

**BY ORDER OF THE COMMANDER  
AIR FORCE MATERIEL COMMAND**



**AIR FORCE MATERIEL COMMAND  
INSTRUCTION 65-101**

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***Financial Management***

***DEPOT MAINTENANCE ACCOUNTING  
AND PRODUCTION SYSTEM-  
FINANCIAL POLICY  
AND PROCEDURES FOR  
DEPOT MAINTENANCE***

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This is the first revision of the Depot Maintenance Accounting and Production System (DMAPS) instruction since its inaugural publishing in March 2006. The policy and procedures in this instruction incorporate all approved in-practice processes not included in the 2006 edition and also accommodate procedural updates driven by the Air Force Materiel Command's new management framework, referred to as the Five Center Construct (5CC). This AFMCI is applicable to the five AFMC Centers, and their respective Complexes. The contents of this instruction were reviewed by the Air Force Sustainment Center (AFSC) Air Logistics Complexes (ALC) in numerous review sessions from August 2011-through-April 2013.

Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*; route AF Forms 847 from the field through the appropriate functional chain of command.

Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with (IAW) Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of IAW Air Force Records Information Management System (AFRIMS) Records Disposition Schedule (RDS).

### ***SUMMARY OF CHANGES***

This interim change revises AFMCI 65-101 by updating for recommendations made by the Air Force Audit Agency Report of Audit, Aircraft Bills of Material (Project F2014-L20000-0475.000). This change correctly distinguishes between the terms “sales rate” and “sales price”, as well as clarifies when rates are used versus when prices should be used. Paragraphs 13.4.3.3 and 13.4.3.4 have been reversed in order so the guidance now flows from high level Repair Group Centers (RGCs), to weapon systems sales rate, to lower level shop RGCs. A margin bar (|) indicates newly revised material.

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## Chapter 1

### SYSTEM AND PROCESS CONTROL

#### 1.1. Introduction

1.1.1. This instruction covers financial policy and procedures for depot maintenance performed at government owned, and government-operated facilities located at the Air Force Sustainment Center and the Air Logistics Complexes (ALC): Ogden (OO-ALC) at Hill AFB UT, Warner-Robins (WR-ALC) at Robins AFB GA, and Oklahoma City (OC-ALC) at Tinker AFB OK. This instruction is intended to cover the financial processes related to the Depot Maintenance Accounting and Production System (DMAPS) in support of depot maintenance.

#### 1.1.2. References:

1.1.2.1. Title 10, United States Code 2208

1.1.2.2. Air Force Materiel Command Instructions

1.1.2.2.1. (AFMCI) 21-130 - *Depot Maintenance Materiel Control*, <http://www.e-publishing.af.mil/shared/media/epubs/AFMCI21-130.pdf>

1.1.2.2.2. (AFMCI) 21-136 - *Depot Maintenance Production Labor Entry*, <http://www.e-publishing.af.mil/shared/media/epubs/AFMCI21-136.pdf>

1.1.2.2.3. (AFMCI) 21-109 - *Air Force Depot Maintenance Activity Group Facilities and Equipment*, <http://www.e-publishing.af.mil/shared/media/epubs/AFMCI21-109.pdf>

1.1.2.3. Manuals (e.g., Systems Operations, User, and Database):

1.1.2.3.1. DIFMS/NIMMS/ABOM – Website at <https://t6800.csd.disa.mil/DifmsNimms/index.php>

1.1.2.3.1.1. Defense Industrial Financial Management System (DIFMS)

1.1.2.3.1.2. NAVAIR Industrial Material Management System (NIMMS)

1.1.2.3.1.3. Automated Bill of Material (ABOM)

1.1.2.3.2. Naval Air Systems Command (NAVAIR), <http://www.navair.navy.mil/index.cfm>

1.1.2.3.3. DMAPS Integration Engine (DMAPS-IE), [https://cs.eis.afmc.af.mil/sites/cio/PfM/ARC/ARCEA/SA%20Published%20Files/Output/13-1.arcreports-web\\_ittools\\_1807.htm](https://cs.eis.afmc.af.mil/sites/cio/PfM/ARC/ARCEA/SA%20Published%20Files/Output/13-1.arcreports-web_ittools_1807.htm)

1.1.2.3.4. Time and Attendance System (TAA) <https://dfas4dod.dfas.mil/systems/dcps/consolid/files/tnauserm.htm>

1.1.2.3.4.1. Tinker site for TAA information <https://org.eis.afmc.af.mil/sites/ocalcit/72ABWSCP/systems/TAA/default.aspx>

1.1.2.3.4.2. Hill site for TAA information <https://cs.eis.afmc.af.mil/sites/75ABWSCOPS/TAA/default.aspx>

1.1.2.3.4.3. Robins site for TAA information  
<https://cs.eis.afmc.af.mil/sites/cio/IT/applications/WR-ALC/TAA/default.aspx>

1.1.2.3.5. DCPS User Manuals  
<https://dfas4dod.dfas.mil/systems/dcps/consolid/files/tnauserm.htm>

1.1.2.4. Department of Defense (DoD), 7000.14-R (FMR),  
<http://comptroller.defense.gov/fmr/>

1.1.2.4.1. Volume 1, General Financial Management Information Systems and Requirements

1.1.2.4.2. Volume 4, Accounting Policy, and Procedures

1.1.2.4.3. Volume 11B, Reimbursable Operations, Policy and Procedures-Working Capital Funds (WCF)

## 1.2. Authority and Charter

1.2.1. The Defense Working Capital Fund (DWCF) is a revolving fund that provides the working capital for purchasing inventory supplies and industrial and commercial type activities necessary to provide common services within or among departments and agencies of the Department of Defense. The DWCF is established under the authority of Title 10, United States Code 2208. Within the DWCF, there are two Air Force Working Capital Funds (AFWCFs): (a) Consolidated Sustainment Activity Group (CSAG) Maintenance & Supply Division and (b) Transportation Activity Group (also known as the Transportation Working Capital Fund).

1.2.2. The Air Force Working Capital Fund (AFWCF) is a revolving fund that provides initial working capital to support Air Force warfighters and operations, and allows for the recovery of operating costs through sales of repair, overhaul, and modification services. It conducts business within two primary activity groups: the Consolidated Sustainment Activity Group (CSAG) and the Supply Management Activity Group-Retail (SMAG-R).

1.2.2.1. CSAG (as of FY09) is a new AFWCF business activity that consolidates the former Depot Maintenance Activity Group (DMAG) and Material Support Division (MSD) business operations into a single business enterprise. Under CSAG, DMAG is characterized as the Maintenance Division and MSD is now the Supply Division. CSAG Maintenance sites include the ALCs and the Aerospace Maintenance and Regeneration Group (AMARG). This work may also include depot field teams, maintenance engineering, technical support, manufacture of parts needed in the depot maintenance process, modifications, testing, and reclamation.

1.2.2.2. The ALCs perform depot-level maintenance and repair of military material requiring major overhaul, complete rebuild, or other high-order repair work for end items (including weapon systems), subsystems, parts, assemblies, and subassemblies. The 525 EMSX, Support Center Pacific (Kadena AB), provides depot level aircraft and industrial

component test, repair, overhaul, and fabrication support to Pacific Air Force (PACAF) and inter-service organizations. Aerospace Maintenance and Regeneration Group (AMARG) also does depot maintenance work, mainly related to reclamation activities.

1.2.2.3. SMAG-R is composed of three divisions – General Support, Medical-Dental, and United States Air Force Academy – that are responsible for providing logistics support services including requirements forecasting, item introduction, cataloging, provisioning, procurement, repair, technical support, data management, item disposal, distribution management, and transportation. Inventory items managed by SMAG-R include weapon system spare parts, medical-dental supplies and equipment, War Reserve Materiel (WRM) stockpiles, uniforms, and other supply items used in non-weapon system applications.

### 1.3. Description of DMAPS

1.3.1. DMAPS is the financial system of record and management information system used to support depot maintenance execution at the three ALCs. The DMAPS program is a suite of systems and includes interfaces within the suite and with other systems.

1.3.2. DIFMS is a DoD standard system, which is designed to support financial, accounting, and reporting at the Navy, Marine Corps, Air Force Depot Maintenance, and Navy Research and Development activities. In the Air Force, DIFMS is the official financial system of record for depot maintenance. DIFMS maintains general ledgers; records disbursements, collections, and customer orders; tracks costs; bills customers; and manages fixed assets; and supports other general management functions in depot maintenance. The system interfaces with local activity systems as well as standard DoD systems. All higher-level financial reporting requirements, except budget formulation are satisfied by the system. Specific uses for Air Force and Defense Finance and Accounting Service (DFAS) operations are defined so user access can be properly set and the users can be trained on the screens needed for the functions they support.

1.3.3. The Automated Bill of Material (ABOM) System and the Naval Air Systems Command (NAVAIR) Industrial Material Management System (NIMMS) are the DMAPS systems used for material processing. ABOM is an Air Force system that provides front-end processing for the depot maintenance material system. NIMMS provides information for material buys to DIFMS. NIMMS and DIFMS share the same database. ABOM feeds transactions to NIMMS and the Wholesale and Retail Receiving and Shipping System (D035K-WARRS). ABOM also tracks Due In From and Due Out to Maintenance. United States Air Force Integrated Logistics System – Supply (D002A – (ILS-S) formerly known as SBSS – Standard Base Supply System) feeds material transaction information to ABOM. ILS-S handles indirect material, hazardous material, non-capitalized equipment, and some floating stock (spares).

1.3.4. All screens and programs for DIFMS and NIMMS are identified with a six-digit code:

1.3.4.1. **Position One** : Always 'M'

1.3.4.2. **Position Two** : System Designator ('S' for DIFMS, 'N' for NIMMS)

1.3.4.3. **Position Three** : Number of System or Process

1.3.4.4. **Position Four and Five** : DIFMS/NIMMS sequence number

1.3.4.5. **Position Six** : 'P' for program; 'J' for job or run stream. If the last position is not a P/J, the reference is to a file.

1.3.5. The Time and Attendance System (TAA) captures and interfaces actual labor hours to DIFMS. TAA also creates the output file, which is sent to the Defense Civilian Payroll System (DCPS) for payroll generation. TAA gets employee civilian rates from DCPS and provides this information to DIFMS. Military composite standard pay and reimbursement rates are calculated per the DoD Financial Management Regulation, Volume 11A, **Chapter 6**, Appendix I. The rates are available on the reimbursable rates page of the Office of the Undersecretary of Defense (Comptroller) (OUSD(C)) website (<http://www.dod.mil/comptroller/rates>). Refer to AFMCI 21-136 for production labor policy and procedures, the TAA User Manual for detailed user operations, and **Chapter 3** of this instruction for the financial policy and procedures related to labor.

1.3.6. The DMAPS-IE (Integration Engine) contains eight interrelated components:

1.3.6.1. **Conversion Engine (CONEN)**. CONEN facilitates the movement and translation of data between the DMAPS suite of systems and other systems. *Note: sometimes the acronym for CONEN is shown as CE; use these acronyms interchangeably.*

1.3.6.2. **Cost, Production, and Budget Module (CPBM-H033)**. The H033 DMAPS application consists of the Cost and Production Performance Module (CPPM), the CPPM Maintenance Module, and the Budget Target Module (BTM). Cost Transfer Module (CTM) functionality is part of BTM. CPPM is a management information system that provides Consolidated Sustainment Activity Group (CSAG) - Maintenance financial and production information as well as essential performance indicators to each ALC manager. CPPM reports support these managers by providing online, day-to-day visibility of their operating costs and production performance, allowing managers to compare actual results with the financial budget and production targets. BTM is an automated CSAG - Maintenance budgeting tool that, when used in conjunction with the actual historical data captured in the CPPM, permits multiple iterations of the budget/target development process, as well as production and expense 'what-if' scenarios.

1.3.6.3. **DMAPS Data Store System (DDS)**. DDS is a persistent data store for historical data elements, which are either not held by the DMAPS suite of systems or not held on a long-term basis. DDS also is a relational database repository allowing a variety of functional end users to inquire and retrieve production information.

1.3.6.4. **Employee Identification Generator or Employee ID Generator (EIG)**. EIG is used by the TAA system Office of Prime Responsibility's (OPR's) to generate a unique six-digit number for each maintenance employee. The selected user can enter new employees into the system, generate their User ID, and change employee data. Ogden generates an "E" number; Robins generates a "J" number; and Tinker generates a "D" number.

1.3.6.5. **Funding Initiation Tool System (FIT).** FIT is an on-line, interactive tool that allows selected users to review, expand, and record customer funding into DIFMS.

1.3.6.6. **Job Order Status Tool (JOST).** JOST provides a multi-record batch update capability whereby selected users may change the Job Order Number (JON) status from open to financially closed. The overriding function of this tool is to eliminate the need to close JONs in DIFMS manually, one JON at a time.

1.3.6.7. **Resource Control Center Skill Code System (RSCS).** RSCS is a relational database repository allowing designated users to establish and maintain relationships between Resource Control Centers (RCCs) and Skill Codes. RCCs comprise the financial organization and Skill Codes comprise the work qualifications. *Note: that sometimes the acronym for RSCS is shown as RSC; use these acronyms interchangeably*

1.3.6.8. **Sales Price Generator System (SPG).** SPG generates End Item Sales Price (EISP) for permanent production numbers, excluding aircraft. SPG has the capability to determine type workload by referencing on the last digit of the Project Order Number (PON) that is included in the files that DDS pushes to SPG. SPG will only price a workload type of 3, 4, 6, and 7 so aircraft workload (type 1) is ignored.

1.3.6.8.1. Inputs into SPG include Q302/E046B (labor standards), G004C (RCC hourly rates), and Q302/G005M (material standards). The system provides for material inflation/deflation with one percentage value per ALC and individual EISP adjustment (Production Number (PDN)/RCC) until frozen.

1.3.6.8.2. SPG processes and updates Cost History. It sends Labor Standards by PDN and Section to G019C, outputs labor standards to Q302/G004L and Standard Hours by RCC to G019C every month.

1.3.6.8.3. The frozen EISP process occurs semiannually. When Phase I has been frozen, outputs are created and sent to both G019C and Q310. Then again, when Phase II has been frozen, outputs to G019C and Q310 must be created before the function that allows the SPG OPR to send the Sales Price Master (SPM) to Q302/G004L will become available.

1.3.7. Access to a DMAPS-IE component Graphic User Interface (GUI) must be granted to the users of EIG, FIT, JOST, RSC, and SPG before they can fully utilize these applications. The DMAPS Integration Engine User Access Application OPRs have to associate the user ID with the appropriate system in what is referred to as the "User Access Tool" or UAT. For example, in the case of SPG, the OPR has to identify the type of access the user is authorized to have: Read Only, Transaction Maintenance or Administration. The Planning Organization Planners Technician Code (POPTC) has to be selected also or the user will not be able to view the data within the reports in SPG for that specific planning organization.

1.3.8. The DFAS Integration Engine (DFAS-IE) facilitates the exchange of data between the DFAS financial legacy systems and DIFMS. This includes the General Accounting and Finance System (GAFS-BL/BQ (H069)) for Obligations, Accounts Payable, Disbursements, and Collections.

1.3.9. Additional information regarding the DIFMS system can be obtained from attachments to this regulation. The most current information can be obtained from the Technical Service

Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the "DIFMS" tab and then on the current production release.

#### **1.4. Overall Management Responsibilities**

1.4.1. Headquarters (HQ) Air Force Materiel Command Directorate of Financial Management (AFMC/FM) and Directorate of Logistics Management (AFMC/A4) shall:

1.4.1.1. Work closely with the customers of depot maintenance for programming and budgeting activities.

1.4.1.2. Manage depot maintenance working capital fund activities within approved funding limitations.

1.4.1.3. Assign responsibility and authority to designated officials at each ALC for management and operation of the depot maintenance working capital fund activities.

1.4.1.4. Comply with, and recommend changes to, the DoD Financial Management Regulation (DoD FMR), Air Force directives, and other governing regulations.

1.4.1.5. Obtain and provide periodic financial and management information as required by the Under Secretary of Defense (Comptroller) and Chief Financial Officer (CFO).

1.4.1.6. Develop and maintain operational policies and procedures for depot maintenance financial management at AFMC headquarters and the ALCs.

1.4.1.7. Evaluate the operation of depot maintenance financial activities to determine compliance with established requirements.

1.4.1.8. Work closely with DFAS to assure compliance with statutory and regulatory requirements.

1.4.2. AFSC/FZR in coordination with ALC/FM and Maintenance Wing Financial Managers shall:

1.4.2.1. Work closely with customers to execute the programmed work and fund for the cost of material, work, and services ordered from depot maintenance.

1.4.2.2. Incur obligations and account for costs as necessary and allowable to perform the activity mission.

1.4.2.3. Control performance costs in line with the annual operating budget as approved by AFMC.

1.4.2.4. Evaluate the operation of depot maintenance activities to determine compliance with established requirements.

1.4.2.5. Identify to higher management any impediments to achievement of performance and cost goals.

1.4.2.6. Identify and justify to higher management those investments that produce future improvements in effectiveness and efficiency.

1.4.2.7. Work closely with the designated DFAS location to assure compliance with operating policies and procedures.

#### **1.5. System Management**

1.5.1. The ALCs must manage and sustain operation of the DMAPS suite and related feeder system processing in the standard configuration controlled by the DMAPS program office. Sites may not modify these standard systems/processes or add functionality without written approval of AFMC/FM and AFMC/A4.

1.5.2. Air Base Wing (ABW)/SC appoints system managers for each DMAPS-suite system. Functional managers are designated by the appropriate ALC organization.

1.5.3. ABW/SC is responsible for effective and accurate processing of information.

1.5.4. ALC/FM and the ALC Maintenance Wing Group Financial Managers are responsible for accuracy and analysis of the information. ABW/SC has a corollary responsibility for the accuracy of the information.

1.5.5. ABW/SC has a corollary responsibility for the accuracy of the information.

1.5.6. AFSC/FZR and DFAS are responsible for reporting of the information.

## **1.6. Continuity of Operation**

1.6.1. AFSC/FZR, ABW/SC, ALC/FM and the ALC Maintenance Wing Group Financial Managers must plan to continue operations when the systems, or segments of the systems, are temporarily not operating. If data is inappropriately modified or destroyed, procedures must be in place to recover. The plans and procedures must be tested periodically (at least every two years) under realistic operational conditions per Department of Defense Directive (DoDD) 3020.26, *Department of Defense Continuity Programs*, Section 8.c.

1.6.2. AFMC/FM in coordination with AFSC/FZR/FM, ABW/SC, and other organizations, such as Defense Information Services Agency (DISA), establishes a program for developing and testing contingency to ensure that system security controls function reliably and, if not, that adequate backup functions are in place to ensure that security functions are maintained continuously during interrupted service. AFSC/FZR/FM and the ABW/SC develop and update the site contingency plan, conduct tests of the plan in coordination with DFAS and DISA, and implement the plan when circumstances require.

1.6.3. Refer to contingency operations procedures required and in use at the sites as well as AFMC procedures in this area. The objective of contingency planning is to provide reasonable continuity of system support if events occur that prevent normal operations.

## **1.7. System Access**

1.7.1. ABW/SC or AFSC/FZR must control access for users to the DMAPS suite of systems to assure adequate security. Access to screens must be limited to those required for the duties of the individuals and those required to assure proper separation of duties. Any individual requesting access to the DMAPS suite must process a System Authorization Access Request (SAAR – DoD Form 2875) through their security channels, before presenting it to the ABW/SC or AFSC/FZR.

1.7.2. ABW/SC or AFSC/FZR will coordinate with the systems office in DFAS to obtain DIFMS system and screen access. The individual employee requests DIFMS access, change, or deletion by filling out a SAAR and submitting to ABW/SC Terminal Area Security Officer (TASO). Procedures are defined in the Defense Finance and Accounting System (DFAS) Automated Information System (AIS) Security Procedures Guide. Initial access will be granted to “view” screens only. “Update” access must be requested in writing (e-mail) from the appropriate supervisor and AFSC/FZR supervisor approval.

1.7.3. ABW/SC system administrators set system access for TAA, ABOM/NIMMS, and DMAPS-IE modules based on receipt of an approved SAAR. Screen access will be granted as required based on job duties.

1.7.4. ABW/SC and AFSC/FZR validate user access by reviewing the user access lists from DFAS Information and Technology (DFASI&T) Organization and DISA on the DMAPS systems. Check to ensure listed users have a need for access to the system, have access to only those areas for which they have a need, and have the appropriate level of access.

1.7.5. ABW/SC and AFSC/FZR use DFAS I&T's portal (<https://t6800.csd.disa.mil/DifmsPortal/IAO/dd2875.php>) for entering helpdesk processing and concerns for DIFMS, ABOM, and NIMMS. All DMAPS discrepancies and requests for system changes must be entered into the Problem Tracking System (PTS) portion of the Information System Management Tool (ISMT) by the originator (<https://www.ismt.wpafb.af.mil>). These entries are worked and addressed as determined by the problem severity and type.

## **1.8. DMAPS Financial Processing and Control**

1.8.1. Close coordination, cooperation and communication between AFSC/FZR, ALC/FM and the ALC Maintenance Wing Financial Managers are essential to assure effectiveness of financial operations. The corresponding organizations at AFMC headquarters (e.g., AFMC/FM and AFMC/A4) must also provide pro-active support to their Center Complex counterparts. Center AFSC/FZR, ABW/SC, ALC/FM and the ALC Maintenance Wing share responsibility for the control requirements covered in the following paragraphs.

1.8.2. Data integrity must be a management priority to include timely correction of errors, documentation, and internal controls.

1.8.2.1. Assure integrity of DMAPS data entries by implementing procedures as covered in this AFMCI and providing for correction of rejects and documentation of transactions, so there is a trail to the source. Set up an effective internal control environment to assure data quality, safeguard assets, and provide for management control.

1.8.2.2. Interaction for labor (e.g., TAA), material (e.g., NIMMS) and business operations other cost (e.g., DMAPS-IE) is automated. Sometimes transactions from these systems reject or there is a mismatch requiring research. Corrections should be input into the originating system but sometimes may need to be made in DIFMS or other systems.

1.8.3. DMAPS provides audit trails and maintains records to trace transactions from the source documents, original input, changes and corrections, other systems, system-generated transactions, and internal assignment transactions through the system. A complete audit trail allows all transactions to be traced from the source records and documents (including changes

and corrections) to the Subsidiary and General Ledgers in DIFMS and to the financial statements and vice versa. DMAPS also provides audit trails and retains records to identify changes made to system parameters and tables that affect processing or reprocessing of any financial transactions. The audit trails should identify the document input, changes, deletions, and approvals by the originator. Supporting documentation forms the basis of the transaction histories to create audit trails, and the documentation must be maintained.

1.8.4. Interfaces between the system of original input and any other system must be electronic and not have any manual intervention, unless such intervention is a part of the DMAPS system design. The interfaces between systems must be documented and controlled and DMAPS as a whole must ensure the timely and complete transmission of transactions and financial related data. Much of this documentation is available in system manuals.

1.8.5. The DMAPS systems have the means and procedures to detect and report errors. The ALC must assure these errors are corrected in a timely manner and within the appropriate processing cycle and fiscal year. Management must assure procedures are in place and working to analyze error reports so that system and processing improvements can be made. Self-inspection checklists are used for validation of file data accuracy. Management validates that system computations use appropriate data and achieve the intended result.

1.8.6. AFSC/FZR uses DIFMS reports from the weekly, monthly, quarterly, and annual processes to reconcile general ledger and subsidiary accounts. AFSC/FZR must take action to coordinate, research, and correct any significant differences.

1.8.7. Within user operations, maintain separation of duties and responsibilities for initiating, authorizing, processing, recording, and reviewing transactions. This separation of duties should be such that no single individual can control a transaction from beginning to end. The division should provide for a separation among (1) the functions of initiation and authorization of a transaction, (2) the recording of the transaction, and (3) the custody of the resultant asset. AFSC/FZR/FM and ALC Maintenance Wing Financial Managers shall maintain a record of the approach used for assuring the duties are separated.

1.8.8. Controls have been instituted to ensure that reports containing sensitive or Privacy Act information are secured and properly destroyed when no longer needed.

1.8.9. Under the direction of AFMC/FM, perform annual evaluations to determine whether use of DIFMS conforms to control requirements and this directive. The review should include transaction testing of the critical aspects of the system. The transaction testing should cover the entire flow of transactions from initial authorization through processing and reporting.

1.8.10. The ALCs are to use query languages as query tools only and not to update or change data. The use of query tools to update or change data bypasses normal system transaction controls and, often, does not create an acceptable audit trail. Database changes/requests to DIFMS/NIMMS or any of the DMAPS systems should be the rare exception, required only for unusual circumstances such as significant system failure. Under no circumstances may query languages be used to change financial results, such as moving costs from job orders with lower funding than actual cost. The following procedures need to be used for obtaining approval to use query languages for processing updates to any of the DMAPS program systems.

1.8.10.1. The requestor in coordination with the development activity (e.g., Defense Finance and Accounting Service Information and Technology (DFAS I&T) – for

DIFMS/NIMMS), proposes changes to data through query updates. When changes may affect files used by other organizations, such as DFAS, representatives of the other organizations must be notified.

1.8.10.2. Before processing any query updates, at a minimum obtain documented approval of the appropriate ALC system manager for each Structured Query Language (SQL). For example, DIFMS query updates need the approval of the ALC Chief of Cost Accounting at a minimum.

1.8.10.3. Following local approval, enter a Data Cleansing Request (DCR) into the DMAPS Problem Tracking System (PTS). Input an action request into the Remedy Action Request System (ARS), which routes the request for query language update to DFAS I&T. The DMAPS Program Office (AFMC/A4NL) assures the DCR is reviewed under the configuration management program and provided to the DMAPS-IE supplier to determine whether a corresponding change must be made to DDS to keep DDS in sync and in balance. The DCR also is a source for system improvements.

1.8.10.4. Documentation must be retained for the query (e.g., SQL) change for a specific time per regulatory requirements and archiving rules. The documentation includes a complete explanation of the query update. At a minimum, the document must contain:

- 1.8.10.4.1. Rationale for the change
- 1.8.10.4.2. Files and tables affected
- 1.8.10.4.3. Amounts of the changes (including pre- and post-query processing)
- 1.8.10.4.4. Date processed and period affected
- 1.8.10.4.5. Whether the query update is one-time or recurring
- 1.8.10.4.6. Copy of the query code
- 1.8.10.4.7. A statement that the query does not change financial results
- 1.8.10.4.8. Reasons that normal system processing cannot be used
- 1.8.10.4.9. Individual (name, office symbol, email, and telephone) requesting, approving, coordinating and processing the change

1.8.11. The AFSC/FZR and ALC/FM will establish a comprehensive set of financial measures for periodic review of the quality and timeliness of financial processing, to include for example suspended labor transactions or material in transit. The metrics program must cover the full scope of DMAPS financial processing. Local procedures will be issued to ensure metrics are established so the program covers the full scope of financial processing to include Manage Funding, Account for Funds and Manage Cash, Collect/Track Cost/Expense (Labor, Material and Business Operations), Manage Plant Property, Transfer Cost and Adjust, Billing and Analyze/Reconcile/Report.

1.8.12. Write-off or significant adjustments of transactions should be the exception to 1.8.11, and the user must obtain approval through the Chief of Cost Accounting or appropriate level supervision. The Chief of Cost Accounting maintains records of the quantity and dollar value of write-offs. Local procedures will be published monthly to ensure write-offs are identified

by specific category, and these procedures will identify who will maintain and report the quantity and dollar value of these write-offs. For write-off or adjustment policy, guidance and procedures refer to the DoD FMR, Volume 4, *Accounting Policy and Procedures*, and DoD FMR, Volume 11B, *Reimbursable Policies and Procedures for Working Capital Funds*.

### **1.9. System Documentation**

1.9.1. Coverage, at a minimum, must include: maintain accounting policies, processes, and procedures in this directive (and other media) such as the process model. Document major sources of data provided to DIFMS with actions required for data processing. Describe aspects of the system such as the account structure and definitions; transaction codes; the accounting cycles and procedures; transaction and data flow; and the necessary coordination needed with other groups or systems. Describe, in detail, the effect of all transactions on the Subsidiary or General ledgers. Assure that adequate physical security is provided for all information collected, processed, transmitted, stored or disseminated.

1.9.2. AFMC/FM (in conjunction with AFMC/A4) assures current system and process documentation is available for the AFSC/FM, and ALCs Centers Complexes to supplement and expand upon the documentation in this directive.

1.9.3. The documentation should be of sufficient scope and depth to provide managers, users, systems operators, and software maintenance personnel with an understanding of the design and operation of each component in the system and its integration with and relation to all other components.

1.9.4. The totality of user documentation is in sufficient detail to permit a person with a general knowledge of the agency's programs and systems to obtain a comprehensive understanding of the entire operation of the system. The documentation must be current and cover the system's development and actual operations. This includes system user manuals, operating instructions, and database management manuals. The most current information can be obtained from the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the "DIFMS" tab and the radio button and then on the current production release.

### **1.10. DMAPS Change Management**

1.10.1. This instruction is to document the DMAPS approach to requirements management. This document provides a description of the Configuration Management (CM) process for DMAPS. The intent is to ensure the use of a streamlined and well-disciplined methodology to maintain and revise process and system baselines. The process described in this document enables the AFMC Program Management Office (PMO) for DMAPS to effectively manage and improve the DMAPS requirements and associated data systems configurations. This policy provides the guiding principles and steps that must be followed to translate user requirements into process and data system changes. This process covers all DMAPS-related processing, including financial.

1.10.2. All changes affecting DMAPS are documented in the PTS module of the Information System Management Tool (ISMT). The potential process changes to DMAPS are categorized by the following:

1.10.2.1. Discrepancy Report (DR) – When a system does not adequately support an approved business process, with the current design, it is viewed as a deficiency. (Per AFMC/A4 direction)

1.10.2.2. Software Problem Report (SPR) – Deficiencies written during test against un-fielded software.

1.10.2.3. Baseline Change Request (BCR) – Business Process Change or new functionality/requirement that drives software change.

1.10.2.4. Information Support Report (ISR) – Issues needing further research/resolution by either functional experts or suppliers, if required.

1.10.2.5. Data Cleansing Request (DCR) – Changes to databases, scripts, etc. (not application software changes).

1.10.3. Review boards supporting identification, coordination, review and approval of problem reports are shown in the following paragraph.

1.10.3.1. Discrepancy Review Board (DRB) - The DRB determines the validity and severity level of all problems. When justified, reports are written against the DMAPS applications software before submission to the applicable FRB. From the FRB it is then sent to the software supplier for their resolution. Disposition of ISRs/DCRs is determined by the DRB. ISRs document investigation/research only and are not used to deliver application software changes. DCRs document changes to databases, scripts, etc., and are not used to deliver application software changes.

1.10.3.2. Functional Review Board (FRB) - The purpose of the Functional Review Board (FRB) is to operate as a single point of control for changes to application systems. There are five FRBs: Financial, Material, Production, Integration Engine and Reports. The types of changes include the following: discrepancy reports, baseline change requests, information support reports, or upcoming changes requested by users. The objective is for each requirement to be reviewed, scrubbed, and fully coordinated with all affected offices and the required documentation created. The system changes are prioritized in relation to all other prior documented changes that have been ranked by the FRB. These are then planned for future block testing and release.

1.10.3.3. There are External Boards that affect DMAPS requirements. DIFMS/NIMMS User Group has representatives from Air Force, Navy, Marine Corps and DFAS. The User Group provides information to the DIFMS/NIMMS Joint Configuration Control Board (CCB). The DIFMS/NIMMS Joint CCB negotiates and prioritizes requirements for block releases.

1.10.3.4. The DMAPS CCB approves documentation changes using the DMAPS Change Request (CR) form. When deficiencies drive a technical change, a DMAPS CR form is also used and approved by the DMAPS CCB. Severity 1-2 DRs are software deficiencies that require immediate changes to support the DMAPS business process and are approved by the DMAPS CCB.

1.10.3.5. Integrated Requirements Review Board (IRRB) – All Baseline Change Requests (BCRs) and Severity 3 – 5 Deficiency Requests require approval through the IRRB. These requests must be submitted through the Requirements Document Tracking Module of Information System Management Tool (ISMT) with information through Tab R being completed prior to submission.

1.10.3.5.1. The Initial submission will be through the Communications and Information Systems Requirements Document (CSRD) Validation process. The submission will be reviewed to see if all necessary information has been provided to determine if the requirement is valid.

1.10.3.5.2. During the CSRD Validation, the Major Command (MAJCOM) Portfolio Manager (Pfm) gives site approval to the requirement.

1.10.4. Procedures for notification of DMAPS system releases follow:

1.10.4.1. Emergency Releases:

1.10.4.1.1. DMAPS PMO CM is notified by email from Defense Finance and Accounting Service Information and Technology (DFAS I&T) software supplier showing programs affected and date/time stamp of the change.

1.10.4.1.2. DMAPS PMO CM verifies the date and time stamp in the staging area.

1.10.4.1.3. DMAPS PMO CM emails site configuration managers at each ALC, as well as the Production Leads at each ALC, Test Team at OC, and functional people at AFSC/FZR and ALCs who have requested to be notified. Decision is made whether test is in test environment, production environment, or both.

1.10.4.1.4. ALC decides to install and coordinates with DISA to install the release. Releases are also briefed at the daily DRB telecom by DMAPS PMO CM. The ABW SC schedulers, DMAPS PMO and functional folks at the AFCS/ALCs and suppliers attend the DRB.

1.10.4.2. Routine Release to Interfacing Systems:

1.10.4.2.1. PMO CM receives notification from the software supplier that software-affecting DMAPS is in the inbound staging area with a copy of the Software Release Technical Letter (SRTL) or other information on release content.

1.10.4.2.2. DMAPS CM versions the software in the inbound staging area and moves it to the DMAPS software library.

1.10.4.2.3. DMAPS CM moves the software to the installation staging area to be installed in test.

1.10.4.2.4. DMAPS CM emails on-site CM and Test Lead that the software is ready for installation. After successful test, software is staged for release to production. ALC decides to install and coordinates with DISA to install the release.

1.10.4.2.5. Release is briefed at the daily DRB.

1.10.4.3. Routine Releases in DMAPS-Suite Systems:

1.10.4.3.1. A Version Description Document and “ReadMe First” document is provided for each release.

1.10.4.3.2. All potential changes are documented in the Information System Management Tool’s (ISMT) Problem Tracking System (PTS). The ALCs can track problems from initiation to closure via PTS.

1.10.4.3.3. When a problem report is written, it is presented to the DRB and distributed in accordance with the DMAPS process, i.e., DRB – Functional Teams – Integrated Requirements Review Board (IRRB)/Configuration Control Board (CCB) – Functional Review Board (FRB) – Supplier.

## 1.11. Archiving of Financial Data

1.11.1. Per the DoD FMR 7000.14-R, Volume I, **Chapter 9**, the ALC must retain financial information per the requirements of the Federal regulations established by the National Archives and Records Administration (NARA), which is responsible for promulgating procedures for the disposal of all U.S. Government records. General polices can be found in sections 1220-1238 of Title 36 of the Code of Federal Regulations (CFR). In addition, specific records disposal direction, which is mandatory per 44 U.S.C. 3303a is contained in the General Records Schedules (GRS), which are issued by the NARA to provide disposal authorization guidance for administrative records, including fiscal accounting records. The GRS are available at: <http://archives.gov/records-mgmt> on the Internet.

1.11.2. In accordance with the NARA regulations, AFMC/FM sets standards to define specifically the DMAPS data types to be retained, periods of retention, and related access requirements. ALCs implement the standards set by AFMC/FM.

1.11.3. DIFMS periodically purges data from the database via scheduled processing. Instructions are provided by Defense Finance and Accounting Service Information and Technology (DFAS I&T) prior to the start of the closing of each fiscal year. Reports are created and the data used to build the reports are ‘canned’ not archived. For example, for Job Order Number(JON), Customer Order Number(CON), and Sponsor Order Number(SPON) purges, the funding document has to be final billed for at least 60 days and the JON, CON, SPON, and Funding Document must be closed in DIFMS (Status Code-3).

1.11.4. Once data is no longer required, DIFMS provides history reports, which serve as an audit trail for such items as Sponsor Orders, Customer Orders, Job Orders, Asset/Liability Records, Material Requisitions, and Billing and Cash transactions. Retention of these history reports for the required period is the first source of archived information. Current information regarding DIFMS policies for their Purge and History subsystem can be obtained from the Technical Service Organization’s website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the “DIFMS” tab and then on the current production release, then Purge and History User Manual.

1.11.5. Data from the DDS also can be used for archiving of financial data. Policy states the retention of DDS data is maintained one year for online transaction level detail and two years for task level summaries and above. Additionally, the ALC/FM, in coordination with AFMC/FM, decides on what information should be extracted from DDS and retained for the required retention period, which is as long as six years and three months per NARA requirements (see archiving paragraph).

1.11.5.1. By using data mining tools, the DDS has the capability to retrieve selectively archived data based on user-defined criteria such as date or accounting period. In addition, the DDS "History" function can be used to retrieve information.

1.11.5.2. DDS provides the capability to retrieve selectively archived data based on user-defined criteria such as date, accounting period, or job order. The DDS administrator has the capability to control the archiving process. DDS also has the capability to establish and maintain user-defined archival criteria, such as date, accounting period, closed items and vendors inactive for a specific time.

1.11.5.3. When files are purged, they remain off line, for an AFMC/FM-defined period, before deletion. Use the following as requirements for retention until AFMC/FM updates them:

**Table 1.1. Records Retention (Source: The National Archives – archives.gov)**

<b>NARA Schedule</b>	<b>Types of Records</b>	<b>Retention Period</b>
#2 Payroll and Pay Administration Records	Time & Attendance - Leave Application Files	Destroy after Government Accountability Office (GAO) audits or when 3 years old, whichever is sooner.
	Time and Attendance Source and Input Records	Destroy after GAO audit or when 6 years old, whichever is sooner.
#6 Accountable Officers' Accounts Records	Accountable Officers' Files (see Schedule for specific list)	Destroy 6 years and 3 months after period covered by account.
#7 Expenditure Accounting Records	General accounts ledgers	Destroy 6 years and 3 months after the close of the fiscal year involved
	Expenditure Accounting Posting and Control Files	Original records - destroy when 3 years old
#8 Stores, Plant, and Cost Accounting Records	Stores accounting returns and reports	Destroy when 3 years old.
	Cost Accounting Reports and data files	
	Plant Accounting Files	Destroy 3 years after item is withdrawn from plant account.

## 1.12. Materiality

1.12.1. The scope of the financial management workload in depot maintenance is very large and complex requiring judgment be applied on what work to emphasize and how much time to devote. Use materiality as one criterion in making that judgment as well as determining the magnitude of an omission or misstatement of an item in a financial report of a reportable entity.

1.12.2. An item is material if its omission or misstatement makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the inclusion or correction of the item.

1.12.3. Materiality must be calculated against a materiality base. The materiality base must be net of intra-governmental balances on the books of the reportable entity.

1.12.3.1. If the misstatement is in an asset or liability account, the materiality base would be total assets or liabilities in the accounting records at the time materiality is being determined.

1.12.3.2. If the misstatement is in an expense or revenue account, the materiality base would be total expenses or revenues during the period applicable to the materiality determination.

1.12.4. An omission or misstatement is considered material if it is one percent or more of its materiality base. Each ALC should calculate materiality separately based on the records command-wide.

## Chapter 2

### MANAGE FUNDING

#### 2.1. Introduction

2.1.1. Financial resources are generated by the acceptance of customer orders to replenish the depot maintenance working capital fund and to permit continuing operations. Customer orders (funded requests for goods or services) provide the budgetary resources necessary to finance operations. Customer orders create a quasi-contractual relationship between a Defense Working Capital Fund (DWCF) activity and its customer, since acceptance of a customer order requires that the performing entity agrees in writing to perform the work for the customer entity. Customers of depot maintenance may be (1) any Department of Defense (DoD) command, organization, office, or other element; (2) non-DoD federal government agencies; (3) state and local governments; (4) foreign governments (including Foreign Military Sales (FMS)), and (5) private parties and concerns, as authorized by law. Cash advances may also be requested from federal government activities when directed, or approved, by the Under Secretary of Defense, Comptroller. Cash advances from private parties and concerns are required. Obligations must be supported by budgetary resources that are immediately available for outlay even though the outlay may not occur until a future date.

2.1.2. Within DMAPS, FIT (Funding Initiation Tool System) provides funds control data such as the Funding Document, the (SPON) Sponsor Order Number and the (CON) Customer Order Number for CSAG-M (Consolidated Sustainment Activity Group Maintenance) to DIFMS (Defense Industrial Financial Management System).

2.1.2.1. Automated Project Order Form System (APO-J025A) creates the SPON and FIT creates the CON. Job Order Production Master System (JOPMS-Q302/G004L) passes the customer's Line of Accounting (LOA) to FIT. FIT then creates the funding stream in its entirety and passes the Funding Document, SPON, and CON to DIFMS for validation and approval.

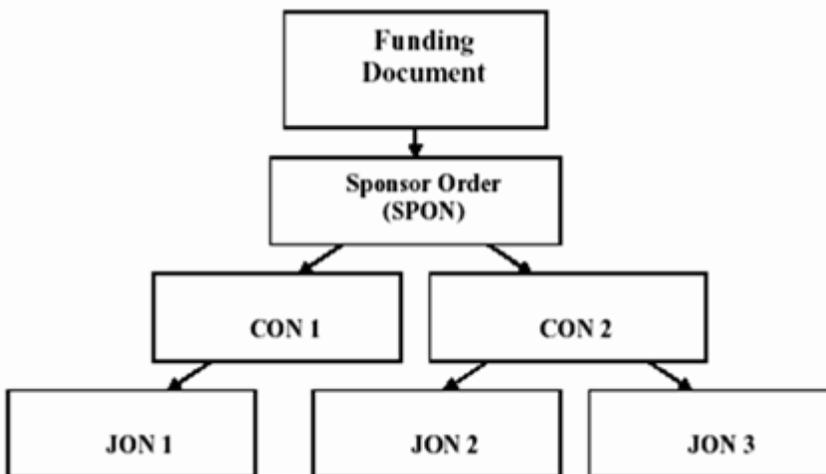
2.1.2.2. If DIFMS rejects any portion of the funding stream, FIT produces error reports for correction by Center personnel in APO-J025A, Q302/G004L, and DIFMS. FIT holds the APO-J025A portion of the transaction until the user makes necessary correction. After correction, the user re-processes the data in FIT for passing to DIFMS.

2.1.2.3. Once DIFMS has funding in place, a Job Order Number (JON) can be opened. No JON can be opened until DIFMS accepts the Funding Document, SPON, and CON corresponding to the JON.

2.1.3. There is an automated feed from Q302/G004L to DIFMS to support the opening and closing of direct JONs. (Please refer to Section 2.8.) DIFMS cannot open a direct JON until the customer funding is in place.

2.1.3.1. Funding Chain, in Figure 2.1., shows the relationships of the Funding Document, SPON, CON, and JON in DIFMS.

Figure 2.1. Funding Chain



2.1.3.2. FIT creates the funding document corresponding to the LOA (Line of Accounting) in Q302/G004L. This LOA matches the Funds Classification Reference Number (FCRN).

2.1.3.3. The SPON is created from the APO-J025A Document Reference Number. It is up to a 15-character alphanumeric field and is formatted according to the Standard Document Number (SDN) format. The SDN is a 14-character document number comprised of a Responsible Identification Code, Calendar Year (CY), Julian Date, SDN Type, SDN Subtype and two-character Sequence Number. For additional SDN and SPON by Paths, see paragraph 2.3.3 herein. After SPON creation, APO-J025A passes the SPON to FIT.

Table 2.1. Standard Document Number format

SDN Composition						
	BPN / DODAAC / MAPAC	Calendar Year	Julian Date	SDN Type	SDN Sub Type	Sequence
<b>Length:</b>	6	1	3	1	1	2
<b>Position:</b>	1-6	7	8-10	11	12	13-14
<b>Type:</b>	alpha numeric	numeric	numeric	Alphanumeric	alphanumeric	alphanumeric
<b>Example:</b>	F03000	4 (2004)	236	J	J	01
<i>Note: Reference: AFI 24-230 "Maintaining Air Force DoD Activity Address Codes (DODAAC)" <a href="http://www.e-publishing.af.mil/shared/media/epubs/AFI24-230.pdf">http://www.e-publishing.af.mil/shared/media/epubs/AFI24-230.pdf</a></i>						

2.1.3.3.1. The first part of the SDN consists of one of the following three types of Responsible Identification Codes.

2.1.3.3.1.1. Business Partner Number (BPN) is a six-digit alphanumeric DoD code that identifies a unit, activity, or organization for intra-governmental financial identification purposes only.

2.1.3.3.1.2. A DoD Activity Address Code (DODAAC) is a six-digit alphanumeric

code used for providing a uniform method for controlling DoD assets and for recording transactions that reflect receipts and disposition of property transferred to an activity.

2.1.3.3.1.3. A Military Assistance Program Address Code (MAPAC) is a six-position alphanumeric code used to identify the ship-to and mark-for addresses of FMS and Grant Aid shipments and documentation. Air Force MAPACs begin with “D”. The MAPACs are maintained by the Defense Automatic Addressing System Center (DAASC).

2.1.3.4. If the workload is FMS or private party, the SPON will be the reference number typed into APO-J025A’s Document Reference Number from the funding source.

2.1.3.5. FIT creates the CON by taking the Program Control Number (PCN) in APO-J025A and adding a 4-digit serial number (i.e. AJEKLY0001). The CON is subordinate to the Funding Document and SPON, and is the parent of one or more JONs.

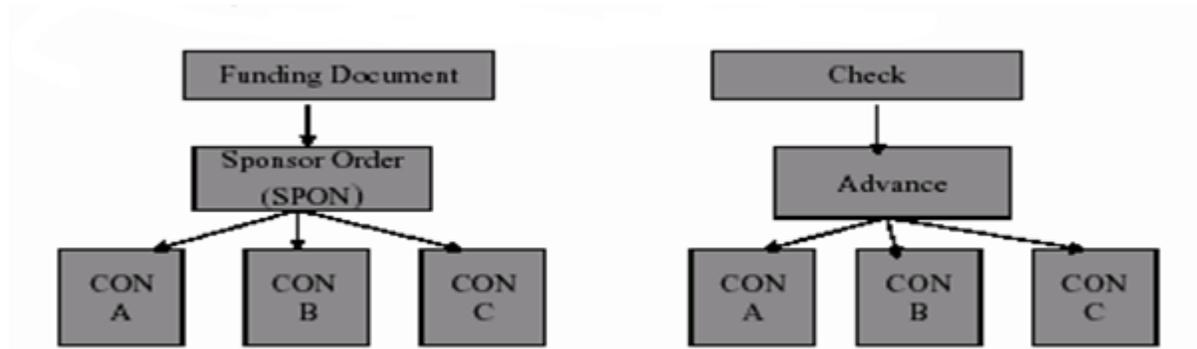
2.1.3.6. The direct JON originates in Q302/G004L. This JON is matched by FIT to the correct Funding Document/SPON/CON combination and interfaced to DIFMS. A Direct JON is the AF production JON + ‘000’ (i.e. A1234U11A000)

2.1.3.7. For the funding chain of SPON, CON, and JON, a one-position numeric element is used to reflect the status in DIFMS. The major status codes used are: 1 – Open, 2 – Reopened, and 3 – Closed. At the JON level, status code 6 – Cancelled or Terminated without Costs and status code 7 – Cancelled or Terminated with Costs are used.

2.1.4. The funding chain is then filtered through FIT to DIFMS via a scheduled near-real time file. Only Capital Investment Program (CIP) funding is entered directly into DIFMS.

2.1.4.1. After validation of funding through FIT, the JON is opened in DIFMS. Once the JON is open in DIFMS, labor may be transacted in TAA (Time and Attendance) and material may be procured via ABOM (Automated Bill of Material) and/or NIMMS (NAVAIR Industrial Material Management System. JONs may be restricted in DIFMS after receiving approval from the budget office or other controlling authority. Restrictions limiting types of Labor or Material charges are done with the use of restriction codes. Business operating costs can be incurred through direct entry in DIFMS.

2.1.5. For orders accepted from Private Parties, an advance is received, which is collected into CSAG. A liability record is established in DIFMS to control the Advance amount.

**Figure 2.2. Funding and Advance Chain for Private Parties**

2.1.5.1. The Advance collected must be identified to the CONs applicable to the workload being performed and be in whole dollars only. Customer checks received with pennies will be returned. *Note: this requirement is due to APO-J025A's inability to process pennies.*

2.1.5.1.1. The association of the Advance to the CON requires that the total funding document for the private party be allocated to the CON level. *Note: The total CON amount does not have to be allocated to the JON level.*

2.1.5.1.2. The CON number may be notated on the DD Form 1131, Cash Collection Voucher.

2.1.5.1.3. The Advance amount on the CON record is reduced by the billed amounts.

2.1.5.2. If the CON has not been established, when the advance collection is made, this amount appears on the 7310-322 report, "Weekly Unallocated Details". The unallocated cash error is corrected through normal procedures as outlined in [Chapter 6](#), 6.6 Unallocated Cash Processing.

2.1.5.3. If funding is transferred between CONs, prepare a zero batch in the Cash Module to move the advance to the appropriate CON.

2.1.5.4. If at the end of the work there is funding remaining, a request to DFAS to process a refund to the customer is made.

2.1.6. At the end of each fiscal year, DIFMS goes through a process to move the entire current year customer funding to a category called prior year funding. This process is done with FIT and DIFMS working together. This means that any current year funding in either DIFMS or FIT represents only the current fiscal year dollars. It does not mean that prior year dollars are expired or no longer valid. All prior year funding, no matter how old it is, is categorized as prior year. The End of Year (EOY) rollover of DIFMS must happen at exactly the same time as the FIT EOY roll over or current and prior year balances are misstated.

2.1.7. References:

2.1.7.1. AFI 65-601, Volume I, *Budget Guidance and Procedures*.

2.1.7.2. AFMCI 21-105, *Depot Maintenance Work Measurement*.

2.1.7.3. AFMCI 21-156, *Operational Workloading, Planning, and Scheduling Control*.

2.1.7.4. Depot Maintenance Accounting and Production System Integration Engine (DMAPS-IE) User Manual.

2.1.7.5. Defense Finance and Accounting Service Denver Center (DFAS-DE) 7000.4-R, Accounting for Obligations (September 2006).

2.1.7.6. DIFMS User Manual, DIFMS Physical Model, and NIMMS User Manual. The most current information can be obtained from the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the appropriate tab and then on the current production release.

2.1.7.7. Department of Defense (DoD) Regulation 7000.14-R, DoD Financial Management Regulation (FMR), Volume 3, **Chapter 8**, Standards for Recording and Reviewing Commitments and Obligations; Volume 4, **Chapter 20**, Job Order Cost Accounting; Volume 11B, **Chapter 1**, DWCF General Policies and Requirements; Volume 11A, **Chapter 2**, Project Orders; and **Chapter 13**, Cost Accounting Requirements for Depot Maintenance.

2.1.7.8. Assistant Secretary of the Air Force Financial Management Strategic Planning & Transformation (SAF/FMT) 03-04, Interim Guidance for Miscellaneous Obligation/Reimbursement Document (MORD) Processing, 24 November 2010.

## 2.2. Project Orders (PO).

2.2.1. A Project Order (41 USC 23) is the most common basis that depot maintenance has to obtain funding. DoD customers use the PO, other government activities use the Economy Act, and other customers use a customer order supported by the law that authorizes the order to be placed. Depot maintenance customers provide an approved funding document specifying the negotiated work to be accomplished and the funding reserved to pay for that work. Examples of funding documents include: AFMC181, Project Order or DD Form 448, Military Interdepartmental Purchase Request (MIPR). Based upon the approved funding document and acceptance, depot maintenance inputs information into APO-J025A to automate the coordination of one or more AFMC181. This documentation provides financial integrity of the funds insuring that requested work is not performed without funding in place.

2.2.1.1. Information from APO-J025A is interfaced to DIFMS through FIT. This documentation serves as the authority for depot maintenance to induct work and to charge the customer the appropriate sales price or rate per hour. The term 'customer' throughout section 2.2 refers to the activity that issues the PO. Depot maintenance must have a fully funded customer project order prior to inducting any workload. Air Logistics Center (ALC) procedures must be established to enforce this policy to avoid inducting any workload before the customer has provided the funded PO. POs are not issued to depot maintenance for any of the following:

2.2.1.1.1. Major new construction of real property (Specific detail is contained in DoD 7000.14-R, Volume 3, **Chapter 17**, Accounting for Military Construction Projects)

2.2.1.1.2. Education, subsistence, printing, laundry, welfare, transportation, travel, or communications when any of these is the primary purpose of the request

2.2.1.1.3. Any purpose where a clear buyer-seller relationship does not exist between the customer and depot maintenance

2.2.1.1.4. For work done within an ALC Maintenance Wing and funded by that ALC

2.2.1.1.5. For any purpose that directives/instructions would not permit under commercial contracts

2.2.2. There are conditions governing issuance, performance, and management of funding documents. Funding documents are similar to contracts placed with commercial enterprises and, like such contracts, must be specific, definite, and certain as to the workload ordered. When accepted by depot maintenance, customer funds on the funding documents are obligated. The customer's obligation is established at the Project Order level and is based on the funded customer requirements.

2.2.2.1. Funding documents are issued by the customer and accepted by depot maintenance. As depot maintenance incurs costs, billings are submitted to the customer who will reimburse depot maintenance. The depot maintenance activity is responsible for promptly advising the customer concerning changes in the ordered work, such as delivery schedules, planned cost, or work content/quantities.

2.2.2.2. Customer funds placed on POs must serve a bona fide need existing in the fiscal quarter for which issued. The work to be performed under POs is expected to commence during the Fiscal Year (FY) quarter stated in the PO Number (PON).

2.2.2.2.1. For PDM (Programmed Depot Maintenance) aircraft only, the opening of a Job Order Number (JON) for material ordering may occur 30 days prior to the aircraft arrival within the same Fiscal Year (FY), as long as a valid Project Order (PO) is in place. This is authorized in HQ AFMC/FMR memo dated 16 March 2011.

2.2.2.3. Customer order funding must cover the sum of all work orders (JONs) under each CON. If, upon receipt of a funding document, the appropriate depot maintenance activity determines the amount of funds stated on the order is either 'in excess' or 'insufficient' of that required, immediate follow-up action is taken with the customer. If there is no response from the customer in a timely manner, the customer is notified in writing as to the estimated excess or deficit amount. The practice of establishing underfunded CONS will be limited to the first quarter.

2.2.2.4. All POs must be prepared by the customer, certified by the appropriate office, and be in the applicable depot maintenance component not later than 3 workdays and not sooner than 10 workdays prior to the beginning of the quarter covered by the order. If justifiable conditions preclude the customer from issuing a basic PO in three workdays to cover all negotiated workload, a Letter of Intent (LOI) must be used. This letter must identify the delinquent PON and Program Control Number (PCN), and specify an estimate of the total dollars and accounting classifications that are placed on the funded order. To ensure continuity of operations and system acceptance of the work orders, Letters of Intent may be established in the PO validation and FCRN master. *See paragraph 2.7 addressing "Letters of Intent" or "Commander's Operating Orders."*

2.2.2.4.1. **FOR PDM AIRCRAFT ONLY** - All POs must be prepared by the customer, certified by the appropriate office, and be in the applicable depot

maintenance component not later than 3 calendar days and not sooner than 30 calendar days prior to the beginning of the quarter covered by the order.

2.2.2.5. The final page of each PO must contain the following statement: ***“This order is placed according to the provisions of Title 41 United States Code (USC), Section 23, and DoD FMR 7000.14-R.” See FMR Volume 11A, Chapter 2.***

2.2.2.6. A JON is identified to the PO period using the most recent date of the JON opened or inducted. G004L assigns the PON to the JON when the induction is reported. During the first quarter of the FY (October through December), Management of Items Subject to Repair (MISTR) inductions may be made and charged to the prior fourth quarter PO when inductions are made to replace non-serviceable turn-in after the close of the FY. In no case are inductions to exceed the Customer Order Quantity (COQ) established as of 30 September in any FY.

2.2.2.7. POs include appropriations that are subject to closure or cancellation. This means that the appropriation is no longer available for adjustments or payments. Vigilant attention must be exercised by depot maintenance activity to ensure that all workload obligations incurred against the appropriation are completed and billed to the customer prior to the closure date for the appropriation.

2.2.2.8. Each ALC establishes local internal controls to ensure that customer funding received is adequate to cover the negotiated workload, is properly certified when a PO is issued to depot maintenance, and that no work is inducted before the depot receives the funded PO. These operating procedures are established using local operating instructions.

2.2.2.9. Changes to scope of work:

2.2.2.9.1. If the customer requests work to be performed, and this work is in addition to the work originally negotiated, then additional funding must be obtained by the ALC from the customer before the work is performed.

2.2.2.9.2. If during the repair process, additional required work is discovered but was not negotiated. The ALC must obtain approval and funding from the customer before performing the additional work.

2.2.2.9.3. If the scope of work is decreased at the request of the customer, the ALC must reduce customer funding on the PO for the amount of the reduced work less any costs to depot maintenance that are a result of the workload reduction. The funds should be returned to the customer even if the customer's appropriation has expired.

2.2.2.10. POs, may contain special provisions and be subsequently modified, amended, or cancelled. Customers are responsible for cost charges due to their cancellation of previously negotiated workload or reduction in quantities. Funds should not be returned to the customer prior to these costs being collected.

2.2.2.10.1. After acceptance of a PO, if the repair activity cannot perform the designated work or deliver the specified material, negotiate an amendment with the

customer to portray what the repair activity can perform or deliver. Return the excess funds to the customer through the APO-J025A process.

2.2.2.10.2. Customers must formally provide an intention/notification to cancel before depot maintenance issues formal cancellation instructions for active (open) aircraft, missile, or engine POs or any line item of workload identified. This must be accomplished at the earliest possible time, but no later than 30 days before the effective date of cancellation. This notice is required so depot maintenance can reschedule other firm workloads, and assess the financial impact of returning excess material to supply. If cancellation is required, complete the items in work and charge costs to the applicable JON.

2.2.2.10.3. If the quantity of items is decreased, or if workload is canceled, the funds associated with the reduced quantities or canceled work less any cancellation charges must be returned to the customer even if the customer's appropriation has expired. Funds should not be returned to the customers until billing of canceled JONs has been completed. The Funding Initiator Reports (FIR) contains and displays the Q302/G004L JON Status Code (JSC) 3 the day after Job Order Status Tool (JOST) sends the JSC to DIFMS.

2.2.2.11. As part of its responsibility to customers, depot maintenance ensures the proper management of all POs received to include closing and final billing, notifying the customer of any excess or deficient funding, and recommending the reallocation of funds among their POs. The PO status reports of the DIFMS, or formal correspondence, may be used for advising customers of funding excesses or deficits.

2.2.2.12. Downward adjustments of previously recorded obligations are referred to as de-obligations. Customer funds must be de-obligated when no longer required for the purpose originally obligated such as cancelled work, reduced scope, and/or inability to perform the required work. Customers must be notified of the de-obligation when the billing is completed.

2.2.2.12.1. The rules for de-obligation follow from the principles required for obligation. See AFI 65-601, Volume I, *Budget Guidance and Procedures*, DFAS-DE 7000.4-R, Accounting for Obligations, and Department of Defense Financial Management Regulation (DoD 7000.14-R), Volume 3, **Chapter 8**, Standards for Recording and Reviewing Commitments and Obligations.

2.2.2.12.2. Funds must be de-obligated when the need no longer exists for the obligated funds. Funds de-obligated within the period of obligation availability can be re-used by the customer.

2.2.2.12.3. The funding stream between APO-J025A and DIFMS is processed on a two-hour cycle to attain more effective management control between POs and funding of dollar requirements for work. Acceptance of the funds in DIFMS is reflected in APO-J025A every two hours. The funds from the previous day are available for depot maintenance and customer activity to induct workload.

2.2.3. Within the available financial authority, the customer may initiate amendments to POs which increase the scope (increase in scope require funds current at the time) or value of a

workload requirement during the period for which the funds cited on the order are available for obligations.

2.2.3.1. Amendments for price increases are charged to the same LOA that was current at the time the initial order was prepared. Amendments for extending the scope of work (approved increases to work packages) are charged to the same LOA if the Document Number is the same as the initial order and the original funds are still active. If a new LOA is used, a new FCRN must also be established. Amendments that decrease funds may be made at any time.

2.2.3.2. Amendments are processed through the same certifying office and depot maintenance activity channels used for processing basic orders.

2.2.3.3. Amendments are made to POs at the PON, PCN, and FCRN level.

2.2.4. The numbering of the Project Orders (PO) is of interest to both depot maintenance and the customer. The customer issues and amends each order based upon a predetermined sequence. PONs, contained in block 2 of AFMC181, are five numeric digits in length and are constructed as follows:

**Table 2.2. Project Order Number (PON)**

<b>Project Order Number (PON)</b>				
<b>1st Position</b>	<b>2nd Position</b>	<b>3rd Position</b>	<b>4th Position</b>	<b>5th Position</b>
<b>0-9</b>	<b>1-4</b>	<b>1-8</b>	<b>1-8</b>	<b>1-7</b>
Last Digit of FY (i.e. 3=1993)	Fiscal Quarter	Managing ALC 1. OC-ALC 2. OO-ALC 5. WR-ALC 8. AMARG	Source of Repair (SOR) 1. OC-ALC 2. OO-ALC 5. WR-ALC 8. AMARG	End Item Type of Work (see Table 2.3)
<i>Note: Amendments are processed in chronological order for each PO.</i>				

2.2.5. The Depot Maintenance rates used for pricing and billing of POs depend on the type of work involved (the last position of the PON). (See Table 2.3)

Table 2.3. Use of Rates

Type of Work	Determination for Pricing	Sales
1 Aircraft	The customer prices out this order with the AFMC approved Mission Design Series (MDS) aircraft fixed price or, as appropriate, the approved Depot Product Standard Hours (DPSH) rate.	Use this same rate.
2 Missiles	The customer prices out this order with the AFMC approved missile DPSH, or fixed rate.	Use this same rate.
3 Engines	The customer prices out this order with the AFMC approved engine Type, Model, Series (TMS) job designator Unit Sale Price (USP).	Use this same rate.
4 Management of Items Subject to Repair (MISTR)	The MISTR Fiscal Year Projected Repair Requirements (G019C-CAF-CA-8CM) data system listings may be used to obtain the data for this order. The appropriate depot maintenance activity, provides the appropriate funding activity the applicable G019C product for preparation of the PO, and shows DPSH, and dollar requirements by Program Control Number (PCN).	Sales against this order are based on JON completion quantities times the end item sales price for the stock number.
5 Other Major End Item (OMEI)	The customer prices out this order with the AFMC approved Other Major End Item (OMEI) DPSH, or fixed rate.	Bill the OMEI rate computed according to provisions.
6 Other and 7 Base Tenant	The appropriate depot maintenance activity furnishes a Current Year Repair Group Category (RGC)/PCN Workload Recapitulation (G004C-FAE-PR-8FJ) or Budget Year RGC/PCN Workload Recapitulation (G004C-FAO-PR-8FN) product and DPSH planning rates to the customer to be used in preparation of these orders.	Record sales on either a price per unit or rate per DPSH, depending on the specific work requested. If the request involves the use of a C-prefix control number or serialized end item, sales are at an hourly rate per DPSH. All other sales are at a price per unit basis.

2.2.6. The depot maintenance authority to accomplish any approved work is upon acceptance of a valid PO, upon receipt of a Letter of Intent (LOI) or Commanding Officer's Order (COO).

2.2.7. All manual Project Orders must have attachments that provide the depot maintenance activity with supporting documentation for (1) funded workload requirements and (2) direct cite funds. Automated AFMC181s should have all documentation attached to the printed copy by the funds manager.

2.2.7.1. Requirements Documentation for the following Types of Work:

- 2.2.7.1.1. Type 1 (Aircraft), 2 (Missiles), and 5(OMEI) Project Orders must include a copy of, or statement of reference to, the dated project directive showing the input and output schedule. The project directive includes a reference to the work specifications. Additionally, for Type 1 Orders, man-hours by serial number are attached to, or included on, the PO, per AFMCI 21-156.
- 2.2.7.1.2. Type 3 (Engines) Project Orders are only used for Programmed Engine workload. Project Order must include a copy of, or statement of reference to, the dated project directive that identifies the input and output schedule for each Type/Model/Series (TMS)/Job Designator (JD). A reference to the work specifications is included in the project directive.
- 2.2.7.1.3. Type 4 (MISTR) Project Orders must include a copy of, or statement of reference to, the Management of Items Subject to Repair (MISTR), FY Projected Repair Requirement by Pseudo Code (G019C-CAF-CA-8CM), or similar product, indicating the quantity and dollar value of each PCN required for the ensuing fiscal quarter. The similar product could be a manual roll-up by PCN from the production management specialist of the negotiated and accepted requirements.
- 2.2.7.1.4. Types 6 (Other) and 7 (Base Tenant) Project Orders should reference at least one of the following:
- 2.2.7.1.4.1. Project directive
  - 2.2.7.1.4.2. Reclamation workload save list must be annotated to indicate the applicable PCN
  - 2.2.7.1.4.3. AFMC206, Temporary Work Request work request number if known
  - 2.2.7.1.4.4. Historical data
- 2.2.7.2. For direct cite funds which are not specifically certified on the AFMC181 by local funds certification personnel, a copy of the source funding document must be maintained.
- 2.2.8. Serial number control is mandatory for all depot maintenance workloads input on Types '1', '2', and '5' POs. This control is optional for each workload input on Types '3', '6', and '7' POs.
- 2.2.9. All requests for work in depot maintenance are forwarded to the applicable ALC activity for acceptance.
- 2.2.9.1. Aircraft, Missile, Engine, OMEI (Types '1', '2', '3', '5' POs): Workload acceptance or rejection is based on the quantitative input value of these orders. The quantities identified on these orders must be scheduled for input during the specific fiscal quarter, and supersede any scheduled quantities if variances exist. Any changes in negotiated quantities require an amendment to the applicable PO.
  - 2.2.9.2. Exchangeables, Area Support, Base Support, and Local Manufacture (Types '4', '6', '7' POs): The acceptance or rejection of workloads on these orders depends upon the available dollar value for the PO.
    - 2.2.9.2.1. Each appropriate depot maintenance activity forwards applicable maintenance data requirement estimates as required, to prepare Types '6' and '7' POs, to the local appropriate funding activity no later than 25 calendar days before the

beginning of the time period to be covered by the order. This data must be submitted in writing and must indicate the required information to prepare the PO form.

2.2.9.2.2. Services in support of the Special Weapons Branch, Ogden ALC, must be incorporated and charged to the respective local funding activity Type '6' PO, unless otherwise categorized.

2.2.10. To enable detailed program control, DMAPS provides the capability to break out hours and dollars at the task level. Management assures that capability is used unless specific reasons are identified precluding collection of information at that level of detail. Although individual PCNs within FCRN may be exceeded on a Project Order, the total dollars, hours, or quantities for the FY specified in the program document may not be exceeded. If annual funding requirements by PCN exceed program authority, the customer contacts the appropriate funding activity for needed program changes. These program adjustments are the responsibility of the appropriate center.

2.2.10.1. The following instructions can be used to complete a manual AFMC181 Project Order. These instructions should only be used in the event that APO-J025A is unavailable for an extended period of time.

Table 2.4. Instructions to Complete AFMC181 Manual Project Order

Box	Description
---	The Project Order signatures must be accomplished in the following order: Paths 1 & 2 Initiator, Approver, Certifier, Acceptor, and Finalizer (DFAS) Paths 3 & 4: Initiator, Approver, and Acceptor
1	Complete only the pages needed. Enter the total number of pages in the blank “of ___”. Should more than one “Continuation Page: be used, enter the number of the page in the first blank.
2a	Enter the number of the Project Order. Consist of 5 numeric characters
2b	Enter the Control Number. Consist of 5 numeric characters
2c	Enter the alpha/numeric sequence number of the PO (basic and amendments). Numbers sequence from basic through ‘ZZ’. Consist of 2 alphanumeric characters. See Note 2 below this table for guidance on amendments. ( <i>Note: Temporary amendment number is input by the acceptor to lessen the confusion of multiple initiators entering the same amendment numbers. This number will be APO-system-generated when PO is inputted into APO.</i> )
2d	Enter the 2 digit Directorate (FM, A4, etc.). Consist of 2 alphanumeric characters
3	Enter the date of preparation. Consist of 11 alphanumeric characters: dd mmm yyyy; e.g.20 Jul 2011)
4a	Check the appropriate box: A = Unit; B = Hour.
4b	Enter Path Number (1, 2, 3, or 4). Consist of 1 numeric character. For guidance, see AFMCI 65-101, paragraph 2.3.3. or the APO’s website: <a href="https://apo.wpafb.af.mil/j025a/index.htm">https://apo.wpafb.af.mil/j025a/index.htm</a> under the “Documentation” Tab.
5	Check the appropriate box to identify the specific PO customer type: A = Defense, Air Force; B = Direct Cite (Private Party); C = Both A and B.
6a	Before accomplishing the electronic signature, complete all other information. Certification statement amount: + or – 12 numeric characters. Signature block for Certifier: Signature (40 alphanumeric); date (Auto Fills). This block must be completed at the customer location before the PO is forwarded to the appropriate depot maintenance activity. Must be completed for Paths 1 and 2. Except for the Doc Ref Nr, all elements of Block 6a are reserved for Certifier input. The Initiator, Approver, and Acceptor comments should be input on page 2. ( <i>Note: Certifier Comments in block 6a has 60 alphanumeric characters</i> )
---	Document Reference Number: Enter the 15 alphanumeric Document Reference Number. See AFMCI 65-101, Chapter 2, paragraph 2.1.2.4 for composition of the number.
---	FSR, PSR, DSR: Enter 15 alphanumeric characters for each of the following: Fund Summary Record (FSR), Program Summary Record (PSR), and Document Summary Record (DSR).
6b	Before accomplishing the electronic signature, complete all other information. Final Action and Signature Block for the Finalizer. See 6a for alphanumeric requirements. Must be completed for Paths 1 and 2. Add comments to the footnotes page.
7	Enter the applicable Program Control Number (PCN). Consist of 6 alphanumeric characters

8	Enter the appropriate Funds Classification Reference Number (FCRN) according to local agreement. Consist of 4 alphanumeric characters.
8a	Enter the Line of Accounting (LOA). 65.
8b	Enter the Expended Whole Dollar Amount = + or – & 10 numeric characters
9	Enter the title of the workload (System or type of work, (i.e., Software TPS; Repair, Manufacturing)). Consist of 15 alphanumeric characters
10	Enter the quantity to be inducted. Completion of this column is required for Types ‘1’, ‘2’, ‘3’, and ‘5’ POs. Amendments always reflect the new quantity. See Block 14 for additional criteria. Consist of 7 numeric characters
11	Not Applicable (N/A): Leave blank.
12	Enter the Direct Product Standard Hours (DPSH) required for the identified workload. Amendments reflect the new DPSH position. See Block 14 for additional criteria. Completion of this column is not required for Type 3 POs. Consist of 6 numeric characters.
13	Enter the depot maintenance rate. Consist of 6 numeric characters including decimal point, e.g., xxx.xx
14	Enter the total cost of each line item, rounded off to the nearest dollar. See 14*, 14**, or 14*** for guidance = + or – & 12 numeric characters.
14*	Aircraft/Missile/Other Major End Item (OMEI). Enter the result of multiplying the DPSH shown in block 12 by the DPSH (MDS) rate shown in block 13, or the total of the fixed prices of each option exercised.
14**	Engines. Enter the fixed price or the result of multiplying the Unit Sales Price (USP) in block 13 by the quantity in block 10.
14***	Maintenance of Items Subject to Repair (MISTR) and All Other. Enter the result of multiplying the DPSH rate shown in block 12 by the DPSH rate shown in block 13, or the negotiated DPSH and dollar value shown on the G019C product.
15a	Before accomplishing the electronic signature, complete all other information. All POs or amendments are signed by the Initiator before Issuance. See 6a for alphanumeric requirements. All Paths must have this block signed. Comments should be added to the footnotes page.
15b	Before accomplishing the electronic signature, complete all other information. All POs are signed by an Approver. See 6a for alphanumeric requirements. All Paths must have this block signed. Comments should be added to the footnotes page.
16	Before accomplishing the electronic signature, complete all other information. All POs are accepted or rejected by the depot maintenance PO Acceptor, which must sign in this block. See 6a for alphanumeric requirements. All Paths must have this block signed. Comments should be added to the footnotes page.
17	Net Adjustment. Enter the total amount of dollar variance + or – between this amendment and the basic or prior amendment. + or – & 12 numeric characters.
18	Enter the total of the PO if an amendment is being processed. The last page of each order is annotated to identify the variance (+ or -) of each funds citation. + or – & 12 numeric characters.

**Note 1:** Individual ALCs will use local procedure to determine when to use the manual project forms when the Automated Project Order (APO/J025A) is unavailable. The current manual AFMC181, Project Order, is located at the following website:  
<http://www.e-publishing.af.mil/shared/media/epubs/AFMC181.xfdl>

**Note 2:** Once the APO/J025A system is available, all Project Orders (POs) created using AFMC Form 181 will have to be re-accomplished in the system. It is important to adhere to the same alphanumeric requirements and not to exceed the number of characters noted in each block. When the PO is input into the system the date becomes permanent and cannot be overridden. The PO initiator shall include in the comments the original date reflected on the manual PO. As signatures are re-accomplished, coordinators should include in the comments the date and name of the person originating the signed manual PO, if different.

**Note 3:** Only the affected PCNs need to be reflected on amended POs issued during the quarter. These PCNs indicate the new order of input quantity, DPSH, and dollars at the time of amendment. If any one of these items has changed, then blocks 10, 12, and 14 are completed. An example of this would be a need to change the amount of dollars associated with a PCN for a MISTR order. In this case, the DPSH may not have required a change. Blocks 10, 12, and 14 must always be completed to reflect the new (total) position. 'Plus' or 'minus' variances may also be indicated, within parentheses, in these columns.

**Note 4:** Indicate on a memo basis, the amount of over and above funds included in each PCN for serialized workload.

## 2.2.11. Project Order (PO) Balancing Procedures

2.2.11.1. The initial balancing takes place at the end of the fiscal quarter and when the end-of-month position (December, March, June, and September) has been obtained in DIFMS. The process for each type of order is as follows:

2.2.11.1.1. **Types 1, 2, 3, 5, 6, and 7 POs.** The appropriate funding activity reviews the DIFMS status reports or contacts the applicable depot maintenance activity for an estimate of what is required to complete each order.

2.2.11.1.2. **Type 4 POs.** The appropriate funding activity reviews the induction dollar value from the DIFMS status reports.

2.2.11.2. The final balancing of the Project Order is made when all JONs are closed and the billing has occurred. The DIFMS CON status code "3" notification that the PO is in a closure status is passed to APO-J025A.

2.2.11.3. DIFMS is designed to portray a financial management status on every PO accepted by depot maintenance. Information is available to DFAS, the ALC office accepting the PO, and the funding activity office in the ALC initiating the PO. The appropriate offices assure compatibility between the estimated funding requirement and the funded programs. The status documents are used to monitor and track the financial progress of each order, and serve as the financial management communication tool among these activities. The ALC product division and the funding activity closely monitor funding status to assure the following.

2.2.11.4. The Project Order Acceptor must assure the recorded input quantity does not exceed the ordered PCN quantity available and sufficient dollars are available to complete all input quantities. Prior to a quantity change, it must be verified that appropriate funding has been received and confirmed. If it appears a PO/PCN/FCRN is overrun, the appropriate depot maintenance activity requests a PO amendment for additional funds with an explanation of the reason for the increase.

2.2.11.5. The Project Order Acceptor must assure the identified ordered Customer Order Quantity (COQ) or Job Order Quantity (JOQ)/FCRN dollar values do not exceed the PO/FCRN dollars. If the COQ/JOQ/FCRN dollars are greater than the PO/FCRN dollars, the funding activity amends the PO increasing the PCN/FCRN sufficiently to cover the deficit, or reduces requirements to available dollars.

Table 2.5. Funding Document Chart (Elements of Expense Identification Code (EEIC))

Type Work Description	RGC (2 <sup>nd</sup> character of the PCN)	Type of Work (last position of the PON)	
Aircraft Air Force Expense Element (AFEE) 541	Aircraft Repair (Fixed Facility) (Note 1)	A	1
	Aircraft Repair (Off base) (Mod Program)	B	6
	Aircraft Storage/Reclamation	B	6
	Combat Logistics Support Squadron (CLSS)	A	1
	Aircraft Service Workload	B	6
Missiles AFEE 542	Missile Repair (Fixed Facility) (Note 2)	C	2
	Missile Repair (Off base)	D	6
	Missile Storage/Reclamation	D	6
	Missile Service Work	D	6
Engines AFEE 543	Engine Overhaul (Fixed Facility (Major & Minor))	E	3
	Engine Storage/Reclamation Teardown Deficiency Report (TDR)	F	6
	All Engine Service Work	F	6
OMEI AFEE 544	OMEI Repair (Fixed Facility) (Note 2)	G	5
	OMEI Repair (Off base)	H	6
	OMEI Storage/Reclamation	H	6
	All OMEI Service Work	H	6
Exchangeables AFEE 545	MISTR	J	4
	Inertial Guidance Systems	K	5
	Project Directive (Non-MISTR)	K	6
	Other Exchangeables	L	6
	All Exchangeables Service Work	L	6
	Repair Systems Support Items	L	6
Other AFEE 546	Area Support	M	6
	Base Support	N	7
	Quality Audit Programs	N	7
	Demilitarization	N	7
	Local Manufacturing Systems Support Items	P	6
	Local Manufacturing General Support Items	P	7
	Local Manufacturing Systems CIP Items	R	6
	Repair General Support Items	N	7

Type Work Description		RGC (2 <sup>nd</sup> character of the PCN)	Type of Work (last position of the PON)
	All Other Service Work (AFMCI 21-156)	S	6
Storage AFEE 548	Storage	1	6
<p><b>Note 1:</b> The use of serial number control in depot maintenance data systems is mandatory. An hourly sales rate is entered into the Q302/G004L system by the number by the appropriate depot maintenance activity.</p> <p><b>Note 2:</b> If the workload being ordered is controlled by Wholesale and Retail Receiving and Shipping (WARRS-D035K) and has a short flow time (30 days or less), the work is placed on a Type 6 PO in RGC D (if missile) or H (if OMEI). These have a Unit of Measure (UOM) of Each (EA) and an end item sales price established by the appropriate depot maintenance activity. All other items of workloads are serial number controlled, have a UOM of Hour (HR), and use the AFMC approved hourly sales rate.</p>			

### 2.3. Funding Establishment

2.3.1. In the DMAPS funding process, all customer funding in DIFMS must originate in APO-J025A and JONs normally originate in Q302/G004L. Exceptions and Work Authority (WA) are addressed later in the chapter. Funding for CIP is handled directly in DIFMS. DIFMS is the system of record for funding control.

2.3.1.1. No work may be conducted without a funded JON. DMAPS only allows work to be started when proper funding is recorded in DIFMS.

2.3.1.2. If any part of the funding stream is rejected, the rejects may need to be corrected in the originating system (APO-J025A, Q302/G004L, or FIT) for reprocessing. Coordination may be needed between systems in the funding stream flow. If the funding has not been established in the originating system then no work can be performed until funding has been established. The errors will need to be corrected before work is scheduled to start.

2.3.2. When the customer funding is accepted in APO-J025A, it becomes an obligation to the customer and must be recorded in the customer's accounting system.

2.3.3. APO-J025A feeds a Document Reference Number to FIT, which becomes the Funding Document or SPON in DIFMS. APO creates the SPON from the APO Document Cross-Reference field and passes to FIT. APO will use the Standard Document Number (SDN) format to create the SPON, except for EXPRESS funding uses the SRAN. All other funding will use the Customer Business Partner Number (BPN) to designate customer. Once DIFMS has accepted the funding stream, information is returned through FIT to APO-J025A to confirm funding has been established.

2.3.3.1. Path 1- Source of Repair is located at the same ALC with Source of Supply (collocated), who is funding the workload. The ALC is responsible for certifying the funds in APO-J025A. DFAS will obligate the funds in GAFS-BQ. APO sets the SPON to

Business Partner Number (BPN) + Calendar Year + Julian Date + Project Order Designator Code (J) + Obligation Subtype Code (J) + SDN Sequence Number (i.e. FD20206215JJ99).

2.3.3.2. Path 2- Source of Repair is located at ALC other than the ALC with the Source of Supply (not collocated), who is funding the workload. The ALC is responsible for certifying the funds in APO-J025A. DFAS will obligate the funds in GAFS-BQ. APO sets the SPON to BPN + Calendar Year + Julian Date + Project Order Designator Code (J) + Obligation Subtype Code (J) + SDN Sequence Number (i.e. F3YCAB6215JJ99).

2.3.3.3. Path 3- Direct cite document used to pay for workload. Source of Repair is collocated. The customer will commit and obligate the funds. The funds initiator enters the original funding document number in APO. (Fund code WA) APO set the SPON to Stock Record Account Number (SRAN) or the BPN + Calendar Year + Julian Date + Project Order Designator Code (J) + Obligation Subtype Code (J) + SDN Sequence Number (i.e. FD20206215JJ99).

2.3.3.4. Path 4- Direct cite document used to pay for workload. Source of Repair is not collocated. The customer will commit and obligate the funds. The funds initiator enters the original funding document number in APO. (Fund code WA) APO set the SPON to Stock Record Account Number (SRAN) or the BPN + Calendar Year + Julian Date + Project Order Designator Code (J) + Obligation Subtype Code (J) + SDN Sequence Number (i.e. FD20206215JJ99).

2.3.4. With the implementation of Centralized Asset Management (CAM), the Supply Division now uses Work Authority (WA) to ‘fund’ all POs that it sends to the CSAG-M (Consolidated Sustainment Activity Group - Maintenance Division). WA does not represent true funding; rather, it is merely a means of setting the ceiling and tracking the dollar value of the amount of work the Supply Division is authorized to order from CSAG in a given fiscal year. This includes all repair workload, including exchangeables and local manufacturing, which was previously part of the Buy Program. Reimbursement/Customer Code “U” is used for WA. The WA ceiling is maintained directly in APO-J025A. Unused ceiling amounts from prior years do not roll over to the new fiscal year. Ceiling amounts are locked at the fiscal year cut-off and are only changeable with the approval of an AFMC/WA Auditor.

2.3.4.1. The Execution and Prioritization of Repair Support System (EXPRESS – D087X) prioritizes Supply Division project order needs based on available WA. APO-J025A sends the available WA balance daily to EXPRESS. EXPRESS sends a file of prioritized requirements to APO-J025A on a daily basis, based on the available amount.

2.3.4.1.1. The Supply Division approver reviews the PO for any errors and approves. Following the approver stage, the next required step is acceptance.

2.3.4.1.2. FIT and DIFMS recognize for Work Authority, the first position of the PCN on the PO is ‘U’ and the Order Type Code (OTC) is set to ‘G’. OTC ‘G’ becomes the unique data element for distinguishing the Supply Division non-billable workload throughout the life of the PO.

2.3.4.1.3. Throughout the DIFMS program logic, CSAG project orders for CSAG Supply customers are referred to as ‘non-reimbursable’ customer orders. This term reflects the fact that CSAG will receive neither cash nor record revenue for this workload. Accordingly, CSAG does still record the value of the customer order in

statistical General Ledger Accounts (GLAs). Once the customer order passes DIFMS validation, CSAG is able to create new JONs against the order. CAM billing suppression did not invoke changes to the process of opening, updating, or closing JONs. JONs are still created in Q302/G004L, and the Permanent JON Master (PJM) and Temporary JON Master (TJM) tables are sent to FIT and DIFMS as usual. Once JONs are loaded in DIFMS, CSAG can begin recording cost on the JON. As work is completed and cost is incurred, it is recorded in the same cost fields on the JON record as it was prior to CAM billing suppression. During the regular billing cycles, DIFMS does not create a bill for customer orders with OTC 'G'.

## 2.4. FCRN and LOA

2.4.1. A 4-digit alphanumeric code is assigned for input to the FCRN validation table in Q302/G004L, which corresponds to the customers' accounting classification or Line of Accounting (LOA). Parameters for the establishment of FCRNs must be consistent with local ALC procedures.

2.4.2. FIT receives the customer LOA placed on the AFMC181 via the Q302/G004L. It is input to the Q302/G004L Validation Stack. FIT uses the LOA from the validation stack as the line to place on the funding document. It is imperative this line of accounting be correct.

2.4.3. If the LOA is modified in Q302/G004L, the modification is passed to FIT and APO-J025A. This is not a problem so long as no funding documents have been processed through APO-J025A. If a funding document with an erroneous LOA has already been processed through APO-J025A, corrections will need to be coordinated between the ALC APO-J025A System Administrators and the appropriate ALC Cost Accounting personnel. Additional information regarding the DIFMS process can be obtained through the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the appropriate tab and then and then on the current production release.

## 2.5. Funding Issues to Watch

2.5.1. There is an edit in APO-J025A to provide for the validation of the Reimbursement (Customer) Code (first letter of the PCN) which prevents more than one customer code per FCRN/PON combination. An FCRN can have only one Reimbursement (Customer) Code in the same quarter, but there can be many PCNs to an FCRN. As an example, if FCRN '391V' is set up with customer code 'U', then any PCN with a different customer code is stopped in APO-J025A within that same quarter.

2.5.2. Once a document is processed through APO-J025A and a SPON is created, the user cannot modify the document reference number on the original PON/PCN/FCRN combination. Any change necessary requires coordination between the ALC APO-J025A System Administrators and the appropriate ALC Cost Accounting personnel. Additional information regarding the DIFMS process can be obtained through the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the appropriate tab and then and then on the current production release.

2.5.2.1. The Funds Initiator needs to check the budget authority balance in H069/BQ prior to initiating an AFMC181.

2.5.2.2. APO-J025A prevents the Funds Initiator from inputting an amendment that reduces the Working Authority (WA) funds in excess of funds available. Working Authority only applies to Reimbursement Code "U", OTC "G".

## 2.6. Cost Sharing (Multi-funded) Process

2.6.1. Cost Sharing (Multi-funded) Process For Work Excluding Q303/G004L Work Control Documents (WCD's) JONs, also known as "Multi-Funded" JONs, are used when the total costs of a project are shared among various customers. Total project costs are shared using pre-determined percentages set by the Program Manager. These percentages are calculated based upon the countries that chose to participate in the program and the respective number of the participant's aircraft receiving the upgrade. An example of a situation where cost sharing is appropriate would be F-16 software upgrades. Costs for upgrades to F-16 software are shared among the U.S. Air Force and various Foreign Military customers that operate the weapon system.

2.6.2. The Cost Share process requires establishment of a collection JON ('B' JON) and multiple benefiting JONs. The benefiting JONs are direct JONs, funded via APO-J025A, created in Q302/G004L, and established in DIFMS via the daily JON interface file. The collection JON and funding stream are established directly in DIFMS.

2.6.3. The Cost Share collection funding chain is established directly in DIFMS using the DIFMS Screens MS154P "Funding Document Update", MS108P "Non-Navy Sponsor Record Update", and MS153P "Customer Identification Update". This funding chain is only used for cost share collection JONs and is not billed. Additionally, only one collection funding chain is necessary to provide parent records for all cost shared collection JONs. The Order Type Code, Type Customer Code, and other attributes of the collection funding chain are unimportant, as all actual costs collected are transferred to the benefiting funding chains.

2.6.4. The Cost Share collection JON is established in DIFMS using the DIFMS Screen MS152P "Direct Job Order Update". All costs incurred on the particular project shall be collected against a single collection JON. The first position of the collection JON must start with the alpha character 'B' to meet DMAPS Data Store (DDS) System validation requirements. Additionally, the last three positions of the JON (positions 10-12) must be '000' in order to meet TAA validation requirements.

2.6.4.1. Cost share collection JONs are established in DIFMS directly. It is not possible to produce work control documents and use various production systems: Facilities and Equipment Management System (FEM-D130), Programmed Depot Maintenance Scheduling System (PDMSS-G097), and Inventory Tracking System (ITS-G337) with this JON.

2.6.5. If the benefiting JONs are temporary AFMC206 JON(s), the production Planner (PO/PTC), Scheduler (PSSD) or Work-loader (WTC) will open these temporary AFMC206 JONs only when the cost transfers of the B prefix collection JON are ready to be done. The temporary AFMC206 JONs will be planned in Q302/G004L so that the End Item Sales Price (EISP) or the Extended End Item Sales Price (EEISP) will be as close to the actual costs as possible but at no loss to the center. The temporary AFMC206 JONs will then be immediately closed in G004L, ensuring that the closure does not occur after the fiscal year end in which the JONs was (were) opened. APO-J025A funding should match the total requirements at the cost

level as shown by the JONs and not include monies that could not be used for current year requirements.

2.6.6. No costs are collected directly on benefiting JONs. All benefiting JON costs are incurred as cost transfers from collection JONs.

2.6.7. Cost transfer percentages and/or actual cost amounts are provided to cost accounting by the Program manager after completion of the project. All costs are then transferred from the collection JON to multiple benefiting JONs.

2.6.8. The collection JON may be cancelled (DIFMS Status '6') after all costs have been transferred. The benefiting JONs may also be closed (and completions taken) after all costs have been transferred.

2.6.9. Additional Cost Share procedural notes: Material ordered against the collection JON may be ordered using the 'Not on Bill of Material (BOM)' process.

## **2.7. Work Performed in Advance of a Reimbursable Order**

2.7.1. Per DoD 7000.14-R, Volume 11B, **Chapter 11**, work in advance of a reimbursable order is for "emergency" or "urgent" circumstances. The terms "emergency" or "urgent" does not include cases where customer-driven workload needs to be performed in advance of funding to meet flow days and effectively use available capacity. Emergency or urgent is driven by customer requirements. While there may be some services furnished by a DWCF activity prior to receiving a funded order, this should be a rare occurrence. Whenever this occurs, these services are performed based on anticipated orders or for programs included in approved budget requests. This type of work is for existing customers that have annual recurring requirements. Work for customers may begin in advance of receipt and acceptance of a formal order under these circumstances.

2.7.1.1. Customers may issue "Subject to Availability" orders when operating under a Continuing Resolution. Orders issued under Continuing Resolution Authority (CRA) shall identify the portion of the order that is covered by current Obligation Authority (OA). If OA is not available, work should be stopped until OA becomes available.

2.7.1.2. When necessary to incur limited costs in advance of the receipt of a regular order for an authorized program for which customer funds are available, such work or services may be undertaken based on a "Letter of Intent (LOI)." Per the DoD 7000.14-R, Letters of Intent which are an obligation of the ordering activity (i.e., customer) in a stated amount of funding sufficient to cover the advance costs that may be incurred. LOIs are obligating instruments that are contractual in nature, and the LOIs must be funded upon issuance. LOI should have a 'subject to availability of funds' clause. LOIs expire within 30 days from the date of issuance. Upon expiration, no additional costs may be incurred since the LOIs should be replaced by receipt of a regular customer order. LOIs may be extended if circumstances justify the extension.

2.7.1.3. When it is necessary to begin work prior to the receipt of an order, a Commanding Officer's Order (COO) or similar order may be issued by the Commander of the Center or an authorized representative (appointed by a Letter of Designation). The Center must have written assurance from the customer that a reimbursable order shall be issued within 15 days of performing the work on the JON. The use of such orders should be limited to

situations in which there are bona fide emergencies arising from unforeseen urgent requirements, e.g., loss or damage caused by a disaster, an act of God, or events caused by unforeseen security situations. A Commanding Officer's Order must not be used as a normal procedure to circumvent administrative lead-times that should be considered in advance planning. A Commanding Officer's Order shall expire within 30 days from the date of issuance. It must be replaced with a funded order before billing can occur and work can continue. Before the funding process can be completed in APO-J025A, a formal letter is required from the Commanding Officer or designated representative so the document can be certified in APO-J025A.

2.7.2. DMAPS provides the capability to handle work performed in advance of a reimbursable order, through the COO process. The Q302/G004L Validation Stack contains two FCRNs ('0000', '0001') that do not contain a legitimate customer's Line of Accounting. The LOA on the FCRN 0000/0001 states that the requirement is for a COO. These FCRNs (0000/0001) are to be utilized ONLY by the CSAG to induct workload for Commanding Officer's Orders when no legitimate funding exists. Commanding Officer's funding must be established in APO-J025A. The user establishes the JON in Q302/G004L and work can commence. After the workload is inducted and the legitimate funding stream (PON/PCN/FCRN) is established in APO-J025A, the user transfers the JON to the correct funding stream by changing the FCRN in Q302/G004L. This change is interfaced to FIT and to DIFMS. DIFMS transfers the JON to the correct Funding Document/SPON/CON. The user then can go into APO-J025A and deobligate the temporary PON/PCN/FCRN.

## 2.8. JON Type

2.8.1. The first character of the JON will allow the user to determine what type of JON is being used and tell if it is collecting direct or indirect cost.

**Table 2.6. JON Types**

JON Types (First Digit of the JON in DIFMS)		Direct / Indirect
A	TDY	Direct (are established in Q302/G004L)
B	Cost Share (Collection JON)	Direct (are established in DIFMS)
C	Temporary JONs used in D130-FEM to indicate direct workload	Direct (are established in Q302/G004L)
F	Fixed Assets (Capital Purchase)	Direct (are established in DIFMS)
K	Contractual PMEL workload	Direct (are established in DIFMS)
M	Temporary Direct JONs – (Local Manufacturing)	Direct (are established in Q302/G004L)
X	Cost Class IV (CC4) Work – Duty Code 14 or .14 time. S is the 8 <sup>th</sup> digit	Indirect
T	Temporary	Direct (are established in Q302/G004L)
U	Indirect Unfunded	Indirect
W	General Ledger Account	Indirect
X	Production Overhead (POH)	Indirect
Y	General and Administrative (G&A)	Indirect

JON Types (First Digit of the JON in DIFMS)		Direct / Indirect
Z	Leave	Indirect
Numbered	Permanent or Serialized JONs	Direct

2.8.2. For a Direct JON to be established, the Funding Document/SPON/CON relationship must be established in DIFMS. After establishment, work can begin.

2.8.3. If DIFMS rejects the Direct JON, the JON appears as an error in JOST. The error will also appear on the DIFMS 7310-142 “DIFMS/SOS Errors” report. The user must make corrections and send the Direct JON for processing in JOST.

2.8.4. The purpose of DIFMS Indirect JONs is to collect overhead or indirect expenses. Overhead is applied to direct JONs with the use of Overhead Application Rates (OARs). The accumulation of indirect expenses serves a similar purpose as United States Standard General Ledger (USSGL) accounts currently do, for management use and budget history. Expenses gathered in the indirect JONs are passed to DDS and subsequently to CPPM.

2.8.5. AFMC adopted an indirect JON structure to provide consistency across all ALCs for capturing indirect costs. Sites are required to use the official Indirect JONs provided by Headquarters Air Force Materiel Command (AFMC) Financial Management Directorate (AFMC/FM) and no variations from this list are approved. The indirect JON structure consists of 12 positions. For indirect labor JON’s, HQ-AFMC controls positions 1-7, positions 8-12 are to be used at the ALC. For indirect material and other cost JON’s, HQ-AFMC controls positions 1-9, ALC controls positions 10-12.

**Table 2.7. Category and Structure of Indirect JON's**

<b>Category</b>	<b>Position</b>	<b>Description</b>
<b>Labor</b>	1=X	Production Overhead
	1=Y	G&A
	2-5=5110/6110 (AF GLAC)	General Schedule, Manager (GS, GM, SES)
	2-5=5111/6110 (AF GLAC)	Wage Group, Leader, Supervisor (WG, WL, WS)
	2-5=5310/6310	US Military
	6-7	Duty Code
	8-9	Shred Code (ALC Assigned)
	10-11	Cost Center (ALC Assigned)
	10-12	ALC Indirect Jon Shred (ALC Assigned)
<b>Material</b>	1=X	Production Overhead
	1=Y	G&A
	2-5	Various signifying code for each JON and quite often tracks to the old Air Force Code by the same or similar name
	6-9	U Number; if this field is all zeros, no U number is applicable
	10-11	Cost Center (ALC Assigned)
	10-12	ALC Indirect Jon shred (ALC Assigned)
<b>Other</b>	1=X	Production Overhead
	1=Y	G&A
	2-5	Various signifying code for each Jon and quite often tracks to the old Air Force Code by the same or similar name
	6	Always will be zero
	7-9	DoD Budget Code
	10-11	Cost Center (ALC Assigned)
	10-12	ALC Indirect Jon shred (ALC Assigned)

2.8.5.1. Each ALC must designate an office to control, establish and maintain Indirect Job Order numbers for all indirect costs in a Resource Control Center (RCC), production overhead cost centers, and general and administrative cost centers.

2.8.6. Each ALC must assure that RCCs to the 'Cost Center Shop' format are entered correctly. The Cost Center is also the shop in DIFMS, and is referred to the RCC outside of DIFMS (e.g., MBAAB). Shop Maintenance is an important function in JOCO. The DIFMS Screen MS158P "Authorized Shops Update", allows the user to input or change the Authorized Shops for Direct or Indirect Job Order Numbers (JONs). Setting an authorized shop or range of shops effectively restricts charges from unauthorized shops. All valid shops must be tied to a cost center record. The user may not delete a cost center that is tied to a valid shop.

2.8.7. Maintain documentation for the indirect JONs by using the spreadsheet to track descriptions and establishment/deletion dates. This is very important documentation since indirect JONs documentation is not in DIFMS.

2.8.8. The Cost Production and Budget Module (CPBM-H033) system is mapped to the AFMC controlled positions of the indirect JONs and can only be changed with AFMC coordination. If an ALC chooses to create Indirect JONs other than the AFMC approved Indirect JONs, the costs and hours associated with those local use JONs are not captured in H033. This would negatively affect the overhead application rates, as well as, the distribution of costs to the RCCs via the Cost Transfer Module (CTM) of H033.

## **2.9. DIFMS Direct and Indirect JON Restriction Codes**

2.9.1. The restriction code is a three-position numeric element on both the Direct and Indirect JON records in DIFMS. The restriction code is used to define the types of valid costs that may be charged to the JON. Each position defines the level of restriction as follows:

2.9.2. Position 3 defines valid contractual and business operations cost (i.e., '1' = open to contractual and business operations cost, '2' = contractual cost only, '3' = business operations (other) cost only, '9' = blocked to contractual and business operations (other) cost).

2.9.3. Both direct and indirect JON restriction codes default to a value of '111' when the JON is established in DIFMS.

2.9.4. Direct JON Restriction Codes may be modified in JOST (Job Order Status Tool), using the "Modify Restriction Codes" selection. Changes to restriction codes should be made prior to Q302/G004L JON closure. Once the JOST update is made and validated, the restriction code update is passed to DIFMS in the daily JON interface file.

2.9.5. Indirect JON Restriction Codes may be modified by using the DIFMS Update Screen MS151P "Indirect Job Order Update".

**Table 2.8. DIFMS Restriction Codes**

<b>Labor (1st Position)</b>	<b>Material (2nd position)</b>	<b>Contractual/Other (3rd position)</b>
1 = All (Industrial Fund) Government / Contractor Furnished Material	1 = IF-GFM-CFM 1 = All	
2 = Civilian (Industrial Fund)	2 = IF only 2 = Contractual (Funded)	
3 = Military	3 = IF and GFM (Industrial Fund and Government Furnished Material)	3 = Other (Funded)
4 = Unfunded	4 = IF and CFM (Industrial Fund and Contractor Furnished Material)	4 = Other Funded and Other Unfunded
5 = N/A	5 = A5 Receipts (In-house Manufacturing Receipt)	5 = N/A
6 = N/A	6 = CFM only	6 = N/A
7 = N/A	7 = GFM only	7 = N/A
8 = ADJ (Adjustment)	8 = ADJ (Adjustment)	8 = ADJ (Adjustment)
9 = None	9 = None	9 = None

2.9.6. A Shop Indicator value of '1' indicates that JON is open to all RCCs. A value of '2' indicates the shop is restricted to only specific RCCs. If a value of '2' is set, the user must enter the specific RCCs directly into DIFMS Update Screen MS158P "Authorized Shops Update". For example, Production Overhead (POH) cannot be charged in a G&A Shop.

## **2.10. Cost Class IV Type Workload ('S' JONs)**

2.10.1. The nature of Cost Class '4' (duty code '14' or .14 time) workload is work performed by one organization (e.g. shop, cost center, or RCC) for another. This means that the cost once accumulated must be transferred from the "performing" organization to the "benefiting" (owning) organization. This transfer is handled automatically in DIFMS under the normal cost transfer process.

2.10.2. The Maintenance and Control (recording of effort at the Task level) of S- JONs is in the D130-FEM system. Work orders are established therein and the individual mechanics record their time against individual tasks on the work orders. The user inputs to both D130-FEM and TAA.

2.10.3. The user opens an 'S' prefix job in D130-FEM using the nine position JON. D130-FEM transmits data through the CONEN to TAA and DDS to allow the mechanic to record time against the JON. Once the Cost Class Type IV Workload (S-JON) reaches the CE, it is converted from the 'S1234' S-JON format to the TAA Indirect JON format (X511114S1234). For example, a work order is established in D130-FEM for S-JON S1234. The planned hours, performing RCC, and standard hours are sent to TAA and DDS via CONEN in an overnight file. When CONEN reads the S-JON S1234, it automatically converts it to an X-JON

X511114S1234 and forwards this along with the information mentioned above to TAA and DDS to allow collection of time and effort.

2.10.4. Once the X-JON has been established in TAA, the mechanic is permitted to charge labor and order required material to this JON. All labor is transacted in TAA against the indirect X-JON. Labor is collected at the operation level transaction.

2.10.5. TAA permits transacting when the indirect JON is valid. If TAA cannot get a valid JON, transactions cannot occur. Indirect JONs are first established in DIFMS.

2.10.6. TAA collects time (actual hours) transactions for each operation and then sends the transactions to DIFMS where the related costs are distributed to the benefiting organizations. Once the operation is complete, TAA sends this data to DIFMS and DDS.

2.10.7. D130-FEM feeds a nightly file to Q302/G004L via the CONEN wherein the daily and nightly files are combined.

2.10.8. The X- JONs are established first in DIFMS, and any necessary financial structuring occur in DIFMS. In addition, X- JONs are considered Production Overhead.

2.10.9. As labor and material costs are incurred against the indirect X-JON, they are being recorded in DIFMS as an indirect cost pool that needs to be absorbed by the direct JONs worked that month. It is preferable to transfer the costs from the performing RCC to the owning or benefiting RCC. To accomplish this requires the creation of a cost transfer table, which the Centers build and maintain on a monthly basis. It has been determined that since S-JON costs are minimal in comparison to total depot costs (less than 1%), any misapplication of costs is insignificant, since to capture these support costs would require extensive effort and cost. However, care should be taken in establishing and configuring the performing cost centers for this type of work. If the amount of S-JON work is a significant percentage of the performing cost center's workload, the prices and costs of the organization's direct workload may be noticeably overstated.

## **2.11. Foreign Military Sales (FMS) Job Orders**

2.11.1. In the DIFMS System Information Record, Appropriation Code "E" (Other Unfunded Labor) is set at the standard rate per DoD guidance available on the DoD Comptroller web site (<http://www.dod.mil/comptroller/rates/index.html>), unless changed by AFMC/FMR.

2.11.2. The Unfunded Civilian Retirement Rate percentage is changed each fiscal year through entry in the DIFMS Screen MS166P "Acceleration Rates Updates". This is the only surcharge for FMS customers, which covers unfunded civilian retirement, postretirement health benefits, and postretirement life insurance. The ALCs set up jobs based on fixed price (i.e., DoD stabilized rates) plus the surcharge. AFMC/FM guidance may require additional items be billed to FMS customers, such as military labor in Combat Logistics Support Squadrons.

2.11.3. Air Force Security Assistance Center (AFSAC) establishes the reimbursable custom commitment in Security Assistance Management Information System (SAMIS).

2.11.4. ALC Funds Manager establishes the project order in APO-J025A using Path 1 or 2 when the Line of Accounting (LOA) relates to the ALCs' Operating Agency Code (OAC) /

Operating Budget Account Number (OBAN). APO Initiators can type over the document reference number in APO-J025A using the SAMIS document control number (DCN). For other OACs / OBANs, use Path 3 or 4 and use the customer's funding document number (MIPR, AFMC185, etc.).

2.11.5. In some instances (like for multi-funded software), the ALCs have multiple Document Control Numbers (DCN).

2.11.6. The ALC ALO reviews the PO in APO-J025A on a daily basis, pulls Obligation Authority (OA) out of the Case Management Computer System (CMCS), commits and loads OA in the General Accounting and Finance System-Base Level (GAFS/BL), and certifies the PO in APO-J025A.

2.11.7. The ALC funds acceptors accept the PO in APO-J025A.

2.11.8. The DFAS Intergovernmental Branch (Obligation Section) or ALC obligates the PO daily in GAFS/BL based on APO-J025A, and then finalizes the PO in APO-J025A.

2.11.9. FIT receives the PO in a feed from APO-J025A and the Line of Accounting from Q302/G004L. It feeds the information (i.e., SPON, LOA, and CON) to DIFMS. The FMS order is set up as Order Type Code (OTC) 1 for the fixed price bill calculation.

2.11.10. The ALC Maintenance Group establishes the JON in Q302/G004L. The Conversion Engine feeds the JONs from Q302/G004L to DIFMS.

2.11.11. Cost is collected against the JONs in DIFMS.

## **2.12. Direct JON Closure Process**

2.12.1. All funding documents remain in DIFMS and FIT until they are closed. The closure of completed financial documents is necessary so the system only keeps reporting active funding documents or those closed awaiting the end of fiscal year purge. This keeps the DIFMS database clean. To close the funding document funding stream in DIFMS, first all JONs related to a CON must be closed and final billed. Then all CONs related to a SPON must be final billed and closed. Then all SPONs related to a funding document must be closed.

2.12.1.1. Once the funding document is closed, it is purged from the active database during the end of fiscal year purging. While all funding documents are opened via APO-J025A, they are all closed in DIFMS. The last JON on the funding document must be final billed 60 days prior to the end of the fiscal year for the purge to work properly. The closed status code on the funding document can occur any time after the final billing. Once APO-J025A receives an indication that DIFMS has closed the funding stream, APO-J025A will not let the Funds Initiator create any more adjustment Project Orders (POs) for that funding stream.

2.12.1.2. After, all the JONs under the CON are closed and final billed; the unused funding must be de-obligated and returned to the customer as soon as possible.

2.12.2. Upon the completion of workload, the scheduler should not take the final completion on a JON in Q302/G004L unless all the tasks in the Work Control Document (WCD) are finished and all Undelivered Orders (UDOs) have been cleared. JON closures will be fed from

Q302/G004L if the status code is greater than '2' through JOST to DIFMS. Job Order Status Tool (JOST) may be used to force manually a financial closure of a JON.

2.12.2.1. JONs cannot be reopened after closure in DIFMS without justification from the Maintenance Wing/FM, along with coordination and final approval determined by the ALC/FMR.

2.12.2.2. The ALCs must establish JON closeout teams and checklists to review JONs prior to closure to account for all costs, in order to avoid funding, cost, and billing problems, which can occur when a JON is improperly closed. Organizations then sign off on the checklists after ensuring appropriate actions have been taken.

2.12.2.3. The close out team ensures the following actions are worked and completed prior to JON closure:

2.12.2.3.1. All tasks started have been completed, all backorders have been filled, cancelled, or moved to open JONs (no UDO's exist for material, Doc-Job-Shop (DJS) Business Operations Contracts or Travel TDYs)

2.12.2.3.2. Due in from Maintenance (DIFM) / Due Out To Maintenance (DOTM) have been processed correctly in ABOM/NIMMS

2.12.2.3.3. All labor and material suspense errors have been corrected

2.12.2.3.4. Ensure the End Item Sales Price (EISP) on temporary jobs is correct

2.12.2.3.5. All costs have been properly recorded

## **2.13. JON to CON Changes**

2.13.1. The reassignment of JONs to new funding chains after JON induction is usually due to mistakes made when the JON was planned in Q302/G004L. The responsibility of changing the funding chain (usually the PON/PCN/FCRN) in Q302/G004L falls upon the planner/scheduler/workloader. The Q302/G004L personnel may be unaware that the particular JON has already been billed in DIFMS. Any attempt to reassign a billed JON to a new funding chain leads to a funding interface error on DIFMS Report 7310-142 "DIFMS/SOS Errors". Many, but not all, JON updates from Q302/G004L JON Master files to DIFMS data fields error until corrective action is taken.

2.13.2. Prior to a PON/PCN/FCRN change, the Q302/G004L personnel should check the billing status of the JON in DIFMS. If a billed balance exists, a JON error appears on the DIFMS Report 7310-142 when there is a change in the Q302/G004L funding stream. The error code reads as follows: "3551 - CON CHANGE NOT ALLOWED WHEN ALL BILLED BALANCES NOT = 0". The DIFMS 7310-142 is produced daily, and these errors can be reviewed in JOST. The new CON will be identified on the DIFMS Report 7310-142.

2.13.3. The following steps must be performed to move a billed JON to a new funding chain:

2.13.3.1. JONs cannot be reopened after closure in DIFMS without justification from the Maintenance Wing/FM, along with the coordination and final approval determined by the ALC/FMR. After coordination and approval, the planner/scheduler/workloader makes funding stream changes in Q302/G004L.

2.13.3.2. Cost Accounting reverses the bills on the applicable JON(s) through DIFMS.

2.13.3.3. After verifying that all bills have been reversed, Cost Accounting changes the CON on the JON to new funding chain using DIFMS Screen MS152P “Direct Job Order Update” or reprocess through JOST.

## **2.14. Funding Chain Closure**

2.14.1. To View Records Available for Closure & Processing Closures in FIT on a monthly basis:

2.14.1.1. Select “Transaction Query & Maintenance Tab”

2.14.1.2. Select “Close Funding” radio button and wait for query to run (could take up to 5 minutes).

2.14.1.3. Select Customer Order Transaction or Sponsor Order Transaction or Funding Document Transaction

2.14.1.4. Select “Execute” button

2.14.1.5. Records that may be closed will appear in GUI.

2.14.1.6. To close transactions, mark the desired record via the checkbox(es) on left of screen and press “Close” button on far right.

2.14.2. If there is an error in FIT GUI when attempting to close the CON, the following steps can be used:

2.14.2.1. Validate that no Undelivered Order (UDO) balances exist on the CON using MS053P, “Customer Order Inquiry” Option ‘2’. UDO balances prevent closure of the funding chain. The UDO balance will need to be resolved before the CON can be closed.

2.14.3. After the funding document final bills, the entire funding chain can be closed through the FIT GUI at the funding document level. Once the funding document is closed, it is purged from the active database during the fiscal year-end purging. The last JON on the funding document must final bill 60 days prior to the end of the fiscal year for the purge to work properly. The closed status code on the funding document can occur any time after the final billing.

2.14.3.1. Prerequisite to Closure: The following criteria must first be met prior to the closure of the funding chain:

2.14.3.2. All CONs under the Funding Document must have a final bill code of ‘Y’. If JONs under a CON have a final bill code of ‘Y’, but the CON has a final bill code of ‘N’, this indicates that a billing program failure or data problems exist. Additionally, this error must be corrected via SQL update.

2.14.3.3. All CONs, under the Funding Document, must have a “Funds Available” balance of zero. If a “Funds Available” balance is present, the Funds Manager should remove this balance using APO-J025A. If fund available balance contains dollars and cents, the available dollar amount can be removed in APO-J025A, then the cents will be removed by FIT GUI on Rebalance Funding tab and it will feed into DIFMS to de-obligate cents.

2.14.3.4. In some cases, a Funding chain may contain a CON with '0' authorized funding, and no subordinate JONs. If such a CON exists, and it is known that this CON is not used in DIFMS, it can be deleted in FIT or by using the MS153P "Customer Identification Update" screen in DIFMS prior to closing the funding chain. If a CON is deleted and the funding chain is closed, the CON should never have further amendments processed in APO-J025A. If a CON is deleted, users must assure it will not be used again.

## **2.15. Miscellaneous Refunds/MORDS**

2.15.1. Miscellaneous refunds are transactions such as the collection of jury fees, overpayment of salaries, health insurance, etc. from employees. However, the frequency and exact amounts of these refunds are not known until the funds are received either by check or in a "by others" cycle. To account for these transactions, a Miscellaneous Obligation/Reimbursement Document Form AF IMT 406, (frequently called a MORD) is established in DIFMS.

2.15.2. "Miscellaneous Refunds" are very different from the collection of an accounts receivable. The collection of an accounts receivable results from the sale of supplies or services and is recorded as a reimbursement to the organic CSAG-Depot Maintenance (CSAG-DM) appropriation. A refund is just what it says it is-the "refunding" of money to the organic CSAG-DM appropriation due to an overpayment, etc. Refunds are recorded as a negative disbursement. In other words, refunds ultimately reduce the amount of the original disbursement.

2.15.3. Each ALC requests MORDs to estimate the amounts of anticipated refunds to the organic CSAG-DM. Each ALC determines the number of MORDs required for miscellaneous refunds to satisfy their business requirements. Forward each MORD to DFAS established "only" in DIFMS as a posting code '6', with an indirect JON. This establishes a negative obligation in DIFMS for the amount of the MORD.

2.15.4. When a "by other cycle" or check is received for miscellaneous refunds, DFAS processes the transaction with no money attached in H069/GAFS-BL/BQ. This process allows the transaction to pass through the DFASIE, and then post to DIFMS where it will be reflected on OLRV 7310-320/322 reports.

2.15.5. The MORD in DIFMS allows the refund to be posted against the MORD with the indirect JON.

2.15.6. Processing Miscellaneous Obligation/Reimbursement Documents (MORD), 24 November 2010. Guidance can be found at the following link: <https://afkm.wpafb.af.mil/ASPs/docman/DOCMain.asp?Tab=0&FolderID=OO-FM-AF-01-6&Filter=OO-FM-AF-01> . Additional reference information can be found at DoD FMR 7000.1-R, Volume 3, "Budget Execution - Availability and Use of Budgetary Resources", **Chapter 8**, "Standards for Recording and Reviewing Commitments and Obligations", Paragraph 0809, "Personal Services and Benefits".

## **2.16. Balancing Procedures for Job Order and Customer Order**

2.16.1. These are the procedures for balancing the Job Order/Customer Order when there is an out-of-balance on the DIFMS 7310-965 "DIFMS Automated Balancing Report".

**Table 2.9. Job Order and Customer Order Balancing**

Month _____ Fiscal Year _____			
Step #	Coverage	Initials	
		Yes	No
<b>1. DIFMS Report 7310-239 “FY Budget Authorization Update”</b>			
1.1	The Debit posting to account 421040 – Anticipated Reimbursements and Other Income should equal the sum of the Anticipated Adjustment Amount transactions (Total Adjustment Amount - Anticipated).		
1.2	The Credit posting to account 459040 – Apportionment’s – Unavailable should equal the sum of the Approved Adjustment Amount transactions (Total Adjustment Amount – Approved).		
1.3	The Debit posting to account 445000 – Un-apportioned Authority – Available should equal the difference between the Total Anticipated Adjustment Amount and the Total Approved Adjustment Amount.		
<b>2. DIFMS Report 7310-240 “Fund Authorized Budgetary Update” (CON)</b>			
2.1	The Debit posting to account 422141 – Unfilled Customer Orders Without Advance – Government should equal the sum of Adjustment Amount (CON) for Type Customer Codes 1, 3, and 4 (Total Adjustment Type Customer Codes 1, 3, 4)		
2.2	The Debit posting to account 422242 – Unfilled Customer Orders With Advance – Public should equal the sum of Adjustment Amount (CON) for Type Customer Codes 2 (Total Adjustment Type Customer Code 2)		
2.3	The Debit posting to account 459040 – Apportionment’s – Unavailable should equal the sum of Adjustment Amount (CON) for Type Customer Codes 1, 2, 3, and 4 (Total Adjustment Type Customer Codes 1, 2, 3 and 4)		
2.4	The Credit posting to account 421040 – Anticipated Reimbursements and Other Income should equal the sum of Adjustment Amount (CON) for Type Customer Codes 1, 2, 3, and 4 (Total Adjustment Type Customer Code 1, 2, 3 and 4)		
2.5	The Credit posting to account 461040A – Allotments – Realized Resources -Operations should equal the sum of Adjustment Amount (CON) for Type Customer Codes 1, 2, 3, and 4 (Total Adjustment Type Customer Code 1, 2, 3 and 4)		

**2.17. Closure Process for Awaiting Parts and Cancelled Job Orders**

2.17.1. CONEN sends JON Status originated in Q302/G004L (JON Status Code (JSC) 0, 1, 2, or 3) to DIFMS.

2.17.1.1. A Q302/G004L JSC of 0 is open without completions. (in DIFMS, JSC remains open as 1)

2.17.1.2. A Q302/G004L JSC of 1 is closed with completions, awaiting trailing costs for thirty days (in DIFMS, JSC remains open as 1)

2.17.1.3. At the end of 30 days, the JSC in Q302/G004L is changed to 2 (financially closed). Once JOST finds there are no open tasks in TAA (all tasks are completed), the JON is closed in JOST and passed to DIFMS closed as JSC 3.

2.17.1.4. A Q302/G004L JSC 3 identifies the JON as cancelled, which will become a DIFMS JSC 6 unless it has costs or billing. JONs cancelled in G004L with cost/billing incurred appear as errors in JOST. These errors also show on DIFMS OLRV Report 7310-142 (2081, 2831, 3488 error messages). Customers will be billed for actual costs (rounded up to the nearest dollar) up to Extended End Item Sale Price (EEISP) on true cancelled workload. In DIFMS, change JSC to 3 and set EISP to actual cost to the nearest dollar.

2.17.2. Reduced orders and cancelled JONs are often created due to Awaiting Parts (AWP). If a JON is cancelled due to awaiting parts, condemnation, or end items move to another JON, change the DIFMS status code to 7- Depot takes loss.

2.17.3. The responsible person for the AWP and/or canceling a JON should check DIFMS Inquiry Screen MS052P Job Order, Option 2 for costs prior to canceling a JON. Cost accounting chief should review action taken on cancelled JONs.

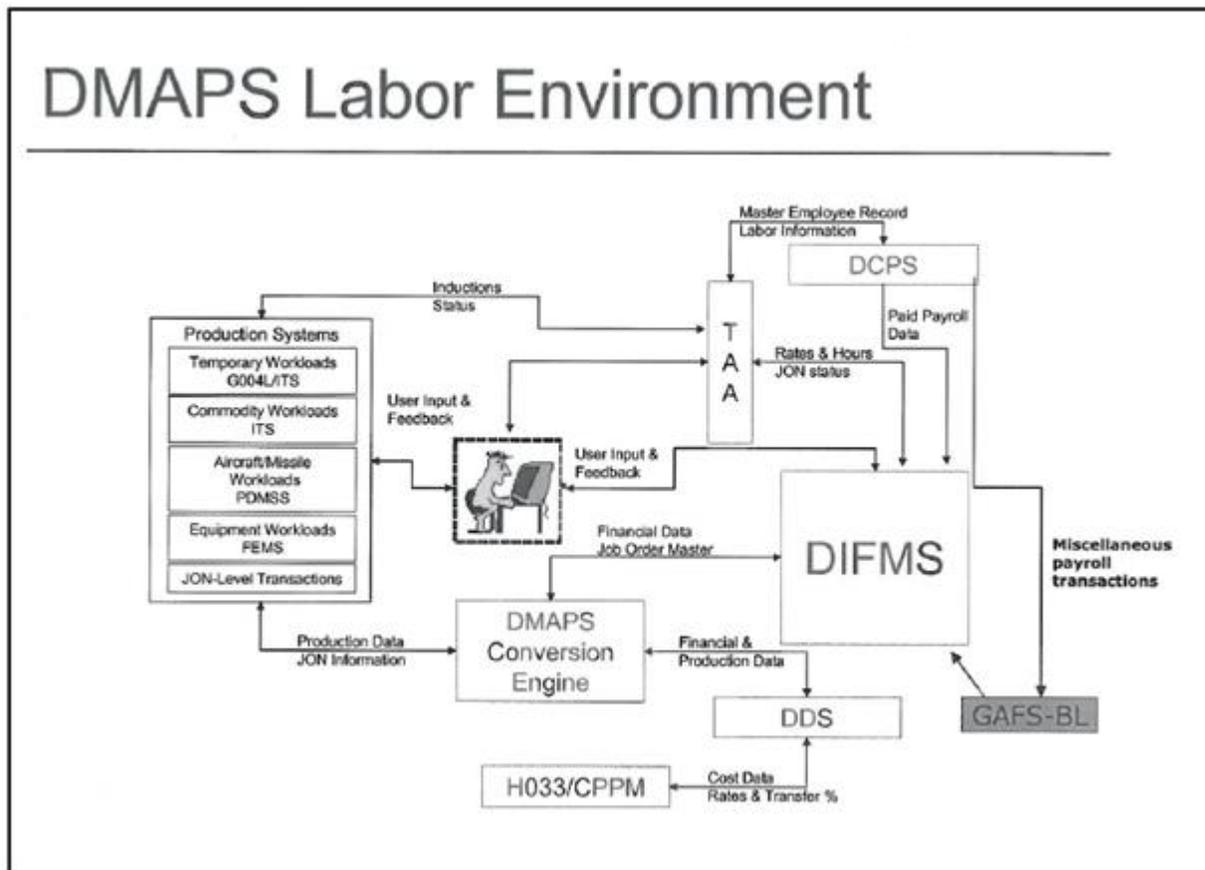
## Chapter 3

### COLLECT/TRACK COST/EXPENSE-LABOR

#### 3.1. Labor Systems

3.1.1. The official System of record for processing Labor is DMAPS (Depot Maintenance and Production System). The DMAPS environment is shown in Figure 3.1 below. Employees transact labor into the production systems and Time and Attendance System (TAA). TAA sends labor transactions to Defense Industrial Financial Management System (DIFMS) and to the Defense Civilian Payroll System (DCPS). DCPS provides rates to DIFMS through TAA. DCPS is the payroll processing system for civilian employees and is reconciled to DIFMS. DIFMS passes data to the DMAPS Data Store System (DDS), which is then viewed in the Cost and Production Performance Module (CPPM) of the Cost, Production, and Budget Module (CPBM/H033). The DMAPS Conversion Engine (CONEN) provides a means for data transfer.

Figure 3.1. DMAPS Labor Environment



3.1.2. TAA is a production-oriented, operational information system whose purpose is to provide a standard, automated means of collecting and reporting labor data. TAA input data

is received directly from user input, existing production systems, DCPS, and DIFMS. Collected labor data is reported through interfaces with DIFMS, DDS, and DCPS. Data is also fed back to some of the production systems. Data feeds to TAA are described in the following paragraphs.

3.1.2.1. The Programmed Depot Maintenance Scheduling System (Q302/G097-PDMSS) is used for management of serialized repair items applicable to the Aircraft and Missiles divisions. PDMSS is used to construct an operational level network showing all tasks and their relationships to other tasks required to complete the depot modification and/or depot repair of an aircraft or missile. When operations are qualified in Q302/G097 and are properly funded, they are passed to TAA and become available for labor transactions. This same data is also passed to the DMAPS Data Store System (DDS) to collect and maintain historical data at the operational level.

3.1.2.2. The Inventory Tracking System (Q302/G337-ITS) is used for management of depot programmed exchangeable items and routed consumable items repair. When assets are properly funded, inducted, and Work Control Documents (WCD) have been printed, tasks / operations / sub-operations / track points are passed to TAA and become available for labor transactions. This same data is passed to DDS to collect and maintain historical data at the task / operation / sub-operation / track point level.

3.1.2.3. The Facilities Equipment Maintenance System (D130/FEM) is used for management of facilities and equipment maintenance for all services. Precision Measurement Equipment Laboratory (PMEL) workload is managed through FEM and linked to direct 'C' Job Order Numbers (JON) and indirect Cost Class IV 'S' JONs for the maintenance of Resource Control Center (RCC) equipment. Some Plant Management workloads are linked to 'T' JONs and transacted against using the TAA JON Labor screen not the D130/PMEL Labor screen.

3.1.2.4. The Job Order Production Master System (Q302/G004L-JOPMS) is used for the management of temporary workloads. Workloads such as occasional overhaul or repair, level of effort, inspections, testing, manufacturing, and temporary duty (TDY) are typical temporary workloads planned only in Q302/G004L. These workloads create Work Control Documents (WCDs) in Q302/G337 and in Q302/G097. This information is also passed on to TAA and DSS. These workloads can also be transacted against by those track point or operation numbers in TAA, along with JON level transactions. The JON is initiated in a valid number sequence in Q302/G004L, passed to the CONEN, then to DIFMS for funding validation then returned to Q302/G004L. The valid JON is the only information fed to TAA from DIFMS; therefore, only JON-level transacting can be input in TAA.

3.1.2.5. Earned hours for temporary JONs are accumulated by either JON level transactions or the accumulation of actual hours by task (track points / operations) up to the Q302/G004L labor plan rolled up to the Resource Control Center (RCC). Then after the JON reaches a Q302/G004L status code of 2, any remaining planned hours are automatically earned by that planned RCC.

3.1.3. DIFMS provides valid indirect JONs, and Resource RCCs, to TAA and validates funding on new production JONs. When production JONs for Q302/G097, Q302/G337, Q302/G004L, and D130/FEM are validated in DIFMS, they are sent to TAA for labor transacting.

3.1.4. Department of Defense (DoD) civilian employees are paid by the Defense Civilian Pay System (DCPS). After TAA has submitted payroll data to DCPS bi-weekly, DCPS computes pay and leave balances and sends updated leave balances (MER31 – P6722D01) to TAA. DCPS sends grade, series, and rate of pay information to TAA weekly (MER21 – P6631D01). This data is processed in TAA updating each civilian employee's Master Employee Record (MER) Maintenance Table with grade, series, and rate of pay information and leave balances. When DCPS sends employee data changes to TAA, only the Master Employee Record table is updated. DCPS also provides a bi-weekly gross pay file to DIFMS for labor reconciliation (P3306D04 is sent as the MS236D30 (formerly the MS236D11)).

3.1.5. DMAPS Data Store System (DDS) provides a persistent data store for historical data elements (including labor), which are either not held by the DMAPS suite of systems or not held on a long-term basis. DDS provides a relational database repository allowing a variety of functional end users to inquire and retrieve production information. The system is part of DMAPS Integration Engine (DMAPS-IE).

3.1.6. DMAPS Conversion Engine (CONEN) facilitates the movement and translation of data between the DMAPS suite of systems and other Air Force Materiel Command (AFMC) and Air Force (AF) legacy systems. The system is part of the DMAPS-IE.

3.1.7. DMAPS Cost, Production, and Budget Module (CPBM/H033) is a management information system that provides financial and production information as well as essential performance indicators to each Air Force Sustainment Center (AFSC) manager. H033 supports these managers by providing online, day-to-day reports showing the visibility of their operating costs and production performance. This allows managers to compare actual results with the financial budget and production targets.

3.1.8. During each daily TAA batch processing cycle, labor transactions are accumulated in the ZH140D02 file for DIFMS. Records from the ZH140D02 file that fail DIFMS validation are shown as un-allocated labor in Part I of the DIFMS Report 7310-541 "Outstanding Unallocated Labor". During each DIFMS batch processing cycle, valid direct labor transactions (computed as actual direct hours and dollars) are fed to DDS on the MS234D10 file and valid indirect labor transactions are passed to DDS on the MS234D09 file. Adjustment records are passed in separate files based on the type of adjustment and via DIFMS Program MS276P (Process Wage Rate for TAA). DDS processes labor records to the H033\_dir\_lab and the H033\_indir\_labor warehouse tables. H033 extracts labor data from the DDS on a daily basis via an Oracle-to-Oracle connection.

3.1.8.1. At the end of each pay period, labor adjustments (i.e., missing time, un-reconciled time, etc.) in TAA are sent to DIFMS in the ZH440D02 file as part of payroll processing. Un-reconciled time in TAA passes as incomplete data and is held as un-reconciled labor in Part II of the DIFMS Report 7310-541 (i.e., 7G0EROR). 7G0EROR records are written to the ZE305D02 file for Robins and Tinker and sent to DIFMS; Ogden and Kadena 7G0EROR records are written to ZE352D07 and also sent to DIFMS.

3.1.8.2. After each pay period is completed, TAA compiles a payroll file (ZE332D01) to send to DCPS for civilian pay. Defense Finance and Accounting Service (DFAS) Indianapolis determines the timeframe when each file must be received in DCPS to ensure payroll is computed and paid out timely. Whenever there is a holiday in the same week as a payday, DFAS requires organizations to send payroll files early. DCPS processing starts

with an initial run to identify missing time. Missing time is then sent to Payroll clerks and timekeepers to correct the missing time errors followed by a final payroll run in DCPS. DCPS then provides a payroll file to DIFMS for reconciliation between labor and payroll costs. See local guidance for further details regarding the reconciliation process.

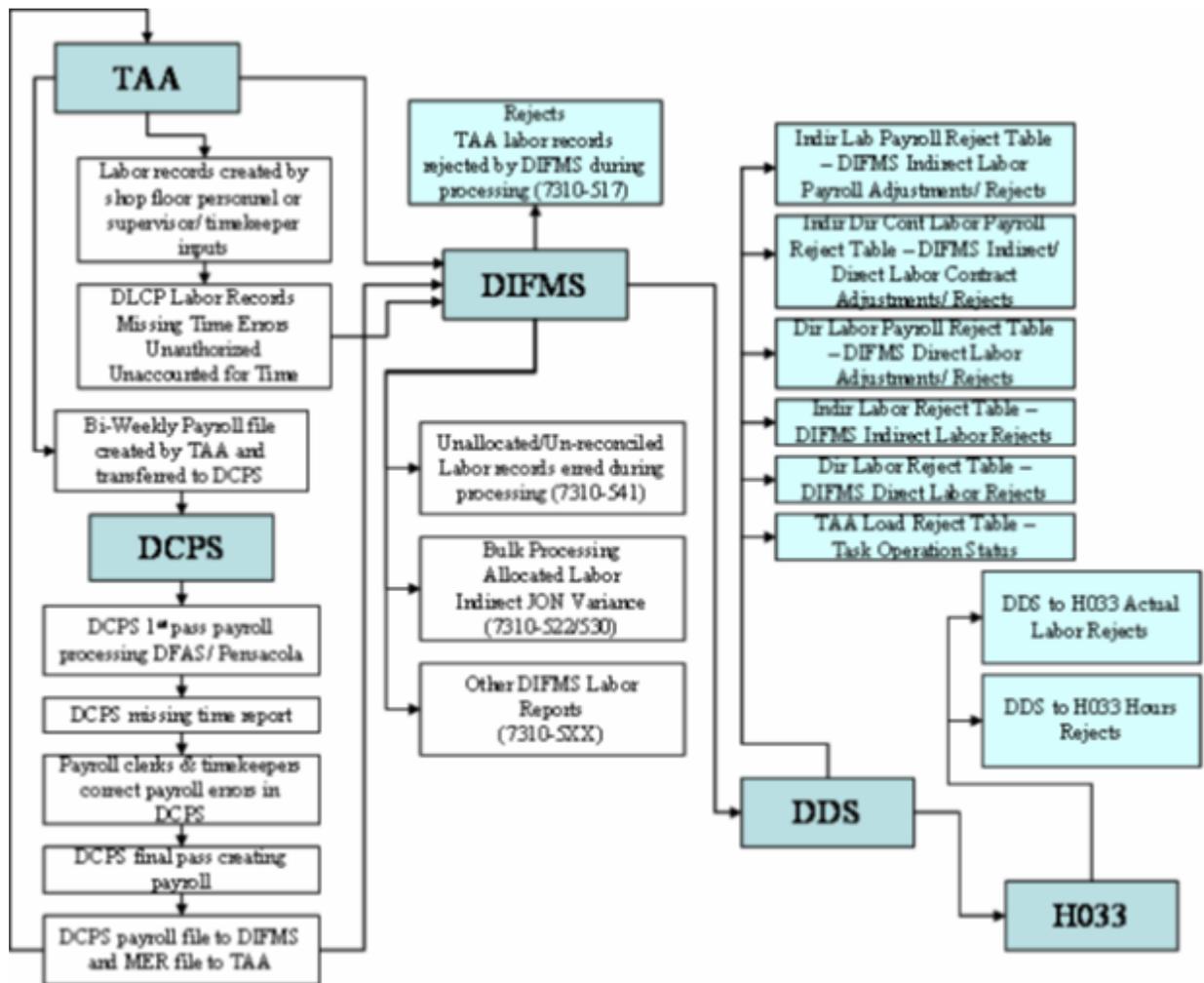
3.1.8.3. As employees transact against Q302/G337, Q302/G097, and D130/FEM operations, the various start, logon, delay, logoff, and complete statuses are captured and then sent to DDS in the DDS-Stat file during each TAA batch processing cycle.

3.1.8.4. As DIFMS and DDS receive files from their feeder systems, all records are validated. Those not meeting validation criteria are rejected. Rejected records must be reviewed and corrected via reprocessed data files. Figure 3.2 shows the labor rejected record tables for DIFMS, DDS, and CPBM/H033.

3.1.8.4.1. TAA sends eligibility data to DIFMS via email in the ZE860D01 file when situations occur that require new eligibility rules or revision to current rules (i.e., DCPS adds new type hour codes). Please note that DCPS is the source of the Eligibility Table.

3.1.8.4.2. TAA Bulk Processing transactions are processed as any other labor transaction and sent to DIFMS via the ZH140D02 file.

Figure 3.2. Labor Data Flow



### 3.2. Labor Categories

3.2.1. New employees, as well as those transitioning employees changing to/from a different Employee Type Code must be added into TAA within the current pay period to avoid improper allocation of costs. It is imperative that accurate and timely accounting of employee labor expenses be included in DIFMS. To accomplish this, the type of position in which an employee is hired and entered in TAA must be accurate and timely. The procedures for determining employee types are identified in the following paragraphs. Following is a list of the employee type codes in TAA.

**Table 3.1. Time and Attendance Employee Type Hour Codes**

<b>Code</b>	<b>Employee Type</b>
0	Funded Officer
1	Per Annum General Schedule/Senior Executive Service (GS, SES, NSPS)
2	Unfunded Military Officer Combat Logistics Support Squadron (CLSS)
3	Per Diem Wage Grade/Wage Leader/Wage Supervisor (WG, WL, WS)
4	Part-Time Per Diem (WG, WL, WS)
5	Unfunded Military Enlisted (CLSS)
6	Part-Time Per Annum (GS, SES)
7	Free Labor
8	Non-ALC Depot Organic Contract Augmentee Team (DOCAT) and Overhead Other
9	Funded Enlisted

3.2.2. Supervisors and timekeepers have the responsibility of contacting the TAA functional OPRs to have an employee number created for their new employees. Adding new employees in TAA, as well as any other personnel changes, must be made in TAA within the current pay period. Any backdated transactions and/or schedule updates must occur within the current pay period process through the daily batch processing prior to adding any labor records through Daily Labor Correction Process (DLCP) for the new employee. After the batch processing has occurred, the responsible supervisor or timekeeper adds labor records through DLCP for each workday of the pay period that has passed. Any payroll/personnel adjustment transactions outside of the current pay period will error in DIFMS and require adjustment of funds (SF1081 – Voucher and Schedule of Withdrawals and Credits). DIFMS Error reports can be viewed in OLRV via 7310-525. See DIFMS Error Corrections for detail.

3.2.3. Funded civilian employees are designated by employee type codes 1, 3, 4, and 6. TAA civilian labor hours worked in a cost center are to be recorded on a job order number or JON, as either a direct cost or indirect cost. Direct hours are to be recorded at the task level (e.g., operation or track point). DIFMS uses the current payroll rate and an acceleration factor for personnel benefits to price the labor hours. There are several categories of Funded Civilian employees as reflected in Table 3.1 above. The majorities of employees in TAA are in and funded by Consolidated Sustainment Activity Group/Depot Maintenance (CSAG-DM), and these employees are typically General GS/SES or WG/WL/WS positions. The criteria for determining whether to add an employee to TAA is contained within the AF 21-136.

3.2.3.1. CSAG-DM funded employees have a Program Element Code (PEC) of 78211A in Block 36 of the Standard Form (SF) 50, Notification of Personnel Action. Employees with this PEC code must be added to TAA. All CSAG-DM funded employees, both civilian and military, must be added to TAA using the ‘TAA Employee Type Code’ field to identify the type of employee.

3.2.4. Non ALC-Funded Labor

3.2.4.1. Non-CSAG-DM Funded Supervisors and Timekeepers have occasion to access TAA to manage CSAG-DM-funded employee records under their supervision or

timekeeping control. Establish a TAA Employee Master Record for these employees using an Employee Type Code '7' and a Payroll Prefix of '000' to ensure no labor is passed to DIFMS. Use a 'P' in the work schedule designating them as a part-time employee to allow their schedule to be zeroed out in the Employee Schedule screen. *Note: Non-funded Government employees, such as Palace Acquire employees, must not be input into TAA. These employees are maintained only within DCPS.*

3.2.4.2. Depot Organic Contract Augmented Team (DOCAT) employees perform direct labor work such as shop floor production, production or material planner, scheduler, or expeditor tasks. Add DOCAT employees to TAA using TAA Employee Type Code '8', with a Payroll Prefix of '111' in their Employee Master Record. The contract line item rate is used as their hourly wage rate in the Master Employee Record (MER) Maintenance Table. Review and update the wage rate monthly as needed.

3.2.4.3. Review DIFMS Reports 7310-525 "Labor Detail Transaction Report" and 7310-694 (Part II) "Contractor Labor Transfers" within OLRV to determine contract transactions that did not process. The DIFMS labor module calculates, posts, and stores contractual labor costs. The labor posting for contractual labor is to memorandum accounts based upon the employee type code. DIFMS calculates and posts labor charges in the statistical accounts (other direct cost) using information entered into the MS724, "Contract Labor Transfer Table Update" screen by Cost Accounting. DIFMS transfers the hour and labor costs to the direct JONs worked by using the Contractual Labor Cost Transfer screen (MS694P) and the 7310-694 report. Hourly labor costs for Contractor Labor are provided to Cost Accounting by Budgeting

3.2.5. Record all military hours worked as either a direct cost on a job order or as an indirect cost of a cost center. DIFMS charges military labor hours to the job order based on the military labor rate on the [www.opm.gov](http://www.opm.gov) website. There are two categories of military employees, (1) military employees working in CSAG-DM-funded positions, or (2) military employees completing work for CSAG-DM but not employed in CSAG-DM-funded positions. Within these categories, there is a distinction between officers and enlisted employees.

3.2.5.1. Categorize funded military as funded officers or funded enlisted. Add funded officers to TAA using Employee type code '0' in their Master Employee Record (MER). Add funded enlisted to TAA using Employee type code '9' in their MER.

3.2.5.1.1. AFSC Organic depot maintenance receives the annual military assessment letter from HQ AFSC/FMR. Based on the assessment amount, prepare a MIPR for the amount, with JON and Shop designated, and a Cost Code with position 1 and 2 equal to 'ST'.

3.2.5.1.2. Each ALC inputs the commitment into DIFMS via the DIFMS Screen MS112P "Asset/ Liability Update" and inputs the commitment to General Accounting and Finance System/Base Level (H069/GAFS-BL/BQ).

3.2.5.1.3. H069/GAFS-BL/BQ feeds the obligation to DIFMS via the DFAS Integration Engine (DFAS-IE). This is an outgoing funding document. When the obligation is received from the DFAS-IE, the ALC adjusts the record via DIFMS Screen MS112P and changes the posting code to '8' so the amount is accrued.

3.2.5.2. Categorize non-funded military as unfunded military officers or enlisted. Add military officers to TAA using Employee Type Code '2' in their Master Employee Record (MER). Add military enlisted to TAA using Employee Type Code '5' in their Master Employee Record.

3.2.5.3. TAA requires that all hours of a Non-Funded Combat Logistics Support Squadron (CLSS) Military employee's tour of duty work schedule be recorded. There are periods of time during their TAA tour of duty that CLSS military members are not working for the CSAG-DM. Assign CLSS military squadron duties to the X53104200000 JON as their standing JON in TAA. When performing work for a CSAG-DM organization, charge employees' time to a direct JON. Determine when CLSS costs should be charged to the customer, such as FMS.

3.2.5.4. Leave for military employees should be input on the TAA JON Labor screen using the following indirect JONs:

**Table 3.2. Leave for military employees Indirect JON**

<b>Indirect JON</b>	<b>Production Overhead (POH)</b>	<b>General and Administrative (G&amp;A)</b>
Holiday	X53103500000	Y63103500000
Sick Leave	X53103600000	Y63103600000
Annual Leave	X53103700000	Y63103700000

3.2.6. Indirect labor is labor at an RCC level not meeting the criteria for direct labor. Production overhead (POH) is tracked on X JONs, while general and administrative (G&A) overhead is tracked on Y JONs. Positions 6 and 7 of the indirect labor JONs contain the duty codes as defined below.

**Table 3.3. Indirect Labor JONs Duty Codes**

<b>Duty Code</b>	<b>Description</b>
21	Supervision
22	Clerical and Administrative
23	Staff Mission
24	Repair of Own Resource Control Center Equipment
25	Standby
26	Miscellaneous
27	Training: Classroom training time; initial period of on-the-job learning through observation (Charge the time of RCC personnel providing On-the-Job Training (OJT) to this duty code within the RCC in which the instruction is being given
28	HQ Directed Training: Account for time spent in HQ Mandated training (This code was built at the direction of HQ)
29	Union Activity

3.2.6.1. Leave (Duty Code 30 series). Leave JONs use the “Z” prefix and are associated to a cost element code in DIFMS and type hour code in DCPS and are transacted in TAA using the leave type hour code. The following table shows the relationship among the duty, type hour, and shred codes.

Table 3.4. Leave Categories

<b>Leave Categories: Use positions 6-7 for the duty code and positions 8-9 for the shred code, when applicable</b>	<b>Duty Code</b>	<b>Type Hour Code</b>	<b>Shred Code</b>	<b>JON</b>
<b>Annual Leave Taken (USSGL 221042A5)</b>				
Civilian Annual Leave	31	LA	00	Z61613100000
Civilian Forced Annual	31	LF	00	Z61613100000
Civilian Advanced Annual Leave	31	LB	21	Z61613121000
Civilian Annual Restored #1 Leave Defined as annual leave earned in the previous year to be used in the current leave year	31	LR	22	Z61613122000
Civilian Annual Restored #2 Leave Defined as annual leave earned in the previous year to be used in two leave years (current year plus one)	31	LQ	23	Z61613123000
Civilian Annual Restored #3 Defined as annual leave earned in the previous year to be used in three leave years (current year plus two)	31	LP	24	Z61613124000
<b>Sick Leave Taken (USSGL 221042A6)</b>				
Civilian Sick Leave	32	LS	00	Z61623200000
Civilian Advanced Sick Leave	32	LG	21	Z61623221000
<i>Note: Use of family friendly leave is not tracked using a shred code with the duty code. The codes for Family Medical (FMLA) or Family Friendly Leave (FFLA) are input in the Family/Rep/Env Code field in the TAA Leave screen or the EHO (Environmental Hazard/Other) field in the DLCP Adjust Labor screen.</i>				
<b>Civilian Administrative Other Paid Leave (USSGL 221042A7)</b>				
Administrative Leave	33	LN	09	Z61633309000
Court Leave	33	LC	47	Z61633347000
Home Leave	33	LK	26	Z61633326000
Holiday Leave	33	LH	44	Z61633344000
Military Leave (for civilians)	33	LM	45	Z61633345000
BRAC Restored	33	LO	25	Z61633325000
Traumatic Injury (This is transacted as leave in TAA, but as Production Overhead in DIFMS.)	33	LT	48	X51813348000
Day of Traumatic Injury (establishes the injury)	33	LU	11	Z61633311000
Excused Absence	33	LV	96	Z61633396000
Day of Death	33	LX	97(PD)	Z61633397000
Fitness Leave	33	LX	10(PF)	Z61633310000
Time Off Leave Award	33	LY	98	Z61633398000
Military (DC Guard)	33	LI	45	Z61633345000
Law Enforcement Leave	33	LL	60	Z61633360000
Religious Time Taken	34	CA	00	Z61633400000

<b>Leave Categories: Use positions 6-7 for the duty code and positions 8-9 for the shred code, when applicable</b>	<b>Duty Code</b>	<b>Type Hour Code</b>	<b>Shred Code</b>	<b>JON</b>
Compensatory Leave Taken	38	CT	00	Z61633800000
Civilian Compensatory Leave Taken (in conjunction with travel)	38	CF	01	Z61633801000
Credit Hours Taken	30	CN	00	Z61603000000
<b>Civilian Leave Without Pay (USSGL 221042A7)</b>				
Leave Without Pay (computes zero dollars – no posting)	39	KA	76	Z61633976000
Suspension	39	KB	79	Z61633979000
Office of Worker Compensation Program	39	KD	80	Z61633980000
Furlough	39	KE	50	Z61633950000
Absent Without Leave (AWOL)	39	KC	78	Z61633978000
Military Furlough (Active Duty)	39	KG	77	Z61633977000
Non-Duty Within Regular Schedule	39	KF	76	Z61633976000

3.2.7. **Other Indirect Labor JONs.** Identified below are other labor JONs specifically identified for military and contractor (DOCAT) employees when not performing direct labor work for organic depot maintenance. The indirect JONs for DOCAT labor contains ‘X5111’ in positions 1-5. The duty code in positions 6-7 vary depending on the breakout of charges. The indirect JONs for military labor contain ‘X5310’ or ‘Y6310’ in positions 1-5. The duty code in positions 6-7 vary depending on the breakout of charges. When not at work for any circumstance such as vacation or illness, DOCAT employees use ‘Leave Without Pay’ (KA) Z61633976000. The ‘KA’ type hour code should also be used when contractors are participating in contractor-directed training defined as training required and paid for by the contractor for their employees.

### 3.3. TAA Processing

3.3.1. DoD 7000.14-R, Vol. 11B, **Chapter 13**, (<http://comptroller.defense.gov/fmr/11b/index.html>) requires that all civilian labor hours worked in a cost center are recorded on a job order as either a direct cost or as an indirect cost. For organic depot maintenance, this is accomplished through TAA. AFSCI 21-136, Depot Maintenance Production Labor Entry, Feb 03, provides policy and procedures for TAA-related labor processing. <http://www.e-publishing.af.mil/shared/media/epubs/AFSCI21-136.pdf>

### 3.4. Military Labor Processing

3.4.1. DIFMS Program MS234P “Process Current Cycle Labor Data” distributes the military labor hours reported by TAA. The Funded Military section of the DIFMS Report 7310-565 “Labor Distribution Summary by Expense Account” shows the direct and indirect military labor costs. This report shows an expense update to United States Standard General Ledger (USSGL) Account 610000Dx (1, 2, 3, 4) and a liability to USSGL account 221041A1 for the amount of military labor worked.

3.4.2. A Document-Job-Shop (DJS or Doc-Job-Shop) record is created in DIFMS for the Military Assessment. This would be based on a MORD that would be established as a commitment in DIFMS and H069/GAFS-BL/BQ; The obligation would be established in H069/GAFS-BL/BQ and sent to DIFMS via the DFAS-IE. Change the Posting Code to an '8' versus the default posting code '5'. The use of the 'ST' cost code is appropriate for the military assessment, although the accrual calculation is different from the Posting Code '1' accrual process.

3.4.3. Set the accrual amount to the assessment reflected in the EOY Memo received by HQ AFSC/FMR and the effective date to the beginning and ending of the fiscal year. During each accrual period, DIFMS compares the Year-To-Date (YTD) amount sent from TAA labor to the YTD accrual amount (e.g. MORD) calculated in Business Operations - Other Costs (See [Chapter 5](#)). The difference is posted to the JON (Y6310000000) cited on the assessment record. With the Posting Code '8' process, the amount of the military assessment is charged based on accrual process adjustments.

3.4.3.1. The accrual process in Business Operations (Other) Cost calculates YTD accrual value for military labor cycle based on the annual assessment recorded on the Doc-Job-Shop record. This process compares the calculated value to the extended military labor cost to the military assessment accrual, and posts the necessary adjustments (debit or credit) to the USSGL account 221041A1 liability account and the USSGL account 610000D4 expense account.

3.4.3.2. The comparison process should keep the accrued costs in line with the 1/12<sup>th</sup> accrual value each month. The amount for military labor is in the General Ledger Accounts per DIFMS Report 7310-935 "General Ledger Trial Balance". DIFMS Report 7310-915 "General Ledger Details Year-to-Date" shows the journal vouchers posted. DIFMS Report 7310-565 "Labor Distribution Summary by Expense Account" shows the labor Journal Voucher (JV). DIFMS Report 7310-605 "Schedule of Accruals" shows the in Business Operations (Other) Cost accrual 'SA' JV.

3.4.4. Payment to the Military Appropriation: Cash transactions process via H069/GAFS-BL/BQ and the DFAS-IE for the payment to the military appropriation. DFAS-IE matches to the obligation record in DIFMS. The process does not require that an accrued amount be more than the payment amount.

3.4.4.1. These records have a "normal" remaining balance due to the variance of the cost being incurred by the funded military labor transactions themselves. The objective of closing the record is to not write off or adjust any remaining balance in the USSGL account 221041A2. Instead, the DIFMS Program MS265P "Process Accruals" factors in the difference of the cost incurred by the funded military labor transactions (by pulling it from the "dummy" Doc-Job-Shop record that holds this cost) and make the determination of when to close the record automatically. Because the record being closed still holds a balance in the 221041A2 account, the closure action creates an offsetting posting to the 221041A1 account.

3.4.4.2. The DIFMS Program MS265P also increments the accrual amount on the Posting Code '8' Document Job Shop record by the amount of the difference from the military labor worked when setting the Status Code to '3' (Closed) on that record. In addition, the "dummy" Military Labor record for that fiscal year has its accrual amount reduced to zero, with the amount that had been there moved to the Authorized-Obligation field on that record for historical traceability. These updates serve two purposes. If the Posting-Code '8' record is ever manually re-opened, no balances for the USSGL account 221041A2 appear on the DIFMS Report 7310-645 "Asset Liability Balances". Additionally, if the record then "re-closes" a second time, no adjustment to the USSGL account 221041A1 is made unless additional labor cost had been incurred since the first closure.

### 3.5. Depot Organic Contract Augmentee Team (DOCAT) Process

3.5.1. DOCAT employees perform direct labor work such as shop floor production, planning, scheduling, or expediter tasks.

3.5.2. Set up the DOCAT contract with a Contractual Other Code (COC) of '05', 'credit' Indirect JON (X55310998000), Cost Code of 'SU', and one AOC or RCC for each Contract Line Item Number (CLIN) in each Division. If not direct, transactions should be on an indirect job order within the RCC so the DMAPS process automatically allocates the indirect charges. DoD 7000.14-R, Volume 11B, [Chapter 13](#), paragraph 1309 states the costs for purchased services are treated as "other" and charged as direct unless the services are for indirect cost centers.

3.5.3. Load information on DOCAT employees in TAA as Employee Type Code '8' and use the composite rate from the contract associated with the employee. It is recommended that this rate be used in TAA to ensure correct hourly rate is sent to DIFMS for labor transacted in TAA. Set up a Transfer Table in the DIFMS Screen MS724P "Contract Labor Transfer Table Update". The screen includes the COC of '05', the credit JON from the contract, and a composite rate for each RCC. Users must enter the two-digit COC, otherwise the entry rejects. The composite rate is calculated from contract skill code rates.

3.5.4. DOCAT employees transact labor in TAA. TAA then sends labor to DIFMS daily. DIFMS Program MS694P uses the actual hours worked and hourly rate set in MS724P screen to credit the contract JON and charge the labor JONs where the actual hours were transacted. Through the labor distribution process (MS234P), DIFMS records statistical cost for the DOCAT labor by debiting JON/RCC from TAA and crediting indirect JON on contract/RCC from TAA. Due to the use of COC '05' on DIFMS Update Screen MS724P, direct JON/RCC expense posts to Direct Other (USSGL account 610000P2) instead of Direct Labor (USSGL account 610000A2). When an Indirect Labor JON is transacted instead of a Direct Labor JON, the costs goes to Overhead Other (USSGL account 610000P3) instead of Direct Other (USSGL account 610000P2).

3.5.4.1. Transaction-level errors coming from the source labor data are validated and rejected within the labor subsystem itself, thereby greatly reducing the instance and scope of handling errors within the DIFMS Program MS694P "Contract Labor Transfers". Validation within the labor subsystem for Employee Type Code '8' (Non-ALC Employee) first checks for existence of a Contract-Labor-Transfer record (DIFMS\_CNTR\_LAB\_TRNS). If none exists, the labor transaction errs with a 3908 error message. If one does exist, then the program utilizes the Contractual/Other Code from that

record to determine whether to validate the third position of the Restriction-Code of the 'transaction' JON as contractual (01-50) or other (51-99). Values of '1' or '2' are good for contractual; '1', '3', or '4' are good for other. Validation of the 'Charge' JON ensures that the source labor transaction is against a JON that is authorized to accept 'non labor' charges.

3.5.4.2. DIFMS Program MS694P, which produces the MS694D04 rejected transaction file, is able to reprocess rejected transactions. Errors appear on OLRV-7310-541 Report. The primary error condition (Error 3908 – Contract Labor Transfer Table Does Not Exist) is received when a transaction has been entered against an RCC that has not been established on the MS724P screen. Corrective action may require establishment of Contract Labor Transfer Table using the MS724P screen or correct the RCC on the rejected labor transaction by using the MS143P screen.

3.5.4.2.1. Other errors associated with the Contract-Labor-Transfer record itself (DIFMS\_CNTR\_LAB\_TRNS) such as a 'no longer valid' Credit JON (which would need to be fixed using the DIFMS Update Screen MS724P) or a bad Restriction-Code on the Credit JON (which would need to be fixed using the DIFMS Update Screen MS151P). DIFMS Program MS694P only allows Restriction-Code position 3 values of '1', '3' or '4' for the Credit JON when the Contractual/Other Code is between '51' and '99' (Other).

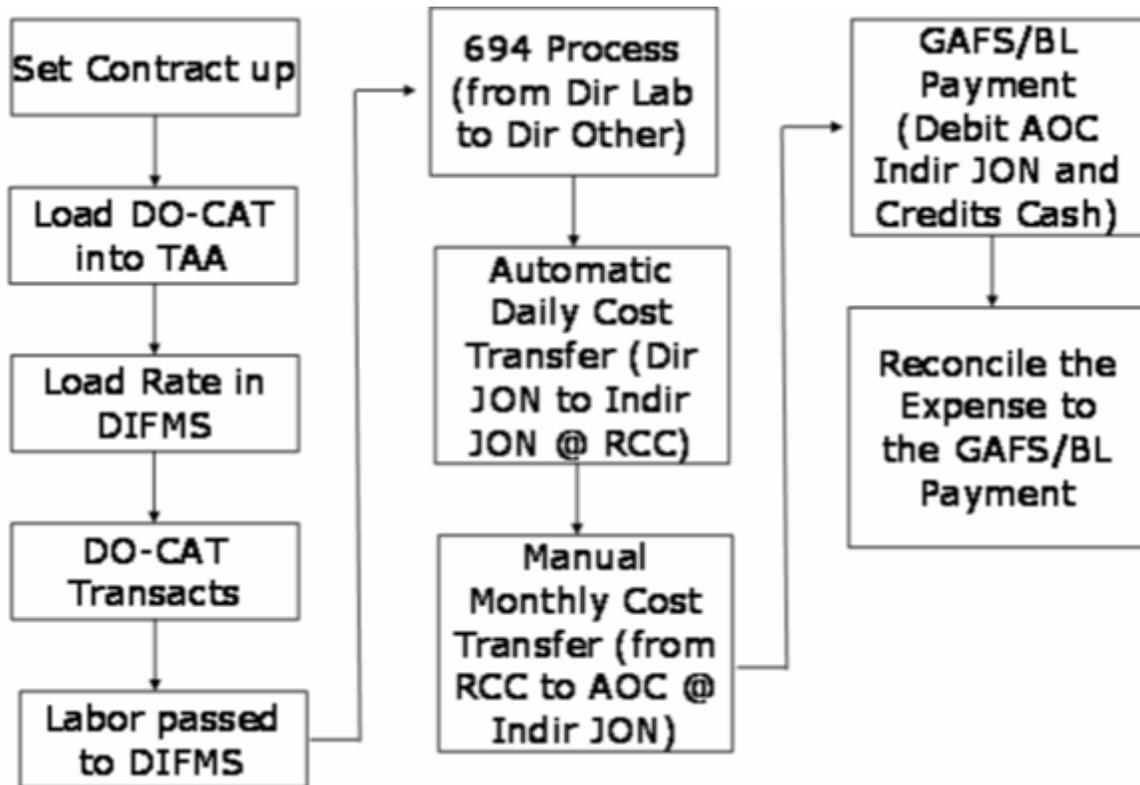
3.5.4.2.2. The program ignores transactions against JON types of "Leave" (e.g. Indirect-Jon-Type 'L' that begins with a "Z" followed by the JON number for the appropriate leave account) or "GLA JON" (e.g. Indirect JON Type 'A' that begins with "W" followed by the GLAC).

3.5.4.2.3. These transactions are not reported or retained as errors

3.5.5. Contract payments processed in H069/GAFS-BL/BQ are interfaced to DIFMS through the DFASIE. The payments debit the indirect JON/AOC on the contract and credit cash. Reconcile the expense from the DIFMS Report 7310-732 "Indirect Costs By Shop Within Jon Year-To-Date" to the H069/GAFS-BL/BQ payments

3.5.6. It is recommended Cost Accounting and Budget personnel monitor the mix of skill codes used in each RCC and adjust the composite rates as appropriate. A credit on the contract JON/Administrative Overhead Center (AOC) identifies the government's liability to the contractor at a point in time or high rate on DIFMS Update Screen MS724P. A debit on the contract JON/AOC indicates a low rate, erring labor on the DIFMS Report 7310-694 (no transfer table set up), or DOCAT employees are not transacting correctly. DIFMS uses the DIFMS Program MS694P to expense DOCAT labor in DIFMS by debiting Direct JON / Direct RCC in Direct Other due to COC of '5' and crediting Indirect JON on contract / Direct RCC. The following figure is a basic DOCAT process flow chart.

Figure 3.3. DOCAT Process Flow



3.5.7. The following areas need to be watched when processing DOCAT transactions and information.

3.5.7.1. Composite rate by RCC needs to be monitored. When composite rates change, the local TAA OPR must be notified so that the Master Employee Record can be manually updated in TAA to ensure correct rate is applied to employee's labor.

3.5.7.2. Cost transfers need to be done monthly.

3.5.7.3. Composite rate calculated from contract skill code rates (add 10% for overtime).

3.5.7.4. The COC needs to be '05' since this is what designates the expense to go to direct other instead of direct labor even though it is using the direct RCC and direct JON.

3.5.7.5. Reconcile the expense from the DIFMS Report 7310-732 to the H069/GAFS-BL/BQ payments.

3.5.7.6. A small credit in 'X5531', Prime Vendor Other at AOC level identifies the government's liability to the contractor at a point.

3.5.7.7. A debit in 'X5531' at AOC level indicates a problem with the rates in DIFMS, and/or erring labor on DIFMS Report 7310-694 (no transfer table set up), and/or DOCAT employees are not transacting correctly.

3.5.7.7.1. DIFMS Report 7310-694 "Contract Labor Transfers" supports posting to the General Ledger and is a reference for cost center transfers. This report shows the charge to the JON being worked as well as the credit to the overhead DOCAT JON

(cited on the contract). The costs to the original JON is treated as contractual/other, not as labor charges. However, the actual labor hours stay on the labor JONs. The process redistributes the contract cost to the actual JONs that it benefits. This process posts a journal voucher type "CL" to the general ledger.

3.5.7.7.2. The credits as processed in DIFMS Program MS694P are posted against the direct RCC; however, the DOCAT contracts are often written against an AOC (Accounting Organization Code) overhead shop. In these cases, a cost transfer using DIFMS MS144P Screen "Cost Adjustment Update" must be processed to move the credit from the direct shops to the AOC.

### 3.6. Cost Transfers.

3.6.1. Cost transfers occasionally need to be performed to get labor hours and costs to the correct JON/Shop combination. Cost transfers are submitted to Cost Accounting for review, approval, and performance of the transaction.

3.6.2. **DOCAT Labor Cost Transfer.** Perform cost transfers at the end of the month to move costs from the RCC in TAA to the RCC on the contract. Use AOC where the contract was written at the AOC level. A cost transfer is not necessary if the contracts are written in the shops where the labor is performed.

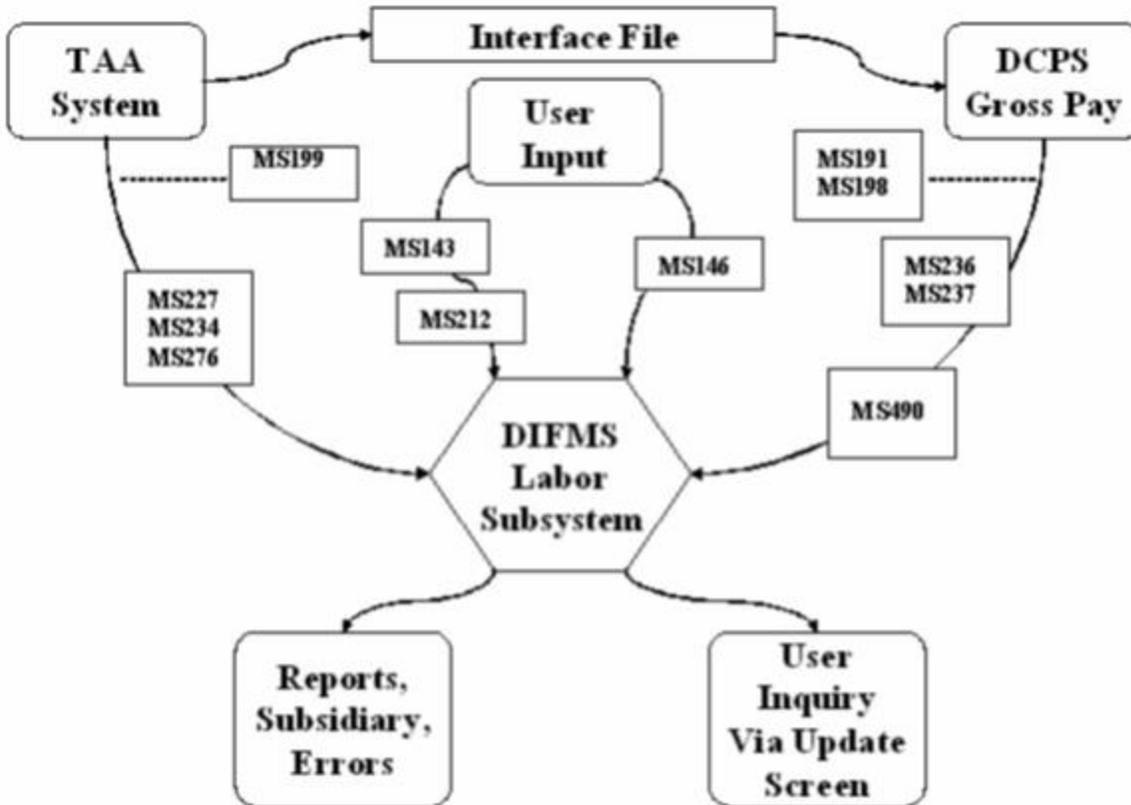
3.6.2.1. The cost transfer needs to be a debit of total dollars to the TAA RCC and a credit to the RCC/AOC where the contract was written. The cost transfer request needs to include JON, Shop, Type charge code 'P', Contractual Other Code '05', and Adjustment amount. Enter a debit entry for the TAA RCC and a credit entry to move the cost to the contract RCC/AOC. Once this information is provided to cost accounting, enter the cost transfers into the DIFMS Update Screen MS144P "Cost Adjustment". The next day, verify the transfer occurred correctly on the DIFMS Report 7310-905 "Cost Adjustments". Perform a manual cost transfer monthly to debit the indirect JON on contract for the direct RCC and credit indirect JON on contract / AOC. For verification, use the DIFMS Report 7310-732 "Indirect Costs by Shop within JON Year-To-Date". When the payment comes through H069/GAFS-BL/BQ, there will occur a debit to the Indirect JON on Contract / AOC and Credits Cash.

3.6.2.2. DIFMS Update Screen MS144P and related processes allow Contractor Hours to be input when using Type Charge Codes 'P' (Contractual) and 'Q' (Other). DIFMS Program MS267P "Apply Cost Adjustments" performs updates to Contractual/Other Hours-Current-Cycle fields on Direct and Indirect Contractual/Other Cost records. DIFMS Reports 7310-955 "Cost Adjustments by Direct Job Order" and 7310-960 "Cost Adjustments by Expense Account" display Contractual/Other Hours for Type-Charge-Codes 'P' and 'Q' when they are present on the cost adjustments. DIFMS output file MS609D02 contains Contractual/Other hours in the existing Contractual/Other Hour fields when they have been entered for Type-Charge-Codes 'P' and 'Q'. This data is also passed to the DMAPS Data Store as a source of information for the Contractual/Other Hours associated with DOCAT labor. The program also populates the Direct and Indirect Contractual/Other Expenditure History records on the database with the Contractual/Other hours that have been entered for Type-Charge-Codes 'P' and 'Q'.

### 3.7. DIFMS Labor Processing

3.7.1. **Overview - Labor Flow.** The basic flow of labor into DIFMS is shown below in Figure 3.4. Employees transact labor into production systems or directly into TAA. TAA collects and sends the labor transactions to DIFMS to record labor costs and hours. TAA feeds payroll information to DCPS, which is then reconciled to DIFMS. TAA and DIFMS pass data to the DDS that is then passed on to H033. TAA passes labor operations status and earned hours. DIFMS passes actual hours and cost.

Figure 3.4. DIFMS Processing of Labor Information



3.7.2. **Extension.** DIFMS extends TAA labor transactions by multiplying labor hours by employee pay rates. For example, 8 hours times \$20 per hour is \$160. TAA provides DIFMS with the labor hours and pay rates. DIFMS processes labor extension in DIFMS Program MS227P. Labor extension applies to all employee types. For overtime, DIFMS calculates labor extension for exempt employees (military, contractors, and salaried civilians) at no less than their regular rate of basic pay for overtime work.

3.7.3. **Validation.** DIFMS applies edit and validation criteria in DIFMS Program MS234P to incoming labor transactions from TAA. These criteria include, but are not limited to: JON, shop, employee type, and type hour code. Transactions failing these criteria are shown on Part I of DIFMS Report 7310-541 "Outstanding Unallocated Labor".

**3.7.4. Acceleration.** DIFMS accelerates the extended labor amount based on ALC-developed acceleration factors established in DIFMS Update Screen MS166P “Acceleration Rates”. For example, \$160 extended labor amount with a 50% factor is \$240 ( $(\$160 * .5) + \$160 = \$240$ ). Labor acceleration is done to recover the Government’s cost for civilian leave and fringe benefits. DIFMS processes acceleration in DIFMS Program MS234P. Military labor and DOCAT is not accelerated.

3.7.4.1. If a customer requests the use of overtime that is over and above normal depot maintenance overtime to expedite/accelerate a workload and improve the originally negotiated schedule, the customer must be charged the additional cost. Acceleration of the work schedule tends to hamper the normal flow of work and causes gaps in production such that follow-on work absorbs higher than planned overhead and causes depot maintenance losses. The customers who benefit from the use of additional overtime pay the cost of the additional overtime.

3.7.4.2. Depot maintenance may not charge additional overtime to the customer when overtime is used at the convenience of depot maintenance to make up for schedule slippage or workload backlogs. To charge for additional overtime, the customer must request the additional overtime and be willing to pay for it. Renegotiation of the price must be done when the customer decides to accelerate the work. Funding for the additional cost must be provided at that time, before the acceleration begins. Additional costs that are a direct result of the customer's decision to accelerate the workload should also be charged to the customer. Documentation to support all additional costs due to the decision to accelerate the workload must be attached to the work order and retained.

**3.7.5. Overhead Application.** DIFMS applies overhead daily as direct labor is performed. H033 Budget Target Module (BTM) can be used to determine Overhead Application Rates (OAR) for production and General and Administrative (G&A) overhead for each RCC and sends to DIFMS. Overhead is applied to all direct hours regardless of employee type.

**3.7.6. Distribution.** The DIFMS Program MS234P distributes labor hours, costs and applied overhead to individual JON, Shop, and Work Breakdown Structure (WBS) combinations. This program also updates DIFMS general ledger with liability and expense account postings through a ‘LD’ Journal Voucher (JV) shown on the DIFMS Report 7310-565 “Labor Distribution Summary by Expense Account”. DIFMS Report 7310-565 is broken into sections for funded civilian, unfunded civilian, funded military and unfunded military.

**3.7.7. Payroll Processing.** DCPS provides data to DIFMS through the gross pay file (MS236Add File Number). DCPS is the system of record for payroll, so process required adjustments in DIFMS as appropriate.

3.7.7.1. DCPS provides Civilian Pay Accrual to H069/GAFS-BL/BQ via existing interface and inputs/stores accruals in GAFS. H069/GAFS-BL/BQ receives and records DCPS accruals via H069/GAFS-BL/BQ program NBQI00. From the DCPS interface, DIFMS reconciles the gross civilian pay, as well as adding, retention pay, cash awards, recruitment, and other items. The accrual amounts are relieved based on the payment in DCPS, through a manual journal voucher. The 7310-556 report shows the employee contributions for benefits.

3.7.7.2. The DCPS disbursement is recorded into DIFMS with a manual journal voucher. The following is used to record the disbursement in DIFMS. The DFAS associate obtains the necessary data from the DCPS report, Employee directory listing (PCN: SH002LR6L), found in the DAYTON CPAIS-E4 folder. The report is indexed as E4R6L-EMPLOYEE DIRECTORY.

3.7.7.2.1. Each payroll cycle, DCPS processes a payroll voucher to show the amounts paid to employees, and the various fringe benefit accounts. DCPS also provides a total amount disbursed against the appropriate appropriation, which funds that account. Although these cash disbursements are a Cash function, the manual journal voucher process is the current method used to record these actions.

3.7.7.2.2. The lump sum payroll summary amount is recorded in H069/GAFS-BL/BQ as a BAL ID of "M". This value is processed from H069/GAFS-BL/BQ to the DFASIE, but it is not passed to DIFMS. DFAS processes this journal voucher directly into the General Ledger portion of DIFMS to account for these transactions each payroll cycle. The journal voucher recorded is not reversed in the next month because the Override Code is made 'Y' to signal "no reversal".

3.7.8. **Posting to the USSGL.** The posting of all types of labor (Civilian, Military, Contractors, and Free Labor) on all types of JONs (Direct, Production Overhead (POH), G&A, or Leave) can be found in the DIFMS documentation under the physical model, section 2-Labor, 02ms234p.

### 3.8. DIFMS Labor Reconciliation

3.8.1. DIFMS Labor Reconciliation is a comparison of the labor entered in TAA for the previous pay period, by employee (ZE332D01), compared to what was actually paid to the employee by DFAS (via DCPS) for the same pay period.

3.8.2. OLRV7310-525 is the report showing all errors resulting from Payroll Reconciliation, but a specially written query may also be created in COGNOS to provide duplicate results in a manageable Excel format. See local FZRD guidance for further details regarding DIFMS Labor Reconciliation process.

3.8.3. Errors resulting from Labor Reconciliation can usually be attributed to one or more of the following causes:

3.8.3.1. Supervisor or Timekeeper making direct entry of labor in DCPS, after the TAA Payroll Cut-off date, bypassing TAA entirely will result in Labor Reconciliation Errors because TAA has no record of labor transactions to match labor hours paid to employee on the same date.

3.8.3.2. Single Lump-Sum payments or receipts entered directly to DCPS by DFAS personnel for such things as Debt Repayment, Incentive Pay, Bonus Pay, Retirement, Leave Payouts etc. will result in Errors because TAA has no record of most lump-sum payments.

3.8.3.3. Correcting Entries made directly to DCPS by DFAS personnel for missing payroll adjustments such as Shift Differential, Hourly Wage/Grade changes, Holiday/Sunday Pay, Leave, Overtime, Personnel additions/deletions, or other adjustments not properly entered

in TAA also result in Reconciliation Errors. See local FZRD guidance for detailed correction instructions regarding DIFMS Labor Reconciliation procedures.

### 3.9. Correcting Labor Errors

3.9.1. The application of DIFMS edit and validation criterion upon labor data from the TAA yields both un-allocated and un-reconciled transactions on a daily basis. Despite TAA capability to process and forward corrections through the DLCP, not all errors are corrected prior to DIFMS labor processing. The validation process is one of the ways DIFMS confirms incoming data. However, if the data cannot be confirmed or validated, DIFMS rejects the labor transactions as either un-allocated or un-reconciled (7310-541 report). Labor transactions must be charged to applicable and open job numbers and shops. When DIFMS labor transactions are un-allocated, charges are suspended because the job or shop does not meet the JON/Shop validation criteria. Correcting un-allocated errors ensures that all charges are assigned to applicable jobs and shops. Also, correction of un-reconciled, as well as un-allocated labor must be done in order to maintain accurate payroll records. Unallocated labor errors should be corrected within the current pay period. Once un-allocated errors have been corrected, verify the corrections initiated are not rejected by DIFMS (7310-531 report). (Introduce the Labor Errors here.)

3.9.1.1. Unallocated labor transactions are corrected via mass by creating a ms645d02 file or the MS143P. Individual corrections can be made on the DIFMS Update Screen MS143P "Labor Job Order Number Shop Error Correction Update". Unallocated errors are those transactions that fail the job/shop validation process. These errors must be identified and corrected in order to assign the labor costs incurred to the correct JON and Shop. Correcting un-allocated errors is done regularly.

3.9.2. The following are key reasons why transactions fail the job/shop validation in DIFMS processing:

3.9.2.1. The shop is not valid or authorized

3.9.2.2. The job has closed since the previous labor cycle (JOST keeps JONs open for 30 days after G004L closure date)

3.9.2.3. Restriction codes are invalid

3.9.2.4. JON does not exist on the database

3.9.2.5. The transaction causes customer funds to be exceeded

3.9.2.6. No bill level on JON

3.9.2.7. The restriction code position 1 is invalid

3.9.3. Using Section I of the DIFMS Report 7310-541, locate the un-allocated transaction by error serial number, or use the correct JON or Shop in order to make a mass un-allocated transaction. Mass un-allocated errors are generated when several transactions using the same faulty JON or Shop are rejected. Correction of these un-allocated transactions does not require a specific error serial number. It does however require the correct data to replace the invalid JON or Shop. Errors of the mass type are corrected using the first five lines of DIFMS Update Screen MS143P. Correction of un-allocated errors by specific error serial number utilizes only the last two lines of the screen.

3.9.4. Section II of DIFMS Report 7310-541 shows information needed to identify and correct un-reconciled labor transactions. Use portions of this report to identify un-reconciled errors and correct them through the DIFMS Update Screen MS146P “Multi-Line Job/Shop Error Corrections”. Un-reconciled errors occur during the DIFMS automated labor reconciliation process and represent unaccounted for time. In other words, un-reconciled errors occur when the total labor hours do not match to the total hours paid as recorded by payroll (e.g., DCPS).

3.9.4.1. Although the DIFMS reconciliation process automatically adjusts for labor dollar variances (up to \$1 in value to an overhead adjustment JON), discrepancies in hours must be researched and corrected accordingly. During the reconciliation process, certain transactions are rejected when a JON cannot be assigned. Un-reconciled labor transactions are corrected fully or partially via DIFMS Update Screen MS146P. Determine whether full correction or partial correction is needed for each transaction. Identify the correct data from the source documentation provided by the Maintenance Group and/or RCC manager.

3.9.4.2. It is sometimes necessary to make corrections with zero hours (and non-zero dollars) if the error occurred against a transaction which had been generated as a “rate adjustment” by the DIFMS Program MS236P “Labor/Payroll Reconciliation”. Zero hours corrections can be made using the DIFMS Update Screen MS146P.

3.9.5. Errors may occur in the TAA, DIFMS, DCPS, and DDS processes. When DIFMS labor transactions are un-allocated, charges are suspended because the job or shop does not meet the JON/Shop validation criteria. Correcting un-allocated errors ensures that all charges are assigned to applicable jobs and shops.

3.9.5.1. Errors showing 900154A in JON field are because the 30 pos JON field (DCPS) is not populated, not where CEC starts with 'U' (indicators below). SSN shows up in “Enumber” field and/or transaction date shows as last day of the pay period for PP reconciling or previous PP.

3.9.6. Here are some preventive measures and other ideas:

3.9.6.1. Keep everything in TAA current and accurate (i.e., new employees, deleted employees, promotions, downgrades, pay step increases, wage rates, invalid RCCs, and EMP XREF file). New employees should be added on their first day so they will receive employee numbers and not being tracked by their Social Security number (SSN).

3.9.6.2. Manual inputs into DCPS need to have 30 position JON field (Process needs to be documented).

3.9.6.3. The amounts for un-reconciled labor transactions can be corrected through the DIFMS Update Screen MS143P.

3.9.6.4. When mass allocation of un-reconciled errors are to be processed, an excel spreadsheet format can be created with the JON, Shop, Error Number, WBS-Code to be compiled and ran into DIFMS as a batch error correction process utilizing the DIFMS Run Stream MS645J. (The MS645J will not allow the cost element code to be changed.) The batch process will allow multiple errors to be corrected especially if the transactions involve back pay and need to be corrected to a standing JON. Prior pay period adjustments need to have the coordination of Cost Accounting.3.9.2.6. The following table can be used for understanding and correcting the errors.

Table 3.5. Understanding and Correcting Errors

ERROR #	CAUSE OF ERROR	HOW TO CORRECT ERROR	WHO SHOULD FIX ERROR
7GORCON	File from DCPS for pay period is not in DIFMS or amounts or hours don't match existing payroll records/prior pay period adjustments	Research using the DIFMS Inquiry Screen MS093P to find out what transactions took place on that day and input correct JON, check to see if it is retro-pay. Send file to Labor team for batch cleanup.	Resource Advisor area research for JON to allocate the retro-pay to and send excel spreadsheet to Labor team for batch process
7GOEROR	Records that have come in through labor with no JON from TAA. In limited circumstances, DCPS does an F9 to pay these people.	Have to researched and correct individually. Verify they are in TAA and transacting correctly.	Resource Advisor area
900154A	If the 30 position JON field in DCPS is not populated, the employee's SSN will appear in the ENUMBER field and with the trans date as the last day of the pay period. If they are not in TAA they may have moved out of a CSAG-DM position and the correct accounting info has not been sent to DCPS.	Check with DCPS to see if the person is in DCPS correctly, they may have moved out of a CSAG-DM position and need a 1081 form. <b>When an employee's SSN is shown in the Employee ID field, those errors are corrected by placing them on an Overhead JON. When correct information is available, the previous transaction is reversed, and is applied to the correct JON using the 228.</b>	Resource Advisor area

**3.10. The MS227J run stream recycles the errors.** Details can be found on DIFMS Programs MS227P "Cyclic Input of Labor Data" and MS347P "Labor Validation Errors".

3.10.1. The DIFMS Program MS227P "Process Cyclic Labor Data" reads the edited labor data and assigns premium codes, assigns indirect job order numbers based on current/permanent shops, computes labor amounts, and creates supplemental labor records. A total of the regular hours is calculated and compared to the computed total hours. The computed total hours are calculated using the number of days and number of employees. The difference between the actual hours and computed hours must be within the allowable variance. If the difference is more than the allowable variance (+/-), then the processing of DIFMS Program MS227P stops. Hours for labor are totaled by type of labor and program type. The amounts are reported on the DIFMS Report 7310-516 "Total Labor Controls". The screen related to this report is DIFMS Update Screen MS193P "Variance Components Update".

3.10.1.1. If the hours are within the allowable variance, then an edit and validation is done on selected data. The labor records that pass edit and validation are written to files MS227D01 (Regular Labor) and MS227D04 (Allocated Standard Cost). The labor records with a transaction date greater than the labor end date are written to files MS227D02 (Regular Labor) and MS227D06 (Allocated Standard Cost) as rejections. After research has been completed and corrections made, these files then go into next run of MS227J for processing.

3.10.1.2. Labor records that don't pass the edit criteria are written to the DIFMS Report 7310-517 "DIFMS Labor Validation Errors Report", 7310-525 "DIFMS Labor Detail Transactions Report", 7310-541 "DIFMS Outstanding Unallocated Labor Report", and the 7310-543 "DIFMS Batch Unallocated Labor Report". Correction of errors on the DIFMS Report 7310-517 is through the TAA error correction process to include the DLCP. . The 7310-525 report will reflect the amount of labor hours and dollars involved. The 7310-541 report will reflect the labor error count (cumulative) needing correction. The 7310-543 report reflects the general overhead errors.

3.10.1.2.1. To correct labor errors, rejected labor transactions are resolved individually using the MS143P or MS146P screens. Corrections can be processed in a bulk file drop of the MS645D01 file. The MS228D02 file is used to correct labor errors relating to leave, new hires, etc. The primary error condition include ADD 0591, 0834, 0835, 1304, 1706, 2033, 2551, 2578, 2592, 3351, 3354, 3558, 4275, 1704, and 3829.

3.10.1.2.2. If the error corrections need to be reviewed, the 7310-531 "DIFMS Labor Detail Posting Labor Distribution Report" will reflect the details. Errors that fail correction appear on the following day's error correction report (7310-525 as an example). This is similar to the DIFMS Report 7310-541 "DIFMS Outstanding Unallocated Labor Report" which retains the cumulative errors. Error records will remain on the reports until resolved.

3.10.2. Supervisor/Timekeeper Procedures for Correcting Unallocated Labor Errors during the pay period can be found in the TAA Manual. Once the pay period has ended, errors can no longer be corrected in TAA and must be worked by the division labor analyst in DIFMS. The unallocated labor errors at this point are passed to DIFMS for correction. Unallocated labor cost cannot be accurately reflected in DIFMS until information is received from the supervisor or timekeeper to correct the error. To correct these unaccounted errors in DIFMS, supervisors or timekeepers must provide the necessary labor information to their division labor analyst for correction. If the production Job Order Number (JON), shop, and error details are not provided to the division labor analyst, actual expended time is not accurately reflected nor passed on to downstream systems.

## Chapter 4

### COLLECT/TRACK COST/EXPENSE-MATERIAL

#### 4.1. Introduction

4.1.1. NIMMS is the material management system within the DMAPS suite of software. It performs numerous functions including: validates requests passed through the Automated Bill of Material (ABOM) system; creates due-in to obligate the funds and to cost the material at the time of receipt; issues material on hand from inventory to the Job Order Number (JON) and Resource Control Center (RCC) and generates an issue document for DIFMS to process; values the depot maintenance inventory using the weighted average pricing method; and provides an independent inventory system for depot maintenance. NIMMS automatically updates DIFMS with current material information. Most DIFMS material errors are corrected in NIMMS. Consult the ABOM and NIMMS user manuals for procedures on making corrections and additional details on system capabilities. The current DFAS I&T Link is <https://t6800.csd.disa.mil/index.php>. Information from NIMMS is interfaced with legacy supply and maintenance systems.



4.1.2. All screens and programs for DIFMS and NIMMS are identified with a six-digit code with 'M' as the first position, system designator as second position ('S'-DIFMS, 'N'-NIMMS), number of the screen or process as positions three through five, and 'P' as the last position. For DIFMS, screen numbers starting with '0' are inquiries and with '1' or '7' are for update. Report numbering for DIFMS begins with '7310-', followed by a three-digit number. Numbers in the '400' series are for material. Report numbering for NIMMS begins with 'MN' followed by the program number generating the report, then by 'R' and then a two-digit report number starting with '01'.

4.1.3. Material control is covered under Air Force Materiel Command Instruction (AFMCI) 21-130, Equipment Maintenance Materiel Control. This chapter covers policy and procedures related to financial processing for material and DLA. It is imperative that all transactions be validated before being processed. The financial well-being of depot maintenance, is dependent on the accuracy of these material transactions, therefore the importance of valid data cannot be over-emphasized.

4.1.4. References:

4.1.4.1. ABOM User Manual

4.1.4.2. Defense Finance and Accounting Service (DFAS)-Denver (DE) 7010.5-R, *Direct, Refund, Reimbursement, and Receivable Transactions at Base Level*, June 2006.

4.1.4.3. Air Force Instruction (AFI) 64-117, *Air Force Government-Wide Purchase Card (GPC) Program*

4.1.4.4. AFMCI 21-130, *Equipment Maintenance Materiel Control*. This directive includes DMAPS-related material processing.

4.1.4.5. DIFMS User Manual, Appendix G, Material Function. The user manual includes tables of information for reference: (1) Financial Inventory Record (FIR) Code Posting Table (repeated in Attachment 4-2); (2) Requisition Status Posting Table; (3) Financial Inventory Records (FIR Codes); and (4) Material Requisition Status Codes Legend. Also, see DIFMS User Manual, Appendix Y, and Error Messages.

4.1.4.6. DIFMS Physical Model 04, Material.

4.1.4.7. DoD FMR 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 4, **Chapters 4** and 8; Volume 11B, **Chapters 12** and 13.

4.1.4.8. NIMMS User Manual, especially Appendix I, NIMMS Financial Codes; Appendix O, NIMMS-DIFMS Integration Function; Section 3, Requisitioning Functions; and Section 5, Receipt Processing Functions.

4.1.4.9. Assistant Secretary of the Air Force for Financial Management and Comptroller (SAF/FM) 03-04, Interim Guidance for Miscellaneous Obligation/Reimbursement Document (MORD) Processing, Version 3.1, 2 Dec 03.

## 4.2. Material Transactions

4.2.1. Process for ordering depot supply material allows the user to enter the request in ABOM or other systems. After clearing edits, the order passes to NIMMS where a due record is established and reflected in DIFMS, and if no inventory is available in the NIMMS material Navy Industrial Fund (NIF) stores, the order passes to G402A for processing in the materiel systems. Requisition status passes from D035K to NIMMS and ABOM.

4.2.2. DIFMS Program MS676P “Calculate Material Commitment and Obligation” stores the Transaction-Date (DT\_TRANSTN) on Material-Due (NIMMS\_MAT\_DUE) records where the date is not present. This allows the DIFMS Report 7310-620 “Encumbrance Aging” to accurately age material commitments and obligations on all material due records.

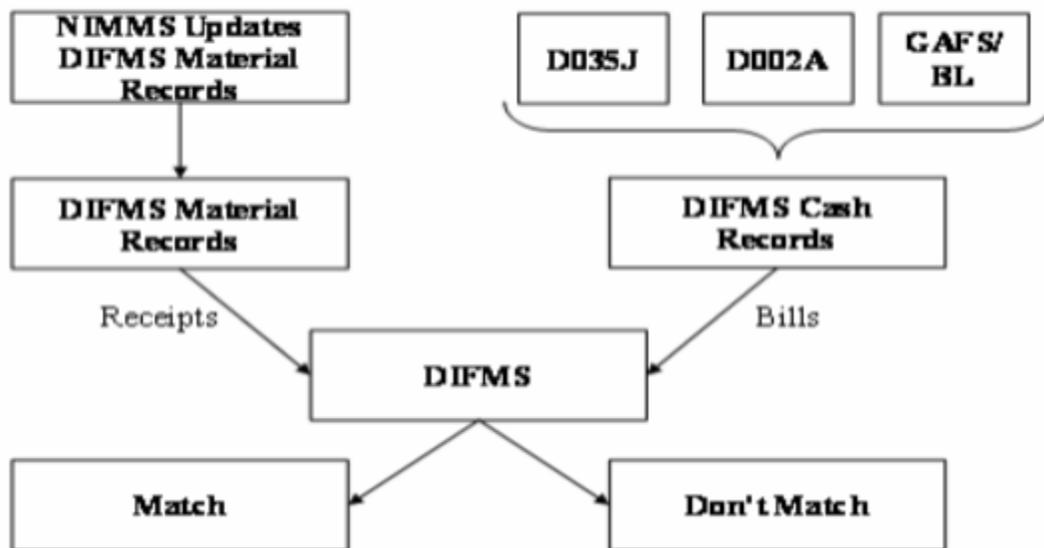
4.2.3. Physical receipt of material from depot supply necessitates a receipt transaction. For receipts from depot supply, enter a receipt transaction in NIMMS to clear the due in record and establish an accounts payable record in DIFMS. The payable record in DIFMS is matched at the transaction level when the bill is received.

4.2.4. Physical receipt of material from depot supply requires a receipt transaction entry in NIMMS. Except for receipts of MSD material by the CSAG, receipt transactions entered into NIMMS will clear the due in record and will establish an accounts payable record in DIFMS. The payable record in DIFMS is matched at the transaction level when the bill is received. Receipt transactions entered into NIMMS for MSD material received by the CSAG will clear the due in record and will record a gain offset by a cost transaction.

4.2.5. Issue of material whether from Specific Requirements Inventory (SRI) store or depot maintenance inventory (NIF store) creates an expense transaction on the JON related to the due. “Free issue” material is accounted for in NIMMS in a DMI store but is not an expense to the Consolidated Sustainment Activity Group (CSAG).

4.2.6. The process for ordering Base Supply material (i.e., hazardous material, protective gear, etc.) is for the user to enter the request in AF Integrated Logistics System – Supply (ILS-S), which is passed through ABOM to NIMMS. After clearing edits, the order passes to NIMMS where a due record, receipt and issue is established and reflected in DIFMS.

4.2.7. Other material transactions such as IPV, local manufacture, local purchase, commercial buys, and fuel are entered directly to NIMMS to receipt under the NIMMS Process MN412P or other “Batch Establishments”.

**Figure 4.2. Matching of Bills and Receipts**

### 4.3. Material Distribution

4.3.1. Direct material expensing occurs through material issues to or turn-ins from direct JONs on the production floor. Increases (debits) to direct material expense originate from issues of direct material from supply, issues from a NIMMS inventory store, or reversals of turn-ins. Decreases (credits) to direct material expense occur from turn-ins or reversals of issues. Direct material expense is recorded in United States Standard General Ledger (USSGL) Account 610000W2, Supplies, and Materials - Direct. Daily updates to this account are shown on the DIFMS Report 7310-424 "Weekly Material Expenditures Summary by Expense Count". This report summarizes direct expense at the shop level. Details by shop and requisition are displayed on the DIFMS Report 7310-421 "Weekly Material Expenditures by Cost Center".

4.3.2. Production Overhead expensing occurs through material issues to or turn-ins from production overhead 'X' JONs. This includes bench stock, clothing, hazardous material, medical supplies, inventory adjustments, non-credit returns, and write-offs. Increases (debits) to indirect material expense originate from issues of indirect material from supply or reversals of turn-ins. Decreases (credits) to indirect material expense occur from turn-ins or reversals of issues. Indirect material expense is recorded in USSGL account 610000W3, Supplies and Materials - Production. Updates to this account are shown on DIFMS Report 7310-424, "Weekly Material Expenditures Summary by Expense Count". This report summarizes indirect expense at the JON level. Details by shop and requisition are displayed on DIFMS Report 7310-421, "Weekly Material Expenditures by Cost Center". Materials ordered in support of Cost Class IV (PMEL / S-JONs) are recorded in DIFMS as production overhead expense in USSGL account 610000W3, Supplies and Materials - Production.

4.3.3. General and Administrative (G&A) expensing occurs through issuing of material to overhead 'Y' JONs. This includes types of expenses in support of all shops, such as office

supplies and equipment. Increases (debits) to indirect material expense originate from issues of indirect material from supply or reversals of turn-ins. Decreases (credits) to indirect material expense occur from turn-ins or reversals of issues. Indirect material expense is recorded in USSGL account 610000W4, Supplies and Materials - General. Updates to this account are shown on DIFMS Report 7310-424 Add report name. This report summarizes indirect expense at the JON level. Details by shop and requisition are displayed on DIFMS Report 7310-421 "Weekly Material Expenditures by Cost Center". Reference the action status code posting rules in the NIMMS user manual, Appendix L, Status Codes. The current DFAS I&T Link is <https://t6800.csd.disa.mil/index.php>

#### 4.3.4. Accounting for Fuel "BSME"

4.3.4.1. 'BSME' is governed by Defense Logistics Agency (DLA). DLA is now providing DFAS with detailed IPAC billings for all 'BSME' billings. DFAS provides billing information to each ALC for input into DIFMS. The Accounts Payable (A/P) records are created based on receipting the fuel into NIMMS. If no detailed receipt has been input into NIMMS, the billing transactions will error out, as a MIT, and the error must be cleared.

4.3.4.2. If needed, each ALC determines the number of MORD(s) to be created at the beginning of each FY. An anticipated annual fuel buy amount is determined for each JON and shop (e.g., RCC) stated on the MORDs.

4.3.4.2.1. If needed each ALC inputs the MORDs commitment and obligation into NIMMS MN012P "Establishment", and MN021P "Material Due Update". The obligation is input into GAFS-BL/BQ with a separate Accounting Classification Reference Number (ACRN) for each line of accounting on the MORD.

4.3.4.2.2. "BSME" sends an obligation interface file to GAFS/BL monthly with Balance Identification (Bal-ID) of 'U', document identifier 'FP20xxXXXXXXXX(X)', (with xx representing the ALC SRAN) under Processing Center (PC) 'G'. "BSME" sends IPAC billings to GAFS/BL for recording the disbursement. The IPAC summary and detailed billing records are zero balanced in the NBQG00 program. When the IPAC bill is scheduled for processing, the disbursements liquidate the Bal-ID of 'U', and increase expenses in GAFS/BL. Expenses are recorded in GAFS/BL with an 'I' in record position 49, for the end of month reporting in the DD Form 1400, Statement of Inter-Fund Transactions, to the Treasury.

4.3.4.2.3. When the IPAC bill has been processed, the DFAS General Ledger Account prepares a Journal Voucher (JV) for the amounts of the payments processed. This JV is posted in DTIM to GAFS/BL and on to DIFMS. Record a reversal in GAFS/BL under PC 'G' – a credit or debit amount as applicable. Record a disbursement/collection, as applicable, against the MORDs that were established in GAFS/BL. The JV for the disbursement/collection to GAFS/BL is at the JON and shop (RCC) applicable.

4.3.4.2.4. When the obligation mod is in NIMMS, ALC records the receipt amount via NIMMS Update Screen MN113P "Purchase Receipts" for the payment amounts for each MORD. This receipting action in NIMMS generates an accounts payable in DIFMS.

4.3.4.2.5. Each ALC monitors the remaining value of the obligation. If the payment amounts exceed the remaining value established for the MORD, then the MORD must be increased in ABSS.

#### 4.3.5. Industrial Prime Vendor

4.3.5.1. Air Force is currently receiving a summary billing line. DLA is now sending "detailed" IPAC billings for spot buys. As with 'BSME', DFAS must process the detailed billings into the accountable system; also, if the due record is not established in NIMMS, the billings reject when processed into DIFMS and cost accounting must correct the transactions. Note: Reference AFMCI 21-130, Section 2J, Indirect and Bench Stock Material Control and Support.

4.3.5.2. Detail-level recording of transactions for bench stock is cost prohibitive, record transactions in NIMMS at summary level. This requires no change in process by either DLA or the IPV contractor. Material MORDs for IPV should be recorded in NIMMS rather than DIFMS. By recording IPV in NIMMS, rather than DIFMS, the cost is identified as material rather than business operations. This also results in material costs being reported to DDS as material rather than "contractual other".

4.3.5.3. The following process can be used to record either summary IPV transactions or detailed IPV spot-buy transactions. Currently, spot buys are included in the summary IPV transactions and should be cost transferred to the appropriate direct JON/Shop in DIFMS using DIFMS Update Screen MS144P "Cost Adjustment Update". For all IPV transactions, users manually enter transactions in NIMMS Screens MN012P "Establishment", MN021P "Material Due", and MN113P "Purchase Receipts". The sites determine organizations and skills responsible for coordinating with the IPV and making required inputs to NIMMS.

4.3.5.4. To record the commitment/obligation, the user transacts a material due record establishment transaction using NIMMS Screen MN012P and MN021P. This transaction creates or updates the database's Material Due Record that is used by both NIMMS and DIFMS. Additionally, credit bills must be manually adjusted on the MN021P.

4.3.5.5. To record the receipt, the user transacts a receipt using NIMMS Screen MN113P. This transaction creates financial material information records for the receipt, which is updated into DIFMS. Receipts may be posted when the invoices are received.

4.3.5.6. As a result of transacting the NIMMS receipt, a requisition status database record is created to record the A/P transaction. This requisition status record is linked to the material due record. Required minimal information within the A/P detail record includes document number (in prescribed format), unit of issue, quantity issued, and receipted price. This is minimal information required to accomplish document matching and compatibility with the billing process.

4.3.6. Government-Wide Purchase Card for Material can be used. Each AF IMT 4009 must have a unique Line of Accounting cost code. The AFI 64-117 documents the GPC use requirements.

4.3.6.1. The GPC is primarily used for indirect material. When the GPC is used for direct material, Cost Accounting needs to do a manual "cost transfer". The cost transfer process

is used to charge the purchases on the bankcard statement and payment to a direct or other indirect JON. If there are items that should be direct charges within the invoiced amount, the card holder or certifying official should prepare a cost transfer document to be input to DIFMS Update Screen MS144P “Cost Adjustment” for the amount of the charges. This transfer document would show the direct and/or indirect JON and amount for each purchase, and a credit to the JON, which is stated on the bankcard obligation document.

4.3.6.1.1. Record material GPC buys in NIMMS and GAFS/BL. The cost code on the material summary record should be coded with an ‘MU’ rather than a ‘SU’, which is used for the service purchases. Separate cards are required for material and services purchases. The commitment and obligation for cost codes coded with ‘MU’ must be directly input into the NIMMS screens. The ‘MU’ commitment and obligations transactions are not passed from GAFS/BL to DIFMS, but are manually input to NIMMS. Each ALC is responsible for recording these receipts (equal to the summary monthly payment) in NIMMS via the MN113P. The receipt creates an A/P in DIFMS, which is liquidated by the cash payment.

#### 4.4. Material Inventory

4.4.1. Physical inventory quantities and store price are maintained in NIMMS and financial values of inventory in DIFMS. Inventory Adjustments can increase or decrease the physical inventory value. NIMMS inventory valuation is based on weighted moving average for each NIIN (see NIMMS user guide, Appendix W at this site: <https://t6800.csd.disa.mil/index.php>) DIFMS accounts for inventory used by the Air Force: Material and Supplies – Active (NIF Stores), Direct Material (SRI Store), and Government Furnished Material (unfunded) (DMI Store). *Reference AFMCI 21-130 for material management of these inventory types.*

4.4.2.1. **Air Force: Material and Supplies – Active (NIF Stores).** Material is placed in CSAG owned NIF stores when required for production. Inventories should be kept to the minimum required for production. General ledger account 151100A1, Material and Supplies-Active, is used to track the inventory values in DIFMS. The value of the account reflects the aggregate of all the NIF, Awaiting Parts (AWP), Local Manufacturing, Floating Stock and Spares, and Reconciliation stores.

4.4.2.2. **Direct Material (SRI Store).** USSGL account 151100A2, Operating Material and Supplies Held for Use - Direct Materials, is used to track the inventory values in DIFMS. At any point in time, the value of this account must be zero because inventory is not stored in this category. Any inventory received is simultaneously issued (e.g., direct-line issue or turn-in). This material can be issued to any type of material JON, direct or indirect. DIFMS Reports 7310-421 “Weekly Material Expenditures by Cost Center” and 7310-424 “Weekly Material Expenditures Summary by Expense Account” provide a list of issues and turn-ins to the store. DIFMS Report 7310-430 “Detail Material Receipt Transactions” provides a list of receipts into NIMMS inventory and turn-ins to supply out of the NIMMS inventory by NIMMS code, inventory type, and requisition sequence.

4.4.2.3. **Government Furnished Material.** USSGL accounts 902200, Government Furnished Material, and 942200, Direct Material Government Furnished Material, are used to track the inventory values in DIFMS. GFM items are not paid for by depot maintenance, such as kits, and are tracked as unfunded material in DIFMS.

4.4.3. Inventory adjustments or balance changes are generated due to NIMMS physical inventory counts, price revisions and non-credit turn-ins. DIFMS Program MS281P, Prepare Inventory Adjustment Distribution, updates the material requisition status file and incurs allowances resulting from inventory adjustments. DIFMS Report 7310-431 "Detail Inventory Adjustments" reflects various transactions generated by the NIMMS to affect adjustments or balance changes to inventory. If difference is positive, posting is Debit (DR); if difference is negative, posting is a Credit (CR).

4.4.3.1. Inventory adjustments generate gains and losses to USSGL account 610000W3, Production Overhead, under JON 'X56940414000'. The value of these adjustments is based on the number of items adjusted multiplied by the current store unit prices. Associated NIMMS codes are 'D2'/'M2', 'D4'/'M4', and 'D8'/'M8'.

4.4.3.2. Price revisions generate financial gains and losses to USSGL account 610000W3, Production Overhead, under JON 'X56950414000'. The value of these adjustments is based on the difference in price multiplied by the number of assets in the inventory for a given NIIN. Associated NIMMS codes are 'E1'/'N1' and 'E2'/'N2'.

4.4.3.3. Non-credit turn-ins generate losses to USSGL account 610000W3, Production Overhead, under JON 'X56510414000'. Associated NIMMS codes are 'L1'/'L2'/'L3'.

4.4.4. Materials received after the JON has closed or unacceptable items (such as invalid substitute NIIN) are retained in the recon store pending action. In most cases, the asset is physically issued but has not been properly accounted for financially. Therefore, the corrective action is generally to process an issue to a valid JON. If material in the recon store cannot be issued to an open JON, an inventory loss should be processed using the NIMMS Inquiry Screen MN054P. DIFMS Report 7310-433 "Financial Inventory Control Ledger" is the financial status of the NIMMS store records. Each transaction that increased or decreased the inventory balances during the week appears on this report. The same transactions appear on DIFMS Reports 7310-421 "Weekly Material Expenditures by Job Order", 7310-430 "Detail Material Receipt Transaction Report" and 7310-431 "Detail Inventory Adjustments". The 7310-433 report is a subsidiary ledger for USSGL accounts 151100A1 (Materials and Supplies - Active), 151100A2 (Direct Material), 902100 (Customer Furnished Material) and 902200 (Government Furnished Material). This information can also be viewed on the NIMMS Screen MN099P "Store Balances by Store".

4.4.5. Financial procedures for AWP

4.4.5.1. When the asset goes into AWP, there's initially no financial impact. Wholesale/Retail Receiving/Shipping (WRRS-D035K) is the accountable system for the management of AWP. ABOM is used as the input system for parts ordering. D035K links the end item and component piece parts under program control (electronically) and passes AWP updates to NIMMS/ABOM. This allows for automatic AWP reporting and management in the D035K and NIMMS/ABOM. Production shops must provide the end item document number (EIDN), Standard Reporting Designator (SRD), and Required Delivery Date (RDD) with all requests made through ABOM so that the D035K can link the end item and component/piece-parts internally. When ordering parts for end items in work, the user inputs all initial orders through ABOM using the '6N' advice code and appropriate priority. These orders automatically declare an AWP condition, create a

backorder if the part is not available from base stock, and ensure visibility of all depot AWP items.

4.4.5.2. When items in organic depot maintenance awaiting parts are determined to be fully supportable (i.e., all parts have been received), production control personnel determine whether repair of the item continues to be required. If repair continues to be required, production control re-inducts the item on the in-work JON from which the item was moved to AWP status. If that JON has been closed, production control re-inducts the item on a new, funded JON.

4.4.5.3. If the original JON has been closed, re-induct the item on a new, funded JON using a new End Item Document Number (EIDN) and Work Control Document (WCD) from the Inventory Tracking System (ITS-G337). This action causes flow day tracking to be split between the old and new JON for the AWP items re-inducted on a new JON. Overall, the impact should be minimal since AWP occurs for less than 10% of the repaired items and items needing to be re-inducted on a new JON are a portion of that total. In addition, a change has been proposed for G337 to link the old EIDN/WCD to the new EIDN/WCD for AWP items. The cost and schedule for this redesign and related changes to TAA and DDS will likely result in a lengthy time for the changes to be implemented. Thus, in the interim, close the EIDN/WCD against the old JON and move on.

4.4.6. Items Found on Base (FOB) should be accounted for as indirect G&A and either turned in for credit or issued to the floor.

4.4.7. Credit returns are done at current Air Force catalog prices. This is the current market value of the asset. Most returns are processed within a few weeks of purchase and market price fluctuations have a minimum impact on variable costs.

4.4.8. Maintenance responsibilities for Non-Equipment Authorization Inventory Data (EAID) Mockup Equipment at each ALC includes being responsible for the overhaul of communication, radar, and similar systems has a normal requirement to assemble and maintain mockups. These non-EAID mockups are authorized by the responsible Item Manager/System Manager (IM/SM) for use by the ALC to simulate field conditions under which the total system operates. Black box components repaired under Management of Items Subject to Repair (MISTR) on a project directive for the system are plugged into their normal place in the system to determine their serviceability. When the ALC needs to perform maintenance on the mockup components, the following criteria apply to costing for this service.

4.4.8.1. Organic depot maintenance absorbs repair requirements as a cost class IV charge (reference [Chapter 2](#) of the financial policies and procedures). These components were received for use as a serviceable item and depot maintenance has responsibility to maintain this status.

4.4.8.2. Modification and development of technical data when directed by the IM/SM and accomplished by the TRC on mockup components are authorized and costed as direct product work. The responsible IM/SM must provide an AFMC IMT 206 funded on a Type '6' Purchase Order (PO) to cover the costs of the modification. These costs are authorized separately from any repair done in conjunction with a modification.

4.4.9. **Procedures for Scrap.** During the depot maintenance production process, scrap is generated from material purchased by organic depot maintenance. This scrap is turned in to

the Defense Reutilization and Marketing Office (DRMO). A DD Form 1348-1A, DoD Single Line Item Release/Receipt Document is prepared by personnel in organic depot maintenance and accompanies the scrap. AFMCI 21-130 has procedures for handling scrap.

#### 4.5. Material Error Processing

4.5.1. Typically, un-allocated transactions are sent back to NIMMS for correction. Occasionally, transactions may appear on reports indicating jobs and/or shops are invalid. Also, requisition numbers may be entered incorrectly, and need to be corrected. These can affect four USSGL accounts: 1990.0A Unallocated Material Expenditures; 9621.00 Unfunded Unallocated Costs – Customer Furnished Material; 9622.00 Unfunded Unallocated Costs – Government Furnished Material; 1511.00B1 Operating Material and Supplies Held for Use - Material In-Transit Government. DIFMS Report 7310-413 is for unallocated material expenditures.

4.5.2. Unallocated material errors. Unallocated material errors occur when material is expensed against an invalid JON and/or shop. Since NIMMS uses the same JON/shop validation as DIFMS, these errors are very rare.

4.5.2.1. DIFMS Report 7310-413 “Unallocated Material Expenditures” identifies corrective action needed on Job Order Number/Shop errors presently pending corrective action.

4.5.2.2. DIFMS Report 7310-415 “Weekly Unallocated Material Expenditures” covers un-allocated material expenditures and is a subsidiary for USSGL accounts 1990.00B (Unallocated Material Expenditures), 9621.00 (Unidentified Costs – Customer Furnished Material) and 9622.00 (Unidentified Costs – Government Furnished Material). This report provides a subsidiary ledger for the Unallocated Material Accounts and must be zero balance at the end of a fiscal year.

4.5.2.3. Unallocated material errors are corrected using DIFMS Update Screen MS141P “Material Jon Shop Error Correction”. Use this screen both to relieve USSGL accounts 1990.00B, 9621.00, and 9622.00 and to assign a valid Job Order Number/Shop to the material expenditure transaction.

4.5.2.4. DIFMS Report 7310-416 “Material Job/Shop Error Correction Failures” lists material records still un-allocated after an attempt to correct a Job Order Number/Shop error shown on 7310-413 or 7310-415.

4.5.3. There may be situations where bills and receipts do not match. DIFMS screens allow write-off and override of mismatches, applying the charges to overhead. This should only be done after thorough research is completed and it is determined that the bill and receipt cannot be matched. Write-off should be the exception, and the user must obtain approval from the Chief of Cost Accounting before entering such transactions. Additionally, the Chief of Cost Accounting maintains a history of the quantity and dollar value of write-offs. Refer to the materiality criteria [Chapter 1](#).

4.5.4. Override screens write off to the USSGL account 6100.00W3, which is Production Overhead (POH). DIFMS Program MS280P “Material Data” and associated NIMMS Code Posting Table allow for inventory adjustment transactions to post to production indirect job numbers when the associated system information record job numbers are designated as “Production” (Indirect JON Type is ‘P’). Similarly, the DIFMS Program MS270P “Maintain and Report Requisition Status” and associated Requisition Status Posting Table allow for write-offs, overrides and purchase variances to post to production indirect job numbers when the associated System Information Record Job Numbers are designated as “Production”.

4.5.4.1. Set all material JON(s) on DIFMS Update Screen MS192P to the designated POH JONs. This ensures that the user cannot create an incompatibility between these JONs and the two standard posting tables used by DIFMS Programs MS270P and MS280P. This process assures the General Ledger (USSGL account 6100.00W3) is in line with the subsidiary cost summary data.

4.5.4.2. All open receipt return records are set to a “Completed” (3) status when the Accounts Receivable balance reaches zero through a DIFMS Program MS280P transaction event. Since the DIFMS Program MS270P does not match credit bills to individual receipt returns, and closes the bill record only (unless the entire balance is relieved), the remaining receipt return that partially or fully supported the balance that was relieved, must be closed. The DIFMS Program MS280P closes all Category ‘B’ (Receivable) records when a reversal is processed to bring the requisition level balance to zero. This program not only closes the record that is being reversed, but also closes any other “open” receipt return transactions as long as the overall requisition level Accounts Receivable balance has reached zero.

4.5.4.3. The instances/occurrences of material “out of balances” due to internal processing of DIFMS program MS280P have been significantly reduced. This not only includes general ledger versus subsidiary out of balances, but also Debit/Credit imbalances as well. DIFMS Program 280P continues to process when encountering a bad combination of NIMMS Codes and Financial Inventory Type Codes and ensures compatible NIMMS Codes and Financial Inventory Type Codes are created each time either a Daily Valid Material Information (DIFMS\_DAILY\_VLD\_MAT\_INFO) or an Unallocated Material Expenditure record (DIFMS\_UNALCTD\_MAT\_EXPND) is created. This process also ensures that any updates done for these two types of records have a compatible NIMMS Code and Financial Inventory Type Code relationship. Processing for the DIFMS Material Requisition Status record ensures that ‘Unit Price’, ‘Material Info’, and ‘Material Expended’ fields for the bill and material (receipt, etc.) contain a positive value.

4.5.4.4. Write offs and adjustments go to the specific Shop/Cost Center associated with the requisition. DIFMS Program MS270P takes material write-offs and overrides to the shop associated with the Material-Due record, rather than using the shops from the DIFMS\_SYS\_INFO, under limited conditions. When the write-off or adjustment is to a “Production” shop (Cost Center associated with the Shop is a Type ‘P’), the program attempts to take the adjustment to the shop from the Material-Due itself. If the shop (or associated Cost Center from that Shop) from the Material-Due is not valid, then the adjustment is taken to the shop from the DIFMS\_SYS\_INFO. This condition most commonly occurs if an Unmatched Government Bill is being written off (at that point, the Shop for the requisition is usually not identified). If the shop from the DIFMS\_SYS\_INFO

is a “General” shop, the program continues to use that shop. DIFMS Report 7310-461 “Transactions Clearing Requisition Status” totals and displays the various combinations of Job/Shop/Contractual Other Code.

4.5.5. If bills and receipts do not match, the ALC financial, cost accounting, and depot supply offices must research and correct. Process Billed Not Received (BNR) corrections within the same month as the error was identified and Received Not Billed (RNB) must be researched and corrected within 60 days. Each ALC sets up material JONs (‘X56940414000’, ‘X56950414000’, ‘X56510414000’) to capture the costs for mismatched transactions, which cannot be corrected. Charge such transactions to this JON so the amount and number of un-reconciled items can be tracked. See procedures below for an explanation of the process for these unmatched charges.

4.5.6. DIFMS Report 7310-484 “Aged Unmatched Bills” is capable of sending “zero” records to the DIFMS Report 7310-965 for all accounts it is responsible for reporting on (including those accounts that would seldom ever reach a zero balance). All material subsidiary report programs provide the same capability, including the DIFMS Programs MS364P “Report Aged Material Accounts Receivable”, MS384P “Report Work-in-Process Other Government Plant”, and MS416P “Report Work-in-Process Contractors”. User sees actual out of balances reflected on the DIFMS Report 7310-965 and not “false” errors when accounts migrate to a zero subsidiary balance.

#### 4.5.7. Material in Transit (MIT)

4.5.7.1. Per AFMCI 21-130, the division resource advisor reconciles material issue requests/receipts to billing records to ensure all material has been received for which maintenance has been billed (WSSC/SSC/EPSC personnel provide assistance, as needed). This process occurs once a month, and the reconciliation is accomplished by reviewing the DIFMS financial material error reports. Center Financial Management (FM) organizations shall be notified where it is necessary to correct financial records. Records of the monthly review are maintained by the applicable division resource advisor.

4.5.7.2. MIT errors are displayed on DIFMS Report 7310-469 “Aged Material-In-Transit – Government” which ages and displays amounts in MIT – Government category. This report is a subsidiary ledger for USSGL account 151100B1, OM&S Held for Use - Material in Transit - Government.

4.5.7.3. MIT debit bills generate when a due has been recorded in NIMMS, a bill has been received from supply, and no receipt has been processed. Research of MIT debit errors begins with use of the DIFMS Inquiry Screen MS061P “Material Requisition Status”. The person researching must determine if material was received. Documentation for research includes DD1348-1A (DoD Single Line Item Requisition System Document), D035J, Automated Material Tracking System (AMTS-D364), and Distribution Standard System (DSS). If research indicates material was received, process the receipt using NIMMS Screen MN031P “Receipts”. If research indicates material has not been received, request credit is issued from supply through established procedures.

4.5.7.4. MIT credit bills generate when a due has been recorded in NIMMS, a credit bill has been received from supply, and a credit turn-in has not been processed. Use the DIFMS

Inquiry Screen MS061P “Material Requisition Status” to identify the JON associated with the credit. Use DIFMS Inquiry Screen MS036P “Obligation Inquiry by Job Order” Option 9 to determine if a turn-in was processed. If a no-credit turn in transaction is found on DIFMS Inquiry Screen MS036P, reverse the turn-in and re-process as a credit expected turn-in on NIMMS MN045P. If no turn-in transaction is found, enter one.

4.5.7.5. If a MIT error cannot be resolved, request the item be written off through DIFMS MS188P “MIT Write-Off Update”.

#### 4.5.8. Unmatched Government Bill (UGB)

4.5.8.1. UGB errors are displayed on DIFMS Report 7310-484 “Aged Unmatched Bills”. This report is a subsidiary ledger for USSGL account 1511.00C1, OM&S Held for Use - Unmatched - Government Material Bills.

4.5.8.2. Debit UGB errors generate when a bill is received from supply and no due is established in NIMMS. Research of UGB errors includes history in FIABS (only shows production number, no JON suffix) and G402A (shows complete JON for errors less than 90 days old). If research indicates the bill is valid, process a due and receipt using NIMMS Screen MN012P “Due Establishment”. If research indicates the bill is not valid, request credit is issued from supply through established procedures.

4.5.8.3. Credit UGB errors generate when a credit bill is received from supply and no due is established in NIMMS and a credit turn-in has not been processed. Research of UGB errors includes history in FIABS (only shows production number, no JON suffix) and G402A (shows complete JON for errors less than 90 days old). Once the JON has been identified, use DIFMS Inquiry Screen MS036P “Obligation Inquiry by Job Order” Option 9 to determine if a turn-in was processed. If a no-credit turn in transaction is found on DIFMS Inquiry Screen MS036P, reverse the turn-in and re-process as a credit expected turn-in on NIMMS Screen MN045P “Turn-In to Supply”. If no turn-in transaction is found, enter one. AFMCI 21-130, Section 65, provides procedures for turn-in of material items using NIMMS and ABOM.

4.5.8.4. If a UGB error cannot be resolved, request the item be written off through DIFMS MS102P, Unmatched Material Bill Write-Off.

#### 4.5.9. Duplicate Bills

4.5.9.1. Duplicate bills are displayed on DIFMS Report 7310-484 “Aged Unmatched Bills”. USSGL account 151100C3, Unmatched Duplicate Bills” is the unmatched account to be relieved. If credit is requested for a duplicate bill, USSGL account 131040A2, Accounts Receivable - Credits Pending from Government Sources, is established for the receivable.

4.5.9.2. Research must determine if the duplicate bill is actually a partial bill missing a suffix code or if the bill is truly a duplicate second bill.

4.5.9.3. If the bill is determined to be valid, receipt the item using NIMMS Screen MN031P.

4.5.9.4. If the bill is determined to be a true duplicate, credit from supply should be requested. Use DIFMS Update Screen MS101P “Anticipated Credit” to move the duplicate bill when it has been determined that credit is allowed and to establish accounts receivable for duplicate bills. Results of the update are shown in DIFMS Report 7310-461, Transactions Clearing Requisition Status.

4.5.9.5. When supply does not allow credit for a duplicate bill, use DIFMS Update Screen MS102P “Unmatched Bill Write-Off” to perform the write-off.

#### 4.5.10. Aged Accounts Payable (receipts no bill)

4.5.10.1. In general, receipts from NIMMS precede bills from supply because NIMMS processes each day and supply bills monthly. When a receipt is aged greater than 30 days and no bill from supply has been received, research is required. Aged Accounts DIFMS Report 7310-472 “Aged Accounts Payable” displays payable errors and ages and displays amounts in accounts payable for government and commercial. This report is a subsidiary ledger for USSGL account 211041A, Accounts Payable - Government Agencies Material. Errors can be researched through DD1348-1A, DIFMS Inquiry Screen MS061P “Material Requisition Status”, and D035J.

4.5.10.2. If research indicates that the receipt is valid, depot supply needs to be contacted.

4.5.10.3. If research indicates the receipt is not valid, reverse the receipt using NIMMS Inquiry Screen MN031P “Receipts”.

4.5.10.4. If research indicates a funded receipt was processed for unfunded material, reverse the receipt using NIMMS Screen MN031P, correct the due using NIMMS Screen MN012P “Establishment” or change the NIMMS material record, and re-receipt the item as unfunded.

4.5.10.5. If an aged-accounts-payable error cannot be resolved, request the item be written off through DIFMS Update Screen MS183P “Material Accounts Payable Write-Off”.

#### 4.5.11. Aged Accounts Receivable (turn-in)

4.5.11.1. In general, turn-ins from NIMMS to supply precede credit bills from supply because NIMMS processes each day and supply bills monthly. When a receipt is aged greater than 30 days and no credit bill from supply has been received, research can begin. Aged Accounts Receivable errors are displayed on DIFMS Report 7310-478 “Aged Material Accounts Receivable” which displays the aged transactions and amounts in USSGL account 131041B (AR - Credits Pending from Government Sources). Errors can be researched through D035J, DSS, and AMTS.

4.5.11.2. If research indicates the turn-in is valid, and credit is due, contact depot supply for corrective action.

4.5.11.3. If research indicates the turn-in is valid, but no credit is due, reverse the credit turn-in through NIMMS Screen MN045P “Turn-In to Supply” and re-enter as a no-credit turn in.

4.5.11.4. If research indicates the turn-in is invalid, then reverse the turn-in.

4.5.11.5. If an aged-accounts-receivable error cannot be resolved, request the item be written off through DIFMS Update Screen MS182P “Material Accounts Receivable Write-Off”.

#### 4.5.12. Purchase Variances

4.5.12.1. These errors generate when a bill and a receipt match by quantity but mismatch by an amount greater than the allowable purchase variance as established on the DIFMS Update Screen MS193P “Variance Components”. Purchase variance errors are displayed on DIFMS Report 7310-495 “Material Mismatched”. *Note: also the bill appears on DIFMS Report 7310-469 “Aged Material-in-Transit - Government” and the receipt on DIFMS Report 7310-472 “Aged Accounts Payable” with a requisition status of ‘5’.* Errors can be researched through DIFMS Inquiry Screen MS061P “Material Requisition Status”.

4.5.12.2. If research indicates the bill is correct, reverse the receipt with the incorrect price and reprocess the receipt with the correct price. It may be necessary to update NIMMS cataloging information with correct prices.

4.5.12.3. If research indicates the bill is incorrect, depot supply needs to be contacted.

4.5.12.4. If the excessive purchase variance cannot be resolved, request the item be written off through DIFMS Update Screen MS185P “Excessive Purchase Variance Update” with Override (OVR) option. The variance between the bill and receipt is charged to production overhead.

#### 4.5.13. Mismatches by Quantity

4.5.13.1. These errors generate when the bill and receipt match by dollar amount but do not match by item quantity. The error happens due to incorrect receipt or cataloging information, such as U/I changes. Quantity mismatches are displayed on DIFMS 7310-495 “Material Mismatched Report”. Also the bill appears on 7310-469 “Aged Material-in-Transit - Government” and the receipt on 7310-472 “Aged Accounts Payable” with a requisition status of ‘4’. Errors can be researched by determining whether the shop received the quantity required through DD1348-1A, AMTS, and DSS.

4.5.13.2. If research determines the mismatch is a U/I change, update cataloging information. If the receipt is in error, use DIFMS Update Screen MS181P “Mismatched” to override the mismatch condition. *Note: there is no financial impact.*

#### 4.5.14. Mismatches for Number of Receipts and Bills

4.5.14.1. If there are multiple receipts with one bill, reverse receipts in NIMMS and process one receipt to match the bill from supply. It is also possible to use DIFMS Update Screen MS189P “Material Requisition Number Correction” to split the bill to match the receipts. This screen can also be used to move an “Accounts Receivable” bill from one requisition to another. Use of DIFMS Update Screen MS189P for this purpose increases the Accounts Receivable balance on the new requisition number and decreases the Accounts Receivable balance on the old requisition number. “Receivable” bills occur in DIFMS in one of two ways: either a credit bill that partially or fully matches a receipt return or a debit bill that has been moved to Accounts Receivable using DIFMS Update Screen MS101P “Anticipated Credit”. This screen also allows a single material bill to be corrected to more than one new requisition for up to three new requisitions to be referenced,

as well as allowing for a portion of the bill to remain on the original requisition. Capability is also available to perform requisition number corrections on bills that are in an “Excessive Purchase Variance” (‘5’) or “Mismatched by Quantity” (‘4’) status by having the program not only move the bill to the new requisition, but also break it apart from the receipt that it had erroneously been matched with. DIFMS Program MS366P “Requisition Number Correction” and associated DIFMS Report 7310-416 “Requisition Number Correction” address the multiple Requisition Numbers and diverse Quantities and Amounts. All “old” bills are displayed on the left and “new” bills on the right.

4.5.14.2. If there are multiple bills with one receipt, reverse receipt in NIMMS and process multiple receipts to match the bills from supply. It is also possible to use DIFMS Update Screen MS106P “Supply Warehouse Refusal/ Over-Issue Adjustment” to combine the bills to one net bill or to combine a debit and a credit bill or two debit bills, which are the result of a supply warehouse refusal. When an issue request for ‘X’-quantity of an item is processed and a base movement is generated, D035J sends a bill to DIFMS for the entire quantity of the base movement. However, because the quantity actually on hand is less than that shown on the item record, a warehouse denial for the quantity equal to the shortage is processed. Users should have receipted for what is physically received. D035J sends a credit bill for the denied quantity. If the denied quantity and the ordered quantity are the same, the records clear one another in DIFMS. However, if the quantity denied is less than the quantity ordered (partial denial), use DIFMS Update Screen MS106P to combine debit and credit bill to net bill, matching the receipt. Users can also use this screen to match commercial bills to commercial receipts by netting multiple bills together in order to match a single receipt. This eliminates the need to input additional “zero batch” cash transactions or do multiple material write-off transactions. Users should not process turn-in transactions in NIMMS to reverse the shorted quantity from the bill in DIFMS. This processing is illogical in that it is forcing the users to process a turn in of stock for material never received. Denial (Supply Warehouse Refusal) should not be mimicking D035J transactions.

4.5.15. Commercial material mismatches include charges being added for freight, excise taxes or other sources. These commercial mismatches are sent back to cash. The DIFMS MS136P screen is used for this type of transaction. The commercial bills are unmatched because there is not a compatible receipt or undelivered order. Applicable USSGL accounts are 1310.42B “A/R – Commercial Material”, 151100C3 “OM&S Held for Use – Unmatched – Duplicate Government Material Bills” and 211042A1 “Accounts Payable - Unmatched Other - Commercial Material Bills”. DIFMS Program MS270P “Maintain and Report Material Requisition Status” matches commercial material bills and receipts at the requisition level, rather than forcing the items to match exactly at the individual level. This program facilitates reconciliation and closure of commercial material requisitions. There is a need to do multiple write-offs and overrides, because with the netting process; records are permitted to more cleanly close and match off through normal transactions. The process of doing write-offs, when necessary, can be narrowed down to a single final write-off transaction through DIFMS Update Screen MS741P “Net Accounts Payable/Unmatched Commercial Bill Write-Off” for the entire requisition. In addition, the balances carried in the USSGL account 211042A1 “Unmatched Commercial Material Bills” should be minimized. Since this account is viewed

in the Unmatched Disbursement category, this results in improvements in the levels being reported by the sites and DFAS.

4.5.15.1. The DIFMS Program MS270P updates the requisition level “net balance” fields for detail level postings it does associated with Debit Unmatched Commercial Bills and Debit Commercial Accounts Payable and maintains aging dates at that level. Credit Unmatched Commercial Bill balances and Reverse Receipt payable balances (for Receipt reversals that do not match with Receipts) remain at the detail line item level. Credit Commercial Bills only match Debit Unmatched Commercial Bills at the detail level or Accounts Receivable at the requisition level. For all other cases (i.e. exact matches) the program matches individual debit bills/receipts, debit bills/credit bills, and receipts/receipt reversals at the detail level. The program also updates the corresponding requisition level “net balance” fields as it posts. At the end of the processing, the program performs a “netting” process, which net balances of “Open” records for the first time or “reverse net” items that had previously been netted and have had detail level matches occur within the current cycle. The “Netting” and “Reverse Netting” events are sent to the DIFMS Report 7310-461 “Transactions Clearing Requisition Status” and are included within the summary “MU” Journal Voucher.

4.5.15.2. The overall result of the netting in DIFMS Process MS270P is that Debit Commercial Bills and positive Commercial Receipts that do not get a clean detail match remain in an “Open” status and the account balances are “netted together” at the requisition level. If there is a dollar surplus of receipts, the requisition balance is carried in USSGL account 211042B1 “Accounts Payable Commercial Material”; if there is a dollar surplus of bills, the requisition balance is carried in USSGL account 211042A1. In cases where there are not clean detail matches, but the net balances are zero (for example, two bills totaling \$20 and one receipt equaling \$20) at the requisition level, the remaining “open” records is set a to “Completed” status. Although the program is not consciously matching multiple bills/receipts together, the net result appears as if it is when the overall net requisition balance goes to zero. The two “net Aging” fields are also updated, and the requisition carries the earliest date that a record appeared in the particular category.

4.5.15.3. DIFMS Inquiry Screen MS061P “Material Requisition Status Inquiry” includes requisition-level Commercial Accounts Payable Net Balance to Type Response ‘2’ (Receipts), the requisition-level Unmatched Commercial Bills Net Balance to Type Response ‘3’ (Bills), and both “net balance” fields to Type Response ‘5’ (All Records) including the accounts receivable balance. Type Response ‘1’ (Undelivered Orders) also has a number of Material Due and Purchase Order level fields in the top portion of the screen. This includes the Record-Name (‘U’ series), CON, Store-Code, Shop, Financial-Inventory-Type, Purge-Key and (PON related) Call-Order, ACRN, CLIN and SLIN. In addition, the “actual” Quantity-Due and Quantity-Received fields are on the screen and the existing “End of Cycle” values for these fields are labeled as such. This information makes the Option ‘1’ comprehensive and eliminates the need for the user to run ad-hoc database queries (such as COGNOS or SQL Plus) to view the fields.

4.5.15.4. Entries through the DIFMS Update Screen MS101P “Anticipated Credit” decrement the requisition-level Debit Unmatched Commercial Bill Net Balance when moving an Unmatched Commercial Bill into Accounts Receivable. If the program zeroes out this balance, the requisition level Date Aged value is also removed. This is consistent

with changes to the category of the detail bill record from a 'C' (Unmatched) to 'B' (Accounts Receivable). Entries through the DIFMS Update Screen MS102P "Unmatched Material Bill Write-Off" decrement the new requisition level Debit Unmatched Commercial Bill Net Balance amount whenever a Debit Unmatched Commercial Bill is written off. The program rejects the transactions if they were attempted against write-offs on requisitions entered through DIFMS Update Screen MS741P.

4.5.15.5. Entries through the DIFMS Update Screen MS106P "Supply Warehouse Refusal/Over Issue Adjustment" increment the requisition level Debit Unmatched Commercial Bill Net Balance by the amount of the Credit Bill being combined (i.e. actually decrementing it) when combining a Debit and Credit bill. If the action causes the net balance for the requisition to reach zero, the requisition level Date Aged is also removed.

4.5.15.6. Entries through the DIFMS Update Screen MS183P "Material Accounts Payable Write-Off" decrement the new requisition level Debit Commercial Accounts Payable Net Balance amount whenever a Debit (positive) Commercial Accounts Payable (NIMMS-Code 'A1') is written off. In addition, attempted write-offs of (positive) Commercial Accounts Payable are rejected if attempted against write-offs on requisitions entered through the DIFMS Update Screen MS741P.

4.5.15.7. Entries through the DIFMS Update Screen MS189P "Requisition Number Correction" increment the requisition level Debit Unmatched Commercial Bill Net Balance Amount on the "New" Requisition and decrement that field on the "Old" Requisition when the bill being moved was a Commercial Debit Bill (Record-Name 'B6' or 'BB'). The process also does maintenance on the Date-Aged-Debit-UCB for both requisition numbers. If the Debit bill being moved is the first one against the new requisition, or is earlier than any existing one, then the Transaction-Date of that bill becomes the Date-Aged for the "New" requisition. Similarly, if the requisition being moved is the last one for the "Old" Requisition, the Date-Aged for the "Old" requisition is removed. If it is not, the Date-Aged for the "Old" requisition is reset to the earliest of the remaining bills.

4.5.15.8. The DIFMS Program MS280P "Process Material Data" increments the requisition level Debit Commercial Accounts Payable Net Balance Amount when processing "positive" Commercial Receipts (NIMMS-Code 'A1'). The program also sets the requisition level Date-Aged for Debit-Commercial-Accounts-Payable if one had not previously been set.

4.5.15.9. DIFMS Report 7310-472 "Aged Material Accounts Payable" displays the requisition level Net Balance and Date-Aged for Commercial Accounts Payable along with the detail line items (both positive Receipts and "offsetting" Debit Unmatched Commercial Bills) that support that balance. In addition, "negative" (credit) receipts are displayed with their individual amount populating the Net Balance column in order to aid in the subsidiary totaling. Similarly, the DIFMS 7310-484 Report "Aged Unmatched Bills" displays the requisition level Net Balance and Date-Aged for Unmatched Commercial Bills along with the detail line items (both Debit Bills and "offsetting" positive Commercial Receipts) that support that balance. In addition, Credit Unmatched Commercial Bills are displayed with their individual amount populating the Net Balance column in order to aid in the subsidiary totaling.

4.5.15.10. DIFMS Report 7310-498 “Commercial Material Unmatched” contains all detail bills and receipts (Unmatched Bills and Accounts Payable), including those that have successfully matched, for each commercial material requisition that is not financially complete (Material-Due Status is not ‘3’). The report is easier to use as a research tool than the standard aging reports for DIFMS Reports 7310-472 “Commercial Accounts Payable” and 7310-484 “Unmatched Commercial Bills” as it gives a more complete picture of the entire requisition.

4.5.15.11. DIFMS Report 7310-461 “Transactions Clearing Material Requisition Status” includes four new sections because of this change. Sections for the “Accounts Payable/Unmatched Commercial Bill Netting” and “Reversal of Previous Accounts Payable/Unmatched Commercial Bill Netting” report the “netting” and “reverse netting” posting events performed by DIFMS Process MS270P. In addition, sections for Net Unmatched Commercial Bill Write Offs and Net Accounts Payable Write-Offs have been added to display the results of DIFMS Screen MS741P.

4.5.15.12. DIFMS Report MS741P allows for write-offs of requisition level net balances for Debit Unmatched Commercial Bills and Debit (Positive) Commercial Accounts Payable. The screen contains the two previously mentioned fields and an Action-Code field. There are two Action-Code values: ‘I’ (Inquire) and ‘W’ (Write-Off). The user first inquires and the response screen populates the appropriate amount field. Then the user enters an Action-Code of ‘W’ to initiate the net write-off. The resultant write-off creates an addition Material Requisition Status record with a Record-Name of ‘AN’ (Netted Write-Off) and flag it as a “Current Cycle Adjustment” (Status ‘W’) along with new Posting Conditions and Adjustment-Flags which allow the write-offs to be reported in new sections of the 7310-461 report. In addition, all affected detail records that support the netted balance is also set to a status of “closed” (3) and updated with the same Adjustment-Flag value as the summary net write-off record itself. Net Write-Offs are not allowed if other “Current Cycle Adjustment” (Status ‘W’) records exist for the input Requisition Number.

4.5.16. Batch Write-Off is available through the DIFMS Update Screens MS103P “Batched MIT Write-Off”, MS104P “Batched Material Accounts Payable (A/P) Write-Off”, MS105P “Batched Unmatched Material Bill Write-Off” and MS109P “Batched Material Write-Off Parameters”. These screens must have very limited access and must be tightly controlled (see paragraph 1.7.4).

4.5.17. Use DIFMS Update Screen MS192P “System JON Shop” to update the system information record with a standard Job Order Number/Shop.

#### **4.6. Material Review, Analysis, and Balancing**

4.6.1. The sources for material information are DIFMS inquiry screens, reports, and queries; DDS standard and ad-hoc reports; and H033-CPPM on-line reports. ABOM and NIMMS also provide screens, processes, and reports for the day-to-day material processing. Reference ABOM, NIMMS user manuals, and AFMCI 21-130.

4.6.2. Cumulative cost information

4.6.2.1. CPPM Direct Material screen can be used to analyze expense, exchange, and non-exchange material by RCC and above.

4.6.2.2. CPPM Indirect Material screen can be used to analyze material expenses by shop, RCC, 'U' Account, and JON.

4.6.2.3. DIFMS Inquiry Screens MS052P "Job Order" and MS056P "Indirect Job Order" can be used to inquire on cumulative JON cost.

4.6.2.4. DIFMS Inquiry Screens MS031P "Cost and Expense Material/Other" and MS035P "Cost Adjustment Research" can be used to inquire on cumulative cost at the JON and shop level.

4.6.2.5. DIFMS Reports 7310-783 "Direct Costs by Cost Center Year to Date" and 7310-785 "Indirect Cost Summary Year-To-Date" show year to date cost by JON and shop.

4.6.2.6. Queries can also be run against the DIFMS, DDS, and H033 databases for cumulative cost information.

#### 4.6.3. Current cycle cost

4.6.3.1. DIFMS Report 7310-412 "Daily Material Expenditures by Job Number" reflects material expenditures by job order number/shop. It includes valid, invalid, and corrected records. It provides a record count and summary amounts for incoming records, errors suspended, errors corrected and total records processed.

4.6.3.2. DIFMS Report 7310-421 "Material Expenditures by Cost Center" is a material expenditure report in Shop sequence. It allows for tracking costs by Cost Center as opposed to Job Order Number. The data on this report is the summarized costs for the week on DIFMS Report 7310-412 and agree with DIFMS Report 7310-424. *Note: this report runs daily.*

4.6.3.3. DIFMS Report 7310-424 "Material Expenditures Summary by Expense Count" displays material expenditures summarized by expense account. The same costs on DIFMS Report 7310-412 are summarized by expense account for this report. The TOTAL DIR, TOTAL PROD, TOTAL GEN, TOTAL SERV equals the postings to USSGL accounts 610000W2 Direct Cost-Material, 610000W3 Production Expense-Material, 610000W4 General Expense-Material, and 6100.00W1 Service Costs-Material respectively. USSGL Account 610000W1 is not used at the present. It also reflects the net change to USSGL account 199000B Other Assets - Unallocated Material Expenditures. *Note: report runs daily.*

4.6.3.4. DIFMS Report 7310-427 "Material Expenditures Distribution by Direct Job Order" is a quick reference for direct job order number material costs. *Note: report runs daily.*

4.6.3.5. Transaction history and research

4.6.3.6. DIFMS Inquiry MS036P "Obligation Inquiry by Job Order" allows inquiry on Material Due, Travel Accrual, Doc-Job-Shop, or Major Maintenance Project records associated with a job order number.

4.6.3.7. DIFMS Inquiry MS061P "Material Requisition Status" allows the user to query the database for either specific information or on all records for a requisition number.

4.6.3.8. DIFMS Inquiry MS062P “Commitment/Obligation by Project Order Number (PON)/Document” allows the user to query the database for specific information on Material Dues.

4.6.3.9. DIFMS Report 7310-431 “Detail Inventory Adjustments” displays miscellaneous increases or decreases to inventory. Daily material receipts from CSAG Supply, post CAM, are displayed as a NIMMS-CD ‘D6’ transaction, and turn-ins (receipt returns) to CSAG Supply are displayed as a NIMMS-CD ‘M6’ transactions.

4.6.3.10. DIFMS Report 7310-461 “Transactions Clearing Requisition Status” displays requisition numbers entered via DIFMS Update Screen MS189P “Material Requisition Number Correction” which allows users to move a government bill from one requisition number to another. Use this report by the when determining status of requisitions. The report shows the effect of updates to the Material Requisition Status file. A Journal Voucher updates the applicable General Ledger Accounts.

4.6.3.11. DIFMS Report 7310-462 “Processed Material Bills” assists in researching Material-in-Transit and displays transactions made in DIFMS Update Screen MS136P “Unmatched Commercial Bill Return”. Use this report when researching Material-in-Transit. Transactions on this report resulted from processing material bills with the offset postings to USSGL accounts 101040 Cash, 151100C4 Erroneous or Duplicate DSA/GSA Government Material Bills, 211042A3 Erroneous or Duplicate Commercial Material Bills, and 131041D Unmatched Other. The Journal Voucher is reflected on the DIFMS Reports 7310-321 “Corrected Unallocated and Unmatched Details, 7310-335 “Cash Receipts Register”, or 7310-340 “Cash Disbursement Register”.

4.6.3.12. DIFMS Report 7310-487 “Requisition Number Correction” displays requisition numbers entered on DIFMS Update Screen MS189P “Material Requisition Number Correction”. Use this report as a reference when researching Material-in-Transit. This report displays requisition number corrections input on DIFMS Update Screen MS189P.

4.6.3.12.1. Queries can also be run against the DIFMS and DDS databases for transaction history.

4.6.4. Responsibilities in this paragraph are shared by ABOM/NIMMS users and the DIFMS financial analysts. Material balancing requires the users responsible for inputting material transactions affecting inventory/cost review the following reports for accuracy of input. The financial impact of material in organic depot maintenance depends on the accuracy of transactions reflected on these reports. Transaction input accuracy is the responsibility of the Production Support Technician (PST). In most cases, if the PST finds an error on input of the transaction it also shows up on the NIMMS Report MN507R01 “Daily Suspense Listing”. This report reflects errors in the transactions. Once the NIMMS user corrects the error, the correction also fixes the Due-In From Maintenance (DIFM) errors that have been generated.

4.6.5. DIFMS Report 7310-412 “Daily Material Expenditures by Job Number” reflects valid, invalid and corrected records.

4.6.6. DIFMS Report 7310-415 “Weekly Unallocated Material Expenditures” is a subsidiary for USSGL accounts 1990.00B, Unallocated Material Expenditures; 962100, Unidentified

Costs-Customer Furnished Material; and 962200, Unidentified Costs-Government Furnished Material. Ending Balance of USSGL accounts 199000B, 662200, and 662100 on the report should be equal with General Ledger accounts. Net change amount should equal by expense account number at miscellaneous totals section on DIFMS Report 7310-424 “Expenditures Expenses Account”.

4.6.6.1. Beginning Balance = Total of Prior Cycle Unallocated Material + Total Corrected Unallocated Material.

4.6.6.2. Net Change = Total of Current Cycle Unallocated Material - Corrected Unallocated Material.

4.6.6.3. Ending Balance = Total of Current Cycle Unallocated Material + Total Prior Cycle Unallocated Material.

4.6.7. DIFMS Report 7310-421 “Weekly Material Expenditures by Cost Center”. Total for each category should equal DIFMS Report 7310-424 “Weekly Material Expenditures Summary by Expense Account”. Subtract miscellaneous totals as applicable.

4.6.8. DIFMS Report 7310-427 “Weekly Material Expenditures Distribution”. Total for each category should equal DIFMS Report 7310-424 “Weekly Material Expenditures Summary by Expense Account” on Total Direct (DIR) section only because this report only display for Direct JON only.

4.6.9. DIFMS Report 7310-424 “Total Direct, Total Production, Total General and Total Service (Material Supplies and Direct Material)” should equal postings to USSGL accounts for Supplies and Materials (610000W1, 610000W2, 610000W3, and 610000W4) and for Equipment (610000X1, 610000X2, 610000X3, and 610000X4). Miscellaneous Totals reflect Net Changes to USSGL account 199000B, Unallocated Material Expenditures to USSGL account 962100, Unidentified Costs - Customer Furnished Material and USSGL account 962200, Unidentified Costs - Government Furnished Material.

**Table 4.1. DIFMS Report 7310-424**

General Ledger	Debit (DR) Credit (CR)	Description
610000X1 & 610000W1	DR	Equal to the Total Service for Total NIF (Material Supplies plus Direct Material)
610000X2 & 610000W2	DR	Equal to the Total Direct for Total NIF (Material Supplies plus Direct Material)
610000X3 & 610000W3	DR	Equal to the Total Prod for Total NIF (Material Supplies plus Direct Material)
610000X4 & 610000W4	DR	Equal to the Total Gen for Total NIF (Material Supplies plus Direct Material)
942100	DR	Equal to the Total Direct for Sponsor Owned Material
942200	DR	Equal to the Total Direct for Government Furnished Material

General Ledger	Debit (DR) Credit (CR)	Description
962100	DR	Equal to the Total Miscellaneous for Sponsor Owned Material
962200	DR	Equal to the Total Miscellaneous for Government Furnished Material
902100	CR	Equal to the Report Total for Sponsor Owned Material
902200	CR	Equal to the Report Total for Government Furnished Material
SUM OF 151100A1 & 151100A3 & 151200 & 151300	CR	Equal to the Report Total for Material
151100A2	CR	Equal to the Report Total for Direct
199000B	DR	Equal to the Total Miscellaneous for Total NIF

4.6.10. DIFMS Report 7310-430 "Detail Material Receipt Transactions". Provides a list of receipts processed into the NIMMS inventory in NIMMS Code, Inventory type, and Requisition sequence.

Table 4.2. DIFMS Report 7310-430

General Ledger	Debit (DR) Credit (CR)	Description
151100A1	DR	The sum of NIMMS Codes A1, A3, and A5 with a Financial Inventory Type of 'N' (Material and Supplies)
151100A3	DR	The sum of NIMMS Codes A1, A3, and A5 with a Financial Inventory Type of 'I' (Insurance)
151200	DR	The sum of NIMMS Codes A1, A3, and A5 with a Financial Inventory Type of 'F' (Foreseeable Requirements)
151100A2	DR	The sum of NIMMS Codes A1, A3, and A5 with a Financial Inventory Type of 'D' (Direct Material)
151300	DR	The sum of NIMMS codes A1, A3, and A5 with Financial Inventory Type of 'E' (Equipment)
131042B	DR	The sum of NIMMS codes A2 with Financial Inventory Type of 'N'(Material and Supplies), 'I'(Insurance), 'F' (Foreseeable Requirements), 'D' (Direct Material), and 'E' (Equipment)
131041B	DR	The sum of NIMMS codes A4, and SC with Financial Inventory Type of 'N'(Material and Supplies), 'I'(Insurance), 'F' (Foreseeable Requirements), 'D' (Direct Material), and 'E' (Equipment)
902100	DR	The sum of NIMMS Code B2 with a Financial Inventory Type of 'C' (Customer Furnished Material)
902200	DR	The sum of NIMMS code B2 with a Financial Inventory Type of 'G' (Government Furnished Material)
980000	DR	The sum of NIMMS Code B3 with a Financial Inventory Type of 'C' (Customer Furnished Material)
980000	DR	The sum of NIMMS code B3 with a Financial Inventory Type of 'G' (Government Furnished Material)
152600D	CR	The sum of NIMMS Code A5 with a Financial Inventory Type of 'N' (Material and Supplies), 'I' (Insurance), 'F' (Foreseeable Requirements), 'D' (Direct Material), and E (Equipment)
211041A	CR	The sum of NIMMS Code A3 with a Financial Inventory Type of 'N' (Material and Supplies) 'I' (Insurance), 'F' (Foreseeable Requirements), 'D' (Direct Material), and 'E' (Equipment)
211042B1	CR	The sum of NIMMS Code A1 with a Financial Inventory Type of 'N' (Material and Supplies) 'I' (Insurance), 'F' (Foreseeable Requirements), 'D' (Direct Material), and 'E' (Equipment)
151100A1	CR	The sum of NIMMS Codes A2, and A4 with a Financial Inventory Type of 'N' (Material and Supplies)

General Ledger	Debit (DR) Credit (CR)	Description
151100A3	CR	The sum of NIMMS Codes A2, and A4 with a Financial Inventory Type of 'I' (Insurance)
151200	CR	The sum of NIMMS Codes A2, and A4 with a Financial Inventory Type of 'F' (Foreseeable Requirements)
151100A2	CR	The sum of NIMMS Codes A2, and A4 with a Financial Inventory Type of 'D' (Direct Material)
151300	CR	The sum of NIMMS codes A2, and A4 with Financial Inventory Type of 'E' (Equipment)
610000W4	CR	The Sum of NIMMS code SC with a Financial Inventory Type of 'N'(Material and Supplies), 'I'(Insurance), 'F'(Foreseeable Requirement), 'E'(Equipment), 'D'(Direct
980000	CR	The sum of NIMMS Code B2 with a Financial Inventory Type of 'C' (Customer Furnished Material) and 'G' (Government Furnished Material)
902100	CR	The sum of NIMMS Code B3 with a Financial Inventory Type of 'C' (Customer Furnished Material) and 'G' (Government Furnished Material)

4.6.11. Report 7310-431 “DIFMS Detail Inventory Adjustments”. Reflects various transactions generated by the NIMMS to affect adjustments to the inventories. If difference is positive, posting is DR; if difference is negative, posting is CR.

Table 4.3. DIFMS Detail Inventory Adjustments

General Ledger	Debit (DR) Credit (CR)	Description
151100A1 610000W4	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'N' (Material and Supplies)
151100A1 610000W4	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, and E2 with a Financial Inventory Type of 'N' (Material and Supplies)
151100A3 610000W4	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'I' (Insurance)
151100A3 610000W4	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, AND E2 with a Financial Inventory Type of 'I' (Insurance)
151200 610000W4	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'F' (Foreseeable Requirement)
151200 610000W4	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, AND E2 with a Financial Inventory Type of 'F' (Foreseeable Requirement)
151300 610000W4	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'E' (Equipment)
151300 610000W4	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, AND E2 with a Financial Inventory Type of 'E' (Equipment)
151100A2 610000W4	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'D' (Direct)
151100A2 610000W4	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, AND E2 with a Financial Inventory Type of 'D' (Direct)
902100 610000W4	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'C' (Customer Furnished Material)
902100 980000	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, AND E2 with a Financial Inventory Type of 'C' (Customer Furnished Material)
902200 980000	CR DR	The sum of NIMMS Codes L1, L2, L3, M2, M4, M8, NI and N2 with a Financial Inventory Type of 'G' (Government Furnished Material)
902200 980000	DR CR	The Sum of NIMMS Codes D2, D4, D8, E1, AND E2 with a Financial Inventory Type of 'G' (Government Furnished Material)
151100A1 331000M1	DR CR	The Sum of NIMMS Codes D6 with a Financial Inventory Type of 'N' (Material and Supplies)

General Ledger	Debit (DR) Credit (CR)	Description
151100A1 331000M1	CR DR	The sum of NIMMS Codes M6 with a Financial Inventory Type of 'N' (Material Supplies)
151100A3 331000M1	DR CR	The Sum of NIMMS Codes D6 with a Financial Inventory Type of 'I' (Insurance)
151100A3 331000M1	CR DR	The sum of NIMMS Codes M6 with a Financial Inventory Type of 'I' (Insurance)
151200 331000M1	DR CR	The Sum of NIMMS Codes D6 with a Financial Inventory Type of 'F' (Foreseeable Requirement)
1512.00 3310.00M1	CR DR	The sum of NIMMS Codes M6 with a Financial Inventory Type of 'F' (Foreseeable Requirement)
151300 331000M1	DR CR	The Sum of NIMMS Codes D6 with a Financial Inventory Type of 'E' (Equipment)
151300 331000M1	CR DR	The sum of NIMMS Codes M6 with a Financial Inventory Type of 'E' (Equipment)
151100A1 572000A	DR CR	The sum of NIMMS Codes D9 with a Financial Inventory Type of 'N' (Material Supplies)
151100A3 572000A	DR CR	The Sum of NIMMS Codes D9 with a Financial Inventory Type of 'I' (Insurance)
151200 572000A	DR CR	The Sum of NIMMS Codes D9 with a Financial Inventory Type of 'F' (Foreseeable Requirement)
151300 572000A	DR CR	The Sum of NIMMS Codes D9 with a Financial Inventory Type of 'E' (Equipment)
151100A2 572000A	DR CR	The sum of NIMMS Codes D9 with a Financial Inventory Type of 'D' (Direct)
151100A1 573000C	CR DR	The sum of NIMMS Codes M9 with a Financial Inventory Type of 'N' (Material Supplies)
151100A3 573000C	CR DR	The Sum of NIMMS Codes M9 with a Financial Inventory Type of 'I' (Insurance)
151200 573000C	CR DR	The Sum of NIMMS Codes D9 with a Financial Inventory Type of 'F' (Foreseeable Requirement)
151300 573000C	CR DR	The Sum of NIMMS Codes D9 with a Financial Inventory Type of 'E' (Equipment)
1511.00A2 573000C	CR DR	The sum of NIMMS Codes D9 with a Financial Inventory Type of 'D' (Direct)

4.6.12. DIFMS Report 7310-432 "Detail Material Commitment/Obligation Transaction".

4.6.12.1. For Direct JON and owner by CON with CD-MFG-TYPE-CD = '4' (Capital) Source Code not equal to 'M' and Back-Ord-Reqn-Indicate not equal to '1'

**Table 4.4. Detail Material Commitment/Obligation Transaction**

General Ledger	Debit (DR) Credit (CR)	Description
461040B	DR	The Sum of NIMMS codes SA, SB, SD, and SE
470040B	CR	The Sum of NIMMS code SA and SB
480142Z	CR	The Sum of NIMMS code SD and SE with Source-Code equal to 'P'
480141Z	CR	The Sum of NIMMS code SD and SE with Source-Code equal to 'S'

4.6.12.2. For Direct JON and owner by CON with CD-MFG-TYPE-CD not equal to '4' Source Code not equal to 'M' and Back-Ord-Reqn-Indicate not equal to '1'.

**Table 4.5. For Direct JON**

General Ledger	Debit (DR) Credit (CR)	Description
461040A	DR	The Sum of N IMMS codes SA, SB, SD, and SE
470040A	CR	The Sum of NIMMS code SA and SB
480142Y	CR	The Sum of NIMMS code SD and SE with Source-Code equal to 'P'
480141Y	CR	The Sum of NIMMS code SD and SE with Source-Code equal to 'S'

4.6.12.3. For Indirect JON and Source Code not equal to 'M' and Back-Ord-Reqn-Indicate not equal to '1'.

**Table 4.6. Indirect JON**

General Ledger	Debit (DR) Credit (CR)	Description
461040A	DR	The Sum of NIMMS codes SA, SB, SD, and SE
470040A	CR	The Sum of NIMMS code SA and SB
480142Y	CR	The Sum of NIMMS code SD and SE with Source-Code equal to 'P'
480141Y	CR	The Sum of NIMMS code SD and SE with Source-Code equal to 'S'

4.6.12.4. If the transactions have the Source-Code equal to 'M' and BACK-ORD-REQN-INDICATE equal to '1', are not posted to the USSGL and it displays on the last page of report at the column "MATL SUP/DIR MATL (NOT POSTED)".

4.6.13. DIFMS Report 7310-433 "Financial Inventory Control Ledger" displays financial status of the NIMMS Inventory Store Records within the inventory account. Each transaction that increased or decreased inventory balances during the week will appear on this report. The Store Record financial dollar value fields are 12 positions (including decimal), such as Store Beginning Balance, Current Month Increases, Current Month Decreases and Closing Balance Amount. These field sizes ensure the Closing Balance dollar amount is not truncated before being sent to the DIFMS Report 7310-965 "Automated Balancing". Additionally, the same

transactions appear on the DIFMS Reports 7310-421, 7310-430, and 7310-431. The 7310-433 is also a subsidiary ledger for USSGL accounts 151100A1- Material and Supplies-Active; 151100A3-Materials and Supplies-Insurance; 151200-Materials and Supplies-Foreseeable Requirements; 151100A2-Direct Material; 151300-Equipment; 912000-Customer Furnished Material and 902200-Government Furnished Material.

4.6.14. DIFMS Report 7310-460 “In-House Manufacturing Receipts and Variances”. 152600D equals the total variance for completed receipts with job closed. USSGL account 610000W4 equals the total variance for completed receipts with job closed.

4.6.15. DIFMS Report 7310-461 “Transactions Clearing Requisition Status”. This report is processed by DIFMS Program MS270P to match off between debit bills, credit bills, and receipts. The transactions post to the USSGL at Journal Voucher "MU". The total debit should equal to total credit on the report. This journal voucher detail should equal to DIFMS Report 7310-945 “Processed Journal Vouchers”. If this report is out of balance, contact Defense Finance and Accounting Service Information and Technology (DFAS I&T) customer support desk immediately for assistance with corrections.

4.6.16. DIFMS Report 7310-915 “General Ledger Detail Year-To-Date” provides a mechanized ledger that maintains all transactions. The report lists each USSGL account and applicable postings. The report provides weekly/monthly balances, prior month/year balances for which all-subsiary ledger account balances agree at the end of the processing cycle. The report displays mechanized Journal Vouchers for the processing cycle. The report can be used as a research tool to track postings in Out-Of-Balance conditions. Reports that generate mechanized JVs can also be used to identify transactions that may have created an out-of-balance condition. Research that is more thorough can be performed if initiated during the same period the out-of-balance has occurred. The accounts that are posted can be traced through the Journal Voucher number to DIFMS Reports 7310-945 and 7310-915 (USSGL reports).

4.6.17. Reports with journal vouchers:

4.6.17.1. DIFMS Report 7310-424 “Weekly Material Expenditures Summary by Expense Account”

4.6.17.2. DIFMS Report 7310-430 “Detail Material Receipt Transaction Report”

4.6.17.3. DIFMS Report 7310-431 “Detail Inventory Adjustments”

4.6.17.4. DIFMS Report 7310-432 “Detail Material Commitment/Obligation Transaction”

4.6.17.5. DIFMS Report 7310-457 “Purchase Variances” (Journal Voucher postings to the USSGL accounts are for overrides only)

4.6.17.6. DIFMS Report 7310-460 “In-House Manufacturing Receipts and Variances”

4.6.17.7. DIFMS Report 7310-461 “Transaction Clearing Requisition Status”

4.6.17.8. DIFMS Report 7310-463 “Monthly Inventory Allowance”

4.6.17.9. DIFMS Report 7310-965 “Automated Balancing”. This report lists USSGL and subsidiary accounts. Provides the USSGL account number, database value(s), debit/credit indicator, reference report number (subsidiary reports), subsidiary ledger values and variances amounts.

4.6.18. Subsidiary reports:

4.6.18.1. DIFMS Report 7310-415 “Weekly Unallocated Material Expenditures”. Displays amount in USSGL accounts 199000B-Unallocated Material Expenditures, 962100-Unidentified Costs-Customer Furnished Material and 962200-Unidentified Costs-Government Furnished Material.

4.6.18.2. DIFMS Report 7310-433 “Financial Inventory Control Ledger”. Displays amount in USSGL accounts 151100A1-Material and Supplies-Active; 151100A3 Material and Supplies-Insurance; 151200-Material and Supplies Foreseeable Requirements; 151100A2-Direct Material; 151300-Equipment 902100-Customer Furnished Material and 902200-Government Furnished Material

4.6.18.3. DIFMS Report 7310-469 “Aged Material In-Transit Government”. Aged Report which displays Material in Transit amount in USSGL account 151100B1 Material-in-Transit-Government

4.6.18.4. DIFMS Report 7310-472 “Aged Accounts Payable”. Age and display amount in USSGL accounts 211041A-Accounts Payable Government Agencies and 211042B1-Accounts Payable-Commercial.

4.6.18.5. DIFMS Report 7310-478 “Aged Material Accounts Receivable”. Age and display amounts in USSGL accounts 131042B-Accounts Receivable-Commercial Material and 131041B-Accounts Receivable-Credits Pending from Government Sources

4.6.18.6. DIFMS Report 7310-484 “Aged Unmatched Bills”. Age and display amount in USSGL accounts 151100C1-Unmatched Government Material Bills; 151100C2-Unmatched Depot Level Repairable Second Bills; 151100C3-Duplicate NSA and DSA/GSA Bills and 210042A1-Unmatched Commercial Material Bills.

## Chapter 5

### COLLECT/TRACK COST/EXPENSE-BUSINESS OPERATIONS

#### 5.1. Introduction

5.1.1. All costs of working capital fund operations must be collected and recorded. These costs include all resources consumed by depot maintenance including labor and material as covered in other chapters as well as the business operation costs covered in this chapter. Resources include services and goods consumed by organizations supporting depot maintenance as well as consumed directly. The costs of resources furnished at no charge to depot maintenance are referred to as unfunded costs. The costs of resources charged to depot maintenance are funded costs.

5.1.2. Costs of depot maintenance are classified as direct or indirect (overhead) depending on whether increments of a particular cost can be directly and economically identified to a specific depot maintenance direct job order. Costs meeting this criterion are direct costs. All other costs are indirect costs. Indirect costs are further classified depending on whether a cost can be directly and economically identified to a specific area of direct production effort. Costs meeting this criterion are production overhead costs. All other indirect costs are general and administrative costs.

5.1.3. Defense Industrial Financial Management System (DIFMS) in the Other Cost subsystem establishes, updates, changes, or deletes and reports asset/liability records for business operations other than labor, material, and fixed assets. The policy and procedures in this Air Force Materiel Command Instruction refers to "Other" as "Business Operations" because the latter term is more descriptive. The function processes accrual costs, final accruals, discounts, setup charges, deposits, freight, and deductions; amortizes prepaid expenses, write-offs of account balances, and accrual liquidations; calculates contingent liabilities; and journalizes the Schedule of Accruals. The Business Operations Cost subsystem reports business operations cost by expense account and by job order number. The Business Operations (Other) Cost subsystem processes all obligation type transactions that are not labor and material. This includes services contracts, Military Inter-departmental Purchase Request (MIPR), Miscellaneous Obligation Requirements Document (MORD), Government-Wide Purchase Card (GPC), and travel transactions. For Capital Investment Program (CIP) and depreciation - see [Chapter 10](#).

5.1.4. References:

5.1.4.1. DFAS-DE 7010.5-R, *Direct, Refund, Reimbursement, and Receivable Transactions at Base Level*, June 2006.

5.1.4.2. Air Force Instruction (AFI) 64-117, *Air Force Government-Wide Purchase Card (GPC) Program*

5.1.4.3. AFI 65-103, *Temporary Duty Orders*

5.1.4.4. Department of Defense (DoD) 7000.14-R, Volume 9, [Chapter 5](#); Volume 11B, [Chapters 9](#), 12, and 13.

5.1.4.5. DIFMS User Manual, Appendix H, Other (Business Operations) Cost Function and Appendix Y, Error Messages.

5.1.4.6. DIFMS Physical Model 03, in Other (Business Operations) Cost

5.1.4.7. Joint Federal Travel Regulation/ Joint Travel Regulation (JFTR/JTR)

## 5.2. Line of Accounting

5.2.1. The Line of Accounting (LOA) must be included on all documents generated for fund codes ‘6L’ (Tinker AFB), ‘6M’ (Hill AFB), and ‘6Z’ (Robins AFB). Examples can include purchase requests, purchase orders, Miscellaneous Obligation Reimbursement Documents (MORD), Military Interdepartmental Purchase Requests (MIPR), etc. *Note: The LOA for the Capital Investment Program (CIP) is covered in [Chapter 10](#).*

5.2.1.1. The following data elements are required in the hard copy document LOA. These fields are crucial for proper depot maintenance accounting using DIFMS.

**Table 5.1. Line of Accounting Elements for DIFMS Content**

Content	# Positions
DIFMS Cost Code	8
Contractual Other Code (COC)	2
Shop Code: Resource Control Center (RCC) or Administrative Overhead Center (AOC)	5
Job Order Number (JON)	12

5.2.1.2. Additional fields of the LOA, include appropriation, Operating Agency Code (OAC), Operating Budget Assignment Number (OBAN), Fund Code (FC), Fiscal Year (FY), Element of Expense/Investment Code (EEIC), and Accounting Disbursing Station Number (ADSN). AFMC/FM provides the Center FM offices a Standard Indirect JON List and AFMC Standard Contractual Other Code (COC) List. AFMC/FM maintains these lists and provides updates, as required.

5.2.2. The cost code within each Line of Accounting must be unique. Each commitment should have only one obligation number. In exceptional cases where a commitment document is required to fund multiple contracts, unique cost code assignments must be made for each contract accounting line.

5.2.2.1. Each ALC must institute a disciplined process to assign a cost code manually for entry into the long Line of Accounting (LOA) on the physical (original) document and entry on DIFMS Update Screen MS112P “Asset Liability”. For commercial material buys, use the Naval Air Systems Command (NAVAIR) Industrial Material Management System (NIMMS) Screen MN012P (Requisitioning Establishment) (See [Chapter 4](#) for further details). The ALC must maintain a Cost Code Log, which contains a table to connect the cost code to the line of accounting to the document number. The log must contain, at a minimum, the Cost Code, Document Number, each LOA (if more than one line is on a document), Date of Assignment, and the Assignor’s Initials.

5.2.2.2. The cost code is the major systemic transaction identifier in DMAPS. The 8-position cost code links GAFS-BL/BQ, DFAS-IE, and DIFMS for all business operations transactions. If the cost code entered in DIFMS does not match the cost code that was entered into other systems, the obligation and cash action generated by GAFS-BL/BQ will

not match and will be rejected. Cost code control and reconciliation is vital to assuring accurate processing.

5.2.2.3. The composition of the eight-position cost code is as follows: Positions 1-2 describe the item: Use (MU) for Material Items Commercially Procured Un-accrued , (SU) for Services Item Un-accrued , (SA) for Services Item Accrued by Amount , and (ST) for Services Item Accrued by Time. Cost codes starting with 'C' are for CIP, which is covered in [Chapter 10](#). Positions 3-4 represent the two-digit fiscal year and positions 5-8 contain a uniquely assigned, serialized number.

5.2.3. The Contractual Other Code (COC) is a two-position element, which further defines business operations expenses within DIFMS. There is a unique linkage among indirect JON, COC, and United States Standard General Ledger (USSGL). COCs '01'-'50', excluding '45' (Military Labor), are considered contractual costs. COCs '51'-'99' (excluding depreciation COCs of '54', '59', and '60'), are considered 'business operations' on the cost summary reports.

5.2.4. The Shop Code is the five-position element representing the organization (AOC or RCC) where costs are collected.

5.2.5. The JON is a 12-position element, and considered "direct" or "indirect". If "indirect", the JON must be linked to the COC. If "direct", travel (A-JON) COC '87' is used. If other direct, choose the COC based on the services provided. *Note: The COC for CIP (F-JON) is '38' and is covered in detail in [Chapter 10](#).*

### 5.3. Goods and Services Commitment

5.3.1. Center personnel use the following commitment process. Center personnel must enter transactions in both DIFMS and other systems (such as GAFS-BL/BQ) until automated interfaces or other process changes are implemented.

5.3.2. The requesting organization's Resource Advisor (RA) verifies availability of funding for requested goods or services. The line of accounting (LOA) is assigned, including the JON, Shop, cost code, and COC; and forwarded for approval to the appropriate office(s). The certifying office enters the commitment information in DIFMS on Update Screen MS112P "Asset Liability Update" to validate the LOA, including JON and shop. Once the LOA is validated, the commitment is certified in Automated Base Services System (ABSS) and entered in GAFS-BL/BQ. Once certified, ABSS electronically routes the information to appropriate offices, such as the initiator or contracting. ABSS routes disapprovals to the initiator.

5.3.3. For the purposes of establishing a commitment, DIFMS Update Screen MS112P allows the users to add, inquire, and change the commitment or contingent liability. All commitments are initially established as posting code '5' with the exception of the miscellaneous civilian pay MORDS, collections or credits (posting code '6') and the military labor accrual (posting code '8'). Based on the source and type of services being procured, the service acquisition code and Working Capital Fund (WCF) indicator must also be entered.

5.3.3.1. MORDS in regards to Labor, (i.e. Miscellaneous Civilian Pay, Collections or credits posting code "6", and the Military Labor Accrual posting code "8") are covered in detail in [Chapter 3](#) – Labor.

5.3.4. Accounting entries in DIFMS at the commitment stage are a debit to allotments (USSGL account 461040A) and a credit to commitments (USSGL account 470040A). The associated entry can be seen on DIFMS Report 7310-604 “Schedule of Commitments/Obligations”.

#### **5.4. Goods and Services Obligations**

5.4.1. An obligation is based on notification of contract award and entered into GAFS-BL/BQ. GAFS-BL/BQ interfaces the obligations to the DFAS-IE daily. DFAS-IE sends the change transactions to DIFMS for changing the commitments to obligations. These transactions are validated by the DIFMS Program MS210P “Asset Liability Batch Validation” and valid transactions are shown on the DIFMS Report 7310-642 “Doc-Job-Shop Update (Part 1)”. Invalid transactions are on Part 2 of this report. Manually correct these invalid transactions on the DIFMS Update Screen MS112P.

5.4.2. Accounting entries in DIFMS, at the obligation stage, are a debit to commitments (USSGL account 470040A) and a credit to obligations (USSGL account 4801-series). The fifth and sixth positions of the obligation USSGL is ‘41’ for government service acquisition codes within the WCF (‘W’), DoD (‘D’) and Other Government (‘O’) and ‘42’ for public (‘P’). The seventh position is operations (‘Y’) and eighth position is determined by the COC). The associated entry can be seen on DIFMS Report 7310-604 “Schedule of Commitments/Obligations”. DIFMS Screen MS112P and the DIFMS Program MS210P “Batch Asset Liability Update” allow the authorized obligation to be set to zero on a posting code ‘3’ record when there is a Purchase Order Number (PON) associated with the record (“net to zero”). This provides a means for closing these records as well as properly reflecting the reduction in the budgetary obligation. Posting code ‘3’ records, which are intended to be utilized as Deferred Charges, are used within DIFMS to hold the summary payment data on bankcards. These records are liquidated by the summary payment. The initial obligation has to be established to allow the summary liquidation to process through cash. The liquidation ultimately is reduced by the “zero batch” summary payment credit when the charges are redistributed to individual requisitions. Once the liquidation is reduced, the initial summary obligation amount needs to be reduced so that the overall obligated authority is not overstated (not counted on both the bankcard summary record and the detail requisitions). DIFMS Update Screen MS111P “Asset/Liability Structure Correction” ensures that records cannot be modified when costs have been incurred. This validation includes Account Payable Balance Amount Liquidated in all such validation checks. In addition, the ability to change Job Number and/or Shop only disallows changes when the “net balance” is not zero (i.e. Accrual Amount minus Accrual Amount Liquidated or Accounts Payable Balance Amount minus Accounts Payable Balance Amount Liquidated). The validation in DIFMS Update Screen MS111P should prevent inappropriate transactions from occurring in the system.

#### **5.5. Other Expense Distribution**

5.5.1. Accrual records are identified in the obligating documents by the first two digits of the cost code. Cost codes beginning with ‘SA’ or ‘ST’ are to be accrued. Cost codes beginning with ‘SU’ and ‘MU’ are not to be accrued, along with CIP.

5.5.1.1. Use DIFMS Update Screen MS112P to establish an accrual in DIFMS. The screen allows the user to inquire, establish, change, finalize, or re-open Accrual, Contingent Liability, and Direct Cite data for non-travel accrued and un-accrued costs such as contracts. The actual accrual amount is recorded based on the DIFMS Program MS265P “Validate Accrual Data” which increases the balance in the accrual amount on the record. The results show on DIFMS Report 7310-605 “Schedule of Accruals”. Accrual errors show on DIFMS Report 7310-610 “Accrual Rejects”. The user cannot change a document number or task number if there are liquidations against it.

5.5.1.2. Cost codes beginning with ‘SA’ are to be accrued based on an authorized accrual amount provided by the ALC. These accruals are based on an irregular, non-straight-line series of amounts (e.g., Utilities, DOCAT, etc). The posting code is changed to ‘7’ on DIFMS MS112P immediately after the obligation is recorded. The authorized accrual amount is manually changed periodically to the cumulative authorized accrual value for the life of the expense. More information on DOCATs can be found in [Chapter 3](#) – Labor.

5.5.1.3. Cost codes beginning with ‘ST’ are to be accrued based on the obligation and period of performance on the contract. These accruals are based on a straight-line series of amounts. The posting code is changed to ‘1’ on DIFMS Update Screen MS112P immediately after the obligation is recorded. The system automatically accrues the proper amount of the authorized accrual over the entered period of performance.

5.5.1.4. Accrual transactions post a credit to USSGL account 211041 (Government) or USSGL account 211042 (Public) with an offsetting debit to business operations expense USSGL accounts 610000 I through V and X through Z, based on COC. The corresponding budgetary entry is a credit to the USSGL account 4801-series and a debit to accrued expenditures unpaid in the USSGL account 4901-series. For budgetary accounts, positions 5-8 are as covered above. These transactions can be found on DIFMS Report 7310-605 “Schedule of Accruals”. If DIFMS cannot process the accrual (closed JON, shop not valid, etc.), the transaction is rejected to the DIFMS Report 7310-610 “Accrual Rejects”. To correct rejected accruals, use the DIFMS Update Screens MS112P “Asset Liability Update” and/or MS111P “Asset Liability Structure Correction”.

5.5.2. The Accounts Payable process is described by the steps necessary to establish and record an Accounts Payable against the job order and shop that is designated on the procurement document. The Accounts Payable is based on the receipt action for the goods or services.

5.5.2.1. Valid payable transactions are shown on DIFMS Report 7310-642, “Doc-Job-Shop Update (Part 1)”. The invalid accounts payable transactions are shown in Part 2 of this report. This report must be monitored daily because the information is not cumulative. Correct the errors through input in DIFMS Update Screen MS112P. If not corrected, the cash disbursement suspends on DIFMS Report 7310-322 “Weekly Unallocated Details” and be corrected at that time.

5.5.2.2. Payable transactions post a credit to USSGL account 211041B (Government) or USSGL account 211042B3 (Public) with an offsetting debit to business operations expense in USSGL account 610000 I through V and X through Z, based on COC. The corresponding budgetary entry is a credit to the USSGL 4801 series and a debit to accrued expenditures unpaid in the USSGL 4901 series. For budgetary accounts, positions 5-8 are

as covered above. These transactions can be found on DIFMS report 7310-605 "Schedule of Accruals". If DIFMS cannot process the payable (closed JON, shop not valid, etc.), the transaction is rejected to the DIFMS report 7310-610 "Accrual Rejects". To correct rejected payables, use the DIFMS Screens MS112P and/or MS111P.

### 5.5.3. Government-Wide Purchase Card (GPC) for Services

5.5.3.1. Service buys are accounted for at the cardholder level, much as described for the material buys. The only differences are that the summary obligation data is passed from GAFS-BL/BQ to DIFMS via the DFAS-IE.

5.5.3.2. Cost transfers are implemented for GPC purchases that should be charged to direct or other indirect JONs. The cardholder determines the cost transfers required when reviewing the monthly summary payment received from the GPC vendor or when the initial card is issued.

5.5.3.3. Summary records are established in the Business Operations (Other) Cost subsystem of DIFMS for the service GPC purchases.

5.5.3.4. The procedures below describe how to record the GPC summary payments, and then distribute the charges to the appropriate JON level for services buys. This process assumes that service buys are recorded and liquidated at the cardholder level. It assumes that cost transfers are made, as required, for the proper JON charges.

5.5.3.4.1. The GPC payments are made at a summary level. Each cardholder and certifying official certifies the invoice for payment, and the payment is at the certifying official level. The summary payment at the cardholder level liquidates the accounts payable at the summary level. DIFMS requires a match between the originally recorded obligation/receipt and the subsequent disbursement transaction.

5.5.3.4.2. Nearly all service GPC buys are to indirect JONs. The monthly bankcard payment is allowed to process and liquidate at the summary level the obligation and expense amounts recorded at the time the invoice amount was certified by the cardholder and/or certifying official.

5.5.3.4.3. Service GPC buys are recorded in DIFMS and GAFS-BL/BQ. The cost code on the service summary record should be coded with an 'SU' rather than a 'MU', which is used for the material purchases. The obligation for the 'SU' service purchases come to DIFMS via the IE from GAFS-BL/BQ. The commitment for cost codes coded with 'SU' must be directly input into the DIFMS Update Screen MS112P. The commitment record must also be input into GAFS-BL/BQ. The 'SU' transactions are not passed from GAFS-BL/BQ to DIFMS.

5.5.3.4.4. An accounts payable value equal to the summary invoice amounts must be input into DIFMS as a change transaction via DIFMS Update Screen MS112P at the time the invoice is certified for payment. Records with 'SU' cost codes are not accrued. The expense generated by the input of the authorized accounts payable amount are liquidated by the cash payment made to the bankcard company. The GPC payment occurs each month based on the certified invoice. At the end of the fiscal year, a 13<sup>th</sup> cycle is run.

- 5.5.3.4.5. Where appropriate, use the DIFMS cost transfer process to move the GPC expense on a pseudo-JON to a direct or indirect JON. The cardholder or certifying official must prepare a cost transfer document to be input to DIFMS Update Screen MS144P "Cost Adjustment" for the charges. This transfer document would show the direct and/or indirect JON and amount for each purchase, and a credit to the pseudo-JON, which is stated on the GPC obligation document. Cost Accounting inputs the cost transfer transaction.
- 5.5.3.5. The following procedures are in support of AFI 64-117. If the user desires detailed knowledge of GPC processes, please reference this Instruction.
- 5.5.3.5.1. Use a separate AF IMT 4009, Government Purchase Card Fund Cite Authorization, for each billing account. Each AF IMT 4009 must have a unique LOA cost code.
- 5.5.3.5.2. All services purchases (obligations) are recorded in DIFMS via GAFS-BL/BQ by the Center at the time the payment is made. This means that service purchases are recorded monthly at the summary rather than the detail level.
- 5.5.3.6. GPC for services
- 5.5.3.6.1. The cardholder obtains a credit card and processes AF IMT 4009 in accordance with the procedures found in AFI 64-117.
- 5.5.3.6.2. The cardholder cannot make a purchase until the AF IMT 4009 is coordinated, certified, and approved. The amount of the AF IMT 4009 is recorded as a commitment in DIFMS. Once accepted as a valid record in DIFMS, the Center inputs AF IMT 4009 into GAFS-BL/BQ to establish a commitment with a single depot maintenance Line of Accounting. The cost code will contain 'SU' or 'MU' in positions 1 and 2.
- 5.5.3.6.3. Cardholder enters purchase into GPC purchase log as described in AFI 64-117.
- 5.5.3.6.4. Once the GPC payment has been made for the purchases of the month, the summary payment amounts are posted to the AF IMT 4009 level. This is done based on the GPC statement showing the total purchases for each AF IMT 4009. The total purchases for the month for the AF IMT 4009 are posted as the obligation/receipt amount. The obligation amount is posted in GAFS-BL/BQ and passed to DIFMS via the DFAS-IE.
- 5.5.3.6.5. In posting the obligation, the obligation must be made against the document number established by the commitment. The payment amount on the GPC statement for the AF IMT 4009 is established as an obligation amount. After the first month, the GPC payment amount is recorded in GAFS-BL/BQ as an amendment to the obligation value, and passed to DIFMS via the DFAS-IE. This is passed to DIFMS through the MS210D01 Interface, Asset Liability Batch, as an increase to the authorized obligation amount.

5.5.3.6.6. Statements are received and reconciliation is accomplished as described in AFI 64-117.

5.5.3.6.7. The payment record for the GPC purchases is recorded in GAFS-BL/BQ and passed to DIFMS via the DFAS-IE. The payment at a summary level for the AF IMT 4009 is recorded in GAFS-BL/BQ at the same time the obligation/receipt is made for the GPC purchases of the month. This payment must have the same number on the transaction as on the obligation to match in DIFMS. The payment transaction shows the document number, which is the AF IMT 4009 document number.

#### 5.5.4. Precision Measurement Equipment Laboratory Items

5.5.4.1. These procedures describe the steps to process contract Precision Measurement Equipment Laboratory (PMEL) transactions. Processes include the establishment of commitments and obligations, recording payables (or accruals) and cash liquidations, and cost transfers to customer JONs to affect the proper charges for the services provided. The procedures are explained below. *Note: Organic (in-house) PMEL procedures are discussed in [Chapter 3, Labor](#).*

5.5.4.2. All PMEL transactions concerning payment of the vendor performing the work are made at a summary (contract line) level. It is neither necessary nor desirable to have separate contract lines for each supported customer's workload. The certifying official certifies invoices for payment, and payments are posted at the contract level. These summary payments liquidate the Accounts Payable (A/P) or Accrual at the summary level.

5.5.4.3. Establish Accounts Payable or accrue costs via the DIFMS Update Screen MS112P "Asset Liability Update" for the total amount of the summary invoice authorized. Costs will be charged to the JON and shop on the PMEL obligation.

5.5.4.4. Generally, there is a need to charge most of the contract PMEL costs to direct JONs (customer) or other indirect JONs and Shops. Use the cost transfer process to allocate charges for those amounts.

5.5.4.5. Use the following steps for the PMEL process.

5.5.4.5.1. As with any other contract, a commitment is first established in DIFMS for the annual anticipated PMEL buy amount. The commitment is posted via the DIFMS Update Screen MS112P before it is input into GAFS-BL/BQ. Record the commitment in DIFMS against the overhead JON and Shop cited on the AF IMT 9 (Air Force Information Management Tool 9, Request for Purchase).

5.5.4.5.2. The procurement system obtains a contract for the PMEL services. DFAS inputs the PMEL obligation into GAFS-BL/BQ, which passes the obligation amount to DIFMS via the DFAS-IE on a MS210D01 file. Rejected interface transactions are shown on report 7310-340 (DIFMS Cash Disbursement Register) and 7310-642 (DIFMS Batch Doc-Job-Shop-Rec Update Valid), and must be corrected manually on MS112P.

5.5.4.5.3. The vendor submits PMEL invoices to a certifying official. These invoices contain a listing of services provided by customer during the invoice period. The certifying official certifies the invoice, and forwards it to DFAS for payment.

5.5.4.5.4. At the same time the certifying official certifies the invoice, the ALC records an A/P amount (or accrual) for the total invoice amount via DIFMS Update Screen MS112P. Increase the authorized A/P amount by the amount of the invoice, and the USSGL 211042C1 account number, if not present, needs to be added to record an A/P balance. The cash transaction generated by the payment requires that an A/P balance be present to liquidate.

5.5.4.5.5. At the beginning of the fiscal year, the ALC receives funding documents from its customers, including those who are provided PMEL services under the PMEL contract. Those funding documents are input into DIFMS under the normal funding process, if the customer will be billed by DIFMS. "T" and "K" JONs are established for the PMEL charges. Ensure that the restriction codes on the JONs will allow the cost adjustments to be used for contract PMEL charges (i.e., third position is not a "9").

5.5.4.5.6. The Facility Equipment Management System (FEM) tracks the work done by the contractors (C-JONs) and CSAG employees (S-JONs) in the PME Lab by customer. Non- CSAG government customers whose equipment is repaired by the PMEL contractors reimburse the contract cost by providing a MORD to maintenance. Then a Post Code 6 MORD is prepared to establish a receivable in DIFMS to be liquidated by a 1080 prepared by Cost Accounting. The PC6 MORD accrual reduces the PMEL maintenance expense.

#### 5.5.5. Base Support Cost

5.5.5.1. Includes all costs of support to the appropriate ALC provided by base organizations not accounted for as borrowed labor or contractual service cost and not identified as production overhead costs. The ALC Budget Program Review identifies the base support functions normally charged to the depot maintenance.

5.5.5.2. A Support Agreement is required for each base support function reimbursed by depot maintenance. The agreement sets forth the services to be provided, the amount and method of payment, and the period covered. The agreement is valid only when signed at the ALC/CC level and the organization furnishing the support.

5.5.5.3. Charge depot maintenance for only those funded costs incurred by the support organization.

5.5.5.4. Personnel costs include the additional percentage amount of the base salary of the employees charged as base support cost to cover personnel benefits. Figure this percentage annually by dividing the cost of personnel benefits by the cost of base salary.

5.5.5.5. Support organizations provide auditable detail to support the amount of service provided to organic depot maintenance. Appropriate personnel of ALC, the Comptroller, and the supporting organizations identify the number of positions that support organic depot maintenance and figure the annual cost. This is done in conjunction with preparation of the annual operating budget and results in the signed Support Agreement.

5.5.5.6. Quarterly reviews are authorized during the year to adjust for significant increases or decreases for required services.

5.5.5.7. The billing office summarizes funded base support costs based on the amount and method of payment contained in the Support Agreement (usually 1/12 of the annual cost is

charged each month). Personnel on reimbursable positions are reimbursed at actual cost. The summary is sent to the Commercial Services organization for preparation and processing of applicable SF 1080, Voucher for Transfer between Appropriation and/or Funds. The SF 1080 shows the bill number, the names of the billing offices and the office billed, descriptive information (with backup data attached), and the amounts by accounting classifications of both the billed and the billing offices. *Note: The following may be found in **Chapter 3** – Labor: Labor Costing, Cost Transfers for Labor, Military Labor Processing, Workers Compensation Processing, Civilian Pay MORDs, Miscellaneous Cash Transactions, Cash Awards, Reimbursements, DOCAT Employees, and Defense Civilian Payroll System (DCPS)*

## 5.6. Travel (Manual Entry into DIFMS)

5.6.1. Charge travel and per diem expenses (including regular labor hours spent in travel) as direct costs only if the labor hours worked while traveling are charged as direct labor. If more than a single job order is worked on, prorate the travel and per diem expenses based on the related direct labor. Otherwise, charge all travel and per diem expenses as an indirect expense of the employees' cost center. *Note: For more details regarding Direct Labor see **Chapter 3** – Labor.*

5.6.2. Blanket Travel Orders cannot be used for depot maintenance. In DIFMS, there can be only one traveler per travel order. There can be only one JON used per travel order. DIFMS establishes a unique travel order for each traveler.

5.6.3. Orders include fund cite, USSGL account, JON, shop, and object class in block 19 on DD Form 1610 or Defense Travel System (DTS) equivalent. A designated certifying officer in the travel office must authenticate and certify the travel orders. Travel orders that are not prepared in accordance with DoD Component Management guidance and administrative instructions (including AFI 65-103, JFTR/JTR, and DoD Financial Management Regulation Volume 9, **Chapter 5**), are returned by the travel office to the organization's travel monitor for correction. The travel office validates the accounting line to include the JON and Shop combination.

5.6.4. Requesters in the product divisions submit an approved original DD Form 1610, Request and Authorization for TDY Travel of DoD Personnel, assuring that all required information is included, to the travel office for review/certification of funds. The DD Form 1610 has either the prefix of 'TA' to denote TDY Travel of DoD personnel for Continental United States (CONUS) travel, 'TB' for CONUS travel, or 'Y' for formal civilian training.

5.6.4.1. A copy of the AF IMT 938, Request and Authorization for Active Duty Training/Active Duty Tour, generated by Air Force Reserve Command (AFRC) Automated Orders Program with a prefix of 'D' and manually prepared AF IMT 938 with a prefix of 'DA', is also provided.

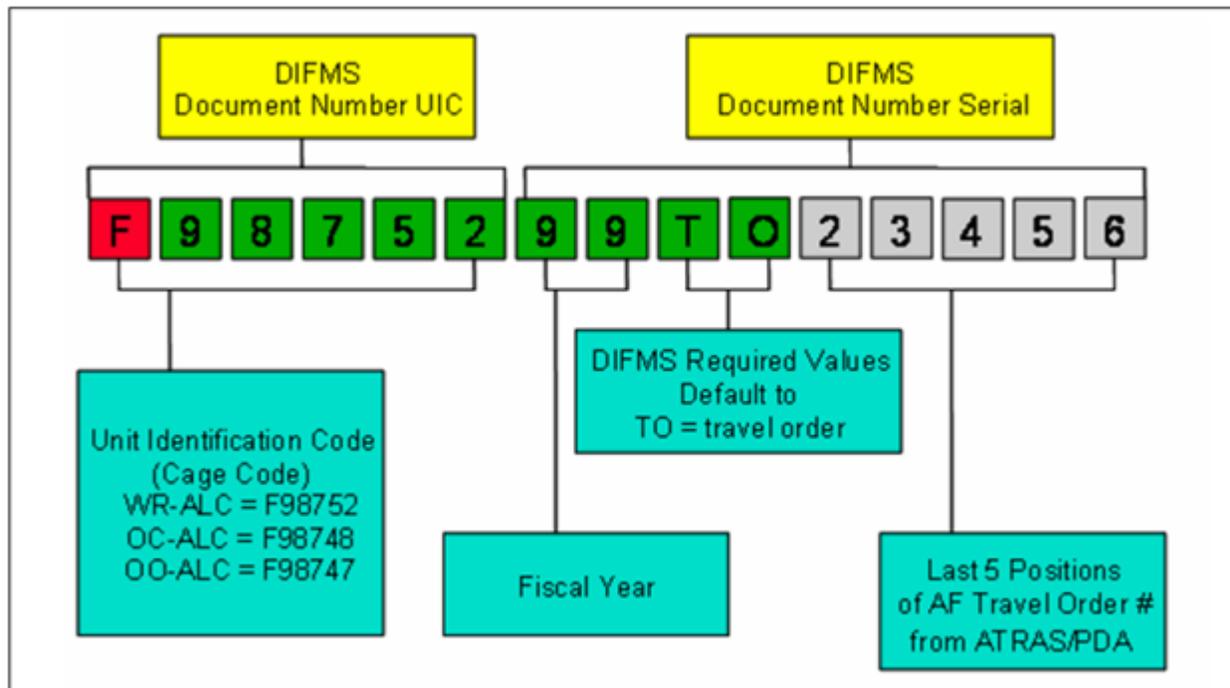
5.6.4.2. An original AF IMT 938 with a prefix of 'R' for reserve duty is forwarded to the travel office for certification. Contingency, Exercise, and Deployment (CED) orders with a prefix of 'TE' are provided by the local PRF to FMFS for certification. A copy of AFRC Reserve Mobilization orders with a prefix of 'A' is also provided.

5.6.4.3. A copy of all funded certified travel orders must be provided to the travel claims processor for input into DIFMS.

5.6.5. The travel computation system is processed in the Reserve Travel System (RTS). Upon completion of travel, DIFMS retrieves the order number and settlement data from GAFS-BL/BQ and settles the claim for accounting purposes.

5.6.6. DIFMS requires a 15-position travel order number. The diagram below describes the format of the DIFMS travel order number.

**Figure 5.1. Travel Order Number (15 positions)**



**Note:** e.g. F98752FYTOD0000 – FY denotes the current fiscal year, TO denotes travel order, and D denotes reserve order

5.6.6.1. The travel advance is recorded against the travel obligation based upon the cash transaction processed in the cash subsystem. Once the advance comes through, the users are able to inquire about the transaction with DIFMS Inquiry Screen MS013P “Travel Order Number Inquiry” and view the information on DIFMS Reports 7310-645 “Asset/Liability Balances” or 7310-615 “Outstanding Travel Advances”. DIFMS processes travel advances through the cash Subsystem as a ‘1K’ transaction type code. Upon settlement of the travel voucher and the advance in GAFS-BL/BQ, the travel advance is reversed and liquidated.

5.6.6.2. The LOA for travel orders in DIFMS should be constructed as follows:

5.6.6.3. An example of an Indirect Travel ‘fund cite’ that can be used for a manual travel order being entered into DIFMS: 97X4930.FA29 6Z\_ 47E8 55412F 000000 000000 000000 503000 F0330L X54120308000 MAFPBA. (The PSR and FSR must be included along with the ‘fund cite’ to assure that correct payment is made.) The \_ after 6Z is to be filled with the Numeric for Fiscal Year. The F after the 55412 is for the current 6th position of

the GLAC – account signifying the Maintenance Organization that the travel expense is charged to. At the end of the LOA is the DIFMS Indirect JON that corresponds to USSGL account 610000I3. The last field is the Shop/RCC (MAFPBA is just an example) that is performing the Temporary Duty (TDY) and incurs the travel expenses.

5.6.6.4. Below is a list of Indirect JONs to be used for travel purposes.

**Table 5.2. List of Indirect JONs for Travel**

JON	Description	AF GLA	AF GLA Title
Y64120308000	Travel & Transportation of Persons	56412	General and Administrative (G&A) TDY & Transportation
Y64130771000	Travel & Transportation of Things	56412	G&A TDY & Transportation
Y64300308000	Civilian Permanent Change of Station (PCS)	56430	G&A OH Civilian PCS
X54120308000	Travel & Transportation of Persons	55412	Production Overhead (POH) Travel
X54130771000	Travel & Transportation of Things	55412	POH Travel
X54300308000	Civilian PCS	55430	POH Civilian PCS

5.6.7. An example of a Direct Travel ‘fund cite’ to be used for a manual travel order being entered into DIFMS: 97X4930.FA29 6Z\_ 47E8 52412\_ 000000 00000 000000 503000 F0330L A2815N22A MAFPBA. (The PSR and FSR must be included along with the ‘fund cite’ to assure that correct payment is made.) As above, the \_ after ‘6Z’ is to be null since there is no Year funds involved. The F after the ‘52412’ is for the current 6th position of the AF GLAC account. At the end of the LOA is the "complete" Direct JON that the Direct Travel is charged to. The last field is the Shop/RCC (‘MAFPBA’ is just an example) that incurs the Travel Expenses.

5.6.7.1. The Shop/RCC is critical to DIFMS in that the travel costs are charged or expensed to the shop designated in the LOA. This is a peculiar situation when direct travel is performed. For example, the 653 Combat Logistics Support Squadron (CLSS) performs direct travel using ‘6Z’ funds. For example: Traveler: SSgt. Brown, Organizational Element: 653 CLSS/LGXY TDY Purpose: F-15 Burn Damage LOA: 97X4930.FA29 6Z2 47E8 52412F 000000 00000 000000 503000 F0330L A2815N. Traveler is assigned to 653 CLSS/LGXY but travel costs are expensed to the F-15 maintenance organization of (example: MAFPBA) for F-15 work performed.

5.6.7.2. The travel order is entered into the H069 System - GAFS-BL/BQ by the travel office or a system printout is sent out for approval and entered into GAFS-BL/BQ under the Defense Travel System (DTS) or other local systems. Reserve Orders are established in AROWS-R (Air Force Reserve Order Writing system). The manual travel orders (PCS, Reserves, Special) are entered into DIFMS. This is a dual process until automation occurs.

5.6.8. The following sub-paragraphs describe the DIFMS processing for DTS using DIFMS Program MS668P “Batch DTS Travel Accrual Record Validation”.

5.6.8.1. The program reads an input file from DTS and performs the appropriate edit and validation checks on each record. The program automatically posts valid transactions against the DIFMS database. The program returns invalid transactions to DTS along with appropriate error message. The program automatically restarts itself once it successfully processes a file. Input files can be processed as frequently as every 30 seconds.

5.6.8.2. DIFMS also has the capability to send positive and negative acknowledgement information back to DTS. DIFMS Report 7310-662 report contains negative (invalid record) and positive (valid record) acknowledgements. The report includes a cross reference showing the DIFMS error number, DTS error number, and the DIFMS error message.

5.6.9. The program handles supplemental travel claims when the record has been finalized. The supplemental claim transactions are treated as an Action Code 'C' (Change) and the program automatically reopens the Travel Accrual record by changing the Status-Code from '3' to '2'. These transactions process through DIFMS after reopening the orders.

5.6.9.1. The program includes a seven-position field for the MS668D04 output file. This field contains the site UIC and two positions that are uniquely assigned as follows for Air Force sites: Hill = 'HL', Warner Robins = 'WR', and Tinker = 'TI'. The site identification for the Air Force aids the GAFS-BL/BQ/DTS middleware in distributing the DIFMS output to the appropriate DTS site. For control purposes, a Sequence Control Number is being added to the trailer record on the MS668D04 file. The Sequence Number is a four position numeric field. A new internal file, MS668D07 maintains the Sequence Control Number.

5.6.9.2. Internal processing for DIFMS in the area of Process Recovery and Funds Availability match the identical business rules that already existed in DIFMS Update Screen MS113P and DIFMS Program MS268P "Batch Travel Interface".

5.6.9.3. The program can process an Accounts Receivable transaction coming from the GAFS-BL/BQ/DTS interface process. This capability is provided by accepting an Accounts Receivable amount and a Transaction-Set-Purpose-Code on the incoming MS668D01 file. The functionality for processing the Accounts Receivable mirrors the Action Code 'P' (Post Overpayment) capability that currently exists in the Asset/Liability Update – Travel (MS113P). This change provides basic Debt Management capability within DIFMS in the DTS environment, and this change should not require manual intervention by the user to establish an Accounts Receivable within DIFMS.

## **5.7. Manual Travel Changes**

5.7.1. Users establish, amend, cancel, finalize or reopen a travel record in DIFMS Update Screen MS113P "Asset/Liability – Travel". When travel amendment data is entered into DIFMS, the amended data overlays the original data records. Any inquiry performed after the update of this record only reflects the record as it was changed by the last amendment processed. DIFMS validates Travel Order upon entry into the DIFMS Update Screen MS113P. Data that needs to be finalized can be identified by reviewing the DIFMS Reports 7310-680 "Asset Liability Transaction History" or 7310-645 "Asset/Liability Balances". Users are able to traverse between the DIFMS Update Screen MS113P and the DIFMS Inquiry Screen

MS013P “Travel Order Number Inquiry” without having to re-enter the document number. Reference the DIFMS User Manual, Section H, Other Cost Function, for a user guide on the DIFMS Screen MS013P.

5.7.2. Use action code ‘F’ to finalize a travel record and for problem records that have not cleared through the normal settlement process. Most settlements that come through cash automatically clear the accrual and ticket balances, even if they do not cleanly match. The primary exception of this would be ‘under-liquidations’ against a Permanent Change of Station (PCS) document or under-liquidations against documents with over 30 days of travel. The action code of ‘F’ can be used to write-off any individual balance or all balances.

5.7.3. The action code of ‘C’ on DIFMS Update Screen MS113P is used to cancel and/or change the makeup of the order. In order to cancel a travel record using the ‘C’ function, there must be no expenses posted against the accruals. Cancellation sets the Authorized-Accrual field to zero including the “pieces” of the Authorized Accrual (Per Diem, POV, Other).

5.7.4. The action code of ‘R’ on the MS113P screen is used to reopen an order to process additional charges or refunds on a Travel Accrual Record that has been settled and closed.

5.7.5. Correction of duplicate document numbers for travel orders with different JONs and Shops must be done manually. Reference DIFMS report 7310-645 “Asset Liability Records” (Posting Code ‘2’ Section). It is important that these duplicates are corrected properly, because it has a financial impact between organizations. Travel expenses could be understated in one organization and overstated in another. Additionally, costs could be incurred and paid, but cannot be posted. This would affect the revenue recognized and payment received through billing.

#### 5.7.6. Travel Corrections

5.7.6.1. The AFSC/FZR personnel enters corrections on the 7310-320 “Unallocated, Unmatched Details” and 7310-322 “Weekly Unallocated Details” using the DIFMS Update Screen MS132P “Unallocated Detail Error Correction”. Communication is important to prevent and clear these errors. Types of errors are listed below.

5.7.6.1.1. Document number (DOC NBR) needs to be corrected. Common problems are fiscal year is incorrect, the order number is not set up in DIFMS, document number is not recognizable in cases of airline ticket, military flights (Air Mobility Command), Government Bill of Lading (GBL) is incorrect, and straight payments was incorrectly made.

5.7.6.1.2. Disbursing Station Symbol Number (DSSN) or Accounting Station is not correct. Example is Robins ‘503000’.

5.7.6.1.3. Property Accounting Activity (PAA) should be ‘7B’ for travel and ‘1K’ for advances issued or settled.

5.7.6.1.4. Object Class (OBJ CLASS) must equal ‘210’.

5.7.6.1.5. Transaction Type Code (TTC) is ‘2D’ for travel and ‘1K’ for advances.

5.7.6.1.6. For document numbers that are set up twice, the DIFMS user adds the correct JON for settlement in the cost code field on the DIFMS Update Screen MS132P.

5.7.7. An error message received may be “0591 Job Closed-TXN Date Cannot Be > close date or final billed”. If the ‘A’ JON is not final billed and the travel document is not closed then reopen the ‘A’ JON and clear the error. If the JON is final billed, and the travel document is in open status code ‘1’, then change the ‘A’ JON to the ‘X’ JON for it to process. If the travel document is closed, status code ‘3’ and the ‘A’ JON is final billed, then set the travel document up again under the ”X” JON and clear the error with the JON in the cost code field.

5.7.7.1. Correct those document numbers that are set up twice under two different JONs. An example is the ‘X’ JON settled correctly (status code ‘3’) and an ‘A’ JON set up incorrectly in open status code ‘1’. The ‘A’ JON is closed and final billed. Two processes are available:

5.7.7.2. Do a reverse billing and reopen the ‘A’ JON, then cancel or take the dollars down to zero and finalize.

5.7.7.3. Change the ‘A’ JON to the ‘Y’ JON because DIFMS does not allow use of the ‘X’ JON again. Then cancel or take the dollars down to zero and finalize. A cost transfer would then need to be accomplished moving the credit from the ‘Y’ JON to the ‘X’ JON.

5.7.7.4. For those documents that are set up under an ‘A’ JON that is closed and final billed (status code ‘3’) and need to be closed because it was cancelled, then the second process is used except the JON is changed to the ‘X’ JON and no transfer needs to be accomplished.

5.7.7.5. For those orders where the expenditures are applied to the incorrect order, a zero batch transfer process should be used to move the costs from one order to another using the DIFMS Update Screen MS131P “Cash And Reject Correction”. This screen processes a negative cash posting to one record and a positive record (or multiple records) that add to \$0 in total. Verify expenditures using Commander’s Resource Integration System (CRIS), Central Travel History Record (CTHR), Reserve Travel System (RTS), DIFMS Reports 7310-640 and 7310-C11.

5.7.8. USSGL accounts for travel:

5.7.8.1. Order Established in DIFMS

5.7.8.1.1. Debit 610000I2- Expenses-Travel/Trans of Persons- Direct A JON Debit balance

5.7.8.1.2. 610000I3- Expenses-Travel/Trans of Persons- Indirect X JON

5.7.8.1.3. 610000I4- Expenses-Travel/Trans of Persons-General Y JON

5.7.8.1.4. Credit 211042C3 Accounts Payable Public-Travel Cost-Public Estimated

5.7.8.1.5. *This is normally a credit balance*

5.7.8.1.6. Debit 480142YI- Undelivered Orders unpaid Travel (budgetary)

5.7.8.1.7. Credit 490142YI- Expended Authority/Unpaid

5.7.8.2. Payment made to traveler recorded in GAFS-BL/BQ and processed against travel document in DIFMS.

5.7.8.2.1. Debit 211042C3 Accounts Payable Public-Travel Cost-Public Estimate

5.7.8.2.2. Credit 101040B1- Funds Disbursed/Operations Assets- A debit balance

5.7.8.2.3. Credit or Debit-610000I2/I3/I4-Can be a debit or credit depending on the amount paid to

5.7.8.2.4. to traveler compared to the amount on the order

5.7.8.2.5. Debit 490142YI- Expended Authority/Unpaid

5.7.8.2.6. Credit 490242YI- Expended Authority Paid Public-Operations- Travel and

5.7.8.2.7. Transportation/ Persons

5.7.8.2.8. Credit or Debit 461040A- Allotments – Realized Resources - Operations

5.7.8.3. Canceling a travel order (manual or DTS) in DIFMS. Do the reverse of when an order is established in DIFMS.

5.7.8.3.1. 211042C3 Accounts Payable Public-Travel Cost-Public Estimated

5.7.8.3.2. This is normally a credit balance

5.7.8.3.3. Credit 610000I2- Expenses-Travel/Trans of Persons- Direct A JON Debit balance

5.7.8.3.4. 610000I3- Expenses-Travel/Trans of Persons- Indirect X JON

5.7.8.3.5. 610000I4- Expenses-Travel/Trans of Persons-General Y JON

5.7.8.3.6. Debit 490142YI- Expended Authority/Unpaid

5.7.8.3.7. Credit 480142YI- Undelivered Orders unpaid Travel (budgetary)

5.7.8.4. Advance Established in DIFMS.

5.7.8.4.1. Debit 141042A1- Advances to others-Travel Advances

5.7.8.4.2. Credit 101040B1-Cash-Funds Disbursed

5.7.8.4.3. Debit 480142YI- Undelivered Orders-Unpaid Public Operations and Transportation of Persons

5.7.8.4.4. Credit 480242YI-Undelivered Orders – Paid Public Operations and Transportation of Persons

5.7.8.5. Payment made to traveler in GAFS-BL/BQ Processed against travel document in DIFMS and advance closed.

5.7.8.5.1. Debit 101040B1-Cash-Funds Disbursed- For the amount of the advance

5.7.8.5.2. Credit 141042A1- Advances to others-Travel Advances-For the amount of the advance- is in the TRAV ADVANCE LIQD field on the DIFMS Inquiry Screen MS013P.

5.7.8.5.3. Debit 211042C3 Accounts Payable Public-Travel Cost-Public Estimated

5.7.8.5.4. Credit 101040B1-Cash –Funds Disbursed-For the amount of the payment-settlement –12 transaction in GAFS-BL/BQ

5.7.8.5.5. Debit or Credit 610000I2/I3/I4- Difference in the amount set up or accrued and the payment

5.7.8.5.6. Debit 490142YI-Expended Authority Unpaid- Same as the 211042C3 account

5.7.8.5.7. Debit 461040A-Allotments-Realized Resources-Operations-same as 610000I2/I3/I4

5.7.8.5.8. Credit 490242YI- Expended Authority Paid Public Operations-Travel and Transportation/Person- Amount of Actual Disbursement

### **5.8. The following reports on travel are available:**

5.8.1. DIFMS Report 7310-605 “Schedule of Accruals” lists other (travel) costs accruals and creates the Accounts Payable in detail for the week and provides details for posting to the general ledger.

5.8.2. DIFMS Report 7310-610 “Accrual Rejects” lists other (travel) accrual rejects due to a closed JON or an invalid JON/Shop combination.

5.8.3. DIFMS Report 7310-615 “Outstanding Travel Advance” provides detail data concerning the aging of travel advances. It is broken down by permanent change of station (PCS) orders, as well as current ones. Report displays aging in 1-30, 31-90, 91-180, 181-360, and over 360 days increments.

5.8.4. DIFMS Report 7310-640 “Asset/Liability Update” lists expenditures and changes to the Travel Asset/Liability Records in the section.

5.8.5. DIFMS Report 7310-645 “Asset/Liability Records” provides a subsidiary ledger for Posting Code 2 - Travel.

5.8.6. DIFMS Report 7310-C11 “Audit Trail” displays an audit trail for all DIFMS screens.

### **5.9. Balancing Procedures for Business Operations (Other) Cost**

5.9.1. Accounts Affected By Cash and Business Operations (Other) Cost. For comparison, use DIFMS Report 7310-645 “Asset Liability Balances” and the specified Journal Voucher Types from the DIFMS Report 7310-945 “Processed Journal Vouchers”. In lieu of using the current and prior DIFMS Report 7310-645 the current and prior DIFMS Report 7310-965 “Automated Balancing” containing the DIFMS Report 7310-645 ‘subsidiary report totals’ may be used.

5.9.2. Balancing Of Accruals. Use the DIFMS Report 7310-605 “Schedule of Accruals” to ensure that the postings between the Cost and Asset/Liability Accounts are in synch. Verify that Debits equal Credits on DIFMS Report 7310-605 “Schedule of Accruals” ('SA' Journal Voucher). Verify that sum of cost postings (USSGL 4000-series accounts) is offset by sum of Asset/Liability postings (USSGL 1000 & 2000-series accounts).

5.9.3. Direct Cost. Use DIFMS Report 7310-781 “Direct Costs by Shop within JON Current Cycle” and 7310-945 “Processed Journal Vouchers” for comparison and research.

**Table 5.3. Balancing Procedures (Direct Cost)**

Compare		For USSGL	Collect Cost Data From DIFMS
From 7310-781	To 7310-945	accounts	Reports 7310-
Contractual Total	GLA Total	610000U1 610000T1 610000D2 610000K2 610000R2	321 "Corrected Unallocated Cash ('CU') Journal Voucher" 335 "Cash Receipts ('CR') Journal Voucher" 340 "Cash Disbursements ('CD') Journal Voucher" 605 "Schedule of Accruals ('SA') Journal Voucher" 770 "Miscellaneous Transfers ('MT') Journal Voucher" 960 "Cost Adjustments ('CX') Journal Voucher"
Direct Transfer	4590 total JV types	61000042	764 "Service Center Transfer ('SC') Journal Voucher" 770 "Miscellaneous Transfers ('MT') Journal Voucher" 960 "Cost Adjustments ('CX') Journal Voucher"

5.9.4. Indirect Cost. Use the DIFMS Reports 7310-780 "Indirect Costs by Shop within JON Current Cycle" and the 7310-945 (MS353R02) for comparison and research.

**Table 5.4. Balancing Procedures (Indirect Cost)**

Compare		For USSGL	Collect Cost Data From DIFMS
From 7310-780	To 7310-945	accounts	Reports 7310-
Production Total for Contractual	GLA total JV types	610000K3 610000R3 610000D3 610000U3	605 "Schedule of Accruals ('SA') Journal Voucher" .340 "Cash Disbursements ('CD') Journal Voucher"
General Total for Contractual	GLA total JV types	610000K4 610000R4 610000D4 610000U4	335 "Cash Receipts ('CR') Journal Voucher" 321 "Corrected Unallocated Cash ('CU') Journal Voucher" 960 "Cost Adjustments ('CX') Journal Voucher" 770 "Miscellaneous Transfers ('MT') Journal Voucher"
Production Total for Direct Transfer	4690 total JV types	61000043	960 (MS406R01) "Cost Adjustments ('CX') Journal Voucher" 770 (MS342R01) "Miscellaneous Transfers ('MT') Journal Voucher" 764 (MS357R01) "Service Center Transfer ('SC') Journal Voucher"

## Chapter 6

### ACCOUNT FOR FUNDS/MANAGE CASH

**6.1. The Department of Defense has no cash but authority from the Department of the Treasury to spend funds for the Air Force's operations.** This authority and all "cash" accounts (GLACs 101040XX) in the Chart of Accounts are called Fund Balance with Treasury (FBWT). However, for the purpose of simplicity, this chapter will refer to the FBWT as cash.

6.1.1. Air Force Sustainment Center (AFSC) Financial Management (FM) and the Air Logistics Complexes (ALCs) organizations assist Defense Finance and Accounting Service (DFAS) to process transactions for cash and fund accountability. A matching commitment and obligation must be in the system, before disbursements can be posted to General Accounting and Finance System (GAFS-BL/BQ). For those commitments and obligations that are not available, DFAS must develop a follow-up process with the AFSC. During batch processing Defense Industrial Financial Management System (DIFMS) receives, edits, balances, validates, and stores cash data for processing. Records that do not pass edit, validation, and balancing are rejected for subsequent correction by DFAS with assistance from the AFSC.

6.1.2. GAFS-BL/BQ is the AF cash accounting system for Treasury reporting. DIFMS receives cash transactions (receipts and disbursements) from GAFS-BL/BQ via the DFAS Integration Engine (DFAS-IE). 6.1.2.1. Air Force Intra-Government Payment and Collections (IPAC) detail billings come from AF systems: Financial Inventory Accounting and Billing System (FIABS-D035J), AF Integrated Logistics System – Supply (ILS-S), and Standard Material Accounting System (SMAS-H118). These detailed billings are compared to summary disbursements recorded in GAFS-BL/BQ. The DFAS-IE creates the summary and detail IPAC billings based on this reconciled data. DIFMS can process an entire month of IPAC billing data into a single run of the DIFMS Run Stream/Program MS200J/MS202P "Daily Disbursing Officer Voucher Cash Input" without waiting additional cycles for the "wraparound" process to bring through additional cash batches.

6.1.2.1. Non-IPAC disbursements and miscellaneous collections come via the DFAS-IE from GAFS-BL/BQ, and then they are posted to DIFMS based on commitments, obligations, and receipts that are in DIFMS and GAFS-BL/BQ.

6.1.3. References:

6.1.3.1. Air Force Materiel Command Instruction AFMCI 21-136, *Depot Maintenance Production Labor Entry*, <http://www.e-publishing.af.mil/shared/media/epubs/AFMCI21-136.pdf>

6.1.3.2. Defense Finance and Accounting Service Denver Center (DFAS-DE) 7077.2-M, *Standard Base Level General Accounting and Finance System*

6.1.3.3. DIFMS User Manual, Appendix I, Cash Function. This manual includes a list of the Transaction Type Codes used in the cash function. Also, see DIFMS User Manual, Appendix Y, Error Messages.

6.1.3.4. DIFMS Physical Model 01, Cash.

6.1.3.5. Department of Defense Financial Management Regulation (DoD FMR) 7000.14-R, Volume 4, [Chapter 2](#)

## 6.2. Collections

6.2.1. All collections are recorded via cash receipts (CR) Journal Vouchers (JV) as shown on DIFMS Report 7310-335 “Cash Receipts Register”. This report is consistent in format to the DIFMS Report 7310-340 “Cash Disbursements Register”.

6.2.2. DIFMS provides an Accounts Receivable (A/R) file to GAFS-BL/BQ each time a billing cycle is run. This record must be in GAFS-BL/BQ before the collection can be made. The DFAS Integration Engine (DFAS-IE) has an 18-position document number that begins with the DIFMS Type Transaction Code (TTC) of ‘8T’. The last seven digits are the bill number from the DIFMS accounts receivable. DIFMS interprets this 18-digit document number as a six-digit Property Accounting Activity (PAA) and a 12-digit cost code. For a collection transaction to liquidate a receivable in DIFMS, the TTC, bill number, and amount must match an un-liquidated bill as shown on DIFMS Report 7310-865 “Unliquidated Bills”. The presence of the Sponsor Order Number on this report makes it easier for the user to research outstanding and overage receivables. DIFMS Program MS355P uses the type customer code from the bill number record in determining whether to report a receivable as “Government” or “Public”. Successful bill liquidations are shown on the DIFMS Report 7310-630 “Liquidated Bills/Customers Order Updates”. Unsuccessful bill liquidations are suspended to the DIFMS Report 7310-322 “Weekly Unallocated Details”.

6.2.3. These collections are made based on the receipt of checks. These cash collections can include vendor overpayments, employee indebtedness, etc.

6.2.3.1. When the indebtedness is first known, the accounts receivable record should be established to allow the AFSC to monitor the collection of the indebtedness. If the indebtedness is not known until the check is received, the A/R should be established at that time via the DIFMS Screen MS112P “Asset Liability Update” as a posting code ‘6’ record so the cash collection transaction that is received from the DFAS-IE has a record to match against. Preferably, establish the Accounts Receivable (A/R) record at the same time the collection voucher is prepared. If the A/R record is not established or the cash collection cannot find a matching A/R record, the transaction is suspended to DIFMS Report 7310-322.

6.2.3.2. The following process is used to liquidate the A/R record established above. The liquidation is caused by the cash collection transaction received. The AFSC forwards the check it has received to DFAS with a collection voucher. Included in the data received is the Job Order Number (JON) and shop to be credited. The collection action takes place in GAFS-BL/BQ. DFAS assigns a collection voucher number. The cash transaction comes to DIFMS from GAFS-BL/BQ via the DFAS-IE. DIFMS validates that the batch is balanced and that basic DIFMS edit criteria are met. Once the basic DIFMS validations are met, the cash transaction looks for a match on the DOC-JOB-SHOP records.

6.2.4. Private party (partnering) advances are collected prior to induction of workload.

6.2.4.1. A DD Form 1131, Cash Collection Voucher, is prepared to collect the advance citing the Customer Order Number (CON) associated with the advance. If there is a delay in establishing the CON, the collection will error in the DFAS-IE and will appear on the Unallocated Cash report.

6.2.4.2. When funding from partners is moved from CON to CON, Cost Accounting uses the DIFMS Screen MS131P “Cash and Reject Correction Update” to realign the funds. This moves the “Available to Bill” to the “Advance from Customer” on each CON. This is a “zero batch” transaction.

### **6.3. On-Line Intra-Governmental Payment & Collection (IPAC) Billing**

6.3.1. IPAC is no-check-drawn payments made by one activity for another activity. One of the big players in the IPAC system is supply management activities, such as Defense Logistics Agency, who sells weapon system parts, supplies, and other materials and goods to organic depot maintenance and other customers. The big advantage of the IPAC system is that selling activities get reimbursed and buying activities get charged sooner for the materials. IPAC buys for material used in organic depot maintenance are through both Air Force and other government sources. The material due for government material buys are input to Naval Air Systems Command Industrial Material Management System (NIMMS) or Automated Bill of Material (ABOM) by the AFSC.

6.3.1.1. AF IPAC billings can come from three AF sources: FIABS (purchased from WRRS-D035K), ILS-S (common supply items), and SMAS (medical-dental).

6.3.1.2. These three sources send detailed billings to the DFAS-IE that in turn converts to detailed IPAC billings as stated in paragraph 0. These disbursements are posted in DIFMS via ‘CD’ JV as shown on DIFMS Report 7310-340 “Cash Disbursements Register”. Additional details for these transactions can be found on DIFMS Reports 7310-310 “DSA/GSA Summary Bills-Register 6”, 7310-311 “Statement of Inter-Departmental Billing Transactions Charges” and 7310-462 “Processed Material Bills”. These detailed billings attempt to match Accounts Payable (A/P) (receipts) or A/R (turn-ins) records in DIFMS that were created in NIMMS. Those that match quantity, price, and document number liquidate the A/P or A/R. Those that do not match create a Material In Transit (MIT) or unmatched government material bill.

6.3.2. Supply agencies within DoD can provide summary and detail IPAC billings through the Defense Automated Addressing System (DAAS). GAFS-BL/BQ receives these billings and based on the fund code distributes to the applicable system. DFAS balances the summary and detailed bills and FTP the file to DIFMS.

6.3.3. **(OC-ALC Only)** Navy material buys are input directly into the Navy supply system by the Navy Liaison Office at the Oklahoma City AFSC site at the requisition level. The payment is made at the summary level based on the detail and summary IPAC billings received.

6.3.3.1. The summary payment is made in GAFS-BL/BQ to an ‘OY’ Miscellaneous Obligation Reimbursement Document (MORD) established in GAFS-BL/BQ by the AFSC. This payment is interfaced to DIFMS via the DFAS-IE.

6.3.3.2. The amount of the summary payment is distributed to the appropriate JONs by personnel in the AFSC Cost Accounting, and the summary payment is at the detail

requisition level by a Cost Adjustment input via DIFMS Screen MS144P “Cost Adjustment Update”.

#### **6.4. Commercial Material**

6.4.1. Each AFSC is responsible for retrieving the commercial material commitments document from the Automated Business Service System (ABSS-H021) and input of commitment into GAFS-BL/BQ and Naval Air Systems Command (NAVAIR) Industrial Material Management System (NIMMS).

6.4.2. Material obligation records with ‘MU’ in the first two positions of the Cost Code field must be manually input into NIMMS by the designated office in the AFSC.

6.4.3. Industrial Prime Vendor (IPV) and Business System Modernization – Energy (BSME) (Fuel). These disbursements originate at summary level in GAFS-BL/BQ against multiple MORDs and the payment is sent to DIFMS via the DFAS-IE. If a matching accounts payable is found, the bill liquidates the A/P. If no matching record is found, the transaction suspends to the DIFMS Reports 7310-322 “DIFMS Weekly Unallocated Details” or 7310-484 “DIFMS Aged Unmatched Bills”.

6.4.4. The solution for receipting IPV Commercial, Defense Logistics Agency (DLA), schedule/non-schedule of items and infrastructure and task-order labor, as well as the DLA surcharge is listed below. This method allows the AFSC to post expenses (receipts) as the material is received instead of when DFAS pays the bill.

6.4.4.1. AFSC Cost Accountant gets invoice information three times per month (approximately on the 5<sup>th</sup>, 12<sup>th</sup>, and 20<sup>th</sup> of the month) and provides a copy of the GAFS-BL/BQ Bill with the DIFMS/NIMMS document number (e.g., MORD number).

6.4.4.2. AFSC Cost Accountant inputs a receipt into NIMMS for each invoice, causing a General and Administrative (G&A) expense and an accounts payable in DIFMS.

6.4.4.3. Prior to end of month, the AFSC Cost Accountant develops information to cost transfer the G&A expense to production overhead by organization, as is shown elsewhere in this Chapter.

6.4.4.4. DFAS can then disburse the MORDs. DFAS processes vouchers that send billings to DIFMS.

6.4.5. Other commercial material disbursements originate at summary level in GAFS-BL/BQ against a Government-Wide Purchase Card (GPC). If a matching accounts payable is found, the bill liquidates the A/P. If no matching record is found the transaction suspends to the DIFMS Reports 7310-322 “DIFMS Weekly Unallocated Details” or 7310-484 “DIFMS Aged Unmatched Bills”.

#### **6.5. Business Operations (Other)**

6.5.1. A commitment is established in DIFMS, which is the initial accounting for the contingent liability. The commitment eventually becomes an obligation, accrued expenditure-unpaid and then paid for that document. The commitment should be input into DIFMS before it is input to other systems, such as GAFS-BL/BQ. This validates the Job Order Number (JON) and shop cited on the document and ensures the uniqueness of the document number and cost code relationship.

### 6.5.2. Service Contracts

6.5.2.1. The AFSC is responsible for retrieving the documents from ABSS and input of commitment into GAFS-BL/BQ and DIFMS.

6.5.2.2. The responsible AFSC office provides the documents to DFAS who inputs into GAFS-BQ/BL. The DFAS-IE sends the obligation through an interface from GAFS-BL/BQ to DIFMS

6.5.2.3. AFSC cost accounting is responsible for accruing costs in DIFMS on all documents, except “ST” which will be systematically accrued once established

6.5.2.4. Cash transactions fed to DIFMS via the DFAS-IE must match to an accrual or accounts payable value in DIFMS equal to or greater than the payment. DIFMS edits and validates cash transactions based on Purchase Order Number (PON), task, Accounting Classification Reference Number (ACRN), cost code, and dollar amount. The cash transactions are posted by ‘CD’ JV as shown on DIFMS Report 7310-340 “DIFMS Cash Disbursement Register”. Transactions that pass DIFMS edits and validations are shown on DIFMS Report 7310-680 “Asset Liability Transaction History”. Transactions that do not pass DIFMS edits and validations are shown on DIFMS Report 7310-320 daily “DIFMS Unallocated and Unmatched Details” and if not worked, it will appear on the 7310-322 weekly “DIFMS Weekly Unallocated Details”.

6.5.2.5. Processing for the Capital Investment Program (CIP) includes the same steps above with an additional requirement that the cumulative payments do not exceed the allocated budget authority.

6.5.2.6. The AFSC is issued an annual military assessment, and an outgoing funding document is issued for the assessment. The payment is recorded in GAFS-BL/BQ and sent to DIFMS via the DFAS-IE.

6.5.2.7. The payment for worker’s compensation is initiated by the supervisor (see AFMCI 21-136), paid in GAFS-BL/BQ, and sent to DIFMS via DFAS-IE.

6.5.3. GAFS-BL/BQ Travel orders are interfaced from DTS into GAFS-BL/BQ and then from GAFS-BL/BQ to DIFMS via the IE.

## 6.6. Unallocated Cash Processing

6.6.1. Use DIFMS Screen MS132P “Unallocated DTL Error Correction Update” to correct single transactions. This may also require the use of “zero batches” to clear the records correctly. Use the DIFMS Screen MS135P “Multiple Unallocated Disbursing Officer Voucher (DOV) Detail Error Correction Update” for processing corrections to Doc-Job-Shop transactions. Users have the flexibility to split a correction up into pieces that could include an ‘8P’ transaction.

6.6.1.1. Using the DIFMS Reports 7310-320 “DIFMS Unallocated and Unmatched Details” or 7310-322 “DIFMS Weekly Unallocated Details”, AFSC cost accounting personnel identify and take the necessary actions to correct the unallocated and unmatched

transactions, using the DIFMS Screen MS132P “Unallocated Detail Error Correction Update”.

6.6.1.2. If a services type or capital purchase record is not in the DIFMS database, AFSC cost accounting personnel research and retrieve the necessary information in the related legacy system or GAFS-BL/BQ to validate the appropriate commitment and obligation balances. Once validated, the proper adjustments are made via DIFMS Screen MS112P “Asset Liability Update”. Then the necessary adjustments are made via the DIFMS Screen MS132P “Unallocated Detail Error Correction Update”, if required, i.e. discrepancy in the document number, JON, cost code, ACRN, etc. Corrected records appear the next day on the DIFMS Report 7310-321 “Corrected Unallocated/Unmatched Details” with a full display of the results of “material cash return” transactions allowing identification of the transactions.

6.6.1.2.1. For the DOV these include: Correction Attempt Successful - Not Posted, Multiple Unallocated Correction Attempt Successful – Not Posted, Correction Attempt Successful – Posted, and Multiple Unallocated Correction Attempt Successful – Posted for each bill type. Transactions in the correction attempt successful - posted section are reflected on the JV at the end of this report. These are transactions in which cash has been posted in a previous cycle (the successful correction attempt; successful is relieving the 'unallocated' cash accounts). Transactions in the Correction Attempt Successful - Not Posted section are reflected on either cash receipt or disbursement registers, because they represent 'current cycle' cash transactions and not part of the JV on this report.

6.6.1.3. Some transactions that come from the cash files into the IE are error corrections done at DFAS or other organizations. These transactions are normally called “Net To Zero” transactions and they have no financial impact. The AFSC receives the error correction as part of the cash file. The net to zero transactions are both a debit and credit of equal amounts. These transactions must be grouped for easy audit and tracking purposes. These transactions must be processed so they have no impact on the monthly financial statements. Procedures to clean up Net to Zero transactions must be scheduled so that all transactions are processed and internal controls are implemented prior to end of month, so that financial errors are minimized. (Examples of problems include: One legged transactions that just process a debit or credit, or wrong dollar values that create variances.) Internal controls on monitoring must be designed at each AFSC so that Net to Zero transactions will have no financial impact. These transactions normally will show up on the 7310-322 report “DIFMS Weekly Unallocated Details”. A suggested method of how to process these transactions follows:

6.6.1.3.1. Use DIFMS Screen MS132P “Unallocated Detail Error Correction Update” to clear DIFMS transactions listed on the “Net0 QLP” tab in the DIFMS Report 7310-322 “DIFMS Weekly Unallocated Details” worksheet. A person with DIFMS Screen MS112P “Asset Liability Update” must set up a record using posting code ‘5’ and setting the authorized amount higher than what is cleared (DOC NBR = NETZEROWRITEOFF, JON = Y65690998000, SHOP = MXXXX). Then, using DIFMS Screen MS132P, inquire for the error serial number from the DIFMS Report 7310-322. Enter the data elements necessary to process the correction:

- 6.6.1.3.1.1. DOC NBR: always type NETZEROWRITEOFF
- 6.6.1.3.1.2. ACRN: always type AA
- 6.6.1.3.1.3. PAA: blanked out if have data
- 6.6.1.3.1.4. COST CODE: always type SU??XXXX0000 (*Note: ?? = fiscal year*)
- 6.6.1.3.1.5. TASK/PROJ NBR must be blanked out
- 6.6.1.3.1.6. ACTION CD: change from I to C (for change)
- 6.6.1.3.1.7. CLICK ON ENTER (after completing above)

6.6.1.3.2. After posting the NETZEROWRITEOFF to DIFMS Screen MS132P and after the next weekly run of DIFMS Program MS260P “Process Disbursing Officer Vouchers”, use the DIFMS Inquiry Screen MS015P “Asset Liability Doc Job Shop Data Inquiry” to verify the amounts equal zero. To find the transactions enter the document number, JON, and RCC. If there’s a variance, then use the DIFMS Report 7310-680 “Transaction History” to find the transactions that did not zero. Use the DIFMS Screen MS131P “DIFMS Cash and Reject Correction Update” to reverse/correct erroneous posting to NETZEROWRITEOFF. Data for the correction is on the DIFMS Report 7310-322 “DIFMS Weekly Unallocated Details” used previously.

6.6.1.4. DIFMS Inquiry Screen MS017P “Asset/Liability Liquidations History” provides much easier access to the liquidation history data currently only visible on the 7310-680 “DIFMS Asset/Liability Transaction History” report. With the variety of access options (data element combinations for data access) available, the users should be able to locate quickly the information they need.

6.6.1.4.1. DIFMS Inquiry Screen MS017P provides access and visibility to liquidation data associated with Document-Job-Shop (Contractual Services) and Travel records to view on-line. The data viewed is similar to what is displayed on the DIFMS Report 7310-680 in the ‘Liquidations’ section. The user has alternate search capability by Document-Number, PON, Task, ACRN, CLIN, Cost Code, JON, DOV Number, and Batch Control Number. The Document Number and PON are indexed to provide a more efficient search. If the search criteria yield more than 100 records, a message is shown to ask the user to redefine the search.

6.6.1.4.2. A database table, DIFMS\_LIQD\_HSTY, stores the data that is being inquired on. This table is initialized using the one-time DIFMS Program MS912P “Initialize Cash Liquidation History Information” which takes the MS258D03 file and translates the data into the DIFMS Oracle database. For sites wishing to maximize the volume of historical data, use guidance in the DIFMS users’ manual for monthly, quarterly, and year-end procedures. Also annual direction published by AFMC Financial Management Directorate (AFMC/FM) and DFAS Columbus Center (DFAS-CO) for any specific processing procedures prior to the fiscal year end purge.

6.6.2. Basic Research for the Other Cost/Cash Process:

6.6.2.1. There is a requirement for a match to the correct document number.

6.6.2.2. For Business Operations (Other) Cost transactions, the requirement is for document number, task, ACRN, Contractual Other Code (COC), and Cost Code to match to a DOC-JOB-SHOP record.

6.6.2.3. For commercial material buys, the approach is covered in the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the appropriate tab for NIMMS, and then on the current production release. Additional information can also be obtained from the AFMCI 21-130, Depot Maintenance Materiel Control: <http://www.e-publishing.af.mil/shared/media/epubs/AFMCI21-130.pdf>

6.6.3. The detailed IPAC billings that find no due (or Obligation) report as unmatched government bills on DIFMS Report 7310-340 "Cash Disbursement Register". AFSC cost accounting records the due and/or receipt on the material due record in NIMMS for the Material In-Transit (MIT) and Unmatched Government Bills transactions that have no accounts payable and/or obligation.

6.6.3.1. Most corrections are made via NIMMS screens. Obligations are established using NIMMS Screen MN012P "Establishment for Military Standard Requisitioning and Issue Procedure (MILSTRIP) Requisitions". Receipts are recorded using the NIMMS screen MN031P "Receipts". After the next material and cash updates, the MIT and Unmatched Billing transactions should match to the Material Dues and liquidate the Accounts Payables that were established.

6.6.3.2. The results of processing delayed receipt/obligations that successfully match off would appear on the DIFMS Report 7310-461 "Transactions Clearing Requisition Status" under the 'MU' JV type.

6.6.4. Cash liquidations for material transactions containing Contract Line Item Numbers (CLIN) and Sub Line Item Numbers (SLIN) or ACRNs should successfully process automatically in DIFMS through matching for material transactions in the same manner that it is done for liquidations of Document Job Shop transactions. This matching is handled by using several DIFMS Update Screens and related DIFMS Programs: MS131P "Cash and Reject Correction", MS132P "Unallocated Detail Error Correction", MS135P "Multiple Unallocated Error Correction", MS200P "Daily DOV Cash Input", MS214P "Finalize and Re-cycle Cash Data", and MS260P "Process Disbursing Office Vouchers".

6.6.5. DIFMS Program MS260P relieves the Public Receivables 131042A USSGL account. The budgetary postings for Receivables (4251 and 4252 USSGL series) migrate to Public ('42'). DIFMS Report 7310-865 "Un-liquidated Bills" reflects FMS Bill Numbers as Public (131042A) receivables.

6.6.6. Acceptable variance parameters are established in the DIFMS System Info Record that allows the cash and payable transactions to match within acceptable criteria. If the difference exceeds that value, the cash transaction for correction is included in DIFMS Report 7310-495 "Material Mismatched". Those items on DIFMS Report 7310-495 have either purchase or quantity differences in excess of the acceptable criteria. To correct this error, AFSC cost accounting adjusts the A/P in NIMMS Screen MN031P "Receipts". This would normally be worked by "reversing" the original receipt using MN031P and reprocessing the corrected receipt also using NIMMS Screen MN031P. Another option exists to use the DIFMS Update Screen MS185P "Excessive Purchase Variance" for cases where quantities match and amounts

are excessive. In cases where amounts match and quantities differ, use DIFMS Update Screen MS181P “Mismatched”. See [Chapter 4](#) for additional information.

6.6.7. Each AFSC reviews weekly cash balance and detail from GAFS-BQ, the DIFMS trial balance (7310-935 or 7310-325) reports to determine (1) if the summary (trial balance account) agrees to GAFS-BQ total and detail, and (2) unallocated cash transactions (7310-320, 7310-322) reports). Any discrepancies that are not in the DFAS-IE are researched by the cost accounting office. Once the necessary correction is determined, cost accounting personnel use applicable update screens to correct cash errors.

6.6.7.1. DIFMS balances, edits, and validates the DOV summary and details. DIFMS also balances, edits, and validates interdepartmental (IPAC) bills. Rejects from these edit routines are listed on the DIFMS Report 7310-305 “Rejected Details and Summary Records”. DFAS makes corrections via the DIFMS Screen MS131P “Cash and Reject Correction Update” using Part I and Part II of this report, correcting the field in error, indicated by (\*). Those records corrected successfully do not appear on the next day’s DIFMS Report 7310-305 “DIFMS Rejected Details and Summary Records”.

6.6.8. The cash subsystem prevents unallocated general ledger accounts from shifting between the two ‘Unallocated Cash’ USSGL accounts for collections (131041D and 131042G) when the Property Accounting Activity (PAA) field is changed on a correction action. The original Unallocated Cash USSGL account is stored on the Unallocated DOV Detail record in the existing record stream, and when the unallocated transaction first enters the system is the record is posted by the DIFMS Program MS283P “Post Unallocated Cash”.

6.6.8.1. After a correction has occurred on either the Unallocated Detail Error Correction Update (MS132P) or the Multiple Unallocated Detail Error Correction Update (MS135P), this USSGL account number is carried forward on the correction records. Whenever the PAA field on a correction action has been changed between a ‘Billing’ (Unallocated Cash USSGL account 131041D) and ‘Non Billing’ (Unallocated Cash USSGL account 131042G) cash disbursement, retention of the original USSGL account number allows the DIFMS Program MS260P “Process Disbursing Office Vouchers” to reverse the original Unallocated USSGL account correctly. In addition, if the record is again rejected in the DIFMS Program MS260P, it posts out of the “old” and into the “new” unallocated USSGL account based on the latest PAA value. The DIFMS Program MS385P “Report Corrected Unallocated Cash” displays records that take this course of action through the DIFMS Report 7310-321 “Corrected Unallocated and Unmatched Details”.

## **6.7. Cash postings to the United States Standard General Ledger (USSGL)**

6.7.1. There are three update reports in the Cash processing which contain the details for the cash updates. The manual JV is also used in the cash liquidation processing.

6.7.2. DIFMS Report 7310-340 “Cash Disbursement Register (Journal Voucher Type = CD)” contains the updates received from the disbursements and collections made in GAFS-BL/BQ and passed to DIFMS via the DFAS-IE. Transactions for ‘material and other’ based on payment for IPAC and commercial material and other purchases:

6.7.2.1. Debit 4901xx Expended Authority Unpaid

6.7.2.2. Credit 4902xx Expended Authority Paid

6.7.2.3. Debit 2110xx Accounts Payable

6.7.2.4. Credit 101040Bx Funds Disbursed

6.7.3. DIFMS Report 7310-335 “Cash Receipts Register (Journal Voucher Type = CR)” contains the updates made from collections for DIFMS income billings and other collection actions. Transactions for DIFMS billings based on A/R recorded in GAFS-BL/BQ:

6.7.3.1. Debit 4901xx Expended Authority Unpaid

6.7.3.2. Credit 4902xx Expended Authority Paid

6.7.3.3. Debit 42524x Reimbursements and Other Income Earned - Collected

6.7.3.4. Credit 42514x Reimbursements and Other Income Earned Receivables

6.7.3.5. Debit 101040Ax Funds Collected

6.7.3.6. Credit 1310xxx Accounts Receivable

6.7.4. Other collections are documented in DIFMS Report 7310-321 “Corrected Unallocated and Unmatched Details (Journal voucher type = CU)”. When transactions go to Unallocated or Unmatched, cash is posted with an offset to either A/P or A/R. The entries would be as stated above for disbursements versus collections, with entries to the unallocated accounts. When the transactions clear the unallocated or unmatched status, the transaction amounts move from unallocated A/R and A/P.

## 6.8. Research Procedures for Cash Imbalance

6.8.1. **Step 1:** Verify all transactions entered in DIFMS. Obtain the total dollar value of cash transactions from the DFAS field site. Using the DIFMS Report 7310-325 “DIFMS Valid Cash Vouchers”, compare the total cash to the subtotals in the Valid Cash Vouchers Section, and the Unallocated Cash Vouchers Section. Research differences, in coordination with the DFAS field site, to determine causes and take corrective action (see subsequent steps).

6.8.2. **Step 2:** Use the DIFMS Reports 7310-335 “Cash Receipts Register” and 7310-340 “Cash Disbursement Register” to verify valid cash postings are correct by comparing the total debits and credits for Receivables, Payables, Liabilities, and Operating Expenses. Compare the total debits and credits to the total of valid cash vouchers from the DIFMS Report 7310-325.

**Table 6.1. Verifying Valid Cash Postings**

Debits (USSGL accounts)	Credits (USSGL accounts)
- Account Receivable	- Account Receivable
- Advances	- Advances
- Account Payable	- Account Payable
- Other Accrued Liability	- Other Accrued Liability
- Operating Expenses	- Operating Expenses

6.8.3. **Step 3:** Use the DIFMS Report 7310-320 “Unallocated and Unmatched Details” (new processing section), to verify unallocated postings are correct. Calculate the total of the following USSGL accounts: Unallocated Disbursements, (211042xx); Unallocated Collections, Government (131041xx); and Unallocated Collections, Commercial (131042xx). Compare this total to the total of unallocated cash vouchers from the DIFMS Report 7310-325 “DIFMS Valid Cash Vouchers”.

6.8.4. For reference, below are the DIFMS cash reports and postings to respective USSGL accounts. Go to the following link: <https://t6800.csd.disa.mil/DifmsPortal/DIFMS/11A/DIFMS%20New%20User's%20Manuals/index.php> and then select the file : Cash\_User\_Manual11A00.doc

## 6.9. Monthly Manual Journal Vouchers Posted to Balance DIFMS and Treasury Cash

6.9.1. GAFS-BL/BQ is the Treasury “checkbook” for cash in AF. Reconciliation is required each month to bring the DIFMS and Treasury balances into line.

6.9.2. The GAFS-BL/BQ HAF-ACF (M) 7113, Report of Disbursement and Collection, requires that a journal voucher be posted in DIFMS to bring the cash balances in GAFS-BL/BQ and DIFMS into agreement. The items adjusted in this JV are generally those items that are suspended in the DFAS-IE, pending correction. DFAS posts the JV as a reversing manual JV at month end. **Refer to Chapter 9 for additional information.**

6.9.3. The GAFS-BL/BQ HAF-ACF (M) 7136, Air Force Working Capital Funds Cash Data Report, requires that a journal voucher be posted in DIFMS to bring the GAFS-BL/BQ and Treasury balances into agreement. DFAS-CO prepares a cash worksheet that the General Ledger Accounts use to produce the 7136 report. **Refer to Chapter 9 for additional information.**

## Chapter 7

### TRANSFER COST AND ADJUST

#### 7.1. Introduction

7.1.1. Cost transfers in Defense Industrial Financial Management System (DIFMS) are performed in multiple sub-systems. The Labor subsystem processes detailed labor transfers at the employee level. The Business Operations (Other) Cost subsystem processes contract labor (DOCAT) transfers. The Cost Summary subsystem processes cost transfers between performing and benefiting/owning cost centers by Job Order Number (JON) and percentage (pro-rate) cost transfers. This subsystem also merges, summarizes, and reports on labor, material, contractual, depreciation, and other miscellaneous costs by shop, job order number, and type of cost.

7.1.2. DIFMS Report 7310-221 “Indirect JON Transfer Status” reflects the transfer status of indirect job order numbers. Part I lists those jobs with a transfer indicator of ‘1’ that designates straight transfers. Part II lists those jobs with transfer indicators of ‘3’, ‘4’, ‘5’, or ‘7’; which designates prorated transfers. The transfer job listed in this section of the report has a corresponding PRORATE-TRANSFER-RECORD established; while those jobs listed in Part IV of the report do not. Part III lists all non-transfer jobs.

7.1.3. References:

7.1.3.1. DIFMS User Manual, Appendix J, Cost Summary Function and Appendix Y, Error Messages

7.1.3.2. DIFMS Physical Model 05, Cost Summary

7.1.3.3. Department of Defense (DoD) FMR 7000.14-R, Volume 11B, [Chapters 1](#) and 12

#### 7.2. Manual Cost Transfers

7.2.1. Cost transfers occasionally need to be performed to get labor, material, and other costs to the correct JON/Shop combination. Adjustments can be made for labor hours, labor costs, material costs, contractual and business operations costs, or applied overhead when extenuating circumstances arise. Manual transfers of costs should be kept to a minimum by shop floor discipline. Cost transfers may only be done when documentation confirms the need to perform a transfer in order to charge costs (such as material and labor) to the proper JON and shop. Cost transfers are submitted to the AFSC Cost Accounting office for final review and approval as well as input of the transaction on the DIFMS MS144P “Cost Adjustment Update” screen.

7.2.2. Specific types of manual cost transfers include, but not limited to: Government-wide Purchase Card (GPC), Industrial Prime Vendor (IPV), in-house Capital Investment Program (CIP), Precision Measurement Equipment Laboratory (PMEL) credit transfers between direct Resource Control Center (RCC) to the Administrative Overhead Center (AOC), Foreign Military Sales (FMS) cost share on ‘B’ JONs, partnering JONs (Reimbursement Code W), and travel performed on multiple direct JONs.

7.2.3. A cost transfer is allowable when the following conditions are present: (1) JON is open; (2) RCC is valid and active; (3) transfer of direct cost is no more than incurred cost (does not

create negative position); (4) the JON is not restricted to the type of cost attempting to be transferred; (5) Type Charge Code (TCC) is the same for transfer out and transfer in (such as labor to labor); (6) for each TCC the net transfer amount nets to zero, except retro hours and applied overhead (see list of TCC exceptions below); and (7) if transferring contractual or business operations cost (TCC = 'P' or 'Q') the Contractual Other Code (COC) must match (such as travel to travel).

**Table 7.1. Type Charge Code (TCC)**

TCC	Description
H	Civilian Holiday Retro Labor Hours/Costs Funded
L	Civilian Regular Retro Labor Hours
N	Night Differential
O	Civilian Overtime Retro Labor hours/Costs Funded
W	Production Expense Applied Funded
X	Production Expense Applied Unfunded Civilian
Y	Production Expense Applied Unfunded Officer
Z	Production Expense Applied Unfunded Enlisted
1	General Expense Applied Funded
2	General Expense Applied Unfunded Civilian
3	General Expense Applied Unfunded Officer
4	General Expense Applied Unfunded Enlisted

7.2.4. Sometimes it is necessary to create a manual JV between Expense Accounts and Asset or Liability Accounts. Since the JV affects General Ledger accounts, the transactions do not change the subsidiary balances in DIFMS, and the details are not provided to DDS for historical purposes. The alternative to processing a manual JV is to do a manual cost adjustment to keep the subsidiary ledger(s) in balance with the corresponding General Ledger account(s). One side of the cost adjustment is to an expense account, which creates the appropriate history records for DDS. The other side is to a pseudo "USSGL"-JON (a W followed by the USSGL account number), which allows the proper postings via a 'CX' JV as shown on the DIFMS Reports 7310-960 "Cost Adjustments by Expense Account" and 7310-905 "Cost Adjustments". Careful analysis must be done before deciding which type of adjustment is to be done.

7.2.4.1. Use DIFMS Screen MS151P, "Indirect Job Order Update", to create a "GLA" JON linked to Asset or Liability GLA account. This screen allows users to input or update indirect job order data for production expense, general expense, or for leave job orders. *Note: System sets Status Code to 1 (Open) and Job Open Date to the current date.*

7.2.5. Automated JVs are generated when adjustments transfer costs between direct and indirect or from production to general. No JV is generated when costs are transferred within direct, production, or general expense accounts. The JV created by this program is identified

as 'CX' on DIFMS Report 7310-960. DIFMS Report 7310-905 shows the details of each cost adjustment processed the previous day.

### **7.3. Automated Straight Transfers (PMEL)**

7.3.1. DIFMS Program MS272P "Straight Transfers" allows indirect costs to be passed from one shop to another. The system-generated straight transfers result in the appropriate USSGL accounts being posted. A journal voucher type 'CT' is generated as identified on the DIFMS Report 7310-705 "Cost Transfers".

7.3.2. A transfer indicator of '1' designates straight transfers. Also, fill out the 'Benefiting Shop/Cost Center Transfer To' (BEN-SHOP-CC-XREF-TO) with the owning shop. Costs incurred transfer 100% from the performing to the benefiting (owning) shop.

7.3.3. It may also be desirable to restrict the PMEL JON to a specific performing shop or a range of shops by using DIFMS Screen MS158P "Authorized Shops Update". If MS158P is used, also set the shop indicator on MS151P to a '2'. Authorized shops can be inquired on DIFMS Screen MS058P "Authorized Shop Inquiry".

### **7.4. Percentage Transfers**

7.4.1. These transfers are based on CPBM rates and transfer percentages.

7.4.2. For all costs captured in G&A and production overhead shops, it is necessary that costs be transferred to the benefiting direct shops on a percentage basis. In DIFMS, this task is accomplished through its percentage transfer process.

7.4.3. The process involves establishing overhead cost pools and determining the proper allocation of the costs to the benefiting Resource Control Centers (RCC). After the shop relationship is determined, an appropriate percentage must be determined to transfer overhead costs to the appropriate direct cost center.

7.4.3.1. Percentage cost transfers are calculated in the CPBM Budget Target Module (BTM). CPBM system administrator transmits the transfer percentages via FTP to DIFMS through the MS683D01 file. The DIFMS scheduler must have MS683P "Customer Order Number Update Interface" executed to process this file into DIFMS. Once the file has processed correctly, DIFMS Report 7310-260, "Transfer Percentage Update" and 7310-261, "Shop Cost Center Rates Update" reflects the transferred data on the following day. These reports will be produced when a change has been made. If there were an error in processing, it would be reflected as an error in Part II, Invalid.

7.4.3.2. In special cases, the authorized user may also directly establish transfer percentages by manually entering transfer percent input into DIFMS Screen MS174P "Transfer Percentage Update". Users may verify manual transactions using the MS037P "Transfer Percentage Inquiry" screen. This screen establishes, updates, or displays the prorate transfer records and their associated transfer percentages.

7.4.3.3. The AFSC Cost Accounting and ALC/FM coordinate the documentation and use of this screen to adjust these percentages rather than using the automated process. CPBM-BTM outputs a spreadsheet format detailing the overhead cost transfer percentages by RCC. The CPBM-BTM interface could overwrite transfer percentages that have been

made directly to the DIFMS Screen MS174P “Transfer Percentage Update” screen; therefore, the AFSC should use this option cautiously.

7.4.4. Prior to the end of month, run the DIFMS Program MS296P “Prorate Cost Transfers Process”. This process uses the prorate transfer records from BTM to determine the amount of cost to be percentage transferred from the G&A and Production Overhead (POH) shops to the benefiting direct shops. This batch process creates a JV Type ‘Cost Transfer-CT’ as shown on DIFMS Report 7310-706 “Percentage Cost Transfer Transactions”. When cost is transferred from G&A to POH, there is a posting in the USSGL accounts 61000043, Transfers - Production and 61000044, Transfers - General.

7.4.5. After percentage transfers have occurred, residual costs may exist. The reason(s) could be attributed to: (1) transfer percentage table does not add to 100%; (2) cost is attempting to be transferred to a closed or invalid shop; (3) transfer indicator on the JON(s) charged may not be set to ‘3’; or (4) original cost may have been recorded with a mismatching job and job type (such as G&A JON on a production organization).

## **7.5. Overhead Application**

7.5.1. Costs collected by POH JONs are in direct support of the production cost center. Costs collected by G&A JONs are costs that indirectly benefit all production cost centers. It must be determined how the costs from these indirect JONs are applied to direct work to ensure a fair distribution of overhead expense.

7.5.2. Using CPBM-BTM or other approved method, Overhead Application Rates (OAR) are established, for each direct shop by FY and quarter, based on the approved budgeted direct hours and total planned overhead costs. The H033-BTM system administrator transmits these rates to DIFMS through the MS684D01 file. The DIFMS scheduler must have DIFMS Program MS684P “DIFMS Shop Cost Center Rates Update” executed to process this file into DIFMS. Users may refer to DIFMS Report 7310-261 “Shop Cost Center Rates Update” for these rates. CPBM also generates a report detailing the Overhead Application Rates (OAR) by RCC.

7.5.2.1. Authorized users may manually enter overhead application rates in DIFMS Screen MS165P “Shop/Cost Center Rates Updates”. Enter these predetermined overhead rates at the direct shop level for each fiscal year and quarter. Users can add, change, or delete a rate for a direct shop. The CPBM-BTM interface could overwrite rates that have been made directly to the DIFMS MS165P “Shop/Cost Center Rates Update” screen; therefore, the AFSC should use this option cautiously.

7.5.2.2. DIFMS Inquiry Screen MS034P “Shop/Cost Center Rates” displays corresponding Overhead Rates record when shop is entered. The end of DIFMS Report 7310-565 “Labor Distribution Summary by Expense Account” also provides the rates currently in use for all shops.

7.5.3. Once DIFMS receives the rates, as direct hours are transacted, the labor distribution program applies overhead cost on a planned dollar rate per direct labor hour basis. The ‘LD’ JV as shown on DIFMS Report 7310-565 “Labor Distribution Summary by Expense Account”

includes a credit to applied overhead in USSGL accounts 660000A (POH) and 660000B (G&A) with an offsetting debit to USSGL account 152600A1 Work In Process (WIP).

7.5.4. The goal is to have minimal over or under applied overhead at the end of the fiscal year.

7.5.4.1. DIFMS Report 7310-729 “Actual Versus Applied Overhead Year-To-Date” summarizes and lists indirect Year-to-Date cost and applied overhead at the shop level. If additional information is needed, use DIFMS Report 7310-731 “Indirect Cost Summary Year-to-Date” which provides a summary of Year-to-Date indirect hours and costs at the shop level both before and after transfers.

7.5.4.2. An optional tool to analyze over and under applied overhead at RCC level is to create a ‘Maintain Overhead Application Rate Model’ in CPBM-BTM. The designated office in the AFSC creates and analyzes proposed OAR changes for possible update in DIFMS. Additional information can be found in the H033 User Manual.

## **7.6. Processing, Inquiries, and Reports for DIFMS Cost Summary**

7.6.1. The purpose of this section is to show the DIFMS users the functions of the Cost Summary Subsystem. DIFMS Cost Summary Processing summarizes data from internal and external interfaces of DIFMS such as Labor Subsystem, Material Subsystem, Feeder Systems (such as DFAS-IE), Business Operations (Other) Cost Subsystem, and Fixed Assets Subsystem.

7.6.1.1. The purpose of the Cost Summary function is to accomplish the following:

7.6.1.1.1. Report quarter-to-date, year-to-date and inception-to-date direct and indirect job order hours and costs

7.6.1.1.2. Report business operations cost by expense account, direct Job Order Number, and cost category

7.6.1.1.3. Report open and closed job status

7.6.2. The most current information can be obtained from the Technical Service Organization’s website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the appropriate tab and then on the current production release.

## Chapter 8

### BILLING

#### 8.1. Introduction

8.1.1. The purpose of the Defense Industrial Financial Management System (DIFMS) billing function is to replenish (receive cash) the Working Capital Fund for costs accumulated while performing work for customers. The billing function consists of DIFMS Programs MS273P “Produce Billing Audit” to calculate the bills and a MS274P “Produce Customer Bills” actually to produce the bills.

8.1.1.1. Not all customers will be billed for revenue purposes. Because of the Centralized Asset Management (CAM) Billing Suppression, the Consolidated Sustainment Activity Group – Maintenance (CSAG-M) has discontinued the practice of billing the Consolidated Sustainment Activity Group – Supply (CSAG-S) for all maintenance and manufacturing services at the start of FY08. CSAG-S provides Working Authority (WA) for these services; WA is used to ensure CSAG-S’ Contract Authority is not exceeded. No billings will occur and no cash will be exchanged. CSAG will not record revenue for these services.

8.1.2. References:

8.1.2.1. DIFMS User Manual

8.1.2.2. DIFMS Physical Model 07, Billing

8.1.2.3. DoD 7000.14-R, Volume 11B, [Chapter 11](#), and Volume 4, [Chapter 3](#)

#### 8.2. Customer Billing

8.2.1. Customers are billed as costs are incurred up to the extended End Item Sales Price (EEISP) and/or upon completion of the workload. CSAG-M can fully bill revenue up to the extent of available funds for all order types. This allows revenue to be maximized and work-in-process to be minimized.

8.2.2. Cost Accounting produces billing adjustments through the reverse billing process using DIFMS Screen MS123P “Reverse Bill Update”. The reverse billing system allows the user to reverse a bill that has already been produced in a prior billing cycle at the CON level or JON level, including Bill Type ‘7’ (Private Party Unfunded Surcharge Accounts Payable) bills. The system assigns a current-month bill number for reverse bills.

8.2.2.1. The user cannot reverse a single bill for a JON or CON and then set the JON or CON to have all bills reversed. If this happens within the same billing cycle, the first transaction must be deleted before the second can be processed. If this happens in subsequent billing cycles, an error is shown on the DIFMS Report 7310-820 “DIFMS End Use Billing Audit”. A JON or CON may not be reversed more than once per bill number.

8.2.2.2. If the last JON on the funding document has been final billed, that bill must be reversed prior to reversing other bills. A user may determine the last JON final billed on a funding document by using DIFMS Screen MS054P “Funding Document Inquiry”.

8.2.3. Manual bills can be entered directly into DIFMS using the DIFMS Screen MS124P “Manual Billing Update”. Use this procedure judiciously for bills that cannot be processed

mechanically. A bill number is assigned by Cost Accounting for tracking billing through the collection process.

8.2.4. Prior to doing a billing, the DIFMS Program MS271P “Distribute Direct Cost” or the Cost Summary run needs to be on the run schedule. Cost Summary calculates direct costs, which are the source of billings.

8.2.4.1. If billing fixed price JONs on a cost per unit or services basis, the user must run MS656P “Compute Incremental Revenue Recognition” for open JONs before the MS273P.

8.2.4.2. DIFMS Program MS626P “Stabilized Cost Update” to calculate and store unfunded administrative surcharges for Foreign Military Sales (FMS), private party, and non-Department of Defense (DoD) should be in the schedule before the MS273P.

8.2.4.3. ALC terminated JONs (status code ‘7’) do not bill the customer and are treated as a “total loss” to the performing activity. Status Code 7 has to be put on the JON manually.

8.2.5. The Billing Audit Run is produced through the DIFMS Program MS273P “Produce Billing Audit”. This batch process calculates income bills at the JON level for the activity’s customers, computes variances, actual cost, stabilized costs, and unfunded costs to be billed to FMS, private party, and DOD customers. It also re-computes the funds available at the CON level based on the potential billings but shows no update at the JON level.

8.2.5.1. If a bill (at the JON or CON level) needs to be overridden, the user needs to use DIFMS Screen MS121P “Billing Audit Override Update”.

8.2.5.2. If the ‘audit run’ needs overridden in mass, the user needs to use DIFMS Screen MS164P “Billing Income/Progress Override Code”, between the audit and final billing run. Only designated Cost Accounting personnel will be able to use these screens.

8.2.5.2.1. Cost Accounting has three options. First, Cost Accounting can allow all bills to process by using the default code of ‘N’. Second, Cost Accounting can override all bills by using the code of ‘A’. Third, Cost Accounting can process only manual bills (override system-generated bills including bill reversals) by use of code ‘M’. MS164P screen is used to make this selection. The default code of N is systematically set and does not require action.

8.2.5.2.2. If the MS164P (Billing Income/Progress Override Update) screen is used after the MS273P (Produce Billing Audit) program is run, and before the MS274P (Produce Customer Bills) program is run, then the MS275P (Override Customer Bills Batch Process) program must be run with the MS274P program when it is run.

8.2.5.3. Prior to the final billing run (DIFMS Program MS274P), Cost Accounting reviews the audit reports produced from DIFMS Program MS273P including DIFMS Reports 7310-115 “Customer Funds Status Audit Copy”, 7310-815 “Manual and Reverse Billing”, 7310-820 “End Use Billing Audit”, and 7310-825 “Progress / Advance Billing Audit”.

8.2.5.3.1. DIFMS Report 7310-820 “DIFMS End Use Billing Audit” reflects computations of revenue, bill reversals and manual bills for current billing cycle. AFSC Cost Accounting uses this report to determine if all of the billing for income should be released to the 'Produce Bills' cycle.

8.2.5.3.2. The “Final Bills Available for Billing” section of the report reflects the JONs meeting the ALC criteria for the funding document to final bill. The JON override code on the MS121P “Billing Audit Override Update” must be changed from “Y” (yes, override the billing) to an “N” (no, do not override the billing), to create a bill.

8.2.5.3.3. JONs on the “Available for Billing” section will bill, unless overridden. by changing the override code on MS121P screen from N (no, do not override the billing) to Y (yes, override the billing).

8.2.6. Using the DIFMS Program MS274P “Produce Customer Bills”, a revenue bill is produced based on information passed from the production reporting systems and costs summarized in the cost summary sub-system. This is the final batch process for billing, which creates the actual bills. This process also creates the billing files, identifies variances, overrides for CONs and JONs, and updates the General Ledger. The program assigns the Current Process Date to the “Month” of the Bill-Number and to the Bill-Date. This assures a more accurate aging of Accounts Receivable on the DIFMS Report 7310-865 “Unliquidated Bills”. MS274P creates the Sales Register (OLRV 7310-870) and posts to USSGL account 131041A “Accounts Receivable – Government Agency”, 152600A1 Work in Process, 231042A “Advances from Others – Other- Public” and applicable revenue and cost of goods sold accounts.. Sales Register lists the individual accounts.

8.2.6.1. After the final billing process has run the following steps occur: (1) Defense Finance and Accounting Service (DFAS) receives the billing file when DIFMS Program MS467P “Produce Customer Billing File” has been run; (2) ALC reviews JONs appearing on DIFMS Report 7310-820 “End Use Billing Audit” Unavailable for Billing section and the Error Description section prior to the next billing cycle and notifies appropriate personnel to make corrections prior to the next billing.

### **8.3. Advanced Billing**

8.3.1. Advanced billing process is used to maintain cash solvency and is used only with written approval of the AFMC Director of Financial Management or Deputy. The Financial Management Directorate (AFMC/FM) is the AFMC office responsible for: (1) determining when advance billing is required; (2) coordinating with the involved organizations to include the AFSC/FZR and ALC/FM, customers to be billed, DFAS, and the Director of Revolving Funds in the DoD Comptroller organization; and (3) instructing the ALCs on the timing, amount, and procedures for the advance. Requirements from the DoD Comptroller Revolving Funds Directorate must be followed such as that issued in the Annual Operating Budget (AOB) prior to the beginning of the fiscal year.

8.3.2. DIFMS allows advanced billings when the Advance From Customer Code (ADV FR CUST CD) is set to ‘Y’ at the Funding Document Number level. This code must be set using the Transaction Query & Maintenance tab in the Funding Initiation Tool System (FIT).

8.3.3. Advance Billing occurs at the CON level by entering a Manual Bill in the MS124P “Manual Billing Update” screen. The amount of the Advance Bill is entered in “Prog Pay/Adv” as Bill Type 6 (last position in the assigned bill number). After the next Audit Bill Run (MS273P), “Advan Fr Cust Pend” as shown on MS053P Option 2 will increase and “Fndd Aval to Bld” on MS053P Option 3 will decrease by the amount of the advance bill. Total

Billed will remain unchanged until future billings when the ALC is entitled to recognize the revenue on the JONs under the CON. DIFMS report 7310-815 “DIFMS Manual and Reverse Billing” and 7310-825 “DIFMS Progress/Advance Billing Audit” list details of the individual bills.

8.3.3.1. The Customer Bill Run (MS274P) will complete the billing cycle and produce OLRV 7310-830 “DIFMS Customer Billing”. The total amount of the Advance Bills does not appear in the general ledger until the advance bills are liquidated.

8.3.3.2. As the advance bills are liquidated, amounts are posted as debit to USSGL 101041A, Fund Bal with Treasury, and credit 231041B Advances from Others – Cash Advances – Inside DoD.

8.3.3.3. MS695P must be included in subsequent schedules every time before the Audit Bill Run (MS273P). MS695P adjusts Work in Process (WIP). The cash collection of the Advance Bills will move the amounts from “Advan Fr Cust Pend” to “Advan Fr Cust Bal” as shown on MS053P Option 2 “Customer Order Inquiry Screen

8.3.3.4. After the advance billing, as costs are incurred on the JON, DIFMS will process bills during normal billing runs. The amount of these bills will be deducted from Advan Fr Cust Bal and added to Total Billed as shown on the MS053P screens Option 2 and 3. General Ledger postings are debit to 231041B and credit to Revenue accounts (520000x).

8.3.4. During testing of Advance Billing, it was discovered that a JON tied to an Advance Billed CON will not bill when it is closed or completions changed after the advance billing. It will bill only when there is a change in cost. This can leave a balance in “Advan Fr Cust Bal” and total revenue will not be recognized.

8.3.4.1. A cumbersome workaround would be to monitor completions and closures on each JON under an advance billed CON. As completions increase or JONs close, manually enter a credit “advance” bill for the unbilled amount due. During the next billing cycle, the credit bill will decrease the Advan Fr Cust Bal and increase Fndd Avail to Bld. The risk of this workaround is when the original advance billing occurred the customer’s obligation was decreased in BQ. Posting of the manual credit bill in BQ will return the obligation to the customer. If this workaround is used, a billing should be scheduled immediately following the completion of the credit bill run to ensure that the funds remain available in obligation status in BQ. During this run, the JON should bill the amount due based on the closure or completions, decrease the Fndd Avail to Bld, increase Total Billed, and recognize revenue.

8.3.5. Further testing and possible rewrite of the required software before Advance Billing would be advisable.

## **8.4. Billing for FMS, Private Party, and Other Non-DoD Customers**

### **8.4.1. TYPE CUSTOMER CODES:**

8.4.1.1. FMS - 1

8.4.1.2. PRIVATE PARTY - 2

8.4.1.3. NONDOD - 3

8.4.1.4. DOD - 4

**8.4.2. Private Party (Type Customer Code 2):** DIFMS Programs MS273P “Produce Billing Audit” and MS274P “Produce Customer Bills” allow for fixed price order type codes to be used for private party billings. This includes Order Type ‘1’ (Fixed Price Units), Order Type ‘7’ (Fixed Price Non-Navy Components) and Order Type ‘9’ (Fixed Price Non-Components). In addition, stabilized rate billing for Order Type Code ‘4’ (Cost Reimbursement Services) and Order Type ‘3’ (Cost Reimbursable Units) is also allowed for private party customers.

8.4.2.1. This capability meets the requirement in the Depot Maintenance community to do fixed price partnering work with private companies. The capability provides the flexibility to “charge” or “not charge” unfunded surcharges. The private party documents under these Order Type Codes can be assessed surcharges unless designated otherwise through use of an exclusion indicator on the individual funding document.

**8.4.3. The FMS billing process (Type Customer Code ‘1’)** allows for billing at a fixed price in a manner similar to what is done for private parties.

8.4.3.1. DIFMS Screen MS162P “Unfunded Billing Rates Updates” permits the user to establish applicable rates to allow DIFMS to bill unfunded costs mechanically for FMS, private parties, and other non-DoD customers, which includes administrative surcharges for the rates and applicable appropriation codes as instructed by AFMC/FM. DIFMS Screen MS754P “Edit Surcharge Exclusions Updates” allows specific administrative surcharges to be excluded from bills to certain FMS, private party, or non-DoD customers, when appropriate. The capital reserve and any other surcharges dictated by HQ-AFMC are entered via DIFMS Screen MS161P “Bill Level Billing Rate Update”.

8.4.3.2. The Unfunded Civilian Fringe Benefit factor as provided by AFMC/FM is applied to the regular pay portion of the labor on the JON. The most current rate can be found at: <http://comptroller.defense.gov/rates>. FMS bills must be authorized by the Security Assistance Accounting Center through the Security Assistance Management Information System (SAMIS).

8.4.3.3. FMS is treated as Government Accounts Receivable (A/R). DIFMS Program MS274P “Produce Customer Bills” post FMS billings to USSGL account 131041A (Government Receivables). Budgetary postings for Unfilled Customer Orders (422141) and Budgetary Receivables (425141 and 425241) are posted systematically.

**8.5. Work In Process (WIP).** DIFMS applies direct expenses and applied overhead (POH and G&A) to WIP. DIFMS also uses a Cost of Goods Sold (COGS) account to record the amount of WIP sold to the customers based on billing.

8.5.1. DIFMS Program MS271P “Distribute Direct Costs” process updates JON cost data records, computes work-in-process balances at the Job Order Number (JON) level, rolls the costs up to the Customer Order Number (CON) level, and rolls all current cycle costs for direct and indirect shops, Contractual/Other, and Object Class into Month-to-date (MTD), Quarter-To-Date (QTD), Year-To-Date (YTD), and Inception-To-Date (ITD - Direct Only). This information is fed to downstream systems such as DDS and CPBM-H033. Reports are also

fed to OLRV and available for query. DIFMS Report 7310-125 “Unbillable Work In Process Report” lists customer orders with costs that have exceeded the funded amount.

8.5.2. USSGL account 1526, Inventory-Work in Process, is the control account for all unbilled job orders. The amount of Work in Process consists of all costs applied to unbilled job orders including direct labor, direct materials, applied indirect overhead, and G&A expenses. AFSC FZR reviews and resolves the WIP balance on unbilled job orders in coordination with the ALC/FM as each billing cycle is produced.

8.5.3. The costs incurred on a customer order may be more or less than the revenue earned, depending upon whether costs incurred exceed the funded amount on the customer order or whether costs incurred are less than the funded amount on the customer order. Therefore, a gain or loss (variance) may occur on the work performed on a customer order. Variances are recognized as the JONs under the CON are billed.

8.5.4. The ALC/FM and AFSC FZR jointly establish procedures for the routine review of WIP account balances so that appropriate actions may be taken, if necessary, to reduce significant balances in the WIP account. The review must focus on completed customer orders where costs incurred exceed the funding provided on the existing customer order. Ultimately, these costs should be transferred from the WIP account to operating expenses/program costs or to COGS. The review should evaluate the compliance with the percentage of completion method for revenue recognition and accounts receivable policy (DoD 7000.14-R, Vol. 11B, [Chapters 11](#) and 4 respectively).

8.5.5. Quarterly, the ALC/FM and AFSC FZR review the uncollected Accounts Receivable (A/R) on the DIFMS Report 7310-865 “DIFMS Unliquidated Bills”. With approval of ALC/FM, AFMC/FM, and DFAS, write-off account receivable accounts that are no longer expected to be collected.

## 8.6. Revenue Recognition

8.6.1. Revenue is identified and billed on the JON level. DIFMS calculates revenue based on funding, costs incurred, completed units, and sales prices established by the user. Using historical workload and expenses data, along with AFMC direction, the ALC uses Consolidated Sustainment Activity Group-Maintenance (CSAG-M) systems to develop sales rates. Using the Sales Price Generator (SPG) System, budget analysts use sales rates, direct material and direct labor cost history, along with standard hours to calculate End Item Sales Prices (EISP) for non-serialized workloads.

8.6.2. Revenue recognition and billings are based on cost incurred and units completed for all fixed price JONs. DIFMS recognizes revenue based on the following formula:

### 8.6.2.1. Fixed Price JON(s) Revenue Formula

8.6.2.1.1. Revenue = (Units Complete x EISP), or

8.6.2.1.2. When no units are completed, Revenue = Cost Incurred to Date (Material, Labor and Overhead not to exceed the EISP x Units Inducted)

8.6.2.1.3. Cost Reimbursable JONs Revenue is recognized based on the actual cost recorded on the JONs

**Table 8.1. Example of Revenue Calculation for Fixed Price JONs**

JON	EISP	Units Inducted	Ext EISP	Units Completed	Actual Cost	Billings (Revenue = Greater of (Units Comp * EISP) or Actual Costs)
A	\$10	10	\$100	10	\$110	\$100
B	10	10	100	6	30	60
C	10	10	100	5	50	50
D	10	10	100	2	40	40
E	10	10	100	1	5	10
F	10	10	100	0	0	0
<b>Total</b>			\$700		\$235	\$260

## 8.7. Billing Reports

8.7.1. DIFMS Program MS273P “Billing Audit” is run prior to the DIFMS Final Run (MS274P). Billing is usually run twice a month, but can be run as often as required. This batch process calculates the ALC income bills at the JON level based on type customer code, order type code, status code, stabilized rates, and CON funds authorized. There are four reports associated with DIFMS Program MS273P.

8.7.1.1. DIFMS Report 7310-115 “Customer Funds Status Report – Audit Copy” provides a billing status and summarizes information on cost, billing, and variances at the Funding Document level at the time the Audit Run is produced

8.7.1.2. DIFMS Report 7310-815 “Manual and Reverse Billing” provides data regarding manual or reverse bills entered into the system by the user.

8.7.1.3. DIFMS Report 7310-820 “End Use Billing Audit” provides income bill calculations at the JON level summarized to the CON. Calculations are based on the Order Type Code, Type Customer Code, Status Code of the JON, and the stabilized or fixed price rates. Bills will be “calculated” regardless of funds available.

8.7.1.3.1. “Available for Billing” is the first section and lists JONs that will bill when the MS274P is run unless the user makes the decision to override the bill by using MS121P screen by changing the Override Code from N to Y.

8.7.1.3.2. The second section is “Final Bills Available for Billing” that lists the JONs that are the last JONs on a Funding Document. If these JONs bill, the Funding Document will be final billed. If the user elects for these JONs to bill, the MS121P screen can be used changing the Override Code from Y to N.

8.7.1.3.3. The third section is “Unavailable for Billing Due to Insufficient Funds or Minimum Bill Amt” and lists the JONs that cannot bill due to funding shortage. This section will not bill and should be reviewed by Cost Accounting and the Maintenance Wing to resolve the funding shortage before the next billing.

8.7.1.3.4. The last section is “Error Description” and lists CONs that are out of balance with the JONs attached to them and JONs that cannot bill for a variety of reasons. The

section should be reviewed by Cost Accounting and the Maintenance Wing to resolve the issues before the next billing if possible.

#### 8.7.1.4. DIFMS Report 7310-825 “Progress Pay/Advance Billing Audit”.

8.7.1.4.1. Part I reflects the status of Payments for the Billing Cycle. Payments are calculated at the CON level.

8.7.1.4.2. Part II reflects manual advance bills for DoD customers created via the DIFMS Screen MS124P “Manual Billing Update”. Advance bills are created at the CON level.

8.7.2. DIFMS Report 7310-105 “Customer Order Status” provides inception-to-date (ITD) status of accounting data, cost incurred, billings, and variances for each customer. The report is produced through DIFMS Program MS379P.

8.7.2.1. Part I ‘By Sponsor’ provides funding document data.

8.7.2.2. Part II ‘By CON’ provides information by Customer Order Number.

8.7.2.3. Part III summarizes the CON information by program and report totals. This report is also used as the subsidiary for the following accounts.

**Table 8.2. USSGL Account Title**

Type	USSGL	Account Title
<b>Proprietary</b>	151100E	Progress Pmts – Direct Material Inventory
	152600A1	Inventory – WIP – In House
	152600A2	Inventory – Progress Pmts – WIP – In House
	152600B2	Inventory – Progress Pmts – Contractors Plants
	152600C2	Inventory – Progress Pmts - Other Government Plant
	152600D	Inventory – WIP – Activity Retention
	231041A	Advances from Others – Outside DoD
	231041B	Advances from Others – Cash Advances – Inside DoD
	231042A	Advances from Others – Other – Public
<b>Budgetary</b>	422141	Unfilled Customer Orders w/o Advance - Govt
	422142	Unfilled Customer Orders w/o Advance - Public
	422241	Unfilled Customer Orders With Advance – Govt
	422242	Unfilled Customer Orders With Advance - Public
<b>Statistical</b>	920041	Unfilled Non-Reimbursable WA

8.7.3. Reconciliation and corrective action needs to occur at the ALC to keep the Subsidiary Ledger and the General Ledger in agreement. DIFMS Report 7310-105, Part III, provides separate subtotal identity of ‘Reimbursable Funds Authorized’, ‘Reimbursable Funds Available’, ‘Surcharges Billed YTD’, and ‘Progress Pay/Advances Pending’.

8.7.3.1. The criteria for ‘Reimbursable’ is based on a Manufacturing-Type-Code of ‘0’, ‘2’, ‘3’, ‘6’ or ‘9’. This excludes all Unfunded Manufacturing Type Codes such as ‘1’ (In-House Manufacturing), ‘4’ (CIP), ‘5’ (In-House MRPMA), ‘7’ (Multi-Funded Collection)

and '8' (Direct Cite). This provides traceability and comparability to the DIFMS Report 7310-130 "Summary Source of Revenue" that includes only amounts from reimbursable funding documents.

8.7.3.2. The subtotal for 'Surcharges Billed' helps to reconcile comparisons to 'Orders Received' on the DIFMS Report 7310-130 since the 'Orders Received' column includes funding for surcharge for the current fiscal year. Similarly, the ability to compare/reconcile 'Funds Available' to the overall USSGL 4220 series account balances is aided by inclusion of the 'Progress Pay/Advances Pending', since these numbers have to be added back into the Funds Available to get a true 'Unfilled Customer Order' (USSGL account 4220 series) balance.

8.7.4. DIFMS Report 7310-130 can be used for financial statement reporting purposes, when the report is produced at the same time as the 7310-105 report. Running both reports at the same time is imperative at End of Year closeout.

8.7.5. DIFMS Report 7310-830 "Customer Billing" provides a summary of all bills that were produced for the cycle as well as all bill calculations that were overridden. All JONs/CON(s) from the DIFMS Reports 7310-820 (DIFMS End Use Billing Audit) and 7310-825 (DIFMS Progress/Advance Billing Audit)" should appear in one of the sections on this report.

8.7.6. DIFMS Report 7310-835 "Unfunded Amounts Billed" provides detail information on unfunded surcharges that were billed during the current cycle.

8.7.7. DIFMS Report 7310-870 "Sales Register" provides the details for the postings to the General Ledger for the Billing Cycle.

8.7.8. DIFMS Report 7310-875 "Schedule of Variances" provides a breakout of the variances taken for the cycle by JON summarized to the CON.

8.7.9. DIFMS Report 7310-880 "Variance Ledger Summary" provides Month-to-Date (MTD), Quarter-to-Date (QTD), and Year-to-Date (YTD) variances by CON and is the Subsidiary to the General Ledger for the Billing Variances.

8.7.10. DIFMS Report 7310-885 "Status of Funds" may be used to send to the customers when a Status of Funds for the order is required.

8.7.11. DIFMS Report 7310-890 "Voucher for Disbursements and/or Collection" shows the ALC's side of the bill with reference to "2035" for the customer's Line of Accounting.

8.7.12. DIFMS Report 7310-850 "Summary of Accounting Data Navcompt 2035" shows the customer's Line of Accounting and supports 7310-890.

## Chapter 9

### ANALYZE/RECONCILE/REPORT-GENERAL LEDGER

#### 9.1. Introduction

9.1.1. The Consolidated Sustainment Activity Group (CSAG) Maintenance Division uses the Defense Industrial Financial Management System (DIFMS) system to record both systemic and manual cost accounting transactions. DIFMS uses journals to post these data to the general ledger from which CSAG reports are created. DIFMS maintains the chart of accounts as outlined in the United States Standard General Ledger (USSGL).

9.1.2. References:

9.1.2.1. Department of Defense (DoD) 7000.14-R, Financial Management Regulation (FMR), Volume 4, Volume 6A (New version may have superseded some items in this chapter) , and Volume 11B, **Chapter 13**.

9.1.2.2. United States Standard General Ledger: <http://fms.treas.gov/ussgl/about.html>

9.1.2.3. Financial Management Systems Requirements Manual (Blue Book) DFAS 7900.4-M, Vol. 1, General Ledger Version 8.0, May 2011 (Update). This can be viewed at: <http://www.dfas.mil/dfasffmia.html>

9.1.2.4. Implementation and Certification of Revised Mechanization of Contract Administrative Services (MOCAS) Accounts Payable Procedures, letter from Patrick T. Shine, Deputy Director, Operations, DFAS Arlington, dated August 10, 2007. (Attachment 3)

9.1.2.5. DIFMS User Manual and DIFMS Physical Model. The most current information can be obtained from the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>.

#### 9.2. CSAG Accounting System Structure

9.2.1. Many data elements can be viewed on DIFMS screens. Pertinent to this chapter screen codes, names, and descriptions are:

Table 9.1. DIFMS Screens

Screen Code	Screen Name	USE
MS041P	Chart of Accounts Inquiry	To view General Ledger Account Code (GLAC) characteristics
MS044P	General Ledger Journal Voucher (JV) Inquiry	To view both manual and systemic JVs.
MS045P	General Ledger Account	To view specific account balances
MS172P	Manual Journal Voucher Update	Used to post and view manual journal entries
MS173P	General Ledger Account Update	Used to add, delete, inquire, or change a general ledger account number and/or associated account information.
MS753P	General Ledger Budget Tracking Update	Used to add budget target amounts for reporting purposes
<i>These screens will be referred to in the relevant paragraphs.</i>		

9.2.2. The following DIFMS reports will be referred to throughout this chapter.

9.2.2.1. **DIFMS Direct Costs by Cost Center, Year-to-Date (7310-721)** provides a summary of year-to-date direct hours and costs at the Cost Center Level by types of Manufacturing.

9.2.2.2. **DIFMS General Ledger Details Year To Date (7310-915)** is, essentially, the year-to-date general ledger. It contains the detailed systemic and manual transactional history by general ledger account. Use as a research tool to trace back historical postings to each account throughout the current fiscal year.

9.2.2.3. **General Ledger Summary (7310-920)** provides summary balances by USSGL account number for the current month, quarter, previous months or quarters, prior year, and Inception to Date. Accounting uses this report as a quick reference for USSGL account balances for the various periods.

9.2.2.4. **General Ledger Worksheet (7310-925)** provides an accountant's worksheet to be used at the end of the reporting period to determine what adjusting and closing entries are necessary to accurately disclose financial information. Accounting reviews the trial balance column to obtain pre-closeout figures for end-of-year reporting.

9.2.2.5. **Financial Statement Feeder (7310-930)** lists USSGL account balances for preparing the Financial and Cost statements. Accounting uses this report to prepare the exhibits in the Financial and Cost Statements.

9.2.2.6. **DIFMS General Ledger Trial Balance (7310-935)** is a cumulative (produced daily) trial balance report that is formatted classified by proprietary, budgetary, and statistical accounts. The report also flags whether or not the total database is in balance (total debts equal total credits). (See paragraph 9.8.1.2. for further information)

9.2.2.7. **DIFMS Processed Journal Vouchers, Year-to-Date (7310-940)** reflects copies of all JVs, both systemic and manual, for the full year.

9.2.2.8. **DIFMS Processed Journal Vouchers (7310-945)** is the same as the 7310-940 except it is produced daily. Only the previous day's JVs will be published. This report is part of the audit trail and is used to validate correct transaction posting by showing the source and summarized amounts of each systemic and manual journal voucher. For each manual JV posted, print the matching JV and attach to the JV package.

9.2.2.9. **DIFMS General Ledger Account Non-Navy Transmission Listing (7310-951)** provides trial balance information. It is formatted in three column groups: GLAC, debit or credit code, and amounts with no summary or overall totals.

9.2.2.10. **DIFMS Prior Period Trial Balance (7310-954)** was designed to allow backdated trial balance creation within the current fiscal year. It is to be used primarily to create a trial balance that has a backdated adjustment that was posted after the normal last month end was run. (This report should only be produced in coordination with the local AFSC Cost Accounting and DFAS.) It can also be used as a failsafe report and can be requested as needed. If the 7310-951 or 7310-935 reports were not published, this report can be run (run stream MS432R01) and back dated to the necessary date. This report is formatted the same as the 7310-935 report.

9.2.2.11. **Automated Balancing (7310-965)** provides a comparison of general ledger and subsidiary accounts. This report is used to compare and investigate discrepancies between subsidiary accounts and the general ledger.

9.2.2.12. **Statement of Financial Condition (7310-970)** produces the automated financial statement. Accounting may use this report for balancing reports. This report is the same as the DIFMS Report 7310-971 except that it compares data for the end of the current quarter and the end of the previous quarter. New GLACs will need to be coordinated with Defense Finance and Accounting Service Information and Technology (DFAS I&T) to be added to this report.

9.2.2.13. **Comparative Financial Statement (Statement of Financial Condition) (7310-971)** is the balance sheet. It provides a comparison of the current month, year to date, and the prior month year-to-date ending balance giving an increase or decrease between the two periods. It is used to report and reconcile assets with liabilities plus equity. Line item details for each category of Assets and Liabilities, as well as totals are displayed as described above for the end of the current period, the end of the previous month, and the amount of increase or decrease. Details for equity are shown on the DIFMS Report 7310-976. These reports should be reviewed at End of Month (EOM) prior to trial balance submission. The variance between assets and liabilities plus equity should be Net Operating Results (NOR) plus transfers in/out of fixed assets. *Note: in the following discussion, the Funds Balances with Treasury accounts, GLACs 101040XX, are often referred to as cash accounts.*

9.2.2.14. **Analysis of Capital of Funds (7310-975)** produces an automated financial statement. This report is the same as the DIFMS Report 7310-976 except that it compares prior FY amounts with current FY amounts.

9.2.2.15. **Comparative Financial Statement - Analysis of Capital Funds (7310-976)** provides a monthly comparison of current month to prior month and gives the increase or decrease between the two periods. The report displays and compares supporting details for the equity amount reported on DIFMS Report 7310-975. Details are displayed for the end of the current month, end of the previous month, and the amount of increase/decrease. Under normal conditions, there should be no amount of increase or decrease during a given year as equity postings are only allowed during fiscal year closeout. Review this report in conjunction with 7310-971 at EOM prior to trial balance submission.

9.2.2.16. **DIFMS Income Statement (7310-977)** produces financial data for automated generation of an Income Statement similar to the Air Force 7118 Report (Statement of Revenue and Expense Report). However, since the report may not contain all month end adjustments, the report should be used with caution. New GLACs will need to be coordinated with DFAS I&T to be added to this report.

9.2.2.17. **Civilian Pay Accounting Interface System (CPAIS E4R6L) Employee Directory Listing report** is a Defense Civilian Pay System (DCPS) report. This report is also referred to as the R60 and is the data source for the civilian pay disbursement journal entries.

### 9.2.3. Programs

9.2.3.1. **Build Closing Journal Entries (Monthly) (MS221P)** is the program to monthly close-out direct cost accounts to work-in-process-in-house at the end of the month through a "XC" closing journal voucher.

9.2.3.2. **Process Reverse Manual Journal Vouchers (MS222P)** is the program that reverses the auto-reversing manual journal vouchers posted in the previous month. The actual reversals are recorded in the first report run of General Ledger Account (e.g., DIFMS 7310-945 'DIFMS Processed Journal Vouchers' report) for the following month and identified in the general ledger by 'VR' followed by four numbers to assign the month and sequence number.

9.2.3.3. **Distribute Direct Costs (MS271J)** is the process that rolls all current cycle costs into Month-to-Date, Quarter-to-Date, and Year-to-Date for both Direct and Indirect-Shop-Cost and Contractual-Other-Cost records and Inception-to-Date fields for 'Direct Only'.

9.2.3.4. **General Ledger Summary and Financial Statement Feeder (MS352J)** run stream occurs every evening. However, it can be run whenever a new trial balance is needed, (e.g., DIFMS General Ledger Account Non Navy Transmission Listing (7310-951) and DIFMS General Ledger Trial Balance (7310-935)).

### 9.2.4. Accounting Book Structure

9.2.4.1. **The General Journal** is a book (or database table) where accounting transactions are first recorded. Transactions are recorded in chronological order. In essence, DIFMS has one journal where all data is recorded. See Online Report View (OLRV) reports DIFMS Processed Journal Voucher Report (7310-945) for a specific day or DIFMS Processed Journal Vouchers, Year-to-Date (7310-940).

9.2.4.2. **General Ledger.** All systemic and manual transactions are chronologically posted in the general journal. The data passes to the general ledger. The general ledger

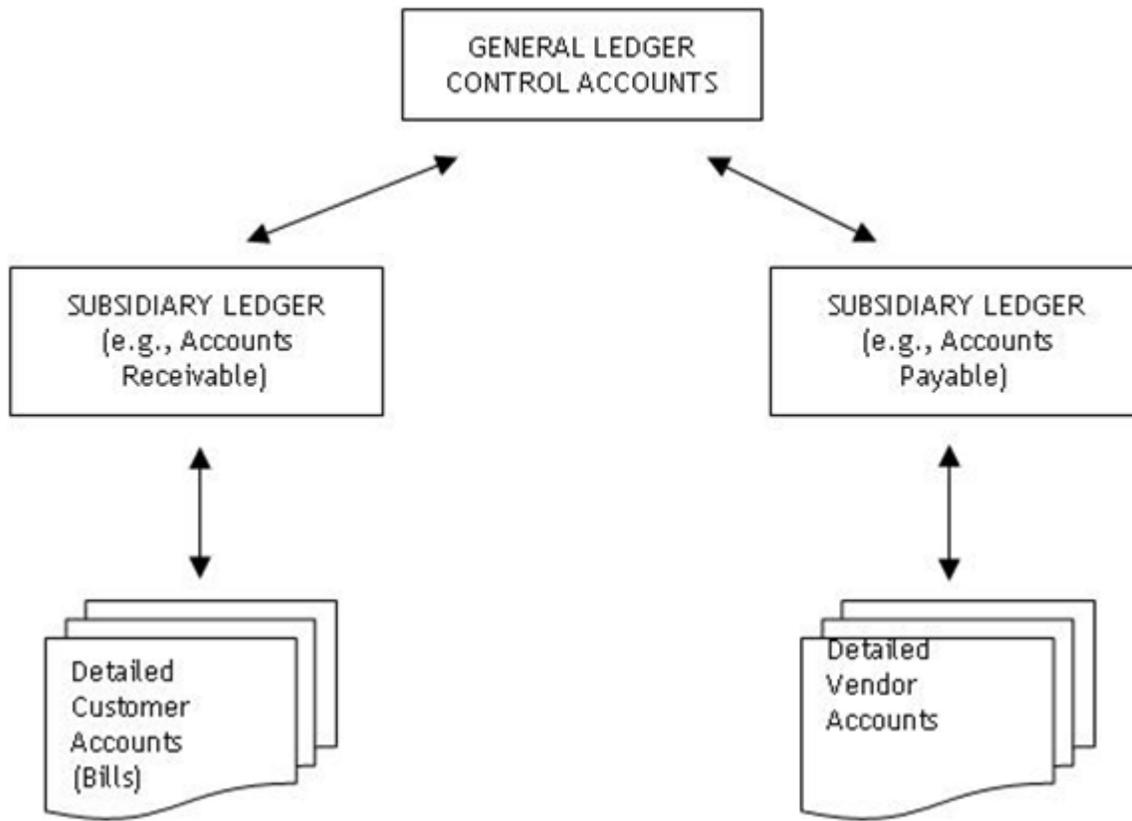
accumulates and summarizes all transactions by general ledger account. This ledger is the source for all periodic trial balances and other reports. Account segregation and summarization also allows CSAG managers to review specific account detail.

9.2.4.3. **General Ledger Control Accounts** contains summary level information. The balance in a control account is the total of many individual transactions. It is linked to a subsidiary account that contains the detail of a given type of transaction. The total of the control account should equal the total of all the records in its related subsidiary account. For example, control accounts 131041A and 131042A report the control totals of outstanding accounts receivable bills found in the DIFMS Unliquidated Bills (7310-865) subsidiary report. Not all general ledger accounts are control accounts because subsidiary detail is not required.

9.2.4.4. **Subsidiary Ledger** is a collection of second-level detail accounts used to maintain detailed data and tied to a control general ledger control account. These detail accounts are called subsidiary accounts.

9.2.4.5. **Subsidiary Account** is a secondary level account that contains detail data that supports control account balances. For example, the accounts receivable subsidiary account would be the outstanding unpaid bills. The total of the bills in the subsidiary accounts must equal the total of the control account. Likewise, any adjustments in either ledger must have matching adjustments in the other.

**Figure 9.1. Control to Subsidiary Accounts Relationship**



9.2.4.6. **United States Standard General Ledger (USSGL)** contains the chart of accounts that is the foundation of the DIFMS accounting process. Depot Maintenance Accounting and Production System (DMAPS) uses the USSGL account code structure which is a uniform Chart of Accounts. It was created to standardize general ledger account codes (GLAC) in order to eliminate reporting disconnects between all Federal Government entities. Technical guidance and the chart of accounts can be reviewed on the Department of Treasury web site listed in paragraph 9.1.1 above.

#### 9.2.5. **Chart of Accounts**

9.2.5.1. **USSGL Chart of Accounts** lists all available account names and numbers arranged in the order in which they appear in the trial balance. The full construct of the USSGL is eight positions. DIFMS may use up to all eight USSGL positions for its various accounts. The first four digits are controlled by the Treasury Department while the final four are designated by the using/reporting entity. The chart of accounts used should be identical from base to base. Differences due to unique base missions should be minimized. New GLACs will need to be coordinated with DFAS I&T to be added to this report.

**Table 9.2. USSGL Categories**

<b>First Number</b>	<b>Description</b>
1XXX	Assets
2XXX	Liabilities
3XXX	Net Position
4XXX	Budgetary
5XXX	Revenue
6XXX	Expense
7XXX	Gains/Losses
8XXX	Memorandum (not used in DIFMS)
9XXX	System Unique Statistical Accounts

9.2.5.2. A list of the most current DIFMS USSGL accounts can be viewed at the Technical Service Organization's website: <https://t6800.csd.disa.mil/DifmsPortal.index/php>. However, the Chart of Accounts is dynamic; accounts may be added while others are deleted.

9.2.5.3. The DIFMS USSGL account structure is as follows:

9.2.5.3.1. Pos 1-4 = Directed by Treasury

9.2.5.3.2. Pos 5-8 = Command Assigned

9.2.5.3.3. Pos 5-6: 00 = Not Applicable - No Breakout for Government and Public is needed, 40 = Net of Government and Public, 41 = Government, and 42 = Public

9.2.5.3.4. Pos 7-8 = Used as Further Breakout of the Account and dependent on the GLAC's context.

Table 9.3. Examples

<b>GLAC 101040A1</b>			
<b>Fund Balance with Treasury - Funds Collected -Operations</b>			
<b>Position 1-4</b>	<b>Position 5 &amp; 6</b>	<b>Position 7</b>	<b>Position 8</b>
1010	40	A	1
Fund Balance with Treasury	Net of Government	Collections	Operations
<b>GLAC 131041A</b>			
<b>Accounts Receivable Government Agencies - Summary Billings</b>			
<b>Position 1-4</b>	<b>Position 5 &amp; 6</b>	<b>Position 7</b>	<b>Position 8</b>
1310	41	A	
Accounts Receivable	Government	Summary Billings	(Not Used)
<b>GLAC 131042A</b>			
<b>Accounts Receivable Private Party and FMS Billings</b>			
<b>Position 1-4</b>	<b>Position 5 &amp; 6</b>	<b>Position 7</b>	<b>Position 8</b>
1310	42	A	
Accounts Receivable	Public/Foreign Military Sales	Summary Billings	(Not Used)
<b>GLAC 480141YA</b>			
<b>Undelivered Orders-Unpaid Government Operations Personnel Compensation-Civilian-Full Time Permanent</b>			
<b>Position 1-4</b>	<b>Position 5 &amp; 6</b>	<b>Position 7</b>	<b>Position 8</b>
4801	41	Y	A
Undelivered Orders Unpaid	Net of Government and Public	Operations	Full-time permanent
<i>Note: Additionally, for budget accounts: For position 7 can be: 'A or Y' = Operations or 'B or Z' = Capital. For position 8, use the category or object class code found in Paragraph 9.11.</i>			

9.2.5.4. **New GLACs** need to be added occasionally. The new GLAC should be the same for each base, and when a new GLAC is added, all three bases must add it to their respective systems. If the GLAC is to be tied to a subsidiary ledger, DFAS I&T must add it because the subsidiary ledger will need to be created and linked to the new GLAC. If the GLAC will not be linked to a subsidiary ledger, the base cost accounting office will use the General Ledger Account Update (MS173P) and the General Ledger Budget Tracking Update (MS753P) screens to create the account. (*Note: DFAS associates cannot add new accounts.*) The MS753P screen shows fields for each month of the fiscal year. These new accounts must be coordinated with DFAS-CO Accounting Requirements and Departmental

Reporting so they can be added to the Working Capital Fund Statement of Financial Position CSAG - Maintenance Consolidated Report (aka 1307 report) and GAFS-R.

### **9.3. Journal Vouchers (JV)**

#### **9.3.1. Journal Voucher Numbering Structure**

9.3.1.1. The format is: JVMMXX

9.3.1.1.1. JV = Type of Voucher. The JV type and title are shown in Table 9.4.

9.3.1.1.2. MM = Calendar Month

9.3.1.1.3. XX = Serial Number within each Month

9.3.1.2. For example, the fifth manual voucher posted in January would be VM0105. The fourth cash disbursement voucher in January would be CD0104. The JV numbers cannot be manually assigned; DIFMS automatically does so.

**Table 9.4. Journal Voucher Types**

JV Type	Report	Title
CD	340	Cash Disbursements Register
CL	694	Contract Labor Transfer
CR	335	Cash Receipts Register
CT	705	Cost Transfer Transactions
CT	706	Percentage Cost Transfers
CU	321	Corrected Unallocated & Unmatched Details
CX	960	Cost Adjustment Transactions
DA	590	Direct Cost To Activity Retention Report
FA	511	Transfer From Fixed Assets Under Development to Fixed Asset Accounts (GLACs 172000/173000)
FC	508	Fixed Assets Update
FD	514	Monthly Depreciation
FM	506	Manufactures Adds, Changes, Deletes
FU	510	Transfer From Direct Costs to Fixed Assets Under Development (GLACs 610000/172000)
IM	596	Transfer of MRTFB Costs To Indirect
JB	239	Budget Authorization Update
JF	240	Funds Authorized Budgetary Update
LA	558	Bi-Week Labor Distribution Summary By Expense Account
LD	565	Labor Distribution Summary By Expense Account
LQ	520	Standard Quarterly Close-Out
LR	521	Bi-Week Standard Cost Variance
LS	530	Weekly Standard Cost Variance
MA	431	Detail Inventory Adjustments
MA	650	Detail Inventory Adjustments - Business Operations (Other) Cost by Expense Account
MC	432	MC 7310-432 Detail Material Commitment/Obligation Transaction
MC	434	Summary Material Budgetary Posting (NIMMS)
MD	424	Weekly Material Expend Summary by Expense Account
MI	463	Monthly Inventory Allowance Report
MM	460	In-House Manufacturing Receipts & Variances
MP	457	Purchase Variances
MR	430	Detail Material Receipt Transactions
MT	770	Miscellaneous Transfers

MU	461	Transactions Clearing Requisition Status
RC	595	In-House Job Order Number (JON) Closures
SA	605	Schedule of Accruals
SB	604	Commitment Budgetary
SC	764	Service Center Transfer
SR	870	Sales Register
VM	915, 940, 945	Manual Journal Voucher
VR	915, 940, 945	Reversal Of Manual Journal Voucher
VP	915, 940, 945	Manual Prior Period Adjustments
XA	915, 940, 945	Applied Overhead Year-End-Close Out To Actual Operating Results (AOR)
XB	915, 940, 945	Budget Year-End Close Out
XC	915, 940, 945	Close-Out To Work In Process
XE	915, 940, 945	General And Production Expense Year-End-Close To AOR
XF	915, 940, 945	To Adjust Fringe Benefits At Year-End Close Out
XG	915, 940, 945	Billing Variances and Prior Year Gains/Losses Close Out
XL	915, 940, 945	Sick, Holiday, and Other Leave Year-End Close Out
XM	915, 940, 945	Unfunded Costs Year-End Close Out To Contributed Costs
XN	915, 940, 945	To Adjust Annual Leave At Year-End Close Out
XR	915, 940, 945	Revenue And Costs Of Sales Year-End Close Out To AOR
<i>Note: All JVs are posted systemically except for VM and VP that are posted manually. All journal entries can be found in the 7310-915, 7310-940, and the 7310-945 reports.</i>		

### 9.3.2. Systemic vs. Manual Entries

9.3.2.1. Systemic entries are coded into the DIFMS program and post automatically with little or no human intervention. The action may be triggered by a mechanic “wandering in” on a project or a computer scheduler kicking off the run schedule. Additionally, transactions from other DIFMS feeder or sub-systems create automated JVs.

9.3.2.2. Manual entries are created and then posted to the general ledger through the Manual Journal Voucher Update screen (MS172P). Manual JVs are created by DFAS associates or AFSC Air Force Cost Accounting office. **All manual journal voucher posting is to be done by DFAS associates only.**

9.3.2.3. Manual JVs are done for two reasons: source entry and correcting adjustment errors. These entries can be permanent or auto-reverse.

9.3.2.3.1. Manual source-entry JVs are for adjustments that, due to system limitations, have not been recorded. Timing differences, no automated interface, or account reconciliation may require manual entries. Source-entry JVs may also include data call transactions, such as those required to record the civilian pay disbursement JV. Source-

entry accounting transactions are generally used for month-end processing and year-end closing purposes.

9.3.2.3.2. Correcting entries adjust for errors identified during the review process. In some cases, correcting entries are required to adjust for errors on previously prepared JVs. In this instance, correcting entries should both reverse the effect of incorrect entries and record the correct amount. In some cases, both entries can be made with one journal voucher and a single set of supporting documentation. Use good judgment when correcting a previous posting and make the correction as low a risk as possible. The number of JVs and their complexity increases the risk of more errors. Regardless of whether a single JV is prepared, or multiple journal vouchers are prepared, the correcting JVs should include a copy of the original JV first page (include original supporting documents only needed to clarify the correction), with COPY stamped on it, and narrative explaining how it is known that the original entry is incorrect.

9.3.2.3.3. Manual postings can be permanent or auto-reverse. A permanent JV is posted when the result of the transaction is to remain in the records. If the adjustment change is to be temporary, it should be reversed. Use the “OVRD CD” (upper right corner) field on the MS172P screen to request whether or not to reverse. If the JV is to be permanent, enter Y; if it is to be reversed, leave the field blank. If left blank, the transaction will reverse systemically after the final month-end trial balance (run stream MS352J) is run. The system will publish the reversing entry in the OLRV DIFMS Processed Journal Vouchers – Current (7310-945) and the DIFMS Processed Journal Vouchers – Year-To-Date (7310-940) reports.

9.3.2.3.4. An individual manual budgetary JV may be required to correct discrepancies in the budgetary accounts typically updated by purely budgetary events such as Commitments, Obligations, and Unfilled Customer Orders.

9.3.3. In some cases, adjustments for certain proprietary accounts as in Table 9.5 need a matching budget adjustment. DIFMS is programmed to add many budget adjustments automatically. This process helps reduce the manual effort required for corresponding budgetary manual journal voucher entries. The automatic production of budgetary entries is limited to ‘current period’ JVs. The seldom-used Prior Period JVs (Action Code ‘P’) proprietary JV still requires a separate manual budgetary journal voucher. The user is able to immediately call up and view the results of a successful journal voucher (including the automated budgetary entries) by either using the DIFMS Inquiry Screen MS044P “Journal Voucher” or the DIFMS Update Screen MS172P with Action Code ‘I’ (Inquiry). Additionally, the 7310-945 report copy of the JV will include the budget adjustment.

9.3.3.1. The “behind the scenes” budgetary postings are built on posting logic coded into DIFMS that relate budgetary to proprietary accounts. The system then attaches the budget adjustment to the journal entry. The adjustment is based on the first six digits of the budget GLAC. Below is Table 9.5, which shows relationships; however, understand that this table is not all-inclusive and, because changes may be made in the future, it is dynamic.

**Table 9.5. Relationships of Budgetary and Proprietary Accounts**

Budget GLACs	PROPRIETARY GLACs
-----------------	-------------------

419000	575500 A	576500 B	576500 A	576500B				
422241	231041 A	231041 B						
422242	231042 A	231042 B						
425141	131041 A	131041 D	131041E					
425142	131042 A	131042 G	131042 H					
480241* *	141041 A	141041 B1-6						
480242* *	141042 A1-2	141042 B1-5						
490141* *	151100 B1	151100 C1-4	211041 A	211041B	211041 C	210041D 1-2		
490142* *	211042 A1-3	211042 B1-5	211042C 1-3	221042A 1-8	221042 B	221042C 1-8	221042C A-CH	294000 A
42*2*** * (YTD 4222 & 4252)	101040 A-3							
4*02*** * (YTD 4802 & 4902)	101040 B1-3							

9.3.3.2. To accurately produce the appropriate automated budgetary entries, the posting screen requires that equal offsetting entries occur on each line of the journal voucher whenever a proprietary line is entered. For certain proprietary GLACs, there must be matching and equal credit to the offsetting GLAC. For example, post the disbursement of \$20,000.00 to two liability accounts like this:

**Table 9.6. Good Example**

GLAC	AMOUNT	Debit/Credit	GLAC	AMOUNT	Debit/Credit
221041XX	10,000.00	D	101040BX	10,000.00	C
221042XX	10,000.00	D	101040BX	10,000.00	C

9.3.3.2.1. However, the following will not post:

**Table 9.7. Bad Example**

GLAC	AMOUNT	Debit/Credit	GLAC	AMOUNT	Debit/Credit
221041XX	10,000.00	D	101040BX	20,000.00	C
221042XX	10,000.00	D			

9.3.3.2.2. The system will respond with the error message; “Each line must be balanced Debit/Credit to produce budgetary JV”.

#### 9.3.4. Journal Voucher Package

9.3.4.1. A properly compiled JV package must have all necessary supporting documentation for a reasonably informed person to understand the transaction and determine validity. As stated in the DoD FMR 7000.14-R, VOL 6A CH 2 paragraph 020208.D.1 thru 10, the general rules for a proper JV package include:

9.3.4.2. The JV should be formatted and typed in an easy to read and understandable way.

9.3.4.3. The heading should contain the words in large font JOURNAL VOUCHER with the base and fund code below it. On the right hand side should be two lines, one for the JV number and the other for the “As of Date”. The systemic produced JV number is to be written on the JV number line. The “As of Date” entered should be the effective date of the JV, not the date it was created. For example, the civilian pay disbursement JV is to be dated the disbursement day. If the payday is 14 May, but the JV is created on 18 May, the date of the JV should be 14 May. For month-end processing, the date of the JV should be the last day of the month being closed even though the JV is actually being created in the following month.

9.3.4.4. The General Ledger Accounts need to match the transaction being recorded and the GLAC description must match the GLAC number. Even though the GLAC is correct and the amount was posted correctly according to the GLAC, if the incorrect description is used the transaction may be questioned.

9.3.4.5. The total of the debits and credits must equal.

9.3.4.6. The data source is the listings, data queries, reports, worksheets, Excel file names, emails, etc. These should be acknowledged including the date time group. A person, office, or similar reference is not a source. If a previous JV is part of the supporting documents, the JV number must be included. A copy of the first page of the JV must be included with “COPY” stamped or written on it. Unless necessary for understanding, do not include this JV’s supporting documents. If the supporting report has any Privacy Act information such as names and Social Security Numbers, this information must be obscured in some manner. In no way should this information be discernable. All supporting information should be clear enough to allow duplication of the data and verify the conclusions.

9.3.4.7. Include the DIFMS Action Code. See Figure 9.2, Manual Journal Voucher Update Screen (MS172P) Fields Defined.

9.3.4.8. Indicate with large font, a statement noting whether the JV must be automatically reversed.

9.3.4.9. The correct JV Category Code (Cat Code) and title that corresponds to the transaction being recorded must be entered in the JV CAT CODE field. Currently, this code is not posted into DIFMS, but is still required. Following are the Category Codes and definitions as defined by DOD FMR VOL 6A CH 2 paragraph 020208.D.1 thru 10.

9.3.4.9.1. **Category A (Reversing Entries for Prior Reporting Period)** – Journal vouchers shall include documentation regarding the original accrual entry and an explicit statement that the journal voucher is a reversing entry.

9.3.4.9.2. **Category B (Data Call Entry)** – Source entry information may be provided by data calls where the data are not recorded on a detailed transaction basis. Journal vouchers shall be prepared to record the summarized data call amounts in these situations so the amounts can be recorded in the general ledger trial balance. The ‘data call’ entry shall be supported by documentation for the summarized amount, and the entry shall identify the source or location of the transaction-level supporting detail and/or information for the entry. Examples of data call entries include property, plant, and equipment; operating materials and supplies; environmental liabilities; contingent liabilities; and employee benefit data.

9.3.4.9.3. **Category C (Balancing Entries for Eliminations)** – When the duly authorized official has determined that entries are necessary to balance buyer side data with the seller side data, a correcting journal voucher shall be prepared prior to eliminating selected intra-governmental accounts. The documentation shall include the appropriate worksheets that show in detail the seller side data that were received, the buyer side control values that are being adjusted, and the calculation of the adjustment amount. The supporting documentation for these journal vouchers shall also include a narrative that summarizes the procedures that were used to make buyer side adjustments and include the following information:

9.3.4.9.3.1. Eliminations are necessary so as not to overstate or understate the performance or financial position of a reporting entity by including the effects of transactions within a reporting entity. As stated in the notes to the financial statements and DoD FMR Volume 6B, [Chapter 13](#), DoD uses intra-DoD summary seller side balances for revenue, accounts receivable, and unearned revenue to adjust the intra-DoD departmental buyer side records for costs, accounts payable, and advances, respectively. Balancing entries for eliminating entries include amounts to ensure that the corresponding transfer in and transfer out accounts are equal for trading partners. A failure to balance the buyer and seller side data could result in significant distortions in consolidated financial statements.

9.3.4.9.3.2. The procedures to use information provided by the seller for fiscal year reporting were developed due to systems limitations that prevent the identification of buyer side transactions by specific trading partners.

9.3.4.9.3.3. All supporting documentation is attached, including the detailed information from the seller that was used to adjust the buyer side records and the resulting accounting entries.

9.3.4.9.4. **Category D (Recognition of Undistributed Disbursements and Collections)** – Entries shall be made to adjust Fund Balance with Treasury, as reported, for the amount of supported undistributed disbursements and collections reported in the departmental expenditure system. The proper supporting documentation for this type of journal voucher consists of identifiable amounts that are in transit from other sources (such as DFAS or Federal agencies). Many amounts at the detailed transaction level are not available due to timing differences, and support

consists solely of transmitted sums. In such a case, evidence available to support the journal voucher adjustments consists of summarized transmittal amounts. However, for audit trail purposes, the detailed transaction level amounts shall be obtained from the transmittal source when the amounts become available. Further evidence includes documentation of procedures and the allocation process used to apply undistributed disbursements and collections to accounts payable and accounts receivable, respectively.

**9.3.4.9.5. Category E (Reconciliation of Trial Balance and Budget Execution Reports)** – Journal voucher entries in this category are made to match trial balances or other source data reported by field accounting sites and/or accounting stations to the DoD Component's budget execution reports. Trial balances or other source data should be considered correct and should only be adjusted to budget execution data in instances where budget execution data are determined to be more accurate. The journal voucher shall document why a discrepancy exists in the data, the reason the budget execution data or other data are considered to be more accurate, the evidence to support this reason, and how it was determined that the entries on the journal voucher are correct.

**9.3.4.9.6. Category F (Supply Management Inventory)** – A correcting journal voucher shall be prepared when the duly authorized official has determined that inventory values for supply management activities need to be adjusted from standard price to approximate historical cost. The supporting documentation shall include appropriate references to DoD FMR Volume 4, [Chapter 4](#) and a clear explanation of the method that was used to comply with the policy to value inventory and cost of goods sold.

**9.3.4.9.7. Category G (Reclassification of Accounts)** – A correcting journal voucher shall be prepared to crosswalk data from installation level accounts to the USSGL when the duly authorized official has determined that the accounting systems are unable to provide data at the required level of detail for financial statement and footnote presentation. The supporting documentation shall include a narrative that explains the reason the reclassification is necessary and the reason the systems are unable to provide the data at the required level of detail.

**9.3.4.9.8. Category H (Identified Errors and Reasonableness Checks)** – Evidence to support either an authorized official or auditor identified correcting journal voucher shall include a detailed listing of identified errors, a narrative explaining how it is known that the original entry is incorrect, a related analysis documenting the calculation of the correct amount, and the sources of the data that were used in the analysis.

**9.3.4.9.9. Category I (Adjustment to Balance Reports Internally)** – A correcting journal voucher may be necessary when the duly authorized official has determined that a reconciliation of data supporting two different reports cannot be performed. Evidence to support this type of journal voucher shall include documentation of the reconciliation efforts made before determining that the reports cannot be reconciled.

**9.3.4.9.10. Category J (Other Accruals)** – The supporting documentation for other accrual journal vouchers shall include a narrative explaining the basis for the accrual

and any subsequent reversal (if required). This category includes fiscal year-end closing entries.

9.3.4.10. A JV purpose statement need not be very long as long as the approving authority can understand the purpose of the transaction. If further explanation is needed, additional detail can be included on the computational worksheet.

9.3.4.11. Some source document listings may be too large to print; therefore, a computer source file name should be included (e.g., the Excel file name) and, if used, the Commander's Resource Integration System (CRIS) query name and date ran. Bear in mind that this data listing must be reproducible or recorded on a CD Rom that is filed with the trial balance documents.

9.3.4.11.1. At a minimum, the documents cited on the face of the JV should be attached, and any others that will enhance understanding and validation. If that supporting information is voluminous, electronic filing is allowed. The location of the transaction-level detail must be noted on the JV form, and should be easily reproduced. A specific list of supporting documentation for all JVs cannot be comprehensively created.

9.3.4.12. All computations, if any, must be attached to the JV on a separate sheet. A more detailed explanation can also be included on the worksheets. The worksheet must be designed to enable easy validation and understanding of the computations. All source dollar values should be supported by an OLRV report: CRIS query data report, or other authoritative documentation. Bear in mind that the computational source data must be reproducible, that is, retrievable or found by another person at another time. OLRV reports are to have the date/time group clearly shown. CRIS query titles and column headings/line titles must be included along with the query date and an explanation description (if necessary).

9.3.4.13. The JV must indicate where the JV and supporting documents are filed within the DFAS Columbus office. Copies of these final reports should also be filed at base level location. It is to be understood that the Cost Accounting Office has immediate and complete access to the JVs. The JV and supporting documents must be stored on site for at least six years.

9.3.4.14. Two signatures (preparer and approving official) are required for each JV. Digital signatures are permitted and need to be returned within 48 hours; however, JVs can be posted in the meantime so the process will not hold up trial balance processing and delivery.

9.3.4.14.1. The person who prepares the JV must sign it before presenting it to the approving official. The JV preparer does not have the authority to approve their JV. However, this person can post the JV into the accounting system. The preparer's signature block must be on the bottom left and include at least the signer's name, title, office symbol, base, and email address. **Example: Gene Poole, CDFM, General Ledger Accountant, AFMC DFAS-JLLN/COHL, Hill AFB UT.**  
[Gene.poole@hill.af.mil](mailto:Gene.poole@hill.af.mil)

9.3.4.14.2. Only approved and designated persons can review and approve the journal voucher according to the thresholds exhibited on Table 9.8 below. The approving official cannot be the JV preparer, but if necessary, can post the JV into the accounting system. **Whether or not the JV is proper and valid is for the approving official to determine, not the preparer.** The approving official will review the JV and attached documentation to make sure the proper GLAs are used, the debits and credits balance, the purpose of the JV is valid, all computations are clear and understandable, all necessary documents are attached and understandable, and the action, override, and category codes are included and correct. (This paragraph is not meant to be comprehensive. The approving official should understand that further information might be necessary before signing the JV document.) The approver's signature block should be on the bottom right and include at least the signer's name, title, office symbol, base, and email address. The approver cannot prepare the JV. **Example: Anne Teak, CPA, General Ledger Accountant, AFMC DFAS-JLLN/COHL, Hill AFB UT. [Anne.teak@hill.af.mil](mailto:Anne.teak@hill.af.mil)**

**Table 9.8. Approving Signature Authority Thresholds**

Threshold	Dollar Amount	Approving Official Supporting the Reporting Entity
1	Under \$100 Million	Branch Chief Base Level (e.g., Chief Cost Accountant), or Branch Chief DFAS Columbus
2	\$100-\$500 Million	Supervisor of Branch Chief
3	Over \$500 Million to \$1 Billion	Director for Accounting or Finance Chief of Departmental Accounting and Reporting Requirements at DFAS-CO (Send request to authority shown in Threshold 2 who will submit and follow-up)
4	Over \$1 Billion	Director Center Site or Director DFAS-CO (Send request to authority shown in Threshold 2 who will submit and follow-up)

*(Table adapted from DOD FMR VOL 6A Ch 2 Para 020208 Table 2-1)*

9.3.4.14.3. The Review Block at the bottom of the JV must include the date and initials of the individuals who (1) posted the JV, (2) reviewed it for accuracy, and (3) the JV number.

9.3.5. Journal Voucher Posting:

9.3.5.1. Each ALC has its own DIFMS database.

9.3.5.2. Manual Journal Voucher Update screen (MS172P)

Figure 9.2. Manual Journal Voucher Update screen (MS172P)

MS172P MANUAL JOURNAL VOUCHER UPDATE

JV NBR:  \* ACTN CD:  \* OVRD CD:  \* PPA CD:

GLA	AMOUNT	D/C	GLA	AMOUNT	D/C
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					
<input type="text"/>					

JV DESC 1:

JV DESC 2:

JV DESC 3:

JV DESC 4:

PAGE IND:  PAGE OF

TRANSMIT:  NEXT PGM:

MSG:

05/13/10 16:04:51

ENTER

MS041P MS044P MS045P

**Table 9.9. Manual Journal Voucher Update screen (MS172P) Fields Defined**

<b>FIELD</b>	<b>DEFINED</b>
JV NBR	DIFMS produced JV number (Appears after successful posting)
ACTN CD	When posting a transaction, enter; “A” – to Add screen to buffer “F” – to enter Final Screen “I” – to display “P” – to process (systemically entered). In order to view the JV posting, enter “I”, and at the bottom left, clear the PAGE IND field; then click on ENTER
OVRD CD	If the adjustment is to be reversed, leave the field blank, otherwise enter “Y”
PPA CD	Enter “Y” if the transaction is to be a prior period adjustment. (See the 7310-954 report – DIFMS Prior Period Trial Balance.)
GLA	Enter the general ledger account code (USSGL).
AMOUNT	Enter the adjustment value
D/C	Enter either “D” for debit or “C” for credit
JV DESC 1: ETC	These four lines are for the purpose statement and data source of the transaction.
PAGE IND	With an Action Code of “P”, values are: A for display of a new screen when multiple screens are being stored B to execute the balancing routine G to transmit, release and store balanced data on the database. X to delete all pages stored in the page buffer and to obtain new screens + To display the next page - To display the previous page of data 1 to 99 – To select a specific page. Blank is used only for Action Codes F, A, I
TRANSMIT	The cursor <b>MUST BE</b> in this field in order to transmit.
NEXT PGM	Enter another screen number in this field, press ENTER and the requested screen will appear (For screens not automatically shown below the ENTER button)
MSG	Completion or error messages will appear here. If, after ENTER has been selected, and all is well, “2569 JV DETAILS BALANCE-ENTER G IN PAGE IND TO STORE TRANSACTION” will appear. Type in G and click on enter. The transaction will then post and provide a JV number.
ENTER	To post the transaction, press ENTER.
BELOW ENTER	There are several blocks with screen codes in them below the ENTER fields. Click on one of them and that screen will appear.

## 9.4. Required Monthly Manual JVs

9.4.1. Following is a list of manual journal entries that the DFAS associate should post each month. This is not an all-inclusive list. New adjustments may be required, as well as currently required ones may no longer be needed.

9.4.1.1. **CIVPAY Disbursement.** Civilian Pay Accounting Interface System (CPAIS) disburses bi-weekly payroll to all civilian employees. However, CPAIS does not interface into DIFMS so the disbursement cannot be automatically recorded which requires this manual JV. The data source is the EMPLOYEE DIRECTORY LISTING REPORT (CPAIS E4R6L) found in the Dayton CPAIS-E4 folder. This report is often verbally referred to as the R60. The needed report is usually published in OLRV (2 or 3 days before payday). This is a permanent JV.

9.4.1.2. **CIVPAY Budgetary Correction.** This entry is to correct mapping problems in DIFMS. The data source is the EMPLOYEE DIRECTORY LISTING REPORT (CPAIS E4R6L) found in the Dayton CPAIS-E4 folder and the CIVPAY DISBURSEMENT JV (see 9.4.1.1 above). This report is often verbally referred to as the R60. The needed report is usually published in OLRV (2 or 3 days before payday) and the CIVPAY Disbursement JV described in 9.4.1.1. This is a permanent JV.

9.4.1.3. **Funds Transfer-In or Out Proprietary Entry.** This entry is to record the transfer of funds from or to another fund. The data source is a Non-expenditure Transfer Authorization for the Air Force Working Capital Funds (Standard Form 1151) from DFAS-CO Air Force Working Capital Funds Reporting Division. This is a permanent JV.

9.4.1.4. **Funds Transfer-In or Out Budgetary Entry.** The budget side of the Funds Transfer In entry described in 9.4.1.3. The data source is a Non-expenditure Transfer Authorization for the Air Force Working Capital Funds (Standard Form 1151) from DFAS-CO Air Force Working Capital Funds Reporting Division. This is a permanent JV.

9.4.1.5. **CIVPAY Variance.** During the accounting period, two or three payroll disbursement vouchers (see 9.4.1.1 above) are posted. However, the CIVPAY office may make some manual adjustments to the DCPS payroll record that DIFMS or the EMPLOYEE DIRECTORY LISTING REPORT (CPAIS E4R6L often referred to as the R60) will not have. These adjustments need to be added to DIFMS. This adjustment affects cash reconciliation. If the variance amount is not posted, then cash disbursements – operations will be wrong by the adjustment amount. Data source is the current month's CIVPAY disbursement JVs and CRIS query with criteria of Source Name = STH Cumulative, Status Code = c or e, FC = the base's fund code (e.g., 6L, 6M, and 6Z), MAFR Cd = B, DLT = M, and date range, first to the last date of the reporting month. This is a permanent JV.

9.4.1.6. **Rehired Civilian Annuitant.** A rehired annuitant is a person who has retired, but was subsequently rehired. This person still receives his retirement annuity but also receives working pay (as if he had not retired). However, some of this person's pay is covered by other funding. The objective of this adjustment is to reflect properly the Rehired Annuitant liability on the trial balance. Even though any month will have two or three payroll disbursements, this adjustment is to be made only at the end of the month based on the last

EMPLOYEE DIRECTORY LISTING REPORT (CPAIS E4R6L). This is a permanent JV.

**9.4.1.7. Mechanization of Contract Administration Services (MOCAS) Reclassification.** For better visibility of MOCAS obligations, this entry realigns an obligation amount from Accounts Payable Public – Contract Services – Public Estimated (GLAC 211042C1) to Accounts Payable Public – Major Maintenance Cost – Public Estimated (GLAC 211042C2) and Contract Holdbacks (GLAC 213000). The amounts moved to GLACs 211042C2 and 213000 are the outstanding MOCAS obligations. Data source is DFAS-CO supplied “MOCAS Accounts Payable Amounts To Be Recorded” for the Air Force (Incl TI97). The letter from Patrick T. Shine, Deputy Director, Operations, DFAS Arlington, and dated August 10, 2007; (Paragraph 9.13) provides additional information. This is a temporary JV.

**9.4.1.8. Monthly Debt Management Report (MDMR) Adj.** This entry is to record contractor or vendor accounts receivable amounts that do not interface to DIFMS. Data source is a monthly spreadsheet provided from the Debt Management Office at DFAS-CO. This is a temporary JV.

**9.4.1.9. Employee Accounts Receivable .** CSAG has civilian pay related accounts receivable recorded in Defense Civilian Pay System (DCPS) and Defense Debt Management System (DDMS). DCPS collects debts owed by current DoD employees, while DDMS manages debts owed by separated employees. DIFMS does not currently have an interface with either of these systems for recording these accounts receivable debt. Data source is monthly Defense Debt Management System (DDMS) and DCPS reports provided by DFAS-CO. This is a temporary JV.

**9.4.1.10. Direct Labor Hours Memo.** To facilitate dashboard reporting, this entry of direct labor hours (not dollars) is posted to the statistical section of the general ledger. Data source is the DIR TOT lines approximately midway through the DIFMS Direct Costs by Cost Center, Year-to-Date (7310-721) report. This is a permanent JV.

**9.4.1.11. In House Activity Retention Work.** Any direct work performed by organic maintenance employees is loaded with overhead costs based upon the direct labor hours charged to the JON. The rate varies among the different shops or RCC’s. Part of the base’s workload is for internal customers. When direct labor employees charge their time to internal customer JONs, those hours are not reimbursable to the base by our external customers

9.4.1.11.1. It is not appropriate accounting treatment to allocate the already allocated overhead to this in-house work. Because DIFMS does not generally segregate reporting by type of workload, those in-house JON’s accumulate this allocated overhead in the normal process. To enable departmental accounting to communicate the nature of this expense correctly, the YTD amount of activity retention is reclassifying entry between the “Applied Overhead – Production Expense” accounts. Data source is the 7310-977 report, below the line “ACTIVITY RETENTION”. This entry is input as a temporary JV, with the exception of fiscal year end.

**9.4.1.12. Unallocated Collections and Undistributed Disbursements (often referred to as the DIFMS/7113 Variance Adjustment).** DIFMS cash balances are compared to

the Monthly Package Report of Disbursement and Collection Transactions, RCS HAF-ACF (M) 7113 (7113). Because of monthly cutoff timing, some needed end-of-month collections and disbursements are still in transit and do not get posted into DIFMS. This entry is to record the impact of collection and disbursement transactions interfaced from GAFS that have not posted in the DIFMS database. Generally, these transactions are found in the transactional DFAS Integration Engine (DFIE) database. The DFIE is the intermediary system that translates GAFS data into DIFMS recognizable data. The rejected transactions are placed into a special file to allow manual editing and reprocessing. The journal entry data sources are the relevant general ledger accounts after the last cash run and the reporting month-end GAFS 7113 report.

9.4.1.13. **1307 Report PART VI - Capital Investment Program Worksheet.** This JV is to adjust DIFMS to reflect the capital asset transactions recorded in GAFS and in-house transactions within DIFMS. The data source for the 1307 Report PART VI – worksheet comes from H069/GAFS-BL/BQ provided by the base cost accounting office. This is a permanent JV.

9.4.1.14. **Capital Investment Program ADJ.** It is assumed that of each dollar collected, a certain amount or percentage is to reimburse CSAG for use of its capital assets. This entry is to recognize collection of those funds. The data source is primarily the 1307 Part VI report used for the adjustment described above and the balances found in GLACs 101040A2 (normal Debit balance) and 101040B2 (normal Credit balance) after the Part VI adjustment (paragraph 9.4.1.13) has been posted. Essentially, 101040A2 is forced to be the mirror amount of the balance in 101040B2. For example, if the balance in 101040B2 is a credit \$10,000 and the balance in 101040A2 is a debit \$8,000, then we adjust 101040A2 up by \$2,000 by moving that amount from 101040A1. After the adjustment, 101040A2 will be a debit \$10,000 and 101040B2 will be a credit \$10,000. This is a permanent entry.

9.4.1.15. **Part VI Budget Realignment;** this adjustment is the third adjustment based on the Part VI report. In this case, the adjustment is posted so that the total of budget accounts 490241Z (Expended Authority Paid Government Capital) and 490242Z (Expended Authority Paid Public Capital) equal the Part VI outlays for the current fiscal year (which should be the same number as found in GLAC 101040B2). The adjustment is made to 490242Z with the offset against 490242YX (Expended Authority Paid Public Operations Equipment). For example, if the Part VI report shows outlays of \$20,000 then GLAC 101040A2 should be a debit balance of \$20,000, GLAC 101040B2 should be a credit balance of \$20,000 and the total credit balances of GLACs 490241Z and 490242Z should equal \$20,000. This is a permanent entry.

9.4.1.16. **Automated Civil Engineer System (ACES)/Real Property** is the system of record for tracking and maintaining individual real property asset records. An adjusting JV will be recorded in DIFMS by each ALC at the close of each month to bring the general ledger account balances in DIFMS into balance with the corresponding general ledger account balances in ACES-RP. (Adapted from instructions from HQ US Air Force Financial Reporting Guidelines for Air Force Working Capital Fund Real Property, Version 3, dated February 2009.) Data source is “Match DIFMS to ACES-RP” worksheet from HQ AFMC/FMP and RP – GLA Validation (PCN SF022-2090-V.2.0.0.0) report from the Automated Civil Engineer System at Gunter. This is a permanent JV.

9.4.1.17. **Non-Recoverable Depreciation.** This journal voucher is to record depreciation for assets not factored into the sales rates that are charged to customers. These depreciable assets are known as unfunded costs because those assets are often transferred in at no cost from other organizations. However, the asset still has an economic value and this entry is to allocate this value in order to make the production better mirror real world costs. Data sources are “Match DIFMS to ACES-RP” worksheet, RP – GLA Validation (PCN SF022-2090-V.2.0.0.0) report from the Automated Civil Engineer System at Gunter, the DIFMS 7310-905, and the DIFMS 7310-945 reports. This is a permanent JV.

9.4.1.18. **Undistributed Collections and Distributions of Treasury Transactions (often referred to as the 7136 Adjustment).** The CSAG Fund Balances with Treasury (cash) accounts must match those reported in the Treasury reports. During the accounting period, all collection and disbursement transactions must be recorded with the Department of the Treasury before they pass to the H069/GAFS-BL/BQ system that then passes to DIFMS. However, due to the period end cutoff, not all transactions arrive in time to be recorded in H069/GAFS-BL/BQ or DIFMS. This journal voucher is to adjust the collection and disbursement fund balances for those transactions in transit.

9.4.1.18.1. Infrequently, the 7136 Report does not arrive in time to post to DIFMS before the creation of the final DIFMS monthly trial balance. Consequently, the adjustment is recorded on the trial balance worksheet, but must be posted to DIFMS at the beginning of the following month. Data sources are the monthly Air Force Working Fund Cash Data Report, RCS: HAF-ACF (M) 7136 and 7113 reports. In the end, the total of GLAs 101040A1, 101040A2, and 101040A3 must equal the 7136 total collections and GLAs 101040B1, 101040B2, and 101040B3 must equal the 7136 total disbursements. Although not required, this is best accomplished if this manual entry is posted last. This is a permanent JV.

9.4.1.18.2. **Undistributed Collections and Distributions of Treasury Transactions 7136 Budget Adjustment.** The system is mapped to post the undistributed adjustment (Paragraph 9.4.1.18) to budget accounts automatically; however, budget-reporting requirements recently changed requiring the posting of this budget impact to new budget accounts. Until the DIFMS mapping can be corrected, this entry is to move the budget adjustment amounts from the incorrect to the correct budget accounts. This is a permanent entry.

**9.5. Fiscal Year-End Manual Entries.** At the end of each fiscal year, the books are closed in preparation for the next year. Many closing entries are systemic; (see Paragraph 9.12) however, the following are still manually accomplished. Most of the GLAs are revenue and expense accounts but there are some closing entries for some asset or liability accounts. Theoretically, normal debit balance accounts are closed to a normal credit balance closing account and vice versa. In reality, some accounts will be negative; that is, a normal debit balance account will have a credit balance, or a normal credit balance account will have a debit balance. Consequently, the actual closing will depend on whether or not the account being closed is positive or negative. Also, when some entries are posted is critical. The manual closing entries need to be posted before the systemic closing entry run stream is completed. Many of the systemic closing entries are coded to meet the Navy's needs. Consequently, some of the manual closing entries need to be posted before the systemic ones are recorded. All closing entries are assigned Category Code J (Other Adjustments).

9.5.1. **Activity Retention.** This JV is one of the monthly adjustment entries. For each month end, it is posted as auto-reversing. For September's month end closing, the entry is to not auto-reverse. Later, when the closing entries are done, manually post the reversal.

**Table 9.10. Reverse (or Close) Activity Retention JV**

<b>REVERSE (OR CLOSE) ACTIVITY RETENTION</b>			
Purpose:	To close non-auto reversed activity retention amounts because fiscal year- end processing.		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	FMR
<b>CLOSE</b>	<b>TO</b>		
660000B	660000A		
660000C	660000A		

**Table 9.11. Non-Expenditure Transfers**

<b>NON-EXPENDITURE TRANSFERS</b>			
Purpose:	To close accounts for asset and liability transfers from other Air Force Funds which are used for depot maintenance.		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>	<b>TO</b>		
575500	331000K		
576500	331000K		
417000 and 419000	420140		

**Table 9.12. Operating Fund Balances with Treasury, (Debit Accounts)**

<b>CLOSE OPERATING FUND BALANCES WITH TREASURY (CASH)</b>			
Purpose:	To zero-out current year outstanding balances to allow "operating cash" accounting for the new year.		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>	<b>TO</b>		
101040A1	101040D		
101040B1	101040D		
101040A3	101040D		
101040B3	101040D		
101040F	101040D		
101040G	101040D		
101040H	101040D		

**Table 9.13. Fund Balances with Treasury (CIP Cash)**

<b>CLOSE FUND BALANCES WITH TREASURY (CIP CASH)</b>			
Purpose:	To zero-out current year outstanding balances to allow "cash" accounting for the new year.		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>	<b>TO</b>		
101040A2	101040D		
101040B2	101040D		

*Note: Normal balance for 101040AX GLAs are debit while the normal balance for 101040BX are credit. Since the balances in each are the same value, but opposite signs, closing these balances will net to zero and no value will be posted to 101040D.*

**Table 9.14. CIVPAY Benefits**

<b>CIVPAY BENEFITS</b>			
Purpose:	To close paid payroll benefits accounts to accrued payroll benefits accounts that will leave the net balance due as of the fiscal year end.		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	FMR
<b>CLOSE</b>	<b>TO</b>		
221042A5	221042A1		
221042A6	221042A2		
221042A7	221042A3		
221042A8	221042A4		
221042CA	221042C1		
221042CB	221042C2		
221042CC	221042C3		
221042CD	221042C4		
221042CE	221042C5		
221042CG	221042C7		
221042CH	221042C8		

**Table 9.15. Appropriation Received**

<b>APPROPRIATIONS RECEIVED</b>	
Purpose:	To close appropriations received
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>

CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>		<b>TO</b>	
310100		310000	
310600		310000	
310700		310000	

**Table 9.16. Direct Labor Hours**

<b>Direct Labor Hours</b>			
Purpose:	To close direct labor hour accounts		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR- END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>		<b>TO</b>	
995000		999900	
995100		999900	
995200		999900	

**Table 9.17. Non-Recoverable Depreciation**

<b>NON-RECOVERABLE DEPRECIATION</b>			
Purpose:	To close non-recoverable depreciation		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	FMR

<b>CLOSE</b>	<b>TO</b>
671000D1	331000M2
671000D2	331000M2
671000D3	331000M2
671000D4	331000M2
671000E1	331000M2
671000E2	331000M2
671000E3	331000M2
671000E4	331000M2
671000F1	331000M2
671000F2	331000M2
671000F3	331000M2
671000F4	331000M2

**Table 9.18. Gains, Other, and Deferred**

<b>GAINS OTHER AND DEFERRED</b>			
Purpose:	To close other and deferred gains		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>	<b>TO</b>		
719000N	331000N		
719000	331000A		

**Table 9.19. Other Gains And Losses For Assets Capitalized Non-Recoverable**

<b>OTHER GAINS AND LOSSES FOR ASSETS CAPITALIZED - NON-RECOVERABLE</b>	
Purpose:	To close non-recoverable other gains and losses for capitalized assets.

TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>	<b>TO</b>		
719000A	331000M2		
729000A	331000M2		

**Table 9.20. Close Cam Statistical Accounts**

CLOSE CAM STATISTICAL ACCOUNTS			
Purpose:	To close the Centralized Asset Management accounts		
TIMING	<b>AFTER EOM BUT PRIOR TO YEAR-END CLOSING</b>		
CAT CODE	J: Other Adjustments		
REVERSING	NO	OFFICE	DFAS
<b>CLOSE</b>	<b>TO</b>		
980041	98004444		
98004152	98004444		
920000V1	980000V1		

**9.6. Budget Entries.** The following illustrate typical budgetary and proprietary accounting entries applicable to in-house work on customer orders. These entries must be recorded only at the activity (performing) level. Actual entries are at the eight-digit level and are discussed in more detail elsewhere in other chapters. For additional entries, refer to USSGL SAMPLE ENTRIES at the U.S. Treasury Website: (<http://www.fms.treas.gov/index.html>).

9.6.1. **Establish budget authority** . An approved budget for \$ 350,000 is received.

**Table 9.21. Approved Budget**

GLAC	GLA TITLE	DR	CR
4210	Anticipated Reimbursements and Other Income	350,000	
4690	Anticipated Resources – Exempt From Apportionment		350,000

*Note: No proprietary entry*

9.6.2. **Receive customer orders** . Customer order ‘A’ received and accepted from a DoD source for \$100,000. Order is without an advance.

**Table 9.22. Order Without Advance**

GLAC	GLA TITLE	DR	CR
4690	Anticipated Resources - Exempt From Apportionment	100,000	
4620	Unobligated Funds Exempt from Apportionment		100,000
4221	Unfilled Customer Orders without Advance	100,000	
4210	Anticipated Reimbursement and Other Income		100,000

<i>Note:</i> No proprietary entry
-----------------------------------

9.6.3. **Record commitments** . Establish a commitment for customer ‘A’ for \$20,000.

**Table 9.23. Record Commitments**

GLAC	GLA TITLE	DR	CR
4620	Unobligated Funds Exempt from Apportionment	20,000	
4720	Commitments – Exempt From Apportionment		20,000

<i>Note:</i> No proprietary entry
-----------------------------------

9.6.4. **Record obligations** . Order \$20,000 of goods for customer ‘A’.

**Table 9.24. Record Obligations**

GLAC	GLA TITLE	DR	CR
4720	Commitments – Exempt From Apportionment	20,000	
4801	Unexpended Obligations – Unpaid		20,000

<i>Note:</i> No proprietary entry
-----------------------------------

9.6.5. **Record liability/expense** . Receive goods for customer ‘A’.

**Table 9.25. Record Liability/Expense**

GLAC	GLA TITLE	DR	CR
4801	Unexpended Obligations – Unpaid	20,000	
4901	Expended Obligations – Unpaid		20,000
6100	Operating Expenses	20,000	
2110	Accounts Payable		20,000

9.6.6. **Move Cost to Work in Process** .

**Table 9.26. Move Cost to Work In Process (Done at EOM)**

GLAC	GLA TITLE	DR	CR
1526	Work in Process	20,000	
6610	Cost Capitalization Offset		20,000

9.6.7. **Record cash disbursement** . Pay for \$5,000 of the \$20,000 order.

**Table 9.27. Record Cash Disbursement**

GLAC	GLA TITLE	DR	CR
4901	Expended Obligations – Unpaid	5,000	
4902	Expended Obligations – Paid		5,000
2110	Accounts Payable	5,000	
1010	Cash		5,000

9.6.8. **Bill customer** . Bill the costs incurred to customer ‘A’ of \$20,000.

**Table 9.28. Bill Customer**

GLAC	GLA TITLE	DR	CR
4251	Reimbursements and Other Income Earned – Receivable	20,000	
4221	Unfilled Customer Orders Without Advance		20,000
1310	Accounts Receivable	20,000	
5200	Revenue from Services Provided		20,000

9.6.9. **Record cash collection** . Collect from customer ‘A’ for the bill.

**Table 9.29. Record Cash Collection**

GLAC	GLA TITLE	DR	CR
4252	Expended Obligations – Collected	20,000	
4251	Reimbursements and Other Income Earned – Receivable		20,000
1010	Cash	20,000	
1310	Accounts Receivable		20,000

**9.7. Trial Balance Process.** The trial balance and supporting reports are owned by the Air Force, and these reports reflect the CSAG financial status as of the last day of the reporting month. The Air Force is primarily responsible for the financial position on the reports. However, the DFAS-CO associate must exert every effort to make sure the report is accurate, relevant, and reliable. The following instructions can change because of system enhancement and new methods. See paragraph 9.7.4. Reports.

9.7.1. **Monthly Reports.** The trial balance, the footnotes, and the trading partners report are to be submitted after each month end. The trial balance is to be submitted no later than close of business of the fifth business day following the reporting month end. For example, December’s trial balance is due no later than 5 January. The footnotes and the trading partners report are to be submitted no later than end of business the sixth business day following the reporting month end.

9.7.2. **DIFMS updates the General Ledger (GL)** with the transactions from other sub-systems and with manual JVs. The Air Logistics Complex (ALC) site scheduler runs the DIFMS Run Stream MS352J after every daily, weekly, monthly, quarterly, and yearly processing. This job updates the general ledger and produces trial balance reports. MS495P can be scheduled at the same time that produces the DIFMS income statement.

9.7.2.1. To assure the DIFMS financial database is correct and in balance, ALC Base Cost Accounting validates and reconciles DIFMS USSGL account information to assure all feeder transactions are/were processed to/from those systems correctly. This activity occurs on an on-going basis. Timely and thorough validation and reconciliation by the ALCs and DFAS assures accurate trial balance data is forwarded monthly to higher management levels.

9.7.2.2. Analysis of the general ledger reports consists of the review of each individual General Ledger Account balance. The review determines whether there are abnormal balances, out of balances between Subsidiary and General Ledger Control Accounts, out of balances between debits and credits, improperly processed adjustments during the month, and unusual changes in accounts from one month to the next. All problems are referred to the appropriate activity for resolution.

**9.7.3. DIFMS Month-End Processing** . Month end processing starts with the schedule run on the last day of the month and continue for six business days at the base level.

9.7.3.1. No later than the last calendar day of the month, AFSC cost accounting assures month-end audit billing is run through DIFMS Program MS273P “Produce Billing Audit”. The last calendar day of the month is the cut-off for labor and material cost interfacing from Time and Attendance (TAA) System and Naval Air Systems Command Industrial Material Management System (NIMMS).

9.7.3.2. Once the last day of the month’s trial balance (MS352P) process has completed, DFAS personnel can begin posting the month-end adjusting JVs (see paragraph 9.4). Any cash JVs must wait until after the final cash interface for the trial balance currently being processed. Any needed adjustments not posted must be posted on the adjustment worksheet of the trial balance template.

9.7.3.3. No later than the second calendar day of the subsequent month, AFSC cost accounting assures month-end final billing is run through DIFMS Program MS274P “Produce Customer Bills”.

9.7.3.4. No later than the second calendar day of the subsequent month, AFSC cost accounting assures DIFMS ‘weekly prior to end-of-month’ schedule is run. The second calendar day of the subsequent month is also the cut-off for business operations, other expenses, and corrections in DIFMS.

9.7.3.5. The trial balance run stream (MS352J) is scheduled each day to post the JVs formally to the database. No later than the evening of the third calendar day after the end of month, the final daily/monthly trial balance is to be run. Afterward, the database is rolled over to the new month. This final trial balance is used to ensure all correcting entries have been made and users detect no problems related to the general ledger account information. If no problems are found, this final trial balance is to be submitted as the official report. However, at times, data is not available for posting into DIFMS prior to the final month-end run. These adjustments should be added to the adjustment worksheet of the trial balance template and posted into GAFS-R as an auto-reverse entry. If the adjustment is to be permanent, it must be posted as a permanent JV in DIFMS immediately after the end of month. If the adjustment would have automatically reversed, the adjustment need not be posted to DIFMS.

#### **9.7.4. Reports**

9.7.4.1. The foundation of the trial balance is the DIFMS General Ledger Trial Balance(7310-935) found in OLRV. As explained in 9.7.2 above, this report is published at least daily, but can be produced several times a day to facilitate accuracy. It is downloaded into a trial balance template that is used to as a starting point for adjustments, validate balances, and report submission. Once the base finalizes its report, it is submitted

by email to DFAS-CO, Air Force cost accounting, and other authorized offices. The report submitted to DFAS-CO is merged with other CSAG trial balances into the Working Capital Fund Consolidated Depot Maintenance Statement of Financial Position (1307 report).

9.7.4.2. The Trial Balance Template has at least two tabs (Excel file). The first tab is called the PROOF tab. There is a block at the bottom of this worksheet that shows whether or not the report is in balance. It is in three sections: overall, proprietary, and budgetary accounts. If the debts and credits are not equal, this block will show in which section the imbalance resides. The most common reason for an imbalance is a new account has been added to DIFMS but has not been added to the template.

#### 9.7.4.3. Proof Tab Described

9.7.4.3.1. GLA. This column lists all the General Ledger Account Codes (GLAC) in ascending order starting with assets.

9.7.4.3.2. DEBIT AND CREDIT. These columns contain debit or credit balances for each GLAC. The report shows all GLACs even if the amount is zero.

9.7.4.3.3. IND. This column indicates whether the balance is a debit or credit balance. '1' equals debit and '2' equals credit.

9.7.4.3.4. AMOUNT. This column shows the balance of the account. Combined with the "IND" code, this amount is either a debit or a credit amount. (The balances in this column must always be positive balances.)

9.7.4.3.5. ABNORMAL BALANCES. The template is programmed to flag abnormal balanced accounts automatically.

9.7.4.3.6. OK AT 6 POS. Computational column, do not make any changes.

9.7.4.3.7. CUR BAL. Shows what the current balance is. D= Debit, C = Credit. This column is automatically compared to Column I "NORM BAL".

9.7.4.3.8. NORM BAL. This is the normal balance for the account. If the CUR BAL by GLA does not match, the ABNORMAL BALANCES COLUMN will flag the status.

9.7.4.3.9. 7113 to 7136 proof balancing. DFAS is responsible for making sure the Fund Balance with Treasury accounts (GLACs 101040Ax and 101040Bx) in DIFMS agree with the 7136 Treasury report. On the Proof Sheet columns L and M to the right of the cash accounts is used for reconciliation. The GLAC amounts automatically appear in their respective cells but the 7136 amounts must be typed in. If the DIFF cell on the Proof Sheet is zero, the accounts are in balance.

9.7.4.3.9.1. The CIP Proof fields just below the 7113 to 7136 reconciliation are to show if the CIP fund cash accounts (101040A2 and 101040B2) equal each other. If the DIFF cell on the Proof Sheet is zero, the accounts are in balance.

#### 9.7.4.4. Worksheet tab (WKSHT TAB) described.

9.7.4.4.1. This worksheet is to facilitate report mechanics. First, the OLRV Excel formatted data is downloaded/copied to this tab that in turn, creates the Proof Trial

balance. The formulas in the Proof Tab worksheet automatically copy over the GLA data from the 7310-951 report and align them in the proper place with correct balances. Second, any JVs that need to be posted to the trial balance, but for some reason, did not get into DIFMS prior to the final trial balance run are posted on this worksheet. The worksheet has three sets of three related columns.

9.7.4.4.2. GLA (1, 2, or 3) refers to General Ledger Account. This alphanumeric code represents a particular account. *Note: the account numbers go from left to right rather than down. For example, GLA1 is 101040A1, GLA 2 is 101040A2, and GLA 3 is 101040A3.*

9.7.4.4.3. SIGN (1 or 2) indicates whether the current balance is a debit “1” or credit “2” balance. (However, the amounts all show as positive).

9.7.4.4.4. AMT (1 or 2) is the current dollar value in the account. *Note: that the values are expressed without commas, but changing the number format to include the commas does not affect the workbook calculations.*

9.7.4.4.5. COLUMNS J, etc. Starting with Column J and going right, any manual JVs that were not previously posted into DIFMS are entered in these columns. However, the adjustment amounts do not automatically post to the relevant cells on the left. The amount cells must be arithmetically modified to accept the adjustment. In addition, the General Ledger Account is to post these journal entries to GAFS-R. This will allow better processing for DFAS-CO. Regardless, posting to the worksheet tab trial balance should still be done before posting the GAFS-R. This will ensure the report will be accurate.

9.7.4.5. The Footnote Report has explanatory data that relate and further explain the fiscal information of the trial balance. Footnotes augment full disclosure by providing further information regarding accounting policies, problems, and other disclosures required by higher-level users.

9.7.4.5.1. HEADING. The heading should be:

9.7.4.5.1.1. FOOTNOTES FOR XX-ALC

9.7.4.5.1.2. CONSOLIDATED SUSTAINMENT ACTIVITY GROUP

9.7.4.5.1.3. GENERAL LEDGER TRIAL BALANCE

9.7.4.5.1.4. AS OF (DATE)

9.7.4.5.2. ABNORMAL BALANCES. Accounts with abnormal balances are listed in this section. The GLAC, GLAC Title, abnormal balance (shown as positive), Normal Balance (if the normal balance is debit, then the amount listed is actually a credit balance), a causal explanation, and what action, if needed, will be taken to correct the problem.

9.7.4.5.3. FUND BALANCES WITH TREASURY. Two items are to be reported in this section. Each is to show a twelve-month running history. Delete the oldest line at the top, and then add a new line at the bottom for the reporting month.

9.7.4.5.3.1. Undistributed Collection and Disbursement Transactions. Reconciliation between Defense Industrial Financial Management System

(DIFMS) to Monthly Package of Disbursements and Collections Transactions (RCS: HAF-ACF (M) 7113 (7113). After the month-end cutoff, collection and disbursement Fund Balances with Treasury (FBWT) are compared between the DIFMS and the General Accounting and Finance System (H069/GAFS-BL/BQ). Any difference is generally due to GAFS-BL/BQ transactions that have not interfaced into DIFMS. These transactions are in the Integration Engine because of data element problems. For proper reporting, a manual journal voucher is posted for the difference. (see para. 9.4.1.12)

9.7.4.5.3.2. Fund Balance Collection and Disbursement Transactions in Transit. The cash collections & disbursements balances of the Air Force Working Capital Fund Cash Data Report (RCS: HAF-ACF (M) 7136) and the Monthly Package of Disbursements and Collections Transactions (RCS: HAF-ACF (M) 7113) are compared to the CSAG Trial Balance cash balances to ensure all three systems match. (see para. 9.4.1.18)

9.7.4.5.4. PROBLEMS WITH PROCESSING FOR THE MONTH. Use this area to explain any significant processing problems that may have occurred that affected the report's accuracy or timeliness, or any other problems.

9.7.4.5.5. CHANGES IN ACCOUNTING POLICIES. Explain in concise but sufficient detail the change and its impact.

9.7.4.5.6. TRANSFERS IN AND OUT. Bases and base organizations will occasionally give an asset to another base or organization. (For example, the item is no longer needed by one organization while another can use it). Transfers-out to one organization should be recorded as a transfer-in to another. These transfers affect Trading Partners reporting because the transferring organization's assets have decreased while the recipient organization's assets have increased. DFAS-CO needs to make an elimination entry to adjust the report balances for proper consolidation. Unless sufficient information is provided, the consolidating accountant cannot make a proper and accurate elimination entry. The sales code, asset description, amount, losing and gaining organization, and other information should be included. This report may become rather large. Therefore, it is allowable to submit it as a separate Excel spreadsheet.

9.7.4.5.7. OTHER DISCLOSURES. DIFMS has several "Other" or miscellaneous types of accounts. DFAS-CO needs information for Advances from Customers by Sales Code (GLACs 231041A/B), Progress Billings by Sales Codes (GLAC 152600A2), Other Structures and Facilities (GLAC 1740XX), Other Assets (GLAC 1990XX), and Other Financing Sources (GLAC 5790XX). There may be additional "Other" accounts that may require explanation. If the account has a balance in it, provide the amount and explanation.

9.7.4.5.8. POINT OF CONTACT. The last item should be the Point of Contact (POC) that is the producer of the report, the General Ledger Accountant.

9.7.5. **Trading Partners Report.** This report is to facilitate the consolidation elimination process done by DFAS-CO. The report lists the base's government and public accounts receivables and revenue by sales code. The accounts receivable overall total must equal the

total of Accounts Receivable - Government Agencies - Summary Billings (GLAC 131041A). The revenue column must equal the total of all trial balance revenue accounts (GLACs 5200XXX).

## 9.8. Internal General Ledger Balancing

9.8.1. Each month ensure that the trial balance is in balance in total for all USSGL accounts: budgetary (4000 series), memorandum (8000 and 9000 series), and operating (all other series).

9.8.1.1. Verify the account balances reported on the trial balance (from DIFMS File MS381C02) are equal to those reported on DIFMS Report 7310-915 "General Ledger Details Year to Date" and 7310-935 "General Ledger Trial Balance Report". Use DIFMS Inquiry Screen MS044P "General Ledger Journal Voucher" for further research into individual JV(s).

9.8.1.2. On some occasions, the DIFMS Report 7310-935 is out of balance due to new accounts not being hard-coded. This can easily be determined by viewing DIFMS Report 7310-925 "General Ledger Worksheet". If the DIFMS Report 7310-925 is balanced, certain accounts on the DIFMS Report 7310-935 need to be hard-coded so they appear on the report. If an account does not appear, Defense Finance and Accounting Service Information and Technology (DFAS I&T) must be contacted for any correction via a Remedy ticket or a Software Change Request (SCR), as appropriate.

9.8.1.3. DIFMS Report 7310-935 can be used to ensure that total debits equal total credits. It is systemically totaled by proprietary account total, budgetary account total, statistical account total, and overall total. In the variance column, the report will show the out-of-balance amount. The totals for each subsection will reflect where the out-of-balance is occurring. Since the 7310-935 report is produced daily, the out-of-balance condition will remain until it is corrected.

9.8.1.3.1. To find the out-of-balance, first check the older reports to determine when the out-of-balance first occurred. Secondly, check the 7310-945 "DIFMS Processed Journal Vouchers Current Cycle" for that day to determine if any JV is out-of-balance. Third, go to the subsidiary ledger report for the out-of-balance JV type and review the data. An SQL correction may have to be processed against the database. All SQLs should be documented as a Remedy ticket and coordinated with DFAS I&T.

9.8.2. Subsidiary to General Ledger Balancing. To confirm all data is correct and reported the proper way, perform the following balancing procedures as needed.

9.8.2.1. Use DIFMS Report 7310-965 "Automated Balancing" to review the subsidiary balance and general ledger balance for each USSGL account number. This report provides the general ledger account number, balance, debit/credit indicator, reference report number, subsidiary balance, and amount of variance. General ledger users must review the 7310-965 report after a weekly run with a Cost Summary process to obtain a true picture of any potential out of balance. Keeping up with the report allows for a much easier investigation when variances do appear.

9.8.2.2. Variances found on DIFMS Report 7310-965 are attributed to problems between the general and the subsidiary ledgers. The first step to investigate a variance on DIFMS Report 7310-965 involves identifying the DIFMS subsystem that generated the subsidiary

amount. The general ledger user should look at the report that produced the journal voucher that posted to the general ledger accounts. *Note: Some variances will exist due to manual processes (e.g., ACES to DIFMS reconciliation) and these variances should not be corrected. To correct variances in the DIFMS subsystem subsidiary amount, the appropriate system POC must be contacted.*

9.8.2.2.1. For example, when balancing expense accounts, the user first compares all current cycle subsystem reports that contain updates to the respective cost columns on DIFMS Reports 7310-780 “Indirect Current Cycle Cost” and 7310-781 “Direct Current Cycle Cost”.

9.8.2.3. The following DIFMS reports may contain updates to cost:

**Table 9.30. Cost Detail Reports**

Report	Title
7310-321	Corrected Unallocated and Unmatched Details
7310-335	Cash Receipts Register
7310-340	Cash Disbursement Register
7310-424	Weekly Material Expenditures Summary by Expense Count
7310-461	Transactions Clearing Requisition Status
7310-506	Manage Facilities Additions, Changes, Deletions
7310-514	Monthly Depreciation
7310-558	Labor Distribution Summary by Expense Account Report Reconciliation
7310-565	Labor Distribution Summary by Expense Account
7310-605	Schedule of Accruals
7310-694	Contract Labor Transfers
7310-960	Cost Adjustments by Expense Account

9.8.2.4. After determining the causes of subsidiary to general ledger imbalances, corrections to be made depend where the error is.

9.8.2.5. If the problem exists in the subsidiary ledger, it may be possible to reverse the incorrect entry, and to re-enter the correct information.

9.8.2.5.1. A manual JV can be done to adjust the general ledger only. A manual entry cannot correct the subsidiary ledgers.

9.8.2.5.2. System Query Language (SQL) updates are mainly used to adjust the subsidiary ledger only. (See [Chapter 1](#), Paragraph 1.8.10 through 1.8.10.4.) SQLs must be coordinated with the local AFSC/FZR and entered as a Remedy ticket for DFAS I&T to work. This should be done as a last resort. After the SQL is posted, review the general ledger for any possible impact and create a Manual JV (if appropriate).

- 9.8.2.5.3. If a write-off must occur, a General Ledger Account (GLA)-type Job Order Number (JON) can be created using the DIFMS Update Screen MS151P linked to the USSGL account that is out of balance. Then a cost transfer via DIFMS Update Screen MS144P can be processed from the GLA-type JON to an expense JON.
- 9.8.3. End of year balancing between Funding Initiation Tool (FIT) System and DIFMS.

9.8.3.1. DIFMS currently runs a year-end process to move all Customer Order Number (CON) funding dollars to a prior year balance field. The dollar amounts stored in the funds authorized total of the customer order record reflect only the dollars for the present year. *Note: That the amounts stored on the funding document and the sponsor order reflects the total for all years. DIFMS and FIT roll current year to prior year funding during the year-end process.*

9.8.3.2. DIFMS is the official financial record for CSAG and thus the financial data in DMAPS Data Store System (DDS) must be made to agree with DIFMS. Balancing DDS with DIFMS is important to assure the users of DDS data refer to the correct, up-to-date information and systems using DDS data, such as Cost and Production Budget Module (H033/CPBM) and Sales Price Generator System (SPG) have the correct information to support their processes. H033 provides consistent formats for the financial and production tracking reports in the CPBM. SPG uses tables in the DDS database for generation of sales prices. For the most part, reconciliation should be automated as the business rules assure data synchronization. However, manual JVs processed to change account balances or SQL changes to DIFMS data will not flow to DDS. These changes will need to be reconciled manually.

## **9.9. Policy For Prior-Period Adjustments For a Previous Fiscal Year**

9.9.1. A prior-period adjustment to a previous fiscal year can only be recorded with the approval of the Secretary of Air Force (SAF). Appropriate documentation must be submitted in a package to SAF for their consideration.

9.9.2. Do not make prior-period adjustments for material accounting principle changes; unless adjustments are otherwise specified in the implementing instructions, or if the changes are from an unacceptable to an acceptable accounting method. Report the cumulative effect of the change in prior periods as a change in accounting principle in the trial balance's footnotes. Adjust the beginning balance of cumulative results of operations in the Statement of Changes in Net Position for the period in which the change is posted (e.g., current year transaction). Present the prior-year financials without the change.

9.9.3. If an ALC discovers any material error or misstatement after the financial statements have been issued, the ALC must seek approval from AFMC/FM to post prior-period adjustments. AFMC/FM in turn seeks approval from the Defense Finance and Accounting Service (DFAS) through Assistant Secretary of the Air Force for Financial Management and Comptroller (SAF/FM). Coordination must also occur with the local Air Force Audit Agency office. The following documentation must accompany the request:

- 9.9.3.1. Sufficient documentation to support an audit.

9.9.3.2. An explanation of how the amount was determined to be material.

9.9.3.3. An explanation of what caused the omission or misstatement.

9.9.3.4. A statement of what the original entries were, what the original entries should have been, and the proposed correcting entries.

9.9.3.5. Documentation showing coordination with the Air Force Audit Agency.

9.9.3.6. Upon approval, the adjustment package goes to DFAS-CO for posting. The final arbiter of disputes is the Office of the Undersecretary of Defense, Comptroller, Director of Accounting and Finance Policy and Analysis (AFPA).

9.9.3.7. AFSC/FM and AFMC/FM assure sufficient display and disclosure of information regarding prior period adjustments in the footnotes to the financial statements. These offices also assure the prior-year financial statements are restated at the next issuance of statements. If an account balance changes because a valuation method has changed, footnote the change in valuation method but do not restate prior period financial statements.

9.9.4. Table 9.31 shows type expense data elements for DIFMS expense accounts. The reference list of object classes follows. Object class is a category in the line of accounting to specify how the funds are being expended in order to report to the Office of Management and Budget (OMB) and to Congress. It is input per the defined purpose of the expenditure.

**9.10. Quality Assurance.** For quality assurance and to ensure accurate and dependable financial statements, manual journal entries will be reviewed semiannually by a management appointee. Data from the review is to be analyzed and reported to the person responsible for daily operations (PRDO), DFAS-Columbus Account Maintenance & Control, Acquisition and Depot Maintenance Working Capital Funds accountant at HQ AFMC/FMR.

9.10.1. One third of all manual journal entries are to be reviewed. The JVs to be review are to be selected randomly from the full universe of all manual JVs by base. If the base has 100 manual journal entries, then 33 of them are to be reviewed.

9.10.2. Any discrepancies are to be investigated and corrected. Training is to be provided to ensure the errors are not repeated. Training is the responsibility of the PRDO.

9.10.3. Following is the checklist of characteristics to be reviewed and the manual JV should be corrected:

9.10.3.1. Is the Official DIFMS produced JV number sequential and annotated in lower right corner of the document?

9.10.3.2. Do the GLAC titles match the GLA codes?

9.10.3.3. Do the JV debit and credit totals equal?

9.10.3.4. If the transaction is to be automatically systemically reversed does the JV have a statement indicating so?

9.10.3.5. Does the JV include the appropriate category (or reason) code?

9.10.3.6. Is the JV's file location included?

- 9.10.3.7. Has the person who prepared the JV document included in his/her signature block sufficient contact information, minimally his/her name, title, office symbol, and email address?
- 9.10.3.8. Has the approving official included his/her signature block that includes his/her name, title, office symbol, and email address?
- 9.10.3.9. Did the appropriate official approve the JV according to published thresholds? (See Table 9.8)
- 9.10.3.10. Was the approving official not the preparer?
- 9.10.3.11. Was the JV posting done by a DFAS associate?
- 9.10.3.12. Following the JV posting, was the JV reviewed to make sure it was posted correctly?
- 9.10.3.13. Is all-pertinent data entered into the JV log?
- 9.10.3.14. Has Privacy Act Information been properly dealt with?
- 9.10.3.15. Is the data source (reports, worksheets, etc.) written on the JV with appropriate titles and dates?
- 9.10.3.16. Is the purpose statement clear and concise?
- 9.10.3.17. Are the adjustment amounts correct and supportable?
- 9.10.3.18. Is sufficient supporting documentation attached to the JV, or if prohibitively large, easily accessible? (If the supporting data is voluminous, a summary of the data should be attached to the JV.)

9.10.4. Review documentation should be maintained for six years at each base with the PRDO.

### **9.11. Expense Type and Object Class with description.**

9.11.1. Source: Object Class Codes can be found in OMB Circular No. A-11, Section 83 and DIFMS Physical Model – Cost Summary – 7310-733 Report

Table 9.31. Source: Object Class Codes

Exp Type	Object Class	Description
1	420	Insurance claims and indemnities
2	430	Interest and dividends
3	440	Refunds
A	111	Full-time permanent
B	113	Other than full-time permanent
C	115	Other personnel compensation
D	117	Military personnel
E	118	Special personnel services payments
F	121	Civilian personnel benefits
G	122	Military personnel benefits
H	130	Benefits of former personnel
I	210	Travel and transportation of persons
J	220	Transportation of things
K	231	Rental payments to GSA
L	232	Rental payments to others
M	233	Communications, utilities & miscellaneous charges
N	240	Printing and reproduction
O	251	Advisory and assistance services
P	252	Other services
Q	253	Purchases of goods & services from Government accounts
R	254	Operation and maintenance of facilities
S	255	Research and development contracts
T	256	Medical care
U	257	Operation and maintenance of equipment
V	258	Subsistence and support of persons
W	260	Supplies and materials
X	310	Equipment
Y	320	Land and structures
Z	410	Grants, subsidies and contributions

## 9.12. SYSTEMIC CLOSING ENTRIES

9.12.1. The following tables describe systemic closing entries. The source for all tables: *Build Closing Journal Vouchers Process Description; I.D. Number 8.3.2B (MS241P); Release No. 06A00; MP Date May 2006*

9.12.1.1. JV XE – This closing entry has two parts, first: Capital purchase surcharge accounts are posted annually as follows.

**Table 9.32. JV XE, Part 1**

FOR GLAC	IF JV CODE IS	POST TO:
331000J1	XD	650000X
331000J2	XD	
331000J3	XD	
331000J4	XD	
331000J5	XD	
331000J6	XD	

9.12.1.1.1. Second: Applied overhead year-end-close out to AOR

**Table 9.33. JV XE, Part 2**

GLACs	CLOSES TO:
660000A	331000B
660000B	

9.12.1.2. JV XB – Budgetary year-end close out

**Table 9.34. JV XB**

GLACs	CLOSE TO
425241	420140
425242	
490241**	
490242**	
445000	421040
445040	
469040	

9.12.1.3. JV XE – General and production expense year-end-close to AOR

**Table 9.35. JV XE**

<b>GLAC POSITIONS 1 - 6</b>	<b>POSITION 8</b>	<b>CLOSE TO</b>
610000	1	331000H
610000	2	331000A
610000	3	331000B
610000	4	331000B
610000	5	331000H
610000	6	331000A
610000	7	331000B
610000	8	331000B
661000		331000A
671000	1	331000H
671000	2	331000A
671000	3	331000B
671000	4	331000B
Miscellaneous, all 6000 GLACs not equal to 610000, 661000 and 671000		331000A

9.12.1.4. JV XG – Billing variances and prior year gains/losses close out

**Table 9.36. JV XG**

<b>GLAC</b>	<b>CLOSED TO</b>
331000*	331000A
* means one or more following additional digits	
If, after this closure, 331000A has a credit balance then manually distribute to these based on instructions from command.	331000J1
	331000J2
	331000J3
	331000J4
	331000J5

9.12.1.5. JV XM – Unfunded costs year-end close out to contributed costs

**Table 9.37. JV XM**

GLACs	CLOSES TO:
941100	980000
941200	
941300	
941400	
941500	
942100	
942200	
943000	
951100	
951200	
951300	
951400	
952000	
971000	
972000	
991000	
993000	
994000	

9.12.1.6. JV XR – Revenue and costs of sales year-end close out to AOR

**Table 9.38. JV XR**

GLACs	CLOSES TO:
520000*	331000A
520041*	
520042*	
52000T*	
520900*	
650000*	
650041*	
650042*	
* means one or more following additional digits	

9.12.1.7. JV XT – Close Transfer Accounts

**Table 9.39. JV XT**

<b>GLACs</b>	<b>CLOSED TO</b>
572000*	331000M2
573000*	
579000	331000A
* means one or more following additional digits	

**9.13. Unallocated Collections and Undistributed Disbursements**

9.13.1. This letter from Patrick T. Shine, Deputy Director, Operations, DFAS Arlington, and dated August 10, 2007; provides additional information for Unallocated Collections and Undistributed Disbursements, which were discussed in paragraph 9.4.1.12.

Figure 9.3. Deputy Director, Operations, DFAS Arlington Letter



DEFENSE FINANCE AND ACCOUNTING SERVICE  
ARLINGTON  
1851 SOUTH BELL STREET  
ARLINGTON, VA 22240-5291

DFAS-J

August 10, 2007

## MEMORANDUM FOR SITE DIRECTORS

SUBJECT: Implementation and Certification of Revised Mechanization of Contract Administration Services (MOCAS) Accounts Payable Procedures

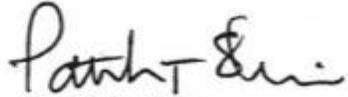
In FY 2006, the Inspector General added accounts payable as the Department of Defense's twelfth material weakness. To begin addressing the accounts payable deficiencies, we reviewed MOCAS, a material entitlement system. The review has led to improvements in the MOCAS accrual process and its reporting. Attached is the revised MOCAS accounts payable accrual procedures for implementation, effective with the August 2007 financial reports submitted in September. These revised procedures supplement the October 7, 1999, memorandum, Subj: Accounts Payable Accrual Procedures. We will update the accounting HPO instruction in the next release to reflect the latest MOCAS accounts payable accrual procedures.

A critical process improvement documented in these procedures is the establishment of accounts payable estimates for MOCAS liabilities. To facilitate an efficient process with minimal operation impact, the system will generate monthly estimates automatically. The estimates will be appended to the current MOCAS files and housed on our ePortal. Training has been provided and well received by all sites' personnel. This initiative is a significant step towards meeting Generally Accepted Accounting (GAO) Principles for accounts payable. GAO and OIG have served in advisory roles during the estimation development and are aware of its deployment and implementation.

Since these procedures are tied to a major milestone in our Defense Finance and Accounting Service (DFAS) FMFIA program for mitigating the accounts payable material weakness, I am directing each Site Director to submit a certification statement to our Standards & Compliance, Accounts Payable Director, Juan Camacho, by September 14, 2007, stating that these procedures and estimates have been implemented. The certification should address implementation for general fund and working capital funds. If you are unable to implement these procedures for a particular fund/entity, you must indicate your intentions to file a waiver by August 31, 2007, and submit the waiver request by September 14, 2007. The waiver procedures are contained in the MOCAS accounts payable procedures. Use page 3, from the attached DFAS Director Certification memo May 16, 2001, for your certification statement. I will ask Internal Review to validate implementation at a future date.

These procedures, along with a DFAS developed standard estimation process, are the culmination of your staffs' efforts over the past year. I commend you and your staff for your contributions, knowledge and dedication. Your insight led to greater standardization, efficiency and the project's success. As always, customers' awareness is paramount. Please ensure your customers are fully engaged with this process improvement.

Should you have any questions, please contact James Davila at (703) 607-0171.



Patrick T. Shine  
Deputy Director, Operations

Attachments:

As stated

cc:

Client Executives  
Strategic Business Management  
Internal Review

## Chapter 10

### MANAGEMENT OF PROPERTY, PLANT, AND EQUIPMENT

#### 10.1. Introduction

10.1.1. Policies and procedures that control the Capital Investment Program (CIP) are contained in AFMCI 21-109, *Air Force Depot Maintenance Activity Group Facilities and Equipment*, and DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

10.1.1.1. The depot maintenance portion of the Working Capital Fund (WCF) is authorized to fund the acquisition of certain capital purchases through the CIP and operating budget. Capital purchase acquisitions differ significantly from other depot maintenance expenditures in the methods used for accounting, budgeting, and processing requests. The impact of capital investment acquisitions also causes a different effect on the financial statements, and on the execution of annual operating plans. Differences between capital investment and other expenditures are explained in the following paragraphs.

10.1.1.2. The normal accounting procedures for expenditures require the recording of expenses, as services or products are received. Accounting procedures for capital expenditure requires spreading (depreciating) the actual cost of asset over the months of prescribed useful life. This accounting process provides basis for matching revenues generated through use of capital assets with an associated expense. On the budget side, DoD FMR 7000.14-R, Volume 3, [Chapter 19](#) sets the expense/investment threshold for Capital Purchase at \$250,000. While the budgetary capitalization threshold was raised, Comptroller OSD requires assets between \$100,000 and \$250,000 be recorded in the Department's financial reports as fixed assets and depreciated in accordance with the DoD FMR 7000.14-R, Volume 2B, [Chapter 9](#).

10.1.1.3. The budget process normally requires an estimate of the cost of services or products to be received and consumed during given Fiscal Years (FY). With capital assets, the budget process requires an estimate of requirements for each year, and the annual depreciation expense associated with capital assets. Funds are obligated when a legal binding contract or agreement is established, which requires the expenditure of depot maintenance funds when products or services are received. The budget for expenses requires the computation of depreciation of assets based on acquisition costs and designated useful life of at least two years. (DoD 7000.14-R, Volume 2B, [Chapter 9](#), June 2010)

10.1.1.4. The processing of requirements for capital assets differs from expenses because of accounting and budgeting requirements. For expenses, the financial concern is to record the transaction at the time the product or service was received. With capital assets, the primary concerns are when the obligation occurs, payment is made and the asset is put into service.

10.1.1.5. The immediate impact from a financial statement viewpoint upon a capital asset acquisition is a conversion of one asset (cash) into another asset (capital asset). This conversion only affects the balance sheet creating a requirement to reserve cash (an asset) to satisfy payment for item received. The expense transaction converts cash asset to an expense affecting both balance sheet and the income statement.

10.1.2. CIP funded fixed assets fall within six categories: (1) Equipment-Weapon System Sustainment (WSS), (2) Equipment Test, (3) Minor Construction, (4) Software Development, and (5) ADPE/Hardware.

10.1.3. An additional category of assets includes Facilities built with Military Construction (MILCON) dollars and contributed to the CSAG organization for their use. Resource requirements for these categories are rolled up at the ALC and Headquarters (HQ) Air Force Materiel Command (AFMC) level to facilitate Program Objective Memorandum (POM) and budget exercises, as well as to provide a reporting mechanism. DoD FMR 7000.14-R, Volume 2B, **Chapter 9** states investments of \$1,000,000 or greater require economic analysis (EA). Requirements for conducting an Economic Analysis (EA) are specifically covered over \$1M in AFI 65-501 and AFMAN 65-506, *Economic Analysis*. Additionally, in the case of the Capital Investment Program, a Cost Analysis (CA), or EA is required for projects less than \$1M (see AFMCI 21-109).

10.1.3.1. Recognize capital assets in both the property (accountability) and financial records (accounting). The Automated Civil Engineering System - Real Property (F023 - ACES-RP) records accountability for real property items and the Air Force Equipment Management System (C001-AFEMS) is the property accountability system for other capital investments. ACES is the system of record for real property. DIFMS is the financial system for establishing fixed asset job orders and maintaining financial data.

10.1.4. The DIFMS Fixed Asset function collects fixed assets costs for procurement, installation, and modification through uniquely structured job order numbers. Fixed Assets also updates plant account records, creates journal vouchers and posts to general ledger accounts, computes and processes monthly depreciation expense, and provides reports of financial data and status of fixed assets. The DIFMS Fixed Asset function accomplishes the following:

10.1.4.1. Collect Fixed Assets costs for procurement, installation, and modification through uniquely structured Job Order Number (JON).

10.1.4.2. Update Plant Account Records.

10.1.4.3. Correct Suspense Records using Fixed Asset screens.

10.1.4.4. Create Journal Vouchers and post to General Ledger Accounts.

10.1.4.5. Compute and process Monthly Depreciation Expense.

10.1.4.6. Provide reports of financial data (costs) and status of Fixed Assets, including information passed to the DMAPS Data Store System (DDS).

10.1.5. References:

10.1.5.1. AFMCI 21-109, *Air Force Depot Maintenance Activity Group Facilities and Equipment*.

10.1.5.2. DIFMS User Manual, Appendix T, Fixed Asset Function and Appendix Y, Error Messages.

10.1.5.3. DIFMS Physical Model 11, Fixed Asset Functions.

10.1.5.4. DoD *Financial Management Regulation* 7000.14-R, Volume 2B, [Chapter 9](#); Volume 4, [Chapter 6](#); Volume 11B, [Chapters 12](#) and [13](#); and Volume 12, [Chapter 14](#)

## 10.2. Accounting for Capital Investments

10.2.1. Classify as capital investments; the development, manufacture, transfer, and acquisition of all capital assets for the primary use or benefit of depot maintenance. This includes data processing and telecommunications equipment as well as minor construction not exceeding the dollar threshold for funding in the Military Construction program.

10.2.2. Classify software as capital investments including system programs, application programs, Commercial-Off-The-Shelf (COTS) software, independent subroutines, databases, and software documentation. This includes software development or acquisition for the general benefit of depot maintenance but does not include software developed or acquired for a specific customer. Software developed or acquired for a specific customer should be charged to and reimbursed by the requesting customer.

10.2.3. Capitalize and report in financial records all assets developed, manufactured, transferred, or acquired by depot maintenance including computer software purchased or developed, when the following criteria are met:

10.2.4. Acquisition cost, book value, or, when applicable, the estimated fair market value equals, or exceeds, the expense/investment accounting threshold (\$100,000 for Equipment/ADPE; \$20,000 for Minor Construction). The budgeting threshold for CIP is \$250,000 for Equipment/ADPE..

10.2.4.1. Estimated benefit period or useful life to depot maintenance of 2 years or more.  
*Note: the required depreciation schedule for capital assets is 5, 10, or 20 years.*

10.2.4.2. Acquisition cost is the original purchase or development cost including transportation, design, installation, implementation, and other related costs necessary to put the asset in the place and form in which it shall be used. Capital investment costs financed in the minor construction portion of the capital budget include project planning and design costs associated with minor construction projects. Planning and design costs are not included as part of the statutory threshold for minor construction projects.

10.2.4.3. Software costs must be clearly identifiable with new software projects distinguishable from recurring maintenance-type activities. Include costs incurred after technological feasibility has been established. Include direct costs of developing major new software, initial training material, and documentation manuals incurred after technological feasibility has been established.

10.2.4.4. Capital assets transferred to depot maintenance from another DoD activity shall be capitalized at original acquisition cost, or reasonable estimate, plus any associated costs for transportation, installation, and other related costs necessary to put the asset in the place and in the form in which it shall be used. If such assets have been previously depreciated, use the book value as the acquisition cost according to DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

10.2.5. Each ALC establishes or changes asset records in DIFMS and performs ongoing maintenance for CIP purchases in the Fixed Asset Job Order Numbers (F-JON) and the Plant Property records. These actions occur in the DIFMS Fixed Asset module. The AFSC FZR/FM) and Maintenance Wing Financial Managers organizations assure assets are properly capitalized or expensed based on policy in this document as well as the DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

10.2.6. Capital Investment Program Authority is recorded in GAFS-R per the Air Force Working Capital Fund Annual Operating Budget (AOB). The total CSAG-Maintenance amount must agree to the AOB total. Beginning in FY12, this will be recorded directly in DIFMS. The United States Standard General Ledger (USSGL) Accounts used for the capital program authority are 403200- Anticipated Contract Authority (debit entry) and 461040B - Allotments - Realized Resources - Capital (credit entry). The Capital Investment Program Authority is added to the budgetary accounts in DIFMS Job Order / Customer Order (JOCO) subsystem via DIFMS Screen MS755P “Fiscal Year Budget Authorization Update”. Users enter budget authority in the Projected-Budget-Amount field based on Budget Authority (BA) received from AFMC/FM. Enter revised budget authority in the “Approved-Budget-Amount” field, if needed. *Note: In DIFMS, the MS755P screen does not currently produce any journal vouchers in the subsystem. The work-a-round is for the General Ledger Accounts Administrator at each base to prepare a Manual Journal Voucher to enter the AOB to add to the General Ledger Accounts.*

10.2.6.1. Establish a Sponsor Order Number (SPON) for the yearly Budget Authority (BA) for each of the CIP Programs (ADP Equipment, Software, Minor Construction, Test Equipment, and WSS Equipment). Establish the SPON records via DIFMS Screen MS154P “Funding Document Update”. The DIFMS Screen MS154P is the initial point of entry into DIFMS for all CIP funding. The document number, funds authorized, and various codes are entered in DIFMS Screen MS154P. Use of Order Type Code (OTC) ‘A’ prevents the Billing Subsystem from generating a bill. DIFMS automatically generates a “dummy” line of accounting using ACRN ‘XX’ for each SPON.

10.2.6.2. A Customer Order Number (CON) is established as Control Symbol Number (CSN) for each funded project. Establish the CON records via DIFMS Screen MS153P “Customer Identification Update”. After the SPON is set up using the DIFMS Screen MS154P “Funding Document Update” for the year, applicable CONs for that program can be established using DIFMS Screen MS153P screen. The DIFMS Screen MS153P establishes or updates customer order identification data.

10.2.6.3. When modifying the CIP CON, use DIFMS Screens MS154P or MS153P to change/modify all information except funds authorized. Use DIFMS Screen MS156P “Funds Authorized Update” to adjust, correct, or move initially established funds authorized information entered on DIFMS Update Screens MS154P and MS153P. DIFMS requires at least one CON be established in each capability prior to use of DIFMS Screen MS156P “Funds Authorized Update”. Use the top of the DIFMS Update Screen MS156P for updating individual CON processing within a SPON.

**Table 10.1. CIP Funding Chain**

SPON	FYWSSEQUIPMENT	Weapon System Sustainment
	FYTESTEQUIPMENT	Test
	FYMINORCONSTRUC	Minor Construction
	FYADPSOFTWARE	Software Development
	FYADPEQUIPMENT	ADPE/Hardware
CON	WSSENNNNNN	Weapon System Sustainment
	TESTNNNNNN	Test
	MICONNNNNN	Minor Construction
	ADPSNNNNNN	Software Development
	ADPENNNNNN	ADPE/Hardware
FY = Fiscal Year N = Control Symbol Number (CSN)		

10.2.6.4. The SPON(s) and CONs provide the DIFMS funding chain for establishing Fixed Assets Job Order Number (F-JON) for each project. Use DIFMS Screen MS114P “Fixed Assets (FA) Job Order Number (JON) Update” to establish the F-JONs in the Fixed Asset subsystem. Establish an F-JON for each project under a CSN within each CIP program. F-JONs have three job types: 1 = Procurement, 2 = Installation, and 3 = Modification to Existing Equipment. While F-JON is open, one may charge labor, material, overhead, and/or contractual business operations costs, as appropriate. These records are used to reconcile DIFMS fixed assets under development account with General Accounting and Finance System/Base Level (GAFS/BL) and the CIP folders. Users can also use DIFMS Update Screen MS114P to move F-JONs from one CON to another, if costs do not exist.

**Table 10.2. Fixed Asset JON Structure**

1	2	3	4	5	6	7	8	9	10	11	12	JON Description
F	A	D	P	E	P	N	N	N	N	N	N	ADP Equipment Procurement
F	A	D	P	E	I	N	N	N	N	N	N	ADP Equipment Installation
F	A	D	P	E	M	N	N	N	N	N	N	ADP Equipment Modifications
F	A	D	P	S	P	N	N	N	N	N	N	ADP Software Procurement
F	A	D	P	S	I	N	N	N	N	N	N	ADP Software Installation
F	A	D	P	S	M	N	N	N	N	N	N	ADP Software Modifications
F	M	I	C	O	P	N	N	N	N	N	N	Minor Construction Procurement
F	M	I	C	O	I	N	N	N	N	N	N	Minor Construction Installation
F	M	I	C	O	M	N	N	N	N	N	N	Minor Construction Modifications
F	E	W	S	S	E	N	N	N	N	N	N	Weapon System Sustainment
F	E	T	E	S	T	N	N	N	N	N	N	Equipment Test
F	M	A	N	I	P	N	N	N	N	N	N	Management Initiatives Procurement
F	M	A	N	I	I	N	N	N	N	N	N	Management Initiatives Installation
F	M	A	N	I	M	N	N	N	N	N	N	Management Initiatives Modifications
F	O	N	N	N	A	N	N	N	0	0	0	In-House Workload
NNNNNN = CSN; 'A' for in-house workload is a requirement to order material												

10.2.6.5. DIFMS Update Screen MS114P allows additions of new F-JONs, changes to the data elements of existing fixed asset job order records, and closure of an F-JONs. F-JONs do not exist in the Job Order Production Master System (JOPMS-G004L) and are strictly internal to DIFMS. Additionally, this screen and DIFMS Inquiry Screen MS071P "FA Job Order Number" allow the user to inquire on existing F-JONs. DIFMS Screen MS114P allows reopening of F-JONs to process trailing costs and credits as long as F-JONs have not been purged from the database.

10.2.6.6. DIFMS Screen MS114P also allows use of an 'Installation F-JON' (FA-JON-Type '2') to collect Installation cost on Class '6' (Software Account Codes '46' and '56') items separately. DIFMS Update Screen MS115P "Fixed Asset Land Building Software Plant Account Record (PAR)" also allows an 'Installation F-JON' to be entered for those Account Codes. DIFMS Program MS217P "Transfer Under Development Cost to Fixed Asset Accounts" looks for and processes 'Installation F-JONs' and associated costs for those Account Codes as well as related 'Installation Costs' within the General Ledger Posting Condition. DIFMS Process MS224P "Fixed Asset Plant Account Update" sends 'Installation' cost for these items forward to the DIFMS Report 7310-501 "Fixed Assets". Use of DIFMS Screens MS114P and M115P allows the user to separately track and collect installation costs on these items rather than having the costs combined under the procurement F-JON.

10.2.7. The initial costs under the F-JON are treated as direct cost but moved via DIFMS Program MS215P "Transfer Direct Costs To Under Development" from direct expense to Construction in Process (CIP) periodically to await the asset becoming operational.

10.2.7.1. Commitments established for CIP cost for non in-house work is captured by posting contractual other related cost via DIFMS Update Screen MS112P “Asset Liability”. See **Chapter 5** for more information. Obligations and disbursements are interfaced through H069/GAFS-BL/BQ.

10.2.7.1.1. Line of Accounting (LOA) for Capital Investment Program. The Control Symbol Number (CSN) is positions 2-7 of the cost code. The cost code is in JON field. Use a Contractual Other Code (COC) of “38” (3<sup>rd</sup> and 4<sup>th</sup> positions of CSN field) for all CIP work. Following the LOA, record the F-JON.

**Table 10.3. CIP Hardcopy Layout (Example reflects Hill AFB data)**

Appropriation-Limit	97X4930.FA28
ALC Fund Code (FC)	6M
FY	5
Operating Agency Code (OAC)/Operating Budget Account Number (OBAN)	47E3
RCCC	MXXXX0
Program Element Code (PEC)/CSN	G511G1
Element of Expense/Investment Code	63113
Accounting Disbursing Station Number (ADSN)	503000
Stock Record Account Number (SRAN)	F03000
JON	CG511G1A
CSN	DW3800
<i>Note: The specific data changes by location</i>	

10.2.7.1.2. DMAPS CIP Cost Code layout with 1<sup>st</sup> position as “C” and 2-7 positions reflecting CSN while 8<sup>th</sup> position represents serial number; the serial number is used to differentiate different contracts on the same CIP CSN.

10.2.7.1.3. Cost for In-House Work. Labor is recorded daily through Time and Attendance (TAA) System to the CIP F-JON. DIFMS calculates the hours times the pay rate for recording labor costs; these costs are accelerated for leave and fringe benefits. Overhead (Production and General) is applied based on an applied rate per shop in relation to hours worked that day (regular and overtime, if applicable). Applied overhead is posted to the USSGL WIP and Applied Overhead based on these labor calculations.

10.2.7.1.3.1. The ‘LD’ Journal Voucher (JV) does these postings supported by the DIFMS Report 7310-565 “Labor Distribution Summary by Expense Account”. This report is by shop.

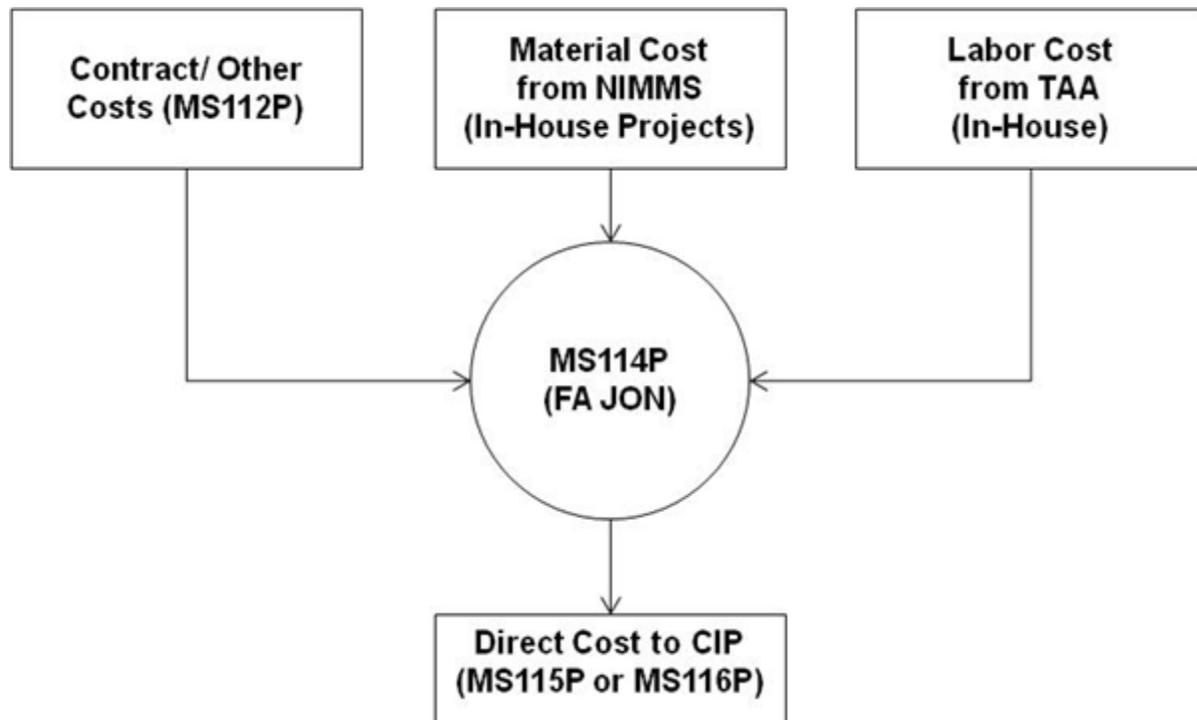
10.2.7.1.3.2. DIFMS Report 7310-560 “Direct Labor Distribution Summary by Job Order” for the same period, shows the same data by F-JON. The FA process moves the applied overhead amount recorded in Work in Process (WIP) in USSGL account 152600A1, Inventory - Work in Process - In House, to the CIP accounts (172000B, C or D) weekly, and at month end. The ‘FU’ Journal Voucher posts these amounts. The ‘FU’ JV also moves any CIP labor, material, contractual and business operations costs from the USSGL account 610000X2, Equipment - Direct.

DIFMS Report 7310-510 “Direct Cost to Under Development”, 610000/172000, shows the details for the ‘FU’ JV. To determine the amount of overhead applied to the in house CIP work, the sum of the ‘FU’ JVs posted to 152600A1 can be used.

10.2.7.1.3.3. CIP work performed in house is not included in the WIP or 6100 series accounts. The overhead applied is in the USSGL accounts 660000A, Applied Overhead - Production Expense, and 660000B, Applied Overhead - General Expense. Applied Overhead – CIP In House Projects is transferred from 660000A and 660000B to 660000C, “Activity Retention for NOR Calculation”.

10.2.7.1.4. DIFMS Report 7310-512 “Assets under Development” shows the costs held in account. ADP Software (In House) and ADP Equipment (Hardware/CDA) post to USSGL account 172000C, Construction in Progress - Assets under Development - Software Systems. Minor Construction posts to USSGL account 172000D, Construction in Progress - Assets under Development - Minor Construction. Other Equipment posts to USSGL account 172000B, Construction in Progress - Assets under Development - Purchased Assets. Management Initiatives and In-House post to USSGL accounts based on the type of initiative.

**Figure 10.1. Fixed Assets Process Flow**



10.2.8. Each AFSC Cost Accounting Office establishes or updates Plant Account Records (PAR) on DIFMS Update Screens MS115P (buildings, structures, and software) and MS116P (equipment and other). Use these screens for capitalizing the procurement, modification, or installation of a fixed asset. Once the asset is linked to the F-JON, the Plant Account Number (PAN) begins appearing on DIFMS Inquiry Screen MS071P, FA Job Order Number Inquiry, DIFMS Update Screen MS114P “FA Job Order Number Update” and DIFMS Report 7310-512 “Assets under Development”. Establish the custody shop as the shop where depreciation

is recorded. Set the estimated useful life per DoD FMR 7000.14-R in the ‘Original Estimated Life’ field. Use the same account code from the F-JON and enter an ‘operational date’ on or before the current date. To inquire on PARs, use DIFMS Inquiry Screen MS072P “FA Plant Account Record”.

**Table 10.4. Typical Plant Account Number Format**

Position	Content
1-5	Julian Date (YYDDD)
6-8	Type of Equipment Category (First 3 positions of the JON – FXX, with XX representing the type of equipment.)
9-14	CSN. When no CSN, use another meaningful designator such as CONTRI for Contributed Asset
<i>Note: For Management Initiatives, choose the asset type based on the type of Initiative.</i>	

#### 10.2.9. Modification of existing assets

10.2.9.1. Costs which either extend the useful life of existing general Property Plant and Equipment (PP&E), or enlarge or improve its capacity shall be capitalized and depreciated/amortized over the remaining useful life of the associated general PP&E. Improvements shall be depreciated over the standard recovery periods provided per the DoD FMR 7000.14-R, Volume 4, [Chapter 6](#). Improvements that do not increase an asset's capacity, size, efficiency, or useful life, shall be expensed.

10.2.9.2. For purchased assets, create a modification F-JON (FA job type ‘3’) using DIFMS Update Screen MS114P “FA Job Order Number”. To modified F-JON to the existing asset, use DIFMS Update Screens MS115P “FA Land, Buildings, Software PAR” or MS116P “FA Equipment Other PAR”. Upon closing the modified F-JON, the assets value is increased by the cost incurred. Consequently, the user also modifies the life cycle by updating the revised-original-life field on the MS115P or MS116P screens.

10.2.9.3. For contributed assets, depreciate applicable improvements separately from the original asset.

10.2.10. To capitalize the asset, enter the ‘operational date’ on DIFMS Update Screens MS115P or MS116P. After establishing the operational date, use DIFMS Update Screen MS114P to close the F-JON by changing the status code to ‘3’. The F-JON must be closed and the PAR must contain an operational date to establish the CIP item as a depreciable item within DIFMS. DIFMS automatically moves the asset from CIP to in-use. Should a user attempt to delete records, which have yet to achieve Installed Status (Install-Code ‘N’) and where procurement job order number retains a cost, an error message will be displayed.

10.2.10.1. For verification of updates, use DIFMS Report 7310-508 “Fixed Assets Update”. This report lists all updates in the current cycle to the Plant Account Records made using the Fixed Asset Plant Account Record update screens (MS115P, MS116P, MS118P and MS119P), and the resulting Journal Voucher entry (JV type ‘FC’). The accounting entries are credit to USSGL account 1720 series and debit to USSGL account 1730 series for buildings, 1740 series for structures, 1750 series for equipment or 1830 series for software. The CIP F-JON asset is no longer on DIFMS Report 7310-512 “Assets under Development” and the PAR is on DIFMS Report 7310-501 “Fixed Assets”.

10.2.10.2. Monthly depreciation expense starts at month-end following operational date. The assets depreciation expense begins appearing on DIFMS Report 7310-514 “Monthly Depreciation”.

10.2.11. For changes to PAN on the PAR, use DIFMS Update Screens MS118P “FA Land, Buildings, Software Plan Account Number” and MS119P “FA Manage Facilities Plant Account Number”. Once data is transacted, the old PAN is displayed in the old-PAN field on inquiry and update screens associated with these assets.

10.2.12. When an asset is ready for disposal, the non-operational date is recorded on DIFMS Update Screens MS115P or MS116P. This essentially moves an asset from one general ledger account to another. The item is not taken off the DIFMS books until it is actually shipped out the door. To turn in “Formerly Purchased Equipment, Software, etc” with ACCOUNT CODEs beginning with ‘1’, ‘4’, or ‘6’, use DIFMS Update Screens MS115P or MS116P utilizing ACTION CODE ‘D’. This records the loss, if any, to the USSGL account 721000, Losses on Disposition of Assets. To turn in Contributed Fixed Assets with ACCOUNT CODE beginning with ‘2’, select DIFMS Update Screens MS115P or MS116P with ACTION CODE ‘C’; TRANS-OUT-IND ‘OD’ and 1690-FLAG ‘Y’, DISP-DATE ‘YYMMDD’ (date of disposal). This records the remaining book value to the USSGL account 573000D.

10.2.13. Use the following source documents to support input and modification data within DIFMS Fixed Asset module:

10.2.13.1. Contract (e.g., DD Form 1155)

10.2.13.2. Depot Maintenance Inter-service Support Agreement (DMISA)

10.2.13.3. Support Agreement

10.2.13.4. DD Form 250, Material Inspection and Receiving Report or Wide Area Workflow (WAWF) report

10.2.13.5. DD Form 1348-1A, Issue Release/Receipt Document showing receipt

10.2.13.6. AF IMT 601, Equipment Action Request

10.2.13.7. DD Form 1149, Requisition and Invoice/Shipping Document or Wide Area Workflow (WAWF) report

10.2.13.8. AF IMT 2005, Issue/Turn-In Request

10.2.13.9. Project/Equipment Folder

10.2.13.10. Engineering Estimate

10.2.13.11. Plus Other Documents

10.2.13.12. For change, source documents received by equipment monitor include: Audit Documents, e-mail, Reorganizations, Stock Number Changes from Supply. For process deletes, source documents received by equipment monitor include: Report of Survey, DD Form 1348-1A, Issue Release/Receipt Document, and showing turn in. An AF IMT 601, Equipment Action Request; DD 1149, Requisition and Invoice/Shipping Document; or AF IMT 2005, Issue/Turn-In Request; results in production of DD 1348-1A from ILS-S. Equipment deletion may occur for a number of reasons such as replacement of non-serviceable items and equipment no longer required or missing. Loss generated from such

disposal will record as overhead expense within DIFMS that ultimately influences overhead rates.

10.2.13.13. Retain documentation for the life of the asset and then per the data retention rules identified in DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

10.2.14. Fixed Asset JON(s) (MS114P) are to be closed when the asset reaches full operational capability (FOC), and the Plant Account Record (PAR) (MS115P / MS116P) is established and all data elements are entered including the FOC date. All costs on the JON must be captured before the JON is closed and the weekly reports are run. The costs are transferred to the PAR for the monthly depreciation to start.

### **10.3. Depreciation**

10.3.1. The period used for depreciation must follow the provisions of the DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

Table 10.5. General PP&amp;E ASSETS

<b>DoD RECOVERY PERIODS FOR DEPRECIABLE GENERAL PP&amp;E ASSETS (Excludes Military Equipment and Heritage Assets)</b>	
Description of General PP&E Assets	Recovery Period
General Purpose Vehicles (Includes Heavy Duty Truck and Buses); ADP Systems and Hardware (Computers and Peripherals); High Tech Medical Equipment; Equipment used in Research, Development, Test and Evaluation (RDT&E); Radio and Television Broadcasting Equipment; and Software Improvements to 5-Year Recovery Period Property (Personal Property)	5 Years*
All Other Equipment, Machinery and Software** Improvements to 20-Year Recovery Period Property	10 Years
Vessels, Tugs, Barges and Similar Water Transportation Equipment (Non-Military Equipment vessels/ships) Steam (12.5K pounds per hour or more), Sewers and Other Utilities (including such things as fiber optic cable) Fences, Roads, Bridges, Towers, Ship and Railroad Wharves and Docks, Dry Docks, Fuel Storage Facilities and Other Real Property Structures. Improvements to 40-Year Recovery Period Property	20 Years
Buildings, Hangers, Warehouses, Fuel Storage Buildings, Air Traffic Control Towers, and Other Real Property Buildings.	40 Years
Improvements to Leased Buildings and Other Real Property (Leasehold Improvements)	Remainder of Lease Period or 20 Years Whichever is Less
Land Rights of Limited Duration	Over the Specified Duration
<p><i>*Recovery period of less than 5 years is permitted when the acquiring DoD Component is certain that the useful life of an asset is at least 2 years but less than 5 years. In such circumstances, the recovery period shall be the known useful life (2-4 years, as appropriate).</i></p> <p><i>**Depending on the nature of the software, it may be depreciated over a period of less than 5 years, 5 years or 10 years. The determining factor should be the actual estimated useful life of the software consistent with that used for planning the software's acquisition.</i></p>	

10.3.2. Financial records for assets capitalized in a Defense Working Capital Fund (DWCF) activity must: be supported by formal depreciation schedules, have all depreciation expenses recorded, and include depreciation expenses in rates charged, except for depreciation of facilities acquired through military construction appropriations or other exclusions covered in the DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

10.3.3. Each AFSC Cost Accounting Office assures depreciation for capital assets is set up properly within DIFMS. The AFSC FZR/FM and Maintenance organizations assure depreciation for capital assets is expensed properly based on policy in this document as well as the DoD FMR 7000.14-R, Volume 4, [Chapter 6](#).

10.3.4. DIFMS is the system of record for depreciation of capital assets. DIFMS calculates and accumulates monthly depreciation using the straight-line method. DIFMS Report 7310-514 “Monthly Depreciation” is run monthly and the report shows the depreciation by asset. This report is used monthly to record the depreciation to the appropriate expense accounts and the GLAC’s accumulated depreciation account. For accounting entries, see the DIFMS 7310-514 “Automated Journal Voucher” at the end of the report. The JV format is FDMMNN, (with MM representing the month, and NN representing the number of the JV).

10.3.5. The shop that incurs the depreciation is the custody shop for the asset. The following table includes the expense JONs where depreciation is charged based on type of asset.

**Table 10.6. Depreciation JON**

Type of Asset	Production Overhead	G&A
Buildings and Structures (Minor Construction)	X57200805000	Y67200805000
Equipment, including ADPE	X57300802000	Y67300802000
ADPE and telecom	X57320803000	Y67320803000
Software	X57500804000	Y67500804000
Other	X57400806000	Y67400806000
<i>Note: For Management Initiatives, the JON is based on the type of initiative.</i>		

## 10.4. Transfers In and Out

10.4.1. Transfers in and out include capital assets that are contributed to the ALC by non-organic depot maintenance entity, depot-to-depot transfers, and major development efforts capitalized at one ALC and later transferred to all ALCs. This includes items transferred to depots through workload realignment or base closures.

10.4.2. Assets can be physically transferred into or out of the ALC. Both transactions are recorded by AFSC Cost Accounting via DIFMS Update Screens MS115P or MS116P. To verify transfer actions use DIFMS Report 7310-508 “Fixed Assets Update”. For accounting entries, see the DIFMS 7310-514 “Automated Journal Voucher” at the end of the report.

10.4.2.1. To “transfer in” an asset, establish a PAR and use the original cost and any accumulated depreciation incurred. For transfer in of “Contributed Fixed Assets” there are two transfer-in options: Transfer in Indicator (TRANS-IN-IND) ‘IA’ - is not replaced with WCF CIP monies and ‘IB’ - is replaced with WCF CIP monies.

10.4.2.2. To “transfer out” an asset, inquire on the PAN using action code “C”; the Transfer Out Indicator (TRANS-OUT-IND) is set to ‘OA’ if to another government agency or ‘OC’ or ‘OD’ (OC represents transfer out to others without reimbursement (DWCF). OD represents transfers out to others without reimbursement (Capital DWCF). Set the 1690 flag to ‘Y’, and set a disposal date equal to the current or future date. This stops the depreciation and post the transfer out.

10.4.2.3. A sponsor owned asset is an asset that has been acquired by the ALC without the use of depot maintenance WCF. Use DIFMS Update Screens MS115P or MS116P to record assets owned by customers and/or parent commands (e.g., Sponsor Owned Assets). A Sponsor Owned Asset does not have an F-JON and the asset can be entered directly into the DIFMS Update Screens MS115P or MS116P (follow above procedures), without tying an F-JON to the plant account number. These items are not owned by CSAG but used on

site. A first digit of “8 or 9” denotes sponsor owned, in use, or not in use. The sponsor owned items are depreciated as funded costs within the DIFMS depreciation cycle.

10.4.3. Capitalizing Major Development Costs at the ALCs. The major development items are normally directed by AFMC to be managed at one site until operational and then the costs for the project are shared among the ALCs. The managing ALC records the costs in CIP under one F-JON until the asset is operational.

10.4.3.1. When the asset becomes operational, the managing Cost Accountant establishes a new JON on the MS114P and PAR (MS115P / MS116P) for each ALC. The total costs will be allocated and the costs will be transferred (MS144P) to each ALC’s JON; this allocation is based on HQ AFMC direction for full operational capability (FOC) date and directions to how costs are to be shared. Each ALC’s JON is closed after reports have been run and costs transferred to each ALC’s PAR. The PAR of the other ALCs is transferred out (using the MS115P / MS116P) prior to month end to avoid the monthly depreciation process. See DIFMS 7310-508 report for information.

10.4.3.2. The other ALCs receive from the managing ALC documentation to ‘transfer in’ their share of the major development project. (See paragraph 10.4.2.1. and the DIFMS Report 7310-508 “Fixed Assets Update” to verify transfer actions.)

## **10.5. Fixed Assets Balancing and Reconciliation**

10.5.1. Each AFSC FZR Office implements balancing procedures to validate that all additions, changes, and deletions to fixed assets records have been accounted for and that they have been accurately recorded in the general ledger. This ensures that correct postings have been made to all ledger accounts relating to the fixed assets subsystem and the general ledger accurately represents the financial position of each fixed assets record.

10.5.2. Use the following reports for research and reconciliation.

10.5.2.1. DIFMS Report 7310-501 “Fixed Assets” is the supporting detail for the Fixed Assets USSGL accounts 170000, Fixed Assets, and 910000, Fixed Assets Book Value. This report reflects all of the activities installed assets. It shows the book value of all fixed assets placed in service by Account Code. It is used to verify DIFMS Report 7310-514 “Monthly Depreciation”. It also reflects assets not in use under the section Fixed Assets – Not in Use, and reflects Assets Awaiting Transfer in a separate section.

10.5.2.2. DIFMS Report 7310-506 “Manage Facilities Additions, Changes, Deletions” reflects all information gained through the “Manage Facilities” interface during the current cycle which passed validation, and all suspense records deleted or corrected during the current cycle through DIFMS Update Screen MS117P “Suspense Correction Par”. This report is produced weekly and includes the JV entry (type 'FM') resulting from these updates to the PAR. This screen and the DIFMS Program MS216P “Plant Property Bridge File Data” do not allow the user to perform a “Delete” and “Change” transaction simultaneously on the same record. This is because the “undelete” transaction is able to reverse the effects of the “delete” transaction but had no way to reverse the effect of the “change” transaction.

10.5.2.3. DIFMS Report 7310-508 “Fixed Assets Update” lists all updates in the current cycle to the Plant Account Records made using the Fixed Asset Plant Account Record update screens (MS115P, MS116P and MS118P), and the resulting JV entry (type 'FC').

10.5.2.4. DIFMS Report 7310-511 “USSGL accounts 1590/1600” reflects all costs transferred during the current cycle from USSGL account 1590, Assets under Development, to USSGL account 1600, Fixed Assets, and the related JV entry (type 'FA').

10.5.2.5. DIFMS Report 7310-712 “Fixed Assets-Assets under Development” lists the supporting detail for the USSGL accounts in the 172000-series, Construction in Progress. If the asset has not yet been assigned a plant account number, the job order is listed without the corresponding plant account number. If a job has been reopened, the residual value between the cost on the job number and the cost resident on the plant account record is reflected.

10.5.2.6. DIFMS Report 7310-915 “General Ledger Details Year to Date” provides a mechanized general ledger for research and reconciliation with subsidiary ledgers.

10.5.3. Compare the ledger account balances for fixed assets in DIFMS Report 7310-501, Fixed Assets, to the 7310-915.

10.5.4. Compare the ledger account balances for fixed assets in the current DIFMS Report 7310-501 to the total of the prior 7310-501 report and the DIFMS Reports 7310-506 7310-511, and 7310-514.

10.5.5. Compare the ledger account balances for assets under development in DIFMS Report 7310-512 to DIFMS Report 7310-915.

10.5.6. Compare the ledger account balances for assets under development in the current DIFMS Report 7310-512 to the total of the prior 7310-512 report and DIFMS Reports 7310-506, 7310-508, 7310-510, and 7310-511.

10.5.7. Additional reconciliation guidance can be found within the “*Financial Reporting Guidelines for Air Force Working Capital Fund (AFWCF) Real Property*”, Version 3, dated February 2009.

## Chapter 11

### ANALYZE/RECONCILE/REPORT-REPORTING

#### 11.1. Introduction

11.1.1. **Designated** personnel (i.e., cost accounting, analysis branch, and budget) review reports to assure values recorded are reasonable as compared to targets. Actual costs can be compared to targets at various levels of detail, general ledger, division, shop, Job Order Number (JON), etc. When significant variances with targets are discovered, research must identify the transactions causing the differences so their accuracy and appropriateness can be determined and corrective action taken, if necessary. Frequent analysis is important to enhance data quality and to understand trends.

11.1.2. References:

11.1.2.1. DoD Financial Management Regulation (FMR), 7000.14, Volume 4, **Chapter 15**; Volume 6A, **Chapters 2, 14, and 15**; and Volume 11B, **Chapter 13**.

11.1.2.2. DMAPS Integration Engine (DMAPS- IE) User Manual, Paragraph 3.1, DDS Web Reports, Appendix A, DDS Standard Reports; Appendix B, DDS Ad-Hoc Reports; Appendix C, DDS Report Column Names; and Appendix D, DDS Web Reports Glossary.

11.1.2.3. Defense Industrial Financial Management System (DIFMS) User Manual, Appendix M, Report Request Function; Appendix N, Purge and History; Appendix P, Monthly, Quarterly and Year-End Procedures and Appendix Y, Error Messages.

11.1.2.4. Interface Control Documents (ICDs) are documented within the Corporate Data Repository System (CDRS) (<https://cdrs-pro.wpafb.af.mil/>) which reflect where DIFMS data is interfaced.

#### 11.2. Performance Measurement

11.2.1. Variance analysis between actual and established budgets including costs and hours is mandatory on a monthly and yearly basis. Analysis can be performed to ensure that the data reported through system products, published reports, and other related documents are accurate and complete in regards to financial position of the depot maintenance organization. The ALC budget personnel and the AFSC FZR may obtain and analyze data from the various DIFMS screens, DIFMS On-Line Report Viewer (OLRV) on-line reports, DMAPS Data Store (DDS) tables, H033/Cost, Production and Budget Module (CPBM) - Cost and Production Performance Module (CPPM) as well as the Budget Target Module (BTM), and other system products in performing the analysis at various levels. The analysis should include specific causes, remedies, and detail management actions to address concerns.

11.2.2. To obtain financial performance information, use DIFMS Program MS495P “Produce Income Statement” and associated DIFMS Report 7310-977 “Income Statement”. This report provides the capability for the user to see views of their financial position throughout the reporting month.

11.2.2.1. DIFMS Report 7310-977, DIFMS Report 7310-935 “DIFMS General Ledger Trial Balance”, and the DD Comp AR 1307, Report of Operations, provide both a monthly

and a cumulative (year-to-date) status of assets, liabilities, revenue, expenses, and operating results for depot maintenance. The DD Comp AF 1307 is designed as a consolidated statement which reflects the merger of all trial balances from each ALC and AMARG. These monthly reports are provided to evaluate the overall financial status of depot maintenance operations.

11.2.2.1.1. These reports can be analyzed and interpreted in terms of how the ALC operations are progressing from a financial point of view, and presented in a manner useful to management in identifying problems, making decisions, and controlling operations. Revenue is reported by Repair Group Category (RGC). Expenses are reported by type of expense. Operating results reflect either a profit realized or loss sustained from matching the cost of goods sold to the respective revenues.

11.2.2.2. Another way to measure performance is to compare the current trial balance with the previous month's trial balance in DIFMS Report 7310-935 "General Ledger Trial Balance" to determine changes in the accounts. Any unusual changes in asset or liability account balances are analyzed by AFSC cost accounting and ALC budget offices with assistance of the Defense Finance and Accounting Service (DFAS) to determine the impact on the depot maintenance financial status and to identify potential problem areas. Special attention should be given to unusual changes in such accounts as Work in Process (WIP), material inventories, unallocated costs, and budgetary balances. This report can be used to determine if there are any out-of-balances in the trial balance. Information on transactions that resulted in the current balances can be found in the DIFMS Journal Vouchers (JV) (reference [Chapter 9](#)). These vouchers may identify sources that can be examined to determine causes.

11.2.3. Compare actual revenue, cost of goods sold, and operating results to planned amounts from DIFMS Update Screen MS753P "General Ledger Budget Tracking" to determine variances. This information is also shown on MS083P, "General Ledger Budget Tracking Inquiry". Any significant variance from the operating plan requires a more detailed analysis. The cause of the variance is determined, and then actions are recommended in order to attain objectives or to adjust the operating plan. This information is indicative of local management effectiveness in accomplishing planned workloads and achieving assigned goals and overall command progress in realizing the goals of organic depot maintenance as set by Headquarters AFMC Financial Management Directorate (AFMC/FM). Analysis results obtained from this report is provided to Headquarters AFMC management.

11.2.3.1. Labor, material, and business operations costs should be considered against budgeted values. These budgeted values can be found in H033/CPBM by Resource Control Center (RCC) by Month. Research on the detailed transactions, which make up those values, may be required. Research can be done by category (labor, material, etc.), RCC, timeframe, etc.

11.2.3.2. DIFMS Report 7310-965 "Automated Balancing" shows any imbalance between the trial balance and the subsidiary balance. The trial balance is used to display the operating results. Use the 7310-965, produced after a full Cost Summary and the General

Ledger update, for research and correction of any variances between the trial balance and subsidiary balances.

11.2.3.3. DIFMS Report 7310-915 “General Ledger Details Year-to-Date” shows posting history of all United States Standard General Ledger (USSGL) accounts.

11.2.3.4. DIFMS Report 7310-715 “Direct Costs by Program and Fund Source” lists direct hours and costs for each program and fund source. This report agrees with costs on DIFMS Reports 7310-710 “Direct Costs by Job Number Quarter to Date” and 7310-720 “Direct Cost by Cost Center Quarter-to-Date”. Use this report to support preparation of the production performance reports and annual budget.

11.2.3.5. If there are variances in the labor area, the leave and fringe benefit accounts can be reviewed to see if the acceleration factors are correctly defined. USSGL accounts in the 2210 series show the accrued values for leave and fringe benefits. USSGL account 221042Ax-series shows the values used for leave, and 221042Cx-series show the value used for benefits. If these values are significantly different from the norm, determine if acceleration rate adjustments are needed.

11.2.4. DFAS assists the AFSC cost accounting office to produce the status on the budgetary and proprietary accounts. The AFSC/FM Director and DFAS share responsibility for the accuracy of the financial data while the AFSC/FM Director is responsible for the accuracy and completeness of the analysis.

11.2.4.1. The financial trial balance is due to AFMC/FM and DFAS-CO by the fifth business day of each month. DFAS prepares supplementary data section of the report analysis for AFMC/FM to include accounts receivable by customer, aging of unsupported accounts receivable, accounts receivable written off during the Fiscal Year (FY), and payments from customers. The AFSC Cost Accounting and DFAS jointly produce the financial footnotes and budget analysis sheets that explain the status based on criteria directed by AFMC/FM. The analysis portion, which will match the DD Comp AR 1307, Report of Operations report, is due to AFMC/FM on the 10<sup>th</sup> workday of each month.

### **11.3. Controlling Over/Under Applied Overhead Costs**

11.3.1. Over/under applied overhead variances result from differences between applied costs and actual overhead costs. Overhead costs are applied to Direct Production Actual Hours (DPAH) hours posted in DIFMS based on established RCC overhead rates for both production and general overhead costs. Actual overhead costs are based upon overhead costs incurred or distributed by DIFMS transfer processes. DIFMS Report 7310-729 “Actual Versus Applied Overhead Year-To-Date (YTD)” shows YTD values for applied, actual costs, and over/under applied variances by RCC and by ALC total.

11.3.1.1. The creation of an H033/CPBM-BTM Overhead Application Rate (OAR) Model provides an on-line “Maintain OAR” report by RCC that displays Production Overhead (POH) and General and Administrative (G&A) YTD values for Annual Target, Actual Costs, Actual Rate, Actual Applied Costs, Current Month Projected Applied Costs, and a variance between YTD Actual Costs and Actual Applied Costs by RCC. The report also includes Annual Target, YTD Actual, and Current Month Projected Direct Production Actual Hours (DPAHs) by RCC.

11.3.1.2. New POH and G&A Recommended Rates are provided for analysis and determination as to whether a modified H033 OAR interface should be sent to DIFMS. OARs are usually reviewed on a monthly basis, but the OARs are only adjusted quarterly, or twice a year, at ALC discretion.

11.3.1.3. After month-end processing, all overhead costs are transferred to production RCCs. However, some costs might not transfer, and these costs can be found on the DIFMS Report 7310-729 “DIFMS Actual Versus Applied Overhead YTD”. Each cost not transferred will be researched and corrected. Some of the problems that have been identified are:

11.3.1.3.1. Transfer percentages at the indirect shop level as shown on DIFMS Screen MS174P “Transfer Percentage Update” or on DIFMS Report 7310-260 “DIFMS Transfer Percentage Update Report” do not equal 100%.

11.3.1.3.2. Indirect JON does not have a JON Transfer indicator 3 (using the Transfer Percentages from the H033 OAR file), which can be seen on DIFMS Screen MS056P “Indirect Job Order Inquiry”.

11.3.1.3.3. A mismatch of indirect JONs starting with an X (Production Overhead JON) going to a G&A Shop, or an indirect JON starting with a Y (General and Administrative JON) going to an overhead shop. The user can determine what type of indirect shop it is by going to the DIFMS Screen MS051P “Cost Center Table Inquiry”, and the value in the type column shows that P = Prod OH Shop and G = G&A Shop.

11.3.1.3.4. Indirect material is not being transferred. Indirect material against the ‘MDPXX’ shop (for example) does not transfer because shop is G&A and the indirect JONs start with an ‘X’ (Production Overhead JON). The assignment of the JON is within the AF Integrated Logistics System-Supply (ILS-S) and NAVAIR Industrial Material Management System (NIMMS) interface.

11.3.1.3.5. When the user fixes a problem like 100% transfer from DIFMS Report 7310-260 “DIFMS Transfer Percentage Update Report” and a mismatch of the indirect JON and indirect shop (overhead versus G&A), only the current month costs transfer. Since prior months costs do not transfer, a request for an SQL must be submitted to the Cost Accountant for approval and then processed by the DIFMS supplier.

11.3.2. There can be valid reasons why the applied versus actual costs may reflect a variance at a given time. Accrual accounting is done for other costs, but not for labor or material that may create “spikes” during certain periods.

11.3.2.1. Management decisions can impact costs – write-off transactions often impact overhead costs.

11.3.2.2. Workload can be slower than anticipated; thus, hours are short at this time.

11.3.2.3. Delayed actions can place costs in current rather than prior FY costs.

11.3.2.4. Unallocated costs in either labor or material can have impact. USSGL accounts 199000A, Other Assets - Unallocated Labor Expenditures, and 199000B, Other Assets - Unallocated Material Expenditures, show these values.

11.3.2.5. Suspended transactions (such as Material In Transit (MIT) or unmatched material bills) and missing data (such as data held in the DFAS-IE, unaccounted-for time, delays in process obligations, etc.) can have impact.

11.3.2.6. Confirm there were no schedule “run” problems involving a certain file or process.

11.3.3. After excluding the above explanations for variances, use the following tools with the DIFMS Report 7310-729 “DIFMS Actual Versus Applied Overhead YTD”: to determine if overhead application rate (OAR) changes are necessary.

11.3.3.1. DIFMS Report 7310-731 “Indirect Cost Summary Year- To-Date” shows the YTD overhead costs by RCC and category - labor, material, contractual, other, depreciation and unfunded civilian fringe benefit. These values are shown both before and after transfers. The transfers are shown in detail on DIFMS Reports 7310-705 “DIFMS Cost Transfer Transactions” and 7310-706 “DIFMS Percentage Cost Transfer Transactions”. These totals are for both funded and unfunded costs and for POH and G&A costs. These values can help explain why the overhead costs are or are not in line with anticipated overhead costs YTD.

11.3.3.2. DIFMS Report 7310-785 “Indirect Cost Summary Year-To-Date Object Class” shows funded overhead costs by RCC, USSGL account, object class, and categories of costs. DIFMS Report 7310-783 “Direct Costs by Cost Center YTD Object Class” shows direct costs by RCC, USSGL account, object class, and categories of costs. Both reports list the hours by type – regular, overtime, and civilian and military. This data is helpful in evaluating budgeted direct hours versus actual direct hours YTD. These reports also show material, contractual and business operations costs by RCC, but not by JON.

**Table 11.1. Material and Business Operations (Other) Costs**

Material	Material costs, including inventory types W (receipted to the MIC instead of the line) and E reported from NIMMS. <i>Note: COC entries from Business Operations (Other) Costs, if coded to Object Class W or E show in Business Operations (Other) Cost in some reports.</i> USSGL account 610000W2 shows the material costs. Object Class functionality is built into the DIFMS processes for the 7310-783 and 7310-785 reports.
Contractual	Expenses recorded through Business Operations (Other) Cost process with COC equal 1 - 50 excluding 45.
Contractual Military	Accrual adjustment for the annual military assessment recorded in Business Operations (Other) Cost as a Posting Code record with COC = 45. This accrual maintains a cost balance equal to the cost appropriate to YTD time period and military costs recorded YTD for hours worked by military.
Other	Expenses recorded through Business Operations (Other) Cost process with COC equal 51 - 99 but not 54, 59 or 60.
Direct Transportation	Transactions that contain COCs outside range of 01-99, (i.e. alpha not used by AF)
Unfunded Depreciation	This is no longer recorded by the Air Force due to the “ <i>Financial Reporting Guidelines for Air Force Working Capital Fund (AFWCF) Real Property</i> ”, Version 3, dated February 2009.
Funded Depreciation	Depreciation expenses recorded from monthly depreciation cycle based on RCC and Account. Code assigned to asset, which is not ‘unfunded’.
Funded Costs	The sum of the funded costs shown for that RCC or total on the report.

11.3.3.3. DIFMS Report 7310-735 “Open Direct Job Status” shows cost by open JON. Report 7310-745 “Closed Direct Job Status” shows costs by closed JON. Use DIFMS Report 7310-732 “Indirect Costs by Shop within JON Year-To-Date” to research indirect costs. This report lists all Year-to-Date indirect costs by Job Number and Shop.

#### 11.4. End-of-Period Processing

11.4.1. Use guidance in the DIFMS users’ manual for monthly, quarterly, and year-end procedures. Also annual direction published by AFMC Financial Management Directorate (AFMC/FM) and DFAS Columbus Center (DFAS-CO) for any specific processing procedures.

11.4.2. Part of end-of-period processing is to assure an adequate audit trail and sufficient archiving of information. Use the following reports for audit trail. Run the DIFMS purge processes, which produce these reports, on an as-needed basis.

11.4.2.1. Labor does not have a separate purge process, and instead labor is automatically updated each payroll cycle. Refer to DIFMS Report 7310-565 “DIFMS Labor Distribution Summary by Expense Account” to balance the labor distribution process. This report provides the labor expenditures from the regular labor process by expense account. The report provides a subtotal for direct, production, general, and service center cost for civilian and military employees. The report also has a leave section which summarizes the hours

and cost to each leave type. Finally, the report displays the journal voucher (JV Type 'LD') and the overhead rates used to apply funded and unfunded overhead cost.

11.4.2.2. DIFMS Report 7310-C01 "Plant Account Record Purge" reports all Plant Account Records (PAR) purged from the DIFMS database. These records have been flagged for deletion in excess of 90 days.

11.4.2.3. DIFMS Report 7310-C02 "Non-Billing Purged Customer" lists all customer orders for fixed assets and manufacturing for the depot, which have been purged from the DIFMS database. These customers order records have been flagged for deletion in excess of 90 days.

11.4.2.4. DIFMS Report 7310-C03 "Non-Billing Purged Job Orders" lists all job order numbers for fixed assets customer orders purged from the DIFMS database.

11.4.2.5. DIFMS Report 7310-C04 "Non-Billing Purged Customer Order Transaction History" lists the transaction history for all fixed assets and manufacturing for depot customer orders, which have been purged from the DIFMS database.

11.4.2.6. DIFMS Report 7310-C05 "Purged Customer Orders" provides the user with an audit trail of sponsor records purged from the database in DIFMS Program MS251P "Annual Sponsor Purges". Part II provides the user with an audit trail of customer order records purged from the database in DIFMS Program MS251P.

11.4.2.7. DIFMS Report 7310-C10 "Purged Customer Order Transaction History" provides a hardcopy of all Sponsor Records processed in DIFMS Program MS251P and moved to a history file for an audit trail.

11.4.2.8. DIFMS Report 7310-C15 "Purged Job Orders" provides an audit trail of updates to the job order records processed in DIFMS Program MS254P "Annual Indirect Purges". PART I reflects the direct job order records; PART II reflects the Indirect Job Order Records. DIFMS Program MS254P deletes all Indirect Job Order Records when the job order has been closed for a minimum of 90 days, and automatically deletes transfer percentage records whenever the transfer percentages have been uniquely established at the individual Job Order Number (JON) level. This relieves the user of the responsibility to delete these records manually using the DIFMS Screen MS174P "Transfer Percentage Update". This also eliminates the problems encountered when the users attempted to delete the data after the indirect job number had already been purged.

11.4.2.9. DIFMS Report 7310-C20 "Purged Asset/Liability File" provides a hardcopy of the balances of the asset liability records processed in DIFMS Program MS252P "Annual Other Purges".

11.4.2.10. DIFMS Report 7310-C25 "Purged Billing History" lists the billing history file by job order number or customer order number processed in DIFMS Program MS251P.

11.4.2.11. DIFMS Report 7310-C30 "Material Requisition Status Purge" lists all completed Material Requisition Records being moved to the Material Requisition Status History File processed in DIFMS Program MS255P, "Monthly Material Due Purges".

11.4.2.12. DIFMS Report 7310-C50 "Material Requisition Status History Purge" lists all purged Material Requisition Records that have been deleted from the Material Requisition Status History File processed in MS253P "Annual Other Purges".

## 11.5. Depot Maintenance Reporting

11.5.1. The Keystone Decision Support System (KDSS-H303) Depot Maintenance Cost (DMC) folder provides the collection, summarization, and reporting for both organic and contract depot maintenance costs, in accordance with the DoD FMR 7000.14-R, Volume 6A, [Chapter 14](#). For the three Air Logistic Commands (ALCs: Hill, Tinker, and Robins) organic data is from DIFMS through DDS. Data is reported through other systems for the Aerospace Maintenance and Regeneration Group (AMARG) and contract depot maintenance.

### 11.5.2. Interface Information:

11.5.2.1. DDS interface provides ALC organic cost and production data by transaction to KDSS-H303 monthly. H303 users identify the Weapon System Support Code (WSSC) from the DDS applicable weapon system information.

11.5.2.2. The AMARG Business System (ABS) interface provides AMARG organic cost and production data by JON transactions to KDSS-H303 monthly.

11.5.2.3. The Commercial Asset Visibility – Air Force (CAVAF) System provides monthly cost data for contract depot maintenance.

11.5.2.4. Contract and Government Entity (CAGE) Code. Monthly updates are received from the Federal Logistics Data System (FEDLOG) to validate CAGE codes are current for contracted work.

11.5.2.5. End Item Identification Number (EIIN) Code. The Master Item Identification Control System (MIICS/D043) is used to provide EIIN data elements monthly.

11.5.2.6. No systems provide the Weapon or Support system Code (WSSC) or the Work Breakdown Structure (WBS) codes directly. For each JON and Contract/CLIN, these data elements are initially input directly into KDSS-H303. KDSS users often use DIFMS data screens to determine organic information. Since CAVAF does not provide the CAGE code, KDSS users must initially input the CAGE, which is validated as current by the KDSS system.

11.5.2.7. Weapon System Cost Retrieval System (WSCRCS), contained in the Air Force Total Cost Data (AFTOC) Data Warehouse, collects operating and support costs of weapon systems and provides repair and condemnation costs for those weapon systems and their components to satisfy user requirements. This information is sent yearly by FTP from KDSS to AFTOC.

### 11.5.3. Depot Maintenance Cost System (DMCS) AP-MP (A) 1397 Annual Process:

11.5.3.1. The annual DMCS data submissions shall be provided to the Deputy Assistant Secretary of Defense for Maintenance Policy and Programs (DASD (MP&P)), Office of the Under Secretary of Defense (Acquisition, Technology & Logistics) or its designated agent no later than 31 December following the end of the fiscal year. Each data submission shall be accompanied by a transmittal memorandum that includes a brief discussion of any anomalies in the data and significant changes from the previous submissions, or other pertinent information to aid in processing the data.

11.5.3.2. Within 90 days of the initial data submission, a brief narrative analysis explaining trends in the data is submitted. The focus of the narrative analysis shall be on factors

driving year-to-year changes in cost and direct labor hours. Reporting requirement symbol AP-MP (A) 1397 is assigned to the annual Depot Maintenance submissions to DASD (MP&P).

11.5.3.3. The DASD (MP&P) or its designated agent prepares and publishes summary tables and the “DoD Depot Data Highlights Report”. The DASD (MP&P) maintains lookup tables of pertinent data elements and codes for use by the Military Departments by compiling the data from all DoD Components (Air Force, Army, Navy, etc.).

## **11.6. Use of DIFMS Reporting Tools**

11.6.1. DIFMS and Naval Air Systems Command (NAVAIR) Industrial Material Management System (NIMMS) standard reports can be accessed through On-Line Report Viewing (OLRV), FTP, and DEPCON. On-line queries can be used to access data within the database with appropriate access through the site Report Working Group.

11.6.2. Refer to the DIFMS Users’ Manual for a complete description of all DIFMS reports. The most current information can be obtained from the Technical Service Organization’s website: <https://t6800.csd.disa.mil/DifmsPortal/index.php>.

## **11.7. DDS Reports**

11.7.1. DDS also supports management information and analysis functions with a variety of reports. Each ALC also provides site unique custom reporting using the DDS, DDSRI (Reporting Instance), and their own local data repository as data sources using the IBM/Cognos Business Intelligence Reporting tool. Primary focus of data is to provide a historical repository at the task and transaction level currently not supported by DIFMS for the period specified by the AF. For example, DDS also has the ability to capture associated transactions at the task level from the originating JON to the consuming JON for all tasks against an Inventory Tracking Number (ITN) ‘1’, where ITN ‘1’ and ITN ‘2’ has not been completed and actual hours have accumulated when the originating JON was financially closed. Standard Corporate Reporting is limited to information available from the DDS/DDSRI databases at the ALC where the users are located. Users have the option of saving any report to their personal desktop system. The IBM/Cognos Business Intelligence Reporting tool provides users the capability to save the file in Comma Separated Value (CSV) format for use with Excel or as a text file to use in a Word document. There are no restrictions regarding file-naming conventions when the user is prompted for a file name.

11.7.1.1. The IBM/Cognos Business Intelligence Reporting tool provides the ability for users to view published reports executed against the data stored in the DDS/DDSRI and local data repository databases. The reports are developed in list, grouped list, summary, or cross-tab forms. Reports can be defined for the user to start at a general level so that the user may narrow down the selections and ‘drill-down’ to the specific information needed. After the report is displayed to the user, the user may print the report, provided a local or network printer is connected to the user’s desktop computer. Refer to the DMAPS-IE user manual for a listing of Standard reports and options. Contact each ALCs IBM/Cognos Business Intelligence reporting organization for comprehensive list of locally developed site unique reports and capabilities.

11.7.1.2. H033/CPBM-Cost and Production Performance Module (CPPM) extracts data from DDS on a daily and monthly basis. CPPM provides on-line daily and monthly

standard reports for CSAG comparison of actual results compared with the financial and production targets by RCC, Branch, Division, or ALC. Two years of on-line monthly data is maintained for all reports; daily reports are purged based on local ALC direction.

11.7.1.3. Each ALC must appoint a DDS monitor to keep DDS and DIFMS reconciled. Differences can cause many variances in a range of reports between DIFMS and DDS.

## 11.8. External Reporting

11.8.1. The Air Force is required to report to other organization (such as DoD, OMB, and Treasury) on financial results in a wide range of topics. Requirements and instructions for this external reporting are covered in the DoD Financial Management Regulation (FMR) 7000.14-R. For depot maintenance, the main external reports are listed in the below exhibit.

**Table 11.2. Examples of Standard External Reporting**

<b>Report</b>	<b>Freq</b>	<b>Reference DoD FMR 7000.14-R</b>
DD Comp AR 1307, Report of Operations	Monthly	Volume 3, Chapter 19; and Volume 6A, Chapters 2 and 15
DD Comp AR 225, Report of Obligations by Object Class Code	Annually	Volume 1, Appendix A
DD Comp AR 725, Report of Reimbursements	Monthly	
SF 2108 report, Analysis of Fund Balance with Treasury	Annually	Volume 6A, Chapters 2 and 4
Standard Form (SF) 133, Report of Budget Execution and Budgetary Resources	Monthly	Volume 3, Chapter 19; and Volume 6A, Chapter 4

11.8.2. DFAS prepares these reports, in coordination with the ALCs, using information from DIFMS and other sources. The reports include information for depot maintenance and other activities, such as supply management. The references in DoD FMR 7000.14-R may provide specific content and procedures related to these reports.

11.8.3. A main source for these reports is the DIFMS Report 7310-935 “General Ledger Trial Balance”. Under DIFMS processing, DFAS must have the trial balance by the 5th workday. DFAS-CO loads the DIFMS trial balance information into the departmental system for processing. Trial balances for other activities are also loaded into the departmental system. Supplemental information required by departmental, but not contained in the Trial Balance is also entered. This supplemental information includes non-financial information and footnotes, which DFAS works with the AFSC to obtain. Where necessary, the trial balance information is systematically cross-walked to the USSGL. The Departmental system uses the cross walked USSGL trial balance information to perform various proofs and balancing routines to insure the trial balance is accurate before proceeding to the next step in the departmental reporting process. Problems identified in the depot maintenance information may be referred to the AFSC for review and resolution. The departmental system then assigns the cross-walked USSGL accounts to applicable report lines. Then reports are submitted to the required organizations by the required due dates.

## Chapter 12

### ADDITIONAL PROCEDURES

#### 12.1. Introduction

12.1.1. This chapter provides direction and information on subjects not covered elsewhere in the financial policies and procedures document.

12.1.2. References:

12.1.2.1. Assistant Secretary of the Air Force for Financial Management and Comptroller (SAF/FM) 03-04, Interim Guidance for Miscellaneous Obligation Reimbursement Document (MORD) Processing, Version 3.1, 2 Dec 03.

12.1.2.2. DoD 7000.14-R, *Financial Management Regulation (FMR)*, Volume 11B, Reimbursable Operations, Policy and Procedures - Working Capital Funds (WCF)

#### 12.2. Trading Partner Transactions

12.2.1. Work may be performed between the three CSAG ALC and AMARG. Accounting standards do allow recognition of revenue for work between CSAG ALC, therefore the revenue transactions must be eliminated in the Air Force consolidated financial statements. However, the bases can record and track accounts receivable between each other. Do not confuse this terminology with intra-ALC support, which pertains to work between two divisions within a ALC, which cannot be reported as revenue. For example, Hill cannot recognize revenue for work done at Hill.

12.2.2. Use the following procedures if the customer funds are cited by the requesting ALC. Requesting ALC sends AFMC IMT 181, Project Order, with customer line of accounting. When DFAS does the billing, the originating customers' funds are disbursed. No eliminating entries are needed for these transactions.

12.2.3. Use the following procedures if the ALC funds are cited by the requesting ALC. Whenever one ALC does business with another ALC, a Military Interdepartmental Purchase Request (MIPR) that has been stamped "per United States Code (U.S.C.) 23" when accepted or an AF IMT 185, Project Order, is used and entered as a path 3 in J025A. This process is necessary, because of the DFAS-DE document numbering requirements and to establish a complete audit trail. All inter-ALC support is billed at fixed price using a Reimbursement Code of 'K'. By following these procedures, the ALC reports all of its revenues, expenses, accounts receivable, liabilities, and advances received as if it were operating independently, but the financials at Air Force Materiel Command (AFMC)-level show duplicative revenue and cost of goods sold.

12.2.4. The Trading Partner Report sums the detailed revenue, advances, and accounts receivable transactions by sales code. The report includes data for each ALC CSAG organization as well as the Army, Navy, Marines, other DOD organizations (such as DLA, DISA, DFAS) and organizations outside of the DOD (e.g., Homeland Security, State Department, and NASA). This report supports elimination entries in the trial balance consolidation process done by DFAS Departmental Reporting. Sales codes are established and maintained by DFAS. Sales codes are not in DIFMS consequently, when the base General

Ledger Account creates the Trading Partner Report, the MSA must manually tie the sales code to the transaction by way of the transaction's fund cite. See **Chapter 9** for more information.

12.2.5. For analysis of operating results, Headquarters AFMC Financial Management Directorate (AFMC/FM) requires visibility of the inter-ALC obligations, Work in Process (WIP), revenue and cost of goods sold on a monthly basis. Therefore, include information on inter-ALC support in the monthly report narrative.

### **12.3. System Implications for Reorganization/Realignment**

12.3.1. Reorganizations include changes in mission responsibilities from one organizational element to another. Realignments adjust authorized personnel equivalents to accommodate workload. To accommodate system changes and budget requirements, it is essential that reorganization and realignment processes are coordinated so system information changes are updated in the right sequence. Reference specific ALC reorganization procedures if pertinent.

12.3.2. Below are considerations for system and related implications for the Depot Maintenance Accounting and Production System (DMAPS).

12.3.2.1. No financial history is changed because of reorganization.

12.3.2.2. Resource Control Center (RCC) changes due to reorganization normally involve a one-to-one relationship where the functions of the old RCC are moved to the new RCC. These changes require data base administration support and coordination with all the systems involved. Timing of the changes is an important aspect of management, both the frequency of allowed changes during the year and the length of time to complete the reorganization.

12.3.2.3. **ALCs developing budgets in CPBM-H033** . The requesting organization, in coordination with other organizations within the ALC and Maintenance Wing, will build a new organization structure/budget in H033 that includes the new RCCs. The budget will include Production Overhead and General & Administrative (G&A) Overhead Application Rates and transfer percentages. When a supporting budget for the new RCC or changes to an existing RCC has been created in BTM, the RCC may now be loaded in DIFMS.

12.3.2.4. Open Doc-Job-Shop records under the old RCC must have a Line of Accounting (LOA) change to the new RCC. The Open Document Listing (ODL) must be reviewed in both GAFS/BL and DIFMS. The DIFMS ODL can be obtained by using DIFMS Report 7310-645 "Asset/Liability Balances" or Cognos query. GAFS/BL requires an ODL query. Modifications may need to be submitted for certain contracts and MORDs. DIFMS has programs MS632P and MS633P to assist in mass reorganizations. Document can be found at the DFAS I&T Website: <https://t6800.csd.disa.mil/DifmsPortal>

12.3.2.5. Material records under the old RCC must have a line of accounting (LOA) change to a new RCC for open commercial material records in the Naval Air Systems Command (NAVAIR) Industrial Material Management System (NIMMS Changes to

RCCs on commercial material records can be posted by using NIMMS Screen MN021P, “Material Due Update”.

12.3.2.6. All Fixed Assets (FA) associated with the old RCC must be changed to the new RCC. FA ownership in DIFMS can be determined by using DIFMS Report 7310-501, Fixed Assets, or Cognos query. Changes to fixed asset owning RCCs in DIFMS may be processed on DIFMS Update Screens MS115P “FA Land, Buildings, Software Plant Account Record (PAR)” and MS116P “FA Equipment Other PAR”.

12.3.2.7. All Precision Measurement Equipment Laboratory (PMEL) transfer tables having the old RCC as the Benefiting Shop/Cost Center (CC) to Owning RCC must be reviewed. DIFMS Screen MS151P, Indirect Job Order, may be used to update the field for each PMEL JON.

12.3.2.8. All Depot Organic Contractor Augmentee Team (DOCAT) transfer tables for the old RCC must be deleted. New DOCAT transfer tables for the new RCC must be added. Deletions and additions of DOCAT transfer tables are input into DIFMS Update Screen MS724P, Transfer Percentage.

12.3.2.9. All RCCs that have been replaced, or which are no longer valid must be marked for deletion using DIFMS Update Screen MS168P “Valid Shop Cost Center”. Marking the RCC for deletion prevents any new costs from posting in DIFMS. Compare DIFMS valid shops to H033 before deletion. Do not delete PSSDs that are tied to a RCC, even if the RCC is being marked for deletion.

12.3.2.10. NIMMS store record changes may also be required. Identify all of the data elements so it can be determined in advance what data can be changed. One option for manually transferring material from the old RCC to new RCC is to use NIMMS Screen MN013P “Store to Store Material Transfer”. Users also need to update material due records through NIMMS Screen MN021P “Material Due Update”. These are very labor-intensive processes. NIMMS creates an inventory change to DIFMS using store-to-store transfer through use of existing NIMMS Programs MN413P “Batch Transfer” and MN421P “Batch JON/Shop Material Due Record Update”.

12.3.2.11. Reorganizations must be performed in the Time and Attendance System (TAA) and must be coordinated with DIFMS POC. New RCCs must be valid in TAA before moves can be made. TAA provides the capability to perform mass moves of employees from one RCC to another using the Employee Mass Change – Permanent RCC screen. This screen updates the “Permanent RCC” in the ‘ta\_todd\_tbl’ for the affected employees. TAA also provides the capability to perform Workload Mass Changes, which allows changes by JON to new RCC and new skill. This screen updates the selected fields in the ta\_wo\_opn\_tbl. Access to these capabilities is limited to the TAA POC at each site.

12.3.2.12. Depending on the established date of the new RCCs, deletion dates of all RCCs during reorganizations also need to be discussed with the DIFMS POC to allow time to get any labor processed during the current pay period to be changed to the new RCC via the DLCP screens in TAA.

12.3.2.13. Several DMAPS feeder or other systems also need to be updated for the changed organization and/or realignment. The DIFMS Interface File MS204D09, Valid Shops, includes a deletion date, which is used by the RCC Skill Code System (RSCS) to determine RCCS that need to be deleted from RSCS. The RSCS then updates the legacy systems based on that effective date. The RSCS extract software can control which systems get the complete list and which get only the active list by using the activation date provided by DIFMS. This could limit the amount of manual modifications to legacy systems. Also, need to maintain the skill code relationships within the RSCS for newly established or modified organizations.

#### 12.4. Mass Change Capability in DIFMS

12.4.1. DIFMS provides a mass change capability for shop (RCC) information. To accomplish this and interface/integrate into other DMAPS and Air Force systems, DIFMS has a data element, 'Effective-Date', in the Valid-Shops table. This element is updatable through the DIFMS Update Screens MS168P "Valid Shop/Cost Center" and MS671P "Batch Valid Shop/Cost Center". The capability exists to pass this date to other systems on file DIFMS File MS204D09 "Valid Shops Interface". Users should be able to execute their own mass changes independently of DIFMS data due to Shop reorganizations within the activity. This should provide a substantially more mechanized solution for the Air Force sites. Prior to this change, users had to execute a series of manual steps and screen input as well as query language updates to achieve the desired results. These processes should save time and resources at the activity level as well as reduce or eliminate the need for Defense Finance and Accounting Service Information and Technology (DFAS I&T) to provide assistance.

12.4.2. When addition of many shops (RCC) is required, DIFMS has a capability to load them via a batch feed were provided with DIFMS Programs MS660P "Batch Cost Center Update" and MS496P "Report Batch Cost Center Updates". Since there is a one-to-one relationship between Shop and Cost Center, this provides a valuable labor saving tool when major reorganizations occur. In addition, this process is applied within the DIFMS Program MS304P "Job/Shop Validation" to prevent premature use of Valid-Shops that are being planned for the future. This is the case for all new Valid-Shops established, even if "mass changes" are not being planned.

12.4.3. Internally, DIFMS has a 'From/To' DIFMS Shop Conversion Table (DIFMS\_SHOP\_CNV) that allows for a series of From/To Shop changes via multiple mechanized batch processes. The table is updateable using the DIFMS Update Screen MS702P "Shop Conversion" and can be viewed using the DIFMS Inquiry Screen MS042P "Shop Conversion". Records/data covered by this mass change capability are detailed in the descriptions below for each of the "mass change" mechanized batch processes. The user has the option of running all of the "mass change" processes or just a portion of them, based on their local need.

12.4.3.1. DIFMS Program MS304P "Job/Shop Validation Procedure" rejects transactions where the Transaction-Date is earlier than the Shop Effective Date (on the Valid Shops record). This validation applies to any new Valid Shop, regardless of whether mass change capabilities are being exercised. In addition, a number of programs within the DIFMS Fixed Asset subsystem (reference [Chapter 10](#)) reject transactions that were earlier than

the Shop Effective Date in relation to the “Custody” and “Sub-Custody” Shops being entered on the Plant Account record as well as the Valid-Shops Delete-Date. These include transactions entered from DIFMS Update Screens MS115P “Fixed Asset Land, Buildings/Software Plant Account Record (PAR)”, MS116P “Fixed Asset Equipment/Other PAR”, MS117P “Fixed Asset Suspense Correction PAR” and MS216P “Process Plant Property Interface Data”. DIFMS Inquiry Screen MS033P “Valid Shops” displays the Effective-Date existing Deletion-Date from the Valid-Shops record.

12.4.3.2. Use DIFMS Update Screen MS168P “Valid Shops” for updating the Effective-Date on the Valid-Shops record. If the field is left blank on an ‘Add’ transaction, it defaults to the Current-System date (current calendar day). Cross-validation with the Deletion-Date ensures that the Deletion-Date had to be greater than or equal to the Effective-Date. DIFMS Program MS671P “Batch Valid Shops Update” processes the transactions. DIFMS Report 7310-241 “Valid Shop/Cost Center Update” displays results of the DIFMS Program MS671P with the ‘Effective-Date’ is on the in both the “Valid” and “Error” sections.

12.4.3.3. Entries to DIFMS Update Screen MS151P “Indirect Job Number” are validated in the ‘Benefiting Shop/Cost Center Transfer’ field to ensure that if the benefiting shop was a “Shop” (not a rolled up Cost Center), then the update to that field could not occur until the Valid Shop was effective (could not occur earlier than the Effective-Date). In a similar manner, if the Shop was in a Delete status (Deletion-Code equal ‘D’), then the update would still be allowed if it were being attempted earlier than the Deletion-Date. DIFMS Program MS640P “Batch Indirect Job Number Update” processes the transactions.

12.4.3.4. Entries to MS167P (Cost Center Update) are validated to ensure none of the Cost Center level “default” Job Order Numbers could already exist as Direct JONs. In addition, if any Responsible Shop associated with those JONs had been “deleted” (Delete-Code of ‘D’ with prior Deletion-Date, the reference to that “default” Job Number would force the Cost Center Update to err. DIFMS Program MS660P “Batch Cost Center Update” provides a vehicle for establishing new Cost Centers in a more efficient and less labor-intensive manner. Since the establishment of new Cost Centers is often the first step in a re-organization, the ability to create a high volume of Cost Centers without manual screen input is desirable. This program parallels the business rules and functionality resident in the on-line DIFMS Update Screen. This is particularly beneficial since there is a one-to-one relationship between Cost Centers and Valid Shops. DIFMS Report 7310-712 “Cost Center Updates” displays both valid updates (successful) and invalid update attempts (unsuccessful) resulting from DMAPS Program MS660P.

12.4.3.5. DIFMS Update Screen MS702P “Shop Conversion” provides capability to establish a series of ‘From/To’ shop relationships that are used by a series of batch mass change processes to alter the shop values on various DIFMS tables. The database record used to store the ‘From/To’ relationships and keep a record of which mass change processes have been run is the DIFMS Shop Conversion record (DIFMS\_SHOP\_CNV). The program supporting the screen requires that both the ‘From’ and ‘To’ Shop values entered must already exist on the DIFMS Valid Shops record, which is updated using the on-line DIFMS Update Screen MS168P and the DIFMS Program MS671P. The screen

also accepts “wild card” ranges of shops (depicted by asterisks) to establish mass change relationships for authorized shops. The ranges can contain either full Shop values or a mixture of beginning values followed by asterisks. For the “wild card” ranges entered, at least one ‘Valid-Shop’ must exist in the range entered. The “wild card” ranges are only entered for the purpose of establishing ‘From/To’ relationships for the mass adds of authorized shops via DIFMS Program MS662P “Mass Change for Adding New Authorized Shops” and deletes of authorized shops via DIFMS Program MS663P, “Mass Change for Deleting Old Authorized Shops”. For any other ‘From/To’ mass change to occur, the full Shop values must be entered. Changes to the ‘To’ shop value are not allowed until at least one of the Mass Change processes has run (one of the Conversion Indicators on the record is a ‘Y’). Only one instance of the ‘From’ shop can exist on the table at any point in time. These records are ultimately purged by the DIFMS Program MS658P “Shop Conversion Record Purge” when that job is scheduled and the appropriate data purging conditions have been met. DIFMS Inquiry Screen MS042P “Shop Conversion” displays the shop conversion table data that was established using the DIFMS Update Screen MS702P. The screen displays the “From Shop”, “To Shop”, Effective-Date and each of the Conversion Indicators that are flagged to a value of ‘Y’ by each batch Mass Change process.

12.4.3.6. DIFMS Program MS627P “Labor Job Shop Error Mass Change” does mass changes to Shop fields on the Labor Job Shop Errors record based on the ‘From’ (Old) and ‘To’ (New) shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-546 “Labor Job/Shop Error Record Shop Conversion”. The report displays for each changed record the Error Serial Number, Job Number, From (Old) and To (New) Shops and the Shop-Effective-Date. The report is capable of displaying data changed from the Shop, Benefiting Shop and Unallocated Shop fields (the Benefiting Shop and Unallocated Shop are not currently being used in DIFMS). The program only changes data if the Date-Shop-Effective from the Shop Conversion record is less than or equal to the Current System Date. The program also updates the Labor-Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred. The purpose of performing mass changes on Labor Job Shop Errors is to allow for future corrections made to the “Job Number only” to process more cleanly through the system.

12.4.3.7. DIFMS Program MS632P “Travel Accrual Mass Change” does mass changes to shop fields on the Travel Accrual records based on the ‘From’ (Old) and ‘To’ (New) shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-632 “Travel Record Shop Conversion”. The new report displays for each changed record the Document Number, Job Number, From (Old) and To (New) Shops and the Shop-Effective-Date. The program only changes data if the Date-Shop-Effective from the Shop Conversion record is less than or equal to the Current System Date. It also only succeeds if the Fiscal Year of the Current-Process-Date (from the System-Info record) is not less than the Fiscal Year of the Date-Effective. This ensures that the process does not run too early and change records prior to the end of fiscal year processing. Only Travel records not in a ‘3’ (Completed) status are modified. The program also updates the Travel-Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred.

12.4.3.8. DIFMS Program MS633P “Doc-Job-Shop Mass Change” does mass changes to shop fields on the Doc-Job-Shop records based on the ‘From’ (Old) and ‘To’ (New) Shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-633 “Doc-Job-Shop Record Shop Conversion”. The report displays for each changed record the Document Number, Job Number, From (Old) and To (New) Shops and the Shop-Effective-Date. The program only changes data if the Date-Shop-Effective from the Shop Conversion record is less than or equal to the Current System Date. It also only succeeds if the Fiscal Year of the Current-Process-Date (from the System-Info record) is not less than the Fiscal Year of the Date-Effective. This ensures that the process does not run too early and change records prior to the end of fiscal year processing. Only Doc-Job-Shop records not in a ‘3’ (Completed) status are modified. The program also updates the Doc-Job-Shop-Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred.

12.4.3.9. DIFMS Program MS654P “Plant Account Mass Change” does mass changes to shop fields on the Doc-Job-Shop records based on the ‘From’ (Old) and ‘To’ (New) Shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-523 “Doc-Job-Shop Record Shop Conversion”. The report displays for each changed record the Plant Account Number, From (Old) and To (New) Custody Shops and From (Old) and To (New) Sub-Custody Shops and the Shop-Effective-Date. The program only changes data if the Date-Shop-Effective from the Shop Conversion record is less than or equal to the Current System Date. It also only succeeds if the Fiscal Year of the Current-Process-Date (from the System-Info record) is not less than the Fiscal Year of the Date-Effective. This ensures that the process does not run too early and change records prior to the end of fiscal year processing. The program also updates the Doc-Job-Shop-Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred.

12.4.3.10. DIFMS Program MS661P “Mass Change for Indirect JON Benefiting Shop” does mass changes to the Indirect JON Benefiting Shop field on the Indirect-JON Data records based on the ‘From’ (Old) and ‘To’ (New) Shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-110 “Benefiting Shop Cost Center Conversion”. The new report displays for each changed record the Job Number, From (Old) Benefiting Shop, To (New) Benefiting Shop and the Shop-Effective-Date. The program only changes data if the Date-Shop-Effective from the Shop Conversion record is less than or equal to the Current System Date. It also only succeeds if the Fiscal Year of the Current-Process-Date (from the System-Info record) is not less than the Fiscal Year of the Date-Effective. This ensures that the process does not run too early and change records prior to the end of fiscal year processing. The program also updates the Benefiting Shop Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred.

12.4.3.11. DIFMS Program MS662P “Mass Change for Adding New Authorized Shops” does mass changes to create new Direct and Indirect Authorized Shops (for the ‘To’ Shop) based on the ‘From’ (Old) and ‘To’ (New) Shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-111 “New Authorized Shop”. The report displays for each changed record the Job Number, From (Old) Authorized Shop, To (New) Authorized Shop and the Shop-Effective-Date. Unlike some of the other

programs, this program does no check to ensure the Date-Shop-Effective is less than or equal to the Current System Date. This is because the “new” Authorized Shops may need to be “pre-established” and actually co-exist with the “old” Authorized Shops for a period of time before the DIFMS Program MS663P “Mass Change for Deleting Authorized Shops” runs. The program also updates the New Authorized Shop Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred.

12.4.3.12. DIFMS Program MS663P “Mass Change for Deleting Old Authorized Shops” does mass changes to delete old Direct and Indirect Authorized Shops (for the ‘From’ shop) based on the ‘From’ (Old) shop values on the new DIFMS Shop Conversion record and produces the DIFMS Report 7310-112 “Old Authorized Shop”. The report displays for each changed record the Job Number, From (Old) Authorized Shop, To (New) Authorized Shop and the Shop-Effective-Date. The program only deletes data if the Date-Shop-Effective from the Shop Conversion record is less than or equal to the Current System Date. It also only succeeds if the Fiscal Year of the Current-Process-Date (from the System-Info record) is not less than the Fiscal Year of the Date-Effective. This ensures that the process does not run too early and delete records prior to the end of fiscal year processing. The program also updates the Deleted Authorized Shop Conversion-Indicator on the Shop Conversion record to signify that this particular mass change process has occurred.

12.4.3.13. DIFMS Program MS658P “Shop Conversion Record Purge” deletes the new Shop Conversion record based on one of the following two criteria. If all the mass change processes have run (signified by a value of ‘Y’ in each of the Travel, Doc-Job-Shop, FAA, Labor, Benefiting Shop, New Authorized Shop and Deleted Authorized Shop Indicator fields), the Shop Conversion records are purged, with no additional date check. If at least one of the mass change processes have run (signified by a value of ‘Y’ in at least one of the aforementioned Indicator fields) and the Shop-Effective-Date on the Shop Conversion Record is more than 45 days earlier than the current date, the Shop Conversion record is also purged. The program also produces the DIFMS Report 7310-C40 “Shop Conversion Purge”. The report displays the From Shop, To Shop, Effective-Date and each of the aforementioned “Indicator” fields (with the value of ‘Y’ indicating that particular mass change process had run).

## **12.5. End of Year Processing and Closeout**

12.5.1. Fiscal Year End (FYE) activities start mid August and continue through the first week of October. Telecons start out weekly and change to daily on 28 September. Participants are the AFSC Cost Accounting and DFAS Columbus representatives, HQ/AFMC/A4N/DMAPS, HQ/AFMC/FM, and ABW/SC attached to each base.

12.5.2. Prior to these FYE coordination telecons, DFAS I&T Indianapolis will provide DIFMS Year End Processing Procedures that need to be reviewed and incorporated into the Organic CSAG FY EOY Schedule/Checklist and processing.

## Chapter 13

### WORKING CAPITAL FUND MANAGEMENT FOR DEPOT MAINTENANCE

#### 13.1. Working Capital Fund Responsibilities

13.1.1. The AF established a WCF, CSAG-M, to perform Depot Maintenance for workload assigned to the organic activities at WR-ALC, OC-ALC, and OO-ALC. This does not preclude direct funded activities from performing depot maintenance as directed by competent authority. Financial aspects of depot maintenance are through the Air Force (AF) Working Capital Fund (WCF). Use of the WCF is a method of financing the cost of depot level maintenance operations by providing initial working capital and allowing recovery of operating costs through the sale of products or services. This process is similar to private industry by providing for effective and economical use of resources. Management control of CSAG-M is assigned to the Air Force Materiel Command (AFMC). CSAG-M provides for:

13.1.1.1. Depot Maintenance is the overhaul, conversion, progressive maintenance, modernization, modernization-conversion, interim rework, modification, repair, regeneration, storage, and disposal of aircraft, missiles, target drones, engines, accessories, components, and equipment. Local manufacture, engineering, PMEL, software, and Software Consulting (OO-ALC) are also authorized workloads. HQ AFMC may authorize additional products or services. If any unauthorized work is performed, the revenue is deposited into the US Treasury (Miscellaneous Receipts).

13.1.1.2. CSAG-M is authorized to provide authorized services or products to the AF and other agencies of the Department of Defense (DoD), Foreign Military Sales, other Government agencies, and Private parties as authorized by law.

13.1.2. The WCF provides a business management structure under which both customers (mission forces) and providers (support activities) can be made aware of the total funded costs of goods and services. Cost visibility not only enables customers to seek the best service at the lowest price, but also encourages providers to offer services at the lowest costs to remain competitive and viable. As a revolving fund, the following points represent the fundamentals:

13.1.2.1. The depot maintenance portion of the WCF is a method of financing the operations of an activity by: (1) providing working capital; (2) allowing for the recovery of operating costs through the sale of products or services; and (3) establishing a buyer-seller relationship to facilitate the above sales.

13.1.2.2. The customer (buyer) develops depot maintenance requirements and obtains financial authority to pay for the work ordered from the seller.

13.1.2.3. The seller negotiates with the buyer to fully workload depot maintenance capability.

13.1.2.4. The seller prepares an operating budget showing the projected capability and operating expenses for the negotiated workload, and offsetting revenues. Working capital (cash) is provided to pay for operations until payments are made by customers.

13.1.2.5. The customer orders work from depot maintenance. Funded Project Orders (PO) are used for all work ordered and accomplished. MIPRS (economy act) are used for non DoD US Government customers. When the US government customers' orders are

accepted, their funds are obligated, which creates Budgetary Resources for the CSAG-M and authorizes the incurrence of obligations for the performance of the customer order.

13.1.2.6. The product divisions at the Air Logistics Complexes (ALC) negotiate workloads and perform the work funded in the POs. As work is done, depot maintenance resources are consumed and costs incurred. The WCF pays for these expenses from its working capital. Periodic billings are processed to the customer to recover cash paid out by the WCF for expenses incurred. Revenue is recognized for cost incurred up to the funding level. The payments from customers as the result of billings are used to replenish the WCF. As work is completed, depot maintenance final bills the customer. Revenue is recognized as work is performed and billed. Any variance between cost and funded dollars is acknowledged in the final billing.

13.1.2.7. The WCF for depot maintenance continues to function as long as orders are received from the customer. The end of the FY has no financial significance to the WCF as far as the operating cash is concerned. The customer, however, does have the challenge of FY limitations since they receive appropriated funds. Once the PO is accepted, the customer's appropriation is obligated. Customer's obligated funds remain available for billing until the appropriation cancels.

13.1.2.8. In addition, the WCF does not have to deal with year-end limitations on the use of operating resources as long as it operates within the approved cost authority or obtain authorization to increase the cost authority. Cost authority, or the amount "earned," equals the actual workload times the individual cost goals. For depot maintenance, costs are authorized only after receiving a customer order. The Annual Operating Budget (AOB) document provides the overall cost goal. The total costs allowed depend on the cost goals applied to the actual customer-funded workload. The operating cash available in the WCF may be used to pay for any resource required for the execution of the CSAG-M mission, within legal and regulation limitations. However, administrative limitations are placed on the Capital Investment Program (CIP) and may be placed on certain resources such as manpower.

13.1.2.9. The long-range financial objective of depot maintenance is a zero accumulated operating result (AOR). AOR is the cumulative sum of the Net Operating Results (NOR) from each year.

13.1.3. Depot maintenance is controlled through AFMC workload planning, programming and budgeting systems, and the analysis of key business area financial documents. Customer requirements are contained in the production systems, to include: Facility and Equipment Maintenance (FEM-D130), Programmed Depot Maintenance Scheduling System (PDMSS-G097), and Inventory Tracking System (ITS-G337). (PDMSS and ITS are part of the Depot Maintenance System Integration (DMSI) Suite.) The objective of depot maintenance management is to efficiently workload and fund capability. This could be accomplished, if needed, through adjustments to capability to match requirements. The remaining depot maintenance workloads are done by inter-service support. All orders written by depot maintenance customers must conform to their approved operating program and direct cite authority. A budget and execution plan is prepared for each FY.

13.1.3.1. An operating budget for depot maintenance, which identifies planned expenses and revenues related to the sale of products and services, is prepared for each activity. The

plan is prepared based on estimated customer funding levels, negotiated levels of workload, projected expenses, inflation factors, and other financial considerations. This process involves the distribution of the capability to specific customer workloads through the development of an ALC budget for depot maintenance, and the subsequent submission of all required data (including sales prices) to AFMC Directorate of Financial Management (AFMC/FM) for inclusion in the consolidated Defense Budget Review (DBR) submission. The DBR and the projected sales prices are submitted through the Secretary of the Air Force (SAF) to the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB) for approval. This process begins approximately two years before the beginning of the applicable FY budget.

13.1.3.2. The budget serves as the baseline for determining that depot maintenance sales rates and prices are adequate to offset expenses, the correct type and volume of sales are being planned, and planned expenses for each cost element are consistent with current management policy. Targets are developed along budget guidelines for evaluating actual operating results during the execution phase.

13.1.3.3. The billing process is accomplished through the Defense Industrial Financial Management System (DIFMS) per **Chapter 8** of this instruction. Each depot maintenance customer is billed for costs charged to the open job order numbers (JON) that are partially complete. The non-serialized workloads are billed at a unit price times the quantity of completed units. Serialized workloads are billed at the approved sales rate times the number of hours reported as being completed. Revenue is recognized and the cost of goods sold is computed as work is performed and billed.

13.1.3.4. As each JON is completed and closed, final billing is made to the customer where any variances between Extended End Item Sales Price (EEISP) and expenses are recognized. Prior to JON completion, the JON costs are collected in work-in-process (WIP). The Job Order Production Master System (JOPMS-G004L) updates DIFMS through the Job Order Status Tool (JOST) to reflect the completed JON. DIFMS produces various reports identifying each customer, PO, JON, Program Control Number (PCN), Funds Control Reference Number (FCRN), and other information.

13.1.3.5. As required, ALC personnel provide briefings to AFMC/FM concerning the status of depot maintenance execution. AFMC/FM informs the ALCs of formats to use and data to present.

#### 13.1.4. References:

13.1.4.1. AFI 65-601, Volume 1, *Budget Guidance and Procedures* and Volume 3, *Air Force Budget Corporate Process*.

13.1.4.2. AFMCI: 21-105, *Depot Maintenance Work Measurement*; 21-109, *Air Force Depot Maintenance Activity Group Facilities and Equipment*; 21-129, *Depot Maintenance Management, Depot Repair Enhancement Process*; 21-130, *Depot Maintenance Materiel Control*; 21-133, *Depot Maintenance Management For Aircraft Repair*; 21-156,

*Operational Workloading, Planning and Scheduling Control; 65-601, Intracommand Support; and 65-602, Uniform Reimbursement and Pricing Procedures.*

13.1.4.3. DoD 7000.14-R, *Financial Management Regulation*, Volume 3, **Chapter 19**; Volume 11A, **Chapter 2**; and Volume 11B, **Chapter 3**.

13.1.4.4. User manuals for Depot Maintenance Accounting and Production System (DMAPS) suite of systems.

## **13.2. Organization Responsibilities**

13.2.1. The AFMC Commander is the manager of the WCF, including depot maintenance. This management responsibility is carried out by the Directorate of Financial Management (AFMC/FM) and the Directorate of Logistics and Sustainment (AFMC/A4). AFMC/FM is responsible for the budget and financial processes. AFMC/A4 is responsible for the logistics functional processes. The official accounting and finance records for depot maintenance are maintained in the Defense Industrial Financial Management System (DIFMS). The Defense Finance and Accounting Service (DFAS) owns this system and the Air Force Sustainment Center and Air Logistics Complexes (ALC) in coordination with DFAS provide day-to-day management. This day-to-day management includes accounting services for depot maintenance, auditing the accounts, preparing reports to reflect the financial status accurately, and performing quality reviews of the labor, material and other accounts. The ALC product division maintenance activities are responsible for accomplishing workload within the approved operating budget using approved prices in conjunction with approved customer funding, which requires control of operating costs.

13.2.2. The following specific responsibilities represent defined tasks but are not the total responsibilities to maintain the depot maintenance operation. The detailed mission and functional statements of the organizations involved in the management of depot maintenance are contained in the AFMC 21-series instructions. The details of how each ALC accomplishes the tasks are to be outlined in ALC-specific operating instructions. Other chapters in these financial policies and procedures cover related responsibilities.

13.2.3. AFMC/FM, in conjunction with AFMC/A4, manages the depot maintenance program, which includes policy, control, direction, approval, computation analysis, and rate establishment. AFMC/FM plans and approves policy and direction for the AFSC/ALC to be used in the development of the depot maintenance budget estimates (BE) and annual operating targets. AFMC/FM issues requests for the BE and amendments, including formats and specific procedures. Additional responsibilities of AFMC/FM are: (1) conducts periodic reviews of the operating results and financial status; (2) establishes cost performance goals for depot maintenance operations; (3) accomplishes a review and summarization of AFMC operating budget and BEs; and (4) establishes policy to ensure that depot maintenance funds are used only in the performance of depot maintenance services.

13.2.4. AFMC/A4 develops, directs, and manages depot maintenance workload programs for the operating year and the ensuing budget period. AFMC/A4 also determines the distribution of and maintains management control of all depot maintenance manpower resources by AFMC activities. AFMC/A4 develops maintenance management information concepts, policies and

procedures as well as develops and manages programs to measure and monitor depot maintenance productivity.

13.2.5. The ALC commander is the manager of depot maintenance at the ALC. The Air Force Sustainment Center Financial Management Directorate (AFSC/FM) and the ALC FM carry out this responsibility, in coordination with and support of other ALC organizations. For most functions, the ALCs are expected to follow similar policies and procedures as provided in this directive and in the AFMCI 21-series. For exceptional unique organization and operation, each ALC defines local policy and procedures in directive supplements as approved by AFMC and provides additional detail in the ALC operating instructions.

13.2.5.1. The ALC FM, in coordination with AFSC/FM:

13.2.5.1.1. Perform financial planning, budgeting.

13.2.5.1.2. Implement AFMC policy and procedures. Interpret and develop local procedures and supplements to ensure uniform operations and compliance with all management systems.

13.2.5.1.3. Develop and submit sales rates for approval.

13.2.5.1.4. Prepare BEs, amendments, and monthly operating targets.

13.2.5.1.5. Analyze variance between target and actual costs by commodity group.

13.2.5.1.6. Annually update the planning repair requirements in PDMSS (G097).

13.2.5.1.7. Receipt (acceptance or rejection) and process POs and amendments.

13.2.5.1.8. Ensure adequacy of issued PO funding to meet negotiated workload.

13.2.5.1.9. Evaluate POs to determine the necessity for adjustments.

13.2.5.1.10. Review all incoming temporary work requests have been identified and funded on the PO.

13.2.5.1.11. Assign the LOA on all Work Authorization Documents (WAD) through G004L by using the G004L-E1A "Validation Stack Visibility" listing and through DIFMS.

13.2.5.1.12. In coordination with the installation Manpower offices, determine projected manpower capability.

13.2.5.1.13. Train personnel on management systems operations and procedural compliance.

13.2.5.1.14. Plan, provide, and manage plant engineering for the Maintenance Groups.

13.2.5.1.15. Manage the CIP and facility programs.

13.2.5.1.16. Manage quality programs.

13.2.5.2. The ALC FM in coordination with AFSC/FM carries out the following responsibilities for the depot maintenance budget:

13.2.5.2.1. Interprets and disseminates budgeting policies, procedures, and instructions pertaining to the depot maintenance budget.

- 13.2.5.2.2. Provides direction to the maintenance groups for preparing and justifying the depot maintenance budget.
  - 13.2.5.2.3. Prepares consolidated depot maintenance budget from directorate inputs.
  - 13.2.5.2.4. Prepares an overall statement of financial condition.
  - 13.2.5.2.5. Monitors the execution of the depot maintenance budget and the overall financial condition of the business area.
  - 13.2.5.2.6. Provides narrative inputs to AFMC/FM for analysis of financial status.
  - 13.2.5.2.7. Analyzes and determines causes of variances from the planned budget.
  - 13.2.5.2.8. Provides financial status briefings as required to AFMC/FM.
  - 13.2.5.2.9. Process inputs to Cost and Performance Budget Module (CPBM-H033) Budget Target Module (BTM) as part of the budget process which produces rates and serves as a baseline for establishing the initial Resource Control Center (RCC) budgeted rates in the Depot Maintenance Workload Planning and Control System (DMWPCS-G004C).
  - 13.2.5.2.10. Provides distribution of approved budgets throughout the ALC.
- 13.2.5.3. In coordination with DFAS, AFSC/FM is responsible for:
- 13.2.5.3.1. Prepare billing/sales documents.
  - 13.2.5.3.2. Audit and analysis to ensure integrity of all monetary data reported through DIFMS.
  - 13.2.5.3.3. Maintain subsidiary general ledger and cost accounts through DIFMS.
  - 13.2.5.3.4. Prepare the financial statements and provide applicable narratives, consolidation, and submission to higher headquarters.
  - 13.2.5.3.5. Maintain DIFMS as the cost accounting system used to accumulate actual costs by RCC and JON.
  - 13.2.5.3.6. Other duties include, but are not limited to, maintain Other Costs, Labor, Fixed Assets, Material, Job Order/Customer Order (JOCO), Cash, Overhead Application Rates, and the General Ledger.
- 13.2.5.4. The Maintenance Groups in the ALC are responsible for:
- 13.2.5.4.1. Direct, manage, and operate the industrial production shops.
  - 13.2.5.4.2. Accomplish maintenance, repair modification, storage, and reclamation of customer equipment.
  - 13.2.5.4.3. Assist personnel in the development of ALC budgets and targets.
  - 13.2.5.4.4. Assist personnel in the explanation of variances between budgets and/or targets and actual costs by commodity and/or organization.
  - 13.2.5.4.5. Ensure accuracy and completeness of basic data inputs for the budget and the G004C Planned Labor Application (PLA).

13.2.5.4.6. Develop and recommend improved quality methods for application to maintenance workloads.

13.2.5.4.7. Conduct negotiation of workload with customers.

13.2.5.4.8. Negotiate requirements of workload capability along with available funding.

13.2.5.4.9. Ensure assets are producing to meet negotiated input schedules.

13.2.5.4.10. Approve any Work Authorization Document (WAD), including renegotiation/draw adjustments, POs, or other instruments, to ensure requirements are valid and funded.

13.2.5.4.11. Ensure all workload is funded by a PO and funds are increased or decreased if there is a change in the scope of work or quantities.

13.2.5.4.12. Provide tool crib and Precision Measurement Equipment (PME) support.

### **13.3. Budgets**

13.3.1. The development of a depot maintenance budget is a complex, lengthy process requiring many staff, system, and program interfaces at organization levels from a resource control center through the Office of the Assistant Secretary of Defense, Comptroller. Since the budget is developed within very demanding time constraints, each activity involved must carefully plan its role in the development process. This planning effort should provide an organized approach, including a schedule for the accomplishment of each action that enables completion of the total task within the imposed time constraints. The overall ALC plan should be approved by the AFSC commander.

13.3.2. Productivity initiatives are pursued to improve labor performance, conserve resources, devise better work methods and new technologies and are measured with the ratio of inputs to outputs for economic and efficiency benefits. Productivity planning entails projection of initiative benefits during a budget period in terms of what changes the initiatives produce in depot maintenance labor production factors and the dollar savings resulting from the planned initiatives. AFMC/A4 furnishes direction on productivity planning.

13.3.3. All resources required to accomplish the planned workload program must be included in the budget. The budget for depot maintenance relates expenses to planned workload performance, and the budget is designed for internal management of depot maintenance.

13.3.3.1. The ALC/FM prepares the budget and computes the various rates. The budgeted costs, when converted to budgeted rates by product, are used by customers to budget for the funds required to finance the depot maintenance workload. The budget also provides the cost data and activity estimates for evaluating the internal depot maintenance operations. These estimates also form the basis for sales rates to be applied to production data for determining amounts to be collected from the customers.

13.3.3.2. The budget is developed at the organizational (RCC) level and summarized by line item at the product division level. The budget presents detailed information for budgeted RCC personnel equivalents and activity hours, direct/indirect labor, direct/indirect material, other direct/indirect cost, Production Overhead (POH), and General and Administrative (G&A) overhead.

13.3.3.3. The H033 BTM supports the organizational budget development from the lowest level, Resource Cost Centers (RCC) to the Directorate of Maintenance. This module is used to develop the ALC Directorate of Maintenance Budget that is submitted to AFMC for the current BE. Once budget development is complete and approved by the ALC, this data is incorporated into the H033 Cost and Production Performance Module (CPPM) for monthly actual versus target variance analysis. This allows financial managers the ability on a monthly basis to provide detailed analysis on the execution of the budget to AFMC. H033 provides information for budget exhibits to the PLA to G004C. The system also provides rates to the DMAPS Data Store System (DDS) and OARs and Transfer Percentages to DIFMS. BTM functionality is described in the following sub-paragraphs.

13.3.3.3.1. Productivity factors are calculated in BTM and interfaced into CPPM for an actual to target comparison of productivity factors for analysis purposes.

13.3.3.3.2. BTM is used to create planned Overhead Application Rates (OAR). DIFMS requires planned OARs to apply overhead expenses to the direct JONs. The overhead is applied to the Direct Production JONs based on the OAR rates. BTM calculates these rates and automatically passes the rates to DIFMS at the beginning of each fiscal year, or as needed.

13.3.3.3.3. BTM is used in the calculation of the cost transfer percentages so actual overhead expenses can be allocated to direct organizations.

13.3.3.3.4. BTM is the only system in which RCC expense rates are calculated at the various cost elements which allows detailed analysis to be conducted. The rates are input into G004C and used to develop EISPs and temporary workload prices.

13.3.3.3.5. BTM provides the output data required to complete the budget statements that must be forwarded to AFMC in the required format (IF-3).

13.3.3.3.6. BTM has the ability to process “What If” scenarios, which allows management to build a budget with different option.

13.3.3.3.7. BTM has the ability to copy historical data from CPPM. This feature allows all the historical information for each RCC to be copied into an estimated budget (referred to as a model) providing data accuracy and the foundation to begin detailed budget development.

13.3.3.3.8. BTM breaks the yearly budget into monthly targets. The targets reflect the budgeted costs per the number of work hours in a month.

13.3.3.3.9. BTM is able to perform true rollup of RCC data based on the proper management chain, allowing accurate cost targets to be developed.

13.3.3.3.10. BTM has merge model capability allows the directorate models to be merged into a final ALC model.

13.3.3.4. The budget for the current year of the BE is prepared for each out year of the BE. Data input to the budget is developed at RCC level. When actual history is at section or higher level, identical rates for each RCC within that organization are authorized.

13.3.3.4.1. The account structure used in the budget and the actual data in the operating cost report must be directly related to the organizational structure of depot maintenance.

13.3.3.4.2. Indirect labor factors (ILF) are the ratio of non-direct time to direct time in RCCs. These factors must be developed according to procedures outlined in AFMCI 21-105, *Depot Maintenance Work Measurement*.

13.3.3.4.3. The budget submission must include documentation that identifies, explains, and supports the planned productivity changes.

13.3.3.4.4. The planned labor is developed after workload requirements have been determined. This process balances available manpower to workload requirements and expresses manpower requirements in terms of personnel equivalents.

13.3.3.4.4.1. Workload projections are based on the latest available data from G097 and adjusted for such factors as customer funding levels, historical non-generation of assets, inventory reductions, system errors, process improvement, and workload shifts. Since these workload projections form the basis for budget development, the workload must be approved by AFMC/A4 prior to development of the planned labor. Workload requirements are expressed in standard hours.

13.3.3.4.4.2. Options to increase capability must be reflected according to AFMC/A4 budget direction.

13.3.3.4.4.3. The Maintenance Groups are responsible for providing planned labor data to the ALC/FM for budget consolidation within AFMC & AFSC and locally established periods.

13.3.3.4.4.3.1. After determining production capability, the following overhead end strength data is required. These procedures apply to both civilian and military personnel. The ALC distributes military end strengths to each maintenance group. Each maintenance group identifies civilian manpower authorization by organization.

13.3.3.4.4.3.2. All depot maintenance costs must be projected and correctly classified in one of the expense categories as shown in the below table. The ALC consolidates all expenses for inclusion in the budget. Expenses chargeable to depot maintenance are per the direction in the paragraphs following the table.

**Table 13.1. Expense Categories**

Expense Category	Explanation
Direct production	Includes direct labor, direct material, and other direct costs (direct contractual services and operational TDY costs) required to accomplish specific depot maintenance workloads.

Expense Category	Explanation
Production Overhead	Costs incurred by or allocated from the directorate to an RCC that cannot be economically identified to job orders. These costs include RCC indirect labor, indirect material, indirect other costs (Cost Class IV) incurred by the RCC, and shop support expense (section, branch, division, and directorate management; scheduling and planning; engineering and quality) allocated to the RCC.
G&A Overhead	All depot maintenance costs outside the maintenance groups or not classified as production overhead.

13.3.3.4.5. The labor cost for both civilian and military personnel is computed as part of the budget procedure. The distribution of labor costs within depot maintenance must be compatible with established planned labor and overhead manpower procedures.

13.3.3.4.5.1. Cost of cash awards should be budgeted based on a predetermined percentage of base pay for incentive awards. Is calculated by using past experience for suggestion awards.

13.3.3.4.5.2. Workmen's compensation information is provided by AFMC/FMR.

13.3.3.4.5.3. Depot maintenance plans for a limited amount of overtime to offset irregularities in work schedules. This overtime is part of normal depot maintenance operations to ensure a smooth flow in repair processes.

13.3.3.4.6. Material costs:

13.3.3.4.6.1. RCC historical rates are compiled for direct and indirect expense and investment material. Projected material rates are adjusted based on projected workloads and any known variable factors. The product directors review and approve these material rates.

13.3.3.4.6.2. Maintenance group budget team members prepare the material budget for their overhead organizations.

13.3.3.4.7. Business operations costs must be prepared per locally-published direction and schedules. They are reflected by individual expense elements as follows, and as further defined in [Chapter 5](#) of the financial policies and procedures.

13.3.3.4.7.1. Temporary duty travel, per-diem, and vehicle rental costs must be separately identified for each category (e.g., direct, production overhead and G&A). Direct travel should be related to off-base workloads. Administrative travel should be based on experience, adjusted as required, by known program changes. This item must include travel associated with off-base training.

13.3.3.4.7.2. Permanent Change of Station (PCS) expenses (travel/per diem, shipment of household goods, real estate, and miscellaneous) for civilian employee PCS moves should be based on experience and anticipated requirements.

13.3.3.4.7.3. Estimates for contractual services for repair of depot maintenance owned equipment, shop rearrangements, and any other contracts written solely for depot maintenance direct citation of depot maintenance funds are based on

projected requirements.

13.3.3.4.7.4. Contractor Support for Field Services and (DOCAT). The cost of contractor personnel who perform field service contracts or on-site support (such as DOCAT) is allocated in the budget process to the production RCC, to the maintenance group to retain the cost against specific workloads. DOCAT has to be direct labor and assigned to direct RCCs.

13.3.3.4.7.5. Budget for the cost of training attendance for depot maintenance employees in technical and management courses. This provides for the cost of tuition for job-related courses taken by depot maintenance employees, and a pro rata share for instructors brought on base. This excludes Air Education and Training Command (AETC) funded schools. Estimate costs in coordination with the ALC training office.

13.3.3.4.7.6. Utility costs for billing purposes are obtained by metered services or engineering estimates subject to annual review. Projected costs should be obtained in coordination with the local civil engineer. Depot maintenance and the base civil engineer approve a written Memorandum of Agreement (MOA) providing the utility rates and services. This MOA is reviewed and updated each year. In the MOA, show separate estimates for purchased utilities and maintenance.

13.3.3.4.7.7. All printing and reproduction services ordered by depot maintenance are included except the printing of technical data such as technical orders (TO). Estimates of cost should be obtained through coordination with the local printing manager.

13.3.3.4.7.8. Communications services covers commercial telephone, long distance tolls, and all communications equipment and services rendered exclusively for the use of depot maintenance. Leasing, rentals, and purchase of equipment (less than the CIP threshold) are acceptable for inclusion in this category.

13.3.3.4.7.9. Estimates for equipment rented for the exclusive use of depot maintenance should be based on historical data, adjusted by requirements.

13.3.3.4.7.10. Vehicle maintenance is covered for those vehicles assigned to depot maintenance.

13.3.3.4.7.11. Custodial Services support is based on depot maintenance and civil engineer estimates by type of service.

13.3.3.4.7.12. Base Operating Support (BOS) covers the depot maintenance share of services provided by the base where the depot is located based upon a signed support agreement. BOS includes reimbursable costs of support by such activities as chaplain services, libraries, fitness support, civilian personnel clubs, food/health/lodging facilities, data automation, fire protection, base administration, security services, environmental management, financial management, and services provided by DFAS. The preceding list is only a sample and not to be interpreted as complete. Costs are estimated according to local needs. Sufficient documentation should be available to support and explain each of the costs included in the budget. For each budget, appropriate personnel from the ALC/FM,

AFSC/FM, and the supporting organizations identify those positions dedicated to support of depot maintenance for inclusion in the signed support agreement. Agreements are valid only when signed at the directorate level in ALC/FM, AFSC/FM, and the organization furnishing the support. In the ALC budget submission to AFMC/FM, separately identify each of the BOS costs, provide a copy of the signed support agreement as justification, and show the United States Standard General Ledger (USSGL) account codes where costs are accumulated during the execution year.

13.3.3.4.7.13. Defense Information Services Agency (DISA) Support covers computer-processing services for the depot maintenance operations.

13.3.3.4.7.14. Facility maintenance, repair, alterations, and architectural and engineering (A&E) includes facility alterations (less than the CIP threshold), repair (cost limited to budgeted totals), facility maintenance to buildings belonging to depot maintenance, and A&E. Estimated costs are developed in coordination with civil engineering and the depot maintenance facility and equipment programming function. Projects are classified as maintenance, repair, or alteration, per AFMCI 21-109. The following applies:

13.3.3.4.7.15. Maintenance is the recurrent, day-to-day, periodic, or scheduled work required to preserve real property facilities.

13.3.3.4.7.16. Repair is the restoration of real property facilities, or constituent components, to such a condition that the property may be effectively used for its designated purpose. Repair may include replacement of constituent parts, material, and real property installed equipment.

13.3.3.4.7.17. Alteration projects funded are limited to those clearly defined as adjustments of the interior arrangements, reconfiguration, repositioning, relocation, or altering other physical characteristics of an existing facility so it may be more effectively used for its designated purpose. Additions, expansions, and extensions qualify as alterations if the cost is less than the CIP threshold. Alteration projects for a facility are not subdivided to avoid exceeding the threshold.

13.3.3.4.7.18. Architectural & Engineering (A&E) costs for depot maintenance facility projects (whether prepared by civil engineering or contractor) may be budgeted. A&E design costs are not considered as part of the total cost of facility alteration projects for purposes of project funding limitations. This category should only be used for A&E charges for expensed projects. A&E charges for capitalized projects (i.e., minor construction projects greater than the CIP threshold and less than military construction program) should be capitalized and depreciated.

13.3.3.4.7.19. Automated data processing management system development includes costs directly associated with accomplishment of data automation development requirements for depot maintenance. Depot maintenance pays for projects that are less than the CIP threshold and have a useful life of less than two years. These costs are expensed in the year that costs occur. Depot maintenance pays for the continued operating costs of current systems that are the responsibility of the depot maintenance community.

13.3.3.4.7.20. The ALCs are responsible to budget for personnel and associated costs for headquarters depot maintenance support organizations. Each ALC is notified by AFMC/FM of their share for reimbursement of these costs.

13.3.3.4.7.21. Under the CIP, depreciation/amortization is an expense and includes equipment depreciation, minor construction depreciation, and management information systems amortization.

13.3.3.5. At the conclusion of the budget development process, the completed budget is reviewed, consolidated, and approved by the ALC financial management office and submitted to the AFSC/FM for approval.

13.3.4. The depot maintenance Defense Budget Review (DBR) is based on budgeted cost and planned labor information developed as previously explained in paragraph 13.3.3. Information and instruction for budget submissions are explained in AFI 65-601, Volume 3, the AF Budget Corporate Process, and budget direction published yearly by AFSC and AFMC/FM. The narrative furnished for budget formats must explain, as a minimum, reasons for changes addressed between all years.

13.3.5. Each ALC establishes monthly operating targets that are based on direction provided by AFSC/FM and AFMC/FM.

#### **13.4. Rates and Prices**

13.4.1. Rates and prices are constructed to recover the funded depot maintenance costs of producing goods and services and incorporate RMDs (iterative pricing is how—not what is in the rates--the rates are set for CSAG-S. Application of rates and prices is by category of repair work (RGC). This section covers the development and application of those rates and prices. The only exceptions authorized are additional costs to recover non-WCF expenses (unfunded) from non-DoD customers (FMS excluded) and special rates and prices. Customers of depot maintenance require advance knowledge of rates and prices to budget for their requirements.

13.4.1.1. Depot maintenance rates and prices are subject to the DoD rate stabilization program per DoD 7000.14-R, Volume 11B, **Chapter 11**. Rate stabilization is to ensure the customer's program is accomplished within the customer's approved funding and to aid the customer in developing their budget. Fixed prices are used for planned workload and Fixed Rates are used for unplanned workload (FMS accepted). Only significant gains and losses meeting specific ground rules are basis for changing rates and prices.

13.4.1.2. The ALC is responsible for the development of depot maintenance rates and prices. These are initially developed for the FY in conjunction with the development of the BE for that year. Adjustments to rates and prices are based on RMDs and iterative pricing (iterative pricing only applies to CSAG-S)

13.4.1.3. A modification installation sales rate should not include direct material costs associated with a modification kit. The direct material associated with Aircraft Modification workload will be purchased and furnished by the program office in the form of modification kits, and as such, it would not be appropriate to charge the Programmed Depot Maintenance sales rate that includes a direct material expense that is included within the modification kit. Any miscellaneous direct material cost over and above the material

provided with the modification kit should be included in the modification sales rate. Any material used for repairs will be charged to the customer and not the modification.

13.4.1.4. When a modification is performed in conjunction with a PDM or other planned maintenance, the PDM or other planned maintenance will fund common tasks. The modification will fund only the additional costs. For example, if a panel needs to be removed for both the PDM and the modification, the PDM will fund both the removal and replacement.

13.4.2. Hourly rates used in the depot maintenance community are made up of various elements, themselves sometimes called rates. Typically, those elements are: (1) direct labor; (2) direct material; (3) direct other (i.e., TDY, DOCAT, direct contracts); (4) POH; and (5) G&A overhead. While expressing these terms as rates has valid applications, the rates referred to within this policy and procedures are the totals of all these elements. The following paragraphs identify the various rates and prices and their uses.

#### 13.4.3. Sales Rates and Prices

13.4.3.1. Sales rates are applied to Repair Group Categories (RGC) of work. They are generally comprised of a combination of several Resource Control Center (RCC) rates, since seldom does only one RCC perform all the maintenance on an entire category of work, and the Bills of Material (BOM) for material consumed into the end items. Sales rates may contain more than just RCC cost elements if directed by higher headquarters. Once established, RCC rates are used as the basis for negotiation of all non-programmed work. Note: Sales prices are fixed, and sales rates are fixed rates per hour whether planned or unplanned.

13.4.3.2. The concept of fixed pricing applies to serialized (programmed - RGC A, C, E, G, and J) workload, such as aircraft, missiles, engines, Other Major End Items (OMEI), and Exchangeables. For each major end item, a basic sales rate or sales price is published for repair. For Aircraft, Missiles and OMEI workload, fixed sales rates per hour are created. The tasks and number of Direct Product Standard Hours (DPSH) are determined by the appropriate planning/workload activity, but must be directly traceable to Aircraft and Missiles Requirements Database (AMRD) tasks and hours.

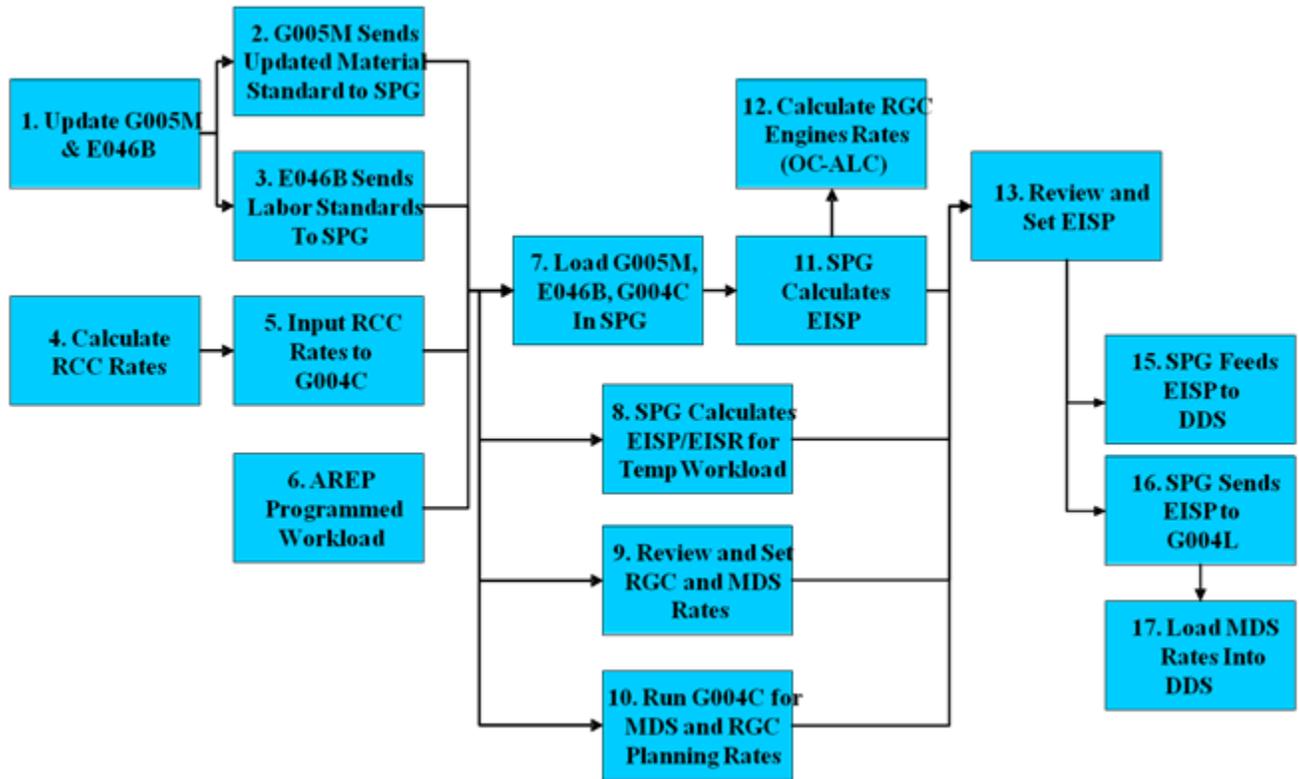
13.4.3.3. The use of End Item Sales Prices (EISP) applies to engines and Management of Items Subject to Repair (MISTR) workload. EISPs are those prices charged to the customer for programmed repair of single Exchangeable items, such as an indicator or a fuel pump. The same price is charged for depot maintenance of all items of the same National Stock Number (NSN) inducted under a specific production number, regardless of quantity or condition. Note: The aircraft equivalent of an EISP is an aircraft customer sales rate.

13.4.3.4. RCC rates are those costs incurred by a direct labor shop/organization. An RCC rate includes all elements of labor, production overhead, and General and Administrative (G&A) overhead. RCC rates are used in the development of EISP for engines and MISTR items, and sales rates for aircraft, missiles, and OMEI workloads. RCC rates may also be used as sales rates for non-programmed work in conjunction with any material required for the repair.

13.4.3.5. The rates and prices are subject to the DoD rate stabilization policy. This policy states that prices charged to customers reflect the financial projections contained in the approved budget estimate. Further, the policy is that overall prices are stabilized in such a manner that individual price changes do not create an adverse impact on any individual customer, and are accomplished within the operating profits and losses in the approved operating budget. AFMC/FM & AFSC/FM evaluates all change proposals against total business area operations to ensure strict compliance with the basic policy. Policy currently allows for changes to sales rates and price changes for reduced prices because of new methods, processes, equipment, or management actions that significantly reduce maintenance costs. DMAPS provides a capability for supporting rates and prices updates per this policy.

13.4.3.6. RCC rates are established and loaded into G004C. Sales Price Generator (SPG) uses those rates to calculate End Item Sales Prices (EISP) for all programmed MISTR NSNs. Complex FMs use RCC rates to create sales rates for aircraft PDMs. Resulting rates and prices are computed by multiplying the labor standard DPSH for each operation by the labor, POH, and G&A budgeted rates for the RCC in which the operation is performed and then adding direct material costs and any other direct costs as applicable. Construction of EISPs and aircraft sales rates is dependent on information from four sources: G004C-Depot Maintenance Workload Planning & Control System (DMWPCS), G005M-Depot Maintenance Material Support System (DMMSS), E046B-Labor Standard Mechanized System - Maintenance (LSMSM), and a file maintenance action to SPG. ALC/FM's shall maintain historical records to support RCC rates loaded in G004C.

Figure 13.1. Process for Calculating Rates and Prices



**Table 13.2. Explanation of Process Steps for Calculating Rates and Prices**

#	Explanation
1	In Q302/G005M, planners update material standards, verify replacement factors, and remove excess material. DMAPS provides source of task-based data to assess standards and factors. In Q302/E046B, planners update labor standards and verify occurrence factors. These standards are interfaced to the SPG (within DDS) for building sales price for permanent, non-serialized end items (commodities and engines).
2	Q302/G005M pushes updated Material Standards to the SPG. SPG uses the information for building direct material sales prices for permanent, non-serialized end items (commodities and engines).
3	Q302/E046B pushes labor standards to the SPG for building sales price for permanent, non-serialized end items (commodities and engines).
4	Budget analysts convert the budgeted expense amounts to the RCC rates.
5	Budget Analysts follow local ALC guidelines to enter the RCC rates into G004C. These rates are segregated by the cost elements of direct labor, direct expense material, direct exchange material, direct non-exchange material, other direct costs, production overhead, and G&A.
6	Aircraft Repair Enhancement Program (AREP) Planners establish labor hours based on the batch quantity to facilitate batch processing. The Planners use G097 to plan and control the modification/repair of aircraft and other project type workloads. This includes developing and inputting labor standards and base hours. When the Planner selects operation to be included in a given overhaul, G097 uses base hours for detail planning. Tasks are transmitted to the DDS and TAA when the scheduler changes status code to '0'.
7	SPG Calculates End Item Sales Rates/Prices for Temporary Workload. G004C sends approved RCC rates to G004L to be used to build temporary workload sales prices. G004L passes planned standard hours and/or planned material costs by RCC to DDS for each temporary JON opening or amendment to a temporary JON. G004L also provides a daily feed of the permanent JON masters from G004L to DDS to support the JOST and various reporting requirements. DDS multiplies planned hours by RCC by the: approved labor rate, material rate, other direct cost rate, production overhead rate, and general and administrative rate. This process yields the end item rates/prices for temporary workload. These data are maintained in DDS. Planned material costs may be used in lieu of material rates for temporary JONs.
8	Review and Set RGC and Mission, Design, Series (MDS) Rates. After G004C calculates RGC and MDS rates, Budget Analysts review them for accuracy and known engineering and/or workload changes. These calculations result in the rates and dollars by cost element and by RGC. Aircraft rates by MDS are also available. The material rates may be adjusted using COGS history as a guide. The Aircraft MDS rates are used for pricing each PDM package. The RGC rates are for planning purposes only as they represent only one workload mix.
9	Run G004C for MDS and RGC Planning Rates.

#	Explanation
10	Calculate the permanent, non-serialized end item prices in RGC E (engines) and RGC J (commodities), also known as MISTR. The prices are generated in the SPG after it receives the following data: material cost from the G005M after adjustments for replacement and occurrence factors, occurrence labor standard from E046B, and RCC/Shop rates from G004C. RCC rates and occurrence labor standards are multiplied together to produce labor and overhead dollars.
11	Calculate RGC Engine Rates (OC-ALC only). Engine rates are needed at OC-ALC only. Process is similar to other workload types.
12	After the SPG calculates EISP, the prices are reviewed by the Budget Analyst for accuracy and known engineering/workload changes. If adjustment is required the EISP is recalculated in the SPG. Once prices have been set, they are passed to G004L, G019C and Q310.
13	EISP is fed to the DDS by the SPG to facilitate profit and loss variance analysis by RCC by cost element.
14	The SPG Sends EISPs to G004L.
15	Budget analysts manually load MDS and other serialized workload rates approved by HQ-AFMC into the DDS. Adjustments to hourly sales rates may be required on individual aircraft in order to stay within fixed price for billing.

13.4.4. At the beginning of each FY, the approved RCC sales rates are overlaid from G004C to G004L. When the planning for each temporary job is completed, G004L computes the unit price by extending each RCCs planned DPSH by the RCC approved rate. At this point, material costs are added either from the JON Bill of Materials or by using the RCC direct material rate, depending on how the JON is coded. Other direct costs (operational TDY, contractor support) identified on the JON are also included. To obtain the Unit Sale Price (USP), divide total computation by the Job Order Quantity (JOQ). If the total planned cost exceeds the customer's estimated costs, a notification of this condition is forwarded to the customer. The customer must respond within 10 days by raising the estimated total job cost, reducing the JOQ, or canceling the job. If no response is received, the job may be canceled. Addendums to the JON that change any of the conditions used to compute the original price trigger a re-computation of the price during the FY in which it was opened. Changes made after the end of the FY do not cause a new price to be computed. The exception to this policy is on local manufacture jobs for a stock fund. These prices are computed only once, when the planning is completed. Software is sold in the same manner as non-programmed workload. The sales price is determined by multiplying RCC rates times hours.

13.4.5. Engine prices are comprised of job and non-job routed accessories. Non-job routed items are purchased from the supply portion of the WCF and are captured as exchange material. Job routed accessories are removed from the engine and repaired in the exchangeable line under a production number distinct from the engine. To complete the total engine price, the value of the job-routed repair must be computed. Using the exchangeable sales prices and a matrix of engine production numbers related to exchangeable production numbers, the sales prices for all the job and non-job routed items are summarized for a specific engine production number. A review of the matrix, particularly the standard replacement percents, should be conducted to ensure that both the exchange material portion and the job and non-job routed

portion accurately reflect the proper engine price. Normally the planning function within the responsible maintenance group performs this review.

13.4.6. Sales rates are submitted to AFSC/FM and AFMC/FM as planning rates and proposed sales rates. All the rates may need to be adjusted later to reflect budget changes approved by Program Budget Decisions (PBD) and/or iterative pricing. The original G004C RCC rates, G005M material standards and E046B labor standards for use in the re-computations of prices, are stored to incorporate future PBD adjustments. All FY sales prices are approved by AFSC/FM and then submitted to AFMC/FM for finalization. After approval, AFMC/FM notifies the AFSC & ALCs of approval and publishes the FY planning rates. Approved sales rates and EISPs are provided to the customer prior to the beginning of the year of execution. When sales rate and EISP changes are approved during the year of execution, the revised sales rates and EISPs are also furnished to the customer immediately. In all cases, they are distributed no later than 15 days preceding the effective date of the change.

#### 13.4.7. Changes to Sales Rates and EISPs

13.4.7.1. Sales rate and EISP changes should be proposed for three primary reasons: (1) to adjust for work scope changes; (2) to reduce prices as a result of new methods, processes, equipment, or management actions that significantly reduce maintenance costs; (3) errors in pricing.

13.4.7.2. To request a change complete the following:

13.4.7.2.1. The requesting maintenance group forwards a change request to the ALC/FM.

13.4.7.2.2. The ALC/FM reviews the submission and forward to the AFSC/FM and AFMC/FM for further processing and submits to AFMC/FM. *Note: That while approval is not within the authority of the ALC, those submissions not meeting criteria as specified above may be disapproved.*

13.4.7.2.3. AFMC/FM reviews and forwards to SAF/FM as necessary.

13.4.8. Aircraft, missile, and OMEI fixed prices are those prices charged the customer for programmed depot maintenance, and are computed before the beginning of the FY. The exact date for completion of these prices will be established yearly by HQ AFMC/FM.

13.4.8.1. Programmed aircraft, missile, and OMEI work must have a quantifiable, specific requirement. These tasks are based on specific hours that have a non-engineered or engineered standard. The standard PDM, Analytic Condition Inspection (ACI), or upgrade work package will be established with a fixed price. Significant workloads that fall out of the standard PDM/ACI package will be considered options. The number of options that can accompany a basic package is unlimited, but all options must be fixed priced.

13.4.8.2. Fixed prices are developed for each MDS and are comprised of three elements: basic, options, and over and above.

13.4.8.2.1. The basic portion of a fixed price is that price charged for each and every like aircraft, missile, or item undergoing PDM, regardless of condition, for a predetermined series of common depot maintenance tasks. The basic charge is computed by multiplying the number of DPSH by the approved sales rates. The tasks and number of DPSH are determined by the appropriate planning/workload activity,

but must be directly traceable to Aircraft and Missiles Requirements Database (AMRD) tasks and hours. Generally, tasks with 100 percent occurrence factors are included in the basic package.

13.4.8.2.2. Options are those tasks that are not common to every induction. This element allows the customer and the depot to determine each price according to the needs of the end item. For example, a modification may not be required for all inductions. Likewise, not all aircraft may require painting. By identifying such tasks as options and computing a price for each, the customer is provided a shopping list, and the depot is given a more finite work specification. In most cases, the price for each option is determined by multiplying the task hours (from AMRD or Time Compliance Technical Order (TCTO)) by the rates.

13.4.8.2.3. Over and Above consists of those tasks that cannot be reasonably identified prior to induction and are not within the scope of the basic or option packages. The price is obtained by multiplying negotiated hours by the rates. Over and above is worked on a separate JON from that of the basic and options. It is recorded as 'unplanned' and as it is a cost line, the amount obligated at the end of the fiscal year the funds expire becomes the cost ceiling. All over and above must be approved by the Project Administration Officer (PAO) and funds manager (reference AFMCI 21-133). Work may not be accomplished before the customer provides the required funds.

13.4.8.3. Fixed pricing as a concept is used in depot maintenance data systems. It applies to the basic portion of the fixed price and options, including TCTOs. The fixed pricing system procedures do not apply to over and above, however, as this is charged at normal hourly rates on a separate JON. Exercise caution to "back out" any over and above JON hours included in the basic price. Typically, the AMRD brochure includes a small block of over and above hours. Fixed prices are documented on fixed price worksheets in formats required by AFMC/FM guidance. Necessary coordination and approval of completed worksheets and amendments will vary according to organization.

13.4.8.4. The hours for tasks must be directly traceable to Aircraft and Missiles Requirements Database (AMRD) brochure task hours. Additionally, hours (consequently prices) for options must be traceable to either AMRD or TCTO hours. Traceable does not mean identical, as all duplicate or redundant tasks must be removed when a task is performed in conjunction with PDM. Any differences between planned hours and hours as stated in the AMRD brochure or TCTOs must be reconciled. However, the depot maintenance standards are the authoritative documents regarding the number of hours per task. If incorrect hours are stated in either of these, then appropriate approval for changes in hours must be received first by the AMRD, followed by a request and subsequent approval for a fixed price change before the customer can be charged a different price.

13.4.8.5. Changes to fixed prices fall into three categories:

13.4.8.5.1. A Category 1 change is one that affects all MDS worked for a FY and usually involves a change of scope. For example, the addition of 100 hours to an F-15C basic package for inspection and increased test requirements. These changes may affect either basic hours or option hours. Unless disapproved locally, the ALC/FM will

forward all requests for changes to fixed prices to AFSC/FM and HQ AFMC/FM for approval using the format required by AFMC/FM guidance. Requests will be in narrative form and identify specifics as to tasks and hours accomplished.

13.4.8.5.2. A Category 2 change is the addition or deletion of complete option tasks, such as the issuance or rescission of a TCTO. These changes may be approved by the AFSC/FM, and HQ AFMC/FM will be provided copies of updated fixed price worksheets.

13.4.8.5.3. A Category 3 change is a change to the initial fixed price of an individual aircraft, by either the addition or deletion of an option, or an increase in over and above hours due to discovery of out-of-scope work. These changes cannot affect the prices of individual options or the basic package price, and the changes are documented on fixed price worksheets by processing an amendment to the initial worksheet.

13.4.8.5.4. Approval authority will vary due to ALC organizational structure and source of funds. At a minimum, however, approval requires the signature of the funds manager empowered with the obligation authority for customer funds, whether local or at command level, with concurrence of the project manager.

#### 13.4.9. Special Sales Rates and EISPs

13.4.9.1. Some job orders are outside the normal range, and provisions have been made for special rates and prices for these JONs.

13.4.9.1.1. Precision Measurement Equipment Laboratory (PMEL) customers are billed for all items of work based on the number of DPSH reported during a month times the RCC rate. DPSHs are accumulated against a "C" prefix production number that identifies the customer. All DPSHs reported are sold at the end of each month, and a new monthly JON is automatically created in G004L for the next month's work.

13.4.9.1.2. Aircraft Battle Damage Repair special rate involves a workload that is generally a long flow extending over a period of 2 or more years. AFMC/FM must approve special rates for this type of work. Development is as follows:

13.4.9.1.2.1. Use the current approved MDS rate to determine the cost to the customer for the Examination and Inventory (E&I) of the damaged aircraft. After determining the extent of the damage and material requirements, a special rate may be requested for the repair using a new temporary production number.

13.4.9.1.2.2. Determine the number of FYs required to repair the aircraft.

13.4.9.1.2.3. Determine the DPSHs to be earned by each RCC.

13.4.9.1.2.4. Develop the direct labor and overhead costs using the RCC DPSHs and current approved RCC rates.

13.4.9.1.2.5. Obtain material costs from the material and parts list developed during the E&I.

13.4.9.1.2.6. Inflate the labor and material costs to cover anticipated increases for subsequent FYs.

13.4.9.1.2.7. If inflation guidance is not available, contact AFMC/FM.

13.4.9.1.2.8. Depending on the flow time anticipated to repair the damaged aircraft, develop a rate for each FY. Develop a composite/weighted average rate from these anticipated costs. Use this composite rate to price out the entire repair package to the customer.

13.4.9.1.2.9. Submit the detailed method used in developing the special rate along with the request for special rate approval.

13.4.9.1.2.10. Upon approval, notify the workload and PO functional offices of the sales rate to be used for the repair.

13.4.9.1.3. It is not the intent of the stabilized rate policy for depot maintenance to perform work at a loss. This would automatically occur if multiple year workload projects were priced at the price in effect when the workload was inducted. Workloads that fit this category include, but are not limited to, long-term software projects, aircraft crash battle damage repair, local manufacture requirements with long lead-times for material, and some OMEI workloads. When these workloads are negotiated, pricing should be developed based on the projected amount of work that is accomplished in each year and the projected cost for the work that is performed in each year.

KEVIN T. GOULD, GS-15, USAF  
Division Chief

## Attachment 1

### GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

#### *References*

The most current DIFMS information can be obtained from the Defense Finance and Accounting Service Information and Technology (DFAS-I&T) – Indianapolis website at the following URL: <https://t6800.csd.disa.mil/DifmsPortal/index.php>

Anyone with a CAC card can access this DFAS website. Once signed on, click on the appropriate subject tab (i.e. DIFMS), then click on the sub-tab for the desired production release. (As of 12 December 2011, DIFMS at the ALCs is at release 11B.)

AFI24-230 “Maintaining Air Force DoD Activity Address Codes (DODAAC)”

AFI65-601, Volume 1, Budget Guidance & Procedures

AFI64-117, Air Force Government-Wide Purchase Card (GPC) Program

AFI65-103, Temporary Duty Orders

AFI65-501, Economic Analysis

AFI25-201, Support Agreements Procedures

AFMCI21-105, Depot Maintenance Work Measurement

AFMCI21-156, Operational Workloading, Planning, and Scheduling Control

#### *Adopted Forms*

AF Form 185, **Project Order** (used by the Air Force to place orders with government owned, government operated (GOGO) activities within and outside DoD. POs issued to a DoD GOGO establishment are for efforts performed in, house on a reimbursable basis).

AF Form 2005, **Issue/Turn, In Request**

AF Form 4009, **Government Purchase Card Fund Cite Authorization**

AF Form 406, **Miscellaneous Obligation Reimbursement Document (MORD)** (used for the purpose of recording legal obligations of appropriated funds in the absence of other evidence of obligations, such as purchase orders or contracts).

AF Form 601, **Equipment Action Request**

AF Form 616, **Fund Cite Authorization (FCA)**. Issued to host bases and co, located tenant activities whose funds are accounted for by the Financial Services Office (FSO). Also issued to geographically separated detachments, sites, or units temporarily away from home station. Issued for a specific period of time.

AF Form 9, **Request for Purchase** (used to request the purchase of goods or services to satisfy local requirements. The requesting activity numbers these documents in sequence starting at the beginning of each fiscal year (FY), or by Julian date. The proper fund accounting classification must cited on the document and the document must certified that funds exist and are being reserved).

AFMC Form 181, **Project Order**

AFMC Form 206, **Temporary Work Request**

AFMC Form 376, **Administrative Commitment Document**

DD Form 1131, **Cash Collection Voucher**

DD Form 1149, **Requisition and Invoice/Shipping Document**

DD Form 1348, 1A, **DoD Single Line Item Release/Receipt Document**

DD Form 1556, **Request, Authorization, Agreement, Certification of Training and Reimbursement**

DD Form 1610, **Travel Order (used for a travel request to record the commitment in the accounting system).**

DD Form 250, **Material Inspection and Receiving Report**

DD Form 448, **Military Interdepartmental Purchase Request (MIPR) (a procurement order issued by one military service to another military service to purchase services or goods).**

SF 1080, **Voucher for Transfers between Appropriations and/or Funds**

### *Abbreviations and Acronyms*

**A&E**—Architectural and Engineering

**A/P**—Accounts Payable

**A/P Z-JON**—Accounts Payable Civilian Leave JON

**A/R**—Accounts Receivable

**AAA** -See Authorization Accounting Activity.

**ABACUS**—Automated Budget Analysis/Centralized User System - H084A

**ABOM**—Automated Bill of Material (DMAPS-suite system)

**ABSS**—Automated Business Service System - H021

**ACES**—Automated Civil Engineering System

**ACES-RP** -Automated Civil Engineering System-Real Property

**ACI**—Analytic Condition Inspection

**ACRN**—See Accounting Classification Reference Number

**ADP**—Automatic Data Processing

**ADPE**—Automated Data Processing Equipment

**ADSN**—Accounting Disbursing Station Number

**AETC**—Air Education and Training Command

**AF**—Air Force

**AFAFO**—Air Force Accounting and Finance Office

**AFB**—Air Force Base  
**AFEE**—Air Force Expense Element  
**AFEMS**—Air Force Equipment Management System  
**AFI**—AF Instruction  
**AFLCR**—Air Force Logistics Command Regulation  
**AFMC**—Air Force Materiel Command  
**AFMC/FM**—AFMC Directorate of Financial Management  
**AFMC/FMF**—AFMC Financial Operations Division  
**AFMC/FMR**—AFMC Working Capital Fund Division  
**AFMC/LG**—AFMC Directorate of Logistics and Sustainment  
**AFMC/LGD**—Depot Operations Division  
**AFMC/LGP**—Depot Programs Division  
**AFMCI**—AFMC Instruction  
**DMAPSIE**—DMAPS Integration Engine (DMAPS-suite system)  
**AFSAC**—Air Force Security Assistance Center  
**AFSAT**—Air Force Security Assistance Training  
**AFWCF**—Air Force Working Capital Fund  
**AISSO**—Assistant Information System Security Officer  
**ALC**—Air Logistics Complex  
**ALC/FM**—ALC Financial Management Directorate  
**AMARG**—Aerospace Maintenance and Regeneration Group  
**AMTS**—Automated Material Tracking System - D364  
**ANG**—Air National Guard  
**AOC**—Administrative Overhead Center  
**AOR**—Accumulated Operating Result  
**AREP**—Aircraft Repair Enhancement Program  
**ATRAS**—Automated Travel Record Accounting System  
**ATS**—Automated Transaction Supply (part of ABOM)  
**AWP**—Awaiting Parts  
**Bal-ID**—Balance Identification  
**BCR**—Baseline Change Request  
**BE**—Budget Estimate

**BNR**—Billed Not Received  
**BOM**—Bill of Material  
**BOS**—Base Operating Support  
**BPAC**—Budget Program Account Code  
**BTM**—Budget Tracking Module portion of H033  
**CAPR**—Cost Accounting and Production Reporting - H036A  
**CCD**—Command Case Directive  
**CCM**—Country Case Manager  
**CDA**—Central Design Activity  
**CDR**—Cash Disbursements Register  
**CDS**—Cash Disbursing System  
**CONEN**—Conversion Engine (DMAPS-suite system) also known as CE  
**CETS**—Contractor Engineering Technical Services  
**CLIN**—Contract Line Item Number  
**CLSS**—Combat Logistics Support Squadron  
**CMA**—Central Management Activity  
**COC**—Contractual Other Code  
**COD**—See Cost of Operations Division  
**CON**—Customer Order Number  
**COO**—Commanding Officer's Orders  
**COQ**—Customer Order Quantity  
**COTS**—Commercial Off The Shelf  
**CIP**—Capital Investment Program  
**CPPM** -Cost and Production Performance Module - a portion of H033.  
**CR**—Credit  
**CRIS**—Commander's Resource Integration System  
**CRR**—Cash Receipts Register  
**CSN**—Control Symbol Number  
**CSRD**—Communication-Computer Systems Requirement Document  
**CSV**—Comma Separated Value  
**CT**—Cost Transfer  
**CTHR**—Central Travel History Record

**CUST -CD-Customer Code—**. Identifies the DoD program and department or agency billed for maintenance cost, for example, type of customer such as Navy, Army, Air Force, or other parties.

**First Position—** Identifier

**0—** Support Of Other Nations

**1—** Strategic Forces

**2—** General Purpose Force

**3—** Intelligence And Communications

**4—** Airlift/Sealift

**5—** Guard And Reserve Forces

**6—** Research And Development

**7—** Central Supply And Maintenance

**8—** Training, Medical, And Other General Personnel Activities

**9—** Administration And Associated Activity Support

**Blank—** Non DOD Program

**Second Position—** Identifier

**A—** Army

**D—** Department of Defense

**F—** Air Force

**M—** Marine Corps

**N—** Navy

**P—** One Navy Activity Performing Work for Another Navy Activity

**T—** Defense Security Assistance

**Y—** Other Federal Agencies

**Z -Non—** Federal Agencies

**D002A—** Standard Base Supply System

**D035J—** Financial Inventory Accounting and Billing System

**D035K—** Wholesale/Retail Receiving/Shipping

**D043—** Master Item Identification Control System

**D087X—** Execution And Prioritization Of Repairs Support System

**DBA—** Data Base Administrators

**DBCR—** Database Change Request

**DBR—** See Defense Budget Review

**DCASR—** Defense Contract Administration Services Region

**DCPS**—Defense Civilian Payroll System

**DD**—Department of Defense

**DDRS**—Defense Departmental Reporting System

**DDS**—DMAPS Data Store (DMAPS-suite system) also known as DDSS

**DECC**—Defense Enterprise Computing Center

**DECCO**—Defense Electronics Communications Contracting Office

**DFAS**—Defense Finance and Accounting Service

**DFAS**—DFAS Dayton Site or other DFAS location designated to process accounting for organic depot maintenance.

**DFAS-AR**—DFAS Arlington

**DFAS-DE**—DFAS Denver Center

**DFAS-IE**—DFAS Integration Engine

**DFAS-IN**—DFAS Indianapolis Center

**DFAS I&T**—Defense Finance and Accounting Service Information and Technology

**DIFM -Due**—In From Maintenance

**DIFMS**—Defense Industrial Financial Management System (DMAPS-suite system)

**DJS**—Document Job Shop

**DJS**—Document Job Shop

**DLA**—Defense Logistics Agency

**DLCP**—Daily Labor Correction Process

**DLE**—See Direct Labor Efficiency

**DLER**—Daily Labor Exception Reports

**DMAG**—Depot Maintenance Activity Group

**DMAPS**—Depot Maintenance Accounting and Production System

**DMBA** -Depot Maintenance Business Area-*Note: This term has been replaced by Depot Maintenance Mission Area (DMMA).*

**DMCS**—Depot Maintenance Cost System

**DMDC**—Defense Manpower Data Center

**DMI**—Direct Material Inventory

**DMISA**—Depot Maintenance Inter-service Support Agreement

**DMMA**—Depot Maintenance Mission Area

**DMMSS**—Depot Maintenance Material Support System, G005M

**DMSC**—See Depot Maintenance Storage Center

**DOCAT**—Depot Organic Contractor Augmentee Team  
**DoD**—Department of Defense  
**DoDAAC**—DoD Activity Address Code  
**DoDFMR**—DoD Financial Management Regulation  
**DOV**—Disbursing Office Voucher  
**DPAH**—See Direct Product Actual Hours  
**DPEH**—See Direct Product Earned Hours  
**DPEM**—See Depot Purchased Equipment Maintenance  
**DPPS**—Defense Procurement Payment System  
**DPSH**—See Direct Product Standard Hours  
**DR**—Discrepancy Report  
**DR**—Debit  
**DRB**—Discrepancy Review Board  
**DRMO**—Defense Reutilization and Marketing Office  
**DSA**—Defense Supply Agency  
**DSRA**—Document Summary Record Address  
**DSS**—Distribution Standard System  
**DSSN**—Disbursing Station Symbol Number  
**DTS**—Defense Travel System  
**DWCF**—Defense Working Capital Fund  
**E&I**—Examination and Inventory  
**E046B**—Labor Standards Mechanization System  
**EA**—Each  
**EAID**—Equipment Authorization Inventory Data  
**EFT**—Electronic Funds Transfer  
**EIDN**—End Item Document Number  
**EIG**—Employee ID Generator (DMAPS-suite system)  
**EIS**—Enterprise Information System , H159  
**EISP**—End Item Sales Price  
**EOM**—End of Month  
**EPS**—Exchangeable Production System - G402A  
**EPSC**—Exchangeable Products Support Center

**ERRC**—Expendability, Recoverability, Reparability, Category  
**EXPRESS** -Execution And Prioritization Of Repairs Support System,-D087X  
**FA**—Fixed Asset  
**FC**—Fund Code  
**FCRN**—Fund Classification Reference Number (FCRN)  
**FEM**—Facility and Equipment Management - D130  
**FIABS**—Financial Inventory Accounting and Billing System - D035J  
**FIT** -Funding Initiation Tool (DMAPS-suite system) also known as FITS—.  
**F-JON**—Fixed Asset (FA) JON  
**FLS**—Forward Logistics Specialist  
**FM**—Financial Manager or Financial Management  
**FMS**—Foreign Military Sales  
**FSC**—Federal Stock Class  
**FSO**—Financial Services Office or Officer  
**FTP**—File Transfer Protocol  
**FY**—Fiscal Year  
**G&A**—General and Administrative  
**G004C**—Depot Maintenance Workload Planning And Control System  
**G004L**—Job Order Production Master System  
**G005M**—Depot Maintenance Material Support System  
**G019C**—MISTR Requirements Scheduling and Analysis System  
**G037F**—Maintenance Decision Support Workload Analysis Planning Data System  
**G097**—Programmed Depot Maintenance Scheduling System  
**G336**—Maintenance Workload Management System  
**G337**—Inventory Tracking System  
**G402A**—Exchangeable Production System  
**GAFS/BL** -General Accounting and Finance System-Base Level  
**GBL**—Government Bill of Lading  
**GFM**—Government Furnished Material  
**GL**—General Ledger  
**GLA**—General Ledger Account  
**GM**—General Managerial

**GPC -Government**—Wide Purchase Card  
**GS**—General Schedule  
**GSA**—General Services Administration  
**GSD**—See General Support Division  
**H021**—Automated Business Service System  
**H033** -See CPBM - Cost and Performance Budget Module.  
**H036A**—Cost Accounting and Production Reporting  
**H036C**—Weapon System Cost Retrieval System  
**H084A**—Automated Budget Analysis/ Centralized User System  
**H118**—Standard Material Accounting System  
**H159**—Enterprise Information System  
**HHG**—Household Goods  
**HQ AFMC**—Headquarters Air Force Materiel Command  
**HR**—Hour  
**IAPS**—Integrated Accounts Payable System  
**ID**—Identification  
**ILF**—See Indirect Labor Factors  
**IM**—Item Manager  
**IPAC** -Intra-Government Payment and Collections  
**IPR**—Internal Problem Report  
**IPR**—Internal Problem Report  
**IPV**—Industrial Prime Vendor  
**ISMT**—Information System Management Tool  
**ISSO**—Information System Security Officer  
**ITD** -Inception-To-Date  
**ITN**—Inventory Tracking Number  
**ITS**—Inventory Tracking System, G337  
**J025A**—Automated Project Order Form System  
**JD**—See Job Designator  
**JOCO**—Job Order, Customer Order, DIFMS subsystem  
**JON**—See Job Order Number  
**JOPMS** -Job Order Production Master System,-G004L

**JOQ**—Job Order Quantity  
**JOST**—Job Order Status Tool, DMAPS-suite system  
**JSC**—JON Status Code  
**JV**—Journal Voucher  
**LDM**—Logistics Data Mart, Q303  
**LG**—Directorate of Logistics  
**LOA**—Line of Accounting  
**LSMS**—Labor Standards Mechanization System, E046B  
**MA**—Directorate of Maintenance at the ALCs or Maintenance  
**MAC**—Material Acquisition Code  
**MAJCOM**—Major Command  
**MDS**—Mission, Design, Series  
**MER**—Master Employee Record  
**MFG**—Manufacturing  
**MFP**—See Major Force Program  
**MFP 7**—See Major Force Program 7  
**MIICS**—Master Item Identification Control System, D043  
**MILCON**—Military Construction  
**MILSBILLS**—Military Standard Billing System  
**MILSTRIP**—Military Standard Requisitioning and Issue Procedure  
**MIPR**—See Military Interdepartmental Purchase Request  
**MISTR**—See Management of Items Subject to Repair  
**MIT** -Material In-Transit  
**MOA**—Memorandum of Agreement  
**MOCAS**—Mechanization of Contract Administration Service System  
**MORD**—Miscellaneous Obligation Reimbursement Document  
**MPC**—Material Program Code  
**MPS**—Material Processing System - D230  
**MRPMA**—Major Real Property Maintenance  
**MRRB**—Maintenance Requirements Review Board  
**MRTFB**—Major Range Test and Facilities Base  
**MTD** -Month-to-Date

**MWPCS**—Depot Maintenance Workload Planning and Control System - G004C

**NAVAIR**—Naval Air Systems Command

**NIF**—Navy Industrial Fund

**NIIN**—National Item Identification Number

**NIMMS**—NAVAIR Industrial Material Management System (DMAPS-suite system)

**Nomenclature**—A noun description of an asset.

**NOR**—Net Operating Results

**NSN**—National Stock Number

**OA**—Obligation Authority

**OAC**—Operating Agency Code

**OAR**—Overhead Application Rates

**OASD**—Office of Assistant Secretary of Defense

**OB**—Operating Budget

**OBAN**—Operating Budget Account Number

**OC**—See Object Class

**OC-ALC**—Oklahoma City Air Logistics Complex

**OCR**—Office of Corollary Responsibility

**ODL**—Open Document Listing

**OJT** -On-the-Job Training

**OLRV** -On-Line Report Viewing

**OMB**—Office of Management and Budget

**OMEI**—Other Major End Items

**OO-ALC**—Ogden ALC, Hill AFB UT

**OPMD**—Output per Paid Man

**OPR**— Office of Primary Responsibility

**OSD**—Office of the Secretary of Defense

**OVR**—Override

**PAA**—See Property Accounting Activity

**PAO**—Project Administration Officer

**PAR**—Plant Account Record

**PBD**—Program Budget Decision

**PC**—Program Code

**PCN**—Program Control Number  
**PCN**—See Program Control Number  
**PCS**—Permanent Change of Station  
**PD**—Product Division  
**PDM**—See Programmed Depot Maintenance  
**PDMSS**—Programmed Depot Maintenance Scheduling System, G097  
**PFMR**—Project Funds Manager Record  
**PLA**—See Planned Labor Application  
**PME**—Precision Measurement Equipment  
**PMEL**—Precision Measurement Equipment Laboratory  
**PMO**—Program Management Office  
**PMT**—Production Material Technicians  
**PO**—See Project Order  
**POH**—Production Overhead  
**PON**—Purchase Order Number  
**PP**—Pay Period  
**PRF**—See Purchase Rate Factor  
**Q303**—Logistics Data Mart  
**QTD** -Quarter-To-Date  
**RA**—Resource Advisor  
**RCC**—See Resource Control Center  
**RCC**—Resource Control Center  
**RDD**—Required Delivery Date  
**RGC**—See Repair Group Category  
**RM**—Rivet Miles  
**RNB**—Received Not Billed  
**RSD**—See Repairable Support Division  
**RTS**—Reserve Travel System  
**SAF**—Secretary of the AF  
**SAF/FM**—Assistant Secretary of the Air Force for Financial Management and Comptroller  
**SAMIS**—Security Assistance Management Information System  
**SBSS**—Standard Base Supply System - D002A

**SES**—Senior Executive Service

**SF**—Standard Form

**SIMAN**—System Identification Manager

**S-JON**—Cost Class Type IV Workload

**SM**—System Manager

**SMAG**—Supply Management Activity Group

**SMAS**—Standard Material Accounting System - H118

**SOR**—Source of Repair

**SPD**—System Program Director

**SPG**—Sales Price Generator (DMAPS-suite system) also known as SPGS

**SPM**—Sales Price Master

**SPON** -Sponsor Order Number-. See definition below.

**SPON-CD**—Sponsor Code

**SPR**—Software Problem Report

**SPS**—Standard Procurement System

**SQL**—Standard Query Language

**SRAN**—Stock Record Account Number

**SRD**—Standard Reporting Designator

**SRI**—Specific Requirements Inventory

**SSC**—Shop Service Center

**SSD**—See System Support Division

**TAA**—Time and Attendance (DMAPS-suite system) also known as TAAS

**TASO**—Terminal Area Security Officer

**TCTO**—Time Compliance Technical Order

**TDY**—Temporary Duty

**TMS**—Type, Model, Series

**TO**—Technical Order

**TRC**—See Technology Repair Center

**TTC**—Transaction Type Codes

**TYPE-CUST**—**CD** - Type Customer Code

**U.S.C.**— -United States Code

**U/I**—Unit of Issue

**UCB**—Unmatched Commercial Bills  
**UDO**—Undelivered Order  
**UGB**—Unmatched Government Bills  
**UIC**—Unit Identification Code  
**UOM**—Unit of Measure  
**USP**—Unit Sales Price  
**USSGL**—United States Standard General Ledger  
**WAD**— See Work Authorization Document  
**WAPDS**—Maintenance Decision Support Workload Analysis Planning Data System, G037F  
**WCD**—Work Control Document  
**WCF**—See Working Capital Fund  
**WDS**—Western Data Systems  
**WG**—Wage Grade  
**WIP** –See- Work in-Process  
**W-JON** –Un-Costed JON  
**WL**—Wage Leader  
**WPC**—Work Performance Category  
**WR-ALC** –Warner-Robins Air Logistics Complex  
**WRRS**—Wholesale and Retail Receiving and Shipping, D035K  
**WS**—Wage Supervisor  
**WSCRS**—Weapon System Cost Retrieval System, H036C  
**WSSC**—Weapon System Support Center  
**X-JON**—Production Overhead JON  
**Y-JON**—G&A JON  
**YTD** -Year-To-Date  
**Z-JON**—Civilian Leave JON

### *Terms*

**Acceleration Code**—A code controlling the application of the acceleration rate to regular labor and regular portions of overtime and other premiums. The code values are:

**Y**—Accelerate

**N**— No Acceleration.

**Acceleration Rates**—Rates established to recover costs of leave and fringe benefits that are factored in as a charge to a customer.

**Account**—A group of like transactions under a descriptive or common heading. A record that summarizes all information related to a single item in the accounting equation.

**Accounting Classification Reference Number**—A code assigned to each line of accounting classification data cited on a fund document. Used in subsequent transaction processing identifying the related accounting classification data without recapturing all data elements. (Examples are AA, AB, AC, etc.)

**Accumulated Depreciation**—Dollar value of total depreciation expenses charged for an asset to date.

**Acquisition Cost**—The sum of the original purchase price of an asset less discount plus transportation, installation, and modification. This cost is reported on the DoD property records, DD Form 1342. DIFMS refers to this as total cost (Plant Property Data Element).

**Action Code**—A one-character code that represents an action taken on a record. The code values are:

**A**— Addition of a new record

**C**— Changes or adds new information on an existing record

**D**— Deletion of a record

**I**— Inquires and displays a record.

**Active Code**—Identifies the status of an asset. The code values are:

**Space**— Asset is in active status.

**H**— Item is in history.

**S**— Asset placed in suspense to be deleted from Plant Property database (Plant Property Data Element).

**Actual Costs**—Amounts determined on the basis of costs incurred as distinguished from forecasted costs

**Adjustment Allowance Code**—A code assigned by Billing Activity Defense Supply Agency (DSA)/General Services Administration (GSA) indicating action taken by inventory manager to distribute adjustment gains to customers. The code values are:

**BA**— Credit granted. Material to be retained or disposed of locally (temporarily not applicable to GSA).

**BB**— Credit granted. Material to be returned to activity designed in cc 4-6 of “Reply to Customer Request for Material Billing Adjustment/Allowance Card (temporarily not applicable to GSA).

**CA**— Request for credit granted.

**OS**— Used when charge is for a quantity greater than quantity ordered, and is due to unit pack adjustment.

**TM**— Material approved for return under Excess Material Return Program—No credit or reduced credit allowed, as condition received was less than reported.

**TN**— Material approved for return under Excess Material Return Program—Credit is granted.

**US**— Used when charge is for quantity less than the quantity requested due to unit pack adjustment.

**WR**— Credit granted as a result of a warehouse refusal.

**Adjustment Serial Number**—Identification number used for the control of labor, material, and business operations cost adjustments. Each number is serialized and unique for a particular run.

**Administrative Surcharge Appropriation Code**—A code used to equate to an appropriation number.

**Admin—Surcharge Exclusion Indicator**—A code which identifies whether administrative surcharges (APPN-CD “B”) is billed to a customer.

**Advance From Customer**—A code used for manual billing. Indicator showing an advance amount was received from the customer.

**Agency Billed UIC**—The Unit Identification Code for the activity billed for material or services.

**Air Force Line 1**—The first line of accounting on a funding document for work to be done for the Air Force. Labor, Production Expense, and General Expense only.

**Air Force Line 2**—The second line of accounting on a funding document for work to be done for the Air Force. Material, Contractual, and Business Operations only.

**Allocation Error Code**—A code that identifies a type of un-allocated cost. The code values are:

**A**— Liquidation greater than authorization

**B**— No document number has been established

**C**— Contractual transactions cannot accept

**D**— Other transactions cannot accept charges

**E**— Contractual other adjustment transactions cannot accept charges

**F**— Shop is not on file

**G**— Shop not within authorized shop code

**H**— Authorized shop code not present

**J**— JON cannot accept charges

**K**— JON not found

**L**— Importer Job Status Code.

**Allowable Purchase Variance**—The allowable dollar limit for which a receipt amount may differ from a bill amount without being considered excessive. Applies only to government bills, any commercial purchase variance is considered excessive.

**Allowable Variance**—Percentage variance allowed in hours when totaling labor data from feedback. The percentage

**Amendment Number**—Identifies the document amending the customer order to increase or decrease fund authorizations, make corrections, etc.

**Amount Costed Over Under**—Any difference between the amount accrued and the amount paid is adjusted as cost to the applicable job order.

**Appropriation**—An authorization by the Act of Congress to incur obligations for specified purposes and to make disbursements for them from the Treasury.

**Appropriation Code**—An alpha code correlating unfunded (billing) rates to designated appropriations for which the monies are to be collected. The code values are:

**A**— NARF Appropriation Code

**B**— Administrative Surcharge Appropriation Code or Other Unfunded Labor Appropriation Code

**C**— Unfunded Depreciation Code or Investment Interest Appropriation Code

**D**— Military Retirement Accrual Appropriation Code

**E**— Unfunded Civilian Fringe Benefit Appropriation Code

**G**— Unfunded Overhead Officer Appropriation Code, Military Labor Officer Appropriation Code or Leave Holiday Accrual Officer Appropriation Code

**H**— Unfunded Overhead Enlisted Appropriation Code, Military Labor Enlisted Appropriation Code or Leave Holiday Accrual Enlisted Appropriation Code; Personnel Support Cost Accrual Appropriation Code; Federal Supply Material Surcharge Appropriation Code

**I**— Stock Fund Inflation Factor

**J**—Contract Administration Surcharge; Quality Assurance, Contract Administration and Contract Audit

**K**— Stock Issue Asset Surcharge.

**Audit Run Code**—A code used to indicate to the system that there has been an audit billing run and the actual billing run has not yet been performed.

**Authorized Accounting Activity (AAA)**—Activity designated to perform accounting for an allotment or suballotment and identified by the Unit Identification Code (UIC) assigned to the activity.

**Authorized Accrual**—That portion of the authorized amount which may be accrued.

**Authorized Shop**—Shops authorized to charge to a given Job Order Number (JON). The user will either input a five to seven position numeric shop or an authorized shop range. The ranges are followed by three asterisks, for example 29/30 would be stored as 29\*\*\*, 30\*\*\*.

**Authorized Shop Range**—Twelve (12) two position characters that permit input of a range of shops, for example, 2426283\*\*\* - this range allows 24000-24999, 26000-26999, 28000-28999, 30000-39999 and 40000-47999. This element is needed to allow greater flexibility of shop input.

**Batch Control Number**—The identification number assigned to vouchers or bills grouped for control purposes by Register, Finance Center, Register-Month, Day and Part-of-Day-Code. The Register is a code assigned to designate a type of cash transaction (i.e., Register 05 designates commercial disbursements). The Finance Center Code is a designator for the finance officer making the disbursement. The Register-Month indicates the month that a transaction was processed. The Day indicates the day of that month. The Part-of-Day-Code is a suffix appended

to the Day to designate control and detail records for a particular Register when the Register Preparing Activity has subdivided the day. The code values are:

Register Number (PIC 99) +  
 Finance Center Code (PIC X) +  
 Register Month (PIC 99) +  
 Day Paid (PIC 99) +  
 Part Day Code (PIC X).

**Bill Level**—Designation established for utilization of specified billing rate used for billing various programs at specified levels (for example, Job Order, Customer Order/Subprogram, Program/Customer Order, Program). The first character is the fiscal year. Other values are:

Position one through seven of the JON  
 JON one five = position one through five of the JON  
 JobOrderNumberOneFourSeven = position one and four through seven of the JON  
 JobOrderNumberOneFourFive = position one and four and five of the JON  
 CustomerOrderNumber = position one through three of the JON  
 Program = position one of the JON.

**Bill Number**—A 7-position element in DIFMS used for each bill. One bill is produced for each CON.

Position 1 = FY  
 Positions 23 = Month  
 Positions 46 = Serial number (AAAAZZ used for manual bills, i.e., FMS)  
 Position 7 = Bill type (i.e., '1' = Income or Completion Bill, '2' = Progress Bill)

**Bill Status**—A code indicating whether a bill has been liquidated. The code values are:

- 1— Liquidated, Not Preposted
- 2— Unliquidated, Not Preposted
- 3 - Liquidated Manual Bill
- 4— Unliquidated Manual Bill
- 5— Liquidated Reverse Bill, Not Preposted
- 6— Unliquidated Reverse Bill, Not Preposted
- 7— Liquidated, Preposted
- 8— Unliquidated, Preposted
- 9— Liquidated Reverse Bill, Preposted
- 0— Unliquidated Reverse Bill, Preposted.

**Bill Type**—A code used for manual billing. The code values are:

- 1— Income
- 2— Progress Pay Work In Process
- 3— Progress Pay Direct Material Inventory

**4**— Progress Pay Contractors Plant

**5**— Progress Pay Other Government Plant.

**Billing Office**—The Unit Identification Code of the Activity issuing a customer billing.

**Billing Override Code**—A code used to override automatic billing of bill at customer order level. “Y” is entered if override action and CON not blank. “N” is entered if no override action. “A” is entered if all proposed bills under input CON are to be overridden. The code values are:

-Y— Override a progress bill if at CON level; override an income bill if at the JOB level.

-N— **Produce a progress bill if at the CON level; produce an income bill if at the JOB level.**

-A - Override all income and progress bills under a CON. Valid only at the CON level.

**Budget Savings**—Savings from initiatives implemented in one budget period that constitute reductions in the budgeted costs of the prior period.

**Budget Year**—The FY that is the subject of a new BE. In budget context, it follows the current year

**Category**—A code that identifies a transaction relating to a specific category. The code values are:

**A**— Accounts Payable

**B**— Accounts Receivable

**C**— Unmatched

**D**— Material En Route (MER)

**E**— MIT

**F**— Undelivered Order (UDO)

**G**— Requisition Status Adjustment

**H**— Statistical Information

**I**— Work In Process (WIP)Contractor Plant (CP) (Current Cycle)

**J**— InHouse Manufacturing (MFG)

**K**— DLR 2nd Bill (Current Cycle)

**L**— WIPCP

**M**— WIPOther Government Plant (OGP) (Current Cycle)

**N**—WIPOGP

**Commanding Officer’s Order**—An order for work that has been received without an official funding document. This work order is good for 30 days and cannot be billed to the customer. It must be replaced with an official Work Request or Project Order.

**Commitment**—An administrative reservation of funds based upon firm procurement directives, orders, requisitions, or requests that authorize the creation of an obligation without further recourse to the official responsible for certifying the availability of funds.

**Completion Code**—A code used with partial receipt to cancel the remaining quantity. “F” equals Final Receipt, regardless of overage or shortage and BLANK equals Incomplete.

**Contract Administration Code**—A code to indicate whether or not contract administration was performed on this contract.

**Contract Audit Code**—A code to indicate whether or not contract audit was performed on this contract. The code values are:

Y— Yes

N— No.

**Contract Cost Amount**—A portion of the funds authorized designated as a contract code.

**Contract Maintenance**—Maintenance performed under contract by commercial organizations on a one-time or continuing basis and using contractor personnel or organic facilities of another military service.

**Contract Number**—A unique number that identifies the contract under which the asset was procured.

**Contractor Line Item Number**—Identification of a contract line item of supply or service, listed on an exhibit or schedule forming part of a contractual document.

**Contractual Cost Per Unit**—Funded fixed price value in dollars and cents for contractual services per unit, determined by either estimating anticipated costs or by applying fixed price or stabilized rate.

**Contractual Other Code**—A code to identify the type of work. Codes 01 through 50 are assigned for contractual. Codes 51 through 99 are assigned for other. The code values are:

1—COMM; Cylinder Deposit

2— COMM; Cylinder Refund

3— COMM; Janitorial Service

4— COMM; Maintenance

5— COMM; Other Services

6— COMM; Publications

7—COMM; CommRefund

8—COMM; Rental

9— COMM; Subscriptions

10— Defer Charge; Other Miscellaneous

11— Defer Charge; Subscriptions

12— Defer Charge; Tuitions

13—MIPR; Other DoD Services

14— NC 2275; DP; Key Punch

- 15— NC 2275; DP; Other Support
- 16— NC 2275; DP; System Development
- 17— NC 2275; DP; System Equipment OPR
- 18— NC 2275; DP; System Maintenance
- 19— NC 2275; Engr and Tech Services
- 20— NC 2275; Major Maintenance
- 21— NC 2275; Minor Maintenance
- 22— NC 2275; Other Miscellaneous
- 23— NC 2275; PWC; Bldgs and Grounds
- 24— NC 2275; PWC; Other Support
- 25— NC 2275; PWC; Transportation and Equipment
- 26— NC 2275; PWC; Utilities
- 27— NC 2275; STA SUPP; Administration
- 28— NC 2275; STA SUPP; Air Operations
- 29— NC 2275; STA SUPP; Civilian Pers
- 30— NC 2275; STA SUPP; Communications
- 31— NC 2275; STA SUPP; Disbursing
- 32— NC 2275; STA SUPP; Medical
- 33— NC 2275; STA SUPP; Other
- 34— NC 2275; STA SUPP; Payroll
- 35— NC 2275; STA SUPP; Safety
- 36— NC 2275; STA SUPP; Security
- 37— NC 2275; STA SUPP; Supply
- 38— Other Miscellaneous
- 39— Printing; Major Maintenance
- 40— Printing; Other
- 41— Safety Glasses
- 42— Training
- 43— Tuitions
- 44— Not Assigned
- 45— Not Assigned
- 46— Not Assigned

- 47— Not Assigned
- 48— Not Assigned
- 49— Not Assigned
- 50— Not Assigned
- 51— Accounts Payable; Write Off
- 52— Accounts Receivable; Write Off
- 53— Accounts Receivable; Anticipated Cost Reimbursement Adjustments
- 54— Depreciation Software
- 55— Not Assigned
- 56— Accrued Expense; COMM SVCS; Write Off
- 57— Beneficial Suggestion
- 58— Defer Charge; Management System Development
- 59— Depreciation; Equipment
- 60— Depreciation; Minor Maintenance
- 61— Discount Earned
- 62— Excess Material; Loss
- 63— Federal Excise Tax
- 64— Not Assigned
- 65— Freight
- 66— Government Bill of Lading
- 67— Jury Fees
- 68— Manufacturing In House Variance
- 69— Material; IN; Transit Write Off
- 70— Miscellaneous; Other
- 71— Miscellaneous; Payroll Deduction
- 72— NC 2275; DP; Write Off
- 73— NC 2275; Major Maintenance Write Off
- 74— NC 2275; Minor Maintenance Write Off
- 75— NC 2275; Other Miscellaneous Write Off
- 76— NC 2275; PWC Write Off
- 77— NC 2275; Station Support Write Off
- 78— Physical Inventory Adjustments

- 79— Physical Material Transfer Adjustments
- 80— Purchase Price Variance
- 81— Retail Loss Allowance
- 82— Sale Scrap
- 83— Set Up Charge
- 84— Standard Price Adjustment
- 85— Tool Box Refund
- 86— Trade Discount
- 87— Transportation Request and Travel
- 88— Transportation Request and Travel Write Off
- 89— Not Assigned
- 90— Not Assigned
- 91— Unallocated Cost WriteOff
- 92— Undelivered Checks
- 93— Withholding Fees – Payroll
- 94— DLR Exchange Loss
- 95 to 99—Not Assigned.

**Contributed Fixed Assets**—Assets purchased with other than DWCF funds or donated to the activity.

**Control Number**—A five-position alphanumeric code assigned to a specific item of workload within the depot maintenance production process.

**Correction Field Indicator**—To indicate which fields are to be corrected. The code values are:

B - JON and Shop

J— JON

S— Shop.

**Cost Avoidance Savings**—Savings from initiatives implemented in one budget period that constitute avoidances of increases in the budget costs of the prior period.

**Cost Center**—The Cost Center consists of a natural grouping of machines, methods, processes, operations has assigned personnel with similar professional and/or technical capabilities is identified with single management responsibility is made up of elements which have common cost characteristics.

Production cost centers engage directly in performing the productive mission of the activity or in rendering direct support services to production units. General cost centers principally perform overall support services for the activity. Service Cost Centers provide services to other shops or cost centers, such as printing.

**Cost Class IV**—Direct labor expended in direct support of depot maintenance that is the sole beneficiary of the work done.

**Cost Class Code**—To indicate the indirect cost class or expense element for an indirect JON is linked to indirect cost class record.

**Cost Code**—The source of any information needed for the preparation of reports that require detail beneath the level identified in the remainder of the accounting classification code or for which abbreviated coding is desired. In DIFMS, a 12-position element that is uniquely assigned to each line item from GAFS/BL. In GAFS/BL only 8 positions are used. The last four are zero filled through the IE. The Cost Code is used to link commitments, obligations, and expenses in all systems.

Positions 12 are set to SU for unaccrued contracts, SA for contracts accrued by Amount, ST for contracts accrued by Time, or MU for Material obligations.

Position 3 is the FY.

Position 4 identifies the PD.

Positions 58 are set to a unique serial number.

Positions 912 are set to '0000' (i.e. SU1A12340000).

For CIP related items, the structure is 'C' + CSN (6 pos) + identifier + '0000', (i.e. CG12312A0000).

**Cost Element Code**—A code indicating the type description of the labor transaction and how the associated hours and dollars should be considered in the system. (See the DIFMS User Manual, Appendix F).

**Cost of Operations Division (COD)**—The division in the SMBA which collects earned revenues from SMBA surcharges and distributes these funds to pay for expenses.

**Cost Reimbursable Services**—Work is performed and the customer billed based on established hourly rates and the number of hours required to complete a job. Often referred to as the level of effort.

**Cost Reimbursable Units**—Work is performed and the customer billed based on the number of units to be completed, the number of hours required to do the work and established hourly rates.

**Current Year**—The FY that already has an approved budget. In budget context, it precedes the budget year.

**Custody Shop**—The designated shop where an asset is located or accounted for.

**Customer**—An activity authorized to order work form organic depot maintenance

**Customer Code**—Identifies the DoD program and department or agency billed for maintenance cost, for example, type of customer such as Navy, Army, Air Force, or other parties.

**1st Position**— Identifier

1— Strategic Forces

2— General Purpose Force

3— Intelligence & Communications

4— Airlift/Sealift

5— Guard & Reserve Forces

- 6— Research & Development
- 7— Central Supply & Maintenance
- 8— Training, Medical & Other General
- 9— Administrative and Associated Activity
- 0— Support Of Other Nations

**2nd Position**— Identifier

- N— Navy
- M— Marine Corp
- A— Army
- F— Air Force
- T— Defense Security Assistance
- D— DoD
- Y— Other Federal Agencies
- Z— Non-Federal
- P— One Navy Activity Performing Work For Another

**Customer Description**—Description of the specific purposes or scope of work covered by a given customer order number.

**Customer Order Number (CON)**—Unique number assigned to a customer. The CON links the Job Order Number to the Funding Document. The CON is used as a key to reverse a bill in billing.

**Customer Status Code**—A code indicating the status of a CON. The code values are:

- 1— Open
- 3— Closed
- 9— Purge.

**Date Accepted**—The Julian Date that the funding document was accepted by the activity doing the work. The format is YYDDD where YY - the year and DDD - the day of the year. This element is shown as PIC 9(6) on inputs and YYMMDD on outputs.

**Date Claim Accept**—The date that a travel claim is submitted to the travel office.

**Date Complete**—The Julian Date that an accrual is set to be complete (corresponds with the end date of the document).

**Date Due Notice**—The date that a disbursing officer places on the notice issued to travel when monies owed to the government are due.

**Date Effective**—The Julian Date that an accrual is set to begin (corresponds with the begin date of the document).

**Date Established**—The Julian Date when a major maintenance project record is established. This element is shown as PIC 9(6) on inputs and YYMMDD on outputs.

**Date Financially Closed**—The Julian Date the job order is closed to all charges or canceled. This element is shown as PIC 9(6) on input and YYMMDD on output.

**Date Funds Expire**—The date when funds authorized on the sponsor orders are to expire.

**Date Inducted**—The Julian Date that the job is scheduled for induction. This element is shown as PIC 9(6) on inputs and YYMMDD on outputs.

**Date Open**—The calendar date a job order is opened from OPDOCS. This element is shown as PIC 9(6) on inputs and YYMMDD on outputs.

**Date Physically Completed**—The Julian Date the job is physically completed. This element is shown as PIC 9(6) on inputs and YYMMDD on outputs.

**Date Workday Calendar Start**—The work day from the work day calendar that the job was inducted into work. This element is shown as PIC 9(6) on inputs and YYMMDD on outputs.

**DCASR Transaction Payment Type**—The first position is numeric or a blank field and is used by the DCASR to identify different generic type or classes of contract payments on a Disbursing Office Voucher (DOV) from the finance center. The code values are:

**Blank**— Deduction on payment voucher

1— Complete or final payment

2— Partial payment

3— Progress payment

4— Advance payment

9— Collection adjustment or International Balance of Payment (IBOP).

**Debit Credit Indicator**—Used to indicate a credit amount or debit amount. The code values are:

C— Credit

D— Debit.

**DECC**—Defense Enterprise Computing Center

**DECCO**—Defense Electronics Communications Contracting Office

**Deduction Code**—A code used to specify the nature of the reduction applied against the gross amount to arrive at the net amount paid or received by the government. The code value is F - Final WIP-CP Bill.

**Defense Budget Review (DBR)**—The annual budget process. See DoD 7000.14-R, Financial Management Regulation, Volume 2A, [Chapter 1](#).

**Defense Finance and Accounting Service (DFAS)**—A DoD agency that controls all finance and accounting services for the Department.

**Deletion Date**—The year, month, day an asset is marked deleted.

**Department**—Derived from position one of Shop.

**Depot Level Repairable Indicator**—A code indicating that a material item is also a repairable item at the depot level.

**Depot Level Repairable (DLR) Write Off Date**—This date determines which DLR second bills is written off automatically by batch process. All unmatched DLR second bills with a DATE-AGED prior to this date are written off in the weekly processing. If this date is zero no DLR second bills is automatically written off.

**Depot Maintenance**—Maintenance which is the responsibility of and performed by designated maintenance activities, to augment stocks of serviceable material, and to support organizational and intermediate maintenance by the use of more extensive shop facilities, equipment, and personnel of higher technical skill than are available at the lower levels of maintenance.

**Depot Maintenance Storage Center (DMSC)**—Provides interim storage of direct material for issue to RCCs to support the production effort.

**Depot Purchased Equipment Maintenance (DPEM)**—Program covering the method for procuring depot maintenance services from depot maintenance resources. This program involves customer management to determine requirements, obtain financial OA, and provide programming authority for ordering work from organic depot maintenance.

**Depreciation Job Order Number**—The Job Order Number used to charge the monthly depreciation expense of an asset.

**Designated Rework Point**—Designator indicating the activity where rework of an item is performed.

**Dictionary Identification**—A code identifying the dictionary utilized for Uniform Cost Accounting. The code values are:

- 1— Dictionary A
- 2— Dictionary B
- 3— Dictionary C
- 4— Dictionary D.

**Direct Cite**—Applies to the accounts of those customers who are billed directly by organic depot maintenance for work completed, and who pay directly to organic depot maintenance for this work.

**Direct Cite Funds Authorized**—A type of funds that are given from a grantor to an activity and are accepted. Direct Cite – the accepting activity can only cite those funds for contractual services. The billing is processed through the grantor of funds reimbursable appropriation.

**Direct Cost**—Any cost which is identified specifically with a particular final cost objective. Direct costs are not limited to labor and material which are incorporated in the end product.

**Direct Labor**—Labor that (1) increases the value or utility of a product by altering the composition, condition, conformation, or construction of the product, or that provides a service directly to the customer rather than in support of other direct labor of the Directorate of Maintenance; (2) can be accurately, consistently, and economically identified to a product, group of products, or customer; (3) is supported by official work requests and authorized by prescribed WADs indicating the specific nature of work to be done.

**Direct Labor Efficiency (DLE)**—Ratio of standard hours to the actual hours used to produce those earned hours: DLE - DPEH divided by DPAH.

**Direct Material**—Material specifically required for the performance of depot maintenance as specified by a WAD. Direct material will either become part of the end item or other item which is undergoing maintenance or consumed in the maintenance process.

**Direct Product Actual Hours (DPAH)**—Actual hours applied by direct labor to accomplish a given workload.

**Direct Product Earned Hours (DPEH)**—Hours earned against an established standard for direct labor performed. A DPEH is a completed DPSH.

**Direct Product Standard Hours (DPSH)**—The time during which a specified amount of work of acceptable quality is or can be produced by qualified workers, following the prescribed method, working at a normal pace and experiencing normal fatigue and delays.

**Disbursing Office Voucher Number**—A Serial Number identifying the disbursing office voucher number used to pay for amounts due for material or services furnished or to request advance payment for materials or services to be performed.

**Division**—Positions one and two of Shop

**Division**—Positions one and two of Shop

**DMRS Exception Code**—The code used in the Depot Maintenance Reporting System to indicate records that have unique information outside of standard reporting categories.

**Document Identifier**—A code that identifies the basic type of administrative action; the specific subtype of supply transaction; and related modifying instructions for each type of supply document used throughout the requisitioning, processing, and issuing functions; or other types of supply within and between supply and distribution systems.

**Document Job Shop**—Sometimes called “Doc-Job-Shop” in DIFMS. DJS records are used to track commitments and obligations of services (i.e., contracts) as well as their accruals and payments.

**Document Number**—A unique number used to identify a document, such as a contract or requisition. The document number on a DJS record is the Commitment Document (or PR) number from GAFS/BL.

**Duplicate Write Off Date**—This date determines which duplicate bills are written off automatically by batch process. All duplicate bills with a DATE-AGED prior to this date are written off in the weekly processing. If this date is zero, no duplicate bills are automatically written off.

**Emergency Repair Code**—This code allows the Item Identification record to be established at the JON level instead of the CON level in the Aircraft, Engine, and Missile programs.

**Employee Number**—Unique identifier assigned to each individual employee.

**Employee Prefix**—A code indicating the payroll prefix to which an employee is permanently assigned.

**Employee Type Code**—A designator indicating an employee’s basis for pay, for example, per annum, per diem, military, unfunded, etc. The code values are:

**0**— Officer (Funded Military)

- 1— Per Annum
- 2— Officer (Unfunded Military)
- 3— Per Diem
- 4— Part-Time Per Diem
- 5— Enlisted (Unfunded Military)
- 6— Part Time Per Annum
- 7— Free Labor
- 8— Free Labor
- 9— Enlisted (Funded Military).

**End Item JON**—The actual Job Order Number to which the costs of an installed component will eventually be charged.

**End Use Override Code**—A code allowing a mass override of all progress and/or income bills between the audit and final runs.

**Enlisted Acceleration Rate**—Rates used to apply acceleration for military enlisted. This element is stored on the SYS-INFO-REC as V9999 input and output is 9(2) V999.

**Equipment Disposition Code**—Indicates the action to be taken on a piece of equipment relative to its disposition. The code values are:

- 1— Lost
- 2— Survey
- 3— Transfer
- 0— Non-Disposed.

**Error Serial Number**—A unique nine digit number assigned to error transactions.

**Error Serial Number 1**—Used as the “Beginning of Range” for mass correction processes.

**Error Serial Number 2**—Used as the “End of Range” for mass correction processes.

**Estimated Equipment Procurement Cost**—The estimated purchase price of a piece of equipment excluding transportation cost. This data element is provided for purchased equipment systems through the Plant Property Bridge File.

**Excess indicator**—An indicator that flags a document for which there is an amount greater than zero in the excess amount.

**Exchange Material**—A serviceable investment item with an ERRC Code of C, T, or L issued in exchange for an unserviceable item. This material is financed and managed by the Repairable Support Division (RSD) of the Supply Management Business Area (SMBA), and is recorded as an expense to organic depot maintenance upon issue for use. (See investment material).

**Expense**—Represents goods and services consumed.

**Expense Material**—Material financed and managed by SMBA which is recorded as an expense to organic depot maintenance upon issue for use. ERRC Code N and P material. GSD and SSD are considered expense material.

**Fair Labor Standards Act Code**—A code indicating whether an individual is exempt or non-exempt from the provisions of the Fair Labor Standards Act. The code values are:

**E**— Exempt

**N**— Non-exempt.

**Family Identification Code**—A classification code to assist in development of "unit" material billing rates on component job numbers.

**Federal Supply Class**—First four positions of National Stock Number Identifying General Commodity Group or descriptive category of material.

**File Indicator**—Indicates type of file to be accessed.

**R**— Access 465P file

**E**— Access STARS error file.

**Final Bill Code**—A code used to initiate Final Billing Action. The code values are:

**Y**— Yes (final billed)

**N**— No (not final billed)

**R**— Ready to be final billed

**X**— Partial bill.

**Final Cost Adjustment Code**—This code indicates if there are balanced or unbalanced adjustments for a specific serial number and, if so, their status. The code values are:

**F**— Cost adjustments are balanced and ready to be processed for this serial number.

**R**— Cost adjustments have been released for this serial number.

**U**— Unbalanced cost adjustments exist for this serial number.

**S**— One sided cost adjustment for conversion.

**X**— Conversion cost adjustments have been released for this serial number.

**Finance Center Code**—Designator of the finance officer making disbursement.

**Financial Inventory Type Code**—This code is used to identify the type of inventory to which transactions apply. The code values are:

**C**— Customer Furnished Material (CFM)

**D**— Direct Material Inventory (DMI)

**G**— Government Furnished Material (GFM)

**N**— Materials and Supplies

**I**— Materials and Supplies - Insurance Items

**F**— Materials and Supplies - Foreseeable Requirements.

**Fiscal Month End Code**—Code used to indicate that the end of the current fiscal month has been reached. The code values are:

**Y**— End of fiscal month

**N**— Not end of the fiscal month.

**Fiscal Year End Code**—A code used to indicate that the end of the current fiscal year has been reached. The code values are:

**Y**— End of fiscal year

**N**— Not end of the fiscal year.

**Fiscal Year Funded**—The number indicating the fiscal year that the initial funds are received and reported.

**Fiscal Year Indicator**—The last position of the fiscal year.

**Fiscal Year Inducted**—The number indicating the fiscal year that work was inducted into the facility.

**Fiscal Year Quarter Indicator**—Indicates fiscal year and quarter of overhead rates to be applied to direct labor hours.

**Fixed Asset Account Code**—A two-digit numeric data element. The first digit represents the Fixed Asset Type. The second digit represents the Fixed Assets Class. The code values are as follows.

**Fixed Asset Type**— first digit

**1**— Purchased

**2**— Contributed

**4**— Software, ADP Equipment Systems (CDA)

**5**— Software, ADP Equipment Systems (In-House)

**6**— Minor Construction (\$100K or more up to \$750K)

**7**— Not Used

**8**— Sponsor Owned

**9**— Sponsor Owned, Not in Use.

**Fixed Asset Class**— second digit

**1**— Land

**2**— Buildings

**3**— Plant Equipment

**4**— Production Equipment

**6**— Software

**8**— Other

**A2**—position element in DIFMS used to determine the type of Fixed Asset. Examples follow:

- 14— Purchased production equipment.
- 22— Contributed (non-DWCF funded) building.
- 24— Contributed production equipment.
- 46— Software and ADP developed by others.
- 56— Software and ADP developed “in-house”.
- 62— Minor construction (DWCF funded) of building.
- 68— Minor construction (DWCF funded) of other facility or structure.
- 84— Sponsor owned production equipment in use.
- 94— Sponsor owned production equipment not in use.

**Fixed Asset Flag**—Indicates if the costs have been transferred from USSGL Account 172000 (Construction in Progress) to USSGL Account 1700 (General Property, Plant, and Equipment). The code values are:

**Y**— Yes (Costs have been transferred)

**N** - No (Costs have not been transferred).

**Fixed Asset Job Type**—Indicates the type of cost the Job Order Number was established to collect. The code values are:

**1**— Procurement Cost

**2**— Installation Cost

**3**— Modification Cost.

**Fixed Price Services**—Work is performed and the customer billed based on the estimated price based on the number of hours required to complete the order.

**Fixed Price Units**—Work is performed and the customer billed based on a set price for completed unit to be produced or worked. Fixed price units include a Unit, a Component, a Navy Component or a Non-Component.

**Foreign Military Sales (FMS)**—A program to provide military support (including organic depot maintenance) to foreign governments.

**Foreign Military Sales Case Number**—The number used to identify a specific Foreign Military Sales case.

**Fund Classification Reference Number (FCRN)**—A four-position alphanumeric code that relates to a specific accounting classification code for the activity to be billed by organic depot maintenance for a product or service provided.

**Fund Code**—Code assigned to communicate accounting information for billing purposes. The code values are:

**K9**— Reimbursable

**Y6**— Non Reimbursable

**Blank**— Manufacturing.

**Fund Source**—This code is used to determine if fund source is for “Operations and Maintenance, Navy/Operations and Maintenance, Navy Reserve” or “Other” appropriations. The code values are:

**A**— Operations and Maintenance-Navy/Operations and Maintenance-Navy Reserve

**B**— Other.

**Fund Type**—A designator indicating whether costs are funded or unfunded. The code values are:

**F**— Funded

**U**— Unfunded.

**Funded Costs**—Costs that have been incurred and paid for by DMBA funds

**Funds Authorized (FNDD-AUTH)**—The amount of funds authorized on the sponsor’s funding document. The initial amount can be increased or decreased by subsequent amendments.

**Funds Authorized Air Force Line One**—The total dollar amount that has been authorized to be charged to the first line of accounting on the Air Force funding document.

**Funds Authorized Air Force Line Two**—The total dollar amount that has been authorized to be charged to the second line of accounting on the Air Force funding document.

**Funds Authorized Current Fiscal Year**—That portion of the funds authorized that is deemed by the comptroller to apply to this customer order for this fiscal year on the normal or first line of accounting.

**Funds Authorized Current Fiscal Year 2**—That portion of the funds authorized that is deemed by the comptroller to apply to this customer order for this fiscal year.

**Funds Authorized Current Line 2**—This field represents the funds authorized for the second line of accounting for Air Force funding documents.

**Funds Authorized Line of Accounting**—The total dollar amount that has been authorized to be charged to a particular line of accounting on a funding document.

**Funds Available (FNDD AVAIL)**—The balance of funds remaining after billing actions.

**General and Administrative (G&A) Material**—Material used for the operation of maintenance but does not become part of the product (such as office equipment and office supplies). Accounting, inventory, and miscellaneous material adjustments are considered part of G&A material.

**General Ledger Account Closure Indicator**—This indicator specifies whether a given General Ledger Account is to be closed out and set to zero monthly, yearly or not at all. It is set during the initial load of chart of accounts. The code values are:

**M**— Monthly Close Outs

**Y**— Yearly Close Outs

**Blank**— No Close Out.

**General Ledger Account Type**—Used to further identify the account for (1) reporting and inquiry purposes and (2) processing and validation procedures. The account types are:

- 1— Assets
- 2— Liabilities
- 3— Equity (Capital)
- 4— Budgetary
- 5— Revenue
- 6— Expense
- 7— Gains & Losses
- 8— Memo
- 9— Memo Accounts (Statistical)

**General Support Division (GSD)**—GSD is a division of the SMBA that provides for supplies and expense equipment of a general nature needed in operation and maintenance

**Income Category**—General Ledger account numbers indicating specified categories of income.

**Indirect Cost**—Any cost not directly identified with a single final cost objective, but identified with two or more final cost objectives or at least one intermediate cost objective.

**Indirect Fringe Codes**—Code used to identify the billing method for computing indirect unfunded civilian fringe surcharges for FMS customers.

**Indirect Job Order Numbers**—These numbers indicate the type of indirect costs being charged. The code values are:

- 4— Service Cost Center
- 6— Production
- 7— General
- 9— Leave.

**Indirect Labor**—All labor at the RCC level that does not meet the criteria for direct labor, the cost of which is apportioned over all products in the RCC rather than charged to one or more specific products.

**Indirect Labor Factors**—Ratio of non-direct time to direct time in an RCC.

**Indirect Material**—Material which is required in the overall maintenance function but is not specified by a WAD for a particular job order.

**Installation Code**—Indicates the status of a plant account record. The code values are:

**Y**— Yes (The asset is operational and the procurement cost has been transferred to USSGL Accounts 170000 or 610000)

**N**— No (Procurement cost has not been transferred to USSGL Accounts 170000 or 610000.)

**D**— Delete (Asset is marked for deletion. Cost has been removed from USSGL Accounts 170000 or 610000).

**Installation Cost**—The incidental cost incurred in order to make the asset operational. In DIFMS, design and engineering costs associated with minor construction projects are considered installation cost.

**Installation Job Order Number**—The Job Order Number to which the installation cost of an asset is charged.

**Installation—Modification Accumulated Depreciation**—The total dollar value of depreciation for the installation and modification cost of an asset. This depreciation is funded.

**Investment Material**—Recoverable assemblies, installed equipment items, and modification kits procured by Repairable Support Division (RSD) of the Supply Management Business Area (SMBA), and are recorded as an expense to organic depot maintenance upon issue for use. (See exchange material).

**Item Description**—Describes the specific item on which maintenance was performed or the support service that was performed.

**Item Identification Number**—The code used to identify the specific item on which depot maintenance was performed.

**Job Billing Override Code**—A code used to override the automatic billing of a bill at the Job Order Level. The code values are:

Y— Override action

N— No override action

A— All previous amounts is reversed.

**Job Designator (JD)**—A single position-alpha code assigned to a specific item of workload to signify the type and extent of depot maintenance authorized.

**Job Order Number (JON)**—A number used to capture and identify costs with the work or services described on the Job Order. A nine-position alphanumeric code used to collect depot maintenance costs, progress billings, and sales. It includes the production number and a three-position suffix.

**JON Closed Flag**—A single character residing on the MATL-DUE-REC that indicates whether the job number on the MATL-DUE-REC is in a closed status or has been closed for Material. The code values are:

1— Job not open/reopen.

2— Job will not accept any material charges.

3— Job will only accept material adjustments.

4— Job physically completed.

**JON Fixed Assets**—A Fixed Asset or “F” JON has the first position set to ‘F’ and is used only to procure capitalized assets. Position 1 - F, Positions 2-5 - the category of purchase, Position 6 - the type of purchase, Positions 7-12 - the Capital Budget Line Item Number.

**JON Indirect**—An Indirect JON is a new type of JON found only in DIFMS. It has nothing to do with the customer funding stream or direct JONs. An Indirect JON is a 12-position JON. Pre-DMAPS users posted their AF expenses to a series of USSGL Accounts for Production Overhead,

G&A, and Leave. The internal process to DIFMS of Indirect JONs replaces this AF process. All indirect costs will now be recorded in Indirect JONs. The first position is 'X' for Production Overhead, 'Y' for G&A and 'Z' for Leave. For Labor Indirect JONs, positions 1-7 are AFMC controlled, and positions 8-12 are ALC controlled. For Material and Other Indirect JONs, positions 1-9 are AFMC controlled, and positions 10-12 are ALC controlled.

**Journal Voucher Description**—The narrative composed of up to four lines on the bottom of each journal voucher that explains the purpose of each voucher.

**Journal Voucher Number**—The number identifying the Journal Voucher from which details are posted to the General Ledger. The first two positions identify the Journal Voucher Type source (See Journal Voucher Type for these codes); third and fourth positions identify the month the voucher was established to the General Ledger Summary Record; fifth and sixth positions are serially assigned to make the number unique.

**Journal Voucher Override Code**—A code used to prevent a manual journal voucher from being reversed. Without the Override Code, another journal voucher would be created from the original with the journal voucher General Ledger Account amount debit/credit indicator reversed. The code values are:

**Y**— Manual journal voucher will not be reversed.

**Blank**— Can be reversed.

**Journal Voucher Types**—Identifies the type of transaction associated with a journal voucher. For example, "MA" indicates that the journal voucher was prepared as a result of a material transaction and "LD" indicates a labor transaction. The code values are:

**CD**— Cash Disbursements

**CR**— Cash Receipts

**CT**— Cost Transfer Transactions

**CU**— Corrected Unallocated Cash

**CX**— Cost Adjustments

**FA**— Transfer From Fixed Assets Under Development to Fixed Asset Accounts

**FC**— Fixed Assets CRT Plant Account Record Update

**FD**— Fixed Assets Monthly Depreciation

**FM**— Fixed Assets Plant Property System Bridge File Plant Account Record Update

**FU**— Transfer From Direct Costs to Fixed Assets Under Development

**LA**— Labor Reconciliation

**LD**— Labor Costs Per Labor Distribution Summary

**LR**— Labor Reconciliation

**LS**— Standard Cost Variance

**MA**— Material Inventory Adjustments

**MD**— Material Costs Per Material Distribution Summary

**MI**— Material/ Monthly Inventory Allowance

**MM**— In-House Manufacturing Variances

**MP**— Material Purchase Variances

**MR**— Material Receipts

**MU**— Material Requisition Status Updates

**SA**— Accrued Contractual/Business Operations Per Schedule of Accruals

**SC**— Service Cost Center Transfers

**SR**— Revenue, Cost of Sales, and Associated Billing Variances Per Sales Register

**VM**— Manual Journal Voucher

**VR**— Reversal of Corresponding Prior Month Manual Journal Voucher

**XA**— Applied Overhead Year End Close Out to Expense

**XC**— Direct Costs Month End Close Out to Work In Process

**XE**— General and Production Expense Year End Close Out to Accumulated Operating Results (AOR)

**XF**— To adjust fringe benefits at Year End Close Out

**XG**— Billing Variances and Prior Year Gains/Losses Year End Close Out to AOR

**XL**— Sick, Holiday, and Other Leave Year End Close Out to General Expense

**XM**— Unfunded Costs Year End Close Out to Contributed Costs

**XN**— To adjust Annual Leave at Year End Close Out

**XR**— Revenue and cost of sales Year End Close Out.

**Last Job Order Number (LAST JON)**—The last JON for a given Sponsor Order Number that has been final billed.

**Leave—Holiday Accelerated Officer Exclusion Indicator**—A code which designates whether leave holiday accrual costs for military officers (APPN-CD 'G') is billed to an FMS or private party customer.

**Letter of Intent**—Authorizes incurrence of limited costs in advance of the receipt of a regular order for an authorized program for which customer funds are available, such work or services may be undertaken on the basis of a letter of intent which constitutes an obligation of the ordering activity in a stated amount sufficient to cover the advance costs that may be incurred.

**Lot Number**—A numeric value assigned to a contract/project number for a customer order coded as competition.

**Major Force Program (MFP)**—Broad aggregation of smaller or specific elements (missions) that either complement each other or are closely related.

**Major Force Program 7 (MFP 7)**—Central Supply and Maintenance, consists of supply and maintenance and non-revolving funded transportation that is not organic to other program

elements. This includes non-deployable supply and maintenance depots, both DBOF funded and non-DBOF funded.

**Management of Items Subject to Repair (MISTR)**—Program and control for repair of reparable/ recoverable exchange-type items required in the Air Force program.

**Man—hour Category code**—Designator used for UCA reporting purposes to define the nature or reason why work is being performed, for modification or packing and preservation. To identify the man-hour category code of a particular over and above or OSIP authorization.

**Manual Bill Indicator Customer**—A code showing bill is manual at customer level. The code values are:

**Y**— Yes

**N**— No.

**Manual Bill Indicator Job**—A code showing the bill is manual at Job Level. The code values are:

**Y**— Yes

**N**— No.

**Manufacturing Type Code**—A code indicating the type of manufacturing work. The code values are:

**1**— IN-HOUSE

**2**— MFG FOR SUPPLY

**3**— MFG FOR OTHER CUSTOMERS

**4**— MFG FOR FIXED ASSETS

**5**— RPMA

**6**— INDIRECT MRTFB

**7**— MULTI FUNDED CONS

**8**— DIRECT CITE CON

**9**— MULTI FUNDED CONS (BENE)

**Material Acquisition Code**—A code identifying the source from which the material is to be obtained. The code values are:

**M**— Manufacturing (Internal)

**P**— Purchase (Commercial)

**S**— Supply (System).

**Material Cost Actual Code**—A code indicating whether or not to bill a job's material cost at actual cost or at specified rates.

**Material Gain or Loss From Manufacturing JON**—A system assigned JON for gains or losses from manufacturing under the Material Management Cost Center. This element occurs in the SYSTEM-INFO-REC.

**Material Inventory Adjustment Gain JON**—A system assigned JON for inventory adjustment gains under the Material Management Cost Center. This element occurs in the SYSTEM-INFO-REC.

**Material Inventory Adjustment Losses JON**—A system assigned JON for inventory adjustment losses under the Material Management Cost Center. This element occurs in the SYSTEM-INFO-REC.

**Material Inventory Discounts Earned JON**—A system assigned JON for discounts earned under the Material Management Cost Center. This element occurs in the SYSTEM-INFO-REC.

**Material Losses From Excess Material Job**—A system assigned JON for losses from excess material under the Material Management Cost Center. This element occurs in the SYSTEM-INFO-REC.

**Material Shop**—A system assigned shop value for the Material Management Cost Center. This element occurs in the SYSTEM-INFO-REC.

**Military Interdepartmental Purchase Request (MIPR)**—Purchase request used for maintenance to be accomplished by another DoD agency. See DD Form 448.

**Modification**—Alteration, conversion or modernization of a major end item of equipment or a system, which changes or improves the basic character, purpose, or operational capability. Modification alters the form, fit, and function, but may not extend the useful life.

**Modification Cost**—The cost incurred for the enhancement or significant part replacement of an asset.

**Modification Job Order Number**—The Job Order Number to which the modification cost of an asset is charged.

**NARF General Discounts Earned JON**—A system assigned JON for discounts earned under the General Cost Center. This element occurs in the SYSTEM-INFO-REC.

**NARF General Inventory Adjustment Gain JON**—A system assigned JON for inventory adjustment gains under the General Cost Center. This element occurs in the SYSTEM-INFO-REC.

**NARF General Inventory Adjustment Losses JON**—A system assigned JON for inventory adjustment losses under the General Cost Center. This element occurs in the SYSTEM-INFO-REC.

**NARF General Miscellaneous Adjustments JON**—A system assigned JON for miscellaneous adjustments under the General Cost Center. This element occurs in the SYSTEM-INFO-REC.

**NARF General Shop**—A system assigned shop value for the Material Management Cost Center. This element occurs in SYSTEM-INFO-REC.

**NAVAIR**—Naval Air Systems Command

**Net Available**—The net available is also referred to as funded carryover. It represents the amount of a work remaining to be completed on a funded workload. (Funded workload - work in process - net available.)

**Nomenclature**—A noun description of an asset.

**Non—Operational Date**—The year, month, day an asset is marked as belonging in USSGL Account 175000B (Fixed Assets - not in use). Assets recorded in USSGL Account 175000B are undergoing extensive repairs or are not in use for a period in excess of six calendar months. In DIFMS, the Non-Operational Date is automatically set for sponsor owned assets when an account code is changed from “Sponsor Owned In-Use” to “Sponsor Owned not in Use.”

**Object Class**—A category in the line of accounting to specify how the funds are being expended in order to report to the Office of Management and Budget (OMB) and to Congress. It is inputted according to customer defined purpose.

**Obligation**—Dollar amount specifically and legally reserved for payment of an order placed, contract awarded, or service rendered.

**Officer Acceleration Rate**—Rates used to apply acceleration for military officers. This element is stored on the SYSTEM-INFO-REC as V99999 input and output is 9(2) V999.

**Old Plant Account Number**—A unique number that was previously used to identify a specific piece of equipment.

**Operating Budget**—An organizationally oriented budget that relates expenses to planned workload performance, and is designed for internal center/complex management of organic depot maintenance. The operating budget includes all expenses and is developed for the PLA. The operating budget is a process of the H033 System.

**Operating Documents (OPDOCS)**—Operating Documents, Job Order openings from Workload Control for Aircraft, Engines, and Missiles that is passed to DIFMS via OPDOCS.

**Operational Date**—The year, month, day an asset is put into use.

**Order Type Code— Below**

**1**— Fixed Price Units

**2**— Fixed Price Services

**3**— Cost Reimbursable Units

**4**— Cost Reimbursable Services

**5**— In-House Manufacturing

**6**— Commanding Officer's Orders

**7**— Fixed Price Non-Navy Components

**8**— Fixed Price Navy Components

**9**— Fixed Price Non-Components

**A**— Fixed Assets

**B**— Cost Reimbursable Government At Actual

**C**— Cost Reimbursable Shop/Cost Center Stabilized Rates

**D**— Fixed Price Pre-Stabilized

**E**— Commanding Officer's Orders Associated With Order Type Code C & D

**F**— Flight Hour Accounting

**Organic Depot Maintenance**—Maintenance performed by the AF using government-owned or controlled facilities and equipment, and military or government civilian personnel.

**Organic Depot Maintenance Portion of the WCF**—A working capital account used to finance the costs of depot-level maintenance by (1) providing working capital, (2) allowing for the recovery of operating costs through the sale of products or services, and (3) establishing a buyer-seller relationship to facilitate these sales. DMBA is part of the DBOF, and was formerly referred to as the Depot Maintenance Industrial Fund.

**Other Expenses**—Any expense to organic depot maintenance that is not for labor or material

**Overhead Labor**—Labor expended by personnel performing the functions above RCC level in the product divisions and in the remaining divisions of maintenance

**Planned Labor Application (PLA)**—A definitive workload plan representing results of SM/IM and depot maintenance negotiations on workload availability, schedules, and quantities desired. It is developed in quarterly and annual increments, and reflects workloads for each RCC.

**Procurement Job Order Number**—The Job Order Number to which the purchase cost of an asset is charged.

**Production Number**—A six-position code comprised of a five-position control number and a one-position JD code.

**Production Overhead**—A term often used to describe costs within a product division that are not direct costs.

**Production Status**—Workload Control for Components and Other Support interface passes Job Order Number openings to DIFMS via Production Status.

**Program Code**—Reflects the program (Direct or Indirect) to which work covered applied.

**Program Control Number (PCN)**—A six-position alphanumeric code used by DPEM to identify a specific work order. The first digit identifies the customer, the second digit provides the RGC, and the third digit represents the managing ALC. The last three digits are assigned by the managing ALC.

**Program Element**—A unit identifier code for the reporting facility.

**Program Team Code**—Identifies the Integrated Program Team, Enterprise integration team or externally directed program code an employee may be associated with.

**Progress Billing**—See Progress Payments

**Progress Pay Amount**—Payment amount from the customer to cover costs for work performed to date since the last billing.

**Progress Pay Code**—A code to indicate whether progress payments are allowed. The code values are:

**Y**— Progress Pay

**N**— No Progress Pay.

**Progress Pay Pending**—Advance payment amount from the customer to cover costs for work performed that have not yet been recorded as cash received.

**Progress Payments**—Progress payment computation is primarily based on work accomplishment. Payments on POs for organic maintenance are expressed as the value of direct standard hours earned on serialized workload or units completed on non-serialized workload.

**Project Number**—A number assigned to a major maintenance project for identification purposes.

**Project Order (PO)**—A specific and definitive order for either the manufacture of materials, supplies and equipment, or the performance of other work or services. When placed with and accepted by a government-owned and operated establishment, a PO obligates appropriations the same as an order or contract placed with a commercial enterprise.

**Property Accounting Activity (PAA)**—The Unit Identification Code (UIC) of the activity for which the plant property is purchased is shown as the PAA. The first and second digit can reflect the transaction type code.

**Purchase Order Number (PON)**—The number assigned by an Authorized Purchasing Activity for control purposes to identify a specific commercial purchase request. The PON on a Doc-Job-Shop record is the Obligation Document (or contract) number from GAFS/BL.

**Purchase Rate Factor (PRF)**—An amount included in DMBA sales rates to provide financing for capital asset requirements that exceed the amount of depreciation expense included in the sales rate. Computations: Requirements - Depreciation Expense - Purchase Rate Factor: PRF divided by DPSH - Hourly Rate.

**Purchased Fixed Assets**—Assets purchased by the activity using DWCF Funds under the capital purchases program.

**Purchased Fixed Assets**—Assets purchased by the activity using DWCF Funds under the capital purchases program.

**Receipt or Disbursement Code**—Indicator used to determine the print of cash receipt or cash disbursement register. The code values are:

**D**— Disbursement

**R**— Receipt.

**Received Date**—The year, month, date an asset is received at the activity.

**Reconciliation Code**—A code indicating if a transaction is input as a result of a transaction that did not reconcile with payroll on a previous cycle. The code values are:

**R**— Yes (Reconciliation)

**Blank**— No (Reconciliation).

**Reconciliation Process Code**—A code used to determine if labor is to be reconciled to payroll records during this processing cycle. The code values are:

**Y**— Yes (Will Process)

**N**— No (Will not Process).

**Record Count Inventory Type**—The total number of records for each type of inventory. (numeric form 0 to 99999 - record count) The Inventory Type code values are:

**D**— Direct Material Inventory (DMI)

**C**— Customer Furnished Material (CFM)

**R**— Reconciliation

**S**— Specific Requirements Inventory.

**Record Identifier**—A code used to identify the type of transaction being processed.

**Record Name**—A code used to identify the type of transaction residing on the material requisition status file.

**Record Name Material Management Code Accounts Receivable**

**A2**— C1; COML Receipt Return

**A4**— C2; Government Receipt Return

**C5**— Government Credit Pending.

**Record Name Material Management Code Adjustments**—Adjustments:

**A1**— WIP Material Acceptance Update

**A4**— Accounts Receivable Write Off

**FM**— WIP CP Holdback Liquidation Update

**A0 - WIP-CP WRITE**—OFF

**AA - WIP-OGP WRITE**—OFF

**AB - MER WRITE**—OFF.

**Record Name Material Management Code Bill**—Material Management Code Bill values are:

**B1 - COML Credit Bill WIP**—CP

**B2**— Navy Stock Account (NSA) Credit Bill

**B3**— Corrected Unallocated DRL Second Bill

**B4**— NSA Bill Transactions

**B5**— DSA/GSA Bill Transactions

**B6 - COML Bill NON**—WIP Transactions

**B7**— COML Bill WIP CP Transactions

**B8**— DLR Second Bill Transactions

**B9**— DSA/GSA Credit Bill

**BA - Corrected Unallocated COML Bill WIP**—CP

**BB - Corrected Unallocated COML Bill NON**—WIP

**BC - Corrected Unallocated COML Credit Bill WIP**—CP

**BD - Corrected Unallocated COML Credit Bill NON—WIP**

**BE - COML Credit Bill NON—WIP**

**BF—** Corrected Unallocated DSA/GSA Bill.

**BG—** Corrected Unallocated DSA/GSA Credit Bill

**BH—** Corrected Unallocated NSA Bill

**BJ—** Corrected Unallocated NSA Credit Bill

**BK - Bill WIP—OGP**

**BL - Credit Bill WIP—OGP**

**BM - Corrected Unallocated Bill WIP—OGP**

**BN - Corrected Unallocated Credit Bill WIP-OGP—.**

*Note:- “Corrected Unallocated” in the above definition refers to bills that were posted as un-allocated from the UNALLOCATED-DIV-DETAILS—FILE corrected (in cash) and then passed to Material.*

**Record Name Material Management Code Receipt—Material Management Code Receipt values are:**

**A1—** R1 - COML Receipt NON WIP

**R2 - COML Receipt WIP—CP**

**A3—** R3 - NIF Government Receipt

**A5—** R4 - NIF MFG Receipt

**B2, B3— R5 - GFM Receipt**

**R6 - Government Receipt WIP—OGP**

**R7 - COML Receipt WIP—OGP**

**R8 - GOVT Receipt WIP—OGP.**

**Record Name UOO Code—Undelivered Order (UDO) code values are:**

**U1—** NIF Commercial Requisition

**U2—** NIF MFG Requisition

**U3—** NIF Government Requisition

**U4—** GFM Requisition or CFM Requisition

**U5—** WIP CP Requisition

**U6—** WIP OGP Requisition.

**Refund Amount—**The amount of a refund given to a private party customer.

**Refund Code-A code used to indicate whether or not a refund has been given to a private party customer—.** The code values are:

**Y—** Yes needs to be issued

N— No not issued

X— Refund not needed.

**Register Code-A code to identify if a bill is registered or not**—. The code values are:

N— Unregistered

Y— Registered.

**Rehabilitation**—Restoring an item or system to a standard as near as possible to like-new condition in appearance, performance, and life expectancy, without changing the form, fit, or function.

**Reject Origin-Identifies the reason for rejection of a record from the Plant Property Bridge File**—. The code values are:

A— Automatic (Any time the account code or procurement cost field is changed, or an item is placed into history.)

V— Validation (Any edit/validation criteria that is not met.).

**Remaining Useful Life**—The number of remaining months that an asset is to be depreciated.

**Remaining Value-Computational Field that is the sum of the total cost less accumulated depreciation**—. Represents the amount left to be depreciated.

**Repair Group Category (RGC)-These are assigned to control and budget workloads into homogeneous groupings**—. See \\ 11-1 for RGCs and their description.

**Reparable Support Division (RSD)-RSD is a division of the SMBA that provides aircraft and missile exchange/replacement parts**—. This is investment/exchange material of a specific nature needed to support AF weapon systems.

**Report Control Symbol**—A report symbol for each report that identifies the organization requiring the report (for example, NARF), classifies broadly the subject matter contained (subject classification number), and distinguishes the report from all other reports (sequence number).

**Report Copies**—Used to tell how many copies of each report are to be printed.

**Report Cycle Code**—A designator used to indicate the cycle during which a report is produced, (for example, weekly, monthly, quarterly, yearly, etc.).

**Report Frequency Code**—A code to indicate during what cycle (daily, weekly, monthly, quarterly or yearly) this report is to be printed.

**Report Required Indicator-A code that tells the system to either print or bypass this output report**—. It is only checked if the Report Frequency Code and Frequency Process are the same.

**Report Required Override Code**—A code used to override the normal printing or bypassing of a special report for one processing cycle only.

**Requisition Number**—Portions of the document number, consisting of Julian Date and serial number, originated by the requester and utilized on a requisition document to obtain material.

**Residual Value**—The estimated dollar value of an asset at the time of disposal (Salvage Value).

**Resource Control Center (RCC)-Smallest organized unit within a depot maintenance activity for which costs are collected**— RCCs are production-oriented units of direct laborers and their related on-site supervisory, administrative, and clerical support.

**Responsible Shop/Cost Center**—Code identifying the responsible shop or cost center for a direct or indirect JON.

**Restriction Code**—A code used to identify restrictions in the types of material, labor, and contractual services that may be charged to a given JON.

**Position one**— Labor

1— ALL

2— CIVILIAN

3— MILITARY

4— UNFUNDED

8— ADJUSTMENTS

9— NONE

**Position two**—Material

1 - NIF-GFM—CFM

2— NIF ONLY

3— NIF AND GFM

4— NIF AND CFM

5— A5 RECEIPT

6— CFM ONLY

7— GFM ONLY

**Position three**— Contractual/Other

1— ALL

2— CONTRACTUAL (FUNDED)

3— OTHER (FUNDED)

4— OTHER FUNDED & UNFUNDED

8— ADJUSTMENTS

9— NONE

**Retirement Accrual Military Rate**—An unfunded rate that applies to all non-federal customers.

**Revenue**—Recognition of revenue for organic depot maintenance upon completion of a job order

**Reverse Bill Indicator-A code that shows a reverse bill has been entered for the current cycle**— A regular bill should not be produced. The code values are:

Y— Yes

N— No.

**Reverse Indicator-This element denotes whether a manual journal voucher has been reversed—.** The code values are:

R— Reversed

Blank— Not Reversed.

**Revised Original Life-A revision of the estimated number of months that an asset is expected to be in use—.** No changes to items operational after 9/30/91 are allowed.

**Revolving Funds—**Funds authorized by specific provisions of law to finance a continuing cycle of operations, with the receipts derived from such operations available in their entirety for use by the fund without further action by Congress.

**Routing Identifier-A three position code assigned to Inventory Control Points (ICP), inventory managers, distribution points, and designated storage points, representing either the intended recipient of the document/supply action, the shipper or the inventory manager originating the action—.** (See NAVSUP Publication 437, Appendix 10.)

**Sales Price—**End item price for one unit of production

**Savings—**DMBA budget and cost avoidance savings plus budget and cost avoidance savings in other budget areas.

**Sequence Number—**A unique value assigned by ALC personnel to represent its corresponding address.

**Shop—**A code denoting the Production Shop, Maintenance Shop, or Service Shop performing the workload.

**Shop Codes—**A unique access key for employee labor cost history data resident in the DIFMS database.

**Shop Indicator-Indicates which shops can charge cost—.** The code values are:

1— All Authorized Shops

2— Selected Authorized Shops.

**Sponsor Address Code-This is a locally assigned element code used when a customer's address is entered into DIFMS via the 159P screen—.** This code will access the corresponding code input via 159P to print on the Customer Bill.

**Sponsor Code-A three position code used to uniquely identify a sponsor—.** Also used to identify Non-Navy CFM to sponsor level.

**SPONSOR CODE IS—** EQUAL TO

- 1
- 2
- 3
- 4
- 5
- 6

7

8

**IF—TYPE CUSTOMER CODE EQUALS**

1— FMS

2— PRIVATE PARTY

4— DoD

4— DoD

4— DoD

4— DoD

3— NONDoD

4— DoD

**AND 2ND POSITION OF CUSTOMER CODE—EQUALS**

Z— NON FED

Z— NON FED

N— NAVY D - DoD

M— MARINE D - DoD

A— ARMY D - DoD

F— AIR FORCE D - DoD

Y— OTHER FED

D— DoD

**Sponsor Fund Code-A one position code used in the fund code assignment process—.** It is also used to generate the sponsor's name.

**Sponsor Order Number-The number on the forms used to request work or services from an activity financed under the industrial fund—.** Forms for this purpose are:

**Project Order—**NAVCOMPT Form 2053

**Work Request—**NAVCOMPT Form 140

**Military Interdepartmental Purchase Request—**DD Form 448

**Requisition and Invoice/Shipping Document—**DD Form 1149

Other equivalent forms or letters.

**Sponsor Order Number Previous-The number on the forms used to request work or services from an activity financed under the industrial fund or a “DUMMY” Sponsor Order Number used for commanding officer's orders—.** The intent of this element is to change the “DUMMY” Sponsor Code Number to the Sponsor Order Number on the funding document.

**Sponsor Overtime Code-A one position code used to determine whether or not overtime is authorized by the sponsor—.** The code values are:

**N**— Overtime not authorized by sponsor charges to overhead.

**Y**— Overtime authorized by sponsor.

**Sponsor Owned Fixed Assets-Assets provided to the Activity by Sponsors or other activities for use on specific projects**—. (Sponsor or other activity retains ownership)

**Sponsor Status Code-A one position code indicating the status of a sponsor order number**—. The code values are:

**1**— Open

**2**— Reopened

**3**— Closed

**6**— Canceled

**7**— Termination

**8**— Pending (No Customer Order)

**9**— Purge.

**Sponsor Transaction Type Code-A code used to identify purchases for stores accounts, direct charges to plant property account, prepayments to the Navy Industrial Fund, and other charges**—. It is part of the accounting classification code.

**Sponsor Transaction Type Code-A code used to identify purchases for stores accounts, direct charges to plant property account, prepayments to the Navy Industrial Fund, and other charges**—. It is part of the accounting classification code.

**Status Code-A code indicating the status on an entity within DIFMS**—. The entity is identified by the record containing this data element. The code values are:

**1**— Open

**2**— Reopen

**3**— Closed

**4 - Funds Unbalanced On Re**—Open Attempt

**5**— Funds Unbalanced

**6**— Cancelled

**7**— NADEP Terminated

**8**— Pending

**9**— Customer Terminated

**L**— Lapsed

**V**— Take Variance Loss (Closed)

**Status Location Code-A two position code that identifies the active status of a piece of equipment**—. The code value 3H - Inactive.

**Stock Fund Inflation Factor Appropriation Code**—A code used to indicate the appropriation to charge cost.

**Stock Issue Asset Surcharge Rate**—Percentage of all stock fund material (NIF Material) issued.

**Sub Program Code**-A two digit field identifying a specific type of work done under a program—. This field overrides the subprogram shown in the fourth/fifth positions of an established JON.

**Sub-Custody Shop**—Indicates the shop where the equipment is located other than the primary custody shop.

**Subhead**-A subhead identifies the budget activity and is designated by a number suffixed to an appropriation or fund symbol—. Subheads are used primarily for administration, accounting, and control of appropriations.

**Subhead**-A subhead identifies the budget activity and is designated by a number suffixed to an appropriation or fund symbol—. Subheads are used primarily for administration, accounting, and control of appropriations.

**Suffix Code**—A one position code that identifies supply transactions (passing, referring, releasing/issuing, rejection, back order, back order release, procurement) for partial quantities of the original requisition/transaction without duplicating or causing loss or identity of the original document number.

**Suffix Code Bill**—A code that identifies supply transactions (passing, referring, releasing/issuing, rejection, back order, back order release, procurement) for partial quantities of the original requisition/transaction without duplicating or causing loss or identity of the original document number that can be associated with a material bill.

**Supply Management Portion of the WCF-Composed of five separate entities, COD, GSD, SSD, RSD, and Fuels**—. Each of these material management areas (with the exception of the COD) controls specific classes of material.

**System Support Division (SSD)**—SSD is a division of the supply management portion of the WCF that provides aircraft and missile spare parts and expense material of a specific nature, needed to support AF weapon systems.

**Targets-Expected amounts of revenues and expenses to occur on a monthly basis**—. The sum of all targets equals the total operating budget. Sometimes referred to as operating plan.

**Task Document Number**-A unique 15 position number identifying a document or major maintenance project, and consisting of such elements as Military Service Code, Unit Identification Code, Julian Date, Serial Number and Suffix Code—. (Standard Navy Document Number).

**Task Indicator**-A one position field used to identify asset liability Document-Rec records that have associated task numbers (in the DOC-JOB-SHOP-REC)—. The code values are:

Y— Yes

N— No

**Task Number**—A four digit, alphanumeric number that is directly associated with the contract (DON) and/or the document number.

**Technical Directive Code (TDC)-At the individual operation (line) level for man hour-category-code "2" (modifications). Used to uniquely identify airframe or power plant changes—.** Positions 2 -3 of the TDC are used in positions 13 - 14 of the Cost Collection WBS-Code level for unique identifications of OSIP funded costs. Used in conjunction with the "basic" customer order number to allow for automated conversion in assigning OSIP-funded job order numbers.

**Total Amount-The total amount authorized on a travel order—.** It includes per diem, other, privately owned vehicle (POV) and ticket.

**Total Cost—**Computational field that is the sum of the procurement, installation, and modification costs.

**Transaction Code-A code used to define a type of transaction—.** See Transaction Type Code.

**Transaction Code Assignment-A code used to indicate either a manual labor correction or a certification adjustment—.** The code values are:

A— Manual Labor Correction

C— Certification Adjustment.

**Transaction Type Code-The first two positions of the Property Accounting Activity field used to identify cash postings—.** The code values are:

**1K—** Expenditure for Travel Advances for NAVAVNDEPOTs chargeable to NIF. Also includes Travel Advance offset for NAVAVNDEPOTs to NIF.

**7A—** Payment for a Transportation Request.

**7B—** Travel Settlement for Per Diem.

**7C—** Refund for a Transportation Request.

**8A—** Commercial Material purchases for NAVAVNDEPOTs chargeable to Navy Industrial Fund (NIF).

**8B—** Expenditures for Progress Payments - Contractor's Plants.

**8C—** Major maintenance expenditures for NAVAVNDEPOTs chargeable to NIF.

**8D—** Prepaid expenses (deferred charges) for NAVAVNDEPOTs chargeable to NIF.

**8E—** Accrued contractual services expenditures for NAVAVNDEPOTs chargeable to NIF.

**8F—** Unaccrued contractual services expenditures for NAVAVNDEPOTs chargeable to NIF.

**8G—** Unaccrued miscellaneous business operations cost expenditures for NAVAVNDEPOTs chargeable to NIF.

**8H—** Federal Insurance Contributions Act (FICA) taxes for NAVAVNDEPOTs chargeable to NIF.

**8J—** Federal Employees Group Life Insurance (FEGLI) contributions for NAVAVNDEPOTs chargeable to NIF.

**8K—** Retirement Plan contributions for NAVAVNDEPOTs chargeable to NIF.

**8L**— Federal Employees Health Benefits Fund (FEHBF) contributions for NAVAVNDEPOTs chargeable to NIF.

**8M**— Medicaid contributions for NAVAVNDEPOTs chargeable to NIF.

**8N**— Expenditure for Annuitant Reemployment by NAVAVNDEPOTs chargeable to NIF.

**8P**— Reimbursable to NIF for cash advances from the public for work to be performed by NAVAVNDEPOTs.

**8Q**— Reimbursement to NIF made on-site for accounts receivable liquidations for NAVAVNDEPOTs.

**8R**— Reimbursement to NIF made on-site for liquidation of progress payments.

**8S - Non**—Contingent Cash Transactions.

**8T**— Reimbursement to NIF made off-site for account receivable liquidations for NAVAVNDEPOTs.

**8U**— Reimbursement to NIF for repayment of annual or sick leave.

**8V**— Collection to NIF made off-site for liquidations of pending progress payments.

**8W**— Expenditures for Progress Payments - Other Government Plants.

**8X**— Reimbursement to NIF for sale of scrap material for NAVAVNDEPOTs.

**8Y**— Reimbursement to NIF for cancellation of check issued for NAVAVNDEPOTs.

**8Z**— Expenditure for Payroll by NAVAVNDEPOTs chargeable to NIF.

**9A**— GBL expenditure to Navy Fund Management Fund for a Government Bill of Lading.

**9B**— Thrift Savings Plan (TSP) Contributions for NAVAVNDEPOTs Chargeable to NIF.

**9C**— Payroll Refunds. **9D** - Federal Employees Retirement System.

**TO**— Per Diem, transportation, and miscellaneous travel expenses (other than travel advances) for NAVAVNDEPOTs.

**8J**— Federal Employees Group Life Insurance (FEGLI) contributions for NAVAVNDEPOTs chargeable to NIF.

**8K**— Retirement Plan contributions for NAVAVNDEPOTs chargeable to NIF.

**8L**— Federal Employees Health Benefits Fund (FEHBF) contributions for NAVAVNDEPOTs chargeable to NIF.

**8M**— Medicaid contributions for NAVAVNDEPOTs chargeable to NIF.

**8N**— Expenditure for Annuitant Reemployment by NAVAVNDEPOTs chargeable to NIF.

**8P**— Reimbursable to NIF for cash advances from the public for work to be performed by NAVAVNDEPOTs.

**8Q**— Reimbursement to NIF made on-site for accounts receivable liquidations for NAVAVNDEPOTs.

**8R**— Reimbursement to NIF made on-site for liquidation of progress payments.

**8S - Non**—Contingent Cash Transactions.

**8T**— Reimbursement to NIF made off-site for account receivable liquidations for NAVAVNDEPOTs.

**8U**— Reimbursement to NIF for repayment of annual or sick leave.

**8V**— Collection to NIF made off-site for liquidations of pending progress payments.

**8W**— Expenditures for Progress Payments - Other Government Plants.

**8X**— Reimbursement to NIF for sale of scrap material for NAVAVNDEPOTs.

**8Y**— Reimbursement to NIF for cancellation of check issued for NAVAVNDEPOTs.

**8Z**— Expenditure for Payroll by NAVAVNDEPOTs chargeable to NIF.

**9A**— GBL expenditure to Navy Fund Management Fund for a Government Bill of Lading.

**9B**— Thrift Savings Plan (TSP) Contributions for NAVAVNDEPOTs Chargeable to NIF.

**9C**— Payroll Refunds. 9D - Federal Employees Retirement System.

**TO**— *Per Diem, transportation, and miscellaneous travel expenses (other than travel advances) for NAVAVNDEPOTs.*

**Transfer Indicator -Identifies the proration to be used for cost transfers—.**

**1**— Straight

**3**— Percentage ; Cost Center Level

**4**—Percentage; Cost Type/Cost Class Level

**5**—Percentage; Cost Center/Cost Class Level

**7**—Percentage; Job Order Level

**Transfer Indicator Code**—A code which indicates the type of transfer action to be performed on indirect JONs.

**Transportation Request (TR)**—The estimated amount authorized on a traveler's orders for airline tickets

**Turn In Ticket Indicator**-To indicate that an unused common carrier ticket is turned in—. The code is Y - Common-Carrier ticket turned in.

**Type Charge Code-Designator indicating whether a charge is for labor, material or business operations cost and sub-categories within each of these categories—.** The code values are:

**A**— Civilian Regular Labor Hours/Costs

**B**— Civilian Overtime Labor Hours/Costs

**C**— Civilian Holiday Labor Hours/Costs

**D**— Officer Regular Labor Hours/Costs

**E**— Officer Overtime Labor Hours/Costs

**F**— Other Regular Labor Hours/Costs

- G— Other Overtime Labor Hours/Costs
- H— Civilian Holiday Retro Labor Hours/Costs Funded
- I— Officer Overtime Labor Hours/Cost Funded
- J— Enlisted Regular Labor Hours/Costs
- K— Enlisted Overtime Labor Hours/Costs
- L— Civilian Regular Retro Labor Hours
- M— Business Operations Unfunded
- N— Material Cost Funded
- O— Civilian Overtime Retro Labor hours/Costs Funded
- P— Contractual Cost
- Q— Business Operations Funded
- R— Government Furnished Material Cost Investment
- S— Government Furnished Material Cost Exchange
- T— Government Furnished Material Cost Modification
- U— Enlisted Overtime Labor Hours/Costs Funded
- V— Unfunded Civilian Fringe
- W— Production Expense Applied Funded
- X— Production Expense Applied Unfunded Civilian
- Y— Production Expense Applied Unfunded Officer
- Z— Production Expense Applied Unfunded Enlisted
- 0— Officer Regular Labor Hours/Costs Funded
- 1— General Expense Applied Funded
- 2— General Expense Applied Unfunded Civilian
- 3— General Expense Applied Unfunded Officer
- 4— General Expense Applied Unfunded Enlisted
- 5— Customer Furnished Material Cost Modification
- 6— Customer Furnished Material Cost Exchange
- 7— Customer Furnished Material Cost Expense
- 8— Customer Furnished Material Cost Investment Items
- 9— Enlisted Regular Labor Hours/Costs Funded.

**Type Customer Code -A code classifying customer into types for billing purposes—.** The code values are:

- 1— FMS

**2— Private Parties****3 - Non—DoD****4— DoD.**

**Type Equipment Code-A code used to identify a specific weapon or support system—.** Uses existing coding system of DoD components for depot maintenance reporting.

**Type Labor Code-The literals are derived from the Type-Charge-CD field in the COST-ADJ-REC—.** The code values are:

**REG - Type Charges Codes A, D, F, J, N, P, Q, R, S, T, V—Z, 1-4, 5, 6, 7, or 8**

**OT—** Type Charge Codes B, E, G, or K

**HOL—** Type Charge Codes C.

**Unfunded Amounts Billed-Additional surcharges billed to FMS, Private Party, and Non—** DoD customers.

**Unfunded Costs—**Costs that have been incurred and paid for by appropriations other than WCF.

**Unfunded Labor Cost—**Labor costs not budgeted nor paid by DMBA.

**Unfunded Material—**Material costs not budgeted nor paid for DMBA.

**Unit Identification Code (UIC)—**The UIC is used to identify a ship, shore activity, operational unit, agency, contractor or other organized entity in the manner specified by individual military service/agency for accounting or other purposes.

**Units Billed—**The cumulative amount of completed units that have been billed.

**User ID—**User Identification

**Void TR Indicator—**Used to indicate that the ticket (transportation request) was voided.

**Voucher Date—**The date of payment, for example the date that a payroll summary was paid.

**Voucher Number—**Number assigned by the disbursing office to identify a specific disbursing office voucher.

**Weapon System Type—**A code used to identify an aircraft engine or missile weapon system on the Uniform Cost Accounting Dictionary.

**Work Authorization Document (WAD)—**A document that authorizes the expenditure of labor, material, and other related costs to do the work requested by a specific customer.

**Work Breakdown Structure Code (WBS-CD)—**A code used to identify the weapons or support system work breakdown structure applicable to the item described by the Item Identification Code and Item Nomenclature.

**Work In Process (WIP) Flag-The Indicator reflecting the billing status of the work in process amount at the CON level—.** The code values are:

**N—** No

**Y—** Yes.

**Work Performance Category (WPC)-A code used to describe the type of maintenance provided on the item identified in the Item Identification Number or the type of maintenance support service provided—.** For program 3 the WPC - I00, otherwise, the code values are:

**A—** Overhaul

**B—** Progressive Maintenance

**C—** Conversion

**D—** Activation

**E—** Inactivation

**F—** Renovation

**G—** Analytical Rework

**H—** Modification

**I—** Repair

**J—** Inspection and Test

**K—** Manufacture (K10 - NIF, K20 - NSF, K30 - Other Customer)

**L—** Reclamation

**M—** Storage

**N—** Technical Assistance

**P—** Programming and Planning Support

**Q—** Maintenance Technical and Engineering Support

**R—** Technical and Engineering Data

**S—** Technical and Administrative Training

**T—** Nonmaintenance Work.

**U—** Software Support

**V—** Calibration

**W - CLS, ICS, PBL, and similar contracts** *Note: Work Performance Category Codes O, P, Q, R, S, X, Y, Z are not used—.*

**Working Capital Fund (WCF)-A DoD fund that is composed of entities from all the services consisting of former supply, maintenance, transportation and information funds—.**

**Work-In-Process (WIP)-Open job orders—.** The inventory of WIP consists of incurred costs including labor, material, and applied indirect expense on job orders that have not been completed.

**Workload Norm Hours—**The average hours required to produce the items required.

**Write Off Indicator 1322-Used to indicate a write off of the remaining balance in USSGL Account 131042D (Accounts Receivable - Unused Common Carrier Tickets)—.** The code values are:

**0—** The travel document has a zero balance in the 131042D Account

1— To write off the remaining balance in the 131042D Account

2— Write off is done.

**Write Off Indicator -132C-Used to indicate a write off of the remaining balance in USSGL Account 131042C (Accounts Receivable - Commercial - Other)—.** The code values are:

0— The travel document has a zero balance in the USSGL Account 131042C

1— To write off the remaining balance in the 131042C Account

2— Write off is done.

**Write Off Indicator 1520-Used to indicate a write off of the remaining balance in USSGL Account 141042A (Advances to Others - Travel Advances)—.** The code values are:

0— The travel document has a zero balance in the 141042A Account

1— To write off the remaining balance in the 141042A Account

2— Write off is done.

**Write Off Indicator -2152C-Used to indicate a write off of the remaining balance in USSGL Account 211042B2 (Accounts Payable - Transportation Requests)—.** The code values are:

0— The travel document has a zero balance in the 211042B2 Account

1— To write off the remaining balance in the 211042B2 Account

2— Write off is done.

**Write Off Indicator 2275-Used to indicate a write off of the remaining balance in USSGL Account 219000E (Other Accrued Liabilities - Travel Costs)—.** The code values are:

0— The travel document has a zero balance in the USSGL Account 219000E

1— To write off the remaining balance in the 219000E Account

2— Write off is done.

## Attachment 2

### ENTERPRISE INITIATIVES

**A2.1. Documentation regarding interfaces with the DMAPS Suite of Systems:** Including ABOM, NIMMS, DIFMS, TAA, and DMAPS Integration Engine is available with appropriate access to the following CDRS website: **Corporate Data Repository System:** <https://cdrs-pro.wpafb.af.mil/index.html>

A2.1.1. The DMAPS ICD charts are located on the DMAPS SharePoint EIM site: <https://cs.eis.afmc.af.mil/sites/dmapspmo/DMAPS%20Program%20Support%20Library/Technical/ICDs/ICD%20Charts> (SharePoint access required)

**A2.2. ABOM** – Automated Bill of Materials – is the primary system utilized in material requisitioning and ordering within DMAPS. ABOM provides the ability to query Bill of Materials (BOMs), order material (batch, single, pick list), and request verification and query/report functions. ABOM is a front-end system to NIMMS which performs validation and compares the requested material with the Q302/G005M and Q302/G004L BOMs, generates order/requisition/history records, and maintains an audit trail of activity.

**A2.3. NIMMS** – NAVAIR Industrial Material Management System is the primary system utilized in material management within DMAPS. Personnel who order parts for the repair process will use the ABOM front end to initiate the request. ABOM will interface with NIMMS and update the material records. If the requested part is not in NIMMS stock, a backorder will be created and passed through Q302/G402A to D035K.

**A2.4. DIFMS** – Defense Industrial Financial Management System consists of several subsystems: Cash, Labor, Other Cost, Material, Cost Summary, Job Order/Customer Order (JO/CO), Billing, General Ledger Accounts (GLA), Purge and History, system parameters, fixed asset accounting (FAA), cost completions, and budget tracking. These subsystems work in concert to provide field level and Headquarters level activities with funds control, accounting for budget execution, and management information.

**A2.5. TAA** – Time and Attendance provides the capability to capture and report employee labor data to financial, payroll, and production processing, for all DMAG (Depot Maintenance Activity Group) employees through a single source of input at either the Job Order Number (JON) and/or the operation/sub-operation level.

**A2.6. DMAPS Integration Engine** – The DMAPS Integration Engine has nine components: **User Access Tool (UAT)**

A2.6.1. The UAT provides the Integration Engine administrator with the ability to establish and maintain user access to the various tools offered by the IE. The UAT allows the user to grant access to the following tools: UAT, Funding Initiation Tool (FIT), RCC/Skill Codes (RSC), Employee ID Generator (EIG), Job Order Status Tool (JOST), and Sales Price Generator (SPG).

**A2.7. Employee ID Generator (EIG).** The EIG assigns a unique 6-position number for each employee via the EIG Graphical User Interface (GUI) to create and maintain Employee ID data and associated reports.

**A2.8. Conversion Engine (CE or CONEN).** The CE is Air Force Materiel Command (AFMC) developed middle-ware used to translate information between AF legacies and DIFMS/NIMMS/TAA (Defense Industrial Financial Management System / NAVAIR Industrial Material Management System / Time and Attendance System) other than those that pass through the Integration Engine.

A2.8.1. The CE will service the data extraction, data posting, data conversion (as required), scheduling and event processing associated with each data transfer. The CE populates an audit database of processed conversions and the transaction files used for the conversions.

**A2.9. DMAPS Data Store (DDS).** The DDS is a system used to warehouse and research transactions from DMAPS suite of systems. The DDS is a relational database repository allowing a variety of functional end users to inquire and retrieve production information.

**A2.10. RCC/Skill Codes (RSC).** RSC is used to provide a relational database repository allowing designated users to establish and maintain relationships between Resource Control Centers (RCCs), the financial organization, and Skill Codes, the work qualifications.

**A2.11. Job Order Status Tool (JOST).** JOST is a middle-ware tool that allows for trailing costs to be collected in Q302/G004L before financially closing and final billing a JON in DIFMS.

**A2.12. Cost Performance and Budget Module (CPBM).** CPBM consists of two parts: Cost and Production Performance Module (CPPM) and Budget Target Module (BTM). BTM also includes functionality of the Cost Transfer Module (CTM).

A2.12.1. CPPM is a management tool to enhance cost and production 'visibility' within each ALC, so line and staff managers can view their current cost and production performance against targeted values.

A2.12.2. BTM is an automated Organic CSAG budgeting tool that, when used in conjunction with the actual historical data captured in CPPM, permits multiple iterations of the budget/target development process.

**A2.13. Funding Initiation Tool (FIT).** FIT is a middle-ware tool that translates J025A and G004L funding and Line of Accounting (LOA) information into the DIFMS elements of Funding Document, Sponsor Order Number (SPON), and Customer Order Number (CON). FIT provides an on-line, interactive tool that allows selected users to review, expand, and record customer funding into DIFMS.

**A2.14. Sales Price Generator (SPG).** SPG allows the user to generate monthly and annual frozen End Item Sales Prices (EISP).

**Table A2.1. Other Systems Interfacing with DMAPS Suite of Systems**

CPAB		
D002A	ILS-S (formerly SBSS)	United States Air Force Integrated Logistics System – Supply
D020A	FAMS	Fuels Automated Management System – Air Force Level
D035J	FIABS	Financial Inventory Accounting and Billing System
D035K	WARRS	Wholesale and Retail Receiving and Shipping
D087X	EXPRESS	Execution and Prioritization of Repairs Support System
D130	FEM	Facilities and Equipment Maintenance
D230	MPS	Material Processing System
D363	MP&E	Maintenance Planning & Execution System
DCAST	DCAST	Depot Cost and Schedule Tool
DCPS	DCPS	Defense Civilian Payroll System
DDSRI	DMAPS	DMAPS Data Store Reporting Instance
DFAS-IE	DFAS-IE	Defense Finance and Accounting Service – Integration Engine
DRIDB	DRIDB	DMAPS Reporting Environment Standard/Custom
DTIM	DTIM	DFAS Transaction Interface Module
ESB/Q310	ESB / AFKS	Enterprise Service Bus / Global Combat Support System (GCSS) – Air Force Data Services
FEMWEB	FEMWEB	Facilities and Equipment Maintenance Web Interface
FHATS	FHATS	Funded Hours Allocation and Tracking System
G004C	DMWPCS	Depot Maintenance Workload Planning and Control System
G019C	MISTR	Management Items Subject to Repair (MISTR) Requirements Scheduling and Analysis System
G037F	WAPDS	Maintenance Decision Support Workload Analysis Planning Data System
G777	DATA Store	Oklahoma City Information Gateway
H069	BLGAFS	General Finance and Accounting System (GAFS)
H118	SMAS	Standard Materiel Accounting System
H303	KDSS	Keystone Decision Support System
J025A	APO	Automated Project Order Form System
G300	LDMS	Lean Depot Management System
M024B	AISG	Automated Intersite Gateway
MABSM (Impresa)	MABSM	MA MRO (Maintenance, Repair, and Overhaul) Business System Modernization
OCPDMSS (GDMSS)	OCPDMSS	Oklahoma City Programmed Depot Maintenance Management System Web
OOPDMSS	OOPDMSS	Ogden Programmed Depot Maintenance Management System Web

Q072R	ICS	Information Center System (Technical Refresh)
Q302	DATADEP	Depot Maintenance Consolidated Operational Database (DMCODB)
Q302/E046B	ALSDS	Air Force Materiel Command Labor Standards Data System
Q302/G004L	JOPMS	Job Order Production Number Master System
Q302/G005M	DMMSS	Depot Maintenance Material Support System
Q302/G097	PDMMS	Programmed Depot Maintenance Scheduling System
Q302/G337	ITS	Inventory Tracking System
Q302/G402A	EPS	Exchangeables Production System
Schedule Watch		Oklahoma City Time Collection and Reporting System for Engineers
SITE		Warner Robins Time Collection and Reporting System for Engineers
TAS		Ogden Time Collection and Reporting System for Engineers

## Attachment 3

## MATERIAL BALANCING

**A3.1. Information for this attachment can be obtained from the Technical Service Organization's website:** <https://t6800.csd.disa.mil/DifmsPortal/index.php>. Please click on the appropriate radio button for NIMMS, and then on the current production release. Additional information can also be obtained from the AFMCI 21-130, Depot Maintenance Materiel Control.

Table A3.1. NIMMS Financial Codes

CODE	DEFINITION
A1	<u>Receipt from Commercial Procurement</u> : Represents the value of material at purchase price procured from commercial sources.
A2	<u>Receipts from Commercial Procurement - Material Returns</u> : Represents the value of material at purchase price returned to commercial sources for credit. (Not used for excessing).
A3	<u>Receipts from Navy and Other DoD Agencies - Material Returns</u> : Represents the value of material at purchase price procured from Navy or other DoD Military services and agencies.
A4	<u>Receipts from Navy and Other DoD Agencies - Material Returns</u> : Represents the value of material returned to Navy and other Department of Defense Military services and agencies for credit (Not used for excessing).
A5	<u>Receipts for In-House Manufacturing</u> : Represents the values of material at developed price from in-house manufacturing.
B2	<u>Receipts without Reimbursements GFM (APA) &amp; CFM</u> : Represents the value of government furnished APA material and customer furnished material received for use on production job orders.
B3	<u>Receipts without Reimbursements GFM (APA) &amp; CFM - Material Returns</u> : Represents the value of government furnished APA material and customer furnished material returned by users without reimbursement.
D2	<u>Inventory Adjustments (GAINS) Transfers</u> : Represents the value at standard price of material transferred from one store code to another within the same inventory account, or between inventory accounts.
D4	<u>Inventory Adjustments (GAINS) Physical Inventory</u> : Represents the adjustments necessary to bring Store-Material-Record quantities into agreement with the actual on hand count of stores. May also occur on turn-ins from the floor where original Job Number charged is unknown or no longer open.
D6	<u>Inventory Adjustments (GAINS) Capitalizations</u> : Represents the book value of material acquired without reimbursement at commencement of NIF operations; and value of material received from excess listings without reimbursement. Also included are increases in inventory due to transfer of mission from other activities. Applicable to Material and Supplies Inventory (GLAs 1421, 1422 and 1423) only. <u>NIMMS Code D6 is also a replacement for the NIMMS Code A3 (positive receipt or reverse turn-in) where material Budget Code is '8'</u>

CODE	DEFINITION
D8	<u>Inventory Adjustments (GAINS) Discrepant Inventory</u> : Represents the value at standard price of material gained or returned to inventory due to a ROD (Report of Discrepant Material), QDR (Quality Deficiency Report) or Lab Analysis/Test. Also used for Automated Physical/Financial reconciliation adjustments.
D9	<u>Transfer-In of Inventory from a WCF Activity</u> : Represents the value of inventory that is transferred in from another WCF activity without reimbursement.
E1	<u>Financial Adjustments (GAINS) Receipt Variances</u> : Represented the adjustments required to bring the prices at which material is received into the activity by purchase actions into agreement with the standard or local carrying prices for the material. Applicable to Material and Supplies Inventory only.
E2	<u>Financial Adjustments (GAINS) - Standard Price Adjustments</u> : Represents adjustments required to bring the prices at which material is carried in the inventories into agreement with the latest standard prices or new local carrying prices. Also represents adjustments to the DMI and CFM inventories for average pricing.
J1	<u>Issues with Reimbursement</u> : Represents the amount of NIF material issued at sales prices to direct and indirect job orders.
J2	<u>Issues With Reimbursement - Returns</u> : Represents the amount of material returned from direct and indirect jobs with credit at the allowed price to the job orders. This material previously expended under FIR Code J1.
J3	<u>Issues With Reimbursement</u> : Represents the amount of NIF equipment issued at sales price to direct and indirect job orders.
J4	<u>Issues With Reimbursement - Returns</u> : Represents the amount of equipment returned from direct and indirect jobs with credit at the allowed price to the job orders. This equipment previously expended under NIMMS Code J3.
K1	<u>Issues Without Reimbursement - CFM (APA MOD KITS)</u> : Represents the value of customer furnished APA MOD KITS material issued without cost to direct job orders for the applicable customer.
K2	<u>Issues Without Reimbursement - Returns CFM (APA MOD KITS)</u> : Represents the values of customer furnished APA MOD KITS material returned from direct job orders. Previously issued under K1.
K3	<u>Issue Without Reimbursement - CFM (Exchange Items)</u> : Represents the value of customer furnished APA exchange material issued without cost to a direct job order for the applicable customer.
K4	<u>Issues Without Reimbursement - Returns CFM (Exchange Items)</u> : Represents the value of customer furnished APA exchange material returned from direct job orders. Previously issued under K3.
K5	<u>Issues Without Reimbursements - CFM (Expense Items)</u> : Represents the value of customer furnished odd cog material issued without cost to direct job orders for the applicable customer.
K6	<u>Issues Without Reimbursements - Returns CFM (Expense Items)</u> : Represents the value of customer furnished odd cog material returned from direct job orders. Previously issued under K5.

CODE	DEFINITION
K7	<u>Issues Without Reimbursement - CFM (Investment Items):</u> Represents the value of customer furnished APA investment material issued without cost to direct job orders for the applicable customer.
K8	<u>Issues Without Reimbursement - Returns CFM (Investment Items):</u> Represents the value of customer furnished APA investment material returned from direct job orders. Previously issued under K7.
KB	<u>Issues Without Reimbursement GFM (APA MOD KITS):</u> Represents the value of government furnished APA MOD KITS material issued without cost to direct job orders.
KC	<u>Issues Without Reimbursement - Returns GFM (APA MOD KITS):</u> Represents the value of GFM (APA) returned from direct job orders. Previously expended under FIR Code KB.
KD	<u>Issues Without Reimbursement - GFM (APA Exchange Items):</u> Represents the value of government furnished APA exchange material issued without cost to direct job orders. (Advice Codes 5A, 5G, and 5S).
KE	<u>Issues Without Reimbursement - Returns GFM (APA Exchange Items):</u> Represents the value of GFM (APA) returned from direct job orders. Previously expended under FIR Code KD
KF	<u>Issues Without Reimbursement - GFM (APA Investment Items):</u> Represents the value of government furnished APA investment material issued without cost to direct job orders.
KG	<u>Issues Without Reimbursement - Returns GFM (APA Investment Items):</u> Represents the value of GFM (APA) returned from direct job orders. Previously expended under FIR Code KF.
L1	<u>Transfer of Excess Material to Property Disposal:</u> Represents the amount of excess material transferred to property disposal and charged to overhead.
L2	<u>Transfer of Excess Standard Stock Material:</u> Represents the amount of excess material transferred from inventory to supply and charged to overhead.
L3	<u>Transfer of Unutilized Special Requirement Material to Supply Without Credit:</u> Represents the amount of excess special requirement material returned to supply and charge to overhead.
M2	<u>Inventory Adjustments (LOSS) Transfers:</u> Represents the value at standard price of material transferred from one store code to another within the same inventory account, or between inventory accounts.
M4	<u>Inventory Adjustments (LOSS) Physical Inventory:</u> Represents the adjustments necessary to bring the Store-Material-Record quantities into agreement with the actual count of stores on hand. (Used also for reductions in inventory resulting from a ROD).
M6	<u>Inventory Adjustments - Decapitalization:</u> Represents the losses incurred during the first 12 months of operations from donation and disposal of Materials and Supplies Inventory capitalized at inception. Also used to decrease inventory due to transfer of mission to other activities. <u>NIMMS Code M6 is also a replacement for the NIMMS Code A4 (reverse receipt or positive turn-in) where material Budget Code is '8'</u>

CODE	DEFINITION
M8	<u>Inventory Adjustments (LOSS) Discrepant Inventory</u> : Represents the value at standard price of material lost or removed from inventory due to a ROD (Return of Discrepant Material), QDR (Quality Deficiency Report) or Lab Analysis/Test. Also used for automated physical/financial reconciliation adjustments.
M9	<u>Transfer-Out of Inventory to a DBOF Activity</u> : Represents the value of inventory that is transferred to another DBOF activity without reimbursement.
N1	<u>Financial Adjustments (LOSS) Receipt Variance</u> : Represented the adjustments required to bring the prices at which material is received into the activity by purchase actions into agreement with the standard or local carrying prices. Applies to Material and Supplies inventory only.
N2	<u>Financial Adjustments (LOSS) Standard Price Adjustments</u> : Represents adjustments required to bring the price at which material is carried in the inventories into agreement with the latest standard prices or new local carrying process. Also represents adjustment to the DMI and CFM inventories for average pricing.
SA	<u>Commitment</u> : Used to establish the due record at the time of commitment.
SB	<u>Adj To Commitment</u> : Used to increase, decrease or cancel a commitment, often accompanying the establishment of an obligation.
SC	<u>Credits Pending from Government Sources</u> : Used to record credit amounts anticipated from Government sources for materials returned as excess (Does not affect inventory balance).
SD	<u>Obligation</u> : Used to initially establish an obligation.
SE	<u>Adj To Obligation</u> : Used to increase, decrease or cancel an obligation.

Table A3.2. Financial Inventory Record (FIR) Code Posting Table

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
A1	N	151100A1	211042B1
	I	151100A3	211042B1
	F	151200	211042B1
	E	151300	211042B1
	D	151100A2	211042B1
A2	N	131042B	151100A1
	I	131042B	151100A3
	F	131042B	151200
	E	131042B	151300
	D	131042B	151100A2
A3	N	151100A1	211041A
	I	151100A3	211041A
	F	151200	211041A
	E	151300	211041A
	D	151100A2	211041A
A4	N	131041B	151100A1
	I	131041B	151100A3
	F	131041B	151200
	E	131041B	151300
	D	131041B	151100A2
A5	N	151100A1	152600D
	I	151100A3	152600D
	F	151200	152600D
	E	151300	152600D
	D	151100A2	152600D
B2	C	902100	980000
	G	902200	980000
B3	C	980000	902100
	G	980000	902200
D2	N	151100A1	610000W4
			610000W3*
	I	151100A3	610000W4
			610000W3*
	F	151200	610000W4
			610000W3*
	E	151300	610000W4
			610000W3*
	D	151100A2	610000W4
			610000W3*
	C	902100	980000
G	902200	980000	

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
D4	N	151100A1	610000W4
			610000W3*
	I	151100A3	610000W4
			610000W3*
	F	151200	610000W4
			610000W3*
	E	151300	610000W4
			610000W3*
	D	151100A2	610000W4
			610000W3*
	C	902100	980000
	G	902200	980000
D6	N	151100A1	711000
	I	151100A3	711000
	E	151300	711000
	F	151200	711000
D8	N	151100A1	610000W4
			610000W3*
	I	151100A3	610000W4
			610000W3*
	F	151200	610000W4
			610000W3*
	E	151300	610000W4
			610000W3*
	D	151100A2	610000W4
			610000W3*
	C	902100	980000
	G	902200	980000

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
D9	N	151100A1	572000A
	I	151100A3	572000A
	F	151200	572000A
	E	151300	572000A
	D	151100A2	572000A
E1	N	151100A1	610000W4
	I	151100A3	610000W4
	F	151200	610000W4
	E	151300	610000W4
	D	151100A2	610000W4
C	902100	980000	

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
E2	N	151100A1	610000W4
	I	151100A3	610000W4
	F	151200	610000W4
	E	151300	610000W4
	D	151100A2	610000W4
	C	902100	980000
	G	902200	980000
J1	N		151100A1
	I		151100A3
	F		151200
	E		151300
	D		151100A2
J2	N	151100A1	
	I	151100A3	
	F	151200	
	E	151300	
	D	151100A2	
J3	N		151100A1
	I		151100A3
	F		151200
	E		151300
	D		151100A2
J4	N	151100A1	
	I	151100A3	
	F	151200	
	E	151300	
	D	151100A2	
K1	C	942100	902100
K2	C	902100	942100
K3	C	942100	902100
K4	C	902100	942100
K5	C	942100	902100
K6	C	902100	942100
K7	C	942100	902100
K8	C	902100	942100
KB	G	942200	902200
KC	G	902200	942200
KD	G	942200	902200
KE	G	902200	942200

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
KF	G	942200	902200
KG	G	902200	942200
L1	N	610000W4	151100A1
		610000W3*	
	I	610000W4	151100A3
		610000W3*	
	F	610000W4	151200
		610000W3*	
	E	610000W4	151300
		610000W3*	
	D	610000W4	151100A2
	610000W3*		
L2	N	610000W4	151100A1
		610000W3*	
	I	610000W4	151100A3
		610000W3*	
	F	610000W4	151200
		610000W3*	
	E	610000W4	151300
		610000W3*	
	D	610000W4	151100A2
	610000W3*		
L3	N	610000W4	151100A1
		610000W3*	
	I	610000W4	151100A3
		610000W3*	
	F	610000W4	151200
		610000W3*	
	E	610000W4	151300
		610000W3*	
	D	610000W4	151100A2
	610000W3*		
M2	N	610000W4	151100A1
		610000W3*	
	I	610000W4	151100A3
		610000W3*	
	F	610000W4	151200
		610000W3*	
	E	610000W4	151300
		610000W3*	
	D	610000W4	151100A2
	610000W3*		
	C	980000	902100

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
	G	980000	902200
M4	N	610000W4	151100A1
		610000W3*	
	I	610000W4	151100A3
		610000W3*	
	F	610000W4	151200
		610000W3*	
	E	610000W4	151300
		610000W3*	
	D	610000W4	151100A2
	610000W3*		
	C	980000	902100
	G	980000	902200
M6	N	721000	151100A1
	I	721000	151100A3
	F	721000	151200
	E	721000	151300
M8	N	610000W4	151100A1
		610000W3*	
	I	610000W4	151100A3
		610000W3*	
	F	610000W4	151200
		610000W3*	
	E	610000W4	151300
		610000W3*	
	D	610000W4	151100A2
		610000W3*	
		C	980000
	G	980000	902200
M9	N	573000C	151100A1
	I	573000C	151100A3
	F	573000C	151200
	E	573000C	151300
	D	573000C	151100A2
N1	N	610000W4	151100A1
	I	610000W4	151100A3
	F	610000W4	151200
	E	610000W4	151300
	D	610000W4	151100A2

FIR CODE	FIN INV TYPE	DR GLA	CR GLA
	C	980000	902100
N2	N	610000W4	151100A1
	I	610000W4	151100A3
	F	610000W4	151200
	E	610000W4	151300
	D	610000W4	151100A2
	C	980000	902100
	G	980000	902200
SC	N	131041B	610000W4
			610000W3*
	I	131041B	610000W4
			610000W3*
	F	131041B	610000W4
			610000W3*
	E	131041B	610000W4
			610000W3*
	D	131041B	610000W4
		610000W3*	
These USSGL accounts are used at the ALCs with Production type JONs			

**A3.2.** Investment (direct) material includes all recoverable assemblies, installed equipment items, and modification kits from investment appropriations. This paragraph is for maintenance use only when the using activity has supplied a funds citation to reimburse the Consolidated Sustainment Activity Group - Depot Maintenance Activity Group (CSAG-D) the cost.

Table A3.3. Material Cost Codes

CODE	DESCRIPTION
<b>B</b>	<p><b>Exchange Material (planned, funded).</b> Planned, serviceable Materiel Support Division (MSD) investment material issued on an exchange basis to replace like unserviceable items: i.e., Due in From Maintenance/Due Out to Maintenance (DIFM/DOTM).</p> <p>(A) Used for the turn-in of planned, unserviceable MSD item to clear a DIFM detail or to establish a DOTM detail in the D035K system.</p> <p>(B) Used for turn-in of excess serviceable MSD items originally issued under Cost Code B.</p> <p>(C) Used for the turn-in of items received under this cost that were misidentified as the National Stock Number (NSN) when supply initiated a warehouse denial (reversal) action.</p>
<b>D</b>	<p><b>Modification Kits.</b> Kits that change the configuration or operating capability of an end item.</p> <p>(A) Includes overhaul kits, Time Compliance Technical Orders (TCTO) kits, etc., which make repair easier or maintain the serviceable status of an end item.</p> <p>(B) Used for turning in modification kits originally issued under cost code D that are intact and excess to immediate requirements, and the processing of distribution warehouse denial transactions.</p>
<b>E</b>	<p><b>Exchange Material (Planned, Unfunded).</b> Planned, serviceable, recoverable material that is issued to replace like unserviceable items. Used for turning in unserviceable items, returning excess serviceable items originally issued under cost code E and processing supply warehouse denial transactions.</p>
<b>G</b>	<p><b>Exchange Material (Unplanned, Funded).</b> Unplanned, serviceable investment items issued on an exchange basis under DIFM/DOTM procedures.</p> <p>(A) Used for the turn-in of unplanned, unserviceable MSD items to clear a DIFM detail or establish a DOTM detail.</p> <p>(B) Used for the turn-in of excess serviceable MSD items originally issued under cost code G.</p> <p>(C) Used for the turn-in of items received under this cost code that were misidentified as to NSN when supply initiated a warehouse denial (reversal) action.</p>
<b>J</b>	<p><b>Exchange Material (Unplanned, Unfunded).</b> Unplanned serviceable material issued to replace like unserviceable items. Used for turning in unserviceable items, returning excess serviceable assets originally issued under cost code J, and processing supply warehouse denial transactions.</p>
<b>K</b>	<p><b>Exchange Material (Maintenance of Depot Maintenance Equipment (DME), Funded).</b> Serviceable MSD investment material issued on an exchange basis</p>

	<p>(i.e., DIFM/DOTM) for the repair of depot maintenance shop and test equipment.</p> <p>(A) Used for the turn-in of similar unserviceable MSD items to clear a DIFM detail or to establish a DOTM detail.</p> <p>(B) Used for the turn-in of excess serviceable MSD items originally issued under cost code K. Used for the turn-in of items originally received under cost code K that are misidentified as to NSN when supply initiates a warehouse denial (reversal) action.</p>
<b>M</b>	<p><b>Nonexchange Material (Unfunded).</b> Missing or excess material, or initial installation components. Serviceable, recoverable material issued on an other-than-exchange basis.</p> <p>(A) Includes issues for initial installation, modification (other than mod kits) and for replacing missing recoverable components on exchangeable items received in an incomplete condition used for turning in recoverable items on an other-than-exchange basis.</p> <p>(B) Include turning in excess recoverable material received on reparable or serviceable assets, turning in dissimilar or obsolete recoverable items replaced by serviceable items issued on a nonexchange basis, turning in of excess serviceable items originally issued under cost code M, and processing distribution warehouse denial transactions.</p> <p>(C) Used for turn-in of MSD, Air Force Stock Fund (AFSF) material, without credit, from project directives for reclamation, save lists, or cash/battle damage repair of AFMC-owned systems, and turn-in of material fitting the category of Found-on-Base (FOB) assets.</p> <p>(D) Excludes installation or removal of items covered by cost code T. Demand code A (initial installation) will always be used in conjunction with the assignment of cost code M. (This will ensure exclusion from DIFM or DOTM control.)</p>
<b>S</b>	<p><b>Non-exchange Material (Planned, Funded, Credit Indicator Turn-Ins).</b> Planned serviceable MSD investment material issued on an other-than-exchange basis for initial installation or modification (other than mod kits).</p> <p>(A) Used for the turn-in of specified categories of MSD items on an other-than-exchange basis, with credit automatically determined based on the stock listed credit indicator.</p> <p>(B) Used for turn-in of excess serviceable items originally issued under this cost code and for the return of items received under this cost code that were misidentified as to NSN when supply initiated a warehouse denial (reversal) action.</p>
<b>T</b>	<p><b>Aircraft/Missile Replacements (AF Form 2692, Aircraft/Missile Equipment Transfer/Shipping Listing).</b> Items issued to replace items previously removed and not reinstalled. Used for turning in aircraft items recorded on AF Form 2692,</p>

	that were removed and not reinstalled, and the processing of supply warehouse denial transactions.
<b>U</b>	<b>Non-Exchange Material (Unplanned, Reclamation Turn-Ins).</b> For issue of serviceable investment material on an other-than-exchange basis to replace missing MSD components discovered on end items received in an incomplete condition. Applies to turn-in of excess MSD items originally issued under cost code U and the return of items, with credit reversal, received under this cost code that are misidentified as to NSN when supply initiates warehouse denial (reversal) action.
<b>Y</b>	<b>Exchange Material (Maintenance of Depot Maintenance Equipment (DME), Unfunded).</b> Direct, serviceable, recoverable material issued on an exchange basis for repair of production maintenance shop and test equipment. Used for turning in unserviceable recoverable items generated from exchange, includes turn-in of excess serviceable items originally issued under cost code Y, and the processing of supply warehouse denial transactions.

**A3.3.** Production issue or turn-in transactions are for issuing items for depot repair and for turning in these items after completing repair. Production items that are returned in a non-serviceable condition also are coded as production turn-in transactions. Transactions bearing production cost codes do not result in charges or credits in actual material cost accumulation.

**Table A3.4. Material Cost Codes**

<b>Code</b>	<b>Description</b>
<b>F</b>	<b>Quality Control or Prototype Analysis.</b> Items issued for quality control, inspection, analysis, Unsatisfactory Report (UR) exhibits, prototype analysis, and returning items previously issued for these purposes. This code is used in conjunction with the appropriate production resource control center (RCC) code. Items removed from the production line for quality analysis and returned to the line is returned using cost code P rather than cost code F.
<b>H</b>	<b>Disassembly or Renovation Testing.</b> Recoverable assets issued for disassembly or reclamation and returning reclaimed components. Applies to issuing assets for renovation proof testing purposes and for turning in the remaining items following test evaluation.
<b>P</b>	<b>Production.</b> Repairable, Theory of Constraints (TOC) or incomplete assets issued to be made serviceable. Used for turning in resulting serviceable, repairable, TOC and condemned assets.
<b>V</b>	<b>Production Correction.</b> Returned production items that were received misidentified as to stock number or condition. Incorrect item is turned in as a cost code V under control number of item originally requested. Correction issues require cost codes P, F, or H, as appropriate.

**A3.4.** Expense material consists of all material and parts used in the Maintenance Groups and not categorized by investment or production cost codes.

Table A3.5. Material Cost Codes

Code	Description
<b>A</b>	<b>Expense Material (Planned).</b> Planned serviceable expense material issued for use in depot maintenance repair, modification, and assembly or manufacture operations. Used for turning in excess serviceable material originally issued under cost code A and for the processing of supply warehouse denial transactions.
<b>L</b>	<b>Expense Material (Indirect or Overhead).</b> Material issued for use as indirect or overhead material. Used for turning in excess serviceable and excess expense material originally issued under cost code L and for processing distribution warehouse denial transactions. Identification of these issues to appropriate accounts is accomplished by entering the applicable U-account control number on the material documents.
<b>N</b>	<b>Expense Material (Not applicable to Repair Costs).</b> Serviceable expense material, originally removed as excess from assets undergoing maintenance, which is turned in as removed unserviceable items specifically requested by distribution. (A) Includes removed serviceable or unserviceable expense material of a dissimilar, obsolete, or alien nature. (B) Excludes turn-ins of serviceable expense items initially issued under expense material cost codes A, R, L, or W, or initially issued under special purpose code X. (C) Excludes turn-ins of expense material received in other-than-serviceable condition or misidentified as to its National Stock Number (NSN). <i>Note: Items returned under cost code N are not considered for credit by the Air Force Stock Fund (AFSF) divisions.</i>
<b>R</b>	<b>Expense Material (Unplanned).</b> Unplanned serviceable expense material issued for use in depot maintenance repair, modification, assembly, or manufacture operations. Used for turning in excess serviceable expense material originally issued under cost code R and for processing supply warehouse denial transactions.
<b>W</b>	<b>Expense Material (Maintenance of Depot Maintenance Equipment (DME)).</b> Direct serviceable expense material issued for repair, modification, assembly, and manufacture of depot maintenance shop and test equipment. Used for turning in excess serviceable expense material originally issued under Cost Code W, and processing supply warehouse denial transactions. Cost code W is limited to requesting or turning in direct material, not for material planning.
<b>X</b>	<b>Expense Material (Not Charged to the Depot Maintenance Activity Group (DMAG)).</b> Stock fund and non-stock fund expense material issued without charge to the DMAG, for use in depot maintenance repair, modification, assembly or manufacture operations. Used for turn-in of expense material previously issued under cost code X.
<b>Z</b>	<b>Customer Furnished Material (Unfunded, Direct Material).</b> Material furnished by customers is to be included in the depot maintenance work as specified by the customer. Costs are determined by the customer and accountability maintained as directed by the customer. This material is costed as unfunded direct material.

Table A3.6. Material Cost Code Edit Table

AF Cost Code	Budget Code	ERRC Code	Definition
Z	Alpha	ALL	Customer Furnished Material – Other Unfunded
B	1	C, S, T	System Support Division (SSD) Exchange (Investment) – Funded
K	1	C, S, T	SSD Exchange (Investment) - Funded - Repair of DME
B	8	C, S, T	MSD Exchange (Investment) – Funded
K	8	C, S, T	MSD Exchange (Investment) - Funded - Repair of DME
E	Alpha	C, S, T,	Exchange (Investment) - Other Unfunded
Y	Alpha	C, S, T,	Exchange (Investment) - Other Unfunded - Repair of DME
S	1	C, S, T, U	SSD Non-Exchange (Investment) – Funded
S	8	C, S, T, U	MSD Non-Exchange (Investment) – Funded
M	ALL	C, S, T, U	Non-Exchange (Investment) - Other Unfunded/Funded
D	Alpha	C, S, T, U	Non-Exchange (Investment) - Other Unfunded
T	Alpha	C, S, T, U	Non-Exchange (Investment) - Other Unfunded
A	1	N, P	SSD Expense – Funded
L	1	N, P	SSD Expense – Funded
N	1	N, P	SSD Expense – Funded
W	1	N, P	SSD Expense – Funded
A	4	N, P	Commissary Expense – Funded
L	4	N, P	Commissary Expense – Funded
N	4	N, P	Commissary Expense – Funded
W	4	N, P	Commissary Expense – Funded
A	6	N, P	Fuels Expense – Funded
L	6	N, P	Fuels Expense – Funded
N	6	N, P	Fuels Expense – Funded
W	6	N, P	Fuels Expense – Funded
A	8	N, P	MSD Expense – Funded
L	8	N, P	MSD Expense – Funded
N	8	N, P	MSD Expense - Funded - Turn-in only
W	8	N, P	MSD Expense - Funded - Repair of DME
A	9	N, P	GSD Expense – Funded
L	9	N, P	GSD Expense – Funded
N	9	N, P	GSD Expense – Funded
W	9	N, P	GSD Expense - Repair of DME
X	Alpha	N, P	Expense - Other Unfunded

Table A3.7. Material Classification Table

	<b>Expendability, Recoverability, Reparability Code (ERRC)</b>	<b>Cost Code (CC)</b>	<b>Budget Code (BC)</b>
<b>(SSD) Funded Material Expense</b>	N, P	A, L, N, W	1
<b>Commissary Material Funded Expense</b>	N, P	A, L, N, W	4
<b>Fuels Material Funded Expense</b>	N, P	A, L, N, W	6
<b>(GSD) Funded Material Expense</b>	N, P	A, L, N, W	9
<b>(MSD) Funded Material Expense</b>	N, P	A, L, N, W	8
<b>(MSD) Funded Material Investment</b>	C, S, T, U	B, K, S, M	8
<b>Other Unfunded Material Expense</b>	N, P	X	Alpha
<b>Other Unfunded Material Investment</b>	C, S, T, U	D, E, M, T, Y, Z	Alpha

Table A3.8. Cross-Reference of Expense Type and JON Type

Cost Code	Cost Code Validations for CSAG Stock Orders (Inventory)	Cost Code Validations for Specific Requirements Inventory (SRI) Orders (line issue)	Remarks
A	ERRC: N, P	ERRC: N, P	Funded
	Budget Code: Numeric	Budget Code: Numeric	
	Inventory Type: N	JON Type: Direct	
B	ERRC: C, T, S	ERRC: C, T, S	Funded - DIFM/DOTM - Indirect JON for Rework.
	Budget Code: Numeric	Budget Code: Numeric	
	Inventory Type: N	JON Type: Direct, Indirect	
D	ERRC: C, T, S, U	ERRC: C, T, S, U	Unfunded - 1st position of NIIN must be <i>K</i>
	Budget Code: Alpha	Budget Code: Alpha	
	Inventory Type: C, D	JON Type: Direct	
E	ERRC: C, T, S	ERRC: C, T, S	Unfunded - DIFM/DOTM - Indirect JON for Rework.  If JON is Indirect, NIMMS to treat as Funded Material.
	Budget Code: Alpha	Budget Code: Alpha	
	Inventory Type: C, D	JON Type: Direct, Indirect	
K	ERRC: C, T, S	ERRC: C, T, S	Funded - DIFM/DOTM - Repair of Depot Maintenance Equipment (DME)
	Budget Code: Numeric	Budget Code: Numeric	
	Inventory Type: N	JON Type: Direct, Indirect	
L	ERRC: N, P	ERRC: N, P	Funded
	Budget Code: Numeric	Budget Code: Numeric	
	Inventory Type: N	JON Type: Indirect	
M	ERRC: C, T, S, U	ERRC: C, T, S, U	Unfunded and Funded - Must use <i>Y</i> Force Credit Indicator If JON is Indirect, NIMMS to treat as Funded Material
	Budget Code: ALL	Budget Code: ALL	
	Inventory Type: C, D	JON Type: Direct, Indirect	
N	ERRC: N, P	ERRC: N, P	Turn in of serviceable expense material (FOB) removed as excess from assets, which are undergoing maintenance.
	Budget Code: ALL	Budget Code: ALL	
	Inventory Type: N/A	JON Type: NONE	
S	ERRC: C, T, S	ERRC: C, T, S	Funded - Initial Installation - Indirect JON for Rework
	Budget Code: Numeric	Budget Code: Numeric	
	Inventory Type: N	JON Type: Direct, Indirect	
T (ammo)	ERRC: C, T, S, U	ERRC: C, T, S, U	Unfunded - For issue and turn-in of items for
	Budget Code: Alpha	Budget Code: Alpha	
	Inventory Type: C, D	JON Type: Direct	

			reinstallation and for the issue of AF IMT 2692
W	ERRC: N, P	ERRC: N, P	Funded - Repair of Depot Maintenance Equipment
	Budget Code: Numeric	Budget Code: Numeric	
	Inventory Type: N	JON Type: Direct, Indirect	
X	ERRC: N, P	ERRC: N, P	Unfunded If JON is Indirect, NIMMS to treat as Funded Material.
	Budget Code: Alpha	Budget Code: Alpha	
	Inventory Type: C, D	JON Type: Direct, Indirect	
Y	ERRC: C, T, S	ERRC: C, T, S	Unfunded - DIFM/ DOTM Repair of Depot Maintenance Equipment  If JON is Indirect, NIMMS to treat as Funded Material.
	Budget Code: Alpha	Budget Code: Alpha	
	Inventory Type: C, D	JON Type: Direct, Indirect	
Z	ERRC: C, T, S, N, P, U	ERRC: C, T, S, N, P, U	Costing Determined by Customer.  Treat as Unfunded.  If JON is Indirect, NIMMS to treat as Funded Material.
* These USSGL accounts are used at the ALCs with Production type JONs			

**A3.5. Tables A3.9. and A3.10. L** lists the JON/COC/USSGL relationships for Production Overheat and General and Administrative. A COC list and notes are at the end of the attachment.

Table A3.9. COC Reference Lists (Production Overhead)

JON	JON Description	COC	USSGL	Notes
X5621000000	Direct Expense Material (CAP buys)	95	610000W3	Note 1
X5130000000	VERA/VSIP	55	610000C3	
X5150000000	Cash Awards	57	610000C3	
X5180000000	Worker's Compensation	55	610000C3	
X54120308000	Travel & Transportation of Persons	87	610000I3	Note 6
X54130771000	Transportation Household Goods	88	610000J3	Note 7
X54300308000	Civilian PCS	87	610000I3	
X55020998000	Custodial Service	05	610000P3	
X55030998000	Indirect Contractor Services	05	610000P3	Note 2
X55040998000	Shipping	05	610000P3	
X55050998000	Other Contract Services	05	610000P3	
X55200998000	Communications	64	610000M3	
X55210932000	Subscriptions	11	610000P3	
X55290998000	Arbitration	05	610000P3	
X55300913000	Utilities	26	610000M3	
X55310998000	Prime Vendor Other (DOCATS)	05	610000P3	Note 8
X55410915000	Equipment Rental	08	610000L3	
X55500633000	Printing & Reproduction	40	610000N3	
X55590998000	Refuse Collections	05	610000P3	
X55600923000	Facility Maintenance and Repair - Architectural & Engineering Design	04	610000R3	
X55610922000	Equipment Maintenance Service	89	610000U3	
X55620922000	Vehicle Maintenance	25	610000U3	
X55630998000	Real Property Alterations and Modifications	22	610000R3	
X55640998000	Custodial Services	03	610000P3	
X55650923000	Facility Maintenance	21	610000R3	
X55660998000	Training	42	610000P3	
X55670931000	Contracting, Engineering, and Technical Support (CETS)	19	610000O3	
X55680998000	IMPAC Other	05	610000P3	
X55690998000	Miscellaneous	38	610000P3	
X55710998000	Automated Data Processing (ADP) System Development of Software by ALC	16	610000O3	
X55720998000	HQ-AFMC and OSSG System Development	27	610000Q3	
X55790998000	Base Operating Support (BOS)	13	610000Q3	
X55910922000	Ground Support Equipment (GSE) Maintenance	89	610000U3	
X55920998000	Precision Measurement Equipment Laboratory (PMEL) Maintenance	25	610000U3	
X55930922000	Industrial Plant Equipment (IPE) Maintenance	89	610000U3	

<b>JON</b>	<b>JON Description</b>	<b>COC</b>	<b>USSGL</b>	<b>Notes</b>
X55940998000	Automated Data Processing (ADP) Equipment/Hardware Maintenance	18	610000U3	
X56116511000	Aviation Petroleum Oil and Lubricant (POL) (Nonflying)	95	610000W3	Note 3
X56126512000	Ground POL	95	610000W3	Note 3
X56136513000	Special Fuels	95	610000W3	Note 3
X56230000000	Indirect Production Materials (Prime Vendor)	95	610000W3	Note 3
X56240000000	Maintenance of Operating Equipment (Purchase Card)	95	610000W3	Note 3
X56290000000	Government Operating Product Services Center	95	610000W3	Note 5
X56300000000	Maintenance, Depot Maintenance Equipment (Material Support Division)	95	610000W3	Note 3
X56310000000	Maintenance, Depot Maintenance Equipment (General Support Division)	95	610000W3	Note 3
X56326100000	Indirect Production Materials	95	610000W3	Note 3
X56336300000	Operating Supplies Staff and Shop	95	610000W3	Note 3
X56346610000	Expendable Tools and Equipment	95	610000W3	Note 3
X56356700000	Material-Expenditure Office Equipment	95	610000W3	Note 3
X56357800000	Material-Expenditure Office Equipment	95	610000W3	Note 3
X56366400000	Material-Office Supplies	95	610000W3	Note 3
X56367700000	Material-Office Supplies	95	610000W3	Note 3
X56376910000	Material from/to Contactor PMEL/GSE	95	610000W3	Note 3
X56376920000	Material from/to Contactor PMEL/GSE	95	610000W3	Note 3
X56376930000	Material from/to Contactor PMEL/GSE	95	610000W3	Note 3
X56388000000	Protective Clothing	95	610000W3	Note 3
X56396620000	Equipment/Machine Type Tools & Access	95	610000W3	Note 3
X56396630000	Equipment/Machine Type Tools & Access	95	610000W3	Note 3
X56406800000	Material Deficiency Workload & Rework	95	610000W3	Note 3
X56410998000	Purchase of Automated Data Processing Equipment (ADPE)	95	610000W3	
X56510414000	Non-Credit Returns-Retail Loss Allowance	95	610000W3	Note 3
X56707000000	Material Hazardous Waste Management	95	610000W3	Note 3
X56900414000	Backorder Cancellations-Retail Loss Allowance	95	610000W3	Note 3
X56920414000	Fund Code Changes-Sale of Scrap	95	610000W3	Note 3
X56940414000	Physical Inventory Adjustment	95	610000W3	Note 5
X56950414000	Purchase Price Variance Cost Reclassification	95	610000W3	Note 5
X57200805000	Minor Construction Depreciation	60	671000B3	Note 5
X57300802000	Equipment Depreciation	59	671000A3	Note 5
X57320803000	ADPE Depreciation	59	671000A3	Note 5
X57400806000	Other Fixed Assets Depreciation	59	671000A3	Note 5

<b>JON</b>	<b>JON Description</b>	<b>COC</b>	<b>USSGL</b>	<b>Notes</b>
X57500804000	Software Depreciation	54	671000C3	Note 5
X59400998000	Environmental	13	610000Q3	
X59410998000	Industrial Waste Treatment Plant (IWTP) Operation Cost	46	610000Q3	
X59510998000	Defense Redistribution and Marketing Office Hazardous Waste	47	610000Q3	
X59900923000	Shop/Office Rearrange	22	610000R3	

**Table A3.10. COC Reference Lists (General and Administrative)**

<b>JON</b>	<b>JON Description</b>	<b>COC</b>	<b>USSGL</b>	<b>Notes</b>
Y61250010000	Military Reimbursement	45	610000D4	
Y61300000000	VERA/VSIP	55	610000C4	
Y61500000000	Cash Awards	57	610000C4	
Y61800000000	Worker's Compensation	55	610000C4	
Y64120308000	Travel & Transportation	87	610000I4	Note 6
Y64130771000	Transportation of Household Goods	88	610000J4	Note 7
Y64300308000	Civilian PCS	87	640000I4	
Y65010998000	Miscellaneous	05	610000P4	
Y65020998000	Custodial Service	05	610000P4	
Y65030998000	Indirect Contractor Services	05	610000P4	
Y65040998000	Shipping	05	610000P4	
Y65050998000	Other Contract Services	05	610000P4	
Y65200998000	Communications	64	610000M4	
Y65210932000	Subscriptions	11	610000P4	
Y65290998000	Arbitration	05	610000P4	
Y65300913000	Utilities	26	610000M4	
Y65310998000	Prime Vendor Other (DOCATS)	05	610000P4	
Y65410915000	Equipment Rental	08	610000M4	
Y65500633000	Printing & Reproduction	40	610000N4	
Y65590998000	Refuse Collections	05	610000P4	
Y65600923000	Facility Maintenance	04	610000R4	
Y65610922000	Equipment Maintenance Service	89	610000U4	
Y65610922000	Industrial Plant Equipment (IPE) Maintenance	89	610000U4	
Y65610922000	Ground Support Equipment (GSE) Maintenance	89	610000U4	
Y65620922000	Vehicle Maintenance	25	610000U4	
Y65630998000	Real Property Alterations and Modifications	22	610000R4	
Y65640998000	Custodial Services	03	610000R4	
Y65650923000	Facility Maintenance	21	610000R4	
Y65660998000	Training	42	610000P4	
Y65670931000	Contracting, Engineering, and Tech Supp (CETS)	19	610000O4	
Y65680998000	IMPAC Other	05	610000P4	
Y65690998000	Miscellaneous	38	610000P4	
Y65710998000	Automated Data Processing (ADP) System Development of Software by ALC	16	610000O4	
Y65720998000	HQ-AFMC and OSSG System Development	27	610000Q4	
Y65730649000	ADPE Software Lease	13	610000Q4	

<b>JON</b>	<b>JON Description</b>	<b>COC</b>	<b>USSGL</b>	<b>Notes</b>
Y65740651000	Defense Finance and Accounting Service (DFAS) Automated Data Processing System (ADPS) Development	13	610000Q4	
Y65750647000	Defense Information Services Agency (DISA) Reimbursement	13	610000Q4	
Y65760673000	DFAS Reimbursement	13	610000Q4	
Y65790998000	Base Operating Support (BOS)	13	610000Q4	
Y65910922000	Ground Support Equipment (GSE) Maintenance	89	610000U4	
Y65920998000	G&A Precision Measurement Equipment Laboratory (PMEL) Maintenance	25	610000U4	
Y65930922000	Industrial Plant Equipment (IPE) Maintenance	89	610000U4	
Y65940998000	Automated Data Processing (ADP) Equipment/Hardware Maintenance	18	610000U4	
Y66126512000	Ground POL	95	6100.00W4	Note 3
Y66230000000	Indirect Production Materials	95	610000W4	Note 3
Y66240000000	Maintenance of Operating Equipment	95	610000W4	Note 3
Y66290414000	Government Operating Product Services Center	95	610000W4	Note 4
Y66326100000	Indirect Production Materials (Prime Vendor)	95	610000W4	Note 3
Y66336300000	Maintenance of Operating Equipment (Purchase Card)	95	610000W4	Note 3
Y66346610000	Expendable Tools and Equipment	95	610000W4	Note 3
Y66356700000	Material-Expenditure Office Equipment	95	610000W4	Note 3
Y66366400000	Material-Office Supplies	95	610000W4	Note 3
Y66376910000	Material from/to Contactor PMEL/GSE	95	610000W4	Note 3
Y66376920000	Material from/to Contactor PMEL/GSE	95	610000W4	Note 3
Y66376930000	Material from/to Contactor PMEL/GSE	95	610000W4	Note 3
Y66388000000	Protective Clothing	95	610000W4	Note 3
Y66396620000	Equipment/Machine Type Tools & Access	95	610000W4	Note 3
Y66396630000	Equipment/Machine Type Tools & Access	95	610000W4	Note 3
Y66410998000	Purchase of Automated Data Processing Equipment (ADPE)	95	610000W4	
Y66707000000	Material Hazardous Waste Management	95	610000W4	Note 3
Y66920414000	Fund Code Changes-Sale of Scrap	95	610000W4	Note 5
Y66940414000	Purchase Price Variance -Cost Reclassification	95	610000W4	Note 5
Y67200805000	Minor Construction Depreciation	60	671000B4	Note 5
Y67300802000	Equipment Depreciation	59	671000A4	Note 5
Y67320803000	ADPE Depreciation	59	671000A4	Note 5
Y67400806000	Other Fixed Assets Depreciation	59	671000A4	Note 5
Y67500804000	Software Depreciation	58	671000C4	Note 5

JON	JON Description	COC	USSGL	Notes
Y69400998000	Environmental	13	610000Q4	
Y69410998000	Industrial Waste Treatment Plant (IWTP) Operation Cost	46	610000P4	
Y69510998000	Defense Redistribution and Marketing Office Hazardous Waste	47	610000Q4	
Y69900923000	Shop/Office Rearrange	22	610000R4	

**Table A3.11. COC List Used in Air Force**

03	Commercial Janitorial Service	40	Printing Other
04	Commercial Maintenance	42	Training
05	Commercial Other Services	45	Other Department of Defense Service
08	Commercial Rental	46	Industrial Waste Treatment Plant (IWTP)
11	Deferred Charges Subscriptions	47	Hazardous Waste
13	Base Operating Support	55	VERA/VSIP/Worker Compensation
16	System Development	57	Beneficial Suggestion/ Cash Awards
18	System Maintenance	58	Depreciation Software (System Assigned)
19	Engineering Technical Services	59	Depreciation Equipment (System Assigned)
21	Minor Maintenance	60	Depreciation Minor Construction (System Assigned)
22	Real Property Alteration and Modification	64	Communications
25	Vehicle & PMEL Maintenance	87	Transportation of Persons (Note 6)
26	Utilities	88	Transportation of Things (Note 7)
27	Non-ALC ADP Software Development	89	Equipment Repair and Maintenance
38	Other Miscellaneous	95	Administrative

**Table A3.12. COC List Not Used in Air Force CSAG**

01	Commercial Cylinder Deposit	53	Accts Receivable Anticipated Cost Reimbursement Adjustment
02	Commercial Cylinder Refund	54	No Description
06	Commercial Refunds	56	Accrued Expenses Commercial Services
07	Commercial Rental	61	Discount Earned
09	Commercial subscriptions*	62	Excess Material Loss
10	Deferred Charges Other Miscellaneous	63	Federal Excise Tax
12	Deferred Charges Tuitions	65	Freight
14	NC 2275 DP Key Punch	67	Jury Fees
15	NC 2275 DP Other Support	68	Manufacturing in-house variance
17	NC 2275 DP System Equip OPR	69	Material in-transit write-off
20	No Description	70	Miscellaneous Other
23	NC 2275 PWC Buildings and Grounds	71	Miscellaneous Payroll Deductions
24	NC 2275 PWC Other Support	72	NC 2275 Write-off
28	NC 2275 Station Support Air Operations	73	NC 2275 Major Maintenance Write-off
29	NC 2275 Station Support Civ Personnel	74	NC 2275 Minor Maintenance Write-off
30	NC 2275 Station Support Communication	75	NC 2275 Other Miscellaneous Write-off
31	NC 2275 Station Support Disbursing	76	NC 2275 PWC Write-off
32	NC 2275 Station Support Medical	79	Physical Material Transfer Adjustment
33	NC 2275 Station Support Other	83	Set up charge
34	NC 2275 Station Support Payroll	84	Standard Price Adjustment
35	NC 2275 Station Support Safety	85	Tool Box Refund
36	NC 2275 Station Support Security	86	Trade Discount
37	NC 2275 Station Support Supply	90	Federal Specifications
39	Printing Major Maintenance	91	Civ Relocation
41	Safety Glasses	92	Undelivered checks
43	Tuitions	93	Withholding fees payroll
44	No Description	94	Depot Level Repair Exchange Loss
48	Miscellaneous	96	Accessorial Charge
49	Work Contracted to DMR Activity	97	Accessorial and other charges
50	Miscellaneous	98	Mil Relocation
51	Accts Payable write-off	99	Export Transportation
52	Accts Receivable Write-off		

**Notes:**  
*1. Designed to be "direct" but since it is an X-JON it is still POH. This indirect JON is used when CSAG cannot get material from supply so CSAG goes to a vendor and purchases the material. For them to purchase the material, they must assign an indirect JON to the transaction and then they (ALC) transfer the dollars from a production overhead material account into a direct material account.*

- 2. Indirect services managed by Maintenance Groups.*
- 3. Should be input into NIMMS directly, if DIFMS is used, use COC 95.*
- 4. Added for WR-ALC use.*
- 5. System Assigned.*
- 6. System assigned on MS113P based on Travel Document containing 'TO' or 'T0'*
- 7. System assigned on MS113P based on PCS ind - 'y' and Travel Document containing 'CS' instead of 'TO/T0'*
- 8. Assign an indirect JON to the transaction and then transfer the dollars from a production overhead business operations account into a direct business operations account.*

**Attachment 4****RESEARCH AND CORRECTION OF COMMERCIAL MATERIAL TRANSACTIONS USING THE DIFMS REPORT 7310-322 “WEEKLY UNALLOCATED DETAILS”****A4.1. Check DIFMS record against GAFS/BL.**

**A4.2.** Determine that it is a commercial material buy.

**A4.3.** Inquiring and transacting via the DIFMS Update Screen MS132P “Unallocated Detail Error Correction Update” processes the cash transaction once corrected.

**A4.4.** Determine correct data elements needed – Contract number, Cost Code, ACRN, Task and amount.

**A4.5.** Compare document number/contract number, ACRN, cost code and Task number on the DIFMS Update Screen MS132P to the NIMMS Screen MN021P “Material Due”. These data elements must match exactly.

**A4.6.** Correct the data elements on the NIMMS Screen MN021P and follow steps 1-5 above.

**A4.7.** If not in GAFS/BL, determine why, and follow steps 1 – 5 above.

**A4.8.** Cash action should clear when matching record is available. *Note: Cash action would have cleared cash process if Due and PON were recorded in NIMMS/DIFMS.* A missing or unequal receipt transaction, which is necessary for the transaction to clear, would happen in the Unmatched Material reports. Working unmatched material using DIFMS Reports 7310-484 “Aged Unmatched Bills” and 7310-495 “Material Mismatched”: **DIFMS Report 7310-484:**

A4.8.1. Check NIMMS record for Accounts Payable, on the DIFMS Inquiry Screen MS061P “Material Requisition Status”. The bill is listed.

A4.8.2. Check the DIFMS record against GAFS/BL to ensure a valid receipt.

A4.8.3. To process the receipt, access the NIMMS Screen MN113P “Purchase Receipts”.

A4.8.4. Cash action processes match the receipt to the bill which then clears off of the DIFMS Report 7310-484. This is a weekly process.

**A4.8.4.1. DIFMS Report 7310-495:**

A4.8.4.1.1. Check NIMMS record for accounts payable and the receipt on the DIFMS Inquiry Screen MS061P. The Status code should be a ‘5’, which prevents the record to close out because of variance in the amounts.

A4.8.4.1.2. Reverse out the incorrect NIMMS receipt on the NIMMS Screen MN031P and receipt the correct amount.

A4.8.4.1.3. The daily cash action process now is able to process the transaction and clears off of the DIFMS Report 7310-495.

**A4.8.5. For problems with bill number:**

A4.8.5.1. DIFMS Update Screen MS189P “Material Requisition Number Correction” can be used to change the requisition number on a bill to another requisition number. Use of MS189P increases the Accounts Receivable balance on the new requisition number and

decreases the Accounts Receivable balance on the old requisition number whenever the screen is used to move an “Accounts Receivable” bill from one requisition to another.

A4.8.5.2. DIFMS Update Screen MS711P “AVDLR Second Bill Correction” can be used to correct an AVDLR Second Bill.

A4.8.5.3. DIFMS Update Screen MS106P “Supply Warehouse Refusal/Over Issue Adjustment” allows the user to combine two bills.

**Attachment 5****GENERAL LEDGER PROCESSING**

**A5.1. Documentation regarding Monthly (M), Quarterly (Q) and Annual (A).** Monthly processing is for each month. Quarterly processing is for December, March, April and September. Annual processing is for September. General Ledger Processing can be found on the DFAS website at: <https://t6800.csd.disa.mil/DifmsPortal/index.php>

**A5.2. Anyone with a CAC card can access this DFAS website. Once signed on, click on the DIFMS tab, then click on the sub-tab for the desired production release.** (As of 12 December 2011, DIFMS at the ALCs is at release 11B.) Click on DIFMS New User's Manual; click on App\_P\_Monthly\_Quarterly\_YearEnd\_Procedures. View Attachment C (General Ledger Processing for End of Month, Quarter, Fiscal Year)

## Attachment 6

### REPAIR GROUP CATEGORIES

**A6.1. RGC A - Aircraft Fixed Facility/Selected Off-Base, Application: Organic/Contract.** Includes all aircraft depot-level maintenance and concurrent organizational and intermediate work that are recurring, and can be forecasted through analysis of Air Force programming documents (applicable to Federal Supply Classes (FSC) 1510 and 1520 only). Requirements information, expressed by Mission Design Series (MDS), is entered in G079 by the Inventory Manager (IM) and mechanically passed to G097. Serial number control is mandatory and input/output schedules are developed. All expenditures, including line support manufacture and applicable routed work, are controlled by specific aircraft serial number once the aircraft is input to work. Damage repair anticipated or actual is scheduled for input in Repair Group Category (RGC) A, unless accomplished by field team, and then it should be RGC B. Aircraft within this RGC is charged as a Type 1 Purchase Order (PO). Fixed facility aircraft modification kit proofing is also included in this category. The Air Force Expense Element (AFEE) for aircraft is 541.

**A6.2. RGC B - Aircraft Service Work Application: Organic/Contract.** Includes field team work and all other complete aircraft workloads, Federal Supply Class (FSC) 1510 and 1520, not covered by RGC A. This includes those workloads for which a specific input/output has not been formalized as well as planned organic reclamation of complete aircraft. All damage repair accomplished by field team and all depot level field team effort are planned and accomplished in this RGC (input/output schedules are developed). Once a workload is input in this RGC, it remains in this RGC through completion. Requirements information (based upon a projected workload requirement and expressed by mission capability, and when identified to an end item, requirement is by MDS) is entered into G079 by the IM and mechanically passed to G097. All organic work accomplished in this RGC is charged as a Type 6 PO. The AFEE for aircraft is 541.

**A6.3. RGC C - Missile Fixed Work, Application: Organic/Contract.** Includes all programmed missile depot maintenance requirements reflected under FSC 1410 for which a specific input/output schedule is developed. Requirements information is entered into G079 by the IM (expressed by MDS) and mechanically passed to G097. If accomplished organically as Cost Class 1 (CC1), all expenditures, including line support manufacture and routed work, are controlled by specific missile serial number once the missile is input to work. All organic Cost Class 1 and serial number controlled Cost Class 2 (CC2) accomplished in the RGC are charged as a Type 2 PO. The AFEE for missiles is 542.

**A6.4. RGC D - Missile Service Work, Application: Organic/Contract.** Includes field team effort and all other complete missile workloads not covered by RGC C. On-site repair, engine/quality analysis, storage, and reclamation are in this category. Maintenance performed on operational and maintenance ground equipment can be accomplished in the RGC. Requirements information (based upon a projected workload requirement and expressed by MD, and when identified to an end item, requirement is by MDS) is entered into G079 by the IM and mechanically passed to G097. All organic work accomplished in this RGC is charged as a Type 6 PO. The AFEE for missiles is 542.

**A6.5. RGC E - Engines Programmed, Application: Organic/Contract.** Includes programmed engine depot-level maintenance requirements applicable to FSCs 2810, 2835, 2840, and 2845, and are entered by the IM in G097, expressed by Type Model Series (TMS). For Depot Maintenance

Activity Group (DMAG) organic application, the requirement in this category represents the yearly input quantities of engines that have been or will ultimately be placed on POs at a specific DMAG dollar rate per unit for accomplishing on-base. All work accomplished in the RGC is charged as a Type 3 PO. The AFEE for engines is 543.

**A6.6. RGC F - Engine Service Work, Application: Organic.** Includes programmed engine depot-level maintenance workloads for which a specific DMAG rate per unit does not exist, as well as planned reclamation of complete engines. This includes engine/quality analysis. Requirements (based upon a projected workload requirement and expressed by TMS) are entered into G097 by the IM. All work accomplished in this RGC is charged as a Type 6 PO. The AFEE for engines is 543.

**A6.7. RGC G - Other Major End Item (OMEI) Fixed Facility, Application: Organic/Contract.** Includes all programmed maintenance requirements for those workloads that have long flow time and, when accomplished organically, permits the preparation of production documentation and the pre-placement of manpower and material. All organic workloads accomplished as CC1 in the RGC use serial number control. Required information is entered into G097 by the IM. The AFEE for OMEI is 544.

**A6.8. RGC H - OMEI Service Work, Application: Organic/Contract.** Includes team effort and all other OMEI workloads not covered by RGC G. This includes those workloads for which a specific input/output schedule has not been formalized, as well as planned reclamation of OMEI. Required information is entered into G097 by the IM. All work accomplished in this RGC is charged as a Type 6 PO. The AFEE for OMEI is 544.

**A6.9. RGC J - MISTR, Application: Organic/Contract.** Limited to the repair of items contained in the Management of Items Subject to Repair (MISTR) system (G019C for organic and G072D for contract). Workloads within the same logistics program, which equate to two or less Personnel Equivalents (PE) per Fiscal Year (FY), approximately 3,000 hours or less, at the Federal Stock Class (FSC)/Material Management Categorization (MMC) level, may be consolidated within that program and accomplished as follows: (1) Program - Appropriate Code. (2) Sub-Program - Exchangeable Items. (3) Program Unit Code - K000A Units. All MISTR workloads are charged as a Type 4 PO. The AFEE for MISTR is 545.

**A6.10. RGC K - Programmed Project Directive (Non-MISTR), Application: Organic/Contract.** Includes all negotiated (other than MISTR) exchangeable item workloads that have a definitive input/output schedule, requested through project directives (if organic), but are not controlled and scheduled in the MISTR system. These workloads may or may not have a long flow time, and are expressed in standard hours under program unit code H000A. Requirements are expressed by FSC/MMC/Material Management Aggregation Code (MMAC). The inertial guidance systems and inertial navigation systems/components are included in this category and are expressed in units under program unit code G000A. All workloads on inertial guidance systems are charged as a Type 5 PO. All other work under this RGC is charged as a Type 6 PO. The AFEE for non-MISTR is 545.

**A6.11. RGC L - Exchangeables Service Charge, Application: Organic/ Contract.** Includes all other exchangeable item depot maintenance workloads not covered in RGCs J and K, which includes reclamation of exchangeable items. Requirements, with the exception of reclamation, are

expressed by FSC, MMC or aggregated similar to RGC J. The repair of items for the Systems Support Division (SSD), included in this RGC, generally have short flow time but are not in the MISTR system. SSD work is portrayed as the IM support program and SSD subprogram, with program unit code H000A. Reclamation work is portrayed as the IM program and EXCH-ITEMS subprogram. Program unit code F0166 is used by the IM to express the requirement for each facility (organic). All work accomplished under this RGC is charged as a Type 6 PO. The AFEE for exchangeables is 545.

**A6.12. RGC M - Area Support, Application: Organic/Contract.** Applies to work requests generating through TO 00-25-107 requests. Such requests prescribe needs for organizational and intermediate (O&I) level maintenance; Precision Measuring Equipment Laboratory (PMEL) support; and such tasks as: non-engineering technical assistance, welder testing and certification, spectrum oil analysis, hydraulic fluid analysis, mercury recovery, and other similar tests. All work accomplished under this RGC is charged as a Type 6 PO. The AFEE for area support is 546.

**A6.13. RGC N - Base Support, Application: Organic Only.** Includes, but is not limited to, foreign national training, and all requirements (including manufacture) in support of AFI 25-201, *Support Agreements Procedures*. It also includes such items as sustaining engineering requests if directed to the Source of Repair (SOR) by AFMC, quality audit programs for expense and investment items repair of items for the General Support Division (GSD), and reclamation effort requested by the local redistribution and marketing that has not been directly requested to depot maintenance by the ALC IM. All work accomplished under this RGC is charged as a Type 7 PO. The AFEE for ABM is 546.

**A6.14. RGC P - Manufacture Air Force Supply Management Activity Group (SMAG), Application: Organic Only.** Includes manufacture of items for either the General or System Support Division (GSD/SSD) of the Supply Management Activity Group (SMAG). There are selected types, or conditions, of manufacture that can be accomplished for the AFMC Operations and Maintenance (O&M). Full agreement is required by both SMAG and DMAG personnel relative to the funds citation to be charged and the reimbursement code to be used. Depot maintenance is not required to manufacture an item for either division of the SMAG if the funds citation is broken down into increments smaller than that permitted by the current assignment of reimbursement codes. Manufacture of GSD requirements are input to the G097 in the maintenance manufacturing program and the GSD subprogram. SSD requirements are input to G097 by the IM support program and SSD subprogram. All local manufacture of SSD items are accommodated as a Type 6 PO, and all local manufacture of GSD items are processed as a Type 7 PO. The AFEE for manufacture is 546.

**A6.15. RGC R - Manufacture Non-SMAG, Application: Organic Only.** Includes emergency manufacture of centrally procured (CP) items. There are selected types, or conditions, of manufacture that can be accomplished for the AFMC O&M. Full agreement is required by both the IM and DMAG personnel relative to the funds citation to be charged and the reimbursement code to be used. Depot Maintenance is not required to manufacture an item for any CP appropriation if the funds citation is broken down into smaller increments than that permitted by the current assignment of reimbursement codes. Requirements are supported by both the IM and DMAG. The IM updates G097 for manufacture (3080-Budget Program Account Code (BPAC) 810000, 3080-BPAC 820000, 3080-BPAC 8M0000, 3080-BPAC 840000). The IM updates G097 for all other items. All work accomplished in this RGC is charged as a Type 6 PO. The AFEE for manufacture is 546.

**A6.16. RGC S - Software, Application: Organic/Contract.** Software and software support for all ALC depot maintenance support, except that software and software support required to maintain or enhance depot maintenance production capability. This is chargeable to Cost Class 1, and to either Type 6 or 7 POs as applicable. The AFEE for software is 540.

**A6.17. RGC 1 - Aircraft/Missile Storage Application: Organic/Contract.** Includes input to storage, maintain in storage, withdrawal (flyaway and overland), mobilization upgrade/preservation, and all immediate support of these tasks. The end items include aircraft, missile, and supporting items such as storage containers, exchangeable items, engines and whatever else is required for the storage and mobilization upgrade support. The AFEE for storage is 548.

**A6.18. RGC 5 - PME Calibration.** This calibration includes all contract Precision Measuring Equipment (PME) standard calibration as well as the PME calibration workloads being accomplished for the National Bureau of Standards.

**Attachment 7****REIMBURSEMENT SOURCE CODES**

**A7.1. The current Reimbursement Source Code Table is provided in DMAPS. <https://cs.eis.afmc.af.mil/sites/dmapspmo/DMAPS%20Program%20Support%20Library/Finance/Reimbursement%20Codes>**

**Attachment 8****LIST OF DIFMS REPORTS**

**A8.1. DIFMS Reports are provided on the DFAS website: <https://t6800.csd.disa.mil/DifmsPortal/index.php> . Anyone with a CAC card can access this DFAS website. Once signed on, click on System Info, then click on the DIFMS subject tab, then click on the sub-tab for the desired production release. (As of 12 December 2011, DIFMS at the ALCs is at release 11B.) Click on DIFMS New User's Manuals.**

**A8.2. Section 4 of each User Manual below contains the Reports for each Sub-System.**

- A8.2.1. Billing\_User\_Manual
- A8.2.2. Cash\_User\_Manual
- A8.2.3. Cost\_Summary\_User\_Manual
- A8.2.4. DIFMS\_User\_Manual\_Update
- A8.2.5. Fixed\_Assets\_Users\_Manual
- A8.2.6. General\_Ledger\_User\_Manual
- A8.2.7. JOCO\_User\_Manual
- A8.2.8. Labor\_User\_Manual
- A8.2.9. Material\_User\_Manual
- A8.2.10. Other\_Cost\_User\_Manual
- A8.2.11. Purge\_and\_History\_User\_Manual
- A8.2.12. System\_Parameters\_User\_Manual

## Attachment 9

### DIFMS DATA ELEMENTS

**A9.1. DIFMS Data Elements** : Can be obtained from the DIFMS Database Access Manual (Section 3 – Table Descriptions and Columns) for the desired production release on the DFAS website under the System Info tab. <https://t6800.csd.disa.mil/DifmsPortal/index.php> . Under the System Info tab, click on Database Access Manual, click on the Data Base Access Manual for the desired release.

**Attachment 10****LIST OF DIFMS PROGRAMS**

**A10.1. A list of DIFMS Programs:** Can be obtained from Sections 2 through 4 in the New User's Manual (for each Sub-system) for the desired production release on the DFAS website. <https://t6800.csd.disa.mil/DifmsPortal/index.php> . **Anyone with a CAC card can access this DFAS website. Once signed on, click on System Info, then click on the DIFMS subject tab, then click on the sub-tab for the desired production release.** (As of 12 December 2011, DIFMS at the ALCs is at release 11B.) Click on DIFMS New User's Manuals.

**A10.2. Sections 2 - 4 of each User Manual below contain a list of DIFMS Programs for each Sub-System.**

- A10.2.1. Billing\_User\_Manual
- A10.2.2. Cash\_User\_Manual
- A10.2.3. Cost\_Summary\_User\_Manual
- A10.2.4. DIFMS\_User\_Manual\_Update
- A10.2.5. Fixed\_Assets\_Users\_Manual
- A10.2.6. General\_Ledger\_User\_Manual
- A10.2.7. JOCO\_User\_Manual
- A10.2.8. Labor\_User\_Manual
- A10.2.9. Material\_User\_Manual
- A10.2.10. Other\_Cost\_User\_Manual
- A10.2.11. Purge\_and\_History\_User\_Manual
- A10.2.12. System\_Parameters\_User\_Manual

**Attachment 11****LIST OF GENERAL LEDGER ACCOUNTS**

**A11.1.** The list of DIFMS General Ledger Accounts can be obtained from the link to the USSGL website at <http://www.fms.treas.gov/ussgl/index.html>.

**A11.2. New USSGL Account Number Code Structure.** The new USSGL account number code structure will include six digits and will be implemented by adding two zeros, “00,” to the end of all USSGL account numbers. For example, USSGL account number 1010 will become USSGL account number code 101000. Agencies **must not** modify these six-digit USSGL account number codes. For agency-specific reporting needs, individual agencies may add a two-digit USSGL account extension code that will not be standardized in the USSGL. Use of the two-digit USSGL account extension code is at the discretion of the agency. By fiscal 2013, agencies must provide Treasury central reporting data using the new USSGL account number code structure. The change in the USSGL account number code structure applies throughout the entire TFM. In fiscal 2012, the new USSGL account number codes will be published in the TFM.

A11.2.1. To access the new accounts for 2012, click on USSGL TFM S2 12-01 (December 2011), click on USSGL TFM, click on Part 2 Fiscal 2012 Reporting, click on Section I Chart of Accounts (includes Cover Page

**Attachment 12****LIST OF DIFMS INQUIRY AND UPDATE SCREENS**

**A12.1. DIFMS Inquiry and Update Screens** : Are provided in Section 2 in the New User's Manuals (for each sub-System) for the desired production release on the DFAS website: <https://t6800.csd.disa.mil/DifmsPortal/index.php> . **Anyone with a CAC card can access this DFAS website. Once signed on, click on the DIFMS subject tab, then click on the sub-tab for the desired production release.** (As of 12 December 2011, DIFMS at the ALCs is at release 11B.) Click on DIFMS New User's Manuals.

**A12.2. Section 2 of each User Manual below contains a list of DIFMS Inquiry and Update Screens for each Sub-System.**

- A12.2.1. Billing\_User\_Manual
- A12.2.2. Cash\_User\_Manual
- A12.2.3. Cost\_Summary\_User\_Manual
- A12.2.4. DIFMS\_User\_Manual\_Update
- A12.2.5. Fixed\_Assets\_Users\_Manual
- A12.2.6. General\_Ledger\_User\_Manual
- A12.2.7. JOCO\_User\_Manual
- A12.2.8. Labor\_User\_Manual
- A12.2.9. Material\_User\_Manual
- A12.2.10. Other\_Cost\_User\_Manual
- A12.2.11. Purge\_and\_History\_User\_Manual
- A12.2.12. System\_Parameters\_User\_Manual