



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

VOLUME 6A: “REPORTING POLICY”

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

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DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 1: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

VOLUME 6A, CHAPTER 2: “FINANCIAL REPORTS, ROLES AND RESPONSIBILITIES”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [June 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
2.4 (020204)	Added a consolidated “Supporting Documentation” paragraph to remove duplication throughout the chapter.	Addition
2.8.2.1.1. (020208.B.1.a).	This revision incorporates relevant information from the Deputy Chief Financial Officer (DCFO) policy memorandum, “Mandatory Use of Root Cause Indicator Code (FPM 20-04),” dated April 18, 2020. The procedural level information from the memorandum remains available on the DCFO Financial Management Policy and Reporting web page under the “Dual Purpose Policy Memos & Other Information” section.	Revision
2.9 (020209)	Added a “System-Generated JVs” section to provide guidance for systems-generated journal voucher (JV) adjustments.	Addition
2.10.3.2. (020210.C.2.)	Added guidance for out of balance JV adjustments.	Addition

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CHAPTER 2

FINANCIAL REPORTS, ROLES AND RESPONSIBILITIES

1.0 GENERAL (0201)

1.1 Purpose (020101)

This chapter defines the roles and responsibilities in the preparation and issuance of financial reports for Department of Defense (DoD) Components. DoD Components and the Defense Finance and Accounting Service (DFAS) are responsible for the proper and consistent preparation of financial reports at the DoD Component departmental, intermediate, and installation level. In some instances, DoD Components prepare their own financial reports without accounting support from DFAS. Ultimately, each DoD Component is responsible for the accuracy and completeness of financial information in the reports that present the financial effects of its operations.

1.1.1. The policies within this chapter apply to all DoD Components and includes those entities whose departmental, intermediate, and installation level financial reports are prepared by DFAS, DoD Components and organizations operating Enterprise Resource Planning (ERP) systems under an approved agreement with DFAS, certain DoD Components which prepare their own financial reports (e.g., the U.S. Army Corps of Engineers), and organizations required to perform their own accounting due to security considerations.

1.1.2. In those instances in which DFAS does not have financial report preparation responsibility, the reporting entity **must** fulfill the responsibilities assigned in this chapter at both the DFAS and DoD Component level. The requirements for the audited or interim financial statements addressed in the Office of Management and Budget [*\(OMB\) Circular A-136*](#), “Financial Reporting Requirements” **are contained in** Volume 6B, “Form and Content of the Department of Defense Audited Financial Statements.”

1.2 Authoritative Guidance (020102)

This chapter prescribes the roles, responsibilities, and authoritative guidance for preparation and issuance of financial reports for DoD Components in accordance with the reporting responsibilities and internal control provisions identified in:

1.2.1. [Government Accountability Office \(GAO\) “Federal Information System Controls Audit Manual” \(*FISCAM*\)](#);

1.2.2. [GAO *Financial Audit Manual* \(FAM\)](#);

1.2.3. [OMB Circular A-123](#), “Management's Responsibility for Enterprise Risk Management and Internal Control;”

1.2.4. [OMB Circular A-136](#), “Financial Reporting Requirements;”

1.2.5. Office of the Under Secretary of Defense (Comptroller) (OUSD(C))/Chief Financial Officer (CFO) [“DoD Financial Statement Audit Guide;”](#) and

1.2.6. OUSD(C)/CFO [“DoD Internal Control Over Financial Reporting Guide.”](#)

2.0 RESPONSIBILITIES (0202)

2.1 Stewardship and General Responsibilities (020201)

The U.S. Congress provides resources to finance the programs, missions, and functions of DoD and its Components. Financial reports are a tool to display the status and uses of those resources at a point in time. DoD Components and DFAS as their service provider have responsibilities to ensure that financial information is accurate and timely in order for managers to make sound decisions and exercise proper stewardship over these resources. Refer to the “DoD Internal Control Over Financial Reporting Guide” for additional information on roles and responsibilities for internal controls over financial reporting.

2.2 Internal Controls (020202)

2.2.1. DoD Components. DoD Components must create and maintain internal controls to ensure that data input in DoD Component-controlled systems, or provided to DFAS to be recorded in the accounting systems and subsequently used in financial reports, are accurate, complete, supportable, and input timely into the finance and accounting systems. Refer to the “DoD Internal Control Over Financial Reporting Guide” for additional internal controls applicable to DoD Components.

2.2.1.1. DoD Components **must** maintain **and** create controls to ensure actual or potential Antideficiency Act violations are reported, reviewed, and investigated in accordance with Volume 14, Chapter 2.

2.2.1.2. DoD Components **must** perform and document periodic reviews of system functionality to ensure controls are in place to verify the authorization of recorded transactions and compliance with the FISCAM framework.

2.2.1.3. DoD Components **must** comply with internal control policies contained in [DoD Instruction \(DoDI\) 8510.01](#), “Risk Management Framework (RFM);” Volume 1, Chapter 3; and the “DoD Internal Control Over Financial Reporting Guide.”

2.2.2. **DFAS**. DFAS **must** maintain or create controls to ensure that data provided by each DoD Component is recorded accurately and processed timely for financial reporting. Refer to the “DoD Internal Control Over Financial Reporting Guide” for additional internal controls applicable to DFAS reporting.

2.2.2.1. DFAS **must** maintain or create controls to ensure actual or potential Antideficiency Act violations are reported to DoD Components for their review and investigation in accordance with Volume 14, Chapter 2.

2.2.2.2. DFAS **must** perform and document periodic reviews of DFAS system functionality to ensure controls are in place to verify the authorization of recorded transactions and compliance with the FISCAM framework.

2.2.2.3. DFAS **must** maintain feeder files used in financial reporting from accounting systems of record (component-controlled), in accordance with records retention guidance contained in Volume 1, Chapter 9.

2.2.2.4. DFAS **must** maintain supporting documentation for corrections made to DoD Component submissions in intermediate edit systems as part of the audit trail for the reporting period. DFAS **must** maintain records to support adjustments to DoD Component submissions and assign transactions that fail to pass edits to DFAS or the DoD Component for research and correction.

2.2.2.5. DFAS **must** provide any adjustments made to DoD Component submissions so they can be recorded by the DoD Component in the accounting systems of record, if not already recorded in the accounting systems of record in the current or subsequent period, before the beginning of the next reporting cycle. DFAS and the DoD Component must make every effort to resolve any discrepancies prior to the end of the reporting period. DFAS and the DoD Components must track unresolved discrepancies for research and correction as soon as possible after the end of the reporting period.

2.2.2.6. DFAS **must** comply with internal control policies contained in DoDI 8510.01; Volume 1, Chapter 3; and the “DoD Internal Control Over Financial Reporting Guide.”

2.3 Audit Trails (020203)

2.3.1. DoD Components. DoD Components **must** maintain audit trails in sufficient detail, including the rationale, justification, and approvals to permit tracing of transactions and balances from their sources to their transmission to DFAS. Audit trails are necessary to demonstrate the accuracy, completeness, and timeliness of the transaction. In addition, audit trails provide documentary support for all data generated by the DoD Component and submitted to DFAS for recording in the accounting systems and use in financial reports.

2.3.2. DFAS. DFAS **must** clearly document processes and internal controls and maintain a complete and documented audit trail to support the reports it prepares. The organization that translates the information into an electronic mode **must** retain supporting documents or images of the supporting documents. DFAS **must** establish documented business rules and internal controls to ensure feeder file data is received, processed, and compiled in departmental reporting system output files.

2.3.2.1. DFAS **must** sufficiently document adjustments to DoD Component submissions to assist approving officials and others, such as auditors, in understanding the reason for preparing the adjustment, and to support the validity of adjustments prepared during the reporting period.

2.3.2.2. DFAS **must** ensure documentation is readily available as part of the audit trail for the reporting period. The documentation must be readily available for assisting auditors, and those involved in financial statement preparation, to understand how feeder file records are processed.

***2.4 Supporting Documentation (020204)**

2.4.1. DoD Components and DFAS as their service provider must maintain supporting documentation that will support DoD's accounting cycle. The DoD accounting cycle encompasses the processing and recording of all financial transactions in the proper period and includes the proper presentation on the financial statements and closing of the accounts.

2.4.2. DoD Components and DFAS as their service provider must also have the ability to display the rationale and justification for the adjustment, the dollar amount of errors or conditions related to the transactions or records proposed for adjustment, the date of adjustment, and the name and position of the individual(s) approving the adjustment. The documentation must be readily available in one or a combination of the following media: hardcopy, systemically stored electronic records, or electronic files maintained in an external system or location.

2.4.3. Proper documentation in hard copy, electronic form, or a combination of both is necessary to support all **journal voucher (JV)** entries. JV documentation **must** include reporting elements deemed critical to assess the accuracy and completeness of financial information, applicable criteria to support the rationale for preparing the adjustment, Treasury Account Symbols or entity codes impacted, and the calculation of the dollar amount of the adjustment. Maintain clear documentation of the JV preparer, reviewer (if used), and approver(s) with the JV documentation. Attach supporting documentation to a copy of the JV. In some cases, it may not be practical to attach all of the documentation to the JV because of the large number of detailed transactions summarized on it. In those cases, attach specific and detailed information summarizing the content and identifying the location of the supporting documentation to the JV.

2.5 Reconciliation (020205)

2.5.1. Many financial balances (e.g., general ledger (GL) proprietary and budgetary accounts, such as assets, liabilities, commitments, and undelivered orders) require supporting subsidiary records to validate the amount of the financial balance. Reconcile subsidiary records to financial balances in accordance with the policies, requirements, and frequencies prescribed in [this paragraph](#).

2.5.1.1. DoD Components **must** maintain the supporting records for many financial balances. An individual authorized by each DoD Component **must** periodically validate the accuracy of such subsidiary records against applicable physical assets or other appropriate confirmations of the source documents. DoD Components perform periodic physical inventories in accordance with [DoDI 5000.64](#), "Accountability and Management of DoD Equipment and Other Accountable Property," for tangible equipment, and [DoDI 4165.14](#), "Real Property Inventory (RPI) and Forecasting," for real property. Validations must be documented, signed, and dated by the individual authorized by the DoD Component.

2.5.1.1.1. Various regulations require periodic counting, or another physical verification in the case of equipment, inventories, supplies and materials, and real property, depending upon the nature of the asset. Refer to the GAO FAM Volume 1, Section 260, “Identify Risk Factors,” for controls related to the completeness and accuracy of inventory records.

2.5.1.1.2. Periodic validation and/or reconciliation is required in the case of commitments, obligations, accounts receivable, and accounts payable. These validations **must** include the review of the documentary evidence that initiated the financial transaction to ensure the integrity of source data. For additional information, see Volume 3, Chapter 8.

2.5.1.2. **DoD Components** must document and provide changes in the source data to DFAS for proper recording. The reconciliation of source data with reported balances is a joint responsibility of DFAS and the DoD Component.

2.5.1.3. **DFAS** **must** establish procedures to ensure that all GL balances, and other associated financial balances, are validated and/or reconciled with supporting records, including source data, in accordance with DoD policy. See Volume 3, Chapter 8.

2.5.1.3.1. DFAS **must** establish and maintain supporting subsidiary detail transactions that are traceable and reconcile to reported financial statement balances. DoD Components **must** participate in the reconciliation process for these subsidiary records when the source documents, or transactions that require research to complete the reconciliation, are retained by the DoD Component.

2.5.1.3.2. When the DoD Component maintains accounting system and trial balance subsidiary records, DFAS **must** establish a reconciliation schedule, mutually agreed to by the DoD Component, and subject to approval by OUSD(C), to reconcile the subsidiary records with the financial balance. The reconciliation of such supporting records with the financial balance is a joint responsibility of DFAS and the DoD Component.

2.5.1.4. DFAS **must** investigate unreconciled differences and document adjustments required to balance the GL amount and the amount of the subsidiary records with the rationale, justification, and approvals.

2.5.1.5. DFAS **must** perform reconciliations on a monthly basis, at a minimum, to determine the cause of differences and take appropriate corrective actions to ensure the accuracy and integrity of the accounting system and monthly reports when unreconcilable differences between the GL and the subsidiary records exceed \$1 million. Continue to perform monthly reconciliations until the **irreconcilable** difference is less than \$1 million.

2.5.1.6. DFAS **must** reconcile changes in source data, made by the DoD Component, with reported balances. The reconciliation of source data with reported balances is a joint responsibility of DFAS and the DoD Component.

2.6 Reporting Schedules (020206)

2.6.1. DFAS **must** establish procedures requiring joint development of report preparation schedules with DoD Components according to the timeframes established by the U.S. Department of the Treasury (Treasury), Bureau of the Fiscal Service, Governmentwide Treasury Account Symbol (**GTAS**). DFAS and the DoD Components **must** work to resolve issues identified in the report preparation process according to the GTAS schedule.

2.6.2. Reporting schedules for reports provided to external recipients **must** include the opportunity to present a draft of the report to the DoD Component for review and approval prior to release to the recipients.

2.7 Draft Reports (020207)

2.7.1. DoD Components. DoD Components **must** review DFAS reports to assess the accuracy of the financial information reported. The review **must** identify errors, omissions, and significant diversions from budgeted or planned amounts and levels of activity. The DoD Component **must**:

2.7.1.1. Research and propose adjustments to correct abnormal balances. A GL balance is abnormal when the reported balance does not comply with the normal debit or credit balance established in the DoD Standard Reporting Chart of Accounts. DoD Components **must** maintain supporting documentation **in accordance with paragraph 020204** for requested adjustments to financial reports and provide the support to DFAS;

2.7.1.2. Research any unusual trends and comparisons with the prior year and/or prior period amounts to determine whether corrective action is required;

2.7.1.3. Ensure that the amounts in the financial reports are consistent and reconcilable with the same financial data included in management reports prepared by the DoD Component;

2.7.1.4. Not change draft reports provided by DFAS or release the reports to external recipients. For errors or omissions identified in a draft report, submit a request to DFAS to revise the report and include changes in the final report; and

2.7.1.5. Validate reports created within their ERP systems. DoD Components **must** perform quality reviews to confirm that:

2.7.1.5.1. Amounts on the report are mathematically correct;

2.7.1.5.2. Internal relationships of amounts included in a report that are interdependent are correct;

2.7.1.5.3. Abnormal account balances, such as negative balances or unusual amounts, are researched and resolved, if possible. If unresolved, include comprehensive explanations identifying root causes and the timeline for resolution; and

2.7.1.5.4. Unusual trends and comparison with the prior year and/or prior year amounts are identified, researched, and explained.

2.7.2. DFAS. DFAS **must** validate reports to ensure reported amounts agree with the official accounting records prior to release to DoD Components for review and approval or release to external recipients. DFAS **must** perform quality reviews to confirm that:

2.7.2.1. Amounts on the report are mathematically correct;

2.7.2.2. Internal relationships of amounts included in a report that are interdependent are correct;

2.7.2.3. Abnormal account balances, such as negative balances or unusual amounts, are researched and resolved, if possible. If unresolved, include comprehensive explanations identifying root causes and the timeline for resolution;

2.7.2.4. Reported amounts for the same data elements for the same report period are consistent across all similar financial reports; and

2.7.2.5. Unusual trends and comparisons with the prior year and/or prior period amounts are identified and called to the attention of the DoD Component.

2.7.3. OUSD(C). Refer DoD Component-proposed changes to the draft reports, with which DFAS does not concur, to the OUSD(C) Directorate with oversight responsibility for the subject matter, for adjudication before the end of the current reporting cycle. The DoD Component, or DFAS, may submit requests for adjudication through their reporting chain of command to OUSD(C).

2.8 Journal Voucher Adjustments (020208)

2.8.1. Journal Vouchers (JVs) are all adjustments recorded in system transaction registers and the GL identifying summary-level adjustments to the GL. **Accounting systems generally consist of two forms of JV adjustments, manual JVs and system-generated JVs.** JVs are required for several reasons, including instances when subsidiary records do not reconcile with the financial balances, transactions need correction, and adjustments are required to align obligations, accruals, or expenses with the liquidation amounts for receipts, acceptances, and/or disbursements. JVs do not include transactions and processes used to record detail amounts in subsidiary ledgers as standard business transactions.

2.8.2. Either DFAS as the service provider or the DoD Components may identify the need to make adjustments. Both DFAS and DoD Components **must** support adjustments with sufficiently detailed documentation to provide an audit trail to the source transaction(s) that require the adjustments. (See paragraph 020204.)

2.8.2.1. DoD Components. When, during the applicable reporting period, a DoD Component identifies an adjustment pertaining to information included in a monthly, quarterly, semiannual, or annual report, the adjustment will be included as part of the financial information used to produce final report balances.

* 2.8.2.1.1. DoD Components must utilize the Root Cause Indicator Codes (RCIC) when recording manual accounting adjustments in the Defense Departmental Reporting System-Budgetary (DDRS-B) and Defense Departmental Reporting System-Audited Financial Statements (DDRS-AFS). The RCIC is required to record and monitor the root causes for recording accounting adjustments. Capturing the RCIC will be used to develop action plans to address the root cause requiring the accounting adjustment and then monitor the effectiveness of those action plans.

2.8.2.2. DFAS. When DFAS identifies a required adjustment to the official accounting records of a DoD Component, it will refer the proposed adjustment to the DoD Component who **must** review and approve the adjustment. DFAS must document proposed adjustments to DoD Component submissions and provide supporting documentation. DoD Components must respond with approval or disapproval for proposed adjustments within reporting cutoff dates for the relevant period. The following paragraphs provide the exceptions to this policy.

2.8.2.2.1. When DFAS makes an adjustment of less than \$1 billion to correct errors made by DFAS in the preparation of a report, (e.g., calculation errors and similar mistakes), they may be corrected by DFAS without prior referral to the affected DoD Component. Examples of corrections that may be made by DFAS without referral to a DoD Component are:

2.8.2.2.1.1. Adjustments to correct systems processing deficiencies;

2.8.2.2.1.2. Adjustments to correct an error made by DFAS in processing a transaction or a previous adjustment;

2.8.2.2.1.3. Adjustments to correct a financial balance to equal the sum of subsidiary records; and

2.8.2.2.1.4. Adjustments to align funding, obligation, accrual, or expense amounts with the liquidation amount for receipts, acceptances, and/or disbursements when the applicable supporting information requires such adjustments.

2.8.2.2.2. DFAS **must** notify DoD Components at least once each month of the reports impacted, total amounts, types, and categories of reasons for adjustments made without prior referral to the DoD Component under circumstances specified in the preceding paragraph and provide corrected reports if applicable. DFAS **must** keep adequate records of all such notifications; and DFAS and the DoD Component **must** work together to record adjustments made by DFAS in the accounting systems of record before the beginning of the next reporting cycle.

2.8.3. Appropriate Uses of JVs. JVs have the following primary uses within DoD.

2.8.3.1. Correcting Entries. Correcting entry JVs adjust for errors identified during the reports review process. This entry includes specific amounts, accounts, and/or transactions related to the required correction. If possible, the JV supporting documentation will note the required steps in the process to prevent the need for similar adjustments in future periods.

2.8.3.1.1. In some cases, correcting entries are required to adjust for errors on previously prepared JVs. In those instances, correcting entries will both reverse the effect of incorrect entries and record the correct amount.

2.8.3.1.2. In some cases, both entries can be made with one JV and a single set of supporting documentation. Regardless of whether a single JV or multiple JVs are prepared, the correcting JV **must** include a copy of the original JV, documentation supporting the correct amount, and a narrative explanation regarding how it is known that the original entry is incorrect and why the correcting entry is accurate/more accurate.

2.8.3.2. Source Entries. Source entry JVs record those accounting entries that, due to system limitations or timing differences, have not been otherwise recorded. By nature, source entry JVs are usually summarized at the entity level by GL account. The source entry accounting transaction **must** be supported by documentation for the summarized amounts and identify the location of the transaction level supporting detail. Source entry JVs, generally, are used for month-end closing, year-end processing and closing purposes, and also may include postings of information provided through data calls, such as those required to record values for property, plant, and equipment recognition.

2.8.3.3. Summarized Entries. Both correcting and source entry JVs will normally be summarized amounts for which documentation is required. In these situations, the summarized accounting entry represents the amount to record the effect of the detailed transactions. In all such cases, the summarized accounting entry will include documentation of the effect of the detailed transactions and identify the location of the transaction level supporting detail.

2.8.3.4. Subcategories. Further separate correcting and source entry JVs into the following subcategories:

2.8.3.4.1. Audit Recommended JVs. When auditors recommend a JV adjustment, the proper authoritative source **must** perform an analysis of the recommendation using the auditors' work papers and other relevant information to determine if the recommended adjustments are valid. Any decision resulting in a determination that a JV should, or should not,

be prepared **must** document why the adjustment is, or is not, required; indicate how the duly authorized official determined that the audit recommendation should be, or should not be, followed; and identify the audit recommendation serving as the basis for the actions taken.

2.8.3.4.2. DoD Component Requested JVs. When a DoD Component requests an adjustment that complies with the JV definition in [subparagraph 020208.A](#), a JV **must** be prepared. In addition, the JV **must** document why the adjustment is required, indicate how the duly authorized official determined that the entries included on the JV are correct, and identify the DoD Component's request serving as the basis for the adjustment. The DoD Component's JV request to DFAS **must** include supporting records and related analysis. A request for a JV entry that is not properly authorized or supported by accurate or proper documentation will be returned to the JV requestor with an indication of what additional information is required to process it, along with any applicable authoritative guidance.

2.8.3.4.3. Edits and Validations. Reporting entities record JVs modifying report submissions to comply with edits and validations designed to improve the accuracy of financial reporting. The Treasury Financial Manual, United States Standard General Ledger ([USSGL](#)), contains a listing of Governmentwide Treasury Account Symbol Adjusted Trial Balance System validations and edits. (See Section VII.)

*2.9 System-Generated JVs (020209)

2.9.1. For the purposes of this chapter, system-generated JVs are all automated and controlled entries included in system transaction registers identifying summary-level adjustments to the GL. Examples of system-generated entries include system-performed period-end closing entries, consolidations, and entries to bring GL accounts into balance at specified periods of times during the financial reporting process. System-generated JVs do not include the automation of JVs previously recorded manually.

2.9.2. DFAS utilizes eight types of recurring system-generated JVs in DDRS-B. These adjustments are approved by the Components for DFAS to process to ensure financial records are compliant with generally accepted accounting principles. Supporting documentation for system-generated JVs must be in accordance with paragraph [020204](#). The eight recurring system-generated JV types are:

2.9.2.1. Army Legacy. Adjustments processed in the first accounting period of each fiscal year to ensure prior year unobligated balances from Army legacy accounting systems, Standard Finance System (STANFINS), Standard Operations and Maintenance Army Research and Development System (SOMARDS), and Civil Engineers Financial Management System (CEFMS) are not overstated/understated in DDRS-B.

2.9.2.2. Extended Appropriation. Adjustments processed in the first accounting period of each fiscal year to execute the transfer of obligated/unobligated Shipbuilding and Conversion, Navy (SCN) appropriation balances from the expiring to the extended period of availability. Only SCN balances are in scope for the Extended Appropriation JVs.

2.9.2.3. Flowback. Adjustments to ensure that the impacts of select adjustments processed directly in DDRS-AFS are also reflected in DDRS-B.

2.9.2.4. Funding. Adjustments to guard against the misstatement of funding and ensure the funding amounts reflected in DDRS-B agree to the OMB apportionments recorded in the Program Budget and Accounting System and the Program Budget Information System.

2.9.2.5. Pre-close Cancelling Appropriation. Adjustments processed in the last accounting period of each fiscal year to facilitate the process of cancelling appropriations that have reached the end of their fifth expired year.

2.9.2.6. Reapportionment. Adjustments to facilitate the process of reinstating unapportioned authority which closed during the previous fiscal year's closing process.

2.9.2.7. Reversal. Adjustments posted in the first accounting period of each fiscal year to reverse manual, year-end, Permanent with Reversal or Permanent with Reversal Recurring JVs and Permanent with Reversal Feeder Trial Balance Adjustments.

2.9.2.8. Undistributed. Adjustments to support the monthly requirement that final appropriation-level disbursements and collections reported in DDRS-B agree to the balances reported by Treasury.

2.9.3. DFAS must create and maintain standardized narratives for recurring system-generated JVs to identify and provide a description of the predefined business rules used to execute the adjustments. In addition, DFAS must maintain evidence of review and approval of the predefined business rules executed in DDRS-B.

2.9.4. Other non-recurring system-generated JVs are recorded based on certain System Change Requests (SCRs), which are proposals to modify information in DDRS-B such as revising programming logic and coding changes. Not all SCRs result in system-generated JVs. In the event a non-recurring system-generated JV is required, the supporting documentation must be supplied and maintained by the requestor of the SCR. DDRS Program Management Office must retain supporting documentation for all non-recurring system-generated JVs to include, at a minimum, user stories, testing documentation, and the impact of the system-generated JV.

2.10 JV Preparation (020210)

2.10.1. General. Proper preparation of and adequate support for JVs is important to ensure they accurately record accounting, financial, or other GL-related events and that documentation for a detailed audit trail exists. Unadjusted GL account balances represent the listing of GL account balances at the end of the reporting period, before period-end adjusting JVs are recorded. In various level financial reporting systems, the unadjusted GL balances reported are summaries of transaction data used to record specific homogeneous types of transactions and balances that aggregate to specific classifications on the financial statements. Use JVs to process monthly, quarterly, and annual adjustments to unadjusted GL account balances in the field and higher-level accounting and reporting systems.

2.10.1.1. All summary-level entries included in system transaction registers identifying adjustments to the GL are considered JVs for the purposes of this chapter and must be adequately documented to support the validity of the transactions. In accounting systems of record, manual adjustments to the GL are considered JVs. Transactions and processes used to record detail amounts in subsidiary ledgers are not considered JVs.

2.10.1.2. Proper preparation of, and adequate support for, JVs is the responsibility of DFAS and the DoD Components. Memorandum-style entries to the GL, affecting neither Treasury-level reporting nor subordinate records, are not considered JVs for the purposes of this chapter.

2.10.2. Internal Controls. OMB Circular A-123 identifies operational internal controls to ensure JVs are recorded properly. These controls must be in place for all transactions included in system transaction registers identifying summary-level adjustments to the GL. These controls do not apply to transaction input or processes establishing detail amounts recorded in subsidiary ledgers.

2.10.2.1. JVs may be prepared at the installation (execution) or departmental (reporting) level and must be:

2.10.2.1.1. Systematically tracked and reflected in a JV log. Reporting entities must implement controls to ensure JVs are tracked and readily available for audit;

2.10.2.1.2. Categorized by each of the applicable categories listed in subparagraph 020210.D;

2.10.2.1.3. Reviewed and validated to ensure the transaction utilizes the correct accounts and posts correctly;

2.10.2.1.4. Documented to support the validity and the amount of the JV transaction. The documentation requirement applies to all transactions included in system transaction registers identifying summary-level adjustments to the GL;

2.10.2.1.5. Authorized, approved, and documented at the appropriate level of management or designee. The organizational level within accounting centers, accounting stations, finance offices, and other accounting locations approving JVs will vary by the dollar amount of the voucher as shown in Table 2-1. The dollar amount for each JV is the sum of the absolute value of the debit side entries on that voucher;

2.10.2.1.5.1. The approving officials listed in Table 2-1 provide a framework for approving JVs based on identified thresholds. Reporting entities may adapt the approving officials identified based on the entity's organizational structure. Within each of the listed thresholds, other approval thresholds with lower dollar values than those specified in Table 2-1 may be established to accommodate the organizational level of those preparing the JV. In addition, unless other DoD Component approval thresholds with lower dollar values are

established in memorandums of understanding between DFAS and a DoD Component, all JVs over \$1 billion **must** be coordinated with the affected DoD Component.

2.10.2.1.5.2. Approving officials may delegate their authority in writing to lower-level supervisors or other duly authorized officials with sufficient knowledge of the accounting matters addressed by the JV. The delegation does not relieve approving officials of their responsibilities as outlined in this chapter. See additional guidance in subparagraph **020210.B.2**;

Table 2-1. JV Approval Thresholds

Threshold	Dollar Amount	Approving Official Supporting the Reporting Entity
1	Under \$100 Million	Branch Chief
2	\$100-\$500 Million	Supervisor of Branch Chief
3	Over \$500 Million-\$1 Billion	Director for Accounting or Finance
4	Over \$1 Billion	Site Director

2.10.2.1.6. Processed under procedures that ensure the separation of duties for preparing, approving, recording or posting, and validating to the maximum extent possible. The preparer and approver cannot be the same person;

2.10.2.1.7. Annotated with the name, title, and office symbol of currently authorized preparers, reviewers (if used), and approvers. In an electronic environment, the name, title, and office symbol may be represented by user identification;

2.10.2.1.8. Maintained and readily available in hard copy, electronic form, or a combination if there is a manual approval of an automated system JV. All manual JVs must be documented, approved by the appropriate level, readily available, and in compliance with published guidance. Manual JVs include the automation of JVs previously recorded manually; and

2.10.2.1.9. Retained in accordance with records retention guidance contained in Volume 1, Chapter 9.

2.10.2.2. Maintain adequate managerial internal controls at each level of management, as directed in OMB Circular A-123, to ensure there is proper oversight of JV preparation. As a minimum, such managerial internal controls require the following:

2.10.2.2.1. Within 10 workdays after the accounting centers' issuance of quarterly financial statements for the first through third quarters, approving officials, at the levels of authority designated in Table 2-1, must perform and document a high-level integrity review of all JVs for which they delegated approval authority. Integrity reviewers are required to review each delegated JV for compliance with the terms of the delegation but are not required to review all documentation supporting the JV. A fourth quarter review must take place prior to submission of the Agency Financial Report to OMB (no later than November 15). If the approving official,

at the levels of authority designated in Table 2-1, is unavailable to perform the integrity review, an individual having the appropriate accounting knowledge and expertise, and who was not a delegated approver, can perform the integrity review on behalf of the approving official. [The approving official must appoint this individual in writing.](#)

2.10.2.2.2. Within 30 calendar days of the issuance of the financial statements, whether quarterly or annually, the DFAS Director for Accounting (or designee) must perform a quarterly quality and compliance review after submission of the quarterly and annual reports to OUSD(C). Conduct the review on a random sample of all [manual](#) JVs to determine if JVs are correctly prepared and processed, adequately described and supported, and approved at the proper managerial level within the limitations set forth in subparagraph [020210.B.1.e.1](#). The Director of Accounting (or designee) may substitute monthly reviews in place of the quarterly review. The review must be conducted by an entity outside the immediate office that created the JV. The entity conducting the review must have sufficient auditing expertise to perform the review and must sign, date, and retain documentation to support the completed review.

2.10.2.2.2.1. [DFAS must](#) conduct the review in accordance with the GAO FAM Volume 1, Section 450, “Perform Sampling Control Tests.” The FAM provides guidance pertaining to acceptable sample sizes and error rates for typical internal control samples. The FAM Figure 450.1, “Sample Sizes and Acceptable Numbers of Deviations,” includes tables to compute the acceptable number of deviations for testing controls. Within DoD, compute the acceptable number of deviations using a 90 percent confidence level and a 5 percent tolerable error rate. When the tolerable error rate is exceeded, review current JV procedures for possible revision to ensure compliance;

2.10.2.2.2.2. [DFAS must](#) identify and correct errors and notify the affected DoD Component as necessary. Identify root causes and implement corrective actions as appropriate. If errors materially impacted the financial statements, evaluate the need to restate/reissue the financial statements;

2.10.2.2.3. The internal review office must conduct an assessment of the organization's JV processing procedures, in accordance with OMB Circular A-123, to ascertain if JVs are properly prepared and supported. Volume 1, Chapter 3, discusses the necessity and importance of independent reviews.

2.10.2.2.4. DoD Components must perform a compliance review of JVs within their accounting systems to ascertain if the JVs are correctly prepared and processed, adequately described, supported, and approved at the proper managerial level at least on a quarterly basis.

2.10.3. Critical Elements. Critical elements are items that, if reported incorrectly for financial reporting purposes, would have a direct effect on the amounts presented on the financial statements. Reporting fields deemed critical must be populated in order to provide sufficient information for the approving official and others, such as auditors, to understand the reason for preparing the JV, determine if it is proper and accurate, and identify whether the JV entries are supported or unsupported by subsidiary records. This paragraph outlines critical elements for most

JV categories and applies to JVs recorded in all systems. Additional items may be deemed critical depending on the category of adjustment being made. JVs **must** include items listed in [paragraph 020204](#).

2.10.3.1. Correct Appropriation/Accounting Data. JVs **must** contain accurate financial information in order to populate the required input fields for entry into the accounting/financial reporting systems.

* 2.10.3.2. Balanced Adjustments. JV debits and credits **must** equal and reflect correct dollar amounts. **Out of balance JV adjustments are not permitted.**

2.10.3.3. Approvals. JVs **must** contain required approvals according to the thresholds outlined in subparagraph [020210.B.1.e](#).

2.10.3.4. Documentation. JVs **must** include adequate documentation, with cross-referencing to other documentation (hard copy or electronic form), to support the validity and amount of the transaction. Attach supporting documentation to the JV as described in paragraph [020204](#).

2.10.3.5. USSGL. JVs **must** contain valid GL accounts to record the adjustments. Approved DoD postings transactions are available at the DoD USSGL Transaction Library.

2.10.4. JV Categories. Regardless of the method of documentation used for the JVs, the dollar amount(s) on the JVs must be clearly and readily identifiable within the supporting documentation for the categories in subparagraphs [020210.D.1-11](#). Both manual and system-generated JVs require the use of JV categories.

2.10.4.1. Category A - Reversing Entries for Prior Reporting Period. **Category A must be used when reversing JVs from a prior accounting period.**

2.10.4.2. Category B - Data Call Entry. **Category B must be used when recording JVs for summarized source data not included in the GL trial balance.** To the maximum extent possible, reporting entities will eliminate data call JVs in the DDRS and record properly supported JVs closer to the underlying source transaction. This practice enhances accuracy and accountability, reduces errors, and places JV ownership with the organization responsible for the underlying transaction. Examples of data call entries include property, plant and equipment; operating materials and supplies; environmental liabilities; contingent liabilities; and employee benefit data.

2.10.4.3. Category C - Balancing Entries for Eliminations. **Category C must be used** when the duly authorized official has determined that entries are necessary to balance buyer side data with seller side data. Refer to Volume 6B, Chapter 13 for guidance on eliminations.

2.10.4.4. Category D - Recognition of Undistributed Disbursements and Collections. Category D must be used when recording undistributed disbursements and collections JVs representing the difference between the amount of disbursements and collections reported to Treasury and the amount recorded by the operating level activities.

2.10.4.5. Category E - Reconciliation of Trial Balance and Budget Execution Reports. [Category E must be used when reconciling](#) trial balances or other source data reported by field accounting sites and/or accounting stations to the DoD Component's budget execution reports. Consider trial balances or other source data correct and only adjust to budget execution data in instances where budget execution data is determined to be more accurate, i.e., Tie Point reconciliation of budgetary and proprietary accounts.

2.10.4.6. Category F - Supply Management Inventory. [Category F must be used when](#) supply management activities adjust from the standard price to approximate historical cost.

2.10.4.7. Category G - Reclassification of Accounts. [Category G must be used when correcting erroneous USSGL accounts attributes and to adjust incorrect posting logic, aligning with the](#) DoD Standard Reporting Chart of Accounts and Standard Financial Information Structure.

2.10.4.8. Category H - Identified Errors and Reasonableness Checks. Category H must be used when correcting errors identified by an authorized official or auditor.

2.10.4.9. Category I - Adjustment to Balance Reports Internally. [Category I must be used when an](#) authorized official has determined that a reconciliation of data supporting two different reports is not possible.

2.10.4.10. Category J - Other Accruals. Category J must be used when recording accrual JVs. Accruals involve the following types of business transactions:

2.10.4.10.1. Expenses, losses, and liabilities that have been incurred but are not yet recorded in the accounts,

2.10.4.10.2. [Revenues and assets that have been earned but are not yet recorded in the accounts, and](#)

2.10.4.10.3. [Laws or Regulations specific requirements](#)

2.10.4.11. Category M - Data Collection Module (DCM). [Category M must be used when utilizing DDRS DCM JV functionality to record data call amounts from DCM.](#)

2.11 Release of Reports (020211)

2.11.1. DoD Components. DoD Components [must](#) approve draft annual reports and return those reports to DFAS for appropriate revision, validation, and distribution as final reports. The DoD Components [must](#) not release any reports, including monthly recurring reports, such as budget

execution reports, to any organization external to the DoD Components. Only DFAS may release such reports. Volume 6B, Chapter 2 contains the requirements for the audited and interim financial statements.

2.11.2. DFAS. DFAS must validate all final reports using the official accounting records prior to release to their intended recipients. The release of reports occurs only after final validation that corrections and adjustments have been made and that the report agrees with the official accounting records.

2.12 Certifications (020212)

2.12.1. DoD Component/Reporting Entity. A reporting entity is an organization represented by the financial information in a financial statement or report and may be a DoD Component or a subordinate command/organization. For example, a reporting entity may include an individual command or activity, such as a shipyard or a supply depot, or it could encompass a number of activities within a business area, such as all shipyards or aircraft depot maintenance activities in a Military Department. A reporting entity can also be at a DoD Component level.

2.12.1.1. The reporting entity, rather than DFAS, is responsible for annual certifications required in the implementation of Title 31, United States Code, section 1501(a). See Chapter 4, “Appropriations and Fund Status Reports,” for additional information related to year-end reporting.

2.12.1.2. Reporting entities having working capital funds are responsible for signing the Accounting Report (Monthly) (AR(M)) 1307, Defense Working Capital Fund Accounting Report addressed in Chapter 15.

2.12.2. DFAS. DFAS's role in processing financial data, and in preparation of financial reports for DoD Components, includes certain responsibilities. Accordingly, DFAS will provide the following to the DoD Component:

2.12.2.1. Assurances and certifications, when requested, to the reporting entity regarding the quality of accounting and report preparation services performed for the DoD Component;

2.12.2.2. Signed monthly, quarterly, and semiannual reports on behalf of the DoD Component following review and approval by the DoD Component. An exception is the AR(M) 1307, which the DoD Component is required to sign. Volume 6B, Chapter 2 contains the requirements for the audited and interim financial statements; and

2.12.2.3. A certification provided by the chief of the applicable reports section confirming accuracy of the balances reported on the AR(M) 1307.

VOLUME 6A, CHAPTER 3: “REPORTING OF OUTLAYS, RECEIPTS, AND ADJUSTED TRIAL BALANCES”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [January 2020](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.3	Updated Treasury Financial Manual (TFM) reference to reflect the updated chapter.	Revision
Throughout	Updated TFM hyperlinks to reference publications on the new Treasury website, tfx.treasury.gov .	Revision
Table 3-1	Updated the source document reference to reflect the most recent Office of Management and Budget Bulletin, “Audit Requirements for Federal Financial Statements”	Revision

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CHAPTER 3

REPORTING OF OUTLAYS, RECEIPTS, AND ADJUSTED TRIAL BALANCES

1.0 GENERAL

1.1 Overview

[Department of Defense](#) (DoD) entities submit monthly outlay and receipt information via the Central Accounting Reporting System ([CARS](#)). The data in CARS interfaces with trial balance data submitted through the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to produce the financial reports. DoD entities are responsible for reconciling information between CARS and GTAS to ensure financial reports contain accurate information and provide an audit trail for the reporting period presented. The DoD Financial Management Regulation Glossary identifies DoD Components included as a part of DoD reporting.

1.2 Purpose

This chapter prescribes guidance for reporting outlays, receipts, and adjusted trial balances (ATBs) to the U.S. Department of the Treasury (Treasury). The policies included in this chapter apply to DoD entities authorized to prepare and submit consolidated monthly reports of outlays and receipts, and the [DoD](#) entities authorized to prepare and submit consolidated annual financial statements, to the Treasury, Bureau of the Fiscal Service (Fiscal Service).

*1.3 Authoritative Guidance

1.3.1. The Treasury Financial Manual (TFM), Volume I, Part 2, Chapter [5100](#) ([ITFM 2-5100](#)) applies to all Federal Agencies and U.S. Disbursing Officers (DO) that report collections and disbursements to the Treasury and Fiscal Service, and requires a monthly detailed reporting of disbursements and collections (outlays/receipts).

1.3.2. [ITFM 2-4700](#) prescribes how agencies provide data for the Financial Report of the United States Government ([FR](#)).

2.0 CARS REPORTING

2.1 CARS

CARS handles Treasury-level accounting and reporting for all federal agencies and is the system of record for Fiscal Service. CARS captures and records Treasury Account Symbol (TAS) information for payments, deposits, and intragovernmental transactions and provides agencies a daily status of their Fund Balance with Treasury (FBWT). All agencies must use the [CARS Modules](#) and submit the CARS TAS/Business Event Type Code ([BETC](#)) reporting classification for each payment, deposit, and intragovernmental transaction. The [CARS Glossary](#) identifies and defines the reporting processes and data elements used by CARS reporters.

2.2 CARS Reporting

2.2.1. CARS Daily Reporters. “CARS Daily Reporters” submit the TAS/BETC reporting classification for each payment or collection daily to CARS via the Payment Information Repository ([PIR](#)) or Collections Information Repository ([CIR](#)), respectively. DoD DOs report cash disbursements via the Classification, Transactions, and Accountability system.

2.2.1.1. PIR. The PIR serves as a repository for all Government payment data and supports Government transparency initiatives by improving the way Fiscal Service collects, analyzes, and reports on payment-related data. Reporting entities submit payment and accounting data to the PIR using the [Standard Reporting Format](#).

2.2.1.2. CIR. Reporting entities use the CIR to obtain detailed and summary-level information on collections and deposits received.

2.2.2. CARS Non-Daily Reporters. Agencies not classified as “CARS Daily Reporters” must report disbursements and collections through monthly reporting on the Standard Form (SF) 224, “Statement of Transactions;” SF 1219, “Statement of Accountability;” or SF 1220, “Statement of Transactions According to Appropriations, Funds, and Receipt Accounts,” in accordance with [I TFM 4A-4000](#). Entities that receive disbursing support from Fiscal Service ([regarding](#) the operations of designated Defense Agencies) must report using the SF 224. I TFM 2-3300 contains reporting policies for the SF 224.

2.3 Special Reporting

2.3.1. Government Securities. Refer to [I TFM 2-4300](#) for guidance on reporting the purchase and sale of U.S. Government securities, including the purchase of unrealized discount on investments. Report U.S. Government securities, purchased as an investment by a trust fund, as a disbursement at par value and the sale of securities at par value as a receipt. See the Fiscal Service BETC listing for approved TAS/BETC combinations used to report the purchase and sale of U.S. Government securities.

2.3.2. Borrowing Authority. Borrowing authority is statutory authority to incur obligations and make payments for specified purposes out of borrowed money. It must be established as needed by the acquisition of property subject to a mortgage and withdrawn upon payment of the mortgage principal. When the buyer assumes the mortgage, the borrowing authority is disestablished. See the Fiscal Service BETC listing for approved TAS/BETC combinations used to report mortgage transactions.

2.3.2.1. A DoD Component becomes the mortgagor when it acquires property subject to a previous mortgage under the DoD Homeowners Assistance Program, or when it borrows money to finance, or issues a mortgage instead of immediate payment, for new construction under the DoD Family Housing Program. See [Volume 3, Chapter 15](#) for additional guidance on borrowing authority.

2.3.2.2. Report the total acquisition cost of the property, including mortgages payable included in the sale of non-guaranteed Government agency securities, as a disbursement to liquidate the entire related obligation. Report the amount of the mortgage assumed, which is included in the sale of non-guaranteed Government agency securities, as a reimbursement.

2.3.2.3. Report payments to the mortgagee in two parts: Payments on principal, which are associated with the redemption of non-guaranteed Government agency securities, as disbursements, and the associated interest payments.

2.3.2.4. Report the sale of property subject to a previous mortgage assumed by the buyer as a reimbursement for the total sales price. Report only the portion of this balance that relates to the redemption of non-guaranteed Government agency securities. Report the amount of the existing mortgage assumed by the buyer, related to the redemption of non-guaranteed Government agency securities, as a disbursement.

2.3.3. Cash. [I TFM 2-3400](#) contains guidance on reporting cash held outside of the U.S. Treasury. See [Volume 4, Chapter 2](#) and [Volume 5](#) for additional information on establishing financial control over fund balances with the U.S. Treasury and cash resources that are not part of the [FBWT](#).

2.4 Monthly Reporting Process

2.4.1. Fiscal Service coordinates with reporting entities to ensure appropriate submission and reporting procedures are in place to accomplish the monthly reporting requirements. Reporting entities compile expenditure accounting information from their reporting activities and electronically submit a monthly consolidated report to Fiscal Service in accordance with due dates established by Fiscal Service. Due dates are consistent with the requirements of the Office of the Under Secretary of Defense (Comptroller) Program/Budget, Program and Financial Control Directorate.

2.4.2. Fiscal Service uses outlay and receipt information submitted by reporting entities to produce the Monthly Treasury Statement ([MTS](#)), which summarizes the financial activities of the Federal Government and conforms to the Budget of the U.S. Government. MTS data includes information provided by federal entities, DOs, and Federal Reserve Banks. It presents a summary of receipts and outlays, surplus or deficit, and means of financing on a modified cash basis.

2.5 Reconciliation of Monthly Information

2.5.1. [DoD](#) Components must incorporate controls into their processes to ensure amounts reported daily or monthly to Treasury reconcile to collections and disbursements processed through the disbursing systems and reflect amounts reported in the accounting systems. Treasury reporting includes SF 224 submissions by reporting entities. See [Volume 1, Chapter 3](#) for information on providing accurate, reliable, and timely financial management information to achieve compliance with the Federal Financial Management Improvement Act. Refer to subparagraph 3.4 for additional information on GTAS edits and validations.

2.5.2. **DoD** Components must perform timely reconciliations and implement effective and efficient reconciliation processes. Effective reconciliations serve as a detection control for identifying unauthorized and unrecorded transactions at the entities and Treasury. Volume 4, Chapter 2 prescribes DoD policy for reporting and reconciling transactions affecting an entity's **FBWT**. Effective reconciliations are also important in preventing entity disbursements from exceeding appropriated amounts and providing an accurate measurement of the status of available resources.

2.6 Supplemental Reporting

A supplemental report may be submitted to Fiscal Service to adjust previously submitted data. Under special circumstances, Fiscal Service may request a supplemental report from the reporting entity. The totals reported on the supplemental reports will be consistent with the summarized net disbursements submitted by the reporting entities.

3.0 GTAS REPORTING

3.1 GTAS

Fiscal Service administers and maintains GTAS to facilitate preparation and consolidation of the FR. Within GTAS, reporting entities submit both proprietary and budgetary data simultaneously in the **Bulk File Format**. Systemic edits validate data across both budgetary and proprietary reporting, including the Governmentwide Accounting System **Account Statement**. Reporting entities reconcile GTAS data with amounts reported in CARS to verify the accuracy of reported balances.

3.2 GTAS Reporting

3.2.1. The GTAS data submitted by agencies are United States Standard General Ledger (USSGL)-based trial balances used to populate the Statement of Budgetary Resources (SBR); the **SF 133**, Report on Budget Execution and Budgetary Resources; and the prior-year column of the Program and Financing Schedule of the Budget. Agencies must ensure that the budgetary information used to prepare the SBR is consistent with the budgetary information reported to GTAS during the fourth quarter reporting window. Reporting entities submit GTAS data according to the annual Fiscal Service **Reporting Window Schedule**. The **GTAS Glossary** identifies and defines the reporting processes and data elements used by GTAS reporters.

3.2.2. Agencies must ensure the data in their Agency Financial Reports is exactly the same as the data reported in GTAS and the Defense Departmental Reporting System-Audited Financial Statements as of the GTAS close date.

3.2.3. GTAS establishes the default [Canceled \(“C”\) TAS](#) used to report canceled proprietary payables, receivables, and assets. Report expired obligated and unobligated balances as canceled on the final, September 30, SF 133 before closing a Treasury Appropriation Fund Symbol (TAFS). While budgetary USSGL balances are not required to be reported to Treasury and the Office of Management and Budget (OMB) after a TAFS is canceled, Section 130 of [OMB Circular A-11](#), “Preparation, Submission, and Execution of the Budget,” requires a tracking process monitoring obligations pertaining to canceled appropriations in order to prevent overpayment.

3.2.4. The [DoD Financial Reporting Guidance](#) (Common Access Card enabled) provides DoD processes for reporting GTAS information, in addition to the quarterly and year-end schedules.

3.3 FR

The FR provides a comprehensive view of the Federal Government’s financial position and condition, its revenues and costs, assets and liabilities, and other obligations and commitments. The FR includes consolidated financial statements and related disclosures, as well as reports on stewardship responsibilities. I TFM 2-4700 and [OMB Circular A-136](#), “Financial Reporting Requirements,” describe how agencies provide data for the FR using GTAS.

3.4 Submission and Verification of Data

3.4.1. Reporting. DoD entities must:

3.4.1.1. Comply with Fiscal Service (GTAS) reporting policies for the reconciliation and confirmation of balances,

3.4.1.2. Ensure submitted data is timely and reliable; and

3.4.1.3. Verify that due dates are met according to I TFM 2-4700, DoD Financial Reporting Guidance, and this chapter, for both significant entities and other entities.

3.4.2. Significant Entities. I TFM 2-4700 provides a list of significant entities. Other Entities include all other executive branch agencies. All entities (significant and other) submit pre-closing GTAS ATB data and complete FR Notes and other FR data for fiscal year reporting. Significant entities will:

3.4.2.1. Submit audited financial statements in the Agency Financial Report or the Performance and Accountability Report;

3.4.2.2. Submit GTAS ATBs and provide an interim and year-end variance analysis to OMB;

3.4.2.3. Provide Fiscal Service with an electronic copy of the interim unaudited financial statements (the third-quarter financial statements), notes, required supplementary information, required supplementary stewardship information, and other information, if the information is not available in [Connect.gov](#);

3.4.2.4. Comply with intragovernmental policies;

3.4.2.5. Review (with their auditors) the fifth quarter Scorecard to determine if a prior-year journal voucher was processed. If a prior-year journal voucher was processed, the significant entity must identify the reason for the journal voucher as well as how to prevent the adjustment in the current year; and

3.4.2.6. Provide Chief Financial Officer Representations for Federal intragovernmental activity and balances.

3.4.3. Edits and Validations. Reporting entities must comply with established GTAS edits and validations used to verify the integrity of data submissions. [Section VII](#) of the USSGL contains a listing of edits and validations used in GTAS. In addition to Treasury-level tie-point type edits incorporated in GTAS; reporters will perform more-detailed component-level tie-point reconciliations before submitting finalized data through GTAS.

3.4.4. Standard Financial Information Structure (SFIS). [SFIS](#) is a comprehensive data structure that supports GTAS reporting, as well as requirements for budgeting, financial accounting, cost/performance, and external reporting needs across DoD. Entities must use the SFIS reporting elements as prescribed in the SFIS data structure.

3.5 I TFM 2-4700 Reporting Requirements

3.5.1. Intragovernmental Requirements. DoD entities comply with Fiscal Service policy for the reconciliation and confirmation of intragovernmental balances. [Volume 6B, Chapter 13](#) contains policy for accounting and reconciling intragovernmental balances.

3.5.2. ATB Requirements. Federal entities must prepare and submit pre-closing GTAS ATBs at the TAS level using USSGL accounts and attributes. Table 3-1 contains a list of DoD entities required to submit ATBs. Fiscal Service collects ATB data to aid in its analytical processes. The GTAS ATBs must include USSGL accounts with the required attributes, while USSGL account balances must reflect the pre-closing adjusting entries needed to produce financial statements. Significant entities and other entities use the same USSGL data on the GTAS ATBs used to prepare the current fiscal year audited entity consolidated financial statements due to OMB.

3.6 Digital Accountability and Transparency Act

3.6.1. The Digital Accountability and Transparency Act ([*DATA Act*](#)) requires Federal agencies to report financial and payment information according to data standards established by Treasury and OMB. The purpose of the DATA Act is to make Federal spending data more accessible, searchable, and reliable while also serving as a tool for better oversight, data-centric decision-making, and innovation both inside and outside of government.

3.6.2. To help agencies comply with the DATA Act, OMB and Treasury created the [*DATA Quality Playbook*](#) identifying key steps that, if followed together, assist agencies in leveraging existing capabilities with DATA Act implementation. Accurate financial reporting through GTAS enables reporting entities to submit USSGL accounts and SFIS data elements required to comply with the DATA Act.

*Table 3-1. DoD Consolidation Entities Required to Submit ATBs

DoD Consolidation Entity (Source: Current OMB Bulletin, “Audit Requirements for Federal Financial Statements”)	Treasury Index (TI)	Budget Functional Classification	Responsible Office for GTAS Submission to the Fiscal Service
Department of the Navy	TI 17	051	DFAS-Cleveland
U.S. Marine Corps	TI 17	051	DFAS-Cleveland
Department of the Army	TI 21	051	DFAS- Indianapolis
Department of the Air Force	TI 57	051	DFAS-Columbus
U.S. Army Corps of Engineers (USACE)	TI 96	301/304	USACE Finance Center
Defense Working Capital Fund, Army	TI 97X4930.001	051	DFAS-Columbus
Defense Working Capital Fund, Navy**	TI 97X4930.002	051	DFAS-Cleveland
Defense Working Capital Fund, Air Force	TI 97X4930.003	051	DFAS-Columbus
Defense Working Capital Fund, Defense Commissary	TI 97X4930.004	051	DFAS-Columbus
Defense Working Capital Fund, Defense Agencies	TI 97X4930.005	051	DFAS-Columbus
Other Defense Organizations General Funds	TI 97 all other	051	DFAS- Indianapolis
Medicare Eligible Retiree Health Care Fund	TI 97X5472	551	DFAS- Indianapolis
Military Retirement Trust Fund	TI 97X8097	602	DFAS- Indianapolis

**Includes U.S. Marine Corps Working Capital Fund

VOLUME 6A, CHAPTER 4: “APPROPRIATION AND FUND STATUS REPORTS”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue](#) font.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [August 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
ALL	Implemented Administrative updates to include clarifying language in accordance with Department of Defense Financial Management Regulation Revision Standard Operating Procedures.	Revision

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CHAPTER 4

APPROPRIATION AND FUND STATUS REPORTS

1.0 GENERAL

1.1 Purpose

This chapter prescribes the reporting requirements and policy to follow when preparing appropriation and fund status reports at the departmental level. These reports identify, for the Defense Finance and Accounting Service (DFAS) and its customers, the status of accounting transactions on a monthly, quarterly, and annual basis. This chapter does not prescribe the reporting requirements of the intermediate command and installation levels. The provisions apply to all Department of Defense (DoD) Components and cover fund types included in Section 79 of Office of Management and Budget (OMB) Circular [A-11](#), Preparation, Submission, and Execution of the Budget.

1.2 Authoritative Guidance

1.2.1. The reports defined by this chapter fulfill the requirements in Title 31, United States Code (U.S.C.), [section 1512\(d\)](#) that the President review [apportionments or reapportionments requested](#) by executive agencies at least four times a year. The policy in this chapter also fulfills the requirement in 31 U.S.C. § [1554\(b\)](#) to report unliquidated obligations, unobligated balances, canceled balances, and adjustments made to appropriation accounts during the fiscal year (FY).

1.2.2. The chapter supplements reporting policies required by OMB Circular A-11, which provides an overview of the budget process and instructions on budget execution, including guidance on the apportionment and reapportionment process.

2.0 REPORTING

2.1 Report Formats

The report formats for the appropriation and fund status-type reports are identified within the respective paragraphs. Figures 1 and 2 contain sample fund status reports.

2.2 Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS).

2.2.1. The Department of the Treasury (Treasury), Bureau of the Fiscal Service ([Fiscal Service](#)), administers and maintains [GTAS](#) to facilitate the preparation and consolidation of the [Financial Report of the U.S. Government](#). Reporting Agencies [upload](#) both proprietary and budgetary data to GTAS in the [Bulk File Format](#). Refer to Chapter 3 for DoD policy related to the submission of financial data using GTAS.

2.2.2. [Consolidation](#) entities are required to submit requests for new Treasury symbols to be used in GTAS reporting to the Office of the Under Secretary of Defense (Comptroller),

Program/Budget (P/B), Program and Financial Control (P&FC) Directorate ([an organization within P/B](#)), along with justification that cites the specific authorizing legislation. P&FC will review requests and coordinate with OMB and the Treasury to establish new accounts when authorized.

2.3 Standard Financial Information Structure (SFIS)

Appropriation and fund status reporting utilizes the data structure and reporting elements outlined in [SFIS](#). SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across DoD. See Volume 1, Chapter 4, for additional information on SFIS reporting.

3.0 YEAR-END REPORTING

3.1 Purpose

This section contains instructions for reporting unexpended appropriation and fund balances required by [Treasury Financial Manual, Volume I, Part 2, Chapter 4700](#). [Unexpended appropriations include the amount of unobligated appropriations and undelivered orders outstanding for Congressional appropriations provided to the Department.](#)

3.2 Scope

This section pertains to all DoD [consolidation](#) entities [uploading](#) unexpended balances of appropriation accounts to Fiscal Service through GTAS.

3.3 Reporting

[Consolidation](#) entities utilize GTAS and the Fiscal Service Year-End Module to report unexpended balances of appropriation accounts. Fund holders are responsible for verifying the accuracy of reported balances and providing final confirmation of amounts reported in GTAS to DFAS Accounting Standards and Reporting, Budget Execution Analysis via signed documentation for electronic certification.

4.0 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES (STANDARD FORM (SF) 133).

4.1 Purpose

This section contains instructions for implementing OMB Circular A-11 for the monthly SF 133, Report on Budget Execution and Budgetary Resources. The SF 133 shows the status of budgetary resources and [details how funds are obligated and spent](#). The report is intended for use, with other available information, in reviewing apportionments and the U.S. Government's budgetary programs, in managing the rate of incurring obligations and outlays, and as a basis for initiating requests for reapportionments and transfers. See Section 130.1 of OMB A-11 for additional uses of SF 133 data.

4.2 Scope

4.2.1. Applicability. The requirements of this section apply to all DoD Components.

4.2.2. Basic Report. Prepare an SF 133 for each unexpired (current) or expired Treasury Appropriation Fund Symbol (TAFS) of the types identified in OMB Circular A-11, Section 130.2(a). Unless exempted by OMB, submit SF 133 information for each open TAFS. Subparagraph 4.2.3 contains a list of current exemptions.

4.2.3. Exemptions. Unless required by OMB, do not submit SF 133s for deposit fund accounts, receipt accounts, clearing accounts, suspense accounts, and closed TAFS (TAFS with canceled balances).

4.3 Frequency and Distribution

4.3.1. Fiscal Service. The Fiscal Service receives monthly budget execution information via GTAS according to the Fiscal Service Reporting Window Schedule. Fiscal Service prepares the monthly SF 133 for OMB based upon the GTAS United States Standard General Ledger (USSGL) information and attributes forwarded by DoD.

4.3.2. Consolidation Entities. Volume 6B identifies DoD consolidation entities and addresses the form and content of DoD audited financial statements.

* 4.3.3. Reports on Allocation and Appropriation Transfer Accounts

4.3.3.1. Allocation (Transfer To) Account. For allocation transfers made from a parent account to allocation accounts, submit an SF 133 containing the activity for each allocation account.

4.3.3.2. Parent (Transfer From) Account. The parent agency may choose to gather information from all agencies that have allocation accounts and enter the information into GTAS or require each agency with an allocation account to enter information into GTAS and provide a copy to the parent agency. See OMB Circular A-11 for additional information on allocation/parent reporting.

4.3.4. Submission Schedule

4.3.4.1. Submit reports by the departmental level consolidation entities as of the end of each month, excluding reports on allocation and transfer appropriation accounts. Submit regular reports in accordance with due dates established by DFAS and consistent with the timeframes established by the Fiscal Service Reporting Window Schedule.

4.3.4.2. Submit reports on allocation and transfer appropriation accounts to the parent agency in accordance with the schedule prescribed by that agency and consistent with the timeframe provided in OMB Circular A-11.

4.4 Preparation

4.4.1. The SF 133 is divided into four sections: Budgetary Resources; Status of Budgetary Resources; Change in Obligated Balance; and Budget Authority and Outlays, Net. Report cumulative amounts from the beginning of the FY to the end of the period reported and include all footnotes at the end of the report. Forward any information used to supplement or clarify the submitted reports directly to OMB. See OMB Circular A-11, Appendix F, “Format of SF 132, SF 133, Schedule P, and SBR” for the format and line item descriptions for each line item on the SF 133.

4.4.2. Section 130 of OMB Circular A-11 contains exhibits of sample SF 133 reports.

4.4.3. Volume 1, Chapter 7 [prescribes the Department of Defense \(DoD\) Standard Chart of Accounts \(SCOA\) requirements that are based on United States Standard General Ledger \(USSGL\) general requirements](#). The SCOA prescribes the mandatory general ledger accounts for all DoD accounting systems and all budgetary and proprietary transactions. The Fiscal Service provides crosswalks from the SF 133 to the USSGL in Section V of the current FY’s version of the USSGL.

4.4.4. OMB Circular [A-136](#), Financial Reporting Requirements, contains information on reconciling SF 133 information with the Statement of Budgetary Resources (SBR).

4.5 The Expired Phase: Budget Execution Reporting.

Report obligated and unobligated balances on the SF 133 for each expired TAFS that has not been canceled. Section 130 of OMB Circular A-11 contains instructions for budget execution reporting on expired TAFS that have not been canceled, as well as instructions for reporting upward and downward adjustments to expired TAFS.

4.6 The Expired Phase: Obligation Adjustments for Contract Changes.

4.6.1. Upward adjustments to obligations in expired appropriation accounts, caused by contract changes that exceed certain thresholds, are subject to additional reporting and approval requirements. A contract change represents an order relating to an existing contract under which a contractor is required to perform additional work. A contract change does not include adjustments related to an escalation clause.

4.6.2. Section 130 of OMB Circular A-11 specifies the thresholds, reporting requirements, and approval requirements for contract changes.

4.6.3. The USD(C), as the Secretary of Defense’s designee, fulfills the duties and responsibilities designated to “the agency head” in this section of OMB Circular A-11.

4.7 The Expired Phase: Alternatives for Payment of Old Obligations

4.7.1. The length of the expired phase of a TAFS may only be changed by law. When

DoD requires payment of obligations beyond the normal 5-year expired phase (such as the Navy Shipbuilding and Conversion appropriation), the Assistant Secretary of the Military Department Financial Management and Comptroller (FM&C) submits proposed changes to appropriation language for the budget year through OUSD(C)(P/B) to OMB for approval.

4.7.2. Request this authority only when historical outlay data indicates the payment of old balances from unexpired funds regularly exceeds the 1 percent limitation or when such payments would severely affect the current program.

4.7.3. Report such authority to the Treasury to prevent premature automatic cancelation of the account. Without this authority, DoD must seek reappropriation of canceled balances and defer payment until the appropriation is available, or pay from current appropriations, as described in Volume 3, Chapter 10.

4.8 SF 133 and the SBR

The compilation of an agency's SF 133s must agree with the agency's SBR. OMB Circular A-11 identifies the few differences between the SF 133 and SBR.

4.9 Consistency of Amounts Reported

Amounts reported in the fourth quarter SF 133 must be consistent with information reported to Treasury as part of the year-end closing procedures and based on actual accounting information pursuant to [31 U.S.C. § 3512](#). Actuals submitted to OMB for inclusion in the President's annual budget, which is submitted to the Congress, will agree with those submitted to Treasury and reported on the fourth quarter SF 133.

5.0 REPORT ON REIMBURSEMENTS AND REFUNDS (ACCOUNTING REPORT (MONTHLY) (AR(M)) 725)

5.1 Purpose

The AR(M) 725 identifies supplemental budget execution data with respect to reimbursements and refunds, in terms of their sources and the FY programs being executed. The AR(M) 725 identifies reimbursable activity during the reporting period and includes refunds of prior year orders from direct appropriations.

5.2 Scope

5.2.1. The provisions of this section apply to all DoD Components.

5.2.2. Reports are required electronically for the following:

5.2.2.1. All current appropriations or other fund accounts for military or civil functions of DoD are reported on the SF 133.

5.2.2.2. All expired appropriations or other fund accounts.

5.2.2.3. Trust fund accounts if reimbursements or refunds are from non-Federal sources.

5.2.2.4. Trust revolving fund accounts if the reimbursements or refunds are from U.S. Government accounts; and

5.2.2.5. Allocation and transfer accounts for DoD Components from appropriations made to the Office of the Secretary of Defense (Treasury Index (TI) Code 97).

5.2.3. Unless specifically requested in writing by the OUSD(C), reports are not required for the following:

5.2.3.1. Trust fund accounts, except those in subparagraph 5.2.2.3;

5.2.3.2. Trust revolving fund accounts, except those in subparagraph 5.2.2.4;

5.2.3.3. Deposit fund accounts.

5.2.3.4. Other Defense, civil programs; and

5.2.3.5. Security assistance appropriation accounts.

5.3 Report Format AR(M) 725

Prepare the AR(M) 725 in accordance with the guidance provided in paragraph 5.5. The current format is reflected in Figure 1.

5.4 Frequency and Distribution

5.4.1. Consolidation entities with reimbursable activity electronically submit monthly reports in accordance with due dates established by DFAS and consistent with the timeframes established by OUSD(C). Submit the report at the same time as the AR(M) 1002, Appropriation Status by Fiscal Year Program and Subaccounts.

5.4.2. Include the AR(M) 725 with the SF 133.

5.5 Preparation

5.5.1. Basis of Reporting. Amounts reported will agree with corresponding general ledger balances for reimbursement and refund USSGL accounts as defined in the DoD Standard Reporting Chart of Accounts.

5.5.2. Unit of Entries. Round reported amounts to the nearest thousand.

5.5.3. Description (Column A). This column identifies whether the transaction is from a “Federal” or “Non-Federal” source.

5.5.4. Reimbursements Receivable (Column B). Enter the number of receivables brought forward from the prior year. The total of this column must agree with column I of the year-end AR(M) 725 report from the prior year.

5.5.5. Unfilled Customer Orders Without Advance (Column C). Enter the number of unfilled orders brought forward from the prior year. The total of this column must agree with column J of the year-end AR(M) 725 report from the prior year.

5.5.6. Total Anticipated Reimbursements (Column D). Enter reimbursements expected to be earned during the current FY, subject to OMB apportionment, other authorized reimbursements, and/or other income for which current year obligational authority is automatically established based on orders received.

5.5.7. Earned Reimbursements and Refunds (Column E). This column represents the amount recognized when a performing organization renders actual or constructive performance on a reimbursable order. Generally, reimbursements must recover the cost elements outlined in Volume 11A, Chapter 3 and Volume 11B, Chapter 3.

5.5.7.1. The SFIS reporting structure identifies approved USSGL transactions and data elements used to record transactions between buyers and sellers. This column also includes refunds of prior-year orders from direct appropriations. Refunds are the repayments of excess payments and are related to previous obligations incurred and outlays made against the appropriation. Process refunds received to the appropriation or fund account charged with the original obligations.

5.5.7.2. OMB Circular A-11 provides guidance for processing refunds in both current and prior years.

5.5.8. Changes in Unfilled Customer Orders (Column F). This column represents the net change in unfilled customer orders during the period. The balance in this column increases with new customer orders and decreases with earned customer orders.

5.5.9. Anticipated Orders for Rest of Year (Column G). For transactions with the public, this column represents estimated collections, including advances expected to be received and reimbursements expected to be earned. In transactions between U.S. Government entities, this balance represents orders expected to be received, but have not been accepted.

5.5.10. Reimbursements and Refunds Collected (Column H). This column includes collections received on a reimbursable basis for goods and services provided and refunds of prior-year orders from direct appropriations.

5.5.11. Reimbursements Receivable (Column I). This column represents the balance of outstanding collections, for goods and services provided on a reimbursable basis, at the end of the reporting period.

5.5.12. Unfilled Customer Orders Without Advance (Column J). This column represents

the balance of unfilled customer orders, at the end of the reporting period, for goods and services without an advance. This line applies only to transactions between U.S. Government entities and those entities with approved exceptions.

6.0 APPROPRIATION STATUS BY FISCAL YEAR PROGRAM AND SUBACCOUNTS (AR(M) 1002)

6.1 Purpose

This section prescribes the preparation and submission of reports on the application and status of appropriation and other fund accounts. The reports present budget execution data with respect to obligational authority in terms of the FY programs executed at budgetary subdivisions not found on SF 133. Program value, obligation, unobligated balance, unexpended balance, and expenditure balance data integrity, by line item, [must be maintained](#) throughout an account's unexpired and expired availability periods. Expired account adjustments, which move resources between Budget Line Items (BLI), must reflect the appropriate change to that line item's program value amount, obligations, unobligated balance, unexpended balance, and expenditure data on the AR(M) 1002.

6.2 Scope

6.2.1. The provisions of this section apply to all DoD Components.

6.2.2. Reports are required for all general and special fund appropriations for military and civil functions of the Department that are reported on the SF 133, except those accounts specifically exempted in subparagraph [6.2.3](#).

6.2.3. Reports are not required for the following unless specifically requested in writing by the OUSD(C):

6.2.3.1. Revolving funds that do not have direct appropriation funds available, except for accounts 97 X 4555, 4090, 4965, and 0833.

6.2.3.2. Receipt accounts, clearing accounts, suspense accounts, deposit funds, and trust funds, except for 97 X 8097, 8098, and 8335.

6.2.3.3. Civil funds of the U.S. Army Corps of Engineers and the U.S. Soldiers' and Airmen's Home; and

6.2.3.4. Transfer appropriation accounts.

6.3 Report Format

Prepare the AR(M) 1002 in accordance with the guidance provided in paragraph 6.5. Report 1002 data in accordance with the Business Enterprise Architecture included in SFIS. The AR(M) 1002 format includes budget and fiscal account classifications required to align with

information included in annual DoD budget requests, as illustrated in the [President's Budget Exhibits M-1, O-1, P-1, R-1, and C-1](#). See the "[SFIS Matrix](#)" for business rules and examples of acceptable budgetary values. The [Defense Departmental Reporting System-Budgetary](#) contains the official report mapping for the AR(M) 1002. Figure 2 contains the current report format for the AR(M) 1002.

6.4 Frequency and Distribution

6.4.1. Electronically submit monthly reports in accordance with the due dates established by DFAS, and consistent with the timeframes established by OUSD(C).

6.4.2. Arrange the reports in the same order as the SF 133s they support.

6.5 Preparation

6.5.1. Units of Entry. Round all amounts to the nearest thousand and no attempt needs to be made to adjust the rounded figures so they add to column totals. Rounded amounts **must not** exceed the actual amounts by more than $\pm \$2,000$.

6.5.2. Direct Programs

6.5.2.1. Military Personnel

6.5.2.1.1. General. Report at least two classification levels for distinct sets of TI Codes 17 (Navy), 21 (Army), and 57 (Air Force); FY program; and Treasury account number (Main Account Code).

6.5.2.1.2. Level One. Budget Activity (BA) equals the M-1 (Military Personnel Programs) BA. Use the set of distinct M-1 BA records to present the BA stub entries.

6.5.2.1.3. Level Two. Budget Sub-activity (BSA) equals the M-1 BSA and is the M-1 line-item detail and lowest classification level. Use the set of distinct M-1 BSA records to present the BSA stub entries. Present the BSA stub entries under their respective BA.

6.5.2.1.4. Level Three (Optional). BLI equals the President's Budget Exhibit PB-30J, Summary of Entitlements by Sub-activity, and is the lowest classification level. Use the same set of distinct entitlement stub entries on the AR(M) 1002 displayed in Budget Exhibit PB-30J. Present the BLI stub entries under their respective BA and BSA.

6.5.2.2. Operation and Maintenance (O&M)

6.5.2.2.1. Report the three classification levels for distinct sets of TI Codes 17, 21, and 57; FY program; and Main Account Code.

6.5.2.2.1.1. Level One. BA equals the O-1 (O&M Programs) BA. Use the set of distinct O-1 BA records to present the BA stub entries.

6.5.2.2.1.2. Level Two. BSA equals the O-1 Budget Activity Group (BAG). Use the set of distinct O-1 BAG records to present the BSA stub entries. Present the BSA stub entries under their respective BA.

6.5.2.2.1.3. Level Three. BLI equals the O-1 Sub-activity Group (SAG) and is the O-1 line-item detail and lowest classification level. Use the set of distinct O-1 SAG line items to present the BLI stub entries. Present the BLI stub entries under their respective BA and BSA.

6.5.2.2.2. Report five classification levels for distinct sets of TI Code 97, FY program, and Main Account Code as prescribed by [DFAS Manual 7097.01](#).

6.5.2.2.2.1. Level One. BA equals the O-1 BA. Use the set of distinct O-1 BA records to present the BA stub entries.

6.5.2.2.2.2. Level Two. Defense Level Organization (DLO) equals the O-1 Defense Agencies. Use the set of distinct O-1 Defense Agencies to present the DLO stub entries. Present the DLO stub entries under their respective BA. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify the valid Defense Agencies. Within each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency allotment holder.

6.5.2.2.2.3. Level Three. BSA equals the O-1 BAG. Use the set of distinct O-1 BAG records to present the BSA stub entries. Present the BSA stub entries under their respective DLO.

6.5.2.2.2.4. Level Four. BLI equals the O-1 SAG and is the O-1 line-item detail and lowest classification level. Use the set of distinct O-1 SAG line items to present the BLI stub entries. Present the BLI stub entries under their respective BSA.

6.5.2.2.2.5. Level Five. Budget Allotment Line-Item Identifier (BALI) is a sub-set of BLIs and refers to sub-BLI codes used in original allotment and sub-allotment funding authorization documents. Present the BALI stub entries under their respective BLI.

6.5.2.3. Procurement

6.5.2.3.1. Report the three classification levels for distinct sets of TI Code 17, 21, and 57; FY program; and Main Account Code.

6.5.2.3.1.1. Level One. BA equals the P-1 (Procurement Programs) BA and BA Title. Use the set of distinct P-1 BA records to present the BA stub entries. A subtotal at the BA level is required for Procurement Accounts.

6.5.2.3.1.2. Level Two. BSA equals the P-1 BSA and BSA Title. Use the set of distinct P-1 BSA records to present the BSA stub entries. Present the BSA stub

entries under their respective BA. A subtotal at the BSA level is not required for Procurement Accounts.

6.5.2.3.1.3. Level Three. BLI equals the P-1 Line Item and Line-Item Title and is the P-1 line-item detail and lowest classification level. Use the set of distinct P-1 line-item records to present the BLI stub entries. Present the BLI stub entries under their respective BA and BSA.

6.5.2.3.2. Report five classification levels for distinct sets of TI Code 97, FY program, and Main Account Code as prescribed by DFAS Manual 7097.01.

6.5.2.3.2.1. Level One. BA equals the P-1 BA and BA Title. Use the set of distinct P-1 BA records to present the BA stub entries.

6.5.2.3.2.2. Level Two. DLO equals the P-1 Organizational Title. Use the set of distinct P-1 Defense Agencies to present the DLO stub entries.

6.5.2.3.2.3. Level Three. BSA equals the P-1 BSA and BSA Title. Use the set of distinct P-1 BSA records to present the BSA stub entries under their respective DLO. A subtotal at the BSA level is not required for Procurement Accounts.

6.5.2.3.2.4. Level Four. BLI equals the P-1 Line Item and Line-Item Title and is the P-1 line-item detail and the lowest classification level. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of line items/budget projects. Use the set of distinct P-1 line-item records to present the BLI stub entries. Present the BLI stub entries under their respective BSA.

6.5.2.3.2.5. Level Five. BALI is a sub-set of BLIs and refers to sub-BLI codes used in [the](#) original allotment and sub-allotment funding authorization documents. Present the BALI stub entries under their respective BLI.

6.5.2.4. Research, Development, Test, and Evaluation (RDT&E)

6.5.2.4.1. Report at least two classification levels for distinct sets of TI Code 17, 21, and 57; FY program; and Main Account Code.

6.5.2.4.1.1. Level One. BA equals the R-1 (RDT&E Programs) BA and BA Title. Use the set of distinct R-1 BA records to present the BA stub entries.

6.5.2.4.1.2. Level Two. BLI equals the R-1 Program Element (PE) and PE Title and is the R-1 line-item detail and the lowest classification level. Use the set of distinct PE records to present the BLI stub entries under their respective BA.

6.5.2.4.2. Report five classification levels for distinct sets of TI Code 97, FY program, and Main Account Code as prescribed by DFAS Manual 7097.01.

6.5.2.4.2.1. Level One. BA equals the R-1 BA and BA Title. Use the set of distinct R-1 BA records to present the BA stub entries.

6.5.2.4.2.2. Level Two. DLO equals the R-1 Organizational Title. Use the set of distinct R-1 Defense Agencies to present the DLO stub entries.

6.5.2.4.2.3. Level Three. BSA equals the R-1 BSA and BSA Title. Use the set of distinct R-1 BSA records to present the BSA stub entries. Present the BSA stub entries under their respective DLO.

6.5.2.4.2.4. Level Four. BLI equals the R-1 Line Item and Line-Item Title and is the R-1 line-item detail and the lowest classification level. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of BAs/PEs. Use the set of distinct R-1 line-item records to present the BLI stub entries. Present the BLI stub entries under their respective BSA.

6.5.2.4.2.5. Level Five. BALI is a sub-set of BLIs and refers to sub-BLI codes used in the original allotment and sub-allotment funding authorization documents. Present the BALI stub entries under their respective BLI.

6.5.2.5. Military Construction and Family Housing

6.5.2.5.1. Report the three classification levels for distinct sets of TI Code 17, 21, and 57; FY program; and Main Account Code. For TI Code 97, report the three classification levels by the Defense Agency as prescribed by the DFAS Manual 7097.01.

6.5.2.5.1.1. Level One. BA equals the C-1 (Construction Programs) BA and BA Title. Use the set of distinct C-1 BA and BA Title records to present the BA stub entries.

6.5.2.5.1.2. Level Two. BSA equals the C-1 Location, Location Title, and State-Country. Use the distinct sets of C-1 Location, Location Title, and State-Country record combinations to report the set of locations. Present the location stub entries under their respective BA.

6.5.2.5.1.3. Level Three. BLI equals the C-1 Project and Project Title. Use the distinct set of C-1 Project and Project Title record combinations to report C-1 line items. Present the C-1 line items under their respective location and BA and BSA.

6.5.2.5.2. Report five classification levels for distinct sets of TI Code 97, FY program, and Main Account Code as prescribed by DFAS Manual 7097.01.

6.5.2.5.2.1. Level One. BA equals the C-1 BA and BA Title. Use the set of distinct C-1 BA records to present the BA stub entries.

6.5.2.5.2.2. Level Two. DLO equals the C-1 Organizational Title. Use the set of distinct C-1 Defense Agencies to present the DLO stub entries.

6.5.2.5.2.3. Level Three. BSA equals the C-1 BSA and BSA Title. Use the set of distinct C-1 BSA records to present the BSA stub entries. Present the BSA stub entries under their respective DLO.

6.5.2.5.2.4. Level Four. BLI equals the C-1 Line Item and Line-Item Title and is the C-1 line-item detail and the lowest classification level. The DFAS Manual 7097.01 Budget Project Codes appropriation chapters identify a valid list of BAs/PEs. Use the set of distinct C-1 line-item records to present the BLI stub entries. Present the BLI stub entries under their respective BSA.

6.5.2.5.2.5. Level Five. BALI is a sub-set of BLIs and refers to sub-BLI codes used in [the](#) original allotment and sub-allotment funding authorization documents. Present the BALI stub entries under their respective BLI.

6.5.2.5.3. Report one classification level for distinct sets of TI Code 17, 21, 57, and 97; FY program; Military Construction BA of Minor Construction or Planning and Design; and Family Housing Construction BA of Construction Improvements or Planning and Design. The line-item classification equals the C-1 BA and BA Title. Use the set of distinct C-1 BA records to present the BA stub entries. For TI Code 97, report the BA by [the](#) Defense Agency.

6.5.2.5.4. Report one classification level for distinct sets of TI Code 17, 21, 57, and 97; FY program; and Main Account Code for Family Housing O&M or DoD Family Housing Improvement Fund (FHIF). The line-item classification equals the C-1 BA and BA Title. Use the set of distinct C-1 BA records to present the BA stub entries.

6.5.2.5.5. For Base Realignment and Closure (BRAC), follow the report classification levels prescribed by the DFAS Manual 7097.01 Budget Project Codes appropriation chapter guidance for BRAC Accounts. Report the BA of Major Construction information by location and title and report all other BAs at the BA lump-sum level by FY and Service Component or Defense Agency.

6.5.2.5.6. For the FHIF (97 X 0834), [once project funds have been transferred from Family Housing Construction to the FHIF](#), follow the guidance in subparagraph 6.5.2.5.1.

6.5.2.6. Trust and Special Funds

6.5.2.6.1. Report one classification level for each trust or special fund.

6.5.2.6.2. The line item classification equals the BA as found in the President's budget exhibits, DoD Military Programs, or Other Defense – Civil Programs, as appropriate.

6.5.3. Reimbursable Programs

6.5.3.1. Report all reimbursable program data separately from direct program data. A subtotal for the direct program will be followed by a one-line reimbursable program, followed by a “Grand Total”, which is the sum of the direct and the reimbursable programs.

6.5.3.2. For all the appropriation functional titles, report reimbursable program data at the lump-sum level for distinct sets of TI Code 17, 21, and 57; FY program; and Main Account Code.

6.5.3.3. For TI Code 97:

6.5.3.3.1. Main Account Codes for BRAC and Procurement accounts report reimbursable program data at the lump-sum level by FY program and Defense Agency; and

6.5.3.3.2. All other Main Account Codes report reimbursable program data at the lump-sum level by FY program.

6.6 Column Descriptions

The composition and amounts in each column are detailed in subparagraphs [6.6.1](#) - [6.6.4](#).

6.6.1. No-year accounts

6.6.1.1. No-year accounts follow the same guidance as other accounts but are individually reported by [the](#) FY account. No-year accounts are tracked and reported by the FY in which the funds were appropriated. The FY in which the funds were appropriated is also known as the SFIS Program Year.

6.6.1.2. The period of availability (POA) start year for no-year accounts reflects the year money was appropriated; the POA end year reflects XXXX. For example, the POA for no-year money appropriated in FY 2019 would be reflected as 2019/XXXX on the AR(M) 1002. Continue to report these funds separately until the account is closed.

6.6.2. General

6.6.2.1. Budget Activity (Column A). [Appropriate](#) values for the report stub entries are the program codes contained in the publicly published President’s Budget. The nomenclature is equal to the line items found in the President’s Budget Exhibits M-1, O-1, R-1, P-1, C-1; Family Housing and BRAC Programs; DoD Military Programs; and Other Defense – Civil Program documents. Arrange the separate FY appropriation accounts of an appropriation title in consecutive order, starting with the most current FY or multiple-year account. Arrange the FY programs within a multiple program year account in consecutive order, starting with the most current FY program. Subtotals are required for each level contained in the report.

6.6.2.2. Base for Reprogramming (Column B). The balance in this column matches the enacted amounts as published in the Department of Defense (DD) Form 1414, Base for Reprogramming Actions for most appropriation types. Once established, the dollar values in the column will not change and will continue to be reported for the life cycle of the account (until the account closes). The exceptions to this are the Trust and Special Funds. Column B will match the current year authority for these funds. Volume 3, Chapter 6, contains an example of the DD 1414.

6.6.3. Cumulative Columns

6.6.3.1. Approved Program (Column C). The balance in this column shows the approved program for the FY-to-date. Column C includes the distribution of the effect of approved reprogramming actions on DD Form 1415-1, Reprogramming Action - Prior Approval, and/or DD 1415-3, Reprogramming Action - Internal; supplemental appropriations; and rescissions. The amounts in this column will change to reflect congressionally approved changes to the program. This column reflects the cumulative program-to-date and will continue to be reported for the life cycle of the account (until the account closes). Guidance for reprogramming is contained in Volume 3, Chapters 6 and 7. Volume 3, Chapter 6, contains an example of the DD 1415-1 and DD 1415-3. The exceptions to this are the Trust and Special Funds. Column B will match the current year authority for these funds.

6.6.3.2. Revised Program (Column D). The balance in this column shows the effect of below threshold reprogramming (BTR) actions initiated by a DoD Component that occur during execution.

6.6.3.2.1. Note that the grand total for column C and column D will be the same. The difference between the two columns is that column D incorporates BTRs and column C does not. BTR actions provide DoD Components with the discretionary flexibility to realign funding within prescribed limits. BTR actions are minor actions not otherwise requiring congressional approval that may be accomplished within the DoD Components and are measured cumulatively over the entire obligation availability of the appropriation. The grand totals for column C and column D will be the same; however, differences will exist below the grand total level if BTRs have been recorded which realigned previous funding levels.

6.6.3.2.2. The exceptions to this are the Trust and Special Funds. Column B will match the current year authority for these funds, which reports either current year authority or apportionment amount as appropriate.

6.6.3.3. Cumulative Obligations (Column E). Enter the number of obligations occurring from the inception of the program to the end of the reporting period. Obligation transactions will include both obligations incurred and adjustments of prior-year obligations. The exceptions to this are the Trust and Special Funds, which report current year obligations plus unpaid obligations from the prior year.

6.6.3.4. Cumulative Unobligated Balance (Column F). The balance shown in this column represents the difference between columns D and E.

6.6.3.5. Cumulative Expenditures (Column G). Enter the distribution of the gross disbursements (net of refunds) from the inception of the program to the end of the reporting period. Within an FY program, enter the difference between amounts distributed by subaccount and total disbursements identifiable to that FY program on the “Undistributed Disbursement” line. Enter disbursements not immediately distributable by FY program, or by subaccount in accounts without FY program subdivisions, on the “Undistributed Disbursement” line immediately before the total line for the appropriation account. For expired year accounts, unless specifically exempted by the OUSD(C), report the direct and reimbursable programs at the same level of detail as they were reported as unexpired accounts. The total of column G plus the total of column H must equal column D.

6.6.3.6. Cumulative Unexpended Balance (Column H). Enter the distribution of the unexpended balance from the inception of the program to the end of the reporting period. Column H will equal the difference between columns D and G.

6.6.3.7. Commitments (Column I). The use of column I is optional for operating appropriations. Enter the number of outstanding commitments recorded, by subaccount. The entry in this column may properly exceed the amount of the unobligated balance in column F if a program reduction was approved in anticipation of a cancelation or downward adjustment of commitments outstanding. If there was no approved program reduction, then an excess of commitments outstanding over the total unobligated balance indicates the program was implemented above the approved amount.

6.6.4. Current FY Columns

6.6.4.1. Amount Obligated in Current FY (Column J). Enter the number of obligations occurring from the beginning of the current FY to the end of the reporting period. Obligation transactions include both obligations incurred and adjustments of prior year obligations.

6.6.4.2. Amount Expended in Current FY (Column K). Enter the distribution of the gross disbursements (net of refunds) for the period from the beginning of the current FY to the end of the reporting period. Within an FY program, enter the difference between amounts distributed by subaccounts and total disbursements identifiable to that FY program on the line “Undistributed Disbursement”. Enter disbursements not immediately distributable by FY program, or by subaccount in accounts without FY program subdivisions, on the line “Undistributed Disbursement” immediately before the total line for the appropriation account. For expired year accounts, unless specifically exempted by the OUSD(C), report the direct and reimbursable programs at the same level of detail as they were reported as unexpired accounts.

6.7 Reconciliation of AR(M) 1002 With the DD 1414; DD 1416, Report of Programs; and Other Reports Submitted to Congress

6.7.1. Reconciliations

6.7.1.1. Perform the DD 1414 and DD 1416 reconciliations described in [6.7.2-3](#) only for appropriation authority amounts.

6.7.1.2. Spending authority from offsetting collections, contract authority, and borrowing authority do not apply to these reconciliations.

6.7.2. Military Personnel and O&M Accounts

6.7.2.1. The DD 1414 is prepared annually directly after the DoD Appropriations Act is passed. The Base for Reprogramming column (normally the last column on the DD 1414 report) amounts must reconcile with the amounts in the AR(M) 1002 column B at the BA level. See Volume 3, Chapter 6 for additional information on the reprogramming of DoD-appropriated funds and related reports.

6.7.2.2. The Selected Reserve Personnel by Reserve Component Report is prepared in accordance with the yearly appropriations acts.

6.7.3. RDT&E and Procurement Accounts

6.7.3.1. The Base for Reprogramming column amounts must reconcile with the amounts in the AR(M) 1002 column B at the P-1/R-1/BLI line-item level.

6.7.3.2. The DD 1416 is prepared quarterly upon receipt of enactment of the DoD Appropriations Act. The net amount reported on the DD 1416 must be reconciled with column D of the AR(M) 1002 by P-1/R-1/BLI. The OUSD(C) will provide guidance for reporting under continuing resolutions.

6.7.4. Military Construction Accounts

6.7.4.1. The [DD 1391](#), Military Construction Project Data supports each project proposed for inclusion in the Military Construction Program. This includes new authorization projects in the program or projects using emergency or contingency authorization.

6.7.4.2. Volume 2B, Chapter 6 contains a copy of the form and instructions for preparation.

6.8 Special Instructions for Selected Accounts

6.8.1. Obligation Limitation for Annual Accounts. Each year, Title VIII, “General Provisions,” of the DoD Appropriations Act requires a certification that not more than 20 percent of the appropriations in that act, which are limited for obligation during the current FY, will be obligated during the last 2 months of the FY. The exception to this policy is the Reserve Components record obligations for support of active-duty training or the Reserve Officers Training Corps’ records obligations for summer camp training.

6.8.2. Certification. Each year, DoD Components must provide one of the following certifications, depending upon the level of obligations incurred, on the July AR(M) 1002 for those annual appropriations to which the limitation applies:

6.8.2.1. In determining direct obligational authority, the number of transfers in or out within the applicable DoD Appropriations Act will be considered. This certification usually is referred to as the “80/20” criterion. If obligations are 80 percent or more of direct authority, the certification will be as follows:

“I hereby certify that direct obligations have been incurred equal to or in excess of 80 percent of the funds subject to the congressional limitation on year-end spending.”

6.8.2.2. If obligations are less than 80 percent, then the certification will be as follows:

“I hereby certify that action has been taken to assure that not more than 20 percent of the funds subject to the congressional limitation on year-end spending remains available for obligation during the remainder of the FY.”

7.0 REPORTING OBLIGATION AND OUTLAY DATA

7.1 Purpose

7.1.1. Consolidation entities will report obligation and outlay planning and execution data to OUSD(C)(P/B) P&FC for monitoring the planned monthly execution of approved DoD programs.

7.1.2. OUSD(C) updates requirements for planning data on an annual basis. Specific report formats are updated on a yearly basis by memorandum to the Assistant Secretaries of the Military Departments’ FM&C.

7.1.3. OUSD(C) updates requirements for execution data on an annual basis. Specific report formats are updated on a yearly basis by memorandum to DFAS.

7.1.4. Report on the SF 133 monthly totals for obligation and outlay execution data. These reports, provided monthly by DFAS to OUSD(C) and the Military Departments, must be consistent with data reported to the Treasury via GTAS. These reports must be available to DoD consolidation entities.

7.2 Scope

Planning and execution data for obligations and outlays applies to DoD Components with respect to obligations incurred for all military functions; including obligations incurred in connection with related allocation and transfer appropriation accounts. This includes all DoD Military accounts as well as related receipt accounts.

Figure 1. AR(M) 725: Report on Reimbursements and Refunds

Security Classification AR(M) 725 Report on Reimbursements and Refunds DOD COMPONENT:			PERIOD ENDING: Month / Year				AR(M) 725 Report on Reimbursements and Refunds APPROPRIATION: "Appropriation Title" Appropriation Symbol		
Description (A)	Balance as of "month"		New Orders and Reimbursements and Refunds				Reimbursements and Refunds Collected (H)	Balance as of EOP	
	Reimbursements Receivable (B)	Unfilled Customer Orders Without Advance (C)	Total Anticipated Reimbursements (D)	Earned Reimbursements and Refunds (E)	Changes in Unfilled Customer Orders (F)	Anticipated Orders for Rest of Year (G)		Reimbursements Receivable (I)	Unfilled Customer Orders Without Advance (J)
FEDERAL SOURCES									
REIMBURSEMENTS									
UNDISTRIBUTED									
UNEARNED REVENUE									
REFUNDS									
FEDERAL TOTAL									
NON-FEDERAL SOURCES									
REIMBURSEMENTS									
UNDISTRIBUTED									
UNEARNED REVENUE									
REFUNDS									
NON-FEDERAL TOTAL									
GRAND TOTAL									

Figure 2. AR(M) 1002: Appropriation Status by Fiscal Year Program and Subaccounts

[illegible]

* Levels come from President's Budget Exhibit-M-1, O-1, R-1, P-1, C-1 documents.



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 5: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 6: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

VOLUME 6A, CHAPTER 7: “FOREIGN CURRENCY REPORTS”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue](#) font.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [September 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
2.1	Rearranged the order of definitions for improved flow of information and understanding of process.	Revision

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CHAPTER 7

FOREIGN CURRENCY REPORTS

1.0 GENERAL

1.1 Purpose

This chapter establishes reporting requirements for tracking all transactions that increase or decrease the foreign currency fluctuation (FCF) accounts. FCF, Defense (FCF, D) and FCF, Construction, Defense (FCF, C, D) appropriations were established by Congress to reduce the adverse impact of FCF losses on the Department of Defense (DoD) operating budget.

1.2 Authoritative Guidance

The DoD Appropriation Act of 1979, [Public Law 95-457](#), initially established the FCF program to maintain the budgeted level of operations and eliminate substantial gains or losses caused by FCF rates that vary substantially from those used in preparation of budget submissions. Public Law 95-457 has been codified under Title 10, United States Code, section 2779 ([10 U.S.C. § 2779](#)). Additional authoritative guidance is referenced throughout the chapter.

2.0 PROGRAM MANAGEMENT

The provisions of this chapter apply to all DoD Components unless a specific written exception has been granted by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)).

*2.1 Definitions

2.1.1. FCF Account. An FCF account [allows](#) service components to manage realized gains and losses in direct programs due to fluctuation in foreign exchange rates. Funding is normally provided as a budgetary line item as part of a component's annual funding authorization. The service components maintain FCF accounts at various budgetary levels.

2.1.2. Centrally Managed Allotment (CMA). A CMA is used by DoD to manage budgetary authority provided by the FCF accounts. Funding transfers from the FCF account line within the appropriation to cover realized losses are contingent on funds availability in the CMA. [When](#) FCF budget authority [is](#) insufficient, component level operating funds [are required](#) to cover any realized losses. Net gains due to currency fluctuation are returned by the component operating appropriations through the FCF account line for reallocation and distribution by the CMA in subsequent years based on approved FCF budget authority (see subparagraph 3.2.4.). CMAs are managed at the DoD level.

2.1.3. Budget Rate. Budget rates are OUSD(C) published foreign currency exchange rates for use during the formulation, preparation, and submission of DoD's operating budgets. These published budget rates will also be used as the basis for recording budgetary obligations that are

associated with approved overseas programs into the accounting systems of DoD. Do not use internal or unapproved exchange rates on official accounting or disbursing records.

2.1.4. Foreign Currency Liquidated Obligations. Foreign currency liquidated obligations are paid obligations liquidated in the accounting system at the budget rate of the foreign currency cited within the obligating document. These liquidated obligations represent a key component of the monthly reporting process and are required to compute the realized variance.

2.1.5. Realized Variance. A realized variance is the calculated difference between obligations recorded at the budget rate and liquidated at the foreign currency exchange rate in effect at the time of payment. When the budget rate used in recording the original obligation is less than the current exchange rate, transfer the realized variance (loss) from the applicable FCF account if funds are available. When the budget rate used in recording the original obligation is more than the current foreign currency exchange rate, transfer the realized variance (gain) into the applicable FCF account.

2.1.6. Foreign Currency Unliquidated Obligations. Foreign currency unliquidated obligations are unpaid obligations recorded in the accounting system at the budget rate of the foreign currency cited within the obligating document. These unpaid obligations represent a key component of the monthly reporting process and are required to compute the accrued variance. At time of disbursement, foreign currency unliquidated obligations in excess of the outlay amount must be adjusted to the actual outlay amount and net gains transferred to the applicable FCF Account.

2.1.7. Accrued Variance. An accrued variance is the difference between the value of unliquidated obligations recorded at the budget rate and the value of those same unliquidated obligations calculated at the current foreign currency exchange rate. The computed accrued variance provides DoD decision makers a monthly estimate of the net gains or losses that would be realized if payment had to be made as of the report date.

2.2 FCF, D

Congress authorized the FCF, D appropriation (Department of the Treasury Account Symbol (TAS) 97X0801) to manage foreign currency net gains and losses in the DoD Operation and Maintenance (O&M) and Military Personnel (MILPERS) appropriations. As net gains from O&M and MILPERS are realized by de-obligation of the unneeded portion of the direct program, transfer the gains to FCF, D. Funds held in FCF, D will be transferred to O&M and MILPERS to cover net losses. Charge net gains or losses from foreign currency exchange rate fluctuation funded by FCF, D to the same FY as the underlying obligation. In areas participating in the FCF program, the occurrence of a gain or loss on an FCF transaction is an expected, normal component of an obligation; therefore, treat as an ordinary event. Record the gain or loss on an FCF transaction using current United States Standard General Ledger (USSGL) accounts for Other Gains (USSGL account 719000) and Other Losses (USSGL account 729000).

2.2.1. 10 U.S.C. § 2779(a) allows previously transferred FCF, D funds to be transferred back to the FCF, D appropriation so long as the transfer is made no later than the end of the second FY after the FY that the appropriation to which the funds were originally transferred is available for obligation. This is allowed only if the funds are not needed to finance increased obligations due to fluctuation in currency exchange rates because of subsequent favorable fluctuation in currency exchange rates or because other funds are, or become, available to finance these cost increases.

2.2.2. 10 U.S.C. § 2779(d) states any transfer made pursuant to the authority provided in this subsection must be limited such that the balance in the appropriation FCF, D does not exceed \$970 million at the time of the unobligated balance transfer.

2.3 FCF, C, D

In FY 1987, Congress enacted the current authority for an FCF appropriation to protect DoD Military Construction, Family Housing, and North Atlantic Treaty Organization (NATO) infrastructure programs from substantial gains or losses resulting from foreign currency fluctuation. The title of this appropriation is FCF, C, D TAS 97X0803.

2.3.1. The FCF, C, D [appropriation](#) was initially capitalized by transferring unobligated balances from the family housing and military construction appropriations. Pursuant to authority conferred by recurring annual Military Construction Appropriations Act general provisions, unobligated balances from family housing and military construction appropriation accounts may be transferred into FCF, C, D during the 5-year period after the appropriations expire for original obligation purposes. As FCF gains are realized by de-obligation of the unneeded portion of the direct program, transfer the gains to FCF, C, D. [Funds held in FCF, C, D will be transferred to family housing and military construction to cover net losses.](#) Charge net gains or losses from foreign currency exchange rate fluctuation funded by FCF, C, D to the same FY as the underlying obligation. In areas participating in the FCF program, the occurrence of a gain or loss on an FCF transaction is an expected, normal component of an obligation; [therefore](#), treat as an ordinary event. Record the gain or loss on an FCF transaction using current USSGL accounts for Other Gains (USSGL account 719000) and Other Losses (USSGL account 729000).

2.3.2. OUSD(C) [must](#) approve all amounts transferred from this appropriation to other appropriations available for construction.

2.4 Standards

2.4.1. The FCF, D and FCF, C, D appropriations are not available to finance cost increases resulting from changes in the scope of programs, inflation increases, or other such changes, nor to finance Prompt Payment Act interest payments. Other important provisions of the FCF appropriations relate to obligation/expenditure limitations and financial accounting requirements related to foreign currency exchange fluctuation.

2.4.1.1. Authorizations or limitations now or hereafter contained within appropriations or other provisions of law limiting the amounts that may be obligated or expended

will be increased to the extent necessary to reflect fluctuation in foreign currency exchange rates from those used in preparing the applicable budget submission.

2.4.1.2. Contracts or other obligations entered into that are payable in foreign currencies may be recorded as obligations based on currency exchange rates used in preparing budget submissions, as amended by Congress, and adjustments to reflect fluctuation in such rates will be recorded as disbursements are made.

2.4.2. Funds transferred from the FCF appropriation [CMAs](#) will be available for funding [accounts](#) established [within](#) the applicable O&M, construction, family housing, or NATO infrastructure appropriations to cover losses or account for gains in direct programs due to fluctuation in foreign exchange rates. Base these transfers on need, funds available to cover such losses DoD-wide, and other budgetary considerations. Consequently, such losses may not be fully funded.

2.4.3. The DoD Components will record foreign currency obligations at the installation level in dollars, at the budgeted rate, or at the congressionally established budget exchange rate for direct program of affected appropriations as reflected in applicable committee reports or the appropriate appropriation acts.

2.4.3.1. OUSD(C) will provide these rates to the DoD Components.

2.4.3.2. Foreign currency obligations are those obligations that are either payable in specified foreign currency or payable in dollars, the amount of which is determined by the rate of exchange.

2.4.3.3. When payment is made, charge the variance between the budget rate and the current rate directly to the applicable FCF account. If the transaction results in a gain, credit the FCF account in the amount de-obligated from the original FCF, C, D obligation. For example, a military construction project was included in the FY 2017 President's Budget (PB). Funds for the project were obligated in FY 2018 using FY 2017 funds, and all the project expenditures disbursed in FY 2019. In this example, record the obligations in the accounting system using the FY 2017 budget rates. There would be no effect on the military construction FCF account prior to FY 2019 since no disbursements were made until FY 2019. The foreign currency reports in each of those years, however, would identify accrued variances, i.e., the differences between the project obligations carried at the FY 2017 budget rate and the project obligations valued at the current exchange rate. Use this accrued variance to identify the projected disbursement requirements of the component FCF account. The realized foreign currency variance would be recorded against the military construction FCF account for FY 2017 at the time of the actual disbursements.

2.4.4. The Defense Finance and Accounting Service (DFAS) Service Component central accounting activities will determine the total foreign currency unliquidated obligations at the budget exchange rate provided by OUSD(C) for each appropriation, and identify and accumulate both favorable and unfavorable variances. The supporting activity will also determine the "accrued variance" at the end of each month based on the difference between unliquidated

obligations at the budget rate and unliquidated obligations at the current rate, using the exchange rate on the last day of the month. The accrued variance will never be obligated in the official accounting documents.

2.4.5. Each DoD Component holding an FCF account is responsible to establish internal controls and carefully monitor funds availability at all times, as Antideficiency Act provisions apply to each FCF account. Establish controls to reserve sufficient funds within the appropriation's availability to finance projected disbursement requirements for the FCF account. For family housing and construction, a 6-month requirement is recommended. Should FCF account funding availability drop below that level, take immediate action to avoid over-obligation. Such action will include providing additional funds from current accounts and, if necessary, advising all disbursing officers to cease payments from the FCF account without prior certification until funding is obtained. Do not take any action that presumes relief through a transfer of funds from the FCF appropriations because of the limited capital available in these accounts.

2.4.6. OUSD(C) publishes a [monthly report](#) of specific currencies in the FCF program and associated exchange rates. OUSD(C) may add and [remove](#) currencies as conditions warrant. The [OUSD\(C\) Financial Management Reports](#) site provides [FCF](#) reports that contain the list of currencies, the applicable budget rate, and the current period adjusting rate.

3.0 REPORTING REQUIREMENTS

3.1 Appropriation Transfers

OUSD(C) manages the FCF, D and FCF, C, D appropriations and instructs the DFAS Departmental Reporting Directorate-Indianapolis on the amount of the funds to transfer to and from the applicable appropriations. DFAS-Indianapolis transfers the designated amounts by means of a Standard Form 1151, Nonexpenditure Transfer Authorization.

3.2 General Reporting Guidance

3.2.1. Other than calculating the monthly accrued variance described in subparagraph 2.4.4., no further adjustment to the original obligation is necessary until disbursement is made or until the appropriation is closed.

3.2.2. FCF requirements described in this chapter do not apply to reimbursable programs. The performing activity will continue to accept reimbursable orders, incur obligations, and bill for reimbursement at the current foreign currency exchange rate using the requirements found in Volume 11A, Chapter 1. However, when the performing activity and the benefiting activity are DoD organizations, the performing activity will notify the benefiting activity of the amounts obligated that [require payment](#) in foreign currency. The benefiting activity will record that portion of its obligation for direct programs at the budget rate in the manner prescribed in subparagraph 2.4.3. Record the realized variance determined at the time of the disbursement in the respective FCF account of the benefiting activity.

3.2.3. Do not adjust normal operating budgets or other funding documents issued for the affected appropriations by DoD Components for foreign currency exchange rate fluctuation.

3.2.4. Prior to closing the financial records at year-end, each component holding an FCF account will review the status of that account. Transfer net gains in an FCF account to the applicable FCF appropriation. Components will also determine the portion of the losses that the FCF account can absorb and transfer to the FCF appropriation any remaining balances that are not required.

3.2.5. FCF requirements described in this chapter do not apply to Gains and Deficiencies on Exchange Transactions, Army (TAS 21 6763 and TAS 021 6763); Gains and Deficiencies on Exchange Transactions, Navy (TAS 17 6763 and TAS 017 6763); Gains and Deficiencies on Exchange Transactions, Air Force (TAS 57 6763 and TAS 057 6763); and Gains and Deficiencies on Exchange Transactions, Treasury (TAS 20 6763 and TAS 020 6763). Volume 5, Chapter 4 provides guidance regarding deficiencies. See Volume 5, Chapter 13 for guidance regarding gains and losses by revaluation.

3.2.6. FCF requirements described in this chapter do not apply to Burdensharing funds received from other countries. See Volume 12, Chapter 24 for guidance regarding Burdensharing funds.

3.3 Report Error Correction

Service components and OUSD (Personnel & Readiness) (OUSD(P&R)) Military Compensation Policy are responsible for ensuring the completeness and accuracy of monthly report submissions to DFAS Departmental Reporting Directorate-Indianapolis. DFAS forwards the consolidated reports to the Office of the Deputy Comptroller (Program/Budget) (ODC(P/B)), OUSD(C), which also conducts a review of submitted reports for completeness and accuracy. ODC(P/B), OUSD(C) will notify the applicable data submitter if data correction is required. The applicable data submitter is responsible for data correction and resubmission through DFAS Departmental Reporting Directorate-Indianapolis to ODC(P/B), OUSD(C).

4.0 REPORTING FORMATS

4.1 Department of Defense Comptroller (Monthly) (DD-COMP (M)) 1506 – Foreign Currency Fluctuations, Defense Report (O&M)

4.1.1. DFAS Departmental Reporting Directorate-Indianapolis is responsible for submitting the consolidated monthly report to the ODC(P/B), OUSD(C).

4.1.2. The DFAS Service Component central accounting activities, DoD Education Activity (DoDEA), Defense Security Cooperation Agency, Defense Health Agency (DHA), and Defense Media Activity will provide a monthly report to DFAS Departmental Reporting Directorate-Indianapolis using the format in Figure 7-1.

4.1.2.1. Submit the report in accordance with due dates established by DFAS-Indianapolis and consistent with the requirements of OUSD(C).

4.1.2.2. The report will include the following:

4.1.2.2.1. Column 1 – Currency/Submitter. Alphabetically list the specified country. Include the official currency (monetary unit) next to each country.

4.1.2.2.2. Column 2 – Unliquidated Obligations. Enter the dollar amount of foreign currency unliquidated obligations at the budget rate. Derive this amount by taking the obligations incurred at the budget rate less the disbursements at the budget rate.

4.1.2.2.3. Column 3 – Accrued Variances. Enter the accrued variances for the unliquidated obligations shown in column 2. This amount may change from month to month as the current foreign currency exchange rate changes and/or as the amount of unliquidated obligations changes.

4.1.2.2.4. Column 4 – Liquidated Obligations. Enter the dollar amount of foreign currency obligations liquidated in the accounting system at the budget rate of the foreign currency cited within the obligating document.

4.1.2.2.5. Column 5 – Realized Variances. Enter the actual dollar amount of the variance resulting from liquidated obligations to date. This amount represents the variance (difference) between obligations at the budget rate and amounts actually disbursed.

4.1.2.2.6. Column 6 – Obligations Incurred. Enter the dollar amount of total foreign currency obligations incurred to date at the budget rate. Compute this amount from actual accounting data of obligations incurred at the budget rate. It will not be a derived number.

4.1.2.2.7. Column 7 – Planned Overseas Program. The planned overseas program for execution at the budget rate should agree with the current year (CY) column of the Exhibit PB-18 (Foreign Currency Exchange Data). Volume 2B, Chapter 19 contains the format for Exhibit PB-18, which is required to support the PB request for the budget year. Explain any increases or decreases to the planned overseas program during the execution of the CY by country in the monthly report.

4.1.2.3. The report will also include footnotes showing:

4.1.2.3.1. The total funding provided to the FCF account by source including:

4.1.2.3.1.1. Transfers from the FCF, D appropriation;

4.1.2.3.1.2. Transfers from the component's O&M availability; and

4.1.2.3.1.3. Total FCF account funding;

4.1.2.3.2. The anticipated gains or losses for the remainder of the FY. Estimate the anticipated gains or losses on projected disbursements to the end of the year by computing the variance that would occur if the current foreign currency exchange rates were to remain in effect during the remainder of the year;

4.1.2.3.3. Transfers to FCF, D due to favorable realized variances;

4.1.2.3.4. Projected liquidations (budget rate) for the FY. Estimate the obligations (budget rate) that will be disbursed during the FY; and

4.1.2.3.5. An explanation of deviations from planned overseas program by country. This is required when substantial variances from the “obligations incurred” column exist. This explanation can occur any time prior to the canceling of funds.

4.2 FCF, D Report (MILPERS)

4.2.1. Foreign currency rate variances increase or decrease the value of allowances paid to service members. To maintain the value of that portion of allowances members receive to purchase foreign currency, adjust allowances to offset increases or decreases in foreign currency rates. For purposes of FCF, D transfers, the calculated effect on MILPERS disbursements that result from changes in foreign currency rates (foreign currency variance) is the difference in dollars required for the allowance at budget exchange rates and the current allowance rates. However, FCF, D transfers are approved only for Cost-of-Living Allowances (COLA) and Overseas Housing Allowances (OHA).

4.2.2. DFAS Departmental Reporting Directorate-Indianapolis is responsible for submitting this consolidated monthly report to the ODC(P/B), OUSD(C).

4.2.3. The process for identifying the foreign currency impact on COLA and OHA is as follows:

4.2.3.1. Identify total expenditures by the Military Departments for COLA and OHA by officer and enlisted for the country currencies included in the FCF, D account.

4.2.3.2. OUSD(P&R) Military Compensation Policy will report to the DFAS Service Component central accounting activities the appropriate COLA and OHA index based on current exchange rates. For FCF, D, OUSD(P&R) Military Compensation Policy will also report COLA and OHA indices based on the budget exchange rates.

4.2.3.3. DFAS Service Component central accounting activities will access affected personnel pay accounts and identify the COLA and OHA disbursements, by officer and enlisted, according to designated location codes.

4.2.3.4. DFAS Service Component central accounting activities will calculate the foreign currency impact by estimating the differences between budget exchange rates and current exchange rates applied to the total expenditures for COLA and OHA.

4.2.3.5. Consolidate foreign currency amounts and identify the remaining expenditures for the end-of-month recorded disbursements.

4.2.4. The COLA foreign currency report format structure is:

4.2.4.1. Service,

4.2.4.2. Country (FCF, D country),

4.2.4.3. Budget Rate,

4.2.4.4. COLA Rate,

4.2.4.5. COLA Code,

4.2.4.6. COLA Code Change Indicator,

4.2.4.7. Budget Index,

4.2.4.8. Allowance Index,

4.2.4.9. COLA Factor,

4.2.4.10. Actual COLA Enlisted Disbursement,

4.2.4.11. Budgeted COLA Enlisted Amount MILPERS Appropriation,

4.2.4.12. COLA Realized Variance Enlisted,

4.2.4.13. Actual COLA Officer Disbursement,

4.2.4.14. Budgeted COLA Officer Amount MILPERS Appropriation,

4.2.4.15. COLA Realized Variance Officer,

4.2.4.16. Actual COLA Officer/Enlisted Disbursement Total,

4.2.4.17. Budgeted COLA Officer/Enlisted Amount MILPERS Appropriation
Total, and

4.2.4.18. COLA Realized Variance Officer/Enlisted Total.

4.2.5. The OHA foreign currency report format structure is:

4.2.5.1. Service,

- 4.2.5.2. Country (FCF, D country),
 - 4.2.5.3. Budget Rate,
 - 4.2.5.4. OHA Rate,
 - 4.2.5.5. OHA Factor,
 - 4.2.5.6. Actual OHA Enlisted Disbursement,
 - 4.2.5.7. Budgeted OHA Enlisted Amount MILPERS Appropriation,
 - 4.2.5.8. OHA Realized Variance Enlisted,
 - 4.2.5.9. Actual OHA Officer Disbursement,
 - 4.2.5.10. Budgeted OHA Officer Amount MILPERS Appropriation,
 - 4.2.5.11. OHA Realized Variance Officer,
 - 4.2.5.12. Actual OHA Officer/Enlisted Disbursement Total,
 - 4.2.5.13. Budgeted OHA Officer/Enlisted Amount MILPERS Appropriation
- Total, and
- 4.2.5.14. OHA Realized Variance Officer/Enlisted Total.

4.2.6. Report the following information by OUSD(P&R) Military Compensation Policy and use it to prepare the monthly COLA and OHA foreign currency execution reports:

4.2.6.1. Column A – Country. This column lists the budget countries subject to FCF, D requirements.

4.2.6.2. Column B – Budget Rate. This column identifies the FY budget exchange rates as set by OUSD(C).

4.2.6.3. Column C – COLA Rate. This column identifies the current market exchange rate upon which both COLA and OHA are set (allowance rate).

4.2.6.4. Column D – COLA Code. For countries with multiple COLAs, many locations are linked and receive the same index. This code identifies linked locations for COLA purposes.

4.2.6.5. Column E – COLA Code Change Identifier. This column identifies whether a change has been made this period to the COLA Code.

4.2.6.6. Column F – Budget Index. This column represents the COLA index based on budget rate.

4.2.6.7. Column G – Allowance Index. This column represents the COLA index based on allowance rate.

4.2.6.8. Column H – COLA Factor. This column represents the multiplication factor for COLA disbursements based on budget and allowance indices.

4.2.6.9. Column I – OHA Factor. Compute the balance for this column by taking the budget rate minus the OHA rate divided by OHA rate.

4.3 DD-COMP (M) 1761 – Foreign Currency Fluctuation, Construction, Defense Report

4.3.1. DFAS Departmental Reporting Directorate-Indianapolis is responsible for submitting this consolidated monthly report to ODC(P/B), OUSD(C).

4.3.2. The DFAS Service Component central accounting activities, DoDEA, DHA, Defense Logistics Agency, and U.S. Special Operations Command will provide a monthly report to the DFAS Departmental Reporting Directorate-Indianapolis using the format in Figure 7-2.

4.3.2.1. Submit the reports in accordance with due dates established by DFAS-Indianapolis and consistent with the requirements of OUSD(C).

4.3.2.2. The report will include the following:

4.3.2.2.1. Column 1 – Country. Alphabetically list the specified country.

4.3.2.2.2. Column 2 – Monetary Unit. Enter the monetary unit of the country.

4.3.2.2.3. Column 3 – Foreign Currency Unliquidated Obligations. Enter the dollar amount of unliquidated obligations at the budget rate. Report unliquidated obligations by FY.

4.3.2.2.4. Column 4 – Accrued Variance. Enter the accrued variance for the unliquidated obligations in column 4. This amount may change from month to month as the current foreign currency exchange rate changes. Report accrued variances by FY.

4.3.2.2.5. Column 5 – Foreign Currency Liquidated Obligations. Enter the dollar amount of total obligations liquidated for the report month at the budget rate.

4.3.2.2.6. Column 6 – Realized Variance. Enter the actual dollar amount of the variance resulting from liquidated obligations for the month. This amount represents the variance (difference) between obligations at the budget rate and the amount actually disbursed. Charge all realized variances against the applicable FCF accounts for construction, military family housing operations and maintenance, and military family housing construction.

4.3.2.2.7. Column 7 – FCF Account Projected 6-Month Disbursements.

Enter the projected 6-month disbursements from the FCF accounts based on historical outlay data, contract requirements, and payment schedules.

4.3.2.3. The report will also include footnotes showing:

4.3.2.3.1. The anticipated gains or losses for the rest of the FY (estimate this figure by computing the variance that would occur if the present currency exchange rates were to remain unchanged during the remainder of the FY); and

4.3.2.3.2. The total amount of funding transferred to the FCF accounts from the FCF, C, D appropriation.

Figure 7-1. Foreign Currency Fluctuations, Defense Report: DD-COMP (M) 1506

<u>FOREIGN CURRENCY FLUCTUATIONS, DEFENSE REPORT</u> <u>FOR (Component and Appropriation)</u> <u>AS OF: (DATE) (YYMMDD)</u> <u>DD-COMP(M)1506</u>						
Currency/ Submitter	Unliquidat ed Obligations	Accrued Variance s	Liquidated Obligations	Realized Variances	Obligations Incurred	Planned Overseas Program
(List Alphabetically)	(Budget Rate)		(Budget Rate)		(Budget Rate)	(Budget Rate)
<u>FOOTNOTES:</u> <div style="margin-left: 40px;"> (1) FCF Account Funding Transfers from FCF, D Transfers from O&M Total FCF Account Funding </div> <div style="margin-left: 40px;"> (2) Anticipated Gains/Losses </div> <div style="margin-left: 40px;"> (3) Transfers to FCF, D (Favorable Fluctuation) </div> <div style="margin-left: 40px;"> (4) Projected Liquidations (Budget Rate) </div> <div style="margin-left: 40px;"> (5) Explanation of Deviation from Plan </div>						

Figure 7-2. Foreign Currency Fluctuation, Construction, Defense Report: DD-COMP (M) 1761

<u>FOREIGN CURRENCY FLUCTUATION, CONSTRUCTION, DEFENSE REPORT</u> <u>FOR (Component and Appropriation)</u> <u>AS OF: (DATE) (YYMMDD)</u> <u>DD-COMP(M)1761</u>						
Country (List Alphabetically)	Monetary Unit	Foreign Currency Unliquidated Obligations (Budget Rate)	Accrued Variance	Foreign Currency Liquidated Obligations (Budget Rate)	Realized Variance	FCF Account Projected 6-Month Disbursements
<u>FOOTNOTES:</u> <div style="margin-left: 100px;"> (1) Anticipated Gains/Losses remainder of year (2) Total funding provided from FCF, C, D </div>						



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 8: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

VOLUME 6A, CHAPTER 9: “ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE OF THE FAMILY HOUSING PROGRAM”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue](#) font.

Substantive revisions are denoted by an [asterisk \(*\)](#) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [August 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
3.1	Added reference and hyperlink to Standard Financial Information Structure Standard Reporting Chart of Accounts.	Addition
All	Revised hyperlinks.	Revision

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CHAPTER 9

**ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE
OF THE FAMILY HOUSING PROGRAM**

1.0 GENERAL

1.1 Overview

This chapter provides accounting support for Family Housing Operation and Maintenance (O&M) requirements and prescribes an accounting structure that accumulates Family Housing O&M costs consistent with guidance set forth in Volume 2B, Chapter 6, [“Military Construction/Family Housing Appropriations.”](#) Congress established the Family Housing O&M appropriation to separate the funding of Family Housing O&M from other O&M programs. Charge all obligations incurred for O&M to support the military Family Housing Program to the Family Housing O&M appropriation.

1.2 Purpose

The purpose of the account structure is to provide uniform procedures for consistently identifying, accumulating, and reporting family housing program costs. Methods for computing costs for the Family Housing Program [must be](#) as uniform as practicable among the Department of Defense (DoD) Components. Such uniformity is essential to permit intra-DoD and inter-DoD Component program, budget, and cost comparison, irrespective of the management service, the agency, or the accounting system used at the installation. Cost identification and computation methods specified herein [must](#) minimize the accounting effort and detail required to compute costs. Costs for operating and maintaining family housing facilities must be identified as prescribed in this chapter and are the basis for reports referenced herein.

1.3 Authoritative Guidance

The Family Housing Program encompasses Military Family Housing, as defined and authorized by the provisions of [Title 10, United States Code \(U.S.C.\), Chapter 169](#), and includes all DoD Component family housing in the Defense Family Housing Property Account, leases of real property utilized by DoD Components for family housing, and associated family housing support services programs. The policies prescribed throughout this chapter, pertaining to the accounting, and reporting for O&M costs of the Family Housing Program, are based upon 10 U.S.C., Chapter 169 and the laws and regulations cited herein.

2.0 SCOPE

This policy applies to all DoD Components that support military family housing under the Family Housing Program. Military Departments' Housing Privatization support costs associated with the Military Housing Privatization Initiative ([MHPI](#)) Program, such as assessments/studies; portfolio, program, and asset management; construction oversight; consultant fees; and other administrative costs, including Civilian manpower for oversight, are funded by the Family Housing

O&M appropriation and fall within the parameters of this policy. The Office of the Under Secretary of Defense for [Acquisition and Sustainment \(OUSD\(A&S\)\)](#) and Defense Finance and Accounting Service (DFAS) MHPI Program administrative support costs are separately budgeted, accounted for, and reported in the Defense-wide Family Housing Improvement Fund (FHIF) and Military Unaccompanied Housing Improvement Fund (MUHIF) Program accounts.

3.0 ACCOUNT STRUCTURE AND CONTENT

*3.1 [Standard General Ledger Accounts](#)

The standard general ledger accounts used to report DoD MHPI entries are provided in the Transaction Library and Standard Reporting Chart of Accounts available on the Office of the Deputy Chief Financial Officer Standard Financial Information Structure ([SFIS](#)) web page.

3.2 Accounts Used for Accumulating Costs

A series of accounts have been established and maintained for accumulating Family Housing O&M costs incurred and reimbursements earned through the Family Housing Program. Compute and identify costs and reimbursements to the accounts in accordance with the guidance herein. Use the accumulated costs and reimbursements in the accounts to support budget exhibits and budget execution reports.

3.3 Required Summary and Subordinate Accounts

The following is a list of required summary and subordinate accounts.

3.3.1. Operations Account

3.3.1.1. Management Account. This account accumulates costs of management, administrative, and support-type services at the installation level involving:

3.3.1.1.1. Administration costs for installation military housing offices, including personnel, supplies, equipment, and utilities pertaining to the functions of a family housing office. These costs also include administrative support services provided in supply, comptroller, maintenance, and other installation offices when the costs for such services are attributable to family housing;

3.3.1.1.2. Costs for administering and providing housing referral services and assistance in locating and inspecting privately-owned family housing for DoD personnel;

3.3.1.1.3. Costs for requirements surveys and preliminary studies, including Family Housing Requirements and Market Analyses in accordance with 10 U.S.C. § 2837, condition assessments, survey requirements for construction plans, and concept development. This account also includes community liaison and planning for improvement and rental guarantee projects and inspection; and

3.3.1.1.4. Other identifiable management costs that directly support the Family Housing Program.

3.3.1.2. Services Account. This account accumulates costs for authorized services for Government-owned family housing units. For privatized housing, the developers are financially responsible for the reimbursement or payment of services provided.

3.3.1.2.1. Refuse Collection and Disposal. These services include collecting garbage, trash, ashes, debris, and refuse disposal for family housing, such as the O&M of incinerators, sanitary fills, and regulated dumps. These services also include the acquisition, maintenance, and repair of garbage and trash containers, and the operation of can-washing facilities.

3.3.1.2.2. Fire Protection. This service includes costs for protection and fire prevention efforts for family housing facilities.

3.3.1.2.3. Police Protection. This service includes the costs for law enforcement, traffic control, and protection of family housing facilities.

3.3.1.2.4. Entomological Services. These services include the costs of all control measures against fungi, insects, and rodents within family housing dwellings, facilities, and areas.

3.3.1.2.5. Custodial Services. These services include the costs of janitorial and custodial services performed in common service areas and the cost of elevator operation in family housing facilities.

3.3.1.2.6. Snow Removal. This service includes the costs of removing, hauling, and disposing of snow; ice alleviation; and erection, maintenance, repairs, and removal of snow fences for family housing areas.

3.3.1.2.7. Street Cleaning. This service includes the costs of cleaning streets comprised of sweeping, flushing, and picking up litter.

3.3.1.2.8. Municipal Type Services. These services include costs of miscellaneous municipal-type services not identifiable to other listed accounts.

3.3.1.2.9. Other Services. The costs of all other authorized services for family housing fall into this category.

3.3.1.3. Furnishings Account. This account accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. This account also includes costs of controlling, handling, record keeping, and moving of Government-owned furnishings into and out of family housing dwelling units; charges for connecting and disconnecting equipment; and handling costs incident to storage. Also included are furnishings for Special Command Positions and Senior Leadership as prescribed in [DoD Manual 4165.63](#), "DoD Housing Management."

3.3.1.4. Miscellaneous Account. This account accumulates costs of operational items that do not fall into management, services, or furnishings accounts. This account includes:

3.3.1.4.1. Lease, rents, and permit payments for housing and trailer spaces leased by the Government from private sources or provided by the Federal Housing Administration ([FHA](#)) or the U.S. Department of Veterans Affairs ([VA](#));

3.3.1.4.2. Reimbursement costs for dwellings provided by municipal, or foreign governments, or by Federal agencies other than the FHA or VA. This includes payments from the Military Departments to the U.S. Coast Guard for family housing provided to their military personnel;

3.3.1.4.3. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization Status of Forces Agreement for local taxes on land and improvements of family housing property;

3.3.1.4.4. Fire insurance charges paid to the Federal Republic of Germany to cover fire damage to family housing dwelling units;

3.3.1.4.5. United Kingdom accommodation charges paid in accordance with the country-to-country agreement for housing provided to U.S. Forces; and

3.3.1.4.6. Other miscellaneous operations costs not covered elsewhere.

3.3.2. Utility Account. This is a summary account for accumulating costs for utilities consumed in family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. This account excludes the costs of maintenance and repair of utility systems identified to the family housing property covered under the Maintenance Account. Exclude other costs reported as “Services” from the utility operations account.

3.3.3. Maintenance Account

3.3.3.1. Dwellings Account. This account accumulates costs of maintenance and repair, including all interior utilities and installed equipment, of all family housing buildings in real property category codes 711, 712, and 714, as defined in the [DoD Real Property Categorization](#) System, which is established by [DoD Instruction 4165.03](#), “DoD Real Property Categorization.” Typically, accumulating costs for this account involves:

3.3.3.1.1. Service calls for minor work, including emergency and temporary repairs normally not in excess of 16 work hours;

3.3.3.1.2. Routine maintenance for occupancy work and other maintenance usually scheduled annually or more frequently;

3.3.3.1.3. Repairs and replacements for rehabilitation and replacement of major components and installed equipment;

3.3.3.1.4. Interior and exterior painting and the necessary preparation; and

3.3.3.1.5. Contract cleaning between occupancy, where authorized.

3.3.3.2. Exterior Utilities Account. This account accumulates costs of maintenance and repair of electric, gas, water, sewage, and other utility distribution, collection, or service systems assigned to family housing. Street and area lighting systems are included in exterior utilities beginning at a point 5 feet from the house line and ending at a point where the utility system joins a common-use main or terminates.

3.3.3.3. Other Real Property Account. This account accumulates costs for maintenance other than to dwellings and exterior utilities, including:

3.3.3.3.1. Maintenance, care, and repair of improved and unimproved grounds, storm sewerage, and drainage structures; and costs of acquisition, maintenance, and repair of Government-owned minor equipment, such as hand-operated lawnmowers used for grounds maintenance by occupants;

3.3.3.3.2. Maintenance and repair of paved or stabilized streets, roads, walks, and driveways; utility, service, and parking areas, as well as curbs, gutters, signs, and other road appurtenances; and

3.3.3.3.3. Maintenance and repair of facilities other than dwellings, such as fences when the facility is dedicated to housing, athletic and recreation facilities, community buildings, service facilities, and the costs of maintenance of trailer sites including outlets.

3.3.3.4. Alterations and Additions Account. This account accumulates costs for incidental additions, expansions, extensions, and alterations to existing real property. These costs include payments made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed, nonpermanent change-of-station moves, and charges resulting from improvement or repair projects funded in part from the family housing construction account.

3.3.4. Leasing Account

3.3.4.1. Lease Cost – Foreign Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign countries under [10 U.S.C. § 2828](#).

3.3.4.2. Lease Cost – Foreign Account Government Rental Guarantee Program (GRGP). This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign GRGPs (e.g., Europe under the Army GRGP programs).

3.3.4.3. Lease Cost – Domestic Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in the United States, including U.S. possessions and territories, as specified in 10 U.S.C. § 2828.

3.3.4.4. Lease Cost – Section 2834 Account. This account accumulates costs for charges and other payments for [10 U.S.C. § 2834](#) participation in Department of State Housing pools. Reimbursements to the Department of State for foreign affairs administrative support costs are also included.

3.3.4.5. Lease Cost – Section 2835 Account. This account accumulates costs for charges and other payments specified in the lease agreement for [10 U.S.C. § 2835](#) housing contracts for the lease of facilities on or near military installations, essentially a build-to-lease guarantee to a local property developer.

3.3.4.6. Rental Guarantee – Section 2836 Account. This account accumulates costs accounted for under rental guarantees for a minimal occupancy rate or rental income for [10 U.S.C. § 2836](#) housing. This program allows the DoD Components to enter into lease agreements guaranteeing that tenants occupy rental housing on or near installations.

3.3.4.7. Other O&M Cost. This series of accounts accumulate costs for maintenance, utilities, and contracted services not provided by the lessor for foreign, GRGP, domestic, and 10 U.S.C. § 2835 and § 2836 housing. They include initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs, such as assignment, travel, and inspection by installation personnel.

3.3.5. Mortgage Insurance Premiums Account. This is a summary account for accumulating the costs for service members' mortgage insurance premium payments pursuant to [12 U.S.C. § 1701](#), also referred to as the "National Housing Act." See Volume 2B, Chapter 6, for more guidance.

3.3.6. Foreign Currency Fluctuations Account. This is a summary account for accumulating the gains or losses arising from foreign currency exchange rate fluctuations in accordance with the requirements in Chapter 7, ["Foreign Currency Reports"](#).

3.3.7. Reimbursements Account. This is a summary account for accumulating reimbursements collected during the current fiscal year for Family Housing O&M rental and service charges billed to occupants and for proceeds from handling or disposing of excess housing property. Identify reimbursements for Foreign Military Sales (FMS)-funded and Non-FMS-funded accounts separately.

3.3.7.1. FMS-Funded Account. This account accumulates all reimbursements from FMS-funded activities or sources. Identify the amounts within the account as to the nature of the reimbursements, for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

3.3.7.2. Non-FMS-Funded Account. This account accumulates reimbursements from other than FMS-funded activities or sources. Identify the amounts within the account as to the nature of the reimbursements, for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

3.3.8. Housing Privatization Support Account. Use this account for accumulating costs the Government incurs in direct support of the MHPI program with the exception of the costs included as part of the privatization project. These costs are associated with the support of the MHPI program and specifically for:

3.3.8.1. Site assessment costs, including environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required by the Government prior to privatization for environmental mitigation, site surveys, or real estate costs;

3.3.8.2. Project costs, including project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management, post-award management and monitoring, and portfolio management; and

3.3.8.3. Administrative costs, including civilian pay, travel, training, supplies, equipment, and services provided by a Defense agency in support of the privatization program.

4.0 COST IDENTIFICATION PROCEDURES

4.1 Obligations Incurred

The DoD Components must identify the obligations incurred, both in-house and by contract, to operate and maintain family housing programs.

4.2 Identifiable and Measurable Costs

Charge costs to the applicable family housing account to the extent they are reasonably identifiable and measurable to the housing program. This practice does not prevent the use of engineered standards or estimates in charging utilities when metering devices are not used.

4.3 Obligations for Administrative Costs

Limit obligations incurred for administrative support and supervision efforts to those incurred at the installation level and do not include those incurred at echelons of command above the installation. An exception is made when amounts for administrative support and supervision are included in charges assessed by a field office of a construction agent.

4.4 Criteria for Support Costs

4.4.1. Assign other efforts, goods, or services provided to family housing programs to appropriate family housing accounts based on relative workload, benefit, or other measurements.

4.4.2. Use the following general criteria in assigning support costs to the Family Housing Program:

4.4.2.1. When the support provided is predominantly personnel-intensive, costs must be allocated based on a pro rata basis of workload or actual costs, whenever possible. This

would include collateral duty management assignments involving command or policy determinations related to personnel, financial management, legal, procurement, or similar areas;

4.4.2.2. When the support provided has a mix of personnel, equipment, materials, or supplies, allocate costs based on workload (e.g., printing or reproduction services or computer support involving a mix of resources) or actual costs, whenever possible. Use the proportion of workload for the Family Housing Program to the total workload to compute the portion of the total costs identified to the Family Housing Program; and

4.4.2.3. When the support provided predominantly involves specific goods or services (e.g., electricity, gas, water, or sewer), allocate costs based on the relative amount consumed or quantity used or actual costs, whenever possible.

4.5 General or Flag Officers' Costs

When a set of quarters is intended for or occupied by officers of General or Flag rank, identify the costs accumulated for the O&M of each set of quarters within the accounts specified in this chapter and report in accordance with the requirements prescribed by the OUSD(A&S).

4.6 Costs Identified to the Family Housing Program

When identifying Family Housing O&M costs to the program, the general premise is to assign all applicable costs. When an incidental level of effort, supplies, or services are provided on a nonrecurring basis, costs need not be identified to the program if they are insignificant, and it is not cost effective to measure and assign the costs. As a general rule, cost identification is necessary when the support is more than incidental.

4.7 Installation Managers Responsibility

Installation management officials, such as the installation commander, public works officer, housing director, or comptroller, are responsible for identifying the O&M costs for the Family Housing Program, whether funded by Family Housing O&M or other appropriations. Installation managers must periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. When variances occur in efforts, workload, or other resources consumed, reset the basis of allocating such costs to the program. Management must also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

5.0 COST ELEMENTS AND COMPUTATION OF CHARGES

5.1 Full Absorption Basis

5.1.1. Charge costs to the program in proportion to the actual efforts used, goods consumed, or services received by the Family Housing Program. Fully charge dedicated efforts or responsibilities for the program. For example, charge total costs for full-time management and staff to the Family Housing Program. Compute and expense all costs of providing program support

to the program on a full absorption basis, i.e., full cost for dedicated support and pro rata cost for other support.

5.1.2. Apply the normal business fund overhead rates to family housing support for Defense Working Capital Fund (DWCF) real property maintenance activities, which have a primary mission of facility maintenance.

5.1.3. Apply the applicable rate to direct work or service in support of family housing for other funded real property maintenance activities with established shop or productive expense rates.

5.2 Labor Costs

Compute the labor effort of military or civilian personnel assigned and identified to family housing for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A, Chapter 1, "[General Reimbursement Policy](#)." Review and validate personnel efforts annually to support charges to family housing. Accumulate and classify military labor as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

5.3 Material and Supplies Costs

Compute costs for material and supplies based upon the relative or actual amount consumed, or the quantity used. Compute material and supplies at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

5.4 Costs of Services

Compute and charge, upon receipt, services provided by Government forces or contractors, such as refuse collection and disposal, entomological, and custodial activities. Family housing must bear the full cost of these services when it is the sole customer. Charge a partial cost to family housing when the family housing portion of such services is readily separable and distinct. When the service operation is too intertwined or complex to enable ready identification of proper family housing costs, charge costs to family housing based on the proportionate amount of service received on a unit-of-service basis, such as the number of refuse pickups or square feet of floor area receiving custodial service.

5.5 Utility Costs

Compute utility costs based on consumption. All DWCF-funded activities providing utilities must compute the charges consistent with their normal procedures. All other activities must compute the charge to family housing at the rate the utility is purchased from the supplier. If not metered, then base consumption on documented engineering estimates.

5.6 Equipment Usage Costs

Compute equipment usage costs for rented property at the lease or rental rate. Limit cost computation in the case of Government-owned equipment to the expenses of operating and maintaining the equipment and charges for the operator's time when provided by other than family housing. Do not compute acquisition costs or periodic depreciation charges.

5.7 Unfunded Costs

Treat military labor and headquarters costs, included in construction agent administrative support and supervision effort above the installation level, as unfunded costs in computing Family Housing O&M costs.

6.0 REIMBURSEMENTS

6.1 FMS-Funded and Non-FMS-Funded Accounts

Use FMS-funded and non-FMS-funded accounts to accumulate reimbursements for charges initially financed by the Family Housing O&M appropriation for the Family Housing Program or proceeds from handling or disposing of family housing property. Record all reimbursements in the family housing reimbursement accounts.

6.2 Reimbursements

Ordinarily, reimbursements are for rental and service charges paid by occupants or users of family housing facilities. Some collections are refunds that include the costs of repairing damages and replacement of items to family housing facilities.

6.3 Reimbursements for Recovery of Expenses

Reimbursements involve the recovery of expenses for handling and disposing of excess family housing property as well as the proceeds from sales of such property. Collections are used for various purposes, such as defraying O&M expenses or the payment of debt. Volume 2B, Chapter 6 provides policy guidance governing such collections, use, and reporting.

7.0 INTERNAL CONTROL

Management must develop and implement internal control techniques to ensure effective control over and accountability for the resources charged to this program and for the full and prompt receipt of all proceeds from reimbursements for rents, service charges, and disposal or handling of excess family housing property.

8.0 REPORTING

8.1 Responsibility of DoD Components

The DoD Components responsible for operating and maintaining family housing facilities are required to prepare the reports described in this chapter. Administrators of Housing programs under MHPI are required to prepare these reports for the FHIF and MUHIF program accounts. The FHIF and MUHIF Financing accounts, however, require only the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources.

8.2 Reports

8.2.1. Data derived from the uniform account structure identified in this chapter must be used when preparing and submitting the following reports.

8.2.2. Appropriation Status by Fiscal Year Program and Subaccounts Report (Accounting Report (Monthly) 1002). The DoD Components must prepare and distribute the report in accordance with the guidance contained in Chapter 4, *“Appropriations and Fund Status Reports.”*

8.2.3. SF 133. The DoD Components must prepare and distribute the monthly report for the annual portion of the Family Housing O&M category of the family housing appropriation in accordance with the guidance prescribed in Chapter 4.

8.3 Military Departments/DFAS and Intermediate/Installation-Level Report Requirements

Reporting requirements for family housing reports at the center/service and intermediate/installation-level are addressed in manuals and instructions published by the individual Services or DFAS central accounting activities.



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 10: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 11: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 12: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 12 ANNEX 1: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

**VOLUME 6A, CHAPTER 13: “INTERNATIONAL BALANCE OF PAYMENTS
REPORTING AND ESTIMATING”****SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by **blue** font.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

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

The previous version dated **June 2020** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Administrative updates in accordance with the Department of Defense Financial Management Regulation Revision Standard Operating Procedures.	Revision

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CHAPTER 13

**INTERNATIONAL BALANCE OF PAYMENTS
REPORTING AND ESTIMATING**

1.0 GENERAL

Department of Defense (DoD) Components are required to report expenditures and receipts that affect the U.S. International Balance of Payments (IBOP). The IBOP report provides information required by the Department of Commerce and the Department of the Treasury (Treasury) for control of IBOP financial transactions.

1.1 Purpose

This chapter establishes the policies and requirements for the accounting and reporting of DoD international transactions related to U.S. balance of payments data, including grants and credits extended to foreign countries.

1.2 Authoritative Guidance

Authoritative guidance for this chapter is derived from Office of Management and Budget (OMB) Statistical Directive 19: “Reports of the [Department of Commerce](#) on International Transactions” (Directive 19). Directive 19 established the IBOP transaction reporting requirements to the Department of Commerce. Reported information is used by the United States in managing balance of trade with foreign nations.

2.0 REPORTING OVERVIEW

2.1 Applicability and Scope

2.1.1. These requirements apply to the OSD, the Military Departments (Army, Navy, Air Force, Marine Corps), Defense Agencies (including the Military Postal Service [Agency](#) (MPSA) and nonappropriated fund activities), and DoD Field Activities (hereafter referred to collectively as “DoD Components”). DoD Components are responsible for reporting transactions affecting the IBOP. Each Defense Finance and Accounting Service (DFAS) main site (Indianapolis, Columbus, and Cleveland) is responsible for consolidating the data for the DoD Components and submitting a final report to the Department of Commerce. While DFAS reports a majority of the IBOP data, the Department of Commerce may identify specific information to be reported directly by select DoD components.

2.1.2. The requirements cover all transactions that relate to the IBOP report, including specified data on DoD assets and liabilities abroad and foreign currency transactions, DoD international investments, Foreign Military Sales, transfers of property and services abroad, and foreign grants and credits. This chapter’s requirements apply to all transactions, regardless of payment method (e.g., U.S. dollars, foreign currency, and purchase card) accounted for in any of the following:

2.1.2.1. Expenditures from or reimbursements to U.S. dollar appropriation and fund accounts (general and special funds, public enterprise funds, deposit funds, and trust fund accounts for military and civilian functions);

2.1.2.2. Transfer appropriation accounts including Foreign Military Sales;

2.1.2.3. General fund receipt accounts established by the Treasury for collection of miscellaneous receipts for which the DoD has billing and collecting responsibility;

2.1.2.4. Expenditures or receipts of foreign currencies charged or credited to other than U.S. dollar appropriation and fund accounts (such as DoD Foreign Currency (Foreign Transaction (FT) accounts));

2.1.2.5. Receipts or donations of commodities or services;

2.1.2.6. Transfers under special drawdown authority of the President, Excess Defense Articles (EDA) program, or international treaties;

2.1.2.7. Nonappropriated fund activities, such as commissaries, post exchanges, and officers' clubs; and

2.1.2.8. All MPSA transactions, such as meters (including Postage Validation Imprinters Sales), stamps, and money orders.

2.2 Report Formats and Rules

The report formats and edit and validation rules for submission are provided in Tables 13-1 through 13-4. Sample formats are shown in Tables 13-5 through 13-7.

2.3 Definitions

2.3.1. Abroad. The term abroad includes all foreign countries and the Panama Canal Commission, but excludes the United States, its possessions, Puerto Rico, Guam, and the U.S. Virgin Islands.

2.3.2. Accommodation Sales. Accommodation sales represent the sale of foreign currencies for dollars to U.S. personnel for their personal use in a foreign country.

2.3.3. Collections. Collections are receipts in currencies (both foreign and U.S.), checks, or other negotiable instruments and net of repayments.

2.3.4. Constructive Delivery. Constructive delivery is the delivery of materiel to a carrier for transportation to the consignee; the delivery of materiel to the customer or the designated forwarder at point of production, testing, or storage; delivery at dockside, at airports, or to a U.S. post office for shipment to the consignee. Completed shipping documents or listings of delivery to the U.S. Post Office provide evidence of delivery.

2.3.5. Contract. A contract is any type of agreement or order for procurement of materiel, supplies, and services of any amount including purchase orders, delivery orders, service orders, and similar authorizations.

2.3.6. Delivery. Delivery is the performance of services for the customer or requisitioner; the constructive delivery of materiel as defined in subparagraph 2.3.4; or collections for services, transportation, and materiel when they are normally recorded in the billing and collection cycle immediately following performance.

2.3.7. Foreign Military Sales. Foreign military sales represent the sale of materiel, supplies, equipment, services, and any other support for cash or credit by a DoD Component to a foreign government or international organization as authorized by the Arms Export Control Act (AECA) of 1976, as amended.

2.3.8. Foreign Resident. The term foreign resident is comprised of the government of a foreign country and all its agencies and subdivisions, corporations, and any individuals residing in a foreign country, except for those defined as follows.

2.3.8.1. Consider a corporation a resident of the country in which it is incorporated. Count a subsidiary as a separate corporation and as a resident in the country where it is incorporated. Business offices and branches of U.S. corporations are residents of the countries where they are located. A corporation operating in a foreign country without a subsidiary or foreign business office or branch is a resident of the country in which it is incorporated. A business representative, however, such as the ticket office of a U.S. transportation company or a sales agent, is not considered a foreign business office.

2.3.8.2. An individual, including a retired U.S. citizen, is a resident of the country in which he or she resides, and not the country of his or her citizenship.

2.3.8.3. An international organization with multi-governmental members is not considered a resident of any particular country.

2.3.9. Gross Pay Foreign Nationals. The term gross pay foreign nationals is the amount paid to or on behalf of a foreign national citizen or organization, including U.S. contributions to the foreign government, and fees charged by a foreign government under contracts for indirect hire.

2.3.10. Guaranty Financing. Guaranty financing includes items associated with the guaranty of private credit by the U.S. Government under the AECA of 1976, as amended.

2.3.11. Interest. The term interest includes interest collected on military assistance or foreign military long-term credit, interest collected by finance and accounting officers for short-term deposits made in financial institutions that share in interest remitted to a DoD Component under Guaranty Financing arrangements, and interest on advances to foreign residents.

2.3.12. Joint Weapons Production and Exchange Agreements. Joint weapons production and exchange agreements includes both production of military end items by a foreign country or resident with participation by a DoD Component through payment of cash, or the provision in kind of materiel, assemblies, components, or services, and a joint sharing of the end items as determined by the agreement. This includes co-production, cost sharing, exchange agreements, joint production, North Atlantic Treaty Organization (NATO) consortiums, and others as authorized by the AECA of 1976, as amended.

2.3.13. Military Assistance Grant Aid. Military assistance grant aid is the provision of any type of assistance in the form of materiel, supplies, equipment, facilities, training, transportation and services, or otherwise by a DoD Component to a foreign government or international organization. The AECA of 1976 and the Foreign Assistance Act (FAA) of 1961 authorize such assistance. These provisions include Foreign Military Financing (FMF), International Military Education and Training (IMET), the Military-to-Military Contact Program, Special Drawdown Authority, the EDA Program, and Building Partnership Capacity (BPC) programs.

2.3.14. MPSA. The MPSA is the single DoD point of contact with the U.S. Postal Service (USPS). An agreement between the DoD and the USPS establishes the MPSA as an extension of the USPS abroad and in the continental United States, as applicable.

2.3.15. Net Pay. Net pay is the part of gross pay that is given, mailed, or electronically transferred directly to the individual by cash, check, or electronic transfers. This can include paychecks mailed or transferred by a disbursing officer (DO) to any bank or financial institution for credit to the individual account of U.S. personnel stationed abroad. Net pay includes allotment checks for U.S. personnel stationed abroad or in the United States (for dependent support, personal accounts) mailed to a foreign address (including Army Post Offices), Fleet Post Offices (FPOs), and Diplomatic Post Offices (for foreign addressees), but excludes allotment checks mailed to a U.S. address.

2.3.16. Net Pay U.S. Personnel. The term net pay U.S. personnel includes earned entitlements (pay and allowances) for U.S. military forces, allowances to enlisted personnel for subsistence, and amounts earned or otherwise payable to U.S. civilian employees. Net pay excludes U.S. contributions (e.g., life insurance, retirement, health benefits, and social security), but includes amounts that may be withheld from personnel for these items or that are allotted to designated individuals or institutions.

2.3.17. Other Assistance Grant Aid. The DoD outlays from appropriations or sections of appropriations that specifically support U.S. foreign assistance (as authorized under the FAA as amended and other legislation) are IBOP assistance grant aid. These DoD outlays represent the value of goods and services delivered to foreign individuals, governments, or international organizations under specific U.S. foreign assistance programs that include, but are not limited to: Overseas Humanitarian, Disaster, and Civic Aid, Defense (97X0819); Cooperative Threat Reduction Account, Defense (97X0134); Drug Interdiction and Counter-Drug Activities, Defense (in-country support only of 97X0105); and Overseas Costs for Contingency Operations under section 607 of the FAA (reimbursed by special supplement appropriations).

2.3.18. Payment. The term payment includes payment in currencies (both foreign and U.S.), checks, or other negotiable instruments, after net of all refunds.

2.3.19. Personnel Afloat. The term personnel afloat includes U.S. personnel whose duty station is aboard ship.

2.3.20. Progress Payments. Progress payments are payments made by a DoD Component to a contractor or other supplier on contractual procurement of goods or services as work progresses for delivery on a foreign military sale.

2.3.21. Real Property Transfer. Real property transfers are items associated with the conveyance of military real property by a Military Department to a foreign resident or international organization.

2.3.22. Returns to the United States. Returns to the United States are the portion of payments to contractors or suppliers that is remitted to the United States, or spent or held in the United States, as the result of procurement of U.S. end products, U.S. services, and transportation on U.S. flag carriers for supply, service, or construction contracts. For rules applicable to the identification and reporting of returns to the United States, see the Defense Federal Acquisition Regulation Supplement ([DFARS](#)), section 225.1103(1) and the clause at 252.225-7005.

2.3.23. U.S. Personnel. U.S. personnel includes U.S. military forces (active duty and Reserve Components, but excludes retired military personnel) and U.S. civilian employees (civil service, nonappropriated fund, and individual contract hire).

2.4 Frequency and Distribution

The IBOP report must be prepared, at a minimum, quarterly and is due to the Department of Commerce no later than 45 calendar days following the end of the quarter. The report may be prepared and submitted monthly if desired based upon system capability. DFAS Operations Directorates will provide specific due dates to their respective DFAS Sites.

2.5 Policy

It is DoD policy to operate overseas activities efficiently and effectively, and to reduce the balance of payments impact of these activities, when such reduction is consistent with U.S. national security goals and objectives. To support this policy, the Department maintains a mechanism to manage and control DoD transactions that enter the IBOP. This system provides for:

2.5.1. DoD-wide accounting for and reporting of IBOP transactions;

2.5.2. Evaluation and explanation of DoD IBOP transactions;

2.5.3. Use of uniform criteria, definitions, and requirements to report IBOP transactions;
and

2.5.4. Integration of IBOP management and the overall system of management within the Department.

2.6 Responsibilities

2.6.1. Heads of the DoD Components, must:

2.6.1.1. Develop procedures for implementing the reporting requirements;

2.6.1.2. Ensure reports and required data are submitted on time and are complete and accurate; and

2.6.1.3. Identify, for the Department of Commerce, the office responsible for submitting required data and points of contact within respective organizations that can both provide supplemental information on specific IBOP transactions and resolve problems associated with collecting and processing data.

2.6.2. The DFAS Site Directors must:

2.6.2.1. Administer and monitor, as necessary, the reporting requirements for their field reporting offices;

2.6.2.2. Ensure the requirements prescribed are uniformly implemented;

2.6.2.3. Work with other DFAS Sites to provide technical assistance on collecting required data and preparing reports. Each DFAS Site acts as the focal point for the assigned reporting organizations (sites) in providing technical assistance; and

2.6.2.4. Ensure reports are submitted directly to the Bureau of Economic Analysis, U.S. Department of Commerce, and include all data required by Directive 19.

2.7 Reporting Guidelines

2.7.1. Finance and Accounting Data

2.7.1.1. Installation-Level Procedures. The DoD Components and supporting DFAS Sites must accumulate the data on payments and collections made by their respective disbursing activities as an integral part of installation-level requirements. The IBOP reports must include all collection and disbursement data for the period covered by the report.

2.7.1.2. Nonappropriated Funds and MPSA. Accumulate data on nonappropriated funds and MPSA accounts and include them in the quarterly reports.

2.7.2. Codes on Vouchers

2.7.2.1. Codes. Code all payment and collection vouchers processed overseas with the appropriate foreign country or international organization code, as prescribed in Table 13-8 and on the [Central Intelligence Agency \(CIA\)](#) website (see Geopolitical Entities, Names and Codes (GENC) Standard), prior to time of payment or collection. Vouchers processed overseas not entering the IBOP must be coded with the “U.S.” country code.

2.7.2.2. Country Codes. Input country codes on vouchers processed in the United States only for those transactions entering the IBOP. A current list of country codes is available on the GENC Standard (formerly “Federal Information Processing Standards (FIPS) Publication (PUB) 10-4”). Country codes must not be confused with Defense Security Cooperation Agency (DSCA) customer codes. The two codes are not interchangeable.

2.7.3. Coded Authorizations. To ensure that payment vouchers are coded properly to indicate category, procurement of U.S. end products, transportation or services, and country or international organization, authorizations such as purchase orders, delivery orders, and contracts that result in expenditures entering the IBOP must be coded at the time of preparation whenever possible. Enter these same codes on the payment vouchers. When the authorization covers procurements of U.S. end products, transportation, or services, enter the percentage or amounts applicable to each procurement return category. Enter codes on all authorizations for the following types of transactions.

2.7.3.1. Construction and Other Service Contracts, Including Contracts for Scientific and Technical Knowledge to Be Performed Abroad. In all cases where the contract, delivery order, or other procurement document is issued to a U.S. resident, appropriate codes that identify returns to the United States must be included in the accounting classification.

2.7.3.2. Contracts for Procurement of Materiel, Supplies, and Equipment Abroad. When the terms of the contract require the use of U.S. end products, appropriate codes that identify returns to the United States must be included in the accounting classification on all contracts or other procurement documents issued to U.S. residents.

2.7.4. New or Discontinued Appropriations. Each DFAS Site is responsible for modifying their associated tables to reflect new or discontinued accounts that affect IBOP. The Treasury’s [Federal Account Symbols and Titles \(FAST\) Book](#) lists receipt, appropriation, and other fund account symbols and titles assigned by the Department. The FAST Book lists accounts separately that were created or discontinued since the previous revision.

2.7.5. Transaction Review. Review IBOP transactions prior to submission for accuracy to ensure the final report is complete and includes all of the required data elements for submission to the Department of Commerce. The DoD Components, accounting activities, and other reporting entities in the United States and at overseas locations must ensure that reported IBOP transactions are consistent with total transactions reported on the Standard Form (SF) 1220, Statement of Transactions According to Appropriations, Funds, and Receipt Accounts, and supporting SF 1219, Statement of Accountability, including FT accounts.

2.7.6. Cross-Disbursing. Under cross-disbursing requirements, the appropriate disbursing office must provide data on payment and receipt transactions to the DoD Component assigned reporting responsibility. Under these procedures, reports must include all of the data necessary for the DoD Component to report balance of payment expenditures and receipts for its accounts in accordance with the requirements of this chapter. The data must include all supplementary information that is necessary to identify returns to the United States as stated in subparagraph 2.8.2.1.3. The DoD Component having management control of the funds must include these transactions in its IBOP report. Subparagraph 2.7.14.4 identifies cross-disbursing reporting requirements for each Military Department.

2.7.7. Appropriation Reimbursements. Enter appropriation reimbursements from foreign entities on the appropriate Collections lines in the Accounting Report (AR)-1, as shown in Table 13-5. Enter collections from U.S. personnel abroad in the appropriate “Less Receipts from U.S. Personnel” lines (i.e., “Payments”).

2.7.8. Delivery Data. As outlined in DSCA 5105.38-M, Security Assistance Management Manual ([SAMM](#)), data regarding Foreign Military Sale deliveries (Chapter 7), FMF grant aid deliveries (Chapter 9), IMET Program (Chapter 10), transfers under Special Drawdown Authority and the EDA program (Chapter 11), Military-to-Military Contact Program (Chapter 11), BPC deliveries (Chapter 15), and transfers of real property (Chapter 15) must be prepared by the appropriate agencies.

2.7.9. Loans of Property. For any defense item loaned to a foreign government, central offices in each DoD Component must maintain a record as outlined in the SAMM, Chapter 11.

2.7.10. Advances to Foreign Residents or Countries. Report advances made to foreign residents or countries by a DoD Component as payments on the same lines in AR-1, as shown in Table 13-5, for future contract payments. Use Line Item 190000 of AR-1 to report interest collections for advances.

2.7.11. Other Foreign Aid under FAA. Report data on DoD outlays resulting from serving as the executive agent for other U.S. foreign assistance programs (as authorized by the FAA) as IBOP Other Assistance Grant Aid by the appropriate DoD Component assigned the responsibility for those programs. Such assistance includes, but is not limited to, the following programs: Overseas Humanitarian, Disaster, and Civic Aid Defense; Cooperative Threat Reduction Account, Defense; Drug Interdiction and Counter-Drug Activities, Defense (In-Country Support only); and Overseas Costs for Contingency Operations under section 607 of the FAA.

2.7.12. Records Retention. Maintain records reflecting balance of payments transactions at each DFAS Site consolidation point for 2 years following the end of the reporting period.

2.7.13. Foreign Currencies

2.7.13.1. Report data on foreign currencies in dollar equivalents.

2.7.13.2. The DSCA must report expenditures and collections for all FT accounts under its control, including those for which the DSCA has financial management responsibility in connection with Foreign Military Sales currencies, as well as those provided under joint weapons production and exchange agreements.

2.7.13.3. Use the respective reporting system utilized by each DoD Component to provide data on accommodation sales to individuals by military DOs.

2.7.13.4. Banking facilities on U.S. Government installations abroad must report on accommodation sales of foreign currencies made to U.S. personnel.

2.7.14. Submission of Reports

2.7.14.1. Prepare reports of performance and transactions, using the current automated technology, entering the IBOP by DoD Components as outlined in the detailed instructions provided in Tables 13-1 through 13-4. Sample formats are shown in Tables 13-5 through 13-7.

2.7.14.2. Submit ARs to the Department of Commerce through DFAS as follows:

2.7.14.2.1. Department of the Army – ARs-1 and 2;

2.7.14.2.2. Department of the Navy (including U.S. Marine Corps) – ARs-1 and 2;

2.7.14.2.3. Department of the Air Force – ARs-1 and 2;

2.7.14.2.4. MPSA - AR-3; and

2.7.14.2.5. All other Defense Agencies, such as the DSCA and Defense Intelligence Agency - AR-1.

2.7.14.3. The DSCA must report all Foreign Military Sales and BPC delivery data.

2.7.14.4. Submit cross-disbursing data submitted by the DoD Component as follows.

2.7.14.4.1. Forward IBOP transactions between the Air Force and the Army no later than 32 calendar days following the end of the quarter to their corresponding offices. Each Service will send its IBOP files to the other Services.

2.7.14.4.2. Forward vouchers and control listings of IBOP transactions of the Navy for the Army and the Air Force, the Army for the Air Force and the Navy, and the Air Force for the Navy and the Army to the designated accounting and finance offices quarterly.

2.7.14.4.3. Forward electronic transmissions of Army, Navy, Air Force, and Marine Corps IBOP transactions for the Defense Agencies and OSD no later than 45 calendar days following the end of the quarter to the Department of Commerce.

2.7.14.4.4. Report salary payments to U.S. personnel as the net amount paid to individuals, excluding all deductions, such as amounts withheld for taxes, contributions, allotments, or savings bonds.

2.7.14.5. Complete the headings on each report as indicated in Tables 13-5 through 13-7. Round dollar amounts to the nearest \$1,000. Round amounts from \$1 to \$499 downward; amounts from \$500 to \$999 are rounded upward.

2.7.14.6. The Treasury Financial Manual (TFM), Volume 1, Part 2, Chapter 4500 [1 TFM 2-4500](#) contains requirements for reporting foreign grants, loans, credits, and contingent liabilities.

2.8 Criteria for Determining and Identifying IBOP Transactions

2.8.1. Introduction. In establishing a basis for reporting IBOP transactions, assume that purchases of materiel and services are equal to related disbursements, since payments by DoD Components normally are made within the month following receipt of the materiel and services. Similarly, report DoD outlays from appropriations supporting various U.S. foreign assistance programs to signify the delivery of that assistance to foreign entities. It is necessary, however, to report Foreign Military Sales on a delivery basis. State collections separately to reflect the changes in financial status. Accounting reports prescribed by this chapter reflect these reporting concepts. Table 13-9 contains a glossary of automated data processing (ADP) terms.

2.8.2. Transactions Entering the IBOP. The following transactions enter the DoD IBOP for reporting purposes.

2.8.2.1. Payments

2.8.2.1.1. Inclusion of all payments is required, including advance and progress payments by DOs (whether located abroad or in the United States, its territories and possessions, or Puerto Rico) from their accounts and all payments from the accounts of nonappropriated funds and the MPSA to:

2.8.2.1.1.1. Foreign residents, including all amounts deposited in foreign or U.S. banks to their credit (e.g., a deposit to the account of a foreign entity maintained in a U.S. bank). Foreign residents include foreign governments, corporations, contractors, and individuals;

2.8.2.1.1.2. U.S. personnel stationed, or employed, or who live abroad, or on ships homeported abroad, for pay disbursed or mailed abroad when on temporary duty (TDY) abroad and per diem for TDY abroad;

2.8.2.1.1.3. International organizations, including all amounts deposited to their credit in foreign or U.S. banks;

2.8.2.1.1.4. U.S. corporations for materiel, supplies (excluding petroleum products), and equipment, title to which is acquired by the U.S. Government abroad as evidenced by an accomplished materiel inspection and receiving report;

2.8.2.1.1.5. U.S. contractors for construction or services performed abroad, except for travel and transportation as described in subparagraph 2.8.4.2.7; and

2.8.2.1.1.6. U.S. and foreign corporations for petroleum products that will be identified to the country shown as the product source as described in subparagraph 2.8.4.2.8.2.

2.8.2.1.2. Inclusion of foreign currency payments is required, including counterpart foreign currency payments by a foreign government held by the foreign government for U.S. uses under special arrangements such as Euros disbursed by the Spanish Government for constructing and maintaining U.S. facilities.

2.8.2.1.3. Included are all Returns to the United States resulting from contracts or other procurement documents for procurement of supplies and services for use outside the United States. Also included are all Returns to the United States from contracts for construction, maintenance, and repair of real property facilities that require U.S. end products, or that specify certain services be performed in the U.S. Additionally, U.S. contractors performing construction and service contracts overseas may acquire, on their own initiative, certain U.S. end products, services, or transportation on U.S. flag carriers in fulfillment of construction or service contracts. Identify and report the amount of such procurements of U.S. end products, services, and transportation on U.S. flag carriers in AR-1, as shown in Table 13-5. The following rules apply only to contractors who are U.S. residents.

2.8.2.1.3.1. The amounts remitted by a supplier to the United States for procurement of U.S. end products and the amounts paid by the supplier to a U.S. transportation company for transportation of goods on U.S. flag carriers must be identified and reported as reductions to procurement payments.

2.8.2.1.3.2. Identify and report the following amounts as reductions to contractual service payments:

2.8.2.1.3.2.1. The amount of U.S. end products procured from the United States by the contractor for incorporation in the project (whether required by the terms of the contract or voluntarily procured from the United States without contractual requirements);

2.8.2.1.3.2.2. The amount remitted to or retained in the United States by the contractor for services performed in the United States and for profit, overhead, amortization costs, employee tax withholdings, and other indirect expenses, including that portion of the salaries of contractor personnel remitted to or retained in the United States; and

2.8.2.1.3.2.3. The amount paid to transportation companies in the United States by the contractor for transportation provided on U.S. flag carriers.

2.8.2.1.3.3. Reporting requirements and requirements for contracts exceeding the simplified acquisition threshold are set forth in DFARS 225.1103(1) and the clause at 252.225-7005.

2.8.2.1.3.4. The amounts reported as returns under subparagraph 2.8.2.1.3 must exclude:

2.8.2.1.3.4.1. Payments by the contractor to a DoD Component for supplies or services such as utilities and telephone services; and

2.8.2.1.3.4.2. Returns to the United States by foreign residents who use U.S. end products or services to fulfill DoD contracts.

2.8.2.2. Collections

2.8.2.2.1. Report all collections by DOs credited to their accounts or to Treasury accounts (for which the Department has billing and collection responsibility) and all receipts in nonappropriated funds and the MPSA from the following:

2.8.2.2.1.1. Foreign residents;

2.8.2.2.1.2. U.S. personnel who are stationed, employed, residing, or traveling abroad, or on ships homeported abroad (for reporting purposes, however, these collections are treated as a reduction to pay of personnel);

2.8.2.2.1.3. International Organizations;

2.8.2.2.1.4. U.S. contractors in connection with their performance of contracts with the U.S. Government or private firms abroad; and

2.8.2.2.1.5. Foreign governments or other foreign entities for goods and services sold for delivery or use under the Foreign Military Sales program, other sales programs, and the Defense Logistics Agency Disposition Services.

2.8.2.2.2. Report all collections of foreign currency contributed by foreign governments for the support of U.S. Military Assistance Advisory Groups (MAAGs) and Missions.

2.8.2.2.3. Do not deposit FMF receipts into the U.S. Treasury. The FMF receipts are recorded in successor account 11*1082 (Foreign Military Financing Program, Funds Appropriated to the President), via a Treasury [SF 133](#), Report on Budget Execution and Budgetary Resources, allocation by the Department of State in the year received, and finally apportioned in the same year on an SF 132, OMB Apportionment And Reapportionment Schedule as found in [OMB Circular A-11](#), “Preparation, Submission, and Execution of the Budget,” Appendix F.

2.8.2.3. Deliveries

2.8.2.3.1. All deliveries of materiel, supplies, equipment, and services to foreign countries and international organizations must be reported to include the following:

2.8.2.3.1.1. Foreign Military Sales deliveries outlined in the AECA of 1976, as amended;

2.8.2.3.1.2. Sales by property disposal officers as represented by collections;

2.8.2.3.1.3. Loans and leases of aircraft, vessels, and other equipment to foreign entities;

2.8.2.3.1.4. Transfers of real property and deliveries of materiel and services under logistical support agreements and otherwise; and

2.8.2.3.1.5. Deliveries of goods and services for foreign assistance reimbursed by the Agency for International Development (AID), Department of State, or from Funds Appropriated to the President.

2.8.2.3.2. This chapter requires that delivery data pertaining to Military Assistance Grant Aid be reported.

2.8.2.4. Special Transactions

2.8.2.4.1. Transfers. Transfers from Deposit Account 6500 (Advances Without Orders from Non-Federal Sources) and Clearing Account 3875 (Budget Clearing Account (suspense)) to other accounts must be included when recorded as a collection in deposit fund accounts or in applicable receipt (including miscellaneous receipt), appropriation, or other fund accounts. For example, a bid deposit of a successful purchaser of surplus, excess, foreign excess, scrap, or salvage will be recorded in IBOP at the time transferred to account 3845 (Proceeds of Sales, Personal Property). Treat returns of deposits to depositors as IBOP transactions. Exclude amounts initially recorded in these suspense accounts from IBOP reporting requirements.

2.8.2.4.2. Settlements. Treat offsetting settlements between DoD accounts made in place of payments to, and collections from, a foreign government as IBOP transactions as if the transaction had been carried out with the foreign government.

2.8.2.4.3. Outlays. Report DoD outlays in support of Other Assistance Grant Aid.

2.8.3. Transactions Not Entering the IBOP. The following transactions do not enter the DoD reporting of IBOP:

2.8.3.1. Payments to and receipts from any DoD or other U.S. Government agency or activity, including any DoD nonappropriated fund or postal service activity, except special transactions noted in subparagraph 2.8.2.4;

2.8.3.2. All transfers between the DoD or other U.S. Government accounts, except those from Deposit Account 6500 and Clearing Account 3875, as noted in subparagraph 2.8.2.4.1;

2.8.3.3. Payments to foreign residents for goods produced in the United States if title is transferred within the United States. Include payments to the foreign resident when title is transferred to the United States if the goods were originally delivered to the foreign resident under the Foreign Military Sales program; and

2.8.3.4. Payments to foreign residents for goods produced abroad and imported into the United States when title is transferred to the U.S. Government after the goods are imported. Consider goods imported when they clear the U.S. Customs Service.

2.8.4. Identification of Transactions to Country or International Organizations

2.8.4.1. General. Identify transactions, except those relating to international organizations designated in [SAMM Table C4.T2B](#), generally to the country of residence of the payee or remitter, rather than the location of the DO. Identify transactions with international organizations not listed in SAMM Table C4.T2B to the country to which payment is sent or from which payment is received. In cases where country of residence cannot be determined, identify transactions as follows.

2.8.4.1.1. Cash. Code payments or collections by cash to the country in which disbursed or collected.

2.8.4.1.2. Check. Code payments or collections by check to the country to which check is sent or from which check is received.

2.8.4.1.3. Electronic. Code payments or collections by electronic transfer to the country to which transfer is sent or from which transfer is received.

2.8.4.2. Payments. Identify payments to the designated international organization or country of residence of the payee. More specifically, identify payments as follows.

2.8.4.2.1. Government-to-Government Payments. Identify all government-to-government payments to the country of the foreign government involved.

2.8.4.2.2. Foreign Corporations. Identify payments to foreign corporations and individuals to the country of residence.

2.8.4.2.3. U.S. Personnel Payments

2.8.4.2.3.1. U.S. Personnel Ashore. Code net pay to the foreign country to which payment is made or the check is addressed.

2.8.4.2.3.2. U.S. Personnel Afloat (Homeported Abroad). Code net pay to the foreign country to which payment is made or the check is addressed.

2.8.4.2.3.3. U.S. Personnel Afloat (U.S. Homeported). Code net pay as a U.S. payment. A statistical determination will be made, by country, of the expenditures ashore by these individuals.

2.8.4.2.3.4. Allotments of Pay. Allotments to individual persons will be identified to the country to which addressed. Identify all other allotments to the country of residence of the allottee.

2.8.4.2.3.5. Contributions. Identify U.S. Government and service member contributions (Federal Insurance Contributions Act, retirement, and health benefits) to the United States.

2.8.4.2.4. Retired and Survivors Pay. Identify the amount of the payment to the foreign country to which the check is mailed or payment is electronically transferred.

2.8.4.2.5. Foreign Nationals

2.8.4.2.5.1. Direct Hire of Foreign Nationals. Identify net pay to the foreign country, which employs the individual. In addition, identify the payment of all U.S. Government contributions, and the payments of all amounts withheld from the employee's pay, at the time of payment, to the country addressed.

2.8.4.2.5.2. Indirect Hire of Foreign Nationals. Identify payments under contracts for indirect hire of foreign nationals, including retirement accruals or separation allowances when paid, to the country addressed.

2.8.4.2.5.3. Foreign Nationals Aboard Ships. Identify net pay to the country in which the individual maintains his or her "home of record." In addition, the payment of all U.S. Government contributions and payments of all amounts withheld from the employee's pay must be identified, at the time of payment, to the country to which addressed.

2.8.4.2.6. Construction and Services Performed Abroad Other Than Travel and Transportation. Identify payments for construction or services performed abroad to the country in which construction or service is performed, regardless of where the check is mailed.

2.8.4.2.7. Travel and Transportation

2.8.4.2.7.1. Transportation. Code payments for transportation of persons or things (trip requests, bills of lading, warrants, or cash) paid to a transportation company to the country of residence of the transportation company.

2.8.4.2.7.2. Travel Allowances. Code payments for per diem allowances, relocation allowances, and other incidental travel expenses, including transportation expenses or mileage allowances paid to individuals, according to the following guidance.

2.8.4.2.7.2.1. For permanent change of station (PCS), code to the country in which the greater part of the allowances was earned or expenses incurred. Code relocation allowances to the country to which the individual's family moves.

2.8.4.2.7.2.2. For TDY, code to the country in which the TDY was performed, except TDY performed aboard ship that must be coded to the United States. Where TDY is performed in several countries and it is not feasible to identify the per diem to each country, code the payment to the country in which the greater part of the allowances was earned.

2.8.4.2.8. Materiel, Supplies, and Equipment

2.8.4.2.8.1. Payments to a U.S. corporation for materiel, supplies (excluding petroleum products), and equipment acquired by a DoD Component abroad must be coded to the country where it is delivered or accepted by the DoD Component. Code payments to foreign contractors (excluding petroleum products) to the country of residence of the payee.

2.8.4.2.8.2. Identify payments to a U.S. or foreign corporation for petroleum products according to the following guidance.

2.8.4.2.8.2.1. Code the payment to the country shown as the product source in the "product source" clause of the contract under which the payment is made. If a region (e.g., the Caribbean or Persian Gulf) is shown rather than a country, code the payment to the country shown in section 9 of the [DoD Form 250-1](#), Tanker/Barge-Material Inspection and Receiving Report. If the product source cannot be established, it will be coded to the country where acquired by the DoD Component.

2.8.4.2.8.2.2. When the product source for petroleum is the United States, and the petroleum has been transported by the Military Sealift Command, or transported by commercial vessels directly to a DoD Component abroad, code the payment to the United States. If the petroleum is not consigned directly to a DoD Component, code the payment to the country where it is delivered and code the amount of the petroleum product and the transportation furnished by U.S. flag carriers as a return to the United States.

2.8.4.2.8.2.3. Code petroleum services, other than ocean transportation, to the country in which the service is performed.

2.8.4.2.9. NATO Infrastructure. In processing NATO Infrastructure and International Military Headquarters Payments for NATO infrastructure, refer to Enclosure 2 of [DoD Directive 2010.5](#), “The NATO Security Investment Program,” for eligible project types. Code such payments to the country or to the appropriate NATO command that is the recipient of the payment. Code payments to international military headquarters, including those located in the United States.

2.8.4.3. Deliveries and Collections

2.8.4.3.1. Materiel or Services. Code deliveries of materiel or services to the country or international organization to which the collection for that delivery must be identified. Code collections to the countries making payments. Code collections from international organizations to the international organization making payment.

2.8.4.3.2. Recipient Country. Code delivery transactions involving Military Assistance Grant Aid and reimbursement from AID, Department of State, or Funds Appropriated to the President to the recipient country or international organization.

2.8.4.4. Special Transactions

2.8.4.4.1. Balance of Payment Transactions. Transactions for Guam, Puerto Rico, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands must not be included in any summary totals of balance of payments transactions since transactions involving these areas do not enter the United States balance of payments. If a special report is requested for these areas, then apply country codes as appropriate.

2.8.4.4.2. Guantanamo Bay. Code transactions at Guantanamo Bay, other than pay of foreign nationals, as U.S. transactions not entering the IBOP. However, treat the pay of foreign nationals employed at Guantanamo Bay as IBOP transactions and code to their country of residence.

2.9 Entries for DoD Transactions Entering the IBOP – AR-1

2.9.1. Purpose. This format prescribes line items, columnar data, and line item identification (ID) codes used for reporting IBOP transactions in AR-1. This submission provides for summarizing DoD IBOP transactions under appropriation and category groupings.

2.9.2. General

2.9.2.1. Separate AR-1. Prepare a separate AR-1 for each foreign country and international organization listed in the GENC Standard and SAMM Table C4.T2B, as applicable, and for each foreign area grouping shown in Table 13-8. In addition, submit a separate AR-1 (a sample format of AR-1 is shown in Table 13-5; change “Quarter” to “Month” if reporting monthly) for Guam, Puerto Rico, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands. However, these transactions, and those for other U.S. possessions, must not be included in the subtotals for foreign area groupings or worldwide totals.

2.9.2.2. DoD Component. Each DoD Component must submit AR-1 electronically. Data on the electronic transfer submissions must carry the line item numbers for AR-1 precisely as shown in Table 13-10.

2.9.2.3. Assemble Reports. Documentation for countries without transaction data is not required when assembling supporting documentation for IBOP reporting.

2.9.2.4. Report Data. Report data for each line item entry listed in Table 13-10. To facilitate summarizing data, each line item entry must be identified by the same line ID Code shown in Table 13-10. Line items for which no amount is reported for the current quarter or cumulative columns must not be shown on the report.

2.9.2.5. Reporting Responsibilities. Data reported for all lines for transactions involving the FMF, Foreign Military Sales Program, BPC Program, IMET, Drawdowns, EDAs, and Military-to-Military Contact Programs are established under the SAMM, Chapter 1.

2.9.2.6. Dollar Collections. Report as dollar collections all collections of foreign currency not obtained by purchase with U.S. dollars, used for authorized expenditure purposes rather than deposited to Treasury FT accounts.

2.9.2.7. Trust Fund Expenditures. Treat refunds to foreign governments for Foreign Military Sales as trust fund expenditures. In the DoD balance of payment presentations, net such refunds against receipts rather than treated as expenditures on AR-1.

2.9.3. Line Entries - Descriptions and Codes. Line item ID codes, line item captions, and descriptions for AR-1 are shown in Table 13-10.

2.10 Entries for DoD Transactions Entering the IBOP – AR-2

2.10.1. Purpose. This format prescribes line items, columnar data, and line ID codes for reporting IBOP transactions in AR-2, i.e., financial data relating to DoD nonappropriated fund activities abroad. Use these data to develop amounts available for spending abroad by U.S. personnel.

2.10.2. General

2.10.2.1. Nonappropriated Fund Activities. Each reporting activity must include all nonappropriated fund activities under its command jurisdiction. When one activity serves more than one command in a given area, make local arrangements to have the data submitted through only one command, thus avoiding duplications (e.g., the Army and Air Force Exchange Service). Nonappropriated fund activities aboard ship must include only receipt and payment transactions abroad, which are included with activities ashore and enter the IBOP.

2.10.2.2. Submit Separate Reports. The reporting activities must submit separate reports for the following:

2.10.2.2.1. Exchange Service Operations, and

2.10.2.2.2. Other Nonappropriated Fund Activities.

2.10.2.3. Payments and Receipts. These reports must include only payments and receipts affecting nonappropriated funds. Exclude payments and receipts from appropriated funds used in operating a nonappropriated fund activity.

2.10.2.4. Reported Quarter. Amounts shown in the report must cover the reported quarter. Change “Quarter” to “Month” if reporting monthly.

2.10.2.5. Schedules. Submit separate schedules for the Navy and Marine Corps.

2.10.3. Line Entries - Descriptions and Codes. Line ID codes, line item captions, and descriptions for AR-2 are shown in Table 13-11.

2.11 Entries for DoD Transactions Entering the IBOP - AR-3

2.11.1. Purpose. This format prescribes line items, columnar data, and line ID codes used for reporting IBOP transactions in AR-3, i.e., financial data relating to military postal services to individuals. Use these data to develop the amounts available for spending abroad by U.S. personnel.

2.11.2. General

2.11.2.1. MPSA. Submit one report to cover all MPSA operations, excluding FPO operations aboard ship.

2.11.2.2. Payments and Receipts. Exclude from the report payments and receipts of appropriated funds used for operating expenses of MPSA facilities.

2.11.2.3. Agencies and Activities. Exclude sales to or receipts from federal agencies and activities and DoD-sponsored nonappropriated fund activities.

2.11.2.4. Reported Quarter. The amounts shown in the report must cover the reported quarter only and will be noncumulative. Change “Quarter” to “Month” if reporting monthly.

2.11.3. Line Entries – Description and Codes. Line ID codes, line item captions, and descriptions for AR-3 are shown in Table 13-12.

3.0 INTERMEDIATE/INSTALLATION-LEVEL REPORTING REQUIREMENTS

Each DFAS site develops and monitors the reporting requirements, at the intermediate or installation level, for its IBOP reporting. Consistently apply reporting formats for the intermediate or installation levels in accordance with the requirements outlined in paragraphs [2.1](#) through [2.11](#).

Table 13-1. Edit and Validation Rules for Submitting IBOP Data to the Department of Commerce

The following includes the record edit and validation rules that apply to all transaction data records submitted on IBOP transactions.		
<u>Data Record Position(s)</u>	<u>Description of Item</u>	<u>Rules</u>
1	Coded Report No.	Must be 1, 2, or 3
2	Coded Report No.	Must be blank except for Accounting Report 2
3-4	Fiscal Year (FY)	Must be numeric
5	Quarter of FY	Must be 1, 2, 3, or 4
6	Dept. Code	Must be an alpha character shown in Table 13-13
7-8	Country or Organizational Code	Position 7 must be alpha. Position 8 must be alpha/numeric (A/N). Cannot be blank (GENC Standard and SAMM Table C4.T2B).
9-14	Line ID No.	May be alpha, numeric, or A/N
15-21	\$ Amount this Qtr. ("Month" if reporting monthly.)	Must be numeric
22-25	Main Account	Must be numeric
26-29	Blank	Must be blank
30	Reserved	Must be blank
31	Data Originator	Blank except for AR-1
32-80	Blank	Must be blank

Table 13-2. Record Format Accounting Report 1

<u>Data Record Position(s)</u>	<u>Alphabetic (A) or Numeric (N) or (A/N)</u>	<u>Description of Item</u>	<u>Special Instructions</u>
1	N	Coded Report No.	Must be 1
2	Blank	Blank	Blank
3-4	N	Fiscal Year (FY)	Last 2 digits
5	N	Quarter of FY	Must be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-13
7-8	A	Country or Organizational Code	GENC Standard and SAMM Table C4.T2B
9-14	A/N	Line ID No.	Table 13-10
15-21	N	\$ Amount this Qtr. “Month” if reporting monthly.	Rounded to the nearest thousand. Place a zero in vacant high order position(s).
22-25	N	Main Account	
26-29	Blank	Blank	Blank
30		Reserved	
31	A	Data Originator	Table 13-13
32-80	Blank	Blank	Blank

Table 13-3. Record Format Accounting Report 2

<u>Data Record Position(s)</u>	<u>Alphabetic (A) or Numeric (N) or (A/N)</u>	Description of Item	Special Instructions
1	N	Coded Report No.	Must be 2
2	N	Coded Report No.	Must be 1 or 2(*)
3-4	N	Fiscal Year (FY)	Last 2 digits
5	N	Quarter of FY	Must be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-13
7-8	A	Country or Organizational Code	GENC Standard and SAMM Table C4.T2B
9-14	A/N	Line ID No.	Table 13-11
15-21	N	\$ Amount this Qtr. “Month” if reporting monthly.	Rounded to the nearest thousand. Place a zero in vacant high order position(s).
22-80	Blank	Blank	Blank
(*) Must be 21 on Submission for Exchange Service Operations.			
(*) Must be 22 on Submission for Other Nonappropriated Fund Activities			

Table 13-4. Record Format Accounting Report 3

<u>Data Record Position(s)</u>	<u>Alphabetic (A) or Numeric (N) or (A/N)</u>	Description of Item	Special Instructions
1	N	Coded Report No.	Must be 3
2	Blank	Blank	Blank
3-4	N	Fiscal Year (FY)	Last 2 digits
5	N	Quarter of FY	Must be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-13
7-8	A	Country or Organizational Code	GENC Standard and SAMM Table C4.T2B
9-14	A/N	Line ID No.	Table 13-12
15-21	N	\$ Amount this Qtr. “Month” if reporting monthly.	Rounded to the nearest thousand. Place a zero in vacant high order position(s).
22-80	Blank	Blank	Blank

Table 13-5. Sample Accounting Report 1

DoD INTERNATIONAL BALANCE OF PAYMENTS ACCOUNTING REPORT 1 FOR QUARTER ENDING_____			
LINE ID NUMBER	LINE ITEM DESCRIPTION	CURRENT QUARTER	FISCAL YEAR TO DATE
	(See instructions for each line item in Table 13-10)		

Table 13-6. Sample Accounting Report 2

DEPARTMENT OF DEFENSE INTERNATIONAL BALANCE OF PAYMENTS NONAPPROPRIATED FUND TRANSACTIONS (Thousands of Dollars)											
DEPARTMENT/AGENCY: _____										EXCHANGE/OTHER	
QUARTER ENDING: _____										Page ____ of ____ Pages	
Country	Sales	Other Revenues	Total Receipts	Net Pay U.S. Personnel	Gross Pay Foreign Nationals	Foreign Payments For Procurement of Merchandise for Resale	Other Foreign Payments	Total Foreign Payments	Net Excess of Payments or Receipts	Memo: Payments in Excess & Near Excess Foreign Currency	Memo: Net Accommodation Sales (Foreign Currency)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
TOTAL											

Table 13-7. Sample Accounting Report 3

[illegible]

Table 13-8. Geographical Areas, Countries, and International Organizations to be Used in Preparing IBOP Accounting Reports

This table lists the countries and geographical areas to be shown in the IBOP reports. Alternatively, each country having an IBOP transaction (not only those shown in this enclosure) may be listed alphabetically followed by the area totals (A through E) and the “Grand Total.”

A. Western European Countries and International Organizations

1. Austria
2. Belgium/Luxembourg
3. Bosnia/Herzegovina
4. Croatia
5. Denmark (include Greenland)
6. France
7. Germany (Unified)
8. Greece (includes Crete)
9. Iceland
10. Italy (includes Sicily)
11. Netherlands
12. Norway
13. Portugal
14. Spain
15. Switzerland
16. Turkey
17. United Kingdom
18. Other Western European Countries and International Organizations

Total Western Europe

B. Japan

C. Canada

(continued on following page)

Table 13-8. Geographical Areas, Countries, and International Organizations to be Used in Preparing IBOP Accounting Reports (Continued)

D. Other Countries

1. Australia
2. Bahrain
3. Bermuda
4. China, Republic of (Taiwan)
5. Korea, Republic of
6. Morocco
7. Netherlands Antilles
8. Pakistan
9. Republic of the Philippines
10. Saudi Arabia
11. Thailand
12. Trinidad and Tobago
13. Venezuela
14. Vietnam
15. Other American Republic
16. Other (all other countries not elsewhere listed)

Total Other Countries

E. Other International Organizations

1. South East Asia Treaty Organization Military Headquarters
2. United Nations
3. Other

Total Other International Organizations

F. GRAND TOTAL (World Wide)

Table 13-9. Glossary of ADP Terms

<u>Term</u>	<u>Definition</u>
Accounting Reports	The series of reports specifically referenced in this chapter.
0	The representation of numeric zero unless it is otherwise specified.
Zero Fill Unused High Order Positions	Fill assigned field spaces to the left of the most significant numeric digit in ALL \$ Amount fields. May also be expressed as “Right Justify.”
BLANK	Shown on record formats to indicate a blank space in a record.
FY	Fiscal Year (FY)
PY	Prior FY
CY	Current FY. If the current FY is FY 2017, the PY is FY 2016, and the CY is FY 2017.
Line ID No.	As used in this Regulation, a special six (6) digit alpha/numeric code used ONLY for IBOP reporting to identify an exact line item in a report.
QTR	Numeric quarter of the FY. Must be 1, 2, 3, or 4.

Table 13-10. Line Item Captions and Descriptions Accounting Report 1

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	A. Payments
	1. Pay, U.S. Personnel - This includes payments to U.S. personnel for “net pay” as defined in subparagraph 2.3.16, PCS and TDY travel expenses, dislocation allowances for which the individual is reimbursed, and claims paid to U.S. personnel. Enter payments on the line indicating the appropriation cited in the voucher. Use other lines under this heading to record adjustments to payments to U.S. personnel to arrive at the amount of pay available for spending on the local economy.
01A000	a. Military Personnel, Reserve Personnel, and National Guard Personnel (Including afloat personnel homeported abroad)
01A020	b. Printing and Reproduction, Civilian Personnel
01B000	c. Operation and Maintenance (O&M), Civilian Personnel
01C000	d. Military Construction, Civilian Personnel
01D000	e. Family Housing Construction, Civilian Personnel
01E000	f. Military Assistance Appropriations and Funds, Civilian Personnel
01F000	g. Other Appropriations and Funds, Civilian Personnel
	h. Total Net Pay, U.S. Personnel - Enter the sum of lines A.1.a. through A.1.g.
	i. Travel Payments to U.S. Personnel Stationed Abroad (See subparagraph 2.8.4.2.7)
01H010	(1) Travel Payments to Military Personnel, Reserve Personnel, and National Guard Personnel Stationed Abroad
01H020	(2) Total Subsistence and Per Diem
01H030	(3) Travel Payments to Other U.S. Personnel Stationed Abroad.
	(4) Total Travel Payments to U.S. Personnel Stationed Abroad - Enter the sum of lines A.1.i.(1) through A.1.i.(3).
01I000	j. Travel Payments to U.S. Personnel Stationed in the United States.
	k. Expenditures by U.S. Personnel at Foreign Non-Duty Locations
01J010	(1) Expenditures Ashore by U.S. Personnel Afloat with Homeports in the United States. Report the amounts as determined by current personnel surveys and other statistical methods. The basis used by the reporting DoD Component for developing data for each country will be provided annually to Department of Commerce upon request.
01J020	(2) Reserved

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
01J030	(3) Expenditures by U.S. Personnel on Rest and Recuperation (R&R) Leave - Report the amounts spent by U.S. Personnel while on R&R at locations outside the country in which they are assigned. Positive entries (+) will be used for countries where the individual is on R&R, and negative entries (-) will be used to reflect the adjustment to the "Pay Available for Spending" in the country in which the individual is stationed.
01K000	l. Deposits (Savings)
01L000	m. Claims, Defense Personnel - (Excluding death gratuities)
	n. Nonappropriated Fund Transactions
01M010	(1) Exchange Service Money Orders - Enter the total amount of money order sales and fees.
01M020	(2) Other Nonappropriated Funds - Enter the net increase (-) or decrease (+) in column (10) of AR-2. (Table 13-6)
	(3) Total Nonappropriated Fund Transactions - Enter the sum of lines A.1.n.(1) and A.1.n.(2).
01N000	o. MPSA Transactions - Enter the net increase (-) or decrease (+) in column 7 of AR-3 (Table 13-7) (reported only by Defense Postal Service).
	p. Less Receipts from U.S. Personnel (-)
01O010	(1) Commissary Store Sales to Individuals - (Excluding collections from nonappropriated funds)
01O020	(2) Other Sales to Individuals - This includes laundry, dry-cleaning, and family housing management funds, sales of meals to individuals and dependents, clothing store sales, and sales of gasoline coupons.
	(3) Total Receipts from U.S. Personnel - Enter the sum of lines A.1.p.(1) and A.1.p.(2).
	q. Civilian Pay & Benefits
01Q000	(1) Full-Time Civilian Pay & Benefits
01Q010	(2) Other Civilian Pay & Benefits
01Q020	(3) Insurance Claims, Indemnities, and Refunds
	(4) Total Civilian Pay & Benefits - Enter the sum of lines A.1.q.(1) through A.1.q.(3).
	r. Total Pay Available for Spending - Enter the sum of line A.1.h., line A.1.i.(4), line A.1.j., lines A.1.k.(1) thru A.1.k.(3), line A.1.l., line A.1.m., line A.1.n.(3), line A.1.o., less line A.1.p.(3), plus line A.1.q.(4).
	2. Direct Hire Foreign Nationals - This includes the total gross pay of foreign nationals from appropriations and funds as defined in subparagraph 2.3.9.

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
02A000	a. O&M, Direct Hire Foreign Nationals
02B000	b. Military Assistance Appropriations and Funds, Direct Hire Foreign Nationals
02C000	c. Military Construction Appropriations and Family Housing, Direct Hire Foreign Nationals
02D000	d. Other Appropriations and Funds, Direct Hire Foreign Nationals
	e. Total Direct Hire Foreign Nationals - Enter the sum of lines A.2.a. through A.2.d.
	3. Indirect Hire Foreign Nationals - This includes the total gross pay of indirect hire of foreign nationals from appropriations and funds as defined in subparagraph 2.8.4.2.5.2.
03A000	a. O&M, Indirect Hire Foreign Nationals
03B000	b. Military Assistance Appropriations and Funds, Indirect Hire Foreign Nationals.
03C000	c. Military Construction Appropriations and Family Housing, Indirect Hire Foreign Nationals.
03D000	d. Other Appropriations and Funds, Indirect Hire Foreign Nationals
	e. Total Indirect Hire Foreign Nationals - Enter the sum of lines A.3.a. through A.3.d.
	4. Materials, Supplies, and Equipment - This includes total payments for material identified to object classes 26 and 31 from appropriations and funds and the amount of returns to the United States. This excludes military construction and major procurement.
	a. Subsistence
04A010	(1) Military Personnel
04A020	(2) Stock Funds
	(3) Subtotal - Enter the sum of lines A.4.a.(1) and A.4.a.(2).
	(4) Less Returns to United States (-)
04A04A	(a) U.S. End Products
04A04B	(b) U.S. Services
04A04C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.a.(4)(a) through A.4.a.(4)(c).
	(5) Total Subsistence - Enter the net of lines A.4.a.(3) and A.4.a.(4)(d).
	b. POL - (Petroleum, oil, and lubricants) (Including product transportation, storage and handling)

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
04B010	(1) O&M, POL
04B020	(2) Stock Funds, POL
04B030	(3) Industrial Funds and Other, POL
	(4) Subtotal - Enter the sum of lines A.4.b.(1) through A.4.b.(3).
	(5) Less Returns to United States (-)
04B05A	(a) U.S. End Products
04B05B	(b) U.S. Services
04B05C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.b.(5)(a) through A.4.b.(5)(c).
	(6) Total POL – Enter the net of line A.4.b.(4) and A.4.b.(5)(d).
	c. Offshore Procurement
04C010	(1) Procurement – Aircraft
04C020	(2) Procurement – Missiles
04C030	(3) Procurement – Ships
04C040	(4) Procurement – Combat Vehicles
04C050	(5) Procurement – Tactical & Support Vehicles
04C060	(6) Procurement – Weapons
04C070	(7) Procurement – Ammunition
04C080	(8) Procurement – Communication Equipment
04C090	(9) Procurement – Other Support Equipment
04C100	(10) Procurement – Supplies
	(11) Subtotal – Enter the sum of lines A.4.c.(1) through A.4.c.(10)
	(12) Less: Returns to United States (-)
04C12A	(a) U.S. End Products
04C12B	(b) U.S. Services
04C12C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.c.(12)(a) through A.4.c.(12)(c).
	(13) Total Offshore Procurement – Enter the net of lines A.4.c.(11) and A.4.c.(12)(d).
	d. Other Materials, Supplies, and Equipment
04D010	(1) O&M, Other Materials, Supplies, and Equipment
04D020	(2) Research, Development, Test, and Evaluation (RDT&E)
04D030	(3) Military Assistance Appropriations and Funds, Procurement other than Offshore Procurement from line A.4.c.(13)
04D040	(4) Stock Funds, Other Materials, Supplies, and Equipment

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
04D050	(5) Other Appropriation and Funds - (Excluding Military Construction Material and Major Procurement)
	(6) Subtotal – Enter the sum of lines A.4.d.(1) through A.4.d.(5)
	(7) Less: Returns to United States (-)
04D07A	(a) U.S. End Products
04D07B	(b) U.S. Services
04D07C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.d.(7)(a) through A.4.d.(7)(c).
	(8) Total Other Materials, Supplies, and Equipment - Enter the net of lines A.4.d.(6) and A.4.d.(7).d.
	e. Total Materials, Supplies, and Equipment - Enter the sum of lines A.4.a.(5), A.4.b.(6), A.4.c.(13), and A.4.d.(8).
	5. Major Procurement - Report all procurement charged to Major Procurement Appropriations under the following categories, including transportation and services (A.5.a. through A.5.e.).
05A000	a. Aircraft and Related Equipment and Spares
05B000	b. Missiles and Related Equipment and Spares
05C000	c. Shipbuilding and Related Equipment and Spares
05D000	d. Ground Electronics and Related Equipment and Spares
05E000	e. Other - Major Procurement
	f. Subtotal – Enter the sum of lines A.5.a. through A.5.e.
	g. Less: Returns to United States (-)
05G010	(1) U.S. End Products
05G020	(2) U.S. Services
05G030	(3) U.S. Transportation
	(4) Total Returns - Enter the sum of lines A.5.g.(1) through A.5.g.(3).
	h. Total Major Procurement - Enter the net of lines A.5.f. and A.5.g.(4).
	6. Construction - Report payments to foreign contractors and U.S. contractors for foreign construction projects charged to the appropriations listed and payments for construction material charged to the Military Construction and Family Housing Appropriations. Include all payments for services charged to Military Construction and Family Housing Construction Appropriations.
	a. Foreign Contractors
06A010	(1) Military Construction

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
06A020	(2) Family Housing, Defense Construction
06A030	(3) Military Assistance Appropriations and Funds, Construction, Foreign Contractors
06A040	(4) Counterpart Foreign Currency Payments
	(5) Subtotal – Enter the sum of lines A.6.a.(1) through A.6.a.(4).
	(6) Less: Returns to the United States (-)
06A06A	(a) U.S. End Products
06A06B	(b) U.S. Services
06A06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.6.a.(6)(a) through A.6.a.(6)(c).
	(7) Total Construction Foreign Contractors - Enter the net of lines A.6.a.(5) and A.6.a.(6)(d).
	b. U.S. Contractors
06B010	(1) Military Construction
06B020	(2) Family Housing, Defense Construction
06B030	(3) Military Assistance Appropriations and Funds, Construction, U.S. Contractors
06B040	(4) Counterpart Foreign Currency Payments
	(5) Subtotal - Enter the sum of lines A.6.b.(1) through A.6.b.(4).
	(6) Less: Returns to United States
06B06A	(a) U.S. End Products
06B06B	(b) U.S. Services
06B06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.6.b.(6)(a) through A.6.b.(6)(c).
	(7) Net Payments to U.S. Contractors for Construction - Enter the net of lines A.6.b.(5) and A.6.b.(6)(d).
	c. Construction Material - This includes the procurement of material, supplies, and equipment acquired for foreign construction projects. Report government-furnished material provided to contractors, procured abroad with construction funds when the material is purchased.
06C010	(1) Military Construction
06C020	(2) Family Housing, Defense Construction Categories
	(3) Subtotal - Enter the sum of lines A.6.c.(1) and A.6.c.(2).
	(4) Less: Returns to United States (-)
06C04A	(a) U.S. End Products
06C04B	(b) U.S. Service
06C04C	(c) U.S. Transportation

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	(d) Total Returns - Enter the sum of lines A.6.c.(4)(a) through A.6.c.(4)(c).
	(5) Net Payments for Construction Material – Enter the net of lines A.6.c.(3) and A.6.c.(4)(d).
	d. NATO Infrastructure
06D000	(1) Foreign Military Sales – Land and Structures
06D010	(2) NATO Infrastructure
06D020	(3) NATO Air Defense Ground Environment
	(4) Total NATO Infrastructure - Enter the sum of lines A.6.d.(1) through A.6.d.(3).
	e. Total Construction - Enter the sum of lines A.6.a.(7), A.6.b.(7), A.6.c.(5), and A.6.d.(4).
	7. Transportation - Report payments to foreign carriers for transportation of individuals or transportation of household goods and materiel, including those furnished on U.S. Government bills of lading, travel requests, and similar documents charged to the following appropriations and funds, excluding amounts reported under POL and subsistence stock funds.
07A000	a. Military Personnel, Reserve Personnel, and National Guard Personnel
07B000	b. O&M, Transportation
07C000	c. Military Assistance Appropriations and Funds, Transportation
07D000	d. Other Appropriations and Funds, Transportation
	e. Subtotal – Enter the sum of lines A.7.a. through A.7.d.
	f. Less: Returns to United States (-)
07F010	(1) U.S. End Products
07F020	(2) U.S. Services
07F030	(3) U.S. Transportation
	(4) Total Returns – Enter the sum of lines A.7.f.(1) through A.7.f.(3).
	g. Total Transportation - Enter the net of lines A.7.e. and A.7.f.(4).
	8. Services - Report payments for services performed overseas, including real property maintenance, repair, and minor construction (Object classes 23, 24, and 25, excluding indirect hire, foreign nationals) from the following appropriations and funds.
	a. Foreign Contractors
	(1) O&M
08A01A	(a) Rents, Communications, and Utilities

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
08A01B	(b) Contract Maintenance of Equipment and Related Payments
08A01C	(c) Real Property Maintenance, Repair, and Minor Construction
08A01D	(d) Other O&M
	(e) Total Services, Foreign Contractors, O&M - Enter the sum of lines A.8.a.(1)(a) through A.8.a.(1)(d).
08A020	(2) RDT&E
08A030	(3) Military Assistance Appropriations and Funds, Services, Foreign Contractors
08A040	(4) Other Appropriations and Funds, Services, Foreign Contractors
	(5) Subtotal – Enter the sum of lines A.8.a.(1)(e) and A.8.a.(2) through A.8.a.(4).
	(6) Less: Returns to United States (-)
08A06A	(a) U.S. End Products
08A06B	(b) U.S. Services
08A06C	(c) U.S. Transportation
	(d) Total Returns – Enter the sum of lines A.8.a.(6)(a) through A.8.a.(6)(c).
	(7) Total Payments to Foreign Contractors for Services - Enter the net of lines A.8.a.(5) and A.8.a.(6)(d).
	b. U.S. Contractors
	(1) O&M
08B01A	(a) Real Property Maintenance, Repair, and Minor Construction
08B01B	(b) Other O&M
	(c) Total Services, U.S. Contractors, O & M - Enter the sum of lines A.8.b.(1)(a) and A.8.b.(1)(b).
08B020	(2) RDT&E
08B030	(3) Military Assistance Appropriations and Funds, Services, U.S. Contractors
08B040	(4) Other Appropriations and Funds, Services, U.S. Contractors
	(5) Subtotal - Enter the sum of lines A.8.b.(1)(c) and A.8.b.(2) through A.8.b.(4).
	(6) Less: Returns to United States (-)
08B06A	(a) U.S. End Products
08B06B	(b) U.S. Services
08B06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.8.b.(6)(a) through A.8.b.(6)(c).
	(7) Net Payments to U.S. Contractors for Services - Enter the net of lines A.8.b.(5) and A.8.b.(6)(d).

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	c. Net Payments to U.S. and Foreign Contractors for Services - Enter the sum of lines A.8.a.(7) and A.8.b.(7).
	9. Grants to Foreign Entities - Report cash grants paid from the following appropriations and funds. Exclude grants under Military Assistance Grant Aid authorized by the Arms Export Control Act (AECA) of 1976, as amended.
09A000	a. RDT&E
09B000	b. Reserved
09C000	c. Other Appropriations and Funds
	d. Total Grants to Foreign Entities - Enter the sum of lines A.9.a. through A.9.c.
	10. Other Payments - Report all other payments made abroad, not elsewhere classified.
10A000	a. O&M
10A020	b. O&M, Army
	c. Military Assistance Appropriations and Funds
10B010	(1) International Military Headquarters (Project R 1)
10B020	(2) Other Military Assistance Appropriations and Funds
	(3) Subtotal - Enter the sum of lines A.10.c.(1) and A.10.c.(2).
10B040	(4) Weapons Production Program - (Project R 5 0)
10B050	(5) Research and Development - (Projects P 1 0 and P 2 0)
	(6) Total Other Payments, Military Assistance - Enter the sum of lines A.10.c.(3), A.10.c.(4) and A.10.c.(5).
10C000	d. Retired Pay, Defense - Report payments to retired personnel living abroad.
10D000	e. Other Claims - Report claims, including death gratuities, other than personnel claims (Code 01L000).
10E000	f. Counterpart Foreign Currency Payments
10F000	g. Other Appropriations and Funds
	h. Subtotal - Enter the sum of lines A.10.a., A.10.b., A.10.c.(6), and A.10.d. through A.10.g.
	i. Less: Returns to United States (-)
10H010	(1) U.S. End Products
10H020	(2) U.S. Services
10H030	(3) U.S. Transportation
	(4) Total Returns - Enter the sum of lines A.10.i.(1) through A.10.i.(3).

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	j. Total Other Payments - Enter the net of lines A.10.h. and A.10.i.(4).
110000	11. FT Accounts - Enter all payments from FT accounts for which management responsibility has been delegated to the DoD. The amounts reported on this line must be consistent with the total of all FT accounts reported on the Statement of Transactions and Accountability for the same period.
	12. Summary
	a. Total Payments - Enter the sum of lines A.1.r., A.2.e., A.3.e., A.4.e., A.5.h., A.6.e., A.7.g., A.8.c., A.9.d., A.10.j. and A.11.
12B000	b. Reserved
12C000	c. Reserved
12D000	d. Less: Payments Reimbursable from AID, Department of State, or Funds Appropriated to the President - Enter the amount as a negative (-).
12E000	e. Less: Fines, Penalties, and Forfeitures
12F000	f. Less: Interest & Dividends
	g. Total Net Payments - Enter the net of line A.12.a. and lines A.12.b. through A.12.f.
	B. Collections
	13. Collections for DoD Cash Sales
13A000	a. Foreign Military Sales Trust Fund, Account 8242 - (Excludes reimbursements for prior expenditures from Account 8242)
13B000	b. Less: Refunds to the account of foreign governments from Foreign Military Sales Account 8242 - Enter the amount as a negative (-).
13C000	c. Military Assistance Appropriations, Accounts 11X1080, 11X1081, 11X1088, and 11X4116
13D000	d. Other Sales Accounts
13E000	e. Other Collections for DoD Cash Sales
	f. Total Collections for DoD Cash Sales - Enter the sum of lines B.13.a. through B.13.e.
140000	14. Advances from Foreign Countries on Sale Agreements - This line applies only to sales under long-term credits where an advance has been received this period. It does not apply to cash sales.

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	15. Repayment of Loans - Enter repayments of principal on Foreign Military Sales loans and Other DoD Loans.
15A000	a. Collection of Principal Miscellaneous Receipt Account Treasury Account 2968
15B000	b. Liquidation of Foreign Military Sales Trust Fund Account
15C000	c. Collections for Guaranty Reserve Fund 11X4121
15D000	d. Reserved
15E000	e. Reserved
15F000	f. Ryukyu Islands Power System
	g. Total Repayment of Loans - Enter the sums of lines B.15.a. through B.15.f.
	16. Joint Weapons Production and Exchange Agreements - Enter collections resulting from transactions under this program.
16A000	a. Reserved
16B000	b. Other
	c. Total Collections for Joint Weapons Production and Exchange Agreements - Enter the sum of lines B.16.a. and B.16.b.
170000	17. Contributed Currencies - Report currencies contributed by foreign governments that reimburse the U.S. Government for operating costs of MAAGs and Missions. See Volume 12, Chapter 24: "Burdensharing and Overseas Relocation Contributions By Foreign Allies."
180000	18. Collections for Sales by Property Disposal Officers - Report collections and reimbursements for all sales of surplus, excess, foreign excess, scrap, salvage, timber and lumber products, sold overseas, including the bid deposits of successful bidders recorded in: Accounts from Sales of Personal Property pursuant to exchange/sales requirements and industrial fund accounts. Exclude bid deposits recorded in Deposit Account 6500, Clearing Account 3875, and collections made directly into account 8242.
	19. Collections of Interest - Report the interest collected from foreign debtors on direct long-term credits, including fees and premiums on guaranteed loans, and other interest such as that collected on deposits in foreign banks and on advances.
190000	a. Interest Received from Loans & Financing Accounts

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
19A000	b. Miscellaneous Receipt Accounts - (Other than those shown in B.19.a., B.19.c., B.19.f., and B.19.g.)
19B000	c. Foreign Military Credit Sales, Account 1468
19C000	d. Foreign Military Sales Account 8242
19D000	e. FT accounts
19E000	f. Ryukyu Islands Power System Loan
19F000	g. Interest on Advances
	h. Total Collections of Interest - Enter the sum of lines B.19.a. through B.19.g.
200000	20. Collections for Deliveries of DoD Materiel and Services Billed Locally to Foreign Residents - Report collections for all logistical support or sales abroad at the amount billed and collected locally to foreign residents. Includes sales of foreign non-excess personal property and all services rendered.
210000	21. Collections for Deliveries Billed Centrally for Logistical Support - Report the amount of collections for all materiel and services billed centrally for logistical support furnished by a DoD Component to a foreign resident or international organization. Reported collections on this line are separate and apart from collections reported on line B.13. and will encompass all other arrangements for support of foreign country or international organization forces by the DoD Component.
220000	22. Collections for Loans and Leases of Aircraft, Vessels, and Other Equipment - Enter all reimbursements received for loan or lease of aircraft and vessels. Exclude collections for such transfers under Foreign Military Sales and Military Assistance Grant Aid - Enter all reimbursements received for loan or lease of aircraft and vessels. Exclude collections for such transfers under Foreign Military Sales and Military Assistance Grant Aid.
230000	23. Reserved
240000	24. Barter/Sales of Surplus Agricultural Products - Enter only in the worldwide summary report the amount paid to the Commodity Credit Corporation (CCC) representing barter sales of surplus agricultural products pursuant to a barter contract.
	25. Total Collections - Enter the sum of lines B.13.f., B.14., B.15.g., B.16.c., B.17., B.18., B.19.h., and B.20. through 24.

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	C. Deliveries - Delivery data for the following categories will be prepared by appropriate agencies pursuant to the SAMM. Level of detail for each category and method of reporting will be established by agreement between the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) and the appropriate agency and will be implemented by the effective date of this Instruction.
260000	26. Reserved
270000	27. DoD Deliveries – Foreign Military Sales and Building Partner Capacity - Deliveries of materiel and services relative to direct sales authorized by the AECA of 1976, as amended, as indicated by the generic codes in Chapter 4 and Chapter 9 of the SAMM.
280000	28. Deliveries under Joint Weapons Production and Exchange Agreements - The value of components or services provided by the U.S. Government under weapons production programs and delivered to countries outside the United States by the categories stated in Chapter 11 of the SAMM.
	29. Interest - Do not report delivery data for interest.
	30. Deliveries by Property Disposal Officers - Do not report deliveries by Property Disposal Officers.
	31. Contributed Currencies - Do not report delivery data for contributed currencies.
	32. Deliveries of DoD Materiel and Services Billed Locally to Foreign Entities - Do not report deliveries of DoD materiel and services billed locally to foreign entities.
	33. Deliveries Billed Centrally for Logistical Support - Do not report deliveries billed centrally for logistical support.
	34. Transfers Without Reimbursement, Military Assistance Program (Grant Aid) - Transfers to foreign countries and international organizations as Military Assistance Grant Aid relative to the FAA of 1961, as amended, as indicated by the generic codes in Chapter 11 of the SAMM.
34A000	a. Special Drawdown Authority
34B000	b. EDA Program

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
34C000	c. Under International Treaties and Agreements
	35. Loans and Leases of Aircraft, Vessels, and Other Equipment - This includes the value at unit inventory prices as carried on the books of the DoD Component at centrally controlled management offices of equipment loaned or leased to foreign governments. It excludes transfers under Foreign Military Sales and Military Assistance Grant Aid.
35A000	a. Original Deliveries
35B000	b. Less: Returns of Aircraft, Vessels, and Other Equipment (-)
35C000	c. Net Loans and Leases of Aircraft, Vessels, and Other Equipment Enter the net of lines C.35.a. and C.35.b.
360000	36. Transfers of Real Property - This includes the transfer of land, buildings, utilities, and improvements, excluding leases, by a DoD Component to a foreign government or international organization, at the amount carried on the real property records. Refer to DoD Instruction 4165.14 , "Real Property Inventory and Forecasting."
370000	37. Joint Weapons Production and Exchange Agreements - This includes the value of end products furnished to the United States under joint weapons production and exchange agreements.
380000	38. Deliveries under Reimbursement from the AID, Department of State, or Funds Appropriated to the President - This includes the value of end items furnished to foreign governments.
	39. Outlays from Appropriations, Other Assistance Grant Aid - Include outlays from appropriations in support of other U.S. foreign assistance.
39A	a. Overseas Humanitarian, Disaster, and Civic Aid Defense (97 0819)
39A000	(1) Overseas Humanitarian, Disaster, and Civic Activities 97 0819 (Gross Appropriation Amount).
39A020	(2) Less: Returns to United States - (97 0819).
39B	b. Cooperative Threat Reduction Account, Defense (97 0134)
39B000	(1) Former Soviet Union Threat Reduction 97 0134 (Gross Appropriation Amount).
39B020	(2) Less: Returns to United States - (97 0134).
39C	c. Drug Interdiction and Counter-Drug Activities, Defense, in-country support only - Outlays from 97 0105 only for in-country support.

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
39C000	(1) Drug Interdiction and Counter-Drug Activities 97 0105 (Gross Appropriation Amount).
39C020	(2) Less: Returns to United States – (97 0105).
39D	d. Contingency Operations - Incremental costs collected by DFAS-Columbus under section 607 of the FAA of 1961, as amended.
39D000	(1) Contingency Operations – Incremental Costs Incurred (Gross Appropriation Amount).
39D020	(2) Less: Returns to United States
39E	e. Afghanistan Security Force Fund, Army (21 2091).
39E000	(1) Afghanistan Security Force Fund, Army 21 2091 (Gross Appropriation Amount).
39E020	(2) Less: Returns to United States
39F	f. Iraq Security Force Fund, Army (21 2092).
39F000	(1) Iraq Security Force Fund, Army 21 2092 (Gross Appropriation Amount).
39F020	(2) Less: Returns to United States
39G	g. Commander's Emergency Relief Program (21 2020 Project 13600000000).
39G000	(1) Commander's Emergency Relief Program 21 2020 Project 13600000000 (Gross Appropriation Amount).
39G020	(2) Less: Returns to United States
39H	h. Commander's Humanitarian Relief and Reconstruction Program (21 2020 Project 13619800000).
39H000	(1) Commander's Humanitarian Relief and Reconstruction Program 21 2020 Project 13619800000 (Gross Appropriation Amount).
39H020	(2) Less: Returns to United States
39I	i. Iraq Relief and Reconstruction Fund, Army (21 X 2089).
39I000	(1) Iraq Relief and Reconstruction Fund, Army 21 X 2089 (Gross Appropriation Amount).
39I020	(2) Less: Returns to United States
39J	j. Natural Resources Risk Remediation Fund, Defense (NRRRF) (97 X 0142).
39J000	(1) NRRRF 97 X 0142 (Gross Appropriation Amount).
39J020	(2) Less: Returns to United States
39K	k. Global Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) Initiative (19-97 x 1030) and Global Health and Child Survival (19-97 x 1031) 632a transfers.

Table 13-10. Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
39K000	(1) Global HIV/AIDS Initiative (19-97 1030) and Global Health and Child Survival (19-97 1031) 632a transfers (Gross Appropriation Amount).
39K020	(2) Less: Returns to United States
39L	1. Pakistan Counterinsurgency Fund, Army (21 2095).
39L000	(1) Pakistan Counterinsurgency Fund, Army 21 2095 (Gross Appropriation Amount).
39L020	(2) Less: Returns to the United States
400000	40. Military Gross Pay U.S. Personnel - This includes payments to U.S. personnel for "gross pay."

Table 13-11. Line Item Captions and Descriptions Accounting Report 2

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 2
	1. Country (column 1) - List each country abroad according to the guidance provided by the CIA (see Geopolitical Entities, Names and Codes Standard and Table 13-8) for which there are nonappropriated fund transactions entering the IBOP. Show data for Puerto Rico and other U.S. territories and possessions separately following the "Total" line, but not included in "Total."
202XXX	a. Sales (column 2) - This includes receipts from the sales of merchandise and services, including commissions from concessionaires. It excludes concessionaire sales and receipts from any U.S. Government agency or activity.
203XXX	b. Other Revenues (column 3) - This includes such receipts as membership dues, chaplain's funds, and net receipts from bingo or slot machines.
	c. Total Receipts (column 4) - Enter the sum of the receipts shown in columns 2 and 3.
205XXX	d. Net Pay, U.S. Personnel (column 5) - This includes net pay of U.S. civilian personnel (part time or full time), and U.S. military personnel employed while off duty.
206XXX	e. Gross Pay, Foreign Nationals (column 6) - This includes gross pay of all direct or indirect hire, foreign nationals, as well as all payments to or on behalf of the foreign nationals.
207XXX	f. Foreign Payments for Procurement of Merchandise for Resale (column 7) - This includes foreign payments for merchandise purchases for resale. It excludes payments for purchases from any U.S. Government agency or activity other than to the CCC under barter agreements.
208XXX	g. Other Foreign Payments (column 8) - This includes other payments for operating expenses, construction, renovation, and equipment not included in columns 5, 6, and 7. It excludes payments to any U.S. Government agency or activity other than to the CCC under barter agreements.
	h. Total Foreign Payments (column 9) - Enter the sum of columns 5 through 8.
210XXX	i. Net Excess of Payments or Receipts (column 10) - Enter the net of column 4 and column 9. If the payments (column 9) are greater than the receipts (column 4), the difference will be shown as a positive figure. If the receipts (column 4) are greater than the payments (column 9), the differences will be shown as a negative figure. The entry is the same as that for line 01M020 in AR-1. (Table 13-5)

Table 13-11. Line Item Captions and Descriptions Accounting Report 2 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 2
211XXX	j. Payments in Excess and Near Excess Foreign Currency (column 11) -This includes payments included in all lines made in currencies of countries designated as excess or near excess currency countries. Include only those payments with currencies obtained from official U.S. sources, i.e., military DOs or U.S. Treasury DOs. Do not report any payments made with currencies obtained from commercial banks or other non-U.S. official sources.
212XXX	k. Net Accommodation Sales (Foreign Currency) (column 12) - Enter the net amount of accommodation sales of foreign currency to U.S. personnel in facilities operated by nonappropriated fund or exchange activities as a memorandum entry for each country. Include the total amount sold to individuals less purchases, if any, from individuals.

Table 13-12. Line Item Captions and Descriptions Accounting Report 3

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 3
	Country (column 1) – List each country abroad according to the guidance provided by the CIA (see Geopolitical Entities, Names and Codes Standard and Table 13-8) for which there are MPSA transactions entering the IBOP. Show data for Puerto Rico and other U.S. territories and possessions separately following the “Total” line, but not included in “Total.”
301XXX	a. Meter/Postage Validation Imprinter Sales (column 2)
302XXX	b. Stamp Sales (column 3) - This includes sales to individuals
303XXX	c. Money Order Sales (column 4) - This includes sales to individuals, including fees. It excludes sales of international money orders.
304XXX	d. Money Orders Fees (column 5)
305XXX	e. Money Orders Cashed (column 6) - This includes cashed by individuals.
	f. Net Sales (column 7) - Enter the sum of columns 2 through 5, less column 6. If the payments (column 6) are greater than the receipts (columns 2 through 5), the differences will be shown as a negative figure. If the receipts (columns 2 through 5) are greater than the payments (column 6), the difference will be shown as a positive figure.

Table 13-13. DoD Component Identification Codes

The following is a list of standard codes identifying DoD Components.

DoD Component	Code
Department of the Army	A
Department of the Navy	N
Department of the Air Force	F
U.S. Marine Corps (code is M, but include with Navy)	M
Defense Contract Audit Agency	R
Defense Contract Management Agency	BL
Defense Information Systems Agency	K
Defense Intelligence Agency	L
Defense Logistics Agency	S
Defense Security Cooperation Agency	D
National Security Agency	U
Washington Headquarters Services, Budget and Finance Division	E



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 13 APPENDIX A: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 13 APPENDIX B: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

CHAPTER 13 APPENDIX C: "ARCHIVED"

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

VOLUME 6A, CHAPTER 14: “DEPOT MAINTENANCE REPORTING”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [May 2018](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
3.1 (140301)	Updated office name for receipt of data revisions and report format changes to Office of the Under Secretary of Defense (Comptroller), Financial Management Policy & Requirements.	Revision
Addendum 2	Updated Reporting Activity Identifying Code Activity Names.	Revision

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CHAPTER 14**DEPOT MAINTENANCE REPORTING****1.0 GENERAL (1401)****1.1 Purpose (140101)**

The DoD maintains a core depot-level maintenance and repair capability in support of mission-essential weapon systems and other military equipment needed to directly support operational requirements and enable the armed forces to execute the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff. This chapter prescribes Depot Maintenance Cost System (DMCS) requirements that are necessary to provide a comprehensive accounting of DoD depot maintenance workloads. The DoD Components must satisfy these requirements with regard to reporting the accomplishment and status of DoD depot maintenance workloads in:

- 1.1.1. DoD depot maintenance facilities;
- 1.1.2. Private-sector facilities;
- 1.1.3. Other DoD and Federal Government facilities; and
- 1.1.4. State, local, and foreign government facilities.

1.2 Authoritative Guidance (140102)

These requirements apply to DoD depot maintenance workloads the Components identify pursuant to Title 10, United States Code, [section 2466](#), under which DoD reports to the Congress the respective depot maintenance workload levels in the public and private sectors.

2.0 COST DATA REQUIREMENTS (1402)**2.1 Scope (140201)**

These requirements apply to all depot maintenance workloads, regardless of DoD funding source, e.g., Defense Working Capital Fund (DWCF), Research and Development, Procurement, General Purpose Forces, Special Operations Forces, Operation and Maintenance, or other appropriations; or non-DoD funding source, such as work done for private-sector customers or other federal, state, local, and foreign governments. Additional guidance is provided in:

- 2.1.1. Addendum 1 – DoD Major Depot Maintenance Activities;
- 2.1.2. Addendum 2 – Reporting Activity Identifying Codes;
- 2.1.3. Addendum 3 – DMCS Input File;

2.1.4. Addendum 4 – Work Breakdown Structure Codes; and

2.1.5. Addendum 5 – Work Performance Category (WPC) Codes.

2.2 Cost Data Collection (140202)

The uniform recording, accumulation, and reporting of costs incurred in depot maintenance operations is required to document the use of DoD resources and to assist management in the measurement of productivity and efficiency, development and use of performance measurement and cost standards, and identification of areas in need of increased management emphasis. In addition, the data will assist in the assessment of total DoD maintenance capability, duplication of capacity, and opportunities for areas of interservice support of maintenance workloads.

2.3 Managerial Use of Cost Data (140203)

Management requires depot maintenance information to assist in:

2.3.1. Developing inputs to meet Departmental and Congressionally-mandated requirements;

2.3.2. Comparing repair costs with replacement costs;

2.3.3. Overseeing the utilization of depot maintenance resources;

2.3.4. Evaluating budgets for customers and providers of depot maintenance;

2.3.5. Comparing cost trends among organic DoD depots and between organic and contract (private-sector) sources;

2.3.6. Formulating managerial direction and guidance for depot maintenance programs;

2.3.7. Evaluating depot maintenance activities for efficient use of resources;

2.3.8. Estimating depot maintenance requirements;

2.3.9. Monitoring DoD Component compliance with various Congressionally-mandated reporting requirements;

2.3.10. Examining the behavior of cost drivers over time; and

2.3.11. Identifying and evaluating total ownership costs.

2.4 Cost Definition (140204)

To ensure that all workloads are accounted for and reported in DMCS, regardless of funding source, reporting requirements have been stratified to facilitate reporting of total DoD costs, both funded and unfunded, for organic and contract depot maintenance. For DMCS reporting purposes:

2.4.1. Funded costs are those charged to the operating funds of the performing activity or the activity reporting contract depot maintenance. Funded costs are defined from the perspective of the activity performing the work or, in the case of contract maintenance, from the perspective of the program manager or administrator responsible for reporting contract costs. Costs incurred by a DWCF, or direct-funded organic activity in performance of reimbursable orders, are categorized as funded, as these costs are charged to the operating account of the performing activity. Funded costs at DoD organic activities normally include items such as payroll, operating materials, supplies, and services; and

2.4.2. Unfunded costs are costs financed by a DoD appropriation, activity, or entity other than that of the performing activity, or the reporting activity in the case of contract depot maintenance. In other words, financial responsibility resides with an entity other than the DMCS reporting unit. Material, such as a modification kit or other Government-furnished material financed by a procurement appropriation not available to the performing activity, is an unfunded cost. For a direct-funded activity, depreciation of plant and equipment financed by procurement appropriations, and facilities maintenance financed by a regional command, are examples of unfunded costs.

3.0 REPORTING REQUIREMENTS (1403)

*3.1 General Reporting Requirements (140301)

The DMCS reporting requirements contained in this chapter, including any subsequent data and format revisions, are the responsibility of the Deputy Assistant Secretary of Defense for Materiel Readiness (DASD (MR)), Office of the Under Secretary of Defense (OUSD) (Acquisition & Sustainment). The DASD (MR) must provide the data revisions and report format changes to the OUSD Comptroller (OUSD (C)), Financial Management Policy and Reporting (FMPR), for publication in subsequent revisions of this chapter. The senior official with responsibility for logistics in each DoD Component is responsible for timely reporting. The Assistant Secretary responsible for financial management in the Military Departments (or equivalent in other DoD Components) is responsible for providing complete and accurate financial data to the report preparer in sufficient time for report submission.

3.2 Applicability of Reporting Requirements (140302)

The depot maintenance cost report required by this chapter applies to all Military Services and other DoD activities that accomplish depot maintenance workloads or have depot maintenance workloads accomplished by contract. This includes all work performed by DoD depot maintenance activities, as well as all DoD depot-level maintenance accomplished by other Government activities and contractors.

3.2.1. Performing and Reporting Activities

3.2.1.1. Addendum 1 identifies the major DoD depots, shipyards, and other depot maintenance activities that historically have performed depot maintenance workloads. Report work performed at major depot maintenance activities listed in that addendum as specified in subparagraph **140401.B.1**. Report work performed by DoD activities not listed in Addendum 1 in accordance with subparagraph **140401.B.2**. Report all other work (i.e., that performed by contractors; other Federal Government activities; and state, local, and foreign governments) as stipulated in subparagraph **140401.B.3** by the program administering offices designated by the official in each DoD Component responsible for reporting DMCS data.

3.2.1.2. Addendum 2 is a list of reporting activity identifying codes. Activities performing depot maintenance not listed in Addendum 2, that are required to report, will request an appropriate identifying code from DASD (MR) or its designated agent.

3.2.2. Cost Reporting By DoD Performing Activities. Report records from DoD performing activities must reflect total costs incurred, including the cost of any subsidiary ordering from other Government activities or contracting with commercial firms incident to accomplishing workloads. The report accommodates separate reporting of direct labor hours, and costs of contract labor used to augment the workforce, when the hours and associated costs are obtainable from local cost accounting data.

3.2.3. Cost Reporting By Other Activities. Report records for DoD depot-level maintenance performed by contractors and DoD activities not listed on Addendum 1 must include all costs to DoD incurred in performing the work. These reports must:

3.2.3.1. Exclude intermediate-level, organizational-level, and other non-depot-level maintenance services (unless those maintenance services are an integral part of a depot-level task or contract);

3.2.3.2. Include the depot-level maintenance portion of Contractor Logistics Support (CLS), Interim Contractor Support (ICS), Performance-Based Logistics (PBL), and similar contracts. Report the direct costs of the depot maintenance performed, as well as associated overhead and other costs attributable to the depot-level maintenance portion of the contracts;

3.2.3.3. Include the cost of Government-furnished material and Government-furnished services consumed in producing a product or service, even though financed or provided by a source other than the primary reporting office or entity; and

3.2.3.4. Provide all appropriate categorization codes, including Item Identification, Weapon or Support System Code (WSSC), Work Breakdown Structure, WPC, and the average number of Shop Flow Days.

3.3 Work Performance Categories (140303)

Addendum 5 contains the WPC codes that identify the nature of work performed. In cases where there may be overlap between WPCs, report costs in the highest level of repair. For example, if manufacture is required to complete an overhaul because critical parts are not available, report costs as overhaul.

3.4 DMCS Data Submission Process (140304)

3.4.1. Frequency and Timing of Submittal. Annual DMCS data submissions must be provided to DASD (MR), or its designated agent, no later than December 31 following the end of the fiscal year. Reporting requirement symbol AP-MP(A)1397 is assigned to this reporting requirement. Paragraph 140301 lists the parties responsible for data submission.

3.4.2. Accompanying Documents

3.4.2.1. With each data submission to the DASD (MR), include a transmittal memorandum that includes a brief discussion of any anomalies in the data, significant changes from previous submissions, or other pertinent information to aid in processing the data. The transmittal memorandum for the report must identify a point of contact within the submitting activity for issues and questions related to the reported data.

3.4.2.2. Within 90 days after the initial submission due date, submit a brief narrative analysis (three to five pages) explaining trends in the data to the DASD (MR). The focus of the narrative analysis must be on the factors driving year-to-year changes in cost and direct labor hours. These factors include changes in workload; changes in contract support (both in level of effort and in price); changes in the prices paid for labor, material, and other resources; and, when applicable, significant changes in organic maintenance processes and financial policies. Express the impact of the factors in quantitative terms (for example, an average 3.2 percent material price change or a 2.1 percent improvement in direct labor productivity).

3.4.3. Quality Control and Editing of Data Prior to Submission. The AP-MP(A)1397 report serves as a principal database in support of DASD (MR) weapon systems depot maintenance cost and production analyses and external reporting, as well as the principal joint-service database on depot maintenance production operations. The DASD (MR) provides a data editing and submission file creation tool in the form of a relational database application. This tool, which provides Component-specific and general edits, facilitates accuracy and consistency of data submitted by the individual Components. The use of this tool is a required element of the submission process. Provide appropriate personnel within each reporting activity with training in tool usage. In addition, the DASD (MR) will provide each Component with tool updates on an annual basis prior to the end of the fiscal year.

3.4.4. Data Input to the Data Editing Tool. The format and content of DMCS data input to the Data Editing Tool must be in accordance with Addendum 3. The individual Military Services and the DASD (MR), or its designated agent, may agree upon alternative formatting of data.

3.4.5. Form and Method of DMCS Data Submissions. Annual AP-MP(A)1397 data must be submitted to DASD (MR), or to its designated agent, using the DMCS Data Editing Tool described in subparagraph 140304.D. The tool containing the data and associated documentation may be compressed and submitted in a variety of ways, for example, compact disk, file transfer protocol, email, or other medium agreed upon by the DASD (MR), or its designated agent, and the reporting activity.

3.4.6. DoD-Level Review Process. The review and update of annual AP-MP(A)1397 submissions must be accomplished as follows:

3.4.6.1. Within 15 days of receipt of each Component submission, the DASD (MR), or its designated agent, must perform an edit of the data and provide each reporting activity or Component data consolidation point with preliminary versions of summary tables and the applicable section of the “DoD Depot Data Highlights Report.” Review any data discrepancies, at this time, with the individual reporting activities or consolidation points;

3.4.6.2. Within an additional 30 days, the Component must review and make appropriate updates or provide explanations to support the data as initially submitted;

3.4.6.3. Within 30 days following receipt of all revised Component data, the DASD (MR), or its designated agent, must prepare and publish the final versions of summary tables and the “DoD Depot Data Highlights Report.” At that time, a final fiscal year database must be established as a historical file for subsequent analysis by the Office of the Secretary of Defense, the Components, and other authorized activities; and

3.4.6.4. Within an additional 15 days, the Components must submit the narrative analyses described in subparagraph 140304.B.2.

3.4.7. Retention of Submitted Data by Reporting Facilities. Reporting activities must retain submission files for a minimum of 5 years.

3.5 DMCS Data Maintenance Requirements (140305)

The Components must ensure that cost and production reporting systems retain the capability to provide an audit trail back to individual job order cost records, or other data sources, when needed to support DMCS report records.

3.6 Report Record Data Requirements (140306)

A report record is required for each type of maintenance work (Field 14) performed for each different weapon system, or item identification number, as indicated by different data entries in Addendum 3. Consolidate data for similar job orders if the item repaired, services performed, and other report record fields are consistent. All fields in Addendum 3 are mandatory except for those identified as “Not Used.” “Not Used” fields may be employed by reporting activities for internal use or left blank. Where quantitative data are required, such as costs and man-hours, enter “0” (zero) if there are no data associated with the fields. Null mandatory fields are not acceptable.

3.6.1. The DASD (MR), or its designated agent, must maintain lookup tables of pertinent data elements and codes for use by the Military Departments in compiling the DMCS report. These tables will include Weapon or Support System Codes, Performing Activity Identification Codes, Reporting Activity Identification Codes, WPC Codes, Item Identification Codes and Nomenclature, Work Breakdown Structure Codes, and Customer Codes. Components will review the codes annually and notify the DASD (MR), or the designated representative, of any needed additions or deletions. Do not change codes at any other time, except by agreement between the DASD (MR), or its designated agent, and the individual Components.

3.6.2. [The Defense Finance and Accounting Service \(DFAS\)](#) must work with the Components to ensure that DFAS financial systems (if used at depot level) retain the capability to provide cost detail to satisfy the reporting requirements of this chapter. Preparation of the DMCS report is the responsibility of the DoD Component performing the work or managing the contract.

3.6.3. Each depot maintenance reporting activity must implement quality assurance procedures to be applied to each DMCS record as it is created and populated. Such procedures must include validity checks to prevent errors, such as identifying an F/A-18A aircraft as a submarine or a High Mobility Multipurpose Wheeled Vehicle (HMMWV) as a tank. Each reporting activity that consolidates DMCS organic and contract records must also implement quality control procedures for all its performing facilities. Prior to data submission, reporting facilities must use the DMCS Data Editing Tool, or similar application, to validate the records.

3.7 Report Record Type (140307)

The data submission report must consist of two types of report records. For both types, the costs reported must be cumulative from inception.

3.7.1. The first record type is cumulative costs for financially completed work. Identify all reported transaction records with a “C” in Field 51 for financially completed customer orders. The reported amount for work completed by contractors must equal the total cost (funded and unfunded) incurred.

3.7.2. The second record type is cumulative costs for not financially complete work. Report these costs in order to form a complete picture of the work accomplished at each activity performing depot maintenance. Identify report records for financial work that is incomplete with

a “W” in Field 51. When reporting contract costs (Field 36), enter the sum of the contract costs accumulated since inception of the contract that are attributable to the work accomplished.

3.8 Report Record Corrections (140308)

Once an annual DMCS report cycle is completed and the results published, the data should remain unchanged. Therefore, it is important to incorporate corrections and adjustments in the original report records. Exceptions must be for corrections or adjustments that materially change a total for an entire performing facility. If significant corrections to prior year data become necessary, contact the DASD (MR), or its designated agent, to coordinate processing the changes.

4.0 REPORTING CATEGORIES AND DATA REQUIREMENTS (1404)

4.1 Workload Reporting Activities (140401)

4.1.1. Depot maintenance is performed at DoD depots, at private-sector commercial contractor facilities, and at other DoD activities, such as intermediate maintenance facilities (IMF), arsenals, ordnance stations, or public works centers. The DoD depot maintenance activities that are funded by DWCF are required to follow the formal job order accounting requirements specified in Volume 11B, Chapter 13. Other DoD activities performing depot maintenance workloads may use other cost finding procedures to satisfy the reporting requirements specified in Section 1403.

4.1.2. All activities performing depot maintenance will report workload identification data, as required, in Fields 1-16. Cost and production data reporting requirements (Fields 17-54) vary, depending upon the category of activity performing the work. Reporting categories and data requirements must be as follows:

4.1.2.1. DoD Major Depot Maintenance Activities. Addendum 1 lists the major depot maintenance activities under the headings: Army Depots, Naval Shipyards, Fleet Readiness Centers, Marine Corps Depots, and Air Force Depots. Funded and unfunded DoD costs for these activities are reported in Fields 17 through 35, with an owner/operator code (Field 7) of “1.” The cost of work suballocated, in part, by a depot to another DoD facility or commercial firm must be reported as an “other direct-funded cost” (Field 30). These major maintenance activities must report all work accomplished by the activity;

4.1.2.2. DoD Activities Not Listed in Addendum 1. The program manager or DoD entity (as determined by each Component’s DMCS reporting official) responsible for program oversight must report funded and unfunded DoD costs for these activities in Fields 17 through 35, with an owner/operator code (Field 7) of “2.” If the cost finding procedures of the reporting facility are not sufficiently robust to adequately identify the detailed costs required in Fields 17 through 35, a waiver must be requested from DASD (MR) to permit reporting costs in Fields 36, 37, and 41; and

4.1.2.3. Non-DoD Facilities. Work performed at commercially-owned/commercially-operated (COCO) facilities; Government-owned/contractor-operated (GOCO) facilities; non-DoD Government activities; and state, local, and foreign government facilities must

be reported by the DoD activity initiating the order (e.g., systems program offices, program managers, major commands, major subordinate commands, Fleet Forces Command, the Naval Inventory Control Points, and other activities that use DoD funds, regardless of source, to obtain depot maintenance from non-DoD entities). Reporting activities must ensure that data submissions for depot maintenance performed at non-DoD activities are complete and accurate and that report records reflect an owner/operator code of “3” in Field 7, non-DoD entity costs in Field 36, and Government-furnished materials and services costs in Fields 37 and 41. Government-furnished materials and services include goods and services funded or provided by a sponsor or contract other than administered by the primary reporting entity.

4.2 Primary Workload Reporting Data Fields (140402)

The DMCS reports from all activities must identify the item worked on, the WPC, and work breakdown structure classification to the extent economically feasible.

5.0 SPECIAL REPORTS (1405)

Any one-time or additional reports required must be as prescribed by the OUSD (C), [FMPR](#) or the DASD (MR).

ADDENDUM 1 - DoD Major Depot Maintenance Activities

ADDENDUM 1
DoD MAJOR DEPOT MAINTENANCE ACTIVITIES
 (Activities That Report With a “1” in Field 7 see Addendum 3)

DEPARTMENT OF THE ARMYArmy DepotsLocation

Anniston Army Depot	Anniston, Alabama
Corpus Christi Army Depot	Corpus Christi, Texas
Letterkenny Army Depot	Chambersburg, Pennsylvania
Red River Army Depot	Texarkana, Texas
Tobyhanna Army Depot	Tobyhanna, Pennsylvania

DEPARTMENT OF THE NAVYNaval ShipyardsLocation

Norfolk Naval Shipyard	Portsmouth, Virginia
Pearl Harbor Naval Shipyard and IMF	Pearl Harbor, Hawaii
Portsmouth Naval Shipyard	Kittery, Maine
Puget Sound Naval Shipyard and IMF	Bremerton, Washington

Fleet Readiness Centers (FRCs)Location

FRC East	Cherry Point, North Carolina
FRC Southeast	Jacksonville, Florida
FRC Southwest	North Island, California

MARINE CORPSMarine Corps DepotsLocation

Maintenance Center Albany	Albany, Georgia
Maintenance Center Barstow	Barstow, California

DEPARTMENT OF THE AIR FORCEAir Force DepotsLocation

Ogden Air Logistics Complex (ALC)	Hill Air Force Base (AFB), Utah
Oklahoma City ALC	Tinker AFB, Oklahoma
Warner-Robins ALC	Robins AFB, Georgia

ADDENDUM 1 - DoD Major Depot Maintenance Activities (continued)

ADDENDUM 1

DoD MAJOR DEPOT MAINTENANCE ACTIVITIES(Activities That Report With a “1” in Field 7 see Addendum 3)Air Force DepotsLocation

Aerospace Maintenance and Regeneration
Group (AMARG) (report may be submitted in
conjunction with Ogden ALC)

Davis-Monthan AFB, Arizona

*ADDENDUM 2 - Reporting Activity Identifying Codes

ADDENDUM 2 REPORTING ACTIVITY IDENTIFYING CODES (Codes To Be Used in Field 8 of Addendum 3)		
IDENTIFYING CODE	ACTIVITY NAME	DoD COMPONENT
0ZTW5	AMARG	Air Force
98747	Ogden ALC	Air Force
98748	Oklahoma City ALC	Air Force
98752	Warner-Robins ALC	Air Force
H0000	Aviation and Missile Command (AMCOM)–Air	Army
L0000	AMCOM–Missile	Army
75117	Anniston Army Depot (AD)	Army
4UB51	Anniston Munitions Center	Army
HQAMC	Army Materiel Command Headquarters	Army
4TU65	Blue Grass AD	Army
G0000	U.S. Army Communications-Electronics Command (CECOM)	Army
W4FHAA	CECOM Software Engineering Center	Army
0SDA4	Corpus Christi AD	Army
4V7J9	Crane Army Ammunition Plant (AAP)	Army
0NDM7	Letterkenny AD	Army
4UA79	Letterkenny Munitions Center	Army
4TZJ4	McAlester AAP	Army
19200	Picatinny Arsenal	Army
3XUS9	Pine Bluff Arsenal	Army
67101	Red River AD	Army
19204	Rock Island Arsenal	Army
49JA0	Sierra AD	Army
M0000	U.S. Army Tank–Automotive and Armaments Command (TACOM) Rock Island	Army
K0000	TACOM Warren	Army
W1PLAA	Test Measurement and Diagnostic Equipment (TMDE) Activity	Army
14850	Tobyhanna AD	Army
21624	Tooele AD	Army
19206	Watervliet Arsenal	Army
99998	Defense Supply Center, Richmond, Product Center 12	DLA
67004	Marine Corps Logistics Command (MCLC)	Marine Corps
67854	Marine Corps Systems Command (SYSCOM)	Marine Corps
67100	Marine Depot Maintenance Command (MDMC)	Marine Corps

ADDENDUM 2 - Reporting Activity Identifying Codes (continued)

ADDENDUM 2 REPORTING ACTIVITY IDENTIFYING CODES (Codes To Be Used in Field 8 of Addendum 3)		
IDENTIFYING CODE	ACTIVITY NAME	DoD COMPONENT
94700	MDMC, Production Plant Albany	Marine Corps
93636	MDMC, Production Plant Barstow	Marine Corps
65923	FRC East	Navy
65886	FRC Southeast	Navy
44321	FRC West	Navy
44329	FRC Northwest	Navy
65888	FRC Southwest	Navy
44327	FRC Mid-Atlantic	Navy
66021	FRC Western Pacific	Navy
68778	FRC Support Equipment Facility	Navy
30003	Naval Air Systems Command (NAVAIR) Headquarters	Navy
00383	Navy Supply Systems Command, Weapon Systems Support (NAVSUP WSS), Philadelphia	Navy
00104	NAVSUP WSS-Mechanicsburg	Navy
81601	Norfolk Naval Shipyard (NSY)	Navy
89103	Pearl Harbor NSY and IMF	Navy
81316	Portsmouth NSY	Navy
82522	Puget Sound NSY and IMF	Navy
00164	Naval Surface Warfare Center (NSWC) Crane	Navy
00253	Naval Underwater Warfare Center (NUWC) Keyport	Navy
66001	Naval Information Warfare Center (NIWC), Pacific	Navy
65236	NIWC Atlantic	Navy
32253	Hawaii Regional Maintenance Center (RMC)	Navy
4523A	Northwest RMC	Navy
40025	Mid-Atlantic RMC	Navy
69097	Southwest RMC	Navy
40027	Southeast RMC	Navy
62758	U.S. Naval Ship Repair Facility and Japan RMC (SRF-JRMC)	Navy
66630	Naval Air Warfare Center Weapons Division (NAWCWD), Point Mugu	Navy
68936	NAWCWD, China Lake	Navy
68335	Naval Air Warfare Center Aviation Division (NAWCAD), Lakehurst	Navy

ADDENDUM 3 – DMCS Input File

ADDENDUM 3 SECTION A DMCS DATA EDITING TOOL INPUT FILE FORMAT			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
RECORD IDENTIFICATION:			
1	Not Used (Leave Blank)	1	1A/N
2	Not Used (Leave Blank)	2	1A/N
3	Fiscal Year	3–4	2N
IDENTIFICATION OF FACILITY:			
4	a. Not Used (Leave Blank) b. Reporting Component	5-9 10	5A/N 1A
5	Performing Activity Identifying Code a. Organic Activity Identifying Commercial and Government Entity (CAGE) or Other Identifying Code b. Not Used (Leave Blank)	11-15 16-24	5A/N 9A/N
6	Not Used (Leave Blank)	25	1A/N
7	Owner and/or Operator Code	26	1N
8	Reporting Activity Identifying Code	27–31	5A/N
IDENTIFICATION OF ITEM AND/OR SERVICE AND CUSTOMER:			
9	Item Identification Code	32–44	13A/N
10	Item Nomenclature	45–64	20A/N
11	Not Used (Leave Blank)	65–74	10A/N
12	WSSC	75–78	4A/N
13	Work Breakdown Structure Code	79–81	3A/N
14	WPC	82–84	3A/N
15	a. Customer Code b. Not Used (Leave Blank)	85 86	1A/N 1A/N
16	Not Used (Leave Blank)	None	0
LABOR HOUR AND COST DATA:			
17	Direct Civilian Labor—Funded Costs	87–94	8N

ADDENDUM 3 – DMCS Input File (continued)

ADDENDUM 3 SECTION A DMCS DATA EDITING TOOL INPUT FILE FORMAT			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
LABOR HOUR AND COST DATA (Continued):			
18	Direct Civilian Labor—Funded Hours	95–102	8N
19	Contract Labor Augmentation of Direct Workforce—Funded Costs	103–110	8N
20	Contract Labor Augmentation of Direct Workforce—Funded Hours	111–118	8N
21	Direct Military Labor—Funded Costs	119–126	8N
22	Direct Military Labor—Funded Hours	127–134	8N
23	Direct Military Labor—Unfunded Costs	135–142	8N
24	Direct Military Labor—Unfunded Hours	143–150	8N
25	Direct Material—Funded Costs	151–158	8N
26	Direct Material—Unfunded Costs	159–166	8N
27	Direct Civilian Labor—Unfunded Costs	167–174	8N
28	Direct Civilian Labor—Unfunded Hours	175–182	8N
29	Not Used (Leave Blank)	183–190	8A/N
30	Other Direct—Funded Costs	191–198	8N
31	Other Direct—Unfunded Costs	199–206	8N
32	Operations Overhead—Funded Costs	207–214	8N
33	Operations Overhead—Unfunded Costs	215–222	8N
34	General and Administrative—Funded Costs	223–230	8N
35	General and Administrative—Unfunded Costs	231–238	8N
36	Contract and/or Other Maintenance Activity—Funded and Unfunded Costs	239–246	8N
37	Government-Furnished Material—Funded and Unfunded Costs	247–254	8N
38	Not Used (Leave Blank)	255–262	8A/N
39	Not Used (Leave Blank)	263–270	8A/N
40	Not Used (Leave Blank)	271–278	8A/N

ADDENDUM 3 – DMCS Input File (continued)

ADDENDUM 3 SECTION A <u>DMCS DATA EDITING TOOL INPUT FILE FORMAT</u>			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
LABOR HOUR AND COST DATA (Continued):			
41	Government-Furnished Services—Funded and Unfunded Costs	279–286	8N
42	Not Used (Leave Blank)	287–294	8A/N
43	Not Used (Leave Blank)	295	1A/N
PERFORMANCE-PRODUCTIVITY (PRODUCTION) DATA:			
44	Not Used (Leave Blank)	296–310	15A/N
45	Total Production Quantity	311–318	8N
46	Report Data Record Identifier	319–326	8A/N
47	Not Used (Leave Blank)	327–334	8A/N
48	Not Used (Leave Blank)	335–342	8A/N
49	Not Used (Leave Blank)	343–350	8A/N
50	Shop Flow Days	351–354	4N
51	Work Status Code	355	1A
52	Not Used (Leave Blank)	356	1A/N
53	Not Used (Leave Blank)	357	1A/N
54	Not Used (Leave Blank)	358–360	3A/N

ADDENDUM 3 – DMCS Input File (continued)

ADDENDUM 3SECTION BEXPLANATION OF ENTRIES REQUIRED FOR DMCS REPORTING

1. Field 1—Not Used
2. Field 2—Not Used
3. Field 3—Fiscal Year. Enter the two terminal digits of the current fiscal year being reported.
4. Field 4—Reporting Component. In position 10, enter A (Army), F (Air Force), M (Marine Corps), N (Navy), or S (Defense Logistics Agency) to designate the DoD Component providing the report.
5. Field 5—Performing Activity Identifying Code
 - a. Organic Activity Identifying Code. If the activity is Government-operated (Code 1 or 2 in Field 7), then enter the identifying code in positions 11 through 15 for the activity identified in Addendum 2.
 - b. Contractor CAGE or Identifying Code. If the maintenance is contractor-performed (Code 3 in Field 7), then enter the contract activity's CAGE code or other unique, approved 5-digit identifier as specified by the Defense Logistics Information Service (DLIS). Start in position 11 and leave positions 16 through 24 blank. Request a CAGE code if one has not been established for a contractor.
6. Field 6—Not Used
7. Field 7—Owner and/or Operator Code. Enter one of the following to indicate the type of activity performing the maintenance.

Code 1—DoD Major Depot Maintenance Activities (DoD Component organic maintenance activities listed in Addendum 1). When Code 1 is entered in Field 7, report costs in Fields 17 through 35. Fields 36, 37, and 41 must be zero filled.

Code 2—Other DoD Facilities (DoD Component in-house maintenance activities not listed in Addendum 1). When Code 2 is entered in Field 7, report costs in Fields 17 through 35. Fields 36, 37 and 41 must be zero filled.

Code 3—COCO, GOCO, and other non-DoD entities (other Federal Government activities; state, local, and foreign governments). When Code 3 is entered, report costs in Fields 36, 37, and 41. Fields 17 through 28 and 30 through 35 must be zero filled.

ADDENDUM 3 – DMCS Input File (continued)

8. Field 8—Reporting Activity Identifying Code. A code identifying the reporting activity, including activities contracting for depot maintenance work with commercial contractors. Enter the reporting activity's identifying code as specified in Addendum 2. Depot maintenance activities performing in-house work for all other DoD activities, including other depot maintenance activities, must report their work by using their own identifying code in this field.
9. Field 9—Item Identification Code. A code to identify the specific item on which depot maintenance was or is being performed. Do not use punctuation or special characters such as dashes, slashes, or blank spaces between characters. Start in position 32 and enter left justified up to 13 characters; zero fill unused positions. Sample entries for this field are as follows:
- a. If the item is an aerospace vehicle (aircraft, guided missile, rocket, or probe), then show the mission-design series according to [DoD Directive 4120.15](#), "Designating and Naming Military Aerospace Vehicles," and listed in [DoD 4120.15-L](#), "Model Designation of Military Aerospace Vehicles."

ITEMS	POSITIONS												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Basic (Standard) Mission Aircraft	F	1	6	C	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Modified (Special) Mission Aircraft	M	H	5	3	E	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Special Test (Permanent) Aircraft	N	K	C	1	3	5	E	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Missile	U	G	M	1	3	3	A	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Rocket	R	U	R	5	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Probe	P	W	N	1	2	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø

NOTE: Ø is numeric; O is alphabetic.

- b. If the item is an aerospace vehicle propulsion engine, equipment or aeronautical support equipment, or photographic item, then show the type designation according to Military Handbook 1812, "Type Designation, Assignment, and Method for Obtaining."

ADDENDUM 3 – DMCS Input File (continued)

ITEMS	POSITIONS												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Turbofan Engine	F	1	1	8	G	E	1	Ø	Ø	A	Ø	Ø	Ø
Turboshaft, Turboprop Engine	T	F	3	4	G	E	1	Ø	Ø	B	Ø	Ø	Ø
Solid Propellant Rocket Motor	S	R	1	1	Ø	A	D	1	A	Ø	Ø	Ø	Ø
Manufacturer's Model Engine	C	F	M	5	6	2	A	2	Ø	Ø	Ø	Ø	Ø
Reconnaissance Camera	K	A	7	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Crash/Fire Truck	A	S	3	2	P	2	6	Ø	Ø	Ø	Ø	Ø	Ø
Chemical Alarm Unit	A	E	2	3	D	3	Ø	Ø	Ø	Ø	Ø	Ø	Ø

NOTE: Ø is numeric; O is alphabetic.

- c. If the item is a vessel, then show ship type and hull number in the first eight positions and zero fill the remaining five positions.
 - d. If ammunition rework or renovation is performed by a depot-level maintenance activity, then total cost must be recorded by work breakdown structure code H3 (Field 13) only, and this field must be zero filled.
 - e. If items “a” through “d” for Field 9 do not apply, and the job order is for repair of items with the same national stock number (NSN) identification, then enter that NSN, such as 6730001161618, in positions 32 through 44.
 - f. If items “a” through “e” for Field 9 do not apply, enter the letters or numbers used for the identification of the job order. The first 4 digits should identify the Federal Supply Class and, of the remaining nine positions, one must be alphabetic. Zero fill when WPC (Field 14) is “Other Work (T).”
10. Field 10—Item Nomenclature. A 20-digit field describing the specific item on which maintenance was performed, or the support service that was performed. Use common abbreviations if more than 20 positions would otherwise be required. Start in position 45 and leave blank unused positions to the right (left justify).
- a. For aircraft and missiles, use popular names, if assigned, such as Patriot, Cobra, Phoenix, Falcon, Minuteman, and Harrier. If a popular name has not been assigned or is unknown, then use the basic mission of the aircraft or missile, such as Fighter Aircraft, Trainer Aircraft, Cargo Trans Aircraft, Util Helicopter, or Surface Attack Missile. DoD 4120.15-L, “Model Designation of Military Aerospace Vehicles,” includes a current complete listing.

ADDENDUM 3 – DMCS Input File (continued)

- b. For aircraft and rocket engines, use the name of the engine type. Examples are Turbofan Engine, and Rocket Motor.
 - c. For vessels, use the name of the ship. An example is the U.S. Ship (USS) Georgia.
 - d. For conventional ammunition, use “Ammunition.”
 - e. For items with an NSN, use the standard description maintained by DLIS in the Federal Logistics Information System (FLIS).
 - f. For all other items, use the noun and modifiers that adequately describe the item.
11. Field 11—Not Used
12. Field 12—Weapon or Support System Code. A code identifying a specific weapon or support system. Use code 997 if an item cannot be identified to a specific weapon or support system, but can be identified in Field 13 to a major commodity group (such as aircraft, and missiles) and to a category (such as fighters and bombers) within the major commodity group. Use code 998 if identification is possible only to the major commodity group and not to a category. Use code 999 if identification cannot be made to a major commodity group and the Work Breakdown Structure Code L11 is used in Field 13.
13. Field 13—Work Breakdown Structure Code. A code to identify the specific type of weapon or support system to which the item described by the Item Identification Code (Field 9) and Item Nomenclature (Field 10) applies. Use the Work Breakdown Structure Code established in Addendum 4 to this chapter. Use code L11 if the item, service, or investment cannot be identified with a specifically listed Work Breakdown Structure Code and Code 999 is used in Field 12.
14. Field 14—WPC. A code to categorize the type of maintenance work performed on the item identified in Field 9 or the type of maintenance service provided. Use the Codes in Addendum 5. Subcategorize basic alpha codes with a numerical designation by each Component as required for internal management and analysis, budget review, and justification. If the report record is “N” (Technical Assistance) or “T” (Other Work), then Fields 45 and 50 must be zero.
15. Field 15—Customer Code. A code identifying the DoD Program and Department or Agency billed for the maintenance cost (that is, “Sales code”). In Position 85, enter A (Army), N(Navy), F (Air Force), M (Marine Corps), or D (Defense Agency) to designate a DoD customer. Enter Y for other Federal agencies or a Z for all non-Federal customers. Leave position 86 blank.
16. Field 16—Not Used

ADDENDUM 3 – DMCS Input File (continued)

Fields 17–42—Labor Hour and Cost Data. The direct labor hours and summary elements of reported costs are set forth in Addendum 3. The various elements of cost are explained in detail in the basic chapter. Some clarifying notations are included for certain fields. In addition:

- a. “Funded” and “Unfunded” costs are defined in paragraph 140204.
- b. Entries in direct labor hour’s fields must be the actual hours expended rather than standard (or “earned”) hours.

17. Field 17—Direct Civilian Labor—Funded Costs

18. Field 18—Direct Civilian Labor—Funded Hours

19. Field 19—Contract Labor Augmentation of Direct Workforce—Funded Costs. Funded costs for direct labor performed by contract personnel who augment the organic workforce, working side by side with Government personnel, and whose time is recorded in the local time and attendance system. This excludes contract personnel working at a Government depot under a contract for delivery of a specific product such as painting an aircraft for a fixed price per aircraft. Also excluded are contract personnel performing indirect or overhead support functions.

20. Field 20—Contract Labor Augmentation of Direct Workforce—Funded Hours. Funded hours for direct labor performed by contract personnel who augment the organic workforce, working side by side with Government personnel, and whose time is recorded in the local time and attendance system. This excludes contract personnel working at a Government depot under a contract for delivery of a specific product, such as painting an aircraft for a fixed price per aircraft. Also excluded are contract personnel performing indirect or overhead support functions.

21. Field 21—Direct Military Labor—Funded Costs. Since the majority of military personnel at depot maintenance activities are there for reasons other than business requirements, their cost is to be reported based upon civilian equivalent rates that are provided by the DoD Comptroller. These are the rates reflected in DWCF activity budgets.

22. Field 22—Direct Military Labor—Funded Hours

23. Field 23—Direct Military Labor—Unfunded Costs. The labor cost for military personnel not funded by the performing activity. The cost calculation is based upon civilian equivalent rates that are provided by the DoD Comptroller. This Field includes military personnel at a direct-funded activity or military personnel temporarily working under the supervision of a DWCF activity.

ADDENDUM 3 – DMCS Input File (continued)

24. Field 24—Direct Military Labor—Unfunded Hours. The labor hours for military personnel not funded by the performing activity. This Field includes military personnel at a direct-funded activity or military personnel temporarily working under the supervision of a DWCF activity.
25. Field 25—Direct Material—Funded Costs
26. Field 26—Direct Material—Unfunded Costs. Includes material provided at no cost to the performing activity.
27. Field 27—Direct Civilian Labor—Unfunded Costs. The civilian labor cost for Government (Civil Service) employees not funded by the performing activity. This Field excludes contractor personnel used for workforce augmentation.
28. Field 28—Direct Civilian Labor—Unfunded Hours. The civilian labor hours for Government (Civil Service) employees not funded by the performing activity. This Field excludes contractor personnel used for workforce augmentation.
29. Field 29—Not Used
30. Field 30—Other Direct—Funded Costs. For example, contracted services.
31. Field 31—Other Direct—Unfunded Costs. For example, customer provided services.
32. Field 32—Operations Overhead—Funded Costs
33. Field 33—Operations Overhead—Unfunded Costs. For example, military personnel cost for indirect effort.
34. Field 34—General and Administrative—Funded Costs
35. Field 35—General and Administrative—Unfunded Costs

ADDENDUM 3 – DMCS Input File (continued)

36. Field 36—Contract and/or Other Maintenance Activity—Funded and Unfunded Costs.
When code 3 is entered in Field 7, this field must be the total cost of the contract. Report Government-furnished material or services consumed in the production of contract maintenance in Field 37 or Field 41 as applicable. When code 1 or 2 is entered in Field 7, this field must be zero filled.
37. Field 37—Government-Furnished Material—Funded and Unfunded Costs
38. Field 38—Not Used
39. Field 39—Not Used
40. Field 40—Not Used
41. Field 41—Government-Furnished Services—Funded and Unfunded Costs
42. Field 42—Not Used
43. Field 43—Not Used
44. Field 44—Not Used
45. Field 45—Total Production Quantity
 - a. If Field 51 is a “C,” then enter the total quantity of items for which work was completed and reported by this transaction record (including contractor-performed work reported with a “3” in Field 7). This field must be zero filled for WPCs “N” and “T.”
 - b. If Field 51 is a “W,” then enter the total quantity of items covered by job orders that are not yet financially complete at the end of the period covered by the report record. This field must be zero filled for WPCs “N” and “T.”

ADDENDUM 3 – DMCS Input File (continued)

46. Field 46—Report Data Record Identifier. A unique DoD Component alpha and/or numeric code used to identify each individual report transaction record. Use the field to permit the unique identification of each report record. For DoD organic activities, it is recommended that the job order number, or similar production control number, be entered. In all cases, the numbering scheme should:
- Uniquely identify each job order, consolidation of similar job orders, or similar production control number;
 - Support queries into the source of data appearing in DMCS report records; and
 - Support year-to-year tracking by job order number (or similar production control number).
47. Field 47—Not Used
48. Field 48—Not Used
49. Field 49—Not Used
50. Field 50—Shop Flow Days
- If Field 51 is a “C,” then report the average number of days that the items being reported were in process; that is, from the date an item is physically inducted to the date the item is completed, passed its final inspection, and is ready for delivery to the customer. The field may be left blank for contractor-performed work or for work performed at another depot maintenance activity if the number of days in process cannot be determined. Make reasonable efforts to provide accurate data for all applicable records submitted.
 - If Field 51 is a “W,” then report the average number of days that each item was in process; that is, since the date of physical induction.
51. Field 51—Work Status Code. A single-digit alpha code that indicates if the transaction being reported has been financially completed, or is still in process at the time of the report.
- Enter a “C” if the reported transaction is financially complete.
 - Enter a “W” if the transaction being reported is not financially complete as of the report date.

ADDENDUM 3 – DMCS Input File (continued)

52. Field 52—Not Used

53. Field 53—Not Used

54. Field 54—Not Used

ADDENDUM 4 - Work Breakdown Structure Codes

ADDENDUM 4 <u>WORK BREAKDOWN STRUCTURE CODES</u> (Codes To Be Used in Field 13 of Addendum 3)			
POSITION			DESCRIPTION
79	80	81	
A	0	0	Aircraft
	1	0	Fighters
		1	Basic Aircraft
		2	Engine
		3	Aircraft and Engine Accessories and Components
		4	Electronics and Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
		8	Software
	2	0	Bombers
		*	Same as for Fighters
	3	0	Cargo and/or Transports
		*	Same as for Fighters
	4	0	Trainers
		*	Same as for Fighters
	5	0	Utility (Includes fixed-wing aircraft with a "U" designation and "C" series aircraft used in an executive aircraft role)
		*	Same as for Fighters
	6	0	Attack
		*	Same as for Fighters
	7	0	Patrol
		*	Same as for Fighters
	8	0	Antisubmarine
		*	Same as for Fighters
	9	0	Other/Multiple Aircraft Types
		*	Same as for Fighters
	A	0	Tankers
		*	Same as for Fighters
	B	0	Attack Helicopters
		*	Same as for Fighters
	C	0	Transport Helicopters
		*	Same as for Fighters
	D	0	Unmanned Aerial Vehicles/Systems
		*	Same as for Fighters
B	0	0	Automotive

ADDENDUM 4 - Work Breakdown Structure Codes (continued)

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13 of Addendum 3)			
POSITION			DESCRIPTION
79	80	81	
	1	0	Tactical Vehicles
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Electronic And Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
		8	Software
	2	0	Support Vehicles
		*	Same as for Tactical Vehicles
	3	0	Administrative
		*	Same as for Tactical Vehicles
	4	0	Unmanned Vehicles/Systems
		*	Same as for Tactical Vehicles
C	0	0	Combat Vehicles
	1	0	Tanks
		*	Same as for Tactical Vehicles
	2	0	Armored Personnel Carriers
		*	Same as for Tactical Vehicles
	3	0	Self-Propelled Artillery
		*	Same as for Tactical Vehicles
	4	0	Other/Multiple Combat Vehicles
		*	Same as for Tactical Vehicles
	5	0	Amphibious Vehicles
		*	Same as for Tactical Vehicles
	6	0	Unmanned Combat Vehicles/Systems
		*	Same as for Tactical Vehicles
D	0	0	Construction Equipment
	1	0	Tractors and Earth Moving Equipment
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Other
		5	Software
	2	0	Cranes and Shovels

ADDENDUM 4 - Work Breakdown Structure Codes (continued)

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13 of Addendum 3)			
POSITION			DESCRIPTION
79	80	81	
		*	Same as for Tractors and Earth Moving Equipment
	3	0	Other
		*	Same as for Tractors and Earth Moving Equipment
E	0	0	Electronics and Communications Systems
	1	**	Radio
	2	**	Radar
	3	**	Computer
	4	**	Wire and Communications
	5	**	Other
	6	**	Electro Optical or Infra Red
	7	**	Software
F	0	0	Missiles
	1	0	Ballistic Missiles
		1	Basic Missile (Frame)
		2	Propulsion System and Components
		3	Missile Accessories and Components
		4	Support and Launch Equipment
		5	Guidance System and Components
		6	Surface Communications and Control Systems
		7	Payload System and Components
		8	Other
		9	Software
	2	0	Other Missiles
		*	Same as for Ballistic Missiles
	3	0	Tactical Missiles
		*	Same as for Ballistic Missiles
G	0	0	Ships
	1	0	Cruisers
		1	Hull Structure
		2	Propulsion Plant
		3	Electric Plant
		4	Command and Surveillance
		5	Auxiliary Systems
		6	Outfit and Furnishings
		7	Armament
		8	Engineering (Direct Support)

ADDENDUM 4 - Work Breakdown Structure Codes (continued)

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13 of Addendum 3)			
POSITION			DESCRIPTION
79	80	81	
		9	Ship Support Service
		A	Software
	2	0	Aircraft Carriers
		*	Same as for Cruisers
	3	0	Destroyers
		*	Same as for Cruisers
	4	0	Submarines – Attack
		*	Same as for Cruisers
	5	0	Patrol Vessels
		*	Same as for Cruisers
	6	0	Mine Warfare Vessels
		*	Same as for Cruisers
	7	0	Auxiliary and Amphibious Vessels
		*	Same as for Cruisers
	8	0	Service Craft and Miscellaneous Vessels
		*	Same as for Cruisers
	9	0	Frigates
		*	Same as for Cruisers
	A	0	Submarines – Ballistic
		*	Same as for Cruisers
	B	0	Littoral Combat Ships
		*	Same as for Cruisers
	C	0	Unmanned Undersea Vehicles/Systems
		*	Same as for Cruisers
H	0	0	Ordnance Weapons and Munitions
	1	**	Nuclear Weapons
	2	**	Chemical and Biological Weapons
	3	**	Conventional Arms and Explosives
	4	**	Small Arms
	5	**	Artillery and Guns
	6	**	Other
	7	**	Software
I			Not Used
J			Not Used
K	0	**	General Purpose Equipment
	1	**	Rail Equipment

ADDENDUM 4 - Work Breakdown Structure Codes (continued)

ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13 of Addendum 3)			
POSITION			DESCRIPTION
79	80	81	
	2	**	Generator or Sets
	3	**	General Purpose Maintenance Tooling and Equipment
	4	**	Other Items (includes Medical, Chaplain, Musical, and Personal Equipment, Tents, and Tarpaulins)
	5	**	Federal Supply Group 34 Metalworking Machinery
	6	**	Test, Measurement, and Diagnostic Equipment (includes Calibration Equipment)
	7	**	Software
L	1	1	All Other Items Not Identified

* See the referenced table entries.

** Report to the second level only.

ADDENDUM 5 - Work Performance Category (WPC) Codes

ADDENDUM 5
WPC CODES
(Codes To Be Used in Field 14 [of](#) Addendum 3)

Code A—Overhaul. Returning an unserviceable item of equipment to serviceable condition by restoring most or all internal tolerances to “like new” specification. Overhaul is synonymous with “rework” and “rebuild.”

Code B—Progressive Maintenance. A predetermined amount of work that represents a partial overhaul under a program that permits the complete overhaul by means of two or more scheduled work efforts in the maintenance process. Progressive maintenance is synonymous with “cycle maintenance,” “restricted availability,” “preventive servicing,” “recondition,” and “phased” or “incremental maintenance.”

Code C—Conversion. The alteration of the basic characteristics of an item to such an extent as to change its mission, performance, or capability.

Code D—Activation. The process of returning an item from preservation, storage, or inactive status to an active, serviceable status by means of removal from storage and containers, stripping, inspection, servicing, testing, repair, replacement of components, assemblies, or subassemblies as required.

Code E—Inactivation. The servicing and preservation of an item prior to placement in storage or an inactive status.

Code F—Renovation. The proof and test, evaluation, inspection, and rework of ammunition or ordnance items as required for retaining their desired capability.

Code G—Analytical Inspection. The disassembly, inspection, data gathering, and engineering analysis of an equipment item to compare actual wear characteristics and failure patterns with predicted values. Data collected during analytical inspection is used to validate the adequacy of maintenance planning and execution. Analytical rework is synonymous with the “age exploration analysis” phase of reliability-centered maintenance.

Code H—Modification. A physical change made to weapon systems or equipment such that one or more measurable characteristic is altered. Modifications are often made to improve equipment performance, but may also be designed to increase reliability, improve supportability, or enhance safety. Synonymous with “upgrade.”

Code I—Repair. Returning an unserviceable item of equipment to serviceable condition by restoring failed structures or components to acceptable standards. “Acceptable” may mean “restore to ‘like new’ specification,” or it may be less stringent, depending upon the demands of the equipment user.

ADDENDUM 5 - Work Performance Category (WPC) Codes (continued)

Code J—Inspection. The examination of an item to reveal information about its physical condition. Inspection results are typically compared with specifications, standards, or the results of other inspections to determine whether the item under inspection is acceptable for use. Inspections are also an important part of engineering investigations that seek to establish cause-and-effect relationships between observed characteristics and external influences.

Code K—Manufacture. The fabrication of a component or end item from raw materials or components. Can include engineering, design, test, and production. Does not include manufacturing that takes place as a part of the normal repair or overhaul processes.

Code L—Reclamation. The authorized processing of end items, assemblies, or subassemblies to obtain parts or components retained in operating materials and supplies prior to taking disposal action on the end item, assembly, or subassembly. Includes demilitarization actions on items prior to disposal when the demilitarization is incidental to the reclamation.

Code M—Storage. The inspection, preservation, periodic re-preservation, and maintenance in storage status of weapons, subsystems, and components in the supply system.

Code N—Technical Assistance. The use of qualified depot maintenance personnel to provide technical information, instructions, or guidance, or to perform specific work requiring special skills for operational activities or other maintenance organizations. Includes all demilitarization other than that incidental to reclamation when reporting is required.

Codes O, P, Q, R, and S—Not Used

Code T—Other Work. Used to complete the reporting of all maintenance workforce costs incurred. Any costs incurred at a depot maintenance activity funded by the Working Capital Fund that do not meet the criteria for reporting under the other WPCs must be reported in this category. This includes any maintenance support costs funded by a DWCF activity. Maintenance support includes centralized programming and planning support, technical and engineering services, preparation of maintenance publications and engineering data, and technical and administrative training.

Code U—Software Maintenance. Those software activities carried out following initial operating capability to include all events that maintain operational capability, correct faults, improve performance, and adapt the software to environmental changes or new requirements. Software maintenance must be reported regardless of location or funding source. For software or related hardware modifications/upgrades, includes the labor associated with the application of the modification.

Code V—Calibration. The comparison of a measurement system or device of unknown accuracy to a system or device of known and greater accuracy. The system or device of greater accuracy is a measurement standard.

ADDENDUM 5 - Work Performance Category (WPC) Codes (continued)

Code W—CLS, ICS, PBL, and Similar Contracts. The CLS, ICS, PBL, and similar contracts provide commercial support for weapon systems and equipment that do not have an organic support base established. Contractors provide total logistics support, including depot maintenance for the equipment, end item, and components. Only those maintenance functions that would be classified as depot-level, if the equipment were maintained organically, will be included.

Codes X, Y, and Z—Not Used

**VOLUME 6A, CHAPTER 15: “DEFENSE WORKING CAPITAL FUND
ACCOUNTING REPORT [ACCOUNTING REPORT (MONTHLY) 1307]”**

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [October 2011](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reformatted chapter for clarity and updated hyperlinks in accordance with current administrative guidance.	Revision
All	Revised Treasury Financial Management Service (FMS) references with the new title. On October 7, 2012, the FMS and the Bureau of the Public Debt merged to become the Bureau of the Fiscal Service (Fiscal Service).	Revision
All	Revised listing of United States Standard General Ledger account codes used in Defense Working Capital Fund (DWCF) reporting to align with the Fiscal Service six-digit format.	Revision
All	Incorporated requirements for the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS).	Revision
All	Revised naming conventions, section headings, and line descriptions used in DWCF financial reporting to better align with DWCF reporting structure.	Revision
All	Deleted information redundant to that provided in the DoD Standard Chart of Accounts.	Deletion
1.2 (150102)	Included clarifying language on the reporting requirements for working capital funds mandated within Title 10, United States Code, section 2208.	Addition
2.1.3. (150201.C)	Added information on the Standard Financial Information Structure used for financial reporting.	Addition
2.1.4. (150201.D)	Clarified the purpose of the DWCF Accounting Report [Accounting Report (Monthly) 1307] (AR(M) 1307) and added a hyperlink to the DoD United States Standard General Ledger Transaction Library.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
150201.D (deleted)	Deleted paragraph due to outdated language.	Deletion
2.1.5. (150201.E)	Clarified the relationship between the DWCF AR(M) 1307 and the Standard Form 133, Report on Budget Execution and Budgetary Resources, and provided a source reference for use in verifying the integrity of reported data.	Revision
150201.F (deleted)	Incorporated paragraph into 150202.B.3 for improved alignment of information.	Revision
2.2.2.3. (150202.B.3)	Clarified report descriptions and requirements for the seven parts of the Statement of Operations.	Revision
150202.C (deleted)	Deleted paragraph as being redundant to paragraph 150202.A.	Deletion
2.3.4. (150203.D)	Clarified guidance on allocation and adjustment to transaction amounts.	Revision
2.3.9. (150203.I)	Clarified report format and submission requirements under GTAS.	Revision
3.3.10. (150303.J)	Updated description of cash on hand and other monetary assets to align with the guidance contained in Office of Management and Budget (OMB) Circular A-136, "Financial Reporting Requirements," dated June 28, 2019.	Revision
3.3.17. (150303.Q)	Clarified language on the DoD inventory valuation method.	Revision
3.3.22. (150303.V)	Clarified the process used to report DWCF work-in-process balances.	Revision
3.3.24.2. (150303.X.2)	Updated reporting instructions for real property balances as explained in Volume 4, Chapter 24.	Revision
3.3.35. (150303.AI)	Updated description of liabilities covered by budgetary resources to align with the guidance contained in OMB Circular A-136, dated June 28, 2019.	Revision
4.3.26. (150403.Z)	Clarified guidance for transfers between Working Capital Funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriations, as outlined in Section 8008 of Public Law 113-6.	Revision
7.3.1., 7.3.11. (150703.A, 150703.K)	Revised inventory and related property reporting requirements used in the DWCF to align with current DoD policy.	Revision
7.3.19. (150703.S)	Updated descriptions and requirements for reporting losses or gains realized on disposal of inventory.	Revision
10.3 (151003), Form 15-8	Revised the reporting requirements contained in Part VI, "Capital Program," of the Statement of Operations.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
11.4, (151104), Form 15-9	Updated the reporting format for Part VII, “Inventory Management Report - Supply Management Activity,” of the Statement of Operations to distinguish inventory valuation methodologies.	Revision
Table 15-1	Updated table with current DWCF financial reporting activities.	Revision

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CHAPTER 15

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (MONTHLY) 1307]

1.0 GENERAL (1501)

1.1 Purpose (150101)

This chapter [prescribes](#) the reporting requirements and [policies to follow when preparing](#) the Defense Working Capital Fund (DWCF) Accounting Report [Accounting Report (Monthly) 1307] (AR(M) 1307) [and is applicable to all DoD Working Capital Funds](#).

*1.2 Authoritative Guidance (150102)

The chapter addresses the basic internal reporting requirements identified in Title 10, United States Code, [section 2208](#) (10 U.S.C. § 2208), which requires the Secretary of Defense, with respect to the working capital funds of each Defense Agency, and the Secretary of each military department, with respect to the working capital funds of the military department, to provide for separate accounting, reporting, and auditing of funds and activities managed through the working capital funds.

2.0 REPORTING (1502)

2.1 Report Content (150201)

2.1.1. The DWCF AR(M) 1307 consists of three principal [internal accounting](#) statements.

2.1.1.1. [Statement of Financial Position](#). [The Statement of Financial Position](#) discloses the reporting entity's assets, liabilities, and net position.

2.1.1.2. [Statement of Cash Flow](#). [The Statement of Cash Flow](#) discloses the reporting entity's [cash flows from operations, adjustments, and appropriations](#) and cash transfers with an explanation of the changes in cash [or cash equivalents](#) for the reporting period.

2.1.1.3. [Statement of Operations](#). [The Statement of Operations](#) discloses the results of the reporting entity's operations for the reporting period, including changes in the entity's net position from the end of the prior reporting period.

2.1.2. Volume 1, Chapter 2 contains the [Federal Accounting Standards Advisory Board](#) hierarchy of accounting [principles and standards used to prepare](#) the DWCF AR(M) 1307.

* 2.1.3. Volume 1, Chapter 4 contains guidance on the [Standard Financial Information Structure](#) that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across the DoD.

* 2.1.4. The DWCF AR(M) 1307 is the official internal management report document for financial accounting and is a source document for the annual financial statements. The United States Standard General Ledger (USSGL), on which the report is based, is updated at least annually and posted by the Bureau of the Fiscal Service (Fiscal Service). The DoD Standard Chart of Accounts provides normal account balance information. The DoD USSGL Transaction Library provides detailed general ledger transactions and posting business rules for accounting standardization that supports the preparation of financial statements.

* 2.1.5. The AR(M) 1307 is prepared based on the activity's proprietary trial balances. An exception is the inclusion of obligation data in some items in Part VI, "Capital Program," and Part VII, "Inventory Management Report - Supply Management Activity," of the Statement of Operations.

2.1.5.1. The AR(M) 1307 provides accounting and inventory data for financial reporting and identifies the proprietary position of DWCF activities. The AR(M) 1307 complements information provided in the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources, which is prepared by using the activity's budgetary trial balances. Although the AR(M) 1307 and SF 133 run independently of one another, they should reconcile at the summary level. Refer to Volume 3, Chapter 19 for additional guidance.

2.1.5.2. Use standard reconciliations, such as budgetary to proprietary relationships described in Volume 1, Chapter 7, to verify the integrity of reported data.

2.2 Reporting Requirement (150202)

2.2.1. Applicability. Table 15-1 contains a listing of DWCF financial reporting activities. Within Table 15-1, an asterisk (*) symbol indicates the lowest level for which individual AR(M) 1307 reports are required. DWCF activities may generate the AR(M) 1307 at different levels in order to manage their business effectively. Table 15-1 identifies the levels for which consolidated AR(M) 1307 reports are required with a pound (#) symbol. Each DoD Component DWCF activity must produce consolidated reports.

2.2.2. Report Formats. Use the financial report formats provided in Forms 15-1 through 15-8 to prepare reports. Reports produced by Automated Data Processing (ADP) equipment may be substituted for the formats illustrated. Submit the following reports:

2.2.2.1. Statement of Financial Position;

2.2.2.2. Statement of Cash Flow; and

* 2.2.2.3. Statement of Operations;

2.2.2.3.1. Part I - Statement of Operations identifies the cumulative year-to-date Net Operating Results (NOR) and the Recoverable NOR. Recoverable NOR is the amount that can be recovered in the activity's rates;

2.2.2.3.2. Part II - Changes in Net Position identifies the arithmetic difference between the total assets and total liabilities recognized on a component entity's balance sheet;

2.2.2.3.3. Part III - Cost of Goods Sold identifies the value of inventory sold or services provided. It does not provide a value for total obligations incurred;

2.2.2.3.4. Part IV - Expenses identifies detailed expense information by category. Not all expenses represent claims against budgetary resources;

2.2.2.3.5. Part V - Recoverable Operating Results reconciles NOR to the operating results that may be used for rate-setting purposes;

2.2.2.3.6. Part VI - Capital Program identifies the approved program, obligations, disbursements, and collections for the Capital Program by fiscal year (FY); and

2.2.2.3.7. Part VII - Inventory Management Report - Supply Management Activity reports inventory management data for the Supply Management and Commissary Resale DWCF activities.

2.2.3. Frequency of Reports. Unless otherwise specified by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), prepare and submit the AR(M) 1307 reports monthly. Submit regular reports in accordance with due dates established by the Defense Finance and Accounting Service (DFAS) and consistent with the requirements of OUSD(C).

2.2.4. Distribution.

2.2.4.1. Consolidated DoD Component and DWCF Activity Reports. Submit a copy of consolidated DWCF activity reports to the:

2.2.4.1.1. Director for Operations, Office of the Deputy Comptroller (Program/Budget (P/B)), OUSD(C);

2.2.4.1.2. Offices of the Assistant Secretary of the Army, Navy, and Air Force (Financial Management and Comptroller); the Defense Commissary Agency (DeCA) Comptroller; and Comptrollers of Other Defense Activities (e.g. the Defense Logistics Agency (DLA) Comptroller); and

2.2.4.1.3. Management Command responsible for the oversight of the DWCF activity, if requested by a DoD Component.

2.2.4.2. Activity Level Reports. Submit a copy of DWCF activity level reports to the:

2.2.4.2.1. Offices of the Assistant Secretary of the Army, Navy, and Air Force (Financial Management and Comptroller); the DeCA Comptroller; and Comptrollers of Other Defense Activities if requested by a DoD Component;

2.2.4.2.2. Management Command responsible for the oversight of the DWCF activity, if requested by a DoD Component; and

2.2.4.2.3. DWCF activity, disclosing any adjustments made to the financial data submitted by that activity.

2.3 Detailed Instructions (150203)

2.3.1. The instructions to the AR(M) 1307 identify the specific data, and appropriate source of that data, for amounts entered into each line of each report.

2.3.2. Report amounts in thousands of dollars (\$000) for all parts of the report and related footnotes (i.e., \$1,000 = \$1; \$10,000 = \$10; and \$100,000 = \$100).

2.3.3. Include footnotes with each report for lines requiring identification of the nature of specific extraordinary amounts or abnormal balances.

* 2.3.4. Allocate or assign adjustments for amounts otherwise accounted for or reported at the DoD Component level to the applicable DWCF activities. Similarly, allocate or assign adjustments for amounts otherwise submitted for or reported at the DWCF activity level to the applicable individual activities. DFAS will make such allocations in accordance with the direction received from the DoD Components. Where reasonable, allocate all such adjustments to individual activities. Show adjustments made at the DWCF activity level separately as a DWCF activity adjustment. Recognize adjustments at the DWCF activity level (DWCF activity adjustment) until the transactions can be allocated to the individual activities. All DWCF activity adjustments must be zero at year-end. Enter adjustments allocated to the individual activity level into the activity's installation level accounting records. Record the adjustments in accordance with the guidance contained in Chapter 2.

2.3.5. Do not retroactively implement policies that could have a significant adverse impact on the accuracy and integrity of financial reports without a clear offsetting benefit, or unless directed by an external authority such as Congress.

2.3.6. Base the report submissions on current FY data. All references to "year" apply to FY.

2.3.7. Entities are only required to report lines on the AR(M) 1307 in which there is current activity or activity from a prior period.

2.3.8. Use the USSGL accounts cited as general guidance to populate each line. DoD requires the use of the DoD Standard Reporting Chart of Accounts in all accounting systems for all appropriations and funds. Detailed account mapping is included in the Defense Departmental Reporting System (DDRS). Volume 1, Chapter 7 prescribes the requirements of the USSGL.

* 2.3.9. Base the report submissions on the bulk file format and attributes outlined in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). The GTAS format includes both budgetary and proprietary USSGL accounts, however, the AR(M) 1307 is based upon proprietary USSGL accounts with few exceptions.

3.0 FORMAT OF THE STATEMENT OF FINANCIAL POSITION (1503) (FORM 15-1)

Form 15-1: Statement of Financial Position

DEFENSE WORKING CAPITAL FUND STATEMENT OF FINANCIAL POSITION (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
ASSETS		
1. Fund Balance with Treasury		\$ XXX
a. Funds Collected - Operating Program	\$ XXX	
b. Funds Collected - Capital Program	XXX	
c. Funds Disbursed - Operating Program	XXX	
d. Funds Disbursed - Capital Program	XXX	
e. Funds Transferred In (Out)	XXX	
f. Funds with Treasury - Operating Program	XXX	
g. Funds with Treasury - Capital Program	XXX	
2. Cash on Hand and Other Monetary Assets		XXX
3. Accounts Receivable, Net		XXX
a. Accounts Receivable, Intragovernmental	XXX	
b. Accounts Receivable, Intragovernmental, Undistributed	XXX	
c. Accounts Receivable, Non-Federal	XXX	
d. Accounts Receivable, Non-Federal, Undistributed	XXX	
4. Advances Paid and Prepayments		XXX
5. Inventories, Net		XXX
a. Inventory Items		
(1) Latest Acquisition Cost (LAC)	XXX	
(2) Moving Average Cost (MAC)	XXX	
b. Allowance for Gains (or Losses) on Inventories	XXX	
6. Work-in-Process		XXX
7. Operating Materials and Supplies, Net		XXX
8. Property, Plant, and Equipment, Net		XXX
a. Structures, Facilities and Leasehold Improvements, Net	XXX	
b. Construction-in-Progress	XXX	
c. Equipment, Net	XXX	
d. ADP Software, Net	XXX	
e. Software Development in Progress	XXX	
f. Assets Under Capital Lease, Net	XXX	
g. Other Property, Net	XXX	
9. Other Assets, Net		XXX
10. Total Assets		XXX

Form 15-1: Statement of Financial Position (Continued)

LIABILITIES		
11. Liabilities Covered by Budgetary Resources	\$	XXX
a. Accounts Payable, Net		XXX
(1) Accounts Payable, Intragovernmental	\$	XXX
(2) Accounts Payable, Intragovernmental, Undistributed		XXX
(3) Accounts Payable, Non-Federal		XXX
(4) Accounts Payable, Non-Federal, Undistributed		XXX
b. Accrued Payroll and Benefits		XXX
(1) Salaries and Wages		XXX
(2) Accrued Annual Leave		XXX
(3) Severance Pay, Separation Allowance, and Other Payroll Liabilities		XXX
c. Progress Billings		XXX
d. Advances and Prepayments from Others		XXX
e. Debt		XXX
f. Interest Payable		XXX
g. Lease Liabilities		XXX
h. Other Liabilities		XXX
12. Liabilities Not Covered by Budgetary Resources		XXX
13. Total Liabilities		XXX
NET POSITION		
14. Net Position		XXX
a. Unexpended Appropriations		XXX
b. Accumulated Operating Results (AOR)		XXX
c. Invested Capital		XXX
15. Total Liabilities and Net Position		XXX

3.1 General (150301)

The Statement of Financial Position, [Form 15-1](#), discloses the reporting entity's assets, liabilities, and net position.

3.2 Heading (150302)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

3.3 Line Item Instructions (150303)

Instructions for the content of each line item are as follows:

3.3.1. Section Heading – ASSETS. The “Assets” section identifies items owned by the Federal Government which have probable (more likely than not) economic benefits that can be obtained or controlled by a Federal Government entity. Fiduciary activities that fall under the guidance of Statement of Federal Financial Accounting Standards [\(SFFAS\) 31](#), “Accounting for Fiduciary Activities,” are not part of the net position.

3.3.2. Line 1 – Fund Balance with Treasury. Report the aggregate amount of the entity's accounts with the Department of the Treasury (Treasury) for which the entity has the authority to make expenditures and pay liabilities. Establish accounts to identify disbursements and collections applicable to the operating and capital programs to comply with [10 U.S.C. § 2208](#), which requires DoD to establish a capital asset subaccount. Report the balance by the specified applicable categories.

3.3.3. Line 1.a – Funds Collected – Operating Program. Report the portion of the balance of the following account as it relates to funds collected for the operating program during the current FY:

101000 Fund Balance with Treasury (Funds Collected – Operating Program)

3.3.4. Line 1.b – Funds Collected - Capital Program. Report the portion of the balance of the following account as it relates to funds collected for the capital program during the current FY. Base the amount of collections allocated from the operating program to the capital program on the activity's DWCF-funded depreciation expenses and capital surcharge. In all cases, at the end of the FY, the amount collected must be sufficient to ensure the ending Fund Balance with Treasury-Capital Program is not negative. See [Volume 11B, Chapter 3](#) for additional guidance on transfers of budget authority. Line 1.b will agree with the collections reported in Column 11, “Collections - This Fiscal Year,” of Part VI, “Capital Program,” of the Statement of Operations.

101000 Fund Balance with Treasury (Funds Collected – Capital Program)

3.3.5. Line 1.c – Funds Disbursed - Operating Program. Report the portion of the balance of the following account as it relates to funds disbursed for the operating program during the current FY:

101000 Fund Balance with Treasury (Funds Disbursed – Operating Program)

3.3.6. Line 1.d – Funds Disbursed – Capital Program. Report the portion of the balance of the following account as it relates to funds disbursed for the capital program this FY. Line 1.d will agree with the disbursements reported in Column 8, “Disbursements - This Fiscal Year,” of Part VI, “Capital Program,” of the Statement of Operations.

101000 Fund Balance with Treasury (Funds Disbursed – Capital Program)

3.3.7. Line 1.e – Funds Transferred In (Out). Report the portion of the balance of the following account as it relates to funds transferred in or out during the current FY:

101000 Fund Balance with Treasury (Current Year Transfers)

3.3.8. Line 1.f – Funds with Treasury – Operating Program. Report the portion of the balance of the following accounts as they relate to funds held by the Treasury for the operating program. Report the beginning FY balance of the operating program account, which is the net of prior year funds collected and disbursed related to operating programs.

101000 Fund Balance with Treasury (Funds with Treasury – Operating Program)

109000 Fund Balance with Treasury While Awaiting a Warrant (If applicable, under a continuing resolution authority)

3.3.9. Line 1.g – Funds with Treasury – Capital Program. Report the portion of the balance of the following account as it relates to funds held by the Treasury for the capital program. Report the beginning FY balance of the capital program account, which is the net of prior year funds collected and disbursed related to capital programs.

101000 Fund Balance with Treasury (Funds with Treasury – Capital Program)

* 3.3.10. Line 2 – Cash on Hand and Other Monetary Assets. Cash on hand and other monetary assets consists of: (a) coins, paper currency, and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; (b) amounts on demand deposit with banks or other financial institutions including nonconfirmed collections and disbursements; (c) investments held outside of Treasury; and (d) foreign currencies, which, for accounting purposes, will be translated into U.S. dollars at the exchange rate on the financial statement date. Report the balance of the following accounts:

111000 Undeposited Collections

113000	Funds Held Outside of Treasury – Budgetary
119000	Other Cash
119500	Other Monetary Assets
120000	Foreign Currency

3.3.11. Line 3 – Accounts Receivable, Net. Accounts receivable are amounts due from others when the right to receive funds accrues [as a result of](#) performance of services, delivery of goods, or court-ordered assessments. [Line 3](#) is a summary line for Lines 3.a, “Accounts Receivable, Intragovernmental,” through 3.d, “Accounts Receivable, Non-Federal, Undistributed.”

3.3.12. Line 3.a – Accounts Receivable, Intragovernmental. Report the [portion of the balance of](#) the following accounts [due](#) from other Federal Agencies:

131000	Accounts Receivable (except as reported on Line 3.b)
131900	Allowance for Loss on Accounts Receivable
134000	Interest Receivable – Not Otherwise Classified
136000	Penalties and Fines Receivable – Not Otherwise Classified
137000	Administrative Fees Receivable – Not Otherwise Classified

3.3.13. Line 3.b – Accounts Receivable, Intragovernmental, Undistributed. Report [the portion of the balance of](#) the following account [as it relates](#) to accounts receivable from other Federal Agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Treasury finance network and the amount of collections recorded by operating level activities.

131000	Accounts Receivable (except as reported on Line 3.a)
--------	--

3.3.14. Line 3.c – Accounts Receivable, Non-Federal. Report the [portion of the balance of](#) the following accounts [as they](#) relate to accounts receivable from [non-federal](#) agencies [and entities](#):

131000	Accounts Receivable (except as reported on Line 3.d)
131900	Allowance for Loss on Accounts Receivable
134000	Interest Receivable – Not Otherwise Classified
134700	Allowance for Loss on Interest Receivable – Not Otherwise Classified
136000	Penalties and Fines Receivable – Not Otherwise Classified
136700	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
137000	Administrative Fees Receivable – Not Otherwise Classified
137700	Allowance for Loss on Administrative Fees Receivable – Not Otherwise Classified

3.3.15. Line 3.d – Accounts Receivable, Non-Federal, Undistributed. Report the [portion of the balance of](#) the following account [as it relates to](#) undistributed accounts receivable [balances](#)

from [non-federal](#) agencies [and entities](#). Undistributed collections represent the difference between the amount of collections reported to DFAS by the Treasury finance network and the amount of collections recorded by operating level activities.

131000 Accounts Receivable (except as reported on Line 3.c)

3.3.16. Line 4 – Advances Paid and Prepayments. The amount reported on this line [will agree](#) with the amount reported on Line 5, “Advances and Prepayments,” of the “Supplemental Budget Execution [Information Report](#),” [which is available in the Budgetary module of DDRS](#). [This report provides additional reporting line items to amounts reported on the SF 133](#). Report the [balance](#) of the following account:

141000 Advances and Prepayments

* 3.3.17. Line 5 – Inventories, Net. Inventory is tangible personal property that is: (a) held for sale; (b) in the process of production for sale; (c) consumed in the production of goods for sale or in the provision of services for a fee; (d) held for repair; or (e) excess, obsolete, and unserviceable.

3.3.17.1. [SFFAS 3](#), “Accounting for Inventory and Related Property,” sets the accounting principles under which Federal entities account for and report inventory and related property balances.

3.3.17.2. Although Moving Average Cost (MAC) is the official DoD inventory valuation method, the Latest Acquisition Cost (LAC) valuation method is available to DeCA only. See Volume 4, Chapter 4 for additional guidance on inventory and related property. Line 5 is a [summary line for Lines 5.a, “Inventory Items,” and 5.b, “Allowance for Gains \(or Losses\) on Inventories.”](#)

3.3.18. Line 5.a – Inventory Items. [Line 5.a is a summary line for Lines 5.a.\(1\), “Latest Acquisition Cost \(LAC\),” and 5.a.\(2\), “Moving Average Cost \(MAC\).”](#)

3.3.19. Line 5.a.(1) – Latest Acquisition Cost (LAC). The amount reported on [this line will equal](#) Line 2.i, “Minus: Ending Inventory – LAC,” of Part III, “Cost of Goods Sold,” of the [Statement of Operations](#). Report the amount of inventory maintained at LAC in the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

3.3.20. Line 5.a.(2) – Moving Average Cost (MAC). Report the amount of inventory maintained at MAC in the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

3.3.21. Line 5.b – Allowance for Gains (or Losses) on Inventories. Report the portion of the balance in the following account as it relates to the estimated cost to repair damage, and to gains (or losses), on inventories. Report a credit balance as a negative amount (deduct) and debit balance as a positive amount (add).

152900	Inventory – Allowance
--------	-----------------------

* 3.3.22. Line 6 – Work-in-Process. DWCF work-in-process is the amount of direct, indirect, and general and administrative costs assigned or otherwise properly allocated to a final cost objective (generally, a job order), or the amount of incremental billings for Supply Management manufactured inventory. Prior to completion of final cost objects, either in their entirety or as discrete elements, allocate all costs to work-in-process.

3.3.22.1. When recognizing revenue on a percentage-of-completion basis, record the portion of work-in-process associated with the recognized revenue as cost of goods sold. Line 6 applies to DWCF activities that accumulate costs to a final cost objective (generally, a job order), such as those within the Depot Maintenance, Research and Development (R&D), and Base Support DWCF activities. Line 6 will agree with the amount reported on Line 1.g, “Minus: Ending Work-In-Process,” of Part III, “Cost of Goods Sold,” of the Statement of Operations.

3.3.22.2. Non-supply reporting entities are to bill for work-in-process balances before the reporting cycle closes, and therefore, work-in-process is expected to be zero for these activities on the AR(M) 1307. The work-in-process for supply accounts represent progress payments incurred for manufactured items. Provide explanations in the footnotes when non-supply work-in-process is not zero. Timely billing helps ensure resources are available to cover DWCF costs. See Volume 4, Chapter 16 and SFFAS 7, “Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting,” for additional guidance relating to revenue recognition. Report the portion of the balance in the following accounts as they relate to work-in-process:

152600	Inventory – Work-in-Process
152900	Inventory – Allowance

3.3.23. Line 7 – Operating Materials and Supplies, Net. Operating materials and supplies are asset accounts consisting of tangible personal property expensed when consumed in the course of normal operations. See Volume 4, Chapter 4 for guidance related to capitalizing or expensing operating materials and supplies balances. Line 7 can be applicable to any DWCF activity. Report the balance of the following accounts:

151100	Operating Materials and Supplies Held for Use
151200	Operating Materials and Supplies Held in Reserve for Future Use
151300	Operating Materials and Supplies – Excess, Obsolete, and Unserviceable
151400	Operating Materials and Supplies – Held for Repair
151600	Operating Materials and Supplies – In Development
151900	Operating Materials and Supplies – Allowance

3.3.24. Line 8 – Property, Plant, and Equipment, Net. Property, plant, and equipment (PP&E) are tangible assets that: (1) have an estimated useful life of two or more years; (2) are not intended for sale in the ordinary course of business; and (3) are intended to be used or available for use by the entity.

3.3.24.1. SFFAS 6, “Accounting for Property, Plant, and Equipment,” outlines accounting standards for Federally owned PP&E. Line 8 is the cost basis, net of depreciation, of the activity’s real and personal property, i.e., land, structures and facilities, construction-in-progress, purchased and self-developed software, equipment, and related improvements that have been capitalized.

* 3.3.24.2. Report DoD real property as follows:

3.3.24.2.1. Construction-In-Progress. The funding entity accumulates and reports construction-in-progress for real property (including improvements) in the construction-in-progress accounts until the asset or improvement is placed in service. When the asset or improvement is placed in service, the funding entity removes the construction-in-progress balance and recognizes the asset. The funding entity then transfers the asset or improvement to the host entity, if the host entity is different than the funding entity.

3.3.24.2.2. In-Service Assets. Report real property on the financial statements of the Military Department or Washington Headquarters Services on whose installation a real property asset is located. A Military Department working capital fund can report real property on its financial statements if it has jurisdiction over an installation.

3.3.24.2.3. Land. Reporting responsibilities for land follow the same rules as other real property. However, reporting entities without an unmodified audit opinion value existing land at zero dollars and expense future land acquisitions.

3.3.24.2.4. Capitalized Improvements. The funding entity accumulates and reports the costs of capitalized improvements until the improvement to an asset is placed in service, at which time it will be transferred to the entity responsible for reporting the real property base

asset. Only Military Departments and Washington Headquarters Services have financial reporting responsibility for real property and completed improvements. See Volume 4, Chapter 24 for additional information. Line 8 is a summary line for Lines 8.a, “Structures, Facilities and Leasehold Improvements, Net,” through 8.g, “Other Property, Net.”

3.3.25. Line 8.a – Structures, Facilities and Leasehold Improvements, Net. Report the balance of the following accounts:

171200	Improvements to Land
171900	Accumulated Depreciation on Improvements to Land
173000	Buildings, Improvements, and Renovations
173900	Accumulated Depreciation on Buildings, Improvements, and Renovations
174000	Other Structures and Facilities
174900	Accumulated Depreciation on Other Structures and Facilities
182000	Leasehold Improvements
182900	Accumulated Amortization on Leasehold Improvements

3.3.26. Line 8.b – Construction-in-Progress. Report the balance of the following account:

172000	Construction-in-Progress
--------	--------------------------

3.3.27. Line 8.c – Equipment, Net. Report the balance of the following accounts:

175000	Equipment
175900	Accumulated Depreciation on Equipment

3.3.28. Line 8.d – ADP Software, Net. Report the balance of the following accounts:

183000	Internal-Use Software
183900	Accumulated Amortization on Internal-Use Software

3.3.29. Line 8.e – Software Development in Progress. Report the balance of the following account:

183200	Internal-Use Software in Development
--------	--------------------------------------

3.3.30. Line 8.f – Assets Under Capital Lease, Net. Report the balance of the following accounts:

181000	Assets Under Capital Lease
181900	Accumulated Depreciation on Assets Under Capital Lease

3.3.31. Line 8.g – Other Property, Net. Report the balance of the following accounts:

184000	Other Natural Resources
184900	Allowance for Depletion
189000	Other General Property, Plant, and Equipment
189900	Accumulated Depreciation on Other Property, Plant, and Equipment

3.3.32. Line 9 – Other Assets, Net. Report the balance of the following accounts:

135000	Loans Receivable - Not Otherwise Defined
159100	Other Related Property
159900	Other Related Property – Allowance
199000	Other Assets
199500	General Property, Plant, and Equipment Permanently Removed but Not Yet Disposed

3.3.33. Line 10 – Total Assets. **Line 10 is a summary line for Lines 1, “Fund Balance with Treasury,” through 9, “Other Assets, Net.”**

3.3.34. Section Heading – LIABILITIES. The “Liabilities” section identifies obligations of the Federal Government to provide assets or services to another entity at a determinable date, when a specified event occurs, or on demand.

* 3.3.35. Line 11 – Liabilities Covered by Budgetary Resources. Report liabilities covered by available budgetary resources **on this line.** Budgetary resources are required to cover all obligations whether considered a liability or not.

3.3.35.1. Available budgetary resources include: (1) new budget authority; (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year; (3) spending authority from offsetting collections (credited to an appropriation or fund account); and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations.

3.3.35.2. Consider liabilities covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the reporting date. The Office of Management and Budget (OMB) may apportion the resources without further action by the Congress or without a contingency first having to be met. Line 11 is a summary line for Lines 11.a, “Accounts Payable, Net,” through 11.h, “Other Liabilities.”

3.3.36. Line 11.a – Accounts Payable, Net. Report the amounts owed by a DWCF activity for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-federal entities. See Volume 10, Chapter 10 and the Federal Acquisition Regulation (FAR) [part 32](#), “Contract Financing,” for additional guidance relating to contract financing payments. Line 11.a is a summary line for Lines 11.a.(1), “Accounts Payable, Intragovernmental,” through 11.a.(4), “Accounts Payable, Non-Federal, Undistributed.”

3.3.37. Line 11.a.(1) – Accounts Payable, Intragovernmental. Report the portion of the balance of the following accounts as they relate to accounts payables owed to Federal entities:

211000	Accounts Payable (except as reported on Line 11.a.(2))
212000	Disbursements in Transit
214000	Accrued Interest Payable – Not Otherwise Classified

3.3.38. Line 11.a.(2) – Accounts Payable, Intragovernmental, Undistributed. Report the amount of accounts payable in the following account that is owed to Federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported by DFAS to the Treasury finance network and the amount of disbursements recorded by operating level activities.

211000	Accounts Payable (except as reported on Line 11.a.(1))
--------	--

3.3.39. Line 11.a.(3) – Accounts Payable, Non-Federal. Report the portion of the balance of the following accounts as they relate to accounts payable owed to non-federal entities:

211000	Accounts Payable (except as reported on Line 11.a.(4))
212000	Disbursements in Transit
213000	Contract Holdbacks
214000	Accrued Interest Payable – Not Otherwise Classified

3.3.40. Line 11.a.(4) – Accounts Payable, Non-Federal, Undistributed. Report the amount of accounts payable in the following account that is owed to non-federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Treasury finance network and the amount of disbursements recorded by operating level activities.

211000	Accounts Payable (except as reported on Line 11.a.(3))
--------	--

3.3.41. Line 11.b – Accrued Payroll and Benefits. Report the amount of payroll and benefits payable. Line 11.b is a summary line for Lines 11.b.(1), “Salaries and Wages,” through 11.b.(3), “Severance Pay, Separation Allowance, and Other Payroll Liabilities.”

3.3.42. Line 11.b.(1) – Salaries and Wages. Report the portion of the balance of the following accounts as they relate to salaries and wages:

221000	Accrued Funded Payroll and Leave
221100	Withholdings Payable
221300	Employer Contributions and Payroll Taxes Payable

3.3.43. Line 11.b.(2) – Accrued Annual Leave. DWCF activities must fully fund annual leave in their rates. The balance reported on this line represents the value of employee annual leave not yet taken. This amount is exclusive of the amount reported on Line 11.b.(1). Report the portion of the balance of the following account as it relates to accrued annual leave:

221000	Accrued Funded Payroll and Leave
--------	----------------------------------

3.3.44. Line 11.b.(3) – Severance Pay, Separation Allowance, and Other Payroll Liabilities. Report the portion of the balance of the following account as it relates to severance pay, separation allowances, and other payroll liabilities:

221500	Other Post-Employment Benefits Due and Payable
--------	--

3.3.45. Line 11.c – Progress Billings. The amount reported represents billings received in advance of performance for which revenue has not been earned. Report the portion of the balance of the following account as it relates to progress billings:

231000	Liability for Advances and Prepayments
--------	--

3.3.46. Line 11.d – Advances and Prepayments from Others. The amount reported will agree with Line 6, “Unearned Revenue,” of the “Supplemental Report on Budget Execution.” Report the value of advances and prepayments received for goods not yet delivered or services not yet performed in the following account:

231000	Liability for Advances and Prepayments
--------	--

3.3.47. Line 11.e – Debt. Line 11.e represents the amount of borrowings from the Treasury, the Federal Financial Bank, or other Federal Agencies. Report the portion of the balance of the following accounts as they relate to debt:

214000	Accrued Interest Payable – Not Otherwise Classified (except as reported on Line 11.f)
214200	Accrued Interest Payable – Debt
252000	Principal Payable to the Federal Financing Bank
259000	Other Debt

3.3.48. Line 11.f – Interest Payable. Report the portion of the balance of the following account as it relates to interest payable (other than debt interest). Exclude amounts already listed on Line 11.e, “Debt.”

214000	Accrued Interest Payable – Not Otherwise Classified (except as reported on Line 11.e)
--------	---

3.3.49. Line 11.g – Lease Liabilities. Line 11.g represents the portion of liability for capital leases covered by budgetary authority. Fully fund the capital leases and lease-purchases in the first year of the lease in accordance with OMB Circular A-11, [Appendix B](#), “Budgetary Treatment of Lease-Purchases and Leases of Capital Assets.” Report the balance of the following account:

294000	Capital Lease Liability
--------	-------------------------

3.3.50. Line 11.h – Other Liabilities. Line 11.h represents liabilities not recognized in other specific categories. Include the total amount due Federal entities for other liabilities covered by budgetary authority not included on other lines. Report the portion of the balance of the following accounts as they relate to transactions with other Federal and non-federal entities:

213000	Contract Holdbacks
219000	Other Liabilities With Related Budgetary Obligations
231000	Liability for Advances and Prepayments
232000	Other Deferred Revenue
240000	Liability for Nonfiduciary Deposit Funds and Undeposited Collections
265000	Actuarial FECA Liability
292000	Contingent Liabilities
298500	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity

3.3.51. Line 12 – Liabilities Not Covered by Budgetary Resources. Liabilities not covered by available budgetary resources result from the receipt of goods or services, or the occurrence of other eligible events, for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Notwithstanding an expectation that the appropriations will be made, whether they, in fact, will be made is at the discretion of the Congress. Report the portion of the balance of the following accounts for which an available budgetary resource does not exist:

214000	Accrued Interest Payable – Not Otherwise Classified
216000	Entitlement Benefits Due and Payable
219000	Other Liabilities With Related Budgetary Obligations
222500	Unfunded FECA Liability
232000	Other Deferred Revenue
252000	Principal Payable to the Federal Financing Bank
259000	Other Debt

265000	Actuarial FECA Liability
292000	Contingent Liabilities
294000	Capital Lease Liability
296000	Accounts Payable from Canceled Appropriations
299000	Other Liabilities Without Related Budgetary Obligations
299500	Estimated Cleanup Cost Liability-OAEL Active Installations Non-BRAC- Environmental Corrective Actions

3.3.52. Line 13 – Total Liabilities. Line 13 is a summary line for Lines 11, “Liabilities Covered by Budgetary Resources,” and 12, “Liabilities Not Covered by Budgetary Resources.”

3.3.53. Section Heading – NET POSITION. The “Net Position” section presents the arithmetic difference between the total assets and total liabilities recognized in the Federal Government's or a component entity's balance sheet. Net position may be positive (assets greater than liabilities) or negative (assets less than liabilities).

3.3.54. Line 14 – Net Position. Line 14 is a summary line for Lines 14.a, “Unexpended Appropriations,” through 14.c, “Invested Capital.”

3.3.55. Line 14.a – Unexpended Appropriations. Line 14.a is equal to Line 1.A.(3), “Equals: Unexpended Appropriations – End of Period,” of Part II, “Changes in Net Position,” of the Statement of Operations. Normally, DWCF activities will not have unexpended appropriations as they are expended upon receipt to provide budgetary authority. (Supply activities that receive appropriations for War Reserve Materiel may not expend upon receipt. Also, a DWCF may have unexpended appropriations for Emergency Disaster Relief.)

3.3.56. Line 14.b – Accumulated Operating Results (AOR). Line 14.b is equal to Line 1.B.(3), “Total AOR End of Period,” of Part II, “Changes in Net Position,” of the Statement of Operations.

3.3.57. Line 14.c – Invested Capital. Line 14.c is equal to Line 1.D.(4), “Equals: Invested Capital – End of Period,” of Part II, “Changes in Net Position,” of the Statement of Operations.

3.3.58. Line 15 – Total Liabilities and Net Position. Report the total of Lines 13, “Total Liabilities,” and 14, “Net Position.” Line 15 will equal Line 10, “Total Assets,” from the Statement of Financial Position.

4.0 FORMAT OF THE STATEMENT OF CASH FLOW (1504) (FORM 15-2)

Form 15-2: Statement of Cash Flow

DEFENSE WORKING CAPITAL FUND STATEMENT OF CASH FLOW (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
CASH FLOWS FROM OPERATIONS:		
1. Net Operating Results (NOR) (Part I, Line 11)	\$	XXX
OPERATING ADJUSTMENTS:		
2. Appropriated Capital Used (-)		(XXX)
3. Decrease (Increase) in Accounts Receivable		XXX
4. Decrease (Increase) in Advances and Prepayments		XXX
5. Decrease (Increase) in Inventories:		XXX
a. Inventory	\$	XXX
b. Work-in-Process		XXX
c. Operating Materials and Supplies, Net		XXX
6. Decrease (Increase) in Other Assets		XXX
7. Increase (Decrease) in Accounts Payable		XXX
8. Increase (Decrease) in Accrued Payroll and Benefits		XXX
9. Increase (Decrease) in Liabilities		XXX
10. Depreciation and Amortization		XXX
11. Other Adjustments:		XXX
a. Prior Period Adjustments		XXX
b. Non-Cash Transfers		XXX
c. Other		XXX
12. Total Operating Adjustments		XXX
13. NOR Plus or Minus Operating Adjustments		XXX
CAPITAL ADJUSTMENTS:		
14. (Increase) Decrease of Property, Plant, and Equipment, Net		XXX

Form 15-2: Statement of Cash Flow (Continued)

APPROPRIATIONS AND CASH TRANSFERS:

15. Appropriations (Current Warrants)	\$	XXX
16. Transfers of Cash		XXX
a. Transfers In	\$	XXX
b. Transfers Out		XXX
17. Total Appropriations and Cash Transfers		XXX
18. Repayments on Loans from the Treasury and the Federal Financing Bank		XXX
19. Net Change In Cash For Accounting Period		XXX
20. Fund Balance, Beginning		XXX
21. Fund Balance, Ending		XXX

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

22. Total Interest Paid		XXX
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4.1 General (150401)

The Statement of Cash Flow, [Form 15-2](#), discloses the [reporting entity's gross](#) cash receipts and disbursements with an explanation of the changes in cash or cash equivalents for the reporting period.

4.2 Heading (150402)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

4.3 Line Item Instructions (150403)

Instructions for the content of each line item are as follows:

4.3.1. Section Heading - CASH FLOWS FROM OPERATIONS. The “Cash Flows From Operations” section presents the cash flows generated by an entity's operations.

4.3.2. Line 1 – Net Operating Results (NOR) (Part I, Line 11). Line 1 is equal to Line 11, “Net Operating Results (NOR),” of Part I, “Statement of Operations,” of the Statement of Operations.

4.3.3. Section Heading - OPERATING ADJUSTMENTS. The “Operating Adjustments” section identifies increases and decreases in items impacting an entity's ending Fund Balance with Treasury.

4.3.4. Line 2 – Appropriated Capital Used (-). The amount of appropriated funds expended is a negative adjustment to the cash flow from operations. Report the balance of the following account:

570000 Expended Appropriations

4.3.5. Line 3 – Decrease (Increase) in [Accounts](#) Receivable. Report the balance of the preceding September 30, Statement of Financial Position, Line 3, “Accounts Receivable, Net,” minus the current balance reported on Line 3 of the Statement of Financial Position.

4.3.6. Line 4 – Decrease (Increase) in Advances and Prepayments. Report the balance of the preceding September 30, Statement of Financial Position, Line 4, “Advances [Paid](#) and Prepayments,” minus the current balance reported on Line 4 of the Statement of Financial Position.

4.3.7. Line 5 – Decrease (Increase) in Inventories. Line 5 is a summary line for Lines 5.a, “Inventory,” through 5.c, “Operating Materials and Supplies, Net.” Report the net decrease (increase) of the [three](#) sub-categories of inventory [reported](#) on Lines 5.a through 5.c.

4.3.8. Line 5.a – Inventory. Report the balance of the preceding September 30, Statement of Financial Position, Line 5.a, “Inventory Items,” minus the current balance reported on Line 5.a of the Statement of Financial Position.

4.3.9. Line 5.b – Work-in-Process. Report the balance of the preceding September 30, Statement of Financial Position, Line 6, “Work-in-Process,” minus the current balance reported on Line 6 of the Statement of Financial Position.

4.3.10. Line 5.c – Operating Materials and Supplies, Net. Report the balance of the preceding September 30, Statement of Financial Position, Line 7, “Operating Materials and Supplies, Net,” minus the current balance reported on Line 7 of the Statement of Financial Position.

4.3.11. Line 6 – Decrease (Increase) in Other Assets. Report the balance of the preceding September 30, Statement of Financial Position, Line 9, “Other Assets, Net,” minus the current balance reported on Line 9 of the Statement of Financial Position.

4.3.12. Line 7 – Increase (Decrease) in Accounts Payable. Report the balance of the preceding September 30, Statement of Financial Position, Line 11.a, “Accounts Payable, Net,” minus the current balance reported on Line 11.a of the Statement of Financial Position.

4.3.13. Line 8 – Increase (Decrease) in Accrued Payroll and Benefits. Report the balance of the preceding September 30, Statement of Financial Position, Line 11.b, “Accrued Payroll and Benefits,” minus the current balance reported on Line 11.b of the Statement of Financial Position.

4.3.14. Line 9 – Increase (Decrease) in Liabilities. Report the current year change in the following accounts:

213000	Contract Holdbacks
214000	Accrued Interest Payable – Not Otherwise Classified
216000	Entitlement Benefits Due and Payable
219000	Other Liabilities With Related Budgetary Obligations
222500	Unfunded FECA Liability
231000	Liability for Advances and Prepayments
232000	Other Deferred Revenue
240000	Liability for Nonfiduciary Deposit Funds and Undeposited Collections
252000	Principal Payable to the Federal Financing Bank
259000	Other Debt
265000	Actuarial FECA Liability
292000	Contingent Liabilities
294000	Capital Lease Liability
296000	Accounts Payable From Canceled Appropriations
298500	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity
299000	Other Liabilities Without Related Budgetary Obligations
299500	Estimated Cleanup Cost Liability

4.3.15. Line 10 – Depreciation and Amortization. The depreciation and amortization for the period are not paid in cash and, therefore, require a positive adjustment to net cash flow from operations. Report the portion of the balance of the following account as it relates to items funded by the DWCF activity:

671000	Depreciation, Amortization, and Depletion
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4.3.16. Line 11 – Other Adjustments. Line 11 is a summary line for Lines 11.a, “Prior Period Adjustments,” through 11.c, “Other.”

4.3.17. Line 11.a – Prior Period Adjustments. Report the portion of the balance of the following accounts as they relate to prior period adjustments. Enter prior period adjustments for the period that are not cash related transactions.

740000	Prior-Period Adjustments Due to Corrections of Errors
740100	Prior-Period Adjustments Due to Changes in Accounting Principles
740500	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

4.3.18. Line 11.b – Non-Cash Transfers. Report the balance of the following accounts. Enter transfers in and transfers out for the period that are not cash related transactions.

572000	Financing Sources Transferred In Without Reimbursement
573000	Financing Sources Transferred Out Without Reimbursement

4.3.19. Line 11.c – Other. Report the balance of the following account:

579000	Other Financing Sources
--------	-------------------------

4.3.20. Line 12 – Total Operating Adjustments. Line 12 is a summary line for Lines 2, “Appropriated Capital Used (-),” through 11, “Other Adjustments.”

4.3.21. Line 13 – NOR Plus or Minus Operating Adjustments. Report the sum of Lines 1, “Net Operating Results (NOR),” and 12, “Total Operating Adjustments.”

4.3.22. Section Heading – CAPITAL ADJUSTMENTS. The “Capital Adjustments” section adjusts cash flow for the impact of acquiring and disposing of PP&E and other assets used in the production of goods and services. Most sales within the DWCF are recorded as revenue and included in Line 1, “Net Operating Results (NOR).” However, if an incoming cash flow is not a result of revenue, identify that cash flow within this section as either a result of a sale of PP&E or another cause. See Volume 4 for additional information relating to PP&E.

4.3.23. Line 14 – (Increase) Decrease of Property, Plant, and Equipment, Net. Report the balance of the preceding September 30, Statement of Financial Position, Line 8, “Property, Plant, and Equipment, Net,” minus the current balance reported on Line 8 of the Statement of Financial Position.

4.3.24. Section Heading – APPROPRIATIONS AND CASH TRANSFERS. The “Appropriations and Cash Transfers” section identifies the impact on cash flow from resources obtained in the form of appropriations from the Congress, or by transferring from or to other reporting entities. Appropriations may be distributed to the individual activity level. If appropriations are not distributed, report by the DWCF level holding those balances or allocate by that DWCF level, for reporting purposes, to the appropriate activity or activities.

4.3.25. Line 15 – Appropriations (Current Warrants). Report the portion of the balance of the following accounts as they relate to transfers in and transfers out of appropriations (current warrants). Report the amount of appropriations received, net of rescissions, for the current FY in the following accounts:

310100	Unexpended Appropriations – Appropriations Received
310200	Unexpended Appropriations – Transfers–In
310300	Unexpended Appropriations – Transfers–Out
310500	Unexpended Appropriations – Prior Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
310600	Unexpended Appropriations – Adjustments
310700	Unexpended Appropriations – Used
310800	Unexpended Appropriations – Prior–Period Adjustments Due to Corrections of Errors
310900	Unexpended Appropriations – Prior–Period Adjustments Due to Changes in Accounting Principles

* **4.3.26. Line 16 – Transfers of Cash.** Report the net amount of cash transferred to and from all Federal sources, except the Fiscal Service. Line 16 is a summary line for Lines 16.a, “Transfers In,” and 16.b, “Transfers Out.” Transfers of cash reported on Lines 16.a and 16.b may include transfers between Working Capital Funds and the “Foreign Currency Fluctuations, Defense” and “Operation and Maintenance” appropriations as outlined in Section 8008 of Public Law 113-6.

4.3.27. Line 16.a – Transfers In. Report the amount of cash transferred from all Federal sources, except the Fiscal Service. The amount reported on this line will agree with the amount reported on Line 1.D.(2).b, “Plus: Transfers In of Cash,” of Part II, “Changes in Net Position,” of the Statement of Operations. Report cash transfers in from other Federal sources as an increase. Report only those amounts related solely to transferred-in cash balances. Do not report a transfer of cash from work performed (reimbursable sales) on this line.

575500	Nonexpenditure Financing Sources – Transfers–In
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4.3.28. Line 16.b – Transfers Out. Report the amounts of cash transferred to all Federal sources, except the **Fiscal Service**. The amount reported on this line will be the opposite of the amount reported on Line 1.D.(2).c, “Minus: Transfers Out of Cash,” of Part II, “Changes in Net Position,” of the Statement of Operations. Report cash transfers out to other Federal sources as a reduction. Report only those amounts related solely to transferred-out cash balances. Do not report a transfer of cash from work performed (reimbursable sales) on this line.

576500 Nonexpenditure Financing Sources – Transfers–Out

4.3.29. Line 17 – Total Appropriations and Cash Transfers. Line 17 is a summary line for Lines 15, “Appropriations (Current Warrants),” and 16, “Transfers of Cash.”

4.3.30. Line 18 – Repayments on Loans from the Treasury and the Federal Financing Bank. Report the amounts disbursed to liquidate loans from the **Fiscal Service**, the Federal Financing Bank, or other Federal Agencies. Line 18 applies only to the Military Sealift Command (MSC).

252000 Principal Payable to the Federal Financing Bank

4.3.31. Line 19 – Net Change in Cash For Accounting Period. Line 19 is a summary line for Lines 13, “NOR Plus or Minus Operating Adjustments;” 14, “(Increase) Decrease of Property, Plant, and Equipment, Net;” 17, “Total Appropriations and Cash Transfers;” and 18, “Repayments on Loans from the Treasury and the Federal Financing Bank.”

4.3.32. Line 20 – Fund Balance, Beginning. Report the balance of the preceding September 30, Statement of Cash Flows, Line 21, “Fund Balance, Ending.” The amount will not change during the FY.

4.3.33. Line 21 – Fund Balance, Ending. Line 21 is a summary line for Lines 19, “Net Change in Cash For Accounting Period,” and 20, “Fund Balance, Beginning.” The amount reported on this line will equal the sum of Lines 1, “Fund Balance with Treasury,” and 2, “Cash on Hand and Other Monetary Assets,” of the Statement of Financial Position.

4.3.34. Section Heading – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION. The “Supplemental Disclosure of Cash Flow Information” section presents additional information related to the Statement of Cash Flow.

4.3.35. Line 22 – Total Interest Paid. Report the current year change in the following accounts:

214000	Accrued Interest Payable – Not Otherwise Classified
214100	Accrued Interest Payable – Loans
214200	Accrued Interest Payable – Debt
633000	Other Interest Expenses

5.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS (1505) (FORM 15-3)

Form 15-3: Statement of Operations, Part I – Statement of Operations

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
REVENUES AND FINANCING SOURCES:		
1. Appropriated Capital Used	\$	XXX
2. Revenue from Sales of Goods and Services		XXX
a. Gross Revenue from Sales	\$	XXX
b. Minus: Credits Allowed on Sales		XXX
3. Other Revenue and Financing Sources		XXX
4. Total Revenue and Financing Sources		XXX
EXPENSES:		
5. Program or Operating Expenses (Supply and Service Activities)		XXX
6. Cost of Goods and Services Sold		XXX
7. Other Losses		XXX
8. Total Expenses		XXX
NET OPERATING RESULTS:		
9. Revenue Less Cost Incurred Before Extraordinary Items		XXX
10. Plus (Minus) Extraordinary Items		XXX
11. Net Operating Results (NOR)		XXX
NET OPERATING RESULTS FOR RATE PURPOSES:		
12. Plus (Minus) Deferred Operating Results and Depreciation (Part V)		XXX
13. Recoverable Net Operating Results		XXX

5.1 General (150501)

Part I – Statement of Operations, Form 15-3, identifies the cumulative year-to-date NOR and the Recoverable NOR.

5.2 Heading (150502)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

5.3 Line Item Instructions (150503)

Instructions for the content of each line item are as follows:

5.3.1. Section Heading – REVENUES AND FINANCING SOURCES. The “Revenues and Financing Sources” section presents inflows of or other increases in assets, decreases in liabilities, or a combination of both resulting in an increase in the government's net position during the reporting period.

5.3.2. Line 1 – Appropriated Capital Used. Appropriations, primarily for War Reserve Material and Commissary Operations, may be provided directly to the DWCF. Use USSGL account 570000, “Expended Appropriations,” to record an amount equal to accrued expenses (versus outlays) of appropriated funds provided directly to the Fund. The purpose of the account is to match current period expenses to the appropriated funds used to finance those expenses. Record amounts in account 570000 equal to the amount of program expenses but do not include any expenses applicable to revenue accounts other than account 570000. In other words, record expenses incurred against an appropriation made directly available to the DWCF separately from expenses incurred against ordinary DWCF reimbursable financing. Report the balance of the following account:

570000	Expended Appropriations
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5.3.3. Line 2 – Revenue from Sales of Goods and Services. Line 2 is a summary line for Lines 2.a, “Gross Revenue from Sales,” and 2.b, “Minus: Credits Allowed on Sales.”

5.3.4. Line 2.a – Gross Revenue from Sales. Report the balances in the following accounts:

510000	Revenue From Goods Sold
520000	Revenue From Services Provided

5.3.5. Line 2.b – Minus: Credits Allowed on Sales. Reporting activities within the Supply Management Activity will report the dollar amount of credits allowed on amounts due (accounts receivable) from sales or Depot Level Repairable (DLR) exchanges. Report the balances in the following accounts:

510900	Contra Revenue for Goods Sold
520900	Contra Revenue <u>from</u> Services Provided

5.3.6. Line 3 – Other Revenue and Financing Sources. Include the total amount of revenues and financing sources not reported on Lines 1, “Appropriated Capital Used,” or 2, “Revenue from Sales of Goods and Services.” Do not include revenues reported on this line in customer rates. Include cash donations. Identify the nature of each miscellaneous gain in the footnotes. Do not include other gains related to inventory on this line. Report other gains related to inventory on Line K.4, “Net Other Inventory (Gains) Losses” of Part IV, “Expenses,” of the Statement of Operations. Report the portion of the balance of the following accounts as they relate to Other Revenues and Financing Sources:

531000	Interest Revenue – Other
531900	Contra Revenue for Interest Revenue – Other
532000	Penalties and Fines Revenue
532900	Contra Revenue for Administrative Fees
560000	Donated Revenue – Financial Resources
560900	Contra Revenue for Donations – Financial Resources
561000	Donated Revenue – Nonfinancial Resources
561900	Contra Donated Revenue – Nonfinancial Resources
575500	Nonexpenditure Financing Sources – Transfers–In – Other
576500	Nonexpenditure Financing Sources – Transfers–Out – Other
577500	Nonbudgetary Financing Sources Transferred In
578000	Imputed Financing Sources
579000	Other Financing Sources
590000	Other Revenue
590900	Contra Revenue for Other Revenue
599300	Offset to Non–Entity Collections – Statement of Changes in Net Position
599400	Offset to Non–Entity Accrued Collections – Statement of Changes in Net Position
711000	Gains on Disposition of Assets
719000	Other Gains

5.3.7. Line 4 – Total Revenue and Financing Sources. Line 4 is a summary line for Lines 1, “Appropriated Capital Used,” through 3, “Other Revenue and Financing Sources.” Revenue will equal net sales plus any other reimbursable revenue and financing source.

5.3.8. Section Heading – EXPENSES. The “Expenses” section presents outflows of or other decreases in assets, increases in liabilities, or a combination of both resulting in a decrease in the government's net position during the reporting period.

5.3.9. Line 5 – Program or Operating Expenses (Supply and Service Activities). Line 5 is a summary of expenses for the current period. Report the sum of Lines A, “Personnel Services and Benefits–Civilian,” through J, “Bad Debts,” of Part IV, “Expenses,” of the Statement of Operations. Subtract Line 1.f, “Plus: Operating Expenses,” of Part III, “Cost of Goods Sold,” of the Statement of Operations for Supply and Service Activities.

5.3.10. Line 6 – Cost of Goods and Services Sold. Report the sum of Lines 1.i, “Equals: Cost of Goods and Services Sold,” and 2.o, “Equals: Cost of Goods Sold from Inventory,” of Part III, “Cost of Goods Sold,” of the Statement of Operations for Service and DWCF activities.

5.3.11. Line 7 – Other Losses. Report the sum of Line K, “Other Losses and Gains,” of Part IV, “Expenses,” of the Statement of Operations.

5.3.12. Line 8 – Total Expenses. Report the sum of Lines 5, “Program or Operating Expenses (Supply and Service Activities),” through 7, “Other Losses.”

5.3.13. Section Heading – NET OPERATING RESULTS. The “Net Operating Results” section identifies the reporting line items used to calculate the NOR for the reporting period.

5.3.14. Line 9 – Revenue Less Cost Incurred Before Extraordinary Items. Report the sum of Line 4, “Total Revenue and Financing Sources,” minus Line 8, “Total Expenses.”

5.3.15. Line 10 – Plus (Minus) Extraordinary Items. Extraordinary items are both unusual in nature and infrequent in occurrence. Identify the nature of each extraordinary gain or loss in a footnote. Report the balance of the following account:

730000 Extraordinary Items

5.3.16. Line 11 – Net Operating Results (NOR). Line 11 is a summary line for Lines 9, “Revenue Less Cost Incurred Before Extraordinary Items” and 10, “Plus (Minus) Extraordinary Items.”

5.3.17. Section Heading – NET OPERATING RESULTS FOR RATE PURPOSES. The “Net Operating Results for Rate Purposes” section identifies the reporting line items used to calculate the NOR used for rate purposes for the reporting period.

5.3.18. Line 12 – Plus (Minus) Deferred Operating Results and Depreciation (Part V). Report the sum of Lines 2, “Deferred Operating Results (Gains/Losses) Net,” and 3, “Depreciation, Non-DWCF Acquired PP&E,” of Part V, “Recoverable Operating Results,” of the Statement of Operations. Include the total deferred operating results and depreciation on non-DWCF acquired PP&E. See Volume 4, Chapters 24 through 28 for additional guidance relating to recognition of depreciation in the financial statements.

5.3.19. Line 13 – Recoverable Net Operating Results. Line 13 is a summary line for Lines 11, “Net Operating Results (NOR),” and 12, “Plus (Minus) Deferred Operating Results and Depreciation (Part V).”

6.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART II – CHANGES IN NET POSITION (1506) (FORM 15-4)

Form 15-4: Statement of Operations, Part II – Changes in Net Position

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART II-CHANGES IN NET POSITION			
(DoD COMPONENT/DWCF ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. CHANGES IN NET POSITION			
A. UNEXPENDED APPROPRIATIONS			
(1) Appropriations Available – Beginning of Year	\$	XXX	
(2) Plus or Minus: Changes in Appropriation Balance		XXX	
(3) Equals: Unexpended Appropriations – End of Period			\$ XXX
B. ACCUMULATED OPERATING RESULTS (AOR)			
(1) RECOVERABLE AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Recoverable AOR End of Period		XXX	
(2) DEFERRED AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Deferred AOR End of Period		XXX	
(3) Total AOR End of Period			XXX
C. Operational Equity Position – End of Period			XXX
D. INVESTED CAPITAL			
(1) ASSETS CAPITALIZED			
a. Assets Capitalized – Beginning of Period		XXX	
b. Plus: Transfers In of Property		XXX	
c. Minus: Transfers Out of Property		XXX	
d. Minus: Depreciation, Non-DWCF Acquired PP&E		XXX	
e. Equals: Assets Capitalized – End of Period		XXX	

Form 15-4: Statement of Operations, Part II – Changes in Net Position (Continued)

(2) FUND (CASH) ASSETS	
a. Fund (Cash) Assets – Beginning of Period	\$ XXX
b. Plus: Transfers In of Cash	XXX
c. Minus: Transfers Out of Cash	XXX
d. Equals: Fund (Cash) Assets – End of Period	XXX
(3) LIABILITIES ASSUMED	
a. Liabilities Assumed – Beginning of Period	XXX
b. Plus: Transfers In of Liabilities	XXX
c. Minus: Transfers Out of Liabilities	XXX
d. Equals: Liabilities Assumed – End of Period	XXX
(4) Equals: Invested Capital – End of Period	\$ XXX
2. Net Position – End of Period	XXX

6.1 General (150601)

Part II - Changes in Net Position, Form 15-4, identifies the arithmetic difference between the total assets and total liabilities recognized on a component entity's balance sheet.

6.2 Heading (150602)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

6.3 Line Item Instructions (150603)

Instructions for the content of each line item are as follows:

6.3.1. Section Heading – CHANGES IN NET POSITION. The “Changes in Net Position” section identifies the reporting line items used to report the change in net position during the reporting period.

6.3.2. Section Heading – UNEXPENDED APPROPRIATIONS. The “Unexpended Appropriations” section identifies appropriations that have not yet been used to acquire goods and services or provide benefits.

6.3.3. Line 1.A.(1) – Appropriations Available – Beginning of Year. Report the balance of Line 1.A.(3), “Equals: Unexpended Appropriations – End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount reported will not change during the FY. Report the balance of the following account:

310000	Unexpended Appropriations - Cumulative
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6.3.4. Line 1.A.(2) – Plus or Minus: Changes in Appropriation Balance. Line 1.A.(2) represents the difference between the beginning FY balance and the balance as of the end of the reporting period. Report the balance of the following accounts:

310100	Unexpended Appropriations – Appropriations Received
310200	Unexpended Appropriations – Transfers–In
310300	Unexpended Appropriations – Transfers–Out
310500	Unexpended Appropriations – Prior Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
310600	Unexpended Appropriations – Adjustments
310700	Unexpended Appropriations – Used
310800	Unexpended Appropriations – Prior–Period Adjustments Due to Corrections of Errors
310900	Unexpended Appropriations – Prior–Period Adjustments Due to Changes in Accounting Principles

6.3.5. Line 1.A.(3) – Equals: Unexpended Appropriations – End of Period. Line 1.A.(3) is a summary line for Lines 1.A.(1), “Appropriations Available – Beginning of Year,” and 1.A.(2), “Plus or Minus: Changes in Appropriation Balance.” The amount reported on this line will agree with Line 14.a, “Unexpended Appropriations,” of the Statement of Financial Position.

6.3.6. Section Heading – ACCUMULATED OPERATING RESULTS (AOR). The “Accumulated Operating Results” section reflects the cumulative summation of NOR.

6.3.7. Section Heading – RECOVERABLE AOR. The “Recoverable AOR” section identifies the reporting line items used to calculate the ending balance of recoverable AOR for the reporting period.

6.3.8. Line 1.B.(1).a – AOR Beginning of Year (Unadjusted). Report the balance of Line 1.B.(1).e, “Equals: Recoverable AOR End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. See Volume 2B, Chapter 9 for additional guidance on cost recovery. Report the amount of recoverable AOR contained in the following account:

331000	Cumulative Results of Operations
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6.3.9. Line 1.B.(1).b – Plus or Minus: Prior Period Adjustments. Report the portion of the balance in the following accounts related to prior period adjustments to recoverable AOR. Report a credit balance as a plus and a debit balance as a negative.

740000	Prior-Period Adjustments Due to Corrections of Errors
740100	Prior-Period Adjustments Due to Changes in Accounting Principles
740500	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

6.3.10. Line 1.B.(1).c – Equals: AOR Beginning of Year (Adjusted). Line 1.B.(1).c is a summary line for Lines 1.B.(1).a, “AOR Beginning of Year (Unadjusted),” and 1.B.(1).b, “Plus or Minus: Prior Period Adjustments.”

6.3.11. Line 1.B.(1).d – Plus or Minus: Net Operating Results. Report the balance of Line 13, “Recoverable Net Operating Results,” of Part I, “Statement of Operations,” of the Statement of Operations.

6.3.12. Line 1.B.(1).e – Equals: Recoverable AOR End of Period. Line 1.B.(1).e is a summary line for Lines 1.B.(1).c, “Equals: AOR Beginning of Year (Adjusted),” and 1.B.(1).d, “Plus or Minus: Net Operating Results.”

6.3.13. Section Heading – DEFERRED AOR. The “Deferred AOR” section identifies the reporting line items used to calculate the ending balance of deferred AOR for the reporting period.

6.3.14. Line 1.B.(2).a – AOR Beginning of Year (Unadjusted). Report the balance of Line 1.B.(2).e, “Equals: Deferred AOR End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. See Volume 2B, Chapter 9 for additional guidance on cost recovery. Report the amount of deferred AOR contained in the following account:

331000	Cumulative Results of Operations
--------	----------------------------------

6.3.15. Line 1.B.(2).b – Plus or Minus: Prior Period Adjustments. Report the portion of the balance in the following accounts related to prior period adjustments to deferred AOR. Report a credit balance as a plus and a debit balance as a negative.

740000	Prior-Period Adjustments Due to Corrections of Errors
740100	Prior-Period Adjustments Due to Changes in Accounting Principles
740500	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

6.3.16. Line 1.B.(2).c – Equals: AOR Beginning of Year (Adjusted). Line 1.B.(2).c is a summary line for Lines 1.B.(2).a, “AOR Beginning of Year (Unadjusted),” and 1.B.(2).b, “Plus or Minus: Prior Period Adjustments.”

6.3.17. Line 1.B.(2).d – Plus or Minus: Net Operating Results. The amount reported on this line will be the opposite of the amount shown on Line 2, “Deferred Operating Results (Gains/Losses) Net,” of Part V, “Recoverable Operating Results,” of the Statement of Operations.

6.3.18. Line 1.B.(2).e – Equals: Deferred AOR End of Period. Line 1.B.(2).e is a summary line for Lines 1.B.(2).c, “Equals: AOR Beginning of Year (Adjusted),” and 1.B.(2).d, “Plus or Minus: Net Operating Results.”

6.3.19. Line 1.B.(3) – Total AOR End of Period. Line 1.B.(3) is a summary line for Lines 1.B.(1).e, “Equals: Recoverable AOR End of Period,” and 1.B.(2).e, “Equals: Deferred AOR End of Period.”

6.3.20. Line 1.C – Operational Equity Position – End of Period. Line 1.C is a summary line for Lines 1.A.(3), “Equals: Unexpended Appropriations – End of Period,” and 1.B.(3), “Total AOR End of Period.”

6.3.21. Section Heading – INVESTED CAPITAL. The “Invested Capital” section identifies the reporting line items used to calculate the ending balance of invested capital for the reporting period.

6.3.22. Section Heading – ASSETS CAPITALIZED. The “Assets Capitalized” section identifies the reporting line items used to calculate the ending balance of capitalized assets for the reporting period.

6.3.23. Line 1.D.(1).a – Assets Capitalized – Beginning of Period. Report the **balance** of Line 1.D.(1).e, “**Equals: Assets Capitalized – End of Period,**” from the preceding September 30, **Statement of Operations, Part II, “Changes in Net Position.”** The amount will not change during the **FY**. Report the amount related to the asset capitalization program contained in the following account:

331000 Cumulative Results of Operations

6.3.24. Line 1.D.(1).b – Plus: Transfers In of Property. Report the value of non-cash capital assets **transferred in** without reimbursement. Report the portion **of the balance** in the following account **as it relates** to non-cash capital transfers:

572000 Financing Sources Transferred In Without Reimbursement

6.3.25. Line 1.D.(1).c – Minus: Transfers Out of Property. Report the value of non-cash capital assets transferred out without reimbursement. Report the **portion of the balance** in the following account **as it relates** to non-cash capital transfers:

573000 Financing Sources Transferred Out Without Reimbursement

6.3.26. Line 1.D.(1).d – Minus: Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation expense recorded for non-DWCF acquired PP&E from Line I, “**Depreciation – Non-DWCF Acquired PP&E,**” **of Part IV, “Expenses,” of the Statement of Operations,** plus **any gains and losses from the following accounts related to the asset in question:**

719000 Other Gains
729000 Other Losses

6.3.27. Line 1.D.(1).e – Equals: Assets Capitalized – End of Period. **Line 1.D.(1).e is a summary line for Lines 1.D.(1).a, “Assets Capitalized – Beginning of Period,” through 1.D.(1).d, “Minus: Depreciation, Non-DWCF Acquired PP&E.”**

6.3.28. Section Heading – FUND (CASH) ASSETS. The “**Fund (Cash) Assets**” section identifies the reporting line items used to calculate the ending balance of fund (cash) assets for the reporting period.

6.3.29. Line 1.D.(2).a – Fund (Cash) Assets – Beginning of Period. Report the **balance** of Line 1.D.(2).d, “**Equals: Fund (Cash) Assets – End of Period,**” from the preceding September 30, **Statement of Operations, Part II, “Changes in Net Position.”** The amount will not change during the **FY**. Report the **portion of the balance** in the following account **as it relates** to asset capitalization:

331000 Cumulative Results of Operations

6.3.30. Line 1.D.(2).b – Plus: Transfers In of Cash. Report the [amount of financing sources of a reporting entity representing cash transferred in](#) without reimbursement. Report the [portion of the balance](#) in the following account [as it relates](#) to transfers in of cash:

575500 Nonexpenditure Financing Sources – Transfers–In

6.3.31. Line 1.D.(2).c – Minus: Transfers Out of Cash. Report the [amount of financing sources of a reporting entity representing](#) cash transferred out without reimbursement. Report the [portion of the balance](#) in the following accounts [as they](#) relate to transfers out of cash:

576500 Nonexpenditure Financing Sources – Transfers–Out

6.3.32. Line 1.D.(2).d – Equals: Fund (Cash) Assets – End of Period. [Line 1.D.\(2\).d is a summary line for Lines 1.D.\(2\).a, “Fund \(Cash\) Assets – Beginning of Period,” through 1.D.\(2\).c, “Minus: Transfers Out of Cash.”](#)

6.3.33. Section Heading – LIABILITIES ASSUMED. The [“Liabilities Assumed”](#) section identifies the reporting line items used to calculate the ending balance of liabilities assumed for the reporting period.

6.3.34. Line 1.D.(3).a – Liabilities Assumed – Beginning of Period. Report the [balance](#) of Line 1.D.(3).d, [“Equals: Liabilities Assumed – End of Period,”](#) from the preceding September 30, [Statement of Operations, Part II, “Changes in Net Position.”](#) The amount will not change during the FY. Report the [portion of the balance](#) in the following account [as it relates](#) to liabilities assumed:

331000 Cumulative Results of Operations

6.3.35. Line 1.D.(3).b – Plus: Transfers In of Liabilities. Report the [portion of the balance](#) in the following account [as it relates to the](#) value of liabilities transferred in:

572000 Financing Sources Transferred In Without Reimbursement

6.3.36. Line 1.D.(3).c – Minus: Transfers Out of Liabilities. Report the [portion of the balance](#) in the following account [as it relates to the](#) value of liabilities transferred out:

573000 Financing Sources Transferred Out Without Reimbursement

6.3.37. Line 1.D.(3).d – Equals: Liabilities Assumed – End of Period. [Line 1.D.\(3\).d is a summary line for Lines 1.D.\(3\).a, “Liabilities Assumed – Beginning of Period,” through 1.D.\(3\).c, “Minus: Transfers Out of Liabilities.”](#)

6.3.38. Line 1.D.(4) – Equals: Invested Capital – End of Period. [Line 1.D.\(4\) is a summary line for Lines 1.D.\(1\).e, “Equals: Assets Capitalized – End of Period;” 1.D.\(2\).d, “Equals: Fund \(Cash\) Assets – End of Period;” and 1.D.\(3\).d, “Equals: Liabilities Assumed - End of Period.”](#)

6.3.39. Line 2 – Net Position – End of Period. Line 2 is a summary line for Lines 1.C, “Operational Equity Position – End of Period,” and 1.D.(4), “Equals: Invested Capital – End of Period.”

7.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART III - COST OF GOODS SOLD (1507) (FORM 15-5)

Form 15-5: Statement of Operations, Part III – Cost of Goods Sold

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART III-COST OF GOODS SOLD (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)			
1. COST OF GOODS AND SERVICES SOLD:			
a.	Beginning Work-in-Process	\$	XXX
b.	Plus/Minus: Prior Period Adjustments to Work-in-Process		XXX
c.	Equals: Adjusted Beginning Work-in-Process		XXX
d.	Minus: Transfers Out of Work-in-Process		XXX
e.	Plus: Transfers In of Work-in-Process		XXX
f.	Plus: Operating Expenses		XXX
g.	Minus: Ending Work-in-Process		XXX
h.	Minus: Work for Activity Retention		XXX
i.	Equals: Cost of Goods and Services Sold	\$	XXX
2. COST OF GOODS SOLD FROM INVENTORY:			
a.	Beginning Inventory-LAC		XXX
b.	Plus/Minus: Prior Period Adjustments to LAC Inventory		XXX
c.	Equals: Adjusted Beginning Inventory-LAC		XXX
d.	Minus: Beginning Allowance for Unrealized Holding Gains (Losses)		XXX
e.	Plus: Purchases at Cost		XXX
f.	Plus: Customer Returns-Credit Given		XXX
g.	Plus: DLR Exchange Credits		XXX
h.	Minus: Inventory Losses (Gains) Realized		XXX
i.	Minus: Ending Inventory-LAC		XXX
j.	Plus: Ending Allowance for Unrealized Holding Gains (Losses)		XXX
k.	Minus: Transfers Out of Inventory at LAC		XXX
l.	Plus: Transfers In of Inventory at LAC		XXX
m.	Equals: Cost of Goods Sold at LAC		XXX
n.	Plus: Cost of Goods Sold at MAC		XXX
o.	Equals: Cost of Goods Sold from Inventory		XXX

7.1 General (150701)

Part III - Cost of Goods Sold, [Form 15-5](#), reflects all costs, including gains and losses, applicable to the production of goods and services sold to customers during the reporting period. The total of [Line 1.i](#), “Equals: Cost of Goods and Services Sold,” and [2.o](#), “Equals: Cost of Goods Sold from Inventory,” must agree with the amount shown on [Line 6](#), “Cost of Goods and Services Sold,” of Part I, “Statement of Operations,” of the [Statement of Operations](#).

7.2 Heading (150702)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

7.3 Line Item Instructions (150703)

Instructions for the content of each line item are as follows:

* 7.3.1. [Section Heading – COST OF GOODS AND SERVICES SOLD](#). The “Cost of Goods and Services Sold” section applies to DWCF activities that accumulate costs to a final cost objective (generally, a job order). Report any operating expenses for service business activities on [Line 6](#), “Cost of Goods and Services Sold,” of Part I, “Statement of Operations,” of the [Statement of Operations](#).

7.3.2. [Line 1.a – Beginning Work-in-Process](#). Report the balance of [Line 1.g](#), “Minus: Ending Work-in-Process,” from the [preceding September 30, Statement of Operations, Part III, “Cost of Goods Sold.”](#) The amount will not change during the FY. Report the portion of the balance in the following accounts related to work-in-process:

152600	Inventory – Work-in-Process
152900	Inventory – Allowance

7.3.3. [Line 1.b – Plus/Minus: Prior Period Adjustments to Work-in-Process](#). Report the current year change for Inventory Work-in-Process related to a prior period adjustment included in the following accounts:

740000	Prior-Period Adjustments Due to Corrections of Errors
740100	Prior-Period Adjustments Due to Changes in Accounting Principles
740500	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

7.3.4. [Line 1.c – Equals: Adjusted Beginning Work-in-Process](#). [Line 1.c](#) is a summary line for [Lines 1.a](#), “Beginning Work-in-Process,” and [1.b](#), “Plus/Minus: Prior Period Adjustments to Work-in-Process.”

7.3.5. Line 1.d – Minus: Transfers Out of Work-in-Process. Report the [portion of the balance](#) in the following account [as it relates to](#) work-in-process transferred out to another activity without reimbursement:

573000 Financing Sources Transferred Out Without Reimbursement

7.3.6. Line 1.e – Plus: Transfers In of Work-in-Process. Report the [portion of the balance](#) in the following account [as it relates to](#) work-in-process transferred in from another activity without reimbursement:

572000 Financing Sources Transferred In Without Reimbursement

7.3.7. Line 1.f – Plus: Operating Expenses. [Report](#) the total of Lines A, “[Personnel Services and Benefits–Civilian,](#)” through I, “[Depreciation – Non-DWCF Acquired PP&E,](#)” of Part IV, “[Expenses,](#)” of the Statement of Operations for those activities that use LAC inventory method.

7.3.8. Line 1.g – Minus: Ending Work-in-Process. [Report the portion](#) of the balance in the following accounts [as of the end of the current reporting period:](#)

152600 Inventory – Work-in-Process
152900 Inventory – Allowance

7.3.9. Line 1.h – Minus: Work for Activity Retention. Report the value of assets developed or manufactured for use and retention by the performing DWCF activity. [Report the portion of the balance of](#) the following account [as it relates to assets retained by a business activity:](#)

650000 Cost of Goods Sold

7.3.10. Line 1.i – Equals: Cost of Goods and Services Sold. [Line 1.i](#) is a summary line for Lines 1.c, “[Equals: Adjusted Beginning Work-in-Process,](#)” through 1.h, “[Minus: Work for Activity Retention.](#)”

* 7.3.11. Section Heading – COST OF GOODS SOLD FROM INVENTORY. [Report in the “Cost of Goods Sold from Inventory” section only the costs for](#) Supply Management and Commissary Resale DWCF activities. [Supply activities must record any incremental amount billed for manufactured inventory as work-in-process on Line 1. The Supply Activity will adjust the inventory work-in-process account as appropriate based on the subsequent progress bills received.](#)

7.3.11.1. Refer to the DoD USSGL Transaction Library for detailed debit and credit transactions related to the recording and transfer out of work-in-process inventory accounts to the appropriate Inventory Held for Sale account(s). Once the Supply Activity receives the completed manufactured end item(s), they will transfer the corresponding value in the inventory work-in-process account to the appropriate inventory account. Accounting transactions related to this policy need to comply with the DoD Standard Chart of Accounts and the DoD USSGL Transaction Library.

7.3.11.2. SFFAS 3 sets the accounting principles for Federal Government entities to follow when accounting for and reporting inventory and related property. Volume 4, Chapter 4 provides instructions for DoD Components recording inventory at its last invoice price. Volume 4, Chapter 4 also provides the application of inventory-related accounts and provides clarification for the reporting requirements contained in section 2, “Cost of Goods Sold from Inventory,” of Part III, “Cost of Goods Sold,” of the Statement of Operations.

7.3.12. Line 2.a – Beginning Inventory – LAC. Report the balance of Line 2.i, “Minus: Ending Inventory – LAC,” from the preceding September 30, Statement of Operations, Part III, “Cost of Goods Sold.” The LAC valuation method is available to DeCA and is not approved for use by other DoD Components. The amount reported will not change during the FY.

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

7.3.13. Line 2.b – Plus/Minus: Prior Period Adjustments to LAC Inventory. Report the current year change for inventory reported at LAC related to prior period adjustments included in the following accounts:

740000	Prior-Period Adjustments Due to Corrections of Errors
740100	Prior-Period Adjustments Due to Changes in Accounting Principles
740500	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

7.3.14. Line 2.c – Equals: Adjusted Beginning Inventory-LAC. Line 2.c is a summary line for Lines 2.a, “Beginning Inventory – LAC,” and 2.b, “Plus/Minus: Prior Period Adjustments to LAC Inventory.”

7.3.15. Line 2.d – Minus: Beginning Allowance for Unrealized Holding Gains (Losses). Report the balance of Line 2.j, “Plus: Ending Allowance for Unrealized Holding Gains (Losses),” from the preceding September 30, Statement of Operations, Part III, “Cost of Goods Sold.” The amount will not change during the FY. Recognize holding gains (or losses) in the valuation of inventory. Holding gains (or losses) may be unrealized or realized. “Unrealized” refers to any

gain (or loss) associated with inventory still held by the entity. “Realization” of the holding gain (or loss) occurs when an item of inventory is sold or otherwise leaves the Supply Management stocking point.

7.3.16. Line 2.e – Plus: Purchases at Cost. Report the portion of the balance in the following account as it relates to amounts paid or payable for all inventory purchases during the reporting period:

152900 Inventory – Allowance

7.3.17. Line 2.f – Plus: Customer Returns–Credit Given. Report the portion of the balance in the following account as it relates to amounts of credit given on materiel returns:

152900 Inventory – Allowance

7.3.18. Line 2.g – Plus: DLR Exchange Credits. Report the portion of the balance in the following account as it relates to amounts of credits given on DLR exchanges:

152900 Inventory – Allowance

* 7.3.19. Line 2.h – Minus: Inventory Losses (Gains) Realized. The realization of most inventory gains (and losses) are recognized through reduction of the unrealized holding gains (and losses) accounts as a result of sales; that is, those gains (and losses) are realized when inventory items are sold and recognized in the cost of goods sold.

7.3.19.1. However, increases (or decreases) in inventory occurring because of disposal and events other than sales also result in an adjustment (increase or decrease) of the unrealized holding gains (or losses) accounts. As those inventory increases (or decreases) are not the result of sales, they should not affect the cost of goods sold. (Immaterial losses are charged to cost of goods sold.)

7.3.19.2. Therefore, remove the value of those gains (or losses) from the cost of goods sold and report on Line K.4, “Net Other Inventory (Gains) Losses,” of Part IV “Expenses,” of the Statement of Operations. Report the portion of the balance of the following accounts related to (gains) losses on inventory identified in the following breakdown:

7.3.19.2.1. Non-Recoverable Gains or Losses on Disposal of Excess Inventory, Supply Management:

711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses

7.3.19.2.2. Other Inventory Losses, Non-Supply Management:

729000 Other Losses

7.3.20. Line 2.i – Minus: Ending Inventory–LAC. Report the end of period inventory value of the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

7.3.21. Line 2.j – Plus: Ending Allowance for Unrealized Holding Gains (Losses). Report the portion of the balance in the following account as it relates to allowance for unrealized holding gains (losses):

152900 Inventory – Allowance

7.3.22. Line 2.k – Minus: Transfers Out of Inventory at LAC. Report the portion of the balance in the following account as it relates to inventory maintained at LAC transferred out of the activity:

573000 Financing Sources Transferred Out Without Reimbursement

7.3.23. Line 2.l – Plus: Transfers In of Inventory at LAC. Report the portion of the balance in the following account as it relates to inventory maintained at LAC transferred into the activity:

572000 Financing Sources Transferred In Without Reimbursement

7.3.24. Line 2.m – Equals: Cost of Goods Sold at LAC. Line 2.m is a summary line for Lines 2.c, “Equals: Adjusted Beginning Inventory–LAC,” through Line 2.l, “Plus: Transfers In of Inventory at LAC.”

7.3.25. Line 2.n – Plus: Cost of Goods Sold at MAC. Report the portion of the balance of the following account reported from activities maintaining inventory at MAC value:

650000 Cost of Goods Sold

7.3.26. Line 2.o – Equals: Cost of Goods Sold from Inventory. Line 2.o is a summary line for Lines 2.m, “Equals: Cost of Goods Sold at LAC,” and 2.n, “Plus: Cost of Goods Sold at MAC.”

8.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART IV - EXPENSES (1508)
(FORM 15-6)

Form 15-6: Statement of Operations, Part IV – Expenses

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART IV-EXPENSES (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
	(\$000)	(\$000)
A. Personnel Services and Benefits-Civilian		\$ XXX
1. Personal Compensation	\$ XXX	
2. Annual Leave	XXX	
3. Personnel Benefits	XXX	
4. Benefits for Former Personnel	XXX	
B. Travel and Transportation		XXX
1. Travel and Transportation of People	XXX	
2. Transportation of Things	XXX	
C. Rents, Communications and Utilities		XXX
1. Rents, Communications and Utilities	XXX	
2. Printing and Reproduction	XXX	
D. Contractual Services		XXX
1. Military Personnel Services	XXX	
2. Purchased Services	XXX	
E. Supplies, Materials, and Other Non-Capitalized Assets		XXX
1. Supplies and Materials	XXX	
2. Equipment	XXX	
F. Grants and Fixed Charges		XXX
1. Grants and Contributions	XXX	
2. Insurance Claims and Indemnifications	XXX	
3. Other Interest Expenses	XXX	
G. Other Expenses		XXX

Form 15-6: Statement of Operations, Part IV – Expenses (Continued)

H. Depreciation		\$ XXX
1. Depreciation of Equipment	\$ XXX	
2. Depreciation of Real Property	\$ XXX	
3. Amortization of Leasehold Improvements and Other Intangible Assets	\$ XXX	
I. Depreciation – Non-DWCF Acquired PP&E		XXX
1. Non-Recoverable Depreciation of Equipment	XXX	
2. Non-Recoverable Amortization	XXX	
J. Bad Debts		XXX
K. Other Losses and Gains		XXX
1. Losses on Disposition of Assets	XXX	
2. Net (Gains) Losses on Inventory Shrinkage/Deterioration	XXX	
3. Net (Gains) Losses on Inventory Excess/Obsolescence/ Spoilage	XXX	
4. Net Other Inventory (Gains) Losses	XXX	
5. Other Miscellaneous (Gains) Losses	XXX	
Expended Appropriation	XXX	
Direct Labor Hours – Regular	XXX	
Direct Labor Hours – Overtime	XXX	
Direct Labor Hours – Total	XXX	

8.1 General (150801)

Part IV - Expenses, [Form 15-6](#), reflects all expenses incurred during the reporting period. The total of Lines A, “[Personnel Services and Benefits-Civilian](#),” through I, “[Depreciation-Non-DWCF Acquired PP&E](#),” will agree, except for rounding, with the amount shown on Line 5, “Program or Operating Expenses (Supply and Service Activities),” of Part I, “[Statement of Operations](#),” for Supply and Service Activities. For all other activities, [Lines A through I will equal Line 1.f, “Plus: Operating Expenses,” of Part III, “Cost of Goods Sold,” of the Statement of Operations.](#)

8.2 Heading (150802)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

8.3 Line Item Instructions (150803)

Instructions for the content of each line item are as follows:

8.3.1. [Line A – Personnel Services and Benefits–Civilian](#). [Line A is a summary line for Lines A.1, “Personnel Compensation,” through A.4, “Benefits for Former Personnel.”](#) Report the amount of expense related to personnel services and benefits.

8.3.2. [Line A.1 – Personnel Compensation](#). Report the [portion of the balance](#) of the following accounts related to personnel compensation:

[610000](#) Operating Expenses/Program Costs

8.3.3. [Line A.2 – Annual Leave](#). Report the [portion of the balance](#) of the following accounts related to annual leave:

[610000](#) Operating Expenses/Program Costs

8.3.4. [Line A.3 – Personnel Benefits](#). Report the [portion of the balance](#) of the following accounts related to personnel benefits:

[610000](#) Operating Expenses/Program Costs
[640000](#) Benefits Expense
[680000](#) [Future Funded Expenses](#)
[685000](#) Employer Contributions to Employee Benefit Programs [Not Requiring Current–Year Budget Authority \(Unobligated\)](#)
[760000](#) Changes in Actuarial Liability

8.3.5. Line A.4 – Benefits for Former Personnel. Report the portion of the balance of the following accounts related to benefits for former personnel:

610000	Operating Expenses/Program Costs
640000	Benefits Expense

8.3.6. Line B – Travel and Transportation. Line B is a summary line for Lines B.1, “Travel and Transportation of People,” and B.2, “Transportation of Things.” Report the amount of expense related to travel and transportation.

8.3.7. Line B.1 – Travel and Transportation of People. Report the portion of the balance of the following account related to travel and transportation of persons:

610000	Operating Expenses/Program Costs
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8.3.8. Line B.2 –Transportation of Things. Report the portion of the balance of the following account related to travel and transportation of things:

610000	Operating Expenses/Program Costs
--------	----------------------------------

8.3.9. Line C – Rents, Communications, and Utilities. Line C is a summary line for Lines C.1, “Rents, Communications, and Utilities,” and C.2, “Printing and Reproduction.” Report the amount of expense related to rents, communications, utilities, and printing and reproduction.

8.3.10. Line C.1 – Rents, Communications, and Utilities. Report the portion of the balance of the following account related to rents, communications, and utilities:

610000	Operating Expenses/Program Costs
--------	----------------------------------

8.3.11. Line C.2 – Printing and Reproduction. Report the portion of the balance of the following account related to printing and reproduction:

610000	Operating Expenses/Program Costs
--------	----------------------------------

8.3.12. Line D – Contractual Services. Line D is a summary line for Lines D.1, “Military Personnel Services,” and D.2, “Purchased Services.” Report the amount of expense related to military personnel services and other contractual services.

8.3.13. Line D.1 – Military Personnel Services. Report the portion of the balance of the following account related to military personnel services:

610000	Operating Expenses/Program Costs
--------	----------------------------------

8.3.14. Line D.2 – Purchased Services. Report the portion of the balance of the following account related to purchased services:

610000 Operating Expenses/Program Costs

8.3.15. Line E – Supplies, Materials, and Other Non-Capitalized Assets. Line E is a summary line for Lines E.1, “Supplies and Materials,” and E.2, “Equipment.” Report the amount of expense related to supplies, materials, and other non-capitalized assets.

8.3.16. Line E.1 – Supplies and Materials. Report the portion of the balance of the following account related to supplies and materials:

610000 Operating Expenses/Program Costs

8.3.17. Line E.2 – Equipment. Report the portion of the balance of the following account related to equipment (not capitalized):

610000 Operating Expenses/Program Costs

8.3.18. Line F – Grants and Fixed Charges. Line F is a summary line for Lines F.1, “Grants and Contributions,” through F.3, “Other Interest Expenses.” Report the amount of expense related to grants, subsidies, contributions, insurance claims and indemnifications, and other interest expenses.

8.3.19. Line F.1 – Grants and Contributions. Report the portion of the balance of the following account related to grants and contributions:

610000 Operating Expenses/Program Costs

8.3.20. Line F.2 – Insurance Claims and Indemnifications. Report the portion of the balance of the following account related to insurance claims and indemnifications:

610000 Operating Expenses/Program Costs

8.3.21. Line F.3 – Other Interest Expenses. Report the portion of the balances of the following accounts related to interest expenses not captured in other lines:

631000 Interest Expense on Borrowings from Bureau of the Fiscal Service
or Federal Financing Bank
633000 Other Interest Expenses

8.3.22. Line G – Other Expenses. Report amounts **not captured in** other elements of expense. Identify the type of expense **on** this line.

610000	Operating Expenses/Program Costs
615000	Expensed Asset
619900	Adjustment to Subsidy Expense
660000	Applied Overhead
661000	Cost Capitalization Offset
673000	Imputed Costs
679000	Other Expenses Not Requiring Budgetary Resources
680000	Future Funded Expenses
685000	Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)
690000	Nonproduction Costs

8.3.23. Line H – Depreciation. **Line H is a summary line for** Lines H.1, “Depreciation of Equipment,” through H.3, “Amortization of Leasehold Improvements and Other Intangible Assets.” **Report the** depreciation recouped to the operating budget of the activity.

8.3.24. Line H.1 – Depreciation of Equipment. **Report the portion of the balance** of the following account related to depreciation of equipment:

671000	Depreciation, Amortization, and Depletion
--------	---

8.3.25. Line H.2 – Depreciation of Real Property. **Report the amount of the following** account related to depreciation of real property:

671000	Depreciation, Amortization, and Depletion
--------	---

8.3.26. Line H.3 – Amortization of Leasehold Improvements and Other Intangible Assets. **Report the portion of the balance of the** following account related to amortization of leasehold improvements and other intangible assets:

671000	Depreciation, Amortization, and Depletion
--------	---

8.3.27. Line I – Depreciation – Non-DWCF Acquired PP&E. **Line I is a summary line for** Lines I.1, “Non-Recoverable Depreciation of Equipment,” through I.2, “Non-Recoverable Amortization.” **Report the amount of depreciation on PP&E** acquired by the activity with funds other than DWCF Revolving Funds.

8.3.28. Line I.1 – Non-Recoverable Depreciation of Equipment. **Report the portion of the balance** of the following account related to depreciation of equipment acquired by the activity with funds other than DWCF Revolving Funds:

671000	Depreciation, Amortization, and Depletion
--------	---

8.3.29. Line I.2 – Non-Recoverable Amortization. Report the portion of the balance of the following account related to amortization of leasehold improvements and other intangible assets acquired by the activity with funds other than DWCF Revolving Funds:

671000 Depreciation, Amortization, and Depletion

8.3.30. Line J – Bad Debts. Report the balance in the following account:

672000 Bad Debt Expense

8.3.31. Line K – Other Losses and Gains. Line K is a summary line for Lines K.1, “Losses on Disposition of Assets,” through K.5, “Other Miscellaneous (Gains) Losses.” Report gains or losses not captured elsewhere.

8.3.32. Line K.1 – Losses on Disposition of Assets. Report the portion of the balance of the following account related to losses on disposition of assets identified for the following categories: Non-Supply Management Activities; Non-Recoverable Disposal of Equipment/Capital Assets, Non-Federal; Non-Recoverable Base Realignment and Closure (BRAC) Cost, Non-Federal; and Other Expense-Non-Supply Management, Non-Federal.

721000 Losses on Disposition of Assets – Other

8.3.33. Line K.2 – Net (Gains) Losses on Inventory Shrinkage/Deterioration. Report the portion of the balance of the following accounts related to (gains) losses on inventory shrinkage/deterioration as reported by Non-Supply Management activities:

719000 Other Gains
729000 Other Losses

8.3.34. Line K.3 – Net (Gains) Losses on Inventory Excess/Obsolescence/ Spoilage. Report the portion of the balance of the following accounts related to (gains) losses on inventory excess, obsolescence, and spoilage as reported by Non-Supply Management activities:

719000 Other Gains
729000 Other Losses

8.3.35. Line K.4 – Net Other Inventory (Gains) Losses. Report the portion of the balance of the following accounts related to (gains) losses on inventory identified in the following breakdown:

8.3.35.1. Non-Recoverable Gains or Losses on Disposal of Excess Inventory, Supply Management:

711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses

8.3.35.2. Other Inventory Gains or Losses, Non-Supply Management:

719000	Other Gains
729000	Other Losses

8.3.36. Line K.5 – Other Miscellaneous (Gains) Losses. Report the portion of the balance of the following accounts related to (gains) losses not specifically identified to another sub-category of Other Losses. Only include other (gains) losses related to inventory on this line. Report other (gains) losses not related to inventory on Line 3, “Other Revenue and Financing Sources,” of Part I, “Statement of Operations,” of the Statement of Operations.

719000	Other Gains
729000	Other Losses

8.3.37. For Information Only. Report other miscellaneous information not defined.

8.3.38. Expended Appropriation. Report the amount of appropriations used during the FY for goods and services received or benefits provided.

570000	Expended Appropriations
--------	-------------------------

8.3.39. Direct Labor Hours – Regular. Report the amount of year-to-date non-overtime direct labor hours for Industrial activities.

8.3.40. Direct Labor Hours – Overtime. Report the amount of year-to-date overtime direct labor hours for Industrial activities.

8.3.41. Direct Labor Hours – Total. Report the sum of “Direct Labor Hours – Regular” and “Direct Labor Hours – Overtime.”

9.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART V - RECOVERABLE OPERATING RESULTS (1509) (FORM 15-7)

Form 15-7: Statement of Operations, Part V – Recoverable Operating Results

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART V-RECOVERABLE OPERATING RESULTS			
(DoD COMPONENT/DWCF ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. Net Operating Results (NOR)		\$	XXX
2. Deferred Operating Results (Gains/Losses) Net			XXX
a. Net (Gains) Losses on Disposal of Excess Inventory (+/-)	\$	XXX	
b. Disposal of Equipment/Capital Assets (-)		XXX	
c. Non-Reimbursable Base Closure (BRAC) Costs (+/-)		XXX	
d. Capital Asset Surcharge (-)		XXX	
e. Cash Surcharge		XXX	
f. Inventory Replenishment		XXX	
g. Other Approved Gains and Losses (must be footnoted)		XXX	
3. Depreciation, Non-DWCF Acquired PP&E			XXX
4. Net Recoverable Operating Results from Current Year Operations			XXX

9.1 General (150901)

Part V - Recoverable Operating Results, [Form 15-7](#), discloses differences, if any, between NOR reported on Part I, “Statement of Operations,” of the [Statement of Operations](#) and the operating results [that may be](#) used in the budget formulation of stabilized billing rates. As a matter of policy, any amounts that a DoD Component requests [to include in or](#) exclude from its DWCF rates, whether identified in the [OUSD\(C\)](#) guidance as permissible or requested by the DoD Component, must be adequately documented and quantified. Further, all such amounts must be [explicitly](#) approved by [OUSD\(C\)](#) [prior to being included in or](#) excluded from [the](#) report.

9.2 Heading (150902)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

9.3 Line Item Instructions (150903)

Instructions for the content of each line item are as follows:

9.3.1. Line 1 – Net Operating Results (NOR). Enter the amount reported on Line 11, “Net Operating Results (NOR),” of Part I, “Statement of Operations,” of the [Statement of Operations](#).

9.3.2. Line 2 – Deferred Operating Results (Gains/Losses) Net

9.3.2.1. Data reported on this line, and its sub-lines, unless otherwise specified, are restricted to specific exclusions approved by [OUSD\(C\)\(P/B\)](#).

9.3.2.2. These exclusions include amounts determined to be adjustments for the difference between the historical and [LAC](#) inventory valuations. Attribute this difference to the value of inventory reflected in the [cost of goods sold](#) at historical cost versus the value of inventory at [LAC](#). [The LAC valuation method is available to DeCA and is not approved for use by other DoD Components. Use this difference on the AR\(M\) 1307 to adjust the NOR to Net Recoverable Operating Results based on replacement costs that preserve the Working Capital Funds ability to replenish stock.](#)

9.3.2.3. [Line 2 is a summary line for Lines 2.a, “Net \(Gains\) Losses on Disposal of Excess Inventory \(+/-\),” through 2.g, “Other Approved Gains and Losses \(must be footnoted\).”](#) The activity, management command of the reporting [DWCF activity](#), or the DoD Component departmental level [will provide](#), or approve, amounts reported on monthly activity reports.

9.3.3. Line 2.a – Net (Gains) Losses on Disposal of Excess Inventory (+/-). Line 2.a applies only to Supply Management **Activities**. Report **gains (or losses, if applicable)** on potential excess/actual inventory for which **OUSD(C)(P/B)** has approved an exclusion. Report the **portion of the balance** in the following accounts **related to net (gains) losses** on the disposal of excess inventory:

711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses

9.3.4. Line 2.b – Disposal of Equipment/Capital Assets (-). Report losses (or gains, if applicable) realized upon the disposal of excess equipment and other capital assets when **OUSD(C)(P/B)** has approved the exclusion. Do not report losses (or gains) on excess equipment and other capital assets **due to BRAC** on this line. **Report the losses (or gains) on excess equipment and other capital assets due to BRAC** on Line 2.c, “Non-Reimbursable Base Closure (BRAC) Costs.” Report the amount of losses (or gains) related to the disposal of equipment and capital assets in the following accounts:

711000	Gains on Disposition of Assets – Other
721000	Losses on Disposition of Assets – Other

9.3.5. Line 2.c – Non-Reimbursable Base Closure (BRAC) Costs (+/-). Report losses (or gains, if applicable) in excess of reimbursement **that are a result from a base closure** when **OUSD(C)(P/B)** has approved the exclusion. Report the amount of losses (or gains) related to BRAC costs in the following accounts:

711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses

9.3.6. Line 2.d – Capital Asset Surcharge (-). **Adjust** capital asset surcharge amounts, positive or negative, included in revenue **in order to** avoid either the return of an apparent gain (or loss) in the development of the subsequent year rate structure. **Leave** this line blank when there is no capital surcharge revenue.

9.3.6.1. **Include** a capital asset surcharge in customer rates only if approved by **OUSD(C)(P/B)**. A capital asset surcharge might be approved when the amount of depreciation expense of existing capital assets included in stabilized rates is either less (or greater) than the budgeted Capital Program.

9.3.6.2. As the capital asset surcharge does not have an offsetting expense, in isolation from other transactions, it **is expected** to result in a gain (or loss) to **NOR**. Deduct the gain (or loss) from **NOR** to prevent its return or charge to customers in subsequent years through **adjusted** rates. Capital asset surcharge amounts may be reported without prior approval of

OUSD(C)(P/B). Report the amount of revenue related to capital asset surcharges in the following accounts:

510000	Revenue From Goods Sold
520000	Revenue From Services Provided

9.3.7. Line 2.e – Cash Surcharge. Similar to capital asset surcharges, activities may include a cash surcharge in their rates. Report the amount of revenue related to cash surcharges in the following accounts:

510000	Revenue From Goods Sold
520000	Revenue From Services Provided

9.3.8. Line 2.f – Inventory Replenishment. Report the difference between the historical cost and LAC for inventory valuation. Report the amount of revenue related to inventory replenishment in the following accounts:

510000	Revenue From Goods Sold
719000	Other Gains
729000	Other Losses

9.3.9. Line 2.g – Other Approved Gains and Losses (must be footnoted). Report the approved gains (or losses) in the following accounts. Exclude amounts already listed in Lines 2.a, “Net (Gains) Losses on Disposal of Excess Inventory,” through 2.f, “Inventory Replenishment.”

510000	Revenue From Goods Sold
520000	Revenue From Services Provided
570000	Expended Appropriations
671000	Depreciation, Amortization, and Depletion
685000	Employer Contributions to Employee Benefit Programs Not Requiring Current Year Budget Authority (Unobligated)-FECA Civilian Personnel Benefits
711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses
760000	Changes in Actuarial Liability

9.3.10. Line 3 – Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation from non-DWCF acquired PP&E identified as an asset capitalized on Line 1.D.(1).d, “Minus: Depreciation, Non-DWCF Acquired PP&E,” of Part II, “Changes in Net Position,” of the Statement of Operations. Report the amount on Line I, “Depreciation - Non-DWCF Acquired PP&E,” of Part IV, “Expenses,” of the Statement of Operations, minus any gains and losses. See Volume 4, Chapters 24 through 28 for additional guidance relating to the recovery of depreciation.

9.3.11. Line 4 – Net Recoverable Operating Results from Current Year Operations. Line 4 is a summary line for Lines 1, “NET OPERATING RESULTS (NOR),” through 3, “Depreciation, Non-DWCF Acquired PP&E.”

9.4 Year-End Procedures (150904)

9.4.1. At FY end, close the NOR to Cumulative Results of Operations. Since part of that amount may be a non-recoverable deferred amount and an amount related to depreciation for non-DWCF acquired PP&E, identify those amounts separately in financial records with attributes.

9.4.2. The amount reported on Line 2, “Deferred Operating Results (Gains/Losses) Net,” will be the opposite of Line 1.B.(2).d, “Plus or Minus: Net Operating Results,” of Part II, “Changes in Net Position,” of the Statement of Operations during the FY and closed to deferred Cumulative Results of Operations during the year-end close process.

9.4.3. Report the amount from Line 3, “Depreciation, Non-DWCF Acquired PP&E,” on Line 1.D.(1).d, “Minus: Depreciation, Non-DWCF Acquired PP&E,” of Part II, “Changes in Net Position,” of the Statement of Operations during the FY. Close this amount to Line 1.D.(1).a, “Assets Capitalized – Beginning of Period,” of Part II during the year-end close process.

9.4.4. Report the amount from Line 4, “Net Recoverable Operating Results from Current Year Operations,” on Line 1.B.(1).d, “Plus or Minus: Net Operating Results,” of Part II during the FY. Close this amount to Cumulative Results of Operations – Recoverable during the year-end close process.

10.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART VI – CAPITAL PROGRAM (1510) (FORM 15-8)

*Form 15-8: Statement of Operations, Part VI – Capital Program

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART VI-CAPITAL PROGRAM (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)												
	Approved Program			Obligations			Disbursements			Collections		
Program Year	Original Program	Program Adjustments	Current program	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total
FY 20PY - X	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
FY 20PY - 4	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY - 3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY - 2	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY - 1	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20CY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX

10.1 General (151001)

10.1.1. Part VI - Capital Program, [Form 15-8](#), reflects the [approved](#) program, obligations, [disbursements](#), and [collections](#) for each [FY](#) of the program. A capital asset for this report must meet the Working Capital Fund Investment Threshold for the program year reported and have a useful life of 2 years or greater.

10.1.2. For reporting [purposes](#), define the reporting period as the year-to-date amounts, i.e., amounts reported since the end of the prior [FY](#) to the end of the reporting month shown in the heading. [Report balances for each program year in Part VI until the program's obligations, disbursements, and collections equal.](#)

10.2 Heading (151002)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

*10.3 Columnar Instructions (151003)

The contents of the columns [will](#) be as follows:

10.3.1. Program Year (Column 1). Separate [FY](#) program identification is required. Identify all prior [FYs](#) separately until the obligations, [disbursements](#), and [collections equal](#). Arrange the [FY](#) programs in consecutive order, starting with the least current [FY](#) program.

10.3.2. Approved Program – Original Program (Column 2). The original program amount will be capital authority approved for the reporting [FY](#) on the initial Annual Operating Budget (AOB) for the [FY](#). [Report the](#) carryover from prior [FYs](#) as part of the initial program for that year. The amount reported [will](#) not change in subsequent years. Show the changes in the Capital Program amount in Column 3, “[Approved Program – Program Adjustments](#).”

10.3.3. Approved Program – Program Adjustments (Column 3). [Report](#) adjustments (generally, deductions) to the initial approved Capital Program amounts in this column. Disclose adjustments to the initial approved program amounts in the AOBs for a subsequent program year. The amount reported in this column may change annually as of the beginning of a [FY](#) but [will](#) not change during a [FY](#) except at year-end. At [year-end](#), the amount reported in this column will change to allow the value of Column 4, “[Approved Program – Current Program](#),” to equal Column 7, “[Obligations – Total](#).”

10.3.4. Approved Program – Current Program (Column 4). [Column 4 is a summary column for Columns 2, “Approved Program – Original Program,” and 3, “Approved Program-Program Adjustments.”](#) These amounts [are](#) subject to the provisions of 31 U.S.C. [§1517\(a\)](#).

10.3.5. Obligations – This Fiscal Year (Column 5). Amounts included in this column [will](#) be the total amount of obligations incurred in the current [FY](#).

10.3.6. Obligations – Prior Fiscal Year(s) (Column 6). Amounts included in this column will be the cumulative amount of Column 7, “Obligations – Total,” as of the end of the prior FY. The amount reported will not change during the reporting FY.

10.3.7. Obligations – Total (Column 7). Column 7 is the sum of Column 5, “Obligations – This Fiscal Year,” and Column 6, “Obligations – Prior Fiscal Year(s).” The amount reported in Column 4, “Approved Program – Current Program,” must be greater than or equal to Column 7, “Obligations – Total.”

10.3.8. Disbursements – This Fiscal Year (Column 8). Amounts included in this column will be the total amount of disbursements incurred in the current FY. The amount must agree with Line 1.d, “Funds Disbursed – Capital Program,” of the Statement of Financial Position.

10.3.9. Disbursements – Prior Fiscal Year(s) (Column 9). Amounts included in this column will be the cumulative amount of Column 10, “Disbursements – Total,” as of the end of the prior FY. The amount reported will not change during the reporting FY.

10.3.10. Disbursements – Total (Column 10). Column 10 is a summary column for Columns 8, “Disbursements – This Fiscal Year,” and 9, “Disbursements – Prior Fiscal Year(s).” The amount reported in Column 7, “Obligations – Total,” must be greater than or equal to Column 10, “Disbursements – Total.”

10.3.11. Collections – This Fiscal Year (Column 11). Amounts included in this column will be the total amount of collections reported in the current FY. The amount must agree with Line 1.b, “Funds Collected – Capital Program,” of the Statement of Financial Position.

10.3.12. Collections – Prior Fiscal Year(s) (Column 12). Amounts included in this column will be the cumulative amount of Column 13, “Collections – Total,” as of the end of the prior FY. The amount reported will not change during the reporting FY.

10.3.13. Collections – Total (Column 13). Column 13 is a summary column for Columns 11, “Collections – This Fiscal Year,” and 12, “Collections – Prior Fiscal Year(s).”

11.0 FORMAT OF THE STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT REPORT – SUPPLY MANAGEMENT ACTIVITY (1511) (FORM 15-9)

*Form 15-9: Statement of Operations: Part VII – Inventory Management Report–Supply Management Activity

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART VII - INVENTORY MANAGEMENT REPORT - SUPPLY MANAGEMENT BUSINESS AREA (DOD COMPONENT/BUSINESS AREA/ACTIVITY MONTH ENDING _____, 20XX (\$ in thousands)		Current Year to Date
A. Customer Orders Accepted - Cumulative	\$	XXX
B. Gross Reimbursable Sales of Property, Inventory, & Services - Cumulative		XXX
C. Unfilled Customer Orders		XXX
D. Customer Returns - Credits Granted - Cumulative		XXX
E. Net Reimbursable Sales - Cumulative		XXX
F. Purchases at Cost (LAC) - Cumulative		XXX
G. Obligations - Cumulative		XXX
H. Obligations - Reimbursable		XXX
I. Obligations - Augmentation - Cumulative		XXX
J. Obligations - Mobilization - Cumulative		XXX
K. Outstanding Commitments		XXX
L. Inventories - Stock On Hand (LAC)		XXX
M. Inventories - Stock On Hand (MAC)		XXX
N. Other Inventories (LAC)		XXX
O. Other Inventories (MAC)		XXX
P. Inventories in Transit (LAC)		XXX
Q. Inventories in Transit (MAC)		XXX
R. Total Inventories (LAC)		XXX
S. Total Inventories (MAC)		XXX
T. Customer Returns Without Credit - Cumulative		XXX
U. Transfers to Reutilization and Market - Cumulative		XXX
V. Material Returns to Suppliers - Cumulative		XXX
W. Undelivered Orders		XXX
X. Fund Balance with Treasury		XXX
Y. Funds Collected - Cumulative		XXX
Z. Funds Disbursed - Cumulative		XXX
AA. Accounts Receivable - Intragovernmental		XXX
AB. Accounts Receivable - Non-Federal		XXX
AC. Accounts Payable		XXX

11.1 General (151101)

Part VII - Inventory Management Report – Supply Management [Activity](#), [Form 15-9](#), compares fiscal data from the Supply Management [Activity](#) general ledger with the approved operating program for the purpose of monitoring execution of the current year budget. The report applies solely to Supply Management [Activities](#) for the reporting of inventory-related transactions.

11.2 Heading (151102)

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

11.3 General Reporting Requirements (151103)

Each DoD Component [will](#) submit an Inventory Management Report for each Supply Management [Activity](#) division on forms consistent with the example provided. [Footnotes should be included as an addendum to Form 15-9.](#)

*11.4 [Line Item Instructions](#) (151104)

11.4.1. Line A – Customer Orders Accepted – Cumulative. Enter the total amount of customer orders received for the [FY](#) to date. Report the [current](#) year change [in](#) the following accounts:

422100	Unfilled Customer Orders Without Advance
422200	Unfilled Customer Orders With Advance
425100	Reimbursements and Other Income Earned – Receivable
425200	Reimbursements and Other Income Earned – Collected
425300	Prior-Year Unfilled Customer Orders With Advance – Refunds Paid
426600	Other Actual Business-Type Collections From Non-Federal Sources

11.4.2. Line B – Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative. Enter the total sales for the [FY](#) to date. The amount reported [on this line will](#) equal Line 2.a, “Gross Revenue from Sales,” of Part I, “Statement of Operations,” of the [Statement of Operations](#). Report the balance of the following accounts:

510000	Revenue From Goods Sold
520000	Revenue From Services Provided

11.4.3. Line C – Unfilled Customer Orders. Enter the amount of requisitions or orders outstanding from customers. Report the balance of the following accounts:

422100	Unfilled Customer Orders Without Advance
422200	Unfilled Customer Orders With Advance

11.4.4. Line D – Customer Returns – Credits Granted – Cumulative. Enter the amount of credit granted to customers for material returns for the FY to date. The amount reported will equal Line 2.b, “Minus: Credits Allowed on Sales,” of Part I, “Statement of Operations,” of the Statement of Operations. Report the amount of credit granted to customers for material returns in the following accounts:

510900	Contra Revenue for Goods Sold
520900	Contra Revenue from Services Provided

11.4.5. Line E – Net Reimbursable Sales – Cumulative. Enter the net sales for this FY to date. Line E is the net sum of Line B, “Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative,” less Line D, “Customer Returns – Credits Granted – Cumulative.” The amount reported will equal Line 2, “Revenue from Sales of Goods and Services,” of Part I, “Statement of Operations,” of the Statement of Operations.

11.4.6. Line F – Purchases at Cost (LAC) – Cumulative. Enter the amount of purchases at cost for this FY to date. The LAC valuation method is available to DeCA and is not approved for use by other DoD Components. The amount reported will equal Line 2.e, “Plus: Purchases at Cost,” of Part III, “Cost of Goods Sold,” of the Statement of Operations. Report the portion of the following general ledger account:

152900	Inventory – Allowance (Purchased at Cost)
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11.4.7. Line G – Obligations – Cumulative. Enter the total obligations incurred this FY to date. Line G is a summary line for Lines H, “Obligations – Reimbursable,” through J, “Obligations – Mobilization – Cumulative.”

11.4.8. Line H – Obligations – Reimbursable. Enter the amount of operating obligations incurred this FY to date. Do not include obligations reported on Lines I, “Obligations – Augmentation – Cumulative,” and J, “Obligations – Mobilization – Cumulative.” Report the current year net change in the following accounts:

480100	Undelivered Orders – Obligations, Unpaid
480200	Undelivered Orders – Obligations, Prepaid/Advanced
487100	Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
488100	Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
488200	Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
490100	Delivered Orders – Obligations, Unpaid
490200	Delivered Orders – Obligations, Paid
497100	Downward Adjustments of Prior-Year Unpaid Delivered Orders – Obligations, Recoveries
497200	Downward Adjustments of Prior-Year Paid Delivered Orders – Obligations, Refunds Collected

498100	Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
498200	Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

11.4.9. Line I – Obligations – Augmentation – Cumulative. Enter the amount of obligations incurred this FY to date for inventory augmentation, initial issue. Volume 2B, Chapter 9 defines purposes for inventory augmentation. Do not include obligations reported on Lines H, “Obligations – Reimbursable,” and J, “Obligations – Mobilization – Cumulative.” Report the current year net change in the following accounts:

480100	Undelivered Orders – Obligations, Unpaid
480200	Undelivered Orders – Obligations, Prepaid/Advanced
483200	Undelivered Orders – Obligations Transferred, Prepaid/Advanced
487100	Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
487200	Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected
488100	Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
488200	Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
490100	Delivered Orders – Obligations, Unpaid
490200	Delivered Orders – Obligations, Paid
498100	Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
498200	Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

11.4.10. Line J – Obligations – Mobilization – Cumulative. Enter the amount of obligations incurred this FY to date for war reserve purposes. Volume 2B, Chapter 9 defines purposes for war reserves. Do not include obligations reported on Lines H, “Obligations – Reimbursable,” and I, “Obligations – Augmentation – Cumulative.” Report the current year net change in the following accounts:

480100	Undelivered Orders – Obligations, Unpaid
480200	Undelivered Orders – Obligations, Prepaid/Advanced
483200	Undelivered Orders – Obligations Transferred, Prepaid/Advanced
487100	Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
487200	Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected
488100	Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
488200	Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced

490100	Delivered Orders – Obligations, Unpaid
490200	Delivered Orders – Obligations, Paid
498100	Upward Adjustments of Prior–Year Delivered Orders – Obligations, Unpaid
498200	Upward Adjustments of Prior–Year Delivered Orders – Obligations, Paid

11.4.11. Line K – Outstanding Commitments. Enter the amount of commitments outstanding that have not resulted in obligations. Report the balance of the following account:

470000	Commitments – Programs Subject to Apportionment
--------	---

11.4.12. Line L – Inventories – Stock On Hand (LAC). Enter the total amount of inventories on hand at the end of the reporting period after adjustment to LAC. Exclude inventories reported on Line N, “Other Inventories (LAC),” and on Line P, “Inventories in Transit (LAC).” Report the balance of the following accounts after adjustment to the estimated cost:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152900	Inventory – Allowance

11.4.13. Line M – Inventories – Stock On Hand (MAC). Enter the total amount of inventories on hand at the end of the reporting period reported at MAC. Exclude inventories reported on Line O, “Other Inventories (MAC),” and on Line Q, “Inventories in Transit (MAC).” Report the balance of the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152900	Inventory - Allowance

11.4.14. Line N – Other Inventories (LAC). Enter the total amount of other inventories after adjustment to LAC. Exclude inventories reported on Line L, “Inventories – Stock On Hand (LAC),” and on Line P, “Inventories in Transit (LAC).” Report the balance of the following accounts consisting of work-in-process, on loan to others for use, and with agents:

152500	Inventory – Raw Materials
152600	Inventory – Work-in-Process
152700	Inventory – Finished Goods
152900	Inventory – Allowance

11.4.15. Line O – Other Inventories (MAC). Enter the total amount of other inventories reported at MAC. Exclude inventories reported on Line M, “Inventories – Stock On Hand (MAC),” and on Line Q, “Inventories in Transit (MAC).” Report the balance of the following accounts consisting of work-in-process, on loan to others for use, and with agents:

152500	Inventory – Raw Materials
152600	Inventory – Work-in-Process
152700	Inventory – Finished Goods
152900	Inventory – Allowance

11.4.16. Line P – Inventories in Transit (LAC). Enter the amount of material in transit after adjustment to LAC. Exclude inventories reported on Line L, “Inventories – Stock On Hand (LAC),” and on Line N, “Other Inventories (LAC).” Report the portion of the balance of the following accounts identified as being in transit:

152100	Inventory Purchased for Resale
152300	Inventory Held for Repair
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

11.4.17. Line Q – Inventories in Transit (MAC). Enter the amount of material in transit reported at MAC. Exclude inventories reported on Line M, “Inventories – Stock On Hand (MAC),” and on Line O, “Other Inventories (MAC).” Report the portion of the balance of the following accounts identified as being in transit:

152100	Inventory Purchased for Resale
152300	Inventory Held for Repair
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

11.4.18. Line R – Total Inventories (LAC). Line R is a summary line for Line L, “Inventories – Stock on Hand (LAC);” Line N, “Other Inventories (LAC);” and Line P, “Inventories in Transit (LAC).”

11.4.19. Line S – Total Inventories (MAC). Line S is a summary line for Line M, “Inventories – Stock on Hand (MAC);” Line O, “Other Inventories (MAC);” and Line Q, “Inventories in Transit (MAC).”

11.4.20. Line T – Customer Returns Without Credit – Cumulative. Enter the amount of returns from customers without credit. The amount reported will equal the net of the total amount of returns from customers less Line D, “Customer Returns – Credits Granted – Cumulative.” Report the portion of the balance of the following accounts for customer returns without credit:

152900	Inventory – Allowance
719000	Other Gains

11.4.21. Line U – Transfers to Reutilization and Market – Cumulative. Enter the net amount transferred to the Defense Reutilization & Marketing Service for the FY to date. Report the portion of the balance of the following account for transfers to reutilization and marketing offices:

721000 Losses on Disposition of Assets – Other

11.4.22. Line V – Material Returns to Suppliers – Cumulative. Enter the total amount of returns to non-federal suppliers and contractors.

11.4.23. Line W – Undelivered Orders. Enter the total amount of undelivered orders outstanding. Report the balance of the following accounts:

480100 Undelivered Orders – Obligations, Unpaid
 480200 Undelivered Orders – Obligations, Prepaid/Advanced
 483200 Undelivered Orders – Obligations Transferred, Prepaid/Advanced
 487100 Downward Adjustments of Prior-Year Unpaid Undelivered
 Orders – Obligations, Recoveries
 487200 Downward Adjustments of Prior-Year Prepaid/Advanced
 Undelivered Orders – Obligations, Refunds Collected
 488100 Upward Adjustments of Prior-Year Undelivered
 Orders – Obligations, Unpaid
 488200 Upward Adjustments of Prior-Year Undelivered
 Orders – Obligations, Prepaid/Advanced

11.4.24. Line X – Fund Balance with Treasury. Enter the total amount of Fund Balance with Treasury. The amount reported will equal the total of Lines 1.f, “Funds with Treasury – Operating Program,” and 1.g, “Funds with Treasury – Capital Program,” of the Statement of Financial Position. Report the balance of the following accounts:

101000 Fund Balance with Treasury
 109000 Fund Balance with Treasury While Awaiting a Warrant

11.4.25. Line Y – Funds Collected – Cumulative. Enter the portion of the balance of the following account as it relates to funds collected during the current FY. The amount reported will equal the total of Lines 1.a, “Funds Collected – Operating Program,” and 1.b, “Funds Collected – Capital Program,” of the Statement of Financial Position.

101000 Fund Balance with Treasury

11.4.26. Line Z – Funds Disbursed – Cumulative. Enter the portion of the balance of the following account as it relates to funds disbursed during the current FY. The amount reported will equal the total of Lines 1.c, “Funds Disbursed – Operating Program,” and 1.d, “Funds Disbursed – Capital Program,” of the Statement of Financial Position.

101000 Fund Balance with Treasury

11.4.27. Line AA – Accounts Receivable – Intragovernmental. Enter the amount of receivables outstanding due from other Federal Governmental entities. Report the portion of the balance of the following accounts as they relate to accounts receivable from other Federal Agencies. The amount reported will equal the total of Lines 3.a, “Accounts Receivable, Intragovernmental,” and 3.b, “Accounts Receivable, Intragovernmental, Undistributed,” of the Statement of Financial Position.

131000	Accounts Receivable
131900	Allowance for Loss on Accounts Receivable
134000	Interest Receivable – Not Otherwise Classified
136000	Penalties and Fines Receivable – Not Otherwise Classified
137000	Administrative Fees Receivable – Not Otherwise Classified

11.4.28. Line AB – Accounts Receivable – Non-Federal. Enter the amount of receivables outstanding due from non-federal entities. Report the portion of the balance of the following accounts as they relate to accounts receivable from non-federal agencies and entities. The amount reported will equal the total of Lines 3.c, “Accounts Receivable, Non-Federal,” and 3.d, “Accounts Receivable, Non-Federal, Undistributed,” of the Statement of Financial Position.

131000	Accounts Receivable
131900	Allowance for Loss on Accounts Receivable
134000	Interest Receivable – Not Otherwise Classified
134700	Allowance for Loss on Interest Receivable – Not Otherwise Classified
136000	Penalties and Fines Receivable – Not Otherwise Classified
136700	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
137000	Administrative Fees Receivable – Not Otherwise Classified
137700	Allowance for Loss on Administrative Fees Receivable – Not Otherwise Classified

11.4.29. Line AC – Accounts Payable. Enter the total amount of accounts payable outstanding for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-federal entities. See Volume 10, Chapter 10 and the FAR part 32 for additional guidance relating to contract financing payments. Report the balance of the following accounts. The amount reported will equal Line 11.a, “Accounts Payable, Net,” of the Statement of Financial Position.

211000	Accounts Payable
212000	Disbursements in Transit
214000	Accrued Interest Payable – Not Otherwise Classified

11.4.30. Footnotes. Include in a footnote the estimated balance of Line X, “Fund Balance with Treasury,” that is the result of appropriations. [Organize the data](#) by type of appropriation, i.e., inventory augmentation or War Reserves and the estimated amount from operations. Include in a footnote the amounts of Lines L, “Inventories – Stock on Hand (LAC),” and M, “Inventories – Stock on Hand (MAC),” at standard price.

*Table 15-1: DWCF Financial Reporting Activities

DWCF (97X4930)
DWCF Financial Reporting Activities

DWCF Component Level

- * Department of the Army
- * Department of the Navy
- * Department of the Air Force
- * Defense Commissary
- * Defense Agencies

DEPARTMENT OF THE ARMY (97X4930.1)
DWCF Financial Reporting Activities

ARMY SUPPLY MANAGEMENT

- # Army Managed Items
 - * Army Materiel Command, Redstone Arsenal, AL
 - * Aviation and Missile Life Cycle Management Command, Huntsville, AL
 - * Communications Electronics Lifecycle Management Command, Aberdeen Proving Ground, MD
 - * Tank and Armaments Lifecycle Management Command, Warren, MI
- # Non-Army Managed Items
 - * Non-Army Managed Items - Product Support/Integration Directorate, Rock Island, IL

ARMY INDUSTRIAL OPERATIONS

- # Industrial Operations
 - * Anniston Army Depot, Bynum, AL
 - * Bluegrass Army Depot, Richmond, KY
 - * Corpus Christi Army Depot, Corpus Christi, TX
 - * Crane Army Ammunition Activity, Crane, IN
 - * Letterkenny Army Depot, Chambersburg, PA
 - * McAlester Army Ammunition Plant, McAlester, OK
 - * Pine Bluff Arsenal, Pine Bluff, AR
 - * Red River Army Depot, Texarkana, TX
 - * Rock Island Arsenal, Rock Island, IL
 - * Sierra Army Depot, Herlong, CA
 - * Tobyhanna Army Depot, Tobyhanna, PA
 - * Tooele Army Depot, Tooele, UT
 - * Watervliet Arsenal, Watervliet, NY

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

DEPARTMENT OF THE NAVY (97X4930.2)
DWCF Financial Reporting Activities

NAVY SUPPLY MANAGEMENT

- * Marine Corps Supply Management, Albany, GA
- * Navy Supply Systems Command, Mechanicsburg, PA

NAVY DEPOT MAINTENANCE

- # Aviation
 - * Fleet Readiness Center East, Cherry Point, NC
 - * Fleet Readiness Center Southeast, Jacksonville, FL
 - * Fleet Readiness Center Southwest, North Island, CA
- # Marine [Depot Maintenance Command](#)
 - * Marine [Depot Maintenance Command](#), Albany, GA
 - * Marine [Depot Maintenance Command](#), Barstow, CA
- # Navy Base Support
 - * [Norfolk Naval Shipyard, Portsmouth, VA](#)
 - * Naval Facilities Engineering [and Expeditionary Warfare](#) Center, Port Hueneme, CA

NAVY [R&D](#)

- # Naval Air Warfare Centers
 - * Naval Air Warfare Center-Aircraft Division, Patuxent River, MD
 - * Naval Air Warfare Center-Weapons Division, China Lake, CA
- # Naval Surface Warfare Centers
 - * Naval Surface Warfare Center, Carderock Division, West Bethesda, MD
 - * Naval Surface Warfare Center, Corona Division, Corona, CA
 - * Naval Surface Warfare Center, Crane Division, Crane, IN
 - * Naval Surface Warfare Center, Dahlgren Division, Dahlgren, VA
 - * Naval Surface Warfare Center, Explosive Ordnance Disposal Technology Division, Indian Head, MD
 - * Naval Surface Warfare Center, Panama City Division, Panama City, FL
 - * [Naval Surface Warfare Center, Philadelphia Division, Philadelphia, PA](#)
 - * Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

- # Naval Undersea Warfare Centers
 - * Naval Undersea Warfare Center, Keyport Division, Keyport, WA
 - * Naval Undersea Warfare Center, Newport Division, Newport, RI
- # Naval Information Warfare Centers (NIWC)
 - * NIWC Atlantic, North Charleston, SC
 - * NIWC Pacific, San Diego, CA
- # Naval Research Laboratory, Washington, DC
- # Navy Transportation
 - * Military Sealift Command (MSC), Norfolk, VA

DEPARTMENT OF THE AIR FORCE (97X4930.3)
DWCF Financial Reporting Activities

AIR FORCE CONSOLIDATED SUSTAINMENT ACTIVITY GROUP (CSAG)

- # CSAG Maintenance Division
 - * Aerospace Maintenance & Regeneration Group, Davis-Monthan Air Force Base, Tucson, AZ
 - * Ogden Air Logistics Complex, Hill Air Force Base, Ogden, UT
- # CSAG-Supply Division
 - * Combined 448th Supply Chain Management Wing, Air Force Sustainment Center, Tinker Air Force Base, Oklahoma City, OK
 - * Headquarters Air Force Materiel Command, Wright-Patterson Air Force Base, OH
 - * Oklahoma City Air Logistics Complex, Air Force Sustainment Center, Tinker Air Force Base, Oklahoma City, OK
 - * Warner Robins Air Logistics Complex, Air Force Sustainment Center, Robins Air Force Base, Warner Robins, GA

AIR FORCE SUPPLY MANAGEMENT

- # Air Force Supply Management Activity
 - * Academy Cadet Store: U.S. Air Force Academy, Colorado Springs, CO
 - * Medical-Dental Division: Air Force Medical Logistics Office, Frederick, MD
 - * General Support Division: Combined 635 Supply Chain Operations Wing, Air Force Sustainment Center, Scott Air Force Base, IL
 - * Headquarters Air Force Materiel Command, Wright-Patterson Air Force base, OH

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

- # UNITED STATES TRANSPORTATION COMMAND (USTRANSCOM)
- * Air Mobility Command, Scott Air Force Base, IL
- * Defense Courier Division, Scott Air Force Base, IL
- * MSC, Norfolk, VA
- * Surface Deployment and Distribution Command, Scott Air Force Base, IL
- * USTRANSCOM, Scott Air Force Base, IL

DeCA (97X4930.4)

DWCF Financial Reporting Activities

- * Commissary Resale
- * Commissary Operations

DEFENSE AGENCIES (97X4930.5)

DWCF Financial Reporting Activities

OTHER DEFENSE ACTIVITIES

Defense Logistics Agency (DLA)

- # DLA Logistics Management Standards Office, Ft. Belvoir, VA
- * DLA Aviation, Richmond, VA
- * DLA Disposition Services, Battle Creek, MI
- * DLA Distribution, New Cumberland, PA
- * DLA Document Services, New Cumberland, PA
- * DLA Energy, Ft. Belvoir, VA
- * DLA Land and Maritime, Columbus, OH
- * DLA Logistics Information Service, Battle Creek, MI
- * DLA Troop Support, Philadelphia, PA

Defense Information Systems Agency (DISA)

- * DISA, Global Information Grid Combat Support Directorate, Computing Services Center
- * DISA, Telecommunications Services & Enterprise Acquisition Services

Defense Finance and Accounting Service (DFAS)

- * DFAS Resource Management, Indianapolis, IN

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

BUILDING MAINTENANCE FUND (97X4931)

DWCF Financial Reporting Activities

- # Building Maintenance Fund (BMF)
- * BMF, Washington Headquarters Service, Arlington, VA

DEFENSE COUNTERINTELLIGENCE SECURITY AGENCY (97X4932)

DWCF Financial Reporting Activities

- # Defense Counterintelligence Security Agency (DCSA)
- * DCSA, Quantico, VA

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND (97X4555)

DWCF Financial Reporting Activities

- # National Defense Stockpile Transaction Fund
- * Defense Strategic Materials, Fort Belvoir, VA

PENTAGON RESERVATION MAINTENANCE REVOLVING FUND (97X4950)

DWCF Financial Reporting Activities

- # Pentagon Reservation Maintenance Revolving Fund (PRMRF)
- * PRMRF, Washington Headquarters Service, Arlington, VA

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