

# Accounting For Early Cancellation of the Entire Appropriation

## Background

This scenario illustrates an early cancellation in a no-year Treasury Appropriation Fund Symbol (TAFS). It includes the proposed USSGL account 4351, "Partial or Early Cancellation of Authority With a U.S. Treasury Warrant," and modifications to USSGL accounts 8101, "Partial or Early Cancellation of Authority," and 8102, "Offset for Partial or Early Cancellation of Authority."

"Legitimately incurred obligations that have not been disbursed (i.e. paid) at the time a TAFS is canceled cannot be paid from the canceled obligated or unobligated balances of the canceled TAFS.

After a TAFS is canceled, any obligations or adjustments to obligations that would have been properly chargeable to that TAFS may be disbursed from an unexpired TAFS that is available for obligation for the same purpose as the closed TAFS...." OMB Circular No. A-11, Section 130.14, dated June 2006. (See cite for specific provisions)

**Per TFM Volume I Bulletin No. 2006-08, "If an agency must liquidate obligations after an account has been closed, it may use up to 1 percent of its current appropriation by reporting a 46 subclass on the SOT or by seeking a reappropriation. Collections received after an account has been closed are deposited in miscellaneous receipts account 3200, "Collection of Receivables from Canceled Accounts.""**

This scenario uses the June 2006 TFM (TFM release S2-06-02 Part 1).

## **The following USSGL accounts are used in this scenario:**

Account Number	Account Name
<u>Budgetary</u>	
4201	Total Actual Resources - Collected
4351	Partial or Early Cancellation of Authority With a U.S. Treasury Warrant
4450	Unapportioned Authority
<u>Proprietary</u>	
1010	Fund Balance With Treasury
3100	Unexpended Appropriation - Cumulative
3106	Unexpended Appropriations - Adjustments
<u>Memorandum</u>	
8101	Partial or Early Cancellation of Authority
8102	Offset for Partial or Early Cancellation of Authority

## Accounting For Early Cancellation of the Entire Appropriation

New account:

**Account Title:** Partial or Early Cancellation of Authority With a U.S. Treasury Warrant

**Account Number:** 4351

**Normal Balance:** Credit

**Definition:** The amount of annual, multi-year, or no-year appropriation authority that is canceled early by administrative action in a definite account, or by early cancellation of the entire appropriation. The cancellation will be accomplished with a U.S. Treasury Warrant

**Justification:** *To segregate the accounting and reporting for appropriation authority that is canceled early from appropriation authority canceled 5 years after the expiration of an annual or multiyear appropriation.*

Modifications to existing USSGL accounts:

**Account Title:** Canceled Authority

**Account Number:** 4350

**Normal Balance:**Credit

**Definition:** The amount of appropriation authority that is canceled 5 years after the expiration of an annual or a multi-year appropriation. This is part of your year-end process and does not involve a U.S. Treasury warrant.

**Justification:** *To segregate the accounting and reporting for appropriation authority that is canceled 5 years after the expiration of an annual or multi-year appropriation from appropriation authority that is cancelled early.*

**Account Title:** Partial Authority Cancellation

**Proposed Title:** Partial or Early Cancellation of Authority

**Account Number:** 8101

**Normal Balance:** Credit

**Definition:** The amount of authority canceled and recorded in USSGL account 4351 “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant.” This account will be maintained as a tracking mechanism for the Antideficiency Act. Antideficiency Act provisions continue to apply to canceled TAFS and to partially canceled authority in TAFS that are otherwise still valid, such as partial cancellation of authority in a no-year TAFS. The balance in USSGL account 4351, “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant” is reclassified into this account in a closing entry.

**Justification:** *To reflect USSGL account 4351, “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant.”*

## Accounting For Early Cancellation of the Entire Appropriation

**Account Title:** Offset for Partial Authority Cancellation  
**Proposed Title:** Offset for Partial or Early Cancellation of Authority  
**Account Number:** 8102  
**Normal Balance:** Debit

**Definition:** To offset activity recorded in USSGL account 8101, Partial or Early Cancellation of Authority,” This account will be maintained as a tracking mechanism for the Antideficiency Act. Antideficiency Act provisions continue to apply to canceled TAFS and to partially canceled authority in TAFS that are otherwise still valid, such as partial cancellation of authority in a no-year TAFS.

**Justification:** *To reflect the title change to USSGL account 8101, “Partial or Early Cancellation of Authority.”*

## Accounting For Early Cancellation of the Entire Appropriation

### Year X

#### Beginning Trial Balance – Year X

USSGL	Debit	Credit
<b>Budgetary</b>		
4201 Total Actual Resources – Collected	1,000	
4450 Unapportioned Authority	0	1,000
<b>Total</b>	1,000	1,000
<b>Proprietary</b>		
1010 Fund Balance With Treasury	1,000	
3100 Unexpended Appropriations – Cumulative	0	1,000
<b>Total</b>	1,000	1,000

There is no activity during the year and the entire fund is cancelled early by administrative action.

1. To record the early cancellation. Note, the entire fund is cancelled early and the agency will request Treasury to process a warrant to return fund balance. USSGL 4351, “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant” will not crosswalk to the FMS 2108 Yearend Closing Statement.

USSGL	Debit	Credit	TC
<i>Budgetary</i>			
4450 Unapportioned Authority	1,000		F122
4351 Partial or Early Cancellation of Authority With a U.S. Treasury Warrant		1,000	
<i>Proprietary</i>			
3106 Unexpended Appropriations - Adjustments	1,000		
1010 Fund Balance With Treasury		1,000	

#### Adjusted Pre-Closing Trial Balance – Year X

USSGL	Program A	
	Debit	Credit
<b>Budgetary</b>		
4201 Total Actual Resources Collected	1,000	
4351 Partial or Early Cancellation of Authority With a U.S. Treasury Warrant	0	1,000
<b>Total</b>	1,000	1,000
<b>Proprietary</b>		
1010 Fund Balance With Treasury	0	
3100 Unexpended Appropriations - Cumulative	0	1,000
3106 Unexpended Appropriations - Adjustments	1,000	
<b>Total</b>	1,000	1,000

## Accounting For Early Cancellation of the Entire Appropriation

### Closing Entries – Year X

C1. To record closing of fiscal-year activity to unexpended appropriations.

USSGL	Program A		
	Debit	Credit	
3100 Unexpended Appropriations – Cumulative 3106 Unexpended Appropriations – Adjustments	1,000	1,000	F342

C2. To reclassify Canceled Authority to memorandum accounts. Note, only a TAFS with a balance in USSGL 4351 should use USSGL accounts 8101 and 8102

USSGL	Debit	Credit	TC
4351 Partial or Early Cancellation of Authority With a U.S. Treasury Warrant 4201 Total Actual Resources - Collected	1,000	1,000	F390
8102 Offset for Partial or Early Cancellation of Authority 8101 Partial or Early Cancellation of Authority	1,000	1,000	F301

### Post-Closing Trial Balance

USSGL	Debit	Credit
<b>Budgetary</b>		
None		
<b>Proprietary</b>		
None		
<b>Memorandum</b>		
8101 Partial or Early Cancellation of Authority		1,000
8102 Offset for Partial or Early Cancellation of Authority	1,000	0
Total	1,000	1,000

### SF133 Report on Budget Execution and Budgetary Resources – Year X

BUDGETARY RESOURCES		
1. Unobligated balance:		
A. Brought forward, October1 (4201B)		1,000
6. Permanently not available:		
A. Cancellations of expired and no-year accounts (-) (4351E)		(1,000)
7. Total budgetary resources		0
STATUS OF BUDGETARY RESOURCES		
11. Total status of budgetary resources		0
CHANGE IN OBLIGATED BALANCES		

## Accounting For Early Cancellation of the Entire Appropriation

### FMS 2108 Yearend Closing Statement Unexpended Balances Investments, and Imprest Funds - Year X

Column 2. Preclosing Unexpended Balance – Treasury Supplied	0*

\*This amount has been reduced by the amount of the canceled unobligated balances that were processed via Treasury warrant.

### Budget Program and Financing (P&F) Schedule – Year X

<b>BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION</b>	
2140 Unobligated balance carried forward, start of year	1,000
2398 Unobligated balance expiring or withdrawn (-) (4351E)	(1,000)
2440 Unobligated balance carried forward, end of year	0
<b>NET BUDGET AUTHORITY AND OUTLAYS</b>	
8900 Budget authority (net) (+) (sum 2200 – (8800..8845), 8895, 8896)	0
9000 Outlays (net) (+) (sum (8690..8698) – (8840..8845))	0

### OMB Form & Content Statements – Year X Balance Sheet – Year X

Net position:	
31. Unexpended appropriations – other funds (3100B, 3106E)	0
35. Total liabilities and net position	0

### Net Cost – Year X

No amounts to report	
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### Changes in Net Position – Year X

	Earmarked Funds	All Other Funds
Unexpended Appropriations:		
18. Beginning Balance (3100B)		1,000
20. Beginning Balance, as adjusted		1,000
Budgetary Financing Sources:		
23. Other Adjustments (3106)		(1,000)
25. Total Budgetary Financing Sources (21..24)		(1,000)
26. Total Unexpended Appropriations (20+25)		0
27. Net Position (17+26)		0

### Statement of Financing – Year X

No amounts to report.	
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