

February 17, 2000

**SGL Board Presentation
Authority Temporarily Precluded from Obligation
New SGL Accounts Effective FY 2001**

Preface

The following scenario was proposed at the February 17, 2000 SGL Board meeting. The proposal included four new SGL budgetary accounts (4157, 4158, 4397, 4398) and a technical revision to one existing account (4395), pertaining to authority temporarily precluded from obligation. It was developed to illustrate the proper recording of unobligated balances that are subject to limitation. It **pertains only** to Treasury Appropriation Fund Symbols whose receipts are immediately appropriated, but precluded from obligation at year-end by a provision of law, such as a benefit formula or limitation. For example, three trust funds that fall within this category are: Federal Old Age and Survivors Insurance Trust Fund, Federal Supplementary Medical Insurance Trust Fund, and Unemployment Trust Fund. These funds must match budget authority with obligations.

Reporting guidelines stipulate that the year-end SF 133 Report on Budget Execution must tie with the Program and Financing Schedule (P&F) in the Budget Appendix of the U.S. Government. Furthermore, there is a relationship that exists between the Schedule of Unavailable Collections (Schedule N - located above the P&F in the Budget Appendix) and the P&F. The year-end SF 133, P&F and Schedule N all reflect that the amount of current year receipts less obligations equals the amount precluded from obligation. Therefore, there are no beginning or ending unobligated balances reported at year-end. The transactions and reports that follow illustrate this as well.

In short, two budgetary accounts were needed to preclude authority from obligation (one to preclude budget authority and the other to preclude offsetting collections), and two were needed to record authority that becomes available from balances previously precluded. These accounts are essential for compliance with Treasury and OMB reporting requirements. The revision of OMB Circular A-34, dated October 19, 1999, has clearly defined the reporting requirements for authority temporarily unavailable for obligation. Based upon this, and OMB Circular A-11 instructions for the Program and Financing Schedule (P&F), the new accounts were necessary. These accounts also comply with FACTS II reporting requirements.

The **new accounts** are effective beginning October 1, 2000 (per approved Voting Ballot #00-01). **Interim guidance**, effective for FY 2000, captures activity in SGL account 4395 - Authority Unavailable Pursuant to Public Law – Temporary, and is available on the SGL web site (<http://www.fms.treas.gov/ussgl/sgl-impl.html>).

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

Year 1 (This scenario illustrates a trust fund. This guidance, however, applies to any Treasury Appropriation Fund Symbol where unobligated receipts are to be classified at year-end as temporarily not available for obligation, and fits the requirements set forth in OMB Circular A-34.)

1. To record appropriated receipts into a trust fund.			
Proprietary			
1010	Fund Balance with Treasury	500	
	5800G Tax Revenue Collected		500
Budgetary			
4114	Appropriated Trust or Special Fund Receipts	500	
	4620 Unobligated Funds Not Subject to Apportionment		500
2. To record offsetting collections (Federal) received by trust fund for work performed under the Economy Act.			
Proprietary			
1010	Fund Balance with Treasury	700	
	5200 Revenue from Services Provided		700
Budgetary			
4252	Reimbursements and Other Income Earned - Collected	700	
	4450 Unapportioned Authority		700
3. To record obligation, expenditure and disbursement of funds against portion of receipts collected in transaction 1.			
Proprietary			
6100N	Operating Expenses/Program Costs	225	
	1010 Fund Balance with Treasury		225
Budgetary			
4620	Unobligated Funds Not Subject to Apportionment	225	
	4902 Expended Authority - Paid		225

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

4. To record apportionment, allotment, and subsequent obligation, expenditure and disbursement of funds against the offsetting collections in transaction 2.

Proprietary			
6100N	Operating Expenses/Program Costs	75	
1010	Fund Balance with Treasury		75
Budgetary			
4450	Unapportioned Authority	75	
4510	Apportionments		75
4510	Apportionments	75	
4610	Allotments - Realized Resources		75
4610	Allotments - Realized Resources	75	
4801	Unexpended Obligations - Unpaid		75
4801	Unexpended Obligations - Unpaid	75	
4902	Expended Authority - Paid		75

ADJUSTING ENTRIES:

A1) To record appropriated receipts temporarily precluded from obligation.

4620	Unobligated Funds Not Subject to Apportionment	275	
4397	Receipts and Appropriations Temporarily Precluded from Obligation		275

A2) To record offsetting collections temporarily precluded from obligation.

4450	Unapportioned Authority	625	
4398	Offsetting Collections Temporarily Precluded from Obligation		625

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

Year 1

Budgetary

Pre-Closing Adjusted Trial Balance (FACTS II ATB)

4114	500	
4252	700	
4397		275
4398		625
4902		300
	1,200	1,200

Year 1

Proprietary

Pre-Closing Adjusted Trial Balance (FACTS I ATB)

1010	900	
5800		500
5200		700
6100	300	
	1,200	1,200

Budgetary Closing Entries:

- C1. To consolidate resources
- 4201 Total Actual Resources - Collected 1,200
 4114 Approp Trust or Sp Fd Receipts 500
 4252 Reimb and Other Inc Earned - Coll 700
- C2. To close expended authority paid
- 4902 Expended Authority - Paid 300
 4201 Total Actual Resources - Collected 300

Proprietary Closing Entries:

- C1. To close revenues and expenses into cumulative results of operations
- 5800 Tax Revenue Collected 500
 5200 Revenue fr Services Prov 700
 3310 Cumulative Results of Operations 900
 6100 Operating Exp/Prog Costs 300

Budgetary Post-Closing Trial Balance

4201	900	
4397		275
4398		625
	900	900

Proprietary Post-Closing Trial Balance

1010	900	
3310		900
	900	900

February 17, 2000

SGL Board Presentation
Authority Temporarily Precluded from Obligation
New SGL Accounts Effective FY 2001

Year 1

SF 133 - Quarter 4

1A	Appropriations (4114E)	500
2A	Unobligated balance brought forward	0
3A1	Spending authority from offsetting collections (4252E)	700
5	Temporarily not available pursuant to P.L. (4397E-B, 4398E-B)	<u>(900)</u>
7	Total budgetary resources	300
8A1	Obligations incurred, direct (4902E)	75
8A3	Obligations incurred, direct, not subj to apport (4902E)	225
9	Unobligated Balances Available	<u>0</u>
11	Total Status of budgetary resources	300
12.	Obligated Balance, net as of October 1	
13.	Obligated Balance Transferred, net	
14.	Obligated balance, net, end of period	
15A.	Disbursements (4902E)	300
15B.	Collections (4252E)	700

FMS 2108

Column 5	Post-closing unexpended balance (1010E)	900
Column 11	Unobligated balance (4397E, 4398E)	900

Schedule P - Program & Financing

Obligations by Program Activity

1000	Total New Obligations (4902E)	300
------	-------------------------------	-----

Budgetary Resources Available for Obligation

2200	New budget authority (gross) (sum 4000 to 6990)	300
2395	Total new obligations (-) (from line 1000)	<u>(300)</u>
2499	Total unobligated balance, end of year	0

New Budgetary Authority (Gross) Detail

6027	Appropriation (trust fund, indefinite) (4114E)	500
6045	Portion precluded from obligation (-) (4397E-B)	(275)
6800	Discr spend authority from offsetting collections (4252E)	700
6845	Portion unavailable for obligation (-) (4398E-B)	<u>(625)</u>
7000	Total new budget authority (gross) (4114E+4252E+4397E-B+4398E-B)	300

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

Year 1

Form and Content Reports

<u>Balance Sheet</u>	
ASSETS	
1A1. Entity-Intragovernmental (1010E)	900
LIABILITIES & NET POSITION	
8. Cumulative Results of Operations (3310E)	900
<u>Statement of Net Cost</u>	
1B1. Program Costs-Public-Production (6100E)	300
1D. Less Earned Revenue (5200E)	(700)
5. Net Cost of Operations (calc)	(400)
<u>Statement of Changes in Net Position</u>	
1. Net Cost of Operations	(400)
2B. Financing Sources-Taxes (5800E)	500
9. Net Position-End of Period (calc)	900

<u>Statement of Budgetary Resources</u>	
1A. Budg Auth - Approps (4114E)	500
3A1. Sp Auth from Off Coll (4252E)	700
4B. Adj-Temp not Avail (4397E-B, 4398E-B)	<u>(900)</u>
5. Total Budgetary Resources	300
6. Obligations Incurred (4902E)	<u>300</u>
9. Total Status of Resources	300
10. Obligations Incurred (4902E)	300
11A1. Sp Auth from Off Coll (4252E)	700
15. Total Outlays (calc)	<u>(400)</u>
<u>Statement of Financing</u>	
1A. Obligations Incurred (4902E)	300
1B1a. Earned Reimb Collected (4252E)	<u>(700)</u>
1J. Total (calc)	(400)
5. Net Cost of Operations (calc)	(400)

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

Year 2

1. To record appropriated receipts into a trust fund.			
Proprietary			
1010	Fund Balance with Treasury	600	
	5800G Tax Revenue Collected		600
Budgetary			
4114	Appropriated Trust or Special Fund Receipts	600	
	4620 Unobligated Funds Not Subject to Apportionment		600
2a. To record obligation, expenditure and disbursement of funds. <i>Current year receipts do not cover expenses.</i>			
Proprietary			
6100N	Operating Expenses/Program Costs	750	
	1010 Fund Balance with Treasury		750
Budgetary			
4620	Unobligated Funds Not Subject to Apportionment	750	
	4902 Expended Authority - Paid		750
- and -			
2b. To record authority made available from previously unavailable balances.			
4157	Authority Made Available from Receipt or Appropriation Balances Previously Precluded from Obligation*	75	
4158	Authority Made Available from Offsetting Collections Balances Previously Precluded from Obligation*	75	
	4620 Unobligated Funds Not Subject to Apportionment		150
*Note: Accounts 4157 and 4158 will close to 4397 and 4398, respectively			

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

Year 2

BUDGETARY

Pre-Closing Adjusted Trial Balance (FACTS II ATB)

4114	600	
4157	75	
4158	75	
4201	900	
4397		275
4398		625
4902		750
	1,650	1,650

Budgetary Closing Entries:

- C1. To consolidate resources and close expended authority paid
- 4902 Expended Authority - Paid 750
 4114 Approp Trust or Sp Fd Receipts 600
 4201 Total Actual Resources - Coll 150
- C2. To reduce balances prev precluded from obligation by amt needed to cover current year obligations
- 4397 *Receipts and Appropriations Temporarily Precluded from Obligation* 75
 4157 *Authority Made Available from Receipt or Appropriation Balances Previously Precluded from Obligation* 75
- 4398 *Offsetting Coll Temp Precl from Obligation* 75
 4158 *Authority Made Available from Offsetting Collections Balances Previously Precluded from Obligation* 75

Budgetary Post-Closing Trial Balance

4201	750	
4397		200
4398		550
	750	750

Year 2

PROPRIETARY

Pre-Closing Adjusted Trial Balance (FACTS I ATB)

1010	750	
5800		600
6100	750	
3310		900
	1,500	1,500

Proprietary Closing Entries:

- C1. To close revenues and expenses into cumulative results of operations
- 5800 Tax Revenue Collected 600
 3310 Cumulative Results of Operations 150
 6100 Operating Exp/Prog Costs 750

Proprietary Post-Closing Trial Balance

1010	750	
3310		750
	750	750

February 17, 2000

SGL Board Presentation
Authority Temporarily Precluded from Obligation
New SGL Accounts Effective FY 2001

Year 2

SF 133 - Quarter 4

1A	Appropriations (4114E+4157E+4158E)	750
2A	Unobligated balance brought forward (4201B+4397B+4398B)	0
3A1	Spending authority from offsetting collections	
5	Temporarily not available pursuant to P.L. (4397E-B, 4398E-B)	<u>0</u>
7	Total budgetary resources	750
8A3	Obligations incurred, direct, not subj to apport (4902E)	750
9	Unobligated Balances Available	<u>0</u>
11	Total Status of budgetary resources	750
12.	Obligated Balance, net as of October 1	
13.	Obligated Balance Transferred, net	
14.	Obligated balance, net, end of period	
15A.	Disbursements (4902E)	750

FMS 2108

Column 5	Post-closing unexpended balance (1010E)	750
Column 11	Unobligated balance (4157E+4158E+4397E+4398E)	750

Schedule P - Program & Financing

Obligations by Program Activity

1000	Total New Obligations (4902E)	750
------	-------------------------------	-----

Budgetary Resources Available for Obligation

2200	New budget authority (gross) (sum 4000 to 6990)	750
2395	Total new obligations (-) (from line 1000)	<u>(750)</u>
2499	Total unobligated balance, end of year	0

New Budgetary Authority (Gross) Detail

6027	Appropriation (trust fund, indefinite) (4114E)	600
6028	Appropriation (unavailable balances) (4157E)	75
6045	Portion precluded from obligation (-)	
6800	Discr spend authority from offsetting collections	
6826/6926	From offsetting collections (unavailable balances) (4158E)	75
6845	Portion unavailable for obligation (-)	<u>0</u>
7000	Total new budget authority (gross) (4114E+4252E+4157E+4158E+4397E-B+4398E-B)	750

February 17, 2000

**SGL Board Presentation
 Authority Temporarily Precluded from Obligation
 New SGL Accounts Effective FY 2001**

Year 2

Form and Content Reports

<u>Balance Sheet</u>	
ASSETS	
1A1. Entity-Intragovernmental (1010E)	750
LIABILITIES & NET POSITION	
8. Cumulative Results of Operations (3310E)	750
<u>Statement of Net Cost</u>	
1B1. Program Costs-Public-Production (6100E)	750
5. Net Cost of Operations (calc)	750
<u>Statement of Changes in Net Position</u>	
1. Net Cost of Operations	750
2B. Financing Sources-Taxes (5800E)	600
8. Net Position-Beg of Period (3310B)	900
9. Net Position-End of Period (calc)	750

<u>Statement of Budgetary Resources</u>	
1A. Budg Auth - Approps (4114E, 4157E, 4158E)	750
4B. Adj-Temp not Avail (4397E-B, 4398E-B)	<u>(0)</u>
5. Total Budgetary Resources	750
6. Obligations Incurred (4902E)	<u>750</u>
9. Total Status of Resources	750
10. Obligations Incurred (4902E)	750
15. Total Outlays (calc)	750
<u>Statement of Financing</u>	
1A. Obligations Incurred (4902E)	750
1J. Total (calc)	750
5. Net Cost of Operations (calc)	750