## SUMMARY OF MAJOR CHANGES TO DoD 7000.14-R, VOLUME 1, CHAPTER 7

**UNITED STATES STANDARD GENERAL LEDGER**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision

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

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<th>PARA</th>
<th>EXPLANATION OF CHANGE/REVISION</th>
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<tr>
<td>ALL</td>
<td>Reworded and reformatted chapter for clarity and ease of reading. Added references and electronic links.</td>
<td>Revision</td>
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<td>ALL</td>
<td>Adjusted wording and added additional information to conform with Department of Treasury USSGL language and terminology</td>
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<tr>
<td>070203</td>
<td>Added information denoting the detailed decomposition of the USSGL down to the DoD transaction level.</td>
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<td>070302</td>
<td>Added information on the USSGL Standard Financial Information Structure (SFIS) Transaction Library to include detailed enterprise-wide transaction postings for budgetary, proprietary, and memorandum accounts.</td>
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<td>070405</td>
<td>Added requirement for the USSGL Transaction Library to provide framework for existing and emerging financial management systems and denotes description of Library’s contents.</td>
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<td>070406</td>
<td>Added information denoting location of SFIS data elements</td>
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<td>Added information denoting the update periods for the USSGL SFIS Transaction Library and electronic link.</td>
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<td>0707</td>
<td>Revised for clarity to denote only a few of the BASIC conceptual relationships.</td>
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CHAPTER 7

UNITED STATES STANDARD GENERAL LEDGER

0701 PURPOSE

This chapter prescribes the requirements of the United States Standard General Ledger (USSGL). The USSGL must be used in all Department of Defense (DoD) accounting systems for all appropriations and funds. Additional information on the USSGL may be obtained at: http://www.fms.treas.gov/ussgl.

0702 GENERAL

070201. An approved Chart of Accounts provides the basic structure for the USSGL. The USSGL incorporates budgetary, proprietary and memorandum accounts. The budgetary, proprietary and memorandum sets of general ledger accounts are each self-balancing (the total debits equals the total credits). USSGL transactions provide budgetary, proprietary and memorandum debit and credit entries for accounting related business events.

070202. Within the DoD, summary accounts are not used to report balances. The USSGL no longer uses summary accounts in the USSGL Chart of Accounts. Section headings in the USSGL display only the organization of the account structure but do not constitute summary accounts.

070203. A decomposition of Treasury Financial Manual (TFM) USSGL Supplement No. S2, Accounting Transactions, implements the USSGL at the DoD transaction level. A decomposition of the USSGL at the DoD level in essence breaks down the generalized TFM USSGL transaction postings containing multiple debits and credits, into appropriate pairings of debits and credits of budgetary, proprietary, and memorandum accounts into individual DoD Transaction Codes. (See 070302)

0703 DEFINITION

070301. TFM Supplement No. S2, documents the following five major sections that together comprise the USSGL: (I) Chart of Accounts, (II) Accounts and Definitions, (III) Accounting Transactions, (IV) Account Attributes for FACTS I and FACTS II Reporting, and (V) Crosswalks to Standard External Reports. The USSGL standardizes federal agency accounting, and supports the preparation of standard external reports required by the Office of Management and Budget (OMB) and the Department of Treasury (Treasury). The Chart of Accounts identifies and defines budgetary, proprietary and memorandum accounts to be used in federal agency accounting systems. At a minimum, the USSGL is updated annually and is published by the Treasury Financial Management Service (Treasury/FMS) on its website at: http://www.fms.treas.gov/ussgl.

070302. The USSGL Standard Financial Information Structure (SFIS) Transaction Library (the Library) is a detailed decomposition of the USSGL TFM Supplement No. S2 Section III Account Transactions by a unique DoD Transaction Code (DTC) that delineates each individual general ledger transaction at the lowest DoD level. The Library establishes the
enterprise-wide requirement for the implementation of the USSGL, which includes budgetary, proprietary, and memorandum accounts, through detailed transaction postings. The Library is located on the SFIS Resource website at: http://www.defenselink.mil/dbt/products/SFIS/USSGL_Library_main.htm.

0704 APPLICABILITY AND SCOPE

070401. The USSGL must be used in all DoD accounting systems for all appropriations and funds. The OMB Circular A-127, “Financial Management Systems,” and the “Federal Financial Management Improvement Act of 1996” (FFMIA) require implementation of the USSGL at the transaction level throughout an agency’s financial management systems, including both financial and mixed (so-called feeder) system applications. This means that applications are required to process transactions using the USSGL accounts according to their defined uses and posting logic in USSGL TFM Supplement No. S2 Sections II and III. Compliance with OMB Circular A-127 and FFMIA requires data in financial reports to be consistent with the USSGL, transactions to be recorded consistently with USSGL rules, and supporting transaction detail for USSGL accounts to be readily available. The USSGL applicability does not depend on an application containing a general ledger itself. For example, a payroll system which processes transactions in accordance with USSGL transaction rules sends summarized data to the core financial system for appropriate posting, and provides for sufficient traceability from the general ledger balances to the source documentation, would be considered in compliance with the USSGL at the transaction level.

070402. The USSGL uses a four-digit account numbering system. Within the DoD, the USSGL shall be implemented to accomplish internal and external reporting needs. For external reporting, all data must summarize to the four-digit USSGL accounts and standard attributes required by Treasury/FMS for Federal Agencies’ Centralized Trial-Balance System (FACTS I and II).

070403. The basic four-digit structure of the USSGL consists of:

- 1000 Assets
- 2000 Liabilities
- 3000 Net Position
- 4000 Budgetary
- 5000 Revenue and Other Financing Sources
- 6000 Expenses
- 7000 Gains/Losses/Miscellaneous Items
- 8000 Memorandum

070404. Standard USSGL account attributes required for FACTS reporting of proprietary account information (FACTS I) and budgetary account information (FACTS II) are defined in USSFL TFM Supplement No. S2 Section IV of the USSGL, which can be found on the Treasury/FMS website: http://www.fms.treas.gov/ussgl.

070405. The USSGL SFIS Transaction Library provides a DoD accounting framework for existing and emerging financial management systems. The Library uses standard general ledger transactions and posting business rules that support the preparation of external
reports required by the OMB and the Treasury. The Library also includes a separate column for each SFIS data element across all DTCs, and identifies each individual SFIS element as mandatory, optional, derived, or otherwise not applicable when posting each DoD transaction.


070407. The USSGL SFIS Transaction Library is updated in accordance with the USSGL updates by the Treasury/FMS at: http://www.fms.treas.gov/ussgl. However, interim updates may be issued to provide Enterprise Resource Planning (ERP) Systems with accurate and updated DoD general ledger and SFIS guidance at the DoD Transaction Code (DTC) level.

0705 **BASIC CONCEPT**

070501. All resources acquired and used, and valid claims to and against those resources, are to be recorded on the basis of financial transactions.

★ 070502. The USSGL shall be used regardless of the sources of funds. Fund identification of financial resources, however, shall be maintained in order to (1) disclose compliance with financial authorizations, and (2) prepare reports on the status of appropriations and funds for the Congress, the OMB, and Treasury. The USSGL account structure is intended to be the basic structure required to assure consistent treatment of similar transactions. Not all accounts are needed by all accounting entities.

★ 070503. The USSGL account structure provides a self-balancing set of budgetary accounts to record the appropriation, apportionment, allocation, commitment, obligation, and expenditure process. Proprietary asset and liability accounts cover the collection and disbursement of funds, the proper classification of assets (e.g., receivables, advances and prepayments, inventory and fixed assets), and the recognition and proper classification of liabilities. Revenue and expense accounts measure the realization of revenues from the sale of goods and services, and the recognition of costs through the use and consumption of assets. The financial control over resources provided through accounting records provides managers with a tool that will help to discharge effectively their stewardship function for those resources.

★ 070504. The USSGL account structure also facilitates the accumulation and recording of expenses by major areas of responsibility or activity. By having a single general ledger, expenses incurred by a DoD entity for any given activity for which it is responsible, and the associated revenues, if any, can be ascertained by managers with confidence that the accounting is complete. This will be possible regardless of the appropriation or fund that originally financed the cost and without the need for memorandum accounting records. Consistency in the accounting treatment of similar transactions, through the use of a uniform structure, creates reliable cost data for planning, budgeting and other management purposes.

0706 **OBJECTIVES AND BENEFITS**
The objectives and benefits of the USSGL and USSGL SFIS Transaction Library are outlined in the following paragraphs.

070601. Establish an enterprise-wide standard general ledger chart of accounts and detailed set of transactions that incorporate budgetary, proprietary, and memorandum accounts that link to specific business events.

070602. Provide the ability to identify the appropriate transaction to post for any DoD business event.

070603. Achieve a uniform treatment of similar transactions by the DoD Components at all levels.

070604. Provide detailed transaction postings, which link to specific business and accounting events.

070605. Establish the linkage between the USSGL and the SFIS data elements that support detailed general ledger postings for DoD

070606. Promote a standard for updating existing DoD systems and deploying new business systems.

070607. Facilitate compliance with the OMB requirements, accounting standards developed by the Federal Accounting Standards Advisory Board (FASAB); DoD accounting policies and standards set forth in this Regulation; and other applicable regulations promulgated by the OMB, Treasury and the General Accounting Office.

0707  BUDGETARY AND PROPRIETARY ACCOUNTING RELATIONSHIPS

Figure 7-1 illustrates the following basic budgetary and proprietary accounting relationships for both direct funds and reimbursable activity. Please note that these are only a few of the BASIC conceptual relationships. There are others that are not represented here. Specifically, in accounting for direct funds:

★ 070701. A general ledger transaction to record the receipt of budget authority from appropriations in budgetary accounts requires a corresponding balancing entry to record funds with the Treasury in proprietary accounts.

070702. A general ledger transaction to record delivered orders unpaid in budgetary accounts requires a corresponding balancing entry to record accounts payable or related liability, and the corresponding expense or asset in proprietary accounts.

070703. A general ledger transaction to record delivered orders paid in budgetary accounts requires a corresponding balancing entry to record funds disbursed in proprietary accounts.
070704. A general ledger transaction to record reimbursements earned but uncollected in budgetary accounts requires a corresponding balancing entry to record accounts receivable in proprietary accounts.

070705. A general ledger transaction to record reimbursements earned and collected in budgetary accounts requires a corresponding balancing entry to record funds collected in proprietary accounts.

★0708  U.S. GOVERNMENT STANDARD GENERAL LEDGER ACCOUNTS

070801. The approved Chart of Accounts and definitions are in USSGL TFM Supplement No. S2 Sections I and II of the USSGL which is published on the Treasury/FMS website:  http://www.fms.treas.gov/ussgl. The chapter is hyperlinked to this website and will be updated as changes are made to the USSGL. For those USSGL accounts that are reserved for agency use, such as accounts 4540 through 4580, refer to appendices A and B of this chapter.
EXAMPLES OF BUDGETARY AND PROPRIETARY ACCOUNTING RELATIONSHIPS

Budgetary Accounts

Direct Funds:

Compound budgetary and proprietary entry required to record budget authority from appropriations and funds with Treasury. (070701)

Transactions to apportion, allocate, and allot are contained in the budgetary accounts. No impact on proprietary accounts.

Compound budgetary and proprietary entry required when performance is received and accepted. (070702)

Compound budgetary and proprietary entry required to record disbursement. (070703)

Reimbursable Activity:

Compound budgetary and proprietary entry to record earned revenue and establish a receivable. (070704)

Compound budgetary and proprietary entry to record collection of a receivable. (070705)

Proprietary Accounts

Figure 7-1
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