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# Treasury Financial Manual

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Transmittal Letter No. 621

Volume I

To: Heads of Government Departments, Agencies, and Others Concerned

## 1. Purpose

This transmittal letter releases revised I TFM 2-2000: Warrant and Nonexpenditure Transfer (NET) Transactions. It prescribes the forms and procedures used to record warrant transactions. It also contains information and guidance for using the Governmentwide Accounting System NET Application to record NET transactions.

## 2. Page Changes

### Remove

I TFM 2-2000 (T/L 583)

### Insert

I TFM 2-2000

## 3. Effective Date

This transmittal letter is effective immediately.

## 4. Inquiries

Direct questions concerning this transmittal letter to:

Budget Reports Division  
Financial and Budget Reports Directorate  
Governmentwide Accounting  
Financial Management Service  
Department of the Treasury  
3700 East-West Highway, Room 518D  
Hyattsville, MD 20782  
Telephone: 202-874-9950  
Fax: 202-874-9944

Date: December 15, 2004

Richard L. Gregg  
Commissioner

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**Part 2--Chapter 2000**

# **WARRANT AND NONEXPENDITURE TRANSFER (NET) TRANSACTIONS**

**This chapter prescribes the forms and procedures used to record warrant transactions. It also contains information and guidance for using the Governmentwide Accounting (GWA) System NET Application to record NET transactions.**

## **Section 2010—Scope and Applicability**

All Federal agencies and U.S. Government corporations are governed by the procedures in this chapter for:

- Establishing and closing by warrant or warrant-like transactions appropriated amounts in accounts.
- Making NETs between appropriation and other accounts for transfers and borrowings using the GWA System NET Application.

See Appendices 1 and 2 for the forms prescribed for nonexpenditure transactions. See Appendix 3 for a guide to using the GWA System NET Application.

## **Section 2015—Authority**

According to 31 U.S.C. 3513:

- The Secretary of the Treasury must prepare reports on the financial operations of the U.S. Government.
- Each executive agency must furnish the Department of the Treasury (Treasury) with reports and information about its financial condition and operations as the Secretary of the Treasury may require.

## **Section 2020—Definition of Terms**

**Appropriation**—A law of Congress that provides an agency with budget authority. An appropriation allows the agency to incur obligations and to make payments out of the Treasury for specific purposes. There are two types of appropriations as follows:

- **Definite**—Appropriation for a specific sum of money.
- **Indefinite**—Appropriation amount for “such sums as may be necessary.”

**Note:** Appropriated amounts that are “up to” or “not to exceed” require additional information from the Federal Program Agency (FPA) before the warrant can be issued.

**Appropriation Warrant**—The evidence of the law that establishes, by appropriation symbol, the individual amounts appropriated by Congress. (See subsection 2025.10.)

**Continuing Resolution**—An act of Congress that provides funds to maintain Government operations until regular appropriations are enacted. (See subsection 2025.20)

**Nonexpenditure Transfer (NET) Transaction**—A transaction that does not represent payment for goods and services but serves only to adjust amounts available in accounts. NETs do not appear in Treasury reports or in budget documents as receipts or

expenditures and, therefore, do not affect the budget surplus or deficit. (See Section 2030.)

- **GWA System NET Application**—The application that provides on-line access for FPAs to initiate NETs and to review pending and posted transactions. FPAs that prepare NETs should use this application to submit their NET data. (See subsection 2030.10.)
- **GWA System Borrowings Application**—The application that provides online access for FPAs with statutory authority to both borrow from and repay the Bureau of the Public Debt (BPD), as well as the Federal Financing Bank (FFB). (See subsection 2035.)

**Surplus Warrant**—The evidence of the Treasury action that withdraws or cancels unobligated balances of appropriations to X-year accounts and other various TAFS. (See subsection 2025.40).

**Treasury Appropriation Fund Symbol (TAFS)**—Refers to the separate Treasury expenditure accounts for each appropriation title based on the availability of the resources in the account. The TAFS is a combination of the Federal account symbol and availability code (for example, annual, multi-year, or no-year).

**Treasury Account Symbol (TAS)**—Treasury account symbols represent, by agency, and bureau (for miscellaneous receipts), individual appropriations, receipts, and other fund accounts.

**Note:** TAFS refers only to the appropriation and fund accounts and excludes the receipt accounts.

Agencies' appropriations and spending authorizations granted by Congress, with expenditures and receipts, are posted to these accounts. Agencies use account symbols to report to Treasury and the Office of Management and Budget (OMB). The Financial Management Service (FMS) establishes or changes new appropriation account symbols derived from the 13 annual appropriation bills. (See the official Treasury listing of Federal Account Symbols and Titles on the FMS Web site at <http://www.fms.treas.gov/fastbook/>.)

**Yearend Closing Statement (FMS 2108)**—The form used to close obligated and unobligated balances in annual and multi-year accounts. See subsection 2025.30 and I TFM 2-4200 for further details.

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## Section 2025—Warrant Transactions

This section prescribes forms and procedures for:

- Appropriation warrants;
- Continuing resolutions;
- Surplus warrants;

AND

- Closing accounts.

### 2025.10—Appropriation Warrant

A Treasury representative prepares and approves appropriation warrants on behalf of the Secretary of the Treasury. Instead of a countersignature by a representative of the Government Accountability Office (GAO) on behalf of the Comptroller General of the United States, the following statement will appear on the warrant:

“Countersignature not required pursuant to Treasury Department-General Accounting Office Joint Regulation No. 5 or No. 7.” (See the *GAO's Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Appendix II.*)

Treasury issues an FMS 6200: Department of the Treasury Appropriation Warrant, to establish the amount and period of availability of monies the agency is authorized to withdraw from Treasury's central accounts. Congress passes 13 annual appropriation acts, as well as supplemental appropriation acts, each year. These appropriation acts provide budget authority to obligate and expend funds from Treasury for specific purposes. After reconciliation with OMB, Treasury prepares appropriation warrants as evidence of the congressional action.

If enacted legislation other than an appropriation act provides budget authority in the form of an appropriation, agencies must submit a letter to Treasury (see the Contacts page) requesting the appropriation and including the following:

- Amount of the request.
- Legal authority—Treasury requires a statute or U.S. Code citation but will accept a Public Law citation until a statute is available.
- TAS.

This requirement to request appropriations by letter includes the following examples:

- Advance appropriations—Amounts appropriated in prior appropriation acts for future fiscal years.
- Indefinite appropriations—An appropriation of an unspecified amount of money.

**Note:** Appropriated amounts that are “up to” or “not to exceed” require additional information from the FPA before the warrant can be issued.

- Rescission of appropriations — Rescission legislation reduces budget authority previously

provided by Congress. If an appropriation warrant provided budget authority that is subsequently rescinded through an across-the-board cut or specific rescission action, a negative warrant is prepared to reduce the original amount appropriated. The FPA should pay careful attention when requesting rescissions. Typically, if the FPA receives a warrant for an appropriation that subsequently becomes subject to a rescission, the FPA will receive (upon request) a negative warrant. However, as a general rule, rescissions involving spending authority from offsetting collections, as well as, special, trust, and revolving funds, are classified as temporarily not available for obligation. In cases where a temporary rescission involves unavailable receipt accounts, FPAs must request a negative warrant in order to reduce the original amount appropriated to the expenditure account and return the amount to that unavailable receipt account. Refer to OMB Circular No. A-11 for more guidance related to rescissions.

- Appropriation from unavailable receipts (special and trust TAS)—Legislation that provides for an amount to be derived from earmarked receipts collected in an unavailable receipt account.
- Other—All other types of nonexpenditure transactions that require additional information from the agency not specifically available in the legislation.

### 2025.20—Appropriation Warrants Under a Continuing Resolution

When Congress has not enacted appropriations by the beginning of the fiscal year (FY), it often passes a

continuing resolution. A continuing resolution allows agencies and/or specific activities to continue operations by providing budget authority until Congress enacts regular appropriations.

Congress usually enacts a continuing resolution to cover a limited period of time, such as a month or a calendar quarter. The continuing resolution usually specifies that appropriated amounts will cease to be available (whichever occurs first):

- If the activity is later funded by a regular appropriation;
- If Congress intends to end the activity by enacting an applicable appropriation act without providing for the activity;
- As of the fixed cutoff date of the continuing resolution.

Unlike regular appropriation acts, continuing resolutions usually do not appropriate specified sums of money. Amounts usually are based on annual operations and cover only the amount necessary to continue the project or activity for a short time. Congress often appropriates an amount at a specific rate, such as: current rate, House-passed level, Senate-passed level, Conference-passed level, or budget estimate.

Warrants are not issued until Congress enacts the regular appropriation bill, unless agencies are under a long-term continuing resolution. Exceptions may be made:

- If the continuing resolution covers specific mandatory Federal payments;
- On a case-by-case basis after the second quarter of the FY;

OR

- If the continuing resolution covers the entire year.

Agencies under a long-term continuing resolution must request a warrant from Treasury for the annualized level of an amount appropriated by a continuing resolution. Submit these requests as early as possible to cover obligations incurred under authority of

the continuing resolution. When submitting a letter of request (see the Contacts page), include the following:

- The legislative authority for the request (Public Law number).
- Account symbols for the current FY and the amount requested for each account.
- Amounts appropriated for the account in the prior FY.
- Amounts of formal budget requests for the current FY (as transmitted in the President's Budget and subsequent amendments).
- The continuing resolution number, status of the pending legislation, and amounts allowed by the related appropriation bills.
- Amounts of unobligated balances carried over into the previous and/or current FY.
- An approved apportionment (SF 132: Apportionment and Reapportionment Schedule) from OMB, if applicable.
- A contact person for additional information.
- The appropriate official's signature (the official authorized to request an appropriation under the continuing resolution).

Upon receipt of the appropriation request, Treasury will issue a warrant for the annualized level of amounts appropriated. If a subsequent continuing resolution for the FY is enacted, Treasury will not revise the warrant unless the annualized level of the amount appropriated differs from the previous level.

If a subsequent continuing resolution does change the annualized level, agencies must submit new warrant requests. Treasury then will issue new warrants adjusting the previous amounts. When Congress enacts the regular appropriation bill, Treasury will make any necessary adjustments to those amounts. Generally, the warrant

prepared for the enacted appropriation bill requires no special action by or letter from the agency. Normal procedures for warranting regular appropriations apply.

Treasury will handle programs exempted from the normal provisions of a continuing resolution individually (for example, a specific amount appropriated separately or the appropriation of an amount not based on the specified rate). Amounts provided under continuing resolutions are subject to apportionment.

**Note:** Each FY, Treasury will monitor the progress of the appropriation bills through the second quarter and will advise agencies when the continuing resolution process will be invoked.

### **2025.30 Closing Accounts on FMS 2108: Yearend Closing Statement**

Public Law 101-510 (November 5, 1990) of the National Defense Authorization Act requires that agencies close appropriation accounts available for obligation during a definite period on September 30th of the fifth FY after the account's availability ends. Agencies must cancel remaining account balances and close the account on FMS 2108. (See the current Yearend Closing bulletin at <http://www.fms.treas.gov/fm/vol1/bull.html>.)

### **2025.40—Closing Accounts by Requesting a Surplus Warrant**

Treasury prepares surplus warrants at the request of the agencies. These warrants withdraw or cancel unobligated balances of appropriations.

As mentioned above, surplus warrants normally are not prepared for annual and multi-year TASs. Instead, surplus warrants usually are used to process withdrawals or cancellations for the following:

- Special and trust fund expenditure accounts funded by special and trust fund receipt accounts that are designated as unavailable for obligation.
- Miscellaneous trust funds.

- Closing no-year (X) accounts with definite and/or indefinite authority. (See subsection 2025.50.)
- Certain General Fund with specific legal authority (that is, House and Senate).

**2025.50—Closing No-Year (X) Accounts**

To close no-year (X) accounts, agencies must complete two separate actions as follows:

1. The agency must withdraw or cancel funds in the account by following the appropriate procedure below.
    - For definite no-year (X) accounts, do not use FMS 2108 to withdraw or cancel funds. Instead, agencies must submit a written request to Treasury (see the Contacts page) to withdraw or cancel funds resulting in a zero balance after processing. Treasury issues a surplus warrant to withdraw and cancel funds for a no-year (X) account and to close the TAFS.

OR

    - For indefinite no-year (X) TAFS, the FPA must submit a written request to Treasury to close the TAFS.

**Note:** The FPA should continue to report increases and decreases for indefinite authority on FMS 2108.
2. The agency must submit a written request to Treasury (see the Contacts page). The request letter should state that the following conditions have been met:
    - The head of the agency or the President has determined the purposes for which the appropriation was made have been carried out.
    - No disbursement has been made against the appropriation for 2 consecutive FYs.

**Section 2030—NET Transactions Using the GWA System**

This section prescribes forms and procedures for the following:

- Accessing the GWA System NET Application.
- Using the GWA System NET Application (including transfer types).
- Using the GWA System Borrowings Application.

**2030.10—Accessing the GWA System NET Application**

Each FPA must submit a request form to access the NET Application. (See the request form on the GWA Web site at <http://www.fms.treas.gov/gwa>.)

After receiving notification of NET Application approval and a security packet from FMS, FPA personnel may access the NET Application on-line at [https://fmsapps.treas.gov/fmsapps/log\\_on.asp](https://fmsapps.treas.gov/fmsapps/log_on.asp) by entering their log-on ID and password and then selecting “GWA.”

The GWA System interfaces with Treasury’s central accounting system, thus updating the central accounts. Agencies should not report these transactions on their FMS 224: Statement of Transactions. However, agencies should record such transactions in their own administrative accounts.

**2030.20 Using the GWA System NET Application**

FPA’s can use NET transactions to make increases and decreases between appropriations, fund, and other accounts, as authorized by law. They **must** use the GWA System NET Application at [https://fmsapps.treas.gov/fmsapps/log\\_on.asp](https://fmsapps.treas.gov/fmsapps/log_on.asp) to process NET transactions. The GWA System NET Application screen allows only one account symbol on the “transfer from” side and multiple account symbols on the “transfer to” side only if the NET transaction is based on valid legal authority. Input the following information:

- Transaction date—The date on which the transaction was entered in the system.
- Effective date—The date on which the transaction has taken or will take place.
- Transfer type—Determines the affect or category of the transaction in the GWA System and Treasury’s central accounting system (for example: balance transfer, appropriation transfer, re-appropriation transfer, capital transfer, borrowings, and repayments). (See Appendix 3.)
- Agency reference number (optional)—A number used internally by agencies to identify the transaction.
- Legal authority—The legislation citation that validates the transfer.
- Comment (optional).
- TAS.
- Amount.

Initiate the NET as early in the month as possible to ensure that each agency involved in the transaction can process the transaction during the same accounting period, but no later than the last workday of each month.

To document a transfer and merge funds that provide no benefit to the transfer account (for example, in a reorganization), separate the unobligated and obligated balances on the NET as described in detail in Appendix 3. Further separate the amounts of current-year appropriations and balances of prior-year appropriations for unexpired multi- and no-year appropriations. When a portion of an amount advanced or transferred as a “nonexpenditure transaction” is returned to the original TAFS account, the agency to which the amount was originally transferred **must** initiate and process the NET to reverse the transaction.

FPA’s use the GWA System NET Application to track pending documents

throughout the approval process at FMS. The posted section in the GWA System allows an agency to print a copy of a completed NET. FPAs also can use the GWA System to do historical research.

NETs are limited to transactions in which both the withdrawal and the credit occur in TASs within the budget. For example, NETs can be accomplished between general (0100-3000 series), revolving (4000 series), trust fund (8000 series), or special (5000 series) TASs within the budget.

Trust-to-trust transfers can be accomplished as NETs. However, when making transfers between trust funds and other funds, regardless of the purpose, record these transfers as expenditure transfers. Do not transfer these funds using the NET Application.

Without exception, do not transfer funds to or from deposit accounts (6000 series) and receipt TASs on NET documents. (See the “capital transfers” exception below.)

Using the guidance provided in Appendix 3, each FPA can select the appropriate transfer type as summarized below:

- **Appropriation transfers**—These transfers increase or decrease budget authority between TASs, using current-year transfer authority.
- **Balance transfers**—These transfers increase or decrease balances as a result of prior-year legislation. Using general transfer authority, agencies can transfer unobligated balances

from a parent TAS to an allocation TAS.

**Note:** All allocation TASs that include a parent agency and an allocation (child) agency fall in this category. (See Appendix 3 for further clarification.)

- **Reappropriation transfers**—These transfers increase or decrease unobligated balances between TASs, using prior-year transfer authority. Using current transfer authority, an agency can transfer unobligated balances between an expired TAS and a current-year TAS. These transfers represent a redistribution of funds, or redelegation or adjustment of obligational authority, and permit funds to be expended under another appropriation or fund symbol. (To reverse a reappropriation, contact Treasury for further instructions.)
- **Capital transfers**—These transfers are credits to miscellaneous receipts. The credits repay the Government’s investment in, or distribute the earnings of, a revolving fund. For revolving fund transactions that transfer capital investments of the United States or earnings for credit to designated capital transfer TASs, agencies must use their 2-digit prefix in front of the miscellaneous receipt TAS to record the repayment of capital investment and payment of dividends or earnings to the

General Fund of the U.S. Treasury.

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## 2035—Borrowings

### 2035.10—Borrowings From Other Funds (Using the GWA System NET Application)

Borrowings from other funds include amounts loaned by the FFB to agencies authorized to issue, sell, or guarantee their obligations. The agencies borrow from FFB rather than borrowing from Treasury or issuing securities to the public. Interest payments on such loans represent expenditure transactions and are not in this category. (See the Contacts page.)

### 2035.20—Borrowings From Treasury Under Loan Authorizations (Using the GWA System Borrowings Application)

Withdrawals and credits resulting from authorized borrowings from Treasury to expend public debt receipts are always nonexpenditure transactions that are obligations, expenditures, or reimbursements. These borrowings are amounts Treasury advanced under loan authorizations and amounts to repay the loan principal. Interest payments on such loans represent expenditure transactions and are not in this category. (See the Contacts page.)

## **Contacts**

### ***Direct inquiries concerning this chapter and the submission of NET transactions on the GWA System to:***

Budget Reports Division  
Financial and Budget Reports Directorate  
Governmentwide Accounting  
Financial Management Service  
Department of the Treasury  
3700 East-West Highway, Room 518D  
Hyattsville, MD 20782  
Telephone: 202-874-9950  
Fax: 202-874-9944

### ***Direct inquiries concerning this chapter and the submission of GWA Borrowings transactions on the GWA System to:***

Borrowings Team, Room 114-HB  
Bureau of the Public Debt  
Department of the Treasury  
P.O. Box 1328  
Parkersburg, WV 26106-1328  
Phone: 304-480-7488  
Fax: 304-480-5776  
E-mail: [borrowings@bpd.treas.gov](mailto:borrowings@bpd.treas.gov)  
Web site: <http://www.treasurydirect.gov/bt/opd/opdBorrowingsStorefront.htm>



## APPENDICES LISTING

<b>Appendix</b>	<b>Form</b>	<b>Title</b>
1	Form 6200	Department of the Treasury Appropriation Warrant
	Form 6201	Department of the Treasury Appropriation Warrant (Continuation Sheet)
2	Form 6202	Department of the Treasury Surplus Warrant
	Form 6203	Department of the Treasury Surplus Warrant (Continuation Sheet)
3		GWA System NET Application Guide

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DEPARTMENT OF THE TREASURY APPROPRIATION WARRANT

Warrant No. \_\_\_\_\_  
 Accounting Date \_\_\_\_\_  
 STAR No. \_\_\_\_\_  
 Date \_\_\_\_\_

The Congress having, by the Acts hereon stated, made the appropriations hereunder specified.  
 The amounts thereof are directed in the general and detailed appropriation accounts, totaling  
 in all \$0.00 and for so doing this shall be the warrant.

The Secretary of the Treasury

Comptroller General of the United States

By \_\_\_\_\_  
 \_\_\_\_\_

Countersignature not required pursuant to  
 Treasury-General Accounting Office Joint  
 Regulation No. 5

APPROPRIATION SYMBOL	AMOUNT
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DEPARTMENT OF THE TREASURY APPROPRIATION WARRANT  
(Continuation Sheet)

Warrant No. \_\_\_\_\_

Accounting Date \_\_\_\_\_

APPROPRIATION SYMBOL	AMOUNT
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DEPARTMENT OF THE TREASURY SURPLUS WARRANT

Warrant No. \_\_\_\_\_  
 Accounting Date \_\_\_\_\_  
 STAR No. \_\_\_\_\_  
 Date \_\_\_\_\_

The Congress having, by the Acts hereon stated, made provision for a Surplus Fund, direction is hereby given to charge the following appropriation account(s), with the amount(s) specified hereon and carry the total to the credit of said Fund, and for so doing this shall be the warrant.

By \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Comptroller General of the United States  
 Countersignature not required pursuant to  
 Treasury-General Accounting Office Joint  
 Regulation No. 5

APPROPRIATION SYMBOL	AMOUNT
31 USC 1555	

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DEPARTMENT OF THE TREASURY SURPLUS WARRANT  
(Continuation Sheet)

Warrant No. \_\_\_\_\_  
Accounting Date \_\_\_\_\_

APPROPRIATION SYMBOL	AMOUNT
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**GWA System NET Application Guide**

Appendix 3 to this chapter was rescinded and is replaced by  
Attachment 1 of I TFM Bulletin No. 2006-03.