

USSGL Guide to Cancellations (Cheat Sheet)

Overview

Agency Question

- ✚ I have an upcoming cancellation that will need to be recorded on the books. What is the proper USSGL accounting treatment?

USSGL Response

- ✚ It is dependent upon many factors, including the following:
 - To what type of Treasury Appropriation Fund Symbol (TAFS) does this apply (general fund, special fund)?
 - What event is causing this situation (end of 5th year cancellation, partial cancellation)?
 - What is the period of availability of the TAFS (fiscal year, X-year)?
 - Is this TAFS flagged by Treasury as definite or indefinite?
 - Where is the canceled fund balance to be returned?
 - By what Treasury mechanism is the processing of the cancellation to be accomplished (via warrant, via FMS 2108)?
- ✚ The answers to those questions, along with specific Treasury and OMB reporting guidance, will determine, in most cases, the proper budgetary USSGL account that is applicable.¹

References

- ✚ USSGL TFM Supplement S2 07-01, Part 1, Fiscal Year 2007 Reporting (as updated)
- ✚ TFM Volume 1, Yearend Closing Bulletin (as updated)
- ✚ TFM Volume 1, Part 2, Chapter 2000: Warrant and Nonexpenditure Transfer (NET) Transactions (T/L 621)
- ✚ OMB Circular No. A-11 (2005), Section 20 (as updated)

Acronyms

- ✚ FY Fiscal Year (fiscal year appropriations include annual-year and multi-year appropriations)
- ✚ TAFS Treasury Appropriation Fund Symbol
- ✚ TCS Treasury Combined Statement
- ✚ USSGL United States Standard General Ledger

¹ The USSGL accounts documented in this guide reference USSGL TFM S2 07-01 (Part 1, Fiscal Year 2007 Reporting)

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Note: Situation Numbers 1-5 typically apply to cancellations of general fund resources, where the fund balance is returned to the General Fund of the Treasury.

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line	Notes
1	End of 5 th expired year cancellation	FY	Expired	4350	Definite	2108	TC 31	Col. 4	Col. 5	6A	N/A	P&F is not applicable because the TAFS has expired and goes back to the General Fund of the Treasury.
2	End of 5 th expired year cancellation	FY	Expired	4350 (see notes)	Indefinite (see notes)	2108	TC 31	Col. 4	Col. 5	6A	N/A	Use USSGL account 4391 to adjust the indefinite authority on FMS 2108, then, at the end of the 5 th expired year, use USSGL account 4350 to cancel. (Treasury will remove the "I" flag during the 5 expired years.)
3	Partial Cancellation ²	No-year	Unexpired	4350 ³	Definite	Warrant	TC 31	n/a	Col. 5	6A	2398	- For 4 th quarter FACTS II reporting, notify BRD/Facts II Team if a TAFS has been partially canceled. - FACTS II excludes USSGL account 4350 for an X-year. - Requires USSGL accounts 8101/8102.
4	Early Cancellation of the Entire Appropriation ⁴	No-year, FY ⁵	Unexpired/ Expired	4350 ³	Definite	Warrant	TC 31	n/a	Col. 5	6A	2398 (unexpired only)	- Must be processed via Treasury warrant (per Yearend Closing Bulletin TFM). - For 4 th quarter FACTS II reporting, notify BRD/Facts II Team if a TAFS has been canceled early.
5	Early Cancellation of the Entire Appropriation ⁴	No-year, FY ⁵	Unexpired/ Expired	4350 ³	Indefinite	Warrant	TC 31	n/a	Col. 5	6A	2398 (unexpired only)	- Must be processed via Treasury warrant (per Yearend Closing Bulletin TFM). - For 4 th quarter FACTS II reporting, notify BRD/Facts II Team if a TAFS has been canceled early.

² Partial cancellations are not common. The agency would need legislation or a letter stating the need and request for cancellation and must receive Treasury and OMB concurrence before requesting a warrant. Once processed, the funds are unavailable for restoration.

³ Note: Beginning October 1, 2007 (FY 2008), new USSGL 4351 "Partial or Early Cancellation of Authority With a U.S. Treasury Warrant" is to be recorded.

⁴ Early cancellations of entire appropriations are rare. This situation assumes that the TAFS is maintaining a balance. Prior to cancellation, there must be no activity within the TAFS for two consecutive fiscal years. Once processed, the funds are unavailable for restoration.

⁵ Early cancellations within fiscal year accounts are rare. In these situations, it is preferred that the TAFS remain on the books until the end of the 5th expired year.

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Note: Situation Numbers 6-9 apply to most cancellations of trust and special fund resources where the fund balance is either returned to the originating unavailable receipt account or to the originating invested Treasury Appropriation Fund Symbol (TAFS).

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line(s)	Notes
6	Trust and Special Funds - "Unavailable"	No-year, FY	Unexpired/ Expired	4355	n/a	Warrant	TC 30	n/a	Col. 5	6A	2398 (unexpired only), 2441	The TFM Yearend Closing Bulletin requires that the agency request a warrant.
7	Trust and Special Funds - "Available"	No-year, FY	Unexpired/ Expired	4350	n/a	2108	TC 31	Col. 4	Col. 5	6A	2398 (unexpired only), 2441	Very rare.
8	Available Trust or Special Funds with invested relationships	No-year, FY	Unexpired/ Expired	4356	n/a	SF 1151	n/a	n/a	n/a	6A	2398 (unexpired only), 2441	- For TAFS where the recipient must return fund balance back to the originating invested TAFS. - Treasury views as a return of fund balance rather than as a cancellation.
9	Available Trust or Special Funds with invested relationships that maintain receivables/payables	No-year, FY	Unexpired/ Expired	4357, 4123, 4124, 4384	n/a	n/a	n/a	n/a	Col. 11 (4357)	6A(4357)	2398 (unexpired only) and 2441 for 4257; Multiple for 4123, 4124, 4384	- For TAFS where the recipient maintains a receivable/payable relationship with the invested account. - Reverse the receivable.

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Note: Situation Numbers 10-11 apply specifically to partial “adjustments”. These are treated as adjustments, not cancellations.

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line(s)	Notes
10	Partial “Adjustment”	No-year, FY	Unexpired	4119 (if warrant)	Indefinite	Warrant	TC 10	n/a	Col. 2	3A	Multiple	Because the action is to an indefinite account, Treasury views it as an adjustment rather than as a cancellation. For quarters 1-3, the action is usually a warrant.
11	Partial “Adjustment”	No-year, FY	Unexpired	4391 (if no warrant)	Indefinite	2108	TC 10	Col. 4	Col. 2	6D	Multiple	Because the action is to an indefinite account, Treasury views it as an adjustment rather than as a cancellation. For quarter 4, the action is usually via FMS 2108.
11	Permanent Reductions of Spending Authority From Offsetting Collections (SAOC)	No-year, FY	Unexpired	4392 or 4393	n/a	SF 1151: Capital Transfer in GWA NET application	35	n/a	Col 5	6B	4036, 5835	Represents budgetary resources that are required to be returned to the gen fd of the Treas. May be of new or unobligated balances. Generally applicable to general and revolving funds; however, may be unique situations including a special or non-revolving trust fund.