

## **Proprietary Transaction Code Additions (FY 2026)**

### **Repairable Carcass Inventory Replenishment Transactions**

1) **C439** To record the sale of a replacement inventory unit in which the fair value of an older inventory unit no longer in service is credited against the sales price of the new exchange transaction.

**Comment:** When the providing entity receives a repairable inventory carcass unit from another federal entity that is unrelated to an existing customer order, it initially recognizes a liability for future exchange for the value of the turned-in inventory carcass unit- See TC E439. When this order is established and replacement unit is sold, the providing entity should debit SGL 293900 below to reduce the credit previously applied. Also post TC E408 to recognize Cost of Goods Sold.

When an inventory carcass unit remains “due-in” from the buyer at the time of sale and the trade-in does not occur simultaneously with the replacement item delivery, the providing entity should debit SGL 133900 to recognize a future credit receivable for the value of the inventory carcass used to calculate the net sales price. Also post TC E408 to recognize Cost of Goods Sold. When the unit is ultimately traded in, the providing entity should post TC E439.

This entry only depicts a trade-in of inventory units using the direct inventory method; an entry for indirect cost is not included.

Since the repairable item is already fully expensed inventory, the trade-in for future credit portion of the sale does not represent a budgetary resource. Budgetary resources represent the cash proceeds of the sale, not the value of the traded-in inventory. While it is acceptable to credit USSGL account 422100 in this situation, it is never acceptable for the balance in USSGL account 422100 to be a credit.

#### **Budgetary Entry**

Debit 425100 Reimbursements Earned – Receivable  
Credit 422100 Unfilled Customer Orders Without Advance

#### **Proprietary Entry**

Debit 131000 Accounts Receivable  
Debit 133900 Future Exchange Credit Receivable  
Debit 293900 Liability For Future Exchange  
Credit 510000 Revenue from Goods Sold  
Credit 579000 Other Financing Sources

2) **E439** To record the physical trade-in of a repairable unit of inventory in which the providing entity receives an older unit in advance of or in anticipation of the sale of a new, replacement unit, and the fair value of the older unit is credited against the sales price of a future exchange transaction.

**Comment:** For cases in which the providing entity receives a repairable inventory unit from another federal entity unrelated to an existing purchase order, the providing entity should credit SGL 293900 below to recognize a liability for the trade-in value to be applied on a future exchange transaction. When the order is established and replacement unit is sold, the providing entity should post TC C439.

When the providing entity sells a replacement unit to the receiving entity, but the older carcass unit remains “due-in”, it initially recognizes a receivable for the future exchange of the turned-in inventory carcass unit- See TC C439. At the time the “due-in” carcass unit is ultimately turned in, the providing entity should credit SGL 133900 to reduce the previously recorded receivable.

This entry only depicts a trade-in of inventory units using the direct inventory method; an entry for indirect cost is not included. Inventory carcass trade-ins unrelated to an existing order of new equipment have no budgetary impact.

**Budgetary Entry**

None

**Proprietary Entry**

Debit 152300 Inventory Held for Repair  
    Credit 14xxxx Future Exchange Credit Receivable  
    Credit 29xxxx Liability of Future Exchange

**3) B439** To record a liability for future exchange, or to record the application of a future exchange credit, for the value of an inventory carcass unit that a federal receiving entity turns-in to a federal providing entity and applies towards the purchase price of a new replacement unit.

**Comment:** When an inventory carcass unit is applied towards the purchase price of a replacement item but has yet to be turned in and does not occur simultaneously with the replacement item, credit SGL 293900 to show the buyer's obligation to turn in the carcass unit. In this case, the buyer records the delivery of OM&S, and accrues a liability for payment at the net exchange price with an additional liability for the exchange value of the carcass unit expected to be turned-in.

When an inventory carcass unit was previously turned into a providing entity in advance of or unrelated to an existing order, the receiving entity should credit SGL 133900 at the date a customer order is ultimately established for a new item. In this case, the buyer records the delivery of OM&S and accrues a liability for payment at the net exchange price along with a reduction of the previously recognized receivable of the unit's exchange value.

If funded by a direct appropriation, also post USSGL TC-B134. Assume a title has been passed when the goods are received. Post USSGL TC G122 to track purchases. Refer to TC E406 when OM&S is placed into operation.

**Budgetary Entry**

Debit 480100 Undelivered Orders – Obligations, Unpaid  
Credit 490100 Delivered Orders – Obligations, Unpaid

**Proprietary Entry**

Debit 151100 Operating Materials and Supplies Held for Use  
Credit 211000 Accounts Payable  
Credit 14xxxx Future Exchange Credit Receivable  
Credit 29xxxx Liability of Future Exchange

**4) E459** To record a gain on a carcass unit turn-in to another federal trading partner.

**Comment:** When the carcass unit is turned in in advance of or unrelated to an existing order, debit SGL 133900 to account for a future exchange credit receivable against a future purchase of a new item. When the carcass unit was previously accounted for as “due-in” and a liability for future exchange was previously credited, the receiving entity should Debit SGL 293900 at the time of the carcass unit is turned-in.

**Budgetary Entry**

None

**Proprietary Entry**

Debit 14xxxx Future Exchange Credit Receivable  
Debit 29xxxx Liability of Future Exchange  
Credit 719000 Other Gains

## **Proprietary Transaction Code Deletions (FY 2026)**

### **Repairable Carcass Inventory Replenishment Transactions**

**The current TC C430 & D538 state: "This is the way the Department of Defense accounts for repairable items involving trade-ins." If other federal agencies still need either of these TCs, revisions will be proposed in the August 2026 IRC. If no other federal agencies communicate a need to use these TCs, they will be deleted.**

**5) C430** To record an old motor vehicle that was traded in for a new motor vehicle using the direct method.

**Comment:** This entry is to show a trade-in only. An entry for indirect cost is not included. This is the way the Department of Defense accounts for repairable items involving trade-ins. Accounts receivable represents the cash amount the vehicle procurer will receive from the customer. Inventory held for repair represents the value of an asset after it is repaired (value of a similar new asset). Other financing source represents fair market value of the old vehicle. Other financing source was used instead of revenue from goods sold due to a trade-in, which is not a budgetary resource. Inventory allowance represents the estimated repair cost of the damaged vehicle. While it is acceptable to credit USSGL account 422100 in this situation, it is never acceptable for the balance in USSGL account 422100 to be a credit.

**Reference:** FASAB SFFAS No. 3, Accounting for Inventory and Related Property

#### **Budgetary Entry**

Debit 425100 Reimbursements Earned - Receivable  
Credit 422100 Unfilled Customer Orders Without Advance

#### **Proprietary Entry**

Debit 131000 Accounts Receivable  
Debit 152300 Inventory Held for Repair  
Credit 152900 Inventory - Allowance  
Credit 510000 Revenue From Goods Sold  
Credit 579000 Other Financing Sources

**6) D538** To record issuance of a new motor vehicle to the customer. The cost of goods sold represents the cost of the new vehicle. Upon sale, adjust inventory allowance to reduce the previously unrealized holding gains/losses.

**Comment:** This entry is a part of how the Department of Defense accounts for its repairable items involving trade-ins.

**Reference:** SFFAS #3: Accounting for Inventory and Related Property 1999

#### **Budgetary Entry**

None

#### **Proprietary Entry**

Debit 152900 Inventory - Allowance  
Debit 650000 Cost of Goods Sold  
Credit 152700 Inventory - Finished Goods

## **Proprietary Transaction Code Revisions (FY 2027)**

### **Unexpended Appropriation Adjustment Transactions**

7) **A132** To record a permanent reduction of **unexpended balances** where an appropriations **warrant was originally recorded**.

**Comment:** Credit USSGL account 299100 if fund withdrawal does not occur simultaneously. For withdrawal of funds, see USSGL TC-A141. Refer to Office of Management and Budget Circular No. A-11 for the definition of reductions. Reductions include rescissions, across-the-board reductions, and sequestrations. Special and trust funds receiving appropriations from the General Fund of the U.S. Government and/or transfers of unexpended appropriations may record USSGL accounts in the 310000 series. While it is acceptable to debit USSGL account 462000 in this situation, it is never acceptable for the balance in USSGL account 462000 to be a debit.

**Reference:** Permanent Reduction to General Fund Appropriation 2019; Appropriations Provided By a Continuing Resolution 2020

#### **Budgetary Entry**

Debit 445000 Unapportioned - Unexpired Authority

Debit 462000 Unobligated Funds Exempt From Apportionment

Credit 439200 Permanent Reduction - New Budget Authority - **Recission Warrant**

Credit 439300 Permanent Reduction - Prior-Year Balances - **Recission Warrant**

#### **Proprietary Entry**

~~Debit 310600 Unexpended Appropriations—Adjustments~~

Debit 310610 Unexpended Appropriations – Adjustments due to Permanent Reduction/Capital Transfer

Credit 101000 Fund Balance With Treasury

Credit 299100 Other Liabilities – Reductions

8) **A136** To record a **permanent reduction (i.e., rescission)** and withdrawal of funds for balances previously recorded as pending rescission.

**Comment:** Credit USSGL account 299100 if fund withdrawal does not occur simultaneously. For withdrawal of funds, see USSGL TC-A141. Refer to Office of Management and Budget Circular No. A-11 for the definition of reductions. Reductions include rescissions, across-the-board reductions, and sequestrations. Special and trust funds receiving appropriations from the General Fund of the U.S. Government and/or transfers of unexpended appropriations may record USSGL accounts in the 310000 series. While it is acceptable to debit USSGL account 462000 in this situation, it is never acceptable for the balance in USSGL account 462000 to be a debit.

**Reference:** Permanent Reduction to General Fund Appropriation 2019; Appropriations Provided By a Continuing Resolution 2020

#### **Budgetary Entry**

Debit 442000 Unapportioned Authority - Pending Rescission

Debit 462000 Unobligated Funds Exempt From Apportionment

Credit 439200 Permanent Reduction - New Budget Authority - **Recission Warrant**

Credit 439300 Permanent Reduction - Prior-Year Balances - **Recission Warrant**

#### **Proprietary Entry**

~~Debit 310600 Unexpended Appropriations—Adjustments~~

Debit 310610 Unexpended Appropriations – Adjustments due to Permanent Reduction/Capital Transfer  
Credit 101000 Fund Balance With Treasury  
Credit 299100 Other Liabilities – Reductions

9) C159 To record an offset for amounts of rescissions transferred to a miscellaneous receipt Treasury Appropriations Symbol (TAFS) to be returned to the General Fund of the U.S. Government.

**Comment:** See USSGL TC-F124 for the preclosing entry recorded at year-end. To record in a miscellaneous receipt TAFS an amount that was permanently reduced in an associated General Fund TAFS, see USSGL TC-A209

**Budgetary Entry**

None

**Proprietary Entry**

~~Debit 310600 Unexpended Appropriations – Adjustments~~  
Debit 310610 Unexpended Appropriations – Adjustments due to Permanent Reduction/Capital Transfer  
Credit 298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity

10) F342 To record closing of fiscal-year activity to unexpended appropriations.

**Budgetary Entry**

None

**Proprietary Entry**

Debit 310000 Unexpended Appropriations - Cumulative  
Debit 310100 Unexpended Appropriations - Appropriations Received  
Debit 310200 Unexpended Appropriations - Transfers-In  
Debit 310500 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors - Years Preceding the Prior Year  
Debit 310800 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors  
Debit 310900 Unexpended Appropriations - Prior-Period Adjustments Due to Changes in Accounting Principles  
Credit 310000 Unexpended Appropriations - Cumulative  
Credit 310300 Unexpended Appropriations - Transfers-Out  
Credit 310500 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors - Years Preceding the Prior Year  
Credit 310600 Unexpended Appropriations – Adjustments  
Credit 310610 Unexpended Appropriations – Adjustments due to Permanent Reduction/Capital Transfer  
Credit 310700 Unexpended Appropriations - Used - Accrued  
Credit 310710 Unexpended Appropriations - Used - Disbursed  
Credit 310800 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors  
Credit 310900 Unexpended Appropriations - Prior-Period Adjustments Due to Changes in Accounting Principles