

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 15, CHAPTER 3
“ACCOUNTING”**

All changes are denoted by blue font

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

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

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Reworded and reformatted chapter for clarity, updated references, and added electronic links.	Update
Multiple	Changed the word customer to purchaser to clarify terminology.	Update
Multiple	Changes Defense Finance and Accounting Service (DFAS) DFAS-DE/I and SAAC to DFAS Security Assistance Accounting (SAA).	Update
030102	Clarify the level of detail required for accounting and cash management.	Update
030103	Added Defense Security Cooperation Agency (DSCA) responsibilities. Updated DFAS and Implementing Agency (IA) responsibilities.	Update
030103.C through 030103.E (previous)	Deleted information that is redundant of paragraph 0303	Delete
030104.B	Inserted the explanation for amendments and modifications.	Update
030104.E	Inserted explanation of special billing arrangements.	Update
030104.F	Deleted reference to manual termination liability worksheet that was once attached to payment schedules for cases over \$25 million. The newer system for writing letters of offer and acceptance includes termination liability in the basic payment schedule. Reference DoD 5105.38-M, Security Assistance Management Manual, C9.9.1.5.3.	Delete
030104.L	Inserted an explanation for the need of supporting documentation and retention.	Update

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 15, CHAPTER 3
“ACCOUNTING”**

All changes are denoted by blue font

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

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

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
030104.M.3 & 030104.M.4 (previous)	Deleted reference to Defense Business Operations Fund and transportation charges.	Delete
030104.N	Expanded paragraph on Expenditure Authority.	Update
030202	Inserted information on the correct site to obtain General Ledger Account information	Update
030203	Revised to show that appropriated funds may be used for FMS if specifically appropriated by Congress.	Update
030204.A and 030204.B	Explained the use of the FMS Integrated Control System (FICS) codes and budget authority	Update
030205	Explained when the term "receivable" is recognized	Update
030207	Explained the different ways of accounting for Foreign Military Sales (FMS) transactions	Update
030207.B	Added special requirements to account for attrition surcharges. Reference DoD 5105.38-M, Security Assistance Management Manual, C9.4.3.4.	Add
030207.D	Added special requirements to reconcile cash balances from prior to 1989, when the Military Departments began reporting disbursements to the Security Assistance Accounting Center (now DFAS SAA) at case level (vs. country level).	Add
030208.C.2 (previous)	Deleted reference to the old process of creating general ledgers. DFAS SAA creates a consolidated general ledger to provide for DSCA.	Delete and Update

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 15, CHAPTER 3
“ACCOUNTING”**

All changes are denoted by blue font

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

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

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
030210.A.1	Explained surcharges. Added reference to small case management lines. Reference DoD 5105.38-M, Security Assistance Management Manual, C9.4.7.	Update
030210.B.3	Added procedures to approve transfer of excessive balances at the end of the year.	Add
030210.D	Explained attrition surcharges. Reduced the attrition rate for flying training from 4% to 1% (reference DSCA Policy Memo 02-27 dated July 30, 2002).	Update
030210.E.2	Addressed cost clearing adjustment sub-account and the audit adjustments sub-account.	Add
030210.F	Specified the report needed for year end certification.	Update
030210.G	Explained annual analysis of the surcharge accounts.	Update
030401.C.1	Deleted list of elements of resource and provided link to object class codes.	Update
030401.D	Deleted unneeded list of Other Agencies and Commands.	Delete
030402	Inserted paragraph on the Control of FMS Administrative/ Logistics Support Charge (LSC) Security Assistance Organizations (SAO) Budget Allotment Authority.	Add
030403	Inserted paragraph on FMS Admin/LSC and SAO Prior FY Obligational Authority.	Add
030404	Inserted a paragraph on Control of Unliquidated Balances.	Add
030405	Inserted a paragraph on Administration and Implementation of the Monthly and End-of-Year Closeout Guidance.	Add
030406	Inserted paragraph on DFAS responsibilities.	Update

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 15, CHAPTER 3
“ACCOUNTING”**

All changes are denoted by blue font

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

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

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
0305	Deleted section on internal controls. This guidance can be found at DODI 5010.40, Manager’s Internal Control Program Procedures .	Delete
Tables 3-1 and 3-2	Moved all tables to the end of the chapter.	Update
Tables 302-1, 302-2, 302-3, 303-3, 303-4, 303-5, and 305-1 (previous)	Deleted display of accounting entries and provided a link to the USSGL Treasury Financial Manual , the authoritative source for accounting entries, and to Volume 1, Chapter 7 of this Regulation. Also deleted sample internal control statement of assurance because this information is covered in DODI 5010.40 (link provided). Renumbered remaining tables.	Delete

TABLE OF CONTENTS

ACCOUNTING

★0301	Introduction
★0302	FMS Trust Fund Accounting Requirements
0303	Implementing Agency (IA) Accounting Requirements
★0304	Actual Administrative Expense Accounting Requirements_
★0305	Management Controls
Table 3-1	Format for the DoD Status-of-Allotment Report
Table 3-2	Status of Direct Allotment “RE” Transaction

CHAPTER 3

ACCOUNTING0301 INTRODUCTION

030101. Objectives. The objectives of this chapter are to prescribe accounting requirements which:

A. Assure proper Department of Defense (DoD) control and accountability of cases implemented in the Foreign Military Sales (FMS) Trust Fund.

B. Provide accounting information that can be used for preparation of Chief Financial Officer (CFO) financial statements, quarterly bills to FMS purchasers, and financial status reports to DoD case managers and to Defense Security Cooperation Agency (DSCA) staff.

C. Are fully integrated with physical delivery (logistics) reporting systems.

D. Serve as a basis for timely identification and reporting of financial management problems.

E. Establish internal controls to assure compliance with the payment requirements of the Arms Export Control Act (AECA), codified at 22 United States Code (U.S.C.) 2751 et seq.

★ 030102. Accounting Characteristics

A. Each FMS case is an accounting unit similar to a commercial job order. Budget authority necessary to implement a case is released by case identifier (composed of the country code, implementing agency (IA) code, and a three-position case designator assigned by the IA) and the line item number. All requisitions for materiel or services contain a case identifier and line item number. Accrued costs, cash collections, and cash disbursements are reported at this level of detail. This accounting information is then accumulated and reported to FMS purchasers and DoD case managers to allow proper monitoring of case execution.

B. DoD manages cash at country level to ensure sufficient funds are available to meet expenditure requirements and to determine arrearages of a country's dependable undertaking (see Chapter 5 of this volume for more information on arrearages). A cumulative (all sub-accounts of the FMS Trust Fund 11 X 8242) summary cash account is necessary to allow reconciliation with the Treasury Department's cash records. Cumulative summary accounts reflecting budget authority, commitments, obligations, accounts payable, accounts receivable,

and accrued expenditures are required in order to complete required budget execution reports on the FMS Trust Fund Account.

C. DoD case management entails obtaining necessary budget authority, releasing requisitions or procurement work orders, and **reporting** physical delivery of required items. The first two actions require efforts directed through the accounting system. Good management and control require that the same source document be used for reporting to both the financial system and the logistical systems (including delivery reporting).

★ 030103. Responsibilities

A. Defense Security Cooperation Agency (DSCA). It is the responsibility of DSCA to:

1. Allocate funds for FMS Administrative and Contract Administrative Surcharge (CAS) budget authority to the DoD Components.
2. Monitor usage of FMS Trust Funds to include periodic reviews of funding levels and unused balances.

B. Defense Finance and Accounting Service (DFAS). DFAS is responsible for performing the accounting, billing, disbursing, and collecting functions for the FMS Trust Fund and ensuring entries in the accounting systems have audit trails to the source documents. DFAS Security Assurances Accounting (SAA) is specifically responsible for:

1. Maintaining the centralized FMS case-line level accounts prescribed in this chapter and the U.S. Standard General Ledger (USSGL). The general ledger (GL) accounts are identified in Volume 1, Chapter 7 of this Regulation and the Treasury Financial Manual (TFM). Use information accumulated in the accounts when preparing statements to FMS purchasers and financial management reports to DoD case managers and DSCA staff.
2. Identifying and notifying DSCA when an FMS Trust Fund arrearage occurs (see Chapter 5 of this volume for more information).
3. Summarizing all case-line level accounts at the FMS Trust Fund level, reconciling the summary cash accounts to the Treasury Department's records on a monthly basis, and using the summary accounts as the basis for required reports on FMS Trust Fund operations. Various reporting requirements and the responsible organizations are identified in this chapter, as well as other chapters and volumes of this Regulation.

4. Maintaining audit trails between source documents and entries to the accounting system.

5. Preparing monthly, quarterly, and annual statements as required in [Volume 6A](#) and [Volume 6B](#) of this Regulation.

C. Implementing Agencies (IAs). IA's are responsible for fulfilling FMS Trust Fund orders using the following financing techniques: (1) issuance and acceptance of reimbursable orders into a financing appropriation or Defense Working Capital Fund (DWCF) account, (2) issuance of allotments of the FMS Trust Fund to performing DoD Components, or (3) authorization to directly use the FMS Trust Fund (11 X 8242). The IA is also responsible for the triannual review of obligations as described in section 0804, [Volume 3, Chapter 8](#) of this Regulation.

D. Holders of Allotment for Actual FMS Administrative Expenses. A DoD Component that receives a DSCA allotment of FMS administrative budget authority is responsible for maintaining obligations and expenditures within the limitations of the allotment, assuring obligating documents and accrued expenditures meet the requirements of this volume, and returning unobligated obligational authority (OA) to DSCA at the end of each fiscal year.

030104. Source Documents. The basic source documents to be used for accounting entries to the FMS case level accounts are:

A. “United States of America Letter of Offer and Acceptance (LOA).” This document, or its equivalent when a deviation has been authorized by DSCA, is the basic source document for entries to accounts that record the dollar value of the purchaser's order (see paragraph 020103.A., [Chapter 2](#) of this volume).

★ B. Amendments and Modifications. An amendment is designed to obtain FMS purchaser acceptance of changes in scope. A modification is a notification document to alert FMS purchasers of within-scope changes (e.g., cost increases). These documents are used to modify the original LOA and serve as additional sources of entries to accounts that record the dollar value of the purchaser's order (see paragraph 020103.B., [Chapter 2](#) of this volume).

C. Department of Defense (DD) Form 2061 (or Automated Equivalent), “FMS Planning Directive.” The purpose of this form is to identify the cost elements included in the price of the items or services identified in the LOA and to provide a time-phased plan for its execution. This form is the basic source document used in preparation of the DD Form 2060, “FMS Obligational Authority,” which requests case OA (see paragraph 020103.C., [Chapter 2](#) of this volume).

D. DD Form 2060, (or Automated Equivalent), “FMS Obligational Authority.” This multipurpose form is the basic source document for entries to accounts which recognize the budget and program authority for FMS case performance. The form also serves as the basis for recording FMS Trust Fund obligations and withdrawals of FMS Trust Fund budget authority (see paragraph 020103.D., [Chapter 2](#) of this volume).

★ E. DD Form 645, “Foreign Military Sales Billing Statement.” This form represents an official claim by the U.S. Government (USG) for payments from FMS purchasers. If DSCA authorizes a special billing arrangement (SBA), then the special bill states that the amount due on the DD Form 645 has been superseded. The DD Form 645 or applicable special bill serves as the source for entries into the accounts receivable general ledger (GL) account of DFAS SAA. In addition, the DD Form 645 serves to provide an accounting to the FMS purchaser of costs incurred.

★ F. LOA Payment Schedule. The payment schedule, approved by the respective IA and included in the LOA, normally is used as the basis for DD Form 645, Column 11, billings for additional cash advances from the purchaser (for exception, see Paragraph 030104.G of this chapter).

G. “Quarterly Forecast of Financial Requirements for In-Process Cases.” This computer input is submitted on an as required basis when LOA schedules either will not provide adequate advance cash collection or will create over-collections. This report (referred to as 'K' cards or 'BK' transaction) is submitted by a DoD Component, and is a basis for DD Form 645, Column 11, billings for additional cash advances and identifies the cash required for disbursing demands on earned reimbursement. This report is exempt from reporting requirements per paragraph C.4.4 of [DoD 8910.1-M](#), "Department of Defense Procedures for Management of Information Requirements".

H. Incoming FMS Purchaser Checks or Treasury Notification of Receipt of Funds Via Electronic Transfer. These data are the basis for entries to cash collected accounts.

I. Standard Form (SF) 1080, “Voucher for Transfers between Appropriations and/or Funds.” This form is prepared by a DoD Component in two variations: (a) check required, and (b) no check required. When a check is required, the form serves as the basis for entries to record accrued expenditures and accounts payable or cash disbursements, as applicable. The “no-check-required” variation is used as the basis for liquidation of advances or to record accrued expenditures, accounts payable, or disbursements, as applicable.

J. Contracts. When direct cite procedures are used, copies of signed contractual documents serve as the basis for entries to Account 4801, “Undelivered Orders - Obligations, Unpaid” (See Section 0302).

K. DoD Status-of-Allotment Reports. When allotment procedures are used, status-of-allotment reports serve as the basis for monthly entries relative to order performance in the FMS Trust Fund case level accounts. This report is exempt from [reporting requirements per paragraph C.4.4 of DoD 8910.1-M](#).

★ L Delivery Transactions. Serves as the basis for accrued expenditures and physical deliveries entries to the FMS case level accounting system. The report is used in lieu of an SF Form 1080 for most FMS transactions. This report is exempt from [reporting requirements per paragraph C.4.4 of DoD 8910.1-M](#). Shipping documentation signed as the official receipt by the purchaser (or purchaser's representative, e.g., a freight forwarder) must be retained (see paragraph 060101, [Chapter 6](#) of this volume) by the DoD activity responsible for the shipment or its authorized representatives. Contracting of this responsibility must ensure: (1) easy access by USG personnel for inquiry and copying, (2) retention for 10 years following case closure, and (3) provision for transfer of records upon dissolution of corporate responsibility.

M. FMS Surcharge Computations. DFAS SAA computes accrued expenditures for the following surcharges (see [Chapter 8](#) of this volume):

1. FMS Administrative Surcharge
2. Logistics Support Charge (LSC). (Only on deliveries prior to October 1, 2007.)
3. Contract Administrative Services (CAS) Surcharge
4. Packing, Crating, Handling, and Transportation (PCH&T) Charge.

★ N. Expenditure Authority. DFAS SAA issues country-level expenditure authority (authority to disburse) on a transaction by transaction or daily basis. Issuance is via the FMS accounting system [interactive environment network](#) or via the [FMS Integrated Control System \(FICS\) transaction processed nightly in a batch environment](#). If the transaction is carried out through electronic means, there must be internal controls installed by DFAS to ensure the [transaction](#) was authenticated and, in fact, released. The [transaction](#) represents the basic source document for entries to the cash accounts to formally reserve applicable [purchaser cash](#) (see [Chapter 4](#) of this volume). To ensure country-level available cash remains sufficient to cover all disbursements, expenditure authority must be issued prior to disbursement from the FMS Trust fund.

0302 FMS TRUST FUND ACCOUNTING REQUIREMENTS

030201. FMS Trust Fund. The FMS Trust Fund is a single account that is

authorized to be credited with receipts which may be obligated and expended in accordance with the provisions of the [AECA](#). FMS Trust Fund receipts are available for obligation and expenditure without further action by Congress. Except for the administrative budget, the FMS Trust Fund is exempt from apportionment in accordance with paragraph 020202.E of [Volume 3, Chapter 2](#), of this Regulation. Accounting for the FMS Trust Fund is accomplished at the Defense Finance and Accounting Service - Indianapolis Center, referred to as the central site.

★ 030202. [FMS Standard General Ledger](#). All financial accounting data applicable to the FMS Program shall be recorded in accounts consistent with [Volume 1, Chapter 7](#) of this Regulation and the USSGL Accounts in the TFM. The accounting entries for these accounts are specified in the [USSGL](#) TFM. Subsidiary ledgers are used where necessary to provide accounting control and management reports. No other GL Trust Fund accounts will be used without the written approval of the Deputy Chief Financial Officer, Office of the Under Secretary of Defense (Comptroller) (OUSDC). All entries in the accounting records and data reported on financial statements must be supported by objective evidence, e.g., invoices, vouchers, receipts, or statements. Such evidence may be either hard copy documents or computer data, but in either case must be verifiable.

★ 030203. [Contract Authority](#). Contract authority is statutory authority to incur obligations with liquidation of obligations dependent on a future act, such as receipt of an appropriation or realization of revenues for the payment of obligations. FMS orders, along with the DD Form 2060 or automated equivalent, create contract authority. New contract authority reported in the [SF 133, "Report on Budget Execution,"](#) is the value of FMS orders accepted for performance during the current fiscal year for which budget authority has been approved in the current year in accordance with the requirements of paragraph 020104.A, [Chapter 2](#) of this volume. Unless specifically allowed in appropriation acts (or supplemental funding bills), funds appropriated by Congress for defense purposes cannot be used to liquidate obligations resulting from the use of FMS contract authority (see [AECA](#) Section 22(b)). FMS purchaser cash deposits liquidate these obligations and unfunded contract authority. Below departmental-level, contract authority loses its unfunded identity and is treated in the same way as other budgetary resources available for obligation. Procurements for FMS purchasers are accomplished citing the FMS Trust Fund in applicable documents. Amounts in the FMS Trust Fund are, in a technical sense, appropriated funds, even though they are not annually appropriated by Congress and are not subject to direct Congressional control. Accordingly, accounting for commitments, obligations, and accrued expenditures in the FMS Trust Fund is accomplished as direct program.

030204. [Accounting for Obligations](#)

★ A. Accounting data is entered through the use of various computerized three-position alpha formats. The formats and definitions are: "REI, R4I, R4F and REF." The "R" in the transaction designates the series of FICS formats. The "E" stands for execution. The

"I" indicates the transaction is an input. The "F" indicates the transaction is a feedback and signifies DFAS SAA acknowledges receipt. The "4" is an OA request.

★ B. Budget Authority required to execute a FMS case is requested by Military Departments by entering "R4I" coded transactions into the FMS accounting network. Approval of the request for authority by DFAS SAA is based on having, in hand, the requirements to establish contract authority as described in paragraph 030203 of this chapter. The "R4I" coded transaction is used for each new case and at the beginning of each new fiscal year to request approval of budget requirements for the fiscal year. Sound financial management of the FMS program requires that the amount of the authority requested be limited to the amount expected to be obligated in the current fiscal year. Under no circumstances is DFAS SAA authorized to issue budget authority in excess of total case value without the appropriate amendment(s) or modification(s) which formally increase the value of the case. The "R4I" coded transaction is used to report OA utilization for reimbursement and direct cite funding. The status of direct cite commitments, obligations, and accounts payable are reported to DFAS SAA via the "REI" coded format. DFAS SAA acknowledges receipt with the "REF" transaction and makes the appropriate entries in the GL. At the end of each fiscal year, DFAS SAA reduces budget authority or OA issued to the cumulative from inception value of gross obligations reported by "REI" and "R4I" coded transactions. Following the year-end closing entries, reversal entries restore budget authority values for the new year.

030205. Accounting for Receivables

★ A. General. Accounts receivable for each FMS country program accounted for in the FMS Trust Fund are recorded in USSGL 1310. The amounts recorded in the FMS Trust Fund accounts are based on the FMS billing statements and DSCA supplementary billing statements, and are in accordance with Chapter 5 of this volume. Cash in advance of performance is required for FMS purchasers unless a written determination is made pursuant to legal authority (see Chapter 4 of this volume). The Statement of Federal Financial Accounting Standards (SFFAS), Number 1, paragraph 41, provides that "a receivable should be recognized when a federal entity establishes a claim to cash or other assets against other entities, either based on legal provisions, such as a payment due date ... or goods or services provided." The offered and accepted FMS case is a binding requirement and calls for an advance of funds from the FMS purchaser, thus, a nonentity accounts receivable is established when the due date for the advance payment is not met. Follow-up on delinquent accounts receivable is pursued in accordance with Chapter 5 of this volume. Aging of accounts receivable will be in accordance with Chapter 5 of this volume and commences with the beginning of the month following the date the payment was due. They are scheduled into the following categories: (a) 1-30 days delinquent, (b) 31-60 days delinquent, (c) 61-90 days delinquent, (d) 91-180 days delinquent, (e) 181-360 days delinquent, and (f) over 360 days delinquent.

B. Application of Interest. Interest on FMS country-level arrearages shall be assessed in accordance with the provisions of the affected country's active cases and Chapter 5 of this volume. The interest rate to be charged by DoD on delinquent payments due on FMS accounts under the provisions of Section 21 and 22 of the AECA will be prescribed by the Treasury Department.

030206. Accounting for Inventory. Assets (equipment and related software, amounts invested in inventories, and work-in-process at contractor's plants) are controlled by, and should be reported on the financial statements of, the Military Departments or Defense Agencies.

★ 030207. Accounting for the FMS Program. The AECA and the provisions of the LOA require that the FMS program be operated at no cost to the USG. Therefore, recognition of equity is only permitted for the balance retained in the attrition account (reference paragraph 030207.B).

A. Accounting for FMS Surcharges. Collections of surcharges established in accordance with the requirements of the AECA to ensure full recovery of costs incurred in operating the FMS program shall be recorded as unearned revenue. Revenue and expenses shall be recorded and recognized at the time disbursements are made from the applicable FMS surcharge account.

1. The FMS administrative surcharge was established in accordance with Sections 21 and 43 of the AECA.

2. The CAS surcharge is applied to new procurements and may not be applicable under certain conditions detailed in Section 21 of the AECA. These costs are incurred by the performing activities and are reimbursed from FMS surcharge accounts in response to SF 1080 bills.

3. Revenues to fund these expenses result from the application of accrual costs, estimated actual costs or rates charged. Ledgers for each of the categories of FMS surcharges are maintained as subsidiary to the control account "Unearned Revenue--Liability for Advances and Prepayments," USSGL 2310.

★ B. Accounting for Attrition Surcharges. When FMS training LOAs include the use of training or operational equipment, an attrition surcharge rate is assessed. The attrition surcharge account is used to replace equipment which has been damaged or destroyed as a result of student training. When a reciprocal training agreement as authorized by the AECA section 21(g) exists, the attrition surcharge is considered an indirect cost and therefore excluded. Refer to the Department of Defense 5105.38-M, Security Assistance Management Manual

([SAMM](#)), Table C10.T4. for Reciprocal Agreement Participants. Attrition surcharges are recorded in the attrition account and the balance in the attrition account is an asset to the USG. The year-end balance in the attrition account is recorded as equity in the FMS Trust Fund.

C. Accounting for Bad Debts. Policy and procedures concerning compromise, termination, or suspension of collection actions of a country-level bad debt are in paragraph 1205, [Volume 6A, Chapter 12](#), of this Regulation. Resolution of all foreign indebtedness resulting from FMS transactions will be staffed with the Department of State by [DSCA](#) via the Under Secretary of Defense for Policy. Within 30 days of a determination by the [Department of State](#) that a debt is uncollectible, [DSCA](#) will direct [DFAS SAA](#) to record the amount owed including accrued interest in the [GL](#). The following procedures will be followed when a country is in arrears and the debt is confirmed to be uncollectible:

1. All available funds for the [affected](#) country will be utilized to satisfy outstanding liabilities according to a priority recommended by the Director for [DFAS SAA](#) and approved by [DSCA Principal Director of Business Operations \(DSCA/DBO\)](#).

2. [DSCA](#) will direct applicable case managers to request all outstanding commitments be canceled and all outstanding obligations be adjusted to include an amount for termination cost. The residual amount of the debt reflected will be transferred to the [GL](#) for the affected country to coincide with termination of the [FMS cases](#) based on the determination that the country's account is uncollectible. [These procedures highlight losses due to uncollectible amounts in the accounts required by the SFFAS Number 1, paragraph 44.](#)

3. Aging of amounts recorded will continue. The accumulation of interest, in accordance with the [AECA](#) and other applicable authorities, should be accrued monthly on the balance in the [sub-account](#). The amount recorded in the account will include the amount of the arrearage, termination liability costs, and accrued interest.

★ D. Accounting for Transactions Occurring Prior to January 1, 1989. A reconciliation problem existed within the FMS Trust Fund for transactions that occurred prior to January 1, 1989, and some reconciliations occurred as a result of management decisions. Adjustments to transactions that occurred prior to January 1, 1989, will be reviewed by the FMS central accounting site control point and staff and approved by the [DSCA Comptroller](#) prior to posting in the Defense Integrated Financial System (DIFS) [GLACs](#). The control points at [DFAS SAA](#) central site and at [DSCA](#) will maintain a complete audit trail of all adjustments received and processed. Documentation supporting these adjustments will be retained by the originating organization. Transactions will be approved by:

1. [DFAS SAA](#) and an appropriate representative of the applicable DoD Component involved.

2. The Director of the applicable DFAS Center submitting transactions to DFAS SAA, if the amount of the transaction is in excess of \$500,000.

3. The Director, DFAS and the Director, DSCA, if the amount of the transaction exceeds \$1,000,000.

030208. General Procedures for Processing Accounting Transactions. DIFS is the departmental level central accounting system used at DFAS SAA to account for the FMS Trust Fund. Information entered into the central accounting system in the form of accounting transactions is based on a combination of transactions received from FICS at installation level and vouchers recorded at DFAS SAA as a result of billing/collection and disbursement activity. Accounting transactions are recorded in applicable proprietary, departmental level and installation level GL accounts. This enables DFAS SAA to prepare required accountability, and fund status reports for the FMS Trust Fund.

A. Source Transactions. Source transactions contain all the information required to update GL accounts and enable DFAS SAA to prepare the reports required for accounting control and financial management. Source transactions are the lowest level information in the system. Every transaction has a date identifying the appropriate accounting month for reporting to the Treasury Department. Source transactions are registered in automated journals and then posted to appropriate subsidiary ledgers within the central accounting system. Equality of the GL accounts is ensured through the use of the program developed for that purpose for the GL. Posting of source transactions updates applicable subsidiary ledgers as well as FMS Trust Fund GL accounts. Posting occurs daily. Source transactions are maintained in the system data base for future balancing and reconciling in addition to being the primary audit trail for all posting to the central system.

B. Subsidiary Ledgers. Due to the magnitude of the FMS program there are a substantial number of individual accounts with common characteristics. As a result, subsidiary ledgers have been established to provide control. Updated subsidiary ledgers are an integral part of the DIFS data base and part of the GL structure wherever accounting information must be accumulated by country or program within a GL account. Subsidiary ledgers are maintained by DFAS for FMS administrative surcharge accounts. Subsidiary ledgers provide a continuous record of transactions by accounting month for the FMS Trust Fund GL. A monthly trial balance of the FMS Trust Fund, accomplished after all balancing and reconciling for the month is completed, verifies the equality of the subsidiary ledgers and GL accounts. The subsidiary ledgers are maintained in DIFS for reconciliation in addition to providing an audit trail of all postings in the system. Extracts of these ledgers are made available as necessary for management purposes.

★ C. General Ledger. The GL is updated from the subsidiary ledgers. The GL

is maintained by accounting month at appropriation level. A trial balance is prepared by DFAS from the GL on a monthly basis. The trial balance is used for the preparation of reports to the Treasury Department, DSCA, or other required reports related to the GL.

1. The GL subsidiary records are to be posted and reconciled on a daily basis. These subsidiary ledgers will be totaled and posted monthly to GL accounts from which a monthly trial balance will be prepared. The GL must be reconciled to the financial transactions, resource balances, and subsidiary ledgers and records to ensure data integrity. The internal DIFS data directory will provide the translation between the chart of accounts prescribed by the Treasury Department and the pertinent subsidiary ledgers necessary to meet specific FMS financial management requirements. The subsidiary ledgers, reconciled to the GL on a monthly basis by DFAS, are Case Control, Cash Master, Accounts Receivable, Accounts Payable, and Status of Funds.

2. The financial reports are prepared by DFAS SAA based on the cumulative values recorded in the GL or the subsidiary ledgers.

030209. DFAS SAA Analysis of FMS Case Accounting Data. It is important that DFAS SAA continuously analyze case-level accounting data to identify developing financial problems and alert IA case managers, DSCA country finance directors and other concerned DoD officials of the necessity for corrective action. The types of analysis to be performed follow:

A. Adequacy of Cash Deposits. Compare net unreserved cash balance to accounts payable case level accounts. If accounts payable balance is greater, request IA review of case payment schedules.

B. Timely Payments to DoD Components and Contractors. Balances in accounts payable, shall be aged to assure timely payments are being made. If payments are untimely, DFAS SAA should review internal payment procedures and implement necessary corrective action.

C. Timely Case Closure Actions. When the expenditures equal budget authority, DFAS SAA should request IA review of the case's financial and logistical status to determine if the case should be closed.

030210. DFAS SAA Postings to Subsidiary Ledgers

A. Administrative Surcharge and Logistics Support Surcharge Account

★ 1. Accrual of Earned Surcharge. As accrued expenditures are recorded pursuant to FMS orders, the amount of administrative and logistics support surcharges applicable will be determined and credited to the administrative surcharge account. If the

computed surcharge is greater than \$30,000, then fifty percent of the administrative surcharge is collected upon case implementation, and the remaining accruals are applied over the life of the case and finalized at case closure. If the computed surcharge is \$30,000 or less, then the entire surcharge, plus the value of any small case management line is collected upon case implementation (reference paragraph [C9.4.7 of the SAMM](#) for more about small case management lines).

2. Actual FMS Administrative/Logistics Support Charge.

Accounting entries reflecting actual expenses will be posted based upon accrued expenditures reported in the DoD [Status-of-Allotment](#) reports for FMS (see paragraph 030401 of this [chapter](#)).

B. Transportation Surcharge Account

1. Accrual of Earned Surcharge. When items are reported by DoD [Components](#) as physically delivered, applicable transportation surcharges are earned and credited to the “Transportation [Surcharge Account](#). “

2. Actual Transportation Expense. Accounting entries reflecting actual transportation cost will be posted as debits to the “Transportation [Surcharge Account](#),” based upon receipt of carrier bills.

★ 3. Year-End Balance. Amounts in the transportation [surcharge](#) account in excess of \$15 million at the end of a fiscal year will be transferred to other clearing accounts with deficit balances. [DSCA/DBO](#) will coordinate such transfers with [DFAS SAA](#). [DSCA/DBO](#) will then notify [OUSD\(C\)](#) of the intended redistribution action and will authorize [DFAS SAA](#) to redistribute the funds 10 days after the date of the notification if [OUSD\(C\)](#) raises no objections.

C. Contract Administration Surcharge (CAS) Account

1. Accrual of Earned Surcharge. When payments are made to contractors--either progress payments or bills for incurred costs--applicable contract administration surcharges are earned and credited to “Contract Administration Expenses.”

2. Actual Contract Administration Expenses. Accounting entries reflecting actual contract administration costs will be posted as “Contract Administration Expenses,” based upon receipt of SF 1080 billings from performing DoD [Components](#) (see paragraph 070405, [Chapter 7](#) of this volume).

★ D. Attrition Surcharge Account. A one percent attrition surcharge will be assessed for applicable training cases. The earned amounts will be identified by the IAs as they

distribute collections for tuition. The attrition portion will be credited and reported to DFAS SAA by country, case, and line. Expenditures from this account represent orders to DoD Components to fund the cost of replacing equipment that has been damaged or destroyed as a result of student training. DFAS SAA will maintain cumulative records of these deposits by country, case and line item. Fund withdrawal from the attrition account will not be authorized without prior written approval from the DSCA Comptroller. The cost of replacing equipment which is damaged or destroyed shall be reimbursed in full from the attrition account.

E. Month-End and Year-End Surcharge Account Closing. The data contained within DIFS will support end of period closing, updating of the GL and the production of required end of period financial reports. End of period procedures will be in accordance with DSCA reporting requirements described in subparagraph 030210.E.1, except as provided in subparagraph 030210.E.2:

1. Open periods will be closed in sequence when transactions are concurrently processed for multiple periods. During the closing process, the current period GL account balances will be closed and carried forward to the next period.

★ 2. The cost clearing adjustment sub-account (67) and the audit adjustments sub-account (85) are closed into the administrative account at the end of each fiscal year. Thus, for year-end reports, the balance of the cost clearing adjustments sub-account (67) and the audit adjustment sub-account (85) shall be zero. The offsetting debit or credit required to adjust these sub-accounts to zero shall be posted to the administrative account.

★ F. Year-End Certification. After the close of each fiscal year, DFAS SAA will provide a Year-End Closing Statement (Financial Management Services (FMS) 2108) (reference TFM Volume 1, Part 2, Chapter 4200) to the DSCA Comptroller who certifies it and presents it to OUSD(C), Director for Accounting and Finance Policy (see Volume 6A, Chapter 4 of this Regulation)

★ G. Year-End/Periodic Analysis of Surcharge Accounts. Activity in the surcharge accounts will be analyzed by DSCA and DFAS SAA. This analysis will serve as a basis for decisions by the DSCA/DBO to redistribute surcharge account balances between the accounts or to recommend rate changes. When a decision is made to redistribute balances between these accounts, DSCA/DBO will coordinate with DFAS SAA. DSCA/DBO will then notify OUSD(C) of the intended redistribution action and will authorize DFAS SAA to redistribute the funds 10 days after the date of the notification if OUSD(C) raises no objections. When a decision is made to revise rates, these will be coordinated with the DoD Comptroller. (See paragraph 072002, Chapter 7 of this volume for revising rates.)

0303 IMPLEMENTING AGENCY (IA) ACCOUNTING REQUIREMENTS

030301. Reimbursable Orders. Amounts in [Column 10](#) of the DD Form 2060 (or automated equivalent), represent the portion of the FMS order that will be accomplished on a reimbursable basis. The applicable DoD appropriation or fund accounting system must maintain an audit trail between the applicable DD Form 2060 and appropriation or fund accounting records. DD Form 2060, Part B or automated equivalent, must arrive at [DFAS SAA](#) by the 20th calendar day following the close of each accounting month. The report format is in [Table 2-3 \(Chapter 2 of this volume\)](#). Preparation and processing instructions are outlined in [Section 0202, \(Chapter 2 of this volume\)](#). Performance within the financing appropriation or fund account will be controlled in accordance with the accounting system established for the particular appropriation or fund account. Appropriation or [DWCF](#) bills for earned reimbursements shall be processed in accordance with [Chapter 8](#) of this volume. Thus, the FMS accounting system tracks orders into and out of the normal appropriation or fund accounting systems. The FMS accounting system is not intended to track the financial status, or obligation, while reimbursable performance is in process. The status of specific [purchaser](#) requisitions can be obtained through logistical system inquiries. Applicable logistics status reports are provided to case managers and to FMS [purchasers](#) and are not to be confused with financial status reports.

030302. Allotments for Direct Citation. Amounts in [Column 11](#) of the DD Form 2060 which are coded “(A)” represent allotments of case contract authority. Allotment holders must request expenditure authority (EA) from [DFAS SAA](#) prior to processing the disbursements against the contract authority. Expenditure authority is incrementally provided by [DFAS SAA](#) from the FMS Trust Fund, based upon the allottee’s need to disburse funds. The allotment holder is responsible for detailed case level accounting records and for providing a monthly status-of-allotment report on each applicable FMS case that is entered into the FMS Trust Fund accounting records. [Additional instructions for the status-of-allotment are in paragraph 0304 of this chapter](#). Specific requirements:

A. The DoD Component which holds an allotment of the FMS Trust Fund for direct citation on contracts shall maintain detailed commitment, obligation, and expenditure records on an FMS case [and line](#) basis and shall provide to [DFAS SAA](#) a monthly status-of-allotment input reflecting these case [and line](#) level data. The status of expenditures shall be supported by delivery transactions in an amount equal to the current month’s net change in accrued expenditures or cash advances to contractors. A manual status-of-allotment format is illustrated in [Table 3-1](#). Automated equivalents ([execution transactions](#)) are described in [Table 3-2](#).

B. Monthly status-of-allotment information and associated reports of reconciliation must be submitted to arrive at [DFAS SAA](#) by the 20th calendar day following the close of each accounting month. This information, with detailed supporting documentation, shall

be used as the basis for [the DFAS SAA](#) entries to case level accounting records and overall FMS Trust Fund reconciliation with the Treasury [Department](#). The manual format is in [Table 3-1](#) and [the automated format is in Table 3-2](#). Instructions for completion of the report follow:

1. From. Enter the name and address of the agency preparing the report.
2. To. Enter [DFAS-IN/JAX, ATTN: Purchaser Accounting, 8899 E. 56th Street, Indianapolis, Indiana 46249-6300](#).
3. For Authorization Issued to. Enter the name of the [IA](#) and office designation.
4. Reporting Fiscal Officer. Enter the signature and rank of the reporting fiscal officer. Signature represents certification that the report is accurate and complete to the best knowledge of the fiscal officer.
5. For Period Ended. Enter the last day of the reporting month.
6. Report Project Number. For direct cite list each active FMS case for which direct cite OA has been obtained (see [Chapter 2](#) of this volume). Cases shall be grouped by country and in sequence of date accepted. Provide country and agency totals. For the administrative fund allotment report, break out the data by object class.
7. Annual Approved Authority. The direct cite OA for each FMS case shall be obtained from [Column 11](#) of the current year DD Form 2060.
8. Current Month Commitments. Dollar amounts shall be reported on a case basis from an FMS Trust Fund accounting subsystem. The reporting DoD Component shall retain basic source documents supporting reported amounts.
9. Cumulative Commitments to Date. This dollar amount shall be reported on a case basis and represents the total dollar value of outstanding commitments against [Column 7](#) authority received for each case. At year end, commitments shall be zero because applicable OA is returned to the FMS Trust Fund.
10. Current Month Obligations. This amount shall be reported on a case basis and obtained from an FMS Trust Fund accounting subsystem. The reporting DoD Component shall retain basic source documents supporting reported amounts.
11. Cumulative Obligations to Date. This dollar amount shall be

reported on a case basis and represents the total dollar value of obligations incurred in the current fiscal year.

12. Accrued Expenditures Unpaid. Dollar amounts shall be reported on a case basis and obtained from an FMS Trust Fund accounting system.

13. Cash Disbursements. Report amounts of disbursements in the current month. Disbursements shall be reported on a case and line basis and obtained from an FMS Trust Fund accounting subsystem (e.g. the Air Force's Case Management Control System). The reporting DoD Component shall retain basic source documents supporting reported amounts. When a portion or all of the amounts previously reported are earned, show a minus figure with a corresponding entry in the disbursement column. Progress payments or advances to contractors should be broken out, where available, from the accounting system.

030303. Supporting DoD Components. Those DoD Components which are not IAs, but support the FMS program in response to IA work requests, must carefully review applicable work requests to determine the financing source. If the financing source is one of the IA appropriation accounts, the request shall be recorded and processed as an internal DoD order. If the recipient is a suballocation holder, the required allotment status report shall be provided to the allotment holder and consolidated into the allotment status report to DFAS SAA.

030304. Fiscal Year-End Reporting Requirements

A. DoD Components are required to submit a printed and certified final fiscal year consolidated DD Form 2060, Part B, and DoD Status-of-Allotment information for direct cite funds, to DFAS SAA. Submission dates will be established in accordance with special instructions issued by DFAS. The forms submitted may be manual forms or automated equivalents.

B. Final DD Form 2060, Part B, will contain the following certification:

“I hereby certify that this report reflects FMS Obligational Authority as required by DoD 7000.14-R, Volume 15, paragraph 020105.A.”

C. Final Status-of-Allotment report must contain the following signed certification:

“I hereby certify that the amounts shown in this report are correct. All known transactions meeting the criteria of 31 U.S.C.1501(a) have been obligated and are so reported.”

0304 ACTUAL ADMINISTRATIVE EXPENSE ACCOUNTING REQUIREMENTS030401. Reimbursement for FMS Administrative Expenses

A. FMS administrative expenses shall be priced in accordance with Section 0706, [Chapter 7](#) of this volume and charged directly to the allotment received from DFAS SAA for actual FMS administrative expenses. DoD Status-of-Allotment Reports shall be submitted in the DoD standard format prescribed in Table 3-1 and completed according to instructions in paragraph 030401.B and 030401.C of this section. In the event the allotment is used as the basis for issuing reimbursable orders to appropriation accounts, a schedule reflecting the dollar value of orders released to each appropriation shall be attached to the DoD Status-of-Allotment Report. Administrative expenses may not be incurred in excess of the allotment, nor are DoD Components authorized to incur obligations against appropriated fund operation accounts, to finance FMS administrative budgets. To summarize, appropriated funds shall not be utilized to subsidize FMS administrative operations.

B. Upon review of the budget requests submitted in response to its administrative budget call, DSCA will approve a single budget amount for each DoD Component and will issue an allotment providing funding in the amount of the approved budget. The recipient will prepare an allotment report showing actual uses for either administrative expense. The information shall be based upon the organization designation in the DSCA budget call. Allotments for administrative expenses shall be fully funded for obligations. Receiving DoD Components shall use "no-check SF 1080" self-reimbursement procedures to reimburse appropriation accounts. Reimbursable procedures apply when the FMS Trust Fund is not directly cited as the financing source of payrolls, contracts, or travel orders.

C. Additional instructions for completing the Status-of-Allotment Report follow:

★ 1. Budget Project No. The status-of-allotment for administrative expenses is provided by object class as listed in [OMB Circular A-11, Section 83](#).

2. Authorizations, Allotments Received to Start of Period. This column includes all current fiscal year DSCA allotments for actual FMS administrative expenses that were received to the start of the current reporting period.

3. Authorizations, Changes this Month. This column includes DSCA allotments for actual FMS administrative expenses which were granted during the reporting month.

4. Commitments, Obligations, and Disbursements. The dollar value

of commitments, obligations, and disbursements shall be obtained from allotment ledgers. See paragraph 030104 for guidance on source documents required to support entries to allotment ledgers.

★ D. Status of Administrative Expense Allotment reports shall be supported by subsidiary allotment status reports of the executing organizations. Subsidiary reports shall follow this format with one exception; Block 1 shall be annotated “Subsidiary report-(Name of organization).”

★ 030402. Control of FMS Administrative, Logistics Support Charge (LSC), and Security Assistance Organizations (SAO) Budget Allotment Authority

A. The fiscal year (FY) identity of budget allotment authority, obligations, and disbursements for the current fiscal year (CFY) and five prior (expired) FYs will be reported on the Status of Administrative Expense Allotment monthly reports. Accounts will remain open for liquidating and adjusting valid obligations until the end of the cancelled FY (five expired FYs and one canceling FY). See the FY illustration in paragraph 030402.D.

B. All fund holders are required to maintain FY identity of obligations, disbursements, and budget allotment authority for the CFY and the five prior (expired) FYs.

C. All fund holders will establish procedures to review and validate all unliquidated obligations for the CFY and the five expiring FYs.

D. An illustration of this model is shown with FY 2010 as the CFY:

FY 2011 = Next FY commencing 1 October 2010.

FY 2010 = CFY - Out of scope increase to prior FY obligations (FY 2009 and prior) will be charged against the CFY (FY 2010). The CFY becomes an expired FY on 1 October 2010.

FY 2009 = expired FY

FY 2008 = expired FY

FY 2007 = expired FY

FY 2006 = expired FY

FY 2005 = expired FY - At the end of FY 2010, and after completing the

end-of-year reporting and closeout cycle, all unliquidated obligations are canceled. All amounts are withdrawn effective 30 September 2010. Following this action, FY 2005 would be canceled on 1 October 2010.

★ 030403. Control of FMS Administrative, Logistics Support Charge (LSC), and Security Assistance Organizations (SAO) Prior FY Obligational Authority (OA)

A. DSCA will not authorize increases to a prior year OA to record upward adjustments for obligations which are the result of out-of-scope changes. Such changes constitute "new" obligations and are to be funded from current year OA. Upward adjustments which are the result of "within-scope" changes under the terms of the contract are normally chargeable to the appropriate FY account against which the original obligation was charged. All valid upward adjustments applicable to canceled years are charged to the CFY.

B. All fund holders will establish procedures to review and validate all unliquidated obligations for the CFY and the prior five FYs (expired) on a monthly basis. If obligations are no longer valid, fund holders will ensure these amounts are deobligated and the appropriate funds are returned to DSCA for withdrawal (see paragraph 030405). Valid disbursements may be made from these expired accounts, up to the amount of the unliquidated obligated balances for that year's obligation. Additional funding to cover these valid upward adjustments (within-scope price adjustments) may be requested from DSCA. This request should provide the following: original obligation amount, additional required funding authority needed, source or reason for additional obligation including any subsidiary calculations or source, applicable supporting documentation, and point of contact.

C. Deobligation of prior year funds and the subsequent reobligation of these same funds in the current or one of the five expired FYs is not authorized.

★ 030404. Control of Unliquidated Balances

A. FMS Administrative, LSC, and SAO accounts remain available for liquidating valid obligations until the end of their fifth expired year (see illustration provided in paragraph 030402.D). No new obligations can be originated for the CFY after 30 September of that FY.

B. The monthly Status of Administrative Expense Allotment reports, reflecting the DFAS departmental accounting position, will present the current allocation and account balances (obligations and disbursements) for the end of that reporting month.

C. See paragraph 030405 for the procedure to be used when canceling the fifth expired FY and the process to be employed when deobligations occur in the five expiring

FYs.

D. All fund holders will establish procedures to review and validate all unliquidated obligations for the CFY and the five expired FYs.

★ 030405. Administration and Implementation of the Monthly and End-of-Year Closeout Guidance

A. All fund holders will review and use their respective monthly Status of Administrative Expense Allotment reports, which present the DFAS departmental accounting position for that month. These reports will be used and compared with the installation accounting records. If there are disbursement differences between the departmental and installation accounting records, the departmental accounting records that were reconciled with Treasury cash will be used to establish the withdrawal amount.

B. DSCA will issue annual end-of-year closeout guidance to all holders of FMS Administrative, LSC, and SAO funds.

C. All fund holders will notify DSCA in writing when budget authority can be decreased on the CFY and the five expiring FYs. All records will be maintained with the FY budget authority documents.

D. When the fifth expired year is “canceled,” the budget allotment authority amount will be decreased on 30 September to the amount that equals the departmental accounting disbursement amount that has been reconciled with Treasury (cash).

E. The fund holder will ensure that all obligations and disbursements are equal prior to fiscal year end closeout for the fifth expired (canceling) year account, and that no further disbursements are processed. The fund holders need to work closely with the departmental accounting offices at DFAS SAA in finalizing the amounts to be withdrawn for the fifth expired (canceling) year.

F. Upon receipt of the written request from the fund holder, DSCA will issue a FMS Administrative, LSC, and SAO Allocation document withdrawing the budget authority (unobligated amount), and citing the concurrence correspondence from the fund holder for the expired and canceling FYs.

★ 030406. Defense Finance and Accounting Service Responsibilities. DFAS SAA will:

A. Adjust obligational/expenditure authority to agree with the DSCA

allocation values for the canceling and expired FYs. All unobligated balances will be considered to be expired and not available for incurring additional obligations. FMS Administrative, LSC, and SAO accounts remain available for liquidating valid obligations until the end of their fifth expired year.

B. Update the subsidiary record by loading the DIFS case level disbursement records with the expired year balances as identified by the allotment holders (IAs) of the year-end Status of Administrative Expense Allotment Reports.

C. Maintain off-line historical administrative accounting records to accurately reflect cumulative balances for disbursements, obligations, and allotment budget authority for all closed (canceled) FYs. At the end of each fiscal year, the canceling fiscal year's obligated and disbursed balances for FMS and SAO administrative funds will be appropriately updated into DFAS SAA accounting records.

D. Maintain memorandum records of these canceled obligations. Once closed, an account is no longer available for obligation. Once this process is complete, no further obligations or disbursements are authorized for cancelled accounts. If it becomes necessary to pay an obligation, which otherwise would have been properly charged to the appropriation before it was closed (considered canceled), the obligation should be charged to and paid from the applicable current fiscal year FMS or SAO account. These obligations will be posted against the current fiscal year account "at point of disbursement". Memorandum records or some equivalent records must be utilized to record the canceled "valid" obligations off-line so that they may be later recognized as valid at "point of disbursement" and recorded against the applicable FMS or SAO administrative current fiscal year account.

0305 MANAGEMENT CONTROLS

★ For management control, security assistance activities will follow the guidance in *DODI 5010.40, Manager's Internal Control Program Procedures.*

FORMAT FOR THE DOD STATUS-OF-ALLOTMENT REPORT

DOD STATUS-OF-ALLOTMENT													
TYPE <input type="checkbox"/> ALLOTMENT <input type="checkbox"/> SUPPLEMENT		APPROPRIATION AND SUBHEAD AUTHORIZATION NO. FOR PERIOD ENDED		FROM: TO: FOR AUTHORIZATION ISSUED TO: (Specify that the amounts herein reported are in accordance with U.S.C. 200 and prescribed accounting directives.) REPORTING FISCAL OFFICER (Signature and title)								UNCOMMITTED BALANCE	
BUDGET PROJECT NO. (1)		AUTHORIZATIONS		GROSS COMMITMENTS		GROSS OBLIGATIONS		ACCRUED EXPENDITURES UNPAID		DISBURSEMENTS			
		CHANGES THIS PERIOD AUTHORIZATION RECEIVED (2)	ADJUSTMENTS MADE LOCALLY (3)	CURRENT TOTAL (4)	CHANGES THIS PERIOD (5)	CURRENT TOTAL (6)	CHANGES THIS PERIOD (7)	CURRENT TOTAL (8)	NON-GOVT	GOVT	CHANGES THIS PERIOD (9)	CURRENT TOTAL (10)	

Table 3-1 Format for the DoD Status-of-Allotment Report

STATUS OF DIRECT ALLOTMENT “RE” TRANSACTION
(“RE” transaction as defined in paragraph 030204 of this chapter)

Data Element Description and Element Abbreviation	Format/ No. of Position	FICS TRC	Edit/Validation of: Input—Military Department (MILDEP) to DFAS SAA Feedback—DFAS SAA to MILDEP
Document Identifier Code (DIC)	X(3)	002	Must Be “REI,” if not reject.
Direct Status (Input)	1-3		“REF” A machine generated mirror image of the REI transaction appended by the Positive Transaction Codes (PTC) to become the REF transaction.
Direct Status (Feedback)	1-3		
Transaction Control Number (TCN) (FORMAT: YYMMDDNNNNNV)	X(13) 4-16	152	Must be numeric (0-9).
		152	YYMMDD must be equal to or earlier than current date.
		249	Version Number (V) must be “0” if action code is “A” (add).
		248	V must be 1-9 if action code is “C” (change) and must be 1 greater than suspense version number.
		251	If action code is “C” or “D” (delete), then TCN (excluding V) must equal suspense file. (YYMMDDNNNNNN).
Action Code	X(1) 17	003	Must be “A” or “C” or “D,” otherwise invalid. A=Add; C=Change; D=Delete.
Country Code (CC)	X(2) 18-19	037	Must be “00” or on Country Code Table Number 2. If “00,” site code must be “5” (DFAS SAA input).
IA Code	X(1) 20	038	If site code equals “5” or “6,” then IA code must be on DIFS IA Table Number 3.
Case Designator	X(3) 21-23	041	Must match the active case control file or match on Case Control History.
		031	Case status must equal “I” (Implemented) or “C” (Closed).

Table 3-2 Status of Direct Allotment “RE” Transaction

STATUS OF DIRECT ALLOTMENT “RE” TRANSACTION

Data Element Description and Element Abbreviation	Format/ No. of Position	FICS TRC	Edit/Validation of: Input—MILDEP to DFAS SAA Feedback—DFAS SAA to MILDEP
Amount Commitments Cumulative from Inception (CFI)	S(12) V99 24-37	156	Must be numeric (0-9).
		310	Must be positive unless country is “IR” (Iran).
Amount Obligations (OA) Cumulative from Inception (CFI)	S(12) V99 38-51	156	Must be numeric (0-9).
		311	Must be positive, unless country is “IR” (Iran).
Unpaid Government End of Period	S9 (12) V99 52-65	156	Must be numeric (0-9), may be negative.
Unpaid Non-Government End of Period	S9 (12) V99 66-79	156	Must be numeric (0-9), may be negative.
Date Accounting Month (YYMM)	S9 (12) V99 80-83	016	YYMM must be equal to current month or one prior month.
Line Number	X(3) 84-86	055	If country code does not equal “00” or “80,” must equal line number on case control.
The Positive Transaction Control Feedback contains the original REI transactions plus the following data elements for the REF transactions.			
Transaction Reply Code (TRC)	X(15) 87-101	FEEDBACK TRANSACTIONS ONLY. This 15 character element is appended to the feedback format of all interact transactions by the recipient system. This area will contain 1 to 5, 3-digit transaction reply codes to communicate back to the originator system the result of processing the transaction. (Left justified/spaces filled).	

Table 3-2 Status of Direct Allotment “RE” Transaction (Continued)