

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

BACKGROUND

In November 1990, Congress passed, and the President signed, Public Law 101-510¹, which superseded prior reporting requirements. This law requires that agencies keep any remaining budget authority for five years after the appropriation expires to use in paying unliquidated obligations and liabilities on the books at expiration. At the end of that five-year period for that Treasury Appropriation Fund Symbol (TAFS):

- all budgetary resources, both obligated and unobligated, is canceled;
- fund balance is returned to Treasury; and
- any receivables and payables are canceled for that TAFS.

At the time a TAFS is canceled, any collectible account receivable is re-established in a miscellaneous receipt account. Upon collection, the funds are deposited to Treasury miscellaneous receipt account 3200 – Collections of Receivables from Canceled Accounts. Any valid obligations and payables associated with the canceled TAFS may be paid from budget authority that is available for the same general purpose but still in the unexpired phase, as in accordance with OMB Circular No. A-11 requirements. Failure to meet these provisions may result in a violation of the Anti-Deficiency Act. Further guidance is provided in OMB Circular No. A-11, Section 130.10 for canceled obligations and payables. See also the Financial Management Service web site at www.fms.treas.gov/ussgl for a scenario on canceled payables.

This guidance relates to appropriations that have definite expiration dates. No-year authority usually stays in the unexpired phase until fully obligated and disbursed. When the purposes for which the authority was made available have been achieved, the account may be closed and the authority canceled.²

The following illustration provides generic procedures for principal transactions agencies would encounter. Receivables are listed generically, using the USSGL account number for Accounts Receivable 1310. Payables are illustrated via the USSGL account number for Accounts Payable 2110. Agencies may have other receivables and payables, and should use appropriate USSGL account numbers.

¹ United States Code Title 31>Subtitle II>Chapter 15>Subchapter IV>Sections 1551-1557

² OMB Circular No. A-11, Section 20.4

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YEAR 1

1. To record the enactment of an annual appropriation for other than special and trust funds.

<u>Budgetary entry</u>				TC A104
Debit 4119 Other Appropriations Realized	1,000			
Credit 4450 Unapportioned Authority		1,000		
<u>Proprietary entry</u>				
Debit 1010 Fund Balance w/Treasury	1,000			
Credit 3101 Unexpended Appropriations – Appro. Received		1,000		

2. To record anticipated reimbursements.

<u>Budgetary entry</u>				TC A302
Debit 4210 Anticipated Reimbursements and Other Income	1,050			
Credit 4450 Unapportioned Authority		1,050		
<u>Proprietary entry</u>				
None				

3. To record budgetary authority apportioned by OMB and available for allotment. (Direct Appropriation)

<u>Budgetary entry</u>				TC A116
Debit 4450 Unapportioned Authority	1,000			
Credit 4510 Apportionments		1,000		
<u>Proprietary entry</u>				
None				

4. To record anticipated resources apportioned but not available for use until realized.

<u>Budgetary entry</u>				TC A118
Debit 4450 Unapportioned Authority	1,050			
Credit 4590 Apportionments Unavailable – Anticipated Resources		1,050		
<u>Proprietary entry</u>				
None				

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5. To record the allotment of authority. (Direct Appropriation)

<u>Budgetary entry</u>			TC A120
Debit 4510 Apportionments	1,000		
Credit 4610 Allotments – Realized Resources		1,000	
<u>Proprietary entry</u>			
None			

6. To record a commitment. (Direct Appropriation)

<u>Budgetary entry</u>			TC B202
Debit 4610 Allotments – Realized Resources	900		
Credit 4700 Commitments		900	
<u>Proprietary entry</u>			
None			

7. To record current year undelivered orders. (Direct Appropriation)

<u>Budgetary entry</u>			TC B204
Debit 4700 Commitments	500		
Credit 4801 Undelivered Orders – Obligations, Unpaid		500	
<u>Proprietary entry</u>			
None			

8. To record the delivery of goods or services and accrue a liability. (Direct Appropriation)

<u>Budgetary entry</u>			TC B134, B302
Debit 4801 Undelivered Orders – Obligations, Unpaid	500		
Credit 4901 Delivered Orders – Unpaid		500	
<u>Proprietary entry</u>			
Debit 6100 Operating Expenses/Program Costs	500		
Credit 2110 Accounts Payable		500	
And			
Debit 3107 Unexpended Appropriations – Appropriations Used	500		
Credit 5700 Expended Appropriations		500	

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9. To pay \$400 obligation originally recorded for \$500 in the current year and decrease current year obligations. The invoice was less than expected. (Direct Appropriation)

<u>Budgetary entry</u>			TC B110 B306R ³ B134R
Debit 4901 Delivered Orders – Obligations, Unpaid	400		
Credit 4902 Delivered Orders – Obligations, Paid		400	
Debit 4901 Delivered Orders – Obligations, Unpaid	100		
Credit 4610 Allotments – Realized Resources		100	
<u>Proprietary entry</u>			
Debit 2110 Accounts Payable	500		
Credit 1010 Fund Balance w/Treasury		400	
Credit 6100 Operating Expenses/Program Costs		100	
Debit 5700 Expended Appropriations	100		
Credit 3107 Unexpended Appropriations – Used		100	

10. To record a commitment of \$100. (Direct Appropriation)

<u>Budgetary entry</u>			TC B202
Debit 4610 Allotments – Realized Resources	100		
Credit 4700 Commitments		100	
<u>Proprietary entry</u>			
None			

11. To record current year undelivered orders. (Direct Appropriation)

<u>Budgetary entry</u>			TC B204
Debit 4700 Commitments	500		
Credit 4801 Undelivered Orders – Obligations, Unpaid		500	
<u>Proprietary entry</u>			
None			

12. To record the delivery of goods or services and accrue a liability. (Direct Appropriation.)

<u>Budgetary entry</u>			TC B134, B302
Debit 4801 Undelivered Orders – Obligations, Unpaid	500		
Credit 4901 Delivered Orders – Unpaid		500	
<u>Proprietary entry</u>			
Debit 6100 Operating Expenses/Program Costs	500		
Credit 2110 Accounts Payable		500	
And			
Debit 3107 Unexpended Appro. – Appro. Used	500		
Credit 5700 Expended Appropriations		500	

³ Reverse original entry (R = Reverse)

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13. To pay \$100 of accounts payable balance.

<u>Budgetary entry</u>			TC B110
Debit 4901 Delivered Orders – Obligations, Unpaid	100		
Credit 4902 Delivered Orders – Obligations, Paid		100	
<u>Proprietary entry</u>			
Debit 2110 Accounts Payable	100		
Credit 1010 Fund Balance w/Treasury		100	

14. Determined that the \$100 in the above transaction was paid in error and that a refund was due. (Note: this is a non-federal receivable⁴)

<u>Budgetary entry</u>			TC C212
None			
<u>Proprietary entry</u>			
Debit 1310 Accounts Receivable	100		
Credit 6790 Other Expenses Not Requiring Budgetary Resources		100	

15. To record the estimated allowance for bad debts related to non-credit reform receivables.⁵ (*estimates for bad debts are normally done at the beginning of fiscal year)

<u>Budgetary entry</u>			TC D204
None			
<u>Proprietary entry</u>			
Debit 6720 Bad Debt Expense	100		
Credit 1319 Allow for loss on Accounts Receivable		100	

16. To record the realization of previously anticipated and apportioned authority, and record a reimbursable agreement without an advance – Reimbursable Order #1.

<u>Budgetary entry</u>			TC A122, A304
Debit 4221 Unfilled Customer Orders Without Advance	550		
Credit 4210 Anticipated Reimbursements and Other Income		550	
and			
Debit 4590 Apportionments Unavailable – Anticipated Resources	550		
Credit 4610 Allotments – Realized Resources		550	
<u>Proprietary entry</u>			
None			

⁴ The USSGL does not endorse recording a budgetary resource for federal refunds receivable.

⁵ Determined that receivables would not be totally collected and more than a 50% chance of loss existed.

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17. To record the realization of previously anticipated and apportioned authority, and record a reimbursable agreement with an advance – Reimbursable Order #2.

<u>Budgetary entry</u>			TC A122, C182
Debit 4222 Unfilled Customer Orders Without Advance	350		
Credit 4210 Anticipated Reimbursements and Other Income		350	
and			
Debit 4590 Apportionments Unavailable – Anticipated Resources	350		
Credit 4610 Allotments – Realized Resources		350	
<u>Proprietary entry</u>			
Debit 1010 Fund Balance with Treasury	350		
Credit 2310 Advances from Others		350	

18. To record current year undelivered orders – Reimbursable Order #1(\$200); Reimbursable Order #2(\$150).

<u>Budgetary entry</u>			TC B204
Debit 4610 Allotments – Realized Resources	350		
Credit 4801 Undelivered Orders – Obligations, Unpaid		350	
<u>Proprietary entry</u>			
None			

19. To record the delivery of goods or services and accrue a liability – Reimbursable Order #1.

<u>Budgetary entry</u>			TC B302
Debit 4801 Undelivered Orders – Obligations, Unpaid	200		
Credit 4901 Delivered Orders – Obligations, Unpaid		200	
<u>Proprietary entry</u>			
Debit 6100 Operating Expenses/Program Costs	200		
Credit 2110 Accounts Payable		200	

20. To record revenue earned for services performed on a reimbursable order without an advance – Reimbursable Order #1.

<u>Budgetary entry</u>			TC A310
Debit 4251 Reimbursements and Other Income Earned – Receivable	200		
Credit 4221 Unfilled Customer Orders Without Advance		200	
<u>Proprietary entry</u>			
Debit 1310 Accounts Receivable	200		
Credit 5200 Revenue from Services Provided		200	

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21. To record the delivery of goods or services and accrue a liability – Reimbursable Order #2.

<u>Budgetary entry</u>			TC B302
Debit 4801 Undelivered Orders – Obligations, Unpaid	150		
Credit 4901 Delivered Orders – Obligations, Unpaid		150	
<u>Proprietary entry</u>			
Debit 6100 Operating Expenses/Program Costs	150		
Credit 2110 Accounts Payable		150	

22. To record earned revenue related to a reimbursable agreement – Reimbursable Order #2.

<u>Budgetary entry</u>			TC A306
Debit 4252 Reimbursements and Other Income Earned – Collected	150		
Credit 4222 Unfilled Customer Orders With Advance		150	
<u>Proprietary entry</u>			
Debit 2310 Advances from Others	150		
Credit 5200 Revenue from Services Provided		150	

Pre-Closing Adjusting Entries

23. To record the removal of unobligated unfilled customer orders without advance in excess of obligations.

<u>Budgetary entry</u>			TC F109
Debit 4610 Realized Resources	350		
Credit 4221 Unfilled Customer Orders Without Advance		350	
<u>Proprietary entry</u>			
None			

24. To record removal of unobligated unfilled customer orders with advance and return advance in excess of obligations – Reimbursable Order #2.

<u>Budgetary entry</u>			TC F110
Debit 4610 Realized Resources	200		
Credit 4222 Unfilled Customer Orders With Advance		200	
<u>Proprietary entry</u>			
Debit 2310 Advances from Others	200		
Credit 1010 Fund Balance with Treasury		200	

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25. To record adjustments for anticipated resources not realized.

<u>Budgetary entry</u>		TC
Debit 4590 Apportionments Unavailable – Anticipated Resources	150	F112
Credit 4210 Anticipated Reimbursements & Other Income	150	
<u>Proprietary entry</u>		
None		

Pre- Closing Trial Balances – Year End	Debit	Credit
<u>Budgetary</u>		
4119 Other Appropriations Realized	1,000	
4251 Reimbursements and Other Income Earned - Receivable	200	
4252 Reimbursements and Other Income Earned - Collected	150	
4610 Allotments – Realized Resources		100
4901 Delivered Orders-Obligations, Unpaid		750
4902 Delivered Orders-Obligations, Paid		<u>500</u>
TOTALS	<u>1,350</u>	<u>1,350</u>
<u>Proprietary</u>		
1010 Fund Balance w/Treasury	650	
1310 Accounts Receivable	300	
1319 Allowance for loss on Accounts Receivable		100
2110 Accounts Payable		750
3101 Unexpended Appropriations Received		1,000
3107 Unexpended Appropriations Used	900	
5200 Revenue from Services Provided		350
5700 Expended Appropriations		900
6100 Operating Expenses/Program Costs	1,250	
6720 Bad Debt Expense	100	
6790 Other Expenses Not Requiring Budgetary Resources		<u>100</u>
TOTALS	<u>3,200</u>	<u>3,200</u>

FMS 2108 – Year End Closing Statement Year 1

Column 5 Unexpended Balance (1010E)	650
Column 7 Reimbursements Earned and Refunds (4251E)	<u>200</u>
Column 10 Accounts Payable and Other Liabilities (4901E)	750
Column 11 Unobligated Balance (4610E)	100

FACTS II Edit Check: Columns 5+6+7+8=9+10+11

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

SF-133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/ SBR: STATEMENT OF BUDGETARY RESOURCES (YEAR 1)

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriations received (4119E)	1,000
3. Spending authority from offsetting collections	
A. Earned	
1. Collected (4252E)	150
2. Receivable from Federal sources (4251E-B)	200
E. Subtotal	<u>350</u>
7. Total Budgetary Resources	<u>1,350</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4901E-B) + (4902E)	900
B. Reimbursable (4901E-B)	350
C. Subtotal	<u>1,250</u>
9. Unobligated balance:	
A. Apportioned	
1. Balance, currently available (4610E)	100
11. Total Status of budgetary resources	<u>1,350</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

14. Obligated balance net, end of period	
A. Accounts receivable (-) (4251E)	(200)
D. Accounts payable (+) (4901E)	750
15. Outlays	
A. Disbursements (+) (4902E)	500
B. Collections (-) (4252E)	(150)
C. Subtotal (calc 15A..15B)	<u>350</u>
16. Less: Offsetting receipts	
17. Net Outlays	<u>350</u>

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BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR YEAR ACTUAL COLUMN FOR YEAR 1 REPORTING

OBLIGATIONS BY PROGRAM ACTIVITY	
1000 Total new obligations (4901E-B+4902E)	1,250
BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION	
2200 New budget authority (gross) (+)	1,350
2395 Total new obligations (-)	(1,250)
2398 Unobligated balance expiring or withdrawn (-) (4610E)	(100)
NEW BUDGET AUTHORITY (GROSS), DETAIL	
4000 Appropriation (4119E)	1,000
6800 Spending authority from offsetting collections (cash) (+) (4252E)	150
6810 Change in uncollected customer payments from Federal sources (unexpired) (4251E-B)	200
6890 Spending authority from offsetting collections (total discretionary) (+)	350
7000 Total new budget authority (gross) (-)	1,350
CHANGE IN OBLIGATED BALANCES	
7310 Total new obligations	1,250
7320 Total outlays (gross) (-) (4902E)	(500)
7400 Change in uncollected customer payments from Federal sources (unexpired)	(200)
7440 Obligated balance, end of year (+) (4251E)(4901E)	550
OUTLAYS (GROSS), DETAIL	
8690 Outlays from new discretionary authority (+) (4902E)	500
8700 Total outlays (gross) (+)	500
OFFSETS	
8800 Federal sources (-) (4222E-B) (4252E)	(150)
8895 Change in uncollected customer payments from Federal sources (unexpired)	(200)
NEW BUDGET AUTHORITY AND OUTLAYS	
8900 Budget authority (net) (+)	1,000
9000 Outlays (net) (+)	350

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF NET COST For the year ended September 30, YEAR 1 (in dollars/thousands/millions)

Program Costs:		
1. Intragovernmental gross costs (6100E)	350	
2. Less: Intragovernmental earned revenue (5200E)	<u>(350)</u>	
3. Intragovernmental net costs (calc)	<u>0</u>	
Gross Costs with the Public:		
4. Gross costs with the public (6100E+6720E+6790E)	900	
5. Less: Earned revenues from the public		
6. Net costs with the public (calc)	<u>900</u>	
7. Total net cost	<u>900</u>	
8. Cost not assigned to programs		
9. Less: Earned revenues not attributed to programs		
10. Net Cost of Operations		<u>900</u>

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION For the year ended September 30, YEAR 1 (in dollars/thousands/millions)

	Cumulative Results Of Operations	Unexpended Appropriations
Budgetary Financing Sources:		
4. Appropriations Received (3101E)		1,000
7. Appropriations Used (5700E) (3107E)	900	(900)
Other Financing Sources:		
15. Other (+/-)		
16. Total Financing Sources (calc)	<u>900</u>	<u>100</u>
17. Net Cost of Operations (+/-)	<u>(900)</u>	
18. Ending Balances	<u>0</u>	<u>100</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF FINANCING For the year ended September 30, YEAR 1 (in dollars/thousands/millions)

Resources Used to Finance Activities:

Budgetary Resources Obligated

1. Obligations Incurred (4901E-B)+(4902E)	1,250
2. Less: Spending Authority for Offsetting Collections and Recoveries (4251E-B+4252)	<u>350</u>
3. Obligations Net of Offsetting Collections and Recoveries (CALC 1-2)	900
4. Less: Offsetting Receipts	
5. Net Obligations (CALC 3-4)	<u>900</u>
11. Total Resources Used to Finance Activities (CALC 5+10)	<u>900</u>

Resources Used to Finance Items not Part of the Net Cost of Operations

12. Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but not yet Provided	
17. Total Resources Used to Finance Items not Part of the Net Cost of Operations (CALC 12..16)	
18. Total Resources Used to Finance the Net Cost of Operations	<u>900</u>

Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:

27. Other (6720E+6790E)	0
29. Total Components of Net Cost of Operations that will not require or Generate Resources in the Current Period	
30. Net Cost of Operations (CALC 18+29)	<u>900</u>

The appropriation has expired, record closing entries at the end of year one.

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

26. To record the consolidation of actual net-funded resources.

<u>Budgetary entry</u>			TC F204
Debit 4201 Total Actual Resources – Collected	1,150		
Credit 4119 Other Appropriations Realized		1,000	
Credit 4252 Reimburse. & Other Income Earned – Coll.		150	
<u>Proprietary entry</u>			
None			

27. To record the closing of Expended Authority - Paid.

<u>Budgetary entry</u>			TC F214
Debit 4902 Delivered Orders – Obligations, Paid	500		
Credit 4201 Total Actual Resources – Collected		500	
<u>Proprietary entry</u>			
None			

28. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.

<u>Budgetary entry</u>			TC F228
None			
<u>Proprietary entry</u>			
Debit 3310 Cumulative Results of Operations	1,350		
Credit 6100 Operating Expenses/Programs Costs		1,250	
Credit 6720 Bad Debt Expense		100	
Debit 5200 Revenue from Services Provided	350		
Debit 5700 Expended Appropriations	900		
Debit 6790 Other Expenses Not Requiring Budgetary Resources	100		
Credit 3310 Cumulative Results of Operations		1,350	

29. To record the closing of unobligated balances to expired authority.

<u>Budgetary entry</u>			TC F212
Debit 4610 Allotments – Realized Resources	100		
Credit 4650 Allotments – Expired Authority		100	
<u>Proprietary entry</u>			
None			

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30. To record closing of fiscal year activity to unexpended appropriations.

<u>Budgetary entry</u>		TC
None		F233
<u>Proprietary entry</u>		
Debit 3100 Unexpended Appropriations – Cumulative	900	
Credit 3107 Unexpended Appropriations – Used		900
Debit 3101 Unexpended Appropriations – Appropriations Received	1,000	
Credit 3100 Unexpended Appropriations – Cumulative		1,000

Post-Closing Trial Balances – Year End	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources Collected	650	
4251 Reimbursements and Other Income Earned Receivable	200	
4650 Allotments – Expired Authority		100
4901 Delivered Orders-Obligations, Unpaid		<u>750</u>
TOTALS	<u>850</u>	<u>850</u>
<u>Proprietary</u>		
1010 Fund Balance w/Treasury	650	
1310 Accounts Receivable	300	
1319 Allowance for Loss on Accounts Receivable		100
2110 Accounts Payable		750
3100 Unexpended Appropriations - Cumulative		<u>100</u>
TOTALS	<u>950</u>	<u>950</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED BALANCE SHEET As of September 30, YEAR 1 (in dollars/thousands/millions)

Assets

Intragovernmental:

1. Fund balance with Treasury (1010E)	650
3. Accounts receivable (1310E)	<u>200</u>
6. Total Intragovernmental	950

15. Total Assets	<u>850</u>
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Liabilities

Intragovernmental

16. Accounts Payable (2110E)	350
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With the Public

20. Accounts Payable (2110E)	<u>400</u>
27. Total Liabilities	750

Net Position:

29. Unexpended appropriations (3100E)	100
30. Cumulative results of operations (3310E)	<u>0</u>
31. Total Net Position (calc)	<u>100</u>
32. Total Liabilities and Net Position	<u>850</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

YEAR 2 (expired)

31. To record the collection of refund due for assets purchased and expenses incurred in a prior year that create budgetary resources when collected. (non-fed)

<u>Budgetary</u>		TC
Debit 4972 Downward Adjustments of Prior Year Paid Expended		C136
Authority Refunds Collected	100	
Credit 4650 Allotments – Expired Authority	100	
<u>Proprietary</u>		
Debit 1010 Fund Balance with Treasury	100	
Credit 1310 Accounts Receivable		100
Debit 6790 Other Expenses Not Requiring Budgetary Resources	100	
Credit 6100 Operating Expenses/Program Costs		100
Debit 5700 Expended Appropriations – Used	100	B134R
Credit 3107 Unexpended Appropriations – Used		100

32. To pay \$400 of accounts payable balance. (Direct Appropriation)

<u>Budgetary entry</u>		TC
Debit 4901 Delivered Orders – Obligations, Unpaid	400	B110
Credit 4902 Delivered Orders – Obligations, Paid		400
<u>Proprietary entry</u>		
Debit 2110 Accounts Payable	400	
Credit 1010 Fund Balance w/Treasury		400

33. Determined that \$200 in the above transaction was paid in error and that a refund was due. (Note: this is a non-federal receivable)

<u>Budgetary entry</u>		TC
None		C212
<u>Proprietary entry</u>		
Debit 1310 Accounts Receivable	200	
Credit 6790 Other Expenses Not Requiring Budgetary Resources		200

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Pre-Closing Trial Balances (Year 2)	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources Collected	650	
4251 Reimbursements and Other Income Earned - Receivable	200	
4650 Allotments – Expired Authority		200
4901 Delivered Orders-Obligations, Unpaid		350
4902 Delivered Orders-Obligations, Paid		400
4972 Downward Adj of PY Delivered Orders-Obligations, Refunds Collected	<u>100</u>	
TOTALS	<u>950</u>	<u>950</u>
<u>Proprietary</u>		
1010 Fund Balance w/Treasury	350	
1310 Accounts Receivable	400	
1319 Allowance for Loss on Accounts Receivable		100
2110 Accounts Payable		350
3100 Unexpended Appropriations - Cumulative		100
3107 Unexpended Appropriations – Used		100
5700 Expended Appropriations	100	
6100 Operating Expenses/Program Costs		100
6790 Other Expense not Requiring Budgetary Resources		<u>100</u>
TOTALS	<u>850</u>	<u>850</u>

FMS 2108 – Year End Closing Statement Year 2

Column 5 Unexpended Balance (1010E)	350
Column 7 Reimbursements Earned and Refunds (4251E)	<u>200</u>
Column 10 Accounts Payable and Other Liabilities (4901E)	350
Column 11 Unobligated Balance (4650E)	200

FACTS II Edit Check: Columns 5+6+7+8=9+10+11

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

SF-133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/ SBR: STATEMENT OF BUDGETARY RESOURCES (YEAR 2)

BUDGETARY RESOURCES

2.	Unobligated balance	
	A. Beginning of period (4201B+4251B-4901B)	100
3.	Spending authority from offsetting collections	
	A. Earned	
	1. Collected (4972E)	100
7.	Total budgetary resources	<u>200</u>

STATUS OF BUDGETARY RESOURCES

10.	Other (4650E)	200
11.	Total status of budgetary resources	<u>200</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12.	Obligated balance, net, beginning of period (4251B-4901B)	550
14.	Obligated balance, net, end of period	
	A. Accounts receivable (-) (4251E)	(200)
	D. Accounts payable (4901E)	350
15.	Outlays	
	A. Disbursements (4902E)	400
	B. Collections (4972E)	(100)
	C. Subtotal	300
16.	Less: offsetting receipts	
17.	Net outlays	<u>300</u>

BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR YEAR ACTUAL COLUMN FOR YEAR 2 REPORTING

CHANGE IN OBLIGATED BALANCES

7240	Obligated balance, start of year (+) (4221B) (4251B) (4901B)	550
7320	Total outlays (gross) (-) (4902E)	(400)
7440	Obligated balance, end of year (+) (4251E) (4901E)	150

OUTLAYS (GROSS), DETAIL

8693	Outlays from discretionary balances (+) (4902E)	400
------	---	-----

OFFSETS

8800	Offsetting collections from federal sources (-) (4972E)	(100)
8896	Portion of offsetting collections (cash) credited to expired accounts (4972E)	100

NEW BUDGET AUTHORITY AND OUTLAYS

8900	Budget authority (net) (+)	0
9000	Outlays (net) (+)	300

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF NET COST For the years ended September 30, YEAR 2 (in dollars/thousands/millions)

Program Costs:

4. Gross costs with the public (6100E+6790E)	(200)
6. Net Costs with the Public (calc)	<u>(200)</u>
7. Total net cost	<u>(200)</u>

10. Net Cost of Operations **(200)**

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION For the year ended September 30, YEAR 2 (in dollars/thousands/millions)

	Cumulative Results Of Operations	Unexpended Appropriations
Budgetary Financing Sources:		
3. Beginning Balances		100
4. Appropriations Received (3101E)		0
7. Appropriations Used (5700E) (3107E)	(100)	100
Other Financing Sources:		
15. Other (+/-)		
16. Total Financing Sources (calc)	<u>(100)</u>	<u>100</u>
17. Net Cost of Operations (+/-)	<u>200</u>	
18. Ending Balances	<u>(300)</u>	<u>200</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF FINANCING For the Years Ended September 30, YEAR 2 (in dollars/thousands/millions)

Resources Used to Finance Activities:

Budgetary Resources Obligated

1. Obligations Incurred (4901E-B)+(4902E)	
2. Less: Spending Authority for Offsetting Collections and Recoveries (4972E)	<u>100</u>
3. Obligations Net of Offsetting Collections and Recoveries (calc 1-2)	(100)
4. Less: Offsetting Receipts	<u> </u>
5. Net Obligations (calc 3-4)	(100)

Other Resources

9. Net Other Resources Used to Finance Activities	
11. Total Resources Used to Finance Activities (calc)	(100)

Resources Used to Finance Items not Part of the Net Cost of Operations

13. Resources that Fund Expenses Recognized in Prior Periods (1310E-B)	(100)
17. Total Resources Used to Finance Items not Part of the Net Cost of Operations (calc)	(100)
18. Total Resources Used to Finance the Net Cost of Operations (calc 11-17)	(0)

**Components of the Net Cost of Operations that will not Require or Generate
Resources in the Current Period:**

22. Increase in exchange revenue receivable from the public	<u>0</u>
24. Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods (calc)	0
27. Other (6790E)	<u>(200)</u>
28. Total Components of Net Cost of Operations That Will Not require or generate Resources (calc)	<u>(200)</u>
29. Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	<u>(200)</u>
30. Net Cost of Operations	<u>(200)</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Recorded closing entries at the end of year two.

34. To record the closing of adjustments to Expended Authority – Paid.

<u>Budgetary entry</u>		TC
Debit 4902 Delivered Orders – Obligations, Paid	100	F216
Credit 4972 Downward Adjustments of PY Paid Delivered Orders Obligations, Refunds Collected	100	
<u>Proprietary entry</u>		
None		

35. To record the closing of Expended Authority – Paid.

<u>Budgetary entry</u>		TC
Debit 4902 Delivered Orders – Obligations, Paid	300	F214
Credit 4201 Total Actual Resources – Collected	300	
<u>Proprietary entry</u>		
None		

36. To record the closing of revenue, expense, and other financing sources to cumulative results of operations.

<u>Budgetary entry</u>		TC
None		F228
<u>Proprietary entry</u>		
Debit 6100 Operating Expenses/Programs Costs	100	
Debit 6790 Other Expenses Not Requiring Budgetary Resources	100	
Credit 3310 Cumulative Results of Operations		200
Debit 3310 Cumulative Results of Operations	100	
Credit 5700 Expended Appropriations		100

37. To record closing of fiscal year activity to cumulative unexpended appropriations.

<u>Budgetary entry</u>		TC
None		F233
<u>Proprietary entry</u>		
Debit 3107 Unexpended Appropriations – Used	100	
Credit 3100 Unexpended Appropriations – Cumulative		100

**ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY
FOR OTHER THAN SPECIAL AND TRUST FUNDS**

Post-Closing Trial Balances (Year 2)	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources Collected	350	
4251 Reimbursements and Other Income Earned - Receivable	200	
4650 Allotments – Expired Authority		200
4901 Delivered Orders-Obligations, Unpaid		<u>350</u>
TOTALS	<u>550</u>	<u>550</u>
<u>Proprietary</u>		
1010 Fund Balance w/Treasury	350	
1310 Accounts Receivable	400	
1319 Allowance for Loss on Accounts Receivable		100
2110 Accounts Payable		350
3100 Unexpended Appropriations - Cumulative		200
3310 Cumulative Results of Operations		<u>100</u>
TOTALS	<u>750</u>	<u>750</u>

**Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, YEAR 2
(in dollars/thousands/millions)**

Assets

Intragovernmental:

1. Fund Balance with Treasury (1010E)	350
3. Accounts Receivable (1310E) (Fed)	<u>200</u>
6. Total Intragovernmental calc	<u>550</u>
9. Accounts receivable, net (1310E) (1319E)(Nonfed)	100
15. Total Assets calc	<u>650</u>

Liabilities with the Public

20. Accounts Payable (2110E)	<u>350</u>
27. Total Liabilities calc	350

Net position

29. Unexpended appropriations	200
30. Cumulative results of operations (3310E)	<u>100</u>
31. Total net position calc (29+30)	<u>300</u>
32. Total Liabilities and Net Position calc (27+31)	<u>650</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

YEAR 6 (Canceling Year)

Assuming that no further transactions took place in years 3-5, the following entries would be made to cancel the accounts. Note that the entries for recording a canceled receivable or payable are considered adjusting entries.

38. To cancel receivable for reimbursable activity.

<u>Budgetary entry</u>			TC F144
Debit 4650 Allotments – Expired Authority	200		
Credit 4251 Reimbursements and Other Income Earned-Receiveable		200	
<u>Proprietary entry</u>			
Debit 5200 Revenue from Services Provided (exchange, federal)	200		
Credit 1310 Accounts Receivable (entity, federal)		200	

Canceled receivables are re-established in the Treasury General Fund miscellaneous receipt account 3200 - Collections of Receivables from Canceled Accounts. Amounts collected from these receivables are deposited to Treasury using the same account. The purpose of this illustration is not to address timing issues, however, agencies must conform with provisions for receivables as set forth in the Debt Collection Act of 1996. Further information on the Debt Collection Act may be found on the Financial Management Service web site at www.fms.treas.gov/debt.

39. To reclassify receivable as non-entity and recognize liability. (non-entity asset)

<u>Budgetary entry</u>			TC C202
None			
<u>Proprietary entry</u>			
Debit 1310 Accounts Receivable (non-entity, federal)	200		
Credit 5900 Other Revenue		200	
Debit 5991 Accrued Collections for Others	200		
Credit 2980 Custodial Liability		200	

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

40. To record canceled receivable. (non-federal) (reverse original transaction)

<u>Budgetary entry</u>			TC C212R
Debit 6790 Other Expenses not Requiring Budgetary Resources	200		
Credit 1310 Accounts Receivable (non-fed)		200	

and

41. To reclassify receivable as non-entity and recognize liability. (non-entity asset)

<u>Budgetary entry</u>			TC C202
None			
<u>Proprietary entry</u>			
Debit 1310 Accounts Receivable (non-entity, non-fed)	200		
Credit 5900 Other Revenue		200	
Debit 5991 Accrued Collections for Others	200		
Credit 2980 Custodial Liability		200	

Canceled payables must be paid from funds of subsequent appropriations available for the same general purpose as the one from which the payables were canceled. These payments are subject to the 1 percent limitation rule (the sum of all items paid from a current appropriation for all past canceled appropriations may not exceed 1 percent of the current appropriation). Further guidance is provided in OMB Circular No. A-11, Section 130.10 for canceled obligations and payables. Also see the Financial Management Service web site at www.fms.treas.gov/ussgl for a scenario on canceled payables.

42. To record canceled payable.

<u>Budgetary entry</u>			TC F128, B134R
Debit 4971 Downward Adjust of P/Y Unpaid Delivered Orders – Obligations, Recoveries	350		
Credit 4650 Allotments – Expired Authority		350	
<u>Proprietary entry</u>			
Debit 2110 Accounts Payable	350		
Credit 6100 Operating Expenses/Program Costs		350	
and			
Debit 5700 Expended Appropriations	350		
Credit 3107 Unexpended Appropriations – Used		350	

43. To re-establish payable in canceled account.

<u>Budgetary entry</u>			TC F130
None			
<u>Proprietary entry</u>			
Debit 6800 Future Funded Expenses	350		
Credit 2960 Accounts Payable From Canceled Appropriations		350	

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

44. To record cancellation of expired authority and withdraw funds via FMS 2108: Year End Closing Statement.

<u>Budgetary</u>			
Debit 4650 Allotments – Expired Authority	350		
Credit 4350 Canceled Authority		350	TC F120
<u>Proprietary</u>			
Debit 3106 Unexpended Appropriations – Adjustments	350		
Credit 1010 Fund Balance with Treasury		350	

Pre-Closing Trial Balance (Cancel Year 6)	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources Collected	350	
4350 Canceled Authority		350
4901 Delivered Orders-Obligations, Unpaid		350
4971 Downward Adj of PY Unpaid Delivered Orders-Obligations, Recoveries	<u>350</u>	
TOTALS	<u>700</u>	<u>700</u>
<u>Proprietary</u>		
1310 Accounts Receivable	400	
1319 Allowance for Loss on Accounts Receivable		100
2960 Accounts Payable from Canceled Appropriations		350
2980 Custodial Liability		400
3100 Unexpended Appropriations – Cumulative		200
3106 Unexpended Appropriations – Adjustments	350	
3107 Unexpended Appropriations – Used		350
3310 Cumulative Results of Operations		100
5200 Revenue from Services Provided	200	
5700 Expended Appropriations	350	
5900 Other Revenue		400
5991 Accrued Collections for Others	400	
6100 Operating Expenses/Program Costs		350
6790 Other Expenses not Requiring Budgetary Resources	200	
6800 Future Funded Expenses	<u>350</u>	
TOTALS	<u>2,250</u>	<u>2,250</u>

FMS 2108 –Year End Closing Statement Year 6

Column 2 Treasury supplied	350
Column 4 Unobligated & Obligated Balance Withdrawn/Canceled (4350E)	350

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

SF-133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/ SBR: STATEMENT OF BUDGETARY RESOURCES (YEAR 6)

BUDGETARY RESOURCES

2. Unobligated balance		
A. Beginning of period (4201B+4251B-4901B)		100
3. Spending authority from offsetting collections		
A. Earned – Receivable from federal sources		
2. Receivable from Federal Sources (4251E-B)		(200)
B. Change in unfilled customer orders		
1. Advance received		
2. Without advance from federal sources		
E. Subtotal		(200)
4. Recoveries of prior year obligations		
A. Actual (4971E)		450
6. Permanently not available		
A. Cancellations of expired and no-year accounts (4350E)		(350)
7. Total budgetary resources		<u>0</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred (4901E-B) (4902E)		
10. Unobligated balance not available		
D. Other (4650E)		
11. Total status of budgetary resources		<u>0</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net, beginning of period (4251B-4901B)		250
14. Obligated balance, net, end of period		
D. Accounts payable (4901E+4971E)		
15. Outlays		
B. Collections		0
16. Less: offsetting receipts		
17. Net outlays		<u>0</u>

BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR YEAR ACTUAL COLUMN FOR YEAR 6 REPORTING

CHANGE IN OBLIGATED BALANCES

7240 Obligated balance, start of year (+) (4251B+4901B)		250
7340 Adjustments in expired accounts (net) (4901E-B-4971E)		(450)
7410 Change in uncollected customer payments for Federal sources (expired)		200

NET BUDGETARY AUTHORITY AND OUTLAYS

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

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF NET COST For the year ended September 30, YEAR 6 (in dollars/thousands/millions)

Program Costs:		
4. Gross costs with the public (6100E) (6790E) (6800E)		200
5. Less: Earned revenues (5200E) (5900E)		<u>(200)</u>
6. Net Costs with the Public (calc)		<u>0</u>
7. Total net cost		0
10. Net Cost of Operations		<u><u>0</u></u>

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION For the year ended September 30, YEAR 6 (in dollars/thousands/millions)

	Cumulative Results Of Operations	Unexpended Appropriations
3. Beginning Balances (3310B) (3100B)	100	200
Budgetary Financing Sources:		
4. Appropriations received (3101E)		
6. Other adjustments (3106E)		(350)
7. Appropriations used (5700E) (3107E)	(350)	350
Other Financing Sources:		
15. Other (+/-) (5900E)	<u>(400)</u>	_____
16. Total Financing Sources (calc)	<u>(750)</u>	(0)
17. Net Cost of Operations (+/-)	<u>(0)</u>	
18. Ending Balances	<u>(650)</u>	<u>200</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

Department/Agency/Reporting Entity CONSOLIDATED STATEMENT OF FINANCING For the year ended September 30, YEAR 6 (in dollars/thousands/millions)

	Year 6
Resources Used to Finance Activities:	
Budgetary Resources Obligated	
1. Obligations Incurred (4901E-B)+(4902E)	
2. Less: Spending Authority for Offsetting Collections and Recoveries (4251E-B) (4971E)	<u>150</u>
3. Obligations Net of Offsetting Collections and Recoveries (calc)	<u>150</u>
5. Net Obligations	(150)
 Other Resources	
9. Other Resources (+/-) (5900E)	<u>400</u>
11. Total Resources Used to Finance Activities (calc)	250
 Resources Used to Finance Items not Part of the Net Cost of Operations	
13. Resources that Fund Expenses Recognized in Prior Periods (1310E-B)	200
14b. Other	400
15. Resources that Finance the Acquisition of Assets or Liquidation of Liabilities	
17. Total Resources Used to Finance Items not Part of the Net Cost of Operations (calc)	<u>400</u>
18. Total Resources Used to Finance the Net Cost of Operations	(350)
 Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:	
23. Other (6800E)	<u>(350)</u>
24. Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods (calc)	(350)
27. Other (6790E)	<u>0</u>
28. Total Components of Net Cost of Operations That Will Not Require or Generate Resources	<u>0</u>
29. Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	<u>(350)</u>
30. Net Cost of Operations	<u>0</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

45. To close revenue, expense, and other financing sources to cumulative results.

<u>Budgetary entry</u>		TC F228
None		
<u>Proprietary entry</u>		
Debit 3310 Cumulative Results of Operations	1500	
Debit 5900 Other Revenue	400	
Debit 6100 Operating Expense/Program Costs	350	
Credit 5200 Revenue from Services Provided	200	
Credit 5700 Expended Appropriations	350	
Credit 5991 Accrued Collections for Others	400	
Credit 6790 Other Expenses not Requiring Budgetary Resources	200	
Credit 6800 Future Funded Expenses	350	
Credit 3310 Cumulative Results of Operations	750	

46. To record the closing of related adjustments to Expended Authority – Unpaid.

<u>Budgetary entry</u>		TC F220
Debit 4901 Delivered Orders – Obligations, Unpaid	450	
Credit 4971 Downward Adjust. of P/Y Unpaid Delivered Orders – Obligations, Recoveries	450	
<u>Proprietary entry</u>		
None		

47. To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary entry</u>		TC F233
None		
<u>Proprietary entry</u>		
Debit 3100 Unexpended Appropriations – Cumulative	350	
Credit 3106 Expended Appropriations – Adjustments	350	
Debit 3107 Unexpended Appropriations – Used	350	
Credit 3100 Unexpended Appropriations – Cumulative	350	

**ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY
FOR OTHER THAN SPECIAL AND TRUST FUNDS**

Post-Closing Trial Balances (Cancel Year 6)	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources Collected	350	
4350 Canceled Authority		350
<u>Proprietary</u>		
1310 Accounts Receivable	400	
1319 Allowance for Loss on Accounts Receivable		100
2960 Accounts Payable from Canceled Appropriations		350
2980 Custodial Liability		400
3100 Unexpended Appropriations - Cumulative		200
3310 Cumulative Results of Operations	<u>650</u>	
TOTALS	<u>1050</u>	<u>1050</u>

**Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, YEAR 6
(in dollars/thousands/millions)**

Assets

Intragovernmental:

3. Accounts receivable (1310E)(non-entity)	<u>200</u>
6. Total intragovernmental	<u>200</u>

Assets with the Public:

9. Accounts receivable (1310E) (1319E)(non-entity)	<u>100</u>
15. Total assets	<u>300</u>

Liabilities

26. Other liabilities with the public (2960E, 2980E)	<u>750</u>
27. Total liabilities	<u>750</u>

Net Position

29. Unexpended Appropriations - Cumulative (3100E)	200
30. Cumulative results of operations (3310E)	<u>(650)</u>
31. Total net position	<u>(450)</u>
32. Total liabilities and net position	<u>300</u>

ACCOUNTING FOR EXPIRED AND CANCELLED AUTHORITY FOR OTHER THAN SPECIAL AND TRUST FUNDS

YEAR 7 (TAFS canceled in previous year)

The following transactions illustrate the collection of canceled receivables and subsequent transfer of cash to Treasury miscellaneous receipt account 3200.

48. To record collection of canceled receivables.

<u>Budgetary</u>		TC C143 ⁶
None		
<u>Proprietary</u>		
Debit 1010 Fund Balance with Treasury	400	
Credit 1310 Accounts Receivable (non-entity)	400	
and		
Debit 5990 Collections for Others	400	
Credit 5991 Accrued Collections for Others	400	

49. To record transfer of cash to Treasury miscellaneous receipt account 3200.

<u>Budgetary</u>		TC B110
None		
<u>Proprietary</u>		
Debit 2980 Custodial Liability	400	
Credit 1010 Fund Balance with Treasury	400	

⁶ There is no budgetary authority involved after receivables are canceled; only proprietary accounts are recorded.