



OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1100

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COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY
DEPARTMENTS (FINANCIAL MANAGEMENT AND
CONTROLLERS
COMPTROLLER, U.S. ARMY CORPS OF ENGINEERS
ASSISTANT SECRETARY OF DEFENSE (HEALTH
AFFAIRS)
INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
U.S. SPECIAL OPERATIONS COMMAND,
COMPTROLLER

SUBJECT: DoD Financial Management Regulation, Volume 4, Chapter 2, "Accounting for Cash and Fund Balances with Treasury (FBWT)"

This memorandum establishes interim changes to the subject chapter.

Monthly, within 10 working days following month end, each DoD reporting entity must reconcile its FBWT accounts, including expenditure accounts, to the Government-wide Accounting (GWA) accounts statement's beginning, net activity, and ending balances. Policy or procedural problems encountered during reconciliation that require adjudication between components or between the DoD and the Department of Treasury (Treasury) must be brought to the attention of the Defense Finance and Accounting Service and then, if necessary, the Office of the Deputy Chief Financial Officer.

In addition, all expenditure and receipt accounts reported by the Treasury must be reviewed at least annually to establish that the accounts are valid. The Defense Finance and Accounting Service must work with Treasury on an annual or as needed basis to remove invalid or unused accounts. Attached to this memorandum are the changes, as they will appear in the chapter after its next publication.

My point of contact for this action is Ron Tollefson. He may be reached by phone at (703) 602-0129 or by email at ron.tollefson@osd.mil.

David P. Smith
Acting Deputy Chief Financial Officer

Attachment:
As stated.

020702. With the phased implementation of Government-wide Accounting (GWA), the Account Statement is the vehicle for all Federal agencies to reconcile their FBWT. [Each DoD reporting entity must reconcile its accounts to the GWA account statement's beginning balance, net activity, and ending balance.](#) The Account Statement is produced from the same data maintained in the Central Accounting System (STAR.) The Account Statement consists of three sections: (1) Account Summary, (2) Expenditure Activity, and (3) the Transactions reports. The Account Statement is designed for agency users that perform FBWT reconciliations based on the Treasury Account Symbol (TAS.) The Agency Location Code (ALC) Code Statement is designed for users who reconcile based on ALC. It also is comprised of three sections: (1) ALC Summary, (2) ALC Activity, and (3) ALC Transactions. The Support Listings provides links to other FMS Accounting Systems that support the monthly Statement of Difference reconciliation performed by agencies. The Account Statement, the Statement of Differences and various support listings are finalized after the agency month-end report processing is complete. More information of the Account Statement can be found at the [*Financial Management Service, Government-wide Accounting System Account Statement User Manual.*](#)

020703. Components must review their accounts each month to maintain the accuracy and reliability of their FBWT records for both the prior year and current year appropriations. Components must reconcile no-year, revolving, deposit, and trust fund accounts. Components must also reconcile clearing, receipt, and [expenditure](#) accounts. This detailed reconciliation assures the agency data accumulated in the FBWT account is accurate. It also allows the Component to resolve the differences in a timely manner. When resolving differences, Components should maintain detailed reconciliation worksheets that, if needed, can be reviewed by the management or auditors. Any discrepancies between FBWT in the Component general ledger accounts and the balance in the Treasury's accounts should be explained. Discrepancies caused by time lag should be reconciled and discrepancies caused by error should be corrected. Additional information on reconciliation can be found in the [*Treasury Supplement*](#) and [*Treasury Part 2-Chapter 5100.*](#)

020404.A. All FBWT transactions must be recorded in the individual activity accounts and must be reconciled to total monthly FBWT transactions reported by the departmental finance network. [The reconciliation must be completed with 10 workdays following the end of the month being reconciled.](#) Policy or procedural problems identified during reconciliation that require adjudication between components or between the DOD and the Department of Treasury must be brought to the attention of the Defense Finance and Accounting Service and then, if necessary, the [Office of the Deputy Chief Financial Officer.](#)

020704. All expenditure and receipt accounts reported by the Treasury [must](#) be reviewed at least annually to determine if the accounts are valid. The Defense Finance and Accounting Service (DFAS) [must](#) work with Treasury to remove invalid and unused accounts from Treasury reports/systems on [an annual, or as needed basis.](#)