

**“GLOSSARY”****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 December 2008 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
A	Changed paragraph title from “purpose” to “overview.”	Revision
A	Deleted the word “processes” – FMR focus is on policy not processes.	Deletion
B - various	Modified definitions based on OMB Circular A-11	Revision
B - various	Added terms based on OMB Circular A-11	Addition
B - various	Properly cited U.S. Code references	Revision
B - various	Updated hyperlinks for U.S Code and FMR chapters	Revision

## GLOSSARY

### A. [Overview](#)

The following list defines general terms of significance or importance in financial accounting policies for the Federal Government or the Department of Defense (DoD) that are discussed in various volumes of this Regulation. This glossary is provided for general information; it is by no means an exhaustive list of all financial management terms, and it does not define terms when standard dictionary definitions apply. Authoritative guidance with more detailed explanations or nuances may be found in specific volumes or chapters.

### B. List of Definitions

#### **Accessorial Charges**

Costs incurred for packing, crating, and handling related to sales or shipments of property.

#### **Accountable Official (Departmental)**

See “Departmental Accountable Official.”

#### **Accounting Classification Code**

A series of alpha and numeric characters appearing on accounting source documents. The characters provide the information necessary to enter transactions into DoD accounting systems.

#### **Accounting Entity**

In DoD the accounting entity is the DoD Component; that is, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense (OSD) and/or the Defense Agencies, regardless of appropriation or fund.

#### **Accounting Objectives**

Goals toward which accounting efforts are directed. The goals are derived directly from legal and regulatory requirements and the needs of intended users.

#### **Accounting System Design Documentation**

Documentation supporting the design of an accounting system that assures all relevant accounting principles, standards, and related requirements have been addressed. It consists of three distinct documentation packages: (1) the functional accounting system concept design, (2) the functional detailed design, and (3) various automated data processing documentation packages which track functional user requirements to specific computer programs. See [DoD FMR Volume 1, Chapter 3 for specific documentation requirements](#).

**Accounts Payable**

Amounts owed to other entities for goods and services received (i.e., actual or constructive receipt), progress in contract performance, and rents due to other entities.

**Accounts Receivable from the Public**

All accounts receivable arising from the sale of goods and services and from operations involving other than Federal Government organizations. Examples are debts owed by military personnel, civilian employees, and contractors.

**Accrued Variance (Foreign Currency Fluctuations)**

The difference between un-liquidated obligations at the budget rate (approved execution rate) and the foreign exchange rate current at the time of payment.

**Acquisition Cost**

The original purchase, construction, or development cost, net of (less) any purchase discounts.

**Adjustments to Expired or Closed Accounts (Upward or Downward)**

Increases or decreases to obligations or expenditures. Adjustments involve recording obligations or expenditures that were made or incurred, but not recorded, during the period prior to expiration or cancellation of the account.

**Administrative Subdivision of Funds**

Any sub-division or legal restriction of an appropriation or fund that makes funds available in a specified amount for incurring obligations. Frequently used subdivisions include apportionments, allocations, sub-allocations, allotments and sub-allotments.

**Advances**

Disbursements of funds before performance have been certified by an authorized DoD receiving official.

**Agency Financial Management System**

The total of agency financial systems, both manual and automated, for planning, budget formulation and execution, program and administrative accounting; as well as all other systems for recording and classifying financial data and reporting financial management information, including purchasing, property, and inventory.

A. Financial Management Information. All information that is expressed in dollar terms on federal spending, collections, assets, liabilities, equity, and related budgetary and accounting transactions and balances.

B. Accounting System. The structure of methods and procedures used to record, classify, accumulate, analyze, summarize, and report information on the financial condition and operating position. It is comprised of the various functional operations involved in authorizing, recording, classifying, analyzing, and reporting financial information related to financing sources, gains, expenses, losses, transfers, assets, liabilities, equity, and internal controls. It encompasses the procedures and processes from the point a transaction is authorized through processing the data, either manually or automatically, to issuance of financial and management information statements and reports.

1. Primary Accounting Systems. The aggregation and consummation of like financial management information aligned by the major operational areas and summarized to support financial and management information needs. There are five Primary accounting systems made up of the single, standard integrated Departmental accounting systems which controls all financial management information. The Primary accounting systems are General, Business Operations Fund (Stock Fund and Industrial Fund), Trust Fund, Civilian Pay, and Military Pay.

2. Administrative Accounting Systems.

a Accounting Support Systems. The manual or automated programs, procedures and processes which authorize, record, classify, analyze, and report on financial management information for one of the Primary accounting systems. Accounting Support systems provide general ledger control and financial information on operations for consolidation to the Primary accounting systems.

b Subsidiary Accounting Systems. The manual or automated programs, procedures and processes for one of the various functional operations involved with revenues, expenses, assets, liabilities, and equity. The Subsidiary accounting systems form the foundation and audit trail for the Primary accounting systems and the Accounting Support systems.

3. Accounting System Modules. Modules are distinguished by the fact that their functions and systems of internal controls are embodied in the accounting system. As such, modules are fully integrated subsystems of an accounting system, and they are inventoried and evaluated in conjunction with the accounting system.

4. Feeder Systems. The manual or automated programs, procedures and processes which develop data required to initiate an accounting or financial transaction but do not perform an accounting operation (e.g., personnel, property, or logistics systems).

### Allocations

Allocations are further subdivisions of allotments. Within DoD, the term has been used to refer to departmental-level accounting entity distributions of apportionments, or funds that do not require apportionment, to an operating Agency or other intermediate level accounting entity.

**Allotments**

Subdivisions of apportionments that are made by the heads of agencies, or their designee, to incur obligations within a prescribed amount. Subdivision and distribution of an allotment (e.g., sub-allotments and allocations to operating agencies or installation-level accounting activities) must contain at least the same legal and other limitations applicable to the original allotment. Such subdivisions and distributions may establish additional legal and other limitations applicable to execution of budgetary resources.

**Annual (1-Year) Authority**

Budget authority that is available for obligation only during a specified fiscal year and expires at the end of that time.

**Anticipated Reimbursements**

The dollar value of orders expected to be received during the forthcoming fiscal year. Anticipated reimbursements do not create obligational authority until an actual order is received and accepted.

**Antideficiency Act**

Legislation enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds; to fix responsibility within an agency for the creation of any obligation or the making of any expenditure in excess of apportionment or reapportionment or in excess of other subdivisions established pursuant to [31 USC sections 1341, 1342 and 1517](#) ; and to assist in bringing about the most effective and economical use of appropriations and funds.

**Apportionment**

A distribution made by the Office of Management and Budget of amounts available for obligation and expenditures in an appropriation or fund account into amounts available for specified time periods (usually fiscal quarters), programs, activities, projects, objects, or any combination of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an agency into allotments, sub-allotments, and allocations.

**Appropriation Limitations**

Statutory and other special restrictions which impose a restriction on the availability of funds or the authority to obligate or expend appropriations for certain objects or purposes; such as, family housing.

**Appropriation Warrant**

An official U.S. Treasury document that provides the dollar amounts established in the general and detailed appropriation accounts of the U.S. Treasury pursuant to Appropriation Acts authorized by law. It serves as a convenient source document for entries into accounts that establish the amount of money authorized to be withdrawn from the U.S. Treasury.

**Appropriation**

A provision of law conferring authority to incur obligations for a specified purpose; usually, but not always, an appropriation provides budget authority, which is authority provided by law to incur financial obligations that will result in outlays. For purposes of the Antideficiency Act, the term "appropriations" may have a broader meaning, new budget authority and balances of budget authority as described in OMB Circular No. A-11, [Section 20.4](#).

**Asset Use Charge**

A charge for the use of DoD assets (facilities and/or equipment) to recoup depreciation and interest on investment.

**Authorizing Official (or Officer)**

An individual who approves a transaction and verifies and validates the funds cited on a commitment or obligation document are accurate and available.

**Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA)**

BBEDCA refers to legislation that shaped the budget process, first by setting fixed targets for annual deficits and then by replacing those with a Pay-As-You-Go requirement for new tax or mandatory spending legislation and with caps on annual discretionary funding. Most of these requirements expired in 2002. The Statutory Pay-As-You-Go Act of 2010, which did not amend the BBEDCA, reinstated a statutory pay-as-you-go rule for revenues and mandatory spending legislation. The Budget Control Act of 2011 (BCA), which amended the BBEDCA, reinstated discretionary caps on budget authority.

**Bench Stock (Also Shop Stock)**

Inventory held by a cost center for use as indirect material and used in support of numerous small projects or activities carried out by the cost center. Small items such as screws, washers, and lubricants characterize this type of stock.

**Book Value**

The recorded cost of a general [Property, Plant, and Equipment](#) (PP&E) asset, less its accumulated depreciation.

**Borrowing Authority**

Statutory authority to incur obligations and to make payments for specified purposes out of borrowed money. Within DoD, borrowing authority is used for mortgage assumptions under the Homeowners Assistance Program and for loans from the Federal Financing Bank.

**Budget Authority**

Budget authority (BA) means the authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections.

**Budget Control Act (BCA) of 2011**

BCA refers to legislation that, among other things, amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) to reinstate discretionary spending limits on budget authority through 2021 and restored the process for enforcing those spending limits; increased the statutory debt ceiling; and established a Joint Select Committee on Deficit Reduction that was instructed to develop a bill to reduce the Federal deficit by at least \$1.5 trillion over a 10-year period. It also provided a process to implement alternative spending reductions in the event that legislation achieving more than \$1.2 trillion of deficit reduction was not enacted by January 15, 2012.

**Budget Rate**

A foreign currency exchange rate provided to DoD Components for use in preparing budget submissions during budget formulation and for recording obligations during budget execution. Budget rates are provided by the DoD Comptroller and may be modified by the Congress. During execution, foreign currency obligations are recorded using the budget rate (rates approved for execution). (Also see “Foreign Currency Fluctuations.”)

**Budgetary Resources**

For purposes of budget execution, budgetary resources include new budget authority, available unobligated balances at the beginning of the year, reimbursements and other income (also known as offsetting collections credited to an appropriation or fund account), recoveries of prior year obligations from unexpired accounts, and restorations. In the case of reimbursable work, budgetary resources available for obligation are comprised of earned reimbursements and unfilled customer orders (limited by the amounts collected in advance for orders from the public). In the case of loan programs, budgetary resources available for obligation from loan repayments and interest on loans are comprised of actual collections when authorized to be used.

**Business Concern**

Any person or organization engaged in a profession, trade, or business, and nonprofit entities (including State and local governments, but excluding Federal entities) operating as contractors.

**Cash-Flow Process**

Each process of collecting or disbursing moneys for Agency programs or operations, and for balances held outside of the U.S. Treasury.

**Cash-Flow Report**

A document summarizing each unique cash-flow process and corresponding opportunities for new cash management improvements.

**Cash Held at Personal Risk**

Cash held by authorized disbursing officers, their cashiers, and their agent officers, including alternates, for making miscellaneous cash payments, meeting cash payrolls or making change; funds established for making small purchases; imprest funds; cash held pending delivery to other disbursing officers; and for other purposes specifically authorized by law.

**Cash Management**

Practices and techniques designed to accelerate and control collections, ensure prompt deposit of receipts, improve control over disbursement methods, and minimize idle cash balances.

**Cash Management Review**

An ongoing study of an Agency's cash flows and corresponding cash management processes or mechanisms conducted to identify implementable improvement opportunities in an Agency's cash management practices.

**Centrally Managed Account**

Authority issued by the holder of an [account \(allotment/allocation\)](#) for incurring obligations for a specific purpose and in a specific amount. It is administered by publishing a centrally managed account number that permits authorized officials to charge the account for authorized purposes without further determination or certification of fund availability for individual transactions.

**Certifying Officer**

An individual designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher, or other documents. A certifying officer is pecuniarily liable for payments in accordance with [31 USC 3528](#).

**Chargeable Account**

The appropriation (department code, fiscal year, and appropriation symbol) contained in the line of accounting cited on the obligation document that is the basis for a particular payment.

**Clearing Accounts**

Accounts established solely to temporarily hold general, special, or trust fund collections or disbursements pending clearance to the applicable receipt or expenditure budgetary account. Except for clearance to the applicable receipt or expenditure budgetary account, clearing accounts are not available for obligation or expenditure.

**Closed/Canceled Accounts**

An appropriation that has been closed in accordance with [31 USC 1551 - 1557](#). This term also includes an appropriation that otherwise would have been closed by 31 U.S.C. 1551-1557, but has not been closed by the Department of the Treasury because the appropriation has a negative balance. When balances are canceled, the amounts are not available for obligation or expenditure for any purpose.

**Collections**

Amounts received during the fiscal year. Collections are classified into two major categories: budget receipts and offsetting collections. Offsetting collections are classified into two major categories: offsetting receipts and collections credited to appropriation or fund accounts.

**Commitment**

An administrative reservation of funds based on firm procurement requests, unaccepted customer orders, Directives, and equivalent instruments.

**Component Liaison Office**

When the Defense Finance and Accounting Service (DFAS) was established, each Military Department and the Defense Logistics Agency formed financial management liaison offices in their Headquarters. The primary purpose of these staffs was to provide adequate communication among DFAS, and its larger customers; ensure the adequate dissemination of information; and help coordinate DoD finance and accounting policy and other issues. Some of the liaison functions at the Departmental level are still required to ensure adequate communications and coordination of finance and accounting issues among DFAS and DoD Components. DoD Agencies may establish a liaison focal point to interface with DFAS on an as required basis.

**Conceptual Design of Accounting System**

Documentation of the process that leads to a decision to develop a new accounting system or system segment, or to initiate a major upgrade effort. Documentation reveals the deficiencies in the current system, the accounting entities involved, the parameters of the accounting system, the accounting structure, security considerations, the alternatives considered, and the economic analysis developed to support a decision.

**Consolidated Working Fund Accounts**

Accounts established to hold funds transferred from other Agencies, DoD Components, or accounts until transferred to an appropriate account authorized by provisions of law. Applicable funds are not available for obligation or expenditure.

**Construction in Progress (CIP)**

A temporary classification of assets under construction. The costs of new construction and capital improvements are accumulated in a CIP account while the asset is under construction. CIP accounts are only utilized for construction of real property assets and shipbuilding (including ship conversion, alteration, or repair). Under certain contract provisions CIP accounts include all costs incurred to bring the asset to a form and condition suitable for its intended use.

**Contingency**

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

**Contingent Liability**

The term has two meanings. As a budgetary term, it represents variables that cannot be recorded as valid obligations. Such variables include (1) outstanding fixed price contracts containing escalation, price redetermination, or incentive clauses, or (2) contracts authorizing variations on quantities to be delivered, or (3) contracts where allowable interest may become payable by the - [Federal](#) Government on contractor claims supported by written appeals pursuant to the "DISPUTES" clause contained in the contract. As a proprietary accounting term, it represents a contingency posing the possibility of a loss when one or more events occur or fail to occur. Examples of loss contingencies include the collectability of receivables, pending or threatened litigation, and possible claims and assessments. DoD recognizes contingent liabilities when a future loss related to past events or exchange transactions is probable and the loss amount can be reasonable estimated.

**Continuing Resolution**

The Congressional resolution, in the absence of an appropriation act, providing authority for Agencies to continue current operations. Such continuing resolutions are subject to [the Office of Budget and Management](#) apportionment in the same manner as appropriations.

**Contract**

As defined by the Federal Acquisition Regulation ([FAR](#) [2.101](#), "Definitions," a contract is a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them.

**Contract Authority**

Statutory authority to incur obligations but with liquidation of obligations dependent upon future actions of the Congress [or by the receipt of customer orders or other available resources](#). (Within the Department, Contract Authority is apportioned budget authority which can be legally obligated. Contract Authority, however, is not funded and is apportioned and allocated without a supporting Treasury cash balance. Consequently, before an obligation incurred against Contract Authority can be liquidated, sufficient budgetary resources should be available for the outlay. For the Defense Working Capital Funds, obligations against Contract Authority are based on earned customer orders and cash balances in the fund corpus.)

**Contract Financing Payment**

A [Federal Government](#) cash disbursement to a contractor under the contract prior to acceptance of goods or services by the [Federal Government](#).

**Contract Liquidating Authority**

An appropriation, or re-appropriation, enacted to pay the obligations incurred under the contract authority.

**Contractor-Acquired Property**

General PP&E assets acquired by a contractor on behalf of a DoD Component for use in the performance of a contract. It does not include [federal](#) government furnished material or equipment. Also see Government Furnished Equipment (GFE.)

**Cost**

A monetary measure of the amount of resources applied to a cost objective. Within DoD, "costs" are identified following [generally accepted](#) accounting principles and standards as implemented in this Regulation. The fact that collections for some cost elements are deposited into Miscellaneous Receipts of the Treasury does not make those costs "extraneous." It simply means the Congress has not authorized such amounts to be retained by appropriation accounts. After costs have been identified, following [Federal Accounting Standard Advisory Board standards, including the Statement of Federal Financial Accounting Standard 4 on cost accounting](#) rules, a DoD Component may proceed to eliminate cost elements, or process waivers, in accordance with legal authorities.

**Cost Center**

A logical or physical grouping of one or more similar services for the purpose of identifying obligations or developing the cost identification for the services. Services are grouped into cost centers in order to (1) normalize between services that use similar resources with different capabilities, (2) apply surcharges and discounts to services, (3) identify costs for different classes of the same service, or (4) identify obligations. This is the lowest level (that is, unit) or activity that is used to identify obligations or expend resources to produce a unit of work, and the lowest level of activity to segregate costs for management in order to assess efficiency, usage, examine trends.

**Cost Clearing Account**

An account used when standard rates are employed. The actual expenses are debited to the cost clearing account and the amounts billed to customers are credited to the account. At the end of the fiscal year, the account is closed with analysis performed to determine if rates require adjustment.

**Cost Finding**

Procedures designed to accomplish a result approximating the results of a formal cost accounting system.

**Cost Objective**

An activity, operation, or completion of a unit of work to complete a specific job for which management decides to identify, measure, and accumulate costs. The cost objective must be discrete enough and described in writing to such a level of detail to form a basis to establish cost centers and output products.

**Current Receivable**

All receivables that will be due within the 12 months following the reporting period.

**Current Value of Funds Rate (CVFR)**

The average investment rate for the U.S. Treasury Tax and Loan accounts expressed as an annual rate and published by the U.S. Treasury in the "Federal Register" each year. Uses of the CVFR include determining the effectiveness of taking cash discounts and calculating interest on overdue [federal](#) government receivables.

**Customer Order**

An order received and accepted by the performing activity from a customer. It is written evidence that a meeting of the minds has taken place and that certain goods and services will be provided to the tenderer of the order for payment of a dollar amount. The order must contain an original signature or equivalent of both the ordering activity and the receiving activity and must specify a dollar amount. The specified dollar amount cannot be exceeded.

**Cutoff Time**

A time prescribed by a financial institution beyond which transactions presented or actions requested will be deferred to the next banking day's business.

**Day**

A calendar day, unless otherwise noted. If the day on which an action is required falls on a nonworking day, then day means the next working day.

**Default**

Failure to meet any obligation or term of a credit, grant, or other agreement.

**Defense Working Capital Fund (DWCF)**

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

**Deferrals**

Budgetary resources which have been deferred as reserves to provide for contingencies to achieve savings made possible by or through changes in requirements or greater efficiency of operations or as specifically provided by law.

**Definite Authority**

Authority that is stated as a specific sum at the time it is granted. This includes authority stated as not to exceed a specified amount. Most DoD appropriations are for definite amounts of authority.

**Delivered Orders**

The term used for the credits entered into the budgetary accounts to recognize liabilities incurred for (1) services performed by employees, contractors, other Government accounting entities, vendors, carriers, grantees, lessors (2) goods and other tangible property received; and (3) items such as annuities or insurance claims for which no current service is required. Accrued expenditures are categorized as either paid or unpaid.

**Delivered Orders-Paid**

The budgetary account that represents the dollar value of goods and services received for which payment has been made.

**Delivered Orders-Unpaid**

The budgetary account matching the proprietary account, "accounts payable." It represents the dollar value of goods and services received for which payment has not been made. (Also see "Accounts Payable.")

**Demand Cash Withdrawal**

Commercial checks made payable to cash for withdrawal by the cashier.

**Departmental Accountable Official**

An individual responsible for providing a certifying officer with information, data, or services that the certifying officer relies upon in the certification of vouchers for payment.

**Deposit (noun)**

Money presented for credit to the U.S. Treasury. Such transfers may be made by Agencies or directly by the remitter. All such transfers are effected through a Federal Reserve bank or other financial institution.

**Deposit (verb)**

The act of presenting moneys for credit to the U.S. Treasury by an Agency official.

**Deposit Funds**

Receipts held temporarily and later refunded or paid into some other Treasury fund or other entity, or held by DoD as banker or agent for others and paid out at the direction of the owner.

**Deposit Fund Accounts**

Expenditure accounts established to account for deposit fund receipts. Such funds are not available for paying salaries, grants, or other expenses of the [Federal](#) Government. Expenditures are often offset by receipts within this type of fund.

**Depreciation**

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

**Direct Cite**

Citation of customer funds as the financing source on documents leaving the DoD system, that is, contracts with commercial firms, General Services Administration, or Department of Transportation. The term direct cite is not valid if any DoD organization establishes a reimbursable order to a DoD appropriation account, or business operation fund. When direct cite is used, all accounting is accomplished by the ordering activity. The source documents are returned to the allotment holder who accomplishes all required accounting. In the case of the Foreign Military Sales program, it specifically refers to documents that result in a disbursement to other than a DoD organization (a contractor, other Federal Agency, or employee).

**Direct Delivery**

Items shipped directly from a contractor to a customer, whether from a consolidated military services procurement or a contract solely for that customer.

**Direct Loan**

An obligation created when the [Federal](#) Government disburses the funds and contracts with the debtor for repayment, with or without interest, or when the Government acquires a guaranteed private loan in satisfaction of default or other claim.

**Direct Program**

The budget authority in an appropriation act. (See "Budget Authority.")

**Disbursements**

Amounts paid by Federal Agencies, by cash or cash equivalent, during the fiscal year to liquidate government obligations. "Disbursement" is often used interchangeably with the term "outlay." In budgetary usage, gross disbursements represent the amount of checks issued and cash or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriation or fund account, such as amounts received for goods and services provided. For purposes of matching a disbursement to its proper obligation, the term disbursement refers to the amount charged to a separate line of accounting.

**Disbursing Officer**

An officer or employee of a Federal Department, Agency or Corporation designated to disburse moneys and render accounts according to laws and regulations governing the disbursement of public moneys.

**Discount (Cash)**

A reduction in the amount due on an account payable offered by the vendor if paid within a stated period.

**Discount (Trade)**

A reduction in price, usually varying in percentage with volume of transactions, made by vendors to those engaged in certain businesses and allowable irrespective of the time when the account is paid.

**DoD Component**

For purposes of this Regulation, unless otherwise noted "DoD Component" includes the following: OSD; the Chairman, Joint Chiefs of Staff and the Joint Staff; the DoD Inspector General; the Military Departments including the Coast Guard when assigned to the Department of the Navy; the Defense Agencies; DoD Field Activities; the Combatant Commands; Washington Headquarters Services (WHS), the Uniformed Services University of the Health Sciences (USUHS), and all non-appropriated fund instrumentalities.

**DoD Education Benefits Trust Fund**

A fund established for education assistance purposes for active and reserve force personnel. It derives its resources through transfers from military personnel accounts and from interest earned from investments in Federal Government securities.

**Earned Reimbursement**

The amount recognized when a performing organization renders actual or constructive performance on a reimbursable order.

**"Economy Act" Order**

An order for goods or services placed by a Federal Agency or Department to another governmental agency under the provisions of [31 USC 1535](#) and [31 U.S.C. 1536](#). (See Volume 11A, Chapter 3).

**Electronic Data Interchange (EDI)**

The exchange of standardized information between business partners typically communicated electronically between computers. It is DoD policy that DoD Component EDI applications shall conform to the American National Standards Institute (ANSI), Accredited Standards Committee (ASC) X12 standard.

**Electronic Funds Transfer (EFT)**

The act of debiting or crediting accounts in financial institutions by wire rather than source documents, such as, paper checks. Processing typically occurs through the Federal Reserve Bank clearing houses.

**Entitlements**

Legally established benefits available to any person or unit of [Federal](#) Government meeting eligibility requirements established by law.

**Executory Costs**

Those costs associated with ownership of an asset such as insurance, taxes, and normal maintenance. In the case of a capital lease, the portion of the lease payment that represents executory costs is not capitalized, but is expensed.

**Expenditure**

An actual disbursement of funds in return for goods or services. Frequently used interchangeably with the term "outlay."

**Expense**

The outflow or other depletion of assets or incurrence of liabilities (or a combination of both) during some period as a result of providing goods, rendering services, or carrying out other activities related to an entity's programs and missions, the benefits from which do not extend beyond the present operating period. In financial accounting and reporting, the costs that apply to an entity's operations for the current accounting period are recognized as expenses of that period.

**Expired Account or Appropriation**

Appropriation or fund account in which the balance is no longer available for incurring new obligations, but is still available for recording, adjusting, and liquidating valid obligations. The account remains available for such purposes for 5 years after expiration period.

**Facilities**

Industrial property (other than material, special tooling, special test equipment, and military property) for production, maintenance, research, development, or test including real property (other than land) and rights therein, buildings, structures, improvements, and plant equipment (including capital leases).

**Fast Pay**

Disbursement to a contractor based on the contractor's certification that delivery has been made at the time an invoice is presented for payment.

**Federal Agency**

This has the same meaning as the term "Agency" in [5 USC 551\(I\)](#), and includes any entity that is operated exclusively as an instrumentality of such an Agency for administering one or more programs of that Agency. Both DoD appropriated and non-appropriated fund activities are included under this definition.

**Financial Institution**

Bank, Savings Association, or Credit Union eligible under [31 CFR 202](#) to serve as a Federal Government depository.

**Financial Management System**

A financial operation that includes the financial system and the financial portion of mixed systems necessary to support financial management; automated and manual processes, procedures, and controls; data; hardware; software; and support personnel dedicated to the operation and maintenance of system functions.

**Financing Interest**

Interest charged as a cost of extending credit as distinguished from interest charged because of delinquency.

**Financing Payment**

Disbursement of funds after performance has occurred but before physical delivery. The most common type of financing payment is the progress payment made to DoD contractors to reimburse incurred cost before ordered items or material are delivered. (See "Contract Financing Payment.")

**Fixed Accounts**

Appropriation or fund accounts with balances that are available for a definite period of time. The fixed accounts are comprised of annual and multiyear accounts. The universe of appropriation or fund accounts is made up of fixed accounts and no-year accounts.

**Foreign Currency Fluctuations**

The difference between budget rates approved for execution and actual foreign currency exchange rates in effect at time of payment that cause changes in obligations or contractual liabilities. Obligations are recorded using the budget rate, and payments are made using the current foreign currency exchange rate.

**Foreign Currency Unliquidated or Liquidated Obligations**

Foreign currency un-liquidated obligations are derived by taking obligations at the budget rate less the disbursements at the budget rate. Foreign currency liquidated obligations is the actual disbursement at the budget rate.

**Fund Groups**

The range of numeric or alpha and/or numeric account symbols assigned by the Treasury to identify groups of accounts; such as, 0000 to 3799 = General Funds.

**Fund Holder**

An individual holding an administrative subdivision of funds or an operating target, who is responsible for incurring obligations against the administrative subdivision or target and for managing the use of such funds.

**Funded Carryover**

The incomplete portion of a job order for goods or services to be provided by a business operation fund activity. Usually, funded carryover is measured at the end of a fiscal period, that is, a fiscal year.

**Funding Account**

The appropriation (department code, fiscal year, and appropriation symbol) contained in the line of accounting cited on the obligation document provided to fund a disbursement that otherwise would have been chargeable to a closed appropriation.

**Funds Certifying Official**

An individual responsible for the proper assignment of funding on a commitment or obligation document before the obligation is incurred.

**General Fund Accounts**

These consist of (1) receipt accounts used to account for collections not dedicated to specific purposes and (2) expenditure accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.

**General Fund Receipt Accounts**

Accounts established for receipts of the Federal Government that are not earmarked by law for specific purpose and that are not available for obligation and expenditure.

**General Management Computer**

A computer that is used for any purpose other than as a part of a process control system, space system, mobile system, or equipment that is an integral part of a weapon or weapons system. It also excludes equipment involved with intelligence activities and cryptologic national security activities.

**Government-Furnished Equipment (GFE)**

Property provided to a contractor by DoD. It is used in producing an end product. It is not consumed, but is returned in the same form at the end of the contract.

**Government-Furnished Material (GFM)**

Property provided to a contractor by DoD. It may be incorporated into an end item (a change in form) or may be consumed in the performance of a contract.

**Grants**

Assistance awards for which no substantial involvement is anticipated between DoD and the recipient during performance of the contemplated activity.

**Guaranteed Loan**

A contingent liability created when the [Federal](#) Government insures the private lender who disbursed the funds that the lender will be repaid to the extent of the amount or percentage guaranteed in the event of default by the debtor; a DoD Component pledge to pay part or all of the loan principal and interest to a lender, or holder, of a security in the event of default by a third party borrower.

**Holdback**

The amount withheld from payments to contractors to assure compliance with contract terms. Usually the amount to be withheld is expressed as a percentage in the contract provisions.

**Imputed Cost**

[Imputed cost is a reporting entity's share of an expense not incurred directly, but borne by another reporting entity and not reimbursed.](#)

**Indefinite Appropriations**

Appropriations of a current or permanent nature in which a definite amount is not stated.

**Indefinite Authority**

Authority for which a specific sum is not stated, but is determined by other factors such as the receipts from a certain source or obligations incurred.

**Information Technology Facility (ITF)**

An organizationally defined set of personnel, hardware, software, and physical facilities, operated within or on behalf of DoD, a primary function of which is the operation of information technology. An ITF includes:

1. The personnel who operate computers or telecommunications systems; develop or maintain software; provide user liaison and training; schedule computers; prepare and control input data; control, reproduce, and distribute output data; maintain tape and disk libraries; provide security; and provide direct administrative support to personnel engaged in these activities.
2. The owned or leased computer and telecommunications hardware, including central processing units; associated peripheral equipment such as disk drives, tape drives, printers, and consoles; data entry equipment; telecommunications equipment including control units, terminals, modems, and dedicated telephone and satellite links provided by the facility to enable data transfer and access to users. Hardware acquired and maintained by users of the facility is excluded.
3. The software, including operating system software, utilities, sorts, language processors, access methods, data base processors, and similar multi-user software required by the facility for support of the facility and/or general use by users of the facility. All software acquired or maintained by users of the facility is excluded.
4. The physical facilities, including computer rooms, tape and disk libraries, stockrooms and warehouse space, office space, and physical fixtures.

### **Interagency Allocations**

According to OMB Circular A-11, section 20.4(1), "Allocation means a delegation, authorized in law, by one agency of its authority to obligate budget authority and outlay funds to another agency. When an agency makes such a delegation, the Treasury Department establishes a subsidiary account called a "transfer appropriation account", and the receiving agency may obligate up to the amount included in the account. The budget does not show the transfer appropriation account separately. The budget schedules for the parent account include the obligations by the other agency against the subsidiary account without separate identification, except in the object class schedule. Allocations are appropriate where the receiving agency is acting as the agent for the allocating agency."

### **Internal Control Documentation**

Written policies, organization charts, procedural write-ups, Manuals, memoranda, flow charts, decision tables, completed questionnaires, software, and related written materials used to describe the internal control methods and measures, to communicate responsibilities and authorities for operating such methods and measures, and to serve as a reference for persons reviewing the internal controls.

### **Internal Controls**

The manner in which financial, manpower, and property resources are to be controlled and safeguarded by the regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes.

### **Internal Control Standards**

The standards issued by the Comptroller General for use in establishing and maintaining systems of internal control. Those standards are applicable to all operations and administrative

functions, but are not intended to limit or interfere with duly granted authority for the development of legislation, rulemaking, or other discretionary policymaking in an Agency.

### **Internal Control Techniques**

The application of prescribed processes and documents to efficiently and effectively accomplish an internal control objective and to help safeguard an activity from waste, loss, unauthorized use, or misappropriation.

### **In-transit Disbursements**

Disbursements that have been reported by a disbursing office, through a paying center, to the Department of the Treasury and charged against the Department's fund balances, but have not yet been received or processed by the applicable accounting office for recordation against the applicable corresponding obligation. This includes inter-service, intra-service, and inter-fund disbursement transactions. This definition includes disbursements originating outside the DoD.

### **Inventory Price**

For non-stock fund items the inventory price is the acquisition cost. For stock fund items, the inventory price is acquisition cost plus prescribed surcharges. (See "Acquisition Cost.")

### **Investment**

As a budget term, investment refers to equipment financed with procurement appropriation accounts. As an accounting term, investments represent the value of securities and other assets held for the production of revenues in the form of interest, dividends, rentals or lease payments, net of premiums or discounts.

### **Invoice**

As defined by [FAR 2.101, Definitions](#), an invoice is a contractor's bill or written request for payment under the contract for supplies delivered or services performed.

### **Invoice Payment**

A [Federal](#) Government disbursement of monies to a contractor under a contract or other authorization for supplies or services accepted by the Government.

### **Letter Contract**

An offer and acceptance that is specific and definitive enough to show the purpose and scope of the final contract to be executed. When accepted in writing by the contractor, documentary evidence exists to support the recording of an obligation.

### **Loan Guarantees**

Agreements by which a DoD Component pledges to pay part or all of the loan principal and interest to lenders or holders of securities in the event of default by third-party borrowers.

**Management Fund Accounts**

Working fund accounts authorized by law to facilitate accounting for collections from two or more appropriations or funds to finance an activity not involving a continuing cycle of business-type operations and that are available for obligation and expenditure. Those are combined receipt and expenditure accounts established by law, with receipts derived from such operations usually available in their entirety for use by the fund without further action by the Congress.

**Military Interdepartmental Purchase Request (MIPR)**

An order issued by one military service to another to procure services, supplies, or equipment for the requiring service. The MIPR (DD Form 448) may be accepted on a direct citation or reimbursable basis. It is an "Economy Act" ([31 USC 1535](#) and [31 U.S.C. 1536](#)) order subject to downward adjustment when the obligated appropriation is no longer valid for obligation.

**Military Retired Pay (Includes Fleet Reserve and FMCR Retainer Pay)**

(A reduced pay entitlement for reduced services.) The gross [entitlement for a retired service member](#) based on terms and conditions of law, pay grade, years of service, percentage of disability, if applicable, and date of retirement ([transfer to the retired reserve](#)).

**Military Retirement Trust Fund**

A trust fund established to finance the retirement cost of active and reserve military personnel. An accrual amount is transferred monthly from the military personnel accounts to the Fund based on a fixed percentage of basic pay for full-time and part-time personnel. The accrual amounts are determined by the DoD Board of Actuaries who are appointed by the President for 15 year terms. In addition, amounts are deposited into the Fund to liquidate the unfunded liability of retired pay earned prior to establishment of the Fund. Interest on investments of the Fund assets in Federal Government securities are also transferred into the Fund.

**Minimum Lease Payments**

The payments that the lessee is obligated to make or may be required to make in connection with leased property. (Contingent rentals are excluded from the minimum lease payments.)

**Multiple-Year Authority**

Budget authority that is available for original obligation for a specified period in excess of 1 fiscal year.

**Negative In-transit Disbursements**

The opposite of in-transit disbursement. The accounting office has processed disbursements for recordation against the applicable corresponding obligation but the disbursing office has not reported the disbursements, through a paying center, to the Department of the Treasury and charged against DoD's fund balances. (See "In-transit Disbursements.")

**Negative Unobligated Balance**

An appropriation or fund in which the amount of obligations exceeds the amount of obligational authority. (In closed appropriations, the available obligational authority is equal to the unobligated balance.)

**Negative Unliquidated Obligation**

A disbursement transaction that has been matched to the cited detail obligation, but the total disbursement(s) exceeds the amount of that obligation.

**Noncurrent Receivable**

A receivable that will not be due within 12 months following the reporting period.

**Non-expenditure Transfers**

A redistribution of either unobligated balances of budget authority provided in a previous year, or budget authority provided in the current year between appropriations or funds for the benefit of the gaining appropriation or fund. Transfers of obligated balances and sometimes re-appropriations also require non-expenditure transfers.

**No-Year Authority**

Budget authority that remains available for obligation for an indefinite period of time.

**Obligation**

Amount representing orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Includes payments for which obligations previously have not been recorded and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid. For purposes of matching a disbursement to its proper obligation, the term obligation refers to each separate obligation amount identified by a separate line of accounting.

**Obligational Authority**

The sum of (1) budget authority provided for a given fiscal year, (2) balances of amounts brought forward from prior years that remain available for obligation, and (3) amounts authorized to be credited to a specific fund or account during that year, including transfers between funds or accounts. (See "Budget Authority.")

**Offsetting Collections**

Collections from [Federal](#) Government accounts or from transactions with the public. The two major categories of offsetting collections are offsetting receipts (amounts deposited to receipt accounts) and offsetting collections credited to appropriation or fund accounts.

**Offsetting Receipts**

Collections that are deposited into proprietary Miscellaneous Receipt Accounts of the Department of the Treasury. Applicable deposits offset the collecting Agency's budget authority and outlays.

**Operating Agency**

A major organizational unit within a Military Department or Defense Agency that is responsible for (1) the active planning, direction, and control of a program or segment, thereof; and (2) the control of the funds allocated to it.

**Outlays**

The amount of checks issued or other payments made (including advances to others), net of refunds and reimbursements. Outlays are net of amounts that are adjustments to obligational authority. The terms "expenditure" and "net disbursement" are frequently used interchangeably with the term "outlay". Gross outlays are disbursements and net outlays are disbursements (net of refunds) minus reimbursements collected.

**Over-aged Disbursement**

A disbursement that is not matched to a corresponding obligation within specified timeframes.

**Overhead Rate**

The rate determined by performing organizations to allocate operating costs not directly identifiable to the work order. The rate may include supervisory and general and administrative expenses as well as miscellaneous material and supplies.

**Participation Loan**

A loan that consists of both direct and guaranteed portions.

**Pass-throughs (Current Year)**

Revolving fund revenues received during the current fiscal year which: (1) are in addition to amounts provided for in the customer stabilized rate structure and (2) represent reimbursement for current year costs or amounts in excess of amounts budgeted, or otherwise provided for, in the President's budget on which approved customer stabilized rates for the [current] year were based.

**Pass-throughs (Prior Year)**

Revolving fund revenues which provide for the recoupment of amounts associated with prior year efforts or sales. These amounts represent the recoupment of amounts beyond those contained in the DoD stabilized rate structure for the applicable prior fiscal year for which the efforts were performed. These amounts are generally intended to offset prior year losses and/or amounts in excess of amounts previously budgeted.

**Pay Account**

The part of each individual civilian and Military Service member's master pay record that contains all transaction information on payments and deductions with an audit trail to the authorizing documents. The pay account includes information such as pay grade, record of payments, all earnings separately identified by type (basic pay, bonuses, danger pay); allowances; allotments; year-to-date gross earnings; taxable earnings, taxes withheld, and leave data (amount earned, taken, lost, forfeited, advanced, or used).

**Pay and Allowances**

Payment to active duty, Reserve, National Guard, and retired members and their surviving annuitants, other than travel and transportation reimbursements, and to all civilian employees and direct hire employees in foreign locations, other than travel and transportation expenses.

**Paying Office**

A disbursing office. In the case of contracts, the place named in the contract for forwarding invoices for payment.

**Period of Availability**

The period of time in which budget authority is available for original obligation.

**Planning, Programing, Budgeting, and Execution (PPBE)**

A cyclic process containing three distinct, but interrelated phases: planning, programing, budgeting, and execution. In addition to establishing the framework and process for decision making on future programs, the process permits prior decisions to be examined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resources) and for the time period being addressed. The ultimate objective of PPBE is to provide operational commanders the best mix of forces, equipment, and support attainable within fiscal constraints.

**Political Subdivision of Local Government**

A local unit of government, including specifically a county, municipality, city, town, township, school district, or other special district created by State law, or combination of these units.

**Port Loading and Unloading Costs**

A subset of accessorial costs. The costs incurred for loading, unloading, and handling at the ports of embarkation and debarkation.

**Pre-positioning Costs**

The accessorial costs incurred to store items at locations outside the United States in anticipation of support to other authorized customers.

**Predetermined Rate**

The rate established by appropriate authority for use in computing recoverable amounts.

**Pre-validation**

Pre-validation is a procedure that requires a proposed payment be identified/matched to its applicable proper supporting obligation that has been recorded in the official accounting system and that the line(s) of accounting cited on the payment match the data recorded in the accounting system.

**Private Parties**

Consists of non-U.S. Government activities; foreign governments, firms, and organizations; and international organizations, other than Foreign Military Sales (FMS) customers and FMS/International Military Education and Training Program (IMET) recipients.

**Project Order**

An order for goods or services issued under the authority in [41 U.S.C. 6307](#) to a separately managed and financed Federal Government owned and operated establishment. (See Volume 11A, Chapter 2.)

**Property Book**

A documentary record of every item on a "Table of Organization and Equipment List", or other type of allowance list, showing that a unit is prepared to accomplish its assigned mission. The property book lists both capitalized and expensed assets, shows quantities on hand, items due in, open requisitions, unit prices, hand receipts.

**Realized Variance (Foreign Currency Fluctuations)**

The difference between actual obligations at the budget rate (approved execution rate) and the foreign exchange rate in effect at the time of payment (liquidation of the obligation). The variance is equal to the amount disbursed from the applicable centrally managed allotments.

**Real Property**

Fixed assets that are comprised of land and the rights to land; buildings to include capitalized additions, alterations, improvements, and rehabilitations; and other structures and facilities. Real property does not include personal property (weapons systems and other military equipment).

**Reapportionment**

An Office of Management and Budget approved change to the previously approved apportionment for the current year. (See "Apportionment.")

**Re-appropriation**

Statutory authority to restore or extend the obligational availability, whether for the same or different purpose, of all or part of the unobligated balance of budget authority that has expired or otherwise would expire in an annual or multiple-year appropriation. Re-appropriation transactions require non-expenditure transfer of the funds involved from the expired or otherwise expiring account to the designated current account when the unobligated balance has not been withdrawn to the surplus fund of the U.S. Treasury. If the unobligated balance has been withdrawn, then the transaction requires a warrant. Re-appropriations that provide funds to a fiscal year for which they were not previously available constitute new budget authority in the receiving account.

**Refunds**

Recoveries of overpayments that result from errors in paying invoices or from items returned to vendors. (Also see "Refunds and/or Transfers (Current Year)" and "Refunds and/or Transfers (Prior Year).")

**Refunds and/or Transfers (Current Year)**

Industrial fund amounts transferred on a non-expenditure basis which represent the transfer of revenue collected through stabilized rates which: (1) is in excess of current year costs or (2) otherwise exceeds the purpose for which initially intended in the current year. (The latter case, for example, may include the collection of Asset Capitalization Program surcharges in excess of amounts ultimately approved by the Congress for the Asset Capitalization Program.) These transfers are generally made to appropriated funds and provided for in a general provision contained in the applicable annual appropriation act.

**Refunds and/or Transfers (Prior Year)**

Industrial fund amounts transferred on a non-expenditure basis which represent the transfer of amounts associated with prior year efforts or sales. These amounts usually represent the transfer of revenue collected through stabilized rates which: (1) were in excess of [then] current year costs or (2) otherwise exceeded the purpose for which initially intended. These transfers are generally made to appropriated funds and provided for in a general provision contained in the applicable annual appropriation act.

**Reimbursable Order**

An order for services, supplies, material, or equipment placed by a [requiring \(or ordering\)](#) DoD Component (or Federal Agency) and furnished by another DoD Component (or Federal Agency) without separate identification of the items, or separate citation of the funds of the requiring DoD Component; and with subsequent delivery to and reimbursement by the [requiring](#) DoD Component. The [requiring](#) DoD Component records the reimbursable order as an obligation when the [servicing \(or performing\)](#) DoD Component accepts the reimbursable order in writing.

**Reimbursements**

Amounts earned and collected for property sold or services furnished either to the public or another Federal accounting entity. To be an appropriation reimbursement, the collection must be authorized by law for credit to the specific appropriation or fund account.

**Replacement Cost**

Obligations to be incurred at a future time to procure equipment or material in place of items which have been sold or transferred. There are two methods used to determine replacement cost: (1) Replacement cost may be determined by applying the OSD prescribed inflation factor to the most recent contract price of the item to be replaced. The inflation factor is applied to each fiscal year between the year the item sold or transferred was acquired and the fiscal year in which the replacement item will be delivered. (2) Replacement cost may also be determined by obtaining a current contractor quote for the replacement item. Normally the second method is the most accurate method.

**Reportable Accounting System or Segments**

A system or segment that satisfies the definition of an accounting system.

**Reprogramming**

Realignment of budget authority from the purpose for which appropriated to finance another (usually emergent, unfunded) requirement. A necessary, desirable, and timely device during execution of Defense programs for achieving flexibility in the use of DoD funds provided in appropriation acts.

**Reschedule**

(Restructure, refinance, forbear, re-amortize, or defer) To establish new terms or conditions in order to facilitate the repayment of debt. For example, stretching out or extending into the future such payments.

**Rescission**

Legislation that cancels budget authority previously provided by Congress before the time when the authority would otherwise lapse, that is, cease to be available for obligation.

**Reserves**

Portions of budgetary resources set aside by OMB to (1) provide for contingencies, or (2) effect savings made possible by or through changes in requirements or greater efficiency of operations.

**Residual Value**

Residual value is the estimated value remaining at the end of a capital asset's useful life to DoD or the amount that can be expected to be recovered from the asset's disposal when it is removed from service.

**Resource Manager**

An individual who verifies and validates the funds cited on a commitment or obligation document are accurate and available.

**Restoration**

An unobligated amount previously withdrawn by administrative action to the merged surplus balances that is again made available to fund within scope increases to original obligations or to fund other Congressionally approved programs pursuant to law.

**Revolving Fund Accounts**

Accounts authorized by specific provisions of law to finance a continuing cycle of business-type operations, and which are authorized to incur obligations and expenditures that generate receipts.

**Sequestration**

Sequestration means the permanent cancellation of budgetary resources. The Statutory Pay-As-You-Go Act of 2010 requires such cancellations if revenue or direct spending legislation is enacted that, in total, increases projected deficits or reduces projected surpluses relative to the

baseline. Under the law, selected mandatory programs would be subject to across-the-board cancellations. BBEDCA, as amended, requires such cancellations if discretionary appropriations exceed the statutory limits on discretionary spending.

### **Special Fund Accounts**

Separate receipt and expenditure accounts established to account for receipts of the Government that are earmarked by law for a specific purpose but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts.

### **Special Fund - Expenditure Accounts**

Accounts established to record amounts appropriated, or otherwise made available by transfers from a special fund receipt account to be obligated and expended for special programs in accordance with specific provisions of law.

### **Special Funds - Receipt Accounts**

Accounts credited with receipts from specific sources that are earmarked by law for a specific purpose, but which are not generated from a continuing cycle of operations.

### **Specialized or Technical Services**

Statistical and other studies and compilations, developmental projects, technical tests and evaluations, technical information, training activities, surveys, reports, documents, and any other similar service functions that any Federal Agency is especially equipped and authorized by law to perform.

### **Suballotments**

Subdivisions of allotments. (See “Allotments” and “Apportionment.”)

### **Suspense Account**

A clearing account established by the U.S. Treasury’s Financial Management Service to temporarily hold unidentifiable general, revolving, special, or trust fund collections that belong to the Federal Government. The funds remain in the suspense accounts until they can be reclassified to the proper receipt or expenditure accounts. Collections should be reclassified from suspense accounts within 60 days.

### **Tangible Assets**

Tangible capital assets are depreciable property, plant, equipment, and software developed, manufactured, transferred or acquired for a determinable cost meeting or exceeding the established capitalization threshold; are used over a period (useful life) estimated to be 2 years or greater; and generally become economically worthless (except for residual value) at the end of their estimated useful lives.

### **Transfer**

Transfer means the movement or shifting of budgetary resources from one budget account to another. Agencies may transfer budget authority only as specifically authorized by law. For budgetary accounting purposes, the nature of the transfer determines whether the

transaction is recorded as an expenditure transfer, which means a transfer that involves an outlay, or as a nonexpenditure transfer, which means a transfer that does not involve an outlay.

### **Transportation Costs**

The costs incurred for shipment of material.

### **Treasury Financial Communications System (TFCS)**

The computer-to-computer link between the U.S. Treasury and the Federal Reserve Bank of New York.

### **Trust Fund**

Trust fund refers to a type of account, designated by law as a “trust fund,” regardless of any other meaning of the term “trust fund.” A trust fund account is usually either a receipt, an expenditure, or a revolving fund account (trust revolving fund account). Trust revolving fund accounts have no receipt account and the collections are credited directly to the expenditure account.

### **Trust Fund Expenditure Accounts**

Accounts that are established to record amounts appropriated, or otherwise made available by transfer from a trust fund receipt account to be obligated and expended in carrying out the specific purposes, or programs, in accordance with the terms of the trust agreement or statute.

### **Trust Fund Receipt Accounts**

**Receipts** Accounts that are credited with **collections** (governmental receipts or offsetting receipts) generated by the terms of a trust agreement or statute.

### **Trust Revolving Fund**

The name given to a fund entity when a trust fund corpus is established to perform a continuing cycle of business-type operations in accordance with the trust agreement or statute, in which case a combined receipt and expenditure account is used.

### **Undelivered Orders**

The value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

### **Undistributed Disbursement**

Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS centers by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

### **Unearned Revenue**

Revenue from DoD customers collected in advance of earnings and prior to delivery of goods or services.

**Unexpended Balance**

The sum of the unobligated balance and the un-liquidated obligation balance of an appropriation.

**Unexpired Accounts**

Appropriation or fund accounts in which the balances are available for incurring obligations because the time available for incurring such obligations has not yet expired. Audit requirements, limitations on obligations, and reporting requirements applicable to unexpired accounts must continue to apply after the end of the period of availability for obligation or expenditure of that account.

**Unfilled Customer Orders**

The amount of orders accepted from ordering accounting entities within the U. S. Government for goods and services to be furnished on a reimbursable basis; or, in the case of transactions with the public, amounts collected in advance for which the accounting entity has not yet performed as requested.

**Unfunded Cost**

Costs not financed by the performing activity's current appropriations or fund accounts. Applicable types of cost include interest on investment and accrued annual leave.

**Unified Combatant Command**

A unified combatant command is a military command which has broad, continuing missions and which is composed of forces from two or more Military Departments. Unified combatant commands are established by the President, through the Secretary of Defense, with the advice and assistance of the Chairman, Joint Chiefs of Staff.

**Unliquidated Obligation Balance**

The amount of obligations that have not been liquidated by payments (disbursements).

**Unmatched Disbursement**

A disbursement transaction that has been received and accepted by an accounting office, but has not been matched to the correct detail obligation. This includes transactions that have been rejected back to the paying office or central disbursement clearing organization by an accounting office.

**Unobligated Balance**

The cumulative amount of budget authority in an unexpired account that is not obligated and that remains available for obligation under law.

**Unrecorded Obligations**

Obligations that were incurred legitimately during the period of fund availability, but were not recorded in the Component's records prior to expiration of the appropriation or fund. For purposes of this guidance, "unrecorded" obligations are included in obligation adjustments. Current accounts may be used to pay previously unrecorded obligations chargeable to a closed account.

**User**

An individual, organization, or accounting entity that receives services. A user may be internal or external to the DoD Component.

**Warehousing**

Costs normally incurred for labor, materiel, or services in packing item(s) that are removed from DoD storage, preparing item(s) for shipment, and processing related materiel release documents.

**Withdrawal**

The transfer of the unobligated balance from an expired annual or multiple-year appropriation to the surplus account of the U.S. Treasury's general fund, or, if appropriate, to the special fund or trust fund from which derived.

**Write off**

As a budgetary term, write-off means the withdrawal from availability for obligation of an unobligated balance from a no-year appropriation. It excludes amounts withdrawn from expired accounts and amounts rescinded by the Congress. As an accounting term, write-off refers to the removal of a delinquent accounts receivable that is considered not collectible or not cost effective to pursue further collection efforts. A write-off is not a correction to the accounting records resulting from an accounting error.

**Work in Process**

Costs of the materials, labor, and indirect costs used in producing an end item (customized equipment or personal property), whether fabricated by a DoD business operation fund or by a non-DoD organization under contract.

**Year-end Adjustments for Reimbursements**

Accounting entries made to eliminate anticipated reimbursements for orders not accepted, eliminate those unobligated accepted orders that are no longer valid obligations of the ordering activity, and transfer valid unobligated reimbursable balances from expiring and non-expiring accounts to the most current ensuing fiscal year accounts. The exception is for unobligated balances resulting from earned reimbursements (that is, sales from inventory or performance of in-house services), which must be retained in non-expiring accounts until account expiration.