

Accounting for Transfer of Authority with Obligations

Presentation to the Standard General Ledger Board

February 13, 1997, Updated 12/99

In the original scenario SGL account 4201 was used to offset 4831 and 4832 when obligated balances were transferred. After this scenario was approved, it was determined that SGL account 4201 should not be used when obligated balances are transferred. A new SGL account, 4195 Transfer of Obligated Balances, was established to be used with 4831 and 4832 when obligated balances are transferred. This updated scenario reflects the use of 4195. References to section 3 of the SGL TFM are also included in this update.

TRANSFER OF AUTHORITY WITH UNDELIVERED ORDERS

In this scenario, funds are transferred from one Treasury symbol to another Treasury symbol. Such transfers are usually authorized by specific legislation. Both the transferring appropriation and the receiving appropriation are assumed to be annual, multi year, or no year. **The main intent is to illustrate a transfer of appropriation authority in which the authority has been obligated by the transferring appropriation.** The role of the receiving appropriation is to assume the undelivered orders along with the funding to liquidate the orders.

Transactions are not provided beyond the transfer year. For illustrative purposes, the transfer is assumed to occur subsequent to the first year of the appropriation. Also, for annual or multi year appropriations, the transfer is assumed to occur prior to the cancellation of the appropriation. Also for illustrative purposes, all unexpended appropriation authority has been obligated in the amount of \$500.

The transferring agency reports the transfer activity on the SF-133, and at the end of the fiscal year reports applicable data on the USSGL-2108 and FACTS, and prepares audited financial statements. The transferring appropriation ceases budgetary and proprietary responsibility once the transfer of funds has been accomplished. However, the transferring agency will continue to report an SF-133 through the end of the fiscal year in which the transfer occurred unless circumstances or instructions indicate otherwise.

PROPOSED NEW ACCOUNTS

Account Title: Unexpended Obligations, Transferred - Unpaid
Account Number: 4831
Normal Balance: Either

Definition: The amount of goods and services ordered and obligated in one appropriation and transferred to or from another appropriation, which have not been actively or constructively received and for which amounts have not been prepaid or advanced at the time of transfer. Also includes the amount of unexpended obligations for awarded grants, program subsidies, direct and guaranteed loan program costs, undisbursed loans and claims, and similar transactions for which an advance or prepayments has not been made. In the FACTS II data base, the normal balance assigned to this account is Acredit@.

Account Title: Unexpended Obligations, Transferred - Paid
Account Number: 4832
Normal Balance: Either

Definition: The amount of goods and services ordered and obligated in one appropriation and transferred to or from another appropriation, which have not been actively or constructively received but have been prepaid or advanced at the time of transfer. Also includes the amount of unexpended obligations for awarded grants, program subsidies, direct and guaranteed loan program costs, undisbursed loans and claims, and similar transactions for which an advance or prepayments has not been made. In the FACTS II data base, the normal balance assigned to this account is Acredit@.

Unexpended Obligations, Transferred - Unpaid

For illustration purposes, the receiving appropriation has no other source of funding besides the transfer of the authority already obligated. The receiving agency reports the transfer activity on the SF-133 as well as subsequent activity and at the end of the fiscal year reports applicable data on the USSGL-2108 and FACTS, and prepares audited financial statements with applicable data.

1. The following is the trial balance of the transferring and receiving appropriations prior to transfer of authority.

| Transferring Agency | | | Receiving Agency | | |
|---------------------|----------|-----|------------------|---|----------|
| 1010 | 500 | | 1010 | 0 | |
| 3100 | | 500 | 3100 | | 0 |
| 4201 | 500 | | 4201 | 0 | |
| 4801 | | 500 | 4801 | | 0 |
| 4831 | 0 | | 4831 | | 0 |

2. To record the actual transfer of \$500 in authority and obligations from a prior unexpired budget year. The 1151 is prepared and processed.

| | | | |
|--|------------|----|------|
| Transferring Appropriation | | | |
| <u>BUDGETARY</u> | | | |
| 4831 Unexpended Obligations, Transferred - Unpaid | 500 | | A254 |
| 4195 Transfer of Obligated Balances | | | |
| | | 50 | |
| | | 0 | |
| <u>PROPRIETARY</u> | | | |
| 3100 Unexpended Appropriations | 500 | | |
| 1010 Fund Balance With Treasury | | | |
| | | 50 | |
| | | 0 | |

| | | |
|--|-----|-----------|
| Receiving Appropriation | | |
| <u>BUDGETARY</u> | | |
| 4195 Transfer of Obligated Balances | 500 | A254 |
| 4831 Unexpended Obligations, Transferred - Unpaid | | |
| | | 50 |
| | | 0 |
| <u>PROPRIETARY</u> | | |
| 1010 Fund Balance With Treasury | 500 | |
| 3100 Unexpended Appropriations | | 50 |
| | 0 | |

3. The receiving appropriation liquidates \$100 of the undelivered orders that were transferred.

| | | |
|--------------------------------------|-----|------|
| Transferring Appropriation | | |
| No Entry | | |
| Receiving Appropriation | | |
| <u>BUDGETARY</u> | | |
| 4801 Unexpended Obligations - Unpaid | 100 | B302 |
| 4902 Expended Authority - Paid | | B110 |
| | | 100 |
| <u>PROPRIETARY</u> | | |
| 6100 Operating/Program Expense | 100 | |
| 1010 Fund Balance With Treasury | | 100 |
| 3100 Unexpended Appropriations | 100 | |
| 5700 Appropriations Used | | B134 |
| | | 10 |
| | 0 | |

4. No other activity occurred during the fiscal year. A trial balance prior to closing is as follows:

| Transferring Agency | | | Receiving Agency | | |
|---------------------|------------|-----|------------------|-----|------------|
| 1010 | 0 | | 1010 | 400 | |
| 3100 | | 0 | 3100 | | 400 |
| 5700 | | | 5700 | | 100 |
| 6100 | | | 6100 | 100 | |
| | | | | | |
| 4195 | | 500 | 4195 | 500 | |
| 4201 | 500 | | 4201 | 0 | |
| 4801 | | 500 | 4801 | 100 | 0 |
| 4831 | 500 | | 4831 | | 500 |
| 4902 | | | 4902 | | 100 |

5. SF 133

Transferring

Receiving

Resources

| | | | |
|---------------------------------|-----------------|---------|--|
| 2. Unobligated Bal, frwd | 4201B- 4801B | 500-500 | |
| 7. Total Budget Resources | CALC | 0 | |

Status

| | | | |
|--------------------------------|------------------|---------|-------------|
| 8A. Obligations Incurred | 4801E-B 4902E | 500-500 | -100 100 |
| 11. Total Status | CALC | 0 | 0 |

Relation of Obligations to Outlays

| | | | |
|------------------------------|-----------------------|-------------|-------------|
| 12.Obligated Bal net 10/1 | 4801B | 500 | |
| 13.Obligated bal trsfrd | 4831E | -500 | 500 |
| 14C.Obligated net, EOP | 4801E 4831E | 500 -500 | -100 500 |
| 15. Outlays | 4902E | 0 | 100 |

Calculation for line 15:

| | | | |
|------------------------------------|--------------|------|--------|
| +8 | | 0 | 0 |
| -3a,b,d | | NA | NA |
| -4a | | NA | NA |
| +12 | | 500 | NA |
| +/-13**** | | -500 | 500 |
| -(-14a | | NA | NA |
| -14b | | NA | NA |
| +14c**** | | 0 | -(400) |
| +14d) | | NA | NA |
| Outlays | | 0 | 100 |
| ****Change Xwalk to include | | | |
| 13. | 4831E | -500 | 500 |
| 14c. | 4831E | -500 | 500 |

6. TFS 2108

| | | <u>Transferring</u> | <u>Receiving</u> |
|---|---------------------|---------------------|------------------|
| Col 5. Postclosing unexpend bal. | 1010 | 0 | 400 |
| Col 9. Undelivered Orders | 4801 4831 | 500 -500 | -100 500 |
| Col 11. Unobligated bal. should = | | 0 | 0 |
| +col 5 | | 0 | 400 |
| +col 6 | | NA | NA |
| +col 7 | | NA | NA |
| +col 8 | | NA | NA |
| -col 9 | | 0 | 400 |
| -col 10 | | NA | NA |
| =col 11 | | 0 | 0 |

7. Closing entries are as follows:

| | | | |
|--|-----|------------|------|
| Transferring Agency | | | |
| <u>BUDGETARY</u> | | | |
| (a) To consolidate resources | | | |
| 4195 Transfer of Obligated Balances | 500 | | F204 |
| 4201 Total Actual Resources - Collected | | 500 | |
| (b) To close unexpended obligations transferred - unpaid | | | |
| 4801 Unexpended Obligations - Unpaid | | 500 | F227 |
| 4831 Unexpended Obligations, Transferred - Unpaid | | | |
| | | 500 | |
| <u>PROPRIETARY</u> | | | |
| None | | | |
| Receiving Agency | | | |
| <u>BUDGETARY</u> | | | |
| (a) To consolidate resources | | | |
| 4201 Total Actual Resources - Collected | 500 | | F204 |
| 4195 Transfer of Obligated Balances | | 500 | |
| (b) To close unexpended obligations transferred. | | | |
| 4831 Unexpended Obligations, Transferred - Unpaid | | | F226 |
| | | 500 | |
| 4801 Unexpended Obligations - Unpaid | | | |
| | | 500 | F214 |
| (c) To close expended appropriations. | | | |
| 4902 Expended Authority - Paid | 100 | | |
| 4201 Total Actual Resources - Collected | | | F228 |
| | | 100 | |
| <u>PROPRIETARY</u> | | | F228 |
| (d) To close appropriations used and expenses. | | | |
| 5700 Expended Appropriations | 100 | | |
| 3310 Cumulative Results of Operations | | 100 | |

| | | |
|---------------------------------------|-----|-----|
| 3310 Cumulative Results of Operations | 100 | |
| 6100 Operating Expenses/Program Costs | | 100 |

8. A trial balance subsequent to closing is as follows:

| Transferring Agency | | | Receiving Agency | | |
|---------------------|---|---|------------------|-----|-----|
| 1010 | 0 | | 1010 | 400 | |
| 3100 | | 0 | 3100 | | 400 |
| 5700 | | | 5700 | | 0 |
| 6100 | | | 6100 | 0 | |
| 4195 | | 0 | 4195 | 0 | |
| 4201 | 0 | | 4201 | 400 | |
| 4801 | | 0 | 4801 | | 400 |
| 4831 | 0 | | 4831 | | 0 |
| 4902 | | | 4902 | | 0 |

| | | | |
|--------------------|---|-----|--|
| <u>BUDGETARY</u> | | | A256 |
| 4195 | Transfer of Obligated Balances | 500 | |
| | 4832 Unexpended Obligations, Transferred - | | |
| | | | Pr ep aid /A dv an ce d |
| | | | 50 0 |
| <u>PROPRIETARY</u> | | | |
| 1410 | Advances to Others | 500 | |
| | 3100 Unexpended Appropriations | | |
| | | | 50 0 |

3. The receiving appropriation liquidates \$100 of the undelivered orders that were transferred.

| | | | |
|--|---|-----|------|
| Transferring Appropriation No Entry | | | |
| Receiving Appropriation | | | |
| <u>BUDGETARY</u> | | | B404 |
| 4802 | Unexpended Obligations - Prepaid/Advanced | 100 | |
| 4902 | Expended Authority - Paid | | 100 |
| <u>PROPRIETARY</u> | | | |
| 6100 | Operating Expenses/Program Costs | 100 | |
| 1410 | Advances to Others | | 100 |
| 3100 | Unexpended Appropriations | 100 | |
| 5700 | Expended Appropriations | | 100 |
| | | | B134 |

4. No other activity occurred during the fiscal year. A trial balance prior to closing is as follows:

| Transferring Agency | | | Receiving Agency | | |
|---------------------|------------|-----|------------------|-----|------------|
| 1410 | 0 | | 1410 | 400 | |
| 3100 | | 0 | 3100 | | 400 |
| 5700 | | | 5700 | | 100 |
| 6100 | | | 6100 | 100 | |
| | | | | | |
| 4195 | | 500 | 4195 | 500 | |
| 4201 | 500 | | 4201 | 0 | |
| 4802 | | 500 | 4802 | 100 | 0 |
| 4832 | 500 | | 4832 | | 500 |
| | | | 2 | | |
| 4902 | | | 4902 | | 100 |

5. SF 133

Transferring

Receiving

Resources

| | | | |
|---------------------------------|-----------------|---------|--|
| 2. Unobligated Bal, frwd | 4201B- 4802B | 500-500 | |
| 7. Total Budget Resources | CALC | 0 | |

Status

| | | | |
|--------------------------------|------------------|---------|-------------|
| 8A. Obligations Incurred | 4802E-B 4902E | 500-500 | -100 100 |
| 11. Total Status | CALC | 0 | 0 |

Relation of Obligations to Outlays

| | | | |
|--|-----------------------|---------|-------------|
| 12. Obligated Bal net 10/1 | 4801B 4901B | | |
| 13. Obligated bal trsfrrd (Unpaid only) | 4831 | | |
| 14C. Obligtat net, EOP | 4801E 4831E | | |
| 15. Outlays | 4802E-B 4902E | 500-500 | -100 100 |

Calculation for line 15:

| | | | |
|---------|----|----|----|
| +8 | | 0 | 0 |
| -3a,b,d | | NA | NA |
| -4a | | NA | NA |
| +12 | | NA | NA |
| +/-13 | | NA | NA |
| -(-14a | | NA | NA |
| -14b | | NA | NA |
| +14c | NA | | NA |
| +14d) | | NA | NA |
| Outlays | | 0 | 0 |

6. TFS 2108

| | | <u>Transferring</u> | <u>Receiving</u> |
|---|---------------------|---------------------|------------------|
| Col. 5 Postclosing unexpend bal. | 1010 | NA | NA |
| Col. 9 Undelivered Orders (Unpaid only) | 4801 4831 | NA NA | NA NA |
| Col. 11 Unobligated bal. should = | | 0 | 0 |
| +col 5 | | NA | NA |
| +col 6 | | NA | NA |
| +col 7 | | NA | NA |
| +col 8 | | NA | NA |
| -col 9 | | NA | NA |
| -col 10 | | NA | NA |
| =col 11 | | 0 | 0 |

7. Closing entries are as follows:

| | | | |
|--|------------|-----------|------------|
| Transferring Agency | | | |
| <u>BUDGETARY</u> | | | |
| (a) To consolidate resources | | | |
| 4195 Transfer of Obligated Balances | 500 | | F20 |
| 4201 Total Actual Resources - Collected | | 500 | 4 |
| (b) To close undelivered orders transferred | | | |
| 4802 Unexpended Obligations - Prepaid/Advanced | 500 | | F22 |
| 4832 Unexpended Obligations, Transferred - Prepaid/Advanced | | 5 | 4 |
| | | 00 | |
| <u>PROPRIETARY</u> | | | |
| None | | | |
| Receiving Agency | | | |
| <u>BUDGETARY</u> | | | |
| (a) To consolidate resources | | | |
| 4201 Total Actual Resources - Collected | 500 | | F204 |
| 4195 Transfer of Obligated Balances | | 500 | |
| (b) To close undelivered orders transferred. | | | |
| 4832 Unexpended Obligations Transferred - Prepaid/advanced | 500 | | F222 |
| 4802 Unexpended Obligations - Prepaid/Advanced | | 500 | |
| (c) To close expended appropriations. | | | |
| 4902 Expended Authority - Paid | 100 | | F214 |
| 4201 Total Actual Resources-Collected | | 100 | |
| <u>PROPRIETARY</u> | | | |
| (d) To close appropriations used and expenses. | | | |
| 5700 Expended Appropriations | 100 | | F228 |
| 3310 Cumulative Results of Operations | | 100 | |
| 3310 Cumulative Results of Operations | 100 | | |
| 6100 Operating Expenses/Program Costs | | | |
| | | | 10 |

| | |
|---|--|
| 0 | |
|---|--|

8. A trial balance subsequent to closing is as follows:

| Transferring Agency | | | Receiving Agency | | |
|---------------------|----------|---|------------------|-----|----------|
| 1410 | 0 | | 1410 | 400 | |
| 3100 | | 0 | 3100 | | 400 |
| 5700 | | | 5700 | | 0 |
| 6100 | | | 6100 | 0 | |
| | | | | | |
| 4195 | | 0 | 4195 | 0 | |
| 4201 | 0 | | 4201 | 400 | |
| 4801 | | 0 | 4802 | | 400 |
| 4832 | 0 | | 4832 | | 0 |
| | | | | | |
| 4902 | | | 4902 | | 0 |