

**DoD 7000.14 - R**



**DEPARTMENT OF DEFENSE**

**FINANCIAL MANAGEMENT REGULATION**

**VOLUME 6A: "REPORTING POLICY"**

**UNDER SECRETARY OF DEFENSE  
(COMPTROLLER)**

**VOLUME 6A, CHAPTER 2: “FINANCIAL REPORTS, ROLES AND RESPONSIBILITIES”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **August 2011** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Reworded and reformatted chapter for clarity. Updated references and added hyperlinks.	Revision
All	Updated references to the Treasury Financial Management Service (FMS) with the new title. Beginning on October 7, 2012, FMS and the Bureau of the Public Debt were consolidated into the new Bureau of the Fiscal Service (Fiscal Service).	Revision
020202.A.2	Added a requirement for Department of Defense (DoD) Components to verify reported balances pass established pre-processing edits in preparation for upload into departmental reporting systems.	Addition
020202.A.3 & 020202.B.3	Added a requirement for Defense Finance and Accounting Service and DoD Components to record adjustments made to DoD Component submissions in accounting systems-of-record.	Addition
020202.A.5 & 020210	Clarified requirements for certifications implemented by Title 31, United States Code, section 1501(a).	Addition
020202.B.1	Clarified requirements for retaining feeder file submissions.	Addition
020202.B.2 & 020207.B.2 & 020207.B.2.b	Clarified documentation and retention requirements for adjustments made to DoD Component submissions.	Addition
020203.B	Added information on documenting business rules and processes to maintain audit trails throughout the financial statement preparation process.	Addition
020205.A	Clarified the reporting schedule for resolving issues identified in the financial statement preparation process.	Addition

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
020207.A & 020208.A & 020208.A.1 & 020208.B.4 & 020208.C	Identified adjustment types, which fall under the journal voucher (JV) guidelines outlined in this chapter. Clarified transactions that occur in the normal course of business impacting financial records are processed using systemic controls in place. Therefore, they do not fall within the scope of this chapter.	Addition
020208.B.1	Added a requirement for JV documentation to include steps in the process to prevent the need for similar adjustments in future periods.	Addition
020208.B.4	Provided clarification on system-generated JVs.	Addition
020208.C.2.b	Clarified reporting timeline for quality and compliance reviews.	Revision
020208.C.2.b.(1)	Added guidance pertaining to computing acceptable sample sizes for quality and compliance reviews.	Addition
020208.C.2.d	Added requirement for DoD Components to perform quality and compliance reviews used to assess the accuracy and support for JVs.	Addition
020208.D	Added guidance pertaining to required critical elements associated with JV preparation.	Addition
020210	Removed year-end certification requirement for balances previously reported on the Fiscal Service Form 2108, Year-end Closing Statement. Fiscal Service eliminated the Fiscal Service Form 2108 from the Governmentwide Treasury Account Symbol Adjusted Trial Balance System, as the report is no longer required for year-end reporting.	Deletion

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## CHAPTER 2

**FINANCIAL REPORTS ROLES AND RESPONSIBILITIES**

## 0201 GENERAL

## 020101. Purpose

This chapter defines the roles and responsibilities in the preparation and issuance of financial reports for Department of Defense (DoD) Components. DoD Components and the Defense Finance and Accounting Service (DFAS) are responsible for the proper and consistent preparation of financial reports at the DoD Component departmental, intermediate, and installation level. In some instances, DoD Components prepare their own financial reports without accounting support from DFAS. Ultimately, each DoD Component is responsible for the accuracy and completeness of financial information in the reports that present the financial effects of its operations.

A. The policies within this chapter apply to all DoD Components and include those entities whose departmental, intermediate, and installation level financial reports are prepared by DFAS, DoD Components and organizations operating Enterprise Resource Planning (ERP) systems under an approved Memorandum of Understanding with DFAS, certain DoD Components which prepare their own financial reports (e.g., the Army Corps of Engineers), and organizations required to perform their own accounting due to security considerations.

B. In those instances in which DFAS does not have financial report preparation responsibility, the reporting entity will fulfill the responsibilities assigned in this chapter at both the DFAS and DoD Component level. This chapter does not include the requirements for the audited or interim financial statements addressed within Office of Management and Budget (OMB) Circular [A-136](#), "Financial Reporting Requirements." Volume 6B, "Form and Content of the Department of Defense Audited Financial Statements," contains those requirements.

## \*020102. Authoritative Guidance

This chapter prescribes the roles, responsibilities, and authoritative guidance for preparation and issuance of financial reports for DoD Components. This chapter implements OMB Circular [A-123](#), "Management's Responsibility for Enterprise Risk Management and Internal Control," which requires entities to implement an effective internal control structure to provide assurance that significant weaknesses in the design or operation of internal controls are prevented or detected in a timely manner. The chapter also contains requirements outlined in the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Financial Improvement and [Audit Readiness guidance](#).

## 0202 RESPONSIBILITIES

## 020201. Stewardship and General Responsibilities

The U.S. Congress provides resources to finance the programs, missions, and functions of DoD and its Components. Financial reports are a tool to display the status and uses of those resources [at a point in time](#). DoD Components and DFAS have responsibilities to ensure that financial [information is](#) accurate and timely in order for managers to make sound decisions and exercise proper stewardship over these resources.

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

1. Division of responsibilities between DoD Components and DFAS;
2. Establishment of internal controls and audit trails required for the preparation of financial reports and the processing of associated transactions;
3. Reconciliation of subsidiary records with financial balances;
4. Establishment and approval of schedules required to meet financial reporting requirements and deadlines;
5. Approval and adjustment of draft annual reports, as well as adjudication of adjustments and other issues where there is a disagreement between the DoD Component and DFAS;
6. Types and levels of adjustments that DFAS is authorized to make without the specific prior approval of DoD Components;
7. Types of acceptable documentation required to support adjustments to the official accounting records;
8. Preparation, approval, and review of journal vouchers (JVs);
9. Release of reports; [and](#)
10. Requirements for certifications.

B. DoD Components. DoD Components are responsible for:

1. Ensuring the accuracy, completeness, timeliness, and documentary support for all data generated and input into finance and accounting systems [and submitting data](#) to DFAS for input and/or recording in the finance and accounting systems and [financial reports](#).

Documentary support includes compliance with records management and retention policies described [throughout](#) this chapter; in Volume 5, Chapter 15, “Disbursing [Officer Accountability Reports](#),” in Volume 1, Chapter 9, “Financial Records Retention,” and in Volume 15, Chapter 6, “Case Files”;

2. Establishing, maintaining, and reviewing appropriate internal controls;

3. Reviewing all DFAS [generated](#) reports to assess the accuracy of reported financial information. The applicable appropriation manager(s) should be involved in such reviews for financial reports prepared at or below the appropriation level;

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

5. Identifying any conditions in the financial reports [indicating](#) either potential or [apparent violations](#) of the Antideficiency Act and initiating an investigation in accordance with Volume 14, [Chapter 2, “Antideficiency Act Violations”](#); and

6. Complying with relevant guidance in this chapter.

C. [DFAS](#). [DFAS will](#) establish procedures to ensure that:

1. Data provided by the DoD Component (including data input into finance and accounting systems by the DoD Component) is recorded accurately and timely in accordance with established standards, and processed in the finance and accounting systems. [DFAS will](#) perform designated disbursing and accounting operations on behalf of the DoD Component and record the results of those operations in a timely and accurate manner. Maintain documentary support and audit trails, including compliance with records management and retention policies described [throughout](#) this chapter, in Volume 5, Chapter 15; Volume 1, Chapter 9; and Volume 15, Chapter 6;

2. The process for preparing financial reports is consistent, timely, [and](#) auditable, and controls are [implemented](#) to provide for the accuracy of the reports;

3. Repetitive financial reports are consistent and prepared in the same manner by use of the same procedures, practices, and systems. The introduction of improvements to these policies, procedures, and systems [is not](#) prohibited or limited;

4. [Appropriate internal controls are established, maintained, and reviewed](#);

5. Reports are edited and validated for accuracy and consistency between reports from the same source and between reports of prior periods and the current period; [and](#)

6. Classified financial information is properly safeguarded.

\*020202. Internal Controls

A. DoD Components. DoD Components will establish appropriate internal controls to ensure that data input in DoD Component-controlled systems or provided to DFAS to be recorded in the accounting systems and subsequently used in financial reports is accurate, complete, supportable, and input timely into the finance and accounting systems. DoD Components will perform and document periodic reviews of system functionality to ensure controls are in place to verify the authorization of recorded transactions and compliance with the Federal Information System Control Audit Manual (FISCAM) framework. DoD Components will maintain or create controls to ensure that:

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

\* 2. All transactions are reviewed for accuracy before submission to DFAS, e.g., the transaction is identified correctly in terms of the transaction type, reported quantity, and dollar amount(s). DoD Components are responsible for ensuring their reported transactions pass established pre-processing edits used to review data submissions in preparation for upload into departmental reporting systems. These edits include compliance with standardized General Ledger (GL) transaction sets as defined in the DoD United States Standard General Ledger (USSGL) Transaction Library;

\* 3. Transactions that have occurred during the reporting period are uniquely identified with the reporting period and transmitted to DFAS in adequate time for processing to meet the reporting schedule due dates. DoD Components and DFAS will work together to record adjustments made to DoD Component data in accounting systems-of-record. The last day of the reporting period and the final due date for transactions may be established for a date other than the last day of each month, quarter, or fiscal year when agreed upon by DFAS and the DoD Component and approved by OUSD(C);

4. Draft reports provided by DFAS for review, certification, or approval are returned to DFAS, with proposed adjustments, for verification with final reported balances by the pre-established due dates;

\* 5. Annual certifications required for the documentary evidence requirement for Government obligations identified in Title 31, United States Code (U.S.C.), section 1501(a) are prepared and submitted when required. In addition, 31 U.S.C. § 3512 contains additional instructions pertaining to financial reporting;

6. The DoD Component validates and approves the Defense Working Capital Fund Accounting Report (Monthly) (AR(M)) 1307 each month. Guidance concerning the general preparation of this report is contained in Chapter 15, “Defense Working Capital Fund Accounting Report [Accounting Report (Monthly) 1307]”; and

7. Actual or potential Antideficiency Act violations are reported, reviewed, and investigated in accordance with Volume 14, Chapter 2.

B. DFAS. DFAS will establish internal controls to ensure that data provided by each DoD Component is recorded accurately and processed timely for financial reporting.

\* 1. DFAS will maintain or create controls to ensure all transactions and trial balances are processed correctly. These controls should include tools to identify and track numbers, types, and dollar amounts of the transactions received and generated by DFAS. DFAS will maintain feeder files used in financial reporting from accounting systems-of-record, in accordance with records retention guidance contained in Volume 1, Chapter 9. Feeder file inventory control reports are designed to identify the number of transactions contained in field submissions and should be maintained and readily available for auditors and other personnel who may need the data for analysis and decision-making.

\* 2. DFAS will maintain or create controls to ensure all transactions are reviewed for accuracy, e.g., that the transaction is identified correctly in terms of the transaction type, reported quantity, and dollar amount. DFAS will perform and document periodic reviews of DFAS system functionality to ensure controls are in place to verify the authorization of recorded transactions and compliance with the FISCAM framework. Sufficiently document adjustments to DoD Component submissions to support the validity of the adjustments prepared during the reporting period. Include corrections to systems-of-record trial balances made in intermediate edit systems prior to uploading into departmental reporting systems.

a. Supporting documentation for corrections made to DoD Component submissions in intermediate edit systems should be maintained and be readily available as part of the audit trail for the reporting period.

b. DFAS will provide any adjustments made to DoD Component submissions so they can be recorded in the accounting systems-of-record, if not already recorded in the accounting systems-of-record in the current or subsequent period, before the beginning of the next reporting cycle. DFAS and the DoD Component must make every effort to resolve any discrepancies prior to the end of the reporting period. DFAS and the DoD Components must track unresolved discrepancies for research and correction as soon as possible after the end of the reporting period.

\* 3. DFAS will maintain or create controls to ensure specific pre-processing edits are applied in each DFAS finance or accounting system, by transaction type, to verify financial data is reported accurately before upload into departmental reporting systems. Maintain records to support adjustments to DoD Component submissions and assign transactions that fail to pass edits to DFAS or the DoD Component for research and correction. Make every effort to resolve any discrepancies prior to the end of the reporting period. Examples of input transactions that may require research by the DoD Component include, but are not limited to:

- a. Personnel transactions from the payroll system that exclude required data to pay employees;
  - b. Obligation transactions as a result of contracts or purchase orders that exclude data essential for recording the transactions in accounting or payment systems;
  - c. Receipt and acceptance transactions that exclude data essential for recording the transactions in accounting or payment systems; and
  - d. Disbursements that do not match obligations or receipts because of missing program data.
4. DFAS will maintain or create controls to ensure transactions that occur during a reporting period are uniquely identified with the reporting period and processed in order to meet the reporting schedule due dates.
5. DFAS will maintain or create controls to ensure the preparation of all financial reports is consistent from one reporting period to another reporting period and the same financial information is used as the source for different reports whenever the same information is reported.
6. DFAS will maintain or create controls to ensure ending balances for one reporting period will be perpetuated as the beginning balances for the subsequent reporting period and carried forward without change.
7. DFAS will maintain or create controls to ensure reports prepared are supportable, reliable, and accurate. These controls include tools to ensure that:
- a. All transactions applicable to the effective period of the report have been edited and posted to the official accounting records;
  - b. Proposed adjustments to a previously issued report are edited, validated, documented, and posted to the official accounting records;
  - c. Reported amounts are verified to the amounts contained in the official accounting records;
  - d. Report lines have the proper sign (positive or negative);
  - e. Mathematical calculations on each report are validated;
  - f. Identified relationships between amounts on report lines within a report and from one report to another report are checked and validated;
  - g. Current reports are compared to prior reports, and checks are made to identify significant errors, omissions, and distortions; and

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

8. **DFAS will maintain or create controls to ensure** actual or potential Antideficiency Act violations are reported to DoD Components for their review and investigation in accordance with Volume 14, **Chapter 2**.

\*020203. Audit Trails

A. **DoD Components**. DoD Components **will maintain** audit trails in sufficient detail to permit tracing of transactions and balances from their sources to their transmission to DFAS. **DoD Components will perform and document periodic reviews of system functionality to ensure controls are in place to verify the authorization of recorded transactions and compliance with the FISCAM framework**. Audit trails are necessary to demonstrate the accuracy, completeness, and timeliness of the transaction. In addition, audit trails provide documentary support for all data generated by the DoD Component and submitted to DFAS **for recording in the accounting systems and use in financial reports**.

\* B. **DFAS**. DFAS **will clearly document processes and internal controls and maintain** a complete and documented audit trail to support the reports it prepares. The organization that translates the information into an electronic mode **will retain supporting documents or images of the supporting documents**. **DFAS will establish documented business rules and internal controls to ensure feeder file data is received, processed, and compiled in departmental reporting system output files**. **DFAS will perform and document periodic reviews of DFAS system functionality to ensure controls are in place to verify the authorization of recorded transactions and compliance with the FISCAM framework**.

1. DFAS will sufficiently document adjustments to DoD Component submissions to support the validity of the adjustments prepared during the reporting period. DFAS will provide any adjustments made to DoD Component submissions so they can be recorded in the accounting systems-of-record before the beginning of the next reporting cycle, if not already recorded in the accounting systems-of-record in the current or subsequent period.

2. DFAS will maintain supporting documentation for corrections made to DoD Component submissions in intermediate edit systems, and ensure documentation is readily available as part of the audit trail for the reporting period. The documentation should be readily available for assisting auditors and those involved in financial statement preparation understand how feeder file records are processed. Established internal controls ensure that the transactions are:

- a. Reviewed for accuracy and completeness;
- b. Controlled from unauthorized access and use;
- c. Identified, tracked, and controlled to ensure that the numbers, types, and dollar amounts are complete;

- d. Authorized and approved by duly designated officials; and
- e. Readily available for auditors and other personnel for analysis and decision-making.

020204. Reconciliation

Many financial balances (e.g., GL proprietary and budgetary accounts, such as assets, liabilities, commitments, and undelivered orders) require supporting subsidiary records to validate the amount of the financial balance. Such subsidiary records will be reconciled to financial balances in accordance with the policies, requirements, and frequencies prescribed in this Regulation.

A. DoD Components

1. DoD Components maintain the supporting records for many financial balances that are outside the control of DFAS. An individual authorized by each DoD Component will periodically validate the accuracy of such subsidiary records against applicable physical assets or other appropriate confirmations of the source documents, and must sign and date these validations.

a. Various regulations require periodic counting or another physical verification in the case of equipment, inventories, supplies and materials, and real property depending upon the nature of the asset.

b. Periodic validation is required in the case of commitments, obligations, accounts receivable, and accounts payable. These validations will include the review of the documentary evidence that initiated the financial transaction to ensure the integrity of source data. See Volume 3, Chapter 8, “Standards for Recording and Reviewing Commitments and Obligations.”

2. Document and provide changes in the source data to DFAS for proper recording. The reconciliation of source data with reported balances is a joint responsibility of DFAS and the DoD Component.

B. DFAS

1. DFAS will establish procedures to ensure that all GL balances and other associated financial balances requiring supporting subsidiary records are reconciled with amounts contained in supporting records, including source data, in accordance with DoD policy. See Volume 3, Chapter 8.

a. DFAS will establish and maintain supporting subsidiary detail transactions that are traceable and reconcile to reported financial statement balances. DoD Components will participate in the reconciliation process for these subsidiary records when the source documents, or transactions that require research to complete the reconciliation, are retained by the DoD Component.

b. When the DoD Component maintains **accounting system and trial balance** subsidiary records, DFAS **will** establish a reconciliation schedule, mutually agreed to by the DoD Component and subject to approval by OUSD(C), to reconcile the subsidiary records with the financial balance. **DFAS will maintain supporting detail transactions that reconcile with reported financial statement balances.** The reconciliation of such supporting records with the financial balance is a joint responsibility of DFAS and the DoD Component.

2. **Investigate unreconciled differences** in accordance with applicable provisions of this Regulation and document adjustments **required** to balance the GL amount **and** the amount of the subsidiary records.

3. When unreconcilable differences between the GL and the subsidiary records exceed \$1 million, perform reconciliations on a monthly basis in order to determine the cause of the differences and **take appropriate corrective actions** to ensure the accuracy and integrity of the accounting system and monthly reports.

#### \*020205. Reporting Schedules

\* A. DFAS **will** establish procedures requiring joint development of report preparation schedules with DoD Components **according to the timeframes established by the Department of the Treasury Bureau of the Fiscal Service (*Fiscal Service*).** DFAS and the DoD Components **will work to resolve issues identified in the report preparation process according to the Fiscal Service schedule.** The purpose of these schedules is to meet the reporting due dates consistent with the policy in this chapter.

B. Reporting schedules for reports **provided to external recipients will** include the opportunity to present a draft of the report to the DoD Component for review and approval prior to release to the recipients.

#### 020206. Draft Reports

A. **DoD Components.** DoD Components **will** review DFAS reports to assess the accuracy of the financial information reported. The review should attempt to identify errors, omissions, and significant diversions from budgeted or planned amounts and levels of activity. The DoD Component **will**:

1. Research and propose adjustments to correct abnormal balances. **A GL balance is abnormal when the reported balance does not comply with the normal debit or credit balance established in the DoD Standard Reporting Chart of Accounts.** The DoD Standard Reporting Chart of Accounts identifies whether each account has a normal debit or credit balance. DoD Components must retain support for requested adjustments to financial reports and provide the support to DFAS;

2. Research any unusual trends and comparisons with **the prior year and/or prior period amounts** to determine whether corrective action is required;

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

4. Not **change draft** reports provided by DFAS, nor release the reports to external recipients. To do so will result in the official accounting records being unreconcilable to such reports and **reports** will not be supported fully with documented audit trails for all of the transactions impacting the reports. **For** errors or omissions **identified** in a draft report, **submit a** request to DFAS to revise the report and include **changes** in the final report; **and**

5. **Validate** reports created within their ERP systems. DoD Components **will** perform quality reviews to confirm that:

- a. Amounts on the report are mathematically correct;
- b. Internal relationships of amounts included in a report that are interdependent are **correct**;
- c. Abnormal account balances, such as negative balances or unusual amounts, are researched and resolved, if possible; **and**
- d. Unusual trends and comparison with **the** prior year and/or prior year amounts are identified and researched.

B. **DFAS**. DFAS **will** validate reports to ensure that the reported amounts agree with the official accounting records prior to release to DoD Components for review and approval or release to external recipients. DFAS **will** perform quality reviews to confirm that:

1. Amounts on the report are mathematically correct;
2. Internal relationships of amounts included in a report that are interdependent are proven to be correct;
3. Abnormal account balances, such as negative balances or unusual amounts, are researched and resolved, if possible;
4. Reported amounts for the same data elements for the same report period are consistent across all similar financial reports; **and**
5. Unusual trends and comparisons with **the** prior year and/or prior period amounts are identified and called to the attention of the **DoD Component**.

C. **OUSD(C)**. Refer DoD Component-proposed changes to the draft reports, with which DFAS does not concur, to **OUSD(C)** for adjudication **before the end of the current reporting cycle**. The DoD Component or DFAS may submit requests for adjudication.

\*020207. Current Period Adjustments

\* A. Current period adjustments are all adjustments, including JVs, recorded in system transaction registers and the GL identifying summary-level adjustments to the GL. Current period adjustments are required for several reasons, including instances when subsidiary records do not reconcile with the financial balances, transactions need correction, and adjustments are required to align obligations, accruals, or expenses with the liquidation amounts for receipts, acceptances, and/or disbursements. Current period adjustments do not include transactions and processes used to record detail amounts in subsidiary ledgers as standard business transactions.

B. Either DFAS or the DoD Components may identify the need to make adjustments. Both DFAS and DoD Components will support adjustments with sufficiently detailed written documentation to provide an audit trail to the source transaction(s) that require the adjustments. The documentation will include the rationale and justification for the adjustment, supporting documentation, and dollar amount of errors or conditions related to the transaction(s) or record(s) proposed for adjustment, date of adjustment, and name and position of the individual approving the adjustment. The documentation must be readily available and complete in hardcopy, systemically stored electronic records, electronic files maintained in an external system or location, or a combination of these media.

1. DoD Components. When, during the applicable reporting period, a DoD Component identifies an adjustment pertaining to information included in a monthly, quarterly, semiannual, or annual report, the adjustment need not be reported separately, but will be made and reflected in the information included in the applicable report.

\* 2. DFAS. When DFAS identifies a required adjustment to the official accounting records of a DoD Component, it will refer the proposed adjustment to the DoD Component who will review and approve the adjustment. DFAS must document proposed adjustments to DoD Component submissions and provide supporting documentation. DoD Components must respond with approval or disapproval for proposed adjustments within reporting cutoff dates for the relevant period. The following paragraphs provide the exceptions to this policy.

a. When DFAS makes an adjustment of less than \$1 billion to correct errors made by DFAS in the preparation of a report, e.g., calculation errors and similar mistakes, they may be corrected by DFAS without prior referral to the affected DoD Component. Examples of corrections that may be made by DFAS without referral to a DoD Component are:

(1) Adjustments to correct systems processing deficiencies;

(2) Adjustments to correct an error made by DFAS in processing a transaction or a previous adjustment;

(3) Adjustments to correct a financial balance to equal the sum of subsidiary records; and

(4) Adjustments to align funding, obligation, accrual, or expense amounts with the liquidation amount for receipts, acceptances, and/or disbursements when the applicable supporting information requires such adjustments.

\* b. DFAS will notify DoD Components at least once each month of the reports impacted, total amounts, types, and categories of reasons for adjustments made without prior referral to the DoD Component under circumstances specified in the preceding paragraph and provide corrected reports if applicable. DFAS will keep adequate records of all such notifications and DFAS and the DoD Component will work together to record adjustments made by DFAS in the accounting systems-of-record before the beginning of the next reporting cycle. DFAS and the DoD Component must make every effort to resolve any discrepancies prior to the end of the reporting period.

\*020208. JV Preparation

\* A. General. Proper preparation of, and adequate support for, JVs are important to ensure they accurately record accounting, financial, or other GL-related events and that documentation for a detailed audit trail exists. Use JVs to process monthly, quarterly, and annual adjustments to unadjusted GL account balances in the field and higher-level accounting and reporting systems. Unadjusted GL account balances represent the listing of GL account balances at the end of the reporting period, before period-end adjusting JVs are recorded. In various level financial reporting systems, the unadjusted GL balances reported are summaries of transaction data used to record specific homogeneous types of transactions and balances that aggregate to specific classifications on the financial statements.

\* 1. All summary-level entries included in system transaction registers identifying adjustments to the GL are considered JVs for the purposes of this chapter and must be adequately documented to support the validity of the transactions. In accounting systems-of-record (execution systems), manual adjustments to the GL are considered JVs. Transactions and processes used to record detail amounts in subsidiary ledgers are not considered JVs.

2. Proper preparation of, and adequate support for, JVs are the responsibility of DFAS and the DoD Components. Memorandum-style entries to the GL affecting neither Fiscal Service level reporting nor subordinate records are not considered JVs for the purposes of this chapter.

B. Appropriate Uses of JVs. JVs have the following primary uses within DoD:

\* 1. Correcting Entries. Correcting entry JVs adjust for errors identified during the reports review process. This entry includes specific amounts, accounts, and/or transactions related to the required correction. If possible, the JV supporting documentation will note the required steps in the process to prevent the need for similar adjustments in future periods.

a. In some cases, correcting entries are required to adjust for errors on previously prepared JVs. In those instances, correcting entries should both reverse the effect of incorrect entries and record the correct amount.

b. In some cases, both entries can be made with one JV and a single set of supporting documentation. Regardless of whether a single JV or multiple JVs are prepared, the correcting JV will include a copy of the original JV, documentation supporting the correct amount, and a narrative explanation regarding how it is known that the original entry is incorrect and why the correcting entry is accurate/more accurate.

2. Source Entries. Source entry JVs record those accounting entries that, due to system limitations or timing differences, have not been otherwise recorded. By nature, source entry JVs are usually summarized at the entity level by GL account. The source entry accounting transaction will be supported by documentation for the summarized amounts and identify the location of the transaction level supporting detail. Source entry JVs generally are used for month-end closing, year-end processing and closing purposes, and also may include postings of information provided through data calls, such as those required to record values for property, plant, and equipment recognition.

3. Summarized Entries. Both correcting and source entry JVs will normally be summarized (net) amounts for which documentation is required. In these situations, the summarized accounting entry represents the amount to record the effect of the detailed transactions. In all such cases, the summarized accounting entry will include documentation of the effect of the detailed transactions and identify the location of the transaction level supporting detail.

\* 4. System-Generated Entries. For the purposes of this chapter, system-generated JVs are all system-generated and controlled entries included in system transaction registers identifying summary-level adjustments to the GL. Reporting entities will document and retain system-generated entries adjusting reported amounts to final reported balances in the financial statements. Such system-generated entries must be maintained and available upon request to support the audit trail for the reporting period. Reporting entities must maintain adequate documentation, audit trails, and internal controls over these types of adjustments and review such automated events as part of system controls and table maintenance. System-generated JVs do not include transaction input or processes establishing detail amounts recorded in subsidiary ledgers.

5. Subcategories. Further separate correcting and source entry JVs into the following two subcategories:

a. Audit Recommended JVs. When auditors recommend a JV adjustment, the proper authoritative source (see paragraph 020207) will perform an analysis of the recommendation using the auditors' workpapers and other relevant information to determine if the recommended adjustments are valid. Any decision resulting in a determination that a JV should, or should not, be prepared will document why the adjustment is, or is not, required; indicate how the duly authorized official determined that the audit recommendation should be, or should not be, followed; and identify the audit recommendation serving as the basis for the actions taken.

b. DoD Component Requested JVs. When a DoD Component requests an adjustment that complies with the JV requirements of this Regulation, a JV will be prepared. In addition, the JV will document why the adjustment is required, indicate how the duly authorized official determined that the entries included on the JV are correct, and identify the DoD Component's request serving as the basis for the adjustment. The DoD Components' JV request to DFAS will include supporting records and related analysis. A request for a JV entry that is not properly authorized or supported by accurate or proper documentation will be returned to the JV requestor with an indication of what additional information is required to process it, along with any applicable authoritative guidance.

\* C. Internal Controls. OMB Circular A-123 identifies operational internal controls to ensure JVs are recorded properly. These controls will be in place for all transactions included in system transaction registers identifying summary-level adjustments to the GL. These controls do not apply to transaction input or processes establishing detail amounts recorded in subsidiary ledgers.

1. JVs may be prepared at the installation (execution) or departmental (reporting) level and must be:

a. Systematically tracked and reflected in a JV log. Reporting entities must implement controls to ensure JVs are tracked and readily available for audit;

b. Categorized by each of the applicable categories listed in subparagraph 020208.F;

c. Reviewed and validated to ensure the transaction utilizes the correct accounts and posts correctly;

d. Documented to support the validity and the amount of the JV transaction. The documentation requirement applies to all transactions included in system transaction registers identifying adjustments to the GL;

e. Authorized, approved, and documented at the appropriate level of management or designee. The organizational level within accounting centers, accounting stations, finance offices, and other accounting locations approving JVs will vary by the dollar amount of the voucher as shown in Table 2-1. The dollar amount for each JV is the sum of the debit entries on that voucher.

(1) The approving officials listed in Table 2-1 provide a framework for approving JVs based on identified thresholds. Reporting entities may adapt the approving officials identified based on the entity's organizational structure. Within each of the listed thresholds, other approval thresholds with lower dollar values than those specified in Table 2-1 may be established to accommodate the organizational level of those preparing the JV. In addition, unless other DoD Component approval thresholds with lower dollar values are established in memorandums of understanding between DFAS and a DoD Component, all JVs over \$1 billion will be coordinated with the affected DoD Component.

(2) Approving officials may delegate their authority in writing to lower-level supervisors or other duly authorized officials with sufficient knowledge of the accounting matters addressed by the JV. The delegation does not relieve approving officials of their responsibilities as outlined in this chapter. See additional guidance in [subparagraph 020208.C.2](#);

Table 2-1. JV Approval Thresholds

Threshold	Dollar Amount	Approving Official Supporting the Reporting Entity
1	Under \$100 Million	Branch Chief
2	\$100-\$500 Million	Supervisor of Branch Chief
3	Over \$500 Million-\$1 Billion	Director for Accounting or Finance
4	Over \$1 Billion	<a href="#">Site Director</a>

f. Processed under procedures [that ensure the separation of](#) duties for preparing, approving, [recording](#) or posting, and [validating](#) to the maximum extent possible. The preparer and approver cannot be the same person;

g. Annotated with the name, title, and office symbol of [currently authorized](#) preparers, [reviewers](#), and approvers. In an electronic environment, the name, title, and office symbol may be represented by user identification;

h. Maintained [and readily available](#) in [hard copy](#), [electronic form](#), or a combination if there [is](#) a manual approval of an automated system JV. All JVs must be documented, approved by the appropriate level, readily available, and in compliance with published guidance; [and](#)

i. Retained in accordance with records retention guidance contained in Volume 1, Chapter 9.

2. Maintain adequate managerial internal controls at each level of management, as directed in OMB Circular A-123, to ensure there is proper oversight of JV preparation. As a minimum, such managerial internal controls [will](#) entail the following:

a. Within 10 workdays after the accounting centers' issuance of quarterly financial statements for [the first through third quarters](#), approving officials, at the levels of authority designated in Table 2-1, must perform and document a high-level integrity review of all JVs for which they delegated approval authority. Integrity reviewers are required to review each delegated JV for compliance with the terms of the delegation [but](#) are not required to review all documentation supporting the JV (refer to [subparagraph 020208.C.1.e](#)). A fourth quarter review must take place prior to submission of the [Agency Financial Report](#) to OMB (no later than November 15).

\* b. Within 30 calendar days of the issuance of the financial statements, whether quarterly or annually, the DFAS Director for Accounting (or designee) must perform a quarterly quality and compliance review after submission of the quarterly and annual reports to OUSD(C). Conduct the review on a random sample of all JVs to determine if JVs are correctly prepared and processed, adequately described and supported, and approved at the proper managerial level within the limitations set forth in subparagraph 020208.C.2.a. The review must be conducted by an entity outside the immediate office that created the JV. The entity conducting the review must have sufficient auditing expertise to perform the review and must sign, date, and retain documentation to support the completed review.

\* (1) Conduct the review in accordance with Volume 1, Section 450, “Sampling Control Tests,” of the U.S. Government Accountability Office/President’s Council on Integrity and Efficiency Financial Audit Manual (FAM). The FAM provides guidance pertaining to acceptable sample sizes and error rates for typical internal control samples. Figure 450.1, “Sample Sizes and Acceptable Numbers of Deviations,” of the FAM includes tables to compute the acceptable number of deviations for testing controls. Within DoD, compute the acceptable number of deviations using a 90 percent confidence level and a 5 percent tolerable error rate. When the tolerable error rate is exceeded, review current JV procedures for possible revision to ensure compliance;

(2) Identify and correct errors and notify the affected DoD Component as necessary. Identify root causes and implement corrective actions as appropriate. If errors materially impacted the financial statements, evaluate the need to restate/reissue the financial statements;

c. The internal review office must conduct an assessment of the organization's JV processing procedures, in accordance with OMB Circular A-123, to ascertain if JVs are properly prepared and supported. Volume 1, Chapter 3, “Federal Financial Management Improvement Act Compliance,” discusses the necessity and importance of independent reviews.

\* d. DoD Components must perform a compliance review of JVs within their accounting systems to ascertain if the JVs are correctly prepared and processed, adequately described, supported, and approved at the proper managerial level at least on a quarterly basis.

\* D. Critical Elements. Critical elements are items that, if reported incorrectly for financial reporting purposes, would have a direct effect on the amounts presented on the financial statements. Reporting fields deemed critical must be populated in order to provide sufficient information for the approving official and others, such as auditors, to understand the reason for preparing the JV, determine if it is proper and accurate, and identify whether the JV entries are supported or unsupported by subsidiary records. This paragraph outlines critical elements for most JV categories and applies to JVs recorded in all systems. Additional items may be deemed critical depending on the category of adjustment being made. At a minimum, JVs should include items listed in subparagraphs 020208.D.1-5.

1. Correct Appropriation/Accounting Data. JVs will contain accurate financial information in order to populate the required input fields for entry into the accounting systems.
2. Balanced Adjustments. JV debits and credits will equal and reflect correct dollar amounts.
3. Approvals. JVs will contain required approvals according to the thresholds outlined in subparagraph 020208.C.1.e.
4. Documentation. JVs will include adequate documentation, with cross-referencing to other documentation (hard copy or electronic form), to support the validity and amount of the transaction. Attach supporting documentation to the JV as described in subparagraph 020208.E.
5. USSGL. JVs will contain valid GL accounts to record the adjustments. Approved DoD postings (transactions) are available at the DoD USSGL Transaction Library.

E. Documentation. Proper documentation in hard copy, electronic form, or a combination of both is necessary to support all JV entries. **JV documentation will include reporting elements deemed critical to assess the accuracy and completeness of financial information, applicable criteria to support the rationale for preparing the adjustment, specific expenditure or receipt accounts (if applicable), and the calculation of the dollar amount of the adjustment. Maintain clear documentation of the JV preparer, reviewer, and approver(s) with the JV documentation. Attach supporting documentation to a copy of the JV. In some cases, it may not be practical to attach all of the documentation to the JV because of the large number of detailed transactions summarized on it. In those cases, attach specific and detailed information summarizing the content and identifying the location of the supporting documentation to the JV.**

F. JV Categories. Regardless of the method of documentation used for the JVs, the dollar amount(s) on the JVs **must** be clearly and readily identifiable within the supporting documentation for the categories in [subparagraphs 020208.F.1-10](#).

1. Category A — Reversing Entries for Prior Reporting Period. JVs **will** include documentation regarding the original accrual entry and an explicit statement that the JV is a reversing entry.
2. Category B — Data Call Entry. Source entry information may be provided by data calls where the data are not recorded on a detailed transaction basis. **Prepare JVs to record the summarized data call amounts in these situations in the GL trial balance. Support the data call entry with documentation for the summarized amount and identify the source or location of the transaction level supporting detail and/or information for the entry. Examples of data call entries include property, plant and equipment; operating materials and supplies; environmental liabilities; contingent liabilities; and employee benefit data.**

3. Category C — Balancing Entries for Eliminations. When the duly authorized official has determined that entries are necessary to balance buyer side data with seller side data, a correcting JV will be prepared prior to eliminating selected intragovernmental accounts. The documentation will include the appropriate worksheets that show in detail the seller side data received, the buyer side control values requiring adjustment, and the calculation of the adjustment amount. The supporting documentation for these JVs will also include a narrative that summarizes the procedures used to make buyer side adjustments. Refer to Volume 6B, Chapter 13, “Adjustments, Eliminations, and Other Special Intragovernmental Reconciliation Procedures,” for guidance on eliminations.

4. Category D — Recognition of Undistributed Disbursements and Collections. Undistributed disbursements and collections represent the difference between the amount of disbursements and collections reported to DFAS centers by the Department of the Treasury finance network and the amount of disbursements and collections recorded by the operating level activities. Record entries to adjust an entity’s Fund Balance with Treasury, as reported, for the amount of supported undistributed disbursements and collections reported in the departmental expenditure system.

a. The proper supporting documentation for this JV consists of identifiable amounts that are in transit from other sources (such as DFAS or Federal agencies). Many amounts at the detailed transaction level are not available due to timing differences, and support consists solely of transmitted sums. In such a case, evidence available to support the JV adjustments consists of summarized transmittal amounts. However, for audit trail purposes, obtain the detailed transaction level amounts from the transmittal source when the amounts become available.

b. Further evidence includes documentation of procedures and the allocation process used to apply undistributed disbursements and collections to accounts payable and accounts receivable, respectively.

5. Category E — Reconciliation of Trial Balance and Budget Execution Reports. Make JV entries in this category to match trial balances or other source data reported by field accounting sites and/or accounting stations to the DoD Component’s budget execution reports. Consider trial balances or other source data correct and only adjust to budget execution data in instances where budget execution data is determined to be more accurate. The JV will document why a discrepancy exists in the data, the reason the budget execution data or other data are considered to be more accurate, the evidence to support this reason, and how it was determined that the entries on the JV are correct.

6. Category F — Supply Management Inventory. A correcting JV will be prepared when the duly authorized official has determined that inventory values for supply management activities need adjustment from the standard price to approximate historical cost. The supporting documentation will include appropriate references to Volume 4, Chapter 4 “Inventory and Related Property” and a clear explanation of the method used to comply with the policy in this Regulation to value inventory and cost of goods sold.

7. Category G — Reclassification of Accounts. A correcting JV will be prepared to crosswalk data from installation level accounts to the USSGL when the duly authorized official has determined that the accounting systems are unable to provide data at the required level of detail for financial statement and footnote presentation. Target systems are required to report using the DoD Standard Reporting Chart of Accounts and Standard Financial Information Structure. The supporting documentation will include a narrative that explains the reason the reclassification is necessary and the reason the systems are unable to provide the data at the required level of detail.

8. Category H — Identified Errors and Reasonableness Checks. Evidence to support either an authorized official or auditor identified correcting JV will include a detailed listing of identified errors, a narrative explaining how it is known that the original entry is incorrect, a related analysis documenting the calculation of the correct amount, and the sources of the data that were used in the analysis.

9. Category I — Adjustment to Balance Reports Internally. A correcting JV may be necessary when the authorized official has determined that a reconciliation of data supporting two different reports is not possible. Evidence to support this type of JV will include documentation of the reconciliation efforts made before determining that the reports cannot be reconciled.

10. Category J — Other Accruals. The supporting documentation for other accrual JVs will include a narrative explaining the basis for the accrual and any subsequent reversal.

020209. Release of Reports

A. DoD Components. DoD Components will approve draft annual reports and return those reports to DFAS for appropriate revision, validation, and distribution as final reports. The DoD Components will not release any reports, including monthly recurring reports, such as budget execution reports, to any organization external to the DoD Components. Only DFAS will release such reports. Volume 6B, Chapter 2, “General Instructions for the Financial Statements,” contains the requirements for the audited and interim financial statements.

B. DFAS. DFAS will validate all final reports using the official accounting records prior to release to their intended recipients. The release of reports occurs only after final validation that corrections and adjustments have been made and that the report agrees with the official accounting records.

\*020210. Certifications

A. DoD Component/Reporting Entity. A reporting entity is an organization represented by the financial information in a financial statement or report and may be a DoD Component or a subordinate command/organization. For example, a reporting entity may include an individual command or activity such as a shipyard or a supply depot, or it could encompass a number of activities within a business area, such as all shipyards or aircraft depot maintenance activities in a Military Department. A reporting entity can also be at a DoD Component level.

1. The reporting entity, rather than DFAS, is responsible for annual certifications required in the implementation of 31 U.S.C. § 1501(a). See Chapter 4 for additional information related to year-end reporting.

2. Reporting entities having working capital funds are responsible for signing the AR(M) 1307 addressed in Chapter 15.

B. DFAS. DFAS' role in processing financial data and in preparation of financial reports for DoD Components includes certain responsibilities. Accordingly, DFAS will provide the following to the DoD Component:

1. Assurances and certifications, when requested, to the reporting entity regarding the quality of accounting and report preparation services performed for the DoD Component;

2. Signed monthly, quarterly, and semiannual reports on behalf of the DoD Component following review and approval by the DoD Component. An exception is the AR(M) 1307, which the DoD Component is required to sign. Volume 6B, Chapter 2 contains the requirements for the audited and interim financial statements; and

3. A certification provided by the chief of the applicable reports section confirming accuracy of the balances reported on the AR(M) 1307.

**VOLUME 6A, CHAPTER 3: “MONTHLY REPORTING OF OUTLAYS AND RECEIPTS”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [Dec 2015](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Reworded and reformatted the chapter for clarity. Revised references and added electronic links.	Revision
030202	Included information on the reporting processes used within the Central Accounting Reporting System (CARS).	Addition
030202.E	Included information on the Payment Information Repository and the Collections Information Repository used to submit payment and collection data to CARS.	Addition
030206.A	Included information on the Monthly Treasury Statement used to summarize financial activities of the Federal Government.	Addition

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**CHAPTER 3**

**MONTHLY REPORTING OF OUTLAYS AND RECEIPTS**

## 0301 GENERAL

## 030101. Purpose

This chapter prescribes guidance for the monthly reporting of outlays and receipts to the Department of the Treasury (Treasury). The policies included in this chapter apply to Department of Defense (DoD) reporting entities authorized to prepare and submit consolidated monthly reports of outlays and receipts to the Treasury, Bureau of the Fiscal Service (Fiscal Service).

## 030102. Authoritative Guidance

The Treasury Financial Manual (TFM), Volume I, Part 2, Chapters 3100 and 3300 (TFM [2-3100](#) and TFM [2-3300](#), respectively), requires a monthly detailed reporting of disbursements and collections (outlays/receipts). TFM 2-3100 [contains](#) the reporting instructions for entities that perform their own disbursing while TFM 2-3300 [contains](#) the reporting instructions for entities that receive disbursing support from the Treasury.

## 0302 STATEMENT OF TRANSACTIONS (SOT)

## 030201. General

Entities responsible for their own disbursing will report DoD outlays and receipts using a Fiscal Service-prescribed format, [Standard Form \(SF\) 1220](#), “Statement of Transactions According to Appropriations, Funds, and Receipt Accounts,” in support of the [SF 1219](#), “Statement of Accountability” (SOA). The SOT is a companion report to the SOA and represents the detailed support behind the summarized “net disbursements” reported by the disbursing officer in the SOA. TFM 2-3100 and Volume 5, Chapter 15 contain SOA reporting, preparation, and submission requirements.

## \*030202. Central Accounting Reporting System (CARS)

The [CARS](#) system handles Treasury-level accounting and reporting for all federal agencies and is the system of record for Fiscal Service. [CARS handles financial management and accounting information across Federal Program Agencies \(FPA\) and provides agencies access to submit and retrieve data and information from Treasury.](#) CARS captures and records Treasury Account Symbol (TAS) information for payments, deposits, and intragovernmental transactions and provides agencies a daily status of their Fund Balance with Treasury. All agencies must use CARS applications and submit the CARS TAS/Business Event Type Code ([BETC](#)) reporting classification for each payment, deposit, and intragovernmental transaction.

A. [BETC](#). A BETC is a code used to indicate the type of activity reported, such as payments, collections, or investments. Use the BETC, along with the TAS and the dollar amount, to classify each transaction against the Fund Balance with Treasury.

B. Classification Key (C-Key). A C-Key is a unique agency accounting code assigned to a transaction. C-Keys include agency accounting or collection mechanism data (e.g., account code, fund code, Merchant Identification Number), which translates directly to a TAS/BETC. Agencies establish C-Keys in the Shared Accounting Module (SAM) for collection transactions used to drive the appropriate values of TAS/BETC.

C. SAM. The SAM is an application that carries out the process of validating or deriving TAS/BETC combinations to assist in classifying financial transactions as they occur.

D. Classification Transactions and Accountability (CTA). The CTA is a system used by FPAs to report their monthly accounting activity to Fiscal Service. The Reclassification Component provides FPAs with a central location to correct or change accounting information that pertains to their reconciliation processes. Users of reclassification have the ability to reclassify the TAS/BETC and dollar amount of a transaction. CTA functionality for DoD is under development.

\* E. CARS Daily Reporters. “CARS Daily Reporters” submit the TAS/BETC reporting classification of each payment or collection daily to CARS via the Payment Information Repository (PIR) or Collections Information Repository (CIR), respectively. DoD disbursing officers report cash disbursements via the CTA system.

1. PIR. The PIR is a centralized information repository for federal payment-related data that includes details on all federal payments made by Treasury Disbursing Officer agencies, as well as Non-Treasury Disbursing Officer (NTDO) agencies. The PIR serves as a repository for all Government payment data and supports Government transparency initiatives by improving the way Fiscal Service collects, analyzes, and reports on payment-related data. Reporting entities submit payment and accounting data to the PIR using the Standard Reporting Format (SRF). The SRF is a Fiscal Service input file specification defining the data elements and validation rules that all NTDO use to report issued payments and associated TAS/BETC information.

2. CIR. The CIR is a web-based information repository that gives federal agencies information on deposits and collections. The CIR streamlines financial transaction information from all collections and settlement systems into one location. Reporting entities use the CIR to obtain detailed and summary-level information on collections received.

F. CARS Non-Daily Reporters. Agencies not classified as “CARS Daily Reporters” must report disbursements and collections through monthly reporting on “Statements of Transactions” (SF 224, “Statement of Transactions (Classified According to Appropriation, Fund and Receipt Account; and Related Control Totals)” or SF 1220 and SF 1219) in accordance with TFM Volume I, Part 4A, Chapter 4000, Section 4030.

## 030203. Fiscal Service Disbursing Support

Entities that receive disbursing support from Fiscal Service (with regard to the operations of designated Defense Agencies) must report using SF 224. TFM 2-3300 contains instructions for reporting using the SF 224.

## 030204. Report Preparation

The SF 1220 SOT must show a detailed account classification of the disbursements and collections processed in disbursing officers' accounts for the current accounting period, as referenced in TFM 2-3100, Appendix 4. Column titles for the SOT and required content are as follows:

A. Appropriation, Fund, or Receipt Account. Show the established symbol of the appropriation, fund, or receipt account for the transactions reported. In certain cases, special reporting of transactions is required below the level of appropriation or fund account. Assign separate subclass identification codes to the agencies as a parenthetical prefix to the account. When classifying transactions below the account level, segregate by type of transaction using the appropriate subclass codes referenced in TFM 2-3100, Appendix 5 and paragraph 030205.

B. Receipts and Collections Credited to Appropriation or Fund Accounts. Report receipts and collections for the following types of transactions in accordance with TFM 2-3100, Appendix 4:

1. Available receipts,
2. Unavailable receipts,
3. "F" receipt clearing accounts,
4. Collections credited to appropriation or fund accounts,
5. Borrowing from the public (issuing agency),
6. Sale of federal securities (by investing agency), and
7. Loan repayments.

C. Gross Disbursements. Report gross charges to appropriation and fund accounts for the following types of transactions in accordance with TFM 2-3100, Appendix 4:

1. "F" clearing accounts;
2. Current fiscal year collections credited to an appropriation or fund account. The following types of current fiscal year transactions are the only exceptions in which collections should be netted against gross disbursements:

- fiscal year; and
- a. Refunds of payments made in the current fiscal year;
  - b. Canceled or returned checks originally issued in the current fiscal year; and
  - c. Other corrections of errors made in the current fiscal year;
3. Investments in federal securities;
  4. Redemption of federal securities (by issuing agency);
  5. Loan disbursements;
  6. Automated clearing house payments **affected** by a debit voucher;
- and
7. Cash and investments held outside of Treasury (this applies to Subclass 41 transactions as defined by TFM Volume I, Part 2, Chapter 3400 ([TFM 2-3400](#))).

030205. Special Reporting

A. **Borrowing Authority.** Borrowing authority is statutory authority to incur obligations and to make payments for specified purposes out of borrowed money. It must be established as needed by the acquisition of property subject to a mortgage, and withdrawn upon payment of the mortgage principal. When the buyer assumes the mortgage, the borrowing authority is disestablished.

1. A DoD Component becomes the mortgagor when it acquires property subject to a previous mortgage under the DoD Homeowners Assistance Program, or when it borrows money to finance, or issues a mortgage instead of immediate payment for new construction under the DoD Family Housing Program. See Volume 3, Chapter 15 for additional guidance on **borrowing authority**.

2. Report the total acquisition cost of the property, including mortgages payable included in the sale of non-guaranteed **G**overnment agency securities, as a disbursement with prefix “22” to liquidate the entire related obligation. Report the amount of the mortgage assumed, which is included in the sale of non-guaranteed **G**overnment agency securities, as a reimbursement with prefix “97.”

3. Report payments to the mortgagee in two parts: **P**ayments on principal, which are associated with the redemption of non-guaranteed **G**overnment agency securities, as disbursements with prefix “87”; and interest payments with prefix “22.”

4. Report the sale of property subject to a previous mortgage assumed by the buyer as a reimbursement in the amount of the total sales price, **using** prefix “22.” Report only the portion of this balance **that** relates to the redemption of non-guaranteed **G**overnment

agency securities. Report the amount of the existing mortgage assumed by the buyer, related to the redemption of non-guaranteed Government agency securities, as a disbursement with prefix “87.”

B. Trust Fund Investments

1. Report U.S. Government securities, purchased as an investment by a trust fund, as a disbursement at par value with prefix “88.”

2. Report the sale of securities at par value as a receipt with prefix “98.”

3. Further guidance on reporting related to the purchase and sale of U.S. Government securities, including use of prefix “75” with the purchase of unrealized discount on investments, can be found in TFM Volume I, Part 2, Chapter 4300 ([TFM 2-4300](#)).

C. Cash. TFM 2-3400 contains additional reporting guidance on cash held outside of the U.S. Treasury (prefix “41”).

\*030206. Submission Method

\* A. Fiscal Service coordinates with reporting entities to ensure appropriate submission and reporting procedures are in place to accomplish the monthly reporting requirement. Reporting entities compile expenditure accounting information from their reporting activities, and electronically submit a monthly consolidated report to Fiscal Service in accordance with due dates established by Fiscal Service. Due dates are consistent with the requirements of the Office of the Under Secretary of Defense (Comptroller) Program/Budget (OUSD(C)(P/B)) Program and Financial Control Directorate. Fiscal Service uses outlay and receipt information submitted by reporting entities to produce the Monthly Treasury Statement ([MTS](#)), which summarizes the financial activities of the Federal Government and conforms to the Budget of the U.S. Government. MTS data includes information provided by federal entities, disbursing officers, and Federal Reserve Banks. It presents a summary of receipts and outlays, surplus or deficit, and means of financing on a modified cash basis.

B. Section 3140 of TFM Volume I, Part 2, Chapter 3100 lists the submission requirements for the SOT and SOA. The Fiscal Service consolidated submission consists of the SOA and SOT, including intragovernmental activity disbursed and collected for others.

030207. Distribution

Each reporting entity that collects or disburses for another reporting entity must provide an SOT or other acceptable notification to the entity responsible for the funds. In addition, the reporting entity electronically submits the SOT to OUSD(C) (P/B).

## 030208. Reconciliation of Monthly Information

A. The Defense Finance and Accounting Service (DFAS) and Components must incorporate controls into their processes to ensure amounts reported daily or monthly to Treasury reconcile to collections and disbursements processed through the disbursing systems and reflect amounts reported in the accounting systems. Monthly Treasury reporting includes SF 224, SF 1219, and SF 1220 submissions by reporting entities.

B. DFAS and Components must perform timely reconciliations and implement effective and efficient reconciliation processes. Effective reconciliations serve as a detection control for identifying unauthorized and unrecorded transactions at the entities and Treasury. Volume 4, Chapter 2 prescribes DoD policy for reporting and reconciling transactions affecting an entity's Fund Balance with Treasury. Effective reconciliations are also important in preventing entity disbursements from exceeding appropriated amounts and providing an accurate measurement of the status of available resources.

C. The totals reported on the SOT and/or supplemental report will be consistent with the summarized "net disbursements" submitted by the reporting entities.

## 030209. Supplemental Reporting

A supplemental report may be submitted to Fiscal Service to adjust data after submitting the SOA and SOT. Under special circumstances, Fiscal Service may request a supplemental report from the reporting entity.

## 030210. Reporting for Accounting Periods When No Transactions Occur

An SOA must be submitted for periods when no transactions occur, whereas an SOT is not required.

**VOLUME 6A, CHAPTER 4: “APPROPRIATION AND FUND STATUS REPORTS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font***.

The previous version dated **May 2011** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Reworded and reformatted the chapter for clarity. Revised references and added electronic links.	Revision
All	Revised Treasury Financial Management Service (FMS) references with the new title. On October 7, 2012, the FMS and the Bureau of the Public Debt merged into the new Bureau of the Fiscal Service (Fiscal Service).	Revision
040102	Included clarifying language on the appropriation and fund status reporting requirements mandated within Title 31, United States Code, sections 1512(d) and 1554(b)1.	Addition
040203	Incorporated requirements for the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS), which merged the functionality of the Federal Agencies' Centralized Trial Balance System (FACTS) I, FACTS II, Intragovernmental Fiduciary Confirmation System, Intragovernmental Reporting and Analysis System, and the United States Standard General Ledger Interactive Database.	Addition
040203.D	Updated subparagraph with current Directorate responsible for approving new Treasury symbols used for budget execution reporting on the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources.	Revision
040204	Added guidance on the Standard Financial Information Structure (SFIS) used in financial reporting.	Addition
0403	Revised instructions for reporting unexpended appropriation and fund balances previously reported on the Fiscal Service Form 2108, Year-end Closing Statement. Fiscal Service eliminated the Fiscal Service Form 2108 from GTAS, as the report is no longer required for year-end reporting.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
040402.C	Added guidance on the SF 133 exemptions used in financial reporting.	Addition
040403.B	Updated submission process used in GTAS reporting.	Revision
040404.A	Updated section titles used in SF 133 reporting.	Revision
0405 & Figure 2	Revised the format and reporting requirements for the Report on Reimbursements and Refunds (Accounting Report (Monthly) (AR(M)) 725).	Revision
040505.G	Included reference to the SFIS containing approved transactions and data elements used to record reimbursements and refunds.	Addition
040605.B.6 & 040606	Added reporting and reconciliation requirements used to report Trust and Special Fund balances.	Addition
040606	Updated the column descriptions used for budget execution reporting on the Appropriation Status by Fiscal Year Program and Subaccounts AR(M) 1002.	Revision
040607	Updated reporting and reconciliation requirements used to reconcile AR(M) 1002 balances with Department of Defense (DD) Form 1414, Base for Reprogramming Actions, and DD Form 1416, Report of Programs.	Revision
Figure 1 (Previous Version)	Deleted reference to the Fiscal Service Form 2108 as Fiscal Service no longer requires this report.	Deletion
Figure 1	Updated figure with current SF 133 reporting requirements.	Revision
Policy Memo	The Deputy Chief Financial Officer's policy memorandum, "Appropriation Status by Fiscal Year Program and Subaccounts," dated May 10, 2013 was incorporated into the chapter and cancelled.	Cancellation

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## CHAPTER 4

APPROPRIATION AND FUND STATUS REPORTS

## 0401 GENERAL

## 040101. Purpose

This chapter prescribes the reporting requirements and policy to follow when preparing appropriation and fund status reports at the departmental level. These reports identify, for the Defense Finance and Accounting Service (DFAS) and its customers, the status of accounting transactions on a monthly, quarterly, and annual basis. This chapter does not prescribe the reporting requirements of the intermediate command and installation levels. The provisions apply to all Department of Defense (DoD) Components, and cover the following types of appropriations and fund accounts:

- A. General Fund;
- B. Management Fund;
- C. Public Enterprise Revolving Fund;
- D. Intragovernmental Revolving Fund (including Working Capital Funds);
- E. Special Fund; and
- F. Trust Non-Revolving and Trust Revolving Funds.

## \*040102. Authoritative Guidance

The reports defined by this chapter fulfill the requirement in Title 31, United States Code (U.S.C.), [section 1512\(d\)](#) that the President review Federal expenditures at least four times a year. The chapter also fulfills the requirement in [31 U.S.C. § 1554\(b\)1](#) to report unliquidated obligations, unobligated balances, canceled balances, and adjustments made to appropriation accounts during the fiscal year (FY).

## 0402 REPORTING

## 040201. Report Formats and Control Numbers

The report formats and control numbers for the appropriation and fund status-type reports are identified within the respective paragraphs. Figures 1 through 3 contain [sample fund status reports](#).

## 040202. Frequency and Distribution

The frequency and distribution of each report are designated within the respective paragraphs.

## \*040203. Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS)

A. The Department of the Treasury (Treasury), Bureau of the Fiscal Service (*Fiscal Service*), administers and maintains *GTAS* to facilitate preparation and consolidation of the *Financial Report* of the U.S. Government (FR). *GTAS* is a web-based system that merges the functionality of former systems used to collect and report trial balance data: Federal Agencies' Centralized Trial-Balance System (FACTS) I and FACTS II, Intragovernmental Fiduciary Confirmation System, Intragovernmental Reporting and Analysis System, and the United States Standard General Ledger (USSGL) Interactive Database. Reporting Agencies now submit both proprietary and budgetary data simultaneously in one bulk file *submission*. Systemic edits validate data across both budgetary and proprietary reporting. Refer to Chapter 6 for DoD policy related to the submission of financial data using *GTAS*.

B. *GTAS* collects budget execution and resource data from all Federal agencies. *GTAS* compiles these submissions to prepare reports that fulfill the requirements of the Report on Budget Execution and Budgetary Resources (Standard Form (SF) 133), FR, and Office of Management and Budget (OMB) reporting requirements. In addition, a significant amount of the data populates the prior-year data in the Program and Financing Schedule of the President's Budget.

C. The budgetary accounts record budgetary resources (e.g., contract authority and authority from offsetting collections) and the status of resources in the context of obligational authority (e.g., obligations incurred, unobligated balances, and balances not available for obligation).

\* D. Reporting entities are required to submit requests for new Treasury symbols to be used in *GTAS* reporting to the Office of the Under Secretary of Defense (Comptroller), Program/Budget (OUSD(C)(P/B)), Program and Financial Control (P&FC) Directorate, along with justification that cites the specific authorizing legislation. P&FC will review requests and coordinate with OMB and the Treasury to establish new accounts when authorized.

## \*040204. Standard Financial Information Structure (SFIS)

Appropriation and fund status reporting will utilize the data structure and reporting elements outlined in *SFIS*. *SFIS* is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across DoD. *SFIS* enables decision-makers to compare programs and their associated activities and costs across DoD and provides a basis for common valuation of DoD programs, assets, and liabilities. System owners and reporting entities must use the *SFIS* reporting elements prescribed in the *SFIS* data structure in reporting DoD financial information.

**\*0403 YEAR-END REPORTING**

## 040301. Purpose

This section contains instructions for reporting unexpended appropriation and fund balances required by Treasury Financial Manual, Volume I, Part 2, [Chapter 4200](#).

## 040302. Scope

This section pertains to all DoD reporting entities reporting unexpended appropriation and fund balances previously reported on the Fiscal Service Form 2108, Year-end Closing Statement. Fiscal Service discontinued use of the Fiscal Service Form 2108 and removed references to the form from current Fiscal Service guidance.

## 040303. Reporting

Reporting entities now utilize GTAS and the Fiscal Service [Year-End Module](#) to report unexpended appropriation and fund balances. Use the Year-End Module, in addition to GTAS, to initiate year-end cancelation and adjustment transactions previously presented on the Fiscal Service Form 2108. Fund holders are responsible for verifying the accuracy of reported balances and providing final confirmation of amounts reported in GTAS to DFAS Accounting Standards and Reporting, Budget Execution and Analysis via signed documentation for electronic certification.

**0404 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES (SF 133)**

## 040401. Purpose

This section contains instructions for implementing the requirements of OMB [Circular](#) A-11, Preparation, Submission, and Execution of the Budget, for the monthly SF 133. The SF 133 shows the status of budgetary resources and related financial data. The report is intended for use, with other available information, in reviewing apportionments and the U.S. Government's budgetary programs, in managing the rate of incurring obligations and outlays, and as a basis for initiating requests for reapportionments and transfers.

**\*040402. Scope**

A. [Applicability](#). The requirements of this section apply to all DoD Components.

B. [Basic Report](#). Prepare an SF 133 for each unexpired (current) or expired account. These reports constitute the "basic report" and consist of the following:

## 1. Military Functions Accounts:

## a. General Fund;

- Capital Funds);
- b. Management Fund;
  - c. Public Enterprise Revolving Fund;
  - d. Intragovernmental Revolving Fund (including Working Capital Funds);
  - e. Special Fund; and
  - f. Trust Non-Revolving and Trust Revolving Funds;
- 2. Civil Functions Accounts;
  - 3. Security Assistance Program Accounts; and
  - 4. Credit Financing Accounts.

\* C. Exemptions. Do not submit SF 133s for: deposit fund accounts, receipt accounts (including clearing accounts and suspense accounts), and closed Treasury Appropriations Fund Symbol (TAFS) (TAFS with canceled balances), unless required by OMB.

\*040403. Frequency and Distribution

A. Fiscal Service. Fiscal Service receives monthly budget execution information via GTAS from DFAS (and U.S. Army Corps of Engineers Finance Center for their civil accounts) according to the Fiscal Service reporting window schedule. Fiscal Service prepares the monthly SF 133 for OMB based upon GTAS USSGL information and attributes forwarded by DoD. DFAS sites submitting departmental level reports use GTAS to prepare and electronically transmit the required number of reports, as follows, by the prescribed Fiscal Service reporting due dates:

	<u>SF 133</u>
OUSD(C)(P/B)(P&FC)	2 (BEX & PDF file)
Treasury	1 (GTAS)
OMB	1 (GTAS)
DoD Components and Other Authorized Users (As Applicable)	1

\* B. Reporting Entities. Reporting entities submit both proprietary and budgetary data simultaneously through the bulk file submission process into GTAS. Systemic edits validate data across both budgetary and proprietary reporting. Volume 6B addresses the form and content of DoD audited financial statements. Volume 6B, Chapter 1 contains a list of DoD Component reporting entities.

C. Reports on Allocation and Appropriation Transfer Accounts

1. Administering (Transfer To) Account. DoD Components administering allocation accounts (including those established pursuant to obligational authority contained in Operation and Maintenance (O&M), Defense Agencies operating budgets) or transfer appropriation accounts will not include related SF 133s in their basic reports. Instead, submit these reports to the DoD Component, or Federal agency outside of the Department, that administers the parent account.

2. Parent (Transfer From) Account. DoD Components administering parent accounts will combine the data on the SF 133 covering the allocation or transfer appropriation accounts with the parent accounts. Include the consolidated SF 133s in the basic reports.

D. Submission Schedule

1. Except for reports on allocation and transfer appropriation accounts, submit reports by the departmental level reporting entities as of the end of each month. Submit regular reports in accordance with due dates established by DFAS and consistent with the requirements of Fiscal Service, OMB, and OUSD(C).

2. Reports on allocation and transfer appropriation accounts submitted to the parent agency will be furnished in accordance with the schedule prescribed by that agency and consistent with the timeframe provided in Section II.4.2.5 of OMB Circular A-136.

\*040404. Preparation

\* A. The SF 133 is divided into four sections: Budgetary Resources; Status of Budgetary Resources; Change in Obligated Balance; and Budget Authority and Outlays, Net. Report cumulative amounts from the beginning of the FY to the end of the period reported. Include all footnotes at the end of the report. Forward any information used to supplement or clarify the submitted reports directly to OMB.

B. Section 130 of OMB Circular A-11 contains exhibits of sample SF 133 reports.

C. The DoD implementation of the USSGL is contained in Volume 1, Chapter 7. Crosswalks from the SF 133 to the USSGL are contained in Section V of the current FY's version of the USSGL. Fiscal Service issues the annual update to this section (for reporting in the following FY) shortly after the release of the revised OMB Circular A-136, and it is usually available no later than October.

D. OMB Circular A-136 contains additional information on the reporting requirements for the SF 133.

040405. The Expired Phase: Budget Execution Reporting Procedures

Report obligated and unobligated balances on the SF 133 for each expired TAFS that has not been canceled.

A. Section 130.10 of OMB Circular A-11 contains instructions for budget execution reporting procedures on expired TAFS that have not been canceled.

B. Section 130.11 of OMB Circular A-11 contains instructions for reporting upward and downward adjustments to expired TAFS.

040406. The Expired Phase: Obligation Adjustments for Contract Changes

Upward adjustments to obligations in expired appropriation accounts caused by contract changes that exceed certain thresholds are subject to additional reporting and approval requirements. A contract change represents an order relating to an existing contract under which a contractor is required to perform additional work. A contract change does not include adjustments related to an escalation clause.

A. Section 130.11 of OMB Circular A-11 specifies the thresholds, reporting requirements, and approval requirements for contract changes.

B. The Under Secretary of Defense (Comptroller), as the Secretary of Defense's designee, fulfills the duties and responsibilities designated to "the agency head" in this section of the OMB Circular.

040407. The Expired Phase: Alternatives for Payment of Old Obligations

The length of the expired phase of a TAFS may only be changed by law. When DoD requires payment of obligations beyond the normal 5-year expired phase (such as the Navy Shipbuilding and Conversion appropriation), the Assistant Secretary of the Military Department [Financial Management and Comptroller](#) (FM&C) must submit proposed changes to appropriation language for the budget year through OUSD(C)(P/B) to OMB for approval.

A. Request this authority only when historical outlay data indicates that payment of old balances from unexpired funds regularly exceeds the 1 percent limitation or when such payments would severely affect the current program.

B. Report such authority to Treasury to prevent premature automatic cancelation of the account. Without this authority, DoD must seek reappropriation of canceled balances and defer payment until the appropriation is available, or pay from current appropriations, as described in Volume 3, Chapter 10.

## 040408. Reporting on Expired Appropriations Being Closed

Report expired obligated and unobligated balances as canceled on the final, September 30, SF 133 before closing the TAFS. Once an amount is reported as canceled, it should not be reported again. Technically, TAFSs are closed, while appropriations and balances are canceled. Section 130.13 of OMB Circular A-11 contains instructions for budget execution reporting related to expired TAFS.

## 040409. SF 133 and the Statement of Budgetary Resources (SBR)

The compilation of an agency's SF 133s should generally agree with the agency's SBR. Section 130.19(e) of OMB Circular A-11 explains the few differences between the SF 133 and SBR.

## 040410. Consistency of Amounts Reported

Amounts reported in the fourth quarter SF 133 must be consistent with information reported to Treasury as part of the year-end closing procedures and must be based on actual accounting information pursuant to 31 U.S.C. [§ 3512](#). Actuals submitted to OMB for inclusion in the President's annual budget, which is submitted to the Congress, should agree with those submitted to the Treasury and those submitted on the fourth quarter SF 133. Section 130.19 of OMB Circular A-11 provides more

## 040411. Additional Preparation Instructions

OMB Circular A-11, Appendix F contains preparation instructions for the SF 133. [Figure 1 contains the current report format for the SF 133.](#)

\*0405 REPORT ON REIMBURSEMENTS AND [REFUNDS](#) (ACCOUNTING REPORT (MONTHLY) (AR(M)) 725)

## 040501. Purpose

This report identifies supplemental budget execution data with respect to reimbursements and refunds, in terms of their sources and the FY programs being executed. [The AR\(M\) 725 identifies reimbursable activity during the reporting period and includes refunds of prior-year orders from direct appropriations.](#) The data are required for use, with other available information, in the review and analysis of program and budget formulation and execution, including the detection of trends in the collection of monies due the U.S. Government.

## 040502. Scope

- A. The provisions of this section apply to all DoD Components.
- B. Reports are required electronically for the following:

1. All current appropriations or other fund accounts for military or civil functions of DoD [reported](#) on the SF 133;
2. All expired appropriations or other fund accounts;
3. Trust fund accounts if reimbursements [or refunds](#) are from non-Federal sources;
4. Trust revolving fund accounts if the reimbursements [or refunds](#) are from U.S. Government accounts; [and](#)
5. Allocation and transfer accounts for DoD Components from appropriations made to the Office of the Secretary of Defense (Treasury Index [\(TI\) Code 97](#)).

C. Unless specifically requested in writing by the OUSD(C), reports are not required for the following:

1. Trust fund accounts, except those in subparagraph 040502.B.3;
2. Trust revolving fund accounts, except those in subparagraph 040502.B.4;
3. Deposit fund accounts;
4. Other Defense, civil programs; [and](#)
5. Security assistance appropriation accounts.

040503. Report Format

The AR(M) 725 [will](#) be prepared in accordance with the guidance provided in paragraph 040505. [Figure 2 contains the current report format for the AR\(M\) 725.](#)

040504. Frequency [and Distribution](#)

A. Electronically submit monthly reports in accordance with due dates established by DFAS, and consistent with the requirements of OUSD(C). Submit the report at the same time as the AR(M) 1002, [Appropriation Status by Fiscal Year Program and Subaccounts.](#)

B. Include the AR(M) 725 with the SF 133.

C. [Distribute reports electronically as follows:](#)

Report on Reimbursements  
and Refunds

DoD Components and Other Authorized Users  
(As Applicable)

1

\*040505. Preparation

A. Basis of Reporting. Amounts reported **will** agree with corresponding data recorded in the following USSGL accounts, as appropriate:

422100 Unfilled Customer Orders Without Advance

422200 Unfilled Customer Orders With Advance

425100 Reimbursements and Other Income Earned – Receivable

425200 Reimbursements and Other Income Earned – Collected

425300 Prior-Year Unfilled Customer Orders With Advance – Refunds Paid

487200 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected

497200 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected

B. Unit of Entries. Round reported amounts to the nearest thousand.

C. Description (Column A). This column identifies whether the transaction is from a “Federal” or “Non-Federal” source.

D. Reimbursements Receivable (Column B). Enter the amount of receivables brought forward from the prior-year. The total of this column must agree with column I of the year-end AR(M) 725 report from the prior-year.

E. Unfilled Customer Orders Without Advance (Column C). Enter the amount of unfilled orders brought forward from the prior-year. The total of this column must agree with column J of the year-end AR(M) 725 report from the prior-year.

F. Total Anticipated Reimbursements (Column D). Enter the estimate of reimbursements expected to be earned during the current FY, subject to OMB apportionment, other authorized reimbursements, and/or other income for which current year obligational authority is automatically established based on orders received.

\* G. Earned Reimbursements and Refunds (Column E). This column represents the amount recognized when a performing organization renders actual or constructive performance on a reimbursable order. Generally, reimbursements must recover the cost elements outlined in Volume 11A, Chapter 3 and Volume 11B, Chapter 3.

1. The SFIS reporting structure identifies approved USSGL transactions and data elements used to record transactions between buyers and sellers. This column also includes refunds of prior-year orders from direct appropriations. Refunds are the repayments of excess payments and are directly related to previous obligations incurred and outlays made against the appropriation. Process refunds received to the appropriation or fund account charged with the original obligations.

2. Section 20.9 of OMB Circular A-11 provides guidance for processing refunds in both current and prior years.

H. Changes in Unfilled Customer Orders (Column F). This column represents the net change in unfilled customer orders during the period. The balance in this column increases with new customer orders and decreases with earned customer orders.

I. Anticipated Orders for Rest of Year (Column G). For transactions with the public, this column represents estimated collections, including advances expected to be received and reimbursements expected to be earned. In transactions between U.S. Government entities, this balance represents orders expected to be received, but which have not been accepted.

J. Reimbursements and Refunds Collected (Column H). This column includes collections received on a reimbursable basis for goods, services provided, and refunds of prior-year orders from direct appropriations.

K. Reimbursements Receivable (Column I). This column represents the balance of outstanding collections, for goods and services provided on a reimbursable basis, at the end of the reporting period.

L. Unfilled Customer Orders Without Advance (Column J). This column represents the balance of unfilled customer orders, at the end of the reporting period, for goods and services without an advance. This line applies only to transactions between U.S. Government entities.

040506. Edits

The [FY End Departmental Level Handbook](#) for Funds Executed by Defense Agencies contains a copy of the current checklists for the AR(M) 725 report. A copy of the current handbook is located in the Army Budget section of the Assistant Secretary of the Army FM&C website.

0406 APPROPRIATION STATUS BY FISCAL YEAR PROGRAM AND SUBACCOUNTS  
(AR(M) 1002)

## 040601. Purpose and Report Control Number

This section prescribes the preparation and submission of reports on the application and status of appropriation and other fund accounts. The reports present budget execution data with respect to obligational authority in terms of the **FY** programs executed at budgetary subdivisions not found on the SF 133. **Maintain** program value, obligation, unobligated balance, unexpended balance, and expenditure balance data integrity, by line item, throughout an account's unexpired and expired availability periods. Expired account adjustments, which move resources between Budget Line Items (**BLI**), must reflect the appropriate change to that line item's program value amount, obligations, unobligated balance, unexpended balance, and expenditure data on the AR(M) 1002.

## 040602. Scope

- A. The provisions of this section apply to all DoD Components.
- B. Reports are required for all general and special fund appropriations for military and civil functions of the Department that are reported on the SF 133, except those accounts specifically exempted in subparagraph 040602.C.
- C. Reports are not required for the following unless specifically requested in writing by the OUSD(C):
  1. Revolving funds that do not have direct appropriation funds available, except for accounts 97 X 4555, 4090, 4965, and 0833;
  2. Receipt accounts, deposit funds, and trust funds, except for 97 X 8097, 8098, and 8335;
  3. Civil funds of the U.S. Army Corps of Engineers and the U.S. Soldiers' and Airmen's Home; **and**
  4. Transfer appropriation accounts.

## 040603. Report Format

Prepare the AR(M) 1002 in accordance with the guidance provided in subparagraph 040605. **Report 1002 data in accordance with the Business Enterprise Architecture included in SFIS. The AR(M) 1002 format includes budget and fiscal account classifications required to align with information included in annual DoD budget requests. See the "SFIS Matrix" for business rules and examples of acceptable budgetary values. The Defense Departmental Reporting System – Budgetary contains the official report mapping for the AR(M) 1002. Figure 3 contains the current report format for the AR(M) 1002.**

## 040604. Frequency and Distribution

A. Electronically submit monthly reports in accordance with the due dates established by DFAS, and consistent with the requirements of OUSD(C).

B. Arrange the reports in the same order as the SF 133s they support.

C. Distribute reports electronically as follows:

	<u>AR(M) 1002</u>
OUSD(C)(P/B)(P&FC)	1 (BEX)
DoD Components and Other Authorized Users (As Applicable)	1

## \*040605. Preparation

A. Units of Entry. Round all amounts to the nearest thousand and no attempt need be made to adjust the rounded figures so that they will add to column totals. Rounded amounts will never exceed the actual amounts by more than  $\pm$  \$2,000.

B. Direct Programs

1. Military Personnel

a. General. Report at least two classification levels for distinct sets of TI Codes 17 (Navy), 21 (Army), and 57 (Air Force); FY program; and Treasury account number (main account code (previously basic symbol)).

b. Level One. Budget Activity (BA) equals the M-1 (Military Personnel Programs) BA. Use the set of distinct M-1 BA records to present the BA stub entries.

c. Level Two. Budget Sub-Activity (BSA) equals the M-1 BSA and is the M-1 line item detail and lowest classification level. Use the set of distinct M-1 BSA records to present the BSA stub entries. Present the BSA stub entries under their respective BA.

d. Level Three (Optional). BLI equals the President's Budget Exhibit PB-30J, Summary of Entitlements by Sub-activity, and is the lowest classification level. Use the same set of distinct entitlement stub entries on the AR(M) 1002 displayed in Budget Exhibit PB-30J. Present the BLI stub entries under their respective BA and BSA.

2. O&M

a. Report three classification levels for distinct sets of TI Codes 17, 21, and 57; FY program; and main account code.

(1) Level One. BA equals the O-1 (O&M Programs) BA. Use the set of distinct O-1 BA records to present the BA stub entries.

(2) Level Two. BSA equals the O-1 Budget Activity Group (BAG). Use the set of distinct O-1 BAG records to present the BSA stub entries. Present the BSA stub entries under their respective BA.

(3) Level Three. BLI equals the O-1 Sub-activity Group (SAG) and is the O-1 line item detail and lowest classification level. Use the set of distinct O-1 SAG line items to present the BLI stub entries. Present the BLI stub entries under their respective BA and BSA.

b. Report two classification levels for distinct sets of TI Code 97, FY program, and [main account code](#) as prescribed by DFAS Manual [7097.01](#).

(1) Level One. BA equals the O-1 BA. Use the set of distinct O-1 BA records to present the BA stub entries.

(2) Level Two. Defense Level Organization (DLO) equals the O-1 Defense Agencies. Use the set of distinct O-1 Defense Agencies to present the DLO stub entries. Present the DLO stub entries under their respective BA. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify the valid Defense Agencies. Within each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency [allotment](#) holder.

### 3. Procurement

a. Report three classification levels for distinct sets of TI Code 17, 21, and 57; FY program; and [main account code](#).

(1) Level One. BA equals the P-1 (Procurement Programs) BA and BA Title. Use the set of distinct P-1 BA records to present the BA stub entries. A subtotal at the BA level is required for Procurement Accounts.

(2) Level Two. BSA equals the P-1 BSA and BSA Title. Use the set of distinct P-1 BSA records to present the BSA stub entries. Present the BSA stub entries under their respective BA. A subtotal at the BSA level is not required for Procurement Accounts.

(3) Level Three. BLI equals the P-1 Line Item and Line Item Title and is the P-1 line item detail and lowest classification level. Use the set of distinct P-1 line item records to present the BLI stub entries. Present the BLI stub entries under their respective BA and BSA.

b. Report three classification levels for distinct sets of TI Code 97, FY program, and [main account code](#) as prescribed by DFAS Manual 7097.01.

(1) Level One. BA equals the P-1 BA and BA Title. Use the set of distinct P-1 BA records to present the BA stub entries.

(2) Level Two. DLO equals the P-1 Organizational Title. Use the set of distinct P-1 Defense Agencies to present the DLO stub entries. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of Defense Agencies. Within each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency allotment holder.

(3) Level Three. BLI equals the P-1 Line Item and Line Item Title and is the P-1 line item detail and the lowest classification level. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of line items/budget projects. Use the set of distinct P-1 line item records to present the BLI stub entries. Present the BLI stub entries under their respective DLO.

4. Research, Development, Test, and Evaluation (RDT&E)

a. Report at least two classification levels for distinct sets of TI Code 17, 21, and 57; FY program; and main account code.

(1) Level One. BA equals the R-1 (RDT&E Programs) BA and BA Title. Use the set of distinct R-1 BA records to present the BA stub entries.

(2) Level Two. BLI equals the R-1 Program Element (PE) and PE Title and is the R-1 line item detail and the lowest classification level. Use the set of distinct PE records to present the BLI stub entries under their respective BA.

b. Report at least three classification levels for distinct sets of TI Code 97, FY program, and main account code as prescribed by DFAS Manual 7097.01.

(1) Level One. BA equals the R-1 BA and BA Title. Use the set of distinct R-1 BA records to present the BA stub entries.

(2) Level Two. DLO equals the R-1 Organizational Title. Use the set of distinct R-1 Defense Agencies to present the DLO stub entries. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of Defense Agencies. Within each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency allotment holder.

(3) Level Three. BLI equals the R-1 Line Item and Line Item Title and is the R-1 line item detail and the lowest classification level. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of budget activities/program elements. Use the set of distinct R-1 line item records to present the BLI stub entries. Present the BLI stub entries under their respective DLO.

5. Military Construction and Family Housing

a. Report three classification levels for distinct sets of TI Code 17, 21, 57, and 97; FY program; and main account code. For TI Code 97, report the three classification levels by Defense Agency as prescribed by the DFAS Manual 7097.01 Budget Project Codes appropriation chapters.

(1) Level One. BA equals the C-1 (Construction Programs) BA and BA Title. Use the set of distinct C-1 BA and BA Title records to present the BA stub entries.

(2) Level Two. BSA equals the C-1 Location, Location Title, and State-Country. Use the distinct sets of C-1 Location, Location Title, and State-Country record combinations to report the set of locations. Present the location stub entries under their respective BA.

(3) Level Three. BLI equals the C-1 Project and Project Title. Use the distinct set of C-1 Project and Project Title record combinations to report C-1 line items. Present the C-1 line items under their respective location and BA.

b. Report one classification level for distinct sets of TI Code 17, 21, 57, and 97; FY program; and Military Construction BA of Minor Construction, or Planning and Design, Family Housing Construction BA of Construction Improvements or Planning and Design. The line item classification equals the C-1 BA and BA Title. Use the set of distinct C-1 BA records to present the BA stub entries. For TI Code 97, report the BA by Defense Agency.

c. Report one classification level for distinct sets of TI Code 17, 21, 57, and 97; FY program; and main account code for Family Housing O&M or DoD Family Housing Improvement Fund (FHIF). The line item classification equals the C-1 BA and BA Title. Use the set of distinct C-1 BA records to present the BA stub entries.

d. For Base Realignment and Closure (BRAC), follow the report classification levels prescribed by the DFAS Manual 7097.01 Budget Project Codes appropriation chapter guidance for BRAC Accounts, Parts II, III, and IV. Report the BA of Major Construction information by location and title, and report all other BAs at the BA lump-sum level by FY and Service Component or Defense Agency.

e. For the FHIF (97 X 0834), follow the guidance in subparagraph 040605.B.5.a once project funds have transferred from Family Housing Construction to the FHIF.

\*

6. Trust and Special Funds

a. Report one classification level for each trust or special fund.

b. The line item classification equals the BA as found in the President's budget exhibits, DoD Military Programs, or Other Defense – Civil Programs, as appropriate.

C. Reimbursable Programs

1. Report all reimbursable program data separately from direct program data. A subtotal for the direct program will be followed by a one-line reimbursable program, followed by a "Grand Total," which is the sum of the direct and the reimbursable programs.

2. For all the aforementioned appropriation functional titles, report reimbursable program data at the lump-sum level for distinct sets of TI Code 17, 21, and 57; FY program; and main account code.

3. For TI Code 97:

a. Main account codes for BRAC and Procurement accounts report reimbursable program data at the lump-sum level by FY program and Defense Agency.

b. All other main account codes report reimbursable program data at the lump-sum level by FY program.

\*040606. Column Descriptions

The composition and amounts in each column are detailed in subparagraphs 040606.A through 040606.C.

A. General

1. Budget Activity (Column A). Valid values for the report stub entries are the program codes contained in the publicly published *President's Budget*. The nomenclature is equal to the line items found in the President's Budget Exhibits M-1, O-1, R-1, P-1, C-1; Family Housing and BRAC Programs; DoD Military Programs; and Other Defense – Civil Program documents. Arrange the separate FY appropriation accounts of an appropriation title in consecutive order, starting with the most current FY or multiple-year account. Arrange the FY programs within a multiple program year account in consecutive order, starting with the most current FY program. Subtotals are required for each level contained in the report.

2. Base for Reprogramming (Column B). The balance in this column matches the enacted amounts as published in the Department of Defense (DD) Form 1414, *Base for Reprogramming Actions* for most appropriation types. Once established, the dollar values in the column will not change and will continue to be reported for the life cycle of the account (until the account closes). The exceptions to this are the Trust and Special Funds. Column B will match current year authority for these funds.

## B. Cumulative Columns

1. Approved Program (Column C). The balance in this column shows the approved program for the FY-to-date. Column C includes the distribution of the effect of approved reprogramming actions on DD Form 1415-1, Reprogramming Action - Prior Approval, and/or DD 1415-3, Reprogramming Action - Internal; supplemental appropriations; and rescissions. The amounts in this column will change to reflect congressionally approved changes to the program. This column reflects the cumulative program-to-date, and will continue to be reported for the life cycle of the account (until the account closes). Guidance for reprogramming is contained in Volume 3, Chapters 6 and 7. The exceptions to this are the Trust and Special Funds. Column B will match current year authority for these funds.

2. Revised Program (Column D). The balance in this column shows the effect of below threshold reprogramming (BTR) actions initiated by a DoD Component that occur during execution.

a. Note that the grand total for column C and column D will be the same. The difference between the two columns is column D incorporates BTRs and column C does not. BTR actions provide DoD Components with the discretionary flexibility to realign funding within prescribed limits. BTR actions are minor actions not otherwise requiring congressional approval that may be accomplished within the DoD Components and are measured cumulatively over the entire obligation availability of the appropriation. The grand totals for column C and column D will be the same; however, differences will exist below the grand total level if BTRs have been recorded which realigned previous funding levels.

b. No-year accounts follow the same guidance as other accounts but are individually reported by FY account. No-year accounts are tracked and reported by the FY in which the funds were appropriated. The period of availability (POA) start year for no-year accounts reflects the year money was appropriated; the POA end year reflects XXXX. For example, the POA for no-year money appropriated in FY 2009 would be reflected as 2009/XXXX on the AR(M) 1002. Continue to report these funds separately until the account is closed. The exceptions to this are the Trust and Special Funds. Column B will match current year authority for these funds, which report either current year authority or apportionment amount as appropriate.

3. Cumulative Obligations (Column E). Enter the amount of obligations occurring from the inception of the program to the end of the reporting period. Obligation transactions will include both obligations incurred and adjustments of prior-year obligations. The exceptions to this are the Trust and Special Funds, which report current year obligations plus unpaid obligations from prior year.

4. Cumulative Unobligated Balance (Column F). The balance shown in this column represents the difference between columns D and E.

5. Cumulative Expenditures (Column G). Enter the distribution of the gross disbursements (net of refunds) from the inception of the program to the end of the reporting period. Within an FY program, enter the difference between amounts distributed by subaccounts

and total disbursements identifiable to that FY program on the line “Undistributed Disbursement.” Enter disbursements not immediately distributable by FY program, or by subaccount in accounts without FY program subdivisions, on the line “Undistributed Disbursement” immediately before the total line for the appropriation account. For expired year accounts, unless specifically exempted by the OUSD(C), report the direct and reimbursable programs at the same level of detail as they were reported as unexpired accounts. The total of column G plus the total of column H must equal column D.

6. Cumulative Unexpended Balance (Column H). Enter the distribution of the unexpended balance for the inception of the program to the end of the reporting period. Column H will equal the difference between columns D and G.

7. Commitments (Column I). The use of column I is optional for operating appropriations. Enter, by subaccount, the amount of outstanding commitments recorded. The entry in this column may properly exceed the amount of the unobligated balance in column F if a program reduction was approved in anticipation of a cancellation or downward adjustment of commitments outstanding. If there was no approved program reduction, then an excess of commitments outstanding over total unobligated balance indicates the program was implemented in excess of the approved amount.

#### C. Current FY Columns

1. Amount Obligated in Current FY (Column J). Enter the amount of obligations occurring from the beginning of the current FY to the end of the reporting period. Obligation transactions include both obligations incurred and adjustments of prior-year obligations.

2. Amount Expended in Current FY (Column K). Enter the distribution of the gross disbursements (net of refunds) for the period from the beginning of the current FY to the end of the reporting period. Within an FY program, enter the difference between amounts distributed by subaccounts and total disbursements identifiable to that FY program on the line “Undistributed Disbursement.” Enter disbursements not immediately distributable by FY program, or by subaccount in accounts without FY program subdivisions, on the line “Undistributed Disbursement” immediately before the total line for the appropriation account. For expired year accounts, unless specifically exempted by the OUSD(C), report the direct and reimbursable programs at the same level of detail as they were reported as unexpired accounts.

\*040607. Reconciliation of AR(M) 1002 With the DD 1414; DD Form 1416, Report of Programs; and Other Reports Submitted to Congress

#### A. Military Personnel Accounts

1. The DD 1414 is prepared annually directly after the DoD Appropriations Act is passed. The Base for Reprogramming column (normally the last column on the DD 1414 report) amounts must reconcile with the amounts in the AR(M) 1002 column B at

the BA level. See Volume 3, Chapter 6 for additional information on the reprogramming of DoD appropriated funds and related reports.

2. The Reserve Component Military Personnel Report is prepared in accordance with the yearly appropriations acts.

B. O&M Accounts

The DD 1414 is prepared annually immediately following the passage of the DoD Appropriations Act. The Base for Reprogramming column (normally the last column on the DD 1414 report) amounts must reconcile with the amounts in the AR(M) 1002 column B at the BA level. See Volume 3, Chapter 6 for additional information on the reprogramming of DoD appropriated funds and related reports.

C. RDT&E and Procurement Accounts

1. The DD 1414 is prepared annually directly after the DoD Appropriations Act is passed. The Base for Reprogramming column (normally the last column on the DD 1414 report) amounts must reconcile with the amounts in the AR(M) 1002 column B at the P-1/R-1/BLI line item level. See Volume 3, Chapter 6 for additional information on the reprogramming of DoD appropriated funds and related reports.

2. The DD 1416 is prepared quarterly upon receipt of enactment of the DoD Appropriations Act. The OUSD(C) will provide guidance for reporting under continuing resolutions. The last column of the DD 1416, Total Revised Program, must reconcile with column D of the AR(M) 1002 by P-1/R-1/BLI. See Volume 3, Chapter 6 for additional information on the reprogramming of DoD appropriated funds and related reports.

D. Military Construction Accounts. The “Semiannual Audit Trail Report – Military Construction and Family Housing” report is prepared at the end of March and September. Column E of that report should reconcile with column D of the AR(M) 1002 by project.

040608. Special Instructions for Selected Accounts

A. Obligation Limitation for Annual Accounts. Each year, the general provisions of the DoD Appropriations Act require a certification that not more than 20 percent of the appropriations in that act, which are limited for obligation during the current FY, will be obligated during the last 2 months of the FY, with the following exceptions:

1. The Reserve Components record obligations for support of active duty training or the Reserve Officers’ Training Corps records obligations for summer camp training.

2. The Foreign Military Financing and International Military Education and Training accounts for the Defense Security Cooperation Agency (DSCA) require a certification that not more than 15 percent of the appropriations in that act, which are limited for

obligation during the current FY, are to be obligated during the last month of the FY. The DSCA will provide a certification in a manner similar to the certifications provided by the Military Departments and other DoD Components in subparagraph 040608.B, except that the certifications will be on the August AR(M) 1002, and the “85/15” rule will be applied. Review the general provisions each year to ensure there are no changes that might affect the certification.

B. **Certification.** Each year, DoD Components must provide one of the following certifications, depending upon the level of obligations incurred, on the July AR(M) 1002 for those annual appropriations to which the limitation applies:

1. This certification usually is referred to as the “80/20” criterion. In determining direct obligational authority, the amount of transfers in or out within the applicable DoD Appropriations Act will be considered. If obligations are 80 percent or more of direct authority, the certification will be as follows:

“I hereby certify that direct obligations have been incurred equal to or in excess of 80 percent of the funds subject to the congressional limitation on year-end spending.”

2. If obligations are less than 80 percent, then the certification will be as follows:

“I hereby certify that action has been taken to assure that not more than 20 percent of the funds subject to the congressional limitation on year-end spending remain available for obligation during the remainder of the FY.”

#### 0407 REPORTING OBLIGATION AND OUTLAY DATA

##### 040701. Purpose

Reporting entities will report obligation and outlay planning and execution data to OUSD(C)(P/B) (P&FC). This data is a valuable assessment tool for monitoring the planned monthly execution of approved DoD programs. Volume 6B, Chapter 1 contains a list of DoD Component reporting entities.

A. OUSD(C) updates requirements for planning data on an annual basis. Specific electronic and hard-copy report format requirements are updated on a yearly basis by memorandum to the Assistant Secretaries of the Military Departments’ FM&C.

B. OUSD(C) updates requirements for execution data on an annual basis. Specific electronic and hard-copy report format requirements are updated on a yearly basis by memorandum to DFAS.

C. Report obligation and outlay execution data on the SF 133. These reports, provided monthly by DFAS to OUSD(C) and the Military Departments, must be consistent with

data reported to Treasury via GTAS. Provide the monthly SF 133 to OUSD(C)(P/B)(P&FC) in electronic format. These reports are also to be made available to DoD reporting entities.

040702. Scope

Planning and execution data for obligations and outlays applies to DoD Components with respect to obligations incurred for all military functions, including obligations incurred in connection with related allocation and transfer appropriation accounts. This includes all DoD Military accounts as well as related receipt accounts.

\*Figure 1. SF 133: Report on Budget Execution and Budgetary Resources

<b>SF 133 Report on Budget Execution and Budgetary Resources</b>							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY(-1)	FY(-2)	FY(-3)	FY(-4)	FY(-5)	Total
<b>BUDGETARY RESOURCES</b>							
<b>Unobligated balance:</b>							
1000 Unobligated balance brought forward, October 1							
<i>Nonexpenditure transfers:</i>							
1010 Unobligated balance transferred to other accounts (-)							
1011 Unobligated balance transferred from other accounts							
1012 Unobligated balance transfers between expired and unexpired accounts (+ or -)							
1013 Unobligated balance of contract authority transferred to or from other accounts (net) (+ or -)							
<i>Adjustments:</i>							
1020 Adjustment to unobligated balance brought forward, October 1 (+ or -)							
1021 Recoveries of prior year unpaid obligations							
1022 Capital transfer of unobligated balances to general fund (-)							
1023 Unobligated balances applied to repay debt (-)							
1024 Unobligated balance of borrowing authority withdrawn (-)							
1025 Unobligated balance of contract authority withdrawn (-)							
1026 Adjustment for change in allocation of trust fund limitation or foreign exchange valuation							
1027 Adjustment in unobligated balances for change in investments of zero coupon bonds (special and non-revolving trust funds)							
1028 Adjustment in unobligated balances for change in investments of zero coupon bonds (revolving funds)							
1029 Other balances withdrawn to Treasury (-)							
1030 Other balances withdrawn to special or trust funds (-)							
1031 Other balances not available (-)							
1032 Refunds and recoveries temporarily precluded from obligation (special and trust funds) (-)							
1033 Recoveries of prior year paid obligations							
1035 Unobligated balance precluded from obligation (limitation on obligations) (-)							
<i>Anticipated transfers and adjustments:</i>							
1040 Anticipated nonexpenditure transfers of unobligated balances (net) (+ or -)							
1041 Anticipated recoveries of prior-year unpaid and paid obligations							
1042 Anticipated capital transfers and redemption of debt (unobligated balances) (-)							
<b>1050 Unobligated balance (total)</b>							
<b>Expired unobligated balance available for adjustment only:</b>							
1060 Expired unobligated balance brought forward, October 1							
1070 Expired unobligated balance transferred to other accounts (-)							
1071 Expired unobligated balance transferred from other accounts							
1072 Expired unobligated balance transfers between expired and unexpired accounts (-)							
1080 Adjustment of expired unobligated balance brought forward, October 1 (+ or -)							
1081 Recoveries of prior year unpaid obligations in expired accounts							
1082 Capital transfer of expired unobligated balances to general fund (-)							
1083 Expired unobligated balances applied to repay debt (-)							
1086 Adjustment for change in allocation of trust fund limitation in expired accounts							
1089 Other expired unobligated balances withdrawn to Treasury (-)							
1090 Other expired unobligated balances withdrawn to special or trust funds (-)							
1093 Recoveries of prior year paid obligations in expired accounts							
<b>1099 Expired unobligated balance (total)</b>							
<b>Budget authority:</b>							
<b>Appropriations, discretionary:</b>							
1100 Appropriation							
1101 Appropriation (special or trust fund)							
1102 Appropriation (previously unavailable)							
1103 Appropriation available from subsequent year							
1104 Appropriation available in prior year (-)							
1105 Reappropriation							
<i>Nonexpenditure transfers:</i>							
1120 Appropriations transferred to other accounts (-)							
1121 Appropriations transferred from other accounts							
<i>Adjustments:</i>							
1130 Appropriations permanently reduced (-)							
1131 Unobligated balance of appropriations permanently reduced (-)							
1132 Appropriations temporarily reduced (-)							
1133 Unobligated balance of appropriations temporarily reduced (-)							
1134 Appropriations precluded from obligation (-)							
1135 Appropriations applied to repay debt (-)							
1136 Appropriations reduced by offsetting collections (collected) or offsetting receipts (-)							

\*Figure 1. SF 133: Report on Budget Execution and Budgetary Resources (continued)

SF 133 Report on Budget Execution and Budgetary Resources							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY(-1)	FY(-2)	FY(-3)	FY(-4)	FY(-5)	Total
1137 Appropriations applied to liquidate contract authority (-)							
1138 Appropriations applied to liquidate contract authority withdrawn (-)							
1139 Appropriations substituted for borrowing authority (-)							
<i>Anticipated appropriations:</i>							
1150 Anticipated appropriation (+ or -)							
1151 Anticipated nonexpenditure transfers of appropriations (net) (+ or -)							
1152 Anticipated capital transfers and redemption of debt (appropriations) (-)							
1153 Anticipated reductions to appropriations by offsetting collections or offsetting receipts (-)							
<b>1160 Appropriation, discretionary (total)</b>							
<b>Advance appropriations, discretionary:</b>							
1170 Advance appropriation							
1171 Advance appropriation (special or trust fund)							
<b>Nonexpenditure transfers:</b>							
1172 Advance appropriations transferred to other accounts (-)							
1173 Advance appropriations transferred from other accounts							
<i>Adjustments:</i>							
1174 Advance appropriations permanently reduced (-)							
1175 Advance appropriations temporarily reduced (-)							
<i>Anticipated advanced appropriations:</i>							
1176 Anticipated nonexpenditure transfers of advanced appropriations (net) (+ or -)							
<b>1180 Advance appropriation, discretionary (total)</b>							
<b>Appropriations, mandatory:</b>							
1200 Appropriation							
1201 Appropriation (special or trust fund)							
1203 Appropriation (previously unavailable)							
1204 Reappropriation							
<i>Nonexpenditure transfers:</i>							
1220 Appropriations transferred to other accounts (-)							
1221 Appropriations transferred from other accounts							
<i>Adjustments:</i>							
1230 Appropriations and/or unobligated balance of appropriations permanently reduced (-)							
1232 Appropriations and/or unobligated balance of appropriations temporarily reduced (-)							
1234 Appropriations precluded from obligation (-)							
1235 Capital transfer of appropriations to general fund (-)							
1236 Appropriations applied to repay debt (-)							
1238 Appropriations applied to liquidate contract authority (-)							
1239 Appropriations substituted for borrowing authority (-)							
<i>Anticipated appropriations:</i>							
1250 Anticipated appropriation (+ or -)							
1251 Anticipated nonexpenditure transfers of appropriations (net) (+ or -)							
1252 Anticipated capital transfers and redemption of debt (appropriations) (-)							
<b>1260 Appropriation, mandatory (total)</b>							
<b>Advance appropriations, mandatory:</b>							
1270 Advance appropriation							
1271 Advance appropriation (special or trust fund)							
<i>Nonexpenditure transfers:</i>							
1272 Advance appropriations transferred to other accounts (-)							
1273 Advance appropriations transferred from other accounts							
<i>Adjustments:</i>							
1274 Advance appropriations permanently reduced (-)							
1275 Advance appropriations temporarily reduced (-)							
<i>Anticipated advanced appropriations:</i>							
1276 Anticipated nonexpenditure transfers of advanced appropriations (net) (+ or -)							
<b>1280 Advance appropriation, mandatory (total)</b>							
<b>Borrowing authority, discretionary:</b>							
1300 Borrowing authority							
<i>Adjustments:</i>							
1320 Borrowing authority permanently reduced (-)							
<i>Anticipated borrowing authority:</i>							
1330 Anticipated reductions to current fiscal year borrowing authority (-)							
<b>1340 Borrowing authority, discretionary (total)</b>							
<b>Borrowing authority, mandatory:</b>							
1400 Borrowing authority							
<i>Adjustments:</i>							
1420 Borrowing authority permanently reduced (-)							
1421 Borrowing authority temporarily reduced (-)							

\*Figure 1. SF 133: Report on Budget Execution and Budgetary Resources (continued)

<b>SF 133 Report on Budget Execution and Budgetary Resources</b>							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
1422 Borrowing authority applied to repay debt (-)							
1423 Borrowing authority precluded from obligation (limitation on obligations) (-)							
<i>Anticipated borrowing authority:</i>							
1430 Anticipated reductions to current fiscal year borrowing authority (-)							
<b>1440 Borrowing authority, mandatory (total)</b>							
<b>Contract authority, discretionary:</b>							
1500 Contract authority							
<i>Nonexpenditure transfers:</i>							
1510 Contract authority transferred to other accounts (-)							
1511 Contract authority transferred from other accounts							
<i>Adjustments:</i>							
1520 Contract authority and/or unobligated balance of contract authority permanently reduced (-)							
1522 Contract authority precluded from obligation (limitation on obligations) (-)							
<i>Anticipated Contract Authority:</i>							
1530 Anticipated nonexpenditure transfers of contract authority (net) (+ or -)							
1531 Anticipated adjustments to current year contract authority (+ or -)							
1540 Contract authority, discretionary (total)							
<b>Contract authority, mandatory:</b>							
1600 Contract authority							
1603 Contract authority (previously unavailable)							
<i>Nonexpenditure transfers:</i>							
1610 Contract authority transferred to other accounts (-)							
1611 Contract authority transferred from other accounts							
<i>Adjustments:</i>							
1620 Contract authority and/or unobligated balance of contract authority permanently reduced (-)							
1621 Contract authority temporarily reduced (-)							
1622 Contract authority precluded from obligation (limitation on obligations) (-)							
<i>Anticipated contract authority:</i>							
1630 Anticipated nonexpenditure transfers of contract authority (net) (+ or -)							
1631 Anticipated adjustments to current year contract authority (+ or -)							
1640 Contract authority, mandatory (total)							
<b>Spending authority from offsetting collections, discretionary:</b>							
1700 Collected							
1701 Change in uncollected payments, Federal sources (+ or -)							
1702 Offsetting collections (previously unavailable)							
<i>Nonexpenditure transfers:</i>							
1710 Spending authority from offsetting collections transferred to other accounts (-)							
1711 Spending authority from offsetting collections transferred from other accounts							
<i>Adjustments:</i>							
1720 Capital transfer of spending authority from offsetting collections to general fund (-)							
1722 Spending authority from offsetting collections permanently reduced (-)							
1723 New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (-)							
1725 Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)							
1726 Spending authority from offsetting collections applied to repay debt (-)							
1727 Spending authority from offsetting collections applied to liquidate contract authority (-)							
1728 Spending authority from offsetting collections substituted for borrowing authority (-)							
<i>Anticipated spending authority from offsetting collections:</i>							
1740 Anticipated collections, reimbursements, and other income							
1741 Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or -)							
1742 Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)							
1750 Spending authority from offsetting collections, discretionary (total)							
<b>Spending authority from offsetting collections, mandatory:</b>							
1800 Collected							
1801 Change in uncollected payments, Federal sources (+ or -)							
1802 Offsetting collections (previously unavailable)							
<i>Nonexpenditure transfers:</i>							
1810 Spending authority from offsetting collections transferred to other accounts (-)							
1811 Spending authority from offsetting collections transferred from other accounts							

\*Figure 1. SF 133: Report on Budget Execution and Budgetary Resources (continued)

<b>SF 133 Report on Budget Execution and Budgetary Resources</b>							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
<b>Adjustments:</b>							
1820 Capital transfer of spending authority from offsetting collections to general fund (-)							
1822 Spending authority from offsetting collections permanently reduced (-)							
1823 New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (-)							
1824 Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)							
1825 Spending authority from offsetting collections applied to repay debt (-)							
1826 Spending authority from offsetting collections applied to liquidate contract authority (-)							
1827 Spending authority from offsetting collections substituted for borrowing authority (-)							
<b>Anticipated spending authority from offsetting collections:</b>							
1840 Anticipated collections, reimbursements, and other income							
1841 Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or -)							
1842 Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)							
1850 Spending authority from offsetting collections, mandatory (total)							
<b>1900 Budget authority (total)</b>							
1910 Total budgetary resources							
<b>STATUS OF BUDGETARY RESOURCES</b>							
<b>New obligations and upward adjustments:</b>							
<b>Direct:</b>							
2001 Category A (by quarter)							
2002 Category B (by project)							
2003 Exempt from apportionment							
2004 Direct obligations (total)							
<b>Reimbursable:</b>							
2101 Category A (by quarter)							
2102 Category B (by project)							
2103 Exempt from apportionment							
2104 Reimbursable obligations (total)							
2170 New obligations unexpired accounts							
2180 Obligations ("upward adjustments"), expired accounts							
2190 New obligations and upward adjustments (total)							
<b>Unobligated balance</b>							
<b>Apportioned, unexpired accounts</b>							
2201 Available in the current period							
2202 Available in subsequent periods							
2203 Anticipated (+ or -)							
<b>Exempt from apportionment, unexpired accounts</b>							
2301 Available in the current period							
2302 Available in subsequent periods							
2303 Anticipated (+ or -)							
<b>Unapportioned, unexpired accounts</b>							
2401 Deferred							
2402 Withheld pending rescission							
2403 Other							
2412 Unexpired unobligated balance: end of year							
2413 Expired unobligated balance: end of year							
2490 Unobligated balance, end of year (total)							
<b>2500 Total budgetary resources</b>							
<b>Memorandum (non-add) entries:</b>							
2501 Subject to apportionment - excluding anticipated amounts							
2502 Exempt from apportionment - excluding anticipated amounts							
2503 Direct unobligated balance, end of year - excluding anticipated amounts							
2504 Reimbursable unobligated balance, end of year - excluding anticipated amounts							
<b>CHANGE IN OBLIGATED BALANCE</b>							
<b>Unpaid obligations:</b>							
3000 Unpaid obligations, brought forward, October 1							
3001 Adjustment to unpaid obligations, brought forward, October 1 (+ or -)							
3010 New obligations, unexpired accounts							
3011 Obligations ("upward adjustments"), expired accounts							
3020 Outlays (gross) (-)							
3030 Unpaid obligations transferred to other accounts (-)							

\*Figure 1. SF 133: Report on Budget Execution and Budgetary Resources (continued)

<b>SF 133 Report on Budget Execution and Budgetary Resources</b>							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol	FY	FY(-1)	FY(-2)	FY(-3)	FY(-4)	FY(-5)	Total
3031 Unpaid obligations transferred from other accounts							
3040 Recoveries of prior year unpaid obligations, unexpired accounts (-)							
3041 Recoveries of prior year unpaid obligations, expired accounts (-)							
3050 Unpaid obligations, end of year							
<i>Uncollected payments:</i>							
3060 Uncollected payments, Federal sources, brought forward, October 1 (-)							
3061 Adjustment to uncollected payments, Federal sources, brought forward, October 1 (+ or -)							
3070 Change in uncollected payments, Federal sources, unexpired accounts (+ or -)							
3071 Change in uncollected payments, Federal sources, expired accounts (+ or -)							
3080 Uncollected payments, Federal sources transferred to other accounts							
3081 Uncollected payments, Federal sources transferred from other accounts (-)							
3090 Uncollected payments, Federal sources, end of year (-)							
<i>Memorandum (non-add) entries:</i>							
3100 Obligated balance, start of year (+ or -)							
3200 Obligated balance, end of year (+ or -)							
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>							
<b>Discretionary:</b>							
<i>Gross budget authority and outlays:</i>							
4000 Budget authority, gross							
Outlays, gross							
4010 Outlays from new discretionary authority							
4011 Outlays from discretionary balances							
4020 Outlays, gross (total)							
<i>Offsets against gross budget authority and outlays:</i>							
<b>Offsetting collections (collected) from:</b>							
4030 Federal sources (-)							
4031 Interest on Federal securities (-)							
4033 Non-Federal sources (-)							
4034 Offsetting governmental collections (-)							
4040 Offsets against gross budget authority and outlays (total) (-)							
<i>Additional offsets against gross budget authority only:</i>							
4050 Change in uncollected payments, Federal sources, unexpired accounts (+ or -)							
4051 Change in uncollected payments, Federal sources, expired accounts (+ or -)							
4053 Recoveries of prior year paid obligations, unexpired accounts							
4054 Recoveries of prior year paid obligations, expired accounts							
4055 Anticipated offsetting collections (+ or -)							
4060 Additional offsets against budget authority only (total)							
4070 Budget authority, net (discretionary)							
4080 Outlays, net (discretionary)							
<b>Mandatory:</b>							
<i>Gross budget authority and outlays:</i>							
4090 Budget authority, gross							
Outlays, gross							
4100 Outlays from new mandatory authority							
4101 Outlays from mandatory balances							
4110 Outlays, gross (total)							
<i>Offsets against gross budget authority and outlays:</i>							
<b>Offsetting collections (collected) from:</b>							
4120 Federal sources (-)							
4121 Interest on Federal securities (-)							
4122 Interest on uninvested funds (-)							
4123 Non-Federal sources (-)							
4124 Offsetting governmental collections (-)							
4130 Offsets against gross budget authority and outlays (total) (-)							
<i>Additional offsets against gross budget authority only:</i>							
4140 Change in uncollected payments, Federal sources, unexpired accounts (+ or -)							
4141 Change in uncollected payments, Federal sources, expired accounts (+ or -)							
4143 Recoveries of prior year paid obligations, unexpired accounts							
4144 Recoveries of prior year paid obligations, expired accounts							
4145 Anticipated offsetting collections (+ or -)							
4150 Additional offsets against budget authority only (total)							
4160 Budget authority, net (mandatory)							
4170 Outlays, net (mandatory)							
<b>Discretionary and Mandatory:</b>							
<i>Budget authority and outlays, net (total)</i>							
<b>4180 Budget authority, net (total) [discretionary and mandatory]</b>							
<b>4190 Outlays, net (total) [discretionary and mandatory]</b>							

\*Figure 2. AR(M) 725: Report on Reimbursements and Refunds

Security Classification			PERIOD ENDING:				AR(M) 725 Report on Reimbursements and Refunds		
AR(M) 725 Report on Reimbursements and Refunds			Month / Year				APPROPRIATION:		
DOD COMPONENT:							"Appropriation Title"		
							Appropriation Symbol		
Description	Balance as of "month"		New Orders and Reimbursements and Refunds				Balance as of EOP		
	Reimbursements Receivable	Unfilled Customer Orders Without Advance	Total Anticipated Reimbursements	Earned Reimbursements and Refunds	Changes in Unfilled Customer Orders	Anticipated Orders for Rest of Year	Reimbursements and Refunds Collected	Reimbursements Receivable	Unfilled Customer Orders Without Advance
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
<b>FEDERAL SOURCES</b>									
REIMBURSEMENTS									
UNDISTRIBUTED									
UNEARNED REVENUE									
REFUNDS									
<b>FEDERAL TOTAL</b>									
<b>NON-FEDERAL SOURCES</b>									
REIMBURSEMENTS									
UNDISTRIBUTED									
UNEARNED REVENUE									
REFUNDS									
<b>NON-FEDERAL TOTAL</b>									
<b>GRAND TOTAL</b>									

Figure 3. AR(M) 1002: Appropriation Status by Fiscal Year Program and Subaccounts

Preparing Activity		Fiscal Year	Period Ending			Appropriation Title and Symbol				Report Control Symbol: Acct Rpt (M) 1002	
Budget Activity *	Base for Reprogramming	Approved Program	Revised Program	Cumulative Obligations	Cumulative Unobligated Balance	Cumulative Expenditures	Cumulative Unexpended Balance	Commitments	Amount Obligated in Current FY	Amount Expended in Current FY	
Level I Level II Level III (If applicable)											
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	

\* Levels come from President’s Budget Exhibit M-1, O-1, R-1, P-1, C-1 documents.

**VOLUME 6A, CHAPTER 6: “GOVERNMENTWIDE FINANCIAL REPORT SYSTEM AND GOVERNMENTWIDE TREASURY ACCOUNT SYMBOL ADJUSTED TRIAL BALANCE SYSTEM REPORTING”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [December 2015](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Reworded and reformatted the chapter for clarity. Revised references and added electronic links.	Revision
060201	Revised definition of the Governmentwide Financial Report System to mirror the definition used by the Bureau of the Fiscal Service (Fiscal Service).	Revision
060202	Added information pertaining to the Governmentwide Treasury Account Symbol Adjusted Trial Balance System based on current Fiscal Service guidance.	Addition
060302.A.3	Clarified submission and verification of data guidance based on revisions to Treasury Financial Manual, Volume I, Part 2, Chapter 4700, “Agency Reporting Requirements for the Financial Report of the United States Government.”	Revision
060303.A	Identified current Fiscal Service systems used to submit closing package information.	Revision
060303.C	Updated to reflect current process used to submit adjusted trial balance information to Fiscal Service.	Revision
060304	Included information on the Digital Accountability and Transparency Act requiring Federal agencies to report financial and payment information according to data standards established by the Department of the Treasury and the Office of Management and Budget.	Addition

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## CHAPTER 6

**GOVERNMENTWIDE FINANCIAL REPORT SYSTEM AND GOVERNMENTWIDE  
TREASURY ACCOUNT SYMBOL ADJUSTED TRIAL BALANCE SYSTEM  
REPORTING**

## 0601 GENERAL

## 060101. Purpose

This chapter prescribes policy for the submission of financial data through the Governmentwide Financial Report System ([GFRS](#)) and the Governmentwide Treasury Account Symbol Adjusted Trial Balance System ([GTAS](#)). The chapter applies to Department of Defense (DoD) reporting entities authorized to prepare and submit consolidated annual financial statements to the Department of the Treasury ([Treasury](#)), Bureau of the Fiscal Service (Fiscal Service).

## 060102. Authoritative Guidance

The chapter addresses the basic reporting requirements detailed in Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 4700 ([TFM 2-4700](#)), “Agency Reporting Requirements for the Financial Report of the United States Government” ([FR](#)).

## 0602 REPORTING

\*060201. [GFRS](#)

[GFRS](#) is an application used to collect closing package information from populated reclassified financial statements from [GTAS](#) and Federal Program Agencies. The closing package is a set of prescribed financial statements of an agency’s department-level comparative, audited, financial data.

\*060202. [GTAS](#)

Fiscal Service administers and maintains [GTAS](#) to facilitate preparation and consolidation of the [FR](#). [GTAS](#) is a web-based system that merges the functionality of former systems used to collect and report trial balance data. Reporting Agencies now submit both proprietary and budgetary data simultaneously in one [bulk file submission](#). Systemic edits validate data across both budgetary and proprietary reporting. Volume 6B addresses the form and content of DoD audited financial statements.

A. [GTAS Reporting](#). The [GTAS](#) data submitted by agencies are United States Standard General Ledger (USSGL)-based trial balances used to populate the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources; the past-year actual column of the Program and Financing Schedule (Schedule P) of the Budget; and the Statement of Budgetary Resources (SBR).

B. Reporting Schedule. Reporting entities must report budgetary data according to the yearly GTAS Reporting Window Schedule, which includes due dates for budgetary and proprietary submissions, extension requests, bulk file submissions, and material difference reporting.

C. Agency Financial Statements. Agencies may use the same trial balance information submitted to GTAS as the basis for compilation of agency financial statements and notes to aid in the alignment of agency financial statements with the closing package.

D. Consistency of Data. Agencies must ensure budgetary information used to prepare the SBR is consistent with the budgetary information reported to GTAS during the fourth quarter window. The information submitted through GTAS will be used to produce the fourth quarter SF 133 and much of the initial data that will appear in the prior year column of Schedule P.

E. GTAS Super Master Account File (SMAF). The SMAF is the combination of the legacy Federal Agencies' Centralized Trial Balance System I and II Master Appropriation Files and contains the valid Treasury Account Symbol balances and attributes used for budgetary and proprietary adjusted trial balance (ATB) submissions.

F. Canceled "C" Treasury Account Symbol (TAS). GTAS establishes the default "C" TAS used to report canceled proprietary payables and receivables and assets. Report expired obligated and unobligated balances as canceled on the final, September 30, SF 133 before closing a Treasury Appropriation Fund Symbol (TAFS). While budgetary USSGL balances are not required to be reported to Treasury and the Office of Management and Budget (OMB) after a TAFS is canceled, Section 130.14 of OMB Circular A-II requires a tracking process monitoring obligations pertaining to canceled appropriations in order to prevent overpayment.

060203. FR

The FR presents and discusses the Federal Government's financial position and condition, its revenues and costs, assets and liabilities, and other responsibilities and commitments, as well as important financial issues that affect the nation and its citizens both now and in the future. The FR also includes consolidated financial statements and related disclosures, as well as reports on stewardship responsibilities. All Executive agencies must submit their pre-closing ATBs through GTAS to be used in the compilation of the FR.

0603 POLICY

060301. Fiscal Service and DoD Financial Reporting Guidance

TFM 2-4700 describes how agencies provide data for the FR using GFRS and GTAS, along with specific reporting requirements, due dates, and definitions of terms. The DoD Financial Reporting Guidance (Annual and Quarterly Guidance) provides reporting requirements in addition to the quarterly and year-end schedules.

\*060302. Submission and Verification of Data

A. Reporting Requirements. DoD reporting entities will:

1. Comply with Fiscal Service (GFRS and GTAS) reporting requirements for the reconciliation and confirmation of balances;

2. Ensure submitted data is timely and reliable; and

\* 3. Verify due dates are met according to TFM 2-4700, DoD Financial Reporting Guidance, and this chapter, for both Significant Entities and Other Entities. Significant Entities **must** verify and submit a closing package and provide Chief Financial Officer Representations for Federal intragovernmental activity and balances. Appendix 5 of TFM 2-4700 provides a list of Significant Entities and Other Entities. Other Entities include all other executive branch agencies. All Treasury reporting entities (Significant or Other) submit GTAS ATB data and complete GFRS FR Notes and other FR data for fiscal year reporting. The Defense Security Cooperation Agency – Security Assistance Accounts will provide both GFRS and GTAS submissions as a Significant Entity.

B. Edits and Validations. Reporting entities must comply with established GTAS edits and validations to verify the integrity of data submissions and that all attributes are submitted according to the USSGL attributes and domain value rules and exceptions, as defined by the USSGL. Section VII of the bi-annual USSGL Bulletin contains a listing of edits and validations used in GTAS. In addition to Treasury-level tie-point type edits incorporated in GTAS, reporters will perform more detailed DoD-level tie-point reconciliations before submitting finalized data through GTAS.

C. Standard Financial Information Structure (SFIS). SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across DoD. SFIS enables decision-makers to compare programs and their associated activities and costs across DoD and provides a basis for common valuation of DoD programs, assets, and liabilities. Entities reporting DoD financial information must use the SFIS reporting elements prescribed in the SFIS data structure.

\*060303. TFM 2-4700 Reporting Requirements

\* A. Closing Package Requirements. The closing package is a prescribed format of financial statements needed to prepare the FR. DoD Financial Reporting Directorate provides Fiscal Service with required fiscal year-end data to prepare the FR. DoD prepares and submits financial data using the closing package process via GFRS and GTAS at the department-level. The closing package is a designed methodology used to link the agencies' comparative, audited consolidated, department-level financial statements to the FR.

B. Intragovernmental Requirements. DoD reporting entities comply with Fiscal Service requirements for the reconciliation and confirmation of intragovernmental balances.

Volume 6B, Chapter 13 contains detailed guidance for accounting and reconciling intragovernmental balances.

\* C. ATB Requirements. DoD Components and the offices responsible for the preparation and submission of ATBs, listed in Table 6-1, will ensure timely and reliable GTAS data is prepared and electronically submitted to Fiscal Service. Fiscal Service collects ATB data to aid in its analytical process. ATB data should link directly to the agencies' comparative, audited consolidated, department-level financial statements. Agencies prepare and submit pre-closing GTAS ATBs at the TAS level using USSGL accounts and attributes. The GTAS ATBs include USSGL account balances reflecting the pre-closing adjusting entries needed to produce the financial statements. Significant entities and other entities use the same USSGL data on the GTAS ATBs used to prepare the current fiscal year audited entity consolidated financial statements due to OMB.

\*060304. Digital Accountability and Transparency (DATA) Act

A. The DATA Act, enacted in FY 2014, requires Federal agencies to report financial and payment information according to data standards established by Treasury and OMB. The purpose of the DATA Act is to make Federal spending data more accessible, searchable, and reliable while also serving as a tool for better oversight, data-centric decision-making, and innovation both inside and outside of government. To help agencies comply with the DATA Act, OMB and Treasury created the DATA Act Playbook identifying key steps that, if followed together, assist agencies in leveraging existing capabilities with DATA Act implementation. Accurate financial reporting through GTAS and GFRS enables reporting entities to submit USSGL accounts and SFIS data elements required to comply with the DATA Act.

B. The purposes of the DATA Act are to:

1. Expand the Federal Funding Accountability and Transparency Act of 2006 by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayers and policy makers to track Federal spending more effectively;

2. Establish governmentwide data standards for financial data and provide consistent, reliable, and searchable governmentwide spending data that is displayed accurately for taxpayers and policy makers on USASpending.gov;

3. Simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency;

4. Improve the quality of data submitted to USASpending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted; and

5. Apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal Government.

C. Submitting information for the DATA Act is a multi-step process requiring the identification of Federal contract, loan, and grant spending information, the submission of relevant information, the validation of submissions for accuracy, and the certification of final data for publication.

Table 6-1. DoD Reporting Entities Required to Submit ATBs

<b>DoD Reporting Entity</b>	<b>Treasury Index (T.I.)</b>	<b>Budget Functional Classification</b>	<b>Responsible Office for GTAS Submission to the Fiscal Service</b>
Defense Security Cooperation Agency – Security Assistance Accounts	T.I. 11	152	DFAS-Indianapolis
Department of the Navy*	T.I. 17	051	DFAS-Cleveland
Department of the Army	T.I. 21	051	DFAS-Indianapolis
Department of the Air Force	T.I. 57	051	DFAS-Columbus
U.S. Army Corps of Engineers (USACE)	T.I. 96	301/304	USACE Finance Center
Defense Working Capital Fund, Army	T.I. 97X4930.001	051	DFAS-Columbus
Defense Working Capital Fund, Navy*	T.I. 97X4930.002	051	DFAS-Cleveland
Defense Working Capital Fund, Air Force	T.I. 97X4930.003	051	DFAS-Columbus
Defense Working Capital Fund, Defense Commissary	T.I. 97X4930.004	051	DFAS-Columbus
Defense Working Capital Fund, Defense Agencies	T.I. 97X4930.005	051	DFAS-Indianapolis
Other Defense Organizations General Funds	T.I. 97 all other	051	DFAS-Indianapolis
Medicare Eligible Retiree Health Care Fund	T.I. 97X5472	551	DFAS-Indianapolis
Military Retirement Trust Fund	T.I. 97X8097	602	DFAS-Indianapolis
*includes U.S. Marine Corps			

**VOLUME 6A, CHAPTER 7: “FOREIGN CURRENCY REPORTS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **February 2016** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Reformatted chapter for clarity in accordance with current administrative guidance.	Revision
070102	Updated “Authoritative Guidance” paragraph in accordance with current administrative guidance.	Revision
070201.E	Added clarifying language to identify the movement of funds as a “transfer,” as opposed to either a disbursement or collection, per Defense Accounting Solutions Working Group (DASWG) paper, “Issues with Proper Accounting for the Foreign Currency Fluctuation (FCF) Activity,” Issue 30.	Revision
070201.F	Added clarifying guidance to better explain flow of funding per DASWG paper, Issue 30.	Revision
070202	Added language identifying the general ledger accounts to use when recording a gain/loss per DASWG paper, Issue 30.	Addition
070203.A	Added language identifying the general ledger accounts to use when recording a gain/loss per DASWG paper, Issue 30.	Addition

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## CHAPTER 7

## FOREIGN CURRENCY REPORTS

## 0701 GENERAL

## 070101. Purpose

This chapter establishes reporting requirements for tracking all transactions that increase or decrease the foreign currency fluctuation (FCF) accounts. FCF, Defense (FCF, D) and FCF, Construction, Defense (FCF, C, D) appropriations were established by Congress to reduce the adverse impact of foreign currency fluctuation losses on the Department of Defense (DoD) operating budget.

## \*070102. Authoritative Guidance

The DoD Appropriation Act of 1979, [Public Law 95-457](#), initially established the FCF program to maintain the budgeted level of operations and eliminate substantial gains or losses caused by FCF rates that vary substantially from those used in preparation of budget submissions. Public Law 95-457 has been codified under [Title 10, United States Code \(U.S.C.\), section 2779](#). Additional authoritative guidance is referenced throughout the chapter.

## 0702 SCOPE

The provisions of this chapter apply to all DoD Components unless a specific written exception has been granted by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)).

## \*070201. Definitions

A. Foreign Currency Unliquidated Obligations. Foreign currency unliquidated obligations are unpaid obligations recorded in the accounting system at the budget rate of the foreign currency cited within the obligating document. These unpaid obligations represent a key component of the monthly reporting process and are required to compute the accrued variance. At time of disbursement, foreign currency unliquidated obligations in excess of the outlay amount must be adjusted to the actual outlay amount and net gains transferred to the applicable FCF Account.

B. Foreign Currency Liquidated Obligations. Foreign currency liquidated obligations are paid obligations liquidated in the accounting system at the budget rate of the foreign currency cited within the obligating document. These liquidated obligations represent a key component of the monthly reporting process and are required to compute the realized variance.

C. Budget Rate. Budget rates are OUSD(C) published foreign currency exchange rates for use during the formulation, preparation, and submission of DoD's operating budgets. These published budget rates will also be used as the basis for recording budgetary

obligations that are associated with approved overseas programs into the accounting systems of DoD. Do not use internal or unapproved exchange rates on official accounting or disbursing records.

D. Accrued Variance. An accrued variance is the difference between the value of unliquidated obligations recorded at the budget rate and the value of those same unliquidated obligations calculated at the current foreign currency exchange rate. The computed accrued variance provides DoD decision makers a monthly estimate of the net gains or losses that would be realized if payment had to be made as of the report date.

\* E. Realized Variance. A realized variance is the calculated difference between obligations recorded at the budget rate and liquidated at the foreign currency exchange rate in effect at the time of payment. When the budget rate used in recording the original obligation is less than the current exchange rate, [transfer](#) the realized variance (loss) from the applicable FCF account if funds are available. When the budget rate used in recording the original obligation is more than the current foreign currency exchange rate, [transfer](#) the realized variance (gain) into the applicable FCF account.

\* F. Centrally Managed Allotment (CMA). A CMA is used by DoD to manage budgetary authority provided by the FCF accounts. Funding transfers from [the FCF account line within the appropriation](#) to cover realized losses are contingent on funds availability [in the CMA](#). Should [FCF budget authority](#) be insufficient, component level operating funds must be used to cover any realized losses. [Net gains due to currency fluctuation are returned by the component operating appropriations through the FCF account line for reallocation and distribution by the CMA in subsequent years based on approved FCF budget authority \(see 070302.D\)](#). CMAs are managed at the DoD level.

G. FCF Account. An FCF account is used by service components to manage realized gains and losses in direct programs due to fluctuation in foreign exchange rates. Funding is normally provided as a budgetary line item as part of a component's annual funding authorization. FCF accounts are maintained at various budgetary levels within the service components.

\*070202. FCF, D

In fiscal year (FY) 1979, Congress authorized an appropriation to facilitate the transfer of funds to and from DoD operating appropriations to cover substantial net losses from foreign exchange rate fluctuation. Substantial net gains from foreign currency exchange rate fluctuation will also be transferred to this appropriation, entitled FCF, D, Department of the Treasury Account Symbol (TAS) 97X0801. The purpose of the appropriation is to alleviate the adverse effect of substantial fluctuation in the specified currency exchange rates on authorized DoD programs funded by Operation and Maintenance (O&M) and Military Personnel (MILPERS) appropriations. Charge net gains or losses from foreign currency exchange rate fluctuation funded by the FCF, D appropriation to the same FY as the underlying obligation. As FCF gains are realized by de-obligation of the unneeded portion of the direct program, transfer the gains to the FCF account. In areas participating in the FCF program, the occurrence of a gain or loss on an FCF transaction is an expected, normal component of an obligation and should be treated as an ordinary event. [Record the gain or loss on an FCF transaction using current general ledger accounts for Other](#)

Gains (United States Standard General Ledger (USSGL) account 719000) and Other Losses (USSGL account 729000). The following statutes provide authority for the FCF, D appropriation:

A. The “DoD Appropriation Act, 1979” established the FCF, D appropriation.

B. Title 10, U.S.C. § 2779(a) allows previously transferred FCF, D funds to be transferred back to the FCF, D appropriation so long as the transfer is made no later than the end of the second FY after the FY that the appropriation to which the funds were originally transferred is available for obligation. This is allowed only if the funds are not needed to finance increased obligations due to fluctuation in currency exchange rates because of subsequent favorable fluctuation in currency exchange rates or because other funds are, or become, available to finance these cost increases.

C. Title 10, U.S.C. § 2779(d) states any transfer made pursuant to the authority provided in this subsection **must** be limited such that the balance in the appropriation FCF, D does not exceed \$970 million at the time of the unobligated balance transfer.

\*070203. FCF, C, D

In FY 1987, Congress enacted the current authority for an FCF appropriation to protect DoD Military Construction, Family Housing, and North Atlantic Treaty Organization (NATO) infrastructure programs from substantial gains or losses resulting from foreign currency fluctuation. The title of this appropriation is the FCF, C, D TAS 97X0803.

\* A. The FCF, C, D account was initially capitalized by transferring unobligated balances from the family housing and military construction appropriations. Pursuant to authority conferred by recurring annual Military Construction Appropriations Act general provisions, unobligated balances from family housing and military construction appropriation accounts may be transferred into the FCF, C, D account during the 5-year period after the appropriations expire for original obligation purposes. Charge net gains or losses from foreign currency exchange rate fluctuation funded by the FCF, C, D appropriation to the same FY as the underlying obligation. As FCF gains are realized by de-obligation of the unneeded portion of the direct program, transfer the gains to the FCF account. In areas participating in the FCF program, the occurrence of a gain or loss on an FCF transaction is an expected, normal component of an obligation and should be treated as an ordinary event. **Record the gain or loss on an FCF transaction using current general ledger accounts for Other Gains (USSGL account 719000) and Other Losses (USSGL account 729000).**

B. OUSD(C) will approve all amounts transferred from this appropriation to other appropriations available for construction.

070204. Standards

A. Use the foreign currency appropriations (FCF, D and FCF, C, D) to offset losses sustained because of unfavorable foreign currency fluctuation realized upon payment for goods and services in local currency. The appropriations are not available to finance cost increases

resulting from changes in the scope of programs, inflation increases, or other such changes, nor to finance Prompt Payment Act interest payments. Other important provisions of the FCF appropriations relate to obligation/expenditure limitations and financial accounting requirements related to foreign currency exchange fluctuation.

1. Authorizations or limitations now or hereafter contained within appropriations or other provisions of law limiting the amounts that may be obligated or expended will be increased to the extent necessary to reflect fluctuation in foreign currency exchange rates from those used in preparing the applicable budget submission.

2. Contracts or other obligations entered into that are payable in foreign currencies may be recorded as obligations based on currency exchange rates used in preparing budget submissions, as amended by Congress, and adjustments to reflect fluctuation in such rates will be recorded as disbursements are made.

B. Funds transferred from the FCF appropriations will be available for funding CMAs established in the applicable O&M, construction, family housing, or NATO infrastructure appropriations to cover losses or account for gains in direct programs due to fluctuation in foreign exchange rates. Base these transfers on need, funds available to cover such losses DoD-wide, and other budgetary considerations. Consequently, such losses may not be fully funded.

C. The DoD Components will record foreign currency obligations at the installation level in dollars, at the budgeted rate, or at the congressionally established budget exchange rate for direct program of affected appropriations as reflected in applicable committee reports or the appropriate appropriation acts.

1. OUSD(C) will provide these rates to the DoD Components.

2. Foreign currency obligations are those obligations that are either payable in specified foreign currency or payable in dollars, the amount of which is determined by the rate of exchange.

3. When payment is made, charge the variance between the budget rate and the current rate directly to the applicable FCF account. If the transaction results in a gain, credit the FCF account in the amount de-obligated from the original FCF, C, D obligation. For example, a military construction project was included in the FY 2015 President's Budget. Funds for the project were obligated in FY 2016 using FY 2015 funds, and all the project expenditures disbursed in FY 2017. In this example, record the obligations in the accounting system using the FY 2015 budget rates. There would be no effect on the military construction FCF account prior to FY 2017 since no disbursements were made until FY 2017. The foreign currency reports in each of those years, however, would identify accrued variances, i.e., the differences between the project obligations carried at the FY 2015 budget rate and the project obligations valued at the current exchange rate. Use this accrued variance to identify the projected disbursement requirements of the component FCF account. The realized foreign currency variance would be recorded against the military construction FCF account for FY 2015 at the time of the actual disbursements.

D. The central accounting activity supporting each affected component will determine the total foreign currency unliquidated obligations at the budget exchange rate provided by OUSD(C) for each appropriation, and identify and accumulate both favorable and unfavorable variances. The supporting activity will also determine the “accrued variance” at the end of each month based on the difference between unliquidated obligations at the budget rate and unliquidated obligations at the current rate, using the exchange rate on the last day of the month. The accrued variance will never be obligated in the official accounting documents.

E. Each DoD Component holding an FCF account is responsible to establish internal controls and carefully monitor funds availability at all times, as Antideficiency Act provisions apply to each FCF account. Establish controls to reserve sufficient funds within the appropriation’s availability to finance projected disbursement requirements for the FCF account. For family housing and construction, a 6-month requirement is recommended. Should FCF account funding availability drop below that level, take immediate action to avoid overobligation. Such action will include providing additional funds from current accounts and, if necessary, advising all disbursing officers to cease payments from the FCF account without prior certification until funding is obtained. Do not take any action that presumes relief through a transfer of funds from the FCF appropriations **because of** the limited capital available in these accounts.

F. OUSD(C) publishes lists of specific currencies in the FCF program and associated exchange rates. Currencies may be added and deleted by OUSD(C) as conditions warrant. The [OUSD\(C\) FCF site](#) provides a report containing the list of currencies, the applicable budget rate, and the current period adjusting rate.

## 0703 REPORTING REQUIREMENTS

### 070301. Appropriation Transfers

OUSD(C) manages the FCF, D and FCF, C, D appropriations and instructs the Defense Finance and Accounting Service (DFAS) Departmental Reporting Directorate-Indianapolis on the amount of the funds to transfer to and from the applicable appropriations. DFAS-Indianapolis transfers the designated amounts by means of a Standard Form [1151](#), Nonexpenditure Transfer Authorization.

### 070302. General Reporting Guidance

A. Other than calculating the monthly accrued variance described in paragraph 070204.D, no further adjustment to the original obligation is necessary until disbursement is made or until the appropriation is closed.

B. FCF **requirements** described in this chapter do not apply to reimbursable programs. The performing activity will continue to accept reimbursable orders, incur obligations, and bill for reimbursement at the current foreign currency exchange rate using the **requirements** found in Volume 3, Chapter 9 and Volume 11A, Chapter 1. However, when the performing activity and the benefiting activity are DoD organizations, the performing activity will notify the benefiting activity of the amounts obligated that are to be paid in foreign currency. The benefiting activity will

record that portion of its obligation for direct programs at the budget rate in the manner prescribed in subparagraph 070204.C. Record the realized variance determined at the time of the disbursement in the respective FCF account of the benefiting activity.

C. Do not adjust normal operating budgets or other funding documents issued for the affected appropriations by DoD Components for foreign currency exchange rate fluctuation.

D. Prior to closing the financial records at year-end, each component holding an FCF account will review the status of that account. Transfer net gains in an FCF account to the applicable FCF appropriation. Components will also determine the portion of the losses that can be absorbed by the FCF account and transfer to the FCF appropriation any remaining balances that are not required.

E. FCF [requirements](#) described in this chapter do not apply to Gains and Deficiencies on Exchange Transactions, Army (TAS 21 6763 and TAS 021 6763); Gains and Deficiencies on Exchange Transactions, Navy (TAS 17 6763 and TAS 017 6763); Gains and Deficiencies on Exchange Transactions, Air Force (TAS 57 6763 and TAS 057 6763); and Gains and Deficiencies on Exchange Transactions, Treasury (TAS 20 6763 and TAS 020 6763). Volume 5, Chapter 4 provides guidance regarding deficiencies. See Volume 5, Chapter 13 for guidance regarding gains and losses by revaluation.

F. FCF [requirements](#) described in this chapter do not apply to Burdensharing funds received from other countries. See Volume 12, Chapter 24 for guidance regarding Burdensharing funds.

#### 0704 REPORTING FORMATS

070401. Department of Defense Comptroller (Monthly) (DD-COMP (M)) 1506 – Foreign Currency Fluctuations, Defense Report (O&M)

A. DFAS-Indianapolis is responsible for submitting the consolidated monthly report to the Office of the Deputy Comptroller (Program/Budget) (ODC (P/B)), OUSD(C).

B. The central accounting activities, National Security Agency (NSA), DoD Education Activity (DoDEA), and Defense Security Cooperation Agency will provide a monthly report to DFAS [Departmental Reporting Directorate](#) -Indianapolis using the format in Figure 7-1.

1. Submit the report in accordance with due dates established by DFAS-Indianapolis and consistent with the requirements of OUSD(C).

2. The report will include the following:

a. Column 1 – Currency/Submitter. Alphabetically list the specified country. Include the official currency (monetary unit) next to each country.

b. Column 2 – Unliquidated Obligations. Enter the dollar amount of foreign currency unliquidated obligations at the budget rate. Derive this amount by taking the obligations incurred at the budget rate less the disbursements at the budget rate.

c. Column 3 – Accrued Variances. Enter the accrued variances for the unliquidated obligations shown in column 2. This amount may change from month to month as the current foreign currency exchange rate changes and/or as the amount of unliquidated obligations changes.

d. Column 4 – Liquidated Obligations. Enter the dollar amount of foreign currency obligations liquidated in the accounting system at the budget rate of the foreign currency cited within the obligating document.

e. Column 5 – Realized Variances. Enter the actual dollar amount of the variance resulting from liquidated obligations to date. This amount represents the variance (difference) between obligations at the budget rate and amounts actually disbursed.

f. Column 6 – Obligations Incurred. Enter the dollar amount of total foreign currency obligations incurred to date at the budget rate. Compute this amount from actual accounting data of obligations incurred at the budget rate. It will not be a derived number.

g. Column 7 – Planned Overseas Program. The planned overseas program for execution at the budget rate should agree with the current year (CY) column of the [President's Budget \(PB\)-18 Exhibit](#) (Foreign Currency Exchange Data). Volume 2B, Chapter 19 contains the format for PB-18 [Exhibit](#), which is required to support the President's budget request for the budget year. Explain any increases or decreases to the planned overseas program during the execution of the CY by country in the monthly report.

3. The report will also include footnotes showing:

a. The total funding provided to the FCF account by source including:

(1) Transfers from the FCF, D appropriation;

(2) Transfers from the component's O&M availability;

and

(3) Total FCF account funding;

b. The anticipated gains or losses for the remainder of the FY. Estimate the anticipated gains or losses on projected disbursements to the end of the year by computing the variance that would occur if the current foreign currency exchange rates were to remain in effect during the remainder of the year;

c. Transfers to FCF, D due to favorable realized variances;

d. Projected liquidations (budget rate) for the FY. Estimate the obligations (budget rate) that will be disbursed during the FY; and

e. An explanation of deviations from planned overseas program by country. This is required when substantial variances from the “obligations incurred” column exist. This explanation can occur any time prior to the canceling of funds.

070402. FCF, D Report (MILPERS)

A. Foreign currency rate variances increase or decrease the value of allowances paid to service members. To maintain the value of that portion of allowances members receive to purchase foreign currency, adjust allowances to offset increases or decreases in foreign currency rates. For purposes of FCF, D transfers, the calculated effect on MILPERS disbursements that result from changes in foreign currency rates (foreign currency variance) is the difference in dollars required for the allowance at budget exchange rates and the current allowance rates. However, FCF, D transfers are approved only for Cost-of-Living Allowances (COLA) and Overseas Housing Allowances (OHA).

B. DFAS Departmental Reporting Directorate-Indianapolis is responsible for submitting this consolidated monthly report to the ODC (P/B), OUSD(C).

C. The process for identifying the foreign currency impact on COLA and OHA is as follows:

1. Identify total expenditures by the Military Departments for COLA and OHA by officer and enlisted for the country currencies included in the FCF, D account.

2. The Per Diem, Travel, and Transportation Allowance Committee (PDTATAC) will report to the DFAS central accounting activities the appropriate COLA and OHA index based on current exchange rates. For FCF, D, the PDTATAC will also report COLA and OHA indices based on the budget exchange rates.

3. DFAS central accounting activities will access affected personnel pay accounts and identify the COLA and OHA disbursements, by officer and enlisted, according to designated location codes.

4. DFAS central accounting activities will calculate the foreign currency impact by estimating the differences between budget exchange rates and current exchange rates applied to the total expenditures for COLA and OHA.

5. Consolidate foreign currency amounts and identify the remaining expenditures for the end-of-month recorded disbursements.

D. The COLA foreign currency report format structure is:

1. Service,

2. Country (FCF, D country),
3. Budget Rate,
4. COLA Rate,
5. COLA Code,
6. COLA Code Change Indicator,
7. Budget Index,
8. Allowance Index,
9. COLA Factor,
10. Actual COLA Enlisted Disbursement,
11. Budgeted COLA Enlisted Amount MILPERS appropriation,
12. COLA Realized Variance Enlisted,
13. Actual COLA Officer Disbursement,
14. Budgeted COLA Officer Amount MILPERS appropriation,
15. COLA Realized Variance Officer,
16. Actual COLA Officer/Enlisted Disbursement Total,
17. Budgeted COLA Officer/Enlisted Amount MILPERS  
Appropriation Total, and
18. COLA Realized Variance Officer/Enlisted Total.

E. The OHA foreign currency report format structure is:

1. Service,
2. Country (FCF, D country),
3. Budget Rate,
4. OHA Rate,
5. OHA Factor,

6. Actual OHA Enlisted Disbursement,
  7. Budgeted OHA Enlisted Amount MILPERS appropriation,
  8. OHA Realized Variance Enlisted,
  9. Actual OHA Officer Disbursement,
  10. Budgeted OHA Officer Amount MILPERS appropriation,
  11. OHA Realized Variance Officer,
  12. Actual OHA Officer/Enlisted Disbursement Total,
  13. Budgeted OHA Officer/Enlisted Amount MILPERS appropriation
- Total, and
14. OHA Realized Variance Officer/Enlisted Total.

F. Report the following information by PDTATAC and use it to prepare the monthly COLA and OHA foreign currency execution reports:

1. Column A – Country. This column lists the budget countries subject to FCF, D [requirements](#).
2. Column B – Budget Rate. This column identifies the FY budget exchange rates as set by OUSD(C).
3. Column C – COLA Rate. This column identifies the current market exchange rate upon which both COLA and OHA are set (allowance rate).
4. Column D – COLA Code. For countries with multiple COLAs, many locations are linked and receive the same index. This code identifies linked locations for COLA purposes.
5. Column E – COLA Code Change Identifier. This column identifies whether a change has been made this period to the COLA Code.
6. Column F – Budget Index. This column represents the COLA index based on budget rate.
7. Column G – Allowance Index. This column represents the COLA index based on allowance rate.
8. Column H – COLA Factor. This column represents the multiplication factor for COLA disbursements based on budget and allowance indices.

9. Column I – OHA Factor. Compute the balance for this column by taking the budget rate minus the OHA rate divided by OHA rate.

070403. DD-COMP (M) 1761 – Foreign Currency Fluctuation, Construction, Defense Report

A. DFAS - Indianapolis is responsible for submitting this consolidated monthly report to ODC (P/B), OUSD(C).

B. The central accounting activities, NSA, and DoDEA will provide a monthly report to the DFAS Departmental Reporting Directorate-Indianapolis using the format in Figure 7-2.

1. Submit the reports in accordance with due dates established by DFAS-Indianapolis and consistent with the requirements of OUSD(C).

2. The report will include the following:

a. Column 1 – Country. Alphabetically list the specified country.

b. Column 2 – Monetary Unit. Enter the monetary unit of the country.

c. Column 3 – Foreign Currency Unliquidated Obligations. Enter the dollar amount of unliquidated obligations at the budget rate. Report unliquidated obligations by FY.

d. Column 4 – Accrued Variance. Enter the accrued variance for the unliquidated obligations in column 3. This amount may change from month to month as the current foreign currency exchange rate changes. Report accrued variances by FY.

e. Column 5 – Foreign Currency Liquidated Obligations. Enter the dollar amount of total obligations liquidated for the report month at the budget rate.

f. Column 6 – Realized Variance. Enter the actual dollar amount of the variance resulting from liquidated obligations for the month. This amount represents the variance (difference) between obligations at the budget rate and the amount actually disbursed. Charge all realized variances against the applicable FCF accounts for construction, military family housing operations and maintenance, and military family housing construction.

g. Column 7 – FCF Account Projected 6-Month Disbursements. Enter the projected 6-month disbursements from the FCF accounts based on historical outlay data, contract requirements, and payment schedules.

3. The report will also include footnotes showing:
  - a. The anticipated gains or losses for the rest of the FY (estimate this figure by computing the variance that would occur if the present currency exchange rates were to remain unchanged during the remainder of the FY); and
  - b. The total amount of funding transferred to the FCF accounts from the FCF, C, D appropriation.

Figure 7-1. Foreign Currency Fluctuations, Defense Report: DD-COMP (M) 1506

<p align="center"><b><u>FOREIGN CURRENCY FLUCTUATIONS, DEFENSE REPORT</u></b>  <b><u>FOR (Component and Appropriation)</u></b>  <b><u>AS OF: (DATE) (YYMMDD)</u></b>  <b><u>DD-COMP(M)1506</u></b></p>						
Currency/ Submitter	Unliquidated Obligations	Accrued Variances	Liquidated Obligations	Realized Variances	Obligations Incurred	Planned Overseas Program
(List Alphabetically)	(Budget Rate)		(Budget Rate)		(Budget Rate)	(Budget Rate)
<p><b><u>FOOTNOTES:</u></b></p> <p>(1) FCF Account Funding</p> <p style="padding-left: 40px;">Transfers from FCF, D</p> <p style="padding-left: 40px;">Transfers from O&amp;M</p> <p style="padding-left: 40px;">Total FCF Account Funding</p> <p>(2) Anticipated Gains/Losses</p> <p>(3) Transfers to FCF, D (Favorable Fluctuation)</p> <p>(4) Projected Liquidations (Budget Rate)</p> <p>(5) Explanation of Deviation From Plan</p>						

Figure 7-2. Foreign Currency Fluctuation, Construction, Defense Report: DD-COMP (M) 1761

<p align="center"><b><u>FOREIGN CURRENCY FLUCTUATION, CONSTRUCTION, DEFENSE REPORT</u></b>  <b><u>FOR (Component and Appropriation)</u></b>  <b><u>AS OF: (DATE) (YYMMDD)</u></b>  <b><u>DD-COMP(M)1761</u></b></p>						
Country	Monetary Unit	Foreign Currency Unliquidated Obligations	Accrued Variance	Foreign Currency Liquidated Obligations	Realized Variance	FCF Account Projected 6-Month Disbursements
(List Alphabetically)		(Budget Rate)		(Budget Rate)		
<p><b><u>FOOTNOTES:</u></b></p> <p>(1) Anticipated Gains/Losses remainder of year</p> <p>(2) Total funding provided from FCF, C, D</p>						

**VOLUME 6A, CHAPTER 9: “ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE OF THE FAMILY HOUSING PROGRAM”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an [asterisk \(\\*\)](#) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [February 2016](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
090103	Updated “Authoritative Guidance” paragraph in accordance with current administrative instructions.	Revision
0902	Updated office name for Office of the Assistant Secretary of Defense for Energy, Installations, and Environment.	Revision

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## CHAPTER 9

**ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE  
OF THE FAMILY HOUSING PROGRAM**

## 0901 GENERAL

## 090101. Overview

This chapter provides accounting support for Family Housing Operation and Maintenance (O&M) requirements and prescribes an accounting structure that accumulates Family Housing O&M costs consistent with guidance set forth in Volume 2B, Chapter 6. Congress established the Family Housing O&M appropriation to separate the funding of Family Housing O&M from other O&M programs. Charge all obligations incurred for O&M to support the military Family Housing Program to the Family Housing O&M appropriation.

## 090102. Purpose

The purpose of the account structure is to provide uniform procedures for consistently identifying, accumulating, and reporting family housing program costs. It is important that methods for computing costs for the Family Housing Program are as uniform as practicable among the Department of Defense (DoD) Components. Such uniformity is essential to permit intra-DoD and inter-DoD Component program, budget, and cost comparison, irrespective of the management service, the agency, or the accounting system used at the installation. Cost identification and computation methods specified herein should minimize the accounting effort and detail required to compute costs. Costs for operating and maintaining family housing facilities must be identified as prescribed in this chapter and are the basis for reports referenced herein.

## \*090103. Authoritative Guidance

The Family Housing Program encompasses Military Family Housing, as defined and authorized by the provisions of [Title 10, United States Code \(U.S.C.\), Chapter 169](#), and includes all DoD Component family housing in the Defense Family Housing Property Account, leases of real property utilized by DoD Components for family housing, and associated family housing support services programs. The policies prescribed throughout this chapter pertaining to the accounting and reporting for O&M costs of the Family Housing Program are based upon [10 U.S.C., Chapter 169](#) and the laws and regulations cited herein.

## \*0902 SCOPE

This policy applies to all DoD Components that support military family housing under the Family Housing Program. Military Departments' Housing Privatization support costs associated with the Military Housing Privatization Initiative ([MHPI](#)) Program, such as assessments/studies; portfolio, program, and asset management; construction oversight; consultant fees; and other administrative costs, are funded by the Family Housing O&M appropriation and fall within the parameters of this policy. The [Office of the Assistant Secretary of Defense for Energy](#),

Installations, and Environment (OASD(EI&E)) and Defense Finance and Accounting Service (DFAS) MHPI Program administrative support costs are separately budgeted, accounted for, and reported in the Defense-wide Family Housing Improvement Fund (FHIF) Program account.

## 0903 ACCOUNT STRUCTURE AND CONTENT

### 090301. Accounts Used for Accumulating Costs

A series of accounts has been established and maintained for accumulating Family Housing O&M costs incurred and reimbursements earned through the Family Housing Program. Compute and identify costs and reimbursements to the accounts in accordance with the guidance herein. Use the accumulated costs and reimbursements in the accounts to support budget exhibits and budget execution reports.

### 090302. Required Summary and Subordinate Accounts

The following is a list of required summary and subordinate accounts.

#### A. Operations Account

1. Management Account. This account accumulates costs of management, administrative, and support-type services at the installation level involving:

a. Administration costs for installation housing offices, including management office personnel, supplies, equipment, and utilities pertaining to the functions of a family housing office. These costs also include administrative support services provided in supply, comptroller, maintenance, and other installation offices when the costs for such services are attributable to family housing;

b. Costs for administering and providing housing referral services and assistance in locating and inspecting privately owned family housing for DoD personnel;

c. Costs for requirements surveys and preliminary studies, including Family Housing market analyses, condition assessments, survey requirements for construction plans, and concept development. This account also includes community liaison and planning for improvement and rental guarantee projects and inspection; and

d. Other identifiable management costs that directly support the Family Housing Program.

2. Services Account. This account accumulates costs for authorized services for Government-owned family housing units. For privatized housing, the developers are financially responsible for the reimbursement or payment of services provided.

a. Refuse Collection and Disposal. These services include collecting garbage, trash, ashes, debris, and refuse disposal for family housing, such as the O&M of incinerators, sanitary fills, and regulated dumps. These services also include acquisition, maintenance, and repair of garbage and trash containers, and operation of can-washing facilities.

b. Fire Protection. This service includes costs for protection and fire prevention efforts for family housing facilities.

c. Police Protection. This service includes the costs for law enforcement, traffic control, and protection of family housing facilities.

d. Entomological Services. These services include costs of all control measures against fungi, insects, and rodents within family housing dwellings, facilities, and areas.

e. Custodial Services. These services include costs of janitorial and custodial services performed in common service areas and the cost of elevator operation in family housing facilities.

f. Snow Removal. This service includes the costs of removing, hauling, and disposing of snow; ice alleviation; and erection, maintenance, repairs, and removal of snow fences for family housing areas.

g. Street Cleaning. This service includes the costs of cleaning streets comprised of sweeping, flushing, and picking up litter.

h. Municipal Type Services. These services include costs of miscellaneous municipal type services not identifiable to other listed accounts.

i. Other Services. The costs of all other authorized services for family housing fall into this category.

3. Furnishings Account. This account accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. This account also includes costs of controlling, handling, record keeping, and moving of Government-owned furnishings into and out of dwelling units; charges for connecting and disconnecting equipment; and handling costs incident to storage. Also included are furnishings for Special Command Positions and Senior Leadership as prescribed in DoD Manual [4165.63](#), "DoD Housing Management."

4. Miscellaneous Account. This account accumulates costs of operational items that do not fall into management, services, or furnishings accounts. [This account includes:](#)

a. Lease, rents, and permit payments for housing and trailer spaces leased by the Government from private sources or provided by the Federal Housing Administration ([FHA](#)) or the U.S. Department of Veterans Affairs ([VA](#));

b. Reimbursement costs for dwellings provided by State (e.g., International Cooperative Administrative Support Services), municipal, or foreign governments, or by Federal agencies other than the FHA or VA. This includes payments from the Military Departments to the U.S. Coast Guard for family housing provided to their military personnel;

c. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization Status of Forces Agreement for local taxes on land and improvements of family housing property;

d. Fire insurance charges paid to the Federal Republic of Germany to cover fire damage to family housing dwelling units;

e. United Kingdom accommodation charges paid in accordance with the country-to-country agreement for housing provided to U.S. Forces; and

f. Other miscellaneous operations costs not covered elsewhere.

B. Utility Account. This is a summary account for accumulating costs for utilities consumed in family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. This account excludes the costs of maintenance and repair of utility systems identified to the family housing property covered under the Maintenance Account. Exclude other costs reported as “Services” from the utility operations account.

C. Maintenance Account

1. Dwellings Account. This account accumulates costs of maintenance and repair, including all interior utilities and installed equipment, of all family housing buildings in real property category codes 711, 712, and 714, as defined in DoD Instruction [4165.03](#), “DoD Real Property Categorization,” which establishes the [DoD Real Property Classification System](#). Typically, accumulating costs for this account involve:

a. Service calls for minor work, including emergency and temporary repairs normally not in excess of 16 work hours;

b. Routine maintenance for occupancy work and other maintenance usually scheduled annually or more frequently;

c. Repairs and replacements for rehabilitations and replacement of major components and installed equipment;

d. Interior and exterior painting and the necessary preparation;  
and

e. Contract cleaning between occupancy, where authorized.

2. Exterior Utilities Account. This account accumulates costs of maintenance and repair of electric, gas, water, sewage, and other utility distribution, collection, or service systems assigned to family housing. Street and area lighting systems are included in exterior utilities beginning at a point 5 feet from the house line and ending at a point where the utility system joins a common use main or terminates.

3. Other Real Property Account. This account accumulates costs for maintenance other than to dwellings and exterior utilities, including:

a. Maintenance, care, and repair of improved and unimproved grounds, storm sewerage, and drainage structures; and costs of acquisition, maintenance, and repair of Government-owned minor equipment, such as hand-operated lawnmowers used for grounds maintenance by occupants;

b. Maintenance and repair of paved or stabilized streets, roads, walks, and driveways; utility, service, and parking areas, as well as curbs, gutters, signs, and other road appurtenances; and

c. Maintenance and repair of facilities other than dwellings, such as fences when the facility is dedicated to housing, athletic and recreation facilities, community buildings, service facilities, and the costs of maintenance of trailer sites including outlets.

4. Alterations and Additions Account. This account accumulates costs for incidental additions, expansions, extensions, and alterations to existing real property. These costs include payments made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed nonpermanent change-of-station moves, and charges resulting from improvement or repair projects funded in part from the family housing construction account.

D. Leasing Account

1. Lease Cost – Foreign Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign countries under 10 U.S.C., [section 2828](#).

2. Lease Cost – Foreign Account Government Rental Guarantee Program (GRGP). This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign GRGPs, e.g., Europe under the Army GRGP programs.

3. Lease Cost – Domestic Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in the [United States](#), including U.S. possessions and territories, as specified in 10 U.S.C. § 2828.

4. Lease Cost – Section 2835 Account. This account accumulates costs for charges and other payments specified in the lease agreement for 10 U.S.C. [§ 2835](#) housing contracts for the lease of facilities on or near military installations, essentially a build-to-lease guarantee to a local property developer.

5. Rental Guarantee – Section 2836 Account. This account accumulates costs accounted for under rental guarantees for a minimal occupancy rate or rental income for 10 U.S.C. [§ 2836](#) housing. This program allows the DoD Components to enter into lease agreements guaranteeing that tenants occupy rental housing on or near installations.

6. Other O&M Cost. This series of accounts accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for foreign, GRGP, domestic, and 10 U.S.C. § 2835 and § 2836 housing. They include initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs, such as assignment, travel, and inspection by installation personnel. Reimbursements to the Department of State for foreign affairs administrative support costs are also included.

E. Mortgage Insurance Premiums Account. This is a summary account for accumulating the costs for service members' mortgage insurance premium payments pursuant to 12 U.S.C. [§ 1701](#), also referred to as the "National Housing Act." See Volume 2B, Chapter 6 for more guidance.

F. Foreign Currency Fluctuations Account. This is a summary account for accumulating the gains or losses arising from foreign currency exchange rate fluctuations in accordance with the requirements in Chapter 7.

G. Reimbursements Account. This is a summary account for accumulating reimbursements collected during the current fiscal year for Family Housing O&M rental and service charges billed to occupants and for proceeds from handling or disposing of excess housing property. Identify reimbursements for Foreign Military Sales (FMS) funded and Non-FMS-funded accounts separately.

1. FMS-Funded Account. This account accumulates all reimbursements from FMS-funded activities or sources. Identify the amounts within the account as to the nature of the reimbursements, for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

2. Non-FMS-Funded Account. This account accumulates reimbursements from other than FMS-funded activities or sources. Identify the amounts within the account as to the nature of the reimbursements, for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

H. Housing Privatization Support Account. Use this account for accumulating costs the Government incurs in direct support of the MHPI program with the exception of the costs

included as part of the privatization project. These costs are associated with the support of the MHPI program and specifically for:

1. Site assessment costs, including environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required by the Government prior to privatization for environmental mitigation, site surveys, or real estate costs;

2. Project costs, including project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management, post-award management and monitoring, and portfolio management; and

3. Administrative costs, including civilian pay, travel, training, supplies, equipment, and services provided by a Defense agency in support of the privatization program.

#### 0904 COST IDENTIFICATION PROCEDURES

##### 090401. Obligations Incurred

The DoD Components must identify the obligations incurred, both in-house and by contract, to operate and maintain family housing programs.

##### 090402. Identifiable and Measurable Costs

Charge costs to the applicable family housing account to the extent they are reasonably identifiable and measurable to the housing program. This practice does not prevent the use of engineered standards or estimates in charging utilities when metering devices are not used.

##### 090403. Obligations for Administrative Costs

Limit obligations incurred for administrative support and supervision efforts to those incurred at installation level and do not include those incurred at echelons of command above the installation. An exception is made when amounts for administrative support and supervision are included in charges assessed by a field office of a construction agent.

##### 090404. Criteria for Support Costs

Assign other efforts, goods, or services provided to family housing programs to appropriate family housing accounts based on relative workload, benefit, or other measurement. Use the following general criteria in assigning support costs to the Family Housing Program:

A. When the support provided is predominantly personnel-intensive, costs must be allocated based on a pro rata basis of workload or actual costs, whenever possible. This would

include collateral duty management assignments involving command or policy determinations related to personnel, financial management, legal, procurement, or similar areas;

B. When the support provided has a mix of personnel, equipment, materials, or supplies, allocate costs based on workload (e.g., printing or reproduction services or computer support involving a mix of resources) or actual costs, whenever possible. Use the proportion of workload for the Family Housing Program to the total workload to compute the portion of the total costs identified to the Family Housing Program; and

C. When the support provided predominantly involves specific goods or services (e.g., electricity, gas, water, or sewer), allocate costs based on the relative amount consumed or quantity used or actual costs, whenever possible.

090405. General or Flag Officers Costs

When a set of quarters is intended for or occupied by officers of General or Flag rank, identify the costs accumulated for the O&M of each set of quarters within the accounts specified in this chapter and reported in accordance with the requirements prescribed by the [OASD\(EI&E\)](#).

090406. Costs Identified to the Family Housing Program

When identifying Family Housing O&M costs to the program, the general premise is to assign all applicable costs. When an incidental level of effort, supplies, or services are provided on a nonrecurring basis, costs need not be identified to the program if they are insignificant and it is not cost effective to measure and assign the costs. As a general rule, cost identification is necessary when the support is more than incidental.

090407. Installation Managers Responsibility

Installation management officials, such as the installation commander, public works officer, housing director, or comptroller, are responsible for identifying the O&M costs for the Family Housing Program, whether funded by Family Housing O&M or other appropriations. Installation managers must periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. When variances occur in efforts, workload, or other resources consumed, reset the basis of allocating such costs to the program. Management must also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

0905 COST ELEMENTS AND COMPUTATION OF CHARGES

090501. Full Absorption Basis

Charge costs to the program in proportion to the actual efforts used, goods consumed, or services received by the Family Housing Program. Fully charge dedicated efforts or responsibilities for the program. For example, charge total costs for full-time management and staff to the Family

Housing Program. Compute and expense all costs of providing program support to the program on a full absorption basis, i.e., full cost for dedicated support and pro rata cost for other support.

A. Apply the normal business fund overhead rates to family housing support for Defense Working Capital Fund (DWCF) real property maintenance activities, which have a primary mission of facility maintenance.

B. Apply the applicable rate to direct work or service in support of family housing for other funded real property maintenance activities with established shop or productive expense rates.

090502. Labor Costs

Compute the labor effort of military or civilian personnel assigned and identified to family housing for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A, Chapter 1. Review and validate personnel efforts annually to support charges to family housing. Accumulate and classify military labor as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

090503. Material and Supplies Costs

Compute costs for material and supplies based upon the relative or actual amount consumed, or the quantity used. Compute material and supplies at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

090504. Costs of Services

Compute and charge upon receipt services provided by Government forces or contractors, such as refuse collection and disposal, entomological, and custodial activities. Family housing must bear the full cost of these services when it is the sole customer. Charge a partial cost to family housing when the family housing portion of such services is readily separable and distinct. When the service operation is too intertwined or complex to enable ready identification of proper family housing costs, charge costs to family housing based on the proportionate amount of service received on a unit of service basis, such as number of refuse pickups or square feet of floor area receiving custodial service.

090505. Utility Costs

Compute utility costs based upon consumption. All DWCF funded activities providing utilities must compute the charges consistent with their normal procedures. All other activities must compute the charge to family housing at the rate the utility is purchased from the supplier. If not metered, then base consumption on documented engineering estimates.

## 090506. Equipment Usage Costs

Compute equipment usage costs for rented property at the lease or rental rate. Limit cost computation in the case of Government-owned equipment to the expenses of operating and maintaining the equipment and charges for the operator's time when provided by other than family housing. Do not compute acquisition costs or periodic depreciation charges.

## 090507. Unfunded Costs

Treat military labor and headquarters costs, included in construction agent administrative support and supervision effort above the installation level, as unfunded costs in computing Family Housing O&M costs.

## 0906 REIMBURSEMENTS

## 090601. FMS-Funded and Non-FMS-Funded Accounts

Use FMS-funded and non-FMS-funded accounts to accumulate reimbursements for charges initially financed by the Family Housing O&M appropriation for the Family Housing Program or proceeds from handling or disposing of family housing property. Record all reimbursements in the family housing reimbursement accounts.

## 090602. Reimbursements

Ordinarily, reimbursements are for rental and service charges paid by occupants or users of family housing facilities. Some collections are refunds that include the costs of repairing damages and replacement of items to family housing facilities.

## 090603. Reimbursements for Recovery of Expenses

Reimbursements involve the recovery of expenses for handling and disposing of excess family housing property as well as the proceeds from sales of such property. Collections are used for various purposes, such as defraying O&M expenses or the payment of debt. Volume 2B, Chapter 6 provides policy guidance governing such collections, use, and reporting.

## 0907 INTERNAL CONTROL

Management must develop and implement internal control techniques to ensure effective control over and accountability for the resources charged to this program and for the full and prompt receipt of all proceeds from reimbursements for rents, service charges, and disposal or handling of excess family housing property.

## 0908 REPORTING

## 090801. Responsibility of DoD Components

The DoD Components responsible for operating and maintaining family housing facilities are required to prepare the reports described in this chapter. Administrators of Housing programs under MHPI are required to prepare these reports for the FHIF and Unaccompanied Housing Improvement Fund program accounts. The FHIF Financing accounts, however, require only the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources.

## 090802. Reports

Data derived from the uniform account structure identified in this chapter must be used when preparing and submitting the following reports:

A. Appropriation Status by Fiscal Year Program and Subaccounts Report (Accounting Report (Monthly) 1002). The DoD Components must prepare and distribute the report in accordance with the guidance contained in Chapter 4.

B. SF 133. The DoD Components must prepare and distribute the monthly report for the annual portion of the Family Housing O&M category of the family housing appropriation in accordance with the guidance prescribed in Chapter 4.

## 090803. Military Departments/DFAS and Intermediate/Installation Level Report Requirements

Reporting requirements for family housing reports at the center/service and intermediate/installation level are addressed in manuals and instructions published by the individual Services or DFAS central accounting activities.

**VOLUME 6A, CHAPTER 13: “INTERNATIONAL BALANCE OF PAYMENTS  
REPORTING AND ESTIMATING”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue, and underlined font\*\*\*](#).

The previous version dated [February 2016](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks and formatting in accordance with current administrative instructions.	Revision
130204	Added language to explain the International Balance of Payments Report may be prepared and submitted monthly based on system capability, per request from Department of Commerce.	Addition
Table 13-11	Updated list of international organizations to comply with Defense Security Cooperation Agency 5105.38-M, Security Assistance Management Manual.	Revision

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## CHAPTER 13

**INTERNATIONAL BALANCE OF PAYMENTS  
REPORTING AND ESTIMATING**

## 1301 GENERAL

Department of Defense (DoD) Components are required to report expenditures and receipts that affect the U.S. International Balance of Payments (IBOP). The IBOP report provides information required by the Department of Commerce and the Department of the Treasury for control of IBOP financial transactions.

## 130101. Purpose

This chapter establishes the policies and **requirements** for the accounting and reporting of DoD international transactions related to U.S. balance of payments data, including grants and credits extended to foreign countries.

## 130102. Authoritative Guidance

Authoritative guidance for this chapter is derived from Office of Management and Budget (OMB) Statistical Directive 19: “Reports of the **Department of Commerce** on International Transactions” (**Directive 19**). **Directive 19** established the IBOP transaction reporting requirements to the Department of Commerce. Reported information is used by the United States in managing balance of trade with foreign nations.

## 1302 REPORTING OVERVIEW

## 130201. Applicability and Scope

A. These requirements apply to the Office of the Secretary of Defense (OSD), the Military Departments (Army, Navy, Air Force, and Marine Corps), Defense Agencies (including the Military Postal Service (MPS) and nonappropriated fund activities), and DoD Field Activities (hereafter referred to collectively as “DoD Components”). DoD Components are responsible for reporting transactions affecting the IBOP. Each Defense Finance and Accounting Service (DFAS) Site (Indianapolis, Columbus, and Cleveland) is responsible for consolidating the data for the DoD Components and submitting a final report to the Department of Commerce. While DFAS reports a majority of the IBOP data, the Department of Commerce **may** identify specific information to be reported directly by select DoD components.

B. The **requirements** cover all transactions that relate to the IBOP report, including specified data on DoD assets and liabilities abroad and foreign currency transactions, DoD international investments, Foreign Military Sales, transfers of property and services abroad, and foreign grants and credits. This chapter’s requirements apply to all transactions, regardless of payment method (e.g., U.S. dollars, foreign currency, and purchase card) accounted for in any of the following:

1. Expenditures from or reimbursements to U.S. dollar appropriation and fund accounts (general and special funds, public enterprise funds, deposit funds, and trust fund accounts for military and civilian functions);
2. Transfer appropriation accounts including Foreign Military Sales;
3. General fund receipt accounts established by the Department of the Treasury for collection of miscellaneous receipts for which the DoD has billing and collecting responsibility;
4. Expenditures or receipts of foreign currencies charged or credited to other than U.S. dollar appropriation and fund accounts (such as DoD Foreign Currency (Foreign Transaction (FT) accounts));
5. Receipts or donations of commodities or services;
6. Transfers under special drawdown authority of the President, Excess Defense Articles (EDA) program, or international treaties;
7. Nonappropriated fund activities, such as commissaries, post exchanges, and officers' clubs; and
8. All MPS transactions, such as meters (including Postage Validation Imprinters Sales), stamps, and money orders.

130202. Report Formats and Rules

The report formats and edit and validation rules for submission are provided in Tables 13-1 through 13-4. Sample formats are shown in Tables 13-5 through 13-7.

130203. Definitions

- A. Abroad. **The term abroad** includes all foreign countries and the Panama Canal Commission, but excludes the **United States**, its possessions, Puerto Rico, Guam, and the U.S. Virgin Islands.
- B. Accommodation Sales. **Accommodation sales represent the** sale of foreign currencies for dollars to U.S. personnel for their personal use in a foreign country.
- C. Collections. **Collections are** receipts in currencies (both foreign and U.S.), checks, or other negotiable instruments and net of repayments.
- D. Constructive Delivery. **Constructive delivery is the** delivery of materiel to a carrier for transportation to the consignee; the delivery of materiel to the customer or the designated forwarder at point of production, testing or storage; delivery at dockside, at airports, or

to a U.S. post office for shipment to the consignee. Completed shipping documents or listings of delivery to the U.S. Post Office provide evidence of delivery.

E. Contract. A contract is any type of agreement or order for procurement of materiel, supplies, and services of any amount including purchase orders, delivery orders, service orders, and similar authorizations.

F. Delivery. Delivery is the performance of services for the customer or requisitioner; the constructive delivery of materiel as defined in subparagraph 130203.D; or collections for services, transportation, and materiel when they are normally recorded in the billing and collection cycle immediately following performance.

G. Foreign Military Sales. Foreign military sales represent the sale of materiel, supplies, equipment, services, and any other support for cash or credit by a DoD Component to a foreign government or international organization as authorized by the Arms Export Control Act (AECA) of 1976, as amended.

H. Foreign Resident. The term foreign resident is comprised of the government of a foreign country and all its agencies and subdivisions, corporations, and any individuals residing in a foreign country, except for those defined as follows:

1. Consider a corporation a resident of the country in which it is incorporated. Count a subsidiary as a separate corporation and as a resident in the country where it is incorporated. Business offices and branches of U.S. corporations are residents of the countries where they are located. A corporation operating in a foreign country without a subsidiary or foreign business office or branch is a resident of the country in which it is incorporated. A business representative, however, such as the ticket office of a U.S. transportation company or a sales agent, is not considered a foreign business office.

2. An individual, including a retired U.S. citizen, is a resident of the country in which he or she resides, and not the country of his or her citizenship.

3. An international organization with multi-governmental members is not considered a resident of any particular country.

I. Gross Pay Foreign Nationals. The term gross pay foreign nationals is the amount paid to or on behalf of a foreign national citizen or organization, including U.S. contributions to the foreign government, and fees charged by a foreign government under contracts for indirect hire.

J. Guaranty Financing. Guaranty financing includes items associated with the guaranty of private credit by the U.S. Government under the AECA of 1976, as amended.

K. Interest. The term interest includes interest collected on military assistance or foreign military long-term credit, interest collected by finance and accounting officers for short-

term deposits made in financial institutions that share in interest remitted to a DoD Component under Guaranty Financing arrangements, and interest on advances to foreign residents.

L. Joint Weapons Production and Exchange Agreements. Joint weapons production and exchange agreements includes both production of military end items by a foreign country or resident with participation by a DoD Component through payment of cash, or the provision in kind of materiel, assemblies, components, or services, and a joint sharing of the end items as determined by the agreement. This includes co-production, cost sharing, exchange agreements, joint production, North Atlantic Treaty Organization (NATO) consortiums, and others as authorized by the AECA of 1976, as amended.

M. Military Assistance Grant Aid. Military assistance grant aid is the provision of any type of assistance in the form of materiel, supplies, equipment, facilities, training, transportation and services, or otherwise by a DoD Component to a foreign government or international organization. The AECA of 1976 and the Foreign Assistance Act (FAA) of 1961 authorize such assistance. These provisions include Foreign Military Financing (FMF), International Military Education and Training (IMET), the Military-to-Military Contact Program, Special Drawdown Authority, the EDA Program, and Building Partnership Capacity (BPC) programs.

N. MPS. The MPS is the single DoD point of contact with the U.S. Postal Service (USPS). An agreement between the DoD and the USPS establishes the MPS as an extension of the USPS abroad and in the continental United States, as applicable.

O. Net Pay. Net pay is the part of gross pay that is given, mailed, or electronically transferred directly to the individual by cash, check, or electronic transfers. This can include paychecks mailed or transferred by a disbursing officer (DO) to any bank or financial institution for credit to the individual account of U.S. personnel stationed abroad. Net pay includes allotment checks for U.S. personnel stationed abroad or in the United States (for dependent support, personal accounts) mailed to a foreign address (including Army Post Offices (APOs), Fleet Post Offices (FPOs), and Diplomatic Post Offices (DPOs) for foreign addressees), but excludes allotment checks mailed to a U.S. address.

P. Net Pay U.S. Personnel. The term net pay U.S. personnel includes earned entitlements (pay and allowances) for U.S. military forces, allowances to enlisted personnel for subsistence, and amounts earned or otherwise payable to U.S. civilian employees. Net pay excludes U.S. contributions (e.g., life insurance, retirement, health benefits, and social security), but includes amounts that may be withheld from personnel for these items or that are allotted to designated individuals or institutions.

Q. Other Assistance Grant Aid. The DoD outlays from appropriations or sections of appropriations that specifically support U.S. foreign assistance (as authorized under the FAA as amended and other legislation) are IBOP assistance grant aid. These DoD outlays represent the value of goods and services delivered to foreign individuals, governments, or international organizations under specific U.S. foreign assistance programs that include, but are not limited to: Overseas Humanitarian, Disaster, and Civic Aid, Defense (97X0819); Cooperative Threat Reduction Account, Defense (97X0134); Drug Interdiction and Counter-Drug Activities,

Defense (in-country support only of 97X0105); and Overseas Costs for Contingency Operations under section 607 of the FAA (reimbursed by special supplement appropriations).

R. Payment. The term payment includes payment in currencies (both foreign and U.S.), checks, or other negotiable instruments, after net of all refunds.

S. Personnel Afloat. The term personnel afloat includes U.S. personnel whose duty station is aboard ship.

T. Progress Payments. Progress payments are payments made by a DoD Component to a contractor or other supplier on contractual procurement of goods or services as work progresses for delivery on a foreign military sale.

U. Real Property Transfer. Real property transfers are items associated with the conveyance of military real property by a Military Department to a foreign resident or international organization.

V. Returns to the United States. Returns to the United States are the portion of payments to contractors or suppliers that is remitted to the United States, or spent or held in the United States, as the result of procurement of U.S. end products, U.S. services, and transportation on U.S. flag carriers for supply, service, or construction contracts. For rules applicable to the identification and reporting of returns to the United States, see the Defense Federal Acquisition Regulation Supplement (DFARS), section 225.1103(1) and the clause at 252.225-7005.

W. U.S. Personnel. U.S. personnel includes U.S. military forces (active duty and Reserve Components, but excludes retired military personnel) and U.S. civilian employees (civil service, nonappropriated fund, and individual contract hire).

\*130204. Frequency and Distribution

The IBOP report must be prepared at a minimum quarterly and is due to the Department of Commerce no later than 45 calendar days following the end of the quarter. The report may be prepared and submitted monthly if desired based upon system capability. DFAS Operations Directorates will provide specific due dates to their respective DFAS Sites.

130205. Policy

It is DoD policy to operate overseas activities efficiently and effectively, and to reduce the balance of payments impact of these activities, when such reduction is consistent with U.S. national security goals and objectives. To support this policy, the Department maintains a mechanism to manage and control DoD transactions that enter the IBOP. This system provides for:

- A. DoD-wide accounting for and reporting of IBOP transactions;
- B. Evaluation and explanation of DoD IBOP transactions;

C. Use of uniform criteria, definitions, and requirements to report IBOP transactions; and

D. Integration of IBOP management and the overall system of management within the Department.

130206. Responsibilities

A. Heads of the DoD Components, must:

1. Develop procedures for implementing the reporting requirements;
2. Ensure reports and required data are submitted on time and are complete and accurate; and
3. Identify, for the Department of Commerce, the office responsible for submitting required data and points of contact within respective organizations that can both provide supplemental information on specific IBOP transactions and resolve problems associated with collecting and processing data.

B. The DFAS Site Directors must:

1. Administer and monitor, as necessary, the reporting requirements for their field reporting offices;
2. Ensure the requirements prescribed are uniformly implemented;
3. Work with other DFAS Sites to provide technical assistance on collecting required data and preparing reports. Each DFAS Site acts as the focal point for the assigned reporting organizations (sites) in providing technical assistance; and
4. Ensure reports are submitted directly to the Bureau of Economic Analysis, U.S. Department of Commerce, and include all data required by Directive 19.

130207. Reporting Guidelines

A. Finance and Accounting Data

1. Installation Level Procedures. The DoD Components and supporting DFAS Sites must accumulate the data on payments and collections made by their respective disbursing activities as an integral part of installation level requirements. The IBOP reports must include all collection and disbursement data for the period covered by the report.
2. Nonappropriated Funds and MPS. Accumulate data on nonappropriated funds and MPS accounts and include them in the quarterly reports.

B. Category and Country Codes on Vouchers

1. Codes. Code all payment and collection vouchers processed overseas with the appropriate category code and foreign country or international organization code, as prescribed in Tables 13-8 and 13-9, prior to time of payment or collection. Vouchers processed overseas not entering the IBOP must be coded with the “U.S.” country code.

2. Country Codes. Input country codes on vouchers processed in the United States only for those transactions entering the IBOP. A current list of country codes is available on the National Geospatial-Intelligence Agency (NGA) website (Geopolitical Entities, Names and Codes (GENC) Standard) (formerly Federal Information Processing Standards (FIPS) Publication (PUB) 10-4). If countries are not listed in the current guidance, a request can be sent to NGA at ccwgsecretariat@nga.mil for a new code. Country codes must not be confused with Defense Security Cooperation Agency (DSCA) customer codes. The two codes are not interchangeable.

C. Coded Authorizations. To ensure that payment vouchers are coded properly to indicate category, procurement of U.S. end products, transportation or services, and country or international organization, authorizations such as purchase orders, delivery orders, and contracts that result in expenditures entering the IBOP must be coded at the time of preparation whenever possible. Enter these same codes on the payment vouchers. When the authorization covers procurements of U.S. end products, transportation, or services, enter the percentage or amounts applicable to each procurement return category. Enter codes on all authorizations for the following types of transactions:

1. Construction and Other Service Contracts, Including Contracts for Scientific and Technical Knowledge to Be Performed Abroad. In all cases where the contract, delivery order, or other procurement document is issued to a U.S. resident, appropriate codes that identify returns to the United States must be included in the accounting classification.

2. Contracts for Procurement of Materiel, Supplies, and Equipment Abroad. When the terms of the contract require the use of U.S. end products, appropriate codes that identify returns to the United States must be included in the accounting classification on all contracts or other procurement documents issued to U.S. residents.

D. New or Discontinued Appropriations. Each DFAS Site is responsible for modifying their associated tables to reflect new or discontinued accounts that affect IBOP. The Department of the Treasury’s Federal Account Symbols and Titles (FAST) Book lists receipt, appropriation, and other fund account symbols and titles assigned by the Department. The FAST Book lists accounts separately that were created or discontinued since the previous revision.

E. Transaction Review. Review IBOP transactions prior to submission for accuracy to ensure the final report is complete and includes all of the required data elements for submission to the Department of Commerce. The DoD Components, accounting activities, and other reporting entities in the United States and at overseas locations must ensure that reported IBOP transactions are consistent with total transactions reported on the Standard Form (SF) 1220,

“Statement of Transactions According to Appropriations, Funds, and Receipt Accounts,” and supporting [SF 1219](#), “Statement of Accountability,” including FT accounts.

F. Cross-Disbursing. Under cross-disbursing [requirements](#), the appropriate disbursing office must provide data on payment and receipt transactions to the DoD Component assigned reporting responsibility. Under these procedures, reports must include all of the data necessary for the DoD Component to report balance of payment expenditures and receipts for its accounts in accordance with the requirements of this chapter. The data must include all supplementary information that is necessary to identify returns to the [United States](#) as stated in subparagraph 130208.B.1.c. The DoD Component having management control of the funds must include these transactions in its IBOP report. Subparagraph 130207.N.4 identifies cross-disbursing reporting [requirements](#) for each Military Department.

G. Appropriation Reimbursements. Enter appropriation reimbursements from foreign entities on the appropriate Collections lines in the Accounting Report (AR)-1, as shown in Table 13-5. Enter collections from U.S. personnel abroad in the appropriate “Less Receipts from U.S. Personnel” lines (i.e., “Payments”).

H. Delivery Data. As outlined in DSCA 5105.38-M, Security Assistance Management Manual ([SAMM](#)), data regarding Foreign Military Sale deliveries ([Chapter 7](#)), FMF grant aid deliveries ([Chapter 9](#)), IMET Program ([Chapter 10](#)), transfers under Special Drawdown Authority and the EDA program ([Chapter 11](#)), Military-to-Military Contact Program ([Chapter 11](#)), BPC deliveries ([Chapter 15](#)), and transfers of real property ([Chapter 15](#)) must be prepared by the appropriate agencies.

I. Loans of Property. For any defense item loaned to a foreign government, central offices in each DoD Component must maintain a record as outlined in [the SAMM, Chapter 11](#).

J. Advances to Foreign Residents or Countries. Report advances made to foreign residents or countries by a DoD Component as payments on the same lines in AR-1, as shown in Table 13-5, for future contract payments. Use Line Item 190000 of AR-1 to report interest collections for advances.

K. Other Foreign Aid under FAA. Report data on DoD outlays resulting from serving as the executive agent for other U.S. foreign assistance programs (as authorized by the FAA) as IBOP Other Assistance Grant Aid by the appropriate DoD Component assigned the responsibility for those programs. Such assistance includes, but is not limited to the following programs: Overseas Humanitarian, Disaster, and Civic Aid Defense; Cooperative Threat Reduction Account, Defense; Drug Interdiction and Counter-Drug Activities, Defense (In-Country Support only); and Overseas Costs for Contingency Operations under section 607 of the FAA.

L. Records Retention. Maintain records reflecting balance of payments transactions at each DFAS Site consolidation point for 12 months following the end of the reporting period.

M. Foreign Currencies

1. Report data on foreign currencies in dollar equivalents.
2. The DSCA must report expenditures and collections for all FT accounts under its control, including those for which the DSCA has financial management responsibility in connection with Foreign Military Sales currencies, as well as those provided under joint weapons production and exchange agreements.
3. Use the respective reporting system utilized by each DoD Component to provide data on accommodation sales to individuals by military DOs.
4. Banking facilities on U.S. Government installations abroad must report on accommodation sales of foreign currencies made to U.S. personnel.

N. Submission of Reports

1. Prepare reports of performance and transactions, [using the current automated technology](#), entering the IBOP by DoD Components as outlined in the detailed instructions provided in Tables 13-1 through 13-4. Sample formats are shown in Tables 13-5 through 13-7.
2. Submit ARs to the Department of Commerce through DFAS as follows:
  - a. Department of the Army – ARs-1 and 2;
  - b. Department of the Navy (including U.S. Marine Corps) – ARs-1 and 2;
  - c. Department of the Air Force – ARs-1 and 2;
  - d. MPS - AR-3; and
  - e. All other Defense Agencies, such as the DSCA and Defense Intelligence Agency - AR-1.
3. The DSCA must report all Foreign Military Sales and BPC delivery data.
4. Submit cross-disbursing data submitted by the DoD Component as follows:

a. Forward IBOP transactions between the Air Force and the Army no later than 32 calendar days following the end of the quarter to their corresponding offices. Each Service will send its IBOP files to the other Services.

b. Forward vouchers and control listings of IBOP transactions of the Navy for the Army and the Air Force, the Army for the Air Force and the Navy, and the Air Force for the Navy and the Army to the designated accounting and finance offices quarterly.

c. Forward electronic transmissions of Army, Navy, Air Force, and Marine Corps IBOP transactions for the Defense Agencies and OSD no later than 45 calendar days following the end of the quarter to the Department of Commerce.

d. Report salary payments to U.S. personnel as the net amount paid to individuals, excluding all deductions, such as amounts withheld for taxes, contributions, allotments, or savings bonds.

5. Complete the headings on each report as indicated in Tables 13-5 through 13-7. Round dollar amounts to the nearest \$1,000. Round amounts from \$1 to \$499 downward; amounts from \$500 to \$999 are rounded upward.

6. The Treasury Financial Manual, Volume 1, Part 2, Chapter [4500](#) contains requirements for reporting foreign grants, loans, credits, and contingent liabilities.

#### 130208. Criteria for Determining and Identifying IBOP Transactions

A. Introduction. In establishing a basis for reporting IBOP transactions, assume that purchases of materiel and services are equal to related disbursements, since payments by DoD Components normally are made within the month following receipt of the materiel and services. Similarly, report DoD outlays from appropriations supporting various U.S. foreign assistance programs to signify the delivery of that assistance to foreign entities. It is necessary, however, to report Foreign Military Sales on a delivery basis. State collections separately to reflect the changes in financial status. Accounting reports prescribed by this chapter reflect these reporting concepts. Table 13-10 contains a glossary of automated data processing (ADP) terms.

B. Transactions Entering the IBOP. The following transactions enter the DoD IBOP for reporting purposes.

##### 1. Payments

a. **Inclusion of all payments is required**, including advance and progress payments by **DOs** (whether located abroad or in the **United States**, its territories and possessions, and Puerto Rico) from their accounts and all payments from the accounts of nonappropriated funds and the MPS to:

(1) Foreign residents, including all amounts deposited in foreign or U.S. banks to their credit (e.g., a deposit to the account of a foreign entity maintained in

a U.S. bank). Foreign residents include foreign governments, corporations, contractors, and individuals;

(2) U.S. personnel stationed, or employed, or who live abroad, or on ships homeported abroad, for pay disbursed or mailed abroad when on temporary duty (TDY) abroad and per diem for TDY abroad;

(3) International organizations, including all amounts deposited to their credit in foreign or U.S. banks;

(4) U.S. corporations for materiel, supplies (excluding petroleum products), and equipment, title to which is acquired by the U.S. Government abroad as evidenced by an accomplished materiel inspection and receiving report;

(5) U.S. contractors for construction or services performed abroad, except for travel and transportation as described in subparagraph 130208.D.2.g; and

(6) U.S. and foreign corporations for petroleum products that will be identified to the country shown as the product source as described in subparagraph 130208.D.2.h.(2).

b. **Inclusion of foreign currency payments is required, including** counterpart foreign currency payments by a foreign government held by the foreign government for U.S. uses under special arrangements such as Euros disbursed by the Spanish Government for constructing and maintaining U.S. facilities.

c. All Returns to the **United States resulting from** contracts or other procurement documents for procurement of supplies and services for use outside the **United States** and contracts for construction, maintenance, and repair of real property facilities **that** require U.S. end products or that certain specified services be performed in the **United States are included**. Additionally, U.S. contractors performing construction and service contracts overseas may acquire, on their own initiative, certain U.S. end products, services, or transportation on U.S. flag carriers in fulfillment of construction or service contracts. Identify and report the amount of such procurements of U.S. end products, services, and transportation on U.S. flag carriers in AR-1, as shown in Table 13-5. The following rules apply only to contractors who are U.S. residents:

(1) The amounts remitted by a supplier to the **United States** for procurement of U.S. end products and the amounts paid by the supplier to a U.S. transportation company for transportation of goods on U.S. flag carriers must be identified and reported as reductions to procurement payments.

(2) Identify and report the following amounts as reductions to contractual service payments:

(a) The amount of U.S. end products procured from the [United States](#) by the contractor for incorporation in the project (whether required by the terms of the contract or voluntarily procured from the [United States](#) without contractual requirements);

(b) The amount remitted to or retained in the [United States](#) by the contractor for services performed in the [United States](#) and for profit, overhead, amortization costs, employee tax withholdings, and other indirect expenses, including that portion of the salaries of contractor personnel remitted to or retained in the [United States](#); and

(c) The amount paid to transportation companies in the [United States](#) by the contractor for transportation provided on U.S. flag carriers.

(3) Reporting requirements and [requirements](#) for contracts exceeding the simplified acquisition threshold are set forth in DFARS 225.1103(1) and the clause at 252.225-7005.

(4) The amounts reported as returns under subparagraph 130208.B.1.c must exclude:

(a) [Payments](#) by the contractor to a DoD Component for supplies or services such as utilities and telephone services; [and](#)

(b) [Returns](#) to the [United States](#) by foreign residents who use U.S. end products or services to fulfill DoD contracts.

## 2. Collections

a. [Report](#) all collections by DOs credited to their accounts or to Treasury accounts (for which the Department has billing and collection responsibility) and all receipts in nonappropriated funds and the MPS from the following:

(1) Foreign residents;

(2) U.S. personnel who are stationed, employed, residing, or traveling abroad, or on ships homeported abroad (for reporting purposes, however, these collections are treated as a reduction to pay of personnel);

(3) International Organizations;

(4) U.S. contractors in connection with their performance of contracts with the U.S. Government or private firms abroad; and

(5) Foreign governments or other foreign entities for goods and services sold for delivery or use under the Foreign Military Sales program, other sales programs, and the [Defense Logistics Agency Disposition Services](#).

b. Report all collections of foreign currency contributed by foreign governments for the support of U.S. Military Assistance Advisory Groups (MAAGs) and Missions.

c. Do not deposit FMF receipts into the U.S. Treasury. The FMF receipts are recorded in successor account 11\*1082 (Foreign Military Financing Program, Funds Appropriated to the President), via a Treasury SF 133 allocation by the Department of State in the year received, and finally apportioned in the same year on an OMB Apportionment And Reapportionment Schedule (SF 132).

### 3. Deliveries

a. All deliveries of materiel, supplies, equipment, and services to foreign countries and international organizations must be reported to include the following:

(1) Foreign Military Sales deliveries outlined in the AECA of 1976, as amended;

(2) Sales by property disposal officers as represented by collections;

(3) Loans and leases of aircraft, vessels, and other equipment to foreign entities;

(4) Transfers of real property and deliveries of materiel and services under logistical support agreements and otherwise; and

(5) Deliveries of goods and services for foreign assistance reimbursed by the Agency for International Development (AID), Department of State, or from Funds Appropriated to the President.

b. This chapter requires that delivery data pertaining to Military Assistance Grant Aid be reported.

### 4. Special Transactions

a. Transfers. Transfers from Deposit Account 6500 (Advances Without Orders from Non-Federal Sources) and Clearing Account 3875 (Budget Clearing Account (suspense)) to other accounts must be included when recorded as a collection in deposit fund accounts or in applicable receipt (including miscellaneous receipt), appropriation, or other fund accounts. For example, a bid deposit of a successful purchaser of surplus, excess, foreign excess, scrap, or salvage will be recorded in IBOP at the time transferred to account 3845 (Proceeds of Sales, Personal Property). Treat returns of deposits to depositors as IBOP transactions. Exclude amounts initially recorded in these suspense accounts from IBOP reporting requirements.

b. Settlements. Treat offsetting settlements between DoD accounts made in place of payments to, and collections from, a foreign government as IBOP transactions as if the transaction had been carried out with the foreign government.

c. Outlays. Report DoD outlays in support of Other Assistance Grant Aid.

C. Transactions Not Entering the IBOP. The following transactions do not enter the DoD reporting of IBOP:

1. Payments to and receipts from any DoD or other U.S. Government agency or activity, including any DoD nonappropriated fund or postal service activity, except special transactions noted in subparagraph 130208.B.4;

2. All transfers between the DoD or other U.S. Government accounts, except those from Deposit Account 6500 and Clearing Account 3875, as noted in subparagraph 130208.B.4.a;

3. Payments to foreign residents for goods produced in the United States if title is transferred within the United States. Include payments to the foreign resident when title is transferred to the United States if the goods were originally delivered to the foreign resident under the Foreign Military Sales program; and

4. Payments to foreign residents for goods produced abroad and imported into the United States when title is transferred to the U.S. Government after the goods are imported. Consider goods imported when they clear the U.S. Customs Service.

D. Identification of Transactions to Country or International Organizations

1. General. Identify transactions, except those relating to international organizations designated in Table 13-11, generally to the country of residence of the payee or remitter, rather than the location of the DO. Identify transactions with international organizations not listed in Table 13-11 to the country to which payment is sent or from which payment is received. In cases where country of residence cannot be determined, identify transactions as follows:

a. Cash. Code payments or collections by cash to the country in which disbursed or collected.

b. Check. Code payments or collections by check to the country to which check is sent or from which check is received.

c. Electronic. Code payments or collections by electronic transfer to the country to which transfer is sent or from which transfer is received.

2. Payments. Identify payments to the designated international organization or country of residence of the payee. More specifically, identify payments as follows:

a. Government-to-Government Payments. Identify all government-to-government payments to the country of the foreign government involved.

b. Foreign Corporations. Identify payments to foreign corporations and individuals to the country of residence. A current list of country codes is available on the NGA website (GENC Standard).

c. U.S. Personnel Payments

(1) U.S. Personnel Ashore. Code net pay to the foreign country to which payment is made or the check is addressed.

(2) U.S. Personnel Afloat (Homeported Abroad). Code net pay to the foreign country to which payment is made or the check is addressed.

(3) U.S. Personnel Afloat (U.S. Homeported). Code net pay as a U.S. payment. A statistical determination will be made, by country, of the expenditures ashore by these individuals.

(4) Allotments of Pay. Allotments to individual persons will be identified to the country to which addressed. Identify all other allotments to the country of residence of the allottee.

(5) Contributions. Identify U.S. Government and service member contributions (Federal Insurance Contributions Act, retirement, and health benefits) to the [United States](#).

d. Retired and Survivors Pay. Identify the amount of the payment to the foreign country to which the check is mailed or payment is electronically transferred.

e. Foreign Nationals

(1) Direct Hire of Foreign Nationals. Identify net pay to the foreign country, which employs the individual. In addition, identify the payment of all U.S. Government contributions, and the payments of all amounts withheld from the employee's pay, at the time of payment, to the country addressed.

(2) Indirect Hire of Foreign Nationals. Identify payments under contracts for indirect hire of foreign nationals, including retirement accruals or separation allowances when paid, to the country addressed.

(3) Foreign Nationals Aboard Ships. Identify net pay to the country in which the individual maintains his or her “home of record.” In addition, the payment of all U.S. Government contributions and payments of all amounts withheld from the employee’s pay must be identified, at the time of payment, to the country to which addressed.

f. Construction and Services Performed Abroad Other Than Travel and Transportation. Identify payments for construction or services performed abroad to the country in which construction or service is performed, regardless of where the check is mailed.

g. Travel and Transportation

(1) Transportation. Code payments for transportation of persons or things (trip requests, bills of lading, warrants, or cash) paid to a transportation company to the country of residence of the transportation company.

(2) Travel Allowances. Code payments for per diem allowances, relocation allowances, and other incidental travel expenses, including transportation expenses or mileage allowances paid to individuals, according to the following guidance:

(a) For permanent change of station (PCS), [code](#) to the country in which the greater part of the allowances was earned or expenses incurred. Code relocation allowances [to](#) the country to which the individual's family moves.

(b) For TDY, [code](#) to the country in which the TDY was performed, except TDY performed aboard ship that must be coded to the [United States](#). Where TDY is performed in several countries and it is not feasible to identify the per diem to each country, code the payment to the country in which the greater part of the allowances was earned.

h. Materiel, Supplies, and Equipment

(1) Payments to a U.S. corporation for materiel, supplies (excluding petroleum products), and equipment acquired by a DoD Component abroad must be coded to the country where it is delivered or accepted by the DoD Component. Code payments to foreign contractors (excluding petroleum products) to the country of residence of the payee.

(2) Identify payments to a U.S. or foreign corporation for petroleum products according to the following guidance:

(a) [Code the payment](#) to the country shown as the product source in the “product source” clause of the contract under which the payment is made. If a region (e.g., the Caribbean or Persian Gulf) is shown rather than a country, code the payment to the country shown in section 9 of the [Department of Defense Form 250-1](#) (“Tanker/Barge-Material Inspection and Receiving Report”). If the product source cannot be established, it will be coded to the country where acquired by the DoD Component.

(b) When the product source for petroleum is the [United States](#) and the petroleum has been transported by the Military Sealift Command, or transported by commercial vessels directly to a DoD Component abroad, code the payment to the [United States](#). If the petroleum is not consigned directly to a DoD Component, code the payment to the country where it is delivered and code the amount of the petroleum product and the transportation furnished by U.S. flag carriers as a return to the [United States](#).

(c) Code petroleum services, other than ocean transportation, to the country in which the service is performed.

i. NATO Infrastructure. In processing NATO Infrastructure and International Military Headquarters Payments for NATO infrastructure, refer to [Enclosure 2 of DoD Directive 2010.5](#) (The NATO Security Investment Program) for eligible project types. Code such payments to the country or to the appropriate NATO command that is the recipient of the payment. Code payments to international military headquarters, including those located in the [United States](#).

### 3. Deliveries and Collections

a. Materiel or Services. Code deliveries of materiel or services to the country or international organization to which the collection for that delivery must be identified. Code collections to the countries making payments. Code collections from international organizations to the international organization making payment.

b. Recipient Country. Code delivery transactions involving Military Assistance Grant Aid and reimbursement from AID, Department of State, or Funds Appropriated to the President to the recipient country or international organization.

### 4. Special Transactions

a. Balance of Payment Transactions. Transactions for Guam, Puerto Rico, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands must not be included in any summary totals of balance of payments transactions since transactions involving these areas do not enter the [United States](#) balance of payments. [If a special report is requested for these areas then apply country codes as appropriate.](#)

b. Guantanamo Bay. Code transactions at Guantanamo Bay, other than pay of foreign nationals, as U.S. transactions not entering the IBOP. However, treat the pay of foreign nationals employed at Guantanamo Bay as IBOP transactions and code to their country of residence.

130209. Entries for DoD Transactions Entering the IBOP – AR-1

A. Purpose. This format prescribes line items, columnar data, and line [item identification \(ID\)](#) codes used for reporting IBOP transactions in AR-1. This submission provides for summarizing DoD IBOP transactions under appropriation and category groupings.

B. General

1. Separate AR-1. Prepare a separate AR-1 for each foreign country and international organization listed in Tables 13-8 and 13-11, and for each foreign area grouping shown in Table 13-9. In addition, submit a separate AR-1 (a sample format of AR-1 is shown in Table 13-5; change “Quarter” to “Month” if reporting monthly) for Guam, Puerto Rico, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands. However, these transactions and those for other U.S. possessions must not be included in the subtotals for foreign area groupings or worldwide totals.

2. DoD Component. Each DoD Component must submit AR-1 electronically. Data on the electronic transfer submissions must carry the line item numbers for AR-1 precisely as shown in Table 13-12.

3. Assemble Reports. Documentation for countries without transaction data is not required when assembling supporting documentation for IBOP reporting.

4. Report Data. Report data for each line item entry listed in Table 13-12. To facilitate summarizing data, each line entry must be identified by the same line ID Code shown in Table 13-12. Line items for which no amount is reported for the current quarter or cumulative columns must not be shown on the report.

5. Reporting Responsibilities. Data reported for all lines for transactions involving the FMF, Foreign Military Sales Program, BPC Program, IMET, Drawdowns, EDAs, and Military-to-Military Contact Programs are established under the SAMM, Chapter 1.

6. Dollar Collections. Report as dollar collections all collections of foreign currency not obtained by purchase with U.S. dollars, used for authorized expenditure purposes rather than deposited to Treasury FT accounts.

7. Trust Fund Expenditures. Treat refunds to foreign governments for Foreign Military Sales as trust fund expenditures. In the DoD balance of payment presentations, net such refunds against receipts rather than treated as expenditures on AR-1.

C. Line Entries - Descriptions and Codes. Line item ID codes, line item captions, and descriptions for AR-1 are shown in Table 13-12.

130210. Entries for DoD Transactions Entering the IBOP – AR-2

A. Purpose. This format prescribes line items, columnar data, and line ID codes for reporting IBOP transactions in AR-2, i.e., financial data relating to DoD nonappropriated fund activities abroad. Use these data to develop amounts available for spending abroad by U.S. personnel.

B. General

1. Nonappropriated Fund Activities. Each reporting activity must include all nonappropriated fund activities under its command jurisdiction. When one activity serves more than one command in a given area, make local arrangements to have the data submitted through only one command, thus avoiding duplications (e.g., the Army and Air Force Exchange Service). Nonappropriated fund activities aboard ship must include only receipt and payment transactions abroad, which are included with activities ashore and enter the IBOP.

2. Submit Separate Reports. The reporting activities must submit separate reports for the following:

- a. Exchange Service Operations, and
- b. Other Nonappropriated Fund Activities.

3. Payments and Receipts. These reports must include only payments and receipts affecting nonappropriated funds. Exclude payments and receipts from appropriated funds used in operating a nonappropriated fund activity.

4. Reported Quarter. Amounts shown in the report must cover the reported quarter. Change “Quarter” to “Month” if reporting monthly.

5. Schedules. Submit separate schedules for the Navy and Marine Corps.

C. Line Entries - Descriptions and Codes. Line ID codes, line item captions, and descriptions for AR-2 are shown in Table 13-13.

## 130211. Entries for DoD Transactions Entering the IBOP - AR-3

A. Purpose. This format prescribes line items, columnar data, and line ID codes used for reporting IBOP transactions in AR-3, i.e., financial data relating to military postal services to individuals. Use these data to develop the amounts available for spending abroad by U.S. personnel.

B. General

1. MPS. Submit one report to cover all MPS operations, excluding FPO operations aboard ship.

2. Payments and Receipts. Exclude from the report payments and receipts of appropriated funds used for operating expenses of MPS facilities.

3. Agencies and Activities. Exclude sales to or receipts from federal agencies and activities and DoD-sponsored nonappropriated fund activities.

4. Reported Quarter. The amounts shown in the report must cover the reported quarter only and will be noncumulative. Change “Quarter” to “Month” if reporting monthly.

C. Line Entries – Description and Codes. Line ID codes, line item captions, and descriptions for AR-3 are shown in Table 13-14.

### 1303 INTERMEDIATE/INSTALLATION LEVEL REPORTING REQUIREMENTS

Each DFAS site develops and monitors the reporting requirements, at the intermediate or installation level, for its IBOP reporting. Consistently apply reporting formats for the intermediate or installation levels in accordance with the requirements outlined in paragraphs 130201 through 130211.

Table 13-1: Edit and Validation Rules for Submitting IBOP Data to the Department of Commerce

The following includes the record edit and validation rules that apply to all transaction data records submitted on IBOP transactions.

<u>Data Record Position(s)</u>	<u>Description of Item</u>	<u>Rules</u>
1	Coded Report No.	Must be 1, 2, or 3
2	Coded Report No.	Must be blank except for Accounting Report 2
3-4	Fiscal Year	Must be numeric
5	Quarter of FY	Must be 1, 2, 3 or 4
6	Dept. Code	Must be one of the alpha characters shown in Table 13-15
7-8	Country or Organizational Code	Position 7 must be alpha. Position 8 must be A/N. Cannot be blank (Tables 13-8 and 13-11).
9-14	Line ID No.	May be alpha, numeric, or A/N
15-21	\$ Amount this Qtr. (“Month” if reporting monthly.)	Must be numeric
22-25	Main Account	Must be numeric
26-29	Blank	Must be blank
30	Reserved	Must be blank
31	Data Originator	Blank except for AR 1
32-80	Blank	Must be blank

Table 13-2: Record Format Accounting Report 1

<u>Data Record Position(s)</u>	<u>Alphabetic or Numeric</u>	<u>Description of Item</u>	<u>Special Instructions</u>
1	N	Coded Report No.	Must be 1
2	Blank	Blank	Blank
3-4	N	Fiscal Year	Last 2 digits
5	N	Quarter of Fiscal Year	Must be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-15
7-8	A	Country or Organizational Code	Tables 13-8 and 13-11
9-14	A/N	Line ID No.	Table 13-12
15-21	N	\$ Amount this Qtr. "Month" if reporting monthly.	Rounded to the nearest thousand. Place a zero in vacant high order position(s).
22-25	N	Main Account	
26-29	Blank	Blank	Blank
30		Reserved	
31	A	Data Originator	Table 13-15
32-80	Blank	Blank	Blank

Table 13-3: Record Format Accounting Report 2

<u>Data Record Position(s)</u>	<u>Alphabetic or Numeric</u>	<u>Description of Item</u>	<u>Special Instructions</u>
1	N	Coded Report No.	Must be 2
2	N	Coded Report No.	Must be 1 or 2(*)
3-4	N	Fiscal Year	Last 2 digits
5	N	Quarter of Fiscal Year	Must be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-15
7-8	A	Country or Organizational Code	Tables 13-8 and 13-11
9-14	A/N	Line ID No.	Table 13-13
15-21	N	\$ Amount this Qtr. “Month” if reporting monthly.	Rounded to the nearest thousand. Place a zero in vacant high order position(s).
22-80	Blank	Blank	Blank

(\*) Must be 21 on Submission for Exchange Service Operations.  
 (\*) Must be 22 on Submission for Other Nonappropriated Fund Activities

Table 13-4: Record Format Accounting Report 3

<u>Data Record Position(s)</u>	<u>Alphabetic or Numeric</u>	<u>Description of Item</u>	<u>Special Instructions</u>
1	N	Coded Report No.	Must be 3
2	Blank	Blank	Blank
3-4	N	Fiscal Year	Last 2 digits
5	N	Quarter of Fiscal Year	Must be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-15
7-8	A	Country or Organizational Code	Tables 13-8 and 13-11
9-14	A/N	Line ID No.	Table 13-14
15-21	N	\$ Amount this Qtr. "Month" if reporting monthly.	Rounded to the nearest thousand. Place a zero in vacant high order position(s).
22-80	Blank	Blank	Blank

Table 13-5: Sample Accounting Report 1

DoD INTERNATIONAL BALANCE OF PAYMENTS ACCOUNTING REPORT 1 FOR QUARTER ENDING _____			
LINE ID NUMBER	LINE ITEM DESCRIPTION	CURRENT QUARTER	FISCAL YEAR TO DATE
	(See instructions for each line item in Table 13-12)		

Table 13-6: Sample Accounting Report 2

DEPARTMENT OF DEFENSE INTERNATIONAL BALANCE OF PAYMENTS NONAPPROPRIATED FUND TRANSACTIONS (Thousands of Dollars)											
DEPARTMENT/AGENCY: _____										EXCHANGE/OTHER	
QUARTER ENDING: _____										Page _____ of _____ Pages	
Country	Sales	Other Revenues	Total Receipts	Net Pay U.S. Personnel	Gross Pay Foreign Nationals	Foreign Payments For Procurement of Merchandise for Resale	Other Foreign Payments	Total Foreign Payments	Net Excess of Payments or Receipts	Memo: Payments in Excess & Near Excess Foreign Currency	Memo: Net Accommodation Sales (Foreign Currency)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
TOTAL											

Table 13-7: Sample Accounting Report 3

DEPARTMENT OF DEFENSE INTERNATIONAL BALANCE OF PAYMENTS						
MILITARY POSTAL SERVICE AGENCY TRANSACTIONS						
DEPARTMENT _____				Page ____ of ____ Pages		
RECEIPTS				PAYMENTS		
Country	Meter/Postage Validation Imprinter Sales	Stamp Sales	Money Order Sales	Money Order Fees	Money Orders Cashed	Net Sales
(1)	(2)	(3)	(4)	(5)	(6)	(7)
TOTAL						

Table 13-8: Countries and Codes to be Used to Prepare IBOP Accounting Reports

NGA provides basic geographical-political entities (countries, dependencies, and areas of special sovereignty) and a coding structure that identifies each entity used to prepare IBOP reports. A current list of country codes is available on the [NGA](#) website. Send inquiries concerning countries not listed in the current guidance to NGA at [ccwgsecretariat@nga.mil](mailto:ccwgsecretariat@nga.mil) to request a new code be established.

FIPS PUB 10-4 was withdrawn by the National Institute of Standards and Technology on September 2, 2008 based on Public Law (PL) 104-113. The NGA, as the maintenance agency for FIPS PUB 10-4, continued to maintain and provide regular updates to its content in a document known as Geopolitical Entities and Codes (GEC) (Formerly FIPS PUB 10-4). NGA discontinued maintenance of GEC effective December 31, 2014. Updates to the GEC content will no longer be posted.

The GENC Standard [is](#) designated as the replacement standard for FIPS PUB 10-4. The GENC Standard provides a list of the basic geopolitical entities in the world, together with the principal divisions that comprise each entity. The names of the political entities are derived from official meeting records of the Foreign Names Committee of the U.S. Board on Geographic Names. GENC Edition 1 was published on November 27, 2012. GENC Edition 2 was published on March 31, 2014. [GENC Standard Edition 3.0 Update 7 was established on June 30, 2017.](#)

Table 13-9: Geographical Areas, Countries, and International Organizations to be Used in Preparing IBOP Accounting Reports

This table lists the countries and geographical areas to be shown in the IBOP reports. Alternatively, each country having an IBOP transaction (not only those shown in this enclosure) may be listed alphabetically followed by the area totals (A through E) and the "Grand Total."

- A. Western European Countries and International Organizations
  - 1. Austria
  - 2. Belgium/Luxembourg
  - 3. Bosnia/Herzegovina
  - 4. Croatia
  - 5. Denmark (include Greenland)
  - 6. France
  - 7. Germany (Unified)
  - 8. Greece (includes Crete)
  - 9. Iceland
  - 10. Italy (includes Sicily)
  - 11. Netherlands
  - 12. Norway
  - 13. Portugal
  - 14. Spain
  - 15. Switzerland
  - 16. Turkey
  - 17. United Kingdom
  - 18. Other Western European Countries and International Organizations
- Total Western Europe
- B. Japan
- C. Canada

(continued on following page)

Table 13-9: Geographical Areas, Countries, and International Organizations to be Used in Preparing IBOP Accounting Reports (Continued)

D. Other Countries

1. Australia
2. Bahrain
3. Bermuda
4. China, Republic of (Taiwan)
5. Korea, Republic of
6. Morocco
7. Netherlands Antilles
8. Pakistan
9. Republic of the Philippines
10. Saudi Arabia
11. Thailand
12. Trinidad and Tobago
13. Venezuela
14. Vietnam
15. Other American Republic
16. Other (all other countries not elsewhere listed)

Total Other Countries

E. Other International Organizations

1. South East Asia Treaty Organization Military Headquarters
2. United Nations
3. Other

Total Other International Organizations

F. GRAND TOTAL (World Wide)

Table 13-10: Glossary of ADP Terms

<u>Term</u>	<u>Definition</u>
Accounting Reports	The series of reports specifically referenced in this chapter.
0	The representation of numeric zero unless it is otherwise specified.
Zero Fill Unused High Order Positions	Fill assigned field spaces to the left of the most significant numeric digit in ALL \$ Amount fields. May also be expressed as “Right Justify.”
BLANK	Shown on record formats to indicate a blank space in a record.
FY	Fiscal Year
PY	Prior Fiscal Year
CY	Current Fiscal Year. If the current fiscal year is FY 2017, the PY is FY 2016, and the CY is FY 2017.
Line ID No.	As used in this Regulation, a special six (6) digit alpha/numeric code used ONLY for IBOP reporting to identify an exact line item in a report.
QTR	Numeric quarter of the Fiscal Year. Must be 1, 2, 3, or 4.

\*Table 13 -11: International Organization List

<b><u>INTERNATIONAL ORGANIZATION LIST</u></b>	
List of International Organizations and Codes used for DoD IBOP reporting. This list is based on the Security Cooperation Customer Codes provided in <a href="#">the SAMM, Chapter 4</a> .	
Future additions and/or changes to this list will be transmitted to the DoD Components by the Department of Commerce. Such changes will become effective in each DoD Component's IBOP reporting system within 90 days after receipt.	
<b><u>Organization</u></b>	<b><u>Code</u></b>
Organization of American States (OAS)	A1
Supreme Headquarters Allied Powers Europe (SHAPE)	A2
African Union (AU)	A3
United Nations Office for the Coordination of Humanitarian Assistance to Afghanistan (UNOCHA)	A4
United Nations Department of Humanitarian Affairs (UNDHA)	A5
NATO Air Command and Control System Management (NACMA)	A6
Economic Community of West African States (ECOWAS)	A7
Organization of Security and Cooperation in Europe (OSCE)	A8
Southern African Development Community (SADC)	A9
Non-Proliferation, Anti-terrorism, Demining, and Related Programs (NADR) Overseas Continuing Operations, FY 2012/2013	B1
Emergency Supplemental Appropriations (PL 109-234) (Jun 15, 2006) Afghanistan Security Forces Fund ( <a href="#">ASFF</a> )	B2
Emergency Supplemental Appropriations (PL 109-234) (Jun 15, 2006) Iraq Security Forces Fund ( <a href="#">ISFF</a> )	B3
National Defense Authorization Act (NDAA) for FY 2006 (PL 109-163), Section 1206	B4
NDAA for FY 2007 (PL 109-364), Section 1206	B5
FY 2007 DoD Appropriations Act (PL 109-289) (Sep 29, 2006) as supplemented by PL 110-28 (May 25, 2007) <a href="#">ASFF</a>	B6
FY 2007 DoD Appropriations Act (PL 109-289) (Sep 29, 2006) as supplemented by PL 110-28 (May 25, 2007) <a href="#">ISFF</a>	B7
NDAA for FY 2007 ( <a href="#">PL 109-364</a> ), Section 1206; and NDAA for FY 2008 ( <a href="#">PL 110-181</a> ), Section 1206 for the Pakistan Frontier Corps	B8
NDAA for FY 2009 ( <a href="#">PL 110-417</a> ), all Section 1206 for foreign military forces and Section 1201 for the Pakistan Frontier Corps	B9
Foreign Military Sales Agreements (Reported via Government Treasury Account Symbol Adjusted Trial Balance System (GTAS), DSCA)	C2
Economic Community of Central African States (ECCAS)	C3

\*Table 13-11: International Organization List (Continued)

List of International Organizations and Codes used for DoD IBOP reporting.	
<u>Organization</u>	<u>Code</u>
FAA Section 481 for International Narcotics Control and Law Enforcement (INCLE), FY 2011/2012	C4
ASFF Contributions	C5
Global Security Contingency Fund (GSCF), Section 1207 of the NDAA, FY 2012	C6
FAA Section 481 for INCLE, FY 2012/2013	C7
Counterterrorism Assistance For East Africa (1203 EA), FY 2013	C8
Counterterrorism Assistance For Yemen (1203 YE), FY 2013	C9
Special Defense Acquisition Fund (SDAF)	D2
Security Assistance Automated Resource Management Suite (SAARMS) database	E1
United Nations Transitional Authority in East Timor (UNTAET)	E2
Consolidated Appropriations Act, 2008 (PL 110-161) ASFF	E3
Consolidated Appropriations Act, 2008 (PL 110-161) ISFF	E4
Supplemental Appropriations Act, 2008 (PL 110-252) ASFF (FY 2009 Bridge Funds)	E5
Supplemental Appropriations Act, 2009 (PL 111-32) ASFF (FY 2009 Supplemental Funds)	E6
Coalition Readiness Support Program (CRSP) for FYs 2008, 2009, 2010 and 2011	E7
CRSP for FY 2012/2013	E8
CRSP, FY 2013	E9
F-16, Belgium	F1
F-16, Denmark	F2
F-16, Netherlands	F3
F-16, Norway	F4
Supplemental Appropriations Act, 2009 (PL 111-32) Pakistan Counterinsurgency Fund (PCF) (FY 2009 Supplemental Funds)	G2
Supplemental Appropriations Act, 2009 (PL 111-32) ISFF (FY 2009 Supplemental Funds)	G3
Supplemental Appropriations Act, 2009 (PL 111-32) Pakistan Counterinsurgency Capability Fund (PCCF) (FY 2009 Supplemental Funds), as transferred into PCF	G4

\*Table 13-11: International Organization List (Continued)

List of International Organizations and Codes used for DoD IBOP reporting.	
<b>Organization</b>	<b>Code</b>
NDAA for FY 2010 (PL 111-84) and DoD Appropriations Act, 2010 (PL 111-118), as supplemented by PL 111-212 ASFF	G5
NDAA for FY 2011 (PL 111-383) and DoD and Full Year Continuing Appropriations Act, 2011 (PL 112-10) for ASFF	G6
NDAA for FY 2010 (PL 111-84) and DoD Appropriations Act, 2010 (PL 111-118), for section 1206 programs	G7
Supplemental Appropriations Act, 2010 (PL 111-212) ISFF (FY 2010 Supplemental Funds)	G8
Supplemental Appropriations Act for FY 2009 (PL 111-32) and Continuing Appropriations Act 2011 (PL 111-322) for PCCF	G9
Gulf Cooperation Council (GCC)	GC
NDAA for FY 2006 (PL 109-163), as amended, and DoD and Full Year Continuing Appropriations Act, 2011 (PL 112-10) for Section 1206 programs	H2
Ike Skelton NDAA, 2011 (PL 111-383) and DoD and Full Year Continuing Appropriations Act (CAA), 2022 (PL 112-10), ISFF	H3
NDAA for FY 2006 (PL 109-163), as amended, Section 1206 for FY 2012	H4
ASFF for FY 2012 (PL 112-74)	H5
NDAA for FY 2012 (PL 112-81, Section 1207(n)(1)(A) or (B)), for East Africa	H6
NDAA for FY 2012 (PL 112-81, Section 1207(n)(1)(C)), for Yemen	H7
NDAA for FY 2006 (PL 109-163), as amended, Section 1206 for FY 2013	H8
ASFF, FY 2013/2014	H9
USG Transition Support (Iraq)	IZ
NDAA for FY 2013 (PL 112-239)	J1
Division I of the Consolidated Appropriations Act, 2012 (PL 112-74), for PCCF	J2
ASSF, FY 2014	J3
NDAA for FY 2013 (PL 112-239)	J4
NDAA for FY 2013 (PL 112-239)	J5
CRSP, (PL 113-66)	J6
NDAA for FY 2006 (PL 109-163), as amended, Section 1206 for FY 2014	J7
ASFF, FY 2015	J8

\*Table 13-11: International Organization List (Continued)

List of International Organizations and Codes used for DoD IBOP reporting.	
<b>Organization</b>	<b>Code</b>
NATO <a href="#">Maintenance and Supply</a> Agency (NAMSA)-F104 + C-130	K2
EF2000 and Tornado Dev, Prod, & Log Management Agency (NATO Eurofighter and Tornado Management Agency (NETMA))	K3
C3 Agency (NC3A)	K4
Supreme Allied Commander, Atlantic (SACLANT)	K5
Airborne Early Warning & Control Operations & Support (O&S) Budget	K7
NATO Airlift Management Organization (NAMO)	K8
NATO EFA Development Production and Logistics Management Agency (NEFMA)	M1
Military Assistance Property Sales and Disposal (MAPSAD)	M2
MAP Owned Materiel (DSCA Records)	M3
<a href="#">NAMSA-Weapons</a>	M5
NATO Hawk Production and Logistics Organization (NHPLO)	M6
Southern Region Signal/Communications	M7
Program Management Office – NATO Airborne Early Warning and Control Program Management Organization (NAPMO)	N1
NATO	N2
Seasparrow (Sec 1004, PL 98-525)	N3
<a href="#">NAMSA General + Nike</a>	N4
Headquarters	N6
<a href="#">NAMSA-HAWK</a>	N7
Mutual Weapons Development Program (MWDP)	N8
NATO Missile Firing Installation (NAMFI)	N9
<a href="#">Internal Defense Security Assistance Management System (DSAMS) Training</a>	NN
<a href="#">Iraq Train and Equip Fund (ITEF), FY 2015</a>	P1
FAA Section 551 for Peacekeeping Operations (PKO), FY 2012	P2
FAA Section 551 for PKO, FY 2012/2013 and FY 2013	P3
<a href="#">Section 551 for Peacekeeping Operations (PKO)</a>	P4
<a href="#">European Reassurance Initiative (ERI), FY 2015</a>	P5
<a href="#">PKO, Overseas Contingency Operations (OCO) FY 2015</a>	P6
<a href="#">PKO/OCO, FY 2016</a>	P7
<a href="#">PKO/OCO, FY 2017</a>	P8
European Participating Group F-16 follow on	PG

\*Table 13-11: International Organization List (Continued)

List of International Organizations and Codes used for DoD IBOP reporting.	
<b>Organization</b>	<b>Code</b>
FAA Section 551 for PKO and the Global Peacekeeping Operations Initiative (GPOI), FY 2012	Q2
FAA Section 551 for PKO and the GPOI, FY 2013	Q3
FAA Section 551 for PKO and the GPOI, FY 2014	Q4
FAA Section 551 for PKO and the GPOI, FY 2015	Q5
FAA Section 551 for PKO and the GPOI, FY 2016	Q6
European	R2
Near East/South Asia	R3
East Asia/Pacific	R4
American Republic	R5
Africa	R6
Coalition Readiness Support Fund, FY 2016	R8
CRSP, FY 2015/2016	R7
CRSP, FY 2017	R9
FAA Sec 632 Transactions	S4
FAA Sec 607 Sales, Reimbursable (Delayed Payment)	S5
FAA Sec 607 Sales, Payment in Advance	S6
NDAA, Section 1033 Transactions	S7
NDAA, Section 1004 Transactions	S8
Presidential Drawdowns (DSCA authorized use only)	S9
Regional Security System	SS
Central Treaty Organization (CENTO) (ceased 1979)	T3
SE Asia Treaty Organization (ceased 24 Sep 75)	T4
Peacekeeping Operations (PKO), FY 2015	T5
FAA Section 551 for PKO, African Peacekeeping Rapid Response Partnership (APRRP)	T6
International Civil Aviation Organization (ICAO)	T7
International Civil Defense Organization (ICDO)	T8
United Nations	T9
Counterterrorism Partnerships Fund (CTPF), FY 2015	U3
CTPF, FY 2015 funds available for use in FY 2016	U4

\*Table 13-11: International Organization List (Continued)

List of International Organizations and Codes used for DoD IBOP reporting.	
<b>Organization</b>	<b>Code</b>
CTPF, FY 2016 funds available for use in FY 2016	U6
GSCF, APRRP, FY 2016	V6
CTPF, FY 2016 funds available for use in FY 2017	U7
Section 1263, South China Sea Initiative (SCSI) FY 2016	V2
ASSF, FY 2016	V3
Ukraine Security Assistance Initiative, FY 2016	V4
Iraq Train and Equip Fund, FY 2016	V5
Syria Train and Equip Fund, FY 2016	V7
Economic Support Fund (ESF)	V8
Section 1263, South China Sea Initiative (SCSI) FY 2017	V9
Airborne Warning and Control System	W1
NATO Medium Extended Air Defense System Management Agency (NAMEADSMA)	W2
NATO Alliance Ground Surveillance Management Agency (NAGSMA)	W3
NATO Alliance Ground System (AGS)	W4
ASSF, FY 2017	W5
GSCF - Ukraine (GSCF-U)	W6
NATO Support Agency and successor agencies	W7
Multinational Force and Observers (MFO) in the Sinai	W8
Syria Train and Equip Program, FY 2016/2017	W9
Section 1107 of FY 2004 Supplemental (Train and Equip Authority) for the Afghanistan National Army	Y2
Section 1107 of FY 2004 Supplemental (Train and Equip Authority) for the New Iraqi Army	Y3
Uzbekistan - Emergency Wartime Supplemental Appropriations Act 2003 (PL 108-11)	Y4
Section 9006 of FY 2005 Defense Appropriations Act (PL 108-287) for Afghanistan	Y5
Section 9006 of FY 2005 Defense Appropriations Act (PL 108-287) for Iraq	Y6
Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (PL 108-106) for Iraq	Y7
ASFF – FY 2005 Emergency Supplemental Appropriations Act (PL 109-13)	Y8
ISFF – FY 2005 Emergency Supplemental Appropriations Act (PL 109-13)	Y9

\*Table 13-11: International Organization List (Continued)

List of International Organizations and Codes used for DoD IBOP reporting.	
<b>Organization</b>	<b>Code</b>
Syria Train and Equip Program, FY 2017/18	Z4
Iraq Train and Equip Fund, FY 2017	Z5
Iraq Train and Equip Fund, FY 2017/18	Z6
Security Cooperation OCO, FY 2017/2018	Z7
Ukraine Security Assistance Initiative, FY 2017	Z8
Panama Canal Area Military Schools (PACAMS)	11
Extraordinary Expenses –IMET and Counterterrorism	22
Counter-ISIL Train and Equip Fund (CTEF) Iraq, FY 2017/2018	3T
Counter-ISIL Train and Equip Fund (CTEF) Syria, FY 2017/2018	3U
Pakistan Stability Operations Funds (PSOF), FY 2016/2017	3V
Counterterrorism Program/Contractor Support	33
Counterterrorism DSAMS	44
General Costs - IMET and Counterterrorism	66
Security Cooperation OCO, FY 2017/2018, Section 333	7C
Section 333 of title 10, United States Code, FY 2017/2018 (Base O&M)	7D
IMET/Combating Terrorism Fellowship Program (CTFP) infrastructure cost	77
State Department Directed Foreign Military Financing Procurement	88
Department of State (DoS)-Directed (SDD) Foreign Military Financing (FMF) for the Central America Maritime Regional Initiative (CAMRI)	89

Table 13-12: Line Item Captions and Descriptions Accounting Report 1

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	A. Payments
	1. Pay, U.S. Personnel - This includes payments to U.S. personnel for “net pay” as defined in <a href="#">subparagraph 130203.P.</a> , PCS and TDY travel expenses, dislocation allowances for which the individual is reimbursed, and claims paid to U.S. personnel. Enter payments on the line indicating the appropriation cited in the voucher. Use other lines under this heading to record adjustments to payments to U.S. personnel to arrive at the amount of pay available for spending on the local economy.
01A000	a. Military Personnel, Reserve Personnel, and National Guard Personnel (Including afloat personnel homeported abroad)
01A020	b. Printing and Reproduction, Civilian Personnel
01B000	c. Operation and Maintenance (O&M), Civilian Personnel
01C000	d. Military Construction, Civilian Personnel
01D000	e. Family Housing Construction, Civilian Personnel
01E000	f. Military Assistance Appropriations and Funds, Civilian Personnel
01F000	g. Other Appropriations and Funds, Civilian Personnel
	h. Total Net Pay, U.S. Personnel - Enter the sum of lines A.1.a. through A.1.g.
	i. Travel Payments to U.S. Personnel Stationed Abroad (See <a href="#">subparagraph 130208.D.2.g</a> )
01H010	(1) Travel Payments to Military Personnel, Reserve Personnel, and National Guard Personnel Stationed Abroad
01H020	(2) Total Subsistence and Per Diem
01H030	(3) Travel Payments to Other U.S. Personnel Stationed Abroad.
	(4) Total Travel Payments to U.S. Personnel Stationed Abroad - Enter the sum of lines A.1.i.(1) through A.1.i.(3).
01I000	j. Travel Payments to U.S. Personnel Stationed in the <a href="#">United States</a> .
	k. Expenditures by U.S. Personnel at Foreign Non-Duty Locations
01J010	(1) Expenditures Ashore by U.S. Personnel Afloat with Homeports in <a href="#">the United States</a> . Report the amounts as determined by current personnel surveys and other statistical methods. The basis used by the reporting DoD Component for developing data for each country will be provided annually to Department of Commerce upon request.
01J020	(2) Reserved

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
01J030	(3) Expenditures by U.S. Personnel on Rest and Recuperation (R&R) Leave - Report the amounts spent by U.S. Personnel while on R&R at locations outside the country in which they are assigned. Positive entries (+) will be used for countries where the individual is on R&R, and negative entries (-) will be used to reflect the adjustment to the "Pay Available for Spending" in the country in which the individual is stationed.
01K000	1. Deposits (Savings)
01L000	m. Claims, Defense Personnel - (Excluding death gratuities)
	n. Nonappropriated Fund Transactions
01M010	(1) Exchange Service Money Orders - Enter the total amount of money order sales and fees.
01M020	(2) Other Nonappropriated Funds - Enter the net increase (-) or decrease (+) in column (10) of AR-2. (Table 13-6)
	(3) Total Nonappropriated Fund Transactions - Enter the sum of lines A.1.n.(1) and A.1.n.(2).
01N000	o. MPS Agency Transactions - Enter the net increase (-) or decrease (+) in column 8 of AR-3 (Table 13-7) (reported only by Defense Postal Service).
	p. Less Receipts from U.S. Personnel (-)
01O010	(1) Commissary Store Sales to Individuals - (Excluding collections from nonappropriated funds)
01O020	(2) Other Sales to Individuals - This includes laundry, dry-cleaning, and family housing management funds, sales of meals to individuals and dependents, clothing store sales, and sales of gasoline coupons.
	(3) Total Receipts from U.S. Personnel - Enter the sum of lines A.1.p.(1) and A.1.p.(2).
	q. Civilian Pay & Benefits
01Q000	(1) Full-Time Civilian Pay & Benefits
01Q010	(2) Other Civilian Pay & Benefits
01Q020	(3) Insurance Claims, Indemnities, and Refunds
	(4) Total Civilian Pay & Benefits - Enter the sum of lines A.1.q. (1) through A.1.q. (3).
	r. Total Pay Available for Spending - Enter the sum of line A.1.h., line A.1.i.(4), line A.1.j., lines A.1.k.(1) thru A.1.k.(3), line A.1.l., line A.1.m., line A.1.n.(3), line A.1.o., less line A.1.p.(3), plus line A.1.q.(4).
	2. Direct Hire Foreign Nationals - This includes the total gross pay of foreign nationals from appropriations and funds as defined in subparagraph 130203.I.

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
02A000	a. O&M, Direct Hire Foreign Nationals
02B000	b. Military Assistance Appropriations and Funds, Direct Hire Foreign Nationals
02C000	c. Military Construction Appropriations and Family Housing, Direct Hire Foreign Nationals
02D000	d. Other Appropriations and Funds, Direct Hire Foreign Nationals
	e. Total Direct Hire Foreign Nationals - Enter the sum of lines A.2.a. through A.2.d.
	3. Indirect Hire Foreign Nationals - This includes the total gross pay of indirect hire of foreign nationals from appropriations and funds as defined in subparagraph 130208.D.2.e.(2).
03A000	a. O&M, Indirect Hire Foreign Nationals
03B000	b. Military Assistance Appropriations and Funds, Indirect Hire Foreign Nationals.
03C000	c. Military Construction Appropriations and Family Housing, Indirect Hire Foreign Nationals.
03D000	d. Other Appropriations and Funds, Indirect Hire Foreign Nationals
	e. Total Indirect Hire Foreign Nationals - Enter the sum of lines A.3.a. through A.3.d.
	4. Materials, Supplies, and Equipment - This includes total payments for material identified to object classes 26 and 31 from appropriations and funds and the amount of returns to the United States. This excludes military construction and major procurement.
	a. Subsistence
04A010	(1) Military Personnel
04A020	(2) Stock Funds
	(3) Subtotal - Enter the sum of lines A.4.a.(1) and A.4.a.(2).
	(4) Less Returns to United States (-)
04A04A	(a) U.S. End Products
04A04B	(b) U.S. Services
04A04C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.a.(4)(a) through A.4.a.(4)(c).
	(5) Total Subsistence - Enter the net of lines A.4.a.(3) and A.4.a.(4)(d).
	b. POL - (Petroleum including product, transportation, storage and handling)

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
04B010	(1) O&M, POL
04B020	(2) Stock Funds, POL
04B030	(3) Industrial Funds and Other, POL
	(4) Subtotal - Enter the sum of lines A.4.b.(1) through A.4.b.(3).
	(5) Less Returns to <a href="#">United States</a> (-)
04B05A	(a) U.S. End Products
04B05B	(b) U.S. Services
04B05C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.b.(5)(a) through A.4.b.(5)(c).
	(6) Total POL – Enter the net of line A.4.b.(4) and A.4.b.(5)(d).
	c. Offshore Procurement
04C010	(1) Procurement – Aircraft
04C020	(2) Procurement – Missiles
04C030	(3) Procurement – Ships
04C040	(4) Procurement – Combat Vehicles
04C050	(5) Procurement – Tactical & Support Vehicles
04C060	(6) Procurement – Weapons
04C070	(7) Procurement – Ammunition
04C080	(8) Procurement – Communication Equipment
04C090	(9) Procurement – Other Support Equipment
04C100	(10) Procurement – Supplies
	(11) Subtotal – Enter the sum of lines A.4.c.(1) through A.4.c.(10)
	(12) Less Returns to <a href="#">United States</a> (-)
04C12A	(a) U.S. End Products
04C12B	(b) U.S. Services
04C12C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.c.(12)(a) through A.4.c.(12)(c).
	(13) Total Offshore Procurement – Enter the net of lines A.4.c.(11) and A.4.c (12)(d).
	d. Other Materials, Supplies and Equipment
04D010	(1) O&M, Other Materials, Supplies and Equipment
04D020	(2) Research, Development, Test, and Evaluation (RDT&E)
04D030	(3) Military Assistance Appropriations and Funds, Procurement other than Offshore Procurement from line A.4.c.(13)
04D040	(4) Stock Funds, Other Materials, Supplies and Equipment

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
04D050	(5) Other Appropriation and Funds - (Excluding Military Construction Material and Major Procurement)
	(6) Subtotal – Enter the sum of lines A.4.d.(1) through A.4.d.(5)
	(7) Less Returns to <u>United States</u> (-)
04D07A	(a) U.S. End Products
04D07B	(b) U.S. Services
04D07C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.d.(7)(a) through A.4.d.(7)(c).
	(8) Total Other Materials, Supplies, and Equipment - Enter the net of lines A.4.d.(6) and A.4.d.(7).d.
	e. Total Materials, Supplies, and Equipment - Enter the sum of lines A.4.a.(5), A.4.b.(6), A.4.c.(13), and A.4.d.(8).
	5. Major Procurement - Report all procurement charged to Major Procurement Appropriations under the following categories, including transportation and services (A.5.a. through A.5.e.).
05A000	a. Aircraft and Related Equipment and Spares
05B000	b. Missiles and Related Equipment and Spares
05C000	c. Shipbuilding and Related Equipment and Spares
05D000	d. Ground Electronics and Related Equipment and Spares
05E000	e. Other - Major Procurement
	f. Subtotal – Enter the sum of lines A.5.a through A.5.e
	g. Less Returns to <u>United States</u> (-)
05G010	(1) U.S. End Products
05G020	(2) U.S. Services
05G030	(3) U.S. Transportation
	(4) Total Returns - Enter the sum of lines A.5.g.(1) through A.5.g.(3).
	h. Total Major Procurement - Enter the net of lines A.5.f. and A.5.g.(4).
	6. Construction - Report payments to foreign contractors and U.S. contractors for foreign construction projects charged to the appropriations listed and payments for construction material charged to the Military Construction and Family Housing Appropriations. Include all payments for services charged to Military Construction and Family Housing Construction Appropriations.
	a. Foreign Contractors
06A010	(1) Military Construction

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
06A020	(2) Family Housing, Defense Construction
06A030	(3) Military Assistance Appropriations and Funds, Construction, Foreign Contractors
06A040	(4) Counterpart Foreign Currency Payments
	(5) Subtotal – Enter the sum of lines A.6.a.(1) through A.6.a.(4).
	(6) Less Returns to the <a href="#">United States</a> (-)
06A06A	(a) U.S. End Products
06A06B	(b) U.S. Services
06A06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.6.a.(6)(a) through A.6.a.(6)(c).
	(7) Total Construction Foreign Contractors - Enter the net of lines A.6.a.(5) and A.6.a.(6)(d).
	b. U.S. Contractors
06B010	(1) Military Construction
06B020	(2) Family Housing, Defense Construction
06B030	(3) Military Assistance Appropriations and Funds, Construction, U.S. Contractors
06B040	(4) Counterpart Foreign Currency Payments
	(5) Subtotal - Enter the sum of lines A.6.b.(1) through A.6.b.(4).
	(6) Less Returns to <a href="#">United States</a>
06B06A	(a) U.S. End Products
06B06B	(b) U.S. Services
06B06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.6.b.(6)(a) through A.6.b.(6)(c).
	(7) Net Payments to U.S. Contractors for Construction - Enter the net of lines A.6.b.(5) and A.6.b.(6)(d).
	c. Construction Material - This includes the procurement of material, supplies, and equipment acquired for foreign construction projects. Report government-furnished material provided to contractors, procured abroad with construction funds when the material is purchased.
06C010	(1) Military Construction
06C020	(2) Family Housing, Defense Construction Categories
	(3) Subtotal - Enter the sum of lines A.6.c.(1) and A.6.c.(2).
	(4) Less Returns to <a href="#">United States</a> (-)
06C04A	(a) U.S. End Products
06C04B	(b) U.S. Service
06C04C	(c) U.S. Transportation

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	(d) Total Returns - Enter the sum of lines A.6.c.(4)(a) through A.6.c.(4)(c).
	(5) Net Payments for Construction Material – Enter the net of lines A.6.c.(3) and A.6.c.(4)(d).
	d. NATO Infrastructure
06D000	(1) Foreign Military Sales – Land and Structures
06D010	(2) NATO Infrastructure
06D020	(3) NATO Air Defense Ground Environment
	(4) Total NATO Infrastructure - Enter the sum of lines A.6.d.(1) through A.6.d.(3).
	e. Total Construction - Enter the sum of lines A.6.a.(7), A.6.b.(7), A.6.c.(5), and A.6.d.(4).
	7. Transportation - Report payments to foreign carriers for transportation of individuals or transportation of household goods and materiel, including those furnished on U.S. Government bills of lading, travel requests, and similar documents charged to the following appropriations and funds, excluding amounts reported under POL and subsistence stock funds.
07A000	a. Military Personnel, Reserve Personnel, and National Guard Personnel
07B000.	b. O&M, Transportation
07C000	c. Military Assistance Appropriations and Funds, Transportation
07D000	d. Other Appropriations and Funds, Transportation
	e. Subtotal – Enter the sum of lines A.7.a through A.7.d.
	f. Less Returns to <a href="#">United States</a> (-)
07F010	(1) U.S. End Products
07F020	(2) U.S. Services
07F030	(3) U.S. Transportation
	(4) Total Returns – Enter the sum of lines A.7.f.(1) through A.7.f.(3).
	g. Total Transportation - Enter the net of lines A.7.e. and A.7.f.(4).
	8. Services - Report payments for services performed overseas, including real property maintenance, repair, and minor construction, (Object classes 23, 24, and 25, excluding indirect hire, foreign nationals) from the following appropriations and funds.
	a. Foreign Contractors
	(1) O&M
08A01A	(a) Rents, Communications and Utilities

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
08A01B	(b) Contract Maintenance of Equipment and Related Payments
08A01C	(c) Real Property Maintenance, Repair, and Minor Construction
08A01D	(d) Other O&M
	(e) Total Services, Foreign Contractors, O & M - Enter the sum of lines A.8.a.(1)(a) through A.8.a.(1)(d).
08A020	(2) RDT&E
08A030	(3) Military Assistance Appropriations and Funds, Services, Foreign Contractors
08A040	(4) Other Appropriations and Funds, Services, Foreign Contractors
	(5) Subtotal – Enter the sum of lines A.8.a.(1)(e) and A.8.a.(2) through A.8.a.(4).
	(6) Less Returns to <a href="#">United States</a> (-)
08A06A	(a) U.S. End Products
08A06B	(b) U.S. Services
08A06C	(c) U.S. Transportation
	(d) Total Returns – Enter the sum of lines A.8.a.(6)(a) through A.8.a.(6)(c).
	(7) Total Payments to Foreign Contractors for Services - Enter the net of lines A.8.a.(5) and A.8.a.(6)(d).
	b. U.S. Contractors
	(1) O&M
08B01A	(a) Real Property Maintenance, Repair, and Minor Construction
08B01B	(b) Other O&M
	(c) Total Services, U.S. Contractors, O & M - Enter the sum of lines A.8.b.(1)(a) and A.8.b.(1)(b).
08B020	(2) RDT&E
08B030	(3) Military Assistance Appropriations and Funds, Services, U.S. Contractors
08B040	(4) Other Appropriations and Funds, Services, U.S. Contractors
	(5) Subtotal - Enter the sum of lines A.8.b.(1)(c) and A.8.b.(2) through A.8.b.(4).
	(6) Less Returns to <a href="#">United States</a> (-)
08B06A	(a) U.S. End Products
08B06B	(b) U.S. Services
08B06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.8.b.(6)(a) through A.8.b.(6)(c).
	(7) Net Payments to U.S. Contractors for Services - Enter the net of lines A.8.b.(5) and A.8.b.(6)(d).

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	c. Net Payments to U.S. and Foreign Contractors for Services - Enter the sum of lines A.8.a.(7) and A.8.b.(7).
	9. Grants to Foreign Entities - Report cash grants paid from the following appropriations and funds. Exclude grants under Military Assistance Grant Aid authorized by the Arms Export Control Act (AECA) of 1976, as amended.
09A000	a. RDT&E
09B000	b. Reserved
09C000	c. Other Appropriations and Funds
	d. Total Grants to Foreign Entities - Enter the sum of lines A.9.a through A.9.c.
	10. Other Payments - Report all other payments made abroad, not elsewhere classified.
10A000	a. O&M
10A020	b. O&M, Army
	c. Military Assistance Appropriations and Funds
10B010	(1) International Military Headquarters (Project R 1)
10B020	(2) Other Military Assistance Appropriations and Funds
	(3) Subtotal - Enter the sum of lines A.10.c.(1) and A.10.c.(2).
10B040	(4) Weapons Production Program - (Project R 5 0)
10B050	(5) Research and Development - (Projects P 1 0 and P 2 0)
	(6) Total Other Payments, Military Assistance - Enter the sum of lines A.10.c.(3), A.10.c.(4) and A.10.c.(5).
10C000	d. Retired Pay, Defense - Report payments to retired personnel living abroad.
10D000	e. Other Claims - Report claims, including death gratuities, other than personnel claims (Code 01L000).
10E000	f. Counterpart Foreign Currency Payments
10F000	g. Other Appropriations and Funds
	h. Subtotal - Enter the sum of lines A.10.a, A.10.b., A.10.c.(6), and A.10.d through A.10.g.
	i. Less Returns to United States (-)
10H010	(1) U.S. End Products
10H020	(2) U.S. Services
10H030	(3) U.S. Transportation
	(4) Total Returns - Enter the sum of lines A.10.i.(1) through A.10.i.(3).

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	j. Total Other Payments - Enter the net of lines A.10.h. and A.10.i.(4).
110000	11. FT Accounts - Enter all payments from FT accounts for which management responsibility has been delegated to the DoD. The amounts reported on this line must be consistent with the total of all FT accounts reported on the Statement of Transactions and Accountability for the same period.
	12. Summary
	a. Total Payments - Enter the sum of lines A.1.r., A.2.e., A.3.e., A.4.e., A.5.h., A.6.e., A.7.g., A.8.c., A.9.d., A.10.j. and A.11.
12B000	b. Reserved
12C000	c. Reserved
12D000	d. Less Payments Reimbursable from AID, Department of State, or Funds Appropriated to the President - Enter the amount as a negative (-).
12E000	e. Less Fines, Penalties, and Forfeitures
12F000	f. Less Interest & Dividends
	g. Total Net Payments - Enter the net of line A.12.a. and lines A.12.b. through A.12.f.
	B. Collections
	13. Collections for DoD Cash Sales
13A000	a. Foreign Military Sales Trust Fund, Account 8242 - (Excludes reimbursements for prior expenditures from Account 8242)
13B000	b. Less: Refunds to the account of foreign governments from Foreign Military Sales Account 8242 - Enter the amount as a negative (-).
13C000	c. Military Assistance Appropriations, Accounts 11X1080, 11X1081, 11X1088, and 11X4116
13D000	d. Other Sales Accounts
13E000	e. Other Collections for DoD Cash Sales
	f. Total Collections for DoD Cash Sales - Enter the sum of lines B.13.a. through B.13.e.
140000	14. Advances from Foreign Countries on Sale Agreements - This line applies only to sales under long-term credits where an advance has been received this period. It does not apply to cash sales.

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	15. Repayment of Loans - Enter repayments of principal on Foreign Military Sales loans and Other DoD Loans.
15A000	a. Collection of Principal Miscellaneous Receipt Account Treasury Account 2968
15B000	b. Liquidation of Foreign Military Sales Trust Fund Account
15C000	c. Collections for Guaranty Reserve Fund 11X4121
15D000	d. Reserved
15E000	e. Reserved
15F000	f. Ryukyu Islands Power System
	g. Total Repayment of Loans - Enter the sums of lines B.15.a. through B.15.f.
	16. Joint Weapons Production and Exchange Agreements - Enter collections resulting from transactions under this program.
16A000	a. Reserved
16B000	b. Other
	c. Total Collections for Joint Weapons Production and Exchange Agreements - Enter the sum of lines B.16.a. and B.16.b.
170000	17. Contributed Currencies - Report currencies contributed by foreign governments that reimburse the U.S. Government for operating costs of MAAGs and Missions. See Volume 12, Chapter 24: "Burden-sharing and Overseas Relocation Contributions By Foreign Allies."
180000	18. Collections for Sales by Property Disposal Officers - Report collections and reimbursements for all sales of surplus, excess, foreign excess, scrap, salvage, timber and lumber products, sold overseas, including the bid deposits of successful bidders recorded in: Accounts from Sales of Personal Property pursuant to exchange/sales requirements and industrial fund accounts. Exclude bid deposits recorded in Deposit Account 6500, Clearing Account 3875, and collections made directly into account 8242.
	19. Collections of Interest - Report the interest collected from foreign debtors on direct long-term credits, including fees and premiums on guaranteed loans, and other interest such as that collected on deposits in foreign banks and on advances.
190000	a. Interest Received from Loans & Financing Accounts

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
19A000	b. Miscellaneous Receipt Accounts - (Other than those shown in B.19.a., B.19.c, B.19.f., and B.19.g)
19B000	c. Foreign Military Credit Sales, Account 1468
19C000	d. Foreign Military Sales Account 8242
19D000	e. FT accounts
19E000	f. Ryukyu Islands Power System Loan
19F000	g. Interest on Advances
	h. Total Collections of Interest - Enter the sum of lines B.19.a. through B.19.g.
200000	20. Collections for Deliveries of DoD Materiel and Services Billed Locally to Foreign Residents - Report collections for all logistical support or sales abroad at the amount billed and collected locally to foreign residents. Includes sales of foreign non-excess personal property and all services rendered.
210000	21. Collections for Deliveries Billed Centrally for Logistical Support - Report the amount of collections for all materiel and services billed centrally for logistical support furnished by a DoD Component to a foreign resident or international organization. Reported collections on this line are separate and apart from collections reported on line B.13. and will encompass all other arrangements for support of foreign country or international organization forces by the DoD Component.
220000	22. Collections for Loans and Leases of Aircraft, Vessels, and Other Equipment - Enter all reimbursements received for loan or lease of aircraft and vessels. Exclude collections for such transfers under Foreign Military Sales and Military Assistance Grant Aid - Enter all reimbursements received for loan or lease of aircraft and vessels. Exclude collections for such transfers under Foreign Military Sales and Military Assistance Grant Aid.
230000	23. Reserved
240000	24. Barter/Sales of Surplus Agricultural Products - Enter only in the worldwide summary report the amount paid to the Commodity Credit Corporation (CCC) representing barter sales of surplus agricultural products pursuant to a barter contract.
	25. Total Collections - Enter the sum of lines B.13.f., B.14., B.15.g., B.16.c., B.17., B.18., B.19.h., and B.20. through 24.

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	C. Deliveries - Delivery data for the following categories will be prepared by appropriate agencies pursuant to <a href="#">the SAMM</a> . Level of detail for each category and method of reporting will be established by agreement between the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) and the appropriate agency and will be implemented by the effective date of this Instruction.
260000	26. Reserved
270000	27. DoD Deliveries – Foreign Military Sales and Building Partner Capacity - Deliveries of materiel and services relative to direct sales authorized by the <a href="#">AECA</a> of 1976, as amended, as indicated by the generic codes in <a href="#">Chapter 4</a> and <a href="#">Chapter 9 of the SAMM</a> .
280000	28. Deliveries under Joint Weapons Production and Exchange Agreements - The value of components or services provided by the U.S. Government under weapons production programs and delivered to countries outside the <a href="#">United States</a> by the categories stated in <a href="#">Chapter 11 of the SAMM</a> .
	29. Interest - Do not report delivery data for interest.
	30. Deliveries by Property Disposal Officers - Do not report deliveries by Property Disposal Officers.
	31. Contributed Currencies - Do not report delivery data for contributed currencies.
	32. Deliveries of DoD Materiel and Services Billed Locally to Foreign Entities - Do not report deliveries of DoD materiel and services billed locally to foreign entities.
	33. Deliveries Billed Centrally for Logistical Support - Do not report deliveries billed centrally for logistical support.
	34. Transfers Without Reimbursement, Military Assistance Program (Grant Aid) - Transfers to foreign countries and international organizations as Military Assistance Grant Aid relative to the <a href="#">FAA</a> of 1961, as amended, as indicated by the generic codes in <a href="#">Chapter 11 of the SAMM</a> .
34A000	a. Special Drawdown Authority
34B000	b. EDA Program

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
34C000	c. Under International Treaties and Agreements
	35. Loans and Leases of Aircraft, Vessels, and Other Equipment - This includes the value at unit inventory prices as carried on the books of the DoD Component at centrally controlled management offices of equipment loaned or leased to foreign governments. It excludes transfers under Foreign Military Sales and Military Assistance Grant Aid.
35A000	a. Original Deliveries
35B000	b. Less: Returns of Aircraft, Vessels, and Other Equipment (-)
35C000	c. Net Loans and Leases of Aircraft, Vessels, and Other Equipment Enter the net of lines C.35.a and C.35.b.
360000	36. Transfers of Real Property - This includes the transfer of land, buildings, utilities, and improvements, excluding leases, by a DoD Component to a foreign government or international organization, at the amount carried on the real property records. Refer to <a href="#">DoD Instruction 4165.14</a> (Real Property Inventory & Forecasting).
370000	37. Joint Weapons Production and Exchange Agreements - This includes the value of end products furnished to the <a href="#">United States</a> under joint weapons production and exchange agreements.
380000	38. Deliveries under Reimbursement from the AID, Department of State, or Funds Appropriated to the President - This includes the value of end items furnished to foreign governments.
	39. Outlays from Appropriations, Other Assistance Grant Aid - Include outlays from appropriations in support of other U.S. foreign assistance.
39A	a. Overseas Humanitarian, Disaster, and Civic Aid Defense (97 0819)
39A000	(1) Overseas Humanitarian, Disaster, and Civic Activities 97 0819 (Gross Appropriation Amount).
39A020	(2) Less: Returns to <a href="#">United States</a> - (97 0819).
39B	b. Cooperative Threat Reduction Account, Defense (97 0134)
39B000	(1) Former Soviet Union Threat Reduction 97 0134 (Gross Appropriation Amount).
39B020	(2) Less: Returns to <a href="#">United States</a> - (97 0134).
39C	c. Drug Interdiction and Counter-Drug Activities, Defense, in-country support only - Outlays from 97 0105 only for in-country support.

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
39C000	(1) Drug Interdiction and Counter-Drug Activities 97 0105 (Gross Appropriation Amount).
39C020	(2) Less: Returns to <a href="#">United States</a> – (97 0105).
39D	d. Contingency Operations - Incremental costs collected by DFAS-Columbus under section 607 of the FAA of 1961, as amended.
39D000	(1) Contingency Operations – Incremental Costs Incurred (Gross Appropriation Amount).
39D020	(2) Less: Returns to <a href="#">United States</a>
39E	e. Afghanistan Security Force Fund, Army (21 2091).
39E000	(1) Afghanistan Security Force Fund, Army 21 2091 (Gross Appropriation Amount).
39E020	(2) Less: Returns to <a href="#">United States</a>
39F	f. Iraq Security Force Fund, Army (21 2092).
39F000	(1) Iraq Security Force Fund, Army 21 2092 (Gross Appropriation Amount).
39F020	(2) Less: Returns to <a href="#">United States</a>
39G	g. Commander’s Emergency Relief Program (21 2020 Project 13600000000).
39G000	(1) Commander’s Emergency Relief Program 21 2020 Project 13600000000 (Gross Appropriation Amount).
39G020	(2) Less: Returns to <a href="#">United States</a>
39H	h. Commander’s Humanitarian Relief and Reconstruction Program (21 2020 Project 13619800000).
39H000	(1) Commander’s Humanitarian Relief and Reconstruction Program 21 2020 Project 13619800000 (Gross Appropriation Amount).
39H020	(2) Less: Returns to <a href="#">United States</a>
39I	i. Iraq Relief and Reconstruction Fund, Army (21 X 2089).
39I000	(1) Iraq Relief and Reconstruction Fund, Army 21 X 2089 (Gross Appropriation Amount).
39I020	(2) Less: Returns to <a href="#">United States</a>
39J	j. Natural Resources Risk Remediation Fund, Defense (NRRRF) (97 X 0142).
39J000	(1) NRRRF 97 X 0142 (Gross Appropriation Amount).
39J020	(2) Less: Returns to <a href="#">United States</a>
39K	k. Global <a href="#">Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS)</a> Initiative (19-97 x 1030) and Global Health and Child Survival (19-97 x 1031) 632a transfers.

Table 13-12: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
39K000	(1) Global HIV/AIDS Initiative (19-97 1030) and Global Health and Child Survival (19-97 1031) 632a transfers (Gross Appropriation Amount).
39K020	(2) Less: Returns to <a href="#">United States</a>
39L	1. Pakistan Counterinsurgency Fund, Army (21 2095).
39L000	(1) Pakistan Counterinsurgency Fund, Army 21 2095 (Gross Appropriation Amount).
39L020	(2) Less: Returns to the <a href="#">United States</a>
400000	40. Military Gross Pay U.S. Personnel - This includes payments to U.S. personnel for "gross pay."

Table 13-13: Line Item Captions and Descriptions Accounting Report 2

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 2
	1. Country (column 1) - List each country abroad according to the guidance provided by the NGA (see Tables 13-8 and 13-9) for which there are nonappropriated fund transactions entering the IBOP. Show data for Puerto Rico and other U.S. territories and possessions separately following the "Total" line, but not included in "Total."
202XXX	a. Sales (column 2) - This includes receipts from the sales of merchandise and services, including commissions from concessionaires. It excludes concessionaire sales and receipts from any U.S. Government agency or activity.
203XXX	b. Other Revenues (column 3) - This includes such receipts as membership dues, chaplain's funds, and net receipts from bingo or slot machines.
	c. Total Receipts (column 4) - Enter the sum of the receipts shown in columns 2 and 3.
205XXX	d. Net Pay, U.S. Personnel (column 5) - This includes net pay of U.S. civilian personnel (part time or full time), and U.S. military personnel employed while off duty.
206XXX	e. Gross Pay, Foreign Nationals (column 6) - This includes gross pay of all direct or indirect hire, foreign nationals, as well as all payments to or on behalf of the foreign nationals.
207XXX	f. Foreign Payments for Procurement of Merchandise for Resale (column 7) - This includes foreign payments for merchandise purchases for resale. It excludes payments for purchases from any U.S. Government agency or activity other than to the CCC under barter agreements.
208XXX	g. Other Foreign Payments (column 8) - This includes other payments for operating expenses, construction, renovation, and equipment not included in columns 5, 6, and 7. It excludes payments to any U.S. Government agency or activity other than to the CCC under barter agreements.
	h. Total Foreign Payments (column 9) - Enter the sum of columns 5 through 8.
210XXX	i. Net Excess of Payments or Receipts (column 10) - Enter the net of column 4 and column 9. If the payments (column 9) are greater than the receipts (column 4), the difference will be shown as a positive figure. If the receipts (column 4) are greater than the payments (column 9), the differences will be shown as a negative figure. The entry is the same as that for line 01M020 in AR-1. (Table 13-5)

Table 13-13: Line Item Captions and Descriptions Accounting Report 2 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 2
211XXX	<p>j. Payments in Excess and Near Excess Foreign Currency (column 11) -This includes payments included in all lines made in currencies of countries designated as excess or near excess currency countries. Include only those payments with currencies obtained from official U.S. sources, i.e., military DOs or U.S. Treasury DOs. Do not report any payments made with currencies obtained from commercial banks or other non-U.S. official sources.</p>
212XXX	<p>k. Net Accommodation Sales (Foreign Currency) (column 12) - Enter the net amount of accommodation sales of foreign currency to U.S. personnel in facilities operated by nonappropriated fund or exchange activities as a memorandum entry for each country. Include the total amount sold to individuals less purchases, if any, from individuals.</p>

Table 13-14: Line Item Captions and Descriptions Accounting Report 3

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 3
	Country (column 1) – List each country abroad according to the guidance provided by the NGA (see Tables 13-8 and 13-9) for which there are MPS transactions entering the IBOP. Show data for Puerto Rico and other U.S. territories and possessions separately following the “Total” line, but not included in “Total.”
301XXX	a. Meter/Postage Validation Imprinter Sales (column 2)
302XXX	b. Stamp Sales (column 3) - This includes sales to individuals
303XXX	c. Money Order Sales (column 4) - This includes sales to individuals, including fees. It excludes sales of international money orders.
304XXX	d. Money Orders Fees (column 5)
305XXX	e. Money Orders Cashed (column 6) - This includes cashed by individuals.
	f. Net Sales (column 7) - Enter the sum of columns 2 through 5, less column 6. If the payments (column 6) are greater than the receipts (columns 2 through 5), the differences will be shown as a negative figure. If the receipts (columns 2 through 5) are greater than the payments (column 6), the difference will be shown as a positive figure.

Table 13-15: DoD Component Identification Codes

The following is a list of standard codes identifying DoD Components.

DoD Component	Code
Department of the Army	A
Department of the Navy	N
Department of the Air Force	F
U.S. Marine Corps (code is M, but include with Navy)	N
Defense Contract Audit Agency	R
Defense Contract Management Agency	BL
Defense Information Systems Agency	K
Defense Intelligence Agency	L
Defense Logistics Agency	S
Defense Security Cooperation Agency	D
National Security Agency	U
Washington Headquarters Services, Budget and Finance Division	E

**VOLUME 6A, CHAPTER 14: “DEPOT MAINTENANCE REPORTING”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue, and underlined font\*\*\*](#).

The previous version dated [March 2016](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
140101	Added information to clarify the necessity for the Department of Defense to maintain a Depot Maintenance Cost System.	Revision
140309	Deleted paragraph to eliminate generic information.	Deletion
Addendum 2	Updated table with new Reporting Activity Identifying Codes per request of Department of the Army.	Revision

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## CHAPTER 14

**DEPOT MAINTENANCE REPORTING**

## 1401 GENERAL

## \*140101. Purpose

The Department of Defense (DoD) maintains a core depot-level maintenance and repair capability in support of mission-essential weapon systems and other military equipment needed to directly support operational requirements and enable the armed forces to execute the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff. This chapter prescribes Depot Maintenance Cost System (DMCS) requirements that are necessary to provide a comprehensive accounting of DoD depot maintenance workloads. The DoD Components must satisfy these requirements with regard to reporting the accomplishment and status of DoD depot maintenance workloads in:

- A. DoD depot maintenance facilities;
- B. Private-sector facilities;
- C. Other DoD and Federal Government facilities; and
- D. State, local, and foreign government facilities.

## 140102. Authoritative Guidance

These requirements apply to DoD depot maintenance workloads the Components identify pursuant to Title 10, United States Code, [section 2466](#), under which DoD reports to the Congress the respective depot maintenance workload levels in the public and private sectors.

## 1402 COST DATA REQUIREMENTS

## 140201. Scope

These requirements apply to all depot maintenance workloads, regardless of DoD funding source, e.g., Defense Working Capital Fund (DWCF), Research and Development, Procurement, General Purpose Forces, Special Operations Forces, Operation and Maintenance, or other appropriations; or non-DoD funding source, such as work done for private-sector customers or other federal, state, local, and foreign governments. Additional guidance is provided in:

- A. Addendum 1 – DoD Major Depot Maintenance Activities;
- B. Addendum 2 – Reporting Activity Identifying Codes;
- C. Addendum 3 – DMCS Data Editing Tool Input File Format;

- D. Addendum 4 – Work Breakdown Structure Codes; and
  - E. Addendum 5 – Work Performance Category (WPC) Codes.
140202. Cost Data Collection

The uniform recording, accumulation, and reporting of costs incurred in depot maintenance operations is required to document the use of DoD resources and to assist management in the measurement of productivity and efficiency; development and use of performance measurement and cost standards; and identification of areas in need of increased management emphasis. In addition, the data will assist in the assessment of total DoD maintenance capability, duplication of capacity, and opportunities for areas of interservice support of maintenance workloads.

140203. Managerial Use of Cost Data

Management requires depot maintenance information to assist in:

- A. Developing inputs to meet Departmental and Congressionally-mandated requirements;
- B. Comparing repair costs with replacement costs;
- C. Overseeing the utilization of depot maintenance resources;
- D. Evaluating budgets for customers and providers of depot maintenance;
- E. Comparing cost trends among organic DoD depots and between organic and contract (private-sector) sources;
- F. Formulating managerial direction and guidance for depot maintenance programs;
- G. Evaluating depot maintenance activities for efficient use of resources;
- H. Estimating depot maintenance requirements;
- I. Monitoring DoD Component compliance with various Congressionally-mandated reporting requirements;
- J. Examining the behavior of cost drivers over time; and
- K. Identifying and evaluating total ownership costs.

140204. Cost Definition

To ensure that all workloads are accounted for and reported in DMCS, regardless of funding source, reporting requirements have been stratified to facilitate reporting of total DoD

costs, both funded and unfunded, for organic and contract depot maintenance. For DMCS reporting purposes:

A. Funded costs are those charged to the operating funds of the performing activity or the activity reporting contract depot maintenance. Funded costs are defined from the perspective of the activity performing the work or, in the case of contract maintenance, from the perspective of the program manager or administrator responsible for reporting contract costs. Costs incurred by a DWCF, or direct-funded organic activity in performance of reimbursable orders, are categorized as funded, as these costs are charged to the operating account of the performing activity. Funded costs at DoD organic activities normally include items such as payroll, operating materials, supplies, and services.

B. Unfunded costs are costs financed by a DoD appropriation, activity, or entity other than that of the performing activity, or the reporting activity in the case of contract depot maintenance. In other words, financial responsibility resides with an entity other than the DMCS reporting unit. Material, such as a modification kit or other government-furnished material financed by a procurement appropriation not available to the performing activity, is an unfunded cost. For a direct-funded activity, depreciation of plant and equipment financed by procurement appropriations, and facilities maintenance financed by a regional command, are examples of unfunded costs.

## 1403 REPORTING REQUIREMENTS

### 140301. General Reporting Requirements

The DMCS reporting requirements contained in this chapter, including any subsequent data and format revisions, are the responsibility of the Deputy Assistant Secretary of Defense for [Materiel Readiness](#) (DASD (MR)), Office of the Under Secretary of Defense (Acquisition & [Sustainment](#)). The DASD (MR) must provide the data revisions and report format changes to the [Defense Finance and Accounting Service \(DFAS\), Accounting Policy Directorate](#), for publication in subsequent revisions of this chapter. The senior official with responsibility for logistics in each DoD Component is responsible for timely reporting. The Assistant Secretary responsible for financial management in the Military Departments (or equivalent in other DoD Components) is responsible for providing complete and accurate financial data to the report preparer in sufficient time for report submission.

### 140302. Applicability of Reporting Requirements

The depot maintenance cost report required by this chapter applies to all Military Services and other DoD activities that accomplish depot maintenance workloads, or have depot maintenance workloads accomplished by contract. This includes all work performed by DoD depot maintenance activities, as well as all DoD depot-level maintenance accomplished by other Government activities and contractors.

A. Performing and Reporting Activities

1. Addendum 1 identifies the major DoD depots, shipyards, and other depot maintenance activities that historically have performed depot maintenance workloads. Report work performed at major depot maintenance activities listed in that addendum as specified in subparagraph 140401.B.1. Report work performed by DoD activities not listed in Addendum 1 in accordance with subparagraph 140401.B.2. Report all other work (i.e., that performed by contractors; other Federal Government activities; and state, local, and foreign governments) as stipulated in subparagraph 140401.B.3 by the program administering offices designated by the official in each DoD Component responsible for reporting DMCS data.

2. Addendum 2 is a list of reporting activity identifying codes. Activities performing depot maintenance not listed in Addendum 2, that are required to report, will request an appropriate identifying code from DASD (MR) or its designated agent.

B. Cost Reporting By DoD Performing Activities. Report records from DoD performing activities must reflect total costs incurred, including the cost of any subsidiary ordering from other government activities or contracting with commercial firms incident to accomplishing workloads. Due to the increasing use of contractual labor support, the report accommodates separate reporting of direct labor hours, and costs of contract labor used to augment the workforce, when the hours and associated costs are obtainable from local cost accounting data.

C. Cost Reporting By Other Activities. Report records for DoD depot-level maintenance performed by contractors and DoD activities not listed on Addendum 1 must include all costs to DoD incurred in performing the work. These reports must:

1. Exclude intermediate-level, organizational-level, and other non-depot-level maintenance services (unless those maintenance services are an integral part of a depot-level task or contract);

2. Include the depot-level maintenance portion of Contractor Logistics Support (CLS), Interim Contractor Support (ICS), Performance-Based Logistics (PBL), and similar contracts. Report the direct costs of the depot maintenance performed, as well as associated overhead and other costs attributable to the depot-level maintenance portion of the contracts;

3. Include the cost of Government-furnished material and Government-furnished services consumed in producing a product or service, even though financed or provided by a source other than the primary reporting office or entity; and

4. Provide all appropriate categorization codes, including Item Identification, Weapon or Support System Code (WSSC), Work Breakdown Structure, WPC, and the average number of Shop Flow Days.

## 140303. Work Performance Categories

Addendum 5 contains the WPC [codes](#) that identify the nature of work performed. In cases where there may be overlap between WPCs, report costs in the highest level of repair. For example, if manufacture is required to complete an overhaul because critical parts are not available, report costs as overhaul.

## 140304. DMCS Data Submission Process

A. Frequency and Timing of Submittal. Annual DMCS data submissions must be provided to DASD (MR), or its designated agent, no later than December 31 following the end of the fiscal year. Reporting requirement symbol AP-MP(A)1397 is assigned to this reporting requirement. Paragraph 140301 lists the parties responsible for data submission.

B. Accompanying Documents

1. With each data submission to the DASD (MR), [include a transmittal memorandum](#) that includes a brief discussion of any anomalies in the data, significant changes from previous submissions, or other pertinent information to aid in processing the data. The transmittal memorandum for the report must identify a point of contact within the submitting activity for issues and questions related to the reported data.

2. Within 90 days [after](#) the initial submission due date, submit a brief narrative analysis (three to five pages) explaining trends in the data to the DASD (MR). The focus of the narrative analysis must be on the factors driving year-to-year changes in cost and direct labor hours. These factors include changes in workload; changes in contract support (both in level of effort and in price); changes in the prices paid for labor, material, and other resources; and, when applicable, significant changes in organic maintenance processes and financial policies. Express the impact of the factors in quantitative terms (for example, an average 3.2 percent material price change or a 2.1 percent improvement in direct labor productivity).

C. Quality Control and Editing of Data Prior to Submission. The AP-MP(A)1397 report serves as a principal database in support of DASD (MR) weapon systems depot maintenance cost and production analyses and external reporting, as well as the principal joint-service database on depot maintenance production operations. The DASD (MR) provides a data editing and submission file creation tool in the form of a relational database application. This tool, which provides Component-specific and general edits, facilitates accuracy and consistency of data submitted by the individual Components. The use of this tool is a required element of the submission process. Provide appropriate personnel within each reporting activity with training in tool usage. In addition, the DASD (MR) will provide each Component with tool updates on an annual basis prior to the end of the fiscal year.

D. Data Input to the Data Editing Tool. The format and content of DMCS data input to the Data Editing Tool must be in accordance with Addendum 3. The individual Military Services and the DASD (MR), or its designated agent, may agree upon alternative formatting of data.

E. Form and Method of DMCS Data Submissions. Annual AP-MP(A)1397 data must be submitted to DASD (MR), or to its designated agent, using the DMCS Data Editing Tool described in subparagraph 140304.D. The tool containing the data and associated documentation may be compressed and submitted in a variety of ways, for example, compact disk, file transfer protocol, email, or other medium agreed upon by the DASD (MR), or its designated agent, and the reporting activity.

F. DoD-Level Review Process. The review and update of annual AP-MP(A)1397 submissions must be accomplished as follows:

1. Within 15 days of receipt of each Component submission, the DASD (MR), or its designated agent, must perform an edit of the data and provide each reporting activity or Component data consolidation point with preliminary versions of summary tables and the applicable section of the “DoD Depot Data Highlights Report.” Review any data discrepancies, at this time, with the individual reporting activities or consolidation points;

2. Within an additional 30 days, the Component must review and make appropriate updates or provide explanations to support the data as initially submitted;

3. Within 30 days following receipt of all revised Component data, the DASD (MR), or its designated agent, must prepare and publish the final versions of summary tables and the “DoD Depot Data Highlights Report.” At that time, a final fiscal year database must be established as a historical file for subsequent analysis by the Office of the Secretary of Defense, the Components, and other authorized activities; and

4. Within an additional 15 days, the Components must submit the narrative analyses described in subparagraph 140304.B.2.

G. Retention of Submitted Data by Reporting Facilities. Reporting activities must retain submission files for a minimum of 5 years.

#### 140305. DMCS Data Maintenance Requirements

The Components must ensure that cost and production reporting systems retain the capability to provide an audit trail back to individual job order cost records, or other data sources, when needed to support DMCS report records.

#### 140306. Report Record Data Requirements

A report record is required for each type of maintenance work (Field 14) performed for each different weapon system, or item identification number, as indicated by different data entries in Addendum 3. Consolidate data for similar job orders if the item repaired, services performed, and other report record fields are consistent. All fields in Addendum 3 are mandatory except for those identified as “Not Used.” “Not Used” fields may be employed by reporting activities for internal use or left blank. Where quantitative data are required, such as costs and man-hours, enter “0” (zero) if there are no data associated with the fields. Null mandatory fields are not acceptable.

A. The DASD (MR), or its designated agent, must maintain lookup tables of pertinent data elements and codes for use by the Military Departments in compiling the DMCS report. These tables will include Weapon or Support System Codes, Performing Activity Identification Codes, Reporting Activity Identification Codes, WPC Codes, Item Identification Codes and Nomenclature, Work Breakdown Structure Codes, and Customer Codes. Components will review the codes annually and notify the DASD (MR), or the designated representative, of any needed additions or deletions. Do not change codes at any other time, except by agreement between the DASD (MR), or its designated agent, and the individual Components.

B. DFAS must work with the Components to ensure that DFAS financial systems (if used at depot level) retain the capability to provide cost detail needed to satisfy the reporting requirements of this chapter. Preparation of the DMCS report is the responsibility of the DoD Component performing the work or managing the contract.

C. Each depot maintenance reporting activity must implement quality assurance procedures to be applied to each DMCS record as it is created and populated. Such procedures must include validity checks to prevent errors, such as identifying an F/A-18A aircraft as a submarine or a High Mobility Multipurpose Wheeled Vehicle (HMMWV) as a tank. Each reporting activity that consolidates DMCS organic and contract records must also implement quality control procedures for all its performing facilities. Prior to data submission, reporting facilities must use the DMCS Data Editing Tool, or similar application, to validate the records.

#### 140307. Report Record Type

The data submission report must consist of two types of report records. For both types, the costs reported must be cumulative from inception.

A. The first record type is cumulative costs for financially completed work. Identify all reported transaction records with a “C” in Field 51 for financially completed customer orders. The reported amount for work completed by contractors must equal the total cost (funded and unfunded) incurred.

B. The second record type is cumulative costs for not financially complete work. Report these costs in order to form a complete picture of the work accomplished at each activity performing depot maintenance. Identify report records for financial work that is incomplete with a “W” in Field 51. When reporting contract costs (Field 36), enter the sum of the contract costs accumulated since inception of the contract that are attributable to the work accomplished.

#### 140308. Report Record Corrections

Once an annual DMCS report cycle is completed and the results published, the data should remain unchanged. Therefore, it is important to incorporate corrections and adjustments in the original report records. Exceptions must be for corrections or adjustments that materially change a total for an entire performing facility. If significant corrections to prior year data become necessary, contact the DASD (MR), or its designated agent, to coordinate processing the changes.

## 1404 REPORTING CATEGORIES AND DATA REQUIREMENTS

## 140401. Workload Reporting Activities

A. Depot maintenance is performed at DoD depots, at private-sector commercial contractor facilities, and at other DoD activities, such as intermediate maintenance facilities (IMF), arsenals, ordnance stations, or public works centers. The DoD depot maintenance activities that are funded by DWCF are required to follow the formal job order accounting requirements specified in Volume 11B, Chapter 13, “Cost Accounting Requirements for Depot Maintenance.” Other DoD activities performing depot maintenance workloads may use other cost finding procedures to satisfy the reporting requirements specified in Section 1403.

B. All activities performing depot maintenance will report workload identification data, as required, in Fields 1-16. Cost and production data reporting requirements (Fields 17-54) vary, depending upon the category of activity performing the work. Reporting categories and data requirements must be as follows:

1. DoD Major Depot Maintenance Activities. Addendum 1 lists the major depot maintenance activities under the headings: Army Depots; Naval Shipyards; Fleet Readiness Centers; Marine Corps Depots; and Air Force Depots. Funded and unfunded DoD costs for these activities are reported in Fields 17 through 35, with an owner/operator code (Field 7) of “1.” The cost of work suballocated, in part, by a depot to another DoD facility or commercial firm must be reported as an “other direct-funded cost” (Field 30). These major maintenance activities must report all work accomplished by the activity;

2. DoD Activities Not Listed in Addendum 1. The program manager or DoD entity (as determined by each Component’s DMCS reporting official) responsible for program oversight must report funded and unfunded DoD costs for these activities in Fields 17 through 35, with an owner/operator code (Field 7) of “2”. If the cost finding procedures of the reporting facility are not sufficiently robust to adequately identify the detailed costs required in Fields 17 through 35, a waiver must be requested from DASD (MR) to permit reporting costs in Fields 36, 37, and 41; and

3. Non-DoD Facilities. Work performed at commercially-owned/commercially-operated (COCO) facilities; government-owned/contractor-operated (GOCO) facilities; non-DoD government activities; and state, local, and foreign government facilities must be reported by the DoD activity initiating the order (e.g., systems program offices, program managers, major commands, major subordinate commands, Fleet Forces Command, the Naval Inventory Control Points, and other activities that use DoD funds, regardless of source, to obtain depot maintenance from non-DoD entities). Reporting activities must ensure that data submissions for depot maintenance performed at non-DoD activities are complete and accurate and that report records reflect an owner/operator code of “3” in Field 7, non-DoD entity costs in Field 36, and government-furnished materials and services costs in Fields 37 and 41. Government-furnished materials and services include goods and services funded or provided by a sponsor or contract other than administered by the primary reporting entity.

140402. Primary Workload Reporting Data Fields

The DMCS reports from all activities must identify the item worked on, the WPC, and work breakdown structure classification to the extent economically feasible.

1405 SPECIAL REPORTS

Any one-time or additional reports required must be as prescribed by the [Office of the Under Secretary of Defense \(Comptroller\)](#), Accounting and Finance Policy Director or the DASD (MR).

## ADDENDUM 1 - DoD Major Depot Maintenance Activities

## ADDENDUM 1

DoD MAJOR DEPOT MAINTENANCE ACTIVITIES(Activities That Report With a "1" in Field 7 ([see Addendum 3](#)))DEPARTMENT OF THE ARMYArmy DepotsLocation

Anniston Army Depot	Anniston, Alabama
Corpus Christi Army Depot	Corpus Christi, Texas
Letterkenny Army Depot	Chambersburg, Pennsylvania
Red River Army Depot	Texarkana, Texas
Tobyhanna Army Depot	Tobyhanna, Pennsylvania

DEPARTMENT OF THE NAVYNaval ShipyardsLocation

Norfolk Naval Shipyard	Portsmouth, Virginia
Pearl Harbor Naval Shipyard and IMF	Pearl Harbor, Hawaii
Portsmouth Naval Shipyard	Kittery, Maine
Puget Sound Naval Shipyard and IMF	Bremerton, Washington

Fleet Readiness Centers (FRCs)Location

FRC East	Cherry Point, North Carolina
FRC Southeast	Jacksonville, Florida
FRC Southwest	North Island, California

MARINE CORPSMarine Corps DepotsLocation

Maintenance Center Albany	Albany, Georgia
Maintenance Center Barstow	Barstow, California

DEPARTMENT OF THE AIR FORCEAir Force DepotsLocation

Ogden Air Logistics Center (ALC)	Hill Air Force Base (AFB), Utah
Oklahoma City ALC	Tinker AFB, Oklahoma
Warner-Robins ALC	Robins AFB, Georgia

Aerospace Maintenance and Regeneration  
Group (AMARG) (report may be submitted in  
conjunction with Ogden Air Logistics Center)

Davis-Monthan AFB, Arizona

## \*ADDENDUM 2 - Reporting Activity Identifying Codes

ADDENDUM 2 REPORTING ACTIVITY IDENTIFYING CODES (Codes To Be Used in Field 8 (see <a href="#">Addendum 3</a> ))		
IDENTIFYING CODE	ACTIVITY NAME	DoD COMPONENT
0ZTW5	Aerospace Maintenance and Regeneration Group (AMARG)	Air Force
98747	Ogden Air Logistics Center (ALC)	Air Force
98748	Oklahoma City ALC	Air Force
98752	Warner-Robins ALC	Air Force
H0000	Aviation and Missile Command (AMCOM)–Air	Army
L0000	AMCOM–Missile	Army
75117	Anniston Army Depot (AD)	Army
<a href="#">4UB51</a>	<a href="#">Anniston Munitions Center</a>	<a href="#">Army</a>
HQAMC	Army Materiel Command Headquarters	Army
<a href="#">4TU65</a>	<a href="#">Blue Grass AD</a>	<a href="#">Army</a>
G0000	U.S. Army Communications-Electronics Command (CECOM)	Army
<a href="#">W4FHAA</a>	<a href="#">CECOM Software Engineering Center</a>	<a href="#">Army</a>
0SDA4	Corpus Christi AD	Army
<a href="#">4V7J9</a>	<a href="#">Crane Army Ammunition Plant (AAP)</a>	<a href="#">Army</a>
0NDM7	Letterkenny AD	Army
<a href="#">4UA79</a>	<a href="#">Letterkenny Munitions Center</a>	<a href="#">Army</a>
<a href="#">4TZJ4</a>	<a href="#">McAlester AAP</a>	<a href="#">Army</a>
19200	Picatinny Arsenal	Army
<a href="#">3XUS9</a>	<a href="#">Pine Bluff Arsenal</a>	<a href="#">Army</a>
67101	Red River AD	Army
19204	Rock Island Arsenal	Army
<a href="#">49JA0</a>	<a href="#">Sierra AD</a>	<a href="#">Army</a>
M0000	U.S. Army Tank–Automotive and Armaments Command (TACOM) Rock Island	Army
K0000	TACOM Warren	Army
<a href="#">W1PLAA</a>	<a href="#">Test Measurement and Diagnostic Equipment (TMDE) Activity</a>	<a href="#">Army</a>
14850	Tobyhanna AD	Army
<a href="#">21624</a>	<a href="#">Tooele AD</a>	<a href="#">Army</a>
<a href="#">19206</a>	<a href="#">Watervliet Arsenal</a>	<a href="#">Army</a>
99998	Defense Supply Center, Richmond, Product Center 12	DLA
67004	Marine Corps Logistics Command (MCLC)	Marine Corps
67854	Marine Corps Systems Command (SYSCOM)	Marine Corps
67100	Marine Depot Maintenance Command (MDMC)	Marine Corps

ADDENDUM 2 REPORTING ACTIVITY IDENTIFYING CODES (Codes To Be Used in Field 8 (see Addendum 3))		
IDENTIFYING CODE	ACTIVITY NAME	DoD COMPONENT
94700	MDMC, Production Plant Albany	Marine Corps
93636	MDMC, Production Plant Barstow	Marine Corps
65923	<a href="#">Fleet Readiness Center (FRC) East</a>	Navy
65886	FRC Southeast	Navy
44321	FRC West	Navy
44329	FRC Northwest	Navy
65888	FRC Southwest	Navy
44327	FRC Mid-Atlantic	Navy
66021	FRC Western Pacific	Navy
68778	FRC Support Equipment Facility	Navy
30003	Naval Air Systems Command (NAVAIR) Headquarters	Navy
00383	Navy Supply Systems Command, Weapon Systems Support (NAVSUP WSS), Philadelphia	Navy
00104	NAVSUP WSS-Mechanicsburg	Navy
81601	Norfolk Naval Shipyard (NSY)	Navy
89103	Pearl Harbor NSY and Intermediate Maintenance Facility (IMF)	Navy
81316	Portsmouth NSY	Navy
82522	Puget Sound NSY and IMF	Navy
00164	Naval Surface Warfare Center (NSWC) Crane	Navy
00253	Naval Underwater Warfare Center (NUWC) Keyport	Navy
66001	Space and Naval Warfare Systems Center (SSC), Pacific	Navy
65236	SSC Atlantic	Navy
32253	Hawaii Regional Maintenance Center (RMC)	Navy
4523A	Northwest RMC	Navy
40025	Mid-Atlantic RMC	Navy
69097	Southwest RMC	Navy
40027	Southeast RMC	Navy
62758	Japan RMC	Navy
66630	Naval Air Warfare Center Weapons Division (NAWCWD), Point Mugu	Navy
68936	NAWCWD, China Lake	Navy
68335	NAWC, Lakehurst	Navy

## ADDENDUM 3 - Section A: DMCS Data Editing Tool Input File Format

ADDENDUM 3 SECTION A DMCS DATA EDITING TOOL INPUT FILE FORMAT			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
<b>RECORD IDENTIFICATION:</b>			
1	Not Used (Leave Blank)	1	1A/N
2	Not Used (Leave Blank)	2	1A/N
3	Fiscal Year	3-4	2N
<b>IDENTIFICATION OF FACILITY:</b>			
4	a. Not Used (Leave Blank) b. Reporting Component	5-9 10	5A/N 1A
5	Performing Activity Identifying Code a. Organic Activity Identifying Commercial and Government Entity (CAGE) or Other Identifying Code b. Not Used (Leave Blank)	11-15 16-24	5A/N 9A/N
6	Not Used (Leave Blank)	25	1A/N
7	Owner and/or Operator Code	26	1N
8	Reporting Activity Identifying Code	27-31	5A/N
<b>IDENTIFICATION OF ITEM AND/OR SERVICE AND CUSTOMER:</b>			
9	Item Identification Code	32-44	13A/N
10	Item Nomenclature	45-64	20A/N
11	Not Used (Leave Blank)	65-74	10A/N
12	Weapon or Support System Code (WSSC)	75-78	4A/N
13	Work Breakdown Structure Code	79-81	3A/N
14	Work Performance Category (WPC)	82-84	3A/N
15	a. Customer Code b. Not Used (Leave Blank)	85 86	1A/N 1A/N
16	Not Used (Leave Blank)	None	0
<b>LABOR HOUR AND COST DATA:</b>			
17	Direct Civilian Labor—Funded Costs	87-94	8N

ADDENDUM 3 SECTION A <u>DMCS DATA EDITING TOOL INPUT FILE FORMAT</u>			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
18	Direct Civilian Labor—Funded Hours	95–102	8N
19	Contract Labor Augmentation of Direct Workforce—Funded Costs	103–110	8N
20	Contract Labor Augmentation of Direct Workforce—Funded Hours	111–118	8N
21	Direct Military Labor—Funded Costs	119–126	8N
22	Direct Military Labor—Funded Hours	127–134	8N
23	Direct Military Labor—Unfunded Costs	135–142	8N
24	Direct Military Labor—Unfunded Hours	143–150	8N
25	Direct Material—Funded Costs	151–158	8N
26	Direct Material—Unfunded Costs	159–166	8N
27	Direct Civilian Labor—Unfunded Costs	167–174	8N
28	Direct Civilian Labor—Unfunded Hours	175–182	8N
29	Not Used (Leave Blank)	183–190	8A/N
30	Other Direct—Funded Costs	191–198	8N
31	Other Direct—Unfunded Costs	199–206	8N
32	Operations Overhead—Funded Costs	207–214	8N
33	Operations Overhead—Unfunded Costs	215–222	8N
34	General and Administrative—Funded Costs	223–230	8N
35	General and Administrative—Unfunded Costs	231–238	8N
36	Contract and/or Other Maintenance Activity—Funded and Unfunded Costs	239–246	8N
37	Government-Furnished Material—Funded and Unfunded Costs	247–254	8N
38	Not Used (Leave Blank)	255–262	8A/N
39	Not Used (Leave Blank)	263–270	8A/N
40	Not Used (Leave Blank)	271–278	8A/N
41	Government-Furnished Services—Funded and Unfunded Costs	279–286	8N

ADDENDUM 3 SECTION A <u>DMCS DATA EDITING TOOL INPUT FILE FORMAT</u>			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
42	Not Used (Leave Blank)	287–294	8A/N
43	Not Used (Leave Blank)	295	1A/N
<b>PERFORMANCE-PRODUCTIVITY (PRODUCTION) DATA:</b>			
44	Not Used (Leave Blank)	296–310	15A/N
45	Total Production Quantity	311–318	8N
46	Report Data Record Identifier	319–326	8A/N
47	Not Used (Leave Blank)	327–334	8A/N
48	Not Used (Leave Blank)	335–342	8A/N
49	Not Used (Leave Blank)	343–350	8A/N
50	Shop Flow Days	351–354	4N
51	Work Status Code	355	1A
52	Not Used (Leave Blank)	356	1A/N
53	Not Used (Leave Blank)	357	1A/N
54	Not Used (Leave Blank)	358–360	3A/N

ADDENDUM 3SECTION BEXPLANATION OF ENTRIES REQUIRED FOR DMCS REPORTING

1. Field 1—Not Used
2. Field 2—Not Used
3. Field 3—Fiscal Year. Enter the two terminal digits of the current fiscal year being reported.
4. Field 4—Reporting Component. In position 10, enter A (Army), F (Air Force), M (Marine Corps), N (Navy), or S (Defense Logistics Agency) to designate the DoD Component providing the report.
5. Field 5—Performing Activity Identifying Code
  - a. Organic Activity Identifying Code. If the activity is Government-operated (Code 1 or 2 in Field 7), then enter the identifying code in positions 11 through 15 for the activity identified in Addendum 2.
  - b. Contractor CAGE or Identifying Code. If the maintenance is contractor-performed (Code 3 in Field 7), then enter the contract activity's CAGE code or other unique, approved 5-digit identifier as specified by the Defense Logistics Information Service (DLIS). Start in position 11 and leave positions 16 through 24 blank. Request a CAGE code if one has not been established for a contractor.
6. Field 6—Not Used
7. Field 7—Owner and/or Operator Code. Enter one of the following to indicate the type of activity performing the maintenance.

Code 1—DoD Major Depot Maintenance Activities (DoD Component organic maintenance activities listed in Addendum 1). When Code 1 is entered in Field 7, report costs in Fields 17 through 35. Fields 36, 37, and 41 must be zero filled.

Code 2—Other DoD Facilities (DoD Component in-house maintenance activities not listed in Addendum 1). When Code 2 is entered in Field 7, report costs in Fields 17 through 35. Fields 36, 37 and 41 must be zero filled.

Code 3—Commercially-owned/commercially-operated (COCO), Government-owned/contractor-operated (GOCO), and other non-DoD entities (other Federal Government activities; state, local, and foreign governments). When Code 3 is entered, report costs in Fields 36, 37, and 41. Fields 17 through 28 and 30 through 35 must be zero filled.

8. **Field 8—Reporting Activity Identifying Code.** A code identifying the reporting activity, including activities contracting for depot maintenance work with commercial contractors. Enter the reporting activity’s identifying code as specified in Addendum 2. Depot maintenance activities performing in-house work for all other DoD activities, including other depot maintenance activities, must report their work by using their own identifying code in this field.
9. **Field 9—Item Identification Code.** A code to identify the specific item on which depot maintenance was or is being performed. Do not use punctuation or special characters such as dashes, slashes, or blank spaces between characters. Start in position 32 and enter left justified up to 13 characters; zero fill unused positions. Sample entries for this field are as follows:
- a. If the item is an aerospace vehicle (aircraft, guided missile, rocket, or probe), then show the mission-design series according to [DoD Directive 4120.15E](#), “Designating and Naming Military Aerospace Vehicles,” and listed in [DoD 4120.15-L](#), “Model Designation of Military Aerospace Vehicles.”

ITEMS	POSITIONS												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Basic (Standard) Mission Aircraft	F	1	6	C	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Modified (Special) Mission Aircraft	M	H	5	3	E	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Special Test (Permanent) Aircraft	N	K	C	1	3	5	E	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Missile	U	G	M	1	3	3	A	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Rocket	R	U	R	5	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Probe	P	W	N	1	2	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø

NOTE: Ø is numeric; O is alphabetic.

- b. If the item is an aerospace vehicle propulsion engine, equipment or aeronautical support equipment, or photographic item, then show the type designation according to Military Handbook 1812, “Type Designation, Assignment, and Method for Obtaining.”

ITEMS	POSITIONS												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Turbofan Engine	F	1	1	8	G	E	1	Ø	Ø	A	Ø	Ø	Ø
Turboshaft, Turboprop Engine	T	F	3	4	G	E	1	Ø	Ø	B	Ø	Ø	Ø
Solid Propellant Rocket Motor	S	R	1	1	Ø	A	D	1	A	Ø	Ø	Ø	Ø
Manufacturer's Model Engine	C	F	M	5	6	2	A	2	Ø	Ø	Ø	Ø	Ø
Reconnaissance Camera	K	A	7	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Crash/Fire Truck	A	S	3	2	P	2	6	Ø	Ø	Ø	Ø	Ø	Ø
Chemical Alarm Unit	A	E	2	3	D	3	Ø	Ø	Ø	Ø	Ø	Ø	Ø

NOTE: Ø is numeric; O is alphabetic.

- c. If the item is a vessel, then show ship type and hull number in the first eight positions and zero fill the remaining five positions.
  - d. If ammunition rework or renovation is performed by a depot-level maintenance activity, then total cost must be recorded by work breakdown structure code H3 (Field 13) only, and this field must be zero filled.
  - e. If items “a” through “d” for Field 9 do not apply, and the job order is for repair of items with the same national stock number (NSN) identification, then enter that NSN, such as 6730001161618, in positions 32 through 44.
  - f. If items “a” through “e” for Field 9 do not apply, enter the letters or numbers used for the identification of the job order. The first 4 digits should identify the Federal Supply Class and, of the remaining nine positions, one must be alphabetic. Zero fill when WPC (Field 14) is “Other Work (T).”
10. Field 10—Item Nomenclature. A 20-digit field describing the specific item on which maintenance was performed, or the support service that was performed. Use common abbreviations if more than 20 positions would otherwise be required. Start in position 45 and leave blank, unused positions to the right (left justify).
- a. For aircraft and missiles, use popular names, if assigned, such as Patriot, Cobra, Phoenix, Falcon, Minuteman, and Harrier. If a popular name has not been assigned or is unknown, then use the basic mission of the aircraft or missile, such as Fighter Aircraft, Trainer Aircraft, Cargo Trans Aircraft, Util Helicopter, or Surface Attack Missile. DoD 4120.15-L, “Model Designation of Military Aerospace Vehicles,” includes a current complete listing.
  - b. For aircraft and rocket engines, use the name of the engine type. Examples are Turbofan Engine, and Rocket Motor.

- c. For vessels, use the name of the ship. An example is the U.S. Ship (USS) Georgia.
- d. For conventional ammunition, use “Ammunition.”
- e. For items with an NSN, use the standard description maintained by DLIS in the Federal Logistics Information System (FLIS).
- f. For all other items, use the noun and modifiers that adequately describe the item.

11. Field 11—Not Used

12. Field 12—Weapon or Support System Code. A code identifying a specific weapon or support system. Use code 997 if an item cannot be identified to a specific weapon or support system, but can be identified in Field 13 to a major commodity group (such as aircraft, and missiles) and to a category (such as fighters and bombers) within the major commodity group. Use code 998 if identification is possible only to the major commodity group and not to a category. Use code 999 if identification cannot be made to a major commodity group and the Work Breakdown Structure Code L11 is used in Field 13.

13. Field 13—Work Breakdown Structure Code. A code to identify the specific type of weapon or support system to which the item described by the Item Identification Code (Field 9) and Item Nomenclature (Field 10) applies. Use the Work Breakdown Structure Code established in Addendum 4, to this chapter. Use code L11 if the item, service, or investment cannot be identified with a specifically listed Work Breakdown Structure Code and Code 999 is used in Field 12.

14. Field 14—WPC. A code to categorize the type of maintenance work performed on the item identified in Field 9 or the type of maintenance service provided. Use the Codes in Addendum 5. Subcategorize basic alpha codes with a numerical designation by each Component as required for internal management and analysis, budget review, and justification. If the report record is “N” (Technical Assistance) or “T” (Other Work), then Fields 45 and 50 must be zero.

15. Field 15—Customer Code. A code identifying the DoD Program and Department or Agency billed for the maintenance cost (that is, “Sales code”). In Position 85, enter A (Army), N (Navy), F (Air Force), M (Marine Corps), or D (Defense Agency) to designate a DoD customer. Enter Y for other Federal agencies or a Z for all non-Federal customers. Leave position 86 blank.

16. Field 16—Not Used

Fields 17–42—Labor Hour and Cost Data. The direct labor hours and summary elements of reported costs are set forth in Addendum 3. The various elements of cost are explained in detail in the basic chapter. Some clarifying notations are included for certain fields. In addition:

- a. “Funded” and “Unfunded” costs are defined in paragraph 140204.

- b. Entries in direct labor hour's fields must be the actual hours expended rather than standard (or "earned") hours.
17. Field 17—Direct Civilian Labor—Funded Costs
18. Field 18—Direct Civilian Labor—Funded Hours
19. Field 19—Contract Labor Augmentation of Direct Workforce—Funded Costs. Funded costs for direct labor performed by contract personnel who augment the organic workforce, working side by side with Government personnel, and whose time is recorded in the local time and attendance system. This excludes contract personnel working at a Government depot under a contract for delivery of a specific product such as painting an aircraft for a fixed price per aircraft. Also excluded are contract personnel performing indirect or overhead support functions.
20. Field 20—Contract Labor Augmentation of Direct Workforce—Funded Hours. Funded hours for direct labor performed by contract personnel who augment the organic workforce, working side by side with Government personnel, and whose time is recorded in the local time and attendance system. This excludes contract personnel working at a Government depot under a contract for delivery of a specific product, such as painting an aircraft for a fixed price per aircraft. Also excluded are contract personnel performing indirect or overhead support functions.
21. Field 21—Direct Military Labor—Funded Costs. Since the majority of military personnel at depot maintenance activities are there for reasons other than business requirements, their cost is to be reported based upon civilian equivalent rates that are provided by the DoD Comptroller. These are the rates reflected in DWCF activity budgets.
22. Field 22—Direct Military Labor—Funded Hours
23. Field 23—Direct Military Labor—Unfunded Costs. The labor cost for military personnel not funded by the performing activity. The cost calculation is based upon civilian equivalent rates that are provided by the DoD Comptroller. This Field includes military personnel at a direct-funded activity or military personnel temporarily working under the supervision of a DWCF activity.
24. Field 24—Direct Military Labor—Unfunded Hours. The labor hours for military personnel not funded by the performing activity. This Field includes military personnel at a direct-funded activity or military personnel temporarily working under the supervision of a DWCF activity.
25. Field 25—Direct Material—Funded Costs

26. Field 26—Direct Material—Unfunded Costs. Includes material provided at no cost to the performing activity.
27. Field 27—Direct Civilian Labor—Unfunded Costs. The civilian labor cost for Government (Civil Service) employees not funded by the performing activity. This Field excludes contractor personnel used for workforce augmentation.
28. Field 28—Direct Civilian Labor—Unfunded Hours. The civilian labor hours for Government (Civil Service) employees not funded by the performing activity. This Field excludes contractor personnel used for workforce augmentation.
29. Field 29—Not Used
30. Field 30—Other Direct—Funded Costs. For example, contracted services.
31. Field 31—Other Direct—Unfunded Costs. For example, customer provided services.
32. Field 32—Operations Overhead—Funded Costs
33. Field 33—Operations Overhead—Unfunded Costs. For example, military personnel cost for indirect effort.
34. Field 34—General and Administrative—Funded Costs
35. Field 35—General and Administrative—Unfunded Costs
36. Field 36—Contract and/or Other Maintenance Activity—Funded and Unfunded Costs. When code 3 is entered in Field 7, this field must be the total cost of the contract. Report government-furnished material or services consumed in the production of contract maintenance in Field 37 or Field 41 as applicable. When code 1 or 2 is entered in Field 7, this field must be zero filled.
37. Field 37—Government-Furnished Material—Funded and Unfunded Costs
38. Field 38—Not Used
39. Field 39—Not Used

40. Field 40—Not Used
41. Field 41—Government-Furnished Services—Funded and Unfunded Costs
42. Field 42—Not Used
43. Field 43—Not Used
44. Field 44—Not Used
45. Field 45—Total Production Quantity
- a. If Field 51 is a “C,” then enter the total quantity of items for which work was completed and reported by this transaction record (including contractor-performed work reported with a “3” in Field 7). This field must be zero filled for WPCs “N” and “T.”
  - b. If Field 51 is a “W,” then enter the total quantity of items covered by job orders that are not yet financially complete at the end of the period covered by the report record. This field must be zero filled for WPCs “N” and “T.”
46. Field 46—Report Data Record Identifier. A unique DoD Component alpha and/or numeric code used to identify each individual report transaction record. Use the field to permit the unique identification of each report record. For DoD organic activities, it is recommended that the job order number, or similar production control number, be entered. In all cases, the numbering scheme should:
- a. Uniquely identify each job order, consolidation of similar job orders, or similar production control number;
  - b. Support queries into the source of data appearing in DMCS report records; and
  - c. Support year-to-year tracking by job order number (or similar production control number).
47. Field 47—Not Used
48. Field 48—Not Used

49. Field 49—Not Used
50. Field 50—Shop Flow Days
- a. If Field 51 is a “C,” then report the average number of days that the items being reported were in process; that is, from the date an item is physically inducted to the date the item is completed, passed its final inspection, and is ready for delivery to the customer. The field may be left blank for contractor-performed work or for work performed at another depot maintenance activity if the number of days in process cannot be determined. Make reasonable efforts to provide accurate data for all applicable records submitted.
  - b. If Field 51 is a “W,” then report the average number of days that each item was in process; that is, since the date of physical induction.
51. Field 51—Work Status Code. A single-digit alpha code that indicates if the transaction being reported has been financially completed, or is still in process at the time of the report.
- a. Enter a “C” if the reported transaction is financially complete.
  - b. Enter a “W” if the transaction being reported is not financially complete as of the report date.
52. Field 52—Not Used
53. Field 53—Not Used
54. Field 54—Not Used

## ADDENDUM 4 - Work Breakdown Structure Codes

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13 (see Addendum 3))			
POSITION			DESCRIPTION
79	80	81	
A	0	0	Aircraft
	1	0	Fighters
		1	Basic Aircraft
		2	Engine
		3	Aircraft and Engine Accessories and Components
		4	Electronics and Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
		8	Software
	2	0	Bombers
		*	Same as for Fighters
	3	0	Cargo and/or Transports
		*	Same as for Fighters
	4	0	Trainers
		*	Same as for Fighters
	5	0	Utility (Includes fixed-wing aircraft with a "U" designation and "C" series aircraft used in an executive aircraft role)
		*	Same as for Fighters
	6	0	Attack
		*	Same as for Fighters
	7	0	Patrol
		*	Same as for Fighters
	8	0	Antisubmarine
		*	Same as for Fighters
	9	0	Other/Multiple Aircraft Types
		*	Same as for Fighters
	A	0	Tankers
		*	Same as for Fighters
	B	0	Attack Helicopters
		*	Same as for Fighters
	C	0	Transport Helicopters
		*	Same as for Fighters
	D	0	Unmanned Aerial Vehicles/Systems
		*	Same as for Fighters
B	0	0	Automotive

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13 (see <a href="#">Addendum 3</a> ))			
POSITION			DESCRIPTION
79	80	81	
	1	0	Tactical Vehicles
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Electronic And Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
		8	Software
	2	0	Support Vehicles
		*	Same as for Tactical Vehicles
	3	0	Administrative
		*	Same as for Tactical Vehicles
	4	0	Unmanned Vehicles/Systems
		*	Same as for Tactical Vehicles
C	0	0	Combat Vehicles
	1	0	Tanks
		*	Same as for Tactical Vehicles
	2	0	Armored Personnel Carriers
		*	Same as for Tactical Vehicles
	3	0	Self-Propelled Artillery
		*	Same as for Tactical Vehicles
	4	0	Other/Multiple Combat Vehicles
		*	Same as for Tactical Vehicles
	5	0	Amphibious Vehicles
		*	Same as for Tactical Vehicles
	6	0	Unmanned Combat Vehicles/Systems
		*	Same as for Tactical Vehicles
D	0	0	Construction Equipment
	1	0	Tractors and Earth Moving Equipment
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Other
		5	Software
	2	0	Cranes and Shovels
		*	Same as for Tractors and Earth Moving Equipment

ADDENDUM 4			
WORK BREAKDOWN STRUCTURE CODES			
(Codes To Be Used in Field 13 (see Addendum 3))			
POSITION			DESCRIPTION
79	80	81	
	3	0	Other
		*	Same as for Tractors and Earth Moving Equipment
E	0	0	Electronics and Communications Systems
	1	**	Radio
	2	**	Radar
	3	**	Computer
	4	**	Wire and Communications
	5	**	Other
	6	**	Electro Optical or Infra Red
	7	**	Software
F	0	0	Missiles
	1	0	Ballistic Missiles
		1	Basic Missile (Frame)
		2	Propulsion System and Components
		3	Missile Accessories and Components
		4	Support and Launch Equipment
		5	Guidance System and Components
		6	Surface Communications and Control Systems
		7	Payload System and Components
		8	Other
		9	Software
	2	0	Other Missiles
		*	Same as for Ballistic Missiles
	3	0	Tactical Missiles
		*	Same as for Ballistic Missiles
G	0	0	Ships
	1	0	Cruisers
		1	Hull Structure
		2	Propulsion Plant
		3	Electric Plant
		4	Command and Surveillance
		5	Auxiliary Systems
		6	Outfit and Furnishings
		7	Armament
		8	Engineering (Direct Support)
		9	Ship Support Service
		A	Software

ADDENDUM 4			
WORK BREAKDOWN STRUCTURE CODES			
(Codes To Be Used in Field 13 (see Addendum 3))			
POSITION			DESCRIPTION
79	80	81	
	2	0	Aircraft Carriers
		*	Same as for Cruisers
	3	0	Destroyers
		*	Same as for Cruisers
	4	0	Submarines – Attack
		*	Same as for Cruisers
	5	0	Patrol Vessels
		*	Same as for Cruisers
	6	0	Mine Warfare Vessels
		*	Same as for Cruisers
	7	0	Auxiliary and Amphibious Vessels
		*	Same as for Cruisers
	8	0	Service Craft and Miscellaneous Vessels
		*	Same as for Cruisers
	9	0	Frigates
		*	Same as for Cruisers
	A	0	Submarines – Ballistic
		*	Same as for Cruisers
	B	0	Littoral Combat Ships
		*	Same as for Cruisers
	C	0	Unmanned Undersea Vehicles/Systems
		*	Same as for Cruisers
H	0	0	Ordnance Weapons and Munitions
	1	**	Nuclear Weapons
	2	**	Chemical and Biological Weapons
	3	**	Conventional Arms and Explosives
	4	**	Small Arms
	5	**	Artillery and Guns
	6	**	Other
	7	**	Software
I			Not Used
J			Not Used
K	0	**	General Purpose Equipment
	1	**	Rail Equipment
	2	**	Generator or Sets
	3	**	General Purpose Maintenance Tooling and Equipment
	4	**	Other Items (includes Medical, Chaplain, Musical, and Personal Equipment, Tents, and Tarpaulins)

ADDENDUM 4			
WORK BREAKDOWN STRUCTURE CODES			
(Codes To Be Used in Field 13 ( <a href="#">see Addendum 3</a> ))			
POSITION			DESCRIPTION
79	80	81	
	5	**	Federal Supply Group 34 Metalworking Machinery
	6	**	Test, Measurement, and Diagnostic Equipment (includes Calibration Equipment)
	7	**	Software
L	1	1	All Other Items Not Identified

\* See the referenced table entries.

\*\* Report to the second level only.

ADDENDUM 5 - [Work Performance Category \(WPC\) Codes](#)

## ADDENDUM 5

WPC CODES(Codes To Be Used in Field 14 (see [Addendum 3](#)))

Code A—Overhaul. Returning an unserviceable item of equipment to serviceable condition by restoring most or all internal tolerances to “like new” specification. Overhaul is synonymous with “rework” and “rebuild.”

Code B—Progressive Maintenance. A predetermined amount of work that represents a partial overhaul under a program that permits the complete overhaul by means of two or more scheduled work efforts in the maintenance process. Progressive maintenance is synonymous with “cycle maintenance,” “restricted availability,” “preventive servicing,” “recondition,” and “phased” or “incremental maintenance.”

Code C—Conversion. The alteration of the basic characteristics of an item to such an extent as to change its mission, performance, or capability.

Code D—Activation. The process of returning an item from preservation, storage, or inactive status to an active, serviceable status by means of removal from storage and containers, stripping, inspection, servicing, testing, and repair, replacement of components, assemblies, or subassemblies as required.

Code E—Inactivation. The servicing and preservation of an item prior to placement in storage or an inactive status.

Code F—Renovation. The proof and test, evaluation, inspection, and rework of ammunition or ordnance items as required for retaining their desired capability.

Code G—Analytical Inspection. The disassembly, inspection, data gathering, and engineering analysis of an equipment item to compare actual wear characteristics and failure patterns with predicted values. Data collected during analytical inspection is used to validate the adequacy of maintenance planning and execution. Analytical rework is synonymous with the “age exploration analysis” phase of reliability-centered maintenance.

Code H—Modification. A physical change made to weapon systems or equipment such that one or more measurable characteristic is altered. Modifications are often made to improve equipment performance, but may also be designed to increase reliability, improve supportability, or enhance safety. Synonymous with “upgrade.”

Code I—Repair. Returning an unserviceable item of equipment to serviceable condition by restoring failed structures or components to acceptable standards. “Acceptable” may mean “restore to ‘like new’ specification,” or it may be less stringent, depending upon the demands of the equipment user.

Code J—Inspection. The examination of an item to reveal information about its physical condition. Inspection results are typically compared with specifications, standards, or the results of other inspections to determine whether the item under inspection is acceptable for use. Inspections are also an important part of engineering investigations that seek to establish cause-and-effect relationships between observed characteristics and external influences.

Code K—Manufacture. The fabrication of a component or end item from raw materials or components. Can include engineering, design, test, and production. Does not include manufacturing that takes place as a part of the normal repair or overhaul processes.

Code L—Reclamation. The authorized processing of end items, assemblies, or subassemblies to obtain parts or components retained in operating materials and supplies prior to taking disposal action on the end item, assembly, or subassembly. Includes demilitarization actions on items prior to disposal when the demilitarization is incidental to the reclamation.

Code M—Storage. The inspection, preservation, periodic re-preservation, and maintenance in storage status of weapons, subsystems, and components in the supply system.

Code N—Technical Assistance. The use of qualified depot maintenance personnel to provide technical information, instructions, or guidance, or to perform specific work requiring special skills for operational activities or other maintenance organizations. Includes all demilitarization other than that incidental to reclamation when reporting is required.

Codes O, P, Q, R, and S—Not Used.

Code T—Other Work. Used to complete the reporting of all maintenance workforce costs incurred. Any costs incurred at a depot maintenance activity funded by the Working Capital Fund that do not meet the criteria for reporting under the other WPCs must be reported in this category. This includes any maintenance support costs funded by a DWCF activity. Maintenance support includes centralized programming and planning support, technical and engineering services, preparation of maintenance publications and engineering data, and technical and administrative training.

Code U – Software Maintenance. Those software activities carried out following initial operating capability to include all events that maintain operational capability, correct faults, improve performance, and adapt the software to environmental changes or new requirements. Software maintenance must be reported regardless of location or funding source. For software or related hardware modifications/upgrades, includes the labor associated with the application of the modification.

Code V—Calibration. The comparison of a measurement system or device of unknown accuracy to a system or device of known and greater accuracy. The system or device of greater accuracy is a measurement standard.

Code W—CLS, ICS, PBL, and Similar Contracts. The CLS, ICS, PBL, and similar contracts provide commercial support for weapon systems and equipment that do not have an organic

support base established. Contractors provide total logistics support, including depot maintenance for the equipment, end item, and components. Only those maintenance functions that would be classified as depot-level, if the equipment were maintained organically, will be included.

Codes X, Y, and Z—Not Used

**VOLUME 6A, CHAPTER 15: “DEFENSE WORKING CAPITAL FUND  
ACCOUNTING REPORT [ACCOUNTING REPORT (M) 1307]”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated October 2011 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated organization names and office symbols to reflect current designations. Reworded and reformatted chapter for clarity. Revised references and added electronic links.	Update
All	Modified heading instructions and content to reflect current accounting naming conventions for all financial statements affected.	Update
All	Updated reporting line items with the associated USSGL Accounts.	Update
All	Modified the title for Part VI, Capital Program with the current naming convention.	Update
All	Modified the title for Part VII, Inventory Management Report – Supply Management Business Area.	Update
Multiple	Added new reporting requirement for Part V, Recoverable Operating Results. This new requirement reports differences between historical and latest acquisition costs for inventory valuation.	Add
150102.B	Revised FMR reference to the correct chapter.	Update
150203, 150403, 150503	Added “Section Headings” for consistency with other sections and to reflect the current reporting format.	Add
150203.BE	Modified title name for Part II- Changes in Net Position, “Total AOR End of Period.”	Update
150203.BF	Modified title name for Part II- Changes in Net Position, “Invested Capital – End of Period.”	Update
150303.E	Clarifies treatment of bad debt write-offs.	Update
150303.AE	Clarifies the identification of activities compiling reports.	Update

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
150603.K (NOTE)	Modified invalid FMR reference. Information concerning Supply Management Operations was consolidated into Volume 4 Chapter 4 "Inventory and Related Property".	Update
150803.J (NOTE)	Modified to reflect current reporting relationships for the AR(M) 1307.	Update
Figure 15-9	Updated report to reflect current reporting format.	Update
Figure 15-10	Updated DWCF Financial Reporting Activities to reflect current designations.	Update

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## CHAPTER 15

**DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT**  
**[ACCOUNTING REPORT (M) 1307]**

## 1501 GENERAL PREPARATION INSTRUCTIONS

## 150101. Purpose

This chapter identifies the reporting requirements and provides guidance on the Defense Working Capital Fund (DWCF) Accounting Report [Accounting Report (Monthly) 1307] (AR(M) 1307).

## 150102. General

## A. The DWCF AR(M) 1307 consists of three principal statements.

1. Statement of Financial Position. This statement discloses the reporting entity's assets, liabilities, and net position.

2. Statement of Cash Flow. This statement discloses the reporting entity's gross cash receipts and disbursements with an explanation of the changes in cash for the reporting period.

3. Statement of Operations. This statement discloses the results of the reporting entity's operations for the reporting period, including the changes in the entity's net position from the end of the prior reporting period.

\* B. An identification of the hierarchy of accounting standards to be followed in preparing the DWCF Accounting Report is contained in Volume 1, Chapter 2, "Federal Accounting Standards Hierarchy".

C. Notes, being an integral part of the principal statements, shall provide additional disclosures necessary to make the principal statements fully informative and not misleading.

D. The DWCF Accounting Report was designed based on fiscal year 2009 Volume 6B, "Form and Content of DoD Audited Financial Statements" of this Regulation. Annually, the Office of the Under Secretary of Defense (Comptroller) (OUSDC) updates Department of Defense (DoD) guidance on the form and content of financial statements. Additionally, the United States Standard General Ledger (USSGL) on which the report is based is updated at least annually and is posted by both the Office of the Deputy Chief Management Officer (DCMO) and the Treasury Financial Management Service (FMS). Accordingly, the DWCF Accounting Report will be revised to maintain comparability.

- \* E. The Statement of Operations consists of seven parts.
1. Part I, “Statement of Operations” identifies the cumulative year-to-date Net Operating Results (NOR) and the Recoverable NOR, i.e. the amount that must be recovered in the activity’s rates.
  2. Part II, “Changes in Net Position” identifies the arithmetic difference between the total assets and total liabilities recognized on a component entity’s balance sheet.
  3. Part III, “Cost of Goods Sold,” identifies the components of cost of goods sold.
  4. Part IV, “Expenses” identifies detailed expense information.
  5. Part V, “Recoverable Operating Results” reconciles Net Operating Results to the operating results used for rate-setting purposes.
  6. Part VI, “Capital Program” identifies the approved program, obligations and outlays for the Capital Program, by fiscal year.
  7. Part VII, “Inventory Management Report – Supply Management Business Area” reports inventory management data for the Supply Management and Commissary Resale business areas.
- \* F. The AR(M) 1307 is prepared based on the activity’s proprietary trial balance, except for some items in Part VI, Capital Program and Part VII, Inventory Management Report – Supply Management Business Area, which includes obligation data. The AR(M) 1307 complements the information provided in the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources, which is prepared using the activity’s budgetary trial balances. Both reports provide information required to manage the DWCF activities.

#### 150103. Reporting Requirement

A. Applicability. The provisions of this chapter apply to all DoD Components operating a DWCF activity. A listing of DWCF financial reporting activities is located in Figure 15-10 of this chapter. Within the attached listing, an asterisk (\*) symbol indicates the lowest level for which individual AR(M) 1307 reports are required. DWCF Activities may generate the AR(M) 1307 at different levels in order to manage their business effectively. The levels for which a consolidated AR(M) 1307 report are required are indicated in the attached listing by a pound (#) symbol. Consolidated statements are required for each DoD Component business area.

B. Report Formats. The financial report formats contained herein show the report formats that must be used. The reports shall be prepared or reproduced on letter size paper (8 ½" x 11"). Reports produced by automated data processing equipment may be substituted for the formats illustrated. The following reports shall be submitted:

Statement of Financial Position

Statement of Cash Flow

Statement of Operations

Part I – Statement of Operations

Part II – Changes in Net Position

Part III – Cost of Goods Sold

Part IV – Expenses

Part V – Recoverable Operating Results

Part VI – Capital Program

Part VII – Inventory Management Report – Supply Management

Business Area

C. Reporting Responsibilities. DoD Components are responsible for the information included in the AR(M) 1307 report and for arranging for the preparation and submission of the report.

D. Frequency of Reports. Unless otherwise specified by the OUSD(C), the AR(M) 1307 reports shall be prepared and submitted monthly. Submit regular reports in accordance with due dates established by the Defense Finance and Accounting Service (DFAS) and consistent with the requirements of the OUSD(C).

E. Distribution.

1. Consolidated DoD Component and Business Area Reports. A copy of consolidated DWCF business area reports will be submitted to the:

a. Director for Revolving Funds, Office of the Deputy Comptroller (Program/Budget), OUSD(C).

b. Office of the Assistant Secretary of the Army (Financial Management and Comptroller), Office of the Assistant Secretary of the Navy (Financial Management and Comptroller), Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller), the Defense Commissary Agency (DeCA) Comptroller, and Other Defense Organizations (i.e. the Defense Logistics Agency Comptroller).

c. Management Command responsible for the oversight of a business area, if requested by a DoD Component.

2. Activity Level Reports. A copy of DWCF activity level reports will be submitted to the:

a. Offices of the Assistant Secretary of the Army, Navy and Air Force (Financial Management and Comptroller), [the Defense Commissary Agency \(DeCA\)](#), and the Comptrollers of [Other Defense Organizations](#), if requested by a DoD Component.

b. Management Command responsible for the oversight of a business area, if requested by a DoD Component.

c. The DWCF activity whose operations are being reported. The report provided to a DWCF activity shall disclose any adjustments made to the financial data submitted by that activity.

\*150104. Detail Instructions

A. The instructions to the AR(M) 1307 identify the specific data, and appropriate source of that data, for amounts to be entered into each line of each report.

B. Amounts will be reported in thousands of dollars (\$000) for all parts of the report and related footnotes (that is, \$1,000 = \$1; \$10,000 = \$10; \$100,000 = \$100).

C. Report lines that require identification of the nature of specific amounts will be footnoted, and will be provided with each report.

D. Adjustments for amounts otherwise accounted for or reported at the DoD Component level should be allocated or assigned to the applicable business areas. Similarly, adjustments for amounts otherwise submitted for or reported at the business area level should be allocated or assigned to the applicable individual activities. Such allocations shall be made by DFAS, in accordance with direction received from the DoD Components. However, as a general rule, and where reasonable, all such adjustments should be allocated to individual activities. Adjustments made at the business area level shall be shown separately as a business area adjustment. Adjustments allocated to the individual activity level shall be entered into the activity's installation level accounting records.

E. Policies that, if implemented retroactively, could have a significant adverse impact on the accuracy and integrity of financial reports will not be retroactively implemented without a clearly offsetting benefit or unless directed by an external authority such as Congress.

F. The report is based on current fiscal year data. All references to year in this instruction apply to fiscal year.

G. [Entities are only required to report lines on the AR\(M\) 1307 in which there is activity.](#)

H. This chapter cites USSGL accounts that populate each line. The DoD requires the use of the [DoD Chart of Accounts](#), which is comprised of the USSGL accounts, followed by a four position further breakout.

Figure 15-1: Statement of Financial Position

<b>DEFENSE WORKING CAPITAL FUND</b>			
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>(DoD COMPONENT/BUSINESS AREA/ACTIVITY)</b>			
<b>MONTH ENDING _____, 20XX</b>			
<b>(\$ in thousands)</b>			
<b>ASSETS</b>			
1. Fund Balance with Treasury		\$	XXX
a. Funds Collected – Operating Program	\$	XXX	
b. Funds Collected – Capital Program		XXX	
c. Funds Disbursed – Operating Program		XXX	
d. Funds Disbursed – Capital Program		XXX	
e. Funds Transferred In (Out)		XXX	
f. Funds with Treasury – Operating Program		XXX	
g. Funds with Treasury – Capital Program		XXX	
2. Cash on Hand and Other Monetary Assets			XXX
3. Accounts Receivable, Net			XXX
a. Accounts Receivable, Intragovernmental		XXX	
b. Accounts Receivable, Intragovernmental, Undistributed		XXX	
c. Accounts Receivable, Non-Federal		XXX	
d. Accounts Receivable, Non-Federal, Undistributed		XXX	
4. Advances Paid and Prepayments			XXX
5. Inventories, Net			XXX
a. Inventory Items			
(1) Latest Acquisition Cost (LAC)		XXX	
(2) Moving Average Cost (MAC)		XXX	
b. Allowance for Gains or (Losses) on Inventories		XXX	
6. Work in Process			XXX
7. Operating Materials and Supplies, Net			XXX
8. Stockpile Materials, Net			XXX
9. Property, Plant and Equipment, Net			XXX
a. Structures, Facilities and Leasehold Improvements, Net		XXX	
b. Construction in Progress		XXX	
c. Equipment, Net		XXX	
d. ADP Software, Net		XXX	
e. Software Development in Progress		XXX	
f. Assets Under Capital Lease, Net		XXX	
g. Other Property, Net		XXX	
10. Other Assets, Net			XXX
11. Total Assets		\$	XXX

Figure 15-1: Statement of Financial Position (continued)

LIABILITIES		
12. Liabilities Covered by Budgetary Resources		\$ XXX
a. Accounts Payable, Net		XXX
(1) Accounts Payable, Intragovernmental	XXX	
(2) Accounts Payable, Intragovernmental, Undistributed	XXX	
(3) Accounts Payable, Non-Federal	XXX	
(4) Accounts Payable, Non-Federal, Undistributed	XXX	
b. Accrued Payroll and Benefits		XXX
(1) Salaries and Wages	XXX	
(2) Accrued Annual Leave	XXX	
(3) Severance Pay and Separation Allowance	XXX	
c. Progress Billings		XXX
d. Advances and Prepayments from Others		XXX
e. Debt		XXX
f. Interest Payable		XXX
g. Lease Liabilities		XXX
h. Other Liabilities		XXX
13. Liabilities Not Covered by Budgetary Resources		XXX
14. Total Liabilities		XXX
NET POSITION		
15. Net Position		XXX
a. Unexpended Appropriations	XXX	
b. Accumulated Operating Results (AOR)	XXX	
c. Invested Capital	XXX	
16. Total Liabilities and Net Position		XXX

## 1502. FORMAT OF THE STATEMENT OF FINANCIAL POSITION (FIGURE 15-1)

150201. General

The Statement of Financial Position, Figure 15-1, discloses the reporting entity's assets, liabilities, and net position.

150202.       Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

\*150203.       Line Item Instructions

Instructions for the content of each line item are as follows:

A.       Section Heading - ASSETS

B.       Line 1 – Fund Balance with Treasury. This item represents the aggregate amount of the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. Accounts have been established to separately identify disbursements and collections applicable to the operating program and capital program to comply with United States Code, Title 10, Section 2208, which requires DoD to establish a capital asset sub-account. Report the balance by the specified applicable categories:

C.       Line 1.a. – Funds Collected - Operating Program. Report the portion of the balance of the following account as it relates to funds collected for the operating program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Collected - Operating Programs)

D.       Line 1.b. – Funds Collected - Capital Program. Report the portion of the balance of the following account as it relates to funds collected for the capital program during the current fiscal year. Note: the amount of collections allocated from the operating program to the capital program will be based on the activities DWCF-funded depreciation expenses and capital surcharge. In all cases, at the end of the Fiscal Year (FY), the amount collected must be sufficient to ensure the ending Fund Balance with Treasury – Capital Program is not negative.

1010 Fund Balance with Treasury (Funds Collected – Capital Program)

E.       Line 1.c. – Funds Disbursed - Operating Program. Report the portion of the balance of the following account as it relates to funds disbursed for the operating program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Disbursed - Operating Programs)

F. Line 1.d. – Funds Disbursed - Capital Program. Report the portion of the balance of the following account as it relates to funds disbursed for the Capital Program during the current fiscal year. **This amount shall agree with the amount reported on Part VI, “Total Outlays”, for the current year.**

1010 Fund Balance with Treasury (Funds Disbursed - Capital Program)

G. Line 1.e. – Funds Transferred In (Out). Report the portion of the balance to the following account as it relates to funds transferred in or out during the current fiscal year.

1010 Fund Balance with Treasury (Current Year Transfers)

H. Line 1.f. – Funds with Treasury – Operating Program. Report the beginning fiscal year balance of the operating program account, which is the net of prior year funds collected and funds disbursed related to operating programs.

1010 Fund Balance with Treasury (Funds with Treasury - Operating Programs)

I. Line 1.g. – Funds with Treasury – Capital Program. Report the beginning fiscal year balance of the Capital Program account, which is the net of prior year funds collected and funds disbursed related to capital programs.

1010 Fund Balance with Treasury (Funds with Treasury - Capital Program)

J. Line 2. – Cash on Hand and Other Monetary Assets. Consists of (a) coins, paper currency and readily negotiable instruments such as money orders, checks and bank drafts on hand or in transit for deposit, (b) amounts on demand deposit with banks or other financial institutions, and (c) cash held in imprest funds. Report the balance of the following accounts:

1110 Undeposited Collections  
1120 Imprest Funds  
1130 Funds Held by the Public  
1190 Other Cash  
1195 Other Monetary Assets  
1200 Foreign Currency  
1531 Seized Monetary Instruments  
1532 Seized Cash Deposited

K. Line 3. – Accounts Receivable, Net. Accounts receivable are amounts due from others when the right to receive funds accrues. This may result from the performance of services, the delivery of goods, or court-ordered assessment. This is a summary line for lines 3.a.-Accounts Receivable, Intragovernmental through 3.d.-Accounts Receivable, Non-Federal, Undistributed.

L. Line 3.a. – Accounts Receivable, Intragovernmental. Report the amount of accounts receivable in the following accounts that relate to accounts receivable from other Federal Agencies. Note: Allowance for loss accounts are not included in this line because it is expected that all Federal Agencies will pay their bills.

- 1310 Accounts Receivable (except as reported on Line 3.b.)
- 1320 Employment Benefit Contributions Receivable
- 1330 Receivable for Transfers of Currently Invested Balances
- 1335 Expenditure Transfers Receivable
- 1340 Interest Receivable – Not Otherwise Classified
- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified

M. Line 3.b. – Accounts Receivable, Intragovernmental, Undistributed. Report the amount of accounts receivable in the following account related to accounts receivable from other Federal agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Department of the Treasury finance network and the amount of collections recorded by the operating level activities.

- 1310 Accounts Receivable (except as reported on Line 3.a.)

N. Line 3.c. – Accounts Receivable, Non-Federal. Report the amount of accounts receivable in the following accounts that relate to accounts receivable from other than Federal agencies.

- 1310 Accounts Receivable, (except as reported on Line 3.d.)
- 1319 Allowance for Loss on Accounts Receivable
- 1320 Employment Benefit Contributions Receivable
- 1325 Taxes Receivable
- 1329 Allowance for Loss on Taxes Receivable
- 1340 Interest Receivable – Not Otherwise Classified
- 1347 Allowance for Loss on Interest Receivable – Not Otherwise Classified
- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1367 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified
- 1377 Allowance for Loss on Administrative Fees Receivable- Not Otherwise Classified

O. Line 3.d. – Accounts Receivable, Non-Federal, Undistributed. Report the amount of accounts receivable in the following account related to accounts receivable from other than Federal agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Department of the

Treasury finance network and the amount of collections recorded by the operating level activities.

1310 Accounts Receivable, (except as reported on Line 3.c.)

P. Line 4. – Advances Paid and Prepayments. Report the amount of the following accounts:

1410 Advances and Prepayments

The amount reported shall agree with the amount reported on Line 5, “Advances and Prepayments, End of Period” of the “Supplemental Report on Budget Execution”.

Q. Line 5. – Inventories, Net. Inventory is tangible personal property that is (a) held for sale, (b) in the process of production for sale, (c) to be consumed in the production of goods for sale or in the provision of services for a fee, (d) held for repair or (e) excess, obsolete, and unserviceable. This line is the net sum of line 5.a. “Inventory Items” and line 5.b. “Allowance for Gains or (Losses) on Inventories”.

R. Line 5.a. – Inventory Items. Report the sum of line 5.a.(1). Inventory at Latest Acquisition Cost (LAC) and line 5.a.(2). Inventory at Moving Average Cost (MAC).

S. Line 5.a.(1). – Latest Acquisition Cost (LAC). Report the amount of inventory whose value is maintained at LAC in the following accounts. This amount will be the amount reported on Part III - Cost of Goods Sold, Line 2.i. “Minus: Ending Inventory – LAC”.

1521 Inventory Purchased for Resale  
 1522 Inventory Held in Reserve for Future Sale  
 1523 Inventory Held for Repair  
 1524 Inventory - Excess, Obsolete, and Unserviceable  
 1525 Inventory - Raw Materials  
 1527 Inventory - Finished Goods

T. Line 5.a.(2). – Moving Average Cost (MAC). Report the amount of inventory maintained at MAC in the following accounts:

1521 Inventory Purchased for Resale  
 1522 Inventory Held in Reserve for Future Sale  
 1523 Inventory Held for Repair  
 1524 Inventory - Excess, Obsolete, and Unserviceable  
 1525 Inventory - Raw Materials  
 1527 Inventory - Finished Goods

U. Line 5.b. – Allowance for Gains or (Losses) on Inventories. Report the balance of the following account as it relates to gains or losses on inventories. A credit balance

will be reported as a negative [deduct] amount; a debit balance will be reported as a positive [add] amount.

1529 Inventory – Allowance

V. Line 6. – Work in Process. Work in process is, for the DWCF, the amount of direct, indirect, and general and administrative costs assigned or otherwise properly allocated to a final cost objective (generally, a job order) prior to completion of that final cost objective in its entirety or in discrete elements. When revenue is recognized on a percent of completion basis, the work in process associated with the revenue recognized should be removed from work in process and recorded as cost of goods sold. This line applies only to DWCF activities that accumulate costs to a final cost objective (generally, a job order) such as those within the Depot Maintenance, **Research and Development (R&D)** and Base Support business areas. This line does not ordinarily apply to activities that do not accumulate costs to a final cost objective such as the Supply Management business area or DeCA. The balance in the following account shall be reported:

1526 Inventory - Work-in-Process

1529 Inventory – Allowance

This amount shall agree with the amount reported on Part III, Line 1.g., “Minus: Ending Work-In-Process”.

W. Line 7. – Operating Materials and Supplies, Net. Operating materials and supplies consist of tangible personal property to be consumed in the course of normal operations. This line can be applicable to any DWCF activity. Report the balance of the following accounts:

1511 Operating Materials and Supplies Held for Use

1512 Operating Materials and Supplies Held in Reserve for Future Use

1513 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable

1514 Operating Materials and Supplies Held for Repair

1519 Operating Materials and Supplies - Allowance

X. Line 8. – Stockpile Materials, Net. Stockpile materials are strategic and critical materials held due to statutory requirements for use in national defense, conservation, or national emergencies. They are not held with the intent of selling in the ordinary course of business. Report the balance of the following accounts:

1571 Stockpile Materials Held in Reserve

1572 Stockpile Materials Held for Sale

Y. Line 9. – Property, Plant and Equipment, Net. Property, plant and equipment (PP&E) are 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. The line is the value of the activity’s real and personal property,

i.e., land, structures and facilities, construction in progress, purchased and self-developed software, equipment and related improvements that **have** been capitalized, net of accumulated depreciation, if any. **Line 9** also includes assets acquired by capital leases and leasehold improvements; and property owned by the reporting entity in the hands of the reporting entity or contractors. This line is the sum of the following Line 9 sub-lines. [See Annex 4 of Volume 4, Chapter 6 for additional guidance regarding PP&E.](#)

Z. Line 9.a. – Structures, Facilities and Leasehold Improvements, Net.

Report the balance of the following accounts:

- 1711 Land and Land Rights
- 1712 Improvements to Land
- 1719 Accumulated Depreciation on Improvements to Land
- 1730 Buildings, Improvements, and Renovations
- 1739 Accumulated Depreciation on Buildings, Improvements, and Renovations
- 1740 Other Structures and Facilities
- 1749 Accumulated Depreciation on Other Structures and Facilities
- 1820 Leasehold Improvements
- 1829 Accumulated Amortization on Leasehold Improvements

AA. Line 9.b. – Construction in Progress. Report the balance of the following account:

- 1720 Construction-in-Progress

AB. Line 9.c. – Equipment, Net. Report the balance of the following accounts:

- 1750 Equipment
- 1759 Accumulated Depreciation on Equipment

AC. Line 9.d. – ADP Software, Net. Report the balance of [Automated Data Processing \(ADP\) Software](#) in the following accounts:

- 1830 Internal-Use Software
- 1839 Accumulated Amortization on Internal-Use Software

AD. Line 9.e. – Software Development in Progress. Report the balance of the following account:

- 1832 Internal-Use Software in Development

AE. Line 9.f. – Assets Under Capital Lease, Net. Report the balance of the following accounts:

- 1810 Assets Under Capital Lease
- 1819 Accumulated Depreciation on Assets Under Capital Lease

AF. Line 9.g. – Other Property, Net. Report the balance of the following accounts:

- 1840 Other Natural Resources
- 1849 Allowance for Depletion
- 1890 Other General Property, Plant, and Equipment
- 1899 [Accumulated Depreciation on Other Property, Plant, and Equipment](#)

AG. Line 10. – Other Assets, Net. Report the balance of the following accounts:

- 1340 Interest Receivable – [Not Otherwise Classified](#)
- 1347 [Allowance for Loss on Interest Receivable – Not Otherwise Classified](#)
- 1350 Loans Receivable
- 1359 [Allowance for Loss on Loans Receivable](#)
- 1541 Forfeited Property Held for Sale
- 1542 Forfeited Property Held for Donation or Use
- 1549 Forfeited Property – Allowance
- 1561 Commodities Held Under Price Support and Stabilization Support Programs
- 1569 Commodities – Allowance
- 1591 Other Related Property
- 1599 Other Related Property - Allowance
- 1990 Other Assets

AH. Line 11 – Total Assets. Report the net total of line 1 through line 10.

AI. [Section Heading - LIABILITIES](#)

AJ. Line 12. – Liabilities Covered by Budgetary Resources. Liabilities incurred which are covered by available budgetary resources. Available budgetary resources include (1) new budget authority, (2) reimbursements and other income, (3) recoveries of unexpired budget authority, and (4) remaining unobligated balances of amounts available at the beginning of the year or transferred in during the year, and (5) [assets held, or resources collected on behalf of another which are not yet remitted according to Section 301 of the Quarterly Guidance](#). Report the net total of lines 12.a. through 12.h.

AK. Line 12.a. – Accounts Payable, Net. The amounts owed by a DWCF activity for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-Federal entities. Report the net total of lines 12.a.(1) through 12.a.(4).

AL. Line 12.a.(1). – Accounts Payable, Intragovernmental. Report the amount of the following accounts that is owed to Federal entities:

- 2110 Accounts Payable (except as reported on Line 12.a.(2))
- 2120 Disbursements in Transit
- 2140 [Accrued Interest Payable – Not Otherwise Classified](#)
- 2155 Expenditure Transfers Payable

AM. Line 12.a.(2). – Accounts Payable, Intragovernmental, Undistributed. Report the amount of [accounts payable in](#) the following account that is owed to Federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

- 2110 Accounts Payable (except as reported on Line 12.a.(1))

AN. Line 12.a.(3). – Accounts Payable, Non-Federal. Report the amount of the following accounts that are owed to non-federal entities:

- 2110 Accounts Payable (except as reported on Line 12.a.(4))
- 2120 Disbursements in Transit
- 2140 [Accrued Interest Payable – Not Otherwise Classified](#)

AO. Line 12.a.(4). – Accounts Payable, Non-Federal, Undistributed. Report the amount of [accounts payable in](#) the following account that [is](#) owed to non-federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

- 2110 Accounts Payable (except as reported on Line 12.a.(3))

AP. Line 12.b. – Accrued Payroll and Benefits. Report the amount of [payroll](#) and benefits payable. Report the net total of lines 12.b.(1) through 12.b.(3).

AQ. Line 12.b.(1). – Salaries and Wages. Report the [portion of the balance as it relates to salaries and wages of the following accounts:](#)

- 2210 Accrued Funded Payroll and Leave
- 2213 Employer Contributions and Payroll Taxes Payable

AR. Line 12.b.(2). – Accrued Annual Leave. [DWCF](#) activities are required to fully fund annual leave in their rates. [This balance in the account represents the value of employee annual leave that has not yet been taken.](#) Report the [portion of accrued annual leave in the following account:](#)

- 2210 Accrued Funded Payroll and Leave

AS. Line 12.b.(3). – Severance Pay and Separation Allowance

- 2211 Withholdings Payable
- 2215 Other Post Employment Benefits Due and Payable
- 2216 Pension Benefits Due and Payable to Beneficiaries
- 2217 Benefit Premiums Payable to Carriers
- 2218 Life Insurance Benefits Due and Payable to Beneficiaries

AT. Line 12.c. – Progress Billings. Report the [portion](#) of the balance of the following account as it [relates](#) to progress billings.

- 2110 Accounts Payable

AU. Line 12.d. – Advances and Prepayments from Others

Report the value of [advances](#) and [prepayments](#) received for goods to be delivered or services to be performed in the following account:

- 2310 Liability for Advances and Prepayments

The amount reported shall agree with the amount reported on line 6, “Unearned Revenue, End of Period” of the “Supplemental Report on Budget Execution”.

AV. Line 12.e. – Debt. This item represents the amount of borrowings from the Treasury, the Federal Financial Bank, or other Federal Agencies. [Report](#) the balance of the following accounts as they relate to debt:

- 2141 Accrued Interest payable - Debt
- 2510 Principal Payable to the Bureau of the Public Debt
- 2520 Principal Payable to the Federal Financing Bank
- 2590 Other Debt

AW. Line 12.f. – Interest Payable. [Report the portion of the interest payable balance as it relates to other than debt interest in the following account.](#) Exclude amounts already listed on line 12.e.

- 2140 Accrued Interest Payable – Not Otherwise Classified

AX. Line 12.g. – Lease Liabilities. This item represents the portion of the liability for capital leases which is covered by budgetary authority. Capital leases and lease purchases entered into must be fully funded in the first year of the lease [in accordance with Office of Management and Budget Circular A-11, Appendix B.](#) Report the balance of the following account:

- 2940 Capital Lease Liability

AY. Line 12.h. – Other Liabilities. This item represents other liabilities that are not recognized in [other](#) specific categories. Include in this line the total amount due the federal entities for other liabilities covered by budgetary authority that are not included on other lines. Report the balance of the following accounts as they apply to transactions with other Federal and non-Federal entities:

- 2130 Contract Holdbacks
- 2190 Other Liabilities With Related Budgetary Obligations
- [2320 Other Deferred Revenue](#)
- 2400 Liability for [Nonfiduciary](#) Deposit Funds, Clearing Accounts, and Undeposited Collections
- 2610 Actuarial Pension Liability
- 2620 Actuarial Health Insurance Liability
- 2630 Actuarial Life Insurance Liability
- 2650 Actuarial FECA Liability
- 2690 Other Actuarial Liabilities
- [2920 Contingent Liabilities](#)
- 2970 Liability for Capital Transfers to the General Fund of the Treasury
- [2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity](#)

AZ. Line 13. – Liabilities Not Covered by Budgetary Resources. Liabilities incurred which are not covered by available budgetary resources result from the receipt of goods or services or the occurrence of other eligible events for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Notwithstanding an expectation that the appropriations will be made, whether they in fact will be made is completely at the discretion of the Congress. Report only the amount of the liability for which an available budgetary resource does not exist. If any such liabilities exist, report the amount and disclose its nature by footnote [if material](#).

- [2110 Accounts Payable](#)
- [2140 Accrued Interest Payable – Not Otherwise Classified](#)
- [2160 Entitlement Benefits Due and Payable](#)
- [2170 Subsidy Payable to the Financing Account](#)
- [2190 Other Liabilities with Related Budgetary Obligations](#)
- [2220 Unfunded Leave](#)
- [2225 Unfunded FECA Liability](#)
- [2290 Other Unfunded Employment Related Liability](#)
- [2320 Other Deferred Revenue](#)
- [2510 Principal Payable to the Bureau of the Public Debt](#)
- [2520 Principal Payable to the Federal Financing Bank](#)
- [2590 Other Debt](#)
- [2610 Actuarial Pension Liability](#)
- [2620 Actuarial Health Insurance Liability](#)
- [2630 Actuarial Life Insurance Liability](#)

2650	Actuarial FECA Liability
2690	Other Actuarial Liabilities
2910	Prior Liens Outstanding on Acquired Collateral
2920	Contingent Liabilities
2940	Capital Lease Liability
2960	Accounts Payable from Canceled Appropriations
2990	Other Liabilities Without Related Budgetary Obligations
2995	Estimated Cleanup Cost Liability

BA. Line 14. – Total Liabilities. Report the total of lines 12 and 13.

BB. Section Heading – NET POSITION

BC. Line 15. – Net Position. The components of net position are classified as follows. Report the net total of lines 15.a. through 15.c.

BD. Line 15.a. – Unexpended Appropriations. This line is equal to the “Equals: Unexpended Appropriations – End of Period” from Statement of Operations, Part II - Changes in Net Position, Line 1.A.(3). Normally DWCF activities will not have unexpended appropriations as they are immediately expended upon receipt to provide budgetary authority.

\*BE. Line 15.b. – Accumulated Operating Results (AOR). This line is equal to the “Total AOR End of Period” from Statement of Operations, Part II - Changes in Net Position, Line 1.B.(3).

\*BF. Line 15.c. – Invested Capital. This line is equal to the “Invested Capital – End of Period” from Statement of Operations, Part II - Changes in Net Position, Line 1.D.(4).

BG. Line 16. – Total Liabilities and Net Position. Report the total of lines 14 and 15.

The amount reported shall agree with the amount reported on Statement of Financial Position, Line 11, “Total Assets”.

Figure 15-2: Statement of Cash Flow

<b>DEFENSE WORKING CAPITAL FUND</b>		
<b>STATEMENT OF CASH FLOW</b>		
<b>(DoD COMPONENT/BUSINESS AREA/ACTIVITY)</b>		
<b>MONTH ENDING _____, 20XX</b>		
<b>(\$ in thousands)</b>		
<b>CASH FLOWS FROM OPERATIONS:</b>		
1. Net Operating Results (NOR) (Part I, Line 11)	\$	XXX
<b>OPERATING ADJUSTMENTS:</b>		
2. Appropriated Capital Used (-)		(XXX)
3. Decrease (Increase) in Accounts Receivable		XXX
4. Decrease (Increase) in Advances and Prepayments		XXX
5. Decrease (Increase) in Inventories:		XXX
a. Inventory	XXX	
b. Work in Process	XXX	
c. Operating Materials and Supplies, Net	XXX	
d. Stockpile Materials, Net	XXX	
6. Decrease (Increase) in Other Assets		XXX
7. Increase (Decrease) in Accounts Payable		XXX
8. Increase (Decrease) in Accrued Payroll and Benefits		XXX
9. Increase (Decrease) in Other Liabilities		XXX
10. Depreciation and Amortization		XXX
11. Other Adjustments:		XXX
a. Prior Period Adjustments	XXX	
b. Non-Cash Transfers	XXX	
c. Other	XXX	
12. Total Operating Adjustments		XXX
13. NOR Plus/Minus Operating Adjustments		XXX
<b>CAPITAL ADJUSTMENTS:</b>		
14. (Increase) Decrease of Property, Plant and Equipment, Net		XXX

Figure 15-2: Statement of Cash Flow (continued)

APPROPRIATIONS AND CASH TRANSFERS:		
15. Appropriations (Current Warrants)		XXX
16. Transfers of Cash		XXX
a. Transfers In	XXX	
b. Transfers Out	XXX	
17. Total Appropriations and Cash Transfers		XXX
18. Repayments on Loans from the Treasury and the Federal Financing Bank		XXX
19. Net Change In Cash For Accounting Period		XXX
20. Fund Balance, Beginning		XXX
21. Fund Balance, Ending		XXX
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
22. Total Interest Paid		XXX

## 1503. FORMAT OF THE STATEMENT OF CASH FLOW (FIGURE 15-2)

## 150301. General

The Statement of Cash Flow, Figure 15-2, discloses the DWCF cash receipts and disbursements with an explanation of the changes in cash or cash equivalents for the reporting period.

## 150302. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

## 150303. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading - CASH FLOWS FROM OPERATIONS

B. Line 1 – Net Operating Results (NOR) (Part I, Line 11). This line is equal to the NOR from Part I – Statement of Operations, Line 11.

C. Section Heading - OPERATING ADJUSTMENTS

D. Line 2 – Appropriated Capital Used (-). The amount of appropriated funds expended is a negative adjustment to the cash flow from operations. Report the balance of the following account:

5700 Expended Appropriations

\*E. Line 3 – Decrease (Increase) in Receivables. A decrease in accounts receivable adds to, and an increase in accounts receivable reduces, the DWCF cash balance. Decreases due to bad debt write-offs should not be included in the accounts receivable calculation. Report the current year change in the following accounts:

1310 Accounts Receivable  
 1319 Allowance for Loss on Accounts Receivable  
 1320 Employment Benefit Contributions Receivable  
 1325 Taxes Receivable  
 1329 Allowance for Loss on Taxes Receivable  
 1330 Receivable for Transfers of Currently Invested Balances  
 1335 Expenditure Transfers Receivable  
 1340 Interest Receivable – Not Otherwise Classified  
 1349 Allowance for Loss on Interest Receivable – Not Otherwise Classified

- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1367 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified
- 1377 Allowance for Loss on Administrative Fees Receivable- Not Otherwise Classified

Report the balance of the preceding September 30, Statement of Financial Position, line 3, “Accounts Receivable, Net”, minus the current balance reported on line 3 of the Statement of Financial Position.

F. Line 4 – Decrease (Increase) in Advances and Prepayments. A decrease in advances and prepayments adds to, and an increase in advances and prepayments reduces, the DWCF cash balance. Report the current year change in the following account:

- 1410 Advances and Prepayments

Report the balance of the preceding September 30<sup>th</sup>, Statement of Financial Position, line 4, “Advances and Prepayments”, minus the current balance reported on line 4 of the Statement of Financial Position.

G. Line 5 – Decrease (Increase) in Inventories. Net total of the decrease or increase of the four sub-categories of inventory on lines 5.a through 5.d.

H. Line 5.a. – Inventory. A decrease in inventory adds to, and an increase in inventory reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 1521 Inventory Purchased for Resale
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1525 Inventory - Raw Materials
- 1527 Inventory - Finished Goods
- 1529 Inventory – Allowance

Report the balance of the preceding September 30, Statement of Financial Position, line 5.a., “Inventory, Items”, minus the current balance reported on line 5.a. of the Statement of Financial Position.

I. Line 5.b. – Work in Process. A decrease in work in process adds to, and an increase in work in process reduces, the DWCF cash balance. Report the current year change in the following account.

- 1526 Inventory - Work-in-Process

J. Line 5.c. – Operating Materials and Supplies, Net. A decrease in operating materials and supplies adds to, and an increase in operating materials and supplies reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 1511 Operating Materials and Supplies Held for Use
- 1512 Operating Materials and Supplies Held in Reserve for Future Use
- 1513 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable
- 1514 Operating Materials and Supplies Held for Repair
- 1519 Operating Materials and Supplies - Allowance

K. Line 5.d. – Stockpile Materials, Net. A decrease in Stockpile materials adds to, and an increase in Stockpile materials reduces, the DWCF cash balance. Report the current year change in the [following](#) accounts:

- 1571 Stockpile Materials Held in Reserve
- 1572 Stockpile Materials Held for Sale

L. Line 6. – Decrease (Increase) in Other Assets. A decrease in other assets adds to, and an increase in other assets reduces, the DWCF cash balance. Report the current year change in the [following](#) accounts:

- 1340 Interest Receivable – [Not Otherwise Classified](#)
- 1347 [Allowance for Loss on Interest Receivable – Not Otherwise Classified](#)
- 1350 Loans Receivable
- 1359 [Allowance for Loss on Loans Receivable](#)
- 1541 Forfeited Property Held for Sale
- 1542 Forfeited Property Held for Donation or Use
- 1549 Forfeited Property – Allowance
- 1561 Commodities Held Under Price Support and Stabilization Support Programs
- 1569 Commodities – Allowance
- 1591 Other Related Property
- 1599 Other Related Property - Allowance
- 1990 Other Assets

[Report the balance of the preceding September 30<sup>th</sup>, Statement of Financial Position, line 10, “Other Assets”, minus the current balance reported on line 10 of the Statement of Financial Position.](#)

M. Line 7. – Increase (Decrease) in Accounts Payable. An increase in accounts payable adds to, and a decrease in accounts payable reduces, the DWCF cash balance. Report the current year change in the [following](#) accounts:

- 2110 Accounts Payable

- 2120 Disbursements in Transit
- 2140 Accrued Interest Payable – Not Otherwise Classified
- 2155 Expenditure Transfers Payable

Report the balance of the preceding September 30<sup>th</sup>, Statement of Financial Position, line 12.a., “Accounts Payable, Net”, minus the current balance reported on line 12.a. of the Statement of Financial Position.

N. Line 8. – Increase (Decrease) in Accrued Payroll and Benefits. An increase in accrued payroll and benefits adds to, and a decrease in accrued payroll and benefits reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 2210 Accrued Funded Payroll and Leave
- 2211 Withholdings Payable
- 2213 Employer Contributions and Payroll Taxes Payable
- 2215 Other Post-Employment Benefits Due and Payable
- 2216 Pension Benefits Due and Payable to Beneficiaries
- 2217 Benefit Premiums Payable to Carriers
- 2218 Life Insurance Benefits Due and Payable to Beneficiaries

Report the balance of the preceding September 30<sup>th</sup>, Statement of Financial Position, line 12.b., “Accrued Payroll and Benefits”, minus the current balance reported on line 12.b. of the Statement of Financial Position.

\*O. Line 9. – Increase (Decrease) in Other Liabilities. An increase in other liabilities adds to, and a decrease in other liabilities reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 2110 Accounts Payable
- 2130 Contract Holdbacks
- 2140 Accrued Interest Payable – Not Otherwise Classified
- 2160 Entitlement Benefits Due and Payable
- 2170 Subsidy Payable to the Financing Account
- 2190 Other Liabilities With Related Budgetary Obligations
- 2220 Unfunded Leave
- 2225 Unfunded FECA Liability
- 2290 Other Unfunded Employment Related Liability
- 2310 Liability for Advances and Prepayments
- 2320 Other Deferred Revenue
- 2400 Liability for Nonfiduciary Deposit Funds, Clearing Accounts, and Undeposited Collections
- 2510 Principal Payable to the Bureau of the Public Debt
- 2520 Principal Payable to the Federal Financing Bank
- 2590 Other Debt
- 2610 Actuarial Pension Liability
- 2620 Actuarial Health Insurance Liability

2630	Actuarial Life Insurance Liability
2650	Actuarial FECA Liability
2690	Other Actuarial Liabilities
2910	Prior Liens Outstanding on Acquired Collateral
2920	Contingent Liabilities
2940	Capital Lease Liability
2960	Accounts Payable From Canceled Appropriations
2970	Liability for Capital Transfers to the General Fund of the Treasury
2985	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity
2990	Other Liabilities Without Related Budgetary Obligations
2995	Estimated Cleanup Cost Liability

Report the balance of the preceding September 30th, Statement of Financial Position, lines 12.h. “Other Liabilities” and 13 “Liabilities Not Covered by Budgetary Resources”, minus the current balance reported on lines 12.h. and 13 of the Statement of Financial Position.

P. Line 10. – Depreciation and Amortization. The depreciation and amortization for the period are not paid in cash and therefore require a positive adjustment to the net cash flow from operations. Include only the amount in the account associated with items that were funded by the DWCF activity.

6710 Depreciation, Amortization, and Depletion

Q. Line 11. – Other Adjustments. The net of the period’s other non-cash related adjustments from its three subcategories in lines 11.a. through 11.c.

R. Line 11.a. – Prior Period Adjustments. Enter prior period adjustments for the period [that](#) are not cash related transactions.

7400 Prior-Period Adjustments Due to Corrections of Errors  
7401 Prior-Period Adjustments Due to Changes in Accounting Principles

S. Line 11.b. – Non-Cash Transfers. Enter transfers in and transfers out for the period which are not cash related transactions.

5720 Financing Sources Transferred In Without Reimbursement  
5730 Financing Sources Transferred Out Without Reimbursement

T. Line 11.c. – Other. Enter current period amounts for the [following](#) accounts:

5790 Other Financing Sources

U. Line 12. – Total Operating Adjustments. Sum of lines 2 through 11.

V. Line 13. – NOR Plus/Minus Operating Adjustments. Sum of lines 1 and 12.

W. Section Heading – CAPITAL ADJUSTMENTS. This section adjusts the cash flow for the impact of acquiring and disposing of property, plant and equipment and other assets used in the production of goods and services. Most sales within the DWCF are recorded as revenue and thereby included in line 1 of this statement. However, if an incoming cash flow is not a result of revenue, that cash flow should be identified within this section as either a result of a sale of property, plant and equipment or other cause. See Annex 4 of Volume 4, Chapter 6 for further guidance.

\* X. Line 14. – (Increase) Decrease of Property, Plant and Equipment, Net. The net amounts of cash proceeds received from the sale of surplus real and personal property (i.e., buildings, docks and piers, and equipment) which adds to the DWCF cash balance and the amounts disbursed for acquisitions of plant, property, and equipment which reduces the DWCF cash balance.

1711 Land and Land Rights  
 1712 Improvements to Land  
 1719 Accumulated Depreciation on Improvements to Land  
 1720 Construction-in-Progress  
 1730 Buildings, Improvements, and Renovations  
 1739 Accumulated Depreciation on Buildings, Improvements, and Renovations  
 1740 Other Structures and Facilities  
 1749 Accumulated Depreciation on Other Structures and Facilities  
 1750 Equipment  
 1759 Accumulated Depreciation on Equipment  
 1810 Assets Under Capital Lease  
 1819 Accumulated Depreciation on Assets Under Capital Lease  
 1820 Leasehold Improvements  
 1829 Accumulated Amortization on Leasehold Improvements  
 1830 Internal-Use Software  
 1832 Internal-Use Software in Development  
 1839 Accumulated Amortization on Internal-Use Software  
 1840 Other Natural Resources  
 1849 Allowance for Depletion  
 1890 Other General Property, Plant, and Equipment  
 1899 Accumulated Depreciation on Other General Property, Plant, and Equipment

Report the balance of the preceding September 30, Statement of Financial Position, line 9, “Property, Plant and Equipment, Net”, minus the current balance reported on line 9 of the Statement of Financial Position.

Y. Section Heading - APPROPRIATIONS AND CASH TRANSFERS. This section identifies the impact on cash flow from resources obtained in the form of appropriations from the Congress, or by transferring from or to other reporting entities. Appropriations may, or may not, be distributed to the individual activity level. If appropriations are not distributed, then they may be reported by the DWCF level that is holding those balances or allocated by that DWCF level, for reporting purposes, to the appropriate activity(ies).

Z. Line 15. – Appropriations (Current Warrants). The amount of appropriations received, net of rescissions, [for the current fiscal year](#). Report the balances in the following accounts:

- 3101 Unexpended Appropriations - Appropriations Received
- 3102 Unexpended Appropriations - Transfers-In
- 3103 Unexpended Appropriations - Transfers-Out
- 3106 Unexpended Appropriations – Adjustments
- 3108 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors
- 3109 Unexpended Appropriations – Prior-Period Adjustments Due to Changes in Accounting Principles

The total of Line 15, “[Appropriations \(Current Warrants\)](#)” shall agree with the total of the amounts reported on line 3.A.1. “[Budgetary Authority, Appropriation, Actual](#)” and line 6.B., “[Enacted reductions \(-\) of the Standard Form 133, “Report on Budget Execution and Budgetary Resources](#)”.

AA. Line 16. – Transfers of Cash. The net amounts of cash transferred to and from all Federal sources, except the Department of the Treasury. This line is the sum of the [two sub categories in lines 16.a. and 16.b.](#)

AB. Line 16.a. – Transfers In. The amount of cash transferred from all Federal sources, except the Department of the Treasury. Report cash transfers in from other [Federal sources](#) as an increase. The amounts to be reported are those [related](#) solely to [transferred-in](#) cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line.

5755 Nonexpenditure Financing Sources - Transfers-In - [Other](#)

This amount shall agree with the amount reported on Part II, line 1.D.(2)b. “[Plus: Transfers In of Cash](#)”.

AC. Line 16.b. – Transfers Out. The amounts of cash transferred to all Federal agencies, except the Department of the Treasury. Report cash transfers out to other Federal sources as a reduction. The amounts to be reported are those [related](#) solely to [transferred-out](#) cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line.

## 5765 Nonexpenditure Financing Sources - Transfers-Out - Other

This amount shall agree with the opposite amount reported on Part II, line 1.D.(2)c. "Minus: Transfers Out of Cash".

AD. Line 17. – Total Appropriations and Cash Transfers. The net total of lines 15 and 16.

\*AE. Line 18. – Repayments on Loans from the Treasury and the Federal Financing Bank. This item represents the amounts disbursed to liquidate loans from the Department of the Treasury, the Federal Financing Bank, or other Federal Agencies. This line applies only to the Military Sealift Command (MSC).

2510 Principal Payable to the Bureau of the Public Debt

2520 Principal Payable to the Federal Financing Bank

AF. Line 19. – Net Change in Cash For Accounting Period. The net total of lines 13, 14, 17 and 18.

AG. Line 20. – Fund Balance, Beginning. The sum total of the following account balances at the beginning of the fiscal year. Undistributed amounts will be reported at the lowest organizational level to which they can be identified.

1010 Fund Balance with Treasury

1110 Undeposited Collections

1120 Imprest Funds

1130 Funds Held by the Public

1190 Other Cash

1195 Other Monetary Assets

1200 Foreign Currency

1531 Seized Monetary Instruments

1532 Seized Cash Deposited

Report the balance of the preceding September 30<sup>th</sup>, Statement of Cash Flows, line 21., "Fund Balance, Ending". This amount will not change during the fiscal year.

AH. Line 21. – Fund Balance, Ending. Net total of lines 19 and 20. The amounts will equal the sum of amounts reported on the Statement of Financial Position for line 1, "Fund Balance with Treasury", and line 2, "Cash on Hand and Other Monetary Assets."

AI. Section Heading – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION. Report additional information related to the statement of cash flow.

AJ. Line 22. – Total Interest Paid. Report the current year change to the following accounts:

- 2140 Accrued Interest Payable – Not Otherwise Classified
- 2141 Accrued Interest Payable – Debt
- 6310 Interest Expense on Borrowings from Bureau of Public Debt or Federal Financing Bank (if used by the Military Sealift Command)
- 6330 Other Interest Expenses

Figure 15-3: Statement of Operations, Part I – Statement of Operations

<b>DEFENSE WORKING CAPITAL FUND</b>			
<b>STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS</b>			
<b>(DoD COMPONENT/BUSINESS AREA/ACTIVITY)</b>			
<b>MONTH ENDING _____, 20XX</b>			
<b>(\$ in thousands)</b>			
<b>Revenues and Financing Sources:</b>			
1. Appropriated Capital Used		\$	XXX
2. Revenue from Sales of Goods and Services			XXX
a. Gross Revenue from Sales	\$	XXX	
b. Minus: Credits Allowed on Sales		XXX	
3. Other Revenue and Financing Sources			XXX
4. Total Revenue and Financing Sources			XXX
<b>Expenses:</b>			
5. Program or Operating Expenses (Supply and Service Activities)			XXX
6. Cost of Goods and Services Sold			XXX
7. Other Losses			XXX
8. Total Expenses			XXX
<b>NET OPERATING RESULTS:</b>			
9. Revenue Less Cost Incurred Before Extraordinary Items			XXX
10. Plus (Minus) Extraordinary Items			XXX
11. Net Operating Results (NOR)			XXX
<b>Net Operating Results for Rate Purposes:</b>			
12. Plus (Minus) Deferred Operating Results and Depreciation (Part V)			XXX
13. Recoverable Net Operating Results		\$	XXX

## 1504. FORMAT OF THE STATEMENT OF OPERATIONS: PART I - STATEMENT OF OPERATIONS (FIGURE 15-3)

## 150401. General

Part I – [Statement](#) of Operations provides data on current operating results by DWCF business areas.

## 150402. Heading

Complete the heading of the form to [indicate](#): (a) the reporting DoD Component, (b) the reporting [DWCF](#) business area [or activity](#), (c) the reporting period (month), [and \(d\) the](#) calendar year.

## \*150403. Line Item Instructions

Instructions for the content of each line item are as follows:

A. [Section Heading – REVENUES AND FINANCING SOURCES](#)

B. [Line 1. – Appropriated Capital Used](#). Appropriations, primarily for War Reserve Material and Commissary Operations, may be provided directly to the DWCF. USSGL account 5700, Expended Appropriations is used to record an amount equal to accrued expenses (versus outlays) of appropriated funds provided directly to the Fund. The purpose of the account is to match current period expenses [to the](#) appropriated funds used to finance those expenses. The amounts to be recorded in account 5700 shall be equal to the amount of program expenses recorded in the 6100 series of accounts but shall not include any expenses applicable to revenue accounts other than account 5700. [In other words](#), expenses incurred against an appropriation made directly available to the DWCF should be recorded separately from expenses incurred against ordinary DWCF reimbursable financing. Volume 4, Chapter 17 contains additional information on USSGL account 5700. Report the balance in the following account:

5700 Expended Appropriations

C. [Line 2. – Revenue from Sales of Goods and Services](#). Report the net total of sub-lines 2.a. and [2.b.](#)

D. [Line 2.a. – Gross Revenue from Sales](#). Report the balances in the following accounts:

5100 Revenue from Goods Sold

5200 Revenue from Services Provided

E. [Line 2.b. – Minus: Credits Allowed on Sales](#). [Reporting activities within the Supply Management business area shall report the dollar amount of credits allowed on](#)

amounts due (accounts receivable) as a result of sales or Depot Level Repairable (DLR) exchanges. Report the balances in the following accounts:

- 5109 Contra Revenue for Goods Sold
- 5209 Contra Revenue for Services Provided

F. Line 3. - Other Revenue and Financing Sources. Report revenues and financing sources not reported on lines 1 or 2. Include cash donations. Identify the nature of each miscellaneous gain. Report the total recorded in the following accounts:

- 5310 Interest Revenue – Other
- 5319 Contra Revenue for Interest Revenue - Other
- 5320 Penalties and Fines Revenue
- 5324 Contra Revenue for Penalties and Fines
- 5325 Administrative Fees Revenue
- 5329 Contra Revenue for Administrative Fees
- 5400 Benefit Program Revenue
- 5409 Contra Revenue for Benefit Program Revenue
- 5500 Insurance and Guarantee Premium Revenue
- 5509 Contra Revenue for Insurance and Guarantee Premium Revenue
- 5600 Donated Revenue - Financial Resources
- 5609 Contra Revenue for Donations - Financial Resources
- 5610 Donated Revenue - Nonfinancial Resources
- 5619 Contra Donated Revenue - Nonfinancial Resources
- 5640 Forfeiture Revenue – Cash and Cash Equivalents
- 5649 Contra Forfeiture Revenue – Cash and Cash Equivalents
- 5650 Forfeiture Revenue – Forfeitures of Property
- 5659 Contra Forfeiture Revenue – Forfeitures of Property
- 5740 Appropriated Earmarked Receipts Transferred In
- 5745 Appropriated Earmarked Receipts Transferred Out
- 5750 Expenditure Financing Sources - Transfers-In
- 5755 Non-Expenditure Financing Sources – Transfers In – Other
- 5760 Expenditure Financing Sources - Transfers-Out
- 5765 Non-Expenditure Financing Sources – Transfers Out – Other
- 5766 Nonexpenditure Financing Sources – Transfers-Out – Capital Transfers
- 5775 Nonbudgetary Financing Sources Transferred In
- 5776 Nonbudgetary Financing Sources Transferred Out
- 5780 Imputed Financing Sources
- 5790 Other Financing Sources
- 5791 Adjustment to Financing Sources – Downward Reestimate or Negative Subsidy
- 5792 Financing Sources To Be Transferred Out – Contingent Liability
- 5795 Seigniorage
- 5900 Other Revenue
- 5909 Contra Revenue for Other Revenue

- 5993 Offset to Non-Entity Collections – Statement of Changes in Net Position
- 5994 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position
- 7110 Gains on Disposition of Assets – Other
- 7180 Unrealized Gains
- 7190 Other Gains

G. Line 4. – Total Revenue and Financing Sources. Report the total of lines 1 through 3. Revenue should equal net sales plus any other reimbursable revenue and financing source.

H. Section Heading – EXPENSES

I. Line 5. – Program or Operating Expenses (Supply and Service Activities). This line is a summary of expenses for the current period. It will equal the sum of Part IV – Expenses, lines A through J, minus Part III, line 1.F. “Plus: Operating Expenses” for Supply and Service Activities.

J. Line 6. – Cost of Goods and Services Sold. Report the total of Part III - Cost of Goods Sold, lines 1.i. “Equals: Cost of Goods and Services Sold” and “2.o. Equals: Cost of Goods Sold from Inventory” (for Service and Supply Business Areas).

K. Line 7. – Other Losses. Amount reported on line K “Other Losses” of Part IV - Expenses.

L. Line 8. – Total Expenses. Sum of lines 5 through 7.

M. Section Heading – NET OPERATING RESULTS

N. Line 9. – Revenue Less Cost Incurred Before Extraordinary Items. The net amount of line 4 less line 8.

O. Line 10. – Plus (Minus) Extraordinary Items. Extraordinary items are both unusual in nature and infrequent in occurrence. Identify, as a footnote, the nature of each extraordinary gain or loss. Report the balance in the following account:

7300 Extraordinary Items

P. Line 11. – Net Operating Results (NOR). The sum of line 9 plus (or minus) line 10.

Q. Section Heading – NET OPERATING RESULTS FOR RATE PURPOSES

R. Line 12. – Plus (Minus) Deferred Operating Results and Depreciation (Part V). Report the sum of the amounts shown on lines 2 and 3 of Part V - Recoverable Operating Results. Amount will include the total deferred operating results and depreciation on non-DWCF acquired plant, property and equipment.

S. Line 13. – Recoverable Net Operating Results. The sum of line 11 plus (or minus) line 12.

Figure 15-4: Statement of Operations, Part II – Changes in Net Position

<b>DEFENSE WORKING CAPITAL FUND</b>			
<b>STATEMENT OF OPERATIONS: PART II-CHANGES IN NET POSITION</b>			
<b>(DoD COMPONENT/BUSINESS AREA/ACTIVITY)</b>			
<b>MONTH ENDING _____, 20XX</b>			
<b>(\$ in thousands)</b>			
<b>1. Changes in Net Position</b>			
A. Unexpended Appropriations			
(1) Appropriations Available – Beginning of Year	\$	XXX	
(2) Plus or Minus: Changes in Appropriation Balance		XXX	
(3) Equals: Unexpended Appropriations – End of Period			\$ XXX
B. Accumulated Operating Results (AOR)			
(1) Recoverable AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Recoverable AOR End of Period		XXX	
(2) Deferred AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Recoverable AOR End of Period		XXX	
(3) Total AOR End of Period			XXX
C. Operational Equity Position – End of Period			\$ XXX
D. Invested Capital			
(1) Assets Capitalized			
a. Assets Capitalized – Beginning of Period		XXX	
b. Plus: Transfers In of Property		XXX	
c. Minus: Transfers Out of Property		XXX	
d. Minus: Depreciation, Non-DWCF Acquired PP&E		XXX	
e. Equals: Assets Capitalized – End of Period		XXX	

Figure 15-4: Statement of Operations, Part II – Changes in Net Position (continued)

(2) Fund (Cash) Assets		
a. Fund (Cash) <b>Assets</b> – Beginning of Period	XXX	
b. Plus: Transfers In of Cash	XXX	
c. Minus: Transfers Out of Cash	XXX	
d. Equals: Fund (Cash) <b>Assets</b> – End of Period	XXX	
(3) Liabilities Assumed		
a. Liabilities Assumed – Beginning of Period	XXX	
b. Plus: Transfers In of Liabilities	XXX	
c. Minus: Transfers Out of Liabilities	XXX	
d. Equals: Liabilities Assumed – End of Period	XXX	
(4) Equals: Invested Capital – End of Period		XXX
<b>2. Net Position – End of Period</b>		<b>XXX</b>

1505. FORMAT OF THE STATEMENT OF OPERATIONS: PART II - CHANGES IN NET POSITION (FIGURE 15-4)

150501. General

Part II – Changes in Net Position, Figure 15-4, provides data on the current equity position of the DWCF.

150502. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

\*150503. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading – Changes in Net Position

B. Section Heading – Unexpended Appropriations

C. Line 1.A.(1). – Appropriations Available-Beginning of Year. Report the balance of appropriations available at the end of the preceding fiscal year (line 1.A.(3) on September 30 of the preceding fiscal year). The amount reported will not change during the fiscal year. The following account should be used:

3100 Unexpended Appropriations - Cumulative

D. Line 1.A.(2). – Plus or Minus: Changes in Appropriation Balance. This is equal to the difference between the beginning of the fiscal year balance and the balance as of the end of the reporting period. The amount should be equal to the net sum of the following accounts:

3101 Unexpended Appropriations - Appropriations Received

3102 Unexpended Appropriations - Transfers-In

3103 Unexpended Appropriations - Transfers-Out

3106 Unexpended Appropriations - Adjustments

3107 Unexpended Appropriations - Used

3108 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors

3109 Unexpended Appropriations - Prior-Period Adjustments Due to Changes in Accounting Principles

E. Line 1.A.(3). – Equals: Unexpended Appropriations – End of Period. Report the net total of lines 1.A.(1) and 1.A.(2). The amount reported should agree with the

amount reported on line 15.a “Unexpended Appropriations” of the Statement of Financial Position.

F. [Section Heading – Accumulated Operating Results \(AOR\)](#)

G. [Section Heading – Recoverable AOR](#)

H. [Line 1.B.\(1\).a. – AOR Beginning of Year \(Unadjusted\)](#). Report the balance of recoverable AOR available at the end of the preceding fiscal year (line 1.B.(1).e. on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount of recoverable AOR contained in the following account:

3310 Cumulative Results of Operations

I. [Line 1.B.\(1\).b. – Plus or Minus: Prior Period Adjustments](#). A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments related to recoverable AOR in the following accounts:

7400 Prior-Period Adjustments Due to Corrections of Errors

7401 Prior-Period Adjustments Due to Changes in Accounting Principles

J. [Line 1.B.\(1\).c. – Equals: AOR Beginning of Year \(Adjusted\)](#). Report the net total of line 1.B.(1).a plus or minus, as applicable, line 1.B.(1).b.

K. [Line 1.B.\(1\).d. – Plus or Minus: Net Operating Results](#). Report the amount shown on line 13 “Recoverable Net Operating Results”, of Part I – [Statement of Operations](#).

L. [Line 1.B.\(1\).e. – Equals: Recoverable AOR End of Period](#). Report the net total of lines 1.B.(1).c and 1.B.(1).d.

M. [Section Heading – Deferred AOR](#)

N. [Line 1.B.\(2\).a. – AOR Beginning of Year \(Unadjusted\)](#). Report the balance of deferred AOR available at the end of the preceding fiscal year (line 1.B.(2).e on September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount of deferred AOR contained in the following account:

3310 Cumulative Results of Operations

O. [Line 1.B.\(2\).b. – Plus or Minus: Prior Period Adjustments](#). A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments related to deferred AOR recorded in the following accounts:

7400 Prior-Period Adjustments Due to Corrections of Errors

7401 Prior-Period Adjustments Due to Changes in Accounting Principles

P. Line 1.B.(2).c. – Equals: AOR Beginning of Year (Adjusted). Report the net total of line 1.B.(2).a plus or minus, as applicable, line 1.B.(2).b.

Q. Line 1.B.(2).d. – Plus or Minus: Net Operating Results. Report the opposite of the amount shown on Part V, Recoverable Operating Results, line 2, “Deferred Operating Results (Gain/Loss) Net”.

R. Line 1.B.(2).e. – Equals: Deferred AOR End of Period. Report the net total of lines 1.B.(2).c. and 1.B.(2).d.

S. Line 1.B.(3). - Total AOR End of Period. Report the net total of lines 1.B.(1).e. and 1.B.(2).e.

T. Line 1.C. – Operational Equity Position – End of Period. Report the net total of lines 1.A.(3). and 1.B.(3).

U. Section Heading – Invested Capital

V. Section Heading – Assets Capitalized

W. Line 1.D.(1).a. – Assets Capitalized – Beginning of Period. Report the portion of assets capitalized available at the end of the preceding fiscal year (line 1.D.(1).e on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount related to the asset capitalization program contained in the following account:

3310 Cumulative Results of Operations

X. Line 1.D.(1).b. – Plus: Transfers In of Property. Report the value of non-cash capital assets received without reimbursement. Report the portion related to non-cash capital transfers in the following account:

5720 Financing Sources Transferred In Without Reimbursement

Y. Line 1.D.(1).c. – Minus: Transfers Out of Property. Report the value of non-cash capital assets transferred out without reimbursement. Report the amounts related to non-cash capital transfers out in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

Z. Line 1.D.(1).d. – Minus: Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation expense recorded for non-DWCF acquired PP&E from Part IV – Expenses, line I “Depreciation, Non-DWCF Acquired PP&E”, plus gains and losses. This amount must be disclosed in a footnote.

**AA.** Line 1.D.(1).e. – Equals: Assets Capitalized – End of Period. Report the net total of lines 1.D.(1).a through 1.D.(1).d.

**AB.** Section Heading – Fund (Cash) Assets

**AC.** Line 1.D.(2).a. – Fund (Cash) Assets – Beginning of Period. Report the portion of fund (cash) assets available at the end of the preceding fiscal year (line 1.D.(2).d on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount related to the asset capitalization program contained in the following account:

3310 Cumulative Results of Operations

**AD.** Line 1.D.(2).b. – Plus: Transfers In of Cash. Report the value of cash assets received without reimbursement. Report the amounts related to cash transfers-in in the following accounts:

5755 Nonexpenditure Financing Sources - Transfers-In - Other

**AE.** Line 1.D.(2).c. – Minus: Transfers Out of Cash. Report the value of cash assets transferred out without reimbursement. Report the amounts related to cash transfers out in the following accounts:

5730 Financing Sources Transferred Out Without Reimbursement

5765 Nonexpenditure Financing Sources - Transfers-Out - Other

**AF.** Line 1.D.(2).d. – Equals: Fund (Cash) Assets – End of Period. Report the net total of lines 1.D.(2).a through 1.D.(2).c.

**AG.** Section Heading – Liabilities Assumed

**AH.** Line 1.D.(3).a. – Liabilities Assumed – Beginning of Period. Report the portion of liabilities assumed at the end of the preceding fiscal year (line 1.D.(3).d on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount related to the liabilities assumed in the following account:

3310 Cumulative Results of Operations

**AI.** Line 1.D.(3).b. – Plus: Transfers In of Liabilities. Report the value of liabilities transferred in for the following account:

5720 Financing Sources Transferred In Without Reimbursement

**AJ.** Line 1.D.(3).c. – Minus: Transfers Out of Liabilities. Report the value of liabilities transferred out in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

**AK.** Line 1.D.(3).d. – Equals: Liabilities Assumed – End of Period. Report the net total of lines 1.D.(3).a through 1.D.(3).c.

**AL.** Line 1.D.(4). – Equals: Invested Capital – End of Period. Report the total of lines 1.D.(1).e., 1.D.(2).d. and 1.D.(3).d.

**AM.** Line 2. - Net Position – End of Period. Report the total of lines 1.C and 1.D.(4).

Figure 15-5: Statement of Operations, Part III – Cost of Goods Sold

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART III-COST OF GOODS SOLD			
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. Cost of Goods and Services Sold:			
a.	Beginning Work-in-Process	\$	XXX
b.	Plus/Minus: Prior Period Adjustments to Work-in-Process		XXX
c.	Equals: Adjusted Beginning Work-in-Process		XXX
d.	Minus: Transfers Out of Work-in-Process		XXX
e.	Plus: Transfers In of Work-in-Process		XXX
f.	Plus: Operating Expenses		XXX
g.	Minus: Ending Work-in-Process		XXX
h.	Minus: Work for Activity Retention		XXX
i.	Equals: Cost of Goods and Services Sold	\$	XXX
2. Cost of Goods Sold from Inventory:			
a.	Beginning Inventory-LAC		XXX
b.	Plus/Minus: Prior Period Adjustments to LAC Inventory		XXX
c.	Equals: Adjusted Beginning Inventory-LAC		XXX
d.	Minus: Beginning Allowance for Unrealized Holding Gains (Losses)		XXX
e.	Plus: Purchases at Cost		XXX
f.	Plus: Customer Returns-Credit Given		XXX
g.	Plus: DLR Exchange Credits		XXX
h.	Minus: Inventory Losses (Gains) Realized		XXX
i.	Minus: Ending Inventory-LAC		XXX
j.	Plus: Ending Allowance for Unrealized Holding Gains (Losses)		XXX
k.	Minus: Transfers Out of Inventory at LAC		XXX
l.	Plus: Transfers In of Inventory at LAC		XXX
m.	Equals: Cost of Goods Sold at LAC		XXX
n.	Plus: Cost of Goods Sold at MAC		XXX
o.	Equals: Cost of Goods Sold from Inventory		XXX

## 1506. FORMAT OF THE STATEMENT OF OPERATIONS: PART III - COST OF GOODS SOLD (FIGURE 15-5)

## 150601. General

Part III – Cost of Goods Sold, Figure 15-5, reflects all costs, including gains and losses, applicable to the production of goods and services sold to customers during the reporting period. The total of line 1.i., “Equals Cost of Goods & Services Sold”, or 2.o., “Equals: Cost of Goods Sold from Inventory” must agree with the amount shown on Part I -Statement of Operations, line 6, “Cost of Goods and Services Sold”.

## 150602. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

## 150603. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Line 1 – Cost of Goods and Services Sold. This line is to be used by all WIP business areas. The Supply Management and Commissary Resale business areas shall use line 2 of this part to compute its cost of goods sold. Service business activities do not produce goods for sale and their operating expenses will be reported on Part I – Statement of Operations, line 6, “Cost of Goods and Services Sold”.

B. Line 1.a. – Beginning Work-in-Process. Enter the total of the balances in the following account at the end of the preceding reporting period. This amount will not change during the fiscal year, and will be the same as the amount on line 1.g, “Ending Work-in-Process” from the previous year’s September 30 report:

1526 Inventory - Work-in-Process

C. Line 1.b. – Plus/Minus: Prior Period Adjustments to Work-in-Process. Report the amount of increase or decrease to Inventory-Work-in-Process related to a prior period adjustment included in the following account:

7400 Prior-Period Adjustments Due to Corrections of Errors  
7401 Prior-Period Adjustments Due to Changes in Accounting Principles

D. Line 1.c. - Equals: Adjusted Beginning Work-in-Process. Report the net total of lines 1.a. and 1.b.

E. Line 1.d. - Minus: Transfers Out of Work-in-Process. Report the amount of Work-in-Process transferred out without reimbursement to another activity included in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

F. Line 1.e. – Plus: Transfers In of Work-in-Process. Report the amount of Work-in-Process transferred in without reimbursement from another activity included in the following account:

5720 Financing Sources Transferred In Without Reimbursement

G. Line 1.f. – Plus: Operating Expenses. Enter the total of the amounts reported on Part IV, “Expenses”, lines A. through I.

H. Line 1.g. – Minus: Ending Work-in-Process. Enter the total of the balance in the following account as of the end of the current reporting period:

1526 Inventory – Work-in-Process

I. Line 1.h. – Minus: Work for Activity Retention. Report the value of assets developed or manufactured for use and retention by the performing business area activity. Enter the balance in the following accounts:

6500 Cost of Goods Sold

J. Line 1.i. Equals: Cost of Goods and Services Sold. Report the net total of lines 1.c. through 1.h.

K. Line 2. – Cost of Goods Sold from Inventory. This category of costs is reported only by the Supply Management and Commissary Resale Business Areas.

\*NOTE: The [Statement of Federal Financial Accounting Standards Number 3](#), “Accounting for Inventory and Related Property” sets forth the accounting principles that shall be followed by Federal Government entities when accounting for and reporting inventory and related property. An illustration of the DoD implementation of those principles is contained in [Volume 4](#) Chapter 4, “[Inventory and Related Property](#)” of this Regulation (for DoD Components recording inventory at its latest invoice price). The referenced illustrations demonstrate the application of [inventory related accounts](#) and must be read [to more fully understand](#) the reporting requirements contained in section 2 of Part III - [Cost of Goods Sold](#).

L. Line 2.a – Beginning Inventory – LAC. Report the balance as shown on line 2.i “[Minus: Ending Inventory - LAC](#)” on September 30 of the preceding fiscal year, [as this amount will not change during the fiscal year.](#) LAC is “Latest Acquisition Cost.”

1521 Inventory Purchased for Resale

- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory – Excess, Obsolete, and Unserviceable
- 1525 Inventory – Raw Materials
- 1527 Inventory – Finished Goods

M. Line 2.b. – Plus/Minus: Prior Period Adjustments to LAC Inventory. Report the portion of the amount from the following account as it relates to LAC inventory adjustments:

- 7400 Prior-Period Adjustments Due to Corrections of Errors
- 7401 [Prior-Period Adjustments Due to Changes in Accounting Principle](#)

N. Line 2.c. – Equals: Adjusted Beginning Inventory-LAC. Report the net total of lines 2.a and 2.b.

O. Line 2.d. – Minus: Beginning Allowance for Unrealized Holding Gains (Losses). Report the balance as shown on line 2.j. “[Plus: Ending Allowance for Unrealized Holding Gains/Losses](#)” on September 30 of the preceding fiscal year, [as this amount will not change during the fiscal year](#). Holding gains (or losses) are recognized in the valuation of inventory. Holding gains or losses may be unrealized or realized. “Unrealized” refers to any gain or loss associated with inventory still held by the entity. “Realization” of the holding gain or loss occurs only when an item of inventory is sold or otherwise leaves the supply management stocking point.

P. Line 2.e. – Plus: Purchases at Cost. Report amounts paid or payable for all inventory purchases during the reporting period [in the following account](#):

- 1529 Inventory Allowance (Purchased at Cost)

Q. Line 2.f. – Plus: Customer Returns – Credit Given. Report amounts of credit given on material returns [in the following account](#):

- 1529 Inventory Allowance (Customer Returns-Credit Granted)

R. Line 2.g. – Plus: DLR Exchange Credits. Report the amounts of credits given on DLR exchanges [in the following account](#):

- 1529 Inventory Allowance (DLR Exchange Credit)

S. Line 2.h. – Minus: Inventory Losses (Gains) Realized. The realization of most inventory gains (and losses) are recognized through reduction of the unrealized holding gains/losses accounts as a result of sales; that is, those gains and losses are realized when inventory items are sold and are recognized in the cost of good sold. However, decreases in inventory occurring as a result of disposal and events other than sale also result in a reduction of the unrealized holding gains/losses accounts. As those inventory decreases are not the result of

sales, they should not affect the cost of goods sold. Therefore, the value of those losses shall be removed from the cost of goods sold and reported on [Part IV – Expenses, line K.4, “Net Other Inventory \(Gains\) Losses”](#).

7210 Losses on Disposition of Assets – Other  
7290 Other Losses

T. Line 2.i. – Minus: Ending Inventory – LAC. Report the end of period inventory value of the following accounts:

1521 Inventory Purchased for Resale  
1522 Inventory Held in Reserve for Future Sale  
1523 Inventory Held for Repair  
1524 Inventory – Excess, Obsolete, and Unserviceable  
1525 Inventory – Raw Materials  
1527 Inventory – Finished Goods

U. Line 2.j. – Plus: Ending Allowance for Unrealized Holding Gains (Losses). Report the total of balances in the following account:

1529 Inventory – Allowance

V. Line 2.k. – Minus: Transfers Out of Inventory at LAC. Report the portion of the [following](#) account [that](#) relates to inventory maintained at LAC, which was transferred out of the activity.

5730 Financing Sources Transferred Out Without Reimbursement

W. Line 2.l. – Plus: Transfers In of Inventory at LAC. Report the portion of the [following](#) account [that](#) relates to inventory maintained at LAC, which was transferred in to the activity.

5720 Financing Sources Transferred In Without Reimbursement

X. Line 2.m. – Equals: Cost of Goods Sold at LAC. Report the net total of lines 2.c. through line 2.l.

Y. Line 2.n. – Plus: Cost of Goods Sold at MAC. Report the amount of the following account as was reported from activities maintaining inventory at MAC value.

6500 Cost of Goods Sold

Z. Line 2.o. – Equals: Cost of Goods Sold from Inventory. Report the net total of lines 2.m. and 2.n.

Figure 15-6: Statement of Operations, Part IV – Expenses

DEFENSE WORKING CAPITAL FUND		
STATEMENT OF OPERATIONS: PART IV-EXPENSES		
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)		
MONTH ENDING _____, 20XX		
(\$ in thousands)		
	(\$000)	(\$000)
A. Personnel Services and Benefits - Civilian		XXX
1. Personal Compensation	XXX	
2. Annual Leave	XXX	
3. Personnel Benefits	XXX	
4. Benefits for Former Personnel	XXX	
B. Travel and Transportation		XXX
1. Travel and Transportation of People	XXX	
2. Transportation of Things	XXX	
C. Rents, Communications and Utilities		XXX
1. Rents, Communications and Utilities	XXX	
2. Printing and Reproduction	XXX	
D. Contractual Services		XXX
1. Military Personnel Services	XXX	
2. Purchased Services	XXX	
E. Supplies, Materials and Other Non-Capitalized Assets		XXX
1. Supplies and Materials	XXX	
2. Equipment	XXX	
F. Grants and Fixed Charges		XXX
1. Grants and Contributions	XXX	
2. Insurance Claims and Indemnifications	XXX	
3. Other Interest Expenses	XXX	
G. Other Expenses		XXX
H. Depreciation		XXX
1. Depreciation and Equipment	XXX	
2. Depreciation of Real Property	XXX	
3. Amortization of Leasehold Improvements and Other Intangible Assets	XXX	

Figure 15-6: Statement of Operations, Part IV – Expenses (continued)

I. Depreciation – Non-DWCF Acquired PP&E		XXX
1. Non-Recoverable Depreciation of Equipment	XXX	
2. Non-Recoverable Depreciation of Real Property	XXX	
3. Non-Recoverable Amortization	XXX	
J. Bad Debts		XXX
K. Other Losses and Gains		XXX
1. Losses on Disposition of Assets	XXX	
2. Net (Gains) Losses on Inventory Shrinkage/Deterioration	XXX	
3. Net (Gains) Losses on Inventory Excess/Obsolescence/ Spoilage	XXX	
4. Net Other Inventory (Gains) Losses	XXX	
5. Other Miscellaneous Losses	XXX	
Expended Appropriation	XXX	
Direct Labor Hours – Regular	XXX	
Direct Labor Hours – Overtime	XXX	
Direct Labor Hours – Total	XXX	

## 1507. FORMAT OF THE STATEMENT OF OPERATIONS: PART IV - EXPENSES (FIGURE 15-6)

## 150701. General

Part IV – Expenses, Figure 15-6, reflects all expenses incurred during the reporting period. The total of lines A thru I should agree, **except for rounding**, with the amount shown on Part I – Statement of Operations, Line 5 “Program or Operating Expenses (Supply and Service Activities)” for Supply and Service Activities or Part III – Cost of Goods Sold, line 1.f. “Plus: Operating Expenses” for all other activities.

## 150702. Heading

Complete the heading of the form to **indicate**: (a) the reporting DoD Component, (b) the reporting **DWCF** business area or activity, (c) the reporting period (month), and (d) the **calendar** year.

## 150703. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Line A. – Personnel Services and Benefits – Civilian. Report the amount of expense related to personnel services and benefits. Report the net total of sub-lines A.1. through A.4.

B. Line A.1. – Personnel Compensation. Report the total amount of expense related to personnel compensation. Include the amount of the **following** account **as it** relates to personnel compensation.

6100 Operating Expenses/Program Costs

C. Line A.2. – Annual Leave. Report the total amount of expense related to annual leave. Include the amount of the **following** accounts related to annual leave.

6100 Operating Expenses/Program Costs

6800 **Future Funded Expenses**

D. Line A.3. – Personnel Benefits. Report the total amount of expense related to personnel benefits. Include the amount of the **following** accounts related to personnel benefits.

6100 Operating Expenses/Program Costs

6400 Benefit Expense

6850 Employer Contributions to Employee Benefit Programs not Requiring Current-Year Budget Authority (Unobligated)

7600 Changes in Actuarial Liability

E. Line A.4. – Benefits for Former Personnel. Report the total amount of expense related to benefits for former personnel. Include the amount of the following accounts related to benefits for former personnel.

6100 Operating Expenses/Program Costs  
6400 Benefit Expense

F. Line B. – Travel and Transportation. Report the amount of expense related to travel and transportation. Report the net total of sub-lines B.1 and B.2.

G. Line B.1. – Travel and Transportation of People. Include the amount of the following account related to travel and transportation of persons.

6100 Operating Expenses/Program Costs

H. Line B.2. –Transportation of Things. Include the amount of the following account related to travel and transportation of things.

6100 Operating Expenses/Program Costs

I. Line C. – Rents, Communications and Utilities. Report the amount of expense related to rents, communications, utilities, and printing and reproduction. Report the net total of sub-lines C.1 and C.2.

J. Line C.1. – Rents, Communications and Utilities. Include the amount of the following account related to rents, communications and utilities.

6100 Operating Expenses/Program Costs

K. Line C.2. – Printing and Reproduction. Include the amount of the following account related to printing and reproduction.

6100 Operating Expenses/Program Costs

L. Line D. – Contractual Services. Report the amount of expense related to military personnel services and other contractual services. Report the net total of sub-lines D.1 and D.2.

M. Line D.1. – Military Personnel Services. Include the amount of the following account related to military personnel.

6100 Operating Expenses/Program Costs

N. Line D.2. – Purchased Services. Include the amount of the following account related to purchased services.

6100 Operating Expenses/Program Costs

O. Line E. – Supplies, Materials and Other Non-Capitalized Assets. Report the amount of expense related to supplies, materials and other non-capitalized assets. Report the net total of sub-lines E.1 and E.2.

P. Line E.1. – Supplies and Materials. Include the amount of the following account related to supplies and materials.

6100 Operating Expenses/Program Costs

Q. Line E.2. – Equipment. Include the amount of the following account related to equipment (not capitalized).

6100 Operating Expenses/Program Costs

R. Line F. – Grants and Fixed Charges. Report the amount of expense related to grants, subsidies, contributions, insurance, claims, and indemnifications. Report the net total of sub-lines F.1 through F.3

S. Line F.1. – Grants and Contributions. Include the amount of the following accounts related to grants, subsidies and contributions.

6100 Operating Expenses/Program Costs

T. Line F.2. – Insurance Claims and Indemnifications. Include the amount of the following account related to insurance claims and indemnifications.

6100 Operating Expenses/Program Costs

U. Line F.3. – Other Interest Expenses. Report the balances in the following accounts:

6310 Interest Expenses on Borrowing From the Bureau of the Public  
Debt and/or the Federal Financing Bank

6330 Other Interest Expenses

V. Line G. – Other Expenses. Report amounts that do not coincide to the description of the other elements of expense and identify the type of expense reported in this line.

6100 Operating Expenses/Program Costs

6600 Applied Overhead

6610 Cost Capitalization Offset

6730 Imputed Costs

6790 Other Expenses Not Requiring Budgetary Resources

- 6800 Future Funded Expenses
- 6850 Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)
- 6900 Non-production Costs

W. Line H. – Depreciation. Include the amount of depreciation to be recouped to the operating budget of the activity. Report the net total of sub-lines H.1 through H.3

X. Line H.1. – Depreciation of Equipment. Include the amount of the following account related to depreciation of equipment.

- 6710 Depreciation, Amortization, and Depletion

Y. Line H.2. – Depreciation of Real Property. Include the amount of the following account related to depreciation of real property.

- 6710 Depreciation, Amortization, and Depletion

Z. Line H.3. – Amortization of Leasehold Improvements and Other Intangible Assets. Include the amount from the following account(s) related to amortization of leasehold improvements and other intangible assets.

- 6710 Depreciation, Amortization, and Depletion

AA. Line I. – Depreciation – Non-DWCF Acquired PP&E. The amount of depreciation on Plant, Property and Equipment acquired by the activity with funds other than DWCF Revolving Funds. Report the net total of sub-lines I.1 through I.3

AB. Line I.1. – Non-Recoverable Depreciation of Equipment. Include the amount of the following account related to depreciation of equipment acquired by the activity with funds other than DWCF Revolving Funds.

- 6710 Depreciation, Amortization, and Depletion

AC. Line I.2. – Non-Recoverable Depreciation of Real Property. Include the amount of the following account related to depreciation of real property acquired by the activity with funds other than DWCF Revolving Funds.

- 6710 Depreciation, Amortization, and Depletion

AD. Line I.3. – Non-Recoverable Amortization. Include the amount from the following account related to amortization of leasehold improvements and other intangible assets acquired by the activity with funds other than DWCF Revolving Funds.

- 6710 Depreciation, Amortization, and Depletion

AE. Line J. – Bad Debts. Report the balances in the following accounts:

6190 Contra Bad Debt Expense - Incurred for Others  
6720 Bad Debt Expense

AF. Line K. – Other Losses and Gains. This represents expenses not captured elsewhere. Report the net total of sub-lines K.1 through K.5.

AG. Line K.1. – Losses on Disposition of Assets. Report the amounts from the account(s) listed as they related to losses on disposition of assets identified for the following categories: Non-Supply Management Activities; Non-Recoverable Disposal of Equipment/Capital Assets, Non-Federal; Non-Recoverable Base Realignment and Closure (BRAC) Cost, Non-Federal; and Other Expense-Non-Supply Management, Non-Federal.

7210 Losses on Disposition of Assets – Other

AH. Line K.2. – Net (Gains) Losses on Inventory Shrinkage/Deterioration. Report the amounts from the account(s) listed as they related to losses on inventory shrinkage/deterioration as reported by non-Supply Management activities.

7190 Other Gains  
7290 Other Losses

AI. Line K.3. – Net (Gains) Losses on Inventory Excess/Obsolescence/Spoilage. Report the amounts from the account(s) listed as they related to losses on inventory excess, obsolescence and spoilage as reported by non-Supply Management activities.

7290 Other Losses

AJ. Line K.4. – Net Other Inventory (Gains) Losses. Report the amounts from the account(s) listed as they related to (gains) losses on inventory identified in the following break down. The following items should be included on this line:

Non-Recoverable Gains or Losses on Disposal of Excess Inventory,  
Supply Management

7110 Gains on Disposition of Assets - Other  
7190 Other Gains  
7210 Losses on Disposition of Assets - Other  
7290 Other Losses

Other Inventory Losses, Non-Supply Management

7290 Other Losses

AK. Line K.5. – Other Miscellaneous (Gains) Losses. Report the amounts from the account listed as it related to losses not specifically identified to another sub-category of Other Losses. The following items should be included on this line:

7180 Unrealized Gains  
7190 Other Gains  
7280 Unrealized Losses  
7290 Other Losses

AL. For Information Only. Report miscellaneous information not otherwise defined.

AM. Expended Appropriation. The amount of appropriations used during the fiscal year when goods and services are received or benefits provided.

5700 Expended Appropriation

AN. Direct Labor Hours – Regular. Report the amount of year to date non-overtime direct labor hours for Industrial activities.

AO. Direct Labor Hours – Overtime. Report the amount of year to date overtime direct labor hours for Industrial activities.

AP. Direct Labor Hours – Total. Report the sum of “Direct Labor Hours – Regular” and “Direct Labor Hours – Overtime”.

\*Figure 15-7: Statement of Operations, Part V – Recoverable Operating Results

DEFENSE WORKING CAPITAL FUND		
STATEMENT OF OPERATIONS: PART V-RECOVERABLE OPERATING RESULTS		
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)		
MONTH ENDING _____, 20XX		
(\$ in thousands)		
1. NET OPERATING RESULTS (NOR)	\$	XXX
2. Deferred Operating Results (Gains/Losses) Net		XXX
a. Net (Gains) Losses on Disposal of Excess Inventory (+/-)	XXX	
b. Disposal of Equipment/Capital Assets (-)	XXX	
c. Non-Reimbursable Base Closure (BRAC) Costs (+/-)	XXX	
d. Capital Asset Surcharge (-)	XXX	
e. Cash Surcharge	XXX	
f. Inventory Replenishment	XXX	
g. Other Approved Gains and Losses (Must Be Footnoted)	XXX	
3. Depreciation, Non-DWCF Acquired PP&E		XXX
4. Net Recoverable Operating Results from Current Year Operations	\$	XXX

1508. FORMAT OF THE STATEMENT OF OPERATIONS: PART V - RECOVERABLE OPERATING RESULTS (FIGURE 15-7)

150801. General

Part V – Recoverable Operating Results, Figure 15-7, is intended to disclose differences, if any, between net operating results reported on Part I, - **Statement** of Operations, and the operating results used in the budget formulation of stabilized billing rates. As a matter of policy, any amounts that a DoD Component requests be excluded from its DWCF rates—whether identified in the Office of the Under Secretary of Defense (Comptroller) guidance as permissible or requested by the DoD Component—must be adequately documented and quantified. Further, all such amounts must be approved by the Office of the Under Secretary of Defense (Comptroller). Amounts not explicitly approved by the Office of the Under Secretary of Defense (Comptroller) for exclusion from customer rates shall be excluded from this report.

150802. Heading

Complete the heading of the form to **indicate**: (a) the reporting DoD Component, (b) the reporting **DWCF** business area **or activity**, (c) the reporting period (month), and (d) the **calendar** year.

150803. Line Item Instructions

Instructions for the content of each line item are as follows.

A. Line 1 – Net Operating Results (NOR). Enter the amount reported on Part I – **Statement** of Operations, line 11, “Net Operating Results (NOR).”

B. Line 2 – Deferred Operating Results (Gains/Losses) Net.

1. Data reported on this line and its sublines, unless otherwise specified **below**, are restricted to specific exclusions approved by the Office of the Deputy Comptroller (Program/Budget).

2. These exclusions shall include those amounts determined by the reporting Agency to be adjustments for the difference between the historical and latest acquisition costs for inventory valuation. This difference is attributed to the value of inventory reflected in the COGS at historical cost versus the value of inventory at latest acquisition cost. This difference must be reflected on the AR 1307 to adjust the NOR to Net Recoverable Operations Results based on replacement costs that preserve the Working Capital Funds ability to replenish stock.

3. Amounts to be reported on monthly activity reports should be obtained from, or approved by, the activity, management command of the reporting business area or the DoD Component departmental level. Report the net total of lines 2.a through 2.g.

C. Line 2.a – Net (Gains) Losses on Disposal of Excess Inventory. This line applies **only** to supply management business areas. Report those losses on potential excess/actual inventory for which an exclusion has been approved by the Office of the Deputy Comptroller (Program/Budget). Report the amount of gains/losses on the disposal of excess inventory as reported in the following accounts:

7110 Gains on Disposition of Assets – Other  
7190 Other Gains  
7210 Losses on Disposition of Assets – Other  
7290 Other Losses

D. Line 2.b – Disposal of Equipment/Capital Assets. Report losses (or gains, if applicable) realized upon the disposal of excess equipment and other capital assets when the Office of the DoD Comptroller (Program/Budget) has approved the exclusion. NOTE: Losses on excess equipment and other capital assets disposed of as a result of base closure shall not be reported on this line but shall, instead, be reported on line 2.c. Report the amount of losses related to the disposal of equipment and capital assets as reported in the following accounts:

7110 Gains on Disposition of Assets – Other  
7210 Losses on Disposition of Assets – Other

E. Line 2.c – Non-Reimbursable Base Closure (BRAC) Costs. Report losses (or gains, if applicable) in excess of reimbursement directly resulting from a base closure when the Office of the Deputy Comptroller (Program/Budget) has approved the exclusion. Report the amount of gains/losses related from BRAC costs as reported in the following accounts:

7110 Gains on Disposition of Assets – Other  
7190 Other Gains  
7210 Losses on Disposition of Assets – Other  
7290 Other Losses

F. Line 2.d – Capital Asset Surcharge. Capital asset surcharge amounts, positive or negative, included in revenue will be adjusted to avoid either the return of an apparent gain or loss in the development of the subsequent year rate structure. This line is left blank when there is no capital surcharge revenue. A capital asset surcharge shall be included in customer rates only if approved by the Office of the Deputy Comptroller (Program/Budget). A capital asset surcharge might be approved when the amount of depreciation expense of existing capital assets included in stabilized rates is either less or greater than the budgeted Capital Program. As the capital asset surcharge does not have an offsetting expense, in isolation from other transactions, it would be anticipated to result in a gain (or loss) to net operating results. That gain/loss must be deducted from Net Operating Results to prevent its return or charge to customers in subsequent years through stabilized rates that are lower than they would be otherwise. Capital asset surcharge amounts may be reported without the prior approval of the Office of the Deputy Comptroller (Program/Budget). See Annex 4 of Volume 4, Chapter 6 for further guidance. Report the amount of revenue related to capital asset surcharges as reported in the following accounts:

5100 Revenue From Goods Sold  
5200 Revenue From Services Provided

G. Line 2.e – Cash Surcharge. Similar to capital asset surcharges, activities may include a cash surcharge in their rates. Report the amount of revenue related to cash surcharges as reported in the following accounts:

5100 Revenue From Goods Sold  
5200 Revenue From Services Provided

H. Line 2.f – Inventory Replenishment. The difference between the historical and latest acquisition costs for inventory valuation. Report the amount of revenue related to inventory replenishment as reported in the following accounts:

5100 Revenue From Goods Sold

I. Line 2.g – Other Approved Gains and Losses (Must Be Footnoted). Report any other approved gain or loss not already identified. May include, but is not limited to the following accounts:

5100 Revenue From Goods Sold  
5700 Expended Appropriations  
6710 Depreciation, Amortization, and Depletion  
7110 Gains on Disposition of Assets - Other  
7190 Other Gains  
7290 Other Losses

J. Line 3 – Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation from non-DWCF acquired Plant, Property and Equipment which is identified as an asset capitalized on Part II – Changes in Net Position, line 1.D.(1).d. “Minus: Depreciation, Non-DWCF Acquired PP&E.” Report the amount from Part IV – Expenses, Line I, “Depreciation on non-DWCF Acquired PP&E”, minus gains and losses.” This amount must be reflected in a footnote.

K. Line 4 – Net Recoverable Operating Results from Current Year Operations. Report the net total of lines 1 through 3.

\*150804. Year End Procedures

At fiscal year end, the Net Operating Results is closed to Cumulative Results of Operations. Since part of that amount may be a non-recoverable deferred amount and an amount related to depreciation for non-DWCF acquired PP&E, those amounts should be separately identified in financial records. These amounts should be identified with attributes.

A. The amount reported on Line 2, “Deferred Operating Results (Gains/Losses) Net” should be the opposite of Part II – Changes in Net Position, Line 1.B.(2).d.

“Plus or Minus: Net Operating Results” during the fiscal year and closed to deferred Cumulative Results of Operations during the year-end close process. The amount on Line 3, “Depreciation, Non-DWCF Acquired PP&E” should be reported on Part II – Changes in Net Position, Line 1.D.(1).d “Minus: Depreciation, Non-DWCF Acquired PP&E” during the fiscal year and closed to “Assets Capitalized – Beginning of Period” during the year end close process. The amount on Line 4, “Net Recoverable Operating Results from Current Year Operations” should be reported on Part II – Changes in Net Position, Line 1.B.(1).d. “Plus or Minus: Net Operating Results” during the fiscal year and closed to Cumulative Results of Operations – Recoverable during the year end close process.

Figure 15-8: Statement of Operations, Part VI – Capital Program

<b>DEFENSE WORKING CAPITAL FUND</b> <b>STATEMENT OF OPERATIONS: PART VI-CAPITAL PROGRAM</b> <b>(DoD COMPONENT/BUSINESS AREA/ACTIVITY)</b> <b>MONTH ENDING _____, 20XX</b> <b>(\$ in thousands)</b>									
Program Year	Approved Program			Obligations			Outlays		
	Original Program	Program Adjustments	Current Program	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total
FY 20PY – X	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
FY 20PY – 4	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 2	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 1	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20CY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX

## 1509. FORMAT OF THE STATEMENT OF OPERATIONS: PART VI – CAPITAL PROGRAM (FIGURE 15-8)

## 150901. General

A. Part VI – Capital Program, Figure 15-8, reflects the program, obligations, and outlays for each fiscal year of the program. A capital asset for this report must meet the Working Capital Fund Investment Threshold for the program year reported and have a useful life of 2 years or greater.

B. For reporting these amounts, the reporting period is defined as the year to date amounts, i.e., amounts reported since the end of the prior fiscal year to the end of the reporting month shown in the heading.

## 150902. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity (c) the reporting period (month), and (d) the calendar year.

## \*150903. Columnar Instructions

The contents of the columns should be as follows:

A. Program Year (Column 1). Separate fiscal year program identification is required. All prior fiscal years must be separately identified until all obligations and outlays for the approved program have been fully concluded. The fiscal year programs will be arranged in consecutive order, starting with the least current fiscal year program.

B. Approved Program - Original Program (Column 2). The original program amount will be capital authority approved for the reporting fiscal year on the initial Annual Operating Budget (AOB) for the fiscal year. Carryover from prior fiscal years is already reported as part of the initial program for that year. The amount reported should not change in subsequent years. Changes in the Capital Program amounts are shown in “Program Adjustments” (Column 3).

C. Approved Program - Program Adjustments (Column 3). Amounts included in this column shall be adjustments (generally, deductions) to the initial approved Capital Program amounts. Adjustments to the initial approved program amounts are disclosed in the AOBs for a subsequent program year. The amount reported in this column may change annually as of the beginning of a fiscal year, but should not change during a fiscal year **except at year-end**. The amount reported in this column will change at the end of each fiscal year to allow the value of Current Program (column 4) to equal the amount of Obligations-Total (column 7).

D. Approved Programs - Current Program (Column 4). This is the sum of the original program (column 2) and program adjustments (column 3). These amounts will be subject to the provisions of 31 U.S.C. 1517 (a), “Prohibited Obligations and Expenditures”.

E. Obligations – This Fiscal Year (Column 5). Amounts included in this column shall be the total amount of obligations incurred in the current fiscal year.

F. Obligations – Prior Fiscal Year(s) (Column 6). Amounts included in this column shall be the cumulative amount of obligations (Column 7) as of the end of the prior fiscal year. The amount reported should not change during the reporting fiscal year.

G. Obligations – Total (Column 7). This is the sum of Obligations-Current Fiscal Year (column 5) and Obligations-Prior Fiscal Year(s) (column 6). **The amount reported in Column 4 “Current Program” must be greater than or equal to the amount reported in column 7 “Obligations Total”.**

H. Outlays – This Fiscal Year (Column 8). Amounts included in this column shall be the total amount of outlays incurred in the current fiscal year.

I. Outlays – Prior Fiscal Year(s) (Column 9). Amounts included in this column shall be the cumulative amount of outlays (Column 10) as of the end of the prior fiscal year. The amount reported should not change during the reporting fiscal year.

J. Outlays – Total (Column 10). This is the sum of Outlays-Current Fiscal Year (column 8) and Outlays-Prior Fiscal Year(s) (column 9). **The amount reported in Column 7 “Obligations Total” must be greater than or equal to the amount reported in column 10 “Outlays Total”.**

\*Figure 15-9: Statement of Operations: Part VII – Inventory Management Report-Supply Management Business Area

<b>DEFENSE WORKING CAPITAL FUND</b>			
<b>STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT</b>			
<b>REPORT – SUPPLY MANAGEMENT BUSINESS AREA</b>			
<b>(DoD COMPONENT/BUSINESS AREA/ACTIVITY)</b>			
<b>MONTH ENDING _____, 20XX</b>			
<b>(\$ in thousands)</b>			
	<b>Current Year To Date</b>	<b>Planned To Date</b>	<b>Variance</b>
A. Customer Orders Accepted – Cumulative	\$ XXX	\$ XXX	\$ XXX
B. Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative	XXX	XXX	XXX
C. Unfilled Customer Orders	XXX	XXX	XXX
D. Customer Returns – Credits Granted – Cumulative	XXX	XXX	XXX
E. Net Reimbursable Sales – Cumulative	XXX	XXX	XXX
F. Purchases at Cost (LAC) – Cumulative	XXX	XXX	XXX
G. Obligations – Cumulative	XXX	XXX	XXX
H. Obligations – Reimbursable	XXX	XXX	XXX
I. Obligations – Augmentation – Cumulative	XXX	XXX	XXX
J. Obligations – Mobilization – Cumulative	XXX	XXX	XXX
K. Outstanding Commitments	XXX	XXX	XXX
L. Inventories – Stock on Hand	XXX	XXX	XXX
M. Other Inventories	XXX	XXX	XXX
N. Inventories in Transit	XXX	XXX	XXX
P. Total Inventories	XXX	XXX	XXX
Q. Customer Returns Without Credit – Cumulative	XXX	XXX	XXX
R. Transfers to Reutilization and Market – Cumulative	XXX	XXX	XXX
S. Material Returns to Suppliers – Cumulative	XXX	XXX	XXX
T. Undelivered Orders	XXX	XXX	XXX
U. Fund Balance with Treasury	XXX	XXX	XXX
V. Funds Collected – Cumulative	XXX	XXX	XXX
W. Funds Disbursed – Cumulative	XXX	XXX	XXX
X. Accounts Receivable – Intragovernmental	XXX	XXX	XXX
Y. Accounts Receivable – Non-Federal	XXX	XXX	XXX
Z. Accounts Payable	XXX	XXX	XXX

1510. FORMAT OF THE STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT REPORT – SUPPLY MANAGEMENT BUSINESS AREA (FIGURE 15-9)

\*151001. General

Part VII - Inventory Management Report – Supply Management Business Area, Figure 15-9, compares fiscal data from the supply management business area general ledger with the approved operating program for the purpose of monitoring the execution of the current year budget. This report applies solely to Supply Management Business areas for the reporting of inventory related transactions.

151002. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

151003. General Reporting Requirements

A. Form. Each DoD Component shall submit an Inventory Management Report for each supply management business area division on forms consistent with the example provided. Division reports shall show entries only for column one “Current Year To Date”.

151004. Specific Reporting Requirements

A. Description of Line Entries. Specific descriptions of entries for each line on the Inventory Management Report are provided in section 151005.

B. Current Year to Date. Column 1, “Current Year to Date,” shall reflect the current amount through the month reported.

C. Planned to Date. Column 2, “Planned to Date,” shall reflect the cumulative programmed amount (from the component’s approved operating program), at the total DoD Component level, for the month being reported.

D. Variance. On only the DoD Component supply management business area summarized report Column 3, “Variance,” shall reflect the difference between column 1 and column 2 in terms of the dollar amount.

151005. Description of Entries

A. Line A – Customer Orders Accepted – Cumulative. Enter the total amount of customer orders received for the Fiscal Year to date. Report the net change for the year of the following general ledger accounts:

4221 Unfilled Customer Orders Without Advance

- 4222 Unfilled Customer Orders With Advance
- 4251 Reimbursements and Other Income Earned – Receivable
- 4252 Reimbursements and Other Income Earned – Collected
- 4253 Prior-Year Unfilled Customer Orders With Advance – Refunds Paid

B. Line B – Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative. Enter the total sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.a “Gross Revenue from Sales” of Part I of the Statement of Operations. Report the balance of the following general ledger accounts:

- 5100 Revenue From Goods Sold
- 5200 Revenue From Services Provided

C. Line C – Unfilled Customer Orders. Enter the amount of requisitions or orders outstanding from customers. Report the balance of the following general ledger accounts:

- 4221 Unfilled Customer Orders Without Advance
- 4222 Unfilled Customer Orders With Advance

D. Line D – Customer Returns – Credits Granted – Cumulative. Enter the amount of credit granted to customers for material returns for the Fiscal Year to Date. The amount reported shall equal the amount reported on line 2.b. “Minus: Credits Allowed on Sales” of Part I of the Statement of Operations. Report the amount of credit granted to customers for material returns from the following general ledger accounts:

- 5109 Contra Revenue for Goods Sold
- 5209 Contra Revenue for Services Provided

E. Line E – Net Reimbursable Sales – Cumulative. Enter the net sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2. “Revenue from Sales of Goods and Services” of Part I of the Statement of Operations. Report the result of line B. less line D.

F. Line F – Purchases at Cost (LAC) – Cumulative. Enter the amount of purchases at cost for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.e. “Plus: Purchases at Cost” of Part III, “Cost of Goods Sold,” of the Statement of Operations. Report the portion of the following general ledger account, which identifies purchases at cost:

- 1529 Inventory - Allowance

G. Line G – Obligations – Cumulative. Enter the total obligations incurred this Fiscal Year to date. (The sum of report lines H., I., and J.)

H. Line H – Obligations – Reimbursable. Enter the amount of operating obligations incurred this Fiscal Year to date. The amount reported should not include obligations reported on lines I. and J. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4981 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

I. Line I – Obligations – Augmentation – Cumulative. Enter the amount of **obligations** incurred this Fiscal Year to date for inventory augmentation, initial issue. Inventory augmentation purposes are defined in Volume 2B, Chapter 9, of this Financial Management Regulation. The amount reported should not include obligations reported on lines H. and J. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4981 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

J. Line J – Obligations – Mobilization – Cumulative. Enter the amount of **obligations** incurred this Fiscal Year to date for war reserve purposes. War reserve purposes are defined in Volume 2B, Chapter 9, of this Financial Management Regulation. The amount reported should not include obligations reported on lines H. and I. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced

- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4981 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid

K. Line K – Outstanding Commitments. Enter the amount of commitments outstanding that has not resulted in obligations. Report the balance of the following general ledger account:

- 4700 Commitments - Programs Subject to Apportionment

L. Line L – Inventories – Stock On Hand. Enter the total amount of inventory on hand at the end of the report period after adjustment to LAC. Report the net total balance of the following general ledger [accounts](#) after adjustment to estimated cost:

- 1521 Inventory Purchased for Resale
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1529 Inventory - Allowance

M. Line M – Other Inventories. Enter the total amount of other inventories (except inventories in transit reported on Line N.) consisting of Work in Progress, On Loan to Others for Use, and With Agents. Report the net total balance of the following general ledger accounts:

- 1525 Inventory - Raw Materials
- 1526 Inventory - Work-in-Process
- 1527 Inventory - Finished Goods

N. Line N – Inventories in Transit. Enter the amount of material in transit. Report the balance of the following account that is identified as being in transit:

- 1521 Inventory Purchased for Resale

1523 Inventory Held for Repair  
 1525 Inventory - Raw Materials  
 1527 Inventory - Finished Goods

O. Line P – Total Inventories. Enter the sum of the amounts reported on lines L., M., and N.

P. Line Q – Customer Returns Without Credit – Cumulative. Enter the amount of returns from customers without credit. The amount reported should equal the net of the total amount of returns from customers less the amount reported on line D. “[Customer Returns – Credits Granted – Cumulative](#)”. Report the balance of the following general ledger accounts:

1529 Inventory - Allowance  
 7190 Other Gains

Q. Line R – Transfers to Reutilization and Market – Cumulative. Enter the net amount transferred to DRMOs ([Defense Reutilization & Marketing Service](#)) from the Fiscal Year to date. Report the amount from the following general ledger accounts that apply to transfers to reutilization and marketing offices:

[7210 Losses on Disposition of Assets – Other](#)

R. Line S – Material Returns to Suppliers – Cumulative. Enter the total amount of returns to Non-Federal suppliers and contractors.

S. Line T – Undelivered Orders. Enter the total amount of undelivered orders outstanding. Report the balance of the following general ledger accounts:

4801 Undelivered Orders - Obligations, Unpaid  
 4802 Undelivered Orders - Obligations, Prepaid/Advanced  
 4831 Undelivered Orders - Obligations Transferred, Unpaid  
 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced  
 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries  
 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected  
 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid  
 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced

T. Line U – Fund Balance with Treasury. Enter the total amount of Funds Balance [with Treasury](#). This amount shall equal the total of lines [1.f.](#) and [1.g.](#) of the Statement of Financial Position. Report the balance of the following general ledger account:

1010 Fund Balance with Treasury

U. Line V – Funds Collected – Cumulative. Enter the amount of the collections for the Fiscal Year to date. The amount reported shall equal the amount reported on lines 1.a. and 1.b. of the Statement of Financial Position. Report the amounts that apply from the following general ledger account:

1010 Fund Balance with Treasury

V. Line W – Funds Disbursed – Cumulative. Enter the amount of the disbursements for the Fiscal Year to date. The amount reported shall equal the amount reported on lines 1.c. and 1.d. of the Statement of Financial Position. Report the amount that applies from the following general ledger account:

1010 Fund Balance with Treasury

W. Line X – Accounts Receivable – Intragovernmental. Enter the amount of receivables outstanding that are due from other federal governmental entities. Report the amounts that apply from the following accounts:

1310 Accounts Receivable  
1320 Employment Benefit Contributions Receivable  
1330 Receivable for Transfers of Currently Invested Balances  
1335 Expenditure Transfers Receivable  
1340 Interest Receivable – Not Otherwise Classified  
1350 Loans Receivable  
1360 Penalties and Fines Receivable – Not Otherwise Classified  
1370 Administrative Fees Receivable – Not Otherwise Classified

X. Line Y – Accounts Receivable – Non-Federal. Enter the amount of receivables outstanding that are due from Non-Federal entities. Report the amounts that apply from the following accounts:

1310 Accounts Receivable  
1319 Allowance for Loss on Accounts Receivable  
1320 Employment Benefit Contributions Receivable  
1325 Taxes Receivable  
1329 Allowance for Loss on Taxes Receivable  
1340 Interest Receivable – Not Otherwise Classified  
1349 Allowance for Loss on Interest Receivable – Not Otherwise Classified  
1350 Loans Receivable  
1360 Penalties and Fines Receivable – Not Otherwise Classified  
1367 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified  
1370 Administrative Fees Receivable – Not Otherwise Classified

1377 Allowance for Loss on Administrative Fees Receivable- Not  
Otherwise Classified

Y. Line Z – Accounts Payable. Enter the total amount of accounts payable outstanding. Report the net total balance of the following accounts:

2110 Accounts Payable  
2120 Disbursements in Transit

Z. Footnotes. Include in a footnote, the estimated balance of line U “Fund Balance with Treasury” that is the result of appropriations by type of appropriation, i.e., inventory augmentation or War Reserves and the estimated amount from operations. Include in a footnote, the amounts of line L., “Inventories – Stock on Hand”, at standard price.

\*Figure 15-10: DWCF Financial Reporting Activities

**DEPARTMENT OF THE ARMY (97X4930.1)**  
**DWCF Financial Reporting Activities**

ARMY SUPPLY MANAGEMENT

- # Army Managed Items
- \* Aviation and Missile Life Cycle Management Command (AMCOM LCMC),  
Huntsville, AL
- \* Communications Electronics Lifecycle Management Command (CECOM  
LCMC), Ft. Monmouth, NJ
- \* Tank and Armaments Lifecycle Management Command (TACOM LCMC),  
Warren, MI
- \* Army Material Command Mobilization (AMC-MOB), Ft. Belvoir, VA
  
- # Non-Army Managed Items
- \* Non-Army Managed Items – Product Support / Integration Directorate  
(NAMI-PSID), Rock Island, IL

ARMY INDUSTRIAL OPERATIONS

- # Industrial Operations
- \* Tooele Army Depot, Tooele, UT
- \* Anniston Army Depot, Bynum, AL
- \* Bluegrass Army Depot, Richmond, KY
- \* Sierra Army Depot, Herlong, CA
- \* Letterkenny Army Depot, Chambersburg, PA
- \* Red River Army Depot, Texarkana, TX
- \* Tobyhanna Army Depot, Tobyhanna, PA
- \* Corpus Christi Army Depot, Corpus Christi, TX
- \* Pine Bluff Arsenal, Pine Bluff, AR
- \* Rock Island Arsenal, Rock Island, IL
- \* Watervliet Arsenal, Watervliet, NY
- \* McAlester Army Ammunition Plant, McAlester, OK
- \* Crane Army Ammunition Activity, Crane, IN

Key to Symbols

# = DWCF Consolidation Point

\* = DWCF Financial Reporting (AR(M) 1307) Entity

\*Figure 15-10: DWCF Financial Reporting Activities (continued)

**DEPARTMENT OF THE NAVY (97X4930.2)**  
**DWCF Financial Reporting Activities**

NAVY SUPPLY MANAGEMENT

- # Navy Managed Items
- \* Navy Supply Systems Command, Mechanicsburg, PA
- \* Marine Corps Supply Management, Albany, GA

NAVY LOGISTICS SUPPORT ACTIVITIES

NAVY DEPOT MAINTENANCE

- # Shipyards
  - \* Norfolk Naval Shipyard, Portsmouth, VA
  - \* Portsmouth Naval Shipyard, Kittery, ME
  - \* Long Beach Naval Shipyard, Long Beach, CA
  
- # Aviation
  - \* Fleet Readiness Center Southwest, North Island, CA
  - \* Fleet Readiness Center East, Cherry Point, NC
  - \* Fleet Readiness Center Southeast, Jacksonville, FL
  
- # Marine Corps Depots
  - \* Marine Corps Depot, Albany, GA
  - \* Marine Corps Depot, Barstow, CA
  
- # Navy Base Support
  - \* Naval Facilities Engineering Command, Mid-West, Great Lakes, IL
  - \* Naval Facilities Engineering Command, Marianas, Guam
  - \* Naval Facilities Engineering Command, Far East, Yokosuka, Japan
  - \* Naval Facilities Engineering Command, Hawaii, Pearl Harbor, HI
  - \* Naval Facilities Engineering Command, Mid-Atlantic, Norfolk, VA
  - \* Naval Facilities Engineering Command, Washington, Washington, DC
  - \* Naval Facilities Engineering Command, Southwest, San Diego, CA
  - \* Naval Facilities Engineering Command, Northwest, Silverdale, WA
  - \* Naval Facilities Engineering Command, Europe, Naples, Italy
  - \* Naval Facilities Engineering Command, Southeast, Jacksonville, FL
  - \* Naval Facilities Engineering Service Center, Port Hueneme, CA

Key to Symbols

# = DWCF Consolidation Point

\* = DWCF Financial Reporting (AR(M) 1307) Entity

\*Figure 15-10: DWCF Financial Reporting Activities (continued)

## NAVY RESEARCH &amp; DEVELOPMENT

- # Naval Air Warfare Centers
  - \* Naval Air Warfare Center-Aircraft Division, Patuxent River, MD
  - \* Naval Air Warfare Center-Weapons Division, China Lake, CA
  
- # Naval Surface Warfare Centers
  - \* Naval Surface Warfare Center, Carderock Division, [West Bethesda](#), MD
  - \* Naval Surface Warfare Center, Corona Division, Corona, CA
  - \* Naval Surface Warfare Center, Crane Division, Crane, IN
  - \* Naval Surface Warfare Center, Dahlgren Division, Dahlgren, VA
  - \* Naval Surface Warfare Center, Indian Head Division, Indian Head, MD
  - \* Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA
  - \* Naval Surface Warfare Center, Panama City Division, Panama City, FL
  - \* Naval Surface Warfare Center, Explosive Ordnance Disposal Technology Division, Indian Head, MD
  
- # Naval Undersea Warfare Centers
  - \* Naval Undersea Warfare Center, Keyport Division, Keyport, WA
  - \* Naval Undersea Warfare Center, Newport Division, Newport, RI
  
- # Space and Naval Warfare Systems Centers (SSC)
  - \* SSC [Pacific](#), San Diego, CA
  - \* SSC [Atlantic](#), Charleston, SC
  
- \* Naval Research Laboratory, Washington, DC
  
- # Navy Transportation
  - \* Military Sealift Command, Washington DC

## Key to Symbols

# = DWCF Consolidation Point

\* = DWCF Financial Reporting (AR(M) 1307) Entity

\*Figure 15-10: DWCF Financial Reporting Activities (continued)

**DEPARTMENT OF THE AIR FORCE (97X4930.3)**  
**DWCF Financial Reporting Activities**

**AIR FORCE DEPOT MAINTENANCE**

- # Air Force Depot Maintenance Program
- \* Warner Robins Air Logistics Center, Robins Air Force Base, Warner Robins, GA
- \* Ogden Air Logistics Center, Hill Air Force Base, Ogden, UT
- \* Oklahoma City Air Logistics Center, Tinker Air Force Base, Oklahoma City, OK
- \* Aerospace Maintenance & Regeneration Group, Davis-Monthan Air Force Base, Tucson, AZ

**AIR FORCE SUPPLY MANAGEMENT**

- # **Air Force Supply Management Activity Group**
- \* Medical-Dental Division: Air Force Medical Logistics Office, Frederick, MD
- \* Academy Cadet Store: U.S. Air Force Academy, Colorado Springs, CO
- \* Material Support Division: HQ, Air Force Materiel Command, Wright-Patterson Air Force Base, Dayton, OH

# **UNITED STATES TRANSPORTATION COMMAND**

- \* Air Mobility Command, Scott Air Force Base, IL
- \* Military Sealift Command (MSC), Washington, DC
- \* Surface Deployment and Distribution Command (SDDC), Scott Air Force Base, IL
- \* US Transportation Command, Scott Air Force Base, IL
- \* Defense Courier Division (DCD), Scott Air Force Base, IL

**DEFENSE COMMISSARY AGENCY (97X4930.4)**

- \* Commissary Resale
- \* Commissary Operations

**Key to Symbols**

# = DWCF Consolidation Point

\* = DWCF Financial Reporting (AR(M) 1307) Entity

\*Figure 15-10: DWCF Financial Reporting Activities (continued)

**DEFENSE AGENCIES (97X4930.5)**  
**DWCF Financial Reporting Activities**

**# OTHER DEFENSE ORGANIZATIONS (ODO)**

- \* Defense Logistics Agency, Ft, Belvoir, VA
- \* Defense Distribution Center, New Cumberland, PA
- \* Defense Energy Support Center, Ft. Belvoir, VA
- \* Defense Logistics Management Standards Office, Ft. Belvoir, VA
- \* Defense Logistics Information Service, Battle Creek, MI
- \* Defense Reutilization and Marketing Service, Battle Creek, MI
- \* Defense Supply Center, Richmond, VA
- \* Defense Supply Center, Philadelphia, PA
- \* Documentation Automation and Production Services, Mechanicsburg, PA

**# DEFENSE INFORMATION SYSTEMS AGENCY (DISA)**

- \* DISA Africa Command
- \* DISA Central Command, MacDill Air Force Base, FL
- \* DISA Continental United States Field Command, Scott Air Force Base, IL
- \* DISA Europe Field Command, Stuttgart, Germany
- \* DISA Joint Forces Command, Norfolk, VA
- \* DISA Northern Command, Peterson Air Force Base, CO
- \* DISA Pacific Field Command, Ford Island, HI
- \* DISA Special Operations Command, MacDill Air Force Base, FL
- \* DISA US Army Reserve Element, Gettysburg, PA
- \* DISA Southern Command, Miami, FL
- \* DISA United States Strategic Command, Offutt Air Force Base, NE
- \* DISA TRANSCOM Field Office, Scott Air Force Base, IL
- \* DISA Field Security Operations, Chambersburg, PA

**# DEFENSE FINANCE AND ACCOUNTING SERVICE**

- \* Financial Operations, Arlington, VA

**# OSD HEADQUARTERS ACCOUNT**

**#COMPONENT LEVEL**

Key to Symbols

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