

VOLUME 12, CHAPTER 1: “FUNDS”**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 [June 2021](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Verified and corrected hyperlinks.	Revision
13.0	The authority to retain and spend the patent royalty's collections is in permanent law, the funds are considered mandatory. USSGL 426600 provides direct budget authority on line 1800 (mandatory) of the SF 132, and SF-133.	Revision

Table of Contents

VOLUME 12, CHAPTER 1: “FUNDS”	1
1.0 GENERAL.....	4
1.1 Overview	4
1.2 Purpose.....	4
1.3 Authoritative Guidance	4
2.0 FUND GROUPS	4
2.1 Fund Groups and Symbols.....	4
Table 1-1. Fund Groups and Symbols.....	5
2.2 Additions and Deletions.....	5
3.0 GENERAL FUNDS	5
3.1 General Fund Receipt Accounts (0000-3399).....	5
3.2 General Fund Expenditure Accounts (0000-3899)	6
4.0 CLEARING, DEFAULT, and CUSTODIAL ACCOUNTS (3500-3885).....	6
4.1 Budget Clearing Account.....	7
4.2 Custodial Accounts	7
4.3 Undistributed Intragovernmental Payments Account	7
4.4 Temporary Account Requirement.....	7
5.0 MANAGEMENT FUND ACCOUNTS (3900-3999).....	7
5.1 Policy.....	7
5.2 Responsibilities	8
6.0 REVOLVING FUNDS (4000-4999).....	8
6.1 General	9
6.2 DoD Public Enterprise Revolving Funds (4000-4499).....	10
6.3 Intragovernmental Revolving Funds (4500-4999).....	11
7.0 SPECIAL FUNDS (5000-5999).....	12
7.1 Special Fund Receipt Accounts	12
7.2 Special Fund Expenditure Accounts	12
8.0 DEPOSIT FUNDS (6000-6999).....	12
8.1 Monies Withheld.....	12
8.2 Deposits from Outside Sources.....	12

Table of Contents (Continued)

8.3 Monies Awaiting Distribution..... 13

8.4 Unidentified Remittances..... 13

8.5 Unclaimed Collections..... 13

9.0 TRUST FUNDS (8000-8999) 13

9.1 Trust Fund Receipt Accounts..... 13

9.2 Trust Fund Expenditure Accounts 14

9.3 Trust Revolving Funds (8400-8499)..... 14

10.0 AVAILABLE RECEIPTS..... 14

11.0 UNAVAILABLE RECEIPTS..... 14

12.0 TRANSFER APPROPRIATION ACCOUNTS 15

*13.0 PATENT ROYALTY ACTIVITIES 15

Figure 1-1. Management Fund Requirements 16

Figure 1-2. Uniform Format for Management Fund Account Charters 18

CHAPTER 1

FUNDS

1.0 GENERAL

1.1 Overview

This chapter prescribes a comprehensive description of account symbols and their operation within fund groups. Account symbols are the basis for reporting the Department of Defense (DoD) financial transactions. The U.S. Department of the Treasury (Treasury), Bureau of the Fiscal Service (Fiscal Service) and the Office of Management and Budget (OMB) assign account symbols consistent with the principals and standards prescribed by the Comptroller General of the United States. Fiscal Service assigns account symbols to agencies after considering the government's relationship to the accounts, the sources of the receipts, and the availability of the funds for expenditure. Receipt account symbols are arranged numerically within each fund group; that is, general, special, and trust funds. Expenditure account symbols (appropriations) and other fund accounts are arranged numerically by general, revolving, special, deposit, and trust fund groups.

1.2 Purpose

The purpose of this chapter is to define receipt, appropriation, and other fund account symbols relating to financial operations and accounting transactions of the Department. Fund account symbols are not the same as the United States Standard General Ledger (USSGL) accounts prescribed in Volume 1, Chapter 7.

1.3 Authoritative Guidance

The accounting policy and related requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.3.1. [Treasury Financial Manual \(TFM\)](#), Supplement to Volume I;

1.3.2. Federal Account Symbols and Titles [\(FAST\) Book](#); and

1.3.3. [OMB Circular A-11](#), Preparation, Submission and Execution of the Budget.

These authorities describe the various categories of Federal Government fund account symbols.

2.0 FUND GROUPS

2.1 Fund Groups and Symbols

All accounts are identified by fund groups through assignment of numeric and/or alphanumeric account symbols. The symbol assigned to an account is determined after

consideration of the governmental effect of the account and the source of the receipt, and the availability of the fund for expenditure. Some of these accounts have a significant impact on DoD operations. The FAST Book contains all of the fund groups, account symbols, and titles. Table 1-1 lists the fund groups and the range of federal fund account symbols.

Table 1-1. Fund Groups and Symbols

Fund Group	Symbols
General Funds	0000-3899
Clearing, Default, and Custodial Accounts	3500-3885
Management Funds	3900-3999
Revolving Funds	4000-4999
Special Funds	5000-5999
Deposit Funds	6000-6999
Trust Funds	8000-8999

2.2 Additions and Deletions

The Defense Finance and Accounting Service (DFAS) obtains new fund account symbols from the Treasury but the Office of the Under Secretary of Defense (Comptroller) (OUSDC), Program and Financial Control Directorate must approve new fund account symbols used in Standard Form (SF) 133, "Report on Budget Execution and Budgetary Resources."

3.0 GENERAL FUNDS

3.1 General Fund Receipt Accounts (0000-3399)

General fund receipt accounts have been established to account for receipts of the Federal Government that have not been earmarked by law for a specific purpose and are preceded by an "R." For internal control purposes, none of the receipts credited to these accounts are available for obligation and expenditure. Therefore, general fund receipt account collections do not affect budgetary resources. General fund receipt account collections do provide resources to the Congress to fund appropriations. However, a congressional appropriation action requires a separate accounting process.

3.1.1. Unless there is specific statutory authority that authorizes a reimbursement to an appropriation account or fund (including special funds), all collections must be credited to the appropriate general fund receipt account. However, obligations incurred that result in, or as a result of a general fund receipt account collection or receivable must be recorded in the budgetary accounts of a direct appropriation or fund. Such obligations may be recorded as reimbursable obligations only when authorized to be reimbursed independent of the general fund receipt collection.

3.1.2. Accounts receivable for the general fund receipt accounts must be recorded whenever an event results in the determination that money is owed to the U.S. Government. General fund receipt account receivables may be recorded at a summary level. Examples include:

3.1.2.1. A receivable must be recorded for general fund receipt account 2651, "Sale of Scrap and Salvage Materials, Defense," based upon the recording of an issue or the transfer of ownership of scrap or salvage material to a buyer. (Normally, a cash payment is required.)

3.1.2.2. A receivable must be recorded for general fund receipt account 3019, "Recoveries for Government Property Lost or Damaged, Not Otherwise Classified, Army, Navy, Air Force," based upon the receipt of an approved DoD [\(DD\) Form 200](#), "Financial Liability Investigation of Property Loss."

3.1.2.3. The accounting for receivables and collection of those receivables in general fund receipt accounts are described in Volume 4, Chapter 3.

3.2 General Fund Expenditure Accounts (0000-3899)

General Fund accounts record amounts appropriated by Congress for the general support of the government. Appropriations are statutory authorities to incur obligations and make payments from the Treasury for specified purposes. When a law appropriates budget authority, it specifies the period of availability. The period of availability is the amount of time the entity may create new obligations. This is called the period of availability for new obligation of the budget authority, and the period is normally specified in the law providing the budget authority.

3.2.1. Annual Appropriations (Annual Budget Authority). An annual appropriation has a period of availability for only one fiscal year or less. An example of an annual appropriation is Operation and Maintenance, Army, 021 21 2020.

3.2.2. Multiple-Year Appropriations (Multi-Year Budget Authority). A multi-year appropriation has a period of availability for two or more fiscal years. An example of a multi-year appropriation is Other Procurement, Navy, 017 21/22 1810.

3.2.3. No-Year Appropriations (No-Year Budget Authority). A no-year appropriation has an indefinite period of availability because the appropriation is available until all funds are expended or the appropriation is no longer needed. An example of a no-year appropriation is Environmental Restoration, Air Force, 057X0810.

4.0 CLEARING, DEFAULT, and CUSTODIAL ACCOUNTS (3500-3885)

Clearing, default, and custodial accounts temporarily hold unidentifiable general, revolving, special, or trust fund collections that belong to the Federal Government. An "F" preceding the last 4 digits of the fund account symbol identifies these accounts. These clearing, default, and custodial accounts are to be used only when there is a reasonable basis or evidence that the collections or disbursements belong to the U.S. Government and therefore properly affect the budgetary resources of the DoD activity. None of the collections recorded in clearing, default, or custodial fund accounts are available for obligation or expenditure while in a clearing, default, or custodial account.

4.1 Budget Clearing Account

Budget Clearing Account (suspense), F3875, temporarily credits unclassified transactions from the public when there is a reasonable presumption that the amounts belong to the agency. Therefore, unlike deposit accounts, clearing accounts immediately affect the budget.

4.2 Custodial Accounts

Custodial Clearing Account (F36XX), a subset of the clearing account, temporarily holds funds collected as well as accounts for accruals and transfers related to funds collected on behalf of a Treasury Account Symbol (TAS) other than the General Fund of the U.S. Government.

4.3 Undistributed Intragovernmental Payments Account

Undistributed Intragovernmental Payments, account F3885, is used to temporarily credit unidentified or unclassified transactions between Federal agencies, including Intragovernmental Payment and Collection (IPAC) transactions.

4.4 Temporary Account Requirement

Since accounts F36XX, F3875, and F3885 are temporary in nature, DoD Components must expeditiously transfer all monies to the proper account in order to minimize the balance. Use of these suspense accounts are valid if approved by the Treasury provided the suspense account transactions are reclassified to the correct line of accounting and properly reported in the accounting system within 60 days.

5.0 MANAGEMENT FUND ACCOUNTS (3900-3999)

Management fund accounts are working fund accounts authorized by law to facilitate accounting for administration of intragovernmental activities other than a continuing cycle of operations. Such accounts generally do not own a significant amount of assets nor do they have a specified amount of capital provided (a corpus of the fund). A management fund provides a means of interim financing and accounting for: (1) an operation or project that is financed by more than one appropriation or fund and whose costs cannot be distributed and charged to the financing appropriations or funds immediately, or (2) an operation or project that is established pursuant to a transfer of functions involving two or more appropriations or funds under authority of law. An example of a management fund is the Air Force Management Fund, 057X3960.

5.1 Policy

5.1.1. A management fund must be used only to finance the costs of operations which are chargeable to appropriations or funds of a DoD Component. Projects may encompass participation by organizational units of one DoD Component or of two or more DoD Components.

5.1.2. A management fund may not be used to finance any activity that involves a continuing cycle of business-type operations, such as industrial or commercial-type activities, or to purchase materiel for stock. It may be used to finance the purchase of materiel for use in an operation or project operated under a management fund.

5.1.3. A management fund may not be used to finance a new operation or project, although eligible under section 5.0, if other effective and efficient financing techniques are available. In general, appropriation reimbursements must be used. However, industrial funds must be used to finance industrial or commercial-type activities, and stock funds must be used to finance the acquisition of consumable (expense-type) materiel for stock.

5.1.4. Management fund accounts are subject to periodic internal audits.

5.2 Responsibilities

5.2.1. The OUSD(C) Deputy Chief Financial Officer (DCFO) must:

5.2.1.1. Ensure that a management fund account is established or continued only when there is no other effective and efficient financing technique available to accomplish the proposed operation or project. The OUSD(C) DCFO will receive, review, evaluate and approve proposed management fund account charters submitted in accordance with Figures 1-1 and 1-2.

5.2.1.2. Review and evaluate proposed management fund account charters or amendments and recommend to the Under Secretary of Defense (Comptroller) (USD(C)) the establishment or continuance of a management fund account.

5.2.2. The Heads of DoD Components must:

5.2.2.1. Propose use of a management fund as a financing technique, when considered appropriate, in accordance with the provisions of this chapter.

5.2.2.2. Oversee compliance with this chapter regarding the provision for budgeting, financing, accounting, and reporting for management fund accounts in use by their Component.

6.0 REVOLVING FUNDS (4000-4999)

Revolving funds are established to finance a continuing cycle of business-type operations. Revolving fund accounts are authorized to be credited with receipts, incur obligations, and make expenditures. Revolving fund collections are normally available for obligation and expenditure without further action by the Congress. However, DoD revolving funds (except for some business areas within the Defense Working Capital Fund) are subject to apportionment by OMB. Apportionment by OMB precludes obligation or expenditure of funds in excess of the apportioned balance during a fiscal period. The concepts in this section normally apply to revolving funds.

6.1 General

There are two types of revolving funds. Public enterprise revolving funds are distinguished from intragovernmental revolving funds by the source of revenues. Public enterprise revolving fund revenues come primarily from outside the Federal Government. Intragovernmental revolving fund revenues come primarily from other federal appropriations or funds.

6.1.1. Appropriations and/or reappropriations are usually provided to start, increase the size, or replace significant losses of a revolving fund. Also, existing resources in other accounts may be transferred to a revolving fund as capitalized assets to serve the same purposes in lieu of an appropriation. The resources used to commence or increase the size of a revolving fund are commonly referred to as “the corpus of the revolving fund.” The corpus forms the nucleus of resources used to acquire the resources needed to perform the mission of the revolving fund.

6.1.2. Revenues are generated in DoD revolving funds from reimbursable actions on behalf of authorized beneficiaries. Those revenues result in collections of funds. The funds collected are used to pay for the acquisition of resources needed to operate the revolving fund. In revolving funds that are apportioned by OMB, the use of the budgetary resources associated with those collections to incur obligations is limited to the amount of obligation authority available for the fiscal period.

6.1.3. Revolving funds subject to apportionment are apportioned on an obligation basis. An SF 132, “Apportionment and Reapportionment Schedule,” must be submitted to the OMB for approval of the amount of budgetary authority needed for the operation of the revolving fund for a fiscal period. A fiscal period may be a quarter of a fiscal year or a full fiscal year.

6.1.4. Budgetary resources available for apportionment action include:

6.1.4.1. Unobligated balances brought forward.

6.1.4.2. Appropriations.

6.1.4.3. Contract authority.

6.1.4.4. Spending Authority from Offsetting Collections (Anticipated collections, reimbursements, and other income)

6.1.4.5. Recoveries of prior year obligations.

6.1.4.6. Restorations.

6.1.5. The apportionment of anticipated reimbursements does not authorize a revolving fund to obligate in excess of the contract authority, borrowing authority, or reimbursable orders received from within the Federal Government and advances received for orders outside the Federal Government. Orders from state, local, and foreign governments are considered to be orders from the public.

6.1.6. In the case of loan programs, budgetary resources available for obligation from loan repayments and interest on loans are comprised of actual collections when authorized to be used. Loan repayments in the form of loans receivable and interest receivable are amounts due but not collected. These amounts are not available for obligation until collected.

6.1.7. Other assets, whether of a working capital nature such as inventories of stock or of a fixed asset nature, are not considered as a budgetary resource. Such assets, therefore, do not enter into the determination of unobligated balances. However, claims against budgetary resources, such as delivered and undelivered orders, are obligations of a revolving fund and must be subtracted from unobligated balances when incurred. Obligations for the procurement of inventories, as well as for the acquisition of other revolving fund assets, must be recognized, recorded, and reported along with other obligations.

6.1.8. Some revolving funds, particularly public enterprise funds, have budget authority exclusively for the fund that is technically outside the fund as long as it remains “undrawn.” This concept may apply to the authority to borrow from the public, authority to borrow from the Treasury, and sometimes contract authority.

6.1.9. The amount of obligational authority apportioned or the available balance of obligational authority may be less than the total budgetary resources available in a revolving fund. The difference, which cannot be obligated unless it is apportioned, may be characterized as either an unapportioned balance of a revolving fund or a restrictive withholding. The concept of an unapportioned balance is one of preserving a portion of the fund’s capital so it may continue to revolve.

6.1.10. Incurring obligations or authorizing the incurrence of obligations in excess of apportioned budgetary resources must be reported as an apparent violation of the administrative control of funds provisions contained in Volume 14. This reporting requirement applies whether or not a revolving fund has unapportioned budgetary resources or nonbudgetary assets greater than the amount of the deficiency.

6.1.11. Each revolving fund is required to submit a separate set of reports to the Treasury as described in Volume 6A. Therefore, the data required for each revolving fund to prepare these reports must be identified within the DoD Component's accounting system.

6.2 DoD Public Enterprise Revolving Funds (4000-4499)

Public Enterprise revolving funds include but are not limited to the Special Defense Acquisition Fund and the Homeowners Assistance Fund.

6.2.1. The Special Defense Acquisition Fund is funded by the use of a limited amount of certain foreign military sales collections as authorized by Congress. The fund is used to acquire items needed in anticipation of sales to foreign governments. The proceeds from the sales of the fund are used to acquire items in anticipation of future sales. Budgetary resources provided from sales to customers are not available for use until collections occur and OMB approves apportionment of funds by category of item. The apportionment of funds by OMB provides control

over the obligations for the acquisition of approved categories of items. The Special Defense Acquisition Fund was assigned the symbol 011X4116 by the Treasury.

6.2.2. The Defense Homeowners Assistance Fund is funded by borrowing authority and appropriations. The fund is used to acquire homes under certain criteria when a DoD installation is closed. The fund acquires homes as assets and assumes the related liabilities. All properties acquired by the Homeowners Assistance Fund are managed and disposed of by the U.S. Army Corps of Engineers. At the time of sale of a property, revenues are recorded and gains and losses on the disposition of the asset are determined. Costs incurred related to a property must be capitalized as an increase in the amount of the asset whenever value is added to the property. Under certain conditions, losses incurred on private sales of qualified property may be reimbursed as operating expenses of the fund. Certain other operating expenses may be authorized. The budgetary resources provided from sales or lease of property are only available for obligation after collection and when apportioned by OMB. The Defense Homeowners Assistance Fund was assigned the fund account symbol 097X4090 by the Treasury.

6.3 Intragovernmental Revolving Funds (4500-4999)

DoD intragovernmental revolving funds include but are not limited to the Defense Working Capital Fund, and the Pentagon Reservation Maintenance Revolving Fund.

6.3.1. The Defense Working Capital Fund was established to fund the operation of certain support functions within DoD. This fund was formed from five previously existing industrial funds, four previously existing stock funds, and selected Defense Agency support functions that were previously funded through direct appropriations. The Defense Working Capital Fund provides support functions such as inventory, maintenance, communications, depot maintenance, military airlift, and sealift. Services are provided on a reimbursable basis to authorized customers. The Defense Working Capital Fund was assigned the fund account symbol 097X4930 by the Treasury.

6.3.2. The Pentagon Reservation Maintenance Revolving Fund was established by the Fiscal Year 1991 National Defense Authorization Act and is codified in Title 10, U.S. Code, section 2674. The Pentagon Reservation Maintenance Fund finances the activities of the Washington Headquarters Services, the Pentagon Force Protection Agency, and the Raven Rock Mountain Complex. The fund provides space, building services, and force protection for the DoD Components, including Military Departments and other activities housed within the Pentagon Reservation. The Pentagon Reservation Maintenance Revolving Fund was assigned the fund account symbol 097X4950 by the Treasury.

7.0 SPECIAL FUNDS (5000-5999)

7.1 Special Fund Receipt Accounts

The Department credits special fund receipt accounts with receipts from specific sources earmarked by law for specific purposes. At the point of collection, these receipts are either available immediately or unavailable for expenditures depending upon statutory requirements.

7.2 Special Fund Expenditure Accounts

Special fund expenditure accounts are established to record amounts appropriated or otherwise made available by transfers from a special fund receipt account to be obligated and expended for special programs in accordance with specific provisions of law. The accounting for special fund expenditure accounts must be in accordance with the provisions of this Regulation. However, each special fund must be viewed as a unique fund in light of any special provisions in the enabling legislation. An example of a DoD special fund account is the Wildlife Conservation, fund account symbol X5095.

8.0 DEPOSIT FUNDS (6000-6999)

Deposit fund accounts are established to account for collections that are either held temporarily and later refunded or paid upon administrative or legal determination as to the proper disposition thereof, or held by the government as banker or agent for others and paid out at the direction of the depositor. Deposit funds are liabilities of the Federal Government. Deposit fund transactions are excluded from the budget totals because the amounts are not owned by the government, and therefore are not available for the incurrence of any Federal Government obligations or payment of any Federal Government obligations. This section identifies various types of deposit funds.

8.1 Monies Withheld

Monies withheld by the government from payments for goods and services received. This type of transaction may be treated as a deposit fund liability only when a budgetary account has been charged and the funds are being held by the government pending payment; for example, payroll deductions for savings bonds or state and state income taxes.

8.2 Deposits from Outside Sources

Deposits received from outside sources for which the U.S. Government is acting solely as a banker, fiscal agent, or custodian.

8.3 Monies Awaiting Distribution

Monies held by the U.S. Government awaiting distribution on the basis of a legal determination or investigation. This category includes monies in dispute (between the Government and outside parties) when ownership is in doubt and there is no present basis for estimating ultimate distribution.

8.4 Unidentified Remittances

Unidentified remittances must be credited as suspense items outside the budget unless there is a reasonable presumption that they will be credited ultimately to a receipt, appropriation (expenditure), or other fund account within the budget, in which case amounts must be credited to the receipt clearing fund accounts. An example of a DoD deposit fund account is the Army's Group Life Insurance Fund, fund account symbol 021X6434.

8.5 Unclaimed Collections

On a quarterly basis, DoD Components must initiate action to clear unclaimed collections held in their trust, revolving, and deposit fund accounts for more than one year. Unclaimed collections are money held by the government for individuals whose whereabouts are unknown. Unclaimed collections of \$25 or more are transferred to "Payment of Unclaimed Moneys" with the accounting citation 020X6133, if held for more than one year. This account represents money that, when claimed, are properly refundable to the legal owner of the funds. Unclaimed collections of less than \$25 or amounts of \$25 or more that have been held for more than one year for which the rightful owner can be neither identified nor located are transferred to R1060 unclaimed amounts.

9.0 TRUST FUNDS (8000-8999)

9.1 Trust Fund Receipt Accounts

The Department credits trust fund receipt accounts with receipts generated by the terms of a trust agreement or statute that designates a fund as a trust fund. At the point of collection, these receipts are either available immediately or unavailable for expenditure depending upon statutory requirements. Accounting for trust funds must be in accordance with the provisions of this Regulation. However, each trust fund must be viewed as a unique fund in light of any special provisions in the trust agreement or the enabling legislation. Because of the unique nature and magnitude of impact of the deposits, advances, and Foreign Military Sales related to the Executive trust fund, special accounting requirements have been established in Volume 15.

9.2 Trust Fund Expenditure Accounts

Trust fund expenditure accounts are established to record amounts appropriated or otherwise made available by transfer from a trust fund receipt account to be obligated and expended in carrying out the specific purposes or programs in accordance with the terms of the trust agreement or statute. Funds transferred or appropriated to a trust fund expenditure account are normally available for obligation and expenditure within the limits imposed by the trust agreement or authorizing statute.

9.3 Trust Revolving Funds (8400-8499)

A trust revolving fund is a single account that is authorized to be credited with receipts and incur obligations and expenditures in support of a continuing cycle of business-type operations in accordance with the provisions of the trust agreement or statute. Trust revolving fund receipts are available for obligation and expenditure without further action by the Congress. In general, DoD trust funds authorized to incur obligations and expend receipts have been exempted from apportionment by the OMB. However, the Defense Commissary Agency Surcharge Collections, Sales of Commissary Stores trust revolving fund is subject to apportionment by the OMB. Accounting for trust fund expenditure accounts and trust revolving funds must be in accordance with the provisions of this Regulation. However, each trust fund must be viewed as a unique fund in light of any special provisions in the trust agreement or the enabling legislation.

10.0 AVAILABLE RECEIPTS

Available receipts are special or trust fund receipts that, pursuant to law, are available as appropriations to a single agency for expenditure without further congressional action. However, in some fund accounts, use is restricted to investment only or is precluded by a limitation or benefit formula. An available receipt account carries the same symbolization as its corresponding expenditure account in that an "X" is inserted to indicate the period of availability of such funds for obligation. However, in special circumstances, available receipts that are earmarked for current year obligations and expenditures initially are placed in an unavailable receipt account until Fiscal Service prepares a warrant to move the funds to a current fiscal year expenditure account.

11.0 UNAVAILABLE RECEIPTS

These are receipts that, at the time of collection, are not appropriated and not immediately available for expenditure. Unavailable receipts held in special and trust fund receipt accounts are unavailable for expenditure until appropriated pursuant to specific legislative provisions. Unavailable receipts are sometimes invested. In these circumstances, Treasury designates the fund as "available only for investment."

12.0 TRANSFER APPROPRIATION ACCOUNTS

Fiscal Service establishes transfer appropriation accounts to receive (and subsequently obligate and disburse) allocations treated as nonexpenditure transactions. These accounts carry symbols identified with the original appropriation from which monies were advanced. A transfer appropriation account is symbolized by adding the receiving agency's department prefix to the original appropriation or fund account symbol. A bureau suffix identifies that the transfer is to a particular office or bureau within the receiving department. For example, 017-097 06 0100 represents a transfer of funds that was initially appropriated to Defense Agencies (097) and was transferred to the Department of the Navy (017) for execution purposes.

*13.0 PATENT ROYALTY ACTIVITIES

Each fiscal year, Treasury will create new three-year TAS to record collections and payments of expenses related to patent royalties. DoD Components should obligate and disburse directly from the three-year TAS for the purposes specifically authorized in statute, Section 3710c of Title 15, U.S. Code, which states that collections are only available for three years.

DoD Components must record the collections in the USSGL 426600 – Other Actual Business-Type Collections From Non-Federal Sources. USSGL 426600 provides direct budget authority on line 1800 of the SF 132, and SF-133.

Figure 1-1. Management Fund Requirements

1.0 APPROVAL OF CHARTERS AND MANAGEMENT FUND ACCOUNTS

A separate administrative account, called a management fund account, must be established for each operation or project that is to be financed by a management fund. This account must be established only with the approval of the Under Secretary of Defense (Comptroller) (USD(C)). As a basis for approval of a management fund account, a proposed charter and explanation of the reasons for the use of the management fund as the means of financing the operation or project must be submitted to the USD(C) via the Deputy Chief Financial Officer (DCFO).

1.1 The proposed charter must be prepared in the uniform format prescribed in Figure 1-2. If a Military Department is to be responsible for administration of the account, the proposed charter must be submitted under the signature of either the Secretary, Under Secretary, or an Assistant Secretary of the Military Department. A proposed charter submitted by a Defense Agency must be signed by the Director or Deputy Director of the Agency concerned. When appropriations or funds of more than one DoD Component are to share in the financing of a proposed account, the concurrence of each DoD Component involved must be evidenced by the signature of the Component comptroller or an equivalent official.

1.2 The scope of operations of a management fund account, as prescribed in the charter, must not be exceeded. However, the basic provisions of a charter may be changed by submitting a proposed charter amendment in the same manner as an original charter application.

1.3 The USD(C) must evidence approval of a charter or an amendment by signing the charter and returning a copy to the applicable DoD Component as its authority to commence operations subject to availability of funds. The original must be retained in the official files of the USD(C).

2.0 DISCONTINUANCE OF A MANAGEMENT FUND ACCOUNT

When a management fund account is to be discontinued, the managing DoD Component must submit a termination notice to the USD(C) stating the reason for discontinuing the account and the estimated date of final liquidation.

3.0 BUDGETING, FINANCING, ACCOUNTING, AND REPORTING

3.1 Budgets and Financial Plans

3.1.1. Annual budget estimates must be prepared for each management fund in accordance with Volume 2B.

3.1.2. An operating budget or financial plan must be prepared annually and updated quarterly by the managing DoD Component for each management fund account in a format appropriate for management planning and control purposes. A copy of the operating budget or financial plan for an operation or project must be submitted with the request for approval of an

Figure 1-1. Management Fund Requirements (continued)

account charter. When required for purposes of obtaining advances or for guidance in estimating appropriation or fund requirements, copies of operating budgets or financial plans also must be furnished to participating DoD Components or their organizational subdivisions.

3.2 Financing and Administrative Control of Funds

3.2.1. Obligational authority for the conduct of operations under a management fund account is provided by reimbursable orders, either with or without advances, whichever may be appropriate. The reimbursable orders may be issued in periodic increments to lessen the administrative workload and they must specify the accounting classifications to be used for billing purposes.

3.2.2. The management fund must be controlled administratively in accordance with Volume 14, “Administrative Control of Funds.” No obligation may be incurred against a management fund that is not chargeable to a specific order and the appropriation or fund supporting that order.

3.3 Billing and Payment

3.3.1. Management fund outlays must be charged to appropriations or funds as prescribed in the account charter and specified in the reimbursable order.

3.3.2. Billing and payment must be accomplished by SF 1081, “Voucher and Schedule of Withdrawals and Credits.” In the case of financing by means of advances, the advances must be accomplished by SF 1081 prepared and processed as of the beginning of the period covered by the advance. In all cases, however, the DoD Component responsible for the management fund account must submit monthly bills to participating organizations to permit them to charge appropriate accounts and record the reduction in the advance accounts, as well as to permit the managing DoD Component to adjust its own accounts.

3.4 Accounting and Reporting. Financial transactions must be classified under each management fund account in enough detail to meet management planning and control requirements. The principles, standards, and requirements in this Regulation apply to the accounting and reporting systems, including the recording and reporting of the source, application, and status of funds. Additional financial reporting that may be needed by participating organizations for management purposes must be specified by the DCFO and the Heads of the DoD Components.

Figure 1-2. Uniform Format for Management Fund Account Charters

1.0 IDENTIFICATION OF MANAGEMENT FUND ACCOUNT

The proposed charter must be numbered serially within each Military Department or the Office of the Secretary of Defense, and the management fund account must be identified by a brief but descriptive title. Serial numbers must be reserved for existing management fund accounts; thus, if a Military Department has three active management fund accounts, the next proposed charter will be No. 4. A reference must be made to this chapter as authority for the management fund account.

2.0 PURPOSE

A brief but complete description of the operation or project to be financed by the management fund must be included in this section.

3.0 PARTICIPATING ORGANIZATIONS

The organizational units within the managing Military Department or Defense Agency and the organizations in the other Military Departments or Defense Agencies that will participate in the operation or project must be identified in this section.

4.0 ADMINISTRATION

The following information must be included in this section:

- 4.1 The name and location of the organization or office that will be responsible for management and direction of the operation or project.
- 4.2 The location of the accounting and other administrative records.
- 4.3 The location of the principal place of business, if different from paragraphs 4.1, and 4.2.
- 4.4 Special provisions concerning administrative and logistic support.

5.0 BUDGETING, FINANCING, ACCOUNTING, AND REPORTING

The following information must be included in this section:

- 5.1 Arrangements for the preparation and submission of operating budgets or financial plans.

Figure 1-2. Uniform Format for Management Fund Account Charters (continued)

5.2 Provisions for financing, that is, by reimbursement with or without advances; provisions for determining and allocating costs when appropriate; and provisions for the return of unexpended balances of advances.

5.3 The management fund title and symbol.

5.4 A brief description of the system of accounts and of the system of internal control, including administrative control over funds.

5.5 The nature of the expenses chargeable to the operation or project.

5.6 Reporting policies and procedures.

6.0 TERM AND DURATION OF THE ACCOUNT

This section must specify the commencement date and the termination date of the operation or project or, for an operation or project of indefinite duration, the conditions under which the operation or project will terminate.

REQUESTED:

(Signature of appropriate official of the managing DoD Component)

CONCURRED

(Signature of appropriate official of a participating DoD Component)

(Signature of appropriate official of a participating DoD Component)

APPROVED:

(Date)

Under Secretary of Defense
(Comptroller)