

## CHAPTER 15

EQUITY1501 GENERAL

150101 Purpose. This chapter provides guidance to be followed in recording the investment of the U.S. Government. The procedures in this chapter are related to the policy contained in Chapter 15 of this Volume.

150102 Overview

A. The equity accounts represent the net investment of the U.S. Government in the Department of Defense. As such it includes all operations of DoD activities, including appropriated activities, business operations fund, and trust funds. The balances in the equity accounts represent the difference between assets and liabilities.

B. The use of the equity accounts for each type of DoD activities depends on the nature of their operations. Paragraphs 150202 and 150203, below provide basic guidance on the use of the equity accounts. Addendum 1 to this chapter summarizes the use of the equity accounts by activity type (appropriations, Defense Business Operations Fund, trust funds).

C. The accounts described in this chapter are those required to complete the equity section of the Report on Financial Condition, as prescribed in Chapter 5, of Volume 6, of this Regulation.

1502 ACCOUNTING POLICY FOR EQUITY

150201 The general accounting policy to account for the equity of the U.S. Government in the Department of Defense are contained in this Chapter.

150202 Activities financed by appropriations shall show the results of their operations as a reduction to the appropriated capital account. The ending balance in this account shall reflect

the value of the assets less cumulative depreciation or amortization, and less any outstanding liabilities. The account represents the cumulative results of operations over time.

150203 All other DoD activities shall show the results of their operations as increases and decreases to the cumulative results of operations accounts. The original capitalized amounts to begin operations, together with increases to the capital base resulting from appropriations or transfers-in, also shall be recorded in the appropriate invested capital account.

1503 ACCOUNTING FOR EQUITY

150301 This section contains the procedures for recording the equity of the U.S. Government. The accounts are discussed in the following paragraphs.

150302 Mandatory subsidiary accounts for all direct appropriations, and those trust and revolving funds having a capital investment of \$1 billion or more are required. The use of these mandatory subsidiary accounts is discussed in the appropriate groups identified in paragraph 150303, below.

150303 The use of the equity series of accounts depends on the type of activity, i.e., appropriated fund, Defense Business Operations Fund, or a trust fund activity. Accordingly, the use of the accounts discussed in the following paragraphs is based on this distinction. The following groupings are used in this chapter:

- A. Group A: Common Accounts
- B. Group B: Appropriated Fund Activities
- C. Group C: Defense Business Operations Fund Activities

D. Group D: Group D: Special Defense Acquisition Fund

E. Group E: Foreign Military Sales Trust Fund

F. Group F: Military Retirement Trust Fund

G. Group G: DoD Educational Benefit Trust Fund

H. Group H: Other Trust Funds

150304 Closing entries are illustrated for each type of activity. The entries are general in nature and may not reflect the various combinations that can be experienced during operations.

150305 Group A: Common Accounts

A. The following accounts are common to all activities or to several of the groups identified in subsection 150303, above.

B. Equity (Account 3000)

1. "Equity" is used to account for the difference between assets and liabilities of the U.S. Government in the Department of Defense.

2. This account is a summary account used for financial accounting and reporting purposes. Do not post transactions to this account.

C. Invested Capital (Account 3200)

1. "Invested Capital" is used to record the net investment of the Department of defense in Business Operations Fund and Trust

Funds.

2. This account is a summary account used for financial control purposes only. No transactions are posted to this account.

D. Capital Investments (Account 3210)

1. "Capital Investments" is used to record the initial investment to commence operations, subsequent increases to the account through additional funding and transfers of assets into business operations fund and trust funds.

2. This account is a summary account used for financial control purposes only. No transactions are posted to this account.

E. Transfers-In From Others Without Reimbursement (Account 3220)

1. "Transfers-In From Others Without Reimbursement" is used to record the net book value, or fair market value if net book value is unknown, of property transferred in from another Federal or DoD activity without reimbursement. The valuation of assets is discussed in Chapter 1 of this Volume.

2. When assets transferred in have been subject to depreciation or amortization, the accumulated depreciation or amortization shall be transferred together with the acquisition value of the assets.

3. This account is used by appropriated fund, business operations fund and trust fund activities.

4. Table 15-1 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR YEAR-END CLOSING/ADJUSTING ENTRY  
TRANSFERS-IN FROM OTHERS WITHOUT REIMBURSEMENT**

Dr 1511 Operating Materials and Supplies Held for Use  
 Dr 1521 Inventory, Held for Sale  
 Dr 1570 Stockpile Materials  
 Dr 1730 Buildings  
 Dr 1740 Other Structures and Facilities  
 Dr 1762 Equipment in Use  
 Dr 1810 Assets Under Capital Lease  
 Dr 1820 Leasehold Improvements  
 Dr 1830 Automated Data Processing Software  
 Cr 1529 Inventory - Allowance  
 Cr 1579 Stockpiled Materials - Allowance  
 Cr 1739 Accumulated Depreciation on Buildings  
 Cr 1749 Accumulated Depreciation on Other Structures and Facilities  
 Cr 1769 Accumulated Depreciation on Military Equipment  
 Cr 1819 Accumulated Depreciation on Assets Under Capital Lease  
 Cr 1829 Accumulated Amortization on Leasehold Improvements  
 Cr 1839 Accumulated Amortization on Automated Data Processing Software  
 Cr 3220 Transfers-In From Others Without Reimbursement

To record the acquisition value of assets transferred in without reimbursement.

Dr 3220 Transfers-In From Others Without Reimbursement  
 Cr 3211 Capital Investment-Defense Business Operations Fund  
 Cr 3213 Capital Investment-Special Defense Acquisition Fund  
 Cr 3217 Capital Investment-Other Trust Funds

To close the account to the capital accounts at the end of the fiscal year.

**TABLE 15-1**

**F. Transfers-Out to Others Without Reimbursement (Account 3230)**

1. "Transfers-Out to Others Without Reimbursement" is used to record the net book value of property transferred out to another Federal or DoD activity without reimbursement.

2. This account is a summary account used for financial control purposes only. No transactions are posted to this account.

**G. Transfers-Out to Other Government Agencies Without Reimbursement (Account 3231)**

1. "Transfers-Out to Other Government Agencies Without Reimbursement" is used to record the net book value of property transferred out to another Federal or DoD activity without reimbursement.

2. When assets transferred out have been subject to depreciation or amortization, the accumulated depreciation or amortization shall be transferred together with the acquisition value of the assets.

3. This account is used by appropriated fund, business operations fund, and trust fund activities.

4. Table 15-2 illustrates the most common entries used for this account.

| <b>ACCOUNTING ENTRIES FOR ACCOUNT 3231<br/>TRANSFERS-OUT TO OTHER GOVERNMENT AGENCIES WITHOUT REIMBURSEMENT</b>  |                   |
|--|-------------------|
| <p>Dr 3231 Transfers-Out to Other Government Agencies Without Reimbursement</p> <p style="padding-left: 20px;">Dr 1529 Inventory - Allowance</p> <p style="padding-left: 20px;">Dr 1579 Stockpiled Materials - Allowance</p> <p style="padding-left: 20px;">Dr 1739 Accumulated Depreciation on Buildings</p> <p style="padding-left: 20px;">Dr 1749 Accumulated Depreciation on Other Structures and Facilities</p> <p style="padding-left: 20px;">Dr 1769 Accumulated Depreciation on Military Equipment</p> <p style="padding-left: 20px;">Dr 1819 Accumulated Depreciation on Assets Under Capital Lease</p> <p style="padding-left: 20px;">Dr 1829 Accumulated Amortization on Leasehold Improvements</p> <p style="padding-left: 20px;">Dr 1839 Accumulated Amortization on Automated Data Processing Software</p> <p style="padding-left: 40px;">Cr 1510 Operating Materials and Supplies</p> <p style="padding-left: 40px;">Cr 1521 Inventory Held for Sale</p> <p style="padding-left: 40px;">Cr 1570 Stockpile Materials and Supplies</p> <p style="padding-left: 40px;">Cr 1730 Buildings</p> <p style="padding-left: 40px;">Cr 1740 Other Structures and Facilities</p> <p style="padding-left: 40px;">Cr 1762 Equipment in Use</p> <p style="padding-left: 40px;">Cr 1810 Assets Under Capital Lease</p> <p style="padding-left: 40px;">Cr 1820 Leasehold Improvements</p> <p style="padding-left: 40px;">Cr 1830 Automated Data Processing Software</p> <p style="padding-left: 20px;">To record the acquisition value of assets transferred out without reimbursement.</p> <p style="padding-left: 20px;">Dr 3211 Capital Investment-Defense Business Operations Fund</p> <p style="padding-left: 20px;">Dr 3213 Capital Investment-Special Defense Acquisition Fund</p> <p style="padding-left: 20px;">Dr 3217 Capital Investment-Other Trust Funds</p> <p style="padding-left: 40px;">Cr 3231 Transfers-Out to Other Government Agencies Without Reimbursement</p> <p style="padding-left: 20px;">To close the account to the capital accounts at the end of the fiscal year.</p> | <p>TABLE 15-2</p> |

5. Sources for entries to this account include journal vouchers and transfer documents.

other than a Federal or DoD activity without reimbursement.

H. Transfers-Out to All Others Without Reimbursement (Account 3232)

2. When assets transferred out have been subject to depreciation or amortization, the accumulated depreciation or amortization shall be transferred together with the acquisition value of the assets.

1. "Transfers-Out to All Others Without Reimbursement" is used to record the net book value of property transferred out to

3. This account is used by appropriated, business operations and trust fund activities.

4. The entries illustrated in paragraph 150305.G, above, also apply to this account.

I. Results of Operations (Account 3300)

1. "Results of Operations" reflects the cumulative and net results of operations.

2. This account is a summary account used for financial control and reporting purposes. No transactions are posted to this account.

3. This account shall be used by the business operations fund activities, and by trust fund activities, when appropriate.

J. Cumulative Results of Operations (Account 3310)

1. "Cumulative Results of Operations" represents the difference between expenses and losses and revenues and gains from inception through the beginning of the current fiscal year.

2. This account is a summary account used for financial control and reporting purposes. No transactions are posted to this account.

3. This account shall be used by the business operations fund activities, and by trust fund activities, when appropriate.

K. Net Results of Operations (Account 3320)

1. "Net Results of Operations" represents the net difference between expenses and losses and revenues and gains for the current accounting period.

2. This account is a summary account used for financial control and reporting purposes. No transactions are posted to this account.

3. This account shall be used by the business operations activities, and by trust fund activities, when appropriate.

L. Donations and Other Items (Account 3400)

1. "Donations and Other Items" is used to record the value of assets donated to the Department of Defense.

2. This account shall be used to record the value of donations received by the Department of Defense for trust funds only. The financial value of all property furnished the Department of Defense without charge for use by appropriated, and business operations fund activities shall be recorded in the accounting records through account 3220, "Transfers-In from Others Without Reimbursement."

3. Table 15-3 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3400 -  
DONATIONS AND OTHER ITEMS**

Dr 1011 Funds Collected  
 Dr 1766 Equipment Not in Use  
     Cr 3400 Donations and Other Items

To record the bequests to the DoD for trust fund corpus.

Dr 3400 Donations and Other Items  
     Cr 3217 Capital Investment-Other Trust Funds

To close the account at the end of the fiscal year.

**TABLE 15-3**

4. Supporting documentation for entries to this account include documents accepting bequests and establishing the value of donated assets, cash collection vouchers, and journal vouchers.

**M. General Fund Receipts (Account 3600)**

1. "General Fund Receipts" shall not be used without approval of the Deputy Under Secretary of Defense (Comptroller /Financial Management)/Deputy Chief Financial Officer.

**150306 Group B: Appropriated Fund Activities**

A. Appropriated fund activities are those financed by appropriations authorized by the Congress. The appropriations made available to such activities include operations and

maintenance, military personnel, construction, procurement, research and development, etc.

B. The following equity accounts are generally used to record appropriated fund activity transactions regardless of the type of appropriation.

**C. Appropriated Capital (Account 3100)**

1. "Appropriated Capital" is the proprietary equity account used to record the use of funds made available by the Congress. The amounts recorded in this account include appropriations, withdrawals, and operating expenses incurred during the year.

2. Table 15-4 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3100 -  
APPROPRIATED CAPITAL**

Dr 1013 Funds with Treasury  
Cr 3100 Appropriated Capital

To record appropriations realized.

(NOTE: An accounting entry in the budgetary accounts is required at the same time this entry is made to reflect the amount realized. Volume 3 of this Regulation provides guidance on the required budgetary entries.)

Dr 3100 Appropriated Capital  
Cr 1013 Funds With Treasury

To record budgetary authority rescinded or withdrawn.

(NOTE: An accounting entry in the budgetary accounts is required at the same time this entry is made to reflect the amount rescinded or withdrawn. Chapter 5 of this Volume provides guidance on the required budgetary entries.)

Dr 3100 Appropriated Capital  
Cr 6--- Appropriate expense accounts

To close the expense accounts at the end of the fiscal year.

Dr 5700 Appropriated Capital Used  
Dr 5910 Miscellaneous Reimbursements  
Dr 7110 Gains on Disposition of Assets  
Dr 7193 Other Miscellaneous Gains  
Cr 6500 Cost of Goods Sold  
Cr 3100 Appropriated Capital

To close the revenue, cost of goods sold and gains accounts at the end of the fiscal year.

Dr 3100 Appropriated Capital  
Cr 7210 Losses on Disposition of Assets  
Cr 7293 Other Miscellaneous Losses  
Cr 7300 Extraordinary Items

To close the losses and extraordinary items accounts at the end of the fiscal year.

Dr 3100 Appropriated Capital  
Cr 7400 Prior Period Adjustments

To close prior period adjustments at the end of the fiscal year.

Dr 3220 Transfers-In from Others Without Reimbursement  
Cr 3100 Appropriated Capital

**TABLE 15-4**

3. Sources for entries to this account include appropriation warrants and journal vouchers with worksheets supporting the computation of the amounts to be closed to this account.

"Authority" is used to record the amount of liquidating cash disbursing authority that has not been transferred by the U.S. Treasury to the expenditure account by year end. This account is used for a single year-end closing entry and shall be reversed to open new general ledger accounts in the succeeding fiscal year.

D. Deferred Liquidating Cash Authority (Account 3500)

1. "Deferred Liquidating Cash

2. Table 15-5 illustrates the most common entries used for this account.

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| <p><b>ACCOUNTING ENTRIES FOR ACCOUNT 3500 -<br/>DEFERRED LIQUIDATING CASH AUTHORITY</b></p> <p style="margin-left: 40px;">Dr 3500 Deferred Liquidating Cash Authority<br/>Cr 1920 Unrequisitioned Authorized Appropriations</p> <p style="margin-left: 40px;">To adjust liquidating cash authority to amount of disbursing authority actually transferred to expenditure account. Reverse entry at the beginning of the next fiscal year.</p> <p style="text-align: center; margin-top: 20px;"><b>TABLE 15-5</b></p> |
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3. Sources for the entry to this account include journal vouchers.

C. Capital Investments-Defense Business Operations Fund (Account 3211)

150307 Group C: Business Operations Fund Activities

1. "Capital Investments-Defense Business Operations Fund" is used to record the investment to commence operations, subsequent increases or decreases to the account, and transfers of assets either to or from business operations fund activities.

A. Business operations fund activities are those operated in a manner similar to commercial activities, and provide common supplies and services to multiple DoD Component organizations.

2. Table 15-6 illustrates the most common entries used for this account.

B. The following equity accounts are generally applicable to Defense Business Operations activities.

3. Sources for entries to this account include documentation authorizing transfers of cash and other assets and journal vouchers with worksheets supporting the computation of the amounts to be closed to this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3211 -  
CAPITAL INVESTMENTS-DEFENSE BUSINESS OPERATIONS FUND**

Dr 1011 Funds Collected  
Cr 3211.4 Net Treasury Balance - DBOF

To record initial or subsequent cash investments by DoD in business operations funds.

Dr 3211.4 Net Treasury Balance - DBOF  
Cr 1011 Funds Collected

To record cash withdrawals by DoD from business operations fund

Dr 3220 Transfers-In from Others Without Reimbursement  
Cr 3211.2 Assets Capitalized

To close the transfer account at the end of the fiscal year.

(NOTE: The transfer-in account is closed to Capital Investments-Defense Business Operations Fund because assets transferred in are merged with all other DoD assets. Since separate accounting is not maintained for such assets it would be impractical to identify them when consumed in operation or sent to disposal at a future date.)

Dr 3211.2 Assets Capitalized  
Cr 3231 Transfers-Out to Government Agencies Without Reimbursement  
Cr 3232 Transfers-Out to Others Without Reimbursement

To close the transfer account at the end of the fiscal year.

(NOTE: The transfer-out account is closed to Capital Investments-Defense Business Operations Fund because assets transferred out are from the universal pool of all DoD assets. No useful purpose is served by maintaining a continuous record of the value of assets transferred to other organizations.)

**TABLE 15-6**

D. Cumulative Results of Operations-DBOF (Account 3311)

1. "Cumulative Results of Operations-DBOF" represents the difference between losses and revenues from inception through the beginning of the current fiscal year. It is the retained earnings for business fund operations.

2. The general theory for DoD business fund operations is that all costs shall be recouped from sales of goods and services and that no profit or loss shall be incurred over the long run. Consequently, there should be no balance in this account, or the balance should be minimal.

3. Table 15-7 illustrates the most common entries used for this account.

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| <p><b>ACCOUNTING ENTRIES FOR ACCOUNT 3311<br/>CUMULATIVE RESULTS OF OPERATIONS-DBOF</b></p> <p>Dr 3321 Net Results of Operations-DBOF<br/>Cr 3311 Cumulative Results of Operations-DBOF</p> <p>To transfer current period results of operations to the cumulative account at the close of the fiscal year when current period operations reported a profit.</p> <p>Dr 3311 Cumulative Results of Operations-Business Fund<br/>Cr 3321 Net Results of Operations-Business Fund</p> <p>To transfer current period results of operations to the cumulative account at the close of the fiscal year when current period operations reported a loss.</p> <p style="text-align: center;"><b>TABLE 15-7</b></p> |
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4. Sources for entries to this account included journal vouchers.

E. Net Results of Operations-DBOF (Account 3321)

1. "Net Results of Operations-DBOF" represents the net operating loss or gain resulting from operations during the current fiscal year.

2. The entries to this account are those necessary to close the revenue and cost of sales accounts and to transfer the balance of the account to the cumulative results of operations account:

3. Table 15-8 illustrates the most common entries used for this account.

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| <p><b>ACCOUNTING ENTRIES FOR ACCOUNT 3321<br/>NET RESULTS OF OPERATIONS-DBOF</b></p> <p>Dr 5100 Revenue From Goods Sold<br/>Dr 5200 Revenue From Services Provided<br/>Cr 3321 Net Results of Operations-DBOF</p> <p>To close the revenue accounts at the end of the fiscal year.</p> <p>Dr 3321 Net Results of Operations-DBOF<br/>Cr 6500 Cost of Goods Sold<br/>To close the cost of sales account at the end of the fiscal year.</p> <p style="text-align: center;"><b>TABLE 15-8</b></p> |
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4. Sources for entries to this account include journal vouchers.

150308 Group D: Special Defense Acquisition Fund

A. The Special Defense Acquisition Fund was established to acquire defense articles in anticipation of future Foreign Military Sales requirements.

B. Funds are made available to the Department of Defense by appropriation transfer from the Office of the President. The Department of Defense assumes responsibility for financial accounting and reporting on the status of funds made available.

C. The following entries illustrate the use of the equity accounts for this fund. Related budgetary accounting guidance is contained in Volume 3 of this Regulation. Accounting for fund assets, liabilities, revenues, and expenses is contained in chapters 1 through 19 of this Volume.

1. Capital Investment-Special Defense Acquisition Fund (Account 3213)

a. "Capital Investment-Special Defense Acquisition Fund" is used to record the initial investment and subsequent appropriations made available to finance the Fund's program.

b. Table 15-9 illustrates the most common entries used for this account.

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| <p><b>ACCOUNTING ENTRIES FOR ACCOUNT 3213 -<br/>CAPITAL INVESTMENT-SPECIAL DEFENSE ACQUISITION FUND</b></p> <p>Dr 1011 Funds Collected<br/>    Cr 3213 Capital Investment-Special Defense Acquisition Fund</p> <p>To record collections made available for use by the fund.</p> <p><b>TABLE 15-9</b></p> |
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c. Sources for entries to this account include journal vouchers and appropriation transfer documents.

2. Cumulative Results of Operations-Special Defense Acquisition Fund (Account 3313)

a. "Cumulative Results of Operations-Special Defense Acquisition Fund" represents the difference between losses and revenues from inception through the beginning

of the current fiscal year. In essence, it is the retained earnings for Fund operations.

b. The general theory for Fund operations is that no profit or loss shall be incurred over the long run. Consequently, there should be no balance in this account or the balance should be minimal.

c. Table 15-10 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3313 -  
CUMULATIVE RESULTS OF OPERATIONS-SPECIAL DEFENSE ACQUISITION FUND**

Dr 3323 Net Results of Operations-Special Defense Acquisition Fund  
Cr 3313 Cumulative Results of Operations-Special Defense Acquisition Fund

To transfer current period results of operations to the cumulative account after the close of the fiscal year when current period operations reported a profit.

Dr 3313 Cumulative Results of Operations-Special Defense Acquisition Fund  
Cr 3323 Net Results of Operations-Special Defense Acquisition Fund

To transfer current period results of operations to the cumulative account after the close of the fiscal year when current period operations reported a loss.

**TABLE 15-10**

d. Sources for entries to this account are journal vouchers.

3. Net Results of Operations-Special Defense Acquisition Fund (Account 3323)

a. "Net Results of Operations-Special Defense Acquisition Fund" represents the net operating loss or gain resulting from operations during the current fiscal year.

b. The entries to this account should be those necessary to close the revenue, cost of sales, inventory gains, and inventory loss accounts and to transfer the balance of this account to the cumulative results of operations account.

c. Table 15-11 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3323 -  
NET RESULTS OF OPERATIONS-SPECIAL DEFENSE FUND**

Dr 5100 Revenue From Goods Sold  
Dr 7193 Other Miscellaneous Gains  
Cr 3323 Net Results of Operations-Special Defense Acquisition Fund

To close the revenue and inventory gains accounts at the end of the fiscal year.

Dr 3323 Net Results of Operations-Special Defense Acquisition Fund  
Cr 6500 Cost of Goods Sold  
Cr 7293 Other Miscellaneous Losses

To close the cost of sales and miscellaneous gain and loss accounts at the end of the fiscal year.

**TABLE 15-11**

d. Sources for entries to this account are journal vouchers.

150309 Group E: Foreign Military Sales Trust Fund

A. The Foreign Military Sales Trust Fund was established to provide for the sale of DoD articles and services to U.S. allies. The Fund is comprised of amounts advanced by foreign governments and international organizations to cover two elements: (1) the purchase of DoD articles and services and (2) the accessorial and administrative costs incurred by the DoD in managing the program.

B. Accounting for the fund is contained in Volume 15 of Regulation.

150310 Group F: Military Retirement Trust Fund

A. The Military Retirement Trust Fund, established by Public Law 98-94, changed the method of funding from a pay-as-you-go concept to a pay-for-current-services-provided concept. Previously, retired pay requirements for the current fiscal year were appropriated by the Congress. Under the current method, payments are made into the trust fund from which future payments are made for current services. Chapter 14 of this Volume provides guidance on accounting for trust fund operations.

B. The amounts paid into the fund do not cover administrative costs. These are funded by annual operating and personnel appropriations provided to the Department of Defense.

C. The following equity accounts are applicable to the Military Retirement Trust Fund:

1. Capital Investment-Military Retirement Trust Fund (Account 3215)

a. "Capital Investment-Military Retirement Trust Fund" is used to record the initial investment and appropriations made available to finance the Fund's program.

b. The implementing legislation did not provide for initial capitalization of the trust fund. Accordingly, the balance in this account remains at zero for the present time.

2. Cumulative Results of Operations-Military Retirement Trust Fund (Account 3315)

a. "Cumulative Results of Operations-Military Retirement Trust Fund" represents the net difference between revenues, expenses, gains, and losses from inception through the beginning of the current fiscal year.. In essence, it is the retained earnings for Fund operations.

b. Table 15-12 illustrates the most common entries used for this account.

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| <p><b>ACCOUNTING ENTRIES FOR ACCOUNT 3315 -<br/>CUMULATIVE RESULTS OF OPERATIONS-MILITARY RETIREMENT TRUST FUND</b></p> <p>Dr 3325 Net Results of Operations-Military Retirement Trust Fund<br/>Cr 3315 Cumulative Results of Operations-Military Retirement Trust Fund</p> <p>To transfer current period results of operations to the cumulative account after the close of the fiscal year when the Fund shows an operating gain.</p> <p>Dr 3315 Cumulative Results of Operations-Military Retirement Trust Fund<br/>Cr 3325 Net Results of Operations-Military Retirement Trust Fund</p> <p>To transfer current period results of operations to the cumulative account after the close of the fiscal year when the Fund shows an operating loss.</p> <p style="text-align: center;"><b>TABLE 15-12</b></p> |
|---|

c. Sources for entries to this account are journal vouchers.

3. Net Results of Operations-Military Retirement Trust Fund (Account 3325)

a. "Net Results of Operations-Military Retirement Trust Fund" represents the net difference between revenues, expenses, gains, and losses resulting from operations during the current fiscal year.

b. The entries to this account are those necessary to close the revenue, benefit program expenses, and investment gains and losses accounts and to transfer the balance of this account to the cumulative results of operations account.

c. Table 15-13 illustrates the most common entries used for this account.

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| <p><b>ACCOUNTING ENTRIES FOR ACCOUNT 3325 -<br/>NET RESULTS OF OPERATIONS-MILITARY RETIREMENT TRUST FUND</b></p> <p>Dr 5300 Interest and Penalties Revenue<br/>Dr 5400 Benefit Program Revenue<br/>Dr 7192 Investment Gains<br/>Cr 3325 Net Results of Operations-Military Retirement Trust Fund</p> <p>To close the revenue and gains accounts at the end of the fiscal year.</p> <p>Dr 3325 Net Results of Operations-Military Retirement Trust Fund<br/>Cr 6400 Benefit Program Expenses<br/>Cr 7292 Investment Losses</p> <p>To close the expense and loss accounts at the end of the fiscal year.</p> <p style="text-align: center;"><b>TABLE 15-13</b></p> |
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d. Sources for entries to these accounts include journal vouchers.

150311 Group G: DoD Education Benefits Trust Fund

A. Public Law 98-525 provides for an educational assistance program for military service personnel. Generally, the law provides that transfers from military pay appropriations will be the basic source of revenues to the fund. The law also permits the Department of Defense to make contributions to the trust fund at the discretion of the Secretary of Defense when the criteria established by law are met. Chapter 14 of this Volume provides guidance on accounting for the trust fund operations.

B. The amounts paid into the fund do not cover administrative costs. These are funded by annual operating and personnel appropriations provided to the Department of Defense.

C. The following equity accounts are applicable to the Education Benefits Trust Fund:

1. Capital Investment-DoD Education Benefits Trust Fund (Account 3216)

a. "Capital Investment-DoD Education Benefits Trust Fund" is used to record the initial investment and appropriations made available to finance the Fund's program.

b. The implementing legislation did not provide for initial capitalization of the trust fund. Accordingly, the balance in this account remains at zero for the present time. Any amounts transferred to this Fund are considered contributions and are accounted for as program revenues.

2. Cumulative Results of Operations-DoD Education Benefits Trust Fund (Account 3316)

a. "Cumulative Results of Operations-Education Benefits Trust Fund" represents the difference between net revenues and expenses since inception through the beginning of the current fiscal year. In essence, it is the retained earnings for Fund operations.

b. Table 15-14 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3316 -  
CUMULATIVE RESULTS OF OPERATIONS-DoD EDUCATION BENEFITS TRUST FUND**

Dr 3326 Net Results of Operations-DoD Education Benefits Trust Fund  
Cr 3316 Cumulative Results of Operations-DoD Education Benefits Trust Fund

To transfer current period results of operations to the cumulative account at the close of the fiscal year when the Fund shows an operating gain.

Dr 3316 Cumulative Results of Operations-DoD Education Benefits Trust Fund  
Cr 3326 Net Results of Operations-DoD Education Benefits Trust Fund

To transfer current period results of operations to the cumulative account at the close of the fiscal year when the Fund shows an operating loss.

**TABLE 15-14**

c. Sources for entries to this account include journal vouchers.

3. Net Results of Operations-DoD Education Benefits Trust Fund (Account 3326)

a. "Net Results of Operations-DoD Education Benefits Trust Fund" represents the net operating loss or gain resulting

from operations during the current fiscal year.

b. The entries to this account should be those necessary to close the operating expenses and revenue accounts and to transfer the balance of this account to the cumulative results of operations account.

c. Table 15-15 illustrates the most common entries used for this account.

| <b>ACCOUNTING ENTRIES FOR ACCOUNT 3326 -<br/>NET RESULTS OF OPERATIONS-DoD EDUCATION BENEFITS TRUST FUND</b> |  |
|--|--|
| Dr 5300 Interest and Penalties Revenue   |  |
| Dr 5400 Benefit Program Revenue  |  |
| Dr 7192 Investment Gains   |  |
| Cr 3326 Net Results of Operations-DoD Education Benefits Trust Fund  |  |
| To close the revenue and gains accounts at the end of the fiscal year.                                       |  |
| Dr 3326 Net Results of Operations-DoD Education Benefits Trust Fund  |  |
| Cr 6400 Benefit Program Expenses   |  |
| Cr 6900 Other Expenses   |  |
| Cr 7292 Investment Losses  |  |
| To close the expense and loss accounts at the end of the fiscal year.  |  |

**TABLE 15-15**

d. Sources for entries to this account includes journal vouchers.

150312 Group H: Other Trust Funds

A. Other Trust Funds is a generic category covering all trust funds which do not meet the criteria for establishing mandatory equity subsidiary accounts.

B. The following entries illustrate the use of the equity accounts for this fund. Accounting for fund assets, liabilities, revenues, and expenses is contained in chapters 1 through 14, and 18 and 20 of this Volume.

C. The following equity accounts are applicable to this Fund. The composition of the accounting entries will vary depending on the nature of the trust fund and its purpose.

1. Capital Investment-Other Trust Funds (Account 3217)

a. "Capital Investment-Other Trust Funds" is used to record the initial investment and appropriations made available to finance the specific fund's program.

b. Table 15-16 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3217 -  
CAPITAL INVESTMENT-OTHER TRUST FUNDS**

Dr 1011 Funds Collected  
Cr 3217 Capital Investment-Other Trust Funds

To record funds made available for initial and subsequent capitalization.

**TABLE 15-16**

c. Sources for entries to this account include journal vouchers, collection vouchers, and appropriation transfer documents.

2. Cumulative Results of Operations-Other Trust Funds (Account 3317)

a. "Cumulative Results of Operations-Other Trust Funds" represents the difference between losses and revenues from inception through the beginning of the current

fiscal year. In essence, it is the retained earnings for fund operations.

b. The general theory for the fund operations is that each fund is to be self-sustaining unless otherwise provided for by law.

3. Table 15-17 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3317 -  
CUMULATIVE RESULTS OF OPERATIONS**

Dr 3327 Net Results of Operations-Other Trust Funds  
Cr 3317 Cumulative Results of Operations-Other Trust Funds

To transfer current period results of operations to the cumulative account at the close of the fiscal year when current period operations reported a profit.

Dr 3317 Cumulative Results of Operations-Other Trust Funds  
Cr 3327 Net Results of Operations-Other Trust Funds

To transfer current period results of operations to the cumulative account at the close of the fiscal year when current period operations reported a loss.

**TABLE 15-17**

Sources for entries to this account are journal vouchers.

4. Net Results of Operations-Other Trust Funds (Account 3327)

a. "Net Results of Operations-Other Trust Funds" represents the net operating loss or gain resulting from operations during the current fiscal year.

b. The entries to this account should be those necessary to close the operating expenses, revenue, cost of sales, inventory gains, and inventory loss accounts and to transfer the balance of this account to the cumulative results of operations account.

c. Table 15-18 illustrates the most common entries used for this account.

**ACCOUNTING ENTRIES FOR ACCOUNT 3327 -  
NET RESULTS OF OPERATIONS-OTHER TRUST FUNDS**

Dr 5100 Revenue From Goods Sold  
 Dr 5200 Revenue from Services Provided  
 Dr 5300 Interest and Penalties Revenue  
 Dr 5600 Donated Revenue  
 Dr 7110 Gains on Disposition of Assets  
 Dr 7192 Investment Gains  
 Dr 7193 Other Miscellaneous Gains  
     Cr 3327 Net Results of Operations-Other Trust Funds

To close the revenue and gains accounts at the end of the fiscal year.

Dr 3327 Net Results of Operations-Other Trust Funds  
     Cr 6--- Appropriate expense accounts  
     Cr 6500 Cost of Goods Sold  
     Cr 7291 Investment Losses  
     Cr 7293 Other Miscellaneous Losses

To close the expense, cost of sales, and loss accounts at the end of the fiscal year.

**TABLE 15-18**

d. Sources for entries to these accounts include journal vouchers, appor-

tionment and reapportionment schedules, and collection vouchers.

|  |        |
|--|--------|
| ACCOUNT NO. 3000   |        |
| EQUITY   |        |
| <b>DESCRIPTION:</b> Represents the difference between the assets and liabilities of the Department of Defense. |        |
| DEBIT  | CREDIT |
| <p>This is a summary account</p> <p>Do not post to this account</p>  |        |
| <b>NORMAL BALANCE:</b> CREDIT  |        |
| FIGURE 15-1  |        |

| ACCOUNT NO. 3100   |   |
|--|---|
| APPROPRIATED CAPITAL   |   |
| DESCRIPTION: Represents net amounts appropriated by Congress.  |   |
| DEBIT  | CREDIT  |
| <p>1. Budgetary authority withdrawn or rescinded.<br/>                     Contra: 1013 Funds with Treasury</p> <p>2. Close expense accounts.<br/>                     Contra: 6--- Expense accounts</p> <p>3. Close loss accounts.<br/>                     Contra: 7210 Losses on Disposition of Assets<br/>                           7293 Other Miscellaneous Losses<br/>                           7300 Extraordinary Items</p> <p>4. Close prior period adjustments.<br/>                     Contra: 7400 Prior Period Adjustments</p> <p>5. Close transfers-out accounts.<br/>                     Contra: 3231 Transfers-Out to Government Agencies Without Reimbursement<br/>                           3232 Transfers-Out to All Others Without Reimbursement</p> | <p>1. Appropriations realized.<br/>                     Contra: 1013 Funds With Treasury</p> <p>2. Close revenue and gains accounts.<br/>                     Contra: 5910 Miscellaneous Reimbursements<br/>                           7110 Gains on Disposition of Assets<br/>                           7193 Other Miscellaneous Gains</p> <p>3. Close Transfers-In account.<br/>                     Contra: 3220 Transfers-In from Others Without Reimbursement</p> |
| <b>NORMAL BALANCE: CREDIT</b>  |   |
| FIGURE 15-2  |   |

|   |               |
|---|---------------|
| <b>ACCOUNT NO. 3200</b>   |               |
| <b>INVESTED CAPITAL</b>   |               |
| <b>DESCRIPTION:</b> Represents the net investment of the Government in DoD revolving and trust funds. |               |
| <b>DEBIT</b>  | <b>CREDIT</b> |
| <p>This account is a summary account</p> <p>Do not post to this account</p>                           |               |
| <b>NORMAL BALANCE: CREDIT</b>   |               |
| <b>FIGURE 15-3</b>  |               |

|   |               |
|---|---------------|
| <b>ACCOUNT NO. 3210</b>   |               |
| <b>CAPITAL INVESTMENTS</b>  |               |
| <b>DESCRIPTION:</b> Represents the initial investment to commence operations, revenues, and expenses transferred to this account. |               |
| <b>DEBIT</b>  | <b>CREDIT</b> |
| <p>This account is a summary account</p> <p>Do not post to this account</p>   |               |
| <b>NORMAL BALANCE: CREDIT</b>   |               |
| FIGURE 15-4   |               |

| ACCOUNT NO. 3211   |  |
|--|--|
| CAPITAL INVESTMENT - DEFENSE BUSINESS OPERATIONS FUND  |  |
| <b>DESCRIPTION:</b> Represents the initial investment to commence operations, subsequent increases through additional funding, and transfers of assets either to or from industrial fund activities. |  |
| DEBIT  | CREDIT   |
| <p>1. Record a decrease capitalization.<br/>Contra: 1011</p> <p>2. Close transfers-out accounts.<br/>Contra: 3231 and 3232</p>   | <p>1. Record initial capitalization and subsequent appropriations.<br/>Contra: 1011</p> <p>2. Close the transfers-in account.<br/>Contra: 3220</p> |
| <b>NORMAL BALANCE: CREDIT</b>  |  |
| FIGURE 15-5  |  |

|   |  |
|---|--|
| <b>ACCOUNT NO. 3211.1</b>   |  |
| <b>APPROPRIATIONS AVAILABLE</b>   |  |
| <b>DESCRIPTION:</b> This account is used to record amounts appropriated or reappropriated to establish or increase the working capital of the Defense Business Operations Fund. |  |
| <b>DEBIT</b>  | <b>CREDIT</b>  |
| <p>1. Amount of appropriation used by the Defense Business Operations Fund.</p> <p>Contra: 5700 Appropriated Capital Used</p>   | <p>1. Amount of appropriations made available to the Defense Business Operations Fund.</p> <p>Contra: 1013 Funds With Treasury</p> |
| <b>NORMAL BALANCE: CREDIT</b>   |  |
| <b>FIGURE 15-6</b>  |  |

|   |  |
|---|--|
| <b>ACCOUNT NO. 3211.2</b>   |  |
| <b>ASSETS CAPITALIZED</b>   |  |
| <p><b>DESCRIPTION:</b> This account represents the net book value (acquisition cost less accumulated depreciation) of assets such as equipment, materials and supplies, work in process at contractor plants, work in process at other government plants, and other contributed assets that are provided to the Defense business Operations Fund without charge. As a rule, entries are not made directly to this account. Generally, increases occur only upon closing of account 3220, "Transfers In from Others Without Reimbursement," account 3232, "Transfers Out to Government Agencies Without Reimbursement," and (when applicable) current year contributed asset unfunded depreciation accounts.</p> |  |
| <b>DEBIT</b>  | <b>CREDIT</b>  |
| <p>1. Decreases, other than cash or appropriations, to Defense Business Operations Fund capitalization as a result of year-end closing.</p> <p>Contra: 3231 Transfers Out to Government Agencies Without Reimbursement<br/>                   3232 Transfers Out to All Others Without Reimbursement<br/>                   6125 Depreciation of Equipment</p>  | <p>1. Increases, other than cash or appropriations, to Defense Business Operations Fund capitalization as a result of year-end closing of account 3220.</p> <p>Contra: 3220 Transfers In from Others Without Reimbursement</p> |
| <b>NORMAL BALANCE: CREDIT</b>   |  |
| FIGURE 15-7   |  |

|  |               |
|--|---------------|
| <b>ACCOUNT NO. 3211.3</b>  |               |
| <b>LIABILITIES ASSUMED</b>   |               |
| <b>DESCRIPTION:</b> This account is used to record (1) the sum of the amounts assumed without accompanying payment for accrued annual leave and other liabilities transferred in, and (2) holdbacks on progress billings from contractors at the time of initial capitalization. |               |
| <b>DEBIT</b>   | <b>CREDIT</b> |
| <p>1. Liabilities assumed.</p> <p>Contra: 2000 Applicable liability account.</p>   |               |
| <b>NORMAL BALANCE: DEBIT</b>   |               |
| FIGURE 15-8  |               |

|  |   |
|--|---|
| <b>ACCOUNT NO. 3211.4</b>  |   |
| <b>NET TREASURY BALANCE - DBOF</b>   |   |
| <p><b>DESCRIPTION:</b> This account is used to record the amount of cash transferred between DBOF activities. The amount transferred is not a disbursement (outlay). Therefore, the transfer out is a negative collection. The transfer in is a positive collection.</p> |   |
| <b>DEBIT</b>   | <b>CREDIT</b>   |
| <p>1. Cash balance transferred to another DBOF installation.</p> <p>Contra: 1011.1 Funds Collected-<br/>Operating-DBOF<br/>1011.2 Funds Collected-<br/>Capital Program-DBOF</p>  | <p>1. Cash balance transferred from another DBOF installation.</p> <p>Contra: 1011.1 Funds Collected-<br/>Operating-DBOF<br/>1011.2 Funds Collected-<br/>Capital Program-DBOF</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>   |   |
| FIGURE 15-9  |   |

|   |        |
|---|--------|
| ACCOUNT NO. 3212  |        |
| CAPITAL INVESTMENT-OTHER REVOLVING FUNDS  |        |
| <p><b>DESCRIPTION:</b> This is a summary account to accumulate the total value of capital investments recorded in sub-accounts to this account. No transactions should be posted to this account.</p> |        |
| DEBIT   | CREDIT |
| <p>This account is a summary account<br/>Do not post to this account</p>  |        |
| <p><b>NORMAL BALANCE:</b> CREDIT</p>  |        |
| FIGURE 15-10  |        |

|   |   |
|---|---|
| ACCOUNT NO. 3212.1  |   |
| CAPITAL INVESTMENT - CONVENTIONAL AMMUNITION<br>WORKING CAPITAL FUND  |   |
| DESCRIPTION: Represents the initial investment and subsequent appropriations to finance program activities. |   |
| DEBIT   | CREDIT  |
|   | <p>1. Record initial capitalization and appropriations.</p> <p>Contra: 1013 Funds With Treasury</p> |
| NORMAL BALANCE: CREDIT  |   |
| FIGURE 15-11  |   |

|  |   |
|--|---|
| <b>ACCOUNT NO. 3212.2</b>  |   |
| <b>CAPITAL INVESTMENT - PENTAGON RESERVATION MAINTENANCE FUND</b>  |   |
| <b>DESCRIPTION:</b> Represents the initial investment and subsequent appropriations to finance program activities. |   |
| <b>DEBIT</b>   | <b>CREDIT</b>   |
|  | <p>1. Record initial capitalization and appropriations.</p> <p>Contra: 1013 Funds With Treasury</p> |
| <b>NORMAL BALANCE: CREDIT</b>  |   |
| <b>FIGURE 15-12</b>  |   |

|  |   |
|--|---|
| <b>ACCOUNT NO. 3213</b>  |   |
| <b>CAPITAL INVESTMENT - SPECIAL DEFENSE ACQUISITION FUND</b>   |   |
| <b>DESCRIPTION:</b> Represents the initial investment and subsequent appropriations to finance program activities. |   |
| <b>DEBIT</b>   | <b>CREDIT</b>   |
|  | <p>1. Record initial capitalization and appropriations.</p> <p>Contra: 1013</p> |
| <b>NORMAL BALANCE: CREDIT</b>  |   |
| <b>FIGURE 15-13</b>  |   |

|   |               |
|---|---------------|
| <b>ACCOUNT NO. 3214</b>   |               |
| <b>CAPITAL INVESTMENT - FOREIGN MILITARY SALES TRUST FUND</b>   |               |
| <b>DESCRIPTION:</b> Represents the initial investment and subsequent appropriations made available to finance program activities. |               |
| <b>DEBIT</b>  | <b>CREDIT</b> |
| No initial capitalization   |               |
| <b>NORMAL BALANCE: CREDIT</b>   |               |
| <b>FIGURE 15-14</b>   |               |

|  |               |
|--|---------------|
| <b>ACCOUNT NO. 3215</b>  |               |
| <b>CAPITAL INVESTMENT - MILITARY RETIREMENT TRUST FUND</b>                                   |               |
| <b>DESCRIPTION:</b> Represents amounts appropriated by the Congress to establish the program |               |
| <b>DEBIT</b>   | <b>CREDIT</b> |
| No initial capitalization  |               |
| <b>NORMAL BALANCE: CREDIT</b>  |               |
| <b>FIGURE 15-15</b>  |               |

|   |               |
|---|---------------|
| <b>ACCOUNT NO. 3216</b>   |               |
| <b>CAPITAL INVESTMENT - DOD EDUCATION BENEFITS TRUST FUND</b>                                 |               |
| <b>DESCRIPTION:</b> Represents amounts appropriated by the Congress to establish the program. |               |
| <b>DEBIT</b>  | <b>CREDIT</b> |
| No initial capitalization   |               |
| <b>NORMAL BALANCE: CREDIT</b>   |               |
| <b>FIGURE 15-16</b>   |               |

|  |  |
|--|--|
| <b>ACCOUNT NO. 3217</b>  |  |
| <b>CAPITAL INVESTMENT - OTHER TRUST FUNDS</b>  |  |
| <b>DESCRIPTION:</b> Represents the initial investment and any subsequent appropriations made available to finance the Fund's programs. |  |
| <b>DEBIT</b>   | <b>CREDIT</b>  |
|  | <p>1. Record initial capitalization and subsequent appropriations.</p> <p>Contra: 1013</p> |
| <b>NORMAL BALANCE: CREDIT</b>  |  |
| <b>FIGURE 15-17</b>  |  |

| ACCOUNT NO. 3220  |   |
|---|---|
| TRANSFERS-IN FROM OTHERS WITHOUT REIMBURSEMENT  |   |
| <b>DESCRIPTION:</b> Represents amounts recorded on the transferor's books for an asset or a liability transferred to a DoD Component or other U.S. Government Agency without reimbursement. |   |
| DEBIT   | CREDIT  |
| <p>1. Close the account at the end of the fiscal year.</p> <p>Contra: 3100, 3211, 3213, and 3217</p>  | <p>1. Record transfer-in of assets from other agency without reimbursement.</p> <p>Contra: 1510, 1520, 1570, 1730, 1740, 1762, 1810, 1820, and 1830</p> |
| <b>NORMAL BALANCE:</b> DEBIT OR CREDIT  |   |
| FIGURE 15-18  |   |



|  |  |
|--|--|
| <b>ACCOUNT NO. 3231</b>  |  |
| <b>TRANSFERS-OUT TO GOVERNMENT AGENCIES WITHOUT REIMBURSEMENT</b>  |  |
| <b>DESCRIPTION:</b> Represents the net book value of property transferred out to another Federal Agency without reimbursement.                                   |  |
| <b>DEBIT</b>   | <b>CREDIT</b>  |
| <p>1. Record transfer-out of assets to another Federal Agency without reimbursement.</p> <p>Contra: 1510, 1520, 1570, 1730, 1740, 1762, 1810, 1820, and 1830</p> | <p>1. Close the account at the end of the fiscal year.</p> <p>Contra: 3100, 3211, 3213, and 3217</p> |
| <b>NORMAL BALANCE: DEBIT</b>   |  |
| FIGURE 15-20   |  |

|   |  |
|---|--|
| <b>ACCOUNT NO. 3232</b>   |  |
| <b>TRANSFERS-OUT TO ALL OTHERS WITHOUT REIMBURSEMENT</b>  |  |
| <b>DESCRIPTION:</b> Represents the net book value of property transferred out to other than a Federal Agency without reimbursement.                           |  |
| <b>DEBIT</b>  | <b>CREDIT</b>  |
| <p>1. Record transfer-out of assets to Government Agencies without reimbursement.</p> <p>Contra: 1510, 1520, 1570, 1730, 1740, 1762, 1810, 1820, and 1830</p> | <p>1. Close the account at the end of the fiscal year.</p> <p>Contra: 3100, 3211, 3213, and 3217</p> |
| <b>NORMAL BALANCE: DEBIT</b>  |  |
| <b>FIGURE 15-21</b>   |  |

|   |               |
|---|---------------|
| <b>ACCOUNT NO. 3300</b>   |               |
| <b>RESULTS OF OPERATIONS</b>  |               |
| <b>DESCRIPTION:</b> Represents the cumulative and net results of operations from inception to the beginning of the current fiscal year. |               |
| <b>DEBIT</b>  | <b>CREDIT</b> |
| <p>This account is a summary account</p> <p>Do not post to this account</p>   |               |
| <b>NORMAL BALANCE:</b> DEBIT OR CREDIT  |               |
| FIGURE 15-22  |               |

|   |               |
|---|---------------|
| <b>ACCOUNT NO. 3310</b>   |               |
| <b>CUMULATIVE RESULTS OF OPERATIONS</b>   |               |
| <b>DESCRIPTION:</b> Represents the cumulative results of operations. This account is normally a credit balance account. |               |
| <b>DEBIT</b>  | <b>CREDIT</b> |
| <p>This account is a summary account</p> <p>Do not post to this account</p>   |               |
| <b>NORMAL BALANCE:</b> DEBIT OR CREDIT  |               |
| FIGURE 15-23  |               |

|  |        |
|--|--------|
| ACCOUNT NO. 3311   |        |
| CUMULATIVE RESULTS OF OPERATIONS -<br>DEFENSE BUSINESS OPERATIONS FUND   |        |
| <p><b>DESCRIPTION:</b> This is a summary account to accumulate the net difference between revenues and expenses from inception of the activity through the beginning of the current fiscal year.</p> |        |
| DEBIT  | CREDIT |
| <p>This account is a summary account<br/>Do not post to his account.</p>   |        |
| <p><b>NORMAL BALANCE:</b> DEBIT or CREDIT</p>  |        |
| FIGURE 15-24   |        |

| ACCOUNT NO. 3311.1   |  |
|--|--|
| CUMULATIVE RESULTS OF OPERATIONS -<br>DEFENSE BUSINESS OPERATIONS FUND   |  |
| <p><b>DESCRIPTION:</b> Represents the net difference between revenues and expenses from inception of the activity through the beginning of the current fiscal year that are to be used in the development of future year stabilized rates and prices</p> |  |
| DEBIT  | CREDIT   |
| <p>1. Close net results of operations when an operating loss is realized.</p> <p>Contra: 3321</p> <p>2. Transfer out, with OUSD(C) approval, of nonrecoverable credit balance.</p> <p>Contra: 3311.2</p>   | <p>1. Close net results of operations when profit is realized.</p> <p>Contra: 3321</p> <p>2. Transfer out, with OUSD(C) approval, of nonrecoverable debit balance.</p> <p>Contra: 3311.2</p> |
| <p><b>NORMAL BALANCE: CREDIT</b></p>   |  |
| <p>FIGURE 15-25</p>  |  |

|   |  |
|---|--|
| <b>ACCOUNT NO. 3311.2</b>   |  |
| <b>CUMULATIVE RESULTS OF OPERATIONS -<br/>DEFENSE BUSINESS OPERATIONS FUND - DEFERRED</b>   |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses from inception of the activity through the beginning of the current fiscal year that are to be used in the development of future year stabilized rates and prices |  |
| <b>DEBIT</b>  | <b>CREDIT</b>  |
| 2. Transfer in, with OUSD(C) approval, of nonrecoverable negative balance.<br><br>Contra: 3311.1  | 1. Transfer in, with OUSD(C) approval, of nonrecoverable positive balance.<br><br>Contra: 3311.1 |
| <b>NORMAL BALANCE: CREDIT</b>   |  |
| FIGURE 15-26  |  |

|   |        |
|---|--------|
| ACCOUNT NO. 3312  |        |
| CUMULATIVE RESULTS OF OPERATIONS - OTHER REVOLVING FUNDS  |        |
| <p><b>DESCRIPTION:</b> This is a summary account to accumulate the total value of capital investments recorded in sub-accounts to this account. No transactions should be posted to this account.</p> |        |
| DEBIT   | CREDIT |
| <p>This account is a summary account</p> <p>Do not post to this account</p>   |        |
| <p><b>NORMAL BALANCE:</b> DEBIT OR CREDIT</p>   |        |
| FIGURE 15-27  |        |

| ACCOUNT NO. 3312.1   |  |
|--|--|
| CUMULATIVE RESULTS OF OPERATIONS-<br>CONVENTIONAL AMMUNITION WORKING CAPITAL FUND  |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses from inception of the activity through the beginning of the current fiscal year.                                     |  |
| DEBIT  | CREDIT   |
| <p>1. Close net results of operations when a loss is realized.</p> <p style="padding-left: 40px;">Contra: 3323.1 Net Results of Operations-<br/>Conventional Ammunition<br/>Working Capital Fund</p> | <p>1. Close net results of operations when a profit is realized.</p> <p style="padding-left: 40px;">Contra: 3323.1 Net Results of Operations-<br/>Conventional Ammunition<br/>Working Capital Fund</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT   |  |
| FIGURE 15-28   |  |

|  |  |
|--|--|
| <b>ACCOUNT NO. 3312.2</b>  |  |
| <b>CUMULATIVE RESULTS OF OPERATIONS-<br/>PENTAGON RESERVATION MAINTENANCE FUND</b>   |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses from inception of the activity through the beginning of the current fiscal year.                                     |  |
| <b>DEBIT</b>   | <b>CREDIT</b>  |
| <p>1. Close net results of operations when a loss is realized.</p> <p style="padding-left: 40px;">Contra: 3323.1 Net Results of Operations-<br/>Conventional Ammunition<br/>Working Capital Fund</p> | <p>1. Close net results of operations when a profit is realized.</p> <p style="padding-left: 40px;">Contra: 3323.1 Net Results of Operations-<br/>Conventional Ammunition<br/>Working Capital Fund</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT   |  |
| FIGURE 15-29   |  |

| ACCOUNT NO. 3313   |  |
|--|--|
| CUMULATIVE RESULTS OF OPERATIONS -<br>SPECIAL DEFENSE ACQUISITION FUND   |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses from inception of the activity through the beginning of the current fiscal year. |  |
| DEBIT  | CREDIT   |
| <p>1. Close net results of operations when a loss is realized.</p> <p>Contra: 3323</p>   | <p>1. Close net results of operations when a profit is realized.</p> <p>Contra: 3323</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT   |  |
| FIGURE 15-30   |  |

|  |  |
|--|--|
| <b>ACCOUNT NO. 3314</b>  |  |
| <b>CUMULATIVE RESULTS OF OPERATIONS -<br/>FOREIGN MILITARY SALES TRUST FUND</b>  |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses, gains and losses from inception of the activity through the beginning of the current fiscal year. |  |
| <b>DEBIT</b>   | <b>CREDIT</b>  |
| <p>1. Close net results of operations when a loss is realized for the fiscal year.</p> <p>Contra: 3324</p>   | <p>1. Close net results of operations when profit is realized.</p> <p>Contra: 3324</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT   |  |
| FIGURE 15-31   |  |

| ACCOUNT NO. 3315   |  |
|--|--|
| CUMULATIVE RESULTS OF OPERATIONS -<br>MILITARY RETIREMENT TRUST FUND   |  |
| <b>DESCRIPTION:</b> Represents the net difference revenues and expenses, gains and losses from inception of the activity through the beginning of the current fiscal year since. |  |
| DEBIT  | CREDIT   |
| <p>1. Close net results of operations when an operating loss is realized for the fiscal year.</p> <p>Contra: 3325</p>  | <p>1. Close net results of operations when profit is realized.</p> <p>Contra: 3325</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT   |  |
| FIGURE 15-32   |  |

| ACCOUNT NO. 3316  |  |
|---|--|
| CUMULATIVE RESULTS OF OPERATIONS - DOD<br>EDUCATION BENEFITS TRUST FUND   |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses and gains and losses from inception through the beginning of the current fiscal year. |  |
| DEBIT   | CREDIT   |
| <p>1. Close net results of operations when an operating loss is realized for the fiscal year.</p> <p>Contra: 3326</p>   | <p>1. Close net results of operations when profit is realized.</p> <p>Contra: 3326</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT  |  |
| FIGURE 15-33  |  |

| ACCOUNT NO. 3317   |  |
|--|--|
| CUMULATIVE RESULTS OF OPERATIONS -<br>OTHER TRUST FUNDS  |  |
| <b>DESCRIPTION:</b> Represents the net difference between revenues and expenses from inception through the beginning of the current fiscal year. |  |
| DEBIT  | CREDIT   |
| <p>1. Close net results of operations when an operating loss is realized for the fiscal year.</p> <p>Contra: 3327</p>                            | <p>1. Close net results of operations when profit is realized.</p> <p>Contra: 3327</p> |
| <b>NORMAL BALANCE:</b> DEBIT or CREDIT   |  |
| FIGURE 15-34   |  |



| ACCOUNT NO. 3321   |   |
|--|---|
| NET RESULTS OF OPERATIONS - DEFENSE BUSINESS OPERATIONS FUND   |   |
| DESCRIPTION: Reflects the fiscal year's results of operations. |   |
| DEBIT  | CREDIT  |
| <p>1. Close cost of sales.<br/>Contra: 6500</p>                | <p>1. Close revenue accounts.<br/>Contra: 5101 and 5201</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>                         |   |
| FIGURE 15-36   |   |

|   |        |
|---|--------|
| ACCOUNT NO. 3322  |        |
| NET RESULTS OF OPERATIONS-OTHER REVOLVING FUNDS   |        |
| <p><b>DESCRIPTION:</b> This is a summary account to accumulate the total value of net operating results recorded in sub-accounts to this account. No transactions should be posted to this account.</p> |        |
| DEBIT   | CREDIT |
| <p>This account is a summary account</p> <p>Do not post to this account</p>   |        |
| <p><b>NORMAL BALANCE:</b> DEBIT OR CREDIT</p>   |        |
| FIGURE 15-37  |        |

| ACCOUNT NO. 3322.1  |   |
|---|---|
| NET RESULTS OF OPERATIONS -<br>CONVENTIONAL AMMUNITION WORKING CAPITAL FUND   |   |
| <b>DESCRIPTION:</b> Reflects the fiscal year's results of operations.   |   |
| DEBIT   | CREDIT  |
| <p>1. Close expense accounts.<br/>Contra: 6100 Operating/Program Expense Series</p> <p>2. Close loss accounts.<br/>Contra: 7200 Loss Series</p> | <p>1. Close revenue accounts.<br/>Contra: 5000 Revenue Series</p> <p>2. Close gain accounts.<br/>Contra: 7100 Gain Series</p> |
| <b>NORMAL BALANCE:</b> DEBIT OR CREDIT  |   |
| FIGURE 15-38  |   |

| ACCOUNT NO. 3322.2  |   |
|---|---|
| NET RESULTS OF OPERATIONS -<br>PENTAGON RESERVATION MAINTENANCE FUND  |   |
| DESCRIPTION: Reflects the fiscal year's results of operations.  |   |
| DEBIT   | CREDIT  |
| <p>1. Close expense accounts.<br/>Contra: 6100 Operating/Program Expense Series</p> <p>2. Close loss accounts.<br/>Contra: 7200 Loss Series</p> | <p>1. Close revenue accounts.<br/>Contra: 5000 Revenue Series</p> <p>2. Close gain accounts.<br/>Contra: 7100 Gain Series</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>  |   |
| FIGURE 15-39  |   |

| ACCOUNT NO. 3323  |  |
|---|--|
| NET RESULTS OF OPERATIONS -<br>SPECIAL DEFENSE ACQUISITION FUND   |  |
| DESCRIPTION: Reflects at year end the fiscal year's results of operations.                                |  |
| DEBIT   | CREDIT   |
| <p>1. Close cost of sales.<br/>Contra: 6500</p> <p>2. Close inventory loss accounts.<br/>Contra: 7291</p> | <p>1. Close revenue account.<br/>Contra: 5100</p> <p>2. Close gains accounts.<br/>Contra: 7191</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>  |  |
| FIGURE 15-40  |  |

| ACCOUNT NO. 3324  |   |
|---|---|
| NET RESULTS OF OPERATIONS -<br>FOREIGN MILITARY SALES TRUST FUND  |   |
| DESCRIPTION: Reflects at year end the fiscal year's results of operations.                                |   |
| DEBIT   | CREDIT  |
| <p>1. Close cost of sales.<br/>Contra: 6500</p> <p>2. Close loss accounts.<br/>Contra: 7291, and 7293</p> | <p>1. Close revenue accounts.<br/>Contra: 5100 and 5200</p> <p>2. Close gain accounts.<br/>Contra: 7110, 7191, and 7193</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>  |   |
| FIGURE 15-41  |   |

| ACCOUNT NO. 3325   |  |
|--|--|
| NET RESULTS OF OPERATIONS -<br>MILITARY RETIREMENT TRUST FUND                                      |  |
| DESCRIPTION: Reflects at year end the fiscal year's results of operations.                         |  |
| DEBIT  | CREDIT   |
| <p>1. Close expense accounts.<br/>Contra: 6400</p> <p>2. Close loss accounts.<br/>Contra: 7292</p> | <p>1. Close revenue accounts.<br/>Contra: 5400, and 5300</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>   |  |
| FIGURE 15-42   |  |

| ACCOUNT NO. 3326   |  |
|--|--|
| NET RESULTS OF OPERATIONS - DOD<br>EDUCATION BENEFITS TRUST FUND                                   |  |
| DESCRIPTION: Reflects at year end the fiscal year's results of operations.                         |  |
| DEBIT  | CREDIT   |
| <p>1. Close expense accounts.<br/>Contra: 6400</p> <p>2. Close loss accounts.<br/>Contra: 7292</p> | <p>1. Close revenue accounts.<br/>Contra: 5300 and 5400</p> <p>2. Close gains accounts.<br/>Contra: 7192</p> |
| <b>NORMAL BALANCE: DEBIT OR CREDIT</b>   |  |
| FIGURE 15-43   |  |

| ACCOUNT NO. 3327  |  |
|---|--|
| NET RESULTS OF OPERATIONS - OTHER TRUST FUNDS   |  |
| <b>DESCRIPTION:</b> Reflects at year end the fiscal year's results of operations.   |  |
| DEBIT   | CREDIT   |
| <p>1. Close expense accounts.<br/>Contra: 6---</p> <p>2. Close cost of sales account.<br/>Contra: 6500</p> <p>3. Close loss accounts.<br/>Contra: 7291 and 7293</p> | <p>1. Close revenue accounts.<br/>Contra: 5100, 5200, 5300, and 5600</p> <p>2. Close gain accounts.<br/>Contra: 7110, 7192, and 7193</p> |
| <b>NORMAL BALANCE:</b> DEBIT OR CREDIT  |  |
| FIGURE 15-44  |  |

| ACCOUNT NO. 3400   |   |
|--|---|
| DONATIONS AND OTHER ITEMS  |   |
| <b>DESCRIPTION:</b> Represents the total fair market value of donations received by the reporting entity. This accounts available for use only by trust funds. |   |
| DEBIT  | CREDIT  |
| <p>1. Close account at end of year.<br/>Contra: 3217</p>   | <p>1. Donations received.<br/>Contra: 1011 and 1766</p> |
| <b>NORMAL BALANCE: CREDIT</b>  |   |
| FIGURE 15-45   |   |

| ACCOUNT NO. 3500   |        |
|--|--------|
| DEFERRED LIQUIDATING CASH AUTHORITY  |        |
| <p><b>DESCRIPTION:</b> Represents the amount of liquidating cash disbursing authority that has not been transferred by the U.S. Treasury to the expenditure account by year end.</p> |        |
| DEBIT  | CREDIT |
| <p>1. Adjust liquidating cash authority to amount of disbursing authority actually transferred to expenditures account.</p> <p>Contra: 1920</p>                                      |        |
| <p><b>NORMAL BALANCE: DEBIT</b></p>  |        |
| <p>FIGURE 15-46</p>  |        |

|  |               |
|--|---------------|
| <b>ACCOUNT NO. 3600</b>  |               |
| <b>GENERAL FUND RECEIPTS</b>   |               |
| <b>DESCRIPTION:</b> Represents the amount of funds uncollected and returned to the General Fund.   |               |
| <b>DEBIT</b>   | <b>CREDIT</b> |
| <p>Do not use this account without prior approval of<br/>                     the Deputy Under Secretary of Defense<br/>                     (Comptroller/Financial Management)/<br/>                     Deputy Chief Financial Officer</p> |               |
| <b>NORMAL BALANCE: CREDIT</b>  |               |
| <b>FIGURE 15-47</b>  |               |

| <p style="text-align: center;"><b>ADDENDUM</b><br/><b>APPLICATION OF EQUITY ACCOUNTS BY FUNDS</b></p> |  |              |                                 |                      |                         |                 |                      |                       |
|---|--|--------------|---------------------------------|----------------------|-------------------------|-----------------|----------------------|-----------------------|
| ACCOUNT   | TITLE  | APPRO. FUNDS | DEFENSE BUSINESS OPERATION FUND | SPECIAL DEF ACQ FUND | FOREIGN MIL. TRUST FUND | RET. TRUST FUND | MIL. EDU. TRUST FUND | MIL. OTHER TRUST FUND |
| 3000  | Equity   | X            | X                               | X                    |                         | X               | X                    | X                     |
| 3100  | Appropriated Capital                                       | X            | X                               |                      |                         |                 |                      |                       |
| 3200  | Invested Capital   |              | X                               | X                    |                         | X               | X                    | X                     |
| 3210  | Capital Investments  |              | X                               | X                    |                         | X               | X                    | X                     |
| 3211  | Capital Investment-Defense Business Operations Fund        |              | X                               |                      |                         |                 |                      |                       |
| 3213  | Capital Investment-Special Defense Acquisition Fund        |              |                                 | X                    |                         |                 |                      |                       |
| 3214  | Capital Investment-Foreign Military Sales Trust Fund       |              |                                 |                      |                         |                 |                      |                       |
| 3215  | Capital Investment-Military Retirement Trust Fund          |              |                                 |                      |                         | X               |                      |                       |
| 3216  | Capital Investment-DoD Education Benefits Trust Fund       |              |                                 |                      |                         |                 | X                    |                       |
| 3217  | Capital Investment-Other Trust Funds                       |              |                                 |                      |                         |                 |                      | X                     |
| 3220  | Transfers-In from Others Without Reimbursement             | X            | X                               | X                    |                         | X               | X                    | X                     |
| 3230  | Transfers-Out to Others Without Reimbursement              | X            | X                               | X                    |                         | X               | X                    | X                     |
| 3231  | Transfers-Out to Government Agencies Without Reimbursement | X            | X                               | X                    |                         | X               | X                    | X                     |
| 3232  | Transfers-Out to All Others Without Reimbursement          | X            | X                               | X                    |                         | X               | X                    | X                     |
| 3300  | Results of Operations                                      |              | X                               | X                    |                         | X               | X                    | X                     |

| <b>ADDENDUM</b>                                |  |              |                                 |                      |                         |                 |                      |                       |
|--|--|--------------|---------------------------------|----------------------|-------------------------|-----------------|----------------------|-----------------------|
| <b>APPLICATION OF EQUITY ACCOUNTS BY FUNDS</b> |  |              |                                 |                      |                         |                 |                      |                       |
| ACCOUNT  | TITLE  | APPRO. FUNDS | DEFENSE BUSINESS OPERATION FUND | SPECIAL DEF ACQ FUND | FOREIGN MIL. TRUST FUND | RET. TRUST FUND | MIL. EDU. TRUST FUND | MIL. OTHER TRUST FUND |
| 3310   | Cumulative Results of Operations                                   |              |                                 |                      |                         |                 |                      |                       |
| 3311   | Cumulative Results of Operations-Business Fund                     |              | X                               |                      |                         |                 |                      |                       |
| 3313   | Cumulative Results of Operations-Special Defense Acquisition Fund  |              |                                 | X                    |                         |                 |                      |                       |
| 3314   | Cumulative Results of Operations-Foreign Military Sales Trust Fund |              |                                 |                      |                         |                 |                      |                       |
| 3315   | Cumulative Results of Operations-Military Retirement Trust Fund    |              |                                 |                      |                         | X               |                      |                       |
| 3316   | Cumulative Results of Operations-DoD Education Benefits Trust Fund |              |                                 |                      |                         |                 | X                    |                       |
| 3317   | Cumulative Results of Operations-Other Trust Funds                 |              |                                 |                      |                         |                 |                      | X                     |
| 3320   | Net Results of Operations  |              | X                               | X                    |                         | X               | X                    | X                     |
| 3321   | Net Results of Operations-Business Fund                            |              | X                               |                      |                         |                 |                      |                       |
| 3323   | Net Results of Operations-Special Defense Acquisition Trust Fund   |              |                                 | X                    |                         |                 |                      |                       |
| 3324   | Net Results of Operations-Foreign Military Sales Trust Fund        |              |                                 |                      |                         |                 |                      |                       |
| 3325   | Net Results of Operations-Military Retirement Trust Fund           |              |                                 |                      |                         | X               |                      |                       |
| 3326   | Net Results of Operations-DoD Education Benefits Trust Fund        |              |                                 |                      |                         |                 | X                    |                       |

| <b>ADDENDUM</b>                                |  |                                       |  |                      |                         |                 |                      |                       |
|--|--|---------------------------------------|--|----------------------|-------------------------|-----------------|----------------------|-----------------------|
| <b>APPLICATION OF EQUITY ACCOUNTS BY FUNDS</b> |  |                                       |  |                      |                         |                 |                      |                       |
| ACCOUNT  | TITLE  | APPRO. FUNDS                          | DEFENSE BUSINESS OPERATION FUND          | SPECIAL DEF ACQ FUND | FOREIGN MIL. TRUST FUND | RET. TRUST FUND | MIL. EDU. TRUST FUND | MIL. OTHER TRUST FUND |
| 3327   | Net Results of Operations- Other Trust Funds                 |                                       |  |                      |                         |                 |                      | X                     |
| 3400   | Donations and Other Items                                    |                                       |  | X                    |                         | X               | X                    | X                     |
| 3500   | Deferred Liquidating Cash Authority                          | X                                     |  |                      |                         |                 |                      |                       |
| 3600   | General Fund Receipts  | X                                     | X  | X                    |                         | X               | X                    | X                     |
|  |  | <b>CONVENT. AMMO. WORKING CAPITAL</b> | <b>PENTAGON RESERVA-TION MAINT. FUND</b> |                      |                         |                 |                      |                       |
| 3212   | Capital Investment - Other Revolving Funds                   | X                                     | X  |                      |                         |                 |                      |                       |
| 3220   | Transfers - In From Others Without Reimbursement             | X                                     | X  |                      |                         |                 |                      |                       |
| 3230   | Transfers - Out To Others Without Reimbursement              | X                                     | X  |                      |                         |                 |                      |                       |
| 3231   | Transfers - Out to Government Agencies Without Reimbursement | X                                     | X  |                      |                         |                 |                      |                       |
| 3232   | Transfers - Out To All Others Without Reimbursement          | X                                     | X  |                      |                         |                 |                      |                       |
| 3300   | Results of Operations  | X                                     | X  |                      |                         |                 |                      |                       |
| 3312   | Cumulative Results of Operations - Other Revolving Funds     | X                                     | X  |                      |                         |                 |                      |                       |
| 3322   | Net Results of Operations - Other Revolving Funds            | X                                     | X  |                      |                         |                 |                      |                       |