UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

MAY 28 2004

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION, TECHNOLOGY AND LOGISTICS)
UNDER SECRETARY OF DEFENSE (PERSONNEL AND READINESS)
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Waiver from Elimination Adjustments

The following reporting entities are waived from the "Department of Defense Financial Management Regulation" Volume 6B, Chapter 13 requirement to report buyer side elimination adjustments when preparing financial statements for the fiscal year (FY) 2004:

(1) The Defense Commissary Agency,
(2) The Defense Contract Audit Agency,
(3) The Defense Threat Reduction Agency, and
(4) The United States Army Corps of Engineers.

This waiver is effective only for financial statements prepared for FY 2004. Beginning in FY 2005, each entity requesting a waiver will be required to provide an independent validation that trading partners can be identified for intragovernmental transactions. Additionally, all waived entities will be required to perform a full reconciliation with other waived entities.

The waiver request from the Defense Finance and Accounting Service is not a waived entity at this time and should be treated as a non-waived entity pending.

My point of contact for this matter is Ms. Inna Volvovsky. She may be reached by email at: Inna.Volvovsky@osd.mil or by telephone at (703) 693-6503.

Lawrence J. Lanzillotta
Acting