

***Appropriation to Liquidate a Deficiency
Scenario***

An appropriation to liquidate a deficiency is an appropriation that is available to liquidate obligations in excess of budgetary resources but is not available to incur new obligations. Include an appropriation to liquidate a deficiency on line 1A of the Report on Budget Execution and Budgetary Resources (SF 133) and the Statement of Budgetary Resources (SBR). This should cover the deficiency (reflected as a negative unobligated balance carried forward on line 2A of the SF 133 and SBR). This applies to unexpired and expired accounts. Normally, there are no excess amounts because these appropriations are requested after the deficiency is known, whereas, the agencies normally budget for appropriations to liquidate debt and appropriations to liquidate contract authority.¹

At year-end, it was determined that a deficiency of \$1,000 existed. The SF 133/SBR and the Budget Program and Financing schedule at year-end are as follows:

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/
SBR: STATEMENT OF BUDGETARY RESOURCES
(YEAR-END)
YEAR 1**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriations received (4119E)	2,000
7. Total budgetary resources	<u>2,000</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E+4902E) ²	3,000
9. Unobligated balance:	
A. Apportioned (4610E) ³	(1,000) ⁴
11. Total status of budgetary resources	<u>2,000</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E) ⁵	1,000
15. Outlays:	
A. Disbursements (4902E)	2,000

¹ OMB Circular No. A-34 (2000), Section 30.3

² 8A1 on crosswalk

³ 9A1 on crosswalk

⁴ Obligated more than apportioned

⁵ 14C on crosswalk

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**BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR
ACTUAL COLUMN FOR YEAR 1 REPORTING**

OBLIGATIONS BY PROGRAM ACTIVITY	
1000 Total new obligations (4801E+4902E)	3,000
BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION	
2200 New budget authority (gross)	2,000
2395 Total new obligations	(3,000)
2397 Deficiency (4610E)	1,000
NEW BUDGET AUTHORITY (GROSS), DETAIL	
4000 Appropriation (4119E)	2,000
CHANGE IN OBLIGATED BALANCES	
7310 Total new obligations	3,000
7320 Total outlays (gross) (4902E)	(2,000)
7440 Obligated balance, end of year (4801E)	1,000
OUTLAYS (GROSS), DETAIL	
8690 Outlays from new discretionary authority (4902E)	2,000
NET BUDGET AUTHORITY AND OUTLAYS	
8900 Budget authority (net)	2,000
9000 Outlays (net)	2,000
MEMORANDUM (NON-ADD) ENTRIES	
9190 Unpaid obligation, end of year: Deficiency (4610E)	1,000

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Beginning Trial Balance

YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4450 ⁶	1,000	
4801	<u>0</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>
Proprietary		
None		

Year 2

In addition to the annual appropriation of \$4,000, an appropriation act to liquidate the prior year deficiency was enacted for \$1,000.

- To record the enactment of an appropriation and receipt of warrant.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4119 Other Appropriations Realized	4,000		A104
DR 4112 Liquidation of Deficiency - Appropriations	1,000		
CR 4450 Unapportioned Authority		5,000	
<u>Proprietary Entry</u>			
DR 1010 Fund Balance with Treasury		5,000	
CR 3101 Unexpended Appropriations – Appropriations Received		5,000	

- To record budgetary authority apportioned by OMB and available for allotment.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	4,000 ⁷		A116
CR 4510 Apportionments		4,000	

⁶ Closed USSGL 4610, Allotments – Realized to USSGL 4450, Unapportioned Authority at year-end.

⁷ Only \$4,000 of the \$5,000 is available for allotment because \$1,000 is for the liquidation of the deficiency.

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3. To record allotment of authority.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	4,000		A120
CR 4610 Allotments – Realized Resources		4,000	

4. The Budget Office approved purchase request for goods/services. (Commitment)

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4610 Allotments – Realized Resources	4,000		B202
CR 4700 Commitments		4,000	

5. To record current-year undelivered orders without an advance.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4700 Commitments	500		B204
CR 4801 Undelivered Orders Obligations – Unpaid		500	

6. To record the delivery of goods and accrue a liability for current and prior year obligations (prior year - \$1,000).

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders Obligations – Unpaid	1,500		B302
CR 4901 Delivered Orders – Obligations, Unpaid		1,500	
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses	1,500		
CR 2110 Accounts Payable		1,500	
DR 3107 Unexpended Appropriations Used	1,500		B134
CR 5700 Expended Appropriations		1,500	

7. Payment schedule certified and confirmed.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	1,500		B110
CR 4902 Delivered Orders- Obligations, Paid.		1,500	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	1,500		
CR 1010 Fund Balance with Treasury		1,500	

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Pre-Closing Trial Balance

YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4119	4,000	
4112	1,000	
4700		3,500
4902	<u>0</u>	<u>1,500</u>
Total	<u>5,000</u>	<u>5,000</u>
Proprietary		
1010	3,500	
3101		5,000
3107	1,500	
5700		1,500
6100	<u>1,500</u>	<u>0</u>
Total	<u>6,500</u>	<u>6,500</u>

Closing Entry

- To record the closing of revenue, expense and other financing source accounts to cumulative results of operations.

<u>Budgetary Entry</u>		
None		
<u>Proprietary Entry</u>		
DR 3310 Cumulative Results of Operations	1,500	TC F228
CR 6100 Operating Expense	1,500	
DR 5700 Expended Appropriations	1,500	
CR 3310 Cumulative Results of Operations	1,500	

- To record the consolidation of actual net-funded resources.

<u>Budgetary Entry</u>		
DR 4201 Total Actual Resources Collected	5,000	TC F204
CR 4112 Liquidation of Deficiency - Appropriations	1,000	
CR 4119 Other Appropriations Realized	4,000	

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3. To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>		
DR 4902 Delivered Orders – Obligations, Paid	1,500	TC F214
CR 4201 Total Actual Resources Collected	1,500	

4. To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>		
None		TC F233
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations Received	5,000	
CR 3100 Unexpended Appropriations Cumulative	3,500	
CR 3107 Unexpended Appropriations Used	1,500	

5. To record closing of unobligated balances to unapportioned authority for unexpired multi-year funds.

<u>Budgetary Entry</u>		
DR 4700 Commitments	3,500	TC F210
CR 4450 Unapportioned Authority	3,500	
<u>Proprietary Entry</u>		
None		

**Post – Closing Trial Balance
YEAR 2**

YEAR 2	Debit	Credit
Budgetary		
4201	3,500	
4450	<u>0</u>	3,500
Total	<u>3,500</u>	<u>3,500</u>
Proprietary		
1010	3,500	
3100	<u>0</u>	3,500
Total	<u>3,500</u>	<u>3,500</u>

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**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/
SBR: STATEMENT OF BUDGETARY RESOURCES
(YEAR-END)
YEAR 2**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriations received (4112E + 4119E)	5,000
2. Unobligated balance:	
A. Beginning of the period (4201B+4801B)	<u>(1,000)</u>
7. Total budgetary resources	<u>4,000</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801+4902(E-B)) ⁸	500
9. Unobligated Balance:	
A. Apportioned (4700E) ⁹	<u>3,500</u>
11. Total status of budgetary resources	<u>4,000</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net, beginning of period (4801E-B)	1,000
15. Outlays:	
A. Disbursements (4902E)	1,500

⁸ 8A1 on crosswalk

⁹ 9A1 on crosswalk

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**BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR
ACTUAL COLUMN FOR YEAR 2 REPORTING**

OBLIGATIONS BY PROGRAM ACTIVITY	
1000 Total new obligations (4801+4902 (E-B))	500
BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION	
2200 New budget authority (gross)	4,000
2395 Total new obligations	(500)
2440 Unobligated balance available, end of year (4700E)	3,500
NEW BUDGET AUTHORITY (GROSS), DETAIL	
4000 Appropriation (4112E+4119E)	5,000
4048 Portion applied to liquidate deficiency (4112E)	(1,000)
4300 Appropriation (total discretionary)	4,000
CHANGE IN OBLIGATED BALANCE	
7240 Obligated balance, start of year (4801E)	1,000
7310 Total new obligations	500
7320 Total outlays (gross)	(1,500)
OUTLAYS (GROSS), DETAIL	
8690 Outlays from new discretionary authority (4902E - <i>new</i>)	500
8693 Outlays from discretionary authority (4902E - <i>bal</i>)	1,000
NET BUDGET AUTHORITY AND OUTLAYS	
8900 Budget authority (net)	4,000
9000 Outlays (net)	1,500