

USSGL CHANGES RELATED TO CAPITAL TRANSFERS AND REPAYMENT OF DEBT

This package primarily contains information on capital transfers. It provides budgetary and proprietary transactions using a recently created proprietary transfer account and proposes the **addition of two new capital transfer accounts**. The package also explains how these transactions and accounts will support the OMB Program and Financing Schedule, SF-132, SF-133 and Form and Content Financial Statements. It also addresses repayments of debt and explains how separating debt transactions from capital transfer transactions can further support the previously mentioned reports and statements. In addition, it proposes a **new account for repayment of debt and modification to an existing repayment of debt account**. The new repayment of debt account will separate repayment of debt from current year balances from repayment of debt from prior year balances. **If accepted by the Standard General Ledger Board, these proposed changes will be effective for FY 2002.**

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USSGL Board Meeting
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1. Definition of a Capital Transfer

TFM Volume 1, Section 2020 defines capital transfers as “Revolving fund transactions that transfer capital investments of the United States or earning for credit to designated capital transfer accounts.” This definition should likely be modified. The words specifying "revolving fund" should be eliminated from the definition since in rare circumstances other funds are permitted to make capital transfers. OMB Circular A-34 (2000) further explains capital transfers in Section 22 – SF 132 Apportionment and Reapportionment Schedule Line 6C and Section 30 – SF 133 Report on Budget Execution Line 6C as an “Amount transferred to the general fund of the Treasury; that is, deposited to Treasury receipt accounts for “Earnings of Government-owned enterprises” or “Repayments of capital investment, Government-owned enterprises.””

2. Processing and Recording a Capital Transfer with Treasury and OMB

Treasury transaction:

Fund managers request a capital transfer by submitting a non-expenditure transfer authorization document (SF-1151) to Treasury.

In the **Transfer-From** section of the SF-1151, record the revolving fund TAFS.

The SF1151 is processed as a capital transfer (code 35/55-balance transfer.) In Treasury reports, this transfer is reflected as follows:

Undisbursed Appropriation Account Balance -TFS – 6654, Non-Expenditure Transactions Row
Undisbursed Appropriation Account Ledger – TFS – 6653, transaction listing, transaction code 35
Treasury Annual Report, Balances Withdrawn and Other Transactions Column.

In the **Transfer-To** section of the SF-1151 record the appropriate miscellaneous receipt account. Valid TAFS miscellaneous receipt accounts are in two categories:

1. 1610 Category - Government-owned enterprise accounts
 - a. 1613 Dividends on capital stock
 - b. 1614 other earnings from business operations and intra-governmental revolving funds
2. 2810 Repayment of Capital Investment accounts
 - a. 2813 Repayment of capital stock
 - b. 2814 other repayments of investments and recoveries

OMB Circulars A34 and A11 do not differentiate between the capital transfers that are reported to miscellaneous receipt accounts in the 1610 category and those reported to the 2810 category. Therefore, the same budgetary and proprietary entries outlined in this paper would apply to capital transfers to either capital transfer miscellaneous receipt account category.

OMB:

Data submitted to OMB should reflect actual capital transfers on line 6C of both the SF-132 and the SF-133. On the Program and Financing Schedule (P&F), the capital transfers should be reflected on a “Capital transfer to the general fund” line - 22.40, 68.27 or 69.27. There are multiple P&F lines because the specific lines are based on the source of funding for the capital transfer. Line 22.40 is used for capital transfers funded by Unobligated Balances, Line 68.27 is used for capital transfers funded by Discretionary Offsetting Collections and Line 69.27 is used for capital transfers funded by Mandatory Offsetting Collections.

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3. Discussion of OMB Presentation of Capital Transfers and Repayment of Debt using the USSGL Budgetary Accounts

The OMB A-34 (2000) requires capital transfers be reported on both the SF-132 and SF-133. Both documents require data be entered on Line 6C titled "Capital transfers and redemption of debt". USSGL account 4047 - Anticipated Payments to Treasury is used for reporting to line 6F of the SF-132. This USSGL account is presently adequate to report anticipated transfers to Treasury on the SF-132. USSGL account 4147 - Actual Transfers to Treasury is used for reporting to line 6C of the SF-133. This account is adequate for SF-133 reporting, however, it is not adequate for other OMB reporting. The OMB A-11 (2000) requires actual capital transfer data be reported to three lines of the Program and Financing (P&F) Schedule, all titled "Capital transfer to the general fund". The capital transfer lines of the P&F Schedule are:

- 2240 - Unobligated balance - Capital transfer to the General Fund
- 6827 - Offsetting Collections - Discretionary - Capital Transfer to the General Fund
- 6927 - Offsetting Collections - Mandatory - Capital Transfer to the General Fund

In addition, the OMB A-11 (2000) requires actual repayment of debt data be reported to six lines of the P&F Schedule. The repayment of debt lines of the P&F Schedule are:

- 2260 - Unobligated Balances - Portion applied to repay debt
- 4047 - Appropriations - Discretionary - Portion applied to repay debt
- 6047 - Appropriations - Mandatory - Portion applied to repay debt
- 6447 - Proceeds of Loan Asset Sales with Recourse - Mandatory - Portion applied to repay debt
- 6847 - Offsetting Collections - Discretionary - Portion applied to repay debt
- 6947 - Offsetting Collections - Mandatory - Portion applied to repay debt

There are two major differences between the SF-133 reporting and the P&F Schedule reporting. First, the P&F schedule requires capital transfers be segregated from redemption of debt whereas the SF-133 does not have this requirement. Second, the P&F Schedule requires that capital transfers and redemption of debt be further segregated by the type of resource being used to fund the transfer yet the SF-133 does not have this additional requirement either. Herein, lies the problem with the existing USSGL account provided for recording actual transfer data. The USSGL account 4147 - Payments to Treasury is not segregated between capital transfers and redemption of debt. In addition, USSGL account 4147 - Payments to Treasury cannot be sufficiently segregated using the existing FACTSII SGL attributes to separate the transfer source between current year and prior year. In addition, the FACTS II SGL attributes assigned for Authority Type should be used to separate the various types of current year authority and the FACTS II SGL attributes assigned for BEA Category should be used to separate mandatory and discretionary authority.

Since anticipated amounts are not reported on the P&F, no changes are required for USSGL account 4047 -Anticipated Payments to Treasury. However, a new pair of USSGL budgetary accounts is proposed for capital transfers. The accounts proposed are 4151 - Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority and 4152 - Actual Capital Transfers to the General Fund of the Treasury, Prior Year. Also, after separating the capital transfer accounts from the repayments of borrowings, the need for a new "repayment of debt" account is evident. Adding an additional "repayment of debt" account will allow segregation of repayments from current year balances from repayments from prior year balances.

USSGL CHANGES RELATED TO CAPITAL TRANSFERS & REPAYMENT OF DEBT

4. Proposed New Budgetary USSGL Accounts for Capital Transfers and Repayment of Debt.

New Account Title: Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority
New Account Number: 4151
Normal Balance: Credit

Definition: Amounts actually transferred by non-expenditure transfer during the fiscal year from current year resources to capital transfer miscellaneous receipt accounts, such as Treasury Appropriation Fund Symbol (TAFS) series 1610 - Earnings of Government-owned enterprises and 2810 - Repayments of Capital Investment, Government-owned enterprises.

Justification: The Capital Transfer lines of the Program and Financing (P&F) Schedule (OMB Circular A-11, 2000) are not presently supported by the USSGL. The USSGL presently captures both capital transfers and repayments of debt in the same USSGL account. Separate accounts are needed because the P&F Schedule captures the capital transfer information separate from repayment of debt information. **Establishing this account will provide support for the following P&F Capital transfer lines:**

- 6827 – Offsetting Collections – Discretionary – Capital Transfer to the General Fund
- 6927 – Offsetting Collections – Mandatory – Capital Transfer to the General Fund

It will also allow the existing USSGL 4147 account to be used exclusively for repayments of debt and therefore help support P&F lines 4047, 6047, 6447, 6847 and 6947 that are currently listed as unsupported.

NOTE: To segregate data between lines 6827 and 6927, transactions must also designate FACTSII SGL attributes for Authority Type and BEA Category.

New Account Title: Actual Capital Transfers to the General Fund of the Treasury, Prior Year Balances
New Account Number: 4152
Normal Balance: Credit

Definition: Amounts actually transferred by non-expenditure transfer during the fiscal year from prior-year unobligated balances to capital transfer miscellaneous receipt accounts, such as Treasury Appropriation Fund Symbol (TAFS) series 1610 - Earnings of Government-owned enterprises and 2810 - Repayments of Capital Investment, Government-owned enterprises.

Justification: The Capital Transfer lines of the Program and Financing (P&F) Schedule (OMB Circular A-11, 2000) are not presently supported by the USSGL. The USSGL captures both capital transfers and repayments of debt in the same USSGL account. Separate accounts are needed because the P&F Schedule captures the capital transfer information separate from repayment of debt information. **Establishing this account will provide support for the following P&F Capital transfer line:**

- 2240 – Unobligated balance – Capital transfer to the General Fund

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4. Proposed New Budgetary USSGL Accounts for Capital Transfers and Repayment of Debt. (continued)

New Account Title:	Actual Repayments of Debt, Current Year Authority
New Account Number:	4146
Normal Balance:	Credit
Definition:	Amounts actually transferred by non-expenditure transfer during the fiscal year from current year resources to repay debt.
Justification:	The repayment of debt lines on the P&F are not presently supported by the USSGL (OMB Circular A-11, 2000). Establishing this account will provide support for the P&F repayment of debt lines listed below.
	4047 Discretionary Appropriations – Portion applied to repay debt
	6047 Mandatory Appropriations – Portion applied to repay debt
	6447 Mandatory Proceeds of Loan Asset Sales with Recourse – Portion applied to repay debt
	6847 Discretionary Offsetting Collections – Portion applied to repay debt
	6947 Mandatory Offsetting Collections – Portion applied to repay debt
	It will also allow existing USSGL account 4147 (as modified in this document) to be used exclusively for repayments of debt using prior-year balances.
	NOTE: To segregate data between lines 4047, 6047, 6447, 6847 and 6947, transactions must also designate FACTSII SGL attributes for Authority Type and BEA Category.

4. Proposed Modification to Budgetary USSGL Account

Existing Account Title:	Actual Transfers to Treasury
New Account Title:	Actual Repayments of Debt, Prior Year Balances
Account Number:	4147
Normal Balance:	Credit
Account Definition:	Amounts transferred via non-expenditure transfers to Treasury during the fiscal year.
New Definition:	Amounts actually transferred by non-expenditure transfer during the fiscal year from prior year unobligated balances to repay debt.
Justification:	The repayment of debt lines on the P&F are not presently supported by the USSGL. Establishing this account will provide support for the P&F repayment of debt line mentioned below:
	2260 Unobligated Balances – Portion applied to repay debt
	After creating the new Capital Transfer accounts, creating a new Repayment of Debt, Current Year account, and modifying this account, the nine lines of the P&F lines for capital transfers and repayment of debt will be supported by the USSGL.

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6. Financial Statement Presentation of Capital Transfers and related Proprietary Accounting

Statement of Federal Financial Accounting Standards (SFFAS) Number 7, ¶ 75 states “To the extent that a Government entity’s exchange revenue that is included in calculating net cost of operations is required to be transferred to the Treasury or another Government entity, the amount should be recognized as a transfer-out in determining net result of operations.” In accordance with this paragraph, the proprietary accounting entry for the revolving fund’s capital transfer uses USSGL account 5765- Non-expenditure Financing Sources - Transfers Out.

Because the funds used to repay an appropriation would be derived from an entity's exchange revenue that is included in net cost of operations, SFFAS 7 requires the capital transfer transaction to be recognized as a transfer out in determining net results of operations. For proprietary accounting, capital transfers that are reported to miscellaneous receipt accounts in the 1610 category and those reported to the 2810 category are not different. Therefore, USSGL account 5765 - Non-expenditure Financing Sources - Transfers Out should be used for these types of capital transfers.

Modification to Proprietary USSGL Account proposed and accepted by USSGL Board in September 2000 on Voting Ballot #01-01. The change will be effective for FY 2002.

Existing Account Title:	Non-expenditure Trust Fund Financing Sources – Transfers-Out
New Account Title:	Non-expenditure Financing Sources – Transfers-Out
Account Number:	5765
Normal Balance:	Debit
Account Definition:	The amount of financing sources of a reporting entity representing funds transferred out, or to be transferred out, occurring as a result of a non-exchange non-expenditure transfer between two trust funds or two Federal funds, as defined by OMB, where a debit to unexpended appropriations is not valid. Transactions using this account will have a budgetary impact.
Justification:	The new account title was proposed and accepted to clarify that this account is not used only for Trust Funds. The definition did not require a change since it does not limit the account to trust funds and instead specifically includes Federal Funds. This is a new use for this account not specifically documented when the change was proposed to the USSGL Board in September 2000.

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7. Financial Statement Presentation of Liabilities Associated with Appropriations to Revolving funds - i.e. Capital Investments

The following excerpts are from SFFAS No. 5 – Accounting for liabilities.

Executive Summary (d) "... - Contingencies – A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. Contingent future outflows or other sacrifices of resources as a result of past transactions or events may be recognized, may be disclosed, ..., or may not be reported at all depending on the circumstances. Contingencies should be recognized as a liability when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow or sacrifice of resources is measurable. A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is a reasonable possibility that a loss or an additional may have been incurred. Disclosure should include the nature of the contingency and an estimate of the possible liability, an estimate of the range of the possible liability, or a statement that such an estimate cannot be made.

Paragraph 35 A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm a gain (i.e., acquisition of an asset or reduction of a liability) or a loss (i.e., loss or impairment of an asset or the incurrence of a liability).

Paragraph 36 "... When a loss contingency (i.e., contingent liability) exists, the likelihood that the future event or events will confirm the loss or the incurrence of a liability can range from probable to remote. The probability classifications are as follows:

--Probable: The future confirming event or events are more likely than not to occur.

--Reasonably possible: The chance of the future confirming event or events occurring is more than remote but less than probable.

--Remote: the chance of the future event or events occurring is slight."

Paragraph 38 "A contingent liability should be recognized when all of these three conditions are met...

--A past event or exchange transaction has occurred...

--A future outflow or other sacrifice of resources is probable...

--The future outflow or sacrifice of resources is measurable..."

Paragraph 40 "A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred..."

Paragraph 42 "...contingencies classified as remote need not be reported in general purpose federal financial reports..."

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7. Financial Statement Presentation of Liabilities Associated with Appropriations to Revolving funds - i.e. Capital Investments (continued)

ALWAYS REVIEW SFFAS 5 TO APPLY IT TO YOUR FUND'S PARTICULAR CIRCUMSTANCES – THIS IS GENERAL GUIDANCE AND WILL NOT NECESSARILY APPLY TO A SPECIFIC FUND.

Relationships between SFFAS 5 and a revolving fund that received appropriated funds that must be repaid if the revolving fund meets criteria specified in related statutes

1. Footnote Disclosure is required in the financial reporting for year the appropriation is made to the revolving fund and any years prior to anticipating a capital transfer.

Disclosure assumes:

- The fund is expected at some point in the future to be financially able to repay (through capital transfer) the appropriation (capital investment), i.e. there is a reasonable possibility that a loss may be incurred.

2. Report a liability in the financial reports only in the year when funds are expected to be sufficient to actually repay the appropriation or a portion of the appropriation by capital transfer and report the liability equal only to the amount expected to be actually transferred this year. Remaining portions of the appropriation remaining unpaid should be disclosed.

Reporting the liability assumes:

- A past event (the appropriation) occurred and the caveat existed that under certain conditions it would be repaid.
- The amount to be repaid is known and anticipated in the budgetary accounts.
- It is probable that the anticipated amount will be transferred.

ADDITIONAL NOTE:

Federal Accounting Standards Advisory Board (FASAB) staff advise that with the SFFAS 5 threshold for probability (>50%) being lower than that with public sector accounting, agency representatives should consider recording the contingent liability immediately rather than simply providing a disclosure.

Review each fund's circumstances independently and in accordance with SFFAS 5.

8. Proposed New USSGL Section III Transactions

1. To anticipate a capital transfer to repay a portion of a capital investment (usually an appropriation to a revolving fund.) Add the following comment: "Always refer to SFFAS #5 for discussion of contingent liabilities. Section III Transaction A142 reflects a similar transaction without a contingent liability." New Section III transaction needed.

Budgetary

4450 Unapportioned Authority
4047 Antic Trans to Treas

Proprietary

5765 Non-expend Fin Srcs–Trans Out
2920 Contingent Liabilities

USSGL CHANGES RELATED TO CAPITAL TRANSFERS & REPAYMENT OF DEBT

8. Proposed New USSGL Section III Transactions (cont)

2. To process an actual capital transfer to repay a portion of a capital investment (usually an appropriation to a revolving fund) that was previously anticipated and where a contingent liability was previously recorded. New Section III transaction needed.
 Comment: "To accurately report FACTSII data for the OMB Program and Financing Schedule (OMB Circular A-11, 2000), a FACTSII SGL Authority Type attribute and BEA Category attribute should be used with account 4151 Actual Capital Transfers, Current Year."

Budgetary
4047 Anticipated Transfers to the Treasury
 4151 Actual Capital Transfers to the General Fund of the Treasury, Current Yr
 4152 Actual Capital Transfers to the General Fund of the Treasury, Prior Yr

Proprietary
2920 Contingent Liabilities
 1010 Fund Balance with Treasury

9. Proposed Modifications to USSGL Section III Transactions

1. Amend Transaction F204 to record the consolidation of net-funded resources as follows:

A. Add the following USSGL accounts to the list of possible debit entries:
 4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority
 4152 Actual Capital Transfers to the General Fund of the Treasury, Prior Year Balances
 4146 Actual Repayments of Debt, Current Year Authority

B. Amend the account title for USSGL 4147 to read as follows:
 4147 Actual Repayments of Debt, Prior Year Balances

C. The entry below reflects the closing entry for **only the new and modified accounts**. The remainder of Transaction F204 remains the **same**.

Amendments to Budgetary Entry

4146 Actual Repayments of Debt, Current Year Authority	NEW ENTRY
4147 Actual Repayments of Debt, Prior Year Balances	AMENDED ENTRY
4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority	NEW ENTRY
4152 Actual Capital Transfers to the General Fund of the Treasury, Prior Year Balances	NEW ENTRY
4201 Total Actual Resources – Collected	NO CHANGE

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9. Proposed Modifications to USSGL Section III Transactions (cont.)

2. Amend Transaction B120 to record principal repayments to Treasury and the Federal Financing Bank as follows:

- A. Add the following USSGL account to the list of possible credit entries:
4146 Actual Repayments of Debt, Current Year Authority
- B. Amend the account title for USSGL 4147 to read as follows:
4147 Actual Repayments of Debt, Prior Year Balances
- C. Add the following comment:: "To accurately report FACTSII data for the OMB Program and Financing Schedule, a FACTSII SGL Authority Type attribute and BEA Category attribute should be used with account 4146 Actual Repayments of Debt, Current Year Authority."

New Budgetary Entry

4047 Anticipated Transfers to Treasury	NO CHANGE
4146 Actual Repayments of Debt, Current Year Authority	NEW ENTRY
4147 Actual Repayments of Debt, Prior Year Balances	AMENDED ENTRY

No changes to Proprietary Entry required by this proposal

3. Amend Transaction B121 to record principal repayments to Treasury and the Federal Financing Bank as follows:

- A. Add the following USSGL account to the list of possible credit entries:
4146 Actual Repayments of Debt, Current Year Authority
- B. Amend the account title for USSGL 4147 to read as follows:
4147 Actual Repayments of Debt, Prior Year Balances
- C. Add the following comment:: "To accurately report FACTSII data for the OMB Program and Financing Schedule, a FACTSII SGL Authority Type attribute and BEA Category attribute should be used with account 4146 Actual Repayments of Debt, Current Year Authority."

New Budgetary Entry

4450 Unapportioned Authority	NO CHANGE
4620 Unobligated Funds Not Subject to Apportionment	NO CHANGE
4146 Actual Repayments of Debt, Current Year Authority	NEW ENTRY
4147 Actual Repayments of Debt, Prior Year Balances	AMENDED ENTRY

No changes to Proprietary Entry required by this proposal

USSGL CHANGES RELATED TO CAPITAL TRANSFERS & REPAYMENT OF DEBT

9. Proposed Modifications to USSGL Section III Transactions (cont.)

4. Amend Transaction B136 to record liquidating account payments of excess cash to Treasury as follows:

A. Delete the existing credit entry for account 4147:

~~4147 Actual Transfers to Treasury~~

B. Add the following accounts as follows:

4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority

4152 Actual Capital Transfers to the General Fund of the Treasury, Prior Year Authority

C. Add the following comment: "To accurately report FACTSII data for the OMB Program and Financing Schedule, a FACTSII SGL Authority Type attribute and BEA Category attribute should be used with account 4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority ."

New Budgetary Entry

4047 Anticipated Transfers to Treasury	NO CHANGE
4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority	NEW ENTRY
4152 Actual Capital Transfers to the General Fund of the Treasury, Prior Year Balances	NEW ENTRY

No Changes to Proprietary Entry required by this proposal

10. Proposed Modifications to USSGL Section V Crosswalks

FY 2002 Reporting

1. SF-133: Report on Budget Execution – Fiscal 2002 Reporting

Line 6C should read as follows:

4146 Actual Repays of Debt, Cur Yr Auth

FACTSII SGL Attributes:	Begin End/2	= E
	Trans Partner	= F
	TAFS Status	= U

USSGL CHANGES RELATED TO CAPITAL TRANSFERS & REPAYMENT OF DEBT

10. Proposed Modifications to USSGL Section V Crosswalks (cont.)

1. SF-133: Report on Budget Execution – Fiscal 2002 Reporting (cont)

4147 Actual Repays of Debt, Prior Yr Bal

FACTSII SGL Attributes:	Begin End/2	= E
	Trans Partner	= F
	TAFS Status	= U

4151 Actual Cap Transfers to Gen Fd of Treas, Cur Yr Auth

FACTSII SGL Attributes:	Begin End/2	= E
	Trans Partner	= F
	TAFS Status	= U

4152 Actual Cap Transfers to Gen Fd of Treas, Prior Yr Bal

FACTSII SGL Attributes:	Begin End/2	= E
	Trans Partner	= F
	TAFS Status	= U

2. FMS-2108: Year End Closing Statement

The new and/or modified accounts do **not** change the crosswalk to this report.

3. Balance Sheet

The new and/or modified accounts do **not** change the crosswalk to this report..

4. Statement of Net Cost

The new and/or modified accounts do **not** change the crosswalk to this report.

5. Statement of Changes in Net Position

Line 2F: The title for account 5765 should change to Non-expenditure Financing Sources – Transfers – Out

6. Statement of Budgetary Resources

Line 4C3 should read as follows:

4146 Actual Repays of Debt, Cur Yr Auth

FACTSII SGL Attributes:	Pre/Post	= Pre
	Trial Balance	= E

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10. Proposed Modifications to USSGL Section V Crosswalks (cont.)

9. Program and Financing Schedule (cont.)

Line 6047 Mandatory Appropriations - Portion applied to repay debt

4146 Actual Repayments of Debt, Current Year Authority

FACTSII SGL Attributes:	Begin End/2	= E
	Authority Type	= P
	BEA Cat Ind	= M

Line 6447 Mandatory Proceeds of Loan Asset Sales with Recourse - Portion applied to repay debt

4146 Actual Repayments of Debt, Current Year Authority

FACTSII SGL Attributes:	Begin End/2	= E
	Authority Type	= L
	BEA Cat Ind	= M

Line 6827 Discretionary Offsetting Collections - Capital Transfer to the General Fund

4151 Actual Capital Transfers to Gen Fund of Treas, Current Year Authority

FACTSII SGL Attributes:	Begin End/2	= E
	Authority Type	= S
	BEA Cat Ind	= D

Line 6847 Discretionary Offsetting Collections - Portion applied to repay debt

4146 Actual Repayments of Debt, Current Year Authority

FACTSII SGL Attributes:	Begin End/2	= E
	Authority Type	= S
	BEA Cat Ind	= D

Line 6927 Mandatory Offsetting Collections - Capital Transfer to the General Fund

4151 Actual Capital Transfers to Gen Fund of Treas, Current Year Authority

FACTSII SGL Attributes:	Begin End/2	= E
	Authority Type	= S
	BEA Cat Ind	= M

Line 6947 Mandatory Offsetting Collections - Portion applied to repay debt

4146 Actual Repayments of Debt, Current Year Authority

FACTSII SGL Attributes:	Begin End/2	= E
	Authority Type	= S
	BEA Cat Ind	= M

SCENARIO FOR CAPITAL TRANSFERS

This scenario addresses capital transfers from a no-year NON-CREDIT revolving fund TAFS to Treasury miscellaneous receipt accounts in the 1610 and 2810 TAFS series. Specific transactions for capital transfers by liquidating accounts have not been outlined in this scenario, however, refer to the USSGL web site: www.fms.treas.gov.ussgl.creditreform for sample liquidating account transactions. The proposed new accounts 4151 – Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority and 4152 – Actual Capital Transfers to the General Fund of the Treasury, Prior Year can be used in lieu of account 4147 – Actual Transfers to Treasury in the referenced transactions. (Capital transfers by credit liquidating accounts are reported on the same P&F schedule lines as other capital transfers.)

CAPITAL TRANSFER SCENARIO

YEAR 1

1. Revolving fund receives an appropriation (sometimes referred to as a capital investment.) New budget authority is apportioned and allotted. Section III – Transactions A104, A116 & A120.

Budgetary

4119 Other Appropriations Realized	10,000	
4450 Unapportioned Authority		10,000
4450 Unapportioned Authority	10,000	
4510 Apportionments		10,000
4510 Apportionments	10,000	
4610 Allotments – Realized Resources		10,000

Proprietary

1010 Fund Balance with Treasury	10,000	
3100 Unexpended Appropriations		10,000

Note: You may record an entry for a contingent liability, but only if it meets the probability requirements for a liability and the amount can be determined as specified in SFFAS No. 5.

2. Record payment of payroll. Section III – B102 and B134.

Budgetary

4610 Allotments – Realized Resources	1,500	
4902 Expended Authority – Paid		1,500

Proprietary

6100 Operating/Program Expenses	1,500	
1010 Fund Balance with Treasury		1,500
3100 Unexpended Appropriations	1,500	
5700 Expended Appropriations		1,500

3. Record order for goods and services. Section III – B204.

Budgetary

4610 Allotments – Realized Resources	2,000	
4801 Unexpended Obligations – Unpaid		2,000

Proprietary

No entry.

4. Record delivery of goods and services and accrue a liability. Section III – B302 & B134.

Budgetary

4801 Unexpended Obligations – Unpaid	2,000	
4901 Expended Authority – Unpaid		2,000

Proprietary

1511 Operating Mats & Sup – Hld for Use	300	
6100 Operating/Program Expenses	1,700	
2110 Accounts Payable		2,000
3100 Unexpended Appropriations	2,000	
5700 Expended Appropriations		2,000

CAPITAL TRANSFER SCENARIO

5. Revolving fund purchases equipment with appropriated funds – i.e. start-up cost to revolving fund. Section III – Transactions B302, B110, B204 & B134.		
<u>Budgetary</u>		
4610 Allotments – Realized Resources	6,000	
4902 Expended Authority – Paid		6,000
<u>Proprietary</u>		
1750 Equipment	6,000	
1010 Fund Balance with Treasury		6,000
3100 Unexpended Appropriations	6,000	
5700 Expended Appropriations		6,000

6. The revolving fund anticipates reimbursements and OMB apportions the unavailable resources. Section III – Transaction A302 & A118.		
<u>Budgetary</u>		
4210 Anticipated Reimbs & Other Income	2,500	
4450 Unapportioned Authority		2,500
4450 Unapportioned Authority	2,500	
4590 Apports Unavail – Antic Resources		2,500
<u>Proprietary</u>		
No entry		

7. The revolving fund receives an order from a federal entity without an advance. Section III – Transaction A304 and A122.		
<u>Budgetary</u>		
4221 Unfilled Cust Orders w/out Advance	2,100	
4210 Anticipated Reimbs & Other Income		2,100
4590 Apports Unavail – Antic Resources	2,100	
4610 Allotments – Realized Resources		2,100
<u>Proprietary</u>		
No entry		

CAPITAL TRANSFER SCENARIO

8. The revolving fund incurs expenses and receives invoices related to reimbursable agreements. Section III Transaction B-204 & B302.		
Budgetary		
4610 Allotments – Realized Resources	1,900	
4901 Expended Authority – Unpaid		1,900
Proprietary		
6100 Operating Expenses/Program Exp	1,900	
2110 Accounts Payable		1,900

9. The revolving fund performs work and bills requesting agency. Section III – Transaction A310.		
Budgetary		
4251 Reimbs & Other Inc Ernd – Rcvbl	2,100	
4221 Unfilled Cust Orders w/out advance		2,100
Proprietary		
1310 Accounts Receivable	2,100	
5200 Revenue from Services Provided		2,100

10. The revolving fund collects receivable from transaction 9. Section III Transaction C186.		
Budgetary		
4252 Reimbs & Other Inc Ernd – Collected	2,100	
4251 Reimbs & Other Inc Ernd – Rcvbl		2,100
Proprietary		
1010 Fund Balance with Treasury	2,100	
1310 Accounts Receivable		2,100

11. The revolving fund pays invoices from transaction 8. Section III Transaction B110.		
Budgetary		
4901 Expended Authority – Unpaid	1,900	
4902 Expended Authority – Paid		1,900
Proprietary		
2110 Accounts Payable	1,900	
1010 Fund Balance with Treasury		1,900

12. Record use of operating material and supplies held for use. Section III Transaction D606.		
Budgetary		
No entry		
Proprietary		
6100 Operating Expenses/Program Costs	250	
1511 Operating Matl & Sup – Held for use		250

CAPITAL TRANSFER SCENARIO

13. The revolving fund records depreciation to equipment purchased in transaction #5, Section III, Transaction D514.

Budgetary

No entry

Proprietary

6710 Depreciation, Amortization & Depletion	600	
1759 Accum Depreciation on Equipment		600

14. The revolving fund managers determine that at some point in the future the fund will be financially able to repay the appropriation. SFFAS No. 5 states “A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm a gain (...) or a loss (...)” Paragraph 36 states the probability classification for reasonably possible as “...the chance of the future confirming event or events occurring is more than remote but less than probable.” Paragraph 38 states “A contingent liability should be recognized when all of these three conditions are met... A past event or exchange transaction has occurred.... A future outflow or other sacrifice of resources is probable...The future outflow or sacrifice of resources is measurable...”. Paragraph 40 goes on to state that “A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred...”.

In this situation, the first condition for liability recognition (a past event has occurred) is met with the appropriation and the caveat that under certain conditions it would be repaid. The third condition is met since we know the total amount of the appropriation. However, the second condition is not met because the fund managers determined the possibility of repayment is less than probable. **Therefore, reporting in the face of the financial statements is not required.** However, because the fund managers determined that the possibility of repayment is more than remote, a disclosure is necessary. Also, OMB 97-01 (pg. 90) requires a Balance Sheet footnote disclosure of contingent liabilities.

Budgetary

No entry

Proprietary

No entry.

CAPITAL TRANSFER SCENARIO

ADJUSTING ENTRIES

A1. Revolving fund reduces anticipated accounts to actuals. Section III – Transaction F112.		
<u>Budgetary</u>		
4590 Apports Unavail – Antic Resources	400	
4210 Antic Reimbs & Other Income		400
<u>Proprietary</u>		
No entry.		

PRE-CLOSING ADJUSTED TRIAL BALANCE YEAR 1

REVOLVING FUND	<u>DR</u>	<u>CR</u>
<u>BUDGETARY</u>		
4119 Other Appropriations Realized	10,000	
4252 Reims & Other Inc Ernd – Collected	2,100	
4610 Allotments – Realized Resources		700
4901 Expended Authority – Unpaid		2,000
4902 Expended Authority – Paid	<u>0</u>	<u>9,400</u>
TOTALS	<u>12,100</u>	<u>12,100</u>
<u>PROPRIETARY</u>		
1010 Fund Balance with Treasury	2,700	
1511 Operating Mats & Supplies Held for Use	50	
1750 Equipment	6,000	
1759 Accumulated Depreciation on Equipment		600
2110 Accounts Payable		2,000
3100 Unexpended Appropriations		500
5200 Revenue from Services Provided		2,100
5700 Expended Appropriations		9,500
6100 Operating Exp/Program Exp	5,350	
6710 Depreciation, Amortization & Depletion	<u>600</u>	<u>0</u>
TOTALS	<u>14,700</u>	<u>14,700</u>

CAPITAL TRANSFER SCENARIO

CLOSING ENTRIES FOR END OF YEAR 1

C1. To record the consolidation of net-funded resources, Section III – Transaction F204.	
<u>Budgetary</u>	
4201 Total Actual Resources – Collected	12,100
4119 Other Appropriations Realized	10,000
4252 Reimbs & Other Inc Ernd – Collected	2,100
<u>Proprietary</u>	
No entry.	

C2. To record the closing of unobligated balances to unapportioned authority. Section III – F210.	
<u>Budgetary</u>	
4610 Allotments – Realized Resources	700
4450 Unapportioned Authority	700
<u>Proprietary</u>	
No entry.	

C3. To record the closing of expended authority – paid. Section III – F214.	
<u>Budgetary</u>	
4902 Expended Authority – Paid	9,400
4201 Total Actual Resources – Collected	9,400
<u>Proprietary</u>	
No entry.	

C4. To record the closing of revenue, expense and other financing sources to cumulative results of operations. Section III – F228.	
<u>Budgetary</u>	
No entry.	
<u>Proprietary</u>	
5200 Revenue from Services Provided	2,100
5700 Expended Appropriations	9,500
6100 Operating Expenses/Program Exp	5,350
6710 Depreciation, Amortization & Depletion	600
3310 Cumulative Results of Operations	5,650

CAPITAL TRANSFER SCENARIO

**POST-CLOSING TRIAL BALANCE
YEAR 1**

REVOLVING FUND	<u>DR</u>	<u>CR</u>
<u>BUDGETARY</u>		
4201 Total Actual Resources Collected	2,700	
4450 Unapportioned Authority		700
4901 Expended Authority – Unpaid	<u>0</u>	<u>2,000</u>
TOTALS	<u>2,700</u>	<u>2,700</u>
<u>PROPRIETARY</u>		
1010 Fund Balance with Treasury	2,700	
1511 Operating Mats & Supplies Held for Use	50	
1750 Equipment	6,000	
1759 Accumulated Depreciation on Equipment		600
2110 Accounts Payable		2,000
3100 Unexpended Appropriations		500
3310 Cumulative Results of Operations	<u>0</u>	<u>5,650</u>
TOTALS	<u>8,750</u>	<u>8,750</u>

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

Column 5 (1010E)	2,700
Column 10 (4901E)	2,000
Column 11 (calc)=(4610E)	700

CAPITAL TRANSFER SCENARIO

BALANCE SHEET YEAR 1

ASSETS

1. Entity	
A. Intragovernmental	
1. Fund Balance with Treasury (1010E)	2,700
B.	
5. Inventory & Related Property (1511E)	50
6. General Property, Plant and Equipment, (Net) (1750E+1759E)	<u>5,400</u>
2. Total Assets	<u>8,150</u>
3B1. Liabilities Covered by Budgetary Resources (2110E)	<u>2,000</u>
4. Total Liabilities	<u>2,000</u>
6. Net Position	
A. Unexpended Appropriations (3100E)	500
B. Cumulative Results of Operations (3310E)	<u>5,650</u>
7. Total Net Position	<u>6,150</u>
8. Total Liabilities and Net Position	<u>8,150</u>

NOTES: (Note 16 Contingencies of OMB 97-01 Form and Content)

Contingent Liability for repayment of start-up appropriation of \$10,000 made to fund in PL####. Fund managers reasonably expect to repay the appropriation at some future time.

STATEMENT OF NET COST YEAR 1

1. Program Costs	
A. Intragovernmental	
1. Production	
B. Public	
1. Production (6100E)	5,350
(6710E)	<u>600</u>
C. Total Program Cost (calc)	5,950
D. Less Earned Revenues (5200E)	<u>2,100</u>
E. Net Program Costs (calc)	3,850
2. Costs Not Assigned to Programs	
3. Less Earned Revenues Not Attributable to Programs	
4. Net Cost of Operations	<u>3,850</u>

CAPITAL TRANSFER SCENARIO

STATEMENT OF CHANGES IN NET POSITION YEAR 1

1.	Net Cost of Operations	(3,850)
2.	Financing Sources	
	(Other than exchange revenues):	
A.	Appropriations Used (5700)	9,500
B.	Taxes (and other nonexchange revenue)	
C.	Donations (nonexchange revenue)	
D.	Imputed Financing	
E.	Transfers-in	
F.	Transfers-out	
G.	Other	<u> </u>
3.	Net Results of Operations (calc)	5,650
4.	Prior Period Adjustments	
5.	Net Change in Cumulative Results of Operations (calc)	5,650
6.	Increase (Decrease) in Unexpended Appropriations (3100 E-B)	<u> 500 </u>
7.	Change in Net Position	6,150
8.	Net Position-Beginning of the Period	<u> 0 </u>
9.	Net Position-End of Period (calc)	6,150

CAPITAL TRANSFER SCENARIO

STATEMENT OF FINANCING YEAR 1

1.	Obligations and Nonbudgetary Resources	
	A. Obligations Incurred (4901 E – B) + (4902E)	11,400
	B. Less: Spending Authority from Offsetting Collections and Adjustments	
	1. Earned Reimbursements	
	a. Collected (4252E)	2,100
	4. Recoveries of Prior-Year Obligations	
	C. Donations Not in the Entity’s Budget	
	D. Financing Imputed for Cost Subsidies	
	E. Transfers-in (out)	
	F. Exchange Revenue Not in the Entity’s Budget	
	G. Nonexchange Revenue Not in the Entity’s Budget	
	H. Less: Trust or Special Fund Receipts Related to Exchange Revenue in the Entity’s Budget	
	I. Other	
	J. Total Obligations as Adjusted and Nonbudgetary Resources	9,300
2.	Resources That Do Not Fund Net Cost of Operations	
	A. Change in Amount of Goods, Svcs & Benefits Ord but Not Yet Prov (Net Incr) Net Decr	
	B. Change in Unfilled Customer Orders	
	C. Costs Capitalized on the Balance Sheet (Increases) Decreases	
	1. General Property, Plant and Equipment (1750 E-B)	6,000
	3. Purchase of Inventory (1511E-B)	50
	D. Financing Sources That Fund Costs of Prior Periods	
	E. Collections that Decr Credit Program Receivables or Incr Credit Program Liabilities	
	F. Adjustment for Trust Fund Outlays That Do Not Affect Net Cost Other	
	G. Total Resources That Do Not Fund Net Costs of Operations	0
		6,050
3.	Costs That Do Not Require Resources	
	A. Depreciation and Amortization (6710E)	600
	B. Bad Debts Related to Uncollectible Non-Credit Reform Receivables	
	C. Revaluation of Assets and Liabilities	
	D. Loss of Disposition of Assets	
	E. Other	
	F. Total Costs That Do Not Require Resources	0
		600
4.	Financing Sources Yet to be Provided	
5.	Net Cost of Operations	3,850

CAPITAL TRANSFER SCENARIO

STATEMENT OF BUDGETARY RESOURCES YEAR 1

BUDGETARY RESOURCES

1.	Budget Authority (SF-133, line 1)	
	A. Appropriations (4119E)	10,000
2.	Unobligated Balance (SF-133, line 2)	
3.	Spending Authority from Offsetting Collections (SF-133, line 3) (4252E)	2,100
4.	Adjustments (SF-133, lines 4-6)	
5.	Total Budgetary Resources	<u>12,100</u>

STATUS OF BUDGETARY RESOURCES

6.	Obligations Incurred (SF-133, line 8) (4901 E-B) + (4902E)	11,400
7.	Unobligated Balances Available (SF-133 line 9)	
	A. Apportioned (4610E)	700
8.	Unobligated Balances Not Yet Available (SF-133, line 10)	
	D. Other	
9.	Total, Status of Budgetary Resources (SF-133, line 11)	<u>12,100</u>

OUTLAYS

10.	Obligations Incurred (SF-133, line 8) (4901 E-B) + (4902E)	11,400
11.	Less: Spending Authority From Offsetting Collections and Adjustments (SF-133, lines 3A, B, D, & 4A) (4252E)	(2,100)
12.	Obligated Balance, Net - Beg of the Period (SF-133, line 12)	0
13.	Obligated Balance Transferred, Net (SF-133, line 13)	
14.	Less: Obl Balance, Net - End of Pd (SF-133, line 14) (4901E)	<u>(2,000)</u>
15.	Total Outlays (SF-133, line 15 (calc))	<u><u>7,300</u></u>
	A. Disbursements (4902E)	9,400
	B. Collections (4252E)	2,100

CAPITAL TRANSFER SCENARIO

SF-133 (Year-End) YEAR 1

BUDGETARY RESOURCES

1.	Budget Authority	
	A. Appropriations (4119E)	10,000
	D. Net Transfers, Current Year Authority Realized	
2.	Unobligated Balance brought forward	
3.	Spending Authority from Offsetting Collections (gross)(4252E)	2,100
4.	Recoveries of Prior Year Obligations	
5.	Temporarily Not Available Pursuant to Public Law	
6.	Permanently Not Available	<u>0</u>
7.	Total Budgetary Resources	<u>12,100</u>

STATUS OF BUDGETARY RESOURCES

8.	Obligations Incurred (4901 E-B) + (4902E)	11,400
9.	Unobligated Balance (available) (4610E)	700
10.	Unobligated Balance Not Available	
11.	Total, Status of Budgetary Resources	<u>12,100</u>

RELATION OF OBLIGATIONS TO OUTLAYS

12.	Obligated Balance, net as of October 1	
13.	Obligated Balance Transferred, net	
14.	Obligated balance, net, end of period (4901 E)	2,000
15.	Outlays	
	A. Disbursements (4902E)	9,400
	B. Collections (4252E)	2,100

CAPITAL TRANSFER SCENARIO

PROGRAM AND FINANCING SCHEDULE – ACTUALS YEAR 1

09.01 Single type (4902E) (4901E-B)	11,400
10.00 Total New Obligations (4902E) (4901E-B)	11,400
21.99 Total Unobligated balance, carry fwd, SOY (4450B)	0
22.00 New Budget Authority (gross) (lines 4000-6990)	12,100
23.95 Total New Obligations (4902E) (4901E-B)	11,400
24.99 Total Unobligated Balance, EOY (4610E)	700
40.00 Current Authority: Appropriations (4119E)	10,000
68.00 From Offsetting Collections (Cash) (4252E)	2,100
70.00 Total New Budget Authority (4119E) (4252E)	12,100
72.40 Unpaid Obligs, SOY	0
73.10 Total New Obligations (line 1000)	11,400
74.40 Unpaid Obligs, EOY (4901E)	2,000
74.99 Total Unpaid Obligations, EOY (lines 7440-7495)	2,000
86.90 Outlays from New Disc Auth (4902E)	9,400
87.00 Total Outlays (gross) (line 8690 thru 8698)	9,400
88.00 Off Collects f/ Federal sources (4252E)	2,100
88.90 Total Offsetting Collections (4252E)	2,100
89.00 Net Budget Auth (lines 2200 – (8800 thru 8896)	10,000
90.00 Outlays (net) (lines 8700 – (8800 thru 8845)	7,300

CAPITAL TRANSFER SCENARIO

Year 2

15. The revolving fund anticipates reimbursements. Section III – A302.		
<u>Budgetary</u>		
4210 Anticipated Reimbs & Other Income	15,000	
4450 Unapportioned Authority		15,000
<u>Proprietary</u>		
No entry		

16. The fund managers anticipate making a capital transfer from current year reimbursable collections to repay a portion of a capital investment (appropriation to the revolving fund.) Refer to SFFAS #5 for discussion of contingent liabilities. Section III Transaction A142 reflects a similar transaction without a contingent liability.” New Section III transaction needed.		
<u>Budgetary</u>		
4450 Unapportioned Authority	675	
4047 Antic Trans to Treas		675
<u>Proprietary</u>		
5765 Non-expend Fin Srcs–Trans Out	675	
2920 Contingent Liabilities		675

17. The revolving fund apportions and allots unobligated balances brought forward and anticipated offsetting collections, net of anticipated capital transfers. Section III Transactions A118, A116 & A120.		
<u>Budgetary</u>		
4450 Unapportioned Authority	14,325	
4590 Apports Unavail – Antic Resources		14,325
4450 Unapportioned Authority	700	
4510 Apportionments		700
4510 Apportionments	700	
4610 Allotments – Realized Resources		700
<u>Proprietary</u>		
No entry.		

18. The revolving fund receives an order from a federal entity with an advance. Section III – Transaction C182 & A122.		
<u>Budgetary</u>		
4222 Unfilled Cust Orders With Advance	15,000	
4210 Anticipated Reimbs & Other Income		15,000
4590 Apports Unavail – Antic Resources	14,325	
4610 Allotments – Realized Resources		14,325
<u>Proprietary</u>		
1010 Fund Balance with Treasury	15,000	
2310 Advances from Others		15,000

CAPITAL TRANSFER SCENARIO

19. Revolving fund purchases equipment with remaining appropriated funds – start-up cost to revolving fund. Section III – Transaction B302, B110, B204 & B134.		
<u>Budgetary</u>		
4610 Allotments – Realized Resources	500	
4902 Expended Authority – Paid		500
<u>Proprietary</u>		
1750 Equipment	500	
1010 Fund Balance with Treasury		500
3100 Unexpended Appropriations	500	
5700 Expended Appropriations		500

20. Record payment of payroll. Section III – B102 and B134.		
<u>Budgetary</u>		
4610 Allotments – Realized Resources	1,500	
4902 Expended Authority – Paid		1,500
<u>Proprietary</u>		
6100 Operating/Program Expenses	1,500	
1010 Fund Balance with Treasury		1,500

21. Revolving Fund incurs obligations to complete reimbursable orders. Section III – B204.		
<u>Budgetary</u>		
4610 Allotments – Realized Resources	11,000	
4801 Unexpended Obligations – Unpaid		11,000
<u>Proprietary</u>		
No entry.		

22. Record receipt of goods and services and accrue a liability (reimbursable funds used). Section III – B302.		
<u>Budgetary</u>		
4801 Unexpended Obligations - Unpaid	11,000	
4901 Expended Authority – Unpaid		11,000
<u>Proprietary</u>		
1511 Operating Matls & Sup – Hld for Use	1,300	
6100 Operating/Program Expenses	9,700	
2110 Accounts Payable		11,000

CAPITAL TRANSFER SCENARIO

23. The revolving fund completes order and records revenue. Section III – Transaction A306.

Budgetary

4252 Reimbs & Other Inc Ernd – Collected	15,000
4222 Unfilled Cust Orders With Advance	15,000

Proprietary

2310 Advances from Others	15,000
5200 Revenue from Services Provided	15,000

24. The revolving fund pays invoices from transactions 4 & 22. Section III – Transaction B110.

Budgetary

4901 Expended Authority – Unpaid	13,000
4902 Expended Authority – Paid	13,000

Proprietary

2110 Accounts Payable	13,000
1010 Fund Balance with Treasury	13,000

25. Record use of operating material and supplies held for use. Section III – Transaction D606.

Budgetary

No entry

Proprietary

6100 Operating Expenses/Program Costs	1,250
1511 Operating Matl & Sup – Held for use	1,250

26. The revolving fund records depreciation to equipment purchased in transaction #'s 5 & 19. Section III, Transaction D514.

Budgetary

No entry

Proprietary

6710 Depreciation, Amoritization & Depletion	650
1759 Accum Depreciation on Equipment	650

27. The revolving fund makes a capital transfer for \$675 – the amount anticipated in transaction 16. Record the following entry and disclose the balance remaining unpaid (\$10,000 – \$675) as a contingent liability in the Balance Sheet Footnotes. This is a capital transfer transaction performed on a SF-1151 non-expenditure transfer document; therefore there is no obligation, just a reduction to resources and no resulting impact on the Statement of Net Cost. New Section III transaction needed. Similar to Section III – Transaction B120 without the principal payable.

Budgetary

4047 Anticipated Transfers to the Treasury	675
4151 Actual Capital Transfers to the General Fund of the Treasury, Current Yr	675

Proprietary

2920 Contingent Liabilities	675
1010 Fund Balance with Treasury	675

CAPITAL TRANSFER SCENARIO

28. The revolving fund pays interest to the General Fund of the Treasury. This is truly an interest payment and should be recorded as an obligation and expenditure to the revolving fund. This is NOT a capital transfer transaction. Although the appropriation from transaction number 1 is not a loan, the governing statutes may sometimes require that interest be paid on amounts outstanding as “capital investments.” Section III – Transaction B204, B302 & B110.

Budgetary

4610 Allotments – Realized Resources	75	
4902 Expended Authority - Paid		75

Proprietary

6330 Other Interest Expenses	75	
1010 Fund Balance with Treasury		75

No adjusting entries required.

PRE-CLOSING ADJUSTED TRIAL BALANCE YEAR 2

REVOLVING FUND	<u>DR</u>	<u>CR</u>
<u>BUDGETARY</u>		
4201 Total Actual Resources Collected	2,700	
4151 Actual Capital Transfers to Treasury, CY		675
4252 Reims & Other Inc Ernd – Collected	15,000	
4610 Allotments – Realized Resources		1,950
4902 Expended Authority – Paid	0	<u>15,075</u>
TOTALS	<u>17,700</u>	<u>17,700</u>
<u>PROPRIETARY</u>		
1010 Fund Balance with Treasury	1,950	
1511 Operating Matls & Supplies Held for Use	100	
1750 Equipment	6,500	
1759 Accumulated Depreciation on Equipment		1,250
3310 Cumulative Results of Operations		5,650
5200 Revenue from Services Provided		15,000
5700 Expended Appropriations		500
5765 Nonexpenditure Financing Srcs Trans Out	675	
6100 Operating Exp/Program Exp	12,450	
6330 Interest Expense	75	
6710 Depreciation, Amortization & Depletion	<u>650</u>	<u>0</u>
TOTALS	<u>22,400</u>	<u>22,400</u>

CAPITAL TRANSFER SCENARIO

CLOSING ENTRIES FOR END OF YEAR 2

C1. To record the consolidation of net-funded resources. Section III – Transaction F204.		
<u>Budgetary</u>		
4151 Actual Capital Transfers to the GF of Treasury, CY	675	
4201 Total Actual Resources - Collected	14,325	
4252 Reimbs & Other Inc Ernd – Collected		15,000
<u>Proprietary</u>		
No entry.		

C2. To record the closing of unobligated balances to unapportioned authority. Section III – F210.		
<u>Budgetary</u>		
4610 Allotments – Realized Resources	1,950	
4450 Unapportioned Authority		1,950
<u>Proprietary</u>		
No entry.		

C3. To record the closing of expended authority – paid. Section III – F214.		
<u>Budgetary</u>		
4902 Expended Authority - Paid	15,075	
4201 Total Actual Resources – Collected		15,075
<u>Proprietary</u>		
No entry.		

C4. To record the closing of revenue, expense and other financing sources to cumulative results of operations. Section III – F228.		
<u>Budgetary</u>		
No entry.		
<u>Proprietary</u>		
5200 Revenue from Services Provided	15,000	
5700 Expended Appropriations	500	
5765 Nonexpenditure Fin Srce Trans Out	675	
6100 Operating Expenses/Program Exp	12,450	
6330 Other Interest Expenses	75	
6710 Depreciation, Amortization & Depletion	650	
3310 Cumulative Results of Operations		1,650

CAPITAL TRANSFER SCENARIO

POST-CLOSING TRIAL BALANCE YEAR 2

REVOLVING FUND	DR	CR
<u>BUDGETARY</u>		
4201 Total Actual Resources Collected	1,950	
4450 Unapportioned Authority	0	1,950
TOTALS	<u>1,950</u>	<u>1,950</u>
<u>PROPRIETARY</u>		
1010 Fund Balance with Treasury	1,950	
1511 Operating Mats & Supplies Held for Use	100	
1750 Equipment	6,500	
1759 Accumulated Depreciation on Equipment		1,250
3310 Cumulative Results of Operations	0	7,300
TOTALS	<u>8,550</u>	<u>8,550</u>

FMS 2108 Year-end Closing Statement YEAR 2

Column 5 (1010E) 1,950
 Column 11 (calc)=(4610E) 1,950

BALANCE SHEET

YEAR 2

ASSETS

1. Entity	
A. Intragovernmental	
1. Fund Balance with Treasury (1010E)	1,950
B.	
5. Inventory & Related Property (1511E)	100
6. General Property, Plant and Equipment, (Net) (1750E+1759E)	<u>5,250</u>
2. Total Assets	<u>7,300</u>
3B1. Liabilities Covered by Budgetary Resources	
4. Total Liabilities	
6. Net Position	
A. Unexpended Appropriations (3100E)	
B. Cumulative Results of Operations (3310E)	<u>7,300</u>
7. Total Net Position	<u>7,300</u>
8. Total Liabilities and Net Position	<u>7,300</u>

NOTES:

Contingent Liability of \$9,325 for repayment of start-up appropriation of \$10,000 made to fund in PL####; less \$625 capital transfer processed in Year 2. Fund managers reasonably expect to repay the appropriation at some future time.

CAPITAL TRANSFER SCENARIO

STATEMENT OF NET COST YEAR 2

1.	Program Costs	
	A. Intragovernmental	
	1. Production	
	B. Public	
	1. Production (6100E)	12,450
		(6330E)
		(6710E)
		650
	C. Total Program Cost (calc)	13,175
	D. Less Earned Revenues (5200E)	<u>15,000</u>
	E. Net Program Costs (calc)	(1,825)
2.	Costs Not Assigned to Programs	
3.	Less Earned Revenues Not Attributable to Programs	<u>0</u>
4.	Net Cost Of/(Revenue From) Operations	<u>(1,825)</u>

STATEMENT OF CHANGES IN NET POSITION YEAR 2

2.	Net Cost of Operations	1,825
2.	Financing Sources	
	(Other than exchange revenues):	
	A. Appropriations Used (5700E)	500
	B. Taxes (and other nonexchange revenue)	
	C. Donations (nonexchange revenue)	
	D. Imputed Financing	
	E. Transfers-in	
	F. Transfers-out (5765E)	(675)
	G. Other	
		1,650
3.	Net Results of Operations (calc)	1,650
4.	Prior Period Adjustments	
		1,650
5.	Net Change in Cumulative Results of Operations (calc)	1,650
6.	Increase (Decrease) in Unexpended Appropriations (3100 E-B)	<u>(500)</u>
7.	Change in Net Position	1,150
8.	Net Position-Beginning of the Period (3100 E + 3310B)	<u>6,150</u>
9.	Net Position-End of Period (calc)	<u>7,300</u>

CAPITAL TRANSFER SCENARIO

STATEMENT OF FINANCING YEAR 2

1.	Obligations and Nonbudgetary Resources	
	A. Obligations Incurred (4901 E – B) + (4902E)	13,075
	B. Less: Spending Authority from Offsetting Collections and Adjustments	
	1. Earned Reimbursements	
	a. Collected (4252E)	15,000
	4. Recoveries of Prior-Year Obligations	
	C. Donations Not in the Entity's Budget	
	D. Financing Imputed for Cost Subsidies	
	E. Transfers-in (out)	
	F. Exchange Revenue Not in the Entity's Budget	
	G. Nonexchange Revenue Not in the Entity's Budget	
	H. Less: Trust or Special Fund Receipts Related to Exchange Revenue in the Entity's Budget	
	I. Other	
	J. Total Obligations as Adjusted and Nonbudgetary Resources	<u>(1,925)</u>
2.	Resources That Do Not Fund Net Cost of Operations	
	A. Change in Amount of Goods Services and Benefits Ordered but Not Yet Prov (Net Incr) Net Decr	
	B. Change in Unfilled Customer Orders	
	C. Costs Capitalized on the Balance Sheet (Increases) Decreases	
	1. General Property, Plant and Equipment (1750 E-B)	500
	3. Purchase of Inventory (1511E-B)	50
	H. Financing Sources That Fund Costs of Prior Periods	
	I. Collections that Decr Credit Program Receivables or Incr Credit Program Liabilities	
	J. Adjustment for Trust Fund Outlays That Do Not Affect Net Cost	
	<u>K.</u> Other	<u>0</u>
	L. Total Resources That Do Not Fund Net Costs of Operations	(550)
3.	Costs That Do Not Require Resources	
	A. Depreciation and Amortization (6710E)	650
	B. Bad Debts Related to Uncollectible Non-Credit Reform Receivables	
	C. Revaluation of Assets and Liabilities	
	D. Loss of Disposition of Assets	
	E. Other	<u>0</u>
	F. Total Costs That Do Not Require Resources	650
4.	Financing Sources Yet to be Provided	<u>0</u>
5.	Net Cost of Operations	<u>(1,825)</u>

CAPITAL TRANSFER SCENARIO

STATEMENT OF BUDGETARY RESOURCES YEAR 2

BUDGETARY RESOURCES

1.	Budget Authority (SF-133, line 1)	
	A. Appropriations	
2.	Unobligated Balance (SF-133, line 2) (4201B + 4901B)	700
3.	Spending Authority from Offsetting Collections (SF-133, line 3) (4252E)	15,000
4.	Adjustments (SF-133, lines 4-6) (4151E)	<u>(675)</u>
5.	Total Budgetary Resources	15,025

STATUS OF BUDGETARY RESOURCES

6.	Obligations Incurred (SF-133, line 8) (4901 E-B) + (4902E)	13,075
7.	Unobligated Balances Available (SF-133 line 9)	
	A. Apportioned (4610E)	1,950
8.	Unobligated Balances Not Yet Available (SF-133, line 10)	
	D. Other	
9.	Total, Status of Budgetary Resources (SF-133, line 11)	<u>15,025</u>

OUTLAYS

10.	Obligations Incurred (SF-133, line 8) (4901 E-B) + (4902E)	13,075
11.	Less: Spending Authority From Offsetting Collections and Adjustments (SF-133, lines 3A, B, D, & 4A) (4252E)	<u>(15,000)</u>
12.	Obligated Balance, Net - Beg of the Period (SF-133, line 12) (4901E)	2,000
13.	Obligated Balance Transferred, Net (SF-133, line 13)	
14.	Less: Obl Balance, Net - End of Pd (SF-133, line 14)	<u>0</u>
15.	Total Outlays (SF-133, line 15 (calc))	75
	A. Disbursements (4902E)	15,075
	B. Collections (4252E)	15,000

CAPITAL TRANSFER SCENARIO

SF-133 (Year-End) YEAR 2

BUDGETARY RESOURCES

1. Budget Authority	
A. Appropriations	
D. Net Transfers, Current Year Authority Realized	
2. Unobligated Balance brought forward (4201B + 4901B)	700
3. Spending Authority from Offsetting Collections (gross)(4252E)	15,000
4. Recoveries of Prior Year Obligations	
5. Temporarily Not Available Pursuant to Public Law	
6. Permanently Not Available	
C. Capital Transfers & Redemption of Debt (4151E)	<u>675</u>
7. Total Budgetary Resources	<u>15,025</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred (4901 E-B) + (4902E)	13,075
9. Unobligated Balance (available) (4610E)	1,950
10. Unobligated Balance Not Available	
11. Total, Status of Budgetary Resources	<u>15,025</u>

RELATION OF OBLIGATIONS TO OUTLAYS

12. Obligated Balance, net as of October 1 (4901B)	2,000
13. Obligated Balance Transferred, net	
14. Obligated balance, net, end of period (4901 E)	0
15. Outlays	
A. Disbursements (4902E)	15,075
B. Collections (4252E)	15,000

CAPITAL TRANSFER SCENARIO

PROGRAM AND FINANCING SCHEDULE – ACTUALS YEAR 2

Obligations by Program Activity	
Reimbursable programs:	
09.01 Single type (4902E) (4901E-B)	13,075
10.00 Total New obligations (4902E) (4901E-B)	13,075
21.40 Unoblig bal carried fwd, SOY (4450B)	700
21.99 Total Unobligated Balance, carry fwd, SOY (4450B)	700
22.00 New Budget Authority (gross) (lines 4000-6990)	14,325
23.90 Total Bud Res Avail for Oblig (2199 thru 2385)	14,325
23.95 Total New Obligations (line1000)	13,075
24.40 Unoblig bal avail, EOY (4450E)	1,950
24.99 Total Unobligated Balance, end of year (4610E)	1,950
68.00 Spending Auth F/ Off Collects (4252E)	15,000
68.27 Capital Transfer to General Fund (4151E)	(675)
68.90 Spend Auth F/ Off Collects (ttl disc) (4252E) (4253E)	14,325
70.00 Total New Budget Authority (gross) (4252E) (4253E)	14,325
72.40 Unpaid Oblig, SOY (4901B)	2,000
72.99 Oblig Balance, SOY (lines 7240 – 7295)	2,000
73.10 Total New Obligations (line 10.00)	13,075
74.40 Unpaid Obligations, EOY (4901E)	0
74.99 Obligated Balance, end of year (lines 7440 - 7495)	0
86.90 Outlays from New Disc Auth (4902E)	12,375 ¹
86.93 Outlays from Disc Bal (4902E)	2,700
87.00 Total outlays (gross) (86.90 thru 86.98)	15,075
88.00 Off Collects f/ Federal sources (4252E)	15,000
88.90 Total Offsetting Collections (4252E)	15,000
89.00 Net Budget Auth (lines 2200 – (8800 thru 8896))	(675)
90.00 Outlays (net) (lines 8700 – (8800 thru 8845))	75

¹ You must separate outlays between resources used for outlays. In this case, the discretionary balance brought forward of \$2,700 is subtracted from total outlays of \$15,075 to derive this outlay figure of \$12,375.