

Presentation to the SGL Board
February 24, 1999

Proposal to Establish a Standard General Ledger Account
For
Allocation Transfers from Prior Year Balances

This proposal illustrates an allocation transfer of prior year balances and is applicable to general funds. It was recommended that a separate account be established for allocation transfer of prior year balances by a FACTS II subcommittee whose purpose is to ensure that the SGL and FACTS II provide consistent guidance. Currently, only allocation transfers from current year balances are captured in an SGL account (4175-Allocation Transfers from Current-Year Balances). The following outline summarizes some important aspects of allocation transfers for both current year and prior year.

1. Purpose:

Transfers to Carry Out the Purposes of the Parent Treasury Appropriation Fund Symbol (TAFS).

2. Establishment:

The authority to obligate and spend funds made available to one TAFS may be delegated to another TAFS in law. The authority is made available to the parent TAFS while the authority to obligate and spend is delegated to the transfer TAFS.

3. TAFS Accounts:

The allocation account carries the same symbol and title as the parent account with the 2-digit prefix of the receiving agency.

Parent TAFS: 12X0200

Transfer TAFS: 46-12X0200

4. Availability:

Available for obligation only for the same period as the parent TAFS

5. Apportionment:

Parent will submit a consolidated S.F. 132 covering both the parent and all allocations.

6. Reports on Budget Execution:

The parent will submit a consolidated S.F. 133 covering both the parent and the transfer TAFS.

In the following scenario transactions are shown for both the parent TAFS and the transfer (receiving TAFS). The parent receives the authority in year 1 and transfers the allocation in year 2 via 1151 Non-expenditure Transfer Authorization. The transfer TAFS obligates and expends the authority in year 2. The parent TAFS expires at the end of year 2 and is canceled five years later.

February 24, 1999

Events	Parent TAFS	Transfer TAFS																														
1. Postclosing Trial Balance Year 1	<p><u>Proprietary</u></p> <table> <thead> <tr> <th></th> <th><u>Debit</u></th> <th><u>Credit</u></th> </tr> </thead> <tbody> <tr> <td>1010</td> <td>1,000</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td>1,000</td> </tr> </tbody> </table> <p><u>Budgetary</u></p> <table> <tbody> <tr> <td>4201</td> <td>1,000</td> <td></td> </tr> <tr> <td>4450</td> <td></td> <td>1,000</td> </tr> </tbody> </table>		<u>Debit</u>	<u>Credit</u>	1010	1,000		3100		1,000	4201	1,000		4450		1,000	<p><u>Proprietary</u></p> <table> <thead> <tr> <th></th> <th><u>Debit</u></th> <th><u>Credit</u></th> </tr> </thead> <tbody> <tr> <td>1010</td> <td>0</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td>0</td> </tr> </tbody> </table> <p><u>Budgetary</u></p> <table> <tbody> <tr> <td>4201</td> <td>0</td> <td></td> </tr> <tr> <td>4450</td> <td></td> <td>0</td> </tr> </tbody> </table>		<u>Debit</u>	<u>Credit</u>	1010	0		3100		0	4201	0		4450		0
	<u>Debit</u>	<u>Credit</u>																														
1010	1,000																															
3100		1,000																														
4201	1,000																															
4450		1,000																														
	<u>Debit</u>	<u>Credit</u>																														
1010	0																															
3100		0																														
4201	0																															
4450		0																														
2. At the beginning of year 2 , the Parent TAFS submits an SF-132 requesting OMB to apportion \$1,000. OMB approves the request SF 132 apportioning the full amount requested. ¹	<p><u>Proprietary</u></p> <p>No entry</p> <p><u>Budgetary</u></p> <p>4450 Unapportioned Authority 1,000</p> <p>4510 Apportionments 1,000</p>	<p><u>Proprietary</u></p> <p>No entry</p> <p><u>Budgetary</u></p> <p>No entry</p>																														
3. In year 2, the actual transfer of authority based on an approved	<p><u>Proprietary</u></p> <p>3100 Unexpended Appropriations 100</p>	<p><u>Proprietary</u></p> <p>1010 Fund Balance with Treasury 100</p>																														

¹Per A-34, section 11.2: The agency responsible for administering the parent appropriation will submit a consolidated SF 132 covering both the parent account and all allocations therefrom. (Usually, the receiving agencies will not prepare an SF 132 for transfer appropriation accounts unless requested by OMB).

<p>allocation transfer Inter-agency agreement (IAG) is recorded for \$100. The SF 1151 is prepared and processed.</p>	<p style="text-align: center;">1010 Fund Balance with Treasury 100</p> <p><u>Budgetary</u> 4510 Apportionments 100 <u>4176 Allocation Transfer - Prior Year Balances</u> 100</p>	<p style="text-align: center;">3100 Unexpended Appropriations 100</p> <p><u>Budgetary</u> <u>4176 Allocation Transfer - Prior Year Balances</u> 100 4510 Apportionments 100</p>
<p>4. In year 2, the Transfer TAFS allots the funding authority from the IAG in the amount of \$100.</p>	<p><u>Proprietary</u> No Entry</p> <p><u>Budgetary</u> No Entry</p>	<p><u>Proprietary</u> No Entry</p> <p><u>Budgetary</u> 4510 Apportionments 100 4610 Allotments-Realized Resources 100</p>
<p>5. In year 2, the Transfer TAFS Agency enters into a \$50 commitment.</p>	<p><u>Proprietary</u> No Entry</p> <p><u>Budgetary</u> No Entry</p>	<p><u>Proprietary</u> No Entry</p> <p><u>Budgetary</u> 4610 Allotments-Realized Re- sources 50 4700 Commitments 50</p>
<p>6. In year 2, the Transfer TAFS incurs a \$50 obligation.</p>	<p><u>Proprietary</u> No Entry</p>	<p><u>Proprietary</u> No Entry</p>

	<u>Budgetary</u> No Entry		<u>Budgetary</u> 4700 Commitments 50 4801 Unexpended Obligations - Unpaid 50
7. In year 2, the Transfer TAFS expends the \$50 obligation.	<u>Proprietary</u> No Entry <u>Budgetary</u> No Entry		<u>Proprietary</u> 6100 Operating Expenses/Program Costs 50 1010 Fund Balance with Treasury 50 3100 Unexpended Appropriations 50 5700 Expended Appropriations Used 50 <u>Budgetary</u> 4801 Unexpended Obligations - Unpaid 50 4902 Expended Authority - Paid 50
8. The preclosing adjusted trial balance is prepared for year 2.	<u>Proprietary</u> 1010 <u>Debit</u> <u>Credit</u> 900 3100 900 <u>Budgetary</u> <u>4176</u> 100		<u>Proprietary</u> 1010 <u>Debit</u> <u>Credit</u> 50 3100 50 5700 50 6100 50

	4201 1,000		<u>Budgetary</u>	
	4450 0		<u>4176 100</u>	
	4510 900		4510 0	
			4610 50	
			4700 0	
			4801 0	
			4902 50	
9. Closing entries for year 2 are recorded.				
<u>Budgetary</u>	<u>4176 Allocation Transfer - Prior</u>		4201 Total Actual Resources-	
9a. To consolidate resources	<u>Year Balances</u> 100		Collected 100	
	4201 Total Actual Resources-	100	<u>4176 Allocation Transfer - Prior</u>	
	Collected		<u>Year Balances</u> 100	
9b. To close expended authority	No Entry		4902 Expended Authority -Paid 50	
			4201 Total Actual Resources-	
9c. To record expired authority			Collected 50	
	4510 Apportionments 900		4610 Allotments-Realized	
	4650 Allotments-Expired		Resources 50	
	Authority 900		4650 Allotments-Expired	
			Authority 50	
<u>Proprietary</u>			3310 Cumulative Results of	
9d. To close expenses to	No Entry		Operations 50	
cumulative results of operations			6100 Operating Expenses/Program	
			Costs 50	

9e. To close expended appropriations used to cumulative results of operations.		5700 Expended Appropriations Used 50 3310 Cumulative Results of Operations 50
10. Postclosing trial balance is prepare.	<u>Proprietary</u> Debit Credit 1010 900 3100 900 <u>Budgetary</u> 4176 0 4201 900 4450 0 4510 0 4650 900	<u>Proprietary</u> Debit Credit 1010 50 3100 50 3310 0 <u>Budgetary</u> 4176 0 4201 50 4510 0 4610 0 4650 50 4700 0 4801 0 4902 0
11. When either the work has been completed or the TAFS is about to be canceled, the unused/unobligated authority needs to be transferred back to the Parent TAFS. An 1151 is prepared and processed.	<u>Proprietary</u> 1010 Fund Balance with Treasury 50 3100 Unexpended Appropriations 50 <u>Budgetary</u> 4176 Allocation Transfer - Prior Year Balances 50	<u>Proprietary</u> 3100 Unexpended Appropriations 50 1010 Fund Balance with Treasury 50 <u>Budgetary</u> 4650 Allotments - Expired Authority 50 4176 Allocation Transfer - Prior

	4650 Allotments - Expired Authority 50	<u>Year Balances</u> 50																																																																					
12. Unadjusted trial balance prior to cancellation	<u>Proprietary</u> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;"><u>Debit</u></th> <th style="width: 10%; text-align: center;"><u>Credit</u></th> </tr> </thead> <tbody> <tr> <td>1010</td> <td style="text-align: right;">950</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td style="text-align: right;">950</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td colspan="3"><u>Budgetary</u></td> </tr> <tr> <td>4176</td> <td style="text-align: right;"><u>50</u></td> <td></td> </tr> <tr> <td>4201</td> <td style="text-align: right;">900</td> <td></td> </tr> <tr> <td>4450</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4510</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4650</td> <td></td> <td style="text-align: right;">950</td> </tr> </tbody> </table>		<u>Debit</u>	<u>Credit</u>	1010	950		3100		950				<u>Budgetary</u>			4176	<u>50</u>		4201	900		4450		0	4510		0	4650		950	<u>Proprietary</u> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;"><u>Debit</u></th> <th style="width: 10%; text-align: center;"><u>Credit</u></th> </tr> </thead> <tbody> <tr> <td>1010</td> <td style="text-align: right;">0</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td colspan="3"><u>Budgetary</u></td> </tr> <tr> <td>4176</td> <td></td> <td style="text-align: right;"><u>50</u></td> </tr> <tr> <td>4201</td> <td style="text-align: right;">50</td> <td></td> </tr> <tr> <td>4510</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4610</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4650</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4700</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4801</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>4902</td> <td></td> <td style="text-align: right;">0</td> </tr> </tbody> </table>		<u>Debit</u>	<u>Credit</u>	1010	0		3100		0				<u>Budgetary</u>			4176		<u>50</u>	4201	50		4510		0	4610		0	4650		0	4700		0	4801		0	4902		0
	<u>Debit</u>	<u>Credit</u>																																																																					
1010	950																																																																						
3100		950																																																																					
<u>Budgetary</u>																																																																							
4176	<u>50</u>																																																																						
4201	900																																																																						
4450		0																																																																					
4510		0																																																																					
4650		950																																																																					
	<u>Debit</u>	<u>Credit</u>																																																																					
1010	0																																																																						
3100		0																																																																					
<u>Budgetary</u>																																																																							
4176		<u>50</u>																																																																					
4201	50																																																																						
4510		0																																																																					
4610		0																																																																					
4650		0																																																																					
4700		0																																																																					
4801		0																																																																					
4902		0																																																																					
13. An adjusting entry is made to cancel the expired authority.	<u>Proprietary</u> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 80%;">3100 Unexpended Appropriations</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">950</td> </tr> <tr> <td style="padding-left: 40px;">1010 Fund Balance with Treasury</td> <td></td> <td style="text-align: right;">950</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td colspan="3"><u>Budgetary</u></td> </tr> <tr> <td>4650 Allotments-Expired Authority</td> <td></td> <td style="text-align: right;">950</td> </tr> <tr> <td style="padding-left: 40px;">4350 Canceled Authority</td> <td></td> <td style="text-align: right;">950</td> </tr> </tbody> </table>	3100 Unexpended Appropriations		950	1010 Fund Balance with Treasury		950				<u>Budgetary</u>			4650 Allotments-Expired Authority		950	4350 Canceled Authority		950	<u>Proprietary</u> No Entry <u>Budgetary</u> No Entry																																																			
3100 Unexpended Appropriations		950																																																																					
1010 Fund Balance with Treasury		950																																																																					
<u>Budgetary</u>																																																																							
4650 Allotments-Expired Authority		950																																																																					
4350 Canceled Authority		950																																																																					
14. Preclosing adjusted trial balance is prepared.	<u>Proprietary</u> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;"><u>Debit</u></th> <th style="width: 10%; text-align: center;"><u>Credit</u></th> </tr> </thead> </table>		<u>Debit</u>	<u>Credit</u>	<u>Proprietary</u> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;"><u>Debit</u></th> <th style="width: 10%; text-align: center;"><u>Credit</u></th> </tr> </thead> </table>		<u>Debit</u>	<u>Credit</u>																																																															
	<u>Debit</u>	<u>Credit</u>																																																																					
	<u>Debit</u>	<u>Credit</u>																																																																					

	1010 0 3100 0 <u>Budgetary</u> <u>4176 50</u> 4201 900 4350 950	1010 0 3100 0 <u>Budgetary</u> <u>4176 50</u> 4201 50 4350 0
15. A closing entry to consolidate budgetary resources is recorded.	<u>Budgetary</u> 4201 Total Actual Resources- Collected 50 <u>4176 Allocation Transfer -</u> <u>Prior Year Balances</u> <u>50</u>	<u>Budgetary</u> <u>4176 Allocation Transfer - Prior</u> <u>Year Balances</u> <u>50</u> 4201 Total Actual Resources- Collected 50
16. Postclosing trial balance is prepared.	<u>Proprietary</u> <u>Debit</u> <u>Credit</u> 1010 0 3100 0 <u>Budgetary</u> <u>4176 0</u> 4201 950 4350 950	<u>Proprietary</u> <u>Debit</u> <u>Credit</u> 1010 0 3100 0 <u>Budgetary</u> <u>4176 0</u> 4201 0 4350 0

17. Statements - Year 2

<p>17A. Consolidated SF 133 (Refer to the trial balance, transaction #8, page 5.)</p> <p>Per A-34, section 11.2: Receiving agencies will submit to the parent the information required for reports on budget execution not later than 15</p>	<p>2. Unobligated balance, 2A. Brought forward, Oct 1</p> <p style="text-align: center;">4201B</p> <p>2B. Net transfers, prior year balance, actual (+ or -)</p>	<p style="text-align: right;">\$1000</p>
--	--	--

<p>calendar days following the close of the reporting period. The information shall be submitted in the form and manner required by the parent agency. Unless specifically requested by OMB, no separate submission to OMB is needed for allocation accounts. The agency administering the parent account will submit to OMB a consolidated SF 133 covering both the parent account and the related transfer appropriation accounts.</p>	<table> <tr> <td>4176E</td> <td>\$(100)</td> <td></td> </tr> <tr> <td>4176E</td> <td><u>100</u></td> <td>\$ 0</td> </tr> <tr> <td>7. Total resources</td> <td></td> <td>\$1000</td> </tr> <tr> <td>8. Obligations incurred</td> <td></td> <td></td> </tr> <tr> <td>8A. Direct</td> <td></td> <td></td> </tr> <tr> <td>4902E</td> <td></td> <td>\$ 50</td> </tr> <tr> <td>9. Unobligated balance</td> <td></td> <td></td> </tr> <tr> <td>9A1. Apportioned, available</td> <td></td> <td></td> </tr> <tr> <td>4510E</td> <td></td> <td>\$ 900</td> </tr> <tr> <td>4610E</td> <td></td> <td>50</td> </tr> <tr> <td>11. Total status</td> <td>\$1000</td> <td></td> </tr> </table>	4176E	\$(100)		4176E	<u>100</u>	\$ 0	7. Total resources		\$1000	8. Obligations incurred			8A. Direct			4902E		\$ 50	9. Unobligated balance			9A1. Apportioned, available			4510E		\$ 900	4610E		50	11. Total status	\$1000		
4176E	\$(100)																																		
4176E	<u>100</u>	\$ 0																																	
7. Total resources		\$1000																																	
8. Obligations incurred																																			
8A. Direct																																			
4902E		\$ 50																																	
9. Unobligated balance																																			
9A1. Apportioned, available																																			
4510E		\$ 900																																	
4610E		50																																	
11. Total status	\$1000																																		
<p>17B. FMS 2108</p> <p>The parent reports both the parent TAFS activity and the transfer TAFS activity on the FMS 2108. However, for the FMS 2108, the parent TAFS and the transfer TAFS maintain a separate identity.</p>	<table> <tr> <td colspan="3"><u>Parent TAFS</u></td> </tr> <tr> <td>Col 2:</td> <td>Provided by Treasury</td> <td>\$900</td> </tr> <tr> <td>Col 5:</td> <td>1010E</td> <td>\$900</td> </tr> <tr> <td>Col 11:</td> <td>4510E</td> <td>\$900</td> </tr> <tr> <td colspan="3"><u>Transfer TAFS</u></td> </tr> <tr> <td>Col 2:</td> <td>Provided by Treasury</td> <td>\$ 50</td> </tr> <tr> <td>Col 5:</td> <td>1010E</td> <td>\$ 50</td> </tr> <tr> <td>Col 11:</td> <td>4610E</td> <td>\$ 50</td> </tr> </table>	<u>Parent TAFS</u>			Col 2:	Provided by Treasury	\$900	Col 5:	1010E	\$900	Col 11:	4510E	\$900	<u>Transfer TAFS</u>			Col 2:	Provided by Treasury	\$ 50	Col 5:	1010E	\$ 50	Col 11:	4610E	\$ 50										
<u>Parent TAFS</u>																																			
Col 2:	Provided by Treasury	\$900																																	
Col 5:	1010E	\$900																																	
Col 11:	4510E	\$900																																	
<u>Transfer TAFS</u>																																			
Col 2:	Provided by Treasury	\$ 50																																	
Col 5:	1010E	\$ 50																																	
Col 11:	4610E	\$ 50																																	

Account Title: Allocation Transfer - Prior-Year Balances

Account Number: 4176

Normal Balance: Either

Type of Account: Posting

Definition: The amount of prior year balances transferred between a parent appropriation and a transfer appropriation during the fiscal year. Fund balance transfers, which may or may not occur at the time of the transfer of balances, will be accomplished via SF-1151 Nonexpenditure transfer Authorization.