

**U.S. DEPARTMENT
DEFENSE**

**MILITARY COMMUNITY &
FAMILY POLICY**



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

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Revision History

REVISION HISTORY			
VERSION #	APPROVED VERSION DATE	NATURE OF UPDATE	APPROVED BY
1.1	06/03/2025	Included more information describing the quarterly update cadence for the NAFSGL Change Management Process	Gerald Holliday, NAF Financial Management Policy & Oversight, NAF Policy Division, MWR and Resale Policy Directorate

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

X

INTRODUCTION

PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a standardized process for managing changes to the Nonappropriated Funds Standard General Ledger (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 budget. 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

Navy	Accounting Information Management (AIM) SAP Financial Management System (FMS)
Department of the Air Force	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 (SGL) 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
Army	Preparer	Army Installation Management Command Family MWR (IMCOM G9)
	Approver	Defense Finance and Accounting Service – Texarkana (DFAS)
Marine Corps	Preparer/Approver	Marine Corps Head Quarters Research Management Branch” (HQMC-MRF)
Navy	Preparer	Commander, Navy Installations Command (CNIC), System Accountant
	Approver	Commander, Navy Installations Command (CNIC), Accounting Manager

Air Force	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

NAFSGL

The DoD Nonappropriated Funds Standard General Ledger (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 is paramount to the success of NAF Financial Management (FM) relative to Generally Accepted Accounting Principles (GAAP).

NAFSGL CHANGE MANAGEMENT PROCESS

To govern the NAFSGL Change Management Process, the OUSD (Personnel & Readiness) NAF Policy Division has established the procedures described in this section. 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, including relevant training and other materials, is stored on the OSD MWR Webpage: [DoD NAF Accounting > NAFSGL \(defense.gov\)](#). The Change

Management Process will run quarterly to publish updated versions of the NAFSGL on a regularly scheduled basis. This process will streamline coordination across the Military Services, dedicating appropriate communication channels and forums to NAFSGL implementation and mitigating any potential risks associated with it. The quarterly cadence is anchored around the standing NAF Quarterly Working Group meeting to allow for collaborative discussion among the Military Services focused on NAFSGL input, ideas, and further collaboration. The following table explains the NAFSGL Change Management Process in more detail.

STEP	DESCRIPTION
1.0	<p>Primary users will complete and submit a NAFSGL Change Request (CR) form. The Preparer will fill in the Submission Date, select their Military Service, and sign their name on the “Service Information” tab of the form. The Preparer will complete the information on the “Change Request Form” tab depending on the changes their Military Service is proposing.</p> <p>Once the CR form is completed, the Preparer will send the CR 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 completed CR form and their organization’s approving official’s approval email in their submission to the OSD NAFSGL Mailbox: <osd.pentagon.ousd-p-r.mbx.nafsgl-change-mgmt-request@mail.mil>.</p> <p><i>Note: When completing the CR form, the Service’s Preparer and Approver will determine the appropriate Group, Category, DoD Standard, Account Name, and DoD Detailed Account Name for proposed changes to GLACs. See Appendix I for the NAFSGL Change Request Form for more details.</i></p>
2.0	<p>Once submitted to the OSD NAFSGL Mailbox, the OSD NAF Policy Team will perform a validation review of the proposed changes in the CR form and assign the appropriate subsequent Detailed Prefix.</p> <p><i>Note: The purpose of this step is to review each of the Military Service’s proposed changes and assign the appropriate Detailed Prefix(es) 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 confirm CR form processing and any follow-up questions with the Military Service’s POC that submitted the original CR form.</p> <p><i>Note: The OSD NAF Policy Team will contact the Military Service’s POC that submitted the original CR form to validate the CR form processing, address any follow-up or outstanding questions, and resolve any potential issues regarding the submitted CR form.</i></p>
4.0	<p>The OSD MWR and Resale Policy Directorate will conduct an initial review of all processed CR forms and determine the pending changes to proceed with for a given quarterly update cadence.</p>

5.0	<p>The OSD NAF Policy Team will share the pending changes with the Military Services via the CATMS tasker system to review the pending changes and raise any potential impacts.</p> <p><i>Note: During this time, the Services can bring up any potential questions or impacts the pending changes may have to their respective organizations via email.</i></p>
6.0	<p>The OSD NAF Policy Team will schedule and facilitate a live review meeting with all the Military Services to discuss any potential impacts the pending changes may have to updating the NAFSGL. During this review meeting, the Military Services will be asked to concur with the pending changes. Pending changes that gain concurrence will be included in the next published version of the NAFSGL. Pending changes that do not gain concurrence may potentially be revisited in a future update cycle of the NAFSGL.</p> <p><i>For example: If removing one GLAC potentially impacts all Services, the discussion will determine a path forward and mitigate any risks associated with updating the GLAC.</i></p>
7.0	<p>The OSD NAF Policy Team will publish the new NAFSGL Version dated XX – XX-XX-20XX to the following webpage for public access: DoD NAF Accounting > NAFSGL (defense.gov).</p> <p><i>Note: This final step of the Change Management Process will occur after all Military Services provide concurrence on the pending changes to go into the next published version of the NAFSGL and the OSD NAF Policy Team updates the appropriate NAFSGL materials for publishing.</i></p>

GLOSSARY

ACRONYM	DEFINITION
APF	Appropriated Funds
AFSVC/VF	Air Force Services Center Financial Management and Comptroller Directorate
AFSVC/VIS	Air Force Services Center Shared Services Center
CR	Change Request
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 (CR) FORM

The NAFSGL Change Request (CR) form can be found on the OSD MWR Webpage: [DoD NAF Accounting > NAFSGL \(defense.gov\)](#). The following images are a screenshot of the blank CR form. To request an update to the NAFSGL, Military Services should complete the CR form and submit it to the **OSD NAFSGL Mailbox**: osd.pentagon.ousd-p-r.mbx.nafsgl-change-mgmt-request@mail.mil.

Page One-Service Information:

The Military Service Preparer will complete the information shown on this page.

Submitting Service Information

Submission Date (MM/DD/YYYY):

Select your Service:

Prepared By: X

Signature Instructions: After completing the Change Request Form tab, please double-click the signature line above to sign your name. Enter your signature in the pop-up window, then click the Sign button. The file will automatically be saved.

If you need to edit the Change Request Form after entering your signature, the signature will become invalid and you will need to re-peat the signature instructions above.

The Military Service Preparer will complete the information shown on this page. Please add additional rows to the table if necessary.

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APPENDIX II

EXAMPLE NAFSGL QUARTERLY UPDATE CADENCE

The NAFSGL Change Management Process runs on a quarterly update cadence. The following table represents an example set of dates and milestones illustrating the process. *Note: These dates are notional and are based on the Quarterly NAF Accounting Working Group scheduled for September 18, 2025. Dates are subject to change based on multiple factors.*

DATE	PROCESS STEP
July 15, 2025	The Military Services submit completed CR forms to OSD
August 7, 2025	OSD shares proposed pending changes to NAFSGL with the Military Services via CATMS
August 28, 2025	OSD facilitates a review meeting with the Military Services to gain concurrence on pending changes to the NAFSGL
September 10, 2025	OSD publishes the updated version of the NAFSGL
September 18, 2025	OSD facilitates the Quarterly NAF Accounting Working Group