

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

Overview

Agency Question

- ✚ My agency has a Treasury Appropriation Fund Symbol (TAFS) involving a cancellation. What is the proper USSGL budgetary accounting treatment?

USSGL Response

- ✚ It is dependent upon many factors, including the following:
 - To what type of TAFS does this apply?
 - What event is causing this situation?
 - What is the period of availability of the TAFS?
 - 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?
- ✚ 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 However, note that the SF 133: Report on Budget Execution and Budgetary Resources and Schedule P: Budget Program and Financing Schedule (P&F) lines included in this cheat sheet do not apply for backdated Treasury documents.

References

- ✚ USSGL TFM Supplement S2 12-03, Part 2, Fiscal Year 2013 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, Section 20 (as updated)

Acronyms

- ✚ ATM Authority Transaction Module
- ✚ FY Fiscal Year (fiscal year appropriations include annual-year and multi-year appropriations)
- ✚ GFRA General Fund Receipt Account
- ✚ P&F Schedule P: Budget Program and Financing Schedule
- ✚ POA Period of Availability
- ✚ SF 133 SF 133: Report on Budget Execution and Budgetary Resources
- ✚ TAFS Treasury Appropriation Fund Symbol
- ✚ TC Transaction Code
- ✚ TCS Treasury Combined Statement
- ✚ TFM Treasury Financial Manual
- ✚ USSGL United States Standard General Ledger

¹ The USSGL accounts documented in this guide reference USSGL TFM S2 12-03 (Part 2, Fiscal Year 2013 Reporting)

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

Note: Situations # 1 - 4 typically apply to cancellations of unobligated balances of general fund TAFS, where the fund balance is returned to the General Fund of the Treasury. These transactions are initiated by an agency rather than required by a Congressional action (i.e., enacted rescission or cancellation).

| | Situation | POA | TAFS Status | USSGL Account | Def/ Indef | Treasury Mechanism | STAR TC | FMS 2108 Colum | TCS Column | SF 133 Line(s) | P&F Line(s) | Notes |
|---|---|-------------|--|--------------------------------|------------|--|--------------------|---------------------------------|------------|----------------|-----------------------------------|--|
| 1 | End of 5 th expired year cancellation | FY | Expired | 4350 | Definite | FY 2013: via 2108 FY 2014: via ATM | TC 31 ² | FY 2013: Col. 4 FY 2014: N/A | Col. 5 | 1029 | N/A | - The P&F is not applicable because the TAFS has expired |
| 2 | End of 5 th expired year cancellation | FY | Expired | 4350 | Indefinite | FY 2013: via 2108 FY 2014: via ATM | TC 31 | FY 2013: Col. 4 FY 2014: N/A | Col. 5 | 1029 | N/A | - Use USSGL account 4391 when adjusting indefinite authority on the FMS 2108 (or ATM Yearend Transactions Module), 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 th expired year) - The P&F is not applicable because the TAFS has expired |
| 3 | Partial Cancellation ³ | No-year, FY | Unexpired/Expired (with extended disbursement authority) | 4351 | Definite | Surplus warrant, unavailable for restoration | TC 31 | N/A | Col. 5 | 1029 | 1029 | - For 4 th quarter FACTS II reporting, notify BRD/FACTS II Team if a TAFS has been partially canceled - Requires USSGL accounts 8101/8102 |
| 4 | Early Cancellation of the Entire Appropriation ⁴ | No-year, FY | Unexpired/Expired | FY 2013: 4351 FY 2014: 4350 | Definite | FY 2013: Surplus warrant unavailable for restoration FY 2014: via ATM | TC 31 | N/A | Col. 5 | 1029 | 1029 (<u>unexpired only</u>) | - Must be processed via Treasury surplus warrant (per TFM Vol. I, Yearend Closing Bulletin) - For 4 th quarter FACTS II reporting, notify BRD/FACTS II Team if a TAFS has been canceled early |

² TC 31 represents surplus warrants/cancellations unavailable for restoration.

³ 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 surplus warrant. To process a partial cancellation for No-year accounts, two requirements must be met: (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and (2) no disbursement has been made against the appropriation for 2 consecutive fiscal years. Once processed, the funds are unavailable for restoration.

⁴ Early cancellations of entire appropriations are rare and do not apply to TAFSs with extended disbursement authority. This situation assumes that the TAFS is maintaining a balance. For FY TAFS, it is preferred that the TAFS remain on the books until the end of the 5th expired year. To process an early cancellation for No-year TAFS of an entire appropriation, two requirements must be met: (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and (2) no disbursement has been made against the appropriation for 2 consecutive fiscal years. Once processed, the funds are unavailable for restoration.

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

Note: Situations # 5 - 8 apply to most cancellations of unobligated balances of special and non-revolving trust funds, where the fund balance is either returned to the originating unavailable receipt account or to the originating invested TAFS. These transactions are initiated by an agency rather than required by a Congressional action (i.e., enacted rescission or cancellation).

| | Situation | POA | TAFS Status | USSGL Account | Def/ Indef | Treasury Mechanism | STAR TC | FMS 2108 Column | TCS Column | SF 133 Line(s) | P&F Line(s) | Notes |
|-----------------|--|-------------|-------------------|--------------------------------|------------|--|--------------------|---------------------------------|------------|----------------|--|---|
| 5 | Special and non-revolving Trust Funds associated with "Unavailable" receipt accounts | No-year, FY | Unexpired/Expired | 4355 | N/A | Surplus warrant available for restoration | TC 30 ⁵ | N/A | Col. 5 | 1029 | 1029 unexpired, 1950 unexpired, 1954 expired | The TFM Vol. I, Yearend Closing Bulletin requires that the agency request a surplus warrant |
| 6A ⁶ | Special and non-revolving Trust Funds associated with "Available" receipt accounts | No-year | Unexpired | FY 2013: 4351 FY 2014: 4350 | N/A | FY 2013: Surplus warrant unavailable for restoration (current system limitation) FY 2014: via ATM | TC 31 | FY 2013: Col. 4 FY 2014: N/A | Col. 5 | 1029 | 1029 unexpired, 1950 unexpired, 1954 expired | Very rare |
| 6B | Special and non-revolving Trust Funds associated with "Available" receipt accounts | FY | Unexpired/Expired | 4350 | N/A | FY 2013: via 2108 FY 2014: via ATM | TC 31 | FY 2013: Col. 4 FY 2014: N/A | Col. 5 | 1029 | 1029 unexpired, 1950 unexpired, 1954 expired | Very rare |

⁵ TC 30 represents surplus warrants/cancellations returned to receipts and available for future restoration.

⁶ Note: Situation 6A, for Fiscal 2013, is a temporary process in effect for Fiscal 2013 only, since the current FMS 2108 cancellation process does not allow for this situation. Beginning Fiscal 2014, agencies with this situation will be required to process these cancellations at year-end, via the new Yearend Transactions Module within the ATM application. The new ATM process will, in effect, be replacing the FMS 2108 yearend cancellation process, which is currently being accomplished via FACTS II reporting.

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

| | Situation | POA | TAFS Status | USSGL Account | Def/ Indef | Treasury Mechanism | STAR TC | FMS 2108 Column | TCS Column | SF 133 Line(s) | P&F Line(s) | Notes |
|---|--|-------------|--------------------|----------------------|-------------------|---------------------------|----------------|------------------------|-------------------|-----------------------|--|---|
| 7 | Special and non-revolving Trust Funds associated with "Available" receipt accounts and invested relationships | No-year, FY | Unexpired/Expired | 4356 | N/A | SF 1151 | N/A | N/A | N/A | 1029 | 1029 unexpired, 1950 unexpired, 1954 expired | - 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 |
| 8 | Special and non-revolving Trust Funds associated with "Available" receipt accounts and invested relationships that maintain receivables/payables | No-year, FY | Unexpired/Expired | 4357 | N/A | N/A | N/A | Col. 7 | Col. 11 | 1029 | 1029 unexpired, 1950 unexpired, 1954 expired | - For TAFS where the recipient maintains a receivable/payable relationship with the invested account - Reverse the receivable |

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

Note: Situation # 9 applies specifically to partial “adjustments.” These are treated as adjustments, not as cancellations.

| | Situation | POA | TAFS Status | USSGL Account | Def/ Indef | Treasury Mechanism | STAR TC | FMS 2108 Colum | TCS Column | SF 133 Line(s) | P&F Line(s) | Notes |
|----|----------------------|-------------|-------------|---------------|------------|---------------------------------------|--------------------|---------------------------------|------------|----------------|-------------|--|
| 9A | Partial “Adjustment” | No-year, FY | Unexpired | 4119 | Indefinite | Negative Warrant | TC 10 ⁷ | N/A | Col. 2 | 1100, 1200 | 1100, 1200 | - 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 negative warrant |
| 9B | Partial “Adjustment” | No-year, FY | Unexpired | 4391 | Indefinite | FY 2013: via 2108 FY 2014: via ATM | TC 10 ⁷ | FY 2013: Col. 4 FY 2014: N/A | Col. 2 | 1100, 1200 | 1100, 1200 | - 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 (or ATM – Yearend Transactions Module) |

⁷ TC 10 transactions represent Treasury warrants. In Situations 9A and 9B, the indefinite amounts are returned to Treasury and processed as either a negative warrant initiated by the agency, or as a transaction on the FMS 2108 (FY 2013)/ATM process (FY 2014)

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

Note: Situations # 10 - 11 apply to specific permanent reductions.

| | Situation | POA | TAFS Status | USSGL Account | Def/ Indef | Treasury Mechanism | STAR TC² | FMS 2108 Colum | TCS Column | SF 133 Line(s) | P&F Line(s) | Notes |
|----|---|-------------|--------------------|----------------------|-------------------|--------------------------------|----------------------------|-----------------------|-------------------|--|--|--|
| 10 | Permanent Reductions of Spending Authority From Offsetting Collections (SAOC) | No-year, FY | Unexpired | 4392 or 4393 | N/A | SF 1151 NET: Transfers to GFRA | 35 ⁸ | N/A | Col 5 | USSGL 4392: line 1722 USSGL 4393: line 1131 unexpired/ discretionary | USSGL 4392: line 1722 USSGL 4393: line 1131 unexpired/ discretionary | - Generally applicable to general and revolving funds; however, may be unique situations including a special or non-revolving trust fund |
| 11 | Permanent Reductions in Special and non-revolving Trust Funds | No-year, FY | Unexpired | 4392 or 4393 | N/A | SF 1151 NET: Transfers to GFRA | 35 | N/A | Col 5 | USSGL 4392: line 1130 unexpired/ discretionary USSGL 4393: line 1131 unexpired/ discretionary | USSGL 4392: line 1130 unexpired/ discretionary USSGL 4393: line 1131 unexpired/ discretionary | - To date, these reductions have been made pursuant to appropriation acts. If a mandatory reduction pursuant to an authorization act occurs, crosswalk the amount to line 1230 instead of 1130 |

⁸ TC 35 represents SF 1151 NET Transfer Type “Transfers to General Fund Receipt Accounts” in the ATM NET application