



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)


SUBJECT: Accounting Treatment of Long Range Ballistic Missiles

Reference: Department of Defense Nuclear Posture Report, April 2010

This memorandum establishes the accounting classification of long range ballistic missiles. The DoD defines the mission of the nuclear arsenal solely as one of deterrence (see reference). Under this mission, the useful life of nuclear assets is expected to exceed two years. Therefore, classify nuclear long range ballistic missiles (including, but not necessarily limited to, Intercontinental Ballistic Missiles and Submarine Launched Ballistic Missiles) fully configured and armed in support of this mission as General Equipment, in accordance with Federal Accounting Standards Advisory Board "Statement of Federal Financial Accounting Standard 6: Accounting for Property, Plant, and Equipment," paragraph 17. Classify components of long range ballistic missiles as Operating Materials and Supplies when not a part of a fully configured nuclear armed long range ballistic missile.

The Office of the Under Secretary of Defense for Acquisition Technology, and Logistics, and the Office of the Under Secretary of Defense (Comptroller) collaboratively developed this guidance. A future update of the DoD Financial Management Regulation, Volume 4, will include this policy.

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cc:

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