

APPENDIX A
OBJECT CLASSIFICATION

★1. Purpose

The purpose of this appendix is to provide necessary information on the object classes that are used as a uniform classification for identifying the transactions of the Federal Government by the nature of the goods or services purchased. Every obligation recorded by the Department of Defense must be coded with an object class.

2. Basic Concepts

a. Obligations incurred are the amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same or a future period. Such amounts include payments for which obligations have not been previously recorded, along with adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The installation-level budgetary account structure requires that the amount of obligations incurred be segregated into undelivered orders and accrued expenditures - unpaid or paid.

b. Obligations are classified by the initial purpose for which they are incurred, rather than for the end product or service provided. For example, if payments are made directly for personal services or supplies used in the construction of a building, the amounts should be classified as obligations for personnel compensation or supplies rather than for land and structures. Conversely, if contracts are awarded for the construction of a building, the amounts should be classified in the object class for lands and structures rather than in the object class used to report individual types of materials and services required to construct the building.

c. Object class information is incorporated into DoD accounting systems, or derived from applicable expense and asset accounts, to allow for reporting by object class. Object Class Code is a required data element in the DoD Standard Financial Information Structure (SFIS), as defined in DoD FMR Volume 1, Chapter 4. Based on OMB Circular A-11, the specific values for Object Class Code and all other SFIS data elements are documented on the SFIS Values Library website at http://www.defenselink.mil/dbt/SFIS_Library.html.

★3. All Federal Government object classifications are listed and defined in [OMB Circular A-11, Part 2.III.83.Schedule O](#). The major object classes are:

- a. 10 Personnel compensation and benefits
- b. 20 Contractual services and supplies
- c. 30 Acquisition of assets
- d. 40 Grants and fixed charges
- e. 90 Other