

CHAPTER 1
INTRODUCTION AND POLICY

1-1 Purpose. The Accounting Principles and Standards contained in ER 37-2-10, Chapter 1, are applicable to this regulation and incorporated herein by reference in lieu of reprinting. The purpose of this regulation is to describe the system used in accounting for Military functions.

1-2 Scope. The system of accounts prescribed and reports required herein are applicable to Divisions, Districts, and Waterways Experiment Station which incur obligations against military funds allotted or suballotted by the Chief of Engineers, or other military agencies.

1-3 References.

a. Publications. This publication includes references to other publications which are listed below. This list does not include all the publications governing installation integrated accounting which, however, should be available in field offices.

(1) Department of the Army.

* (a) Army Regulations (AR):

37-20
37-21
37-27
37-100
37-101
37-103
37-103-1
37-105
37-106
37-107
37-108
37-109
415-28
700-43
735-5
735-20

(b) (Reserved.)

* (2) Office, Chief of Engineers, Engineer Regulations (ER):

1-1-6	37-345-1
10-1-2	405-345-700
10-1-3	415-35-1
11-2-320	415-345-10
18-1-2	415-345-270
37-2-10	1180-1-1
37-3-7	

b. Forms. This publication includes references to the forms listed below. Other forms required for accounting and reporting are referred to in publications which should be available in field offices.

(1) Standard and Stock Accounting Forms.

SF 1014	General Ledger
SF 1014A	General Ledger
SF 1034	Public Voucher for Purchases and Services Other Than Personal
SF 1038	Application and Account of Advanced Funds
SF 1049	Public Voucher for Refunds
SF 1080	Voucher for Transfers Between Appropriations and/or Funds
SF 1093	Schedule of Withholdings Under the Davis-Bacon Act
SF 1096	Schedule of Voucher Deductions
SF 1097	Voucher and Schedule to Effect Corrections of Errors
SF 1113	Public Voucher for Transportation Charges
SF 1114	Bill for Collection
SF 1114A	Official Receipt
SF 1114B	Collection Voucher
SF 1129	Reimbursement Voucher
SF 1166	Voucher and Schedule of Payments
SF 1166A	Voucher and Schedule of Payments (Memorandum)
SF 1167	Voucher and Schedule of Payments (Con't Sheet)
SF 1167A	Voucher and Schedule of Payments (Continuation Sheet) (Memorandum)

(2) Department of Defense Forms.

DD 448	Military Interdepartmental Purchase Request
DD 1131	Cash Collection Voucher
DD 1144	Interservice Supply Support Agreement
DD 1351	Travel Voucher
DD 1351-2	Travel Voucher or Subvoucher
DD 1354	Transfer and Acceptance of Military Real Property
DD 1391	Military Construction Project Data

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(3) Department of Army Forms.

DA Form 2153 Manpower Utilization and Requirements Part A -
Utilization (Including Personal Services
Earnings)
DA Form 2544 Intra-Army Order for Reimbursable Services
DA Form 3717 Miscellaneous Obligation Document
DA Form 3900 Bills Register - Supplies and Services -
Non-Personal
DA Form 3970 Transfer Adjustment Voucher
DA Form 3974 Installation Block Ticket
DA Form 3994 Cash Blotter
DA Form 4522 Record of Advance Payments

(4) ENG Forms.

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1 Employee's Daily Labor Report
1A Daily Labor Report (Short)
2 Summary of Distribution of _____
4R Monthly Report of Receipt and Issue of
Materials and Supplies
17A Cost Sheet - Miscellaneous
93 Payment Estimate - Contract Performance
453 General Ledger
1301 Time and Attendance Report and Labor Report
Cost Sheet
1301a Time and Attendance Report and Labor Report
Cost Sheet
1301b Labor Report Cost Sheet
2106 Allotment Ledger/Work Allowance Ledger
2440 Acquisition Progress Report
2904 Continuation Sheet to SF 1080
2956 Statement of Status of Imprest Fund
3003 Accounts Receivable Register
3004 Accrued Expenditures Register
3005 Bureau Voucher (Procurements)
3006 Bureau Voucher (For Cost Transfers)
3006a Bureau Voucher (For Cost Transfers)
3007 Journal Entry
3007a Journal Entry (Summary)
3008 Continuation Sheet (Bureau Voucher or Journal
Entry)
3013 Work Order/Completion Report
3018c Fiscal Year Cost - Budget Summary - Military
Activities
3027 Funds Receipts and Disbursements Register -
Military Funds
3030 Transaction Register*

*	3036	Allotment Ledger/Work Allowance Ledger (Civil Activities Only)	
	3038	Transaction Register	
	3039	Miscellaneous Commitment Document	
	3040	Commitment Ledger	
	3041-R	Report of Real Estate Receipts	
	3046	Analysis of Warehouse Stocks, Accounts Receivable Military Construction - Supervision and Administration Account - Revolving Fund	
	3055	Warehouse Stock (Inventory) Record Card	
	3059	Requisition on Warehouseman	
	3163	Individual Accounts Payable Record	
	3313	Remittance Register	
	3315	Check Register	
	4013	Daily Worksheet for Reconciliation of Cash Blotter and Check Register with Fund Receipts and Disbursement Register (Journals)	
	4261-R	Sample Trial Balance	
	4300-R	Financial Report - Homeowners Assistance Fund	
	4369	Fiscal Year Cost-Budget Summary	
	4564	Real Estate Schedule/Cost and Performance FY..	*

(5) Corps of Engineers' Cost Forms.

67R	Field Inspection Report of Material in Place
68R	Computation of Material Costs
69R	Daily Equipment Operation Card

* (6) (Rescinded.) *

1-4 Concept.

a. Disbursing, general accounting, allotment accounting, and cost accounting are integrated into a single comprehensive accounting system. This system is operated on the "double entry" principle and prescribes the maintenance of a general ledger, various subsidiary ledgers which are controlled by specified general ledger accounts, and related transaction registers.

b. The accounts in this system are generally maintained on an accrual accounting concept, i.e., accounts are debited and credited as applicable on the basis of goods and services received without regard to whether an invoice has been presented and/or disbursement made. However, the allotment ledger is maintained on the cash accounting basis with respect to accounts receivable.

1-5 Accounting Periods. The accounting period for recording actual transactions and accruals is the calendar month. The fiscal year cycle is from 1 October through 30 September as established by law.

1-6 Establishment, Organization and Functions of Finance and Accounting Offices.

a. Establishment of Finance and Accounting Branch. The Finance and Accounting Branch will be activated only with the advance approval of the Comptroller of the Army. Recommendations of installation commanders for such activation will be submitted through channels in accordance with Chapter 2, AR 37-103. Finance and Accounting Branches will be organized in accordance with AR 37-101, ER 10-1-2, and ER 10-1-3. Authority to deviate therefrom must be obtained in advance from the Chief of Engineers. However, the Examination and Disbursing Sections will never be merged or headed by the same individual.

b. Operations. Accounting, disbursing and reporting operations will be in accordance with applicable regulations (para 1-3a). The accounts prescribed herein will be maintained in the Finance and Accounting Branch and will in no way be duplicated by similar records maintained elsewhere in the district office.

c. Appointment of Finance and Accounting Officers. A Finance and Accounting Officer will be appointed at each installation to serve as head of the Finance and Accounting Branch under the direct supervision and control of the Comptroller. The provisions of paragraph 2-6, AR 37-103 will be followed. In the case of appointment of civilians as Finance and Accounting Officers (special disbursing agents), a Qualification Statement will accompany the request for appointment from the installation commander. The Qualification Statement will show: I Education. List details of education beyond high school, including semester hours of credit, degrees or diplomas conferred. Include any extension courses completed or Army Schools attended. Clearly indicate semester hours of accounting completed. II Experience. Briefly detail types of experience under Governmental and non-Governmental. Under Governmental, list all phases of accounting operations experienced, such as fiscal accounting (finance and cost), disbursing, vouchering, auditing, and include years of experience and highest grade held in each phase. III Recommendation. The proposed Finance and Accounting Officer should be recommended for approval on the Qualification Statement by the installation Comptroller. IV Qualification Statement. The installation Personnel Officer should state on the Qualification Statement that the qualifications of the above-named applicant meet Civil Service requirements for the title, code and grade of the position of Finance and Accounting Officer, _____ installation.

d. Appointment of Deputies. Section II, Chapter 2, AR 37-103. will be followed in the appointment of deputies. One or two years' experience as a deputy special disbursing agent will go far toward satisfying the Chief of Finance as to the qualifications of an otherwise qualified nominee for assignment as finance and accounting officer (special disbursing agent). Accordingly, an employee should not normally be designated deputy special disbursing agent unless it is anticipated at the time of designation that the deputy may ultimately become the principal.

e. Appointment of Class "A" and "B" Agent Officers. Commanding Officers of Corps of Engineers installations and activities are authorized to appoint commissioned or warrant officers to act as agents for Finance and Accounting Officers (Special Disbursing Agents) under the provisions of Chapter 15, AR 37-103.

f. Appointment of Cashiers for Working Groups. Commanding Officers of Corps of Engineers installations and activities are authorized to appoint cashiers for working groups under the provisions of paragraph 2-52b, AR 37-103.

* (1) Mechanical check signing equipment, including signature dies, will be requisitioned from U. S. Army Finance and Accounting Center (FINCY) Indianapolis, Indiana 46249 in accordance with paragraph 2-80, AR 37-103, except as provided in (2) below. In certain instances USAFAC may authorize local procurement of the equipment. *

(2) Where mechanical check signing equipment is available for use in connection with the disbursement of civil funds it may also be used for military. In such instances the signature dies used for military checks will be procured locally. The same border design used for civil signature dies will be used for the military, except that "United States Army" and "Special Disbursing Agent" will be substituted for "Corps of Engineers" and "Disbursing Officer" in the upper and lower margins, respectively. Consecutive numbers beginning with "1", including both military and civil in the same series, will be shown in the lower left-hand corner of the border to designate the signature dies acquired.

(3) Where a signature die is procured locally, sixteen specimens of the facsimile signature produced by the die will be furnished HQDA (DAEN-ECF-A) WASH DC 20314 for approval of the Treasurer of the United States. These specimens will be on plain white paper about the size, weight and thickness of a Treasury Check. Two of these specimens will be certified manually by the special disbursing agent as follows:

"I certify that this is a true specimen of my official signature to be affixed by machine to checks drawn on the Treasurer of the United States under any symbol number now or hereafter assigned to me."

(Sign here the same as on the plate)

(4) No check will be signed with the signature dies until approval of the facsimile signature has been received.

h. Deficiencies in Finance and Accounting Officers' Accounts.
* HQDA (DAEN-ECF -A) WASH DC 20314 will be furnished a copy of notification of irregularity or deficiency submitted to U. S. Army Finance and Accounting Center (FINCY) Indianapolis, Indiana 46249, in accordance with paragraph 3-152. AR 37-103.

1-7 Records Management. Standards for disposition of accounting records generated by this system are published in AR 340-18-3. *

1-8 Mechanization.

a. The methods prescribed in the manual contemplate the maintenance of accounts on conventional bookkeeping machines or on manually posted records, since these are the methods used by most installations. Where other methods are in use or planned, the Chief of Engineers will give full consideration to deviation requests to permit efficient utilization of these other recordkeeping methods. Prerequisites for the installation of automatic data processing (ADP) and electrical accounting machine (EAM) methods are included in ER 18-1-2, the provisions of which should be followed.

b. Proposals for installation of ADP and EAM equipment will describe deviations from prescribed methods in sufficient detail to enable evaluation in the Office, Chief of Engineers. Approval of the proposal will constitute authority to depart from prescribed methods to that extent. Further specific approval by the Chief of Engineers will not be required so long as specified accounting controls are retained and the content of internal forms and reports is not altered. Expansion or add-on of additional routines which were not included in the original proposal will require approval of the Chief of Engineers. To illustrate, machine listings reflecting voucher numbers, amounts, appropriation and general ledger accounts affected encompassed in the approved ADPS may be substituted for prescribed accounts receivable and accrued expenditure register forms without additional Chief of Engineers approval; however, a revised procedure

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* involving the elimination of these records or any significant item of data thereon must be reviewed and approved by the Chief of Engineers prior to its implementation. In every instance, authority must be obtained for the revision of external report forms, such as the ENG Form 3018c report. *

c. The policy stated in the preceding sub-paragraphs a and b will be followed also when accounting operations are applied to existing installed ADP or EAM equipment. Applications which involve deviations from approved forms and procedures will be presented to the Chief of Engineers for approval prior to their implementation.

* 1-9 (Rescinded.)