

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

**SUMMARY OF MAJOR CHANGES**

All changes are 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 2009** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	This is a major rewrite. Reorganized information, and changed the title from “United States Standard General Ledger (USSGL)” to “Department of Defense (DoD) Standard Chart of Accounts.”	Revision
Policy Memo	The following Deputy Chief Financial Officer policy memoranda were incorporated into this chapter and cancelled: <ol style="list-style-type: none"> <li>1. “Department of Defense (DoD) Standard Chart of Accounts (SCOA) in the Standard Financial Information Structure (SFIS) Update for Fiscal Year (FY) 2010 and FY 2011,” dated August 23, 2010;</li> <li>2. “Department of Defense (DoD) Standard General Ledger Account Alignment and Exemption Guidance,” dated June 3, 2013; and</li> <li>3. “Fiscal Year 2016 Department of Defense Chart of Accounts Standard Financial Information Structure 10.0 Maintenance Release (MR) Attribute Alignment File,” dated July 21, 2016.</li> </ol>	Cancellation
Various	Updated the hyperlinks.	Revision
Figure 7-1	Deleted the “Example of Budgetary and Proprietary Accounts Relationships” figure and reassigned “Figure 7-1” to the remaining figure titled, “DoD Assigned Accounts for Internal Fund Distribution.”	Deletion

Table of Contents

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

0701 GENERAL..... 3

    070101. Purpose ..... 3

    070102. Authoritative Guidance ..... 3

0702 DEFINITIONS..... 4

    070201. Standard Financial Information Structure ..... 4

    070202. DoD Chart of Accounts SFIS Attribute Alignment File ..... 4

    070203. Tie-Point Reconciliations ..... 4

    070204. Financial Accounting System..... 4

0703 ACCOUNT DESIGN..... 4

    070301. DoD SCOA ..... 4

    070302. Account Structure..... 5

    070303. DoD USSGL Transaction Library ..... 5

    070304. Reporting..... 6

0704 ACCOUNT RELATIONSHIPS ..... 6

    070401. Budgetary and Proprietary ..... 6

    070402. Accounts Applicable to Fund Type..... 7

    070403. Account Attributes ..... 7

    070404. Request for Account Exemption ..... 7

    070405. DoD Assigned USSGL Accounts ..... 8

Figure 7-1. DoD Assigned Accounts for Internal Fund Distributions..... 9

## CHAPTER 7

\*DEPARTMENT OF DEFENSE STANDARD CHART OF ACCOUNTS

## 0701 GENERAL

## 070101. Purpose

This chapter prescribes the requirements of the Department of Defense (DoD) Standard Chart of Accounts (SCOA). The general requirements of the United States Standard General Ledger (USSGL) are the basis for the DoD SCOA which provides the mandatory general ledger accounts that must be implemented in all DoD accounting systems for all appropriations and funds.

## 070102. Authoritative Guidance

A. The Federal Financial Management Improvement Act (FFMIA) of 1996, Title 31, United States Code, section 3512 requires agencies to implement and maintain accounting systems that comply with the USSGL at the transaction level.

B. The United States Department of the Treasury (Treasury) Financial Manual (TFM) prescribes the USSGL requirements. The USSGL is a TFM Supplement that Treasury updates at least annually. Treasury provides notice of changes that are effective immediately in Bulletins that are later codified in the TFM. As part of the overall Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reporting requirements, the USSGL guidance contains seven major sections:

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

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

---

<sup>1</sup> "YY" represents the applicable fiscal year.

## 0702 DEFINITIONS

## 070201. Standard Financial Information Structure

The *Standard Financial Information Structure* (SFIS) is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs. The DoD SCOA is a key element in the SFIS data structure. The DoD SCOA and other SFIS products are published on the DoD Chief Management Officer's SFIS web page. For additional SFIS information, see Chapter 4.

## 070202. DoD Chart of Accounts SFIS Attribute Alignment File

The DoD Chart of Accounts SFIS Attribute Alignment File (DoD Account Attribute Alignment File) is a file that identifies standard interface file format requirements for the Defense Departmental Reporting System. It provides DoD with a means to determine which SFIS data element and value combinations are necessary for consistent financial reporting. For each DoD Standard General Ledger (SGL) account, the DoD Account Attribute Alignment File identifies additional SFIS data elements that are required for financial reporting. This file identifies which value combinations are permissible for SFIS attributes. The DoD Account Attribute Alignment File and corresponding instructions are available on the SFIS web page.

## 070203. Tie-Point Reconciliations

*Tie-Point Reconciliations*, also referred to as "Tie-Points," are a series of standard USSGL accounting relationships, i.e., financial management equations that indicate whether certain account balances within a general ledger trial balance are consistent with other account balances. Tie-Points facilitate the validation of trial balance data. The DoD Chart of Accounts Tie-Point standards are revised annually and published on the SFIS web page.

## 070204. Financial Accounting System

A financial accounting system is a system or set of applications that comprise the accounting portion of the financial management system that maintains all summary and detailed transactions resulting from budgetary and proprietary financial activity. It is configured to post transactions to an internal USSGL compliant subsidiary or general ledger.

## 0703 ACCOUNT DESIGN

## 070301. DoD SCOA

The DoD SCOA consolidates the Component level posting and reporting requirements of Treasury and OMB at the DoD enterprise level. The DoD SCOA is comprised of USSGL accounts and DoD standard account extensions to provide consistent detail required for budgetary, financial, and management reports. The Office of the Under Secretary of Defense (Comptroller) (OUSDC) issues guidance on implementation of the enterprise-wide DoD SCOA to:

- A. Reduce customization of accounting systems,
- B. Eliminate translation and crosswalks of account values in the departmental reporting system,
- C. Improve comparability of data across accounting systems, and
- D. Improve consolidation of data across accounting systems for DoD-wide reporting.

070302. Account Structure

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

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

070303. DoD USSGL Transaction Library

A. The DoD USSGL Transaction Library establishes the enterprise-wide requirement for the implementation of the USSGL and DoD SCOA. It provides a framework for updating existing financial systems and deploying new DoD accounting systems using detailed general ledger transactions and posting business rules for accounting standardization that supports the preparation of financial statements and external reports required by Treasury and OMB.

B. The DoD USSGL Transaction Library is a decomposition of the accounting transactions from Section III of the Treasury USSGL Supplement at the DoD enterprise level. Specifically, the DoD USSGL Transaction Library organizes generalized Treasury USSGL business event transactions containing multiple debits and credits, breaking them down into appropriate pairings of budgetary, proprietary, and memorandum accounts uniquely identified by DoD Transaction Codes (DTCs).

C. Financial systems are required to process transactions using the DoD SCOA and attributes according to the defined uses and posting logic in the DoD USSGL Transaction Library. Every effort should be made to not group multiple DTCs into one transactional posting, so that the individual transactions needed to support the business process are not bypassed and each business event posts separately. While Component financial systems are not required to store and maintain the exact DTC reference used in the Library for each posted transaction, Component or agency financial systems must maintain a chart of accounts and utilize general ledger posting logic that attains the same results as the DoD USSGL Transaction Library for each business event.

D. The DoD SCOA, DoD USSGL Transaction Library, DoD Account Attribute Alignment File, and DoD Tie-Points are updated as applicable following each corresponding Treasury update to retain consistent guidance that complies with the most current USSGL Supplement.

#### 070304. Reporting

A. DoD SGL accounts consist of a six (dot) four account numbering structure. All DoD accounting systems must report financial transactions to the departmental reporting system using the account structure of the DoD SCOA. Detailed attribute alignment at the DoD SGL account level is updated concurrently with the DoD SCOA and published on the SFIS web page.

B. Within DoD, the DoD SCOA must be implemented to satisfy both internal and external reporting requirements. For reporting purposes outside DoD, all reporting data is summarized within the departmental reporting system to the six-digit USSGL accounts and GTAS standard attributes required by the Treasury Bureau of the Fiscal Service.

### 0704 ACCOUNT RELATIONSHIPS

#### 070401. Budgetary and Proprietary

A. The DoD SGL account structure provides a self-balancing set of budgetary accounts to record the appropriation, apportionment, allotment, allocation, commitment, obligation, and expenditure process. The DoD SCOA, driven by debit and credit normal balance indicators, debits should always equal credits. Additionally, for proprietary accounts, assets should always equal liabilities and net position. The budgetary total and budgetary resources accounts should always equal the total status of budgetary resources accounts.

B. Proprietary asset and liability accounts cover the collection and disbursement of funds, the proper classification of assets (e.g., Fund Balance with Treasury, receivables, advances and prepayments, inventory and fixed assets), and the recognition and proper classification of liabilities. Revenue and expense accounts measure the realization of revenues from the sale of goods and services, and the recognition of costs, including gains and losses through the use and consumption of assets.

C. The combination of budgetary and proprietary transactions assists in the financial control over resources and provides managers with a tool to exercise stewardship over those resources.

070402. Accounts Applicable to Fund Type

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

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

070403. Account Attributes

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

B. The data structure for each DoD SGL account attribute is defined in the SFIS Matrix, to include syntax and allowable values. The SFIS Matrix and the SFIS Values Library are located on the SFIS web page. SFIS is discussed further in Chapter 4.

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

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

070404. Request for Account Exemption

A. The scope of business processes and transactions associated with a Component's specific mission area may allow for exemptions to certain DoD SGL accounts. Components may request an exemption from alignment to certain DoD accounts within a Component's accounting system, based on business processes within a specific fund type.

B. Systems owners should review existing accounts and submit any changes or revisions to the OUSD(C), *Business Integration Office* (BIO) within 30 days of the annual update of the DoD SCOA. System owners are encouraged to submit exemption requests early.

C. System owners must refer to the DoD SGL Account Exemption Request Form. The current year exemption request format is available online as part of the DoD SCOA file located on the SFIS web page. With each update and release of the DoD SCOA, Components must use the standard format for requesting account exemptions from the current year SCOA (defined as the most recently published). An updated exemption request format that reflects the applicable DoD SCOA is provided with each specific release.

#### 070405. DoD Assigned USSGL Accounts

Five accounts included in the DoD SCOA have been identified within the DoD for specific application in recording internal fund distributions under direct program authority (see Figure 7-1). Refer to Volume 3, Chapters 13, 14, and 15 for implementation guidance on the use and application of these accounts at the Department and execution levels. Funds distribution guidance for the Military Services and OSD Treasury Index-97 organizations is located on the OUSD(C), BIO web page under the “Publications, Policies, and Procedures” section. See the “Funds Distribution” heading. (Note that a DoD common access card is required to access the BIO web page.)



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

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

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

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

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

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

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

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

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

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

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