

VOLUME 1, CHAPTER 7: “DEPARTMENT OF DEFENSE STANDARD CHART OF ACCOUNTS”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also 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 [March 2018](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.2 (070102)	Added information for clarity.	Revision
2.0 (0702)	Added information to the existing definitions that impact proper posting of budgetary and proprietary transactions to the DoD Standard General Ledgers.	Revision
3.4.3. (070304.C)	Added a new subparagraph to emphasize Components' responsibility for recording budgetary and proprietary transactions.	Addition

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CHAPTER 7

DEPARTMENT OF DEFENSE STANDARD CHART OF ACCOUNTS

1.0 GENERAL (0701)

1.1 Purpose (070101)

This chapter prescribes the requirements of the Department of Defense (DoD) Standard Chart of Accounts (SCOA) [that is based on the](#) general requirements of the United States Standard General Ledger ([USSGL](#)). The DoD SCOA [prescribes](#) the mandatory general ledger accounts that must be implemented in all DoD accounting systems for all [budgetary and proprietary transactions](#).

***1.2** Authoritative Guidance (070102)

1.2.1. [The Federal Financial Management Improvement Act of 1996 \(FFMIA\)](#) requires agencies to implement and maintain [financial management](#) systems that comply with the USSGL at the transaction-level. [See Chapter 3 for FFMIA compliance information.](#)

1.2.2. The United States Department of the Treasury (Treasury) Financial Manual (TFM) prescribes the USSGL requirements. The USSGL is a TFM Supplement that [prescribes the structure for budgetary and proprietary accounts at the 6-digit USSGL account level](#). Because central agency reporting requires a lower level of detail, the USSGL Board developed attributes containing domain values that, when added to a basic 6-digit USSGL account, provide the appropriate level of detail needed for central agency reporting. Treasury issues bulletins at least annually notifying agencies of changes to the USSGL Supplements that are effective immediately and later codified in the TFM. As part of the overall Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reporting requirements, the USSGL guidance contains seven major sections:

- I. Chart of Accounts,
- II. Accounts and Definitions,
- III. Account Transactions,
- IV. Account Attributes for USSGL Proprietary Account and Budgetary Account Reporting,
- V. Crosswalks to Standard External Reports for FY 20XX¹ GTAS Reporting,
- VI. Crosswalks to Reclassified Statements for FY 20XX Reporting, and
- VII. GTAS Validations and Edits for FY 20XX Reporting.

1.2.3. Office of Management and Budget [\(OMB\) Circular A-123 Appendix D](#), “Compliance with the Federal Financial Management Improvement Act,” requires that agencies record financial events in the core accounting systems, applying the requirements of the USSGL.

¹ “XX” represents the applicable fiscal year.

*2.0 DEFINITIONS (0702)

2.1 Standard Financial Information Structure (070201)

2.1.1. The [Standard Financial Information Structure](#) (SFIS) is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs. The DoD SCOA is a key element in the SFIS data structure. The DoD SCOA and other SFIS products are published on the DoD Chief Management Officer's SFIS web page. For detailed SFIS information, see Chapter 4.

2.2 DoD Chart of Accounts SFIS Attribute Alignment File (070202)

The DoD Chart of Accounts (COA) SFIS Attribute Alignment File (“FY20XX DoD COA Account Attribute Alignment File”) is a file that identifies standard interface file format requirements for the Defense Departmental Reporting System. It provides DoD with a means to determine which SFIS data element and value combinations are necessary for consistent financial reporting. For each DoD Standard General Ledger (SGL) account, the DoD Account Attribute Alignment File identifies additional SFIS data elements that are required for financial reporting. This file identifies which value combinations are permissible for SFIS attributes. The DoD Account Attribute Alignment File and corresponding instructions are available on the SFIS web page.

2.3 Tie-Point Reconciliations (070203)

Tie-Point Reconciliations, also referred to as “Tie-Points,” are a series of standard USSGL accounting relationships, i.e., financial management equations that facilitates the validation of trial balance data. The DoD Chart of Accounts Tie-Point standards are revised annually and published on the SFIS web page. [Tie-points](#) indicate whether certain account balances within a general ledger trial balance are consistent with other account balances. [DoD Components and accounting service providers must combine budgetary and proprietary general ledgers to a self-balancing trial balance and conduct edits and tie-point validations prior to reporting data in the Defense Departmental Reporting System \(DDRS\).](#) Tie-Points that do not reconcile must be resolved to support the DoD submission of accurate and reliable agency-wide trial balances to Treasury via GTAS for consolidation into the Governmentwide financial statements.

2.4 Financial Accounting System (070204)

[OMB Circular A-123, Appendix D,](#) defines a financial system as an information system or set of applications that comprise the accounting portion of the financial management system that maintains all summary and detailed transactions resulting from budgetary and proprietary financial activity. [In order to comply with section 803\(a\) of the FFMIA, financial management systems must record financial events at the transaction-level to the appropriate general ledger accounts according to USSGL guidance in the TFM, see Chapter 3.](#)

3.0 ACCOUNT DESIGN (0703)

3.1 DoD SCOA (070301)

The DoD SCOA consolidates the Component level posting and reporting requirements of Treasury and OMB at the DoD enterprise level. The DoD SCOA is comprised of [budgetary and proprietary](#) USSGL accounts and related DoD standard account extensions required to [facilitate consistent implementation of the USSGL, consolidate Component trial balances, and comply with the budgetary and financial reporting requirements established by the OMB and Treasury](#). The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer (OUS(D)/CFO) issues guidance on implementation of the enterprise-wide DoD SCOA to:

3.1.1. Reduce customization of accounting systems,

3.1.2. Eliminate translation and crosswalks of account values in the departmental reporting system,

3.1.3. Improve comparability of data across accounting systems, and

3.1.4. Improve consolidation of data across accounting systems for DoD-wide reporting.

3.2 Account Structure (070302)

The basic structure of the DoD SCOA consists of a 6-digit USSGL account number followed by a 4-digit DoD account extension. DoD SGL accounts with an extension of “.9000” (e.g., 101000.9000, 211000.9000) are identified as Treasury level USSGL accounts. DoD SGL accounts with extensions other than .9000 are DoD specified accounts. The basic structure of the DoD SCOA follows that of the USSGL. The basic 6-digit structure of the USSGL consists of:

100000	Assets
200000	Liabilities
300000	Net Position
400000	Budgetary
500000	Revenue and Other Financing Sources
600000	Expenses
700000	Gains/Losses/Miscellaneous Items
800000	Memorandum

3.3 DoD USSGL Transaction Library (070303)

[3.3.1.](#) The DoD USSGL Transaction Library establishes the enterprise-wide requirement for the implementation of the USSGL and DoD SCOA. It provides a framework for updating existing financial systems and deploying new DoD accounting systems using detailed general ledger transactions and posting business rules for accounting standardization that supports the preparation of financial statements and external reports required by Treasury and OMB.

3.3.2. The DoD USSGL Transaction Library is a decomposition of the accounting transactions from [the TFM, Part 1, Section III USSGL Supplement that provides both budgetary and proprietary accounting entries for events occurring throughout the federal government](#). The DoD USSGL Transaction Library organizes generalized Treasury USSGL business event transactions into appropriate pairings of budgetary, proprietary, and memorandum accounts uniquely identified by DoD Transaction Codes (DTCs).

3.3.3. Financial systems are required to process transactions using the DoD SCOA and attributes according to the defined uses and posting logic in the DoD USSGL Transaction Library. Every effort **must** be made to not group multiple DTCs into one transactional posting, so that the individual transactions needed to support the business process are not bypassed and each business event posts separately. While Component financial systems are not required to store and maintain the exact DTC reference used in the Library for each posted transaction, Component or agency financial systems must maintain a chart of accounts and utilize general ledger posting logic that **produces** the same results as the DoD USSGL Transaction Library for each business event.

3.3.4. The DoD SCOA, DoD USSGL Transaction Library, DoD Account Attribute Alignment File, and DoD Tie-Points are updated as applicable following each corresponding Treasury update to **ensure that DoD policy** guidance **aligns** with the most current USSGL Supplement.

3.4 Reporting (070304)

3.4.1. DoD SGL accounts consist of a six (dot) four account numbering structure. All DoD accounting systems must report financial transactions to **DDRS** using the account structure of the DoD SCOA. Detailed attribute alignment at the DoD SGL account level is updated concurrently with the DoD SCOA and published on the SFIS web page.

3.4.2. The DoD SCOA must be implemented **by DoD Components** to satisfy both internal and external reporting requirements. For **external financial** reporting, all **budgetary and proprietary financial** reporting data **are summarized in DDRS** into the six-digit USSGL accounts and GTAS standard attributes required by the Treasury Bureau of the Fiscal Service.

* 3.4.3. **DoD components must ensure their financial management systems provide complete, reliable, consistent and timely budgetary and proprietary transaction-level information in accordance with (SFIS) and are recorded in general ledgers of the accounting systems of record to produce auditable budgetary, proprietary, and managerial cost accounting reports for use by internal and external stakeholders.**

4.0 ACCOUNT RELATIONSHIPS (0704)

4.1 Budgetary and Proprietary **Accounts** (070401)

4.1.1. The DoD SGL account structure provides a self-balancing set of budgetary accounts to record the appropriation, apportionment, allotment, allocation, commitment, obligation, and expenditure process. The DoD SCOA, driven by debit and credit normal balance indicators, debits

should always equal credits. The budgetary total and budgetary resources accounts should always equal the total status of budgetary resources accounts.

4.1.2. The DoD SGL account structure provides a self-balancing set of proprietary accounts to report the results of operations and net position. Proprietary asset and liability accounts cover the collection and disbursement of funds, the proper classification of assets (e.g., Fund Balance with Treasury, receivables, advances and prepayments, inventory and fixed assets), and the recognition and proper classification of liabilities. Revenue and expense accounts measure the realization of revenues from the sale of goods and services, and the recognition of costs, including gains and losses through the use and consumption of assets. Total asset accounts should always equal total liability accounts plus net position.

4.1.3. Accurate posting of budgetary and proprietary transactions to the DoD SGL enable budgetary, proprietary, and managerial cost accounting that are essential for good stewardship and proper financial control over resources and financial reporting.

4.2 Accounts Applicable to Fund Type (070402)

4.2.1. The DoD SCOA identifies DoD SGL accounts applicable to General Fund, Working Capital Fund, and Special and Trust Funds. The DoD SCOA also identifies those USSGL accounts that are not applicable to the DoD.

4.2.2. Component accounting systems must incorporate, at a minimum, those DoD SGL accounts and posting logic for applicable business processes and transactions. For example, Components must ensure that general fund accounting systems include, at a minimum, accounts designated as applicable to general funds, and not those restricted to working capital or special/trust fund systems. Similarly, working capital fund accounting systems must include accounts designated as applicable to working capital funds, but not those accounts restricted to general or special/trust fund systems. Combined systems handling both general and working capital funds must include both general and working capital general ledger accounts, but not those accounts restricted to special/trust fund systems. DoD Components are not required to add accounts designated as not applicable for DoD.

4.3 Account Attributes (070403)

4.3.1. The account attributes required for Treasury reporting of both budgetary and proprietary account information are defined in the TFM USSGL Supplement, Section IV, USSGL Account Attributes.

4.3.2. The data structure for each DoD SGL account attribute is defined in the SFIS Matrix, to include syntax and allowable values. The SFIS Matrix and the SFIS Values Library are located on the SFIS web page. SFIS is discussed further in Chapter 4.

4.3.3. When including specific general ledger accounts in an accounting system, all attributes assigned to the specific general ledger accounts must also be included and correctly aligned to those accounts.

4.3.4. Allowable values for each DoD SGL account attribute are identified and defined at the DoD SGL account level in the DoD [SCOA](#) Attribute Alignment File published on the SFIS web page.

4.4 Request for Account Exemption (070404)

4.4.1. The scope of business processes and transactions associated with a Component's specific mission area may allow for exemptions to certain DoD SGL accounts. Components [must](#) request an exemption from alignment to certain DoD accounts within a Component's accounting system, based on business processes within a specific fund type.

4.4.2. Systems owners should review existing accounts and submit any changes or revisions to the OUSD(C)/CFO within 30 days of the annual update of the DoD SCOA. System owners are encouraged to submit exemption requests early.

4.4.3. With each update and release of the DoD SCOA, Component system owners must review their existing accounts and submit any changes or revisions to the OUSD(C)/CFO within 30 days of the update. Components must utilize the [current](#) DoD SGL Account Exemption Request Form for all exemption requests. An updated exemption request form will be available [on the SFIS web page](#).

4.5 DoD Assigned USSGL Accounts (070405)

The DoD SCOA [includes](#) five DoD [specific](#) accounts for recording internal fund distributions within direct program authority (see Figure 7-1). Refer to Volume 3, Chapters 13, 14, and 15 for implementation guidance on the use and application of these accounts at the Department and execution levels. Funds distribution guidance for the Military Services and [Office of the Secretary of Defense](#) Treasury Index-97 organizations is located on the [SFIS web page](#) under the "DoD Accounting Scenarios" section.

Figure 7-1. DoD Assigned Accounts for Internal Fund Distributions

Account Number: 454000.9000
Account Title: Internal Fund Distributions Issued
Normal Balance: Credit

Definition: The amount of direct budgetary authority allotted from department, headquarters, or [Office of the Secretary of Defense \(OSD\)](#) level to intermediate or execution level, as determined by organizational funding structure.

Account Number: 455000.9000
Account Title: Internal Fund Distributions Received
Normal Balance: Debit

Definition: The amount of direct budgetary authority received from department, headquarters, or OSD level by an intermediate level component.

Account Number: 456000.9000
Account Title: Funds Available for Allotment
Normal Balance: Credit

Definition: The amount of direct budgetary authority available at an intermediate level component for allotment to execution level component(s) or for suballotment to other intermediate level component(s).

Account Number: 457000.9000
Account Title: Allotments Issued
Normal Balance: Credit

Definition: The amount of direct budgetary authority either allotted by an intermediate level component to an execution level component(s), or suballotted between two or more intermediate or execution level components.

Account Number: 458000.9000
Account Title: Allotments Received
Normal Balance: Debit

Definition: The amount of direct budgetary authority received by an execution level component through either allotment or suballotment of authority.