



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
HYATTSVILLE, MD 20782

April 2, 2008

Mr. James Short
Deputy Chief Financial Officer
Department of Defense
1100 Defense Pentagon
Room 3B287
Washington, DC 20301

Dear Mr. Short:

DoD's request for continued use of the suspense "F" account is approved with the following conditions:

- DoD uses the "F" account for only the intended purpose as specified under the Business Justifications section of the request.
 - Federal Taxes
 - Daily Operations
 - Monthly Reporting
 - Revenue Sources – Income from Agricultural and Grazing Leases, Sale of Forestry Products and Recyclable Materials, and Income from Royalties and Trademarks: For the Revenue Sources Suspense Account: We acknowledge that DoD legacy systems have limitations that preclude DoD from posting revenue sources properly so other means to improve processes should be considered. For example, a deposit fund should be considered for use in some instances of revenue sources mentioned in the waiver request.
 - Treasury Offset Program (TOP): For the TOP suspense account, DoD should continue to work with the TOP Office at Treasury to reduce the balances maintained in this suspense account.
 - FMS and the Office of Management and Budget (OMB) request that you continue to work toward system improvements that will classify transactions at inception. FMS and OMB will periodically monitor the balances in the "F" accounts government-wide.

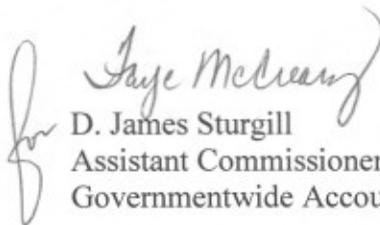
- Intragovernmental Transactions: DoD is encouraged to actively participate in the inter-agency working groups under the Chief Financial Officers Council that are developing standard business rules, processes, infrastructure, and reporting requirements for intragovernmental transactions. These efforts will improve the reporting of intragovernmental activity and lessen the agencies' need to use suspense account F3885.
- Per Treasury regulation TFM Bulletin 2007-7, suspense account F3875 should not be used for payments as this may cause Anti-Deficiency Act violations. The suspense account F3875 is to temporarily hold unidentifiable collections or for other business processes approved by FMS.
- Annual Certification: DoD annually recertifies that the balances in suspense accounts, for the preceding year do not include transactions over 60 days old. Any exceptions must include an explanation.

This is a coordinated FMS, OMB Suspense Account Review Committee position. If you have any additional questions, please contact Arlene Johnson on 202-874-9877, your agency contacts are:

FMS: Mary Lanier (202) 874-9772
OMB: Joseph Crilley (202) 395-4672

Thank you for your time in this matter.

Sincerely,


D. James Sturgill
Assistant Commissioner
Governmentwide Accounting

Enclosure