

Proprietary USSGL Account Definition Modifications (Effective FY 2026)

SFFAS 59, Land, Implementation

- Removal of SGL 171100 *Land and Land Rights*
- Addition of SGL 171300 *Temporary Land Rights* & 171800 *Accumulated Depreciation on Temporary Land Rights*
- Modifications to clarify existing account definitions of SGL 171200 *Improvements to Land* & 171900 *Accumulated Depreciation on Improvements to Land*

1) Account Title: ~~Land and Land Rights~~

Account Number: ~~171100~~

Normal Balance: ~~Debit~~

Definition: ~~This account is used to record the amount of identifiable cost of land and land rights of unlimited duration acquired for or in connection with general property, plant, and equipment used in general operations and permanent improvements. Stewardship land (national park or forest and land in public domain), materials beneath or above the surface, and Outer Continental Shelf resources are excluded. This account does not close at year-end.~~

***Note:** ~~SGL 171100 should not be used effective FY26, but will remain in GTAS during FY26 to allow for comparative reporting between accounting periods.~~

Justification: ~~Effective FY26, Land acreage and Permanent Land Rights will be derecognized from the Balance Sheet and reported in a Basic Note Disclosure as estimated acreage and sub-categorized by predominant use.~~

2) Account Title: Temporary Land Rights

Account Number: 171300

Normal Balance: Debit

Definition: This account is used to record the amount of Temporary Land Rights, such as easements and/or rights-of-way, that have a limited duration and have a definite useful service life. Permanent land rights with an unlimited duration or for an unspecified period of time are disclosed as acreage rather than recognized in this account. Temporary land rights associated with Stewardship land, materials beneath or above the surface, or Outer Continental Shelf resources are also excluded. This account does not close at year-end.

Justification: Effective FY26, Land acreage and Permanent Land Rights will be derecognized from the Balance Sheet and reported in a Basic Note Disclosure as estimated acreage and sub-categorized by predominant use. Temporary Land rights will continue to be reported on the Balance Sheet as PP&E. SGL 171300 captures temporary land rights within the PP&E line of the Balance Sheet and allows for comparability between accounting periods resulting from the derecognition of land and permanent land rights.

2) Account Title: Accumulated Depreciation on Temporary Land Rights

Account Number: 171800

Normal Balance: Credit

Definition: This account is used to record the amount of accumulated depreciation charged to expense for temporary land rights. This account does not close at year-end.

Justification: Effective FY26, Land acreage and Permanent Land Rights will be derecognized from the Balance Sheet and reported in a Basic Note Disclosure as estimated acreage and sub-categorized by predominant use. Temporary Land rights will continue to be reported on the Balance Sheet as PP&E. SGL 171800 captures accumulated depreciation on temporary land rights within the PP&E line of the Balance Sheet.

4) Account Title: Capitalized Improvements to Land

Account Number: 171200

Normal Balance: Debit

Definition: This account is used to record the cost of separately identifiable, nonpermanent improvements to land used in general operations and requiring maintenance and repairs, such as pavement to roadbeds or drainage systems. It includes land improvement costs for land, stewardship land, as well as permanent land rights and temporary land rights. ~~of limited duration that are associated with general operations.~~ This account does not close at year-end.

Justification: Separately identifiable, nonpermanent improvements to land used in general operations and requiring routine maintenance and/or repairs will continue to be capitalized and depreciated as assets on the Balance Sheet, regardless if those improvements are for Land, Stewardship Land, or permanent/temporary land rights.

SGL 171200 captures these improvements to land, while the corresponding accumulated depreciation will continue to be captured within SGL 171900, Accumulated Depreciation on Capital Improvements to Land.

The phrase “nonpermanent improvements to land used in general operations” more accurately describes the definition, as opposed to improvements “of limited duration that are associated with general operations.”

5) Account Title: Accumulated Depreciation on Capitalized Improvements to Land

Account Number: 171900

Normal Balance: Credit

Definition: This account is used to record the amount of accumulated depreciation charged to expense for capitalized improvements to land. This account does not close at year-end.

Justification: Modification to align the name of SGL 171900 Accumulated Depreciation on Capitalized Improvements to Land with the corresponding SGL 171200 Capitalized Improvements to Land.