



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

April 9, 2024

MEMORANDUM FOR CHIEF FINANCIAL EXECUTIVES OF THE DEFENSE AGENCIES AND DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Component Level Accounts Responsibilities (FPM24-03)

- References:
- (a) 31 U.S. Code § 902, "Authority and Functions of Agency Chief Financial Officers"
 - (b) DoD Directive 5118.03, "Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense," April 4, 2023
 - (c) DoD Financial Management Regulation, DoD 7000.14-R, Volume 1, Chapter 1, "Chief Financial Officer of the Department of Defense," December 2020
 - (d) DoD Instruction 7000.14, "DoD Financial Management Policy," August 10, 2020

This memorandum assigns responsibilities related to Department of Defense (DoD) Component Level Accounts (CLA). Responsible entities must diligently work to ensure the proper reporting of DoD CLA transactions, so DoD CLA balances are complete and accurate.

On behalf of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, the Office of the Deputy Chief Financial Officer, Financial Management Policy and Reporting Directorate (FMPR), manages agency financial management functions and responsibilities as assigned in reference (a). Likewise, per reference (b), FMPR establishes, supervises, and keeps current the execution of uniform DoD policies, principles, and procedures, including DoD 7000.14-R, DoD Financial Management Regulation (FMR), and oversees all financial management activities for DoD programs and operations. Similarly, under reference (c), FMPR is responsible for directing, managing, and providing policy guidance and oversight of DoD financial management activities, including establishing financial management policies for DoD Components and ensuring compliance throughout the DoD with applicable accounting policies and standards. Lastly, under reference (d), DoD Component heads are responsible for ensuring compliance with these policies and standards.

It follows that FMPR is responsible for financial and policy oversight of DoD CLA reporting on DoD Agency-Wide Financial Statements. Policy changes for DoD CLA must be coordinated with FMPR for review and subsequent approval by the Deputy Chief Financial Officer. Furthermore, FMPR will review and update DoD CLA policies annually, as well as when needed for mission requirements. Specific FMPR roles in financial and policy oversight and managerial responsibility of the DoD CLA include:

- Establishing and maintaining financial reporting policy;
- Reviewing and approving adjustments;
- Reviewing Unadjusted Trial Balance to Adjusted Trial Balance reconciliation;

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- Reviewing Trial Balances to Feeder File Reconciliation analyses;
- Reviewing deliverables, including but not limited to tie-point reconciliation packages and trading partner packages;
- Providing technical direction of financial reporting audit activities; and
- Receiving DoD Component agency financial reports (AFRs) each year, to ensure that AFRs contain the same data as reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System and Defense Departmental Reporting System-Audited Financial Statements.

In support of the Office of the Under Secretary of Defense (Comptroller), the Defense Finance and Accounting Service is responsible for:

- Establishing and maintaining internal guidelines, such as standard operating procedures and desktop procedures;
- Obtaining provided by client auditor-requested documents and fulfilling associated requests;
- Providing DoD CLA variance analyses, as requested by FMPR;
- Providing adjustments for review and approval;
- Establishing and participating in meetings with FMPR to review and discuss DoD CLA activity; and
- Assisting in resolving issues identified during the review of DoD CLA activity (i.e., adjustments and reconciliations).

Thank you for your dedication to excellence. My staff point of contact for this action is Mr. Eddie Jo, at 571-256-2707 or eddie.j.jo.civ@mail.mil.

Thomas C. Steffens
Deputy Chief Financial Officer

cc:

Assistant Secretaries of the Military Departments (Financial Management and Comptroller)
Assistant Inspector General for Audit, Financial Management and Reporting, DoD Office of
Inspector General