

Permanent Reduction Authority to Borrow

(Includes FY 2004 accounts and crosswalks and new FY 2005 accounts and crosswalks)

The June 2003 revisions to OMB Circular A-11 restated the budgetary presentation requirements for reductions. There are now two basic categories to distinguish reductions. These categories are temporary and permanent. Reductions of borrowing authority are considered permanent.

The following scenario displays a permanent reduction to new budget authority derived from borrowing authority. In FY 2004, there are three USSGL accounts available for posting permanent reductions. The FY 2004 account numbers and titles are shown in the scenario in normal text. Each account crosswalks to OMB SF-133 line “6. Permanently not available: B. Enacted reductions.”

For FY 2005, USSGL account titles were changed to more closely correspond to the OMB Circular No. A-11 dated June 2003. Account titles and definitions approved for FY 2005 are shown in bold italics. As in FY 2004, each account crosswalks to OMB SF-133 line “6. Permanently not available: B. Enacted reductions.”

These USSGL accounts to be used for reductions of borrowing authority are:

- 4392 Rescission – New Budget Authority *Permanent Reduction – New Budget Authority*
- 4393 Rescission – Prior-Year *Permanent Reduction – Prior-Year Balances*
- 4396 Authority Permanently Unavailable for Obligation Pursuant to Public Law *Delete in FY2005*

Like all permanent reductions, the gross amount of budget authority provided is reflected on line 1 of the SF-133, while the reduction is reflected separately on line 6B of the SF-133. Permanent reductions are lost as resources of the fund forever.

The following scenario reflects a discretionary program in which new budget authority provided in the form of definite borrowing authority is reduced. USSGL account 4392, attribute Authority Type “B” (borrowing authority) is highlighted in the following scenario.

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

<u>Budgetary Entry</u>		TC
DR 4141 Current-Year Borrowing Authority Realized	1,000	A152
CR 4450 Unapportioned Authority	1,000	
<u>Proprietary Entry</u>		
None		

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

<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	600		A116
CR 4510 Apportionments		600	
<u>Proprietary Entry</u>			
None			

3. To record allotment of apportioned borrowing authority.

<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	600		A120
CR 4610 Allotments - Realized Resources		600	
<u>Proprietary Entry</u>			
None			

4. To record a 10% reduction to the borrowing authority recorded in transaction 1. Use Authority Type attribute B to specify the reduction to borrowing authority. This attribute ensures proper crosswalks to the OMB Schedule P and FMS 2108. (Reductions are often expressed as a percentage of the amount provided in an Appropriations Act).

<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	100		A131
CR 4392(B) Rescission – New Budget Authority <i>Permanent Reduction – New Budget Authority</i>		100	
<u>Proprietary Entry</u>			
No entry. (Since borrowing authority is an unfunded form of budget authority, no proprietary entry is involved.)			

**Permanent Reduction
Authority to Borrow**

(Includes FY 2004 accounts and crosswalks and new FY 2005 accounts and crosswalks)

Pre - Closing Trial Balance

USSGL Account	Debit	Credit
Budgetary		
4141	1,000	
4392 (B)		100
4450		300
4510		0
4610	<u>0</u>	<u>600</u>
Total	<u>1,000</u>	<u>1,000</u>
Proprietary¹		
No entries		

Reduction to Authority to Borrow

SF 133: Report On Budget Execution And Budgetary Resources

BUDGETARY RESOURCES

1. Budget authority		
A. Appropriation		0
B. Borrowing authority (4141E)		1,000
2. Unobligated balance:		
A. Brought forward, October 1		0
6. Permanently not available:		
B. Enacted reductions (-) (4392E)		<u>(100)</u>
7. Total budgetary resources		<u><u>900</u></u>

Auth Type attribute not on SF-133

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred		0
9. Unobligated balance		
A. Apportioned		
1. Balance, currently available (4610E)		600
10. Unobligated balance not available:		
D. Other (4450E)		<u>300</u>
11. Total status of budgetary resources		<u><u>900</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net as of October 1	0
13. Obligated balance transferred, net	0
14. Obligated balance, net, end of period:	0
15. Outlays:	
A. Disbursements (+)	0
B. Collections (-)	0

Outlay Formula:

$$15C = 8 - (3A+3B+3D+4A) + 12 +/- 13 - (-14A-14B+14C+14D)$$

$$0 = 0 - (0) +0 +/- 0 - (0)$$

$$0 = 0$$

¹ Since there are no proprietary transactions, OMB Bulletin 01-09 Form and Content proprietary financial statements are not illustrated.

**Permanent Reduction
Authority to Borrow**

(Includes FY 2004 accounts and crosswalks and new FY 2005 accounts and crosswalks)

**Reduction to Borrowing Authority
FMS-2108 Year End Closing Statement
Year 1**

Record Type 7 – .951 Authority to Borrow from the Treasury	<u>Main</u>	<u>B.A.T.</u>
Col. 2 Balance of borrowing authority		
Col. 3 Increases and rescissions (4141E, 4392E (B))		900
Col. 4 Borrowings		
Col. 5 N/A		
Col. 6 Balance (4141E+4392E (B)) also calc. (2+3-4)		900
Col. 9 Undelivered Orders		
Col. 10 Accounts Payable and Other Liabilities		
Col. 11 Unobligated Balance (4450E+4610E) also calc. (6-9-10)	900	

Auth Type
attribute B on
SF-2108

**Permanent Reductions to Authority to Borrow
Program And Financing (Schedule P)**

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:

2200 New budget authority (gross) (Sum lns. 4000...6990)	900
2440 Unobligated balance carried forward, end of year (4450E+4610E)	900

NEW BUDGET AUTHORITY (GROSS), DETAIL:

Discretionary:

4700 Authority to borrow (4141E)	1,000
4735 Authority to borrow permanently reduced (-) (4392E (B))	<u>(100)</u>
4790 Authority to borrow (total)	900

Auth Type
attribute B on
Schedule P

NEW BUDGET AUTHORITY AND OUTLAYS:

8900 Budget authority (net)	900
9000 Outlays (net)	0

**Permanent Reduction
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5. Closing of unobligated balances to unapportioned authority.

<u>Budgetary Entry</u>		TC
DR 4610 Allotments – Realized Resources	600	F210
CR 4450 Unapportioned Authority	600	
<u>Proprietary Entry</u>		
None		

6. Closing of fiscal year borrowing authority.

<u>Budgetary Entry</u>		TC
DR 4149 Borrowing Authority Carried Forward	900	F208
DR 4392(B) Permanent Reduction – New Budget Authority	100	
CR 4141 Current Year Borrowing Authority Realized	1,000	
<u>Proprietary Entry</u>		
None		

Post - Closing Trial Balance

USSGL Account	Debit	Credit
Budgetary		
4149	900	
4450	0	900
Total	<u>900</u>	<u>900</u>
Proprietary		
No entries		