

## *Contract Authority Liquidated by Appropriations Scenario*

### **Background**

Agencies may have statutory authority allowing them to enter into contracts or incur obligations prior to an appropriation (or the realization of revenues) for the payment of obligations. This authority may be current or permanent, with or without fiscal year limitation, and definite or indefinite in amount. An agency may not make expenditures to liquidate obligations incurred by (its) contract authority until Congress specifically appropriates funds or until funds otherwise become available for payment of the obligations.

Contract authority means specific statutory authority that permits an agency to incur obligations in advance of an appropriation of the cash to make outlays to liquidate the obligations. Contract authority is unfunded and a subsequent appropriation or offsetting collection is needed to liquidate the obligations. Typically, a law requires an agency to seek a subsequent appropriation of the liquidating cash. This type of appropriation does not provide new authority to incur obligations, so it is not counted as budget authority.

In a few cases, a law provides contract authority in order to allow an agency to incur obligations in anticipation of offsetting collections. When an agency receives collections, the agency uses them to liquidate the obligations.

Contract authority is composed of two authority types:

- *Definite contract authority*, where a law provides a specific amount of authority that cannot be exceeded. Authority is realized at the beginning of the program and carried forward until the authority is rescinded or completely consumed or until the program is terminated, whichever comes first. This is a no-year account and the authority does not expire, but unused authority must be reapportioned each year.
- *Indefinite contract authority*, where the amount of authority is not predetermined and authority is available as needed to cover obligations incurred. This is normally accounted for through a no-year account and the authority does not expire, but unused authority must be reapportioned each year.

## *Contract Authority Liquidated by Appropriations Scenario*

### **Scenario 1: Definite Contract Authority Liquidated by an Appropriation from General Fund**

This scenario includes entries to satisfy the basic transactions for definite contract authority liquidated by an appropriation from the general fund. This scenario represents 2 years of activity for which an appropriation provides the amount used to liquidate definite contract authority. (Note: Additional guidance for trust funds with contract authority will be forthcoming).

The following accounts will be used in this scenario. Refer to the U.S. Government Standard General Ledger for accounts, account descriptions, accounting transactions and crosswalks reports ([www.fms.treas.gov/ussgl](http://www.fms.treas.gov/ussgl)). In addition, each transaction in the scenario is coded with transaction numbers identified in Section III of the USSGL.

#### **USSGL ACCOUNTS ILLUSTRATED**

<u><b>Budgetary Accounts</b></u>	<u><b>Proprietary Accounts</b></u>
<u>Resource Accounts</u> <b>4130 Appropriation To Liquidate Contract Authority Withdrawn</b> 4131 Current Year Contract Authority Realized 4135 Contract Authority Liquidated 4138 Appropriation To Liquidate Contract Authority 4139 Contract Authority Carried Forward 4201 Total Actual Resources Collected  <u>Status of Resource Accounts</u> 4450 Unapportioned Authority 4510 Apportionments 4610 Allotments – Realized Resources 4801 Undelivered Orders - Obligations, Unpaid 4901 Delivered Orders - Obligations, Unpaid 4902 Delivered Orders - Obligations, Paid	<u>Assets</u> 1010 Fund Balance with Treasury  <u>Liabilities</u> 2110 Accounts Payable  <u>Net Position</u> 3100 Unexpended Appropriations - Cumulative 3101 Unexpended Appropriations - Appropriation Received 3106 Unexpended Appropriations - Adjustments 3107 Unexpended Appropriations - Used 3310 Cumulative Results of Operations  <u>Revenue</u> 5700 Expended Appropriations  <u>Expenses</u> 6100 Operating Expenses/Program Cost

#### **Explanation of Illustrated Account:**

When contract authority is funded by an appropriation, an agency may receive excess appropriation that is not needed to cover obligations. The excess portion of the appropriation is withdrawn and reported in USSGL account 4130. The excess portion withdrawn is also reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule line 4050 (Portion of appropriation to liquidate contract authority withdrawn). The following account is illustrated in this scenario.

**4130 Appropriation to Liquidate Contract Authority Withdrawn** - the amount of the excess portion of an appropriation to liquidate obligations incurred against contract authority that is no longer required.

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority - Year 1**

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

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4131 Current Year Contract Authority Realized	1,000		A166
CR 4450 Unapportioned Authority		1,000	

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

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4450 Unapportioned Authority	600		A116
CR 4510 Apportionments		600	

3. To record allotment of apportioned contract authority.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4510 Apportionments	600		A120
CR 4610 Allotments - Realized Resources		600	

4. To record an unexpended obligation for authority previously allotted.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4610 Allotments - Realized Resources	600		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		600	

5. To record the appropriation to liquidate contract authority.

Year 1			
<b><u>Budgetary Entry</u></b>			
DR 4138 Appropriation to Liquidate Contract Authority	400		
CR 4135 Contract Authority Liquidated		400	
<b><u>Proprietary Entry</u></b>			TC
DR 1010 Fund Balance with Treasury	400		A170
CR 3101 Unexpended Appropriations - Appropriation Rec.		400	

***Contract Authority Liquidated by Appropriations  
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	400		B302
CR 4901 Delivered Orders - Obligations, Unpaid		400	
<b><u>Proprietary Entry</u></b>			
DR 6100 Operating Expenses/Program Costs	400		TC
CR 2110 Accounts Payable		400	B134
DR 3107 Unexpended Appropriations - Used	400		
CR 5700 Expended Appropriations		400	

7. To record a valid disbursement.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	400		B110
CR 4902 Delivered Orders- Obligations, Paid.		400	
<b><u>Proprietary Entry</u></b>			
DR 2110 Accounts Payable	400		
CR 1010 Fund Balance with Treasury		400	

**Definite Contract Authority  
Pre - Closing Trial Balance  
Year 1**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4131	1,000	
4135		400
4138	400	
4450		400
4801		200
4902	0	400
<b>Total</b>	<u>1,400</u>	<u>1,400</u>
<b>Proprietary</b>		
3101		400
3107	400	
5700		400
6100	400	0
<b>Total</b>	<u>500</u>	<u>500</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
SF 133: Report On Budget Execution And Budgetary Resources  
Year 1**

**BUDGETARY RESOURCES**

1. Budget authority	
A. Appropriation (4138E)	400
C. Contract authority (4131E)	1,000
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4901B)	0
6. Permanently not available:	
E. Pursuant to public law (4135E)	<u>(400)</u>
7. Total budgetary resources	<u><u>1,000</u></u>

**STATUS OF BUDGETARY RESOURCES**

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	600
10. Unobligated balance not available:	
D. Other (4450E)	<u>400</u>
11. Total status of budgetary resources	<u><u>1,000</u></u>

**RELATIONSHIP OF OBLIGATIONS TO OUTLAYS**

12. Obligated balance, net as of October 1 (4801B + 4901B)	0
13. Obligated balance transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	200
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	400

**Definite Contract Authority  
FMS-2108 Year End Closing Statement  
Year 1**

<b>(Record Type 7 – .941 Unfunded Contract authority)</b>	<b><u>Main</u></b>	<b><u>C.A.</u></b>
Col. 2 Balance of contract authority (4139B)		0
Col. 3 New contract authority (4131E)		1,000
Col. 4 Appropriations to liquidate (4135E)		(400)
Col. 5 Writeoffs, restorations, or adjustments (4133E)		0
Col. 6 Balance of unfunded contract authority (4131E+4133E+4135E+4139B) calc. (2+3-4-5)		600
Col. 9 Undelivered Orders (4801E)	200	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc. (5+6+7+8 = 9+10+11) (4450E)	400	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Program And Financing (Schedule P)  
Year 1**

**TOTAL NEW OBLIGATIONS:**

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 600

**BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:**

2140 Unobligated balance carried forward, start of year 0  
 2200 New budget authority (gross) (Sum lns. 4000...6990) 1,000  
 2275 Balance of contract authority withdrawn (4134E) 0  
 2390 Total budgetary resources available for obligation (sum 2140 through 2385) 1,000  
 2395 Total new obligations (-) (600)  
 2440 Unobligated balance carried forward, end of year (4450E ) 400

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

*Discretionary:*

4000 Appropriation (4138E) 400  
 4049 Portion applied to liquidate contract authority (-) (4135E) (400)  
 4300 Appropriation (total mandatory) (sum lines 4000 through 4200) 0

*Mandatory:*

6610 Contract authority (4131E) 1,000

**CHANGE IN UNPAID OBLIGATIONS:**

7240 Obligated balance, start of year 0  
 7310 Total new obligations 600  
 7320 Total outlays (gross) (-) (4902E) (400)  
 7440 Obligated balance, end of year (4801E+ 4901E) 200

**OUTLAYS (GROSS), DETAIL:**

8690 Outlays from new discretionary authority (4802E-B + 4902E) 400  
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0  
 8700 Total outlays (4802E-B + 4902E) 400

**NEW BUDGET AUTHORITY AND OUTLAYS:**

8900 Budget authority (net) 1,000  
 9000 Outlays (net) 400

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Balance Sheet  
Year 1**

Assets

Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>

Liabilities

Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>

Net Position

29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Definite Contract Authority  
Statement of Net Cost  
Year 1**

Program Costs

1. Intragovernmental gross costs (6100E)	400
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>400</u>
10. Total net costs of operations	<u>400</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Statement of Changes in Net Position  
Year 1**

	<u>Cumm. Results</u>	<u>Unexp. Approp</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		400
7. Appropriations used (3107E) (5700E)	400	(400)
16. Total Financing Sources	<u>400</u>	<u>0</u>
17. Net Cost of Operations	<u>400</u>	<u>0</u>
18. Ending Balances	<u>400</u>	<u>0</u>

**Definite Contract Authority  
Statement of Financing  
Year 1**

Resources Used to Finance Activities:	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>600</u>
11. Total resources used to finance activities	600
15. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>(200)</u>
17. Total resources used to finance items not part of the net cost of operations	<u>(200)</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>400</u>
30. Net Cost of Operations	<u>400</u>



***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Closing Entries - Year 1**

8. Consolidation of actual net-funded resources.

Year 1		
<b><u>Budgetary Entry</u></b>		TC
<b>DR 4201 Total Actual Resources Collected</b>	<b>400</b>	F204
CR 4138 Appropriation to Liquidate Contract Authority	400	

9. Closing of fiscal year contract authority.

Year 1		
<b><u>Budgetary Entry</u></b>		TC
DR 4135 Contract Authority Liquidated	400	F206
<b>DR 4139 Contract Authority Carried Forward</b>	<b>600</b>	
CR 4131 Current Year Contract Authority Realized	1,000	

10. Closing of expended authority - paid.

Year 1		
<b><u>Budgetary Entry</u></b>		TC
DR 4902 Expended Authority-Paid	400	F214
<b>CR 4201 Total Actual Resources Collected</b>	<b>400</b>	

11. Closing of fiscal year activity that increases unexpended appropriations.

Year 1		
<b><u>Proprietary Entry</u></b>		TC
DR 3101 Unexpended Appropriations - Appropriations Received	400	F233
<b>CR 3100 Unexpended Appropriations - Cumulative</b>	<b>400</b>	
 <b>DR 3100 Unexpended Appropriations - Cumulative</b>	 <b>400</b>	
CR 3107 Unexpended Appropriations - Used	400	

12. Closing of revenue and expense account to cumulative results of operations.

Year 1		
<b><u>Proprietary Entry</u></b>		TC
DR 5700 Expended Appropriations	400	F228
<b>CR 3310 Cumulative Results of Operations</b>	<b>400</b>	
 <b>DR 3310 Cumulative Results of Operations</b>	 <b>400</b>	
CR 6100 Operation Expenses/Program Costs	400	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Post - Closing Trial Balance  
Year 1**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4139	600	
4450		400
4801	<u>0</u>	<u>200</u>
<b>Total</b>	<u><u>600</u></u>	<u><u>600</u></u>

## *Contract Authority Liquidated by Appropriations Scenario*

### Definite Authority -Year 2

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

Year 2			
<b>Budgetary Entry</b>			TC
DR 4450 Unapportioned Authority	300		A116
CR 4510 Apportionments		300	

2. To record allotment of apportioned contract authority.

Year 2			
<b>Budgetary Entry</b>			TC
DR 4510 Apportionments	300		A120
CR 4610 Allotments - Realized Resources		300	

3. To record an unexpended obligation for authority previously allotted.

Year 2			
<b>Budgetary Entry</b>			TC
DR 4610 Allotments Realized Resources	300		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		300	

4. To record the appropriation to liquidate contract authority.

Year 2			
<b>Budgetary Entry</b>			
DR 4138 Appropriation to Liquidate Contract Authority	500		
CR 4135 Contract Authority Liquidated		500	TC
			A170
<b>Proprietary Entry</b>			
DR 1010 Fund Balance with Treasury	500		
CR 3101 Unexpended Appropriations - Appropriation Rec.		500	

5. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 2			
<b>Budgetary Entry</b>			
DR 4801 Undelivered Orders - Obligations, Unpaid	300		TC
CR 4901 Delivered Orders - Obligations, Unpaid		300	B302
			and
<b>Proprietary Entry</b>			TC
DR 6100 Operating Expenses/Program Costs	300		B134
CR 2110 Accounts Payable		300	
DR 3107 Unexpended Appropriations - Used	300		
CR 5700 Expended Appropriations		300	

***Contract Authority Liquidated by Appropriations  
Scenario***

6. To record a valid disbursement.

Year 2			
<b><u>Budgetary Entry</u></b>			TC B110
DR 4901 Delivered Orders – Obligations – Unpaid	300		
CR 4902 Delivered Orders- Obligations, Paid.		300	
<b><u>Proprietary Entry</u></b>			
DR 2110 Accounts Payable	300		
CR 1010 Fund Balance with Treasury		300	

7. Of the \$500 of the appropriation received in year 2, transaction 4, the agency discovered that they only needed \$300 of the appropriation to liquidate contract authority; therefore, \$200 was withdrawn.

Year 2			
<b><u>Budgetary Entry</u></b>			<b>New TC A169</b>
DR 4135 Contract Authority Liquidated	200		
<b>CR 4130 Appropriation to Liquidate Contract Authority Withdrawn</b>		200	
<b><u>Proprietary Entry</u></b>			
DR 3106 Unexpended Appropriations - Adjustments	200		
CR 1010 Fund Balance with Treasury		200	

**Definite Contract Authority  
Pre - Closing Trial Balance  
Year 2**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4130		200
4135		300
4138	500	
4139	600	
4450		100
4801		200
4902	0	300
<b>Total</b>	<u>1,100</u>	<u>1,100</u>
<b>Proprietary</b>		
3101		500
3106	200	
3107	300	
5700		300
6100	300	0
<b>Total</b>	<u>800</u>	<u>800</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
SF 133: Report On Budget Execution And Budgetary Resources  
Year 2**

**BUDGETARY RESOURCES**

1. Budget authority	
A. Appropriation (4138E)	500
C. Contract authority (4131E)	0
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	400
6. Permanently not available:	
D. Other authority withdrawn (-) (4130E)	(200)
E. Pursuant to Public Law (-) (4135E)	(300)
7. <b>Total budgetary resources</b>	<u><u>400</u></u>

**STATUS OF BUDGETARY RESOURCES**

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	300
9. Unobligated balance not available:	
D. Other (4450E)	<u>100</u>
11. <b>Total status of budgetary resources</b>	<u><u>400</u></u>

**RELATIONSHIP OF OBLIGATIONS TO OUTLAYS**

12. Obligated balance, net as of October 1 (4801B + 4901B)	200
13. Obligated balance Transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	200
D. Accounts payable (4901E)	0
15. Outlays:	
B. Disbursements (4902E)	300

**Definite Contract Authority  
FMS-2108 Year End Closing Statement  
Year 2**

<b>(Record Type 7 – .941 Unfunded Contract authority)</b>	<b><u>Main</u></b>	<b><u>C.A.</u></b>
Col. 2 Balance of contract authority (4139B)		600
Col. 3 New contract authority (4131E)		0
Col. 4 Appropriations to liquidate (4135E)		(300)
Col. 5 Writeoffs, restorations, or adjustments (4133E)		0
Col. 6 Balance of unfunded contract authority (4131E+4133E+4135E+4139B) calc (2+3-4-5)		300
Col. 9 Undelivered Orders (4801E)	200	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	100	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Program And Financing (Schedule P)  
Year 2**

**TOTAL NEW OBLIGATIONS:**

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 300

**BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:**

2140 Unobligated balance carried forward, start of year (4139B+4201B+4801B+4802B+4901B) 400  
 2200 New budget authority (gross) (Sum lns. 4000...6990) 0  
 2275 Balance of contract authority withdrawn (4134E) 0  
 2390 Total budgetary resources ava. For obligation (sum 2140 through 2385) 400  
 2395 Total new obligations (-) (300)  
 2440 Unobligated balance carried forward, end of year 100

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

*Discretionary:*

4000 Appropriation (4138E) 500  
 4049 Portion applied to liquidate contract authority (-) (4135E) (300)  
 4050 Portion of appropriation to liquidate contract authority withdrawn (-) (4130E) (200)  
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

*Mandatory:*

6610 Contract authority (4131E) 0

**CHANGE IN UNPAID OBLIGATIONS:**

7240 Obligated balance, start of year (4801B+4901B) 200  
 7310 Total new obligations 300  
 7320 Total outlays (gross) (-) (4902E) (300)  
 7440 Obligated balance, end of year (4801E+4901E) 200

**OUTLAYS (GROSS), DETAIL:**

8690 Outlays from new discretionary authority (4802E-B + 4902E) 300  
 8693 Outlays from discretionary balances 0  
 8700 Total outlays (4802E-B + 4902E) 300

**NET BUDGET AUTHORITY AND OUTLAYS:**

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

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Balance Sheet  
Year 2**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cummulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Definite Contract Authority  
Statement of Net Cost  
Year 2**

Program Costs	
1. Intragovernmental gross costs (6100E)	300
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>0</u>
10. Total net costs of operations	<u>300</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Statement of Changes in Net Position  
Year 2**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		500
6. Other Adjustments (3106E)		(200)
7. Appropriations used (5700E) (3107E)	300	(300)
16. Total Financing Sources	<u>300</u>	<u>0</u>
17. Net Cost of Operations	<u>300</u>	<u>0</u>
18. Ending Balances	<u>300</u>	<u>0</u>

**Definite Contract Authority  
Statement of Financing  
Year 2**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>300</u>
11. Total resources used to finance activities	300
15. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	0
17. Total resources used to finance items not part of the net cost of operations	0
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>300</u>
30. Net Cost of Operations	<u>300</u>



***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Closing Entries - Year 2**

8. Consolidation of actual net-funded resources.

Year 2			
<b><u>Budgetary Entry</u></b>			
DR 4130 Appropriation to Liquidate Contract Authority Withdrawn	200		TC
<b>DR 4201 Total Actual Resources Collected</b>	<b>300</b>		F204
CR 4138 Appropriation to Liquidate Contract Authority		500	

9. Closing of fiscal year contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4135 Contract Authority Liquidated	300		F206
<b>CR 4139 Contract Authority Carried Forward</b>		<b>300</b>	

10. Closing of expended authority - paid.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4902 Expended Authority-Paid	300		F214
<b>CR 4201 Total Actual Resources Collected</b>		<b>300</b>	

11. Closing of fiscal year activity that increases unexpended appropriations.

Year 2			
<b><u>Proprietary Entry</u></b>			
DR 3101 Unexpended Appropriations - Appropriations Received	500		TC
<b>CR 3100 Unexpended Appropriations - Cumulative</b>		<b>500</b>	F233
<b>DR 3100 Unexpended Appropriations - Cumulative</b>	<b>500</b>		
CR 3106 Unexpended Appropriations - Adjustments		200	
CR 3107 Unexpended Appropriations - Used		300	

12. Closing of revenue and expense account to cumulative results of operations.

Year 2			
<b><u>Proprietary Entry</u></b>			TC
DR 5700 Expended Appropriations	300		F228
<b>CR 3310 Cumulative Results of Operations</b>		<b>300</b>	
<b>DR 3310 Cumulative Results of Operations</b>	<b>300</b>		
CR 6100 Operation Expenses/Program Costs		300	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Definite Contract Authority  
Post - Closing Trial Balance  
Year 2**

<b>USSGL Account</b>	<b>Debit</b>	<b>Credit</b>
<b>Budgetary</b>		
4139	300	
4450		100
4801	<u>0</u>	<u>200</u>
<b>Total</b>	<u><u>300</u></u>	<u><u>300</u></u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Scenario II: Indefinite Contract Authority Liquidated by an  
Appropriation from the General Fund**

This scenario includes entries to satisfy the basic transactions for indefinite contract authority liquidated by an appropriation from the general fund. This scenario represents 3 years of activity. In each year, the agency anticipates contract authority and later receives an appropriation of liquidating cash to pay the obligation. For indefinite authority at year end, the agency will adjust the unobligated balances to zero. (Note: Additional guidance for trust funds with contract authority will be forthcoming).

The following accounts will be used in this scenario. Refer to the U.S. Government Standard General Ledger for accounts, account descriptions, accounting transactions and crosswalks reports ([www.fms.treas.gov/ussgl](http://www.fms.treas.gov/ussgl)). In addition, each transaction in the scenario is coded with transaction numbers identified in Section III of the USSGL.

**USSGL ACCOUNTS ILLUSTRATED**

<u><b>Budgetary Accounts</b></u>	<u><b>Proprietary Accounts</b></u>
<u>Resource Accounts</u> 4032 Estimated Contract Authority <b>4130 Appropriation To Liquidate Contract Authority Withdraw</b> 4131 Current Year Contract Authority Realized <b>4133 Reduction of Contract Authority</b> <b>4134 Contract Authority Withdrawn</b> 4135 Contract Authority Liquidated 4138 Appropriation To Liquidate Contract Authority 4139 Contract Authority Carried Forward 4201 Total Actual Resources Collected  <u>Status of Resource Accounts</u> 4450 Unapportioned Authority 4510 Apportionments 4590 Apportionments Unavailable - Anticipated Resources 4610 Allotments – Realized Resources 4801 Undelivered Orders - Obligations, Unpaid 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries 4901 Delivered Orders - Obligations, Unpaid 4902 Delivered Orders - Obligations, Paid	<u>Assets</u> 1010 Fund Balance with Treasury  <u>Liabilities</u> 2110 Accounts Payable  <u>Net Position</u> 3100 Unexpended Appropriations - Cumulative 3101 Unexpended Appropriations - Appropriation Received 3106 Unexpended Appropriations - Adjustments 3107 Unexpended Appropriations - Used 3310 Cumulative Results of Operations  <u>Revenue</u> 5700 Expended Appropriations  <u>Expenses</u> 6100 Operating Expenses/Program Cost

## *Contract Authority Liquidated by Appropriations Scenario*

### **Explanation of Illustrated Accounts:**

When contract authority is funded by an appropriation, an agency may receive excess appropriation that is not needed to cover obligations. The excess portion of the appropriation is withdrawn and reported in USSGL account 4130. The excess portion withdrawn is also reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule line 4050 (Portion of appropriation to liquidate contract authority withdrawn). The following account is illustrated in this scenario.

- **4130 Appropriation to Liquidate Contract Authority Withdrawn** - the amount of the excess portion of an appropriation to liquidate obligations incurred against contract authority that is no longer required.

At the end of the fiscal year, any unobligated balances for indefinite contract authority should be zero. USSGL account 4133 is used to record the withdrawal of indefinite contract authority that is not needed to cover obligations. The withdrawn amount is reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule lines 4900 and 6610 (Contract authority). The following account is illustrated in this scenario.

- **4133 Reductions of Contract Authority** - the amount of contract authority reduced by legislation or administrative action during the fiscal year.

When there are recoveries of prior year obligations that have been obligated against unfunded indefinite contract authority, the recovered amount is withdrawn and recorded in USSGL account 4134. The withdrawn amount is reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule line 2275 (Balance of contract authority withdrawn). The following account is illustrated in this scenario.

- **4134 Contract Authority Withdrawn** - the amount of unfunded indefinite contract authority withdrawn due to recoveries of prior-year obligations.

## *Contract Authority Liquidated by Appropriations Scenario*

### Indefinite Contract Authority - Year 1

1. To estimate contract authority.

Year 1			
<b>Budgetary Entry</b>			TC
DR 4032 Estimated Contract Authority	1,000		A176
CR 4450 Unapportioned Authority		1,000	

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

Year 1			
<b>Budgetary Entry</b>			TC
DR 4450 Unapportioned Authority	600		A116
CR 4510 Apportionments		600	

3. To record allotment of apportioned contract authority.

Year 1			
<b>Budgetary Entry</b>			TC
DR 4510 Apportionments	600		A120
CR 4610 Allotments - Realized Resources		600	

4. To record an unexpended obligation for authority previously allotted and the realization of contract authority.

Year 1			
<b>Budgetary Entry</b>			TC
a. DR 4610 Allotments Realized Resources	600		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		600	
b. DR 4131 Current Year Contract Authority Realized	600		TC
CR 4032 Estimated Contract Authority		600	A168

5. To record the appropriation to liquidate contract authority.

Year 1			
<b>Budgetary Entry</b>			
DR 4138 Appropriation to Liquidate Contract Authority	400		
CR 4135 Contract Authority Liquidated		400	TC
<b>Proprietary Entry</b>			A170
DR 1010 Fund Balance with Treasury	400		
CR 3101 Unexpended Appropriations - Appropriation Rec.		400	

***Contract Authority Liquidated by Appropriations  
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

<b>Year 1</b>			
<b><u>Budgetary Entry</u></b>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	400		B302
CR 4901 Delivered Orders - Obligations, Unpaid		400	
<b><u>Proprietary Entry</u></b>			
DR 6100 Operating Expenses/Program Costs	400		TC
CR 2110 Accounts Payable		400	B134
DR 3107 Unexpended Appropriations - Used	400		
CR 5700 Expended Appropriations		400	

7. To record a valid disbursement.

<b>Year 1</b>			
<b><u>Budgetary Entry</u></b>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	400		B110
CR 4902 Delivered Orders- Obligations, Paid.		400	
<b><u>Proprietary Entry</u></b>			
DR 2110 Accounts Payable	400		
CR 1010 Fund Balance with Treasury		400	

**Indefinite Contract Authority  
Adjusting Entries - Year 1**

8. To adjust the estimated contract authority to zero and record the reduction of unobligated balance for indefinite contract authority.

<b>Year 1</b>			
<b><u>Budgetary Entry</u></b>			<b>New</b>
a. DR 4131 Current Year Contract Authority Realized	400		<b>TC</b>
CR 4032 Estimated Contract Authority		400	<b>F112</b>
b. DR 4450 Unapportioned Authority	400		TC
<b>CR 4133 Reduction of Contract Authority</b>		400	A174

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Pre - Closing Trial Balance  
Year 1**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4131	1,000	
4133		400
4135		400
4138	400	
4801		200
4902	<u>0</u>	<u>400</u>
<b>Total</b>	<u><u>1,400</u></u>	<u><u>1,400</u></u>
<b>Proprietary</b>		
3101		400
3107	400	
5700		400
6100	<u>400</u>	<u>0</u>
<b>Total</b>	<u><u>800</u></u>	<u><u>800</u></u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
SF 133: Report On Budget Execution And Budgetary Resources  
Year 1**

**BUDGETARY RESOURCES**

1. Budget authority	
A. Appropriation (4138E)	400
C. Contract authority (4131E)	1,000
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	0
6. Permanently not available:	
D. Other authority withdrawn (4133E)	(400)
E. Pursuant to Public Law (4135E)	<u>(400)</u>
7. <b>Total budgetary resources</b>	<u><u>600</u></u>

**STATUS OF BUDGETARY RESOURCES**

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	600
10. Unobligated balance not available:	
D. Other (4450E)	<u>0</u>
11. <b>Total status of budgetary resources</b>	<u><u>600</u></u>

**RELATIONSHIP OF OBLIGATIONS TO OUTLAYS**

12. Obligated balance, net as of October 1 (4801B + 4901B)	0
13. Obligated balance Transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	200
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	400

**Indefinite Contract Authority  
FMS-2108 Year End Closing Statement  
Year 1**

<b>(Record Type 7 – .941 Unfunded Contract authority)</b>	<b><u>Main</u></b>	<b><u>C.A.</u></b>
Col. 2 Balance of contract authority (4139B)		0
Col. 3 New contract authority (4131E)		1,000
Col. 4 Appropriations to liquidate (4135E)		(400)
Col. 5 Writeoffs, restorations, or adjustments (4133E)		(400)
Col. 6 Balance of unfunded contract authority (4131E+ 4133E+4134E+4135E+4139B) calc (2+3-4-5)		200
Col. 9 Undelivered Orders (4801E)	200	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	0	



***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Program And Financing (Schedule P)  
Year 1**

**TOTAL NEW OBLIGATIONS:**

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 600

**BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:**

2140 Unobligated balance carried forward, start of year 0  
 2200 New budget authority (gross) (Sum lns. 4000...6990) 600  
 2275 Balance of contract authority withdrawn (4134E) 0  
 2390 Total budgetary resources ava. for obligation (sum 2140 through 2385) 600  
 2395 Total new obligations (-) (600)  
 2440 Unobligated balance carried forward, end of year (4450E) 0

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

*Discretionary:*

4000 Appropriation (4138E) 400  
 4049 Portion applied to liquidate contract authority (-) (4135E) (400)  
 4050 Portion of approp. to liquidate contract authority withdrawn (-) (4130E) 0  
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

*Mandatory:*

6610 Contract authority (4131E+4133E) 600

**CHANGE IN UNPAID OBLIGATIONS:**

7240 Obligated balance, start of year (4801B+4901B) 0  
 7310 Total new obligations 600  
 7320 Total outlays (gross) (-) (4902E) (400)  
 7440 Obligated balance, end of year (4801E+4901E) 200

**OUTLAYS (GROSS), DETAIL:**

8690 Outlays from new discretionary authority (4802E-B + 4902E) 400  
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0  
 8700 Total outlays (4802E-B +4902E) 400

**NEW BUDGET AUTHORITY AND OUTLAYS:**

8900 Budget authority (net) 1,000  
 9000 Outlays (net) 400

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Balance Sheet  
Year 1**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Indefinite Contract Authority  
Statement of Net Cost  
Year 1**

Program Costs	
1. Intragovernmental gross costs (6100E)	400
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>400</u>
10. Total net costs of operations	<u>400</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Statement of Changes in Net Position  
Year 1**

	<u>Cumm. Results</u>	<u>Unexp. Approp</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		400
7. Appropriations used (3107E) (5700E)	400	(400)
16. Total Financing Sources	<u>400</u>	<u>0</u>
17. Net Cost of Operations	<u>400</u>	<u>0</u>
18. Ending Balances	<u>400</u>	<u>0</u>

**Indefinite Contract Authority  
Statement of Financing  
Year 1**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>600</u>
11. Total resources used to finance activities	600
12. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>(200)</u>
17. Total resources used to finance items not part of the net cost of operations	<u>(200)</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>400</u>
30. Net Cost of Operations	<u>400</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Closing Entries - Year 1**

9. Consolidation of actual net-funded resources.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
<b>DR 4201 Total Actual Resources Collected</b>	<b>400</b>		F204
CR 4138 Appropriation to Liquidate Contract Authority		400	

10. Closing of fiscal year contract authority.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4133 Reduction of Contract Authority	400		F206
DR 4135 Contract Authority Liquidated	400		
<b>DR 4139 Contract Authority Carried Forward</b>	<b>200</b>		
CR 4131 Current Year Contract Authority Realized		1,000	

11. Closing of expended authority - paid.

Year 1			
<b><u>Budgetary Entry</u></b>			TC
DR 4902 Expended Authority-Paid	400		F214
<b>CR 4201 Total Actual Resources Collected</b>		<b>400</b>	

12. Closing of fiscal year activity that increases unexpended appropriations.

Year 1			
<b><u>Proprietary Entry</u></b>			TC
DR 3101 Unexpended Appropriations - Appropriations Received	400		F233
<b>CR 3100 Unexpended Appropriations - Cumulative</b>		<b>400</b>	
<b>DR 3100 Unexpended Appropriations - Cumulative</b>	<b>400</b>		
CR 3107 Unexpended Appropriations - Used		400	

13. Closing of revenue and expense account to cumulative results of operations.

Year 1			
<b><u>Proprietary Entry</u></b>			TC
DR 5700 Expended Appropriations	400		F228
<b>CR 3310 Cumulative Results of Operations</b>		<b>400</b>	
<b>DR 3310 Cumulative Results of Operations</b>	<b>400</b>		
CR 6100 Operation Expenses/Program Costs		400	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Post - Closing Trial Balance  
Year 1**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4139	200	
4801	<u>0</u>	<u>200</u>
<b>Total</b>	<u>200</u>	<u>200</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority - Year 2**

1. To estimate contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4032 Estimated Contract Authority	2,000		A176
CR 4450 Unapportioned Authority		2,000	

2. To record estimated resources apportioned but not available for use until realized.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4450 Unapportioned Authority	1,200		A116
CR 4510 Apportionments		1,200	

3. To record allotment of apportioned contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4510 Apportionments	1,200		A120
CR 4610 Allotments - Realized Resources		1,200	

4. To record an unexpended obligation for authority previously allotted and the realization of contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
a. DR 4610 Allotments Realized Resources	1,200		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		1,200	
b. DR 4131 Current Year Contract Authority Realized	1,200		TC
CR 4032 Estimated Contract Authority		1,200	A168

5. To record the appropriation to liquidate contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			
DR 4138 Appropriation to Liquidate Contract Authority	1,500		
CR 4135 Contract Authority Liquidated		1,500	TC
<b><u>Proprietary Entry</u></b>			A170
DR 1010 Fund Balance with Treasury	1,500		
CR 3101 Unexpended Appropriations - Appropriation Rec.		1,500	

***Contract Authority Liquidated by Appropriations  
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 2			
<b><u>Budgetary Entry</u></b>			
DR 4801 Undelivered Orders - Obligations, Unpaid	1,000		TC B302
CR 4901 Delivered Orders - Obligations, Unpaid		1,000	
<b><u>Proprietary Entry</u></b>			
DR 6100 Operating Expenses/Program Costs	1,000		TC B134
CR 2110 Accounts Payable		1,000	
DR 3107 Unexpended Appropriations - Used	1,000		
CR 5700 Expended Appropriations		1,000	

7. To record a valid disbursement.

Year 2			
<b><u>Budgetary Entry</u></b>			
DR 4901 Delivered Orders – Obligations – Unpaid	1,000		TC B110
CR 4902 Delivered Orders- Obligations, Paid.		1,000	
<b><u>Proprietary Entry</u></b>			
DR 2110 Accounts Payable	1,000		
CR 1010 Fund Balance with Treasury		1,000	

8. Of the \$1,500 of the appropriation received in year 2, transaction 5, the agency discovered that they only needed \$1,000 of the appropriation to liquidate contract authority; therefore, \$500 was withdrawn.

Year 2			
<b><u>Budgetary Entry</u></b>			
DR 4135 Contract Authority Liquidated	500		<b>New TC A1XX</b>
<b>CR 4130 Appropriation to Liquidate Contract Authority Withdrawn</b>		500	
<b><u>Proprietary Entry</u></b>			
CR 3106 Unexpended Appropriations - Adjustments	500		
DR 1010 Fund Balance with Treasury		500	

**Indefinite Contract Authority  
Adjusting Entries - Year 2**

9. To adjust the estimated contract authority to zero and record the reduction of unobligated balance for indefinite contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			
a. DR 4131 Current Year Contract Authority Realized	800		<b>New TC A169</b>
CR 4032 Estimated Contract Authority		800	
b. DR 4450 Unapportioned Authority	800		TC A174
<b>CR 4133 Reduction of Contract Authority</b>		800	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Pre - Closing Trial Balance  
Year 2**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4130		500
4131	2,000	
4133		800
4135		1,000
4138	1,500	
4139	200	
4801		400
4902	<u>0</u>	<u>1,000</u>
<b>Total</b>	<u><u>3,700</u></u>	<u><u>3,700</u></u>
<b>Proprietary</b>		
3101		1,500
3106	500	
3107	1,000	
5700		1,000
6100	<u>1,000</u>	<u>0</u>
<b>Total</b>	<u><u>2,500</u></u>	<u><u>2,500</u></u>



***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
SF 133: Report On Budget Execution And Budgetary Resources  
Year 2**

**BUDGETARY RESOURCES**

1. Budget authority	
A. Appropriation (4138E)	1,500
C. Contract authority (4131E)	2,000
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	0
6. Permanently not available:	
D. Other authority withdrawn (4130E+4133E)	(1,300)
E. Pursuant to Public Law (4135E)	<u>(1,000)</u>
7. <b>Total budgetary resources</b>	<u><u>1,200</u></u>

**STATUS OF BUDGETARY RESOURCES**

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	1,200
9. Unobligated balance not available:	
D. Other (4450E)	<u>0</u>
11. <b>Total status of budgetary resources</b>	<u><u>1,200</u></u>

**RELATIONSHIP OF OBLIGATIONS TO OUTLAYS**

12. Obligated balance, net as of October 1 (4801B + 4901B)	200
13. Obligated balance transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	400
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	1,000

**Indefinite Contract Authority  
FMS-2108 Year End Closing Statement  
Year 2**

<b>(Record Type 7 – .941 Unfunded Contract authority)</b>	<u><b>Main</b></u>	<u><b>C.A.</b></u>
Col. 2 Balance of contract authority (4139B)		200
Col. 3 New contract authority (4131E)		2,000
Col. 4 Appropriations to liquidate (4135E)		(1,000)
Col. 5 Writeoffs, resortations, or adjustments (4133E)		(800)
Col. 6 Balance of unfunded contract authority (4131E+ 4133E+4135E+4139B) calc (2+3-4-5)		400
Col. 9 Undelivered Orders (4801E)	400	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	0	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Program And Financing (Schedule P)  
Year 2**

**TOTAL NEW OBLIGATIONS:**

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 1,200

**BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:**

2140 Unobligated balance carried forward, start of year 0  
 2200 New budget authority (gross) (Sum lns. 4000...6990) 1,200  
 2275 Balance of contract authority withdrawn (4134E) 0  
 2390 Total budgetary resources ava. for obligation (sum 2140 through 2385) 1,200  
 2395 Total new obligations (-) (1,200)  
 2440 Unobligated balance carried forward, end of year (4450E) 0

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

*Discretionary:*

4000 Appropriation (4138E) 1,500  
 4049 Portion applied to liquidate contract authority (-) (4135E) (1,000)  
 4050 Portion of approp. to liquidate contract authority withdrawn (-) (4130E) (500)  
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

*Mandatory:*

6610 Contract authority (4131E+4133E) 1,200

**CHANGE IN UNPAID OBLIGATIONS:**

7240 Obligated balance, start of year (4801B+4901B) 200  
 7310 Total new obligations 1,200  
 7320 Total outlays (gross) (-) (4902E) (1,000)  
 7440 Obligated balance, end of year (4801E+4901E) 400

**OUTLAYS (GROSS), DETAIL:**

8690 Outlays from new discretionary authority (4802E-B + 4902E) 1,000  
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0  
 8700 Total outlays (4802E-B+4902E) 1,000

**NEW BUDGET AUTHORITY AND OUTLAYS:**

8900 Budget authority (net) 1,200  
 9000 Outlays (net) 1,000

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Balance Sheet  
Year 2**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Indefinite Contract Authority  
Statement of Net Cost  
Year 2**

Program Costs	
1. Intragovernmental gross costs (6100E)	1,000
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>0</u>
10. Total net costs of operations	<u>1,000</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Statement of Changes in Net Position  
Year 2**

	<u>Cumm. Results</u>	<u>Unexp. Approp</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		1,500
6. Other Adjustment (3106E)	0	(500)
7. Appropriations used (5700E) (3107E)	1,000	(1,000)
16. Total Financing Sources	<u>1,000</u>	<u>0</u>
17. Net Cost of Operations	<u>1,000</u>	<u>0</u>
18. Ending Balances	<u>1,000</u>	<u>0</u>

**Indefinite Contract Authority  
Statement of Financing  
Year 2**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>1,000</u>
11. Total resources used to finance activities	1,000
12. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>0</u>
17. Total resources used to finance items not part of the net cost of operations	<u>0</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>1,000</u>
30. Net Cost of Operations	<u>1,000</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Closing Entries - Year 2**

10. Consolidation of actual net-funded resources.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4130 Appropriation to Liquidate Contract Authority Withdrawn	500		F204
<b>DR 4201 Total Actual Resources Collected</b>	<b>1,000</b>		
CR 4138 Appropriation to Liquidate Contract Authority		1,500	

11. Closing of fiscal year contract authority.

Year 2			
<b><u>Budgetary Entry</u></b>			
DR 4135 Contract Authority Liquidated	1,000		TC
DR 4133 Reduction of Contract Authority	800		F206
<b>CR 4139 Contract Authority Carried Forward</b>		<b>1,800</b>	
<b>DR 4139 Contract Authority Carried Forward</b>	<b>2,000</b>		
CR 4131 Current Year Contract Authority Realized		2,000	

12. Closing of expended authority - paid.

Year 2			
<b><u>Budgetary Entry</u></b>			TC
DR 4902 Expended Authority-Paid	1,000		F214
<b>CR 4201 Total Actual Resources Collected</b>		<b>1,000</b>	

13. Closing of fiscal year activity that increases unexpended appropriations.

Year 2			
<b><u>Proprietary Entry</u></b>			
DR 3101 Unexpended Appropriations - Appropriations Received	1,500		
<b>CR 3100 Unexpended Appropriations - Cumulative</b>		<b>1,500</b>	TC
<b>DR 3100 Unexpended Appropriations - Cumulative</b>	<b>1,500</b>		F233
CR 3107 Unexpended Appropriations - Used		1,000	
CR 3106 Unexpended Appropriations - Adjustments		500	

14. Closing of revenue and expense account to cumulative results of operations.

Year 2			
<b><u>Proprietary Entry</u></b>			
DR 5700 Expended Appropriations	1,000		
<b>CR 3310 Cumulative Results of Operations</b>		<b>1,000</b>	TC
<b>DR 3310 Cumulative Results of Operations</b>	<b>1,000</b>		F228
CR 6100 Operation Expenses/Program Costs		1,000	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Post - Closing Trial Balance  
Year 2**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4139	400	
4801	<u>0</u>	<u>400</u>
<b>Total</b>	<u>400</u>	<u>400</u>

## *Contract Authority Liquidated by Appropriations Scenario*

### **Indefinite Contract Authority - Year 3**

1. To estimate contract authority.

<b>Year 3</b>			
<b><u>Budgetary Entry</u></b>			TC
DR 4032 Estimated Contract Authority	1,500		A176
CR 4450 Unapportioned Authority		1,500	

2. To record budget authority apportioned by OMB and available for use until realized.

<b>Year 3</b>			
<b><u>Budgetary Entry</u></b>			TC
DR 4450 Unapportioned Authority	700		A116
CR 4510 Apportionments		700	

3. To record allotment of apportioned contract authority.

<b>Year 3</b>			
<b><u>Budgetary Entry</u></b>			TC
DR 4510 Apportionments	700		A120
CR 4610 Allotments - Realized Resources		700	

4. To record an unexpended obligation for authority previously allotted and the realization of contract authority.

<b>Year 3</b>			
<b><u>Budgetary Entry</u></b>			TC
DR 4610 Allotments Realized Resources	700		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		700	
DR 4131 Current Year Contract Authority Realized	700		TC
CR 4032 Estimated Contract Authority		700	A168

5. To record the appropriation to liquidate contract authority.

<b>Year 3</b>			
<b><u>Budgetary Entry</u></b>			
DR 4138 Appropriation to Liquidate Contract Authority	700		
CR 4135 Contract Authority Liquidated		700	TC
			A170
<b><u>Proprietary Entry</u></b>			
DR 1010 Fund Balance with Treasury	700		
CR 3101 Unexpended Appropriations - Appropriation Rec.		700	

***Contract Authority Liquidated by Appropriations  
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 3			
<b><u>Budgetary Entry</u></b>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	700		B302
CR 4901 Delivered Orders - Obligations, Unpaid		700	
<b><u>Proprietary Entry</u></b>			
DR 6100 Operating Expenses/Program Costs	700		TC
CR 2110 Accounts Payable		700	B134
DR 3107 Unexpended Appropriations - Used	700		
CR 5700 Expended Appropriations		700	

7. To record a valid disbursement.

Year 3			
<b><u>Budgetary Entry</u></b>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	700		B110
CR 4902 Delivered Orders- Obligations, Paid.		700	
<b><u>Proprietary Entry</u></b>			
DR 2110 Accounts Payable	700		
CR 1010 Fund Balance with Treasury		700	

8. Downward adjustment of prior year obligation due to a recovery of \$400.

Year 3			
<b><u>Budgetary Entry</u></b>			TC
a. DR 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries	400		D134
CR 4450 Unapportioned Authority		400	
b. DR 4450 Unapportioned Authority	400		<b>New TC</b>
CR 4134 Contract Authority Withdrawn		400	<b>D136</b>

**Indefinite Contract Authority  
Adjusting Entries - Year 3**

9. To adjust the estimated contract authority to zero and record withdrawn unobligated balance of indefinite contract authority.

Year 3			
<b><u>Budgetary Entry</u></b>			<b>New TC</b>
a. DR 4131 Current Year Contract Authority Realized	800		<b>F112</b>
CR 4032 Estimated Contract Authority		800	
b. DR 4450 Unapportioned Authority	800		TC
CR 4133 Reduction of Contract Authority		800	A174



***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Pre - Closing Trial Balance  
Year 3**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4131	1,500	
4133		800
4134		400
4135		700
4138	700	
4139	200	
4801		400
4871	400	
4902	<u>0</u>	<u>700</u>
<b>Total</b>	<u><u>3,000</u></u>	<u><u>3,000</u></u>
<b>Proprietary</b>		
3101		700
3107	700	
5700		700
6100	<u>700</u>	<u>0</u>
<b>Total</b>	<u><u>1,600</u></u>	<u><u>1,600</u></u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
SF 133: Report On Budget Execution And Budgetary Resources  
Year 3**

**BUDGETARY RESOURCES**

1. Budget authority	
A. Appropriation (4138E)	700
C. Contract Authority (4131E)	1,500
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	0
4. Recoveries of prior year obligations:	
A. Actual (4871E)	400
6. Permanently not available:	
D. Other authority withdrawn (4133E+4134E)	(1,200)
E. Pursuant to Public Law (4135E)	<u>(700)</u>
7. <b>Total budgetary resources</b>	<u><u>700</u></u>

**STATUS OF BUDGETARY RESOURCES**

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	700
10. Unobligated balance not available:	
D. Other (4450E)	<u>0</u>
11. <b>Total status of budgetary resources</b>	<u><u>700</u></u>

**RELATIONSHIP OF OBLIGATIONS TO OUTLAYS**

12. Obligated balance, net as of October 1 (4801B + 4901B)	400
13. Obligated balance transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E+4871E)	0
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	700

**Indefinite Contract Authority  
FMS-2108 Year End Closing Statement  
Year 3**

<b>(Record Type 7 – .941 Unfunded Contract authority)</b>	<u>Main</u>	<u>C.A.</u>
Col. 2 Balance of contract authority (4139E)		400
Col. 3 New contract authority (4131E)		1,500
Col. 4 Appropriation to liquidate (4135E)		(700)
Col. 5 Writeoffs, restorations, or adjustments (4133E+4134E)		(1,200)
Col. 6 Balance of unfunded contract authority (4131E+ 4135E+4133E+4134E+4139B) calc (2+3-4-5)		0
Col. 9 Undelivered Orders (4801E+4871E)	0	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	0	

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Program And Financing (Schedule P)  
Year 3**

**TOTAL NEW OBLIGATIONS:**

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 700

**BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:**

2140 Unobligated balance carried forward, start of year 0  
 2200 New budget authority (gross) (Sum Ins. 4000...6990) 700  
 2210 Resources available from recoveries of prior year obligations (4871E) 400  
 2275 Balance of contract authority withdrawn (4134E) (400)  
 2390 Total budgetary resources ava. for obligation (sum 2140 through 2385) 700  
 2395 Total new obligations (-) (700)  
 2440 Unobligated balance carried forward, end of year (4450E) 0

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

*Discretionary:*

4000 Appropriation (4138E) 700  
 4049 Portion applied to liquidate contract authority (-) (4135E) (700)  
 4050 Portion of approp. to liquidate contract authority withdrawn (-) (4130E) 0  
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

*Mandatory:*

6610 Contract authority (4131E+4133E) 700

**CHANGE IN UNPAID OBLIGATIONS:**

7240 Obligated balance, start of year (4801B+4901B) 400  
 7310 Total new obligations 700  
 7320 Total outlays (gross) (-) (4902E) (700)  
 7345 Recoveries of prior obligations (4871E) (400)  
 7440 Obligated balance, end of year (4801E+4901E) 0

**OUTLAYS (GROSS), DETAIL:**

8690 Outlays from new discretionary authority (4802E-B + 4902E) 700  
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0  
 8700 Total outlays (4802E-B + 4902E) 700

**NEW BUDGET AUTHORITY AND OUTLAYS:**

8900 Budget authority (net) 700  
 9000 Outlays (net) 700

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Balance Sheet  
Year 3**

Assets

Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>

Liabilities

Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>

Net Position

29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Indefinite Contract Authority  
Statement of Net Cost  
Year 3**

Program Costs

1. Intragovernmental gross costs (6100E)	700
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>0</u>
10. Total net costs of operations	<u>700</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Statement of Changes in Net Position  
Year 3**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		700
7. Appropriations used (5700E) (3107E)	700	(700)
16. Total Financing Sources	<u>700</u>	<u>0</u>
17. Net Cost of Operations	<u>700</u>	<u>0</u>
18. Ending Balances	<u>700</u>	<u>0</u>

**Indefinite Contract Authority  
Statement of Financing  
Year 3**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	700
11. Total resources used to finance activities	700
12. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>0</u>
17. Total resources used to finance items not part of the net cost of operations	<u>0</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	700
30. Net Cost of Operations	<u>700</u>

***Contract Authority Liquidated by Appropriations  
Scenario***

**Indefinite Contract Authority  
Closing Entries - Year 3**

9. Consolidation of actual net-funded resources.

Year 3		
<b><u>Budgetary Entry</u></b>		TC
<b>DR 4201 Total Actual Resources Collected</b>	<b>700</b>	F204
CR 4138 Appropriation to Liquidate Contract Authority	700	

10. Closing of fiscal year contract authority.

Year 3		
<b><u>Budgetary Entry</u></b>		
DR 4133 Reduction of Contract Authority	800	TC
DR 4134 Contract Authority Withdrawn	400	F206
DR 4135 Contract Authority Liquidated	700	
<b>CR 4139 Contract Authority Carried Forward</b>	<b>1,900</b>	
<b>DR 4139 Contract Authority Carried Forward</b>	<b>1,500</b>	
CR 4131 Current Year Contract Authority Realized	1,500	

11. Closing of related downward adjustments to unpaid unexpended obligations.

Year 3		
<b><u>Budgetary Entry</u></b>		TC
<b>DR 4801 Undelivered Orders - Obligations, Unpaid</b>	<b>400</b>	F227
CR 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries	400	

12. Closing of expended authority - paid.

Year 3		
<b><u>Budgetary Entry</u></b>		TC
DR 4902 Expended Authority-Paid	700	F214
<b>CR 4201 Total Actual Resources Collected</b>	<b>700</b>	

13. Closing of fiscal year activity that increases unexpended appropriations.

Year 3		
<b><u>Proprietary Entry</u></b>		TC
DR 3101 Unexpended Appropriations - Appropriations Received	700	F233
<b>CR 3100 Unexpended Appropriations - Cumulative</b>	<b>700</b>	
<b>DR 3100 Unexpended Appropriations - Cumulative</b>	<b>700</b>	
CR 3107 Unexpended Appropriations - Used	700	

***Contract Authority Liquidated by Appropriations  
Scenario***

14. Closing of revenue and expense account to cumulative results of operations.

Year 3			
<b><u>Proprietary Entry</u></b>			TC
DR 5700 Expended Appropriations	700		F228
<b>CR 3310 Cumulative Results of Operations</b>		<b>700</b>	
<b>DR 3310 Cumulative Results of Operations</b>	<b>700</b>		
CR 6100 Operation Expenses/Program Costs		700	

**Indefinite Contract Authority  
Post - Closing Trial Balance  
Year 3**

USSGL Account	Debit	Credit
<b>Budgetary</b>		
4139	0	
4801	<u>0</u>	<u>0</u>
<b>Total</b>	<u><u>0</u></u>	<u><u>0</u></u>