

**U.S. DEPARTMENT  
DEFENSE**

**MILITARY COMMUNITY &  
FAMILY POLICY**



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**NONAPPROPRIATED FUNDS STANDARD GENERAL  
LEDGER (NAFSGL) CHANGE MANAGEMENT -  
STANDARD OPERATING PROCEDURES (SOP)**

Table of Contents

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REVISION HISTORY ..... 3

    SUMMARY OF CHANGES ..... 3

    APPROVAL ..... 3

INTRODUCTION ..... 4

    PURPOSE ..... 4

    SCOPE ..... 4

    LAWS, REGULATIONS, POLICIES, AND GUIDANCE ..... 5

    SYSTEMS ..... 5

    STAKEHOLDERS ..... 6

    ROLES AND RESPONSIBILITIES ..... 6

NONAPPROPRIATED FUNDS STANDARD GENERAL LEDGER ..... 7

    NAFSGL ..... 7

*NAFSGL Change Management Process* ..... 7

    GLOSSARY ..... 8

    APPENDIX I ..... 10

*NAFSGL Change Request Form* ..... 10

## Revision History

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REVISION HISTORY			
VERSION #	APPROVED VERSION DATE	NATURE OF UPDATE	APPROVED BY

## SUMMARY OF CHANGES

As updates are made within the NAFSGL update management process, the Standard Operating Procedures (SOPs) will reflect changes that have been adopted by the Office of the Secretary of Defense (OSD), and this document will be considered a living document.

## APPROVAL

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# INTRODUCTION

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## PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a standardized process for managing changes to the NAFSGL across all Military Services. The NAFSGL is a critical system used to record and report financial transactions for MWR activities. Any modifications to the system must be meticulously managed to preserve the integrity and transparency of the organization's financial records, ensuring compliance with federal regulations and DOD financial management policies.

## SCOPE

The Morale, Welfare, and Recreation (MWR), and Resale Policy program is a vital component of the Office of the Secretary of Defense, responsible for enhancing the quality of life for members of the US Military and their families. The department's mission is to provide a wide range of programs, services, and facilities that promote the health, well-being, and morale of military personnel, while also supporting their readiness and retention. This includes oversight of MWR activities such as base exchange services, family support programs, leisure activities, and recreation facilities. The department also develops and implements policies related to resale activities, including base exchange commissaries, and other morale support programs. By fulfilling these responsibilities, the MWR and Resale Policy plays a critical role in supporting the overall mission of the Department of Defense (DOD) by fostering a high-quality of life for service members and their families.

The MWR and Resale Policy office is responsible for overseeing the development and implementation of policies related to MWR activities that are funded through Appropriated Funds (APF) and Nonappropriated Funds (NAF). APF are allocated by congress as part of the DOD's annual budgets. NAF are derived from the revenue generated by MWR activities such as exchanges, restaurants, and recreation facilities, as well donations and grants. This unique funding structure allows MWR to operate a range of programs and services that are self-sustaining and not dependent on taxpayer dollars, while also leveraging APF to support specific initiatives that require direct government funding.

The Standard General Ledger (SGL) is a comprehensive Framework that provides a common language and structure for accounting, reporting, and budgeting across all four Military Service branches. The NAFSGL is a standardized financial accounting system used by the DOD MWR program to record and report their financial transactions generated by NAF funding.

## LAWS, REGULATIONS, POLICIES, AND GUIDANCE

This section identifies the Laws, Regulations, Policies, and Guidance that govern the NAFSGL process. The NAFSGL is subject to General Accepted Accounting Principles (GAAP) and the Federal Accounting Standards Board (FASB).

LAWS, REGULATIONS, POLICIES, AND GUIDANCE		
AUTHORITY	LRP	TITLE
U.S. Department of Defense	7000.14-R Financial Management Regulation, Volume 13	<i>“Nonappropriated Funds Policy”</i>
U.S. Department of Defense	DoDI 1015.10	<i>“Military Morale, Welfare, and Recreation Programs”</i>
U.S. Department of Defense	DoDI 1015.15	<i>“Establishment, Management, Funding, and Control of Nonappropriated Fund Instrumentalities: Financial Management Procedures”</i>
Defense Finance and Accounting Service	DFAS 37-1 Army PEP	<i>“Finance and Accounting Standardization Guides”</i>
Department of the Army	AR 215-1	<i>“Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities”</i>
United States Marine Corps	7010.19 MCCS Financial Policy Manual	<i>“Marine Corps Orders”</i>
United States Marine Corps		<i>“MCCS Accounting References and Business Rules”</i>
Department of the Navy	CNIC 7000.3	<i>“Accounting Procedures for Navy Nonappropriated Funds”</i>
Department of the Air Force	Air Force Manual 34-209	<i>“Nonappropriated Fund Financial Management and Accounting”</i>

## SYSTEMS

This section identifies key systems, applications, and tools that are involved in the NAFSGL process.

MILITARY SERVICE	SYSTEM/TOOL
Army	Standard Management Reports for Finance (SMIRF)
	Nonappropriated Fund Information Standard System (NAFISS)
	Great Plains
Marine Corps	Oracle Fusion Financial Management System

<b>Navy</b>	Accounting Information Management (AIM) SAP Financial Management System (FMS)
<b>Department of the Air Force</b>	AF Financial Management System

## STAKEHOLDERS

This section identifies key stakeholders and participants that are involved in the development and maintenance of the NAFSGL. OSD serves as the authority over the NAFSGL. OSD manages and coordinates with the Services to ensure the standard general ledger encompasses all NAF reporting requirements.

STAKEHOLDERS
Office of the Secretary of Defense (OSD)
Morale, Welfare, and Recreation (MWR) Resale Policy
Defense Finance and Accounting Service – Texarkana (DFAS)
Army Installation Management Command Family MWR (IMCOM G9)
Marine Corps Head Quarters Financial Analysis and Reporting (HQMC-MR)
Commander, Navy Installations Command (CNIC)
Air Force Services Center Financial Management and Comptroller Directorate (AFSVC/VF)
Air Force Services Center Shared Services Center (AFSVC/VIS)

## ROLES AND RESPONSIBILITIES

This section identifies the roles and responsibilities that are involved in OSD’s NAFSGL change management process. This list is non-exhaustive; however, it identifies the segregation of duties amongst the Military Services.

Military Service	Role	Office
<b>Army</b>	Preparer	Army Installation Management Command Family MWR (IMCOM G9)
	Approver	Defense Finance and Accounting Service – Texarkana (DFAS)
<b>Marine Corps</b>	Preparer/Approver	Marine Corps Head Quarters Research Management Branch” (HQMC-MRF)
<b>Navy</b>	Preparer	Commander, Navy Installations Command (CNIC), System Accountant
	Approver	Commander, Navy Installations Command (CNIC), Accounting Manager

<b>Air Force</b>	Preparer	Air Force Services Center Financial Management and Comptroller Directorate (AFSVC/VF)
	Approver	Air Force Services Center Shared Services Center (AFSVC/VIS)

## Nonappropriated Funds Standard General Ledger

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### NAFSGL

The DoD NAFSGL is a modified version of the United States Standard General Ledger and must be used for accounting and financial statement reporting to ensure the information in the financial statements is consistent for all Nonappropriated Fund Instrumentalities (NAFIs). Use of the NAFSGL provides standardization and sufficient traceability from the financial statements through the general ledger balances to the source documentation for audit purposes.

The NAFSGL is composed of over 12,000 General Ledger Account Codes (GLACs), which are categorized into three main segments: Object Class, Fund, and Account. The NAFSGL also includes a set of standardized account codes, known as the “NAF Chart of Accounts,” which provides a common outline for classifying and reporting financial transactions at the Military Services level. The chart of accounts is organized in a hierarchical structure, with codes ranging from 1000 – 9999.

The Military Services play a crucial role in the NAFSGL as the primary user of the ledger. Each Military Service is responsible for managing its own NAFIs, which include recording and reporting financial transactions such as revenue, expenses, assets, and liabilities. Given the unique and varying nature of these NAF activities, the organization and maintenance of the NAFSGL are paramount to the success of NAF financial management (FM) relative of generally accepted accounting principles (GAAP).

### NAFSGL Change Management Process

To govern the NAFSGL Change Management Processes, the OUSD (Personnel & Readiness) NAF Policy Division has established the procedures described below. These processes offer the Military Services an ability to administer NAFSGL GLACs in a manner that fosters revenue growth, follows established NAF policy, adheres to OSD reporting requirements, and promotes collaboration between the primary users.

The NAFSGL Change Management Process seeks to ensure Military Services’ headquarters designees the ability to perform as the oversight authority for all NAFI related activities within the DoD. In order to promote Military Service’s autonomy to create GLACs as needed, while still maintaining oversight authority, OSD has established the following procedures.

The official and most current version of the NAFSGL will be housed on OSD MWR Webpage: [DOD NAF Accounting > NAFSGL \(defense.gov\)](#)

STEP	DESCRIPTION
1.0	<p>Primary users will complete and submit a NAFSGL change request form. The preparer will fill in the Submission Date, select their Service, and sign their name at the top of the form.</p> <p>Once the form is completed, the preparer will send the NAFSGL change request form to their organization's approving official. The approver needs to return an email to the preparer stating the proposed changes in the form are "Approved."</p> <p>The preparer will then attach both the NAFSGL change request form and their organization's approving official's approval email in their submission to the <b>OSD NAFSGL Mailbox</b>: <a href="mailto:osd.pentagon.ousd-p-r.mbx.nafsgl-change-mgmt-request@mail.mil">osd.pentagon.ousd-p-r.mbx.nafsgl-change-mgmt-request@mail.mil</a>.</p> <p><i>Note: When completing this form, the Service's preparer/approver will determine the Group, Category, DOD Standard, Account Name, and DOD Detailed Account Name. See Appendix I for NAFSGL Change Request Form template.</i></p>
2.0	<p>Once received, the OSD NAF Policy team will perform a validation review of the proposed changes in the change request form and assign the subsequent Detailed Prefix.</p> <p><i>Note: The importance of this step is to review each of the Military Service's proposed changes and assign the detailed prefix to prevent the double-booking of NAFSGL accounting entries and consolidate entries between the Military Services where applicable.</i></p>
3.0	<p>The OSD NAF Policy team will communicate final changes with the Military Service's POC that submitted the NAFSGL change request form.</p> <p><i>Note: This is the time for the OSD NAF Policy team to contact the Military Services to communicate issues with the change request form and implications of the proposed updates.</i></p>
4.0	<p>The OSD MWR and Resale Policy Directorate will review and provide approval/disapproval of the NAFSGL change request form.</p>
5.0	<p>The OSD NAF Policy team will return the NAFSGL change request form designated with an approval/disapproval of the proposed updates to the Military Service POC that submitted the original request form.</p>
6.0	<p>The OSD NAF Policy team will publish the new NAFSGL XX – XX-XX-20XX to the following webpage for public access. <a href="#">DOD NAF Accounting &gt; NAFSGL (defense.gov)</a></p> <p><i>Note: The latest version of the NAFSGL will be published by the 10<sup>th</sup> of every month.</i></p>

## GLOSSARY

ACRONYM	DEFINITION
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APF	Appropriated Funds
AFSVC/VF	Air Force Services Center Financial Management and Comptroller Directorate
AFSVC/VIS	Air Force Services Center Shared Services Center
DFAS	Defense Financial Accounting Service
DOD	Department of Defense
FM	Financial Management
FMR	Financial Management Regulation
DON	Department of the Navy
SGL	Standard General Ledger
MWR	Morale, Welfare, and Recreation and Resale Policy
NAF	Nonappropriated Funds
OSD	Office of the Secretary of Defense
SOP	Standard Operating Procedure
USAF	United States Air Force
USA	United States Army
USMC	United States Marine Corps
USN	United States Navy

APPENDIX I

NAFSGL Change Request Form

Submission Date:		NAFSGL Change Request Form			
Select your Service:					
Prepared By:					
Instructions:					
1. Enter in the Submission Date, select the proper Military Service for this request, and enter the signature of the individual who prepared this request at the top of the form.					
2. Fill in the rows below for the GLACs that your Military Service requires to be included in the NAFSGL. Leave the Detailed Prefix column blank.					
3. Use a separate line for each GLAC that your Military Service would like to have included in the latest version of the NAFSGL.					
4. Submit the form to your Service's representative for approval. The approver must respond to the preparer via email stating that the proposed changes in the request are "Approved."					
5. Submit the approved NAFSGL Change Request Form and attach the approving official's approval email confirmation to the OSD NAFSGL Mailbox <osd.pentagon.ousd-p-r.mbx.nafsgl-change-mgmt-request@mail.mil> using the Subject Line "NAFSGL Change Request - Service Name - MM - YYYY" in your email. See example provided in the grayed out row below.					
Standard Prefix (XXXX)	Group	Category	DoD Standard Account Name	DoD Detailed Account Name	Detailed Prefix (XXXX)
1202	Assets	Investments	Interest Bearing Deposits - Retirement and 401K	Retirement and 401K Investments-Core Active Fixed Income Fund*	