

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> <tr> <td></td> <td><u>Debit</u></td> <td><u>Credit</u></td> </tr> <tr> <td>1010</td> <td>1,000</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td>1,000</td> </tr> </table> <p><u>Budgetary</u></p> <table> <tr> <td>4201</td> <td>1,000</td> <td></td> </tr> <tr> <td>4450</td> <td></td> <td>1,000</td> </tr> </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> <tr> <td></td> <td><u>Debit</u></td> <td><u>Credit</u></td> </tr> <tr> <td>1010</td> <td>0</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td>0</td> </tr> </table> <p><u>Budgetary</u></p> <table> <tr> <td>4201</td> <td>0</td> <td></td> </tr> <tr> <td>4450</td> <td></td> <td>0</td> </tr> </table>		<u>Debit</u>	<u>Credit</u>	1010	0		3100		0	4201	0		4450		0
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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> <table> <tr> <td>4450 Unapportioned Authority</td> <td>1,000</td> <td></td> </tr> <tr> <td>4510 Apportionments</td> <td></td> <td>1,000</td> </tr> </table>	4450 Unapportioned Authority	1,000		4510 Apportionments		1,000	<p><u>Proprietary</u></p> <p>No entry</p> <p><u>Budgetary</u></p> <p>No entry</p>																								
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3. In year 2, the actual transfer of authority based on an approved allocation transfer	<p><u>Proprietary</u></p> <table> <tr> <td>3100 Unexpended Appropriations</td> <td>100</td> <td></td> </tr> <tr> <td>1010 Fund Balance with</td> <td></td> <td></td> </tr> </table>	3100 Unexpended Appropriations	100		1010 Fund Balance with			<p><u>Proprietary</u></p> <table> <tr> <td>1010 Fund Balance with Treasury</td> <td>100</td> <td></td> </tr> <tr> <td>3100 Unexpended Appropriations</td> <td></td> <td>100</td> </tr> </table>	1010 Fund Balance with Treasury	100		3100 Unexpended Appropriations		100																		
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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>Inter-agency agreement (IAG) is recorded for \$100. The SF 1151 is prepared and processed.</p>	<p style="text-align: center;">Treasury 100</p> <p><u>Budgetary</u></p> <p>4510 Apportionments 100</p> <p style="padding-left: 40px;"><u>4176 Allocation Transfer - Prior Year Balances</u> 100</p>	<p><u>Budgetary</u></p> <p><u>4176 Allocation Transfer - Prior Year Balances</u> 100</p> <p>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></p> <p>4510 Apportionments 100</p> <p style="padding-left: 40px;">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></p> <p>4610 Allotments-Realized Resources 50</p> <p>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>Budgetary</u> No Entry</p>	<p><u>Proprietary</u> No Entry</p> <p><u>Budgetary</u></p> <p>4700 Commitments 50</p> <p>4801 Unexpended Obligations</p>

				- 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> 900 900 3100 900 <u>Budgetary</u> 4176 100 4201 1,000 4450 0 4510 900			<u>Proprietary</u> 1010 <u>Debit</u> <u>Credit</u> 50 50 3100 50 5700 50 6100 50 <u>Budgetary</u> 4176 <u>100</u> 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>			
9a. To consolidate resources	<u>Year Balances</u>		100	
	4201 Total Actual Resources- Collected			100
9b. To close expended authority	No Entry			
9c. To record expired authority	4510 Apportionments		900	
	4650 Allotments-Expired Authority			900
<u>Proprietary</u>				
9d. To close expenses to cumulative results of operations	No Entry			
9e. To close expended appropriations used to cumulative results of operations.				
		4201 Total Actual Resources- Collected		100
		<u>4176 Allocation Transfer - Prior</u>		
		<u>Year Balances</u>		100
		4902 Expended Authority -Paid		50
		4201 Total Actual Resources- Collected		50
		4610 Allotments-Realized Resources		50
		4650 Allotments-Expired Authority		50
		3310 Cumulative Results of Operations		50
		6100 Operating Expenses/Program Costs		50
		5700 Expended Appropriations Used		50
		3310 Cumulative Results of Operations		50

<p>10. Postclosing trial balance is prepare.</p>	<p><u>Proprietary</u></p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td>1010</td> <td style="text-align: right;">900</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td style="text-align: right;">900</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;">0</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;">900</td> </tr> </table>		<u>Debit</u>	<u>Credit</u>	1010	900		3100		900	 			<u>Budgetary</u>			4176		0	4201	900		4450		0	4510		0	4650		900	<p><u>Proprietary</u></p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td>1010</td> <td style="text-align: right;">50</td> <td></td> </tr> <tr> <td>3100</td> <td></td> <td style="text-align: right;">50</td> </tr> <tr> <td>3310</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;">0</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;">50</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> </table>		<u>Debit</u>	<u>Credit</u>	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
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<p>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.</p>	<p><u>Proprietary</u></p> <table border="0"> <tr> <td>1010 Fund Balance with Treasury</td> <td style="text-align: right;">50</td> <td></td> </tr> <tr> <td>3100 Unexpended Appropriations</td> <td></td> <td style="text-align: right;">50</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td colspan="3"><u>Budgetary</u></td> </tr> <tr> <td>4176 Allocation Transfer - Prior Year Balances</td> <td></td> <td style="text-align: right;">50</td> </tr> <tr> <td>4650 Allotments - Expired Authority</td> <td></td> <td style="text-align: right;">50</td> </tr> </table>	1010 Fund Balance with Treasury	50		3100 Unexpended Appropriations		50	 			<u>Budgetary</u>			4176 Allocation Transfer - Prior Year Balances		50	4650 Allotments - Expired Authority		50	<p><u>Proprietary</u></p> <table border="0"> <tr> <td>3100 Unexpended Appropriations</td> <td style="text-align: right;">50</td> <td></td> </tr> <tr> <td>1010 Fund Balance with Treasury</td> <td></td> <td style="text-align: right;">50</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 style="text-align: right;">50</td> <td></td> </tr> <tr> <td>4176 Allocation Transfer - Prior Year Balances</td> <td></td> <td style="text-align: right;">50</td> </tr> </table>	3100 Unexpended Appropriations	50		1010 Fund Balance with Treasury		50	 			<u>Budgetary</u>			4650 Allotments - Expired Authority	50		4176 Allocation Transfer - Prior Year Balances		50																																				
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<p>12. Unadjusted trial balance prior to cancellation</p>	<p><u>Proprietary</u></p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <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> </table>		<u>Debit</u>	<u>Credit</u>	1010	950		3100		950	<p><u>Proprietary</u></p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <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> </table>		<u>Debit</u>	<u>Credit</u>	1010	0		3100		0																																																						
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13. An adjusting entry is made to cancel the expired authority.	<u>Proprietary</u> 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
14. Preclosing adjusted trial balance is prepared.	<u>Proprietary</u> <u>Debit</u> <u>Credit</u> 1010 0 3100 0 <u>Budgetary</u> 4176 50 4201 900 4350 950	<u>Proprietary</u> <u>Debit</u> <u>Credit</u> 1010 0 3100 0 <u>Budgetary</u> 4176 50 4201 50 4350 0

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

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 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</p>	<p>2. Unobligated balance, 2A. Brought forward, Oct 1</p> <p style="padding-left: 40px;">4201B</p> <p style="text-align: right;">\$1000</p> <p>2B. Net transfers, prior year balance, actual (+ or -)</p> <p style="padding-left: 40px;">4176E \$(100)</p> <p style="padding-left: 40px;">4176E <u>100</u></p> <p style="text-align: right;">\$ 0</p> <p>7. Total resources</p> <p style="text-align: right;">\$1000</p> <p>8. Obligations incurred 8A. Direct</p> <p style="padding-left: 40px;">4902E</p> <p style="text-align: right;">\$ 50</p>	
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<p>both the parent account and the related transfer appropriation accounts.</p>	<p>9. Unobligated balance 9A1. Apportioned, available</p> <p style="padding-left: 40px;">4510E \$ 900 4610E 50</p> <p>11. Total status \$1000</p>	
<p>17B. USSGL 2108</p> <p>The parent reports both the parent TAFS activity and the transfer TAFS activity on the USSGL 2108. However, for the USSGL 2108, the parent TAFS and the transfer TAFS maintain a separate identity.</p>	<p><u>Parent TAFS</u></p> <p>Col 2: Provided by Treasury \$900 Col 5: 1010E \$900 Col 11:4510E \$900</p> <p><u>Transfer TAFS</u></p> <p>Col 2: Provided by Treasury \$ 50 Col 5: 1010E \$ 50 Col 11:4610E \$ 50</p>	

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.