

## CHAPTER 1

GENERAL REPORTING0101 GENERAL010101 Purpose

A. This chapter provides guidance to DoD Components on the reports that must be produced for submission to the Defense Finance and Accounting Service, Office of the Secretary of Defense (OSD), Office of Management and Budget (OMB) and the Department of the Treasury. The reports are end products of the accounting process and must be accurate, timely, and provide full disclosure to users.

B. Accounting report requirements are incorporated into the concept and detail designs of DoD accounting systems. Therefore, they are exempt from Report Control Symbol (RCS) assignment in accordance with paragraph E.4.f. of 7750.5-M, "DoD Procedures for Management of Information Requirements." Over the years, some reports have become identified throughout the Department of Defense by their RCS assignments. In order to provide continuity in accounting report identification, certain report designations shall be assigned by the Defense Finance and Accounting Service (DFAS). For example, the Report on Appropriation Status by Fiscal Year Program and Subaccounts, which was assigned RCS: DD-Comp(M)1002, has been known for many years as the "1002 Report." It now shall be redesignated as the "Acct Rpt (M) 1002" to maintain its well-recognized identification.

010102 Overview

A. The provisions of this chapter and other chapters in this Volume, covering detailed reporting requirements, apply to all DoD Components and, when applicable, to DoD disbursing officers.

B. The following chapters of this Volume provide detailed guidance on the report forms required, authorized formats, or exceptions. In some instances, reproducible

facsimile copies are provided for use by DoD Components. Specific guidance is also provided regarding whether hard copy or electronic submissions are required or authorized.

0102 STANDARDS

010201 Financial reports shall be prepared and issued to the Department of the Treasury or other designated recipient at the end of each fiscal year or other period as specified in the appropriate report chapters in this regulation. These reports shall be the culmination of a systematic, disciplined financial information process. The amounts contained in the reports, shall be obtained only from the general ledger accounts prescribed in this regulation or subsidiary records supporting such general ledger.

010202 Financial reports shall result from an accounting and budgeting system that is an integral part of its total financial management system and one that contains sufficient discipline, internal controls and reliable data. In addition, interfaces with both logistic and acquisition systems should be provided.

010203 The financial reports and underlying financial system shall report on the total operations of the reporting entity and shall comply with the policies and procedures and related requirements as implemented in this regulation.

010204 Should circumstances warrant additional disclosures not specifically provided for in a report, DoD Components are responsible for assuring that all appropriate disclosures considered necessary for fair presentation of their financial position are included in the report.

010205 General purpose reports have been coded, line by line, to identify the specific general ledger accounts from which the financial data are to be obtained to complete the statement.

010206 When DoD Components discover errors or identify changes required to be made to information previously reported, an amended report shall be prepared that clearly identifies the material corrected. The statement shall be clearly identified as an "Amended Report."

010207 When required by the Office of the Secretary of Defense, the presentation of financial information from the preceding year shall be included in annual financial statements.

A. The annual financial statements shall include consolidated comparative financial data from the immediate prior year if the DoD Component was in operation during the prior year. Data shall be reported in a format consistent with the current years.

B. Reclassification of significant prior year amounts to achieve comparability shall be explained in the footnotes.

C. Footnotes and other explanations from prior-year statements necessary to disclose information regarding the prior-year data properly shall be included in the current-year statements.

D. Comparative financial statements need not be included in the first year that financial statements are prepared. Thereafter, comparative financial statements shall be included.

010208 Under certain circumstances financial events are recognized as adjustments to prior period financial statements.

A. Expenses, losses, gains, transfers out, and financing sources (e.g., appropriations and revenues), related to the correction of an error in the financial statements of a prior period, and changes in DoD Components shall be reported as adjustments to previously reported results, when material. All other expenses, financing sources, gains, losses, and transfers recognized in an accounting period shall be reported in the operations of that period.

B. Errors in prior-period financial statements include the following:

1. Mathematical errors in statement preparation or information supporting the statements.

2. Errors in the application of accounting principles contained in this Regulation.

3. Errors using or interpreting information that existed at the time the prior period statements were developed.

C. A change from an unauthorized accounting principle to a principle included in this Regulation shall also be reflected in a DoD Component's financial statement as an adjustment to prior periods when the unauthorized principle was used.

D. The nature of a material error in prior-period financial statements shall be disclosed in the financial statements of the period in which it is discovered.

1. If financial statements for only the current period are presented, the correction of the error shall be reported as an adjustment to the accumulated results of operations as of the beginning of the current period. The impact on the excess of costs over financing sources (excess of financing sources over costs) in the period that the error occurred shall also be disclosed.

2. If the prior period data containing the error are included in comparative financial statements, the amount of the correction applicable to the prior period presented shall be added to or subtracted from previously reported amounts, and the impact disclosed in a footnote to the statements. The amount of the correction, if any, applicable to periods before the prior period presented shall be applied to the accumulated results of operations at the beginning of the earliest period presented. The impact on the excess of costs over financing sources (excess of financing sources over costs) for each prior period affected shall be disclosed.

0103 REPORTS

010301 Audited Financial Statements. Chapter 2 of this Volume provides the requirement for the annual submission of financial statements.

010302 Accountability for Cash. Chapter 3 of this Volume provides guidance on monthly reports that disbursing officers submit to the Treasury Department. The chapter prescribes detail reporting requirements for the Statement of Accountability (SF 1219) and the Statement of Transactions (DD Form 1329), which supports the Statement of Accountability. Special data are required to highlight Borrowing Account (Payable) Transactions under the Homeowners Assistance or DoD Family Housing Programs and transactions for trust fund investments in U.S. Government securities.

010303 Appropriation and Fund Status. Chapter 4 of this Volume prescribes detailed specifications for preparing periodic reports on the status of DoD appropriations and funds. The chapter provides instructions for preparation and submission of reports required by OSD and OMB on the status and application of budgetary resources. These include the monthly "Flash Report on Obligation Status," the DD Form 1176, "Report on Budget Execution," and its related detailed reports, "Appropriation Status by Fiscal Year Program and Subaccounts," and "Report on Reimbursements." Instructions also are included for the quarterly SF-225, "Report on Obligations," semiannual FMS Form 7304, "Status of Contract Authority," and the annual FMS Form 2108, "Yearend Closing Statement," which are required by the Treasury Department.

010304 General Purpose Financial Statements. Chapter 5 of this Volume prescribes the general purpose financial statements and a series of related schedules required by the Treasury Department. The statements may also be used by OMB; OUSD(C) and DFAS in verifying and evaluating current year data submitted by DoD Components as a part of their budget justification.

010305 Foreign Currency Reports. Chapter 7 of this Volume prescribes the reporting requirements for tracking all transactions to the Foreign Currency Fluctuation Accounts.

010306 Other Funds Statements. Chapter 8 of this Volume prescribes the detailed procedures for preparing financial statements and other reports on special funds not discussed in chapters 3 through 7 of this Volume.

010307 Family Housing. Chapter 9 of this Volume discusses accounting and reporting for the Family Housing Program.

010308 Information Returns, Form 1099. Chapter 10 of this Volume addresses the preparation of Form 1099.

010309 Military Resources Used in Civil Disturbances. Chapter 11 of this Volume prescribes the requirements for financing and reporting costs associated with civil disturbance operations.

010310 Foreign Indebtedness Within the Department of Defense (DOD). Chapter 12 of this Volume establishes standard procedures to be used for the collecting and reporting of foreign indebtedness.

010311 International Balance of Payments Reporting and Estimating. Chapter 13 will be issued at a later date.

010312 Depot Maintenance Reporting. Chapter 14 prescribes requirements that the DoD Components must satisfy with regard to reporting the accomplishment and status of depot maintenance workloads.

010313 Business Operations Fund Statements. Volume 11B of this regulation provides guidance on the preparation of Defense Business Operation Fund Statements.