includes the following: Office of the Secretary of Defense (OSD); the Chairman, Joint Chiefs of Staff and the Joint Staff; the DoD Inspector General; the Military Departments including the Coast Guard when assigned to the Department of the Navy; the Defense Agencies; DoD Field Activities; the Combatant Commands; Washington Headquarters Services, the Uniformed Services University of the Health Sciences, and all non-appropriated fund instrumentalities.

DoD Designated Audit Entities

Consolidation entities designated by the DoD to adhere to the same audit remediation efforts as congressionally mandated OMB consolidation entities. They must perform all audit remediation efforts in accordance with Financial Improvement and Audit Remediation (FIAR) guidance and undergo annual stand-alone financial statement audits.

DoD Education Benefits Trust Fund

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

DoD portion of Intelligence Mission Area (DIMA)

The DIMA includes IT investments within the Military Intelligence Program and DoD component programs of the National Intelligence Program. The OUSD(I) has delegated responsibility for managing the DIMA portfolio to the Director, Defense Intelligence Agency, but OUSD(I) retains final signature authority. The DIMA management will require coordination of issues among portfolios that extend beyond the Department of Defense to the overall Intelligence Community.

DoWRP

The enterprise of Rewards Programs and governance established, planned, executed, and overseen throughout the DoW in accordance with Section 127b of Title 10, U.S.C., and this issuance.

Due Care

A reasonable effort to identify the presence or likely presence of contamination. Due care is exercised if an agency has effective policies and procedures in place to routinely identify contamination and forward that information to the responsible agency official.

Due Process

Notice of indebtedness and the opportunity provided the debtor to dispute the indebtedness. The Fifth Amendment of the U.S. Constitution provides that no person "shall be deprived of life, liberty, or property without due process of law..." The minimum due process required is generally established by the statutes that authorize the use of a specified debt collection tool or by implementing regulations.

E TERMS

Earned Reimbursement

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

Economic Order Quantity (EOQ) Procurement

An exception to the full funding policy that allows the use of advance procurement to purchase more than one fiscal year's program increment of components, materials, and parts to obtain the economical advantages, and sustain a production line.

Economic Retention Stock (Logistics)

That portion of the quantity of an item greater than the Approved Acquisition Objective determined to be more economical to retain for future peacetime issue than to dispose and satisfy projected future requirements through procurement or repair. To warrant economic retention, items must have a reasonably predictable demand rate. The use of available resources for replenishment and growth of economic retention stock should be evaluated relative to the need to reduce potential inventory shortages in other commodities that have higher reoccurring demands.

Economy Act Order

An order for goods or services placed by a Federal Agency or Department to another government agency under provisions of 31 U.S.C. §§ 1535-1536. (See Volume 11)

Electronic Data Interchange (EDI)

The exchange of standardized information between business partners typically communicated electronically between computers. It is DoD policy that DoD Component EDI applications must conform to the American National Standards Institute, Accredited Standards Committee X12 standard.

Electronic Funds Transfer (EFT)

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

Embedded Lease

A contract or agreement that contains both a lease element and a non-lease element, or a lease that contains multiple underlying assets. The lease element in the contract or agreement is an embedded lease.

Emergency

Any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts to save lives and protect property and public health and safety.

Emergency Appropriations

Appropriations that have been designated by the Congress and the President as an emergency requirement under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

End of Period (EOP)

The last day of a specified fiscal month, quarter, or year, used to determine the closing status of resources. The end of period for a fiscal year is September 30.

End Strength

In general, military strength at the end of a fiscal year. Single point strengths for other points in time must be specified, such as end first-quarter strength.

End User

Component of a reporting entity that obtains goods for direct use in the component's normal operations. Components of a reporting entity, including contractors, that maintain or stock Operating Materials and Supplies (OM&S) for future issuance are not end users.

Energy Cost Savings

Energy cost savings, for the purposes of 10 U.S.C. § 2912, are savings realized as the result of a reduction in the cost of energy, or the amount equivalent to avoided cost from energy not consumed, during the period in question. Energy cost savings are determined by metering or by other methodology, such as professionally acceptable engineering or economic models and estimates, as determined appropriate by the Component Head. The types of energy commodities to be included in their programs may be defined by the Component Head or designee. As per subparagraph 1.2.1, water is excluded as a commodity for this purpose. Energy cost savings are exempt from the funds remaining after an energy bill is paid or additional unobligated funding becomes available in an amount equivalent to avoided cost from energy not consumed during the previous fiscal year.

Energy Savings Performance Contracts

An Energy Savings Performance Contract (ESPC) is a contract between the Federal government and an energy service company (ESCO) that allows agencies to accomplish energy and/ or water conservation measure projects for their facilities without up-front capital costs and without Congressional appropriations available at the time of contract issuance to pay for the improvements. Once the contract goes into performance, the contract's work must be repaid with annual appropriations using the accounts from which the savings were generated. 42 U.S.C. § 8287c(4) defines the "energy or water conservation measure" as applicable to an ESPC. The ESCO designs, implements, and arranges financing for an energy and/ or water savings project that meets the Federal agency's needs. The ESCO guarantees that the improvements will generate savings sufficient to pay for the project over the term of the contract up to 25 years. If the energy and/ or water conservation measures installed by the ESCO do not deliver the guaranteed energy savings, the agency pays only an amount equal to the verified, not guaranteed, savings for that period. The ESCO must immediately determine the reasons for the under achieved energy and/ or water savings during that period. If it is determined that the ESCO installed and maintained equipment and controls malfunctioned, then the ESCO must immediately correct the malfunction. If it is determined that the ESCO-installed and government maintained equipment and controls malfunctioned, the guaranteed savings to the ESCO for that period may have to be repaid by the government to the ESCO. After the contract ends, any additional cost savings accrue to the agency. An extended availability account receives the additional savings, in accordance with section 3.0 for use as indicated in subparagraph 1.2.2. An ESPC is an alternative financing tool to reduce unnecessary energy and water use, modernize aging equipment, reduce maintenance costs, and deploy energy and water efficiency and resilience technologies. See DoD Instruction 4170.11, Installation Energy Management, for further details on ESPC. 10 U.S.C. § 2913(a) and 42 U.S.C. § 8287 authorizes such contracts.

Enterprise Information Environment Mission Area (EIEMA)

The EIEMA represents the common, integrated information computing and communications environment. The Enterprise Information Environment (EIE) is composed of assets that operate as, provide transport for, and/or assure local area networks, campus area networks, tactical operational and strategic networks, metropolitan area networks, and wide area networks. The EIE includes computing infrastructure for the automatic acquisition, storage, manipulation, management, control, and display of data or information, with a primary emphasis on the DoD enterprise hardware, software operating systems, and hardware/software support. The EIE also includes a common set of enterprise services, called Core Enterprise Services, which provide awareness of, access to, and delivery of information.

Enterprise Services Segment Group

This segment group includes investments for IT services and infrastructure that support core mission and business services. Segments included in this group are; CA, IT Infrastructure, and IT Management.

Entitlements

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

Entity Accounts Receivable

Entity accounts receivable are amounts that a federal entity claims for payment from other federal or non-federal entities and that the federal entity is authorized by law to include in its obligation authority or to offset its expenditures and liabilities upon collection.

Entity Assets

DoD Component actively uses in its day-to-day operations.

Entity Cash

The amount of cash that the reporting entity holds and is authorized by law to spend. Refer to SFFAS 1.

Environmental and Disposal Liabilities

For financial reporting purposes, a DoD environmental and disposal liability is a probable future outflow or other sacrifice of resources that exists as of the financial reporting date for environmental cleanup, closure, and/or disposal costs resulting from past transactions or events. A DoD environmental and disposal liability exists when: (1) contamination is known to be present or likely to be present; (2) environmental cleanup, closure, and/or disposal is required by applicable federal, state, interstate, or local requirements or an authorized legal agreement such as a lease, contract, or international agreement; and (3) DoD activities created the liability and/or an authorized legal agreement establishes DoD as the responsible entity. An environmental and disposal liability may also exist if environmental contamination is not DoD related, but DoD enters into a binding agreement that formally accepts financial responsibility for cleanup, closure, and/or disposal.

Environmental and Disposal Liability Site Universe

All sites identified after performing a due care approach to determine if "probable" and "reasonably estimable" criteria outlined in FASAB Technical Release 2 have been met.

Environmental Cleanup, Closure, and/or Disposal Costs

For financial statement reporting purposes, the term "environmental cleanup costs" includes costs associated with restoration of environmental sites funded under DERP, corrective actions, and environmental costs associated with the future closure of operations, including closure and disposal of PP&E. Cleanup costs as defined in SFFAS 6, paragraph 85, are the cost of removing, containing, and/or disposing of hazardous waste from real property, or material and/or personal property that consists of hazardous waste at the time of shutdown or disposal, and material and/or property that consists of hazardous waste at permanent or temporary closure or shutdown of associated PP&E. Consistent with SFFAS 6, paragraph 87, cleanup costs may include, but are not limited to, decontamination, decommissioning, site restoration, site monitoring, closure, and post-closure costs. Per SFFAS 6, paragraph 93, cleanup costs, such as those resulting from accidents or where cleanup is an ongoing part of operations, are to be accounted for in accordance with liability standards (SFFAS 1 and SFFAS 5) and are not subject to the recognition guidance provided in SFFAS 6 for environmental and disposal liabilities since the cleanup effort is not deferred until operation of the associated PP&E ceases either permanently or temporarily.

Equipment or Materials

Personal property, including machinery, devices, and supplies. It does not include records of the Federal Government or real property. Equipment is functionally complete for its intended purpose, durable, and nonexpendable. Equipment generally has an estimated useful life of two years or more; is not intended for sale; does not ordinarily lose its identity or become a component part of another article when put into use; has been acquired or constructed with the intention of being used or being available for use by the entity.

Estimated Historical Cost (initial amounts)

A reasonable estimate of historical cost may be based on cost of the same or similar assets at the time of acquisition, current cost of the same or similar assets discounted for inflation since the time of acquisition or other reasonable estimation methods, including methods based on information such as, but not limited to, budget, appropriations, engineering documents, contracts, or other reports reflecting amounts to be expended.

Ethics Counselor

A DoD employee appointed in writing by the designated agency ethics official or designee to assist in implementing and administering the DoD component command's or organization's ethics program.

Event

Happening that has financial consequences to an entity. An event may be an internal event that occurs within an entity, such as placing an item in service, or an external event that involves interaction between an entity and its environment, such as an act of nature, a theft, vandalism, an injury caused by negligence, or an accident.

Excess, Obsolete, and Unserviceable (EOU) Inventory

Exceeds the expected demand in the normal course of operations because the amount on hand surpasses what can be sold in the foreseeable future and does not meet management's criteria for holding in reserve for future

sale. Changes in technology, laws, customs, or operations render obsolete inventory no longer needed. Damaged inventory becomes unserviceable, and it is more economical to dispose of it than to repair it.

Exchange

The replacement of property or services for other property or services of equal value.

Exchange Price (FM)

In a system that supports exchange pricing, this is the price charged to customers returning a DLR part that needs repair and purchasing a serviceable one (new or repaired). This equates to the latest repair price plus wash out costs (condemnations) per item plus pricing elements necessary to recover other operating costs. (Note: If no carcass (unserviceable item) is returned, the customer must be charged the full standard price.) The discount the customer receives for exchanging a DLR part that needs repair will be the same for all items in the same Interchangeable and Substitutable (I&S) family, with the exception of any obsolete items that are no longer suitable substitutes in an I&S family. This applies to both exchange sales and primary inventory control activity (PICA) / secondary inventory control activity (SICA) transactions where the customer pays full price and then receives a payment for returning the DLR.

Exchange Revenue

Revenue earned by an entity from its activities, which is deducted from the gross cost to determine the net cost of operations.

Exchange Transactions

Each party involved in the transaction sacrifices value and receives value in return. A liability is recognized when one party receives goods or services in return for a promise to provide money or other resources in the future.

Executory Costs

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

Expendable Supplies and Materiel (Logistics)

Supplies, sometimes referred to as consumable supplies and materiel, that are consumed (e.g., paint, fuel, cleaning, preserving materiel, surgical dressings, drugs, and medicines) or lose their identity in use.

Expenditure

An actual disbursement of funds in return for goods or services. Frequently used interchangeably with the term "outlay."

Expenditures/Disbursements

A term generally used interchangeably with outlays (See outlays).

Expense

The outflow or other depletion of assets or incurrence of liabilities (or a combination of both) during some period as a result of providing goods, rendering services, or carrying out other activities related to an entity's programs and missions, the benefits from which do not extend beyond the present operating period. In financial accounting and reporting, the costs that apply to an entity's operations for the current accounting period are recognized as expenses of that period.

Expired Account or Appropriation

Appropriation or fund account in which the balance is no longer available for incurring new obligations, but is still available to cover upward adjustments to prior year obligations and recording, adjusting, and liquidating valid obligations. The account remains available for such purposes during the five-year expiration period unless the expiration period has been lengthened by legislation.

Expired Appropriation

An appropriation whose period of availability for incurring new obligations has expired but the appropriation is not closed (canceled). During this period, the appropriation is available for adjustment to, or payment of, existing obligations. Appropriations remain in an expired status for 5 years as shown on Table 1. Normal Life Cycle of Appropriations. At the end of the 5-year expiration period, the appropriation is closed (canceled) and is no longer available for the payment of unliquidated obligations. (See Closed (Canceled) Appropriations.) Federal Debt.

Federal debt consists of public debt and agency debt. Public debt is that portion of the Federal debt incurred when the Treasury Department or Federal Financing Bank (FFB) borrows funds directly from the public or another fund or account. Agency debt is that portion of the Federal debt incurred when a Federal agency authorized by law, other than Treasury or the FFB, borrows funds directly from the public or another fund or account.

F TERMS

Facilities

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

Facility Modernization

The alteration or replacement of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years (such as the framework or foundation).

Facility Restoration

The restoration of real property to such a condition that it may be used for its designated purpose. Restoration includes repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire accident, or other causes.

Facility Sustainment

The maintenance and repair activities necessary to keep an inventory of facilities in good working order. Examples include regular roof replacement, refinishing of wall surfaces, repair and replacement of heating and cooling systems, and replacement of tile and carpeting.

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Family Members

Parents, siblings, spouse, biological and adopted children, and dependent relatives of covered members or employees.

Fast Pay

Disbursement to a contractor (within 15 days after receipt of the invoice) based on the contractor's certification that delivery has been made at the time an invoice is presented for payment.

Federal Agency

Same meaning as the term "Agency" in 5 U.S.C. § 551(1), and includes any entity that is operated exclusively as an instrumentality of such an Agency for administering one or more programs of that Agency. Both DoD appropriated and non-appropriated fund activities are included under this definition, but non-appropriated fund activities are public/non-federal entities for purposes of processing receivables. See Volume 4.

Financial Accounting (Proprietary Accounting)

Accounting for assets, liabilities, net position, revenues, and expenses as a basis for reports to external parties. It is a methodology that focuses on reporting financial information primarily for use by owners, external organizations, and financial institutions. This methodology is constrained by rule making bodies such as the Financial Accounting Standards Board, Securities Exchange Commission, and the American Institute of Certified Public Accountants. For Federal Agencies, the rule making bodies include FASAB, the Treasury, and the OMB. Financial accounting supports accrual accounting and attempts to show actual financial position and results of operations.

Financial Event

Is any activity having financial consequences to the Federal government related to the receipt of appropriations or other financial resources; acquisition of goods or services; payments or collections; recognition of guarantees, benefits to be provided, or other potential liabilities; distribution of grants; or other reportable financial activities.

Financial Institution

Bank, Savings Association, or Credit Union eligible under 31 Code of Federal Regulation (CFR) 202 to serve as a Federal Government depository.

Financial Liability

The statutory obligation of an individual to reimburse the government for lost, damaged, or destroyed government property as a result of negligence or abuse.

Financial Liability Officer

An individual who is appointed in writing by the appointing authority to conduct an investigation to determine responsibility for loss, damage, or destruction of government property. Individuals so appointed must not be the accountable property officer, property custodian, or otherwise have any direct interest in the property being investigated. The individual must be a commissioned officer, warrant officer, enlisted member in grades E-7, E-8, or E-9, or a civilian employee GS-07 or above. However, the financial liability officer is normally senior to the person(s) directly involved with the discrepancy. The appointing authority may act as the financial liability officer.

Financial Management (FM) Segment (500-000)

IT supporting the facilitation and implementation of financial management solutions providing timely and accurate decision support data, stronger internal controls, establishing standards for acquiring and implementing FM systems through shared business processes, IT services, and data elements. This includes IT systems/applications that support the following core financial capabilities: fund the force, banking and disbursing, pay support, accounting support, cost management, financial operations, and management of financial internal controls. This does not include Planning and Budgeting systems/applications, which should be reported within the 'Planning and Budgeting' Segment (550-000).

Financial Management System

A financial operation that includes the financial system and the financial portion of mixed systems necessary to support financial management; automated and manual processes, procedures, and controls; data; hardware; software; and support personnel dedicated to the operation and maintenance of system functions.

Financial Management Systems

FM systems perform the functions necessary to process or support financial management activities. These systems collect, process, maintain, transmit, and/or report data about financial events or supporting financial planning or budgeting activities. These systems may also accumulate or report cost information, support preparation of financial transactions or financial statements or track financial events and provide information significant to the DoD Components financial management.

Financial Section

A major section of the AFR that must contain the Auditor's Report, Financial Statements and Notes, and Required Supplementary Information.

Financing Account

The non-budget account or accounts associated with each credit program account for post-1991 direct loans or loan guarantees. It holds balances, receives the subsidy cost payment from the credit program account, and includes all other cash flows to and from the Government. Separate financing accounts are required for direct loans and loan guarantees.

Financing Interest

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

Financing of Unusual or Infrequently Occurring Losses

Alternatives exist for financing sunk costs when activities terminate capital investments before a project is completed. These costs may be funded through one-time capital surcharges to operating costs or through the normal budgeted CIR previously established. If charged to operating costs through a capital surcharge and depending on the size of the charge, the loss may be recovered through rates over a 2-year period. If a usable product is produced, even though it is less than the planned product, costs may be reasonably assigned to that product and those costs may be appropriately recovered through the CIR.

Financing Payment

Disbursement of funds after performance has occurred but before physical delivery. The most common type of financing payment is the progress payment made to DoD contractors to reimburse incurred cost before ordered items or material are delivered. See "Contract Financing Payment."

Fiscal Year

Any yearly accounting period without regard to its relationship to a calendar year. The fiscal year for the Federal Government begins on October 1 and ends on September 30. The fiscal year is designated by the calendar year in which it ends. Fiscal years are further designated as follows: Past Year-1: Also referred to as Prior Year-1, the fiscal year immediately preceding the past year. Past Year (PY): Also referred to as Prior Year, the fiscal year immediately preceding the current year; the last completed fiscal year. Current Year (CY): The fiscal year in progress. Immediately precedes the budget year. Budget Year (BY): The next fiscal year for which estimates are submitted. Budget Year+1 (BY+1): The fiscal year immediately following the budget year. This format continues through Budget Year +4 (BY+4), the fourth fiscal year following the budget year.

Fit-for-Purpose (F2P) Cloud

A cloud environment that meets highly specialized mission requirements that cannot easily be met through a General Purpose Cloud solution and is suitable for scaling to adopt new DoD customers at the enterprise level. Determination criteria include utility for mission, ease of management (including provisioning and reporting), and contract terms.

Fixed Accounts

Appropriation or fund accounts with balances that are available for a definite period of time. The fixed accounts are comprised of annual and multiyear accounts. The universe of appropriation or fund accounts is made up of fixed accounts and no-year accounts.

Fixed Cost

Cost that does not vary in the short term (usually less than one year) with the volume of activity. Fixed cost information is useful for cost savings by adjusting existing capacity or by eliminating idle facilities.

Fixed Price Catalogs

Depot Maintenance activities may maintain a catalog of products and services (major end items, componentry, depot level reparable, modification kits, etc.) with their associated rework, repair, overhaul, installation, etc., based on the Standard Depot Level Maintenance (SDLM) or Planned Depot Maintenance (PDM) work package DLHs. The DLHs associated with the product or service multiplied by the stabilized composite rate for a fiscal year constitutes the firm fixed price for the catalog item. Catalogs may be maintained in hard copy or in electronic databases accessible to customers.

Force Application Segment (740-000)

IT supporting the capability to integrate the use of maneuver and engagement in all environments, to creating the necessary effects for achieving DoD mission objectives.

Force Management Segment (770-000)

IT supporting the ability to integrate new and existing human and technical assets from across the Joint Force and its mission partners to make the right capabilities available at the right time/place to support National Security.

Force Protection

Activities intended to protect against, disrupt, or mitigate threats (all threats, not just international terrorism threats) to U.S. or allied forces. Also includes personnel recovery of U.S. or allied forces.

Force Training Segment (780-000)

IT supporting the ability to enhance the capacity to perform specific functions and tasks in order to improve the individual or collective performance of personnel, units, forces, and staffs.

Foreign Currency Fluctuations

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

Foreign Currency Unliquidated or Liquidated Obligations

Foreign currency un-liquidated obligations are derived by taking obligations at the budget rate less the disbursements at the budget rate. Foreign currency liquidated obligations is the actual disbursement at the budget rate.

Foreign Military Sales (FMS)

The sale of materiel, supplies, equipment, and services for cash or credit by a DoD Component to a foreign government or international organization.

Formal Investigation

A detailed inquiry following a preliminary review to determine the root cause, responsible individuals, and corrective actions for a potential Anti-Deficiency Act violation.

Forward-looking Information

A section of the MD&A that includes information about the possible future effects of the most important existing performance and financial demands, events, conditions, and trends.

Friendly Foreign Government

A foreign government designated as eligible for the transfer of defense articles and services under the Arms Export Control Act.

Full Cost

Sum of all costs required by a cost object including the costs of activities performed by other entities regardless of funding sources. More specifically, the full cost of an output produced by a responsibility segment is the sum of (a) the costs of resources consumed by the responsibility segment that directly or indirectly contributes to the output, and (b) the costs of identifiable supporting services provided by other responsibility segments within the reporting entity and by other reporting entities. All direct and indirect costs to any part of the Federal Government of providing goods, resources, or services (OMB Circular A-25).

Full Funding

Requires the total estimated cost of a complete, military useable end item or construction project funded in the year in which the item is procured. If a future year's appropriation is required for delivery of an end item, the end item is not fully funded. It prevents funding programs incrementally and provides a disciplined approach for program managers to execute their programs within cost.

Full Funding Policy

The practice of funding the total cost of major procurement and construction projects in the fiscal year in which they will be initiated. The full funding policy requires the total estimated cost of a complete, military useable end item or construction project funded in the year in which the item is procured. If a future year's appropriation is required for delivery of an end item, the end item is not fully funded. It prevents funding programs incrementally and provides a disciplined approach for program managers to execute their programs within cost. See paragraph 3.2 for further information.

Full-time Equivalent (FTE)

Reflects the total number of regular straight-time hours (i.e., not including overtime or holiday hours) worked by civilian employees divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave and compensatory time off and other approved leave categories are considered to be "hours worked" for purposes of defining FTE employment. A FTE represents one employee working full-time for an entire fiscal year, typically calculated as 2,080 hours (40 hours/week x 52 weeks). For example, one person working full-time for 12 months equals 1 FTE, and similarly, twelve people each working full-time for one month also collectively equal 1 FTE, since their combined hours total 2,080. This total reflects the actual labor rather than headcount and is not the same as the authorized positions, end-strength, or on-board strength.

Fund Balance with Treasury (FBWT)

The total monetary resources an entity maintains in U.S. Treasury accounts, including both unobligated and obligated balances.

Fund Groups

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

Fund Holder

An individual holding an administrative subdivision of funds or an operating target, who is responsible for incurring obligations against the administrative subdivision or target and for managing the use of such funds.

Fund Liquidity

Fund managers are expected to maintain a monthly total cash balance within their planned operating ranges. As long as cash balances are within the operating range activities will recoup losses and return gains in the budget year. However, if cash balances are outside the operating range the Director for Revolving Funds or Service Fund Managers, with the written permission of the Director for Revolving Funds, may direct out of cycle rate adjustments or surcharges at any time during the fiscal year to restore cash within the cash operating range.

Funded Carryover

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

Funded Costs

Costs charged to the operating funds of the performing activity or the activity reporting contract depot maintenance.

Funded Delivery Period (FDP)

A funded delivery period encompasses a 12-month period that begins when the contractor delivers the first item of a fiscal year procurement. Confusion exists regarding this time period because, in many instances, accurate administrative and production lead-times (ALT/PLT) have not been included in the calculation. The calculation should begin with October 1. From this point in time, the ALT and PLT should be added. This amount of time plus the next 12 months are included in the funded delivery period. When excessive lead-times are included in the calculation, additional quantities are procured that could have been funded in the following fiscal year with no change in the delivery schedule.

Funded Liabilities

Liabilities for which budget authority has been received and obligated.

Funds Certifying Official

An individual responsible for the proper assignment of funding on a commitment or obligation document before the obligation has incurred.

Funds from Dedicated Collections

Funds financed by specifically identified revenues from non-federal sources, which are required by statute to be used for designated purposes and accounted for separately from general revenues.

Funds Held Outside of Treasury (FHOT)

Cash and Investments Held Outside of the Treasury (CIHO), also known as Funds Held Outside of Treasury (FHOT). Physical cash held by a DoD Disbursing Officer (DO), Deputy DO, or paying agent in a vault or in a Limited Depository Account under the responsibility of the DO. Cash like Items including, U.S. Debit Card Program stock, Navy Cash stock, Dishonored Checks in Transit, Undeposited NIs, etc. also fall into this category.

Furnishings Account

Accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, and movable household equipment.

Future Years Defense Program (FYDP)

The FYDP is the program and financial plan for the DoD as approved by the Secretary of Defense (SecDef). The FYDP includes resources for the Prior Year, Current Year, Budget Year and the Outyears (four outyears beyond the Budget Year for Total Obligation Authority (TOA) and Manpower, and seven outyears beyond the Budget Year for Forces). The OSD Cost Assessment and Program Evaluation (CAPE) provides a FYDP to Congress in conjunction with the President's Budget request.

G · **TERMS****G-Invoicing**

A system managed by Treasury's Fiscal Service that facilitates the exchange of intragovernmental transaction information between federal trading partners and serves as the interface for submitting and reconciling intragovernmental data.

General Fund Accounts

These consist of (1) receipt accounts used to account for collections not dedicated to specific purposes and (2) expenditure accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.

General Fund Receipt Accounts

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

General Purpose Cloud

Infrastructure and Platform as a Service (IaaS/PaaS) offerings that meet the majority of the DoD's cloud computing needs across all Components of the enterprise organization.

General Terms & Conditions (GT&C) Phase

A phase in the G-Invoicing process representing a Buy/Sell agreement that defines the terms, conditions, scope, and responsibilities of trading partners during an exchange.

Gift

For Volume 12, Section 28, Any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services, as well as gifts of transportation, local travel, lodgings, and meals. It does not include those items excluded from the definition of "gift" in Title 5, Code of Federal Regulations (CFR), section 2635.203(b)(1)-(9).

Gifts

Gifts include devises or bequests of money, real property, personal property, or services.

Government Acceptance of the First Procurement-Funded Engine

This term, which is one of the two minimum requirements for initiation of engine component improvement funding, refers to the date the Government formally accepts delivery (DD Form 250, Material Inspection and Receiving Report) of the first engine funded under procurement appropriations.

Government Furnished Equipment

Property provided to a contractor by DoD. It is used in producing an end product. It is not consumed, but is returned in the same form at the end of the contract.

Government Furnished Material

Property provided to a contractor by DoD. It may be incorporated into an end item (a change in form) or may be consumed in the performance of a contract.

Government Furnished Property

Any property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract. CAP that is subsequently delivered to the Government for use on the same or another contract is considered Government Furnished Property. See definition 13, "Contractor Acquired Property."

Government-Acknowledged Events

Transaction based event that is of financial consequence to the Federal Government because the Federal Government has chosen formally to accept the associated financial responsibility. An example would be the assumption of responsibility for damage caused by a natural disaster (such as tornado damage for which Congress appropriates funds).

Government-Related Events

An other than transaction based event that involves interaction between the Federal Government and its environment. An example is an expense to be paid as the result of current government operations, such as the estimated cost of repairing accidental damages to private property. Government-related events resulting in a liability should be recognized in the period where the event occurs if the future outflow or other sacrifice of resources is probable and the liability can be measured, or as soon thereafter as it becomes probable and measurable.

Governmental Liability

Amount owed by a federal entity to a nonfederal entity. These liabilities are also called nonfederal or public liabilities.

Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS)

The primary data collection system used by DoD Components to report their trial balance data to the Treasury, replacing several legacy reporting systems.

Grant Agreement

An agreement wherein the executive agency transfers a thing of value to the State or local government or other recipient to carry out a public purpose of support or stimulation authorized by a United States law. Refer to 31 U.S.C. § 6304.

Grants

Assistance awards for which no substantial involvement is anticipated between DoD and the recipient during performance of the contemplated activity.

Gross Costs

Costs that arise from the purchase of goods or services, which include the elimination of the effects of intra-entity and inter-entity business transactions.

Gross Negligence

An extreme departure from the course of action to be expected of a reasonably prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or wanton disregard of foreseeable consequences.

Guaranteed Loan

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

H · TERMS**Heritage Assets**

Items of historical, natural, cultural, educational, or artistic importance that are expected to be preserved indefinitely.

Historic Cost

The price paid for an item at the time it was purchased from a supplier.

Historical Cost

The amount of cash, or its equivalent, paid to acquire an asset.

Historical Cost less Depreciation (Book Value)

The value of an asset as recorded on an entity's balance sheet, calculated as the historical cost minus accumulated depreciation.

Holdback

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

Hosting Organization

Hosting organizations provide application hosting services for systems owned by DoD. Examples of hosting organizations include the Defense Information Systems Agency (DISA) and commercial Cloud Service Providers.

Human Resources Management Segment (520-000)

IT supporting DoD human resource management, personnel and readiness ensuring human resources are recruited, capable, motivated, and ready to support the Department. Human Resources Management is the strategic and operational management of activities related to the performance of the human resources in an organization with functions that include: employee and labor/management relations, compensation and benefits, equal opportunity employment compliance, staffing, and human resource development. This does not include training systems/applications, which should be reported within the 'Training and Readiness' business function.

I TERMS**Immediate Response Authority**

A commander's authority to temporarily employ resources to save lives, prevent human suffering, or mitigate great property damage in an emergency without prior approval from higher headquarters.

Impoundment

Any action or inaction by an officer or employee of the United States that precludes the obligation or expenditure of budget authority provided by the Congress.

Impoundment Resolution

A resolution of the House of Representatives or the Senate disapproving a deferral of budget authority set forth in a special message ordinarily transmitted by the President under section 1013 of the Congressional Budget and Impoundment Control Act of 1974. Passage of an impoundment resolution by either House of Congress has the effect of overturning the deferral and requires that such budget authority be made available for obligation.

Imprest Fund

A cash fund of a fixed amount, advanced to an agency finance or disbursing officer to disburse cash in relatively small amounts. An imprest fund does not use appropriations. Refer to FAR Part 13.001.

Improper Payment

Payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for the incorrect amount, and duplicate payments). An improper payment also includes any payment that was made to an ineligible recipient or for an ineligible good or service (as defined in the Payment Integrity Information Act (PIIA)), or payments for goods or services not received (except for such payments authorized by law). In addition, when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an improper payment.

Imputed Cost

Imputed cost is a reporting entity's share of an expense not incurred directly, but borne by another reporting entity and not reimbursed.

In-transit Transactions

Disbursements or collections that have been reported by a disbursing office, through a paying center, to the Department of the Treasury and charged against the Department's fund balances but have not yet been received by the accounting system.

Incremental Funding

The phasing of total funding of programs or projects over two or more fiscal years based upon levels and timing of obligational requirements for the funds. Incremental funding differs from full funding concept where total funds for an end item, program or project are provided in the fiscal year of program or project initiation, regardless of the obligational requirement for the funds.

Indefinite Appropriations

Appropriations of a current or permanent nature in which a definite amount is not stated but is to be determined on the basis of stipulated subsequent events.

Indefinite Authority

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

Independent Research and Development (IR&D)

A contractor's IR&D costs consist of projects falling within the four following areas: (1) basic research, (2) applied research, (3) development, and (4) systems and other concept formulation studies.

Indirect Costs

Any cost not directly identified with a single final cost objective but identified with two or more final cost objectives.

Information System (IS)

(Reference section 3502 of title 44 U.S.C.) An information system is a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information. This includes automated information systems (AIS), enclaves, outsourced IT-based processes and platform IT interconnections. To operate information systems, Components must support related software applications, and necessary architectures and information security activities.

Information Technology (IT)

(Reference section 11101 of title 40 U.S.C. and PL 113-291, Subtitle D –Federal Information Technology Acquisition Reform Act) The term "information technology" with respect to an executive agency is defined as: Services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency; and Services or equipment that are used by an agency if used by the agency directly or if used by a contractor under a contract with the agency that requires either use of the services or equipment or requires use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product. The term "information technology" includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources. The term "information technology" does not include any equipment that is acquired by a contractor incidental to a contract that does not require use of the equipment. With respect to an executive agency means any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency, if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency that requires the use-- (i) of that equipment; or (ii) of that equipment to a significant extent in the performance of a service or the furnishing of a product; Includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources; but Does not include any equipment acquired by a federal contractor incidental to a federal contract."

Information Technology (IT) Portfolio

The DoD IT portfolio consists of investments representing a common collection of capabilities and services. The portfolios are an integral part of the Department's decision making process and are managed with the goal of ensuring efficient and effective delivery of capabilities while maximizing the return on Enterprise investments.

Information Technology (IT) Resources

The term "information technology resources" is defined as: Agency budgetary resources, personnel, equipment, facilities, or services that are primarily used in the management, operation, acquisition, disposition, and transformation, or other activity related to the lifecycle of IT; Acquisitions or interagency agreements that include IT and the services or equipment provided by such acquisitions or interagency agreements; but Does not include grants to third parties which establish or support IT not operated directly by the Federal Government.

Information Technology/Cyberspace Activities (IT/CA) Investment

The IT/CA budget is collected and reported by IT/CA Investments. Each IT/CA Investment is assigned a Unique Investment Identifier (UII). An IT/CA investment may include a project or projects for the development, modernization, enhancement, or maintenance of a single IT asset or group of IT assets with related functionality, and the subsequent operation of those assets in a production environment. All IT/CA investments should have a defined life cycle with start and end dates, with the end date representing the end of the currently estimated useful life of the investment, consistent with the investment's most current alternatives analysis if applicable. When the asset(s) is essentially replaced by a new system or technology, the replacement should be reported as a new, distinct investment, with its own defined life cycle information.

Initial Direct Lease Costs

Initial direct lease costs are costs that are directly attributable to negotiating and arranging a lease or portfolio of leases that would not have been incurred without entering into the lease.

Initial Operational Test and Evaluation (IOT&E)

Before commitment of a system to production, at least an initial phase of operational test and evaluation (OT&E) must be conducted to provide a valid estimate of expected system operational effectiveness and suitability (including compatibility, interoperability, reliability, maintainability, and logistic and training requirements). This early phase of the normally longer, overall OT&E program is known as IOT&E.

Initial Spare and Repair Parts (both)

Those spares and repair parts introduced through the provisioning process to establish inventory levels prior to reoccurring demands for that item. These inventory levels must be provided or funded by other DoD appropriations. Components may request, subject to approval by the Director or Deputy Director for Revolving Funds a cost recovery element in the pricing structure to cover these requirements.

Inquiry

An informal process of ascertaining the facts, circumstances, and cause of the loss, damage, destruction, or theft.

Insurance Item (Logistics)

A non-demand-based stocked essential item for which no failure is predicted through normal usage. However, if a failure were to be experienced or a loss occur through accident, abnormal equipment or system failure, or other unexpected occurrence, lack of replacement would seriously hamper the operational capability of a weapon system.

Inter-Entity Costs

Between or among different federal reporting entities. It commonly refers to activities or costs between two or more agencies, departments, or bureaus.

Interagency Acquisition

A procedure by which an agency needing supplies or services obtains them from another agency.

Interagency Allocations

According to OMB Circular A-11, section 20.4(l), "Allocation means a delegation, authorized in law, by one agency of its authority to obligate budget authority and outlay funds to another agency. When an agency makes such a delegation, the Treasury Department establishes a subsidiary account called a "transfer appropriation account," and the receiving agency may obligate up to the amount included in the account. The budget does not show the transfer appropriation account separately. The budget schedules for the parent account include the obligations by the other agency against the subsidiary account. Allocations are appropriate where the receiving agency is acting as the agent for the allocating agency."

Interest Payable

A current liability used to report the amount of interest incurred but not paid by DoD consolidation entities as of the date of the Balance Sheet.

Intermediate Level of Inventory (Local) (Logistics)

Materiel and Supplies held between the wholesale and consumer levels, regardless of funding source.

Internal Cloud

Specific F2P solutions for systems and applications that need to operate in a private, on-premises cloud environment due to security or operational reasons.

Internal Control Documentation

Written policies, organization charts, procedural write-ups, Manuals, memoranda, flow charts, decision tables, completed questionnaires, software, and related written materials used to describe the internal control methods and measures, to communicate responsibilities and authorities for operating such methods and measures, and to serve as a reference for persons reviewing the internal controls.

Internal Control Standards

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

Internal Control Techniques

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

Internal Controls

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

Internal Use Software Enhancement

Modification to an existing internal use software (IUS) that provides it with significant additional capabilities and enables the software to perform tasks that it was previously incapable of performing.

Intra-Entity Costs

Costs from organizational components within the reporting entity that provide support for the responsibility segment's programs, projects, or activities. These costs include the direct and indirect costs of other organizational components of the reporting entity.

Intra-Governmental Transactions (IGT)

Business activities and resulting balances conducted between two federal entities or Federal Program Agencies (FPAs). These are grouped into seven categories - Investments, Borrowings, Benefits, Buy/Sell, Transfers, Custodial, and General Fund.

Intragovernmental Assets

Claims of a federal entity against other federal entities. Created from transactions with other Non-DoD Federal Agencies and other DoD Components. Refer to SFFAS 1.

Intragovernmental Lease

An intragovernmental lease is a contract or agreement occurring within a consolidation entity (e.g., between two or more DoD Components) or between two or more consolidation entities (e.g., between DoD and one or more federal agencies), whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration.

Intragovernmental Leasehold Reimbursable Work Agreement

An agreement whereby one federal entity (the provider-lessor) acquires, constructs, improves, and/or alters an underlying asset that is or will be leased to another federal entity (the customer-lessee), and the customer-lessee

agrees to reimburse the provider-lessor for direct and indirect costs for the acquisition, construction, improvement, and/or alteration.

Intragovernmental Liabilities

Claims against the entity by other federal entities. Refer to SFFAS 1.

Intragovernmental Liability

An intragovernmental liability is an amount owed by a federal entity to another federal entity. Intragovernmental liabilities include accounts and interest payable to federal entities and other current liabilities due to federal entities, such as receipt of federal advances and prepayments.

Intragovernmental Receivables

Claims of a federal entity against other federal entities. Intragovernmental receivables are either within DoD (e.g., a Military Service) or outside DoD (e.g., General Services Administration).

Inventory

Tangible personal property that is held for sale, in the process of production for sale, or to be consumed in the production of goods for sale or in the provision of services for a fee.

Inventory (Supply) (both)

Materiel titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

Inventory Augmentation (Both)

An anticipated inventory requirement that drives growth in inventory beyond replenishment, excluding appropriately resourced increases for mobilization. When required, the supply activity develops a financing strategy for the Program and Budget Review, or the Budget Execution Review if, in the year of execution, the activity must execute above its planned Unit Cost Ratio (UCR). When an activity internally augments inventory, regardless of the UCR, the activity provides a prioritization strategy in accordance with DoDM 4140.01, Volume 2. The Joint Logistics Resource Requirement Board co-chairs must approve the financing strategy. The costs may be recovered through direct appropriation or a cost recovery element in the pricing structure.

Inventory Held for Repair

Purchased and held in stock for repair, including reparable components, subsystems, and assemblies, consumable repair parts, bulk items and material, subsistence, and expendable end items, such as clothing and other personal gear.

Inventory Held for Sale

Supplies, and other items intended for sale to other DoD components, the Armed Forces, or other organizations.

Inventory Held In Reserve for Future Sale

Maintained because they are not readily available in the market or because there is a remote chance that they will eventually be needed.

Inventory in Transit

In-transit from commercial and Government suppliers to the financial reporting entity; material that has not been received and accepted at the final designated destination but for which title has passed; or material in-transit between storage locations. For inventory in transit between different storage locations or from a supplier to the final recipient, the title of ownership for inventory passes to the buyer at the first location even though the goods are still physically moving. Inventory in-transit does not include material temporarily in use or on loan with contractors or schools.

Inventory on Order (Logistics)

The quantities of materiel required to sustain operations in the interval between requisitions and the arrival of successive shipments; the amount of inventory required to satisfy current demands when lead-times are taken into account. These quantities should be based on the established replenishment period (i.e., monthly, quarterly, etc.). This is also referred to as the "Pipeline," "Undelivered Orders," or "Due ins from Procurement and Repair."

Inventory Price

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

Investigation

A formal proceeding for determining the facts and circumstances related to loss, damage, destruction, or theft of government property; determining the present condition of such property; receiving recommendations as to disposition, retention, and further accountability for such property; or determining the responsibility for loss, gain, damage, or destruction of government property.

Investment

As a budget term, investment refers to equipment financed with procurement appropriation accounts. As an accounting term, investments represent the value of securities and other assets held for the production of revenues in the form of interest, dividends, rentals or lease payments, net of premiums or discounts.

Invoice

As defined by FAR 2.101, Definitions, an invoice is a contractor's bill or written request for payment under the contract for supplies delivered or services performed.

Invoice Payment

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

IT Infrastructure Segment (600-000)

DoD IT Infrastructure represents the common, integrated information computing and communications environment of the DODIN and its assets that operate as, provide transport for, and/or assure local area networks, campus area networks, tactical operational and strategic networks, metropolitan area networks, and wide area networks. DoD IT infrastructure includes four major categories: Core Network Infrastructure; DoD Enterprise Services; Security (i.e., all defensive CA as which gets reported under 'Cyberspace Activities' Segment 610-000); Non-Core Network Infrastructure.

IT Management Segment (800-000)

Facilitates planning, selection, implementation and assessment of IT investments and programs supporting the broader enterprise. This includes: IT strategic planning, promulgation of policy and direction governing the provisioning of services; establishing and maintaining enterprise architectures and transition strategies; cost analysis, performance measurement and assessment in order to best mitigate risks.

J

TERMS

Job Order Costing

Method of cost accounting that accumulates costs for individual jobs or lots. A job may be a service or manufactured item, such as the repair of equipment or the treatment of a patient in a hospital.

Joint Information Environment (JIE)

JIE is a fundamental shift in the way the DoD will consolidate and manage IT infrastructure, services, and assets in order to realign, restructure, and modernize how the Department's IT networks and systems are constructed, operated, and defended. JIE will consolidate and standardize the design and architecture of the Department's networks. The JIE represents the DoD migration from military service-centric IT infrastructures and capabilities, with their mixture of disparate networks and applications, to enterprise capabilities based on common infrastructure and shared services to support Joint needs. These needs include networks, security services, cyber defenses, data centers, and operation management centers. Consolidation and standardization will result in a single, reliable, resilient, and agile information enterprise for use by the joint forces and mission partners. The vision of JIE is to ensure that DoD military commanders, civilian leadership, warfighters, coalition partners, and other non-DoD mission partners have access to information and data provided in a secure, reliable, and agile DoD-wide information environment. The ultimate beneficiary of JIE is the commander in the field, allowing for innovative integration of information technologies, operations, and cybersecurity at a tempo more appropriate to today's fast-paced operational conditions. The objective is for authorized users to access required information and resources from anywhere, at any time, using any approved device across the JIE, enabling warfighter information sharing and mission operations. Since JIE is not a Program of Record, it should be noted that the Department will utilize existing DoD Component programs, initiatives, technical refresh plans, acquisition processes, and funding to deploy and migrate the existing infrastructure to the JIE standards. OSD guidance and training will provide more details concerning the alignment of UIIs to achieving JIE goals and standards.

Journal Voucher

Adjustments recorded in the system transaction registers and the General Ledger identifying summary-level adjustments.

L TERMS

Laboratory

A facility or group of facilities under the jurisdiction of the DoD with a substantial purpose of performing Research, Development, Test, and Evaluation (RDT&E).

Land

Solid part of the surface of the earth. Excluded from the definition are natural resources (e.g., depletable resources, such as mineral deposits and petroleum, renewable resources such as timber and the outer continental shelf resources) related to land.

Land rights

Interests and privileges held by DoD or a DoD Component, in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights-of-way, mineral rights, and other like interests in land.

Latest Acquisition Cost

Method in which all units are valued at the invoice price of the most recent items purchased less any discounts, plus any additional costs incurred to bring the item to a form and location suitable for its intended use.

Law Enforcement

All personnel and operating costs associated with law enforcement to include, but are not limited to, salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to): protective service details, including advance work; response forces; and military police.

Lease

A lease is a contract or agreement whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration.

Lease Asset

An expression of the economic benefit that the lessee expects to receive from the right to control the underlying asset.

Lease Concessions

Lease concessions are rent discounts made by the lessor to entice the lessee to sign a lease. For example, lease concessions may include rent holidays/free rent periods or reduced rents.

Lease Incentives

Lease incentives include lessor payments made to, or on behalf of, the lessee to entice the lessee to sign a lease. Lease incentives may include up-front cash payments to the lessee; for example, moving costs, termination fees to the lessee's prior lessor, or the lessor's assumption of the lessee's lease obligation under a different lease with another lessor.

Lease Liability

An expression of the amount to be paid by the lessee for the right to control the underlying asset.

Lease Term

The lease term is the non-cancelable period plus certain periods subject to options to extend or terminate the lease. The noncancelable period is the shorter of the (1) period identified in the lease contract or agreement that precedes any option to extend the lease or (2) the period identified in the lease contract or agreement that precedes the first option to terminate the lease.

Lease-Leaseback Transactions

An asset is leased by one party (first party) to another party and then leased back to the first party.

Leasehold Improvements

Leasehold improvements are additions, alterations, remodeling, renovations, or other changes to leased property that either extend the useful life of the existing property or enlarge or improve its capacity and are paid for (financed) by the lessee. Leasehold improvements may include easements and rights-of-way, buildings, structures, and linear structures utilized by the United States Federal Government.

Leasing Account

Accumulates costs for charges and other payments specified in lease agreements for housing

Legal Counsel Response (LCR)

A response from legal counsel regarding litigation, claims, and assessments. It is requested by management to assist the auditor in the review of legal matters. An interim LCR may be requested for preliminary evaluation.

Lessee

Refers to the entity receiving the right to control the use of PP&E from another entity (lessor) through a contract or agreement that qualifies as a lease.

Lessor

The entity that conveys the right to control the use of PP&E (underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration.

Lessor Improvements

Lessor improvements are additions, alterations, remodeling, renovations, or other changes to the leased property that either extend the useful life of the existing property or enlarge or improve its capacity and are paid for (financed) by the lessor rather than by the lessee.

Letter Contract

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

Liability

A probable future outflow or other sacrifice of resources as a result of past transactions or events. Liabilities must be recognized when they are incurred regardless of whether they are covered by available budgetary resources, including liabilities related to canceled appropriations.

Licensee

As used in DoDD 5535.09, the term "licensee" must include any person, company, or organization whose use of a mark is controlled by a DoD Component with respect to the nature and quality of goods or services on or in connection with which the mark is used.

Licensing Agent

As used in DoD 5535.09, the term "licensing agent" must include any person, company, or organization that serves as an agent of a DoD Component for the purpose of assisting that DoD Component in securing licensees, collecting royalty fees, and/or other operational functions that deal with the DoD Component's trademark licensing program.

Life Cycle Cost Forecasts

Acquisition or procurement techniques that consider operating, maintenance, and other costs in addition to the acquisition cost of assets. This is one of the methods permitted by SFFAS 42 to measure DM&R.

Life-Cycle Cost (LCC)

LCC represents the total cost to the Government for an IS, weapon system, program and/or investment over its full life. It includes all developmental costs, procurement costs, Military Construction (MILCON) costs, operations and support costs, and disposal costs. LCC encompasses direct and indirect initial costs plus any periodic or continuing sustainment costs, and all contract and in-house costs, in all cost categories and all related appropriations/funds. LCC may be broken down to describe the cost of delivering a certain capability or useful

segment of an IT investment. LCC normally includes 10 years of sustainment funding following Full Operational Capability (FOC) or Full Deployment for Automated Information Systems. For investments with no known end date and that are beyond FOC, LCC estimate should include 10 years of sustainment.

Loan Guarantee

Any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawal accounts in financial institutions.

Loan Guarantee Commitment

A legally binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

Loan Guarantees

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

Logistics and Supply Chain Management Segment (530-000)

IT supporting the ability to project and sustain a logistically ready joint force to meet mission objectives and activities, including technical and management activities conducted to ensure supportability, and resources to sustain the system in the field. This includes IT systems/applications that support ordering, shipping, and tracking of materiel.

Loss Contingency

An existing condition, situation, or set of circumstances involving uncertainty as to a possible loss to an entity that will be resolved by a future event.

M · TERMS

Maintenance

The routine, recurring effort conducted to maintain an end item of investment equipment at its intended capability or designed performance level.

Maintenance Account

Accumulates costs of maintenance and repair of family housing buildings and exterior utilities.

Maintenance and Repairs (M&R)

Activities directed toward keeping fixed assets in an acceptable condition, including preventive maintenance, replacement of parts, systems, or components, and other activities needed to preserve or maintain the asset.

Maintenance Depot

Industrial DWCF facilities whose primary missions are to overhaul, manufacture, and re-manufacture weapon systems, ordnance, or other forms of equipment. These activities include Army and Marine Corps Maintenance Depots, Ordnance Depots, Arsenal, Navy Fleet Readiness Centers, and Air Force Aviation Depots.

Major

A system or investment requiring special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property or other resources. Systems or investments that have been categorized as "Major" can include resources that are associated with the planning, acquisition and /or sustainment life cycle phases.

Management Account

Accumulates costs of management, administrative, and support-type services at the installation level.

Management Assurances

A separate section of the MD&A where management provides its Federal Managers' Financial Integrity Act (FMFIA) assurance statement and its Federal Financial Management Improvement Act (FFMIA) compliance determination.

Management Fund Accounts

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

Management Initiative Decision (MID)

A decision document similar to a Program Budget Decision (PBD), but designed to institutionalize performance improvement decisions. The Department's Performance Improvement Officer (DoD PIO) may issue a MID at any time during the year. The Components will incorporate any funding adjustments in the next President's Budget request.

Management Representation Letter (MRL)

A letter prepared and submitted by the management of each audited reporting entity to the auditor. It confirms management's representations made during the audit, documents their continuing appropriateness, and reduces the possibility of misunderstanding.

Management's Discussion and Analysis (MD&A)

A required section of the AFR that provides management's view of the entity's actual performance and financial results, as well as expectations about the future, in a concise and easy-to-read format for a non-technical audience.

Managerial Cost Accounting

Process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way in which the organization uses, accounts for, safeguards, and controls its resources to meet its objectives. Managerial cost accounting is the integration of budgetary and financial accounting, and management reporting because it provides information for decision making purposes and performance measurement. Managerial cost accounting is the organization and procedures, whether automated or not, and whether part of the general ledger or stand-alone, that accumulate and report consistent and reliable cost data from various agency feeder systems.

Mandatory Authority

(Also known as Entitlement Authority) Authority controlled by laws other than appropriations. Funds provided through the Reconciliation process are considered mandatory funds. The period of availability for those funds will be addressed as part of the enacted legislation.

Manufacturing or Other Information

Technical information that can be used to design, produce, or operate any equipment or material.

Material Error

An error, or an aggregation of errors, significant enough to require the restatement of prior-period balances. For DoD reporting entities, an error is considered material when it equals or exceeds one percent of the materiality base (e.g., total assets, liabilities, or expenses).

Materiality

Materiality, as defined by the SFFAS 1, is the degree to which omitting or misstating information about the item makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or the misstatement.

Materiel

All items (including ships, tanks, self-propelled weapons, aircraft, etc., and related spares, repair parts, support equipment, but excluding real property, installations, and utilities) necessary to equip, operate, maintain, and support military activities.

Materiel Cost Adjustment (MCA) (FM)

The amount of cost increase realized from suppliers above the MAC, used on the SM-5b "OP32 Price Change." (MAC + Inflation + MCA = Replenishment Costs.) This amount is typically above the standard rate of inflation. Standard inflation should be accounted for in the "Materiel Inflation Adjustment" recovery element; it should not be double counted in the MCA. For example, if a new part has been upgraded by the manufacturer, the price may increase by 10 percent. In this case, 2 percent may be "normal inflation" and 8 percent can be attributable to the

MCA. In some cases, normal inflation may be the only recovery element required. For pricing purposes, inflation and an MCA may have to be applied as a cost recovery element to ensure receipt of sufficient budgetary resources to support the cash outlays required for replenishment.

Measurable

A relevant attribute that can be quantified in monetary units with sufficient reliability to be reasonably estimable.

Medicare-Eligible

With respect to any person, means entitled to benefits under part A of title XVIII of the Social Security Act (42 U.S.C § 1395c et seq).

Memorandum of Agreement

A written agreement between two or more parties that documents the terms of support, which may be reimbursable or non-reimbursable.

Military Department

The Army, Navy, Air Force, Marine Corps, and Space Force.

Military Intelligence Program (MIP)

The MIP consists of programs, projects, or activities that support the Secretary of Defense's intelligence, counterintelligence, and related intelligence responsibilities. This includes those intelligence and counterintelligence programs, projects, or activities that provide capabilities to meet warfighters' operational and tactical requirements more effectively. The term excludes capabilities associated with a weapons system whose primary mission is not intelligence. MIP resourcing used for IT or Cyberspace Activities (CA) must be included within Components' IT/CA budget submission.

Military Interdepartmental Purchase Request (MIPR)

An order issued by one military service to another to procure services, supplies, or equipment for the requiring service. The MIPR (DD Form 448) may be accepted on a direct citation or reimbursable basis. It is an Economy Act (31 U.S.C . §§ 1535-1536) order subject to downward adjustment when the obligated appropriation is no longer valid for obligation.

Military Retired Pay (Includes Fleet Reserve/Fleet Marine Corps Reserve Retainer Pay)

(A reduced pay entitlement for reduced services.) The gross entitlement for a retired service member based on terms and conditions of law, pay grade, years of service, percentage of disability, if applicable, and date of retirement (transfer to the retired reserve).

Military Retirement Trust Fund

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

Military Service

The Army, Navy, Air Force, Marine Corps, and Space Force.

Military Treatment Facilities

A medical facility (hospital or clinic) operated by one or more of the Uniformed Services.

Military Unit

See "Unit".

Minimum Lease Payments

The payments that the lessee is obligated to make or may be required to make in connection with leased property. Minimum lease payments exclude contingent rentals and any guarantee by the lessee of the lessor's debt and the lessee's obligation to pay (apart from rental payments) executory costs such as insurance, maintenance, and taxes in connection with the leased property.

Mission Costs

Total costs incurred to support the mission (repair of end items; selling of inventory; providing payroll services) of the DWCF activity.

Mixed Systems

Mixed systems are information systems that support both financial and nonfinancial functions of the federal government or components thereof.

Mobilization capability costs

Mobilization capability costs are the costs to maintain a surge capacity; procure and maintain approved war reserve materiel levels; and/or maintain other assets, functions, or capabilities required to meet an operational contingency as documented in Defense planning guidance or operational plan

Modifications

Any Government action that alters the estimated subsidy cost, compared to the estimate contained in the most recent budget submitted to Congress, of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment). Actions permitted within the terms of an existing contract are the only exception. Modifications to pre-1992 direct loans and loan guarantees are included in this definition, as well as modifications to post-1991 direct loans and loan guarantees. For pre-1992 direct loans and loan guarantees, the loan asset or guarantee liability will be transferred from the liquidating account to the appropriate financing account. A one-time adjusting payment will be made between the liquidating and financing accounts. The subsequent cash flows will be recorded in the financing account.

Monthly Treasury Statement (MTS)

A statement that summarizes the financial activities of the Federal Government, including receipts, outlays, surplus or deficit, and means of financing on a modified cash basis.

Moving Average Cost (MAC)

A historical cost method of valuing inventory. Each time a new quantity is purchased, the average value of all items on hand is recalculated. This value is used for accounting purposes including the COGS value on the Fund14 "Revenue and Costs."

Multiple Year Appropriation

An appropriation that is available for obligation for a definite period of time in excess of one fiscal year.

Multiple-Year Authority

Budget authority that is available for original obligation for a specified period in excess of one fiscal year.

Multiyear Procurement

Procurement of a particular end item or system under a multiyear contract approved by specific provision of law. For the DoD, multiyear procurement contracting of military hardware or systems must generally be specifically, and individually, requested as part of the President's Budget and then approved by the Congress (10 U.S.C. § 3501).

N TERMS**National Leadership Command Capabilities (NLCC)**

A capability encompassing the entirety of the DoD command, control, communications, computer, intelligence, surveillance, and reconnaissance systems and services that provides national leadership, regardless of location and environment, with diverse and assured access to integrated, accurate, and timely data, information, intelligence, communications, services, situational awareness, and warnings and indications from which planning and decision-making activities can be initiated, executed, and monitored. OSD guidance and training will provide more details concerning the alignment of UIIs to the NLCC.

National Security Systems (NSS)

(Reference section 3552 of title 44 U.S.C.) NSS means any information system (including any telecommunications system) used or operated by an agency contractor of any agency or other organization on behalf of an agency: (1) the function, operation, or use of which- involves intelligence activities; involves cryptologic activities related to

national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or subject to subparagraph (B), is critical to the direct fulfillment of military or intelligence missions; or (2) is protected at all times by procedures established for information that have been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy. NSS also includes equipment that is an integral part of a weapon or weapons system, or is critical to the direct fulfillment of military or intelligence missions. NSS DOES NOT include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

National Technology and Industrial Base

The persons and organizations engaged in R&D and production activities conducted within the U.S., the United Kingdom, Australia, and Canada.

Negative In-transit Disbursements

The opposite of in-transit disbursement. The accounting office has processed disbursements for recordation against the applicable corresponding obligation but the disbursing office has not reported the disbursements, through a paying center, to Treasury and charged against DoD's fund balances. (See "In-transit Disbursements.")

Negative Unliquidated Obligation

A disbursement transaction that has been matched to the cited detail obligation, but the total disbursement(s) exceeds the amount of that obligation.

Negative Unobligated Balance

An appropriation or fund in which the amount of obligations exceeds the amount of obligational authority. In closed appropriations, the available obligational authority is equal to the unobligated balance.

Negligence

The failure to act as a reasonable prudent person would have acted under similar circumstances. An act or omission that a reasonably prudent person would not have committed or omitted under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of government property. Failure to comply with existing laws, regulations, or procedures may be considered evidence of negligence.

Net Cost of Operations

The gross cost incurred by the consolidating entity less any exchange revenue earned from its activities. This amount represents the net cost of a sub-organization or entity that must be financed by sources other than exchange revenues.

Net Position

The difference between assets and liabilities, comprised of unexpended appropriations and cumulative results of operations.

Net Program Costs

The gross program costs incurred by the consolidating entity, plus losses (or minus gains) from actuarial assumption changes for retirement or other postemployment benefits, less any exchange program revenue earned from its activities.

Net Realizable Value

The estimated selling price in the ordinary course of operations, less the estimated costs of completion, disposal, and transportation.

No (Neither) Systems

No (Neither) systems are financial management systems that do not fit into the accounting system or financial business feeder system categories. These systems do not directly handle financial transactions but play significant roles in supporting the overall system functionalities and user interactions. They serve purposes such as access and identity management or data visualizations. The War Data Platform is an example of a no (neither) system.

No-year Accounts

Accounts that are tracked and reported by the FY in which the funds were appropriated, where the period of availability (POA) end year reflects "XXXX".

No-Year Authority

Budget authority that remains available for obligation for an indefinite period of time.

Non-Budgetary Credit Reform Financing Account

A specific section of the SBR reserved for reporting United States Standard General Ledger (USSGL) account balances from post-1991 direct loan financing and loan guarantee entries.

Non-Combat Operations

Operations, including humanitarian and civic assistance, that are not directly related to combat.

Non-Current Accounts Receivable

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

Non-DoD Component Users

Federal, state, or local government agencies; allied foreign governments; defense contractors; and other private organizations that use DoD resources.

Non-exchange Revenue

Revenue that is not from business-like operations and does not impact the net cost of operations. It is included as a separate line item within the Cumulative Results of Operations.

Non-Expenditure Transfers

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

Non-lethal Assistance

Assistance not intended primarily to inflict bodily harm or death that is beneficial to force protection or counterterrorism.

Non-mission Costs

Additional costs incurred to provide services related to, but not essential to, the function of the DWCF activity. Income associated with these additional costs should be recognized as "Other Income" (Installation services; system implementation; other supply reimbursable operations).

Non-OMB Consolidation Entities

All consolidation entities not required by OMB to produce stand-alone audited financial statements and which are not SSCI Consolidation Entities.

Non-Reimbursable Support

Support provided to an external entity for which, by law or agreement, the DoD does not receive payment.

Non-Severable Service

A service that represents a single undertaking that cannot be feasibly subdivided or separated into components that independently provide value.

Noncurrent Liability

An amount owed by an entity for which the financial statements are prepared, and for which the entity expects to outlay the resources beyond one year of the reporting date.

Nonproduction Costs

Costs linked to events other than the production of goods and services that are assignable to a program.

Nonrecurring Costs

Nonrecurring costs are generally incurred on a one-time basis. Costs may include: plant or equipment relocation; plant rearrangement; special tooling and test equipment; preproduction engineering; initial spoilage and rework; pilot runs; allocable portions of the costs of facilities acquired or established to conduct the work; costs incurred for the assembly, training, and transportation of a specialized work force to and from the job site; and unrealized labor learning.

Normal Cost Contribution

Amounts paid into MERHCF from the "Military Personnel, Reserve Personnel and National Guard Personnel" appropriations to fund future benefits payable from MERHCF, attributable to military service rendered in the current fiscal year. Contribution amounts are based on the normal cost per capita rates (developed by the DoD OACT) multiplied by the expected average force strength (in the President's Budget) for that fiscal year (available on the DoD OACT website).

Numeric Stockage Objective (NSO) Item (Logistics)

A non-demand-based, stocked, essential item for which, although failure may be predicted, the probability of demand is so low that it does not meet the stockage criteria at a given activity and, as a demand-based item, would not be stocked. Since the lack of a replacement item would seriously hamper the operational capability of a weapon or weapon systems, the item is therefore stocked; using direct appropriations, as non-demand-based. Also included in this category are: Items needed to support particular programs of a nonrecurring or sporadic nature (e.g., set assembly, non-repetitive overhaul programs) where re-procurement is not required once the particular program has been completed. Items that are procured on a life-of-type basis or which are "bought out" at the termination of a production program. Items that are not fully consumed during a one-time or non-repetitive program but which should be retained for possible future need on a similar program.

O

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Object Classification

A uniform classification identifying the transactions of the Federal Government by the nature of the goods or services purchased without regard to the agency involved or the purpose of the programs for which they are used. The definition of each object class is found in the OMB No. A-11, Section 83.

Obligation

A legally binding commitment by the federal Government that will result in outlays, immediately or in the future. Amount representing orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Includes payments for which obligations previously have not been recorded and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid. For purposes of matching a disbursement to its proper obligation, the term obligation refers to each separate obligation amount identified by a separate line of accounting.

Obligational Authority

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

Offensive Cyberspace Operations

Joint Publication 3-12 defines Offensive Cyberspace Operations as "Mission intended to project power in and through Cyberspace."

Office Automation

(also referred to as "Desktop Processing"). Facilities that support file servers or desktop computers used for administrative processing (e.g. word processing or spreadsheets) rather than application processing, should be reported as Office Automation (listed as a separate function).

Offsetting Collections

Payments to the Government that are credited directly to the expenditure account and deducted from gross budget authority and outlays of the expenditure account. They result from business-type or market oriented activities with the public and intragovernmental transactions with other government accounts (commonly called reimbursable transactions).

Offsetting Receipts

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

OMB Required Consolidation Entities

Component entities that are required by the OMB to prepare stand-alone audited financial statements and quarterly unaudited financial statements.

OP-32/PB-32 Rate Change

The annually published rate change for RF activities is the percentage change of prices between fiscal years.

Operating Agency

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

Operating Costs

Costs of an activity that are the expenses incurred during normal day-to-day operations.

Operation and Sustainment (O&S) Costs

Operation Costs refers to the expenses required to operate and maintain an IT asset that is operating in a production environment. At the Federal level, is also Sustainment, O&S is also referred to as Steady State (SS). O&S costs represents the cost of operations at the current capability and performance level of the application, infrastructure program and/or investment when the budget is submitted. That is, the cost with no changes to the baseline other than fact-of-life reductions, termination or replacement. O&S costs include: (1) personnel whose duties relate to the general management and operations of information technology, including certain overhead costs associated with Program Management (PM) offices; (2) maintenance of an existing application, infrastructure program or investment; (3) corrective software maintenance, including all efforts to diagnose and correct actual errors (e.g., processing or performance errors) in a system; (4) maintenance of existing voice and data communications capabilities; (5) replacement of broken IT equipment needed to continue operations at the current service level; (6) business operations and commercial service; (7) Technical Refresh; and (8) all other related costs not identified as Development/Modernization (Dev/Mod).

Operational Preparation of the Environment (OPE)

Non-intelligence enabling activities conducted to plan and prepare for potential follow-on military operations. OPE in cyberspace includes identifying data, software, systems, networks, and facilities to determine vulnerabilities and activities to assure future access or control during anticipated hostilities.

Operational Test and Evaluation (OT&E)

OT&E is test and evaluation conducted to estimate a system's operational suitability, identify needed modifications, and provide information on tactics, doctrine, organization, and personnel requirements.

Order

A written request for the provision of specific logistic support, supplies, and services.

Other Business Services Segment (599-000)

This segment is applicable only in very limited cases, for those "few" defense business service related IT investments that do not currently fit within the other business segments. Business systems/applications that would fall within this segment involve or provide inherently managerial functions or provide business functions or capabilities such as case/correspondence/workflow/records management/collaboration, or other staff functions.

Other Defense Activities (ODAs)

Entities of the Department that are reported in the consolidating/combining statements which comprise the DoD Agency-wide annual audited financial statements and quarterly unaudited financial statements.

Other Information (OI)

A section of the AFR that follows the Financial Section and contains supplementary information, such as the Summary of Financial Statement Audit and Management Assurances, Management and Performance Challenges, and PIIA Reporting.

Other War Reserve Materiel Requirements (Logistics)

The total war reserve materiel requirement less the sum of the pre-positioned war reserve requirements. These are also known as non-prepositioned requirements.

"Other" Category (also referred to as "All Other")

For those DME or O&S costs/obligations as well as investments not designated in the major categories. "Other" category investments are aligned with the applicable IT Reporting Structure functional/mission area (see Section 1.5).

Outcome

Accomplishments or results that occur (at least partially) because of the service efforts of government entities. Some authorities use terms like "impact," "effect," or "results" to distinguish the change in outcomes specifically caused by the government activity from the total change in conditions that can be caused by many factors. Assessment of the results of a program compared to its intended purpose. Outcomes must: (a) be capable of being described in financial, economic, or quantitative terms, and (b) provide a plausible basis for concluding that the program has had or will have this intended effect. For measuring outcomes for research and development programs, results may be reported by a narrative discussion of the major results achieved by the program during the year (SFFAS 8).

Outlay

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

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Output

Any good or service generated from the consumption of resources. It is measured as a tabulation, calculation, or recording of activity or effort that can be expressed in a quantitative or qualitative manner. It must systematically or periodically captured through accounting or management information system, and a logical connection between the reported measures and the program's purpose.

Overaged Disbursement

A disbursement that is not matched to a corresponding obligation within specified timeframes.

Overhead

See Indirect Costs.

Overhead Rate

The rate determined by performing organizations to allocate operating costs not directly identifiable to the work order. The rate may include supervisory, general, and administrative expenses as well as miscellaneous material and supplies.

P TERMS**Participation Loan**

A loan that consists of both direct and guaranteed portions.

Pass-Through Accounts

Accounts included in the consolidated financial statements through which financial transactions flow to or from other entities, but which do not ultimately own that activity. Most of their balances are eliminated within the DoD-wide consolidating statements or with the Treasury.

Pass-throughs (Current Year)

Revolving fund revenues received during the current fiscal year which: (1) are in addition to amounts provided for in the customer stabilized rate structure and (2) represent reimbursement for current year costs or amounts in

excess of amounts budgeted, or otherwise provided for, in the President's budget on which approved customer stabilized rates for the [current] year were based.

Pass-throughs (Prior Year)

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

Pay Account

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

Pay and Allowances

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

Paying Office

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

Payment

Transfer or commitment for future transfer of Federal funds such as cash, securities, loans, loan guarantees, and insurance subsidies, to any non-Federal person, non-Federal entity, or Federal employee, that is made by a Federal agency, a Federal contractor, a Federal grantee, or a governmental or other organization administering a Federal program or activity.

Per Capita Normal Cost Rates

Average per Uniformed Service member actuarial rate developed by the DoD OACT.

Performance Envelope

The demonstrated capability of a system, system components, and special purpose software to perform its mission in relation to essential characteristics including, but not limited to: speed, range, payload, altitude, and rate of fire.

Performance Improvement Initiative (PII)

PIIs are priority investments the Department makes to accelerate the implementation of the DoD Strategic Plan.

Performance Measurement

Means of evaluating efficiency, effectiveness, and results. A balanced performance measurement scorecard includes financial and nonfinancial measures focusing on quality, cycle time, and cost. Performance measurement should include program accomplishments in terms of outputs (quantity of goods or services provided, e.g., how many items are efficiently produced) and outcomes (results of providing outputs, e.g., are outputs effectively meeting intended agency mission objectives).

Period of Availability

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

Permanent Removal from Service

Permanent removal from service requires two business events to occur: (1) the termination of the asset's use; and (2) documented evidence of management's decision to permanently remove the asset from service, by selling, scrapping, recycling, donating or demolishing the asset or where there has been destruction of the asset such as in an aircraft crash. If only one of these two business rules occurs, a "permanent" removal of an asset from service has not occurred.

Physical Security Equipment

Any item, device, or system that is used primarily for the protection of assets, personnel, information, or facilities to include alarms, sensors, protective lighting and their control systems, military working dogs, and the assessment

of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; improvised explosive device defeat systems; commercially procured armored vehicles (both heavy and light); equipment for executive protection, to include added doors, increased ballistic protection at offices/residences, personal body armor, individual protective equipment, and armored vehicles; and detection devices.

Physical Security Management and Planning

Personnel who manage physical security programs, resources, and assets such as, but not limited to, headquarters staff.

Physical Security Site Improvements

Any facility improvements (using O&M or MILCON funding) or new construction whose purpose is to protect DoD assets, personnel, or information to include walls, fencing, perimeter/area lighting, doors, windows, ceilings, barricades, or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to): acquisition of land for stand-off distance, installation perimeter barriers, vehicle barriers, mylar/fragment retention film, and interior barriers; safe havens; evacuation facilities; and surveillance platforms.

Pilferable Items

Materiel having a ready resale value or application to personal possession and which is, therefore, especially subject to theft.

Planning and Budgeting Segment (550-000)

IT supporting the facilitation of Defense planning and budgeting functions, in accordance with the DoD Planning, Programming, and Budgeting Execution (PPBE) process (DoDD 7045.14), including: (1) developing a set of actions that have been thought of as a way to do or achieve Defense strategic goals, including a comprehensive financial plan encompassing the totality of receipts and outlays (expenditures); and (2) developing a plan of operations for a fiscal period in terms of estimated costs, obligations, and expenditures; source of funds for financing, including anticipated reimbursements and other resources; and history and workload data for the projected Defense program and activities.

Planning, Programing, Budgeting, and Execution (PPBE)

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

Platform Information Technology (PIT)

Computer resources, both hardware and software, that are physically part of, dedicated to, or essential in real time to the mission performance of special-purpose systems. PIT does not include general purpose systems. Examples: HVAC systems or electric vehicle fueling systems.

Political Subdivision of Local Government

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

Port Loading and Unloading Costs

A subset of accessorial costs. The costs incurred for loading, unloading, and handling at the ports of embarkation and debarkation.

Pre-positioned War Reserve Materiel Requirement (PWRMR) (Logistics)

That portion of the war reserve stocks required to be on hand on M-Day which approved Defense Guidance dictates be reserved and/or positioned at or near the point of planned use or issued to the user prior to hostilities, to reduce reaction time and to assure timely support of a specific force/project until replenishment can be effected.

Predetermined Rate

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

Preliminary Design Costs

This term refers to costs incurred in shipbuilding programs in the early stages of the cycle. They should result in a design that, on a performance or requirement basis, approaches the Navy's goal. These costs are RDT&E funded.

Preliminary Review

An initial inquiry to gather facts and determine if there is a reasonable basis to believe a potential Anti-Deficiency Act (ADA) violation has occurred.

Premium

The excess of the purchase price over the security's face value.

Prepayments

Covers certain periodic expenses before those expenses are incurred. Percentage of completion progress payments made to a contractor are not prepayments. Prepayments apply when it is a generally accepted industry practice to pay for items such as rents, subscriptions, and maintenance agreements in advance of the service being provided and the prepayment is authorized by law. Refer to SFFAS 1.

Prepositioning Costs

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

President's Budget

The budget for a particular fiscal year transmitted to the Congress by the President in accordance with the Budget and Accounting Act of 1921, as amended. Some elements of the budget, such as the estimates for the legislative branch and the judiciary, are required to be included without review by the OMB or approval by the President.

Prevalidation

A procedure that requires a proposed payment be identified/matched to its applicable proper supporting obligation that has been recorded in the official accounting system and that the line(s) of accounting cited on the payment match the data recorded in the accounting system.

Price Stabilization (FM)

The Department's policy that requires components to maintain the standard price of each cataloged supply item throughout each fiscal year except for correction of errors (See Volume 11B Chapter 15 for exceptions related to price stabilization).

Pricing

The process of establishing the amount to be billed for goods or services provided.

Prior Period Adjustment

An adjustment made to the balances of a prior period resulting from a change in accounting principle or the correction of a material error.

Private Parties

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

Probable

Reasonably be expected or is believed to be more likely than not to occur on the basis of available evidence or logic. In the context of assessing the outcome of matters of pending or threatened litigation and unasserted claims, and recognizing an associated liability, "probable" refers to that which is likely.

Probable Cause

Reasonable grounds for belief.

Proceeds

The value received from the sale, lease, or other disposition of surplus property.

Process Costing

Method of cost accounting that first collects costs by processes and then allocates the total costs of each process equally to each unit of output flowing through it during an accounting period.

Product

Any discrete, traceable, or measurable goods or service provided to a customer. Often goods are referred to as tangible products, and services are referred to as intangible products. A good or service is the product of a process resulting from the consumption of resources.

Product Improvement

This term embraces all efforts of a research, development, design, or engineering nature that have the objective of improving major end items or major components of major end items. The improvement may involve expanding the useful life of the end item or component, or it may increase the performance capability.

Production Lead Time (Logistics)

The time interval between the letting of a contract or the placing of an order and the first significant receipt into the supply system of materiel purchased as a result of such action.

Production Rates

Minimum Sustaining Rate is the production rate for each budget year that is necessary to keep production lines open while maintaining a base of responsive vendors and suppliers; the quantity that will preclude start-up costs in the case of a production break; or the quantity that the contractor is willing to accept and produce at a reasonable cost. Economical Production Rate is the most efficient production rate for each budget year at which the item can be produced with existing or planned plant capacity and tooling, with one shift a day running for eight hours a day and five days a week (1-8-5). Maximum Production Rate is the maximum capacity rate that a contractor can produce with extant or prior year funded tooling.

Program Account

The budget account into which an appropriation to cover the subsidy cost of a direct loan or loan guarantee program is made and from which such cost is disbursed to the financing account. Usually, a separate amount for administrative expenses is also appropriated to the program account. Each program account is associated with one or two financing accounts, depending on whether the program account makes both direct loans and loan guarantees. The program account pays subsidies to the financing account for post-1991 direct loans and loan guarantees, for modifications, and for re-estimates. These subsidy payments are counted in calculating budget outlays and the deficit.

Program Budget Decision (PBD)

A budget decision document issued during the joint review of Component budget submissions by analysts of the OSD and the OMB. PBDs reflect the decisions of the SecDef as to appropriate program and funding to be included in the annual Defense budget request which, in turn, is included in the President's Budget request.

Program Cost

(also referred to as investment cost and total acquisition cost). The total of all expenditures, in all appropriations and funds, directly related to the IS, program, or investment's definition, design, development, and deployment; incurred from the beginning of the "Concept Exploration" phase through deployment at each separate site. For incremental and evolutionary program strategies, program cost includes all funded increments. Program cost is further discussed in DoD 5000 series documents.

Program Costs

The full costs of each program's outcome, consisting of both direct and indirect costs of the output and the costs of identifiable supporting services provided by other segments within the entity and by other consolidating entities.

Program Decision Memorandum (PDM)

A document containing the SecDef decisions reflecting broad strategic trades related to the program and resource levels identified in the Program Objectives Memorandum.

Program Objective Memorandum (POM)

The result of the Components' internal programming process within the DoD, a Component's POM displays the resource allocation decisions of the Component in response to and in accordance with planning and programming

guidance (see DoDD 7045.14). It is the entry point for the OSD-led review of the Component submissions. It generally reflects resource requirements over the entire FYDP.

Program Year

The fiscal year in which authorization was provided and in which funds were appropriated for a particular program, regardless of the fiscal year in which funds for that program might be obligated.

Prohibited Sources

Prohibited Sources are defined as set forth in CFR § 2635.203.

Project

Planned undertaking, usually related to a specific activity, such as the research and development of a new product or the redesign of the layout of a plant.

Project Order

An order for goods or services issued under the authority in 41 U.S.C. § 6307 to a separately managed and financed Federal Government owned and operated establishment. See Volume 11.

Property Book

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

Property Custodian

Also known as the responsible officer. An individual appointed by the accountable property officer, who accepts custodial responsibility for property, typically by signing a hand receipt. The property custodian is directly responsible for the physical custody of accountable property under their control. See Definition "Responsible Officer."

Property, Plant, and Equipment (PP&E)

Tangible assets that (1) have an estimated useful life of 2 or more years, (2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity.

Protection Segment (750-000)

IT supporting the capability to prevent and/or mitigate adverse effects of attacks on personnel (combatant or non-combatant) and physical assets of the U.S, its allies and friends.

Prototype

This term connotes an item from a Research and Development (R&D) program used to evaluate the feasibility and usefulness of a new concept or capability.

Provisioning Item (Logistics)

Spares and repair parts required as both demand and non-demand-based levels in the supply system to support new fielding of end items. Typically, these are new inventory requirements or increased requirements for system modifications or service life extensions (including clothing and textiles) that require direct appropriations by other DoD Components to establish the supply chain. This includes required safety stocks and other inventory stratification categories. In some cases, upon approval by the Director or Deputy Director for Revolving Funds, customers may be charged for the establishment of new inventory as a recovery element. An agreement between the program manager and the DWCF activity should be made prior to the obligation of any DWCF resources. See Volume 11B, Chapter 15 for additional information regarding provisioning items.

Provisioning Item (Outfitting) (Both)

That portion of Provisioning consisting of items for which a sale is anticipated to an appropriated outfitting (buy-out) account. Direct appropriations are required to establish inventory levels for these items until requirements can be forecast based on actual demands for their replenishment using obligation authority.

Proximate Cause

The cause that, in a natural and continuous sequence of events unbroken by a new cause, produced the loss or damage. Without this cause the loss, gain, or damage would not have occurred. It is further defined as the primary

moving cause, or the predominant cause, from which the loss, gain, or damage follows as a natural, direct, and immediate consequence.

Public-Private Partnerships (P3)

Risk-sharing arrangements or transactions between public and private sector entities with expected lives greater than five years, as defined by SFFAS 49.

Purchases Method

Expense when produced or purchased.

R · TERMS

R&D Installation or Activity

This term refers to those installations or activities whose support and operating costs are financed predominantly with RDT&E funds.

Range of Operations

The range of operations is the difference between the UCL and LCL. Cash balances are not static; volatility can be expected due to trends and significant one-time events. The range of operations represents a statistical confidence that, if starting at the midpoint, an activity would be likely to end the year between the LCL and UCL.

Ratification

The act of approving an unauthorized commitment by an official who has the authority to do so.

RDT&E

Includes any RDT&E resources expended in the area of antiterrorism. Activities include (but are not limited to) are Defense Threat Reduction Agency, Counterterrorism Technical Support Program (CTTS), the Physical Security Equipment Action Group (PSEAG), the Technical Support Working Group (TSWG), Defense Advanced Research Projects Agency (DARPA) and Chemical Biological Defense Program (CBDP).

Re-estimates

The recalculation of the subsidy cost of each risk category within the cohort of direct loans or guaranteed loans. Re-estimates must be made at the beginning of each fiscal year following the year in which the initial disbursement was made and as long as the loans are outstanding unless a different plan is approved by OMB.

Real Property

Fixed assets that are comprised of land and the rights to land; buildings to include capitalized additions, alterations, improvements, and rehabilitations; and other structures and facilities. Real property does not include personal property (weapons systems and other military equipment).

Real Property Management Segment (540-000)

IT supporting the ability to provide and maintain installation real property assets necessary to support U.S. military forces in a cost effective, safe, sustainable, and environmentally sound manner. This includes the missions to: Improve DoD's use of Installation and Operational Energy in order to enhance military capability, reduce risk, and mitigate cost; Protect DoD mission capabilities from incompatible development from utility-scale energy projects, and other encroachment threats; Protect human health and the environment in an uninterrupted and cost effective manner to include systems acquisition, while ensuring the success of the Defense world-wide mission; Function as an independently appropriated DoD Headquarter Activity with unique capability to assist states and local governments impacted by base closures and realignments, expansions of military installations, or DoD decisions to cancel or reduce defense acquisition programs, as well as maintain a Compatible Land Use program. This does not include installation security access, which should be reported within the 'Defense Security Enterprise' business function.

Realized Variance (Foreign Currency Fluctuations)

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

Reapportionment

An OMB revision of a previous apportionment of budgetary resources for an appropriation or fund account. A revision would ordinarily cover the same period, project, or activity covered in the original apportionment.

Reappropriation

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

Reasonably Estimable

The ability to reliably quantify, in monetary terms, the outflow of the required resources. The process for determining if an environmental and disposal liability is "reasonably estimable" is applied after a transaction or event has occurred that meets the definition of "probable."

Reasonably Possible

The chance of the future confirming event or events occurring is more than remote but less than probable.

Receivables

Claims to cash or other assets against another entity.

Reciprocal

Mutually shared or exchanged.

Reclassification (Logistics)

The logistics term referring to the transfer of assets between inventory strata (e.g., from Economic Retention to Contingency), used on the SM-4 "Inventory Status.

Recognition

Formal process by which an item is incorporated into an entity's financial statements as an asset, liability, revenue, expense, or other relevant category.

Reconciliation Process

A congressional process to reconcile amounts determined by tax, spending, and debt legislation for a given fiscal year with the ceilings enacted in the second and required concurrent resolution on the budget for that year. Section 310 of the Congressional Budget and Impoundment Control Act of 1974 provides that the second required concurrent resolution on the budget, which sets binding totals for the budget, may direct committees to determine and recommend changes to laws, bills, and resolutions, as required to conform with the binding totals for budget authority, revenues, and the public debt. Funds provided through the Reconciliation process are considered mandatory funds. The period of availability for those funds will be addressed in the enacted legislation.

Record

44 U.S.C. section 3301 defines the term "records" to include all recorded information, regardless of form or characteristics, made or received by a Federal agency under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the U.S. Government or because of the informational value of data in them. Records do not include library and museum material made or acquired and preserved solely for reference or exhibition purposes; or duplicate copies of records preserved only for convenience.

Recoverable Net Operating Results (NOR)

The portion of the Net Operating Results that can be recovered in the activity's rates

Recovery of Cost

Method of recovering the costs of any given expenditure.

Recovery of Prior Year Obligations

Amounts made available for obligation in no-year and unexpired multi-year accounts through downward adjustment of prior year obligations.

Recurring Costs

Production costs that vary with the quantity being produced, such as labor and materials.

Refunds

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

Refunds and/or Transfers (Current Year)

Industrial fund amounts transferred on a non-expenditure basis which represent the transfer of revenue collected through stabilized rates which: (1) is in excess of current year costs or (2) otherwise exceeds the purpose for which initially intended in the current year. These transfers are generally made to appropriated funds and provided for in a general provision contained in the applicable annual appropriation act.

Reimbursable Budget Authority (RBA)

Authority to incur obligations against anticipated reimbursements.

Reimbursable Obligation

Obligation financed by offsetting collections credited to an expenditure account in payment for goods and services provided by that account. See Offsetting Collection.

Reimbursable Order

An order for services, supplies, material, or equipment placed by a requiring (or ordering) DoD Component (or Federal Agency) and furnished by another DoD Component (or Federal Agency) without separate identification of the items, or separate citation of the funds of the requiring DoD Component; and with subsequent delivery to and reimbursement by the requiring DoD Component. The requiring DoD Component records the reimbursable order as an obligation when the servicing (or performing) DoD Component accepts the reimbursable order in writing.

Reimbursable Support

Support provided to an external entity for which, by law or agreement, the DoD must receive payment.

Reimbursements

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

Related Parties

Organizations where one party has the ability to exercise significant influence over the other's policy decisions.

Relevant Costs

Cost elements that are necessary for particular management analyses and/or decision making purposes when full cost is not appropriate. Relevant costs may include expected or potential costs that differ among alternative courses of action.

Remote

The chance of the future event or events occurring is slight.

Repair Cycle Level (Logistics)

The quantity of reparable items required to sustain operations during the repair cycle that commences when a maintenance replacement takes place and ends when the unserviceable asset is returned to stock in a serviceable condition. This includes such stages as removed, awaiting shipment, in transit, in pre-repair screening, in process of repair, and being returned to serviceable stock. Any extraordinary awaiting-parts delays and any intentional extended-transit, storage, or repair-process delays should be excluded from the repair cycle.

Reparable Item (Logistics)

An item of supply subject to economical repair and for which the repair (at either depot or field level) is considered in satisfying computed requirements at any inventory level.

Reparables

Items that have reached the end of their lifecycle but can be restored or remanufactured. Reparables are considered when meeting computed inventory level requirements.

Replacement Cost

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

Replenishment Cost (Both)

The current price of an item from a vendor that will result in a cash outlay resulting from an obligation in the current fiscal year.

Replenishment Spare and Repair Parts (Logistics)

Demand-based spare and repair parts required for re-supplying current inventory levels. Inventory levels may increase above initial stockage when there is a concurrent increase in customer orders. Fewer inventories will be required when there is a decrease in customer orders. These include both reparable and consumable parts in support of fielded items.

Reporting Entity

An entity as defined in SFFAS 47, for which the Department is required to prepare separate financial statements.

Reprogramming

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

Reprogramming Action

A change in the application of DoD funds. The mechanism is a necessary, desirable, and timely device for achieving flexibility in the execution of DoD programs. A reprogramming action can be a transfer if it involves the shifting of funds from one appropriation account to another or a realignment of funds within the same appropriation account.

Required Supplementary Information (RSI)

Information that is required to accompany the basic financial statements.

Requisitioning Objective (also known as the "Authorized Acquisition Objective") (Logistics)

The maximum quantities of materiel to be maintained on hand and on order to sustain current operations and core war reserve. It will consist of the sum of stocks represented by the operating level, safety level, and the order and shipping time or procurement time, as appropriate.

Reschedule

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

Rescission

The consequence of enacted legislation which cancels budgetary resources previously provided by the Congress prior to the time when the authority would otherwise lapse. Section 1012 of the Congressional Budget and Impoundment Control Act of 1974 requires a special message from the President to the Congress reporting any proposed rescission of budgetary resources. These proposals may be accepted in whole or in part through the passage of a rescission bill by both Houses of the Congress.

Rescission Bill

A bill or joint resolution that provides for cancellation, in whole or in part, of budgetary resources previously granted by the Congress. Under Section 1012 of the Congressional Budget and Impoundment Control Act of 1974, unless Congress approves a rescission bill within 45 days of continuous session after receipt of the proposal, the budgetary resources must be made available for obligation.

Research

An investigation of potential or actual discrepancies between physical count and recorded balances. The purpose of the research is to determine the correct balance and determine the cause of discrepancies. There are three types of research: Post count Validation. A comparison of physical count with potential recorded balances or another count, with consideration of transactions that have occurred recently. The purpose of post count validation is to determine the validity of the count. Post count validation research ends when the accuracy of the count has been verified or when any necessary recounts have been taken. Pre-adjustment Research. A review of potential discrepancies, which involves the consideration of recent transactions and verification of catalog data. The purpose of pre-adjustment research is to determine the correct balance. Pre-adjustment research ends when the balance has been verified or the adjustment quantity determined (see DLM 4000.25-V2). Causative Research. An investigation of discrepancies (i.e., gains and losses) consisting of (as a minimum) a complete review of all transactions to include supporting documentation: catalog change actions, shipment discrepancies, and unposted or rejected documentation occurring since the last completed inventory; the last location reconciliation which included quantity; or back one year whichever is sooner. The purpose of causative research is to identify, analyze, and evaluate the cause of inventory discrepancies with the aim of eliminating repetitive errors. Causative research ends when the cause of the discrepancy has been discovered or when, after review of the transactions, no conclusive findings are possible.

Reserves

Cash reserves are funds held for known future requirements. This element identifies cash on hand that must be kept for specific requirements that are not expected to disburse until subsequent fiscal years. Examples of reserve requirements include return of AOR, advances/pre-payments received, liquidation of unexpended appropriations, liquidation of unpaid obligations, and planned capital investments. Since reserves are only for specific known requirements, they may not be needed every year.

Residual Value

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

Resource

Economic element that is applied or used in the performance of activities. Salaries and materials, for example, are resources used in the performance of activities.

Resource Manager

An individual who ensures proper assignment of funds, validates the funds cited on a commitment or obligation document are accurate and available, and maintains funds control to include funding and spending limits.

Responsibility

The requirement is placed on an organization or individual who acts as the custodian of another individual's property by controlling, supervising, and managing the property in their care.

Responsible Officer

An individual appointed by the accountable property officer, who accepts custodial responsibility for property, typically by signing a hand receipt. The property custodian is directly responsible for the physical custody of accountable property under their control. Also known as a property custodian. See definition 28, "Property Custodian."

Responsible Official

The individual(s) who made or authorized an improper obligation or expenditure in an ADA violation, typically the highest-ranking person in the decision-making process.

Restoration

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

Retail Inventory (Logistics)

Supplies/materiel held at a second point of sale below the wholesale level (e.g., management of DLA inventory purchases within a specific Military Department).

Reviewing Authority

An individual designated in writing by the approving authority to review and analyze the results of supply system stock research. Revolving Fund Accounts Accounts authorized by specific provisions of law to finance a continuing cycle of business-type operations, and which are authorized to incur obligations and expenditures that generate receipts.

Revolving Fund

A fund that conducts continuing cycles of business-like activity, in which the fund charges for the sale of products and services. The fund uses the proceeds to finance its spending, usually without requirement for annual appropriations. There are three types of revolving funds: Public enterprise funds, which conduct business-like operations mainly with the public (e.g., Homeowners Assistance Fund); Intragovernmental revolving funds, which conduct business-like operations mainly within and between Government agencies (e.g., Defense Working Capital Fund (DWCF)); and Trust revolving funds, which conduct business-like operations mainly with the public and are designated by law as a trust fund (e.g., Air Force Cadet Fund).

Right to Control

To determine whether a contract or agreement conveys the right to control the use of the underlying asset, assess whether the lessee receives both: (1) the right to obtain, and (2) the right to control access to the economic benefits or services from the use of the underlying asset as specified in the contract or agreement.

Root Cause

Anomalies, random events, or due to process vulnerabilities and other systemic factors (e.g., failure to obtain documentation or failure to update recipient eligibility). A root cause is the origin of a problem or condition that led to the failure in a program or activity that resulted in an improper payment. Root cause analysis must identify the internal control deficiency or underlying problems and events that directly contributed to the improper payment.

S

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Safety Level of Supply (Logistics)

The quantity of materiel required to be on hand to permit continuous operations in the event of minor interruption of normal replenishment or unpredictable fluctuations in demand.

Sale-Leaseback

The sale of an underlying asset by the owner and a lease of the property back to the seller (the original owner).

Security and Investigative Matters Category

Includes Defense criminal investigative resources, conduct of vulnerability assessments (periodic high level reviews and physical security assessments), security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories such as (but not limited to): terrorism investigations; executive antiterrorism training; surveillance and counter surveillance teams; protective service details including advance work; route surveys; and antiterrorism awareness programs and training.

Security Assistance Accounts (SAA)

Accounts for which DoD has a significant role in execution but are budgeted and reported under the Department of State.

Security Cooperation Segment (570-000)

IT supporting the facilitation of Security Cooperation activities, in accordance with DoDD 5132.03, undertaken by the DoD to encourage and enable international partners to work with the U.S. to achieve strategic objectives. Security Cooperation activities include all DoD interactions with foreign defense and security establishments, including all DoD-administered security assistance programs, that: build defense and security relationships that promote specific U.S. security interests, including all international armaments cooperation activities and security assistance activities; develop allied and friendly military capabilities for self-defense and multinational operations; and provide U.S. forces with peacetime and contingency access to host nations. This also includes any IT systems/applications that support Foreign Military Sales.

Security Forces/Technicians

All personnel and operating costs associated with protective forces whose primary or supporting mission is to safeguard assets, personnel or information. Included, but not limited to, are costs for: salaries, overtime, benefits, materials, supplies, travel, support equipment, facilities, vehicles, training, communications equipment, and management, for the personnel engaged in the following activities such as (but not limited to): dedicated response forces and security forces; locksmiths; perimeter, installation or facility access control; inspection and maintenance of barriers and security system components; antiterrorism training for security forces; and antiterrorism awareness programs and training.

Security Operation Center (SOC)

OMB Circular A-11 defines as, "a SOC defends an organization against unauthorized activity within computer networks, including, at a minimum, detecting, monitoring, and analyzing suspicious activity as well as leading the response to malicious activity, contributing to restoration activities, and providing a structure for users to report suspected cybersecurity events. A SOC would generally be composed of security analysts organized to detect, analyze, respond to, report on, and prevent cybersecurity incidents."

Segments

A portfolio management concept required by OMB Circular A-11. Segments serve as the basis for organizing IT investments for both budget management and performance management purposes. Three groups of segments have emerged to characterize the way in which their segments enable functional capabilities of the enterprise – and to differentiate the way in which investments are governed; Business Services Segment Group, Core Mission Services Segment Group, and Enterprise Services Segment Group.

Select & Native Programming-Information Technology (SNaP-IT)

The electronic system used by the DoD CIO to collect IT/CA Budget data and generates reports mandated by the OMB and the Congress. SNaP-IT is a database application used to plan, coordinate, edit, publish, and disseminate IT budget justification books required by the Congress. SNaP-IT generates all forms, summaries, and pages used to complete the publishing of the IT Congressional Justification materials and the OMB submissions, such as the IT Investment Portfolio Summary, the IT Business Case, and monthly updates to the OMB ITDB. SNaP-IT provides users the ability to gain access to critical information needed to monitor and analyze the IT/CA Budget submitted by the DoD Components. SNaP-IT is the authoritative application used by the DoD to report and justify the IT/CA budget resources.

Senate Select Committee on Intelligence (SSCI) Consolidation Entities

Entities involved in the intelligence community that must submit annual audited and unaudited quarterly financial statements to the SSCI to reveal their annual intelligence efforts.

Sensitive Items

Materiel which requires a high degree of protection and control due to statutory requirement or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition materiel.

Sequestration

Sequestration means the permanent cancellation of budgetary resources. The Statutory Pay-As-You-Go Act of 2010 requires such cancellations if revenue or direct spending legislation is enacted that, in total, increases projected deficits or reduces projected surpluses relative to the baseline. Under the law, selected mandatory programs would be subject to across-the-board cancellations. BBEDCA, as amended, requires such cancellations if discretionary appropriations exceed the statutory limits on discretionary spending.

Service

An intangible product or task rendered directly to a customer.

Service Mark

The term "service mark" means any word, name, symbol, or device, or any combination thereof – Used by a person, or Which a person has a bona fide intention to use in commerce and applies to register on the principal register established in 15 U.S.C. § 1051-1072, to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

Service Providers

Service Providers refer to external parties that perform the operational process(es) for an entity. Service Providers providing services to user entities that are likely to be relevant to those user entities' internal control over reporting – financial reporting and financial systems may undergo a Statement on Standards for Attestation Engagements (SSAE) No. 18 Examination covering systems used and common controls performed uniformly for user entities. The results of the examination are captured in a System and Organization Control (SOC 1) Report. The SOC 1 Report is specifically intended to meet the needs of entities that use service organizations (user entities) and the independent public accountants (IPAs) that audit the user entities' financial statements (user auditors). It assists them in understanding the control environment and evaluating the effectiveness of the controls at the service organization and their impact on the user entities' financial statements.

Services

For the purpose of Gifts as services include activities that benefit the morale, welfare, or recreation of members of the armed forces and their dependents or are related or incidental to the conveyance of a gift of real or personal property. Performance of services includes non-monetary gifts of services through volunteer gratuitous agreements.

Services Account

Accumulates costs for authorized services for Government-owned family housing units.

Servicing Agency

The agency that will provide supplies or services to a requesting agency.

Severable Service

Services that are continuing and recurring in nature, for which the government receives value at the time the service is rendered.

Short-Term Lease

A short-term lease is a non-intragovernmental lease with a lease term of 24 months or less.

Simple Negligence

See definition "Negligence."

Source Entries

Journal Vouchers that record accounting entries which, due to system limitations or timing differences, have not been otherwise recorded.

Special Fund - Expenditure Accounts

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

Special Fund Accounts

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

Special Funds - Receipt Accounts

Accounts credited with receipts from specific sources that are earmarked by law for a specific purpose, but which are not generated from a continuing cycle of operations.

Special Interest Communications Programs

Electronic Commerce/ Electronic Data Interchange and Distance Learning Systems are special interest programs that should be reported in this area. The resource category "Other" may not be used with Special Interest Communications.

Special Support Costs

This term, as used in the context of test and evaluation programs, refers to acquisition or hardware costs, other than those associated with the item that is the subject of the test, which are incurred in direct support of the T&E effort. A good example would be special range instrumentation costs.

Specialized or Technical Services

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

Stabilized Price

Under the stabilized price recovery method, customers are charged for products and services provided by a RF activity. Activities establish stabilized prices for the budget year that are adjusted and approved during the budget review process. The stabilized rate is determined by projecting workload and costs, including return/recovery of prior year AOR gains/losses. RF activities will charge this annual stabilized rate for all new customer orders received and accepted during that specific fiscal year, regardless of when the work is actually executed and billed.

Standard (Selling) Price

Standard price is the latest known representative acquisition cost plus authorized cost recovery rate for each item of inventory and related property. This price is established annually and is often referred to as selling price. Selling price and fair value may or may not be identical due to the intragovernmental nature of some sales.

Standard Costing

Costing method that attaches costs to cost objects based on reasonable estimates or cost studies and by means of budgeted rates rather than according to actual costs incurred. It is the anticipated cost of producing a unit of output. It is a predetermined cost to be assigned to products produced. Standard cost implies a norm, or what costs should be. Standard costing may be based on either absorption or direct costing principles, and may apply to all or some cost elements. Refer to Volume 11 and Volume 3 for standard costing in the Working Capital Fund.

Standard Data

Standard data relates to information that is transmitted, processed, maintained, and/or accessed in a standard format. It is a structured communication medium that is exchanged within and between entities and other groups for business transactions. The standards describe structures that emulate documents (e.g., purchase orders to automate purchasing). The standard data is also used to refer to the implementation and operation of systems and processes for creating, transmitting, and receiving information. It simplifies the aggregation of data, limiting crosswalks and mapping procedures.

Standard Financial Information Structure (SFIS)

The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, interoperability, and external reporting needs across the DoD enterprise. It is a common business language that enables budgeting, performance-based management, and the generation of financial statements. SFIS standardizes financial reporting across DoD and allows revenues and expenses to be reported by programs that align with major goals, rather than basing reporting primarily on appropriation categories.

Standard Financial Information Structure (SFIS) Attribute Alignment File

The SFIS Attribute Alignment File ("FY20XX DoD SCOA Account Attribute Alignment File") identifies standard interface file format requirements for the Defense Departmental Reporting System (DDRS), providing a means to determine which SFIS data element and value combinations are necessary for consistent financial reporting. For each Standard General Ledger account, the Attribute Alignment File identifies additional SFIS data elements required for financial reporting and which value combinations are permissible for SFIS attributes. The file and corresponding instructions are available on the SFIS web page.

Standard Line of Accounting (SLOA)

The SLOA, a series of alpha and numeric characters appearing on accounting source documents, is a subset of the SFIS data standard elements. Also referred to as the accounting classification code, the SLOA is comprised of the minimum SFIS data elements that must be exchanged for business events that have an accounting impact at any point from the initial commitment to the final posting in the appropriate general ledger. This includes commitments, obligations, expenditures, and disbursements. The characters provide the information necessary to enter transactions into DoD accounting systems.

Standard Price

The unit price of an item, as it is recorded in the Standard Catalog for use in financial and accountable records of the holding service or agency. (An item not included in the appropriate service or agency pricing catalog must be priced at original cost, if available, or if not known, at fair market value).

Standard Price (both)

The price that customers are charged for DoD Inventory Control Point (ICP)-managed items (excluding subsistence). The standard price remains constant (stabilized price) throughout a fiscal year except for the correction of significant errors. The standard price is computed based on various factors, including the replenishment cost of the item plus surcharges to recover costs for transportation; inventory loss, obsolescence and maintenance; CIR; and supply operations. (Note: See Exchange Price for prices of Depot Level Reparables in systems that support exchange prices.)

Statement of Changes in Net Position (SCNP)

A financial statement that reports the change in an entity's net position during the reporting period, displaying the Unexpended Appropriations and Cumulative Results of Operations components separately.

Statement of Net Cost (SNC)

A financial statement designed to show separately the components of the net cost of the consolidating entity's operations for the reporting period.

Steady State (SS)

See definition for Operation & Sustainment.

Stewardship Land

Land and land rights owned by the Federal Government but not acquired for or in connection with items of General PP&E. Required as part of the Required Supplementary Information.

Stewardship PP&E

A category of PP&E that includes Heritage Assets and Stewardship Land.

Stock Record

A perpetual inventory form of record that shows by nomenclature the quantities received, issued, and the balance on hand. The stock record must show by item the receipt, issue, and transfer of accountability of property; the balances on hand; and such other identifying or stock control data as required. See DLM 4000.25-V2.

Stockage Objective (Logistics)

The maximum authorized quantity of materiel on hand to sustain current operations. It consists of the sum of stock represented by the operating level, the safety level, the repair cycle level, and authorized additive levels.

Stockpile Materials

Strategic and critical materials agencies held due to statutory requirements for national defense, conservation, or national emergencies. Exclude items held for sale or use in normal operations and items kept for use in the event of an agency's operating emergency or contingency.

Strategic Plan

The DoD Strategic Plan reflects congressional mandates; the Administration's priorities, as provided by executive orders, memoranda, and proclamations; and the DoD's top enterprise business operation goals (i.e., financial management, healthcare, acquisition and procurement, supply chain and logistics, certain information technology, real property, and human resources operations).

Stratification Process (Both)

A uniform portrayal of requirements and asset application that is a computer-generated simulation of actions causing changes in the supply position, e.g., procurement, repair, receipt, issue, terminations, and disposal of materiel.

Suballotments

Subdivisions of allotments. See "Allotments" and "Apportionment."

Sublease

A lease involves three parties – the original lessor, the original lessee (who is also the lessor in the sublease), and the new lessee.

Subsidy

The estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs. In net present value terms, it is the portion of the direct loan disbursement that the Government does not expect to recover, or the portion of expected payments for loan guarantees that will not be offset by collections. The subsidy may be for post-1991 direct loan obligations or loan guarantee commitments, for re-estimates of post-1991 loans or guarantees, or for modifications of any direct loans or loan guarantees.

Supplemental Appropriation

An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide additional budget authority beyond original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) for which the need for funds is too urgent to be postponed until enactment of the next regular appropriation act.

Supply System Materiel

Supply system materiel refers to those inventories, wholesale and below wholesale, where a stock record account is required to be maintained. See DLM 4000.25-V2.

Survivors

Living family members of a covered member or employee who is killed.

Suspense Account

A clearing account established by the U.S. Treasury's Financial Management Service to temporarily hold unidentifiable general, revolving, special, or trust fund collections that belong to the Federal Government. The funds remain in the suspense accounts until they can be reclassified to the proper receipt or expenditure accounts. Collections should be reclassified from suspense accounts within 60 days.

System

The combination of a number of components that are functioning with the context of a whole to satisfy a documented requirement.

T

TERMS

Table of Distribution and Allowance

An authorization document for a military unit organized to perform a mission for which a Table of Organization & Equipment (TO&E) is not applicable. It may contain military, civilian, and contractor positions.

Table of Organization and Equipment (TO&E)

An authorization document that prescribes the normal mission, organizational structure, and personnel and equipment requirements for a military unit.

Tactical Rewards Officers (TROs)

A member of U.S. forces (excluding contractors), appointed in accordance with CCRP guidance, who may approve reward offers and reward payments with a value up to and including \$10,000. A TRO is a DoWRP fund-approving official. Formerly known as a "reward authorization officer."

Tangible Assets

Depreciable property, plant, equipment, and software developed, manufactured, transferred, or acquired for a determinable cost meeting or exceeding the established capitalization threshold; are used over a period (useful life) estimated to be 2 years or greater; and generally, become economically worthless (except for residual value) at the end of their estimated useful lives.

Technical Activities

This refers to activities that deal with testing, engineering, architectures and inter-operability.

Technology Refresh

Technology refreshment is the intentional, incremental insertion of newer technology to improve reliability, improve maintainability, reduce cost, and/or add minor performance enhancement, typically in conjunction with depot or

field level maintenance. The insertion of such technology into end items as part of maintenance is funded by the operation and maintenance appropriations. However, technology refreshment that significantly changes the performance envelope of the end item is considered a modification and, therefore, an investment.

Temporary Duty Costs

Costs related to travel performed by personnel in performance of official duties at a location other than their permanent duty station.

Termination

The right of the government to terminate the performance of work in whole or part under a contract as specified by the contract's Termination for Convenience or Termination for Default provisions. Unlike cancellation, which is effected between fiscal years and must apply to all subsequent fiscal years' quantities of items, termination may be effected at any time during the life of a contract and may apply to the total quantity or to a partial quantity of items.

Termination Costs

Costs incurred by a contractor that are reasonably necessary for contract termination, settlement, and property disposal.

Test Article

A system representative prototype designed to obtain, verify or provide data for the evaluation of research and development or evaluate progress in accomplishing development objectives.

Threat Detection and Analysis

This refers to activities that identify, characterize, examine, and track previously undefined types and sources of cyber threats against data, system, or network vulnerabilities to determine the risks to particular data, systems, networks, or operations.

Tie-Point Reconciliations

Tie-Point Reconciliations, also referred to as "Tie-Points," are a series of standard USSGL accounting relationships, i.e., financial management equations that facilitates the validation of trial balance data. The SCOA Tie-Points are revised annually and published on the SFIS web page. Tie-Points indicate whether certain account balances within a general ledger trial balance are consistent with other account balances. Components and accounting service providers must combine budgetary and proprietary general ledgers to a self-balancing trial balance and conduct edits and Tie-Point validations prior to reporting data in the DDRS. Components must expeditiously resolve unreconciled Tie-Points in support of accurate and reliable agency-wide trial balances to Treasury via GTAS for consolidation into the Governmentwide financial statements.

Total Cost of Goods Sold

The total expenses incurred in the operating budget of the activity associated with the revenue planned to be recognized for the budgeted fiscal year.

Total Obligational Authority (TOA) Availability

TOA is the sum of the items listed below. In practice, this term is used primarily in discussing the DoD budget, and most often refers to TOA as "direct program". All budget authority granted (or requested) from the Congress in a given year, Amounts authorized to be credited to a specific fund, Budget authority transferred from another appropriation, and Unobligated balances of budget authority from previous years which remain available for obligation.

Trademark

The term "trademark" includes any word, name, symbol, or device, or any combination thereof – Used by a person, or Which a person has a bona fide intention to use in commerce and applies to register on the principal register established in 15 U.S.C. § 1051-1072, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

Trading Partner

A Federal entity that is a party to an intragovernmental transaction with another Federal entity.

Training and Readiness Segment (560-000)

IT supporting the training and readiness of DoD employees performing routine administrative and business functions such as Acquisition, FM (PPBE, accounting and payroll), Human Resources (hire-to-retire and personnel management), Defense Health, logistics, and installation management. Training is the level of learning required to adequately perform the responsibilities designated to the function and accomplish the mission assigned to the system. Training and readiness systems and processes are those involved with teaching needed skills or keeping track of this training. This segment does not include the force mission training and combat readiness. IT supporting force mission training and readiness should be reported within Warfighting Mission Area (WMA)-Force Support.

Transaction

A transaction is an event involving the transfer of something of value.

Transfer

Movement or shifting of budgetary resources from one budget account to another. Agencies may transfer budget authority only as specifically authorized by law. For budgetary accounting purposes, the nature of the transfer determines whether the transaction is recorded as an expenditure transfer, which means a transfer that involves an outlay, or as a nonexpenditure transfer, which means a transfer that does not involve an outlay.

Transfer Authorities

Annual authorities provided by the Congress via annual appropriations and authorization acts to transfer budget authority from one appropriation or fund account to another.

Transportation Costs

The costs incurred for shipment of material.

Treasury Account Symbol (TAS)

An identifier for an appropriation, receipt, or other fund account. GTAS establishes a default "C" TAS for canceled accounts.

Treasury Appropriation Fund Symbol (TAFS)

An identifier for each unexpired (current) or expired appropriation account for which an SF 133 must be prepared.

Treasury Financial Communications System

The computer-to-computer link between the U.S. Treasury and the Federal Reserve Bank of New York.

Trust Fund

A type of account, designated by law as a "trust fund," regardless of any other meaning of the term "trust fund." A trust fund account is usually either a receipt, an expenditure, or a revolving fund account (trust revolving fund account). Trust revolving fund accounts have no receipt account and the collections are credited directly to the expenditure account.

Trust Fund Expenditure Accounts

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

Trust Fund Receipt Accounts

Receipt accounts that are credited with collections (governmental receipts or offsetting receipts) generated by the terms of a trust agreement or statute.

Trust Revolving Fund

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

U · **TERMS****Undelivered Orders**

The value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

Undistributed Transactions

Undistributed disbursements or collections represent transactions that have occurred and been reported to Treasury but have not yet been recorded in the general ledger of the accounting system.

Unearned Revenue

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

Unexpended Appropriations

One of the two components of Net Position, representing the portion of an entity's budget authority that has not yet been expended.

Unexpended Balance

The sum of the unobligated balance and the un-liquidated obligation balance of an appropriation.

Unexpired Accounts

Appropriation or fund accounts in which the balances are available for new obligations. Audit requirements, limitations on obligations, and reporting requirements applicable to unexpired accounts must continue to apply after the end of the period of availability for obligation or expenditure of that account.

Unfilled Customer Orders

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

Unfunded Cost

Costs not financed by the performing activity's current appropriations or fund accounts. Applicable types of cost include interest on investment and accrued annual leave.

Unfunded Requirement for Spares (both)

The difference between the spare and/or repair parts requirement computed in accordance with DoD Policy (e.g., DoDI 4140.01, "DoD Supply Chain Materiel Management Policy") and the amount of that requirement that is funded.

Unified Combatant Command

A unified combatant command is a military command which has broad, continuing missions and which is composed of forces from two or more Military Departments. Unified combatant commands are established by the President, through the Secretary of Defense, with the advice and assistance of the Chairman, Joint Chiefs of Staff.

Uniformed Services Retiree Health Care Programs

The provisions of Title 10 or any other provision of law creating an entitlement to or eligibility for health care (services) for a member or former member of a participating uniformed service who is entitled to retired or retainer pay and an eligible dependent under such program.

Unique Investment Identifier (UII)

Previously called a "Budget Identification Number (BIN)", the UII is a database index field automatically generated with the DITIP/SNaP-IT interface when registering or creating a new investment.

Unique Joint Test and Evaluation (JT&E) Costs

This refers to costs such as: feasibility determinations of proposed joint tests; provisions for test design and planning support for joint tests; the development, procurement, installation, and operation of special instrumentation; transportation, travel, and per diem costs for the Test Director's staff; modification of test articles as surrogates and to permit obtaining test data; transportation of equipment from permanent bases to the test site and return; and the provision for data collection/collectors, data reduction, analysis, and test reporting services.

Transportation and per diem of participating personnel and maintenance and supply costs are not considered unique.

Unit

A military element whose structure is prescribed by competent authority.

Unit Price

Cost of a selected unit of a good or service.

United States Standard General Ledger (USSGL)

The general ledger used for standardized federal accounting, providing the basis for trial balances submitted to GTAS.

Unknown Payment

Payment that could be either proper or improper, but the agency is unable to discern whether the payment was proper or improper because of insufficient or lack of documentation.

Unliquidated Obligation Balance

The amount of obligations that have not been liquidated by payments (disbursements).

Unmatched Transactions

A disbursement and/or collection transaction that has been received and accepted by an accounting office, but has not been matched to the correct detail obligation. This includes transactions that have been rejected back to the paying office or central disbursement clearing organization by an accounting office. A. Unposted Unmatched: Transaction (disbursement or collection) that has been reported to the Treasury Central Accounting Reporting System (CARS) and has been received and processed by an accounting system, but was unable to post to Fund Balance with Treasury (FBWT) 101000 and point account in the accounting system general ledger because it failed to match a detailed document obligation or work order. B. Posted Unmatched: Transaction (disbursement or collection) that has been reported to the Treasury CARS, has been received and processed by an accounting system, and posted to FBWT 101000 and point account in the accounting system general ledger, but failed to match a detailed document obligation or work order.

Unobligated Balance

The cumulative amount of budget authority in an unexpired account that is not obligated and that remains available for obligation under law.

Unobligated Commitments (FM)

Amount of commitments incurred this fiscal year to date that have not resulted in obligation at the end of the report period.

Unplanned Gains/Losses

Under Special Circumstances, the Revolving Funds rules for pricing and operating loss recovery or gain distribution may be waived if one or more of the following conditions exist.

Unrecorded Obligations

Obligations that were incurred legitimately during the period of fund availability, but were not recorded in the Component's records prior to expiration or cancellation of the appropriation or fund. For purposes of this guidance, "unrecorded" obligations are included in obligation adjustments. Current accounts may be used to pay previously unrecorded obligations chargeable to a closed account.

Unusual Nature

Event is highly abnormal and unrelated or incidentally related to the entity's typical activities.

User

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

User Charges

A fee, charge, or assessment levied on those directly benefiting from, or subject to regulation by, a Federal government program or activity, to be utilized solely to support the program or activity. OMB Circular No. A-25, Section 20.7 provides additional information on user charges.

User Fee/User Charge

A fee assessed to users for goods or services provided by the Federal Government, which provide special benefits to identifiable recipients beyond those accruing to the general public.

Utility Account

A summary account for accumulating costs for utilities consumed in family housing.

Utility Energy Service Contract

A Utility Energy Service Contract (UESC) is a limited-source acquisition between the Federal Government and an installation's serving utility for energy or water management services, including energy or water conservation measures and energy demand reduction. Such contracts are authorized by 10 U.S.C. § 2913(b) through (d) and 42 U.S.C. § 8256. Capitation Payments These are payments agreed upon in a capitated contract by a health insurance company and a medical provider. They are fixed, pre-arranged monthly payments received by a physician, clinic or hospital per patient enrolled in a health plan, or per capita.

V TERMS

Value

The financial value of an item. Typically, the original acquisition cost or, in the case of capital equipment, the full cost or net book value.

Variability Target (FM)

The projected amount of additional contract authority reflected on the SM-1 "Supply Management Summary" exhibit to allow supply activities to respond to variances in costs and/or unexpected changes in recurring customer demands during the execution year. The release of the variability target is associated with increased mission requirements due to the operating tempo of the military departments. Budgetary resources are provided by increased sales associated with customer purchases and the accompanying cash flow. The variability target may not be used as a source for inventory augmentation or provisioning because these requirements should be supported by appropriated funds or a cash surcharge element of the cost recovery rate in follow-on years, to ensure the needed balance between budgetary and proprietary resources.

Variable Cost

Cost that varies with changes in the level of an activity, when other factors are held constant. The cost of material handling to an activity, for example, varies according to the number of material deliveries and pickups to and from that activity.

Variable Payments

A payment where the amount is not fixed. One type may include payments based on an index or rate (e.g., Consumer Price Index), the future performance of the lessee (e.g., percentage of sales), or usage of the underlying asset.

Variance Analysis

A comprehensive financial statement report addressing material fluctuations between comparative periods on report lines of the Balance Sheet, Statement of Net Cost (SNC), Statement of Changes in Net Position (SCNP), and Statement of Budgetary Resources (SBR).

W TERMS

War Reserve Materiel

Materiel required to be on hand to attain operational readiness objectives for one or more theaters of operation.

War Reserves

Direct appropriation funding is required to procure items for war reserve stocks. These materials are required to support approved force mobilization objectives. The approved force mobilization objective is the quantity required, in addition to peacetime assets normally available on any given date, to equip and support the approved force structure.

War Reserves (both)

Stocks of materiel amassed in peacetime to meet the increase in military requirements forecasts contingent on an outbreak of war. War reserves are intended to provide the interim support essential to sustain operations until re-supply can be effected.

Warehousing

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

Warfighting Mission Area (WMA)

The WMA provides life cycle oversight to applicable DoD Component and Combatant Commander IT investments (programs, systems, and investments). WMA IT investments support and enhance the Chairman of the Joint Chiefs of Staff's joint warfighting priorities while supporting actions to create a net-centric distributed force, capable of full spectrum dominance through decision and information superiority. WMA IT investments ensure Combatant Commands can meet the Chairman of the Joint Chiefs of Staff's strategic challenges to win the war on terrorism, accelerate transformation, and strengthen joint warfighting through organizational agility, action and decision speed, collaboration, outreach, and professional development.

Wholesale Level of Inventory (National) (Logistics)

Inventory, regardless of funding sources, over which the inventory manager at the inventory control point level has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities.

Willful Misconduct

Intentional damage, destruction, misappropriation, or loss of government property.

Withdrawal

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

Without Charge

A provision of goods or services without receiving payment, often in the form of a grant or as a result of an inflow of resources from other financing sources.

Work in Process

Costs of the materials, labor, and indirect costs used in producing an end item (customized equipment or personal property), whether fabricated by a DoD working capital fund or by a non-DoD organization under contract.

Working Capital Fund (WCF) Investment

The Defense WCF (DWCF) authority at 10 U.S.C. § 2208 allows the DoD to finance inventories of supplies and provide working capital for industrial and commercial-type activities. DWCF activities are dependent on revenue, as are commercial businesses. DWCFs provide a mechanism for the DoD Components to finance those supply and commercial and industrial activities that have been chartered under Volume 11B, Chapter 2, or this Regulation. It enables such DoD Components to absorb risk in planning investment programs for maintenance and supply. The intent was to allow chartered commercial, industrial and supply management activities to make capital investments when needed and recoup the costs through future year pricing structure.

Write off

As a budgetary term, write-off means the withdrawal from availability for obligation of an unobligated balance from a no-year appropriation. It excludes amounts withdrawn from expired accounts and amounts rescinded by the Congress. As an accounting term, write-off refers to the removal of a delinquent accounts receivable that is considered not collectible or not cost effective to pursue further collection efforts. A write-off is not a correction to the accounting records resulting from an accounting error.

Y · **TERMS****Year-end Adjustments for Reimbursements**

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