



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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JUN 3 2013

COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS
(FINANCIAL MANAGEMENT AND COMPTROLLER)
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DIRECTOR, PROGRAM ANALYSIS AND FINANCIAL
MANAGEMENT, U.S. TRANSPORTATION COMMAND
COMPTROLLERS/CHIEF FINANCIAL OFFICERS OF THE
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COMPTROLLERS/CHIEF FINANCIAL OFFICERS OF THE DOD
FIELD ACTIVITIES
DIRECTOR, RESOURCE MANAGEMENT, U.S. ARMY CORPS OF
ENGINEERS

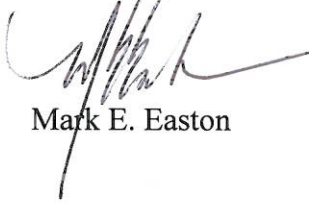
SUBJECT: Department of Defense Standard General Ledger Account Alignment and
Exemption Guidance

Federal agencies must implement and maintain their financial management systems and business feeder systems, at the transaction level, in compliance with the United States Standard General Ledger (USSGL). USSGL accounts and DoD standard account extensions make up the Department of Defense (DoD) Standard Chart of Accounts (SCOA) and provide consistent detail required for budgetary, financial, and management reports. Accordingly, the DoD SCOA sorts accounts into general, working capital, and special/trust fund categories, as well as USSGL accounts not applicable to the DoD. The DoD SCOA is available online at <http://dcmo.defense.gov/products-and-services/standard-financial-information-structure/>.

The DoD Office of Inspector General and DoD components requested clarification on which accounts are required within target financial management systems, based on fund type in a general ledger system. The attachment provides guidance to components on account alignment and which DoD Standard General Ledger (SGL) accounts within the DoD SCOA to include within a component's target financial management system. In addition, system owners now have the option to request a DoD SGL Account Exemption from certain DoD SGL accounts that are not associated with an organization's business mission or its supporting system's business processes, required transactions, and purpose.

System owners are encouraged to submit exemption requests early through their components' senior financial executives, and must submit initial Fiscal Year 2013 exemption requests no later than July 31, 2013. In subsequent fiscal years, system owners should review existing accounts and submit any changes or revisions within 30 days of the annual update of the DoD SCOA.

The next update of DoD Financial Management Regulation Volume 1, Chapter 7, will incorporate this policy and guidance. Please direct questions and comments to Ms. Micky Chopra at micky.chopra@osd.mil or 703-614-7253.



Mark E. Easton

cc:

Under Secretary of Defense for Acquisition, Technology, and Logistics
Under Secretary of Defense for Policy
Under Secretary of Defense for Personnel and Readiness
Under Secretary of Defense for Intelligence
Deputy Chief Management Officer
General Counsel of the Department of Defense
Inspector General of the Department of Defense

Attachments:

As stated

Department of Defense Standard General Ledger Account Alignment and Exemption Guidance

Standard General Ledger Account Alignment Guidance

This document provides guidance on which Department of Defense (DoD) Standard General Ledger (SGL) accounts and attributes are required within target financial management systems and how to obtain a DoD Standard Chart of Accounts (SCOA) Exemption for specific SGL accounts. The DoD SCOA is available online at the Standard Financial Information Structure (SFIS) Resources homepage at <http://dcmo.defense.gov/products-and-services/standard-financial-information-structure/>.

Public Law 104-208, Sec. 803(a), "Implementation of Federal Financial Management Improvements," requires agencies to implement and maintain financial management systems that comply with the United States Standard General Ledger (USSGL) at the transaction level. As defined in Office of Management and Budget and Department of the Treasury guidance, this means that each time an approved transaction is recorded in a target/core general ledger accounting system, the transaction must be configured with appropriate general ledger accounts and any associated attributes. Accordingly, the DoD SCOA sorts accounts into general, working capital, and special/trust fund categories, as well as USSGL accounts not applicable to the DoD.

When including specific general ledger accounts in a target system, all attributes assigned to the specific general ledger accounts must also be included and correctly aligned to those accounts. Where target systems are posting to a chart of accounts other than the DoD SCOA, the posting chart of accounts must comply with the first four digits (or six digits, if the system has been updated) of the USSGL and must be mapped with a one-to-one or many-to-one relationship to a DoD SGL account for reporting purposes. The mapping from the posting accounts to the DoD SGL accounts must occur within the accounting system.

The DoD USSGL Transaction Library, also located at the SFIS Resources homepage, is a decomposition of the Treasury USSGL accounting transactions at the DoD level. Specifically, the DoD USSGL Transaction Library organizes generalized Department of the Treasury USSGL business event transaction postings containing multiple debits and credits, breaking them down into appropriate pairings of budgetary, proprietary, and memorandum accounts uniquely identified by DoD Transaction Codes (DTCs). 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 should 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 attains the same results as the DoD USSGL Transaction Library for each business event.

Component target general ledger accounting systems must incorporate, at a minimum, those DoD SGL accounts and posting logic applicable to business processes and transactions for that system. For example, Components must ensure that general fund target systems include, at a minimum, accounts designated as applicable to general funds, and not those restricted to working capital or special/trust fund systems. Likewise, working capital fund target systems must include, at a minimum, accounts designated as applicable to working capital funds, but not those accounts restricted to general or special/trust fund systems. Similarly, combined systems handling both general and working capital funds shall include, at a minimum, both general and working capital general ledger accounts, but not those accounts restricted to special/trust fund systems. Accounts designated as not to be used by DoD components are not required to be added to the components' target general ledger accounting systems.

Standard General Ledger Account Exemption Guidance

The scope of business processes and transactions associated with a component's specific mission area may allow for exemptions. To request an Exemption for only accounts not associated with the system's business processes and transactions, system owners shall:

- (1) Locate the latest DoD SGL Account Exemption Request form located on the SFIS Resources homepage.
- (2) Collaborate with their respective system users to:
 - a. Specify the exact DoD SGL account(s) and fund type(s) for which an exemption is being sought.
 - b. Provide justification for account exemption requests.
- (3) Component and agency senior financial executives will submit the DoD SGL Account Exemption Request Form, on behalf of system owners, for review and approval to:
 - a. The Office of the Under Secretary of Defense (Comptroller), Business Integration Office, routed to the SFIS point of contact, and;
 - b. The Office of the Under Secretary of Defense (Comptroller), Accounting and Finance Policy Office, routed to the DoD United States General Ledger Board Member.

System owners are encouraged to submit exemption requests early. For Fiscal Year 2013, system owners must submit their initial exemption requests no later than July 31, 2013. In subsequent fiscal years, system owners should review existing accounts and submit any changes or revisions within 30 days of the annual update of the DoD SCOA.

The next update of DoD Financial Management Regulation Volume 1, Chapter 7, will incorporate this policy and guidance. Please direct questions and comments to Ms. Micky Chopra at micky.chopra@osd.mil or 703-614-7253.