**Proprietary Transaction Code Modifications (FY 2024)**

**Operating Materials and Supplies**

**1) D542** To record the classification of operating materials and supplies ~~held for use or future use~~ that were damaged and cannot be consumed in operations. This entry also applies to excess or obsolete operating materials and supplies when the net realizable value is less than the book value.

**Reference:** USSGL implementation guidance; FASAB SFFAS No. 3, "Accounting for Inventory and Related Property"

**Budgetary Entry**

None

**Proprietary Entry**

Debit 151300 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable

Debit 729000 Other Losses

Credit 151100 Operating Materials and Supplies Held for Use

Credit 151200 Operating Materials and Supplies Held in Reserve for Future Use

Credit 151400 Operating Materials and Supplies Held for Repair

Credit 151600 Operating Materials and Supplies in Development

**2) E602** To record inventory or operating materials and supplies acquired through exchange of nonmonetary assets.

**Comment:** An entity receiving assets of greater value than those exchanged recognizes a gain and an entity receiving assets of lesser value recognizes a loss.

**Budgetary Entry**

None

**Proprietary Entry**

Debit 151100 Operating Materials and Supplies Held for Use

Debit 151200 Operating Materials and Supplies Held in Reserve for Future Use

Debit 151300 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable

Debit 151400 Operating Materials and Supplies Held for Repair

Debit 151600 Operating Materials and Supplies in Development

Debit 152100 Inventory Purchased for Resale

Debit 152200 Inventory Held in Reserve for Future Sale

Debit 152300 Inventory Held for Repair

Debit 152400 Inventory - Excess, Obsolete, and Unserviceable

Debit 152500 Inventory - Raw Materials

Debit 152600 Inventory - Work-in-Process

Debit 152700 Inventory - Finished Goods

Debit 721000 Losses on Disposition of Assets - Other

Credit 151100 Operating Materials and Supplies Held for Use

Credit 151600 Operating Materials and Supplies in Development

Credit 152100 Inventory Purchased for Resale

Credit 711000 Gains on Disposition of Assets - Other

**3) D540** To record a gain when inventory or operating materials & supplies are revalued at the end of the period, using the latest acquisition method.

**Comment:** Reverse this transaction if there is a loss upon revaluation using the latest acquisition method. Held For Repair asset accounts should only be used in this transaction when the allowance method for repairs is used.

**Reference:** USSGL implementation guidance; FASAB SFFAS No. 3, "Accounting for Inventory and Related Property"

**Budgetary Entry**

None

**Proprietary Entry**

Debit 151100 Operating Materials and Supplies Held for Use

Debit 151200 Operating Materials and Supplies Held in Reserve for Future Use

Debit 151400 Operating Materials and Supplies Held for Repair

Debit 152100 Inventory Purchased for Resale

Debit 152300 Inventory Held for Repair

Debit 152700 Inventory - Finished Goods

Credit 151900 Operating Materials and Supplies - Allowance

Credit 152900 Inventory - Allowance