

U.S. Debit Card Program

Purpose

The purpose of this scenario is to guide agencies in reporting U.S. Debit Card Program activity and to propose the creation of a new U.S. Government Standard General Ledger (USSGL) account for U.S. Debit Card Funds.

Background

The U.S. Debit Card is a bankcard (JP Morgan Chase – JPMC) that Federal Program Agencies (FPAs) use for Federal payments to individuals. FPAs load the U.S. Debit Card with an amount, which is accounted for in a host system with a database of card serial numbers and associated balances, and then issue the card to a Federal payee. The payee may use the card at automated teller machines to make cash withdrawals or at point-of-sale terminals to make retail purchases. FPAs may issue the card as:

- A disposable payment mechanism, whereby a fixed amount of value is loaded onto the card, and, once the value is spent, the U.S. Debit Card is discarded.

OR

- A reloadable payment mechanism, whereby the FPA can make multiple payments to a payee.

FMS's Office of Chief Counsel has determined that all U.S. Debit Card Program activity is Cash Held Outside of the Treasury (CIHO).

This scenario shows the USSGL entries and reporting requirements for the U.S. Debit Card Program. For simplicity, the scenario reflects an FPA establishing a U.S. Debit Card account and subsequently using the U.S. Debit Card for a cash advance and/or an expense to pay for the normal costs of operations. This scenario follows USSGL TFM S2 – 09-02 (December 2009, revised by TFM Bulletin 2010-04), fiscal 2010 crosswalks.

USSGL Account (Fiscal Year 2011)

Proposed Account Title: U.S. Debit Card Funds

Proposed Account Number: 1125

Proposed Normal Balance: Debit

Definition: The authorized amount of cash placed on U.S. Debit Cards by Federal Program Agencies (FPAs) and held by agency representatives at personal risk.

Justification: *To capture the authorized amount of cash placed on U.S. Debit Cards by FPAs and held by agency representatives at personal risk.*

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Listing of USSGL Accounts Used in This Scenario

Account

Number Account Name

Budgetary

4119	Other Appropriations Realized
4201	Total Actual Resources – Collected
4450	Unapportioned Authority
4510	Apportionments
4610	Allotments – Realized Resources
4700	Commitments – Programs Subject to Apportionment
4802	Undelivered Orders – Obligations, Prepaid/Advanced
4902	Delivered Orders – Obligations, Paid

Proprietary

1010	Fund Balance With Treasury
1125	U.S. Debit Card Funds
1410	Advances and Prepayments
3100	Unexpended Appropriations – Cumulative
3101	Unexpended Appropriations – Appropriations Received
3107	Unexpended Appropriations – Used
3310	Cumulative Results of Operations
5700	Expended Appropriations
6100	Operating Expenses/Program Costs

An opening Trial Balance is not used in this scenario.

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Illustrative Transactions

Financial Event	Accounting Transaction	Debit	Credit	Trans Code
1. Enactment of an appropriation, as well as, the annual apportionment and allotment.	<u>Budgetary</u> 4119 Other Appropriations Realized 4450 Unapportioned Authority 4450 Unapportioned Authority 4510 Apportionments 4510 Apportionments 4610 Allotments – Realized Resources <u>Proprietary</u> 1010 Fund Balance with Treasury 3101 Unexpended Appropriations – Appropriations Received	25,000 25,000 25,000 25,000	25,000 25,000 25,000 25,000	A104 A116 A120
U.S. Debit Card Fund (CIHO) 2. During fiscal 2009, Agency A establishes a U.S. Debit Card Fund. (Agency A has transferred cash from the Treasury General Account (TGA) to JP Morgan Chase (JPMC) for U.S. Debit Card Funds.) FMS 224: Statement of Transactions, Subclass (41) activity takes place.	Agency A establishes a U.S. Debit Card Fund. <u>Budgetary</u> 4610 Allotments – Realized Resources 4700 Commitments – Programs Subject to Apportionment <u>Proprietary</u> 1125 U.S. Debit Card Funds 1010 Fund Balance With Treasury	15,000 15,000	15,000 15,000	D502
3. The Agency issues an advance to users.	To record current-year undelivered orders with a U.S. Debit Card advance. <u>Budgetary</u> 4700 Commitments – Programs Subject to Apportionment 4802 Undelivered Orders – Obligations, Prepaid/Advanced <u>Proprietary</u> 1410 Advances and Prepayments 1125 U.S. Debit Card Funds	2,500 2,500	2,500 2,500	B309

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<p>4. The advanced funds are expended.</p>	<p>To record current-year expended authority where the undelivered order was prepaid or advanced.</p> <p><u>Budgetary</u> 4802 Undelivered Orders – Obligations Prepaid/Advanced 2,500 4902 Delivered Orders – Obligations, Paid 2,500</p> <p><u>Proprietary</u> 6100 Operating Expenses/Program Costs 2,500 1410 Advances and Prepayments 2,500</p> <p>To record appropriations used this fiscal year.</p> <p><u>Budgetary</u> N/A</p> <p><u>Proprietary</u> 3107 Unexpended Appropriations – Used 2,500 5700 Expended Appropriations 2,500</p>			<p>B604</p> <p>B134</p>
<p style="text-align: center;">- AND -</p> <p>5. The Debit Card is issued to a recipient as a reimbursement or entitlement.</p>	<p>To record current-year expended authority where the order was paid by a U.S. Debit Card.</p> <p><u>Budgetary</u> 4700 Commitments – Programs Subject to Apportionment 10,000 4902 Delivered Orders – Obligations Paid 10,000</p> <p><u>Proprietary</u> 6100 Operating Expenses/Program Costs 10,000 1125 U.S. Debit Card Funds 10,000</p> <p>To record appropriations used this fiscal year.</p> <p><u>Budgetary</u> N/A</p> <p><u>Proprietary</u> 3107 Unexpended Appropriations – Used 10,000 5700 Expended Appropriations 10,000</p>			<p>B606</p> <p>B134</p>

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Preclosing Trial Balance

USSGL Account	Debit	Credit
<u>Budgetary</u>		
4119 Other Appropriations Realized	25,000	
4610 Allotments – Realized Resources		10,000
4700 Commitments – Programs Subject to Apportionment		2,500
4902 Delivered Orders – Obligations, Paid		12,500
Total	25,000	25,000
<u>Proprietary</u>		
1010 Fund Balance With Treasury	10,000	
1125 U.S. Debit Card Funds	2,500	
3101 Unexpended Appropriations – Appropriations Received		25,000
3107 Unexpended Appropriations – Used	12,500	
5700 Expended Appropriations		12,500
6100 Operating Expenses/Program Costs	12,500	
Total	37,500	37,500

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Closing Entries

<p>1. To record the consolidation of actual net-funded resources and reductions for withdrawn funds.</p>	<p><u>Budgetary</u> 4201 Total Actual Resources - Collected 4119 Other Appropriations Realized</p> <p><u>Proprietary</u> N/A</p>	<p>25,000</p>	<p>25,000</p>	<p>F302</p>
<p>2. To record the closing of unobligated balances in programs subject to apportionment to unapportioned authority.</p>	<p><u>Budgetary</u> 4610 Allotments – Realized Resources 4700 Commitments – Programs Subject to Apportionment 4450 Unapportioned Authority</p> <p><u>Proprietary</u> N/A</p>	<p>10,000 2,500</p>	<p>12,500</p>	<p>F308</p>
<p>3. To record the closing of paid delivered orders to actual resources.</p>	<p><u>Budgetary</u> 4902 Delivered Orders – Obligations, Paid 4201 Total Actual Resources – Collected</p> <p><u>Proprietary</u> N/A</p>	<p>12,500</p>	<p>12,500</p>	<p>F314</p>
<p>4. To record closing of fiscal-year activity to unexpended appropriations.</p>	<p><u>Budgetary</u> N/A</p> <p><u>Proprietary</u> 3101 Unexpended Appropriations – Appropriations Received 3100 Unexpended Appropriations – Cumulative</p> <p>3100 Unexpended Appropriations – Cumulative 3107 Unexpended Appropriations – Used</p>	<p>25,000 12,500</p>	<p>25,000 12,500</p>	<p>F342</p>

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5. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.	<u>Budgetary</u> N/A			F336
	<u>Proprietary</u> 5700 Expended Appropriations 3310 Cumulative Results of Operations	12,500	12,500	
	3310 Cumulative Results of Operations 6100 Operating Expenses/Program Costs	12,500	12,500	

Postclosing Trial Balance

USSGL Account	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources – Collected	12,500	
4450 Unapportioned Authority		12,500
Total	12,500	12,500
<u>Proprietary</u>		
1010 Fund Balance With Treasury	10,000	
1125 U.S. Debit Card Funds	2,500	
3100 Unexpended Appropriations – Cumulative		12,500
3310 Cumulative Results of Operations		
Total	12,500	12,500

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SF 133: STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES

Unobligated balance:

1000 Brought forward, October 1 (+ or -) (4201B) 0

1050 Unobligated balance, total 0

Budget Authority:

Appropriations:

Appropriations (disc.):

1100 Appropriation (special fund) (disc.) (4119E) 25,000

1160 Appropriation (disc.) (total) 25,000

This line is calculated. Equals sum of lines 1100 through 1152.

1900 Budget authority total (disc. and mand.) 25,000

This line is calculated. Equals sum of detail lines 1100 through 1842. Also equals sum of lines 1050, 1160, 1180, 1260, 1280, 1340, 1440, 1540, 1640, 1750, and 1850.

1910 Total budgetary resources (disc. and mand.) 25,000

This line is calculated. Equals sum of detail lines 1100 through 1901. Also equals sum of lines 1900 and 1901.

STATUS OF BUDGETARY RESOURCES

Obligations incurred:

Direct:

2001 Category A (4902E) 12,500

2004 Direct Obligations (total) 12,500

Unobligated balance

Apportioned

2201 Available in the current period (4610 +4700E) 12,500

2500 Total Budgetary Resources (calc) 25,000

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CHANGE IN OBLIGATED BALANCES

Change in obligated balance during the year:

Obligations incurred (gross):	
3030 Unexpired accounts (4902E)	12,500
Outlays (gross) (4902E)	(12,500)
3100 Obligated balance, end of year (net)	0

BUDGET AUTHORITY AND OUTLAYS, NET

Discretionary budget authority, outlays, and offsets:

Budget authority, gross (disc.)	
4000 Budget authority, gross (disc.)	25,000
Outlays, gross (disc.)	
4010 Outlays from new discretionary authority (4902E)	12,500
4020 Total outlays, gross (disc.)	12,500
4070 Budget authority, net (disc.)	25,000
4080 Outlays, net (disc.)	12,500
Budget authority and outlays, net (disc. and mand.)	
4180 Budget authority, net (disc. and mand.)	25,000
4190 Outlays, net (disc. And man.)	12,500

FMS 2108: YEAREND CLOSING STATEMENT

Column 2. Preclosing Unexpended Balance – Treasury Supplied	10,000
Column 5. Postclosing Unexpended Balance (1010E)	10,000
Column 6. Other Authorizations	2,500
Column 7. Reimbursements Earned and Refunds	0
Column 8. Unfilled Customer Orders	0
Column 9. Undelivered Orders and Contracts	0
Column 10. Accounts Payable and Other Liabilities	0
Column 11. Unobligated Balance (4610E, 4700E)	12,500
(Columns 5+6+7+8 = 9+10+11) (Column 2=5)	Yes/Yes

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CONSOLIDATED BALANCE SHEET

Assets:

Intragovernmental:

1. Fund Balance With Treasury (1010E)	10,000
6. Total Intragovernmental	10,000
7. Cash and Other Monetary Assets (1125E)	2,500
15. Total Assets	12,500

Liabilities:

28. Total Liabilities	0
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Net Position:

31. Unexpended Appropriations – Other Funds (3100E, 3107E)	12,500
33. Cumulative Results of Operations (5700E, 6100E)	0
34. Total Net Position	12,500
35. Total Liabilities and Net Position	12,500

CONSOLIDATED STATEMENT OF NET COST

Program Costs:

1. Gross costs (6100E)	12,500
2. Less: Earned Revenue	0
3. Net Program Costs (calc.)	12,500
4. Costs not assigned to programs	0
5. Less: Earned revenue not attributed to programs	0
6. Net cost of operations	12,500

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CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

Cumulative Results of Operations:

1. Beginning Balances	0
3. Beginning Balances, As Adjusted	0

Budgetary Financing Sources:

5. Appropriations Used (5700E)	12,500
14. Total Financing Sources	12,500
15. Net Cost of Operations	12,500
16. Net Change	0
17. Cumulative Results of Operations	0

Unexpended Appropriations:

18. Beginning Balances	0
20. Beginning Balances, As Adjusted	0

Budgetary Financing Sources:

21. Appropriations Received (3101E)	25,000
24. Appropriations Used (3107E)	(12,500)
25. Total Budgetary Financing Sources	12,500
26. Total Unexpended Appropriations (calc 20+25)	12,500
27. Net Position (calc 17+26)	12,500

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Proprietary Attribute Table

USSGL Account		USSGL Account Attributes							
No.	USSGL Account Title	Normal Bal. Ind.	Fed/NonFed	Trading Partner	Exch/ NonExhc	Budget Subfunction	Cust/ NonCust	Entity/ NonEntity	Covered/ NotCov
1125	U.S. Debit Card Funds	D	N					Y	

USSGL Crosswalk Table

USSGL Account Number	Balance Sheet	Net Cost	Net Position	Custodial Activity	Reclass Balance Sheet	Reclass Net Cost	Reclass Net Position
1125	7	N/A	N/A	N/A	2.1	N/A	N/A