Defense Finance and Accounting Service

DFAS 7900.4-M
Financial Management Systems Requirements Manual
Volume 6, Managerial Cost Accounting

August 2014

Strategy, Policy and Requirements

SUBJECT: Description of Requirement Changes

The complete listing and description of the requirements changes, deletions, and additions by chapters and systems requirements can be found below.

All changes in this volume are denoted by bold blue font.

VOLUME 6 - Managerial Cost Accounting		
Req ID	**Change Type and Description**	**Reason for Change**
06.01.001	**D - Authoritative Source/Reference Deleted**	**OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.**
06.01.002	**D - Authoritative Source/Reference Deleted**	**OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.**
06.01.004	**D - Authoritative Source/Reference Deleted**	**OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.**
06.02.002	**C - Authoritative Source/Reference Updated**	
06.02.003	**D - Authoritative Source/Reference Deleted**	**OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.**
06.02.004	**C - Authoritative Source/Reference Updated**	
06.02.005	**C - Authoritative Source/Reference Updated**	
06.02.039	**C - Authoritative Source/Reference Updated**	
06.02.040	**C - Authoritative Source/Reference Updated**	
06.02.041	**D - Authoritative Source/Reference Deleted**	**OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.**

VOLUME 6 - Managerial Cost Accounting

Req ID	Change Type and Description	Reason for Change
06.02.068	C - Authoritative Source/Reference Updated	
06.03.003	C - Authoritative Source/Reference Updated	
06.03.031	C - Authoritative Source/Reference Updated	
06.03.037	A - New Based on Review of an Existing Authoritative source	
06.04.002	C - Authoritative Source/Reference Updated	
06.04.003	C - Authoritative Source/Reference Updated	
06.04.007	C - Authoritative Source/Reference Updated	
06.04.008	C - Authoritative Source/Reference Updated	
06.04.010	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.04.019	C - Authoritative Source/Reference Updated	
06.04.020	D - Authoritative Source/Reference Deleted	OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.04.021	C - Authoritative Source/Reference Updated	
06.04.030	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.05.001	D - Duplicate Requirement Deleted	Duplicate of 06.05.016.
06.05.006	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.05.007	C - Authoritative Source/Reference Updated	
06.05.008	D - Authoritative Source/Reference Deleted	OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.05.016	C - Authoritative Source/Reference Updated	

VOLUME 6 - Managerial Cost Accounting		
Req ID	**Change Type and Description**	**Reason for Change**
06.05.020	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.05.028	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.05.029	C - Authoritative Source/Reference Updated	
06.05.030	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.002	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.003	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.007	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.009	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.013	D - Authoritative Source/Reference Deleted	OMB Circular A-123 Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.024	C - Authoritative Source/Reference Updated	
06.06.025	C - Authoritative Source/Reference Updated	
06.06.028	C - Authoritative Source/Reference Updated	
06.06.029	C - Authoritative Source/Reference Updated	
06.06.030	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.
06.06.031	C - Authoritative Source/Reference Updated	
06.06.032	D - Authoritative Source/Reference Deleted	OMB Circular A-123, Appendix D has rendered the JFMIP and OFFM documents obsolete.

Chart Legend:

A - Added

These are new requirements due to revised and updated source documents.

C - Changed

These requirements were contained in previous releases, but were changed for various reasons.

D - Deleted

These requirements were removed and are no longer required by the source documents.

Note: If there is no code in the requirements value added or change type columns, it is by definition unchanged.

Defense Finance and Accounting Service

DFAS 7900.4-M
Financial Management Systems Requirements Manual
Volume 06, Managerial Cost Accounting

August 2014

Strategy, Policy and Requirements

SUBJECT: Financial Management Systems Requirements
Volume 06, Managerial Cost Accounting

1. PURPOSE

a. This Volume presents the financial management system design and implementation requirements for Department of Defense (DoD) military components' and agencies' financial management systems. This Volume is part of the publication which reissues Defense Finance and Accounting Service (DFAS) 7900.4-M, (The Blue Book) "Financial Management Systems Requirements Manual". This manual is a compilation of the Managerial Cost Accounting (MCA) specific Federal and Department of Defense (DoD) systems requirements. Any system reviews need to consider all DFAS 7900.4-M volumes and requirements in addition to these Managerial Cost Accounting specific items contained in this volume.

b. The Blue Book serves as a "roadmap" to Federal and DoD financial management system requirements by major financial management functional areas and their authoritative sources, and will assist managers who are responsible for financial management systems in planning, designing, enhancing, modifying, and implementing financial management systems. Managers are ultimately responsible for being knowledgeable of and complying with the various authoritative sources of financial requirements (both legislative and regulatory). Guidance and procedures are contained in several volumes located on the DFAS Reference Library at http://www.dfas.mil/dfasffmia/bluebook.html. Appendix 4 of the manual includes links to where authoritative sources of requirements may be accessed.

c. Adherence to these requirements and all other applicable DFAS 7900.4-M requirements will enable DoD military components and agencies to meet Federal mandates and will help facilitate DFAS to progress toward reaching its strategic goal of providing services faster, better, and cheaper. The objective of this Volume is to promulgate the Managerial Cost Accounting specific financial management systems requirements for system and program managers' use in developing Managerial Cost Accounting functionality.

2. APPLICABILITY:

Requirements contained within this document are applicable to accounting and finance systems operated and maintained by DoD.

3. POLICY:

a. This Volume provides a synopsis of Federal and DoD financial system requirements,

mandated by policy, for Managerial Cost Accounting (MCA) financial management systems. It is a compilation of Managerial Cost Accounting specific financial management systems requirements mandated by Public Law 104-208, "Federal Financial Management Improvement Act of 1996" September 30, 1996.

b. This Volume incorporates revisions to existing financial system requirements from the authoritative sources **via highlighting the appropriate text in bolded blue font.** See description of requirement changes for a complete listing and description of the financial systems requirements changes, deletions, and additions, for this volume.

c. Users of this Volume may forward questions, comments and suggested changes to:

Defense Finance and Accounting Service
Strategy, Policy and Requirements
Attn: Financial Management Systems and Requirements Branch
8899 East 56th Street
Indianapolis, IN 46249-0002

E-mail questions, comments, and suggestions to ffmiarequirements@dfas.mil

4. ORGANIZATIONAL RESPONSIBILITIES FOR FFMIA COMPLIANCE

a. Within DoD, various organizations operate financial management systems. In an overall scheme, many of these systems should be linked in an integrated network. However, these systems frequently "stand-alone" or are "stovepipe" systems that are not logically integrated with other related systems. Critical financial data, instead of being transferred electronically between systems through well-controlled interfaces, are often transferred manually by means of journal vouchers, hardcopy spreadsheets, "data calls," or other inefficient and error-prone methods.

b. DFAS functions as the primary Departmental entity responsible for producing a Trial Balance from the ERP general ledger and preparing the financial reports for the DoD. Much of the data used by DFAS to carry out the DoD's accounting and financial reporting functions—such as property and inventory values—originate in non-DFAS organizations or systems. Therefore, other organizations, primarily the military services and Defense Agencies, should be held responsible for the compliance of their financial management systems with all applicable Federal requirements. Appendix 5 of DFAS 7900.4-M contains Federal and DoD guidance on FFMIA compliance, evaluation, and reporting.

5. PROCEDURES:

Procedures are presented in each Volume of this Manual as appropriate.

6. RELEASABILITY:

UNLIMITED. This Volume as part of DFAS 7900.4-M is approved for public release and may be accessed at http://www.dfas.mil/dfasffmia.html

7. EFFECTIVE DATE: This Volume is effective immediately.

TABLE OF CONTENTS

MANAGERIAL COST ACCOUNTING INTRODUCTION 1

MANAGERIAL COST ACCOUNTING REQUIREMENTS 2

Chapter 01 - System Administration 2

Chapter 02 - Data Capture 4

Chapter 03 - Cost Assignment 20

Chapter 04 - Cost and Revenue Accumulation 32

Chapter 05 - Cost Monitoring/Reporting 42

Chapter 06 - Core Financial System Requirements 50

ACRONYMS 56

MANAGERIAL COST ACCOUNTING INTRODUCTION

1. Reliable information on the cost of DoD programs, operations, and activities is crucial for effective management of the Department. Managerial cost accounting is especially important for fulfilling the objective of assessing an agency's operating performance. Therefore, cost accounting should be a fundamental part of an agency's financial management system and, to the extent practicable, should be integrated with other parts of the system. Cost accounting should use a basis of accounting, recognition, and measurement appropriate for the intended purpose (such as costing of goods to be sold to other parties or costing the operations of a DoD organization). Cost information developed for different purposes should be drawn from a common data source, and output reports should be reconcilable to each other.

2. Cost accounting systems should be fully integrated with other agency systems in order to eliminate unnecessary duplication of transaction entries and to share data elements without re-keying or reformatting. By its nature, a cost accounting system requires more linkages with other agency systems than do most other financial management systems. For example, a cost accounting system needs to accept financial and non-financial (e.g., units) data from the core financial system, inventory system, payroll or labor distribution system, property management system and others. Such data includes but is not limited to labor costs, material costs, depreciation, labor hours, exchange revenues, and number of items produced.

3. Cost accounting standards are published in SFFAS Number 4, Managerial Cost Accounting Concepts and Standards for the Federal Government. In addition, DoD has established cost accounting requirements and processes in its Financial Management Regulation Volume 4. This volume and other DFAS 7900.4-M volumes may be applicable to your system.

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
System Administration	06.01.001	D - Authoritative Source/Reference Deleted	DELETED: The system must support the Financial Information Classification Structure described in JFMIP FFMSR-8, Chapter II, and use the data classification structure described there.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_System_Admin_001
System Administration	06.01.002	D - Authoritative Source/Reference Deleted	DELETED: The system shall have the capability to access the other systems' tables (or other data structures) that define codes in the data classification structure, rather than maintaining its own set of tables for these data elements.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_System_Admin_002
System Administration	06.01.004	D - Authoritative Source/Reference Deleted	DELETED: The system must allow authorized users to maintain data classification elements and use it for editing and reporting purposes.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_System_Admin_003
System Administration	06.01.006		The system must maintain rules for assigning costs to cost objects. The cost assignment rules maintenance process must support the costing methodologies, cost objects, and resources chosen by the agency for its use. The system is not required to support all of the costing methodologies that might be possible.	Source: SFFAS4,116; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_System_Admin_004

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
System Administration	06.01.012		The system must require reporting entities to perform at least a certain minimum level of cost accounting and provide a basic amount of cost accounting information necessary to accomplish the many objectives associated with planning, decision making, and reporting. This minimum level includes collecting cost information by responsibility segments, measuring the Full Costing of outputs, Costing Methodology, providing information for Performance Measurement, Reporting Frequency, Integrating cost accounting and general financial accounting with both using the U.S. Standard General Ledger, providing the appropriate precision of information (it should be useful but not unnecessarily precise or refined), accommodating any of management's special cost information needs that may arise due to unusual or special situations or circumstances and documentation of all managerial cost accounting activities, processes, and procedures.	Source: SFFAS4,71; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_System_Admin_005

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.002	C - Authoritative Source/Reference Updated	**The system must capture (or share with other systems) all data on costs needed to determine the costs of outputs and the total net cost of the entity's operations, with the appropriate disclosures of the components of net cost.**	Source: SFFAS4,89; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_001
Data Capture	06.02.003	D - Authoritative Source/Reference Deleted	DELETED: The system must capture summary information on all costs from the core financial system and other systems of original entry for cost transactions.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Data_Capture_002
Data Capture	06.02.004	C - Authoritative Source/Reference Updated	**The system must allow for direct input of cost information by authorized users, with an appropriate audit trail, in order to capture costs that are not entered into any other system.**	Source: SFFAS4,70; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_003

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.005	C - Authoritative Source/Reference Updated	**The system must summarize costs that are entered directly into the system and send the summary for posting to the general ledger.**	Source: SFFAS4,41; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_004
Data Capture	06.02.010		The managerial cost accounting system shall have the capability to include all direct costs in the full cost of outputs.	Source: SFFAS4,90; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_006

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.011		The system must assign indirect costs incurred, within a responsibility segment, to outputs on a cause-and-effect basis, if such an assignment is economically feasible, or through reasonable allocations. Costs of support services that a responsibility segment receives from other segments or entities should be directly traced or assigned to various segments that receive the support services. Any remaining amount then should then be assigned to outputs.	Source: SFFAS4,91; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_007

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.012		The system must include the following cost elements (not all inclusive): • Costs of Employees' Benefits. • Costs of Public Assistance and Social Insurance Programs. • Costs related to Property, Plant and Equipment. • Non-production costs.	Source: SFFAS4,93; Source Date: 7/1/1995Source: SFFAS4,98; Source Date: 7/1/1995Source: SFFAS4,104; Source Date: 7/1/1995Source: SFFAS4,103; Source Date: 7/1/1995Source: SFFAS4,102; Source Date: 7/1/1995Source: SFFAS4,101; Source Date: 7/1/1995Source: SFFAS4,100; Source Date: 7/1/1995Source: SFFAS4,97; Source Date: 7/1/1995Source: SFFAS4,96; Source Date: 7/1/1995Source: SFFAS4,95; Source Date: 7/1/1995Source: SFFAS4,94; Source Date: 7/1/1995Source: SFFAS4,99; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_008

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.013		The system must incorporate the cost of goods and services received from other entities (inter-entity costs) in the entity's full cost of goods and services.	Source: DoDFMRVol6B,Ch5, Sub0503; Source Date: 5/1/2012Source: SFFAS4,8; Source Date: 7/1/1995Source: SFFAS4,105; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_009
Data Capture	06.02.019		The system shall have the capability to classify accumulated costs by type of resource such as costs of employees, materials, capital, utilities, rent, etc. When appropriate and cost effective, information on quantitative units related to various cost categories should be maintained.	Source: SFFAS4,119; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_014

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.022		The system must have the capability to distinguish between funded and unfunded costs.	Source: DoDFMRVol4,Ch20,Sub2001; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_016
Data Capture	06.02.023		The system must have the capability to include unallowable costs (unallowable cost is any cost which under the provisions of any pertinent law, regulation or contract, cannot be included in prices, cost reimbursements or settlements), if material and when directed by the Under Secretary of Defense (Comptroller), as a cost of operations.	Source: 48CFRVol7,Ch99,Pt9904,Sec9904.405-20; Source Date: 9/1/2011	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_017

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.027		The system shall have the capability to maintain subsidiary accounts data in sufficient detail to comply with the management information requirements for each production and support department.	Source: DoDFMRVol4,Ch20,Sub2002; Source Date: 5/1/2010Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_022
Data Capture	06.02.028		The system must use job order numbers assigned, for each defined cost object, by the appropriate cost accounting department.	Source: SFFAS4,155; Source Date: 7/1/1995Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_023

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.031		The system must have the capability to accumulate unfunded costs.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_060
Data Capture	06.02.032		The system must have the capability to account for the all production costs associated with producing a product.	Source: DoDFMRVol4,Ch20,Sub2004; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_061

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.034		The system must have the capability to associate the outputs of a product by cost center.	Source: DoDFMRVol4,Ch21,Sub2103; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_025
Data Capture	06.02.035		The system shall have the capability to accumulate actual production costs in order for an user to measure the cost efficiency of cost centers.	Source: DoDFMRVol4,Ch21,Sub2103; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_026

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.038		To support the managerial cost accounting process, the system shall provide a capability to classify an Operating Cost as a Direct Cost.	Source: SFFAS4,90; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_029
Data Capture	06.02.039	C - Authoritative Source/Reference Updated	**To support the managerial cost accounting process, the system shall provide the capability to associate a Direct Cost with an Activity.**	Source: SFFAS4,90; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_030

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.040	C - Authoritative Source/Reference Updated	**To support the managerial cost accounting process, the system shall have the capability to classify cost objects based upon agency defined criteria.**	Source: SFFAS4,121; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_031
Data Capture	06.02.041	D - Authoritative Source/Reference Deleted	DELETED: To support the managerial cost accounting process, the system shall provide the capability to associate costs with various programs, sub-agencies, commands, etc. based upon agency defined criteria.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Data_Capture_032
Data Capture	06.02.047		To support the managerial cost accounting process, the system shall have the capability to accumulate the full costs of cost objects. Full costs include direct costs, indirect cost allocations, implicit costs and unfunded costs.	Source: SFFAS4,91; Source Date: 7/1/1995	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_038

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.049		The system shall have the capability to support activity-based costing methods.	Source: SFFAS4,149; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_040
Data Capture	06.02.054		To support the managerial cost accounting process, the system shall provide the capability to identity accumulated costs with reporting periods and cost objects.	Source: SFFAS4,126; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_045

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.060		To support the managerial cost accounting process, the system shall provide the capability for an authorized user to associate a Direct Cost to a Project Number.	Source: SFFAS4,90; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_062
Data Capture	06.02.061		To support the managerial cost accounting process, the system shall provide the capability to associate an Indirect Cost to a group of Project Numbers.	Source: SFFAS4,91; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_051

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.062		To support the managerial cost accounting process, the system shall provide the capability to associate an Overhead Cost to all Project Numbers.	Source: SFFAS4,54; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_052
Data Capture	06.02.063		To support the managerial cost accounting process, the system shall provide automated functionality to capture several types of data (i.e. units, exchange revenues, gains and losses).	Source: DoDFMRVol4,Ch16,Sub1601; Source Date: 6/1/2012	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_053

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.064		To support the managerial cost accounting process, the system must provide the capability to use the accrual basis of accounting when recognizing costs.	Source: SFFAS4,60; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_054
Data Capture	06.02.065		To support the managerial cost accounting process, the system shall collect cost information and associate outputs by responsibility segment.	Source: SFFAS4,123; Source Date: 7/1/1995Source: SFFAS4,71; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_055

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.066		To support the managerial cost accounting process, the system shall provide the capability to identify all costs incurred by the agency in support of activities of revolving funds, trust funds, or commercial functions (including the applicable portions of any related salaries and expense accounts identified with those activities).	Source: SFFAS4,89; Source Date: 7/1/1995Source: SFFAS4,90; Source Date: 7/1/1995Source: SFFAS4,91; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_056
Data Capture	06.02.067		To support the managerial cost accounting process, the system shall provide automated functionality to include imputed costs incurred by the reporting entity, but paid in total or in part by another entity, in the costs of program outputs.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Data_Capture_057

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Data Capture	06.02.068	C - Authoritative Source/Reference Updated	**To support the managerial cost accounting process, the system shall have the capability to classify financial information by: a) Funding Center Identifier b) Cost Center Identifier c) Project Identifier d) Activity Identifier e) Work Order Number f) Cost Element Code**	Source: SFFAS4,71; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Data_Capture_058
Cost Assignment	06.03.002		To support the managerial cost accounting process, the system must have the capability to use one or more of the following costing methodologies: • Activity Based Costing (ABC) • Job Order Costing • Process Costing • Standard Costing.	Source: SFFAS4,147; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_001

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.003	C - Authoritative Source/Reference Updated	**If the cost assignment process affects the values of U.S. Standard General Ledger (USSGL) accounts, such as inventory or fixed asset accounts, the system must send a summarized impact of the cost assignments for posting to the general ledger for external reporting.**	Source: SFFAS4,71; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Assignment_002
Cost Assignment	06.03.004		The system must have the capability to assign costs of supporting services and intermediate products to the segments that receive the services and products.	Source: SFFAS4,122; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_003

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.005		The system shall have the capability to include the following costs which are to be assigned to outputs: (a) direct and indirect costs incurred within the responsibility segment, (b) costs of other responsibility segments that are assigned to the segment, and (c) inter-entity costs recognized by the receiving entity and assigned to the segment.	Source: SFFAS4,123; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_004
Cost Assignment	06.03.006		When activities or outputs share resources, the system shall have the capability for a user to assign costs that can be traced to each of the activities or outputs directly to that activity or output.	Source: SFFAS4,139; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_005

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.007		The system shall have the capability for an user to assign indirect common costs when activities or outputs share resources. Common costs shall be assigned to activities either on a cause-and-effect basis, if feasible, or through reasonable allocations.	Source: SFFAS4,140; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_006
Cost Assignment	06.03.013		The system shall assign the depreciable cost of tangible capital asset (or group of assets) to cost accounting periods in accordance with the following criteria: The depreciable cost of a tangible capital asset shall be its capitalized cost less its estimated residual value. The estimated service life of a tangible capital asset (or group of assets) shall be used to determine the cost accounting periods to which the depreciable cost will be assigned.	Source: SFFAS4,120; Source Date: 7/1/1995Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_Assignment_029

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.014		The system shall allow an authorized user to allocate the annual depreciation cost of a tangible capital asset (or group of assets) to cost objectives for which it provides service in accordance with the following criteria: • Depreciation costs may be charged as a direct cost only if depreciation costs of all like assets used for similar purposes are charged in the same manner. • Depreciation costs charged to service or general and administration cost centers shall be included in the allocated costs of those centers. • Depreciation costs of capital assets used within a production cost center but which are not charged directly to a cost objective shall be included as an indirect cost of that center.	Source: SFFAS4,134; Source Date: 7/1/1995Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_030
Cost Assignment	06.03.015		The system shall allocate business unit General and Administrative (G&A) expenses to final cost objectives based on their beneficial or causal relationship.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_031

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.016		The system shall have the capability to allocate the General and Administrative (G&A) expense pool of a business unit, for a cost accounting period, to final cost objectives of that cost accounting period by means of a cost input base representing the total activity of the business unit.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_032

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.017		The system shall have the capability to allocate headquarters' expenses, received by a segment, to segment cost objectives as follows: •Expenses related to the management and administration of the receiving segment as a whole shall be included in the receiving segment's General and Administrative (G&A) expense pool. •Expenses related to the management and administration of specific activities of segments shall be allocated to the segment cost objectives in proportion to the beneficial or causal relationship between the cost objectives and the expenses, if such allocation is significant, in amount. When a beneficial or causal relationship for expenses is not identifiable with segment cost objectives, the expenses may be included in the General and Administrative (G&A) expense pool.	Source: DoDFMRVol4,Ch19,Sub1904; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_033

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.019		The system shall have the capability to assign cost for deferred employee compensation.	Source: SFFAS4,95; Source Date: 7/1/1995Source: SFFAS4,96; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Assignment_034
Cost Assignment	06.03.020		The system shall have the capability to post work in process cost, for all open job order numbers, to the Work In Process-In House and Construction In Progress-In House accounts.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_035

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.021		The system shall have the capability to add unfunded cost financed by other organizations or by prior appropriations to the shop rate charges and bill to non-DoD ordering activities.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Assignment_019
Cost Assignment	06.03.022		The system shall have the capability to allow an user to equitably prorate the general and administrative (G&A) expenses that are accumulated in the activities indirect cost centers and charged to customers by equitably prorating the expense to job orders.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Assignment_020

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.023		The system shall have the capability to group business unit general and administrative (G&A) expenses in a separate indirect cost pool that shall be allocated only to final cost objectives.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_Assignment_028
Cost Assignment	06.03.030		To support the managerial cost accounting process, the system shall have the capability to calculate activity cost rates.	Source: SFFAS4,47; Source Date: 7/1/1995Source: SFFAS4,134; Source Date: 7/1/1995	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_Assignment_021
Cost Assignment	06.03.031	C - Authoritative Source/Reference Updated	**To support the managerial cost accounting process, the system shall have the capability to calculate overhead rates.**	Source: SFFAS4,91; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_022

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.032		To support the managerial cost accounting process, the system shall have the capability for the costs of program outputs to be included in the cost of services provided by other federal entities whether or not the providing entity is fully reimbursed.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_Assignment_023
Cost Assignment	06.03.033		To support the managerial cost accounting process, the accounting system shall allow an authorized user to maintain the cost assignment rules.	Source: SFFAS4,120; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Assignment_024
Cost Assignment	06.03.035		The system shall have the capability to calculate prices, fees, and user charges for reimbursable agreements and other purposes.	Source: SFFAS4,37; Source Date: 7/1/1995	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_Assignment_026

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Assignment	06.03.036		To support the managerial cost accounting process, the system shall have the capability to transfer construction in progress to the appropriate asset account upon completion of the project.	Source: SFFAS6,34; Source Date: 6/1/1996	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Assignment_027
Cost Assignment	06.03.037	A - New Based on Review of an Existing Authoritative source	**The system shall have the capability to transfer the appropriate amount from Work in Process-In-House and Construction in Progress accounts to the Cost of Goods Sold or applicable asset accounts when production departments complete a job order.**	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Assignment_036

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.001		The system must send cost data to the appropriate system to calculate exchange revenue for goods or services made or produced to order under a contract.	Source: SFFAS7,36; Source Date: 4/1/1996	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_Accumulation_001
Cost and Revenue Accumulation	06.04.002	C - Authoritative Source/Reference Updated	**The system must support accumulating costs from multiple sources for inventory and related property that has been acquired, is undergoing repair, or is in production (work-in-process).**	Source: SFFAS4,158; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_002

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.003	C - Authoritative Source/Reference Updated	**The system shall have the capability to provide accumulated costs, including applicable indirect costs, to the appropriate system for recording as the appropriate asset or expense type.**	Source: DoDFMRVol4,Ch21,Sub2102; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_Accumulation_003
Cost and Revenue Accumulation	06.04.007	C - Authoritative Source/Reference Updated	**The system shall have the capability to calculate the full cost of property, plant and equipment (PP&E) under construction.**	Source: SFFAS4,89; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_004

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.008	C - Authoritative Source/Reference Updated	**The system shall have the capability to apply the completed project construction in progress cost to the appropriate asset account and transmit the information for asset valuation purposes.**	Source: SFFAS4,89; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_005
Cost and Revenue Accumulation	06.04.009		The system shall have the capability to recognize the cost of acquiring, improving, reconstructing, or renovating heritage assets, other than multi-use heritage assets, on the statement of net cost for the period in which the cost is incurred. The cost shall include all costs incurred during the period to bring the item to its current condition at its initial location.	Source: SFFAS6,61; Source Date: 6/1/1996Source: SFFAS4,103; Source Date: 7/1/1995Source: SFFAS16,8; Source Date: 7/1/1999Source: SFFAS8,80; Source Date: 6/1/1997Source: SFFAS6,69; Source Date: 6/1/1996Source: SFFAS8,77; Source Date: 6/1/1997	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_006

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.010	D - Authoritative Source/Reference Deleted	DELETED: The system must have the capability to record Stewardship Investment Cost (investment in human capital, research and development, and non-federal physical property), on an annual basis for stewardship reporting. This data must be maintained for a period of five years.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_And_Revenue_Accumulation_007
Cost and Revenue Accumulation	06.04.011		The system must have the capability to calculate actual shop rates from the cost obtained from the same database used to prepare general ledger control account entries.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_008
Cost and Revenue Accumulation	06.04.019	C - Authoritative Source/Reference Updated	**The system shall have the capability to support cost management by accumulating costs in agency defined cost centers that are associated with agency-defined performance measures.**	Source: SFFAS4,88; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_009

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.020	D - Authoritative Source/Reference Deleted	DELETED: The system must have the capability to support cost management by accumulating numerically valued agency-defined output information.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_And_Revenue_Accumulation_010
Cost and Revenue Accumulation	06.04.021	C - Authoritative Source/Reference Updated	**The system must have the capability to support cost management by calculating the unit cost of outputs.**	Source: SFFAS4,158; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_011

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.022		The system shall have the capability to allow an authorized user to select the appropriate costing methodologies to accumulate and assign cost to outputs. - Cost of resources consumed by responsibility segments should be accumulated by type of resource. - Outputs produced by responsibility segments should be accumulated and, if practicable, measured in units. - The full costs of resources that directly or indirectly contribute to the production of outputs should be assigned to outputs through cost methodologies or cost finding techniques that are most appropriate to the segment's operating environment and should be followed consistently. - The cost assignments should be performed using the following methods listed in the order of preference: (a) directly tracing costs wherever feasible and economically practicable, (b) assigning costs on a cause-and-effect basis, or allocating costs on a reasonable and consistent basis.	Source: DoDFMRVol4,Ch19,Sub1904; Source Date: 5/1/2010	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_020

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.023		The system shall have the capability to incorporate the full costs of goods and services received from other entities. The entity providing the goods or services has the responsibility to provide the receiving entity with information on the full cost of such goods and services through either billing or other advice. Recognition of inter-entity costs that are not fully reimbursed is limited to material items that (1) are significant to the receiving entity, (2) form an integral or necessary part of the receiving entity's output, and (3) can be identified or matched to the receiving entity with reasonable precision. Broad and general support services provided by an entity to all or most other entities generally should not be recognized unless such services form a vital and integral part of the operations or output of the receiving entity.	Source: DoDFMRVol4,Ch19,Sub1904; Source Date: 5/1/2010	1.2.1.2_Determining Costs_P	Determine intragovernmental entity costs in addition to other costs (for example, direct, indirect, and depreciation) by cost object and responsibility segment consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_021

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.024		To support the managerial cost accounting process, the system shall provide the capability to sum all Direct Costs by Activity.	Source: SFFAS4,7; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_Accumulation_012
Cost and Revenue Accumulation	06.04.025		To support the managerial cost accounting process, the system shall provide the capability to sum Fixed Cost by: - Activity - Command - Other agency criteria.	Source: SFFAS4,7; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_Accumulation_013

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Cost and Revenue Accumulation	06.04.026		To support the managerial cost accounting process, the system shall provide the capability to sum Variable Cost by: - Activity - Command - Other agency criteria.	Source: SFFAS4,7; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_ Accumulation_014
Cost and Revenue Accumulation	06.04.027		To support the managerial cost accounting process, the system shall provide the capability to sum Overhead Costs by: - Activity - Command - Other agency criteria.	Source: SFFAS4,7; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_ Accumulation_015

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.028		To support the managerial cost accounting process, the system shall provide the capability to sum Cost by Business Area and Mission.	Source: SFFAS4,7; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_Accumulation_016
Cost and Revenue Accumulation	06.04.029		To support the managerial cost accounting process, the system shall have the capability to support cost accumulation by work elements such as job order, activities, products, etc., and accept costs and other appropriate information from the cost accounting system.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_And_Revenue_Accumulation_017

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost and Revenue Accumulation	06.04.030	D - Authoritative Source/Reference Deleted	DELETED: To support the managerial cost accounting process, the system must have the capability to associate the reductions of balances such as inventories, prepaid expenses and advance payments with the appropriate cost objects as the balances are used or liquidated.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_And_Revenue_Accumulation_018
Cost and Revenue Accumulation	06.04.031		To support the managerial cost accounting process, the system must track accumulated costs and include the value of direct materials, direct labor, and overhead, where applicable for work-in-process.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_And_Revenue_Accumulation_019
Cost Monitoring/Reporting	06.05.001	D - Duplicate Requirement Deleted	The managerial cost accounting system should be able to provide cost data needed to produce the Statement of Net Costs for the agency's financial statements	Source: ; Source Date:			Cost_Monitoring_And_Reporting_001
Cost Monitoring/Reporting	06.05.006	D - Authoritative Source/Reference Deleted	DELETED: The system shall have the capability to support cost management by producing unit cost reports by output.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_Monitoring_And_Reporting_003

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.007	C - Authoritative Source/Reference Updated	**The system shall have the capability to support cost management by producing project, job order and work order reports that show costs for a project from its inception up to the current date.**	Source: SFFAS4,207; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Monitoring_And_Reporting_004
Cost Monitoring/Reporting	06.05.008	D - Authoritative Source/Reference Deleted	DELETED: The system shall have the capability to support cost management by producing contract reports showing the revenues and costs associated with each contract or customer order.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_Monitoring_And_Reporting_005

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.009		The system shall have the capability to report unassigned costs. A reporting entity and its responsibility segments may incur general management and administrative support costs that cannot be traced, assigned, or allocated to segments and their outputs. These costs would be designated as unassigned costs.	Source: SFFAS4,92; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_006
Cost Monitoring/Reporting	06.05.014		The system must have the capability to update the appropriate general ledger control accounts using standardized transactions to post entries reflecting consumption of supplies and labor, followed by entries reallocating expenses to 'in-process' accounts.	Source: DoDFMRVol4,Ch21,Sub2102; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_009

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.016	C - Authoritative Source/Reference Updated	**The system shall have the capability to provide the cost data needed to produce the Statement of Net Costs for the agency's financial statements.**	Source: DoDFMRVol6B,Ch5, Sub0503; Source Date: 5/1/2012	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_023
Cost Monitoring/Reporting	06.05.018		To support the managerial cost accounting process, the system shall provide the capability for an authorized user to extract Operating Costs for the current and prior fiscal years.	Source: SFFAS4,139; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_010

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.019		To support the managerial cost accounting process, the system shall provide the capability for an authorized user to extract Business Partner Cost (i.e. Transportation Working Capital Fund (TWCF) Capital Costs).	Source: SFFAS4,105; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_011
Cost Monitoring/Reporting	06.05.020	D - Authoritative Source/Reference Deleted	DELETED: To support the managerial cost accounting process, the system shall have the capability for an authorized user to view all summed Cost totals.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_Monitoring_And_Reporting_012
Cost Monitoring/Reporting	06.05.021		To support the managerial cost accounting process, the system shall have the capability for an authorized user to update the Job Order Cost Accounting Report (i.e. work elements) by Business Area after a hard close.	Source: DoDFMRVol4,Ch20,Sub2003; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB handbook.	Cost_Monitoring_And_Reporting_013

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.022		To support the managerial cost accounting process, the system shall have the automated functionality to report costs separately for other government programs and those provided to the public.	Source: SFFAS4,109; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_014
Cost Monitoring/Reporting	06.05.023		To support the managerial cost accounting process, the system shall have the automated functionality to present earned revenue by category (i.e., 'intragovernmental' or 'with the public').	Source: SFFAS4,82; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_015

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.024		To support the managerial cost accounting process, the system shall have the capability to report costs upon request, both before and after distribution of indirect costs.	Source: SFFAS4,5; Source Date: 7/1/1995	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_016
Cost Monitoring/Reporting	06.05.025		To support the managerial cost accounting process, the system shall have the capability to allow an authorized user to establish exception thresholds, perform cost analysis, and monitor trends and variances.	Source: SFFAS4,33; Source Date: 7/1/1995Source: DoDFMRVol4,Ch21,Sub2103; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Cost_Monitoring_And_Reporting_017

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.026		To support the managerial cost accounting process, the system shall display parts of net cost separately.	Source: SFFAS7,95; Source Date: 4/1/1996	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_018
Cost Monitoring/Reporting	06.05.028	D - Authoritative Source/Reference Deleted	DELETED: To support the managerial cost accounting process, the system shall provide the capability to track current cost data against prior month and prior year-to-date cost data for any cost object.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_Monitoring_And_Reporting_020

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Cost Monitoring/Reporting	06.05.029	C - Authoritative Source/Reference Updated	**To support the managerial cost accounting process, the system shall provide the capability to generate information (such as income statements and status of funds reports) on costs and revenue associated with cost objects.**	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Cost_Monitoring_And_Reporting_021
Cost Monitoring/Reporting	06.05.030	D - Authoritative Source/Reference Deleted	DELETED: The system shall have the capability to track progress of current cost data against pre-determined plans.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Cost_Monitoring_And_Reporting_024
Core Financial System Requirements	06.06.002	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Setup and Accumulation process, the Core financial system must provide automated functionality to associate the purchase of fixed assets and inventory and the payment of advances with related cost objects so that subsequent expenditures are identified by cost object.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Core_System_Requirements_001

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Core Financial System Requirements	06.06.003	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Setup and Accumulation process, the Core financial system must provide automated functionality to define the following types of cost objects for accumulation, distribution and reporting purposes: Accounting classification elements, Specific customers, vendors, reimbursable agreements, contracts, Purchase Agreements (PAs), task orders, work orders, and grants, Government Performance and Results Act (GPRA) goals.	Source: ; Source Date:	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Core_System_Requirements_002
Core Financial System Requirements	06.06.007	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Reporting process, the Core financial system must provide automated functionality to generate Cost Object Income Statement. Parameters include any cost object and accounting period. Result is a report with revenue, direct cost, and indirect cost (overhead) by cost object.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Core_System_Requirements_003
Core Financial System Requirements	06.06.009	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Reporting process, the Core financial system must provide automated functionality to maintain an audit trail of transactions from their origin to the final cost object(s).	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Core_System_Requirements_004

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Core Financial System Requirements	06.06.013	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Distribution process, the Core financial system must provide automated functionality to perform multi-layer overhead distributions that are agency-defined (at least 3 levels of distribution) using multiple rates and fixed amount allocation methods.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Core_System_Requirements_005
Core Financial System Requirements	06.06.024	C - Authoritative Source/Reference Updated	**To support the Cost Setup and Accumulation process, the system must provide automated functionality to accumulate the full cost of cost objects. Full costs include direct costs, indirect cost allocations, implicit costs (e.g., costs provided by other government agencies such as pension costs), and unfunded costs (e.g., annual leave costs).**	Source: SFFAS4,89; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Core_System_Requirements_006

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Core Financial System Requirements	06.06.025	C - Authoritative Source/Reference Updated	**To support the Cost Distribution process, the system must have the capability to record the distribution of the full cost of goods and services by cost object in the General Ledger.**	Source: DoDFMRVol4,Ch20,Sub2002; Source Date: 5/1/2010	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Managerial_Cost_Accounting_Core_System_Requirements_007
Core Financial System Requirements	06.06.028	C - Authoritative Source/Reference Updated	**To support the Cost Setup and Accumulation process, the system must have the capability to accumulate non-financial data (e.g., units purchased, units sold) by cost object at the transaction level.**	Source: DoDFMRVol4,Ch19,Sub1902; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Core_System_Requirements_008

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Core Financial System Requirements	06.06.029	C - Authoritative Source/Reference Updated	**To support the Cost Distribution process, the system must provide automated functionality to capture United States Standard General Ledger (USSGL) attributes on cost distribution entries needed to prepare the Statement of Net Cost.**	Source: DoDFMRVol4,Ch19,Sub1904; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Core_System_Requirements_009
Core Financial System Requirements	06.06.030	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Reporting process, the Core financial system must provide automated functionality to generate the Comparative Income Statement by Cost Object. Parameters include cost object and accounting periods (month and year). Result is a report that compares month and year-to-date activity to prior month and prior year-to-date activity, by cost object. The report must list the following data: • Revenue • Direct expenses • Indirect expenses (overhead) • Total expenses • Net revenue/cost.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Core_System_Requirements_010

MANAGERIAL COST ACCOUNTING REQUIREMENTS						DFAS 7900.4-M, Vol. 06	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Sources**	**Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)**	**Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)**	**DFMIG Rule Name**
Core Financial System Requirements	06.06.031	C - Authoritative Source/Reference Updated	**To support the Cost Setup and Accumulation process, the system must have the capability to accumulate costs and revenue by cost object.**	Source: SFFAS4,121; Source Date: 7/1/1995	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Core_System_Requirements_011
Core Financial System Requirements	06.06.032	D - Authoritative Source/Reference Deleted	DELETED: To support the Cost Distribution process, the Core financial system must provide automated functionality to re-distribute costs based on revised rates and allocation amounts.	Source: ; Source Date:	Requirement Not Covered by TFM Guidance		Managerial_Cost_Accounting_Core_System_Requirements_013
Core Financial System Requirements	06.06.033		To support the managerial cost accounting process, the system shall have an integrated capability to receive or send the following cost elements and associated information: a) Funding Center Identifier b) Cost Center Identifier c) Project Identifier d) Activity Identifier e) Work Order Number f) Cost Element Code.	Source: DoDFMRVol4,Ch19,Sub1901; Source Date: 5/1/2010	1.2.1.1_Determining Costs_DI	Provide responsibility segments/cos centers (for example, managing public buildings and distributing supplies) and cost objects that align with outcomes (for example, program, activity, and product) that directly support the agency mission and management requirements consistent with the FASAB Handbook.	Managerial_Cost_Accounting_Core_System_Requirements_012

ACRONYMS

DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DoDFMR	DoD Financial Management Regulation
FFMIA	Federal Financial Management Improvement Act
SFFAS	Statement of Federal Financial Accounting Standards