

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 1, CHAPTER 7
“UNITED STATES 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
Various	Updated hyperlinks.	Update
070201 0708	Incorporated section 0708 of previous version into paragraph 070201. Clarified that the United States Treasury has responsibility for maintaining the United States Standard General Ledger (USSGL).	Update
070202	Added definition of summary account.	Add
070203	Clarified the USSGL Standard Financial Information Structure (SFIS) Transaction Library are accounting transactions for DoD. Also referenced paragraph 070302 for further details.	Update
070203 070302 070401 070405 070406	The following updates were made to the USSGL SFIS Transaction Library: Updated DoD Descriptions and/or Accounting Entries for DoD Transaction Codes (DTC) A179-001, A446-006, A446-008, A448-004, C646, D114-262, D114-263, D306-003 to 064, D310-001 to 060, D523-003 to 004, D566-001 to 002 and E112-001 and 003. Added DTCs B406-009 and B406-094. Deleted DTCs D306-061, D306-062, D310-057, D310-058, and E606-024 and Library Business Rule 10.	Update
070302	Identified DoD specific transactions codes in the USSGL SFIS Transaction Library.	Add
070401	Provided a link to Federal Financial Management Improvement Act of 1996 Compliance, Evaluation, and Reporting chapter for further system requirements.	Add
070406	Paragraph 070406 of previous version was combined with paragraph 070405 of current version. Paragraph 070407 of previous version is paragraph 070406 of current version.	Update
070703 070704 070705	Clarified proprietary accounting entries.	Update

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Figure 7-1	Added a step for undelivered orders – obligations unpaid.	Add
Figure 7-2	Incorporated Appendices A and B of the previous version into Figure 7-2. Included reference to the SFIS Transaction Library.	Add
Appendix A Appendix B	Incorporated Appendices A and B of the previous version into Figure 7-2.	Delete

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CHAPTER 7

UNITED STATES STANDARD GENERAL LEDGER

0701 PURPOSE

This chapter prescribes the requirements of the United States Standard General Ledger (USSGL). The USSGL must be used in all Department of Defense (DoD) accounting systems for all appropriations and funds. Additional information on the USSGL may be obtained from the [Treasury Financial Management Service USSGL Document Library](#) published by the Treasury Financial Management Service (Treasury/FMS).

0702 GENERAL

- ★ 070201. The [Treasury Financial Manual \(TFM\), USSGL Supplement, Section I: Chart of Accounts](#) along with DoD specified USSGL accounts 4540 through 4580, listed and defined in Figure 7-2 of this chapter, provide the basic structure for the DoD USSGL. The USSGL contains budgetary, proprietary, and memorandum accounts. The budgetary, proprietary, and memorandum sets of general ledger accounts are each self-balancing (the total debits equals the total credits). For accounting related business events, USSGL transactions provide debit and credit entries for budgetary, proprietary, and memorandum accounts. The United States Treasury has responsibility for maintaining the TFM USSGL.
- ★ 070202. Within the DoD, summary accounts are not used to report balances. A summary account is an account that has been subdivided into subsidiary posting accounts. The USSGL no longer uses summary accounts in the USSGL Chart of Accounts. Section headings in the USSGL display only the organization of the account structure but do not constitute summary accounts.
- ★ 070203. The [TFM, USSGL Supplement, Section III: Account Transactions](#), implements the USSGL at a transaction level. The [USSGL Standard Financial Information Structure \(SFIS\) Transaction Library](#) is a decomposition of the TFM USSGL accounting transactions for DoD and breaks down the generalized TFM USSGL transaction postings containing multiple debits and credits, into appropriate pairings of debits and credits of budgetary, proprietary, and memorandum accounts into individual DoD Transaction Codes (DTC). (See paragraph 070302 of this chapter for further details.)

0703 DEFINITIONS

070301. The [TFM USSGL Supplement](#) contains the following five major sections that together comprise the USSGL: (I) Chart of Accounts, (II) Accounts and Definitions, (III) Account Transactions, (IV) USSGL Account Attributes for FACTS I and FACTS II Reporting, and (V) Crosswalks to Standard External Reports. The USSGL standardizes federal agency accounting and supports the preparation of standard external reports required by the Office of Management and Budget (OMB) and the Department of Treasury (Treasury). The Chart of Accounts identifies and defines budgetary, proprietary, and memorandum accounts to be used in

federal agency accounting systems. At a minimum, the USSGL is updated annually and published by Treasury/FMS.

- ★ 070302. The [USSGL SFIS Transaction Library](#) contains DTCs that delineate the transactions codes in the [TFM, USSGL Supplement, Section III: Account Transactions](#). The Library establishes the DoD enterprise-wide requirement for the implementation of the USSGL through detailed transaction postings for budgetary, proprietary, and memorandum accounts. The DTCs specific to DoD are identified in the [USSGL SFIS Transaction Library](#) with a prefix OUSD.

0704 APPLICABILITY AND SCOPE

- ★ 070401. The USSGL must be used in all DoD accounting systems for all appropriations and funds. The [OMB Circular A-127, Financial Management Systems](#) and the [Federal Financial Management Improvement Act of 1996 \(FFMIA\)](#) require implementation of the USSGL at the transaction level throughout an agency's financial management systems, including both financial and mixed (so-called feeder) system applications. The USSGL applicability does not depend on an application containing a general ledger itself. For example, a payroll system which processes transactions in accordance with USSGL transaction rules sends summarized data to the core financial system for appropriate posting and provides sufficient traceability from the general ledger balances to the source documentation would be considered in compliance with the USSGL at the transaction level. This means that applications are required to process transactions using the USSGL accounts according to the defined uses and posting logic in the [USSGL SFIS Transaction Library](#) and [TFM, USSGL Supplement, Section III: Account Transactions](#). Compliance with [OMB Circular A-127](#) and [FFMIA](#) requires data in financial reports to be consistent with the USSGL, transactions to be recorded consistently with USSGL rules, and supporting transaction detail for USSGL accounts to be readily available. See [Chapter 3](#) of this volume for FFMIA compliance, evaluation, and reporting.

070402. The USSGL uses a four-digit account numbering system. Within the DoD, the USSGL shall be implemented to accomplish internal and external reporting needs. For external reporting, all data must summarize to the four-digit USSGL accounts and standard attributes required by Treasury/FMS for Federal Agencies' Centralized Trial-Balance System (FACTS I and II).

070403. The basic four-digit structure of the USSGL consists of:

1000	Assets
2000	Liabilities
3000	Net Position
4000	Budgetary
5000	Revenue and Other Financing Sources
6000	Expenses
7000	Gains/Losses/Miscellaneous Items
8000	Memorandum

070404. Standard USSGL account attributes required for FACTS reporting of proprietary account information (FACTS I) and budgetary account information (FACTS II) are

defined in [TFM, USSGL Supplement, Section IV: USSGL Account Attributes](#).

- ★ 070405. The [USSGL SFIS Transaction Library](#) provides a DoD accounting framework for existing and emerging financial management systems. The Library uses standard general ledger transactions and posting business rules that support the preparation of external reports required by the OMB and the Treasury. The Library also includes a separate column for each SFIS data element across all DTCs and identifies each individual SFIS element as mandatory, optional, derived, or otherwise not applicable when posting each DoD transaction. The specific values for each SFIS data element are documented on the [SFIS Values Library](#).
- ★ 070406. The [USSGL SFIS Transaction Library](#) is updated in accordance with the USSGL updates by the Treasury/FMS. However, interim updates may be issued to provide Enterprise Resource Planning (ERP) Systems with accurate and updated DoD general ledger and SFIS guidance at the DTC level.

0705 BASIC CONCEPT

070501. All resources acquired and used [along with](#) valid claims to and against those resources are to be recorded on the basis of financial transactions.

070502. The USSGL shall be used regardless of the sources of funds. Fund identification of financial resources shall be maintained in order to (1) disclose compliance with financial authorizations and (2) prepare reports on the status of appropriations and funds for Congress, OMB, and Treasury. The USSGL account structure is intended to be the basic structure required [for](#) consistent treatment of similar transactions. Not all accounts are needed by all accounting entities.

070503. The USSGL account structure provides a self-balancing set of budgetary accounts to record the appropriation, apportionment, allocation, commitment, obligation, and expenditure process. Proprietary asset and liability accounts cover the collection and disbursement of funds, the proper classification of assets (e.g., 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 through the use and consumption of assets. [Accounting records assist in](#) financial controls over resources [and](#) provide managers with a tool [to](#) effectively [exercise](#) stewardship [over the](#) resources.

070504. The USSGL account structure also facilitates the accumulation and recording of expenses by major areas of responsibility or activity. By having a single general ledger [managers](#) can [ascertain](#) with confidence that the accounting is complete. This will be possible regardless of the appropriation or fund that originally financed the cost and without the need for memorandum accounting records. Consistency in the accounting treatment of similar transactions, through the use of a uniform structure, creates reliable cost data for planning, budgeting, and other management purposes.

0706 OBJECTIVES AND BENEFITS

The combination of the [TFM, USSGL Supplement](#), DoD Specified Accounts and Definitions (Figure 7-2), and [USSGL SFIS Transaction Library](#):

070601. Provide a DoD enterprise-wide standard general ledger chart of accounts and detailed transactions that incorporate budgetary, proprietary, and memorandum accounts linked to specific business events.

070602. Provide the ability to identify the appropriate transaction to post for a DoD business event.

070603. Achieve a uniform treatment of similar transactions by the DoD Components at all levels.

070604. Provide detailed transaction postings, which link to specific business and accounting events.

070605. Establish the linkage between the USSGL and the SFIS data elements that support detailed DoD general ledger postings.

070606. Promote a standard for updating existing DoD systems and deploying new business systems.

070607. Facilitate compliance with the OMB requirements; accounting standards developed by the Federal Accounting Standards Advisory Board (FASAB); DoD accounting policies and standards set forth in this Regulation; and other applicable regulations promulgated by the OMB, Treasury, and the Government Accountability Office.

0707 BUDGETARY AND PROPRIETARY ACCOUNTING RELATIONSHIPS

Figure 7-1 provides a basic conceptual relationship between budgetary and proprietary accounting relationships for both direct funds and reimbursable activity. Specifically, in accounting for direct funds:

070701. A general ledger transaction to record the receipt of budget authority from appropriations in budgetary accounts requires a corresponding entry to record funds in the Treasury proprietary accounts.

070702. A general ledger transaction to record delivered orders unpaid in budgetary accounts requires a corresponding entry to record accounts payable or related liability and expense and/or asset in proprietary accounts.

★ 070703. A general ledger transaction to record delivered orders paid in budgetary accounts requires a corresponding entry to record funds disbursed and a reduction to the related accounts payable or liability in the proprietary accounts.

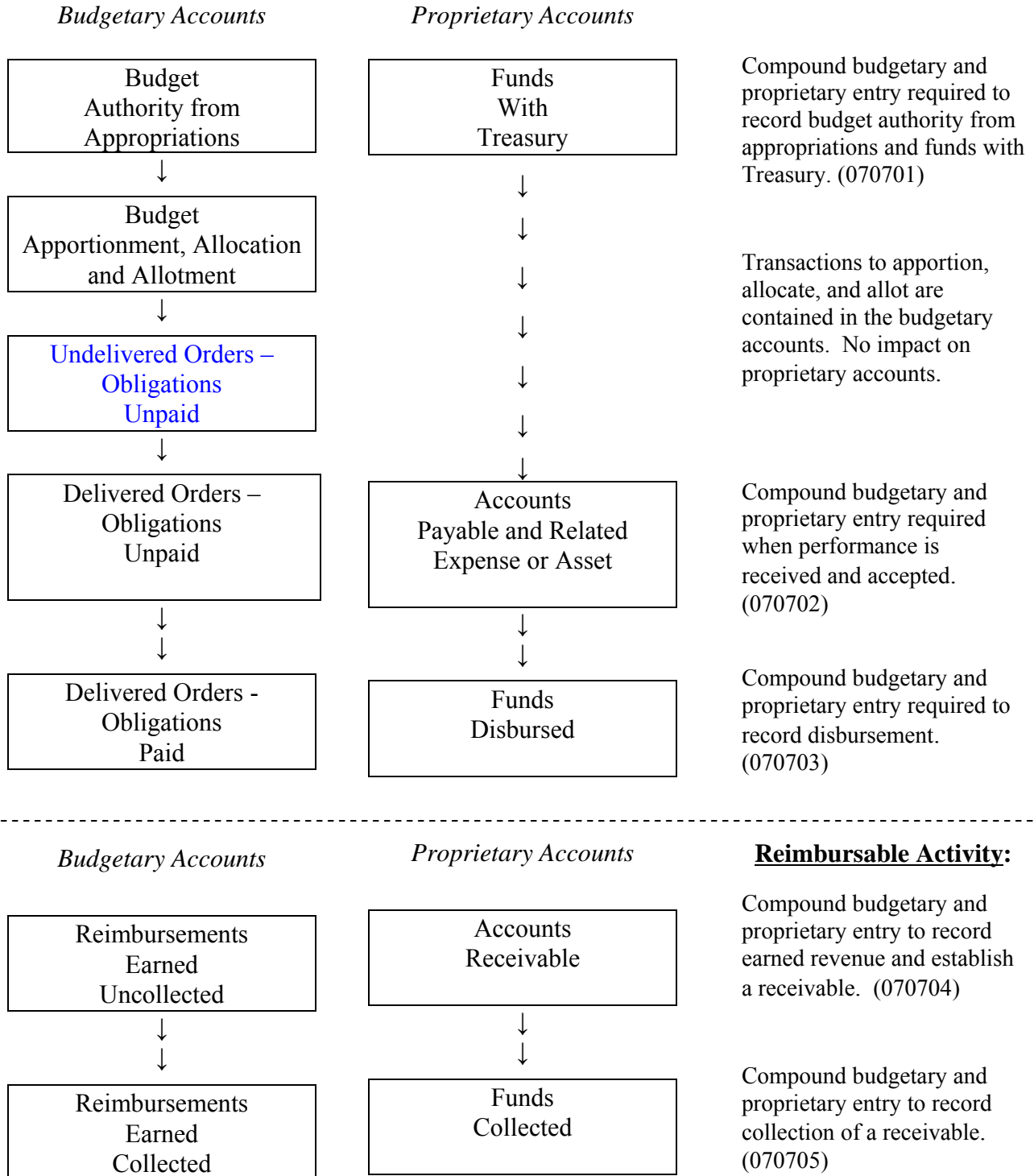
★ 070704. A general ledger transaction to record reimbursements earned but

uncollected in budgetary accounts requires a corresponding entry to record accounts receivable and revenue recognition in the proprietary accounts.

- ★ 070705. A general ledger transaction to record reimbursements earned and collected in budgetary accounts requires a corresponding entry to record funds collected and a reduction to the related receivable in the proprietary accounts.

Figure 7-1

EXAMPLES OF BUDGETARY AND PROPRIETARY ACCOUNTING RELATIONSHIPS



★Figure 7-2

DoD SPECIFIED USSGL ACCOUNTS AND DEFINITIONS

Account Title: Internal Fund Distributions Issued
Account Number: 4540
Normal Balance: Credit

Definition: Represents the amount of obligational authority allocated from departmental levels to intermediate levels.

Account Title: Internal Fund Distributions Received
Account Number: 4550
Normal Balance: Debit

Definition: Represents the amount of direct and reimbursable program authority received from departmental level by an intermediate level activity. It can also represent the amount of suballocations received from another intermediate level activity.

Account Title: Funds Available for Allotment
Account Number: 4560
Normal Balance: Credit

Definition: Represents the amount of direct and reimbursable authority available at an intermediate level activity for allotment to installation level activities or suballocation to other intermediate level activities.

Account Title: Allotments Issued
Account Number: 4570
Normal Balance: Credit

Definition: Represents the amount of direct and reimbursable authority allotted by intermediate level activities to installation level activities or suballocated to other intermediate level activities.

Account Title: Allotments Received
Account Number: 4580
Normal Balance: Debit

Definition: Represents the amount of direct program allotments received for the fiscal year.

NOTE: This figure is limited to DoD USSGL accounts 4540 through 4580. The remaining USSGL Accounts and Definitions are in the [TFM, USSGL Supplement, Section II: Accounts and Definitions](#). Related DTCs for accounts 4540 through 4580 are in the [USSGL SFIS Transaction Library](#) with a prefix OUSD.