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# Treasury Financial Manual

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Bulletin No. 2012-04

Volume I

Retention: March 31, 2013

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

**Subject: Using the Prior-Year Adjustment Attribute Required for Federal Agencies Centralized Trial-Balance System II (FACTS II) Reporting and Submitting and Tracking Treasury Backdated Documents**

## 1. Purpose

This Treasury Financial Manual (TFM) bulletin reminds Federal Program Agencies (FPAs) that they must use a U.S. Government Standard General Ledger (USSGL) attribute when submitting FACTS II trial balances that the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB) use to produce budget execution reports. In addition, this bulletin provides guidance for processing prior-year backdated transactions using OMB's Backdated Treasury Document Request MAX community page. Using this portal streamlines the tracking and approval process for Treasury backdated documents and enables agencies to monitor the real-time status of their document requests.

## 2. Authority

In accordance with 31 U.S.C. 3513, the Secretary of the Treasury (the Secretary) must prepare reports that will inform the President, the Congress, and the public on the financial operation of the U.S. Government. These reports must include the financial information that the President requires. In addition, the head of each executive agency must give the Secretary reports and information on the agency's financial condition and operation that the Secretary requires to prepare the reports.

## 3. Rescission

This bulletin rescinds TFM Volume I Bulletin Nos. 2008-05 and 2010-09.

## 4. Background

The Financial Management Service (FMS), in conjunction with OMB, has concluded that recording prior fiscal year activity during the current fiscal year distorts budgetary reporting. OMB has shown that this practice yields a Governmentwide discrepancy from one year's ending balances to the following year's beginning balances. This results in misstatements on budget execution reports. While these misstatements are not material in the context of financial statement reporting, they are significant in the context of budget execution.

## 5. Using the Prior-Year Adjustment Attribute Required for FACTS II Reporting

FACTS II includes a prior-year adjustment attribute. For a definition of the prior-year adjustment attribute and a list of valid domain values, refer to the USSGL (Supplement 2 to the TFM), Part 2, Section IV. See the USSGL Web site at <http://www.fms.treas.gov/ussgl>. FPAs must use this attribute to report prior-year adjustments.

## 6. Submitting and Tracking Backdated Treasury Documents

FPAs reporting certain adjustments that impact the Fund Balance With Treasury (FBWT) also must request that Treasury process a backdated document, that is, an FMS 224: Statement of Transactions; an FMS 1219: Statement of Accountability/FMS 1220: Statement of Transactions (According to Appropriations, Funds and Receipt Accounts); an FMS 6200: Department of the Treasury Appropriation Warrant; and/or an SF 1151: Nonexpenditure Transfer, to pass two FACTS II edit checks, Edit 7-FBWT and Edit 12-Outlay Reconciliation.

Treasury backdates only prior-year transactions that round to \$1 million. This range includes amounts equal to or greater than \$500,000. Note that in some cases, when a prior-year adjustment transaction occurs with USSGL accounts typically associated with FBWT, FPAs may not be required to submit a backdated document. These cases typically involve reclassifying USSGL accounts, such as the following examples:

- Recording a reclassification of an offsetting collection:

Debit 4252 (Reimbursements and Other Income Earned – Collected)

Credit 4277 (Other Actual Collections – Federal)

- Recording a reclassification of an outlay:

Debit 4902 (Delivered Orders – Obligations Paid)

Credit 4802 (Undelivered Orders – Obligations, Prepaid/Advanced)

In both examples, there is a reclassification to the USSGL accounts; however, the type of transaction as it is categorized in Treasury's central accounting system (that is, offsetting collection/outlay) did not change. Therefore, a backdated Treasury document would not be required even if the amount was greater than \$500,000.

Treasury processes prior-year backdated documents every quarter when FACTS II reporting is due (December, March, June, and September). Agencies must submit reporting by the third workday of the month in which the window opens and before the *Monthly Treasury Statement* is published. Treasury does not process prior-year backdated documents on a monthly basis or when the FACTS II window is open, except during fourth-quarter reporting.

Agencies must submit Treasury documents backdated to the prior year(s) through OMB's Backdated Treasury Document Request MAX community page (<https://max.omb.gov/community/x/6YLrHQ>). They must enter the necessary information in the provided template and must attach a portable document

format (PDF) version of the backdated Treasury document (Statement of Transactions, Statement of Accountability, nonexpenditure transfer, or warrant). The MAX community page provides guidance and detailed instructions on how to complete the required template. Agencies also can monitor the approval status of their submitted backdated documents on the MAX community page.

A MAX user ID is required to access the MAX community page. To obtain a MAX user ID, access the MAX portal at <https://max.omb.gov/maxportal/> and follow the instructions to register for and receive a MAX user ID.

## 7. References

The following references provide additional guidance to agencies on USSGL accounts and prior-period adjustments:

- USSGL at <http://www.fms.treas.gov/ussgl>;

AND

- OMB Circular No. A-11 at [http://www.whitehouse.gov/omb/circulars\\_a11\\_current\\_year\\_a11\\_toc](http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc).

## 8. Effective Date

This bulletin is effective immediately.

## 9. Inquiries

Direct questions concerning this bulletin to:

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