



# APPENDICES

Quick Reference for Acronyms and Abbreviations Used Throughout the Report, Including a Glossary to Define Key Terms

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*Left: Soldiers assigned to the 7th Infantry Regiment conduct live-fire exercises at the Grafenwoehr Training Area in Germany, May 22, 2022. Photo by Army Maj. Patrick Connelly.*





## ARMY ASTRONAUT TO JOIN ISS MISSION

Lt. Col. Frank Rubio smiles for the camera while being suited up for EVA training. Rubio is scheduled to be making his first venture into space Sept. 21 when he launches from the Baikonur Cosmodrome to the International Space Station as a NASA astronaut. (Josh Valcarcel – NASA – Johnson Space Center)

[Read the full story here.](#)

# APPENDIX A: REPORTING ENTITIES

## DoD Reporting Entities Designated to Prepare and Issue Financial Statements Annually as Mandated by OMB Bulletin No. 22-01

Department of the Air Force, General Fund	Military Retirement Fund
Department of the Air Force, Working Capital Fund	U.S. Army Corps of Engineers - Civil Works
Department of the Army, General Fund	U.S. Marine Corps, General Fund
Department of the Army, Working Capital Fund	U.S. Navy, General Fund
Department of the Navy, Working Capital Fund	

## Other DoD Reporting Entities Consolidated in DoD-wide Financial Statements

Consolidated Defense Health Programs	Defense Logistics Agency National Defense Stockpile Trust Fund
Defense Commissary Agency, General Fund	Defense Logistics Agency, General Fund
Defense Commissary Agency, Working Capital Fund	Defense Logistics Agency, Working Capital Fund
Defense Contract Audit Agency	Department of Defense Office of Inspector General
Defense Finance and Accounting Service, Working Capital Fund	DoD Component Level Accounts
Defense Health Agency - Contract Resource Management	DoD Medicare-Eligible Retiree Health Care Fund
Defense Information Systems Agency, General Fund	U.S. Special Operations Command
Defense Information Systems Agency, Working Capital Fund	U.S. Transportation Command

Other Defense Activities - Agency-Wide Component	Other Defense Activities - Director, Operational Test and Evaluation
Burden Sharing Account by Foreign Allies, Defense	Other Defense Activities - Emergency Response Fund, Defense
Chemical Biological Defense Program	Other Defense Activities - Homeowners Assistance Fund, Defense
Other Defense Activities - Defense Acquisition University	Other Defense Activities - Host Nation Support for U.S. Relocation Activities, Defense
Defense Advanced Research Projects Agency	Joint Chiefs of Staff
Defense Contract Management Agency	Medicare - Eligible Retiree Health Care Fund Payment- Pass through Account
Other Defense Activities - Defense Cooperation Account	Other Defense Activities - Military Housing Privatization Initiative
Other Defense Activities - Defense CounterIntelligence and Security Agency, Working Capital Fund	Military Retirement Fund Payment -Pass through Account
Defense Finance and Accounting Service, General Fund	Missile Defense Agency
Defense Gift Fund	Other Defense Activities - Mutually Beneficial Activities, Defense Wide
Other Defense Activities - Defense Human Resources Activity	National Security Education Trust Fund
Defense Media Activity	Other Defense Activities - Office of Local Defense Community Cooperation (formerly office of Economic Adjustment)
Other Defense Activities - Defense Prisoner of War/ Missing In Action Accounting Agency	Other Defense Agencies Working Capital Funds (pass through account)
Defense Security Cooperation Agency	Other TI-97 Funds Provided to the Air Force by the Office of the Secretary of Defense
Defense Technical Information Center	Other TI-97 Funds Provided to the Army by the Office of the Secretary of Defense
Other Defense Activities - Defense Technology Security Administration	Other TI-97 Funds Provided to the Navy by the Office of the Secretary of Defense
Defense Threat Reduction Agency	Other Defense Activities - Support for U.S. Relocation to Guam Activities, Defense
Department of Defense Education Activity	Other Defense Activities - Voluntary Separation Incentive Trust Fund
Other Defense Activities - Department of Defense Education Benefits Fund	Washington Headquarters Services

# APPENDIX B: ACRONYMS

## A

<b>ADA</b>	Antideficiency Act
<b>AETC</b>	Air Education and Training Command
<b>AFB</b>	Air Force Base
<b>AFR</b>	Agency Financial Report
<b>APG</b>	Agency Priority Goals
<b>APP</b>	Annual Performance Plan
<b>APR</b>	Annual Performance Report
<b>APSR</b>	Accountable Property System of Record
<b>ASD</b>	Assistant Secretary of Defense
<b>AU</b>	Assessable Unit

## B

<b>BAH</b>	Basic Allowance for Housing
<b>BRAC</b>	Base Realignment and Closure
<b>BRS</b>	Blended Retirement System

## C

<b>CAP</b>	Corrective Action Plan
<b>CARES</b>	Coronavirus Aid, Relief, and Economic Security
<b>CERCLA</b>	Comprehensive Environmental Response, Compensation, and Liability Act
<b>CIO</b>	Chief Information Officer
<b>CJCS</b>	Chairman of the Joint Chiefs of Staff
<b>CMC</b>	Commandant of the Marine Corps
<b>CNGB</b>	Chief of the National Guard Bureau
<b>CNO</b>	Chief of Naval Operations
<b>COLA</b>	Cost of Living Adjustment
<b>COTS</b>	Commercial Off-The-Shelf

<b>CPIM</b>	Consumer Price Index Medical
<b>CSA</b>	Chief of Staff of the Army
<b>CSAF</b>	Chief of Staff of the Air Force
<b>CSO</b>	Chief of Space Operations
<b>CSRS</b>	Civil Service Retirement System

## D

<b>DAI</b>	Defense Agencies Initiative
<b>DBC</b>	Defense Business Council
<b>DBS</b>	Defense Business Systems
<b>DEAMS</b>	Defense Enterprise Accounting and Management System
<b>DERP</b>	Defense Environmental Restoration Program
<b>DFAS</b>	Defense Finance and Accounting Service
<b>DHA</b>	Defense Health Agency
<b>DHP</b>	Defense Health Programs
<b>DISA</b>	Defense Information Systems Agency
<b>DLA</b>	Defense Logistics Agency
<b>DOL</b>	Department of Labor
<b>DON</b>	Department of the Navy
<b>DPA</b>	Defense Production Act
<b>DW</b>	Defense-wide

## E

<b>EBF</b>	Education Benefits Fund
<b>EBS</b>	Enterprise Business System
<b>EEBP</b>	Enterprise External Business Portal
<b>ELC</b>	Entity Level Controls
<b>EO</b>	Executive Order
<b>EOU</b>	Excess, Obsolete, and Unserviceable
<b>ERP</b>	Enterprise Resource Planning

## F

<b>FAR</b>	Federal Acquisition Regulation
<b>FASAB</b>	Federal Accounting Standards Advisory Board
<b>FCI</b>	Facility Condition Index
<b>FCRA</b>	Federal Credit Reform Act of 1990
<b>FECA</b>	Federal Employees' Compensation Act
<b>FEDVIP</b>	Federal Employees Dental and Vision Insurance Program
<b>FEGLI</b>	Federal Employee Group Life Insurance
<b>FEHB</b>	Federal Employees Health Benefits
<b>FERC</b>	Federal Energy Regulatory Commission
<b>FERS</b>	Federal Employees Retirement System
<b>FFATA</b>	Federal Funding Accountability and Transparency Act of 2006
<b>FFCRA</b>	Families First Coronavirus Response Act
<b>FFMIA</b>	Federal Financial Management Improvement Act of 1996
<b>FFRDC</b>	Federally Funded Research and Development Centers
<b>FGB</b>	FIAR Governance Board
<b>FHIF</b>	Family Housing Improvement Fund
<b>FIAR</b>	Financial Improvement and Audit Remediation
<b>FISCAM</b>	Federal Information System Controls Audit Manual
<b>FLTCIP</b>	Federal Long Term Care Insurance Program
<b>FM</b>	Financial Management
<b>FMFIA</b>	Federal Managers' Financial Integrity Act of 1982
<b>FMS</b>	Foreign Military Sales
<b>FR</b>	Federal Register, Financial Report of the U.S. Government
<b>FUSRAP</b>	Formerly Utilized Sites Remedial Action Program
<b>FY</b>	Fiscal Year

## G

<b>GAAP</b>	Generally accepted accounting principles
<b>GAO</b>	Government Accountability Office
<b>GCSS-A</b>	Global Combat Support System – Army
<b>GE</b>	General Equipment
<b>GF</b>	General Fund
<b>GFEBS</b>	General Fund Enterprise Business System
<b>GFP</b>	Government Furnished Property
<b>GPRA</b>	Government Performance and Results Act of 1993
<b>GPRAMA</b>	GPRA Modernization Act of 2010
<b>GTAS</b>	Government-wide Treasury Account Symbol Adjusted Trial Balance System

## H

<b>HR</b>	Human Resources
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## I

<b>ICAM</b>	Identity, Credential, and Access Management
<b>IG</b>	Inspector General
<b>IP</b>	Improper Payments/Improperly Paid
<b>IPA</b>	Independent Public Auditor
<b>IPPS-A</b>	Integrated Personnel Pay System – Army
<b>IRC</b>	Independent Review Commission
<b>IRP</b>	Installation Restoration Program
<b>IT</b>	Information Technology
<b>IUS</b>	Internal Use Software

## J

<b>JCP</b>	Joint Chiefs of Staff
<b>JSF</b>	Joint Strike Fighter



**L**

<b>LAC</b>	Latest Acquisition Cost
<b>LLC</b>	Limited Liability Company
<b>LMP</b>	Logistics Modernization Program
<b>LP</b>	Limited Partnership

**M**

<b>MAC</b>	Moving Average Cost
<b>MERHCF</b>	Medicare-Eligible Retiree Health Care Fund
<b>MHPI</b>	Military Housing Privatization Initiative
<b>MHS</b>	Military Health System
<b>MMRP</b>	Military Munitions Response Program
<b>MRF</b>	Military Retirement Fund
<b>MRHB</b>	Military Retirement Health Benefits
<b>MTF</b>	Military Treatment Facilities
<b>MUHIF</b>	Military Unaccompanied Housing Improvement Fund
<b>MWR</b>	Morale, Welfare, and Recreation

**N**

<b>NAF</b>	Nonappropriated Fund
<b>NAFI</b>	Nonappropriated Fund Instrumentality
<b>NATO</b>	North Atlantic Treaty Organization
<b>NDAA</b>	National Defense Authorization Act
<b>NDS</b>	National Defense Strategy
<b>NFR</b>	Notice of Findings and Recommendations
<b>NOAA</b>	National Oceanic and Atmospheric Administration
<b>NPV</b>	Net Present Value
<b>NRV</b>	Net Realizable Value

**O**

<b>OACT</b>	Office of the Actuary
<b>OIG</b>	Office of the Inspector General
<b>OMB</b>	Office of Management and Budget
<b>OPEB</b>	Other Post-employment Benefits
<b>OPM</b>	Office of Personnel Management
<b>ORB</b>	Other Retirement Benefits
<b>OSD</b>	Office of the Secretary of Defense
<b>OTL</b>	Oracle Time and Labor
<b>OUS(D)</b>	Office of the Under Secretary of Defense (Comptroller)

**P**

<b>PFAS</b>	Per- and Polyfluoroalkyl Substances
<b>PII</b>	Personally Identifiable Information
<b>PIIA</b>	Payment Integrity Information Act of 2019
<b>PIO</b>	Performance Improvement Officer
<b>PPA</b>	Prompt Payment Act
<b>PPE</b>	Personal Protective Equipment
<b>PRA</b>	Payment Recapture Audit
<b>PRC</b>	The People's Republic of China
<b>PSA</b>	Principal Staff Assistant

**R**

<b>RACER</b>	Remedial Action Cost Engineering Requirements
<b>RCRA</b>	Resource Conservation and Recovery Act
<b>RMIC</b>	Risk Management and Internal Controls
<b>RSI</b>	Required Supplementary Information

## S

<b>SAA</b>	Security Assistance Accounts
<b>SAO</b>	Senior Accountable Official
<b>SARA</b>	Superfund Amendments and Reauthorization Act of 1986
<b>SBR</b>	Statement of Budgetary Resources
<b>SCNP</b>	Statement of Changes in Net Position
<b>SDP</b>	Savings Deposit Program
<b>SFFAS</b>	Statement of Federal Financial Accounting Standards
<b>SMP</b>	Strategic Management Plan
<b>SNC</b>	Statement of Net Cost
<b>SOA</b>	Statement of Assurance
<b>SSAE</b>	Statement of Standards for Attestation Engagements
<b>STAMIS</b>	Standard Army Management Information Systems

## T

<b>TFM</b>	Treasury Financial Manual
<b>TSP</b>	Thrift Savings Plan

## U

<b>U.S.</b>	United States
<b>U.S.C.</b>	United States Code
<b>USACE</b>	United States Army Corps of Engineers
<b>USCYBERCOM</b>	United States Cyber Command
<b>USD</b>	Under Secretary of Defense
<b>USFHP</b>	United States Family Health Plan
<b>USSGL</b>	United States Standard General Ledger
<b>USSOCOM</b>	United States Special Operations Command

## V

<b>VCJCS</b>	Vice Chairman of the Joint Chiefs of Staff
<b>VSI</b>	Voluntary Separation Incentive

## W

<b>WCF</b>	Working Capital Fund
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# APPENDIX C: DEFINITIONS

**Actuarial Adjustment** - An adjustment which considers expected interest costs, normal costs, and changes in actuarial assumptions, net of benefit outlays.

**Actuarial Accrued Liability** - Represents the excess of the present value of future benefits and administrative expenses over the present value of future normal costs for all plan participants and beneficiaries.

**ADVANA** - The Department's authoritative enterprise data repository and a centralized data and analytics platform that provides DoD users with common business data, decision support analytics, and data tools.

**Annual appropriation** - Funds appropriated by Congress for a one-year period of availability, also known as a fiscal year, or one-year appropriation. These funds are available for obligation only during the specified fiscal year and expire at the end of the period. Expired funds are not available to incur new obligations but retain their fiscal year identity for five years and remain available for recording, adjusting and liquidating existing obligations and liabilities previously incurred. After five years, expired funds are cancelled (closed), not available for any purpose, and returned to the U.S. Department of the Treasury.

**Antideficiency Act** - Legislation enacted by Congress and is codified in Title 31, United States Code, sections 1341(a)(1), 1342, and 1517(a) ([31 U.S.C. §§1341\(a\)\(1\)](#), 1342, and 1517(a)), which stipulates that Federal agencies may not obligate or expend funds in excess of the amount available in an appropriation, or fund, or in advance of appropriations; accept voluntary services on behalf of the Federal Government or employ personal services in excess of that authorized by law, except as it may be necessary in emergencies involving the safety of human life or the protection of property; or obligate, authorize, or expend funds that exceed an apportionment or amount permitted by a regulation prescribed for the administrative control of an appropriation.

**Appropriation** - A provision of law that authorizes Federal agencies to incur obligations and expend funds for a specified purpose. Appropriations are definite (a specific sum of money) or indefinite (an amount for "such sums as may be necessary"). Congress passes 12 annual appropriation acts, as well as supplemental appropriation acts, each year. These appropriation acts provide budget authority to obligate and expend funds from the U.S. Department of the Treasury for specific purposes.

**Assessable Unit** - Any organizational, functional, programmatic or other applicable subdivision of an organization that allows for adequate analysis.

**Assets** - Economic benefits controlled by the Department.

**Balance Sheet** - Represents an entity's financial position at a specific point in time, and reports economic benefits (Assets); probable future outflows or other sacrifices of resources, as a result of past transactions or events (Liabilities); and the residual amounts (Net Position).

**Blended Retirement System (BRS)** - A Department of Defense retirement system that was implemented on January 1, 2018. It combines elements of the legacy military retirement system (commonly referred to as the Hi-3 System) with benefits similar to those offered in many civilian 401(k) plans. The opt-in period for the majority of Service members closed December 31, 2018.

**Budget Authority** - The amount of money available to a federal agency for a specific purpose. The authority to commit to spending federal funds is provided to agencies by law. The amount of budget authority provided can be specific—such as when the Congress provides a set amount for a program or activity—or indefinite.

**Budgetary Resources** - Include the following: new budget authority, unobligated balances, direct spending authority, and obligation limitations.

**Campaigning** - Deliberate effort to synchronize activities and investments to aggregate focus and resources to shift conditions in the entity's favor.

**Combat Credible** - The ability to project power against advanced air defenses, conduct and enable littoral/amphibious operations (i.e., a concept that describes the integrated application of the Department of the Navy and U.S. Marine Corps capabilities to overcome emerging threats within littoral areas that are rapidly expanding in operational depth, complexity, and lethality) in opposed environments, and establish blue-water dominance against highly capable surface, sub-surface, and air threats.

**Combatant Commands** - United States Commands with a specific geographic area of responsibility are the Northern Command, Southern Command, Central Command, European Command, Africa Command, Indo-Pacific Command, and Space Command. Four additional United States Commands that have transregional responsibilities are the Cyber Command, Special Operations Command, Strategic Command, and Transportation Command.

**Contingency/Contingent Liability** - An existing condition, situation, or set of circumstances that involves an uncertainty as to possible gain or loss. The uncertainty will be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm a gain (i.e., acquisition of an asset or reduction of a liability) or a loss (i.e., loss or impairment of an asset or the incurrence of a liability).

**Cumulative Results of Operations** - The net difference between expenses, losses, and transfers out from the inception of an agency or activity, and financing sources (i.e., appropriations and revenue) and gains from the inception of an agency or activity (whether financed from appropriations, transfers in, revenues, reimbursements, or any combination of the four) to the reporting date (when financial statements are prepared).

**DATA Act Broker** - As a result of the Digital Accountability and Transparency Act of 2014 (DATA Act), the Department of the Treasury developed the DATA Act Broker application that is used by federal entities to submit financial data and validate it against the latest version of the DATA Act Information Model Schema. This application can be accessed through a portal on MAX.gov.

**Defense Working Capital Fund** - The Defense Working Capital Fund (DWCF) was established on December 11, 1996. It is a revolving fund using a business-like buyer-and seller approach with a goal of breaking even over the long term. Stabilized rates or prices are generally established each fiscal year and adjusted for sales to customers to include an amount for unfunded civilian retirement and post-retirement health benefits costs.

**Department of Defense** - Includes the Office of the Secretary of Defense, Joint Chiefs of Staff, DoD Office of the Inspector General, Military Departments, Defense Agencies, DoD Field Activities, and Combatant Commands, which are considered, and may be referred to as, DoD Components.

**Depreciation** - The systematic and rational allocation of the acquisition cost of an asset, less its estimated salvage or residual value, over its estimated useful life.

**Deterrence** - Discouraging states from taking unwanted actions, especially military aggression.

**Disclaimer of Opinion** - In a disclaimer of opinion, the auditor does not express an opinion on the subject matter. A disclaimer of opinion is appropriate when the auditor has not performed an audit sufficient in scope to enable them to express an opinion. This usually occurs when the auditor is not provided with sufficient information to enable them to express an opinion.

**Discretionary Appropriation** - Money formally approved by Congress and the President during the appropriations process each year. Generally, Congress allocates over half of the discretionary budget towards national defense and the rest to fund the administration of other agencies and programs. These programs range from transportation, education, housing, and social service programs, as well as science and environmental organizations.

**DoD Component** - Includes the Office of the Secretary of Defense, Military Departments, Joint Chiefs of Staff and the Joint Staff, Combatant Commands, the DoD Office of the Inspector General, Defense Agencies, DoD Field Activities, and all other DoD entities.

**Entity Level Controls** - Controls that have a pervasive effect on an entity's internal control system and may pertain to multiple components. Entity-level controls may include controls related to the entity's risk assessment process, control environment, service organizations, management override, and monitoring.

**Environmental and Disposal Liabilities** - An expected future outflow or expenditure of resources that exists as of the financial reporting date for environmental cleanup, closure, and/or disposal costs resulting from past transactions or events.

**Entity Assets** - Those that the Department has authority to use for its operations.

**Epidemic** - Refers to an increase, often sudden, in the number of cases of a disease above what is normally expected in that population in that area.

**European Deterrence Initiative** - Enables the United States to enhance the U.S. deterrence posture, increase the readiness and responsiveness of U.S. forces in Europe, support the collective defense and security of NATO allies, and bolster the security and capacity of U.S. allies and partners.

**Expired Appropriation** - An appropriation or fund account in which the balance is no longer available for incurring new obligations because the time available for incurring such obligations has expired. Funds may still be available for the recording and/or payment (liquidation) of obligations properly incurred.

**Fund Balance with Treasury** - An asset account that shows the available budget spending authority of federal agencies. Collections and disbursements by agencies increase or decrease the balance in the account.

**Geostrategic** - The combination of geopolitical (a study of the influence of such factors as geography, economics, and demography on the politics and especially the foreign policy of a state) and strategic factors characterizing a particular geographic region.

**General Property, Plant, and Equipment** - Any property, plant, and equipment used in providing goods or services which typically has one or more of the following characteristics: it could be used for alternative purposes (e.g., by other Federal programs, state or local governments, or non-governmental entities) but is used to produce goods or services, or to support the mission of the entity, or it is used in business-type activities, or it is used by entities in activities whose costs can be compared to those of other entities performing similar activities.

**Hypersonic Weapons** - Travel in excess of five times the speed of sound (Mach 5) covering vast distances in minutes. Hard to stop, they fly and nimbly maneuver to avoid detection and dodge defensive countermeasures.

**Improper Payment** - The Payment Integrity Information Act of 2019 defines an improper payment as any payment that should not have been made or that was made in an incorrect amount (i.e., overpayment or underpayment) to an eligible recipient. The definition also includes any payment that was made to an ineligible recipient; for an ineligible good or service; as a duplicate payment; for goods or services not received; and any payment that does not account for applicable discounts.

**Imputed financing** - Imputed financing represents the cost paid on behalf of an agency by another federal entity.

**Integrated Deterrence** - A framework for working across warfighting domains, theaters and the spectrum of conflict, in collaboration with all instruments of national power, as well as with U.S. allies and our partners.

**Internal controls** - A process, effected by an agency's management and other personnel, designed to provide reasonable assurance that the objectives of the agency are being achieved in the following categories: effectiveness and efficiency of operations including the use of the entity's resources, reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external use, and compliance with applicable laws and regulations. Internal controls consist of the control environment, risk assessment, control activities, information and communication, and monitoring. A necessary implication or subset of these objectives is the safeguarding of agency assets against unauthorized acquisition, use, or disposition. Internal controls include processes, effected by an agency's

management and other personnel, designed to provide reasonable assurance regarding prevention of or prompt detection of unauthorized acquisition, use, or disposition of the agency's asset.

**Internal Use Software** - Applies to software acquired, internally developed, or modified solely to meet the entity's internal needs.

**Intergovernmental Transactions** - Goods and services are received from other federal agencies at no cost or at a reduced cost to the providing federal entity.

**Intragovernmental Transactions** - Business activities conducted between two federal entities, called trading partners.

**Intradepartmental Eliminations** - Interdepartmental transactions occur when trading partners within the same department engage in business activities—such as the Department of the Army as a seller and the Department of the Navy as a buyer within DOD. As part of the standard process of preparing department-wide financial statements, intradepartmental transaction amounts are eliminated to avoid overstating accounts for DOD.

**Inventory** - Any tangible personal property that is held for sale, in the process of production for sale, or to be consumed in the production of goods for sale or in the provision of services for a fee.

**Key Control Activities** - Activities that must operate effectively to reduce the risk of material misstatement.

**Kinetic Threat** - Military action involving active warfare, including lethal force.

**Land** - Solid part of the surface of the earth. Excluded from the definition of land are the natural resources (that is, depletable resources such as mineral deposits and petroleum, renewable resources such as timber, and the outer-continental shelf resources) related to land.

**Liabilities** - Probable future outflows or other sacrifices of resources, as a result of past transactions or events.

**Linear Structure** - A facility whose function requires traversing land (e.g., runway, road, rail line, pipeline, fence, pavement, and electrical distribution line).

**Mandatory Appropriation** - Type of spending mandated by existing laws. Also known as direct spending. This type of spending includes funding for entitlement programs like Medicare and Social Security and other payments to people, businesses, and state and local governments. Due to authorization laws, the funding for these programs must be allocated for spending each year, hence the term mandatory.

**Material Weakness** - A deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected, on a timely basis.

**Materiel** - A unique term relating to military force management and includes items such as ships; tanks; self-propelled weapons; aircraft; and related spares, repair parts, and support equipment. Items commonly used in and available from the commercial sector are not managed in the Department's materiel management activities.

**Medical Countermeasures** - Medical countermeasures (MCMs), are FDA-regulated products (biologics, drugs, devices) that may be used in the event of a potential public health emergency stemming from a terrorist attack with a biological, chemical, or radiological/nuclear material, or a naturally occurring emerging disease. MCMs can be used to diagnose, prevent, protect from, or treat conditions associated with chemical, biological, radiological, or nuclear (CBRN) threats, or emerging infectious diseases.

**Military Departments** - Departments of the Army, Navy (Marine Corps is a component), and Air Force (Space Force is a component).

**Net Position** - Discusses the federal government's financial position (assets minus liabilities) at the end of the current and recent fiscal years, and how the financial position changed during the current fiscal year.



**No Year Appropriations** - Appropriations available for obligations for an indefinite period of availability without fiscal year limitation. They are available until they are expended.

**Nonappropriated Fund Instrumentalities** - A nonappropriated fund instrumentality (NAFI) is an entity to which Congress has appropriated no funds, and for which it assumes no financial obligation. NAFIs include military post exchanges and officers clubs.

**Non-kinetic Threats** - Cyber warfare, information warfare, electronic warfare, command and control warfare, spectrum warfare are only some of the names by which researchers and military experts describe their offensive and defensive non-kinetic actions.

**Permanent Indefinite Appropriations** - Provided through public law authorizing the Department to retain certain receipts. These appropriations do not specify amounts but are dependent upon the amount of receipts collected. Permanent indefinite appropriations cover a wide variety of purposes to help the Department accomplish its missions. These purposes primarily include: (1) military retirees' health care benefits, retirement and survivor pay, and education benefits for veterans; (2) wildlife habitat restoration and water resources maintenance; (3) relocation of armed forces within a host nation; (4) separation payments for foreign nationals; and (5) upkeep of libraries and museums.

**Prompt Payment Act** - Requires federal agencies to pay vendors timely and pay interest penalties when payments are issued past their due dates.

**Qualified Opinion** - Type of an audit opinion which states that the subject matter is presented fairly with the established criteria in all material respects except for a certain matter. Qualified opinion means that the auditors concluded that there were misstatements or potentially undetected misstatements that were material, but not pervasive to the financial statements. A qualified opinion states that "except for" the effects of the matter to which the qualification relates, the subject matter of the assertion complies with the established criteria.

**Reconciliation of Net Cost of Operation to Outlays** - The reconciliation of net outlays (reported on the Statement of Budgetary Resources) and net cost (reported on the Statement of Net Cost) clarifies the relationship between budgetary and financial accounting information.

**Remediation** - The process of improving a situation or correcting a problem.

**Reprogramming** - A change in the application of funds. The reprogramming could also be a transfer if it involves the movement of funds from one appropriation to another or between legal subdivisions within an appropriation can be found here. A transfer cannot be performed without statutory authority.

**Revolving Fund** - Funds authorized by specific provisions of law to finance a continuing cycle of business-type operations. Receipts are credited directly to the revolving fund as offsetting collections and are available for expenditure without further action by Congress. They are classified as (a) public enterprise funds where receipts come primarily from sources outside the government and (b) intragovernmental funds where receipts come primarily from other appropriations or funds. These accounts are usually designated as "no-year" accounts, i.e., they are without limitation as to period of availability for outlay. Examples of revolving funds are the House Services and Stationery Revolving Funds.

**Security Assistance** - A group of programs, authorized under Title 22 authorities, by which the United States provides defense articles, military education and training, and other defense-related services to eligible other governments by grant, loan, credit, cash sales, or lease, in furtherance of national policies and objectives.

**Significant Deficiency** - A deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Spending Authority from Offsetting Collections** - Budget authority that is financed by payments and repayments authorized by law to be credited to an appropriation or fund account. Offsetting collections consist of advances and reimbursements, refunds, and other income. Agencies may not retain collections unless authorized by a law as per 31 U.S.C. 3302(b).

**Standard Financial Information Structure (SFIS)** - A comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, interoperability, and external reporting needs across the Department of Defense (DoD) enterprise.

**Statement of Assurance** - Outlines management's assessment of the effectiveness of internal controls over financial reporting, comprising the material weakness areas impeding the completeness and reliability of our performance and financial data, as well as compliance with relevant laws and regulations.

**Statement of Budgetary Resources** - Reports information on how budgetary resources were made available and their status as of and for the year ended.

**Strategic Management Plan (SMP)** - Articulates the Secretary of Defense's strategic priorities, consistent with the National Defense Strategy (NDS).

**Suspense Accounts** - A general ledger account in which amounts are temporarily recorded. The suspense account is used because the appropriate general ledger account could not be determined at the time that the transaction was recorded.

**Trust Fund** - Are those designated by law as such, whereby receipts are earmarked for spending on specific purposes. The laws establishing trust funds may require balances to be invested, typically in Treasury debt securities. A small number of trust funds are further categorized as trust revolving funds, established to perform business-type operations.

**Unexpended Appropriations** - Represent amounts of authority at the reporting date that are either unobligated and have not lapsed, rescinded, or withdrawn; or obligated, but not yet expended (e.g., undelivered orders).

**Uniform Business Office (UBO)** - Mission of the UBO is to optimize allowable health care cost recovery within compliance guidelines in support of the operational and readiness mission of the Military Health System.

**United States Government Standard Ledger (USSGL)** - A uniform chart of accounts and guidance for standardizing U.S. federal accounting. It is composed of five major sections: (1) chart of accounts, (2) accounts and descriptions, (3) account transactions, (4) SGL attributes, and (5) SGL crosswalks to standard external reports.

**Unknown Payment** - In accordance with OMB Circular A-123 Appendix C, when an agency is unable to determine whether the payment is proper or improper, as a result of insufficient or lack of documentation, the payment is considered an unknown payment.

**Unmodified Audit Opinion** - When the auditor concludes that the subject matter of the audit (as of the specified date) is in conformity with established criteria (e.g., GAAP) and that no deficiencies exist. An unmodified audit opinion is often referred to as "unqualified opinion" or a "clean opinion."

**Whole-of-Nation Approach** - Includes all organizations operating in a conflict area to support peace and stability, to reach common goals, though typically not so far as to achieve an integrated response.

**Working Capital Fund** - A type of intragovernmental revolving fund that operates as a self-supporting entity that conducts a regular cycle of businesslike activities. These funds function from the fees charged for the services they provide consistent with their statutory authority.

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# United States Department of Defense



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