

Advance Appropriation Scenario

*An **advance appropriation** is an appropriation of new budget authority that becomes available one or more fiscal years beyond the fiscal year for which the appropriation act was passed. An advance appropriation is justified when requests are needed to provide certainty to grantees for planning purposes (such as advance appropriations that are currently provided for the Corporation on Broadcasting) or by the need to provide full funding for capital acquisitions. Under the current Budget Enforcement Act scoring guidelines, new budget authority for advance appropriations is scored in the fiscal year in which the funds become available for obligation.¹*

For example, an appropriation act for fiscal year 2000 providing for an advance in fiscal year 2002 indicates the following: “For operating expenses, \$1,500, is to become available on October 1, 2001.”

Fiscal Year (FY) 2000 and FY 2001

No entry is recorded for the advance appropriation of \$1,500. (annual)

FY 2002

- To record the enactment of an annual appropriations and receipt of warrant (\$1,000 – FY 2002) as well as the advance appropriation provided in the FY 2000 appropriation act (\$1,500).

FY 2002		
<u>Budgetary Entry</u>		TC
DR 4119 Other Appropriations Realized	2,500	A104
CR 4450 Unapportioned Authority	2,500	
<u>Proprietary Entry</u>		
DR 1010 Fund Balance With Treasury	2,500	
CR 3101 Unexpended Appropriations – Appropriations Received	2,500	

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

FY 2002		
<u>Budgetary Entry</u>		TC
DR 4450 Unapportioned Authority	2,500	A116
CR 4510 Apportionments	2,500	
<u>Proprietary Entry</u>		
None		

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

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3. To record allotment of authority.

FY 2002		
<u>Budgetary Entry</u>		TC A120
DR 4510 Apportionments	2,500	
CR 4610 Allotments – Realized Resources	2,500	
<u>Proprietary Entry</u>		
None		

4. Purchase request for \$2,000, was approved. (Commitment)

FY 2002		
<u>Budgetary Entry</u>		TC B202
DR 4610 Allotments – Realized Resources	2,000	
CR 4700 Commitments – Programs Subject to Apportionment	2,000	
<u>Proprietary Entry</u>		
None		

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

FY 2002		
<u>Budgetary Entry</u>		TC B204
DR 4700 Commitments – Programs Subject to Apportionment	2,000	
CR 4801 Undelivered Orders - Obligations, Unpaid	2,000	
<u>Proprietary Entry</u>		
None		

6. To record current-year undelivered orders with an advance of \$250.

FY 2002		
<u>Budgetary Entry</u>		TC B206
DR 4801 Undelivered Orders - Obligations, Unpaid	250	
CR 4802 Undelivered Orders Obligations – Prepaid/Advanced	250	
<u>Proprietary Entry</u>		
DR 1410 Advances to Others	250	
CR 1010 Fund Balance With Treasury	250	

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

FY 2002			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	1,750		B302
CR 4901 Delivered Orders – Obligations, Unpaid		1,750	
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses/Program Costs	1,750		
CR 2110 Accounts Payable		1,750	
DR 3107 Unexpended Appropriations - Used	1,750		B134
CR 5700 Expended Appropriations		1,750	

8. To record the delivery of prepaid goods.

FY 2002			
<u>Budgetary Entry</u>			TC
DR 4802 Undelivered Orders - Obligations, Prepaid/Advanced	250		B404
CR 4902 Delivered Orders – Obligations, Paid		250	
<u>Proprietary Entry</u>			
DR 6100 Operating Expense/Program Costs	250		
CR 1410 Advances to Others		250	B134
DR 3107 Unexpended Appropriations - Used	250		
CR 5700 Expended Appropriations		250	

9. Payment schedule certified and confirmed.

FY 2002			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations Unpaid	1,750		B110
CR 4902 Delivered Orders- Obligations, Paid		1,750	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	1,750		
CR 1010 Fund Balance With Treasury		1,750	

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**Pre - Closing Adjusted Trial Balance
FY 2002**

FY 2002	Debit	Credit
Budgetary		
4119	2,500	
4450		0
4510		0
4610		500
4700		0
4801		0
4802		0
4901		0
4902		<u>2,000</u>
Total	<u>2,500</u>	<u>2,500</u>
Proprietary		
1010	500	
1410	0	
2110		0
3101		2,500
3107	2,000	
5700		2,000
6100	<u>2,000</u>	<u>0</u>
Total	<u>4,500</u>	<u>4,500</u>

Closing Entries

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

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

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

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

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

<u>Budgetary Entry</u>		
DR 4902 Delivered Orders – Obligations, Paid	2,000	
CR 4201 Total Actual Resources Collected	2,000	
<u>Proprietary Entry</u>		
None		
		TC F214

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

<u>Budgetary Entry</u>		
None		
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations		
Received	2,500	
CR 3100 Unexpended Appropriations - Cumulative	500	
CR 3107 Unexpended Appropriations - Used	2,000	
		TC F233

5. To record closing of unobligated balance to expired authority.

<u>Budgetary Entry</u>		
DR 4610 Allotments – Realized Resources	500	
CR 4650 Allotments – Expired Authority	500	
<u>Proprietary Entry</u>		
None		
		TC F212

**Post- Closing Trial Balance
FY 2002**

FY 2002	Debit	Credit
Budgetary		
4201	500	
4650	<u>0</u>	<u>500</u>
Total	<u>500</u>	<u>500</u>
Proprietary		
1010	500	
3100	<u>0</u>	<u>500</u>
Total	<u>500</u>	<u>500</u>

Advance Appropriation Scenario

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES
(YEAR-END)
FY 2002**

BUDGETARY RESOURCES

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

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred:	
A. Direct (4902E)	2,000
9. Unobligated Balance:	
A. Apportioned	
1. Balance, Currently Available (4610E)	<u>500</u>
11. Total Status of Budgetary Resources	<u><u>2,500</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

15. Outlays:	
A. Disbursements (4902E)	2,000

**FMS 2108 Year-end Closing Statement
FY 2002**

Column 5 Postclosing Unexpended Balance (1010E)	500
Column 11 Unobligated Balance (4610E)	500

Advance Appropriation Scenario

**Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, FY 2002
(in dollars/thousands/millions)**

Assets (Note 2)

Intragovernmental Assets:	
1. Fund Balance With Treasury (Note 3) (1010E)	<u>500</u>
6. Total Intragovernmental Assets	<u>500</u>
15. Total Assets	<u>500</u>

Liabilities (Note 12)

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

29. Unexpended Appropriations (Note 20) (3100E)	500
30. Cumulative Results of Operations (3310E)	<u>0</u>
31. Total Net Position	<u>500</u>
32. Total Liabilities and Net Position	<u>500</u>

**Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF NET COST
For the year ended September 30, FY 2002
(in dollars/thousands/millions)**

Program Costs:

Program A:	
1. Intragovernmental Gross Costs (6100E)	<u>2,000</u>
3. Intragovernmental Net Costs	<u>2,000</u>
7. Total Net Cost	<u>2,000</u>
10. Net Cost of Operations	<u>2,000</u>

Advance Appropriation Scenario

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, FY 2002
(in dollars/thousands/millions)

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
Budgetary Financing Sources:		
4. Appropriations Received (3101E)	0	2,500
7. Appropriations Used (5700/3107E)	2,000	(2,000)
Other Financing Sources:		
16. Total Financing Sources	2,000	500
17. Net Cost of Operations	<u>2,000</u>	<u>0</u>
18. Ending Balances	<u>0</u>	<u>500</u>

Advance Appropriation Scenario

**Department/Agency/Reporting Entity
COMBINED STATEMENT OF FINANCING
For the year ended September 30, FY 2002
(in dollars/thousands/millions)**

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

1. Obligations Incurred (4902 E)	<u>2,000</u>
5. Net Obligations (3-4)	<u>2,000</u>
11. Total Resources Used to Finance Activities (5+10)	2,000

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

17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>2,000</u>

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

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u>2,000</u>

Advance Appropriation Scenario

BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR
ACTUAL COLUMN FOR FY 2002 REPORTING

OBLIGATIONS BY PROGRAM ACTIVITY	
1000 Total new obligations (4902E)	2,000
BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION	
2200 New budget authority, (gross) (sum 4000...6962)	2,500
2395 Total new obligations (-) (sum as 1000, opposite sign)	(2,000)
2440 Unobligated balance carried forward, end of year (4610E)	500
NEW BUDGET AUTHORITY (GROSS), DETAIL	
4000 Appropriation (4119E) (Auth. Type ~p) ²	1,000
5500 Advance Appropriation (4119E) (Auth. Type ~ d) ³	1,500
7000 Total new budget authority (gross) (sum 4000...6990)	2,500
CHANGE IN OBLIGATED BALANCES	
7310 Total new obligations (same as 1000)	2,000
7320 Total outlays (gross) (4902E)	(2,000)
OUTLAYS (GROSS), DETAIL	
8690 Outlays from new discretionary authority (4902E)	2,000
NET BUDGET AUTHORITY AND OUTLAYS	
8900 Budget authority (net) (+) (sum 2200 – (8800..8845), 8895, 8896)	2,500
9000 Outlays (net) (+) (sum (8690..8698) – (8800..8845))	2,000

² p ~ Appropriation, as defined in TFM S2-05-01, Section IV.

³ d ~ Advance appropriation, as defined in TFM S2-05-01, Section IV.