

**SUMMARY OF MAJOR CHANGES TO  
DoD 7000.14-R, VOLUME 13, CHAPTER 2  
“NONAPPROPRIATED FUND STANDARD GENERAL LEDGER”**

All changes are denoted by blue font

Substantive revisions are denoted by a \* preceding the section,  
paragraph, table, or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Figure 2-1	Renamed two general ledger accounts - Customer Accounts Receivable (1210) and Morale, Welfare, and Recreation (MWR) Utilization, Support, and Accountability (USA) Receivable (1280). The changes to the general ledger account titles were based on Chapter 3 of this volume.	Update
Figure 2-1	Moved Unit Allocation Expense (5640), Internet Expense (5660), and Flexible Spending Account Admin Fee (5670) from non-operating to operating expenses. The move to operating expenses was based on Chapter 5 of this volume.	Update
Figure 2-1	Deleted Lease Expense (5650) because it is synonymous with Rent Expense (5490).	Update
Figure 2-1	Changed general ledger account title - Uniform Funding and Management (UFM) Income (4150) to Morale, Welfare and Recreation (MWR) Utilization, Support and Accountability (USA) Income and moved to non-operating income based on Chapter 5 of this volume.	Update
Figure 2-1	Deleted Appropriated Fund (APF) Payroll Expense (5580) based on Chapter 5 of this volume.	Update
Figure 2-1	Moved Exchange Dividend Income (4130), U.S. Department of Agriculture Income (4140), and Cash Overage (4160) from operating to non-operating revenue based on Chapter 5 of this volume.	Update
Figure 2-1	Added Grant Income (4240) to non-operating revenue based on Chapter 7 of this volume.	Update

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Figure 2-1	Moved Intrafund Expense (5210) and Cash Shortage (5590) from operating to non-operating expense based on Chapter 5 of this volume.	Update
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## CHAPTER 2

### NONAPPROPRIATED FUND STANDARD GENERAL LEDGER

#### 0201 PURPOSE

This chapter prescribes the requirements of the Nonappropriated Fund Standard General Ledger (NAFSGL). The NAFSGL is a modified version of the United States Standard General Ledger and must be used for accounting and financial statement reporting to ensure the information in the financial statements is consistent for all Nonappropriated Fund Instrumentalities (NAFIs). This will provide for standardization and sufficient traceability from the financial statements through the general ledger balances to the source documentation for audit purposes. At a minimum, the NAFSGL is updated annually and is published by the Office of the Under Secretary of Defense (Comptroller) prior to 1 October of each year.

#### 0202 SCOPE

This chapter provides the general ledger account numbers to be used by all NAFIs. The deadline for implementation of the NAFSGL is no later than January 31, 2015. As an interim solution until system changes can be implemented at the transaction level, crosswalks from the NAFIs' chart of accounts to the NAFSGL may be utilized.

#### 0203 GENERAL

020301. The general ledger accounts are self-balancing (the total debits equal the total credits) and provide for accounting of business events. The Nonappropriated Fund Standard General Ledger Chart of Accounts (Figure 2-1) provides the basic structure for the NAFSGL and identifies and defines the proprietary accounts to be used in accounting and reporting. The Chart of Accounts contains basic account attributes, including account number, account level, and account title. Each military department will use the accounts required for its particular financial operations. The NAFIs and military departments may not have to use all accounts.

020302. All resources acquired and used, and valid claims to and against those resources, are to be recorded on the basis of financial transactions. Asset and liability accounts cover the collection and payment of cash, the proper classification of assets (e.g., receivables, 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 through the use and consumption of assets. The financial control over resources provided through accounting records provides managers with a tool that will help to discharge effectively their stewardship function for those resources.

0204 NONAPPROPRIATED FUND STANDARD GENERAL LEDGER ACCOUNTS

020401. The NAFSGL uses a 4-digit account numbering system. Within the NAFIs, the SGL shall be implemented to support financial statement reporting at the Program Group level and the consolidated Military Department level. All data must summarize to the 4-digit SGL accounts and be traceable to the NAFIs using sub-accounts. The definition of each category and the accounts that make up that specific general ledger category are discussed in the following paragraphs. General ledger accounts are grouped into the following major summary categories:

<u>Account Numbers</u>	<u>Category</u>
1000	Assets
2000	Liabilities
3000	Net Worth
4000	Revenue
5000	Expenses
6000	Cost of Goods Sold
7000	Extraordinary Items

020402. Assets. Asset accounts are accounted for in the 1000 series. Current asset accounts consist of various cash, investments, receivables, inventory, and prepaid expenses. Noncurrent asset accounts consist of various fixed assets (property, plant, and equipment), pension benefit assets, and other noncurrent assets. Refer to [Chapter 3](#) of this volume for more information on assets.

A. Cash/Investments. Cash consists of: coins, paper currency, and readily negotiable instruments such as money orders, checks, and bank drafts on hand or in transit for deposit; amounts on demand deposit with banks or other financial institutions; and cash held in petty cash or change funds. Investments consist of: securities purchased for investments, certificates of deposit with a maturity of less than 1 year, Treasury notes, bonds, and certificates of indebtedness issued by Federal Government agencies, and foreign currency investments.

B. Receivables. Receivables are amounts due from others when the right to receive funds occurs. This may result from amounts owed by employees, customers, and organizations for amounts earned on products sold and services rendered.

C. Other Current Assets. Other current assets are prepaid expenses that are payments and expenditures made in contemplation of future benefits or performance.

D. Inventory. Inventory consists of goods held for sale in the normal course of business, designated as resale inventory items, and warehouse materials not accounted for as prepaid supplies or fixed assets.

E. Fixed Assets. Fixed assets consist of all property, plant, equipment, land improvements, accumulated depreciation, construction in progress, and fixed assets in transit when ownership passes to the NAFI before receiving the asset.

F. Other NonCurrent Assets. Other noncurrent assets consist of long-term pension benefit assets, receivables and investments. Pension Benefit Asset is reported when the Pension Plan is overfunded and is classified as a noncurrent asset. Refer to [Statement of Financial Accounting Standards \(FAS\) No. 158](#) and [Chapter 11](#) of this volume for reporting requirements.

020403. Liabilities. Liabilities are accounted for in the 2000 series. Current liability accounts consist of accounts payable, post-retirement benefit obligations, and other liabilities. Long-term liability accounts consist of loans payable, post-retirement benefit obligations, and other long-term liabilities. Refer to [Chapter 4](#) of this volume for more information on liabilities.

A. Accounts Payable. Accounts payable consists of the amounts owed for goods and services.

B. Post-Retirement Benefit Obligation (PBO) - Current. Post-retirement benefit obligation is reported when the Pension Plan is underfunded. This means that the Plan Assets are less than the Plan Benefit Obligation. PBO is classified as a current liability as determined and provided by the Pension Provider. This includes any other post-retirement benefit plan, such as retiree health care. The benefit obligation is the accumulated post-retirement benefit obligation. Refer to [FAS No. 158](#) for reporting requirements.

C. Other Current Liabilities. Other current liabilities consist of various payables, including loans, leases, interest, payroll, taxes, and unearned revenue.

D. Long-Term Loans Payable. Long-term loans payable consists of the amount of loans and notes that will not be paid within 12 months.

E. Post-Retirement Benefit Obligation (PBO) – Long Term. Post-retirement benefit obligation – long term is reported when the Pension Plan is underfunded. This means that the Plan Assets are less than the Plan Benefit Obligation and would be classified as a long-term liability as determined and provided by the Pension Provider. This includes any other post-retirement benefit plan, such as retiree health care. The benefit obligation is the accumulated post-retirement benefit obligation. Refer to [FAS No. 158](#) for reporting requirements and Chapter 11 of this volume.

F. Other Long-Term Liabilities. Other long-term liabilities consist of the amount of leases, loans, claims, and notes that will not be paid within 12 months.

020404. Net Worth. Net Worth accounts are accounted for in the 3000 series. Net Worth consists of Retained Earnings, Contributed Capital, Minimum Pension Liability Adjustment, and other equity transactions pursuant to [DoDI 1015.15, paragraph 6.4.2.4](#). The Minimum Pension Liability Adjustment account is any adjustment made to the existing pension balances in the Balance Sheet. These adjustments will be posted as an offset to the equity account in the Balance Sheet and can be either an addition or reduction to Net Worth. These temporary adjustments are treated in the Net Worth section of the Balance Sheet in the same manner as the “unrealized gains/losses on investments” pursuant to [FAS No. 115, Accounting for Certain Investments in Debt and Equity Securities](#). In addition, these temporary adjustments are not calculated in the net worth calculation. Refer to [FAS No. 158](#) for reporting requirements.

020405. Revenue. Revenue accounts are accounted for in the 4000 series. Revenue consists of income earned from the sale of goods or services, contributions, interest, and dividends. Revenue is classified as operating and non-operating. Operating revenue accounts are 4010 – 4160. Non-operating revenue accounts are 4170 - 4230. Refer to [Chapter 5](#) of this volume for more information on revenue.

020406. Expenses. Expense accounts are accounted for in the 5000 series. Expenses consist of operating expenses, non-operating expenses, and program costs including depreciation and interest. Refer to [Chapter 6](#) of this volume for more information on expenses.

020407. Cost of Goods Sold. Cost of Goods Sold accounts are accounted for in the 6000 series. The total cost of inventory sold includes materials, direct labor, and overhead. Refer to [Chapter 6](#) of this volume for more information on the Cost of Goods Sold calculation.

020408. Extraordinary Items. Extraordinary items are accounted for in the 7000 series. Extraordinary items consist of costs or income so unusual in type or amount as to be accorded special treatment in the accounts or separate disclosure in financial statements. Extraordinary items are also unusual and unexpected events. Although the normal balance for this account is a credit, it is acceptable in certain instances for this account to have a debit balance. Refer to [Chapter 6](#) of this volume for more information on extraordinary items.

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>1000</b>	<b>ASSETS</b>	
	<b>CASH/INVESTMENTS</b>	
1110	Cash	Debit
1111	Cash-U.S. Checking	Debit
1112	Change Fund	Debit
1113	Petty Cash	Debit
1114	Cash-Foreign Currency	Debit
1120	Savings Account	Debit
1130	Marketable Securities	Debit
1140	Other Short-Term Investments	Debit
	<b>RECEIVABLES</b>	
1210	Customer Accounts Receivable	Debit
1211	Exchange Service Dividend Receivable	Debit
1212	Gaming Machine Profit Distribution Receivable	Debit
1213	Claims Receivable	Debit
1214	Commercial Credit Card Receivable	Debit
1215	Concessionaire Receivables	Debit
1220	Deposits Receivable	Debit
1230	NAFI Receivables	Debit
1240	Returned Check Receivable	Debit
1250	Employee Receivable	Debit
1260	Accrued Interest Receivable	Debit
1270	Loans Receivable	Debit
1280	Morale, Welfare, and Recreation (MWR) Utilization, Support, and Accountability (USA) Receivable	Debit
1290	Other Current Receivables (Specify)	Debit
1299	Allowance for Doubtful Accounts	Credit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts**



**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>1000</b>	<b>ASSETS (continued)</b>	
	<b>OTHER CURRENT ASSETS</b>	
1310	Travel Advances	Debit
1320	Prepaid Contracts	Debit
1330	Prepaid Insurance	Debit
1340	Prepaid Rent	Debit
1350	Prepaid Supplies	Debit
1360	Prepaid Tax and License	Debit
1370	Other Prepaid Expenses (Specify)	Debit
	<b>INVENTORY</b>	
1410	Inventory Warehouse/Storeroom	Debit
1420	Inventory Sales Outlet Resale	Debit
1430	Inventory In-Transit	Debit
	<b>FIXED ASSETS</b>	
1510	Land Improvements	Debit
1511	Accumulated Depreciation on Land Improvements	Credit
1520	Construction in Progress	Debit
1530	Buildings and Improvements	Debit
1531	Accumulated Depreciation on Buildings and Improvements	Credit
1540	Furniture and Fixtures	Debit
1541	Accumulated Depreciation on Furniture and Fixtures	Credit
1550	Equipment	Debit
1551	Accumulated Depreciation on Equipment	Credit
1560	Internal-Use Software	Debit
1561	Accumulated Amortization on Internal-Use Software	Credit
1570	Fixed Assets in Transit	Debit
1580	Buildings and Improvements-Government Titled	Debit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts  
(Continued)**

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>1000</b>	<b>ASSETS (continued)</b>	
	<b>FIXED ASSETS (continued)</b>	
1581	Accumulated Depreciation on Buildings and Improvements- Government Titled	Credit
	<b>OTHER NONCURRENT ASSETS</b>	
1610	Pension Benefit Asset	Debit
1620	Long-Term Receivables	Debit
1630	Sinking Fund	Debit
1640	Long-Term Investments	Debit
<b>2000</b>	<b>LIABILITIES</b>	
	<b>CURRENT LIABILITIES</b>	
2100	Accounts Payable	Credit
2200	Post-Retirement Benefit Obligation - Current	Credit
2300	Other Current Liabilities	Credit
2310	Short-Term Loan Payable	Credit
2320	Short-Term Lease Payable	Credit
2330	Dividends Payable	Credit
2340	Vending Machine Revenue Sharing Payable	Credit
2350	Gaming Machine Profit Distribution Payable	Credit
2360	Interest Payable	Credit
2370	Salaries Payable	Credit
2371	Leave Payable	Credit
2372	Payroll Taxes Payable	Credit
2373	Benefits Payable	Credit
2374	Other Payroll Deductions Payable (Specify)	Credit
2375	Appropriated Fund (APF) Payroll Payable	Credit
2376	Employee Allowance Payable	Credit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts  
(Continued)**

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<b><u>Account Number</u></b>	<b><u>Title</u></b>	<b><u>Normal Balance</u></b>
<b>2000</b>	<b>LIABILITIES (continued)</b>	
	<b>CURRENT LIABILITIES (continued)</b>	
2377	Claims Payable	Credit
2380	Uniform Funding and Management (UFM) Unearned Revenue	Credit
2390	Unearned Revenue (Specify)	Credit
2410	Flexible Spending Accounts Payable	Credit
2420	Deposits Payable	Credit
2430	Other Current Liabilities (Specify)	Credit
	<b>LONG TERM LIABILITIES</b>	
2510	Long Term Loans Payable	Credit
2520	Post-Retirement Benefit Obligation – Long Term	Credit
2530	Long-Term Leases Payable	Credit
2540	Other Long Term Liabilities (Specify)	Credit
<b>3000</b>	<b>NET WORTH</b>	
3010	Retained Earnings	Credit
3020	Contributed Capital	Credit
3030	Minimum Pension Liability Adjustment	Credit
3040	Other Equity Transactions	Credit
<b>4000</b>	<b>REVENUE</b>	
	<b>OPERATING REVENUE</b>	
4010	Sales	Credit
4011	Sales Returns and Allowances	Debit
4012	Sales Discounts	Debit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts  
(Continued)**

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>4000</b>	<b>REVENUE (continued)</b>	
	<b>OPERATING REVENUE (continued)</b>	
4020	Participation Fees and Charges	Credit
4030	Other Service/Recreation Activity Income (Specify)	Credit
4040	Other Fee Income (Specify)	Credit
4050	Dues and Assessment Income	Credit
4060	Amusement Machine Income	Credit
4070	Commission Income	Credit
4080	Concessionaire Income	Credit
4090	Gaming Machine Income	Credit
4110	Commercial Sponsorship Income	Credit
4120	Recyclable Material Income	Credit
	<b>NON-OPERATING REVENUE</b>	
4130	Exchange Dividend Income	Credit
4140	U.S. Department of Agriculture Income	Credit
4150	Morale, Welfare and Recreation (MWR) Utilization, Support and Accountability (USA) Income	Credit
4160	Cash Overage	Credit
4170	Contributions and Donations	Credit
4180	Intrafund Income	Credit
4190	Interest Income	Credit
4210	Other Income (Specify)	Credit
4220	Gain on Disposition of Fixed Assets	Credit
4230	Gain on Foreign Currency	Credit
4240	Grant Income	
<b>5000</b>	<b>EXPENSES</b>	
	<b>OPERATING EXPENSES</b>	
5010	Salaries and Wages Expense	Debit
5020	Capitalized Labor Cost	Debit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts  
(Continued)**

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>5000</b>	<b>EXPENSES (continued)</b>	
	<b>OPERATING EXPENSES (continued)</b>	
5030	Annual Leave Expense	Debit
5040	Sick Leave Expense	Debit
5070	Foreign National (FN) Benefits Expense	Debit
5080	Other Employee Benefit Expense (Specify)	Debit
5090	Spoilage, Breakage, and Obsolescence	Debit
5110	Promotion Expense	Debit
5120	Advertising Expense	Debit
5130	Child Care Food Expense	Debit
5140	Manager's Expense	Debit
5150	Sports Activities Expense	Debit
5160	Amenities Expense	Debit
5170	Supplies Expense	Debit
5180	Laundry and Dry Cleaning Expense	Debit
5190	Tableware, Kitchenware, Linen and Uniform Expense	Debit
5220	Professional Membership Expense	Debit
5230	Training Expense	Debit
5240	Travel Expense	Debit
5250	Building & Structures Maintenance and Repair Expense	Debit
5260	Vehicle, Boat, Aircraft Maintenance and Gas Expense	Debit
5270	Vehicle Registration Program Expense	Debit
5280	Awards and Prizes	Debit
5290	Official Hosting and Representation Expense	Debit
5310	Entertainment Expense	Debit
5320	Printing Expense	Debit
5330	Program and Brochure Expense	Debit
5340	Volunteer Service Expense	Debit
5350	Bank and Service Charge Expense	Debit
5360	Credit Card Expense	Debit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts  
(Continued)**

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>5000</b>	<b>EXPENSES (continued)</b>	
	<b>OPERATING EXPENSES (continued)</b>	
5370	Contractual Expense	Debit
5380	Administrative Common Support Service	Debit
5390	401K Administrative Surcharge Expense	Debit
5410	Claims Expense	Debit
5420	Dividend Expense	Debit
5430	Grants Expense	Debit
5440	Vending Machine Income Sharing Expense	Debit
5450	Utilities Expense	Debit
5460	Cable/Satellite Service Expense	Debit
5470	Communications Expense	Debit
5480	Freight Expense	Debit
5490	Rent Expense	Debit
5510	Insurance Expense	Debit
5520	Subscription and Dues	Debit
5530	Tax and License Expense	Debit
5540	Late Payment Interest Expense	Debit
5550	Minor Property and Equipment Expense	Debit
5560	Franchise/Royalties Expense	Debit
5570	Audit Expense	Debit
5580	Appropriated Fund (APF) Payroll Expense	Debit
5610	Other Expense (Specify)	Debit
5640	Unit Allocation	Debit
5660	Internet Expense	Debit
5670	Flexible Spending Account Admin Fee	Debit
	<b>NON-OPERATING EXPENSES</b>	
5210	Intrafund Expense	Debit
5590	Cash Shortage	Debit
5680	Bad Debt Expense	Debit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts**

**Nonappropriated Fund Standard General Ledger  
Chart of Accounts**

<u>Account Number</u>	<u>Title</u>	<u>Normal Balance</u>
<b>5000</b>	<b>EXPENSES (continued)</b>	
	<b>NON-OPERATING EXPENSES (continued)</b>	
5690	Prior Period Expense	Debit
5710	Loss on Disposition of Fixed Assets	Debit
5720	Loss on Foreign Currency	Debit
<b>6000</b>	<b>COST OF GOODS SOLD</b>	
6010	Purchases – Resale	Debit
6011	Purchases Returns and Allowances – Resale	Credit
6012	Freight – Resale	Debit
6013	Vendor Rebates – Resale	Debit
<b>7000</b>	<b>EXTRAORDINARY ITEMS</b>	
7100	Extraordinary Income (Specify)	Credit
7200	Extraordinary Expense (Specify)	Debit
7300	Base Realignment & Closure (BRAC) and Installation Closure Expense	Debit

**\*Figure 2-1 Nonappropriated Fund Standard General Ledger Chart of Accounts  
(Continued)**