

# **Accounting for Transfer of Authority with Obligations**

## **Presentation to the Standard General Ledger Board**

### **February 13, 1997, Updated 12/99**

In the original scenario SGL account 4201 was used to offset 4831 and 4832 when obligated balances were transferred. After this scenario was approved, it was determined that SGL account 4201 should not be used when obligated balances are transferred. A new SGL account, 4195 Transfer of Obligated Balances, was established to be used with 4831 and 4832 when obligated balances are transferred. This updated scenario reflects the use of 4195. References to section 3 of the SGL TFM are also included in this update.

## TRANSFER OF AUTHORITY WITH UNDELIVERED ORDERS

In this scenario, funds are transferred from one Treasury symbol to another Treasury symbol. Such transfers are usually authorized by specific legislation. Both the transferring appropriation and the receiving appropriation are assumed to be annual, multi year, or no year. **The main intent is to illustrate a transfer of appropriation authority in which the authority has been obligated by the transferring appropriation.** The role of the receiving appropriation is to assume the undelivered orders along with the funding to liquidate the orders.

Transactions are not provided beyond the transfer year. For illustrative purposes, the transfer is assumed to occur subsequent to the first year of the appropriation. Also, for annual or multi year appropriations, the transfer is assumed to occur prior to the cancellation of the appropriation. Also for illustrative purposes, all unexpended appropriation authority has been obligated in the amount of \$500.

The transferring agency reports the transfer activity on the SF-133, and at the end of the fiscal year reports applicable data on the FMS-2108 and FACTS, and prepares audited financial statements. The transferring appropriation ceases budgetary and proprietary responsibility once the transfer of funds has been accomplished. However, the transferring agency will continue to report an SF-133 through the end of the fiscal year in which the transfer occurred unless circumstances or instructions indicate otherwise.

PROPOSED NEW ACCOUNTS

**Account Title:** Unexpended Obligations, Transferred - Unpaid  
**Account Number:** 4831  
**Normal Balance:** Either

**Definition:** The amount of goods and services ordered and obligated in one appropriation and transferred to or from another appropriation, which have not been actively or constructively received and for which amounts have not been prepaid or advanced at the time of transfer. Also includes the amount of unexpended obligations for awarded grants, program subsidies, direct and guaranteed loan program costs, undisbursed loans and claims, and similar transactions for which an advance or prepayments has not been made. In the FACTS II data base, the normal balance assigned to this account is "credit".

**Account Title:** Unexpended Obligations, Transferred - Paid  
**Account Number:** 4832  
**Normal Balance:** Either

**Definition:** The amount of goods and services ordered and obligated in one appropriation and transferred to or from another appropriation, which have not been actively or constructively received but have been prepaid or advanced at the time of transfer. Also includes the amount of unexpended obligations for awarded grants, program subsidies, direct and guaranteed loan program costs, undisbursed loans and claims, and similar transactions for which an advance or prepayments has not been made. In the FACTS II data base, the normal balance assigned to this account is "credit".

## Unexpended Obligations, Transferred - Unpaid

For illustration purposes, the receiving appropriation has no other source of funding besides the transfer of the authority already obligated. The receiving agency reports the transfer activity on the SF-133 as well as subsequent activity and at the end of the fiscal year reports applicable data on the FMS-2108 and FACTS, and prepares audited financial statements with applicable data.

1. The following is the trial balance of the transferring and receiving appropriations prior to transfer of authority.

Transferring Agency			Receiving Agency		
1010	500		1010	0	
3100		500	3100		0
4201	500		4201	0	
4801		500	4801		0
<b>4831</b>	<b>0</b>		<b>4831</b>		<b>0</b>

2. To record the actual transfer of \$500 in authority and obligations from a prior unexpired budget year. The 1151 is prepared and processed.

Transferring Appropriation			
<u>BUDGETARY</u>			
<b>4831</b>	<b>Unexpended Obligations, Transferred - Unpaid</b>	<b>500</b>	A254
	4195 Transfer of Obligated Balances	500	
<u>PROPRIETARY</u>			
3100	Unexpended Appropriations	500	
1010	Fund Balance With Treasury		500

Receiving Appropriation				
<u>BUDGETARY</u>				
4195	Transfer of Obligated Balances	500		A254
	<b>4831 Unexpended Obligations, Transferred - Unpaid</b>		<b>500</b>	
<u>PROPRIETARY</u>				
1010	Fund Balance With Treasury	500		
	3100 Unexpended Appropriations		500	

3. The receiving appropriation liquidates \$100 of the undelivered orders that were transferred.

Transferring Appropriation				
No Entry				
Receiving Appropriation				
<u>BUDGETARY</u>				
4801	Unexpended Obligations - Unpaid	100		B302
	4902 Expended Authority - Paid		100	B110
<u>PROPRIETARY</u>				
6100	Operating/Program Expense	100		
	1010 Fund Balance With Treasury		100	
3100	Unexpended Appropriations	100		
	5700 Appropriations Used		100	B134

4. No other activity occurred during the fiscal year. A trial balance prior to closing is as follows:

Transferring Agency		Receiving Agency		
1010	0		1010	400
3100		0	3100	400
5700			5700	100
6100			6100	100
4195		500	4195	500
4201	500		4201	0
4801		500	4801	100
<b>4831</b>	<b>500</b>		<b>4831</b>	<b>500</b>
4902			4902	100

5. SF 133

Transferring                      Receiving

Resources

2. Unobligated Bal, frwd	4201B-4801B	500-500	
7. Total Budget Resources	CALC	0	

Status

8A. Obligations Incurred	4801E-B 4902E	500-500	-100 100
11. Total Status	CALC	0	0

Relation of Obligations to Outlays

12.Obligated Bal net 10/1	4801B	500	
13.Obligated bal trsfrd	<b>4831E</b>	-500	500
14C.Obligated net, EOP	4801E <b>4831E</b>	500 -500	-100 500
15. Outlays	4902E	0	100

Calculation for line 15:

+8	0	0
-3a,b,d	NA	NA
-4a	NA	NA
+12	500	NA
+/-13****	-500	500
-(-14a	NA	NA
-14b	NA	NA
+14c****	0	-(400)
+14d)	NA	NA
Outlays	0	100

\*\*\*\*Change Xwalk to include

13.	<b>4831E</b>	-500	500
14c.	<b>4831E</b>	-500	500

## 6. TFS 2108

		<u>Transferring</u>	<u>Receiving</u>
Col 5. Postclosing unexpend bal.	1010	0	400
Col 9. Undelivered Orders	4801 <b>4831</b>	500 -500	-100 500
Col 11. Unobligated bal. should =		0	0
+col 5		0	400
+col 6		NA	NA
+col 7		NA	NA
+col 8		NA	NA
-col 9		0	400
-col 10		NA	NA
=col 11		0	0



7. Closing entries are as follows:

Transferring Agency			
<u>BUDGETARY</u>			
(a) To consolidate resources			
4195	Transfer of Obligated Balances	500	F204
4201	Total Actual Resources - Collected		500
(b) To close unexpended obligations transferred - unpaid			
4801	Unexpended Obligations - Unpaid	500	F227
<b>4831</b>	<b>Unexpended Obligations, Transferred - Unpaid</b>		<b>500</b>
<u>PROPRIETARY</u>			
None			
Receiving Agency			
<u>BUDGETARY</u>			
(a) To consolidate resources			
4201	Total Actual Resources - Collected	500	F204
4195	Transfer of Obligated Balances	500	
(b) To close unexpended obligations transferred.			
<b>4831</b>	<b>Unexpended Obligations, Transferred - Unpaid</b>	<b>500</b>	F226
4801	Unexpended Obligations - Unpaid		500
(c) To close expended appropriations.			
4902	Expended Authority - Paid	100	F214
4201	Total Actual Resources - Collected		100
<u>PROPRIETARY</u>			
(d) To close appropriations used and expenses.			
5700	Expended Appropriations	100	F228
3310	Cumulative Results of Operations		100
3310	Cumulative Results of Operations	100	F228
6100	Operating Expenses/Program Costs		100

8. A trial balance subsequent to closing is as follows:

Transferring Agency		Receiving Agency			
1010	0		1010	400	
3100		0	3100		400
5700			5700		0
6100			6100	0	
4195		0	4195	0	
4201	0		4201	400	
4801		0	4801		400
<b>4831</b>	<b>0</b>		<b>4831</b>		<b>0</b>
4902			4902		0

**Unexpended Obligations, Transferred - Paid**

1. The following is the trial balance of the transferring and receiving appropriations prior to transfer of authority.

Transferring Agency		Receiving Agency	
1410	500	1410	0
3100		3100	0
4201	500	4201	0
4802		4802	0
<b>4832</b>	<b>0</b>	<b>4832</b>	<b>0</b>

2. To record the actual transfer of \$500 in authority and obligations from a prior unexpired budget year.

Transferring Appropriation			
<u>BUDGETARY</u>			
<b>4832</b>	<b>Unexpended Obligations, Transferred - Paid</b>	<b>500</b>	A256
	4195 Transfer of Obligated Balances	500	
<u>PROPRIETARY</u>			
3100	Unexpended Appropriations	500	
	1410 Advances to Others		500

Receiving Appropriation			
<u>BUDGETARY</u>			A256
4195	Transfer of Obligated Balances	500	
	<b>4832 Unexpended Obligations, Transferred - Prepaid/Advanced</b>		<b>500</b>
<u>PROPRIETARY</u>			
1410	Advances to Others	500	
3100	Unexpended Appropriations		500

3. The receiving appropriation liquidates \$100 of the undelivered orders that were transferred.

Transferring Appropriation			
No Entry			
Receiving Appropriation			
<u>BUDGETARY</u>			B404
4802	Unexpended Obligations - Prepaid/Advanced	100	
4902	Expended Authority - Paid		100
<u>PROPRIETARY</u>			
6100	Operating Expenses/Program Costs	100	
1410	Advances to Others		100
3100	Unexpended Appropriations	100	
5700	Expended Appropriations		100
			B134

4. No other activity occurred during the fiscal year. A trial balance prior to closing is as follows:

Transferring Agency			Receiving Agency		
1410	0		1410	400	
3100		0	3100		400
5700			5700		100
6100			6100	100	
4195		500	4195	500	
4201	500		4201	0	
4802		500	4802	100	0
<b>4832</b>	<b>500</b>		<b>4832</b>		<b>500</b>
4902			4902		100

5. SF 133

Transferring

Receiving

Resources

	4201B-4802B	500-500	
2. Unobligated Bal, frwd			
7. Total Budget Resources	CALC	0	

Status

	4802E-B	500-500	-100
8A. Obligations Incurred	4902E		100
11. Total Status	CALC	0	0

Relation of Obligations to Outlays

12. Obligated Bal net 10/1	4801B 4901B		
13. Obligated bal trsfrd ( <b>Unpaid only</b> )	<b>4831</b>		
14C. Obligat net, EOP	4801E <b>4831E</b>		
15. Outlays	4802E-B 4902E	500-500	-100 100

Calculation for line 15:

+8		0	0
-3a,b,d		NA	NA
-4a		NA	NA
+12		NA	NA
+/-13		NA	NA
-(-14a)		NA	NA
-14b		NA	NA
+14c	NA		NA
+14d)		NA	NA
Outlays		0	0

## 6. TFS 2108

		<u>Transferring</u>	<u>Receiving</u>
Col. 5 Postclosing unexpend bal.	1010	NA	NA
Col. 9 Undelivered Orders <b>(Unpaid only)</b>	4801 <b>4831</b>	NA NA	NA NA
Col. 11 Unobligated bal. should =		0	0
+col 5		NA	NA
+col 6		NA	NA
+col 7		NA	NA
+col 8		NA	NA
-col 9		NA	NA
-col 10		NA	NA
=col 11		0	0



## 7. Closing entries are as follows:

Transferring Agency			
<u>BUDGETARY</u>			
(a) To consolidate resources			
4195	Transfer of Obligated Balances	500	<b>F204</b>
4201	Total Actual Resources - Collected		500
(b) To close undelivered orders transferred			
4802	Unexpended Obligations - Prepaid/Advanced	500	<b>F224</b>
<b>4832</b>	<b>Unexpended Obligations, Transferred - Prepaid/Advanced</b>		<b>500</b>
<u>PROPRIETARY</u>			
None			
Receiving Agency			
<u>BUDGETARY</u>			
(a) To consolidate resources			
4201	Total Actual Resources - Collected	500	F204
4195	Transfer of Obligated Balances	500	
(b) To close undelivered orders transferred.			
<b>4832</b>	<b>Unexpended Obligations Transferred - Prepaid/advanced</b>	<b>500</b>	F222
4802	Unexpended Obligations - Prepaid/Advanced		500
(c) To close expended appropriations.			
4902	Expended Authority - Paid	100	F214
4201	Total Actual Resources-Collected		100
<u>PROPRIETARY</u>			
(d) To close appropriations used and expenses.			
5700	Expended Appropriations	100	F228
3310	Cumulative Results of Operations		100
3310	Cumulative Results of Operations	100	
6100	Operating Expenses/Program Costs		100

8. A trial balance subsequent to closing is as follows:

Transferring Agency			Receiving Agency		
1410	0		1410	400	
3100		0	3100		400
5700			5700		0
6100			6100	0	
4195		0	4195	0	
4201	0		4201	400	
4801		0	4802		400
<b>4832</b>	0		<b>4832</b>		0
4902			4902		0