

## Permanent Reduction Contract Authority

(Includes FY 2004 accounts and crosswalks and new FY 2005 accounts and crosswalks)

The June 2003 revisions to OMB Circular A-11 restated the budgetary presentation requirements for reductions. There are now two basic categories to distinguish reductions. These categories are temporary and permanent. Reductions of contract authority are considered permanent.

The following scenario displays a permanent reduction to new budget authority derived from contract authority. In FY 2004, there are three USSGL accounts available for posting permanent reductions. The FY 2004 account numbers and titles are shown in the scenario in normal text. Each account crosswalks to OMB SF-133 line “6. Permanently not available: B. Enacted reductions.”

For FY 2005, USSGL account titles were changed to more closely correspond to the OMB Circular No. A-11 dated June 2003. Account titles and definitions approved for FY 2005 are shown in bold italics. As in FY 2004, each account crosswalks to OMB SF-133 line “6. Permanently not available: B. Enacted reductions.”

These USSGL accounts to be used for reductions of contract authority are:

- 4392 Rescission – New Budget Authority *Permanent Reduction – New Budget Authority*
- 4393 Rescission – Prior-Year *Permanent Reduction – Prior-Year Balances*
- 4396 Authority Permanently Unavailable for Obligation Pursuant to Public Law *Delete in FY2005*

Like all permanent reductions, the gross amount of budget authority provided is reflected on line 1 of the SF-133, while the reduction is reflected separately on line 6B of the SF-133. Permanent reductions are lost as resources of the fund forever.

The following scenario reflects a discretionary program in which new budget authority provided in the form of definite contract authority is reduced. USSGL account 4392, attribute Authority Type “C” (contract authority) is highlighted in the following scenario.

1. To record the enactment of public law for new contract authority.

<b><u>Budgetary Entry</u></b>			TC
DR 4131 Current-Year Contract Authority Realized	1,000		A166
CR 4450 Unapportioned Authority	1,000		
<b><u>Proprietary Entry</u></b>			
None			

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2. To record OMB approved apportionment request on SF 132 for contract authority.

<b><u>Budgetary Entry</u></b>			TC
DR 4450 Unapportioned Authority	600		A116
CR 4510 Apportionments		600	
<b><u>Proprietary Entry</u></b>			
None			

3. To record allotment of apportioned contract authority.

<b><u>Budgetary Entry</u></b>			TC
DR 4510 Apportionments	600		A120
CR 4610 Allotments - Realized Resources		600	
<b><u>Proprietary Entry</u></b>			
None			

4. To record a 10% reduction to the contract authority recorded in transaction 1. Use Authority Type attribute C to specify the reduction to contract authority. This attribute ensures proper crosswalks to the OMB Schedule P and FMS 2108. (Reductions are often expressed as a percentage of the amount provided in an Appropriations Act).

<b><u>Budgetary Entry</u></b>			TC
DR 4450 Unapportioned Authority	100		A131
CR 4392(C) Rescission – New Budget Authority <i>Permanent Reduction – New Budget Authority</i>		100	
<b><u>Proprietary Entry</u></b>			
None (Since contract authority is an unfunded form of budget authority, no proprietary entry is involved.)			

**Permanent Reduction  
Contract Authority**  
(Includes FY 2004 accounts and crosswalks and new FY 2005 accounts and crosswalks)  
**Pre - Closing Trial Balance**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4131	1,000	
4392 (C)		100
4450		300
4510		0
4610	<u>0</u>	<u>600</u>
<b>Total</b>	<u>1,000</u>	<u>1,000</u>
<b>Proprietary<sup>1</sup></b>		
No entries		

**SF 133: Report On Budget Execution And Budgetary Resources**

**BUDGETARY RESOURCES**

1. Budget authority		
A. Appropriation		0
B. Contract authority (4131E)		1,000
2. Unobligated balance:		
A. Brought forward, October 1		0
6. Permanently not available:		
B. Enacted reductions (-) (4392E)		<u>(100)</u>
7. Total budgetary resources		<u><u>900</u></u>

Auth Type  
attribute not on  
SF-133

**STATUS OF BUDGETARY RESOURCES**

8. Obligations incurred		0
9. Unobligated balance		
A. Apportioned		
1. Balance, currently available (4610E)		600
10. Unobligated balance not available:		
D. Other (4450E)		<u>300</u>
11. Total status of budgetary resources		<u><u>900</u></u>

**RELATIONSHIP OF OBLIGATIONS TO OUTLAYS**

12. Obligated balance, net as of October 1	0
13. Obligated balance transferred, net	0
14. Obligated balance, net, end of period:	0
15. Outlays:	
A. Disbursements (+)	0
B. Collections (-)	0

**Outlay Formula:**

$$15C = 8 - (3A+3B+3D+4A) + 12 +/- 13 - (-14A-14B+14C+14D)$$

$$0 = 0 - (0) +0 +/- 0 - (0)$$

$$0 = 0$$

<sup>1</sup> Since there are no proprietary transactions, OMB Bulletin 01-09 Form and Content proprietary financial statements are not illustrated.

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### Reduction to Contract Authority FMS-2108 Year End Closing Statement Year 1

**Record Type 7 – .941 Contract Authority**

	<u>Main</u>	<u>C.A.T.</u>
Col. 2 Balance of contract authority		
Col. 3 Increases and rescissions (4131E, 4392E (C))		900
Col. 4 Contracts		
Col. 5 N/A		
Col. 6 Balance (4131E+4392E (B)) also calc. (2+3-4)		900
Col. 9 Undelivered Orders		
Col. 10 Accounts Payable and Other Liabilities		
Col. 11 Unobligated Balance (4450E+4610E) also calc. (6-9-10)	900	

Auth Type  
attribute C on  
SF-2108

### Permanent Reductions to Contract Authority Program And Financing (Schedule P)

**BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:**

2200 New budget authority (gross) (Sum Ins. 4000...6990)	900
2440 Unobligated balance carried forward, end of year (4450E+4610E)	900

**NEW BUDGET AUTHORITY (GROSS), DETAIL:**

*Discretionary:*

4900 Contract authority (4131E)	1,000
4935 Contract authority permanently reduced (-) (4392E (C))	<u>(100)</u>
4890 Contract authority (total)	900

Auth Type  
attribute C on  
Schedule P

**NEW BUDGET AUTHORITY AND OUTLAYS:**

8900 Budget authority (net)	900
9000 Outlays (net)	0

**Permanent Reduction  
Contract Authority**

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5. Closing of unobligated balances to unapportioned authority.

<b><u>Budgetary Entry</u></b>		TC
DR 4610 Allotments – Realized Resources	600	F210
CR 4450 Unapportioned Authority	600	
<b><u>Proprietary Entry</u></b>		
None		

6. Closing of fiscal year contract authority.

<b><u>Budgetary Entry</u></b>		TC
DR 4139 Contract Authority Carried Forward	900	F206
DR 4392(C) Permanent Reduction – New Budget Authority	100	
CR 4131 Current Year Contract Authority Realized	1,000	
<b><u>Proprietary Entry</u></b>		
None		

**Post - Closing Trial Balance**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4139	900	
4450	<u>0</u>	<u>900</u>
<b>Total</b>	<u>900</u>	<u>900</u>
<b>Proprietary</b>		
No entries		