



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-1 100

May 12, 2020

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Treasury Appropriation Fund Symbols for the Department of Defense Forestry Products Program (FPM 20-08)

- References:
- (a) Department of Defense (DoD) Office of Inspector General (OIG) Audit Report DODIG-2016-103, "Improvements Needed in Managing Army Suspense Accounts," June 27, 2016
 - (b) DoD OIG Audit Report DODIG-2016-104, "Improvements Needed in Managing Navy Suspense Accounts," June 30, 2016
 - (c) DoD OIG Audit Report DODIG-2017-019, "Improvements Needed in Managing Air Force Suspense Accounts," November 10, 2016

This memorandum directs the Military Departments to utilize the Treasury appropriation fund symbols (TAFS) identified in the attachment to ensure appropriate accounting and reporting of proceeds from the sales of DoD forestry products. Section 2665 of Title 10, United States Code (10 U.S.C. 2665), provides complete guidance for collections and disbursements related to the Forestry Products Program. Currently, the DoD incorrectly uses suspense account F3875 to record these collections. The referenced DoD OIG audit reports address the Department's inappropriate use of suspense accounts for these collections.

Anticipated receipts for the Forestry Products Program must be apportioned; therefore, the Military Departments are responsible for forecasting and communicating their requirements to the Forestry Products Program Manager and Army Budget Office. The Office of Management and Budget established a single special fund account, 21*5285, "Forestry Reserve Account," for the Department's forestry program. When recording the initial receipts, the Military Departments must use this TAFS and United States Standard General Ledger account 411400, "Appropriated Receipts Derived From Available Trust or Special Fund Receipts," to record the transactions. The Military Departments will execute (obligate and disburse) for the Forestry Products Program using their general fund accounts, primarily the operation and maintenance (O&M) accounts. The Department of the Army, as the Forestry Products Program executive agent, will reimburse the Military Departments' O&M accounts for program expenditures from the Forestry special fund expenditure account. The Military Departments should obligate and disburse these proceeds only for purposes specifically authorized in 10 U.S.C. 2665.

Effective July 1, 2020, the Military Departments shall no longer use suspense account F3875 to record and report these proceeds. They should work with the Defense Finance and Accounting Service to confirm all future collections and disbursements for this program are collected and executed according to the attached document. By June 30, 2020, the forestry proceeds must be transferred out of the suspense account F3875 to the Forestry special fund receipt account or general fund of the Department of Treasury. DoD Financial Management Regulation, Volume 11A, Chapter 16, "Accounting for Production and Sale of Forest Products," will be updated to reflect the changes in this memorandum.

My point of contact for this matter is Ms. Alice Rice. She may be reached at alice.r.rice2.civ@mail.mil or 703-693-3618.

Mark E. Easton
Deputy Chief Financial Officer

Attachment:
As stated

cc:
Assistant Secretary of Defense for Energy, Installations, and Environment
Assistant Secretary of the Army (Installations, Energy, and Environment)
Assistant Secretary of the Navy (Energy, Installations, and Environment)
Assistant Secretary of the Air Force (Installations, Environment, and Energy)
Director, Defense Finance and Accounting Service
Deputy Inspector General for Auditing, DoD Office of Inspector General

Treasury Appropriation Fund Symbols for DoD Forestry Products Program

May 2020

Based on 10 U.S.C. 2665, the Office of the Under Secretary of Defense (Comptroller), in coordination with the Department of Defense Office of the General Counsel, has identified the following accounts for recording collections and payments related to the proceeds from the sale of forestry products, in accordance with applicable provisions.

Designated Treasury Accounts

All proceeds from the sale of forestry products shall be deposited into the Forestry Reserve Account. Each Service will deposit its proceeds with a specific limit, as indicated in DFAS Manual 7097.01, upcoming Chapter 2-5285. All Military Departments shall execute their forestry products programs within their respective direct operation and maintenance (O&M) accounts. If a Military Department is executing from a procurement or working capital account, those accounts may be reimbursed from the Forestry Reserve Account.

The Military Departments may request quarterly transfers from the Department of the Army to offset expenses to their programs, based on availability of receipts, by contacting the Forestry Program Management Office.¹ Transfers will be processed via Intragovernmental Payment and Collection to ensure proper visibility and accountability at the Department of the Treasury. The Department of the Army will provide implementation guidance with detailed instructions at a later date.

Each Military Department is responsible for forecasting its anticipated receipts for the year, and communicating the requirements to the Forestry Program Manager and Army Budget Office, for the purposes of requesting an apportionment. Each Military Department is responsible for monitoring instances where over-execution has occurred, and coordinating the appropriate resolution with its respective budget office. Transfers from the Army's Forestry Reserve Account will only be used to offset expenses incurred as a result of managing this program, in accordance with 10 U.S.C. 2665. At the end of the calendar year, in instances where excess balances exist, they will be transferred to the DoD Forestry Reserve Account. Per statutory requirements, any balance in excess of \$4 million will be deposited into the Treasury miscellaneous receipt account on December 31.

Note: O&M is shown in the following table as an example.

¹ The suggested deadline for respective quarterly transfers is November 30, February 28, May 31, and August 31, to allow time for end-of-quarter accounting adjustments where needed.

| Component | Account No. | Account Name |
|---------------------------|--------------------|---|
| Deposit Proceeds | | Reserve Account, DoD Forestry Products Program, Army |
| Army | 21 R 5285 | Limit 0021* |
| Navy | 21 R 5285 | Limit 0017 |
| Marine Corps | 21 R 5285 | Limit 0027 |
| Air Force | 21 R 5285 | Limit 0057 |
| OSD | 21 R 5285 | Limit 0097 |
| Transfers | | DoD Forestry Products Program, Army |
| Expenditure, Army | 21 X 5285 | |
| Program Execution: | | Operation & Maintenance |
| Army | 21 20/20 2020 | Army |
| Navy | 17 20/20 1804 | Navy |
| Air Force | 57 20/20 3400 | Air Force |
| Marine Corps | 17 20/20 1106 | Marine Corps |
| Defense-Wide/TI 97 | 97 20/20 0100 | Defense-Wide |

* Limits are reported internally in DoD only; limits are consolidated for external reporting.

Relevant provisions from U.S. Code

10 U.S.C. 2665, Sale of Certain Interests in Land

(d) Appropriations of the Department of Defense may be reimbursed for all costs of production of forest products pursuant to this section from amounts received as proceeds from the sale of any such property.

(e)(1) Each State in which is located a military installation or facility from which forest products are sold in a fiscal year is entitled at the end of such year to an amount equal to 40 percent of (A) the amount received by the United States during such year as proceeds from the sale of forest products produced on such installation or facility, less (B) the amount of reimbursement of appropriations of the Department of Defense under subsection (d) during such year attributable to such installation or facility.

(f)(1) There is in the Treasury a **reserve account** administered by the Secretary of Defense for the purposes of this section. Balances in the account may be used for costs of the Military Departments -

(A) for improvements of forest lands;

(B) for unanticipated contingencies in the administration of forest lands and the production of forest products for which other sources of funds are not available in a timely manner; and

(C) for natural resources management that implements approved plans and agreements.

(2) There shall be deposited into the reserve account the total amount received by the United States as proceeds from the sale of forest products sold under subsections (a) and (b) less -

(A) reimbursements of appropriations made under subsection (d), and

(B) payments made to States under subsection (e).

(3) The **reserve account may not exceed \$4,000,000** on December 31 of any calendar year. Unobligated balances exceeding \$4,000,000 on that date shall be deposited into the United States Treasury.