

Advance Funding Scenario

Advance funding is the appropriation of budget authority provided in an appropriation act to be used, if necessary, to cover obligations incurred late in the fiscal year for benefit payments in excess of the amount specifically appropriated in act for that year, where budget authority is charged to the appropriation for the program for the fiscal year following the fiscal year for which the appropriation act is passed. When such budget authority is used, the budget records an increase in the budget authority for the fiscal year in which it is used and a reduction in the budget authority for the following fiscal year.¹

For example, advance funding authority was requested in the 2002 (Year 1) Budget to cover the following benefit payments: special benefits, federal unemployment benefits and allowances, veterans insurance and indemnities, compensation and pensions and re-adjustment benefits.

1. To record the enactment of an annual appropriation and receipt of warrant.

YEAR 1			
<u>Budgetary Entry</u>			TC A104
DR 4119 Other Appropriations Realized	1,000		
CR 4450 Unapportioned Authority		1,000	
<u>Proprietary Entry</u>			
DR 1010 Fund Balance With Treasury	1,000		
CR 3101 Unexpended Appropriations – Appropriations Received		1,000	

2. To record budgetary authority apportioned by OMB and available for allotment.

YEAR 1			
<u>Budgetary Entry</u>			TC A116
DR 4450 Unapportioned Authority	1,000		
CR 4510 Apportionments		1,000	
<u>Proprietary Entry</u>			
None			

3. To record allotment of authority.

YEAR 1			
<u>Budgetary Entry</u>			TC A120
DR 4510 Apportionments	1,000		
CR 4610 Allotments – Realized Resources		1,000	
<u>Proprietary Entry</u>			
None			

¹ OMB Circular No. A-11 (2004), Section 20.3 & 20.4(c).

Advance Funding Scenario

4. Purchase request for \$250, was approved. (Commitment)

YEAR 1		
<u>Budgetary Entry</u>		TC B202
DR 4610 Allotments – Realized Resources	250	
CR 4700 Commitments – Programs Subject to Apportionments	250	
<u>Proprietary Entry</u>		
None		

5. To record current-year undelivered orders without an advance.

YEAR 1		
<u>Budgetary Entry</u>		TC B204
DR 4700 Commitments – Programs Subject to Apportionments	250	
CR 4801 Undelivered Orders - Obligations, Unpaid	250	
<u>Proprietary Entry</u>		
None		

June, Year 1

Determined that the amount appropriated for federal unemployment benefit and allowance expenses will exceed obligations incurred by \$1,500. An advancement of funding is necessary to cover excess obligations.

6. To record the receipt of a warrant for advance funding to cover excess obligations.

YEAR 1		
<u>Budgetary Entry</u>		TC A104
DR 4119 Other Appropriations Realized (Advance Flag ~ F) ²	1,500	
CR 4450 Unapportioned Authority	1,500	
<u>Proprietary Entry</u>		
DR 1010 Fund Balance With Treasury	1,500	
CR 3101 Unexpended Appropriations – Appropriations Received	1,500	

7. To record budgetary authority apportioned by OMB and available for allotment.

YEAR 1		
<u>Budgetary Entry</u>		TC A116
DR 4450 Unapportioned Authority	1,500	
CR 4510 Apportionments	1,500	
<u>Proprietary Entry</u>		
None		

² F ~ Advance from future year, as defined in TFM S2-05-01, Section IV.

Advance Funding Scenario

8. To record allotment of authority.

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	1,500		A120
CR 4610 Allotments – Realized Resources		1,500	
<u>Proprietary Entry</u>			
None			

9. To record the accrued benefit at the end of the accounting period for unpaid estimated costs incurred (employer agency).

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4610 Allotments – Realized Resources	2,000		D404
CR 4901 Delivered Orders – Obligations, Unpaid		2,000	
<u>Proprietary Entry</u>			
DR 6400 Benefit Expense	2,000		
CR 2213 Employer Contributions and Payroll Taxes Payable		2,000	B134
DR 3107 Unexpended Appropriations – Used	2,000		
CR 5700 Expended Appropriations		2,000	

10. Payment schedule certified and confirmed for benefit expense.

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations, Unpaid	2,000		B110
CR 4902 Delivered Orders- Obligations, Paid		2,000	
<u>Proprietary Entry</u>			
DR 2213 Employer Contributions and Payroll Taxes Payable	2,000		
CR 1010 Fund Balance With Treasury		2,000	

11. To record the delivery of goods and accrue a liability (related to #5).

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders Obligations, Unpaid	250		B302
CR 4901 Delivered Orders – Obligations, Unpaid		250	
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses/Program Costs	250		
CR 2110 Accounts Payable		250	
DR 3107 Unexpended Appropriations - Used	250		B134
CR 5700 Expended Appropriations		250	

Advance Funding Scenario

12. Payment schedule certified and confirmed.

YEAR 1			
<u>Budgetary Entry</u>			TC B110
DR 4901 Delivered Orders – Obligations, Unpaid	250		
CR 4902 Delivered Orders - Obligations, Paid		250	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	250		
CR 1010 Fund Balance With Treasury		250	

**Pre - Closing Adjusted Trial Balance
YEAR 1**

YEAR 1	Debit	Credit
Budgetary		
4119	2,500	
4450		0
4510		0
4610		250
4700		0
4801		0
4901		0
4902	<u>0</u>	<u>2,250</u>
Total	<u>2,500</u>	<u>2,500</u>
Proprietary		
1010	250	
2210		0
2213		0
3101		2,500
3107	2,250	
5700		2,250
6100	250	
6400	<u>2,000</u>	<u>0</u>
Total	<u>4,750</u>	<u>4,750</u>

Advance Funding Scenario

Closing Entries

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

<u>Budgetary Entry</u>		
None		
<u>Proprietary Entry</u>		
DR 3310 Cumulative Results of Operations	2,250	TC F228
CR 6100 Operating Expense/Program Costs	250	
CR 6400 Benefit Expense	2,000	
DR 5700 Expended Appropriations	2,250	
CR 3310 Cumulative Results of Operations	2,250	

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

<u>Budgetary Entry</u>		
DR 4201 Total Actual Resources - Collected	2,500	TC F204
CR 4119 Other Appropriations Realized	2,500	
<u>Proprietary Entry</u>		
None		

- To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>		
DR 4902 Delivered Orders – Obligations, Paid	2,250	TC F214
CR 4201 Total Actual Resources - Collected	2,250	
<u>Proprietary Entry</u>		
None		

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

<u>Budgetary Entry</u>		
None		
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations		TC F233
Received	2,500	
CR 3100 Unexpended Appropriations - Cumulative	250	
CR 3107 Unexpended Appropriations - Used	2,250	

Advance Funding Scenario

5. To record closing of unobligated balances to expiring authority.

<u>Budgetary Entry</u>		
DR 4610 Allotments – Realized Resources	250	
CR 4650 Allotments - Expired Authority		250
<u>Proprietary Entry</u>		
None		
		TC F212

**Post – Closing Trial Balance
YEAR 1**

YEAR 2	Debit	Credit
Budgetary		
4201	250	
4650	<u>0</u>	<u>250</u>
Total	<u>250</u>	<u>250</u>
Proprietary		
1010	250	
3100	<u>0</u>	<u>250</u>
Total	<u>250</u>	<u>250</u>

Advance Funding Scenario

**SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES
(YEAR-END)
YEAR 1**

BUDGETARY RESOURCES

1. Budget Authority	
A. Appropriations (4119E)	<u>2,500</u>
7. Total Budgetary Resources	<u>2,500</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred:	
A. Direct (4902E)	2,250
9. Unobligated Balance:	
A. Apportioned	
1. Balance, Currently Available (4610E)	<u>250</u>
11. Total Status of Budgetary Resources	<u>2,500</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

15. Outlays	
A. Disbursements (4902E)	2,250

**FMS 2108 Year-end Closing Statement
YEAR 1**

Column 5 Postclosing Unexpended Balance (1010E)	250
Column 11 Unobligated Balance (4610E)	250

Advance Funding Scenario

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

Assets (Note 2)

Intragovernmental Assets:

1. Fund Balance With Treasury (Note 3) (1010E)	<u>250</u>
6. Total Intragovernmental Assets	<u>250</u>
15. Total Assets	<u>250</u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
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Net position:

29. Unexpended Appropriations (Note 20) (3100E)	250
30. Cumulative Results of Operations (3310E)	<u>0</u>
31. Total Net Position	<u>250</u>
32. Total Liabilities and Net Position	<u>250</u>

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

Program Costs:

Program A:

1. Intragovernmental Gross Costs (6100E & 6400E)	<u>2,250</u>
3. Intragovernmental Net Costs	<u>2,250</u>
7. Total Net Costs	<u>2,250</u>
10. Net Cost of Operations	<u>2,250</u>

Advance Funding Scenario

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

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
Budgetary Financing Sources:		
4. Appropriations Received (3101E)	0	2,500
7. Appropriations Used (3107/5700E)	2,250	(2,250)
Other Financing Sources:		
16. Total Financing Sources	2,250	250
17. Net Cost of Operations	<u>2,250</u>	<u>0</u>
18. Ending Balances	<u>0</u>	<u>250</u>

Advance Funding Scenario

Department/Agency/Reporting Entity
COMBINED 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 (4902E)	<u>2,250</u>
5. Net Obligations (3-4)	<u>2,250</u>
11. Total Resources Used to Finance Activities (5+10)	<u>2,250</u>

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

17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>2,250</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u>2,250</u>

Advance Funding Scenario

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

OBLIGATIONS BY PROGRAM ACTIVITY	
1000 Total new obligations (4902E)	2,250
BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION	
2200 New budget authority, (gross) (sum 4000...6962)	2,500
2395 Total new obligations (same as 1000, opposite sign)	(2,250)
2398 Unobligated balance expiring or withdrawn (4610E)	(250)
NEW BUDGET AUTHORITY (GROSS), DETAIL	
4000 Appropriation (4119E)	1,000
4028 Appropriation available from subsequent year (4119E) (Advance Flag ~ F) ³	1,500
4300 Appropriation (total discretionary) (sum 4000...4200)	2,500
CHANGE IN OBLIGATED BALANCES	
7310 Total new obligations (same as 1000)	2,250
7320 Total outlays (gross) (4902E)	(2,250)
OUTLAYS (GROSS), DETAIL	
8690 Outlays from new discretionary authority (4902E)	2,250
NET BUDGET AUTHORITY AND OUTLAYS	
8900 Budget authority (net) (sum 2200-(8800..8845), 8895, 8896)	2,500
9000 Outlays (net) (sum (8690..8698) – (8800..8845))	2,250

³ F ~ Advance from future year, as defined in TFM S2-05-01, Section IV.

Advance Funding Scenario

Beginning Trial Balance YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4201	250	
4650	<u>0</u>	250
Total	<u>250</u>	<u>250</u>
Proprietary		
1010	250	
3100	<u>0</u>	250
Total	<u>250</u>	<u>250</u>

- To record a reduction in authority for advance funding made available in the previous year.

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4450 Unapportioned Authority	1,500	A125
CR 4119 Other Appropriations Realized (Advance Flag ~ P) ⁴	1,500	
<u>Proprietary Entry</u>		
None		

- To record the enactment of an appropriation and receipt of warrant.

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4119 Other Appropriations Realized	2,000	A104
CR 4450 Unapportioned Authority	2,000	
<u>Proprietary Entry</u>		
DR 1010 Fund Balance With Treasury	500	
CR 3101 Unexpended Appropriations – Appropriations Received	500	

- To record budgetary authority apportioned by OMB and available for allotment.

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4450 Unapportioned Authority	500	A116
CR 4510 Apportionments	500	
<u>Proprietary Entry</u>		
None		

⁴P ~ Advance in prior year, as defined in TFM S2-05-01, Section IV.

Advance Funding Scenario

4. To record allotment of authority.

YEAR 2		
<u>Budgetary Entry</u>		TC A120
DR 4510 Apportionments	500	
CR 4610 Allotments – Realized Resources	500	
<u>Proprietary Entry</u>		
None		

5. Purchase request for \$500, was approved. (Commitment)

YEAR 2		
<u>Budgetary Entry</u>		TC B202
DR 4610 Allotments – Realized Resources	500	
CR 4700 Commitments – Programs Subject to Apportionment	500	
<u>Proprietary Entry</u>		
None		

6. To record current-year undelivered orders without an advance.

YEAR 2		
<u>Budgetary Entry</u>		TC B204
DR 4700 Commitments – Programs Subject to Apportionment	500	
CR 4801 Undelivered Orders Obligations Unpaid	500	
<u>Proprietary Entry</u>		
None		

7. To record the delivery of goods and accrue a liability.

YEAR 2		
<u>Budgetary Entry</u>		TC B302
DR 4801 Undelivered Orders - Obligations, Unpaid	500	
CR 4901 Delivered Orders – Obligations, Unpaid	500	
<u>Proprietary Entry</u>		
DR 6100 Operating Expenses/Program Costs	500	
CR 2110 Accounts Payable	500	
DR 3107 Unexpended Appropriations Used	500	B134
CR 5700 Expended Appropriations	500	

Advance Funding Scenario

8. Payment schedule certified and confirmed.

YEAR 2			
<u>Budgetary Entry</u>			TC B110
DR 4901 Delivered Orders – Obligations, Unpaid	500		
CR 4902 Delivered Orders- Obligations, Paid		500	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	500		
CR 1010 Fund Balance With Treasury		500	

**Pre - Closing Adjusted Trial Balance
YEAR 2**

YEAR 2	Debit	Credit
Budgetary		
4119	500	
4201	250	
4450		0
4510		0
4610		0
4650		250
4700		0
4801		0
4901		0
4902	<u>0</u>	<u>500</u>
Total	<u>750</u>	<u>750</u>
Proprietary		
1010	250	
2110		0
3100		250
3101		500
3107	500	0
5700		500
6100	<u>500</u>	<u>0</u>
Total	<u>1,250</u>	<u>1,250</u>

Advance Funding Scenario

Closing Entries

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

<u>Budgetary Entry</u>		TC
None		F228
<u>Proprietary Entry</u>		
DR 3310 Cumulative Results of Operations	500	
CR 6100 Operating Expenses/Program Costs		500
DR 5700 Expended Appropriations	500	
CR 3310 Cumulative Results of Operations	500	

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

<u>Budgetary Entry</u>		TC
DR 4201 Total Actual Resources - Collected	500	F204
CR 4119 Other Appropriations Realized		500
<u>Proprietary Entry</u>		
None		

- To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>		TC
DR 4902 Delivered Orders – Obligations, Paid	500	F214
CR 4201 Total Actual Resources - Collected		500
<u>Proprietary Entry</u>		
None		

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

<u>Budgetary Entry</u>		TC
None		F233
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations Received	500	
CR 3100 Unexpended Appropriations – Cumulative		500
DR 3100 Unexpended Appropriations – Cumulative	500	
CR 3107 Unexpended Appropriations - Used		500

Advance Funding Scenario

**Post - Closing Trial Balance
YEAR 2**

YEAR 2	Debit	Credit
Budgetary		
4201	250	
4650	<u>0</u>	<u>250</u>
Total	<u>250</u>	<u>250</u>
Proprietary		
1010	250	
3100	<u>0</u>	<u>250</u>
Total	<u>250</u>	<u>250</u>

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES
(YEAR-END)
YEAR 2**

BUDGETARY RESOURCES

1. Budget Authority	
A. Appropriations received (4119E)	500
2. Unobligated Balance	
A. Brought Forward, Oct. 1 (4201B)	<u>250</u>
7. Total Budgetary Resources	<u>750</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred:	
A. Direct (4902E)	500
10. Unobligated Balance Not Available	
D. Other (4650E)	<u>250</u>
11. Total Status of Budgetary Resources	<u>750</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

15. Outlays	
a. Disbursements (4902E)	500

Advance Funding Scenario

**FMS 2108 Year-end Closing Statement
YEAR 2**

Column 5 Postclosing Unexpended Balance (1010E)	250
Column 11 Unobligated Balance (4650E)	250

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

Assets (Note 2)

Intragovernmental Assets:

1. Fund Balance With Treasury (1010E)	<u>250</u>
15. Total Assets	<u>250</u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
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Net position:

29. Unexpended Appropriations (Note 20) (3100E)	250
31. Total Net Position	<u>250</u>
32. Total Liabilities and Net Position	<u>250</u>

Advance Funding Scenario

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

Program Costs:

Program A:	
1. Intragovernmental Gross Costs (6100E)	500
3. Total Net Costs	500
5. Less: Earned Revenue from Public	<u>0</u>
7. Total Costs	500
10. Net Cost of Operations	<u>500</u>

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

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
1. Beginning Balances (3100 B)	0	250
2. Prior Period Adjustments	0	0
3. Beginning Balances, As Adjusted	0	250
Budgetary Financing Sources:		
4. Appropriations Received (3101 E)	0	500
7. Appropriations Used (3107/5700E)	500	(500)
Other Financing Sources:		
16. Total Financing Sources	500	250
17. Net Cost of Operations	<u>500</u>	<u>0</u>
18. Ending Balances	<u>0</u>	<u>250</u>

Advance Funding Scenario

**Department/Agency/Reporting Entity
COMBINED STATEMENT OF FINANCING
For the year ended September 30, Year 2
(in dollars/thousands/millions)**

**Resources Used to Finance Activities:
Budgetary Resources Obligated**

1. Obligations Incurred (4902 E)	<u>500</u>
5. Net Obligations (3-4)	<u>500</u>
11. Total Resources Used to Finance Activities (5+10)	500

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

15. Resources that Finance the Acquisition of Assets	<u>0</u>
17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>500</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u>500</u>

Advance Funding Scenario

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

OBLIGATIONS BY PROGRAM ACTIVITY

1000 Total new obligations (4902E) 500

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2140 Unobligated balance carried forward, start of year 250
2200 New budget authority, (gross) (sum 4000...6962) 500
2395 Total new obligations (sum as 1000, opposite sign) (500)
2440 Unobligated balance carried forward, end of year 250

NEW BUDGET AUTHORITY (GROSS), DETAIL

4000 Appropriation (4119E) 2,000
4029 Appropriation available in prior year (4119E) (Advance Flag ~ P)⁵ (1,500)
4300 Appropriation (total discretionary) (sum 4000..4200) 500
7000 Total new budget authority (gross) (sum 4000..6990) 500

CHANGE IN OBLIGATED BALANCES

7310 Total new obligations (same as 1000) 500
7320 Total outlays (gross) (4902E) (500)

OUTLAYS (GROSS), DETAIL

8690 Outlays from new discretionary authority (4902E) 500

NET BUDGET AUTHORITY AND OUTLAYS

8900 Budget authority (net) (sum 2200 – (8800..8845), 8895,8896) 500
9000 Outlays (net) (sum (8690..8698) – (8800..8845)) 500

⁵P ~ Advance in prior year, as defined in TFM S2-05-01, Section IV.