

**VOLUME 1, CHAPTER 7: “DEPARTMENT OF DEFENSE STANDARD CHART OF ACCOUNTS”**

**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also 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 **October 2020** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
4.4.3	Combined with paragraph 4.4.2.	Deletion
All	Administrative updates in accordance with Department of Defense Financial Management Regulation (FMR) Revision Standard Operating Procedures.	Revision

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## CHAPTER 7

**DEPARTMENT OF DEFENSE STANDARD CHART OF ACCOUNTS**

## 1.0 GENERAL

## 1.1 Purpose

This chapter prescribes the Department of Defense (DoD) Standard Chart of Accounts (SCOA) requirements that are based on United States Standard General Ledger ([USSGL](#)) general requirements. The SCOA prescribes the mandatory general ledger accounts for all DoD accounting systems and all budgetary and proprietary transactions.

## 1.2 Authoritative Guidance

1.2.1. The Federal Financial Management Improvement Act of 1996 ([FFMIA](#)) requires agencies to implement and maintain financial management systems that comply with the USSGL at the transaction-level. See Chapter 3 for FFMIA compliance information.

1.2.2. The United States Department of the Treasury (Treasury) Financial Manual ([TFM](#)) prescribes the USSGL requirements. The USSGL is a TFM Supplement that prescribes the structure for budgetary and proprietary accounts at the 6-digit USSGL account level. Because central agency reporting requires a lower level of detail, the USSGL Board developed attributes containing domain values that, when added to a basic 6-digit USSGL account, provide the appropriate level of detail needed for central agency reporting. Treasury issues bulletins at least annually notifying agencies of changes to the USSGL Supplements that are effective immediately and later codified in the TFM. As part of the overall Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reporting requirements, the USSGL guidance contains seven major sections:

- I. Chart of Accounts,
- II. Accounts and Definitions,
- III. Account Transactions,
- IV. Account Attributes for USSGL Proprietary Account and Budgetary Account Reporting,
- V. Crosswalks to Standard External Reports for FY 20XX<sup>1</sup> GTAS Reporting,
- VI. Crosswalks to Reclassified Statements for FY 20XX Reporting, and
- VII. GTAS Validations and Edits for FY 20XX Reporting.

1.2.3. Office of Management and Budget ([OMB Circular A-123 Appendix D](#)), “Compliance with the Federal Financial Management Improvement Act,” requires that agencies record financial events in the core accounting systems, applying the requirements of the USSGL.

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<sup>1</sup> “XX” represents the applicable fiscal year.

## 2.0 DEFINITIONS

### 2.1 Standard Financial Information Structure

2.1.1. The [Standard Financial Information Structure](#) (SFIS) is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs. The SCOA is a key element in the SFIS data structure. The SCOA and other SFIS products are published on the SFIS web page. [Also](#), see Chapter 4.

### 2.2 DoD Standard Chart of Accounts SFIS Attribute Alignment File

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

### 2.3 Tie-Point Reconciliations

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

### 2.4 Financial System

[A](#) financial system [is](#) an information system or set of applications that maintains all summary and detailed financial events resulting from budgetary and proprietary activity. [The](#) system must record at the transaction-level to the appropriate general ledger accounts. See FFMIA section 803(a) and OMB Circular A-123, Appendix D.

## 3.0 ACCOUNT DESIGN

### 3.1 DoD SCOA

The SCOA is comprised of budgetary and proprietary USSGL accounts and related DoD standard account extensions required [for](#) consistent USSGL implementation, Component trial balance consolidation, [and](#) [compliance](#) with OMB and Treasury budgetary and financial reporting

requirements. The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer (OUSD(C)/CFO) issues enterprise-wide implementation guidance to:

- 3.1.1. Reduce customization of accounting systems,
- 3.1.2. Eliminate departmental reporting system translations and account value crosswalks,
- 3.1.3. Improve comparability of data across accounting systems, and
- 3.1.4. Improve consolidation of data across accounting systems for DoD-wide reporting.

### 3.2 Account Structure

The basic SCOA structure consists of a 6-digit USSGL account number followed by a [period and a 4-digit DoD account extension](#). SGL accounts with an extension of “.9000” (e.g., 101000.9000, 211000.9000) are identified as Treasury level USSGL accounts. SGL accounts with extensions other than .9000 are DoD specified accounts. The basic structure of the DoD SCOA follows that of the USSGL. The basic 6-digit structure of the USSGL consists of:

100000	Assets
200000	Liabilities
300000	Net Position
400000	Budgetary
500000	Revenue and Other Financing Sources
600000	Expenses
700000	Gains/Losses/Miscellaneous Items
800000	Memorandum

### 3.3 DoD USSGL Transaction Library

3.3.1. The Library establishes enterprise-wide implementation requirements [and](#) provides a framework with detailed transaction and posting rules for updating existing financial systems and deploying new accounting systems.

3.3.2. The Library is a decomposition of the accounting transactions from the TFM, Part 1, Section III USSGL Supplement, that provides both budgetary and proprietary accounting entries for events occurring throughout the federal government. The Library organizes generalized Treasury USSGL business event transactions into appropriate pairings of budgetary, proprietary, and memorandum accounts uniquely identified by DoD Transaction Codes (DTCs).

3.3.3. [Components](#) must not group multiple DTCs into one transactional posting, so that the individual transaction posts separately and supports each business event and [is uniquely identified in](#) the business process. While Component financial systems are not required to store and maintain the exact DTC reference used in the Library for each posted transaction, Component or agency financial systems must maintain a chart of accounts and utilize general ledger posting logic that produces the same business event result as the DoD USSGL Transaction Library.

3.3.4. The SCOA, USSGL Transaction Library, Account Attribute Alignment File, and Tie-Points are updated as applicable following each corresponding Treasury update to ensure DoD policy aligns with the current USSGL Supplement.

### 3.4 Reporting

3.4.1. All DoD accounting systems must report financial transactions to DDRS using the account structure of the SCOA. Detailed attribute alignment at the SGL account level is updated concurrently with the SCOA.

3.4.2. Components must implement the SCOA to satisfy both internal and external reporting requirements. For external reporting, all budgetary and proprietary financial reporting data are summarized in DDRS into the six-digit USSGL accounts and GTAS standard attributes.

3.4.3. Components must ensure systems provide complete, reliable, consistent, and timely budgetary and proprietary transaction-level information and are recorded in accounting systems of record general ledgers to produce auditable budgetary, proprietary, and managerial cost accounting reports for internal and external stakeholders.

## 4.0 ACCOUNT RELATIONSHIPS

### 4.1 Budgetary and Proprietary Accounts

4.1.1. The SGL account structure provides a self-balancing set of budgetary accounts to record the appropriation, apportionment, allotment, allocation, commitment, obligation, and expenditure process. The SCOA is driven by debit and credit normal balance indicators, so debits should always equal credits. The budgetary total and budgetary resources accounts should always equal the total status of budgetary resources accounts.

4.1.2. The SGL account structure provides a self-balancing set of proprietary accounts to report the results of operations and net position. Proprietary asset and liability accounts cover the collection and disbursement of funds, the proper classification of assets (e.g., Fund Balance with Treasury, 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, including gains and losses through the use and consumption of assets. Total asset accounts should always equal total liability accounts plus net position.

4.1.3. Accurate posting of budgetary and proprietary transactions to the SGL enables budgetary, proprietary, and managerial cost accounting essential for good stewardship, proper financial control over resources, and financial reporting.

### 4.2 Accounts Applicable to Fund Type

4.2.1. The SCOA identifies SGL accounts applicable to General Fund, Working Capital Fund (WCF), and Special and Trust Funds. The SCOA also identifies those USSGL accounts that are not applicable to the DoD.

4.2.2. Component accounting systems must incorporate, at a minimum, those SGL accounts and posting logic for applicable business processes and transactions. For example, general fund accounting systems must include, at a minimum, accounts designated as applicable to general funds, and not those restricted to working capital or special/trust fund systems. Similarly, WCF accounting systems must include accounts designated as applicable to WCF but not those accounts restricted to general or special/trust fund systems. Combined systems handling both general and WCF must include both general and working capital general ledger accounts, but not those accounts restricted to special/trust fund systems. Components are not required to add accounts designated as not applicable for DoD.

#### 4.3 Account Attributes

4.3.1. The account attributes required for Treasury reporting of both budgetary and proprietary account information are defined in the TFM USSGL Supplement, Section IV, USSGL Account Attributes.

4.3.2. The data structure for each SGL account attribute is defined in the SFIS Matrix, to include syntax and allowable values. The SFIS Matrix and the SFIS Values Library are located on the SFIS web page.

4.3.3. When including specific general ledger accounts in an accounting system, all attributes assigned to the specific general ledger accounts must also be included and correctly aligned to those accounts.

4.3.4. Allowable values for each SGL account attribute are identified and defined at the SGL account level in the SCOA Attribute Alignment File published on the SFIS web page.

#### 4.4 Request for Account Exemption

4.4.1. A Component's specific mission area may allow for an accounting system exemption to certain SGL accounts. Components must request an exemption from standard DoD account alignment based on business processes and transactions within a specific fund type.

\* 4.4.2. The SCOA is re-published annually with updates. Component system owners must review existing accounts and submit any changes or revisions to the OUSD(C)/CFO within 30 days of the SCOA update.

#### 4.5 DoD Assigned USSGL Accounts

The SCOA includes five specific accounts for recording internal fund distributions within direct program authority (see Figure 7-1). Refer to Volume 3, Chapters 13, 14, and 15 for policy on the use and application of these accounts at the Department and execution levels. Funds distribution guidance for the Military Services and Office of the Secretary of Defense Treasury Index-97 organizations is located at SFIS under the “DoD Accounting Scenarios” section.

Figure 7-1. DoD Assigned Accounts for Internal Fund Distributions

Account Number: 454000.9000  
Account Title: Internal Fund Distributions Issued  
Normal Balance: Credit

Definition: The amount of direct budgetary authority allotted from department, headquarters, or Office of the Secretary of Defense (OSD) level to intermediate or execution level, as determined by organizational funding structure.

Account Number: 455000.9000  
Account Title: Internal Fund Distributions Received  
Normal Balance: Debit

Definition: The amount of direct budgetary authority received from department, headquarters, or OSD level by an intermediate level component.

Account Number: 456000.9000  
Account Title: Funds Available for Allotment  
Normal Balance: Credit

Definition: The amount of direct budgetary authority available at an intermediate level component for allotment to execution level component(s) or for suballotment to other intermediate level component(s).

Account Number: 457000.9000  
Account Title: Allotments Issued  
Normal Balance: Credit

Definition: The amount of direct budgetary authority either allotted by an intermediate level component to an execution level component(s), or suballotted between two or more intermediate or execution level components.

Account Number: 458000.9000  
Account Title: Allotments Received  
Normal Balance: Debit

Definition: The amount of direct budgetary authority received by an execution level component through either allotment or suballotment of authority.