

**GUIDE FOR BASIC ACCOUNTING AND REPORTING**  
**ACCOUNTING FOR EARLY CANCELLATION OF THE ENTIRE**  
**APPROPRIATION**

**PREPARED BY:**

**UNITED STATES STANDARD GENERAL LEDGER DIVISION**  
**ACCOUNTING SYSTEMS AND STANDARDS DIRECTORATE**  
**GOVERNMENTWIDE ACCOUNTING**  
**BUREAU OF THE FISCAL SERVICE**  
**U.S. DEPARTMENT OF TREASURY**

## Accounting for Early Cancellation of the Entire Appropriation

Version Number	Date	Description of Change	Effective USSGL TFM
1.0	5/11/2007	Original	S2-06-02
2.0	01/30/2010	Updated account numbers, account titles, crosswalks, and formatting.	S2-10-01

## Accounting for Early Cancellation of the Entire Appropriation

### Background

This scenario illustrates an early cancellation in a no-year Treasury Appropriation Fund Symbol (TAFS).

Per Office of Management and Budget (OMB) Circular No. A-11, Section 130.14, dated July 2010):

“Legitimately incurred obligations that have not been disbursed (i.e. paid) at the time a TAFS is canceled cannot be paid from the canceled obligated or unobligated balances of the canceled TAFS.

After a TAFS is canceled, any obligations or adjustments to obligations that would have been properly chargeable to that TAFS may be disbursed from an unexpired TAFS that is available for obligation for the same purpose as the closed TAFS....”

Per the Treasury Financial Manual (TFM) Volume I, Yearend Closing Bulletin (<http://tfm.fiscal.treasury.gov/v1/bull.html>):

“If an agency must liquidate obligations after an account has been closed, it may use up to 1 percent of its current appropriation by reporting a SOT [Statement of Transactions] for the current TAFS using the 46 subclass. OMB provides guidance in OMB Circular No. A-11, Section 130.14, on liquidating obligations after an account has been closed. Agencies deposit collections received after an account has been closed in miscellaneous receipts account 3200, “Collections of Receivables From Canceled Accounts.”

This scenario uses USSGL TFM S2 10-02 (Part 2, Fiscal 2011 Reporting).

### Listing of USSGL Accounts Used in This Scenario

Account Number	Account Name
<b><u>Budgetary</u></b>	
4201	Total Actual Resources – Collected
4351	Partial or Early Cancellation of Authority With a U.S. Treasury Warrant
4450	Unapportioned Authority
<b><u>Proprietary</u></b>	
1010	Fund Balance With Treasury
3100	Unexpended Appropriations – Cumulative
3106	Unexpended Appropriations – Adjustments
<b><u>Memorandum</u></b>	
8101	Partial or Early Cancellation of Authority
8102	Offset for Partial or Early Cancellation of Authority

**Comment [d1]:** Suggest deleting this since these accounts and changes are currently in the USSGL TFM and are listed below in the Accounts Used in This Scenario section.

## Accounting for Early Cancellation of the Entire Appropriation

### Account Definitions

**Account Title:** Partial or Early Cancellation of Authority With a U.S. Treasury Warrant  
**Account Number:** 4351  
**Normal Balance:** Credit

**Definition:** The amount of annual, multi-year, or no-year appropriation authority that is canceled early by administrative action in a definite account, or by early cancellation of the entire appropriation. The cancellation will be accomplished with a U.S. Treasury Warrant

**Account Title:** Partial Authority Cancellation  
**Proposed Title:** Partial or Early Cancellation of Authority  
**Account Number:** 8101  
**Normal Balance:** Credit

**Definition:** The amount of authority canceled and recorded in USSGL account 4351 “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant.” This account will be maintained as a tracking mechanism for the Antideficiency Act. Antideficiency Act provisions continue to apply to canceled Treasury Appropriation Fund Symbols (TAFS) and to partially canceled authority in TAFS that are otherwise still valid, such as partial cancellation of authority in a no-year TAFS. The balance in USSGL account 4351, “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant” is reclassified into this account in a closing entry.

**Account Title:** Offset for Partial Authority Cancellation  
**Proposed Title:** Offset for Partial or Early Cancellation of Authority  
**Account Number:** 8102  
**Normal Balance:** Debit

**Definition:** To offset activity recorded in USSGL account 8101, Partial or Early Cancellation of Authority,” This account will be maintained as a tracking mechanism for the Antideficiency Act. Antideficiency Act provisions continue to apply to canceled Treasury Appropriation Fund Symbols (TAFS) and to partially canceled authority in TAFS that are otherwise still valid, such as partial cancellation of authority in a no-year TAFS.

## Accounting for Early Cancellation of the Entire Appropriation

### Beginning Trial Balance – Year X

USSGL	Debit	Credit
<b><u>Budgetary</u></b>		
4201 Total Actual Resources – Collected	1,000	
4450 Unapportioned Authority	<u>0</u>	<u>1,000</u>
<b>Total</b>	1,000	1,000
<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury	1,000	
3100 Unexpended Appropriations – Cumulative	<u>0</u>	<u>1,000</u>
<b>Total</b>	1,000	1,000

### Illustrative Transactions

There is no activity during the year and the entire fund is canceled early by administrative action.

1. To record the early cancellation. **Note:** The entire fund is canceled early, and the agency will request Treasury to process a warrant to return the fund balance. USSGL account 4351, “Partial or Early Cancellation of Authority With a U.S. Treasury Warrant,” will not crosswalk to the USSGL 2108: Yearend Closing Statement.

USSGL	Debit	Credit	TC
<b><u>Budgetary</u></b>			
4450 Unapportioned Authority	1,000		F122
4351 Partial or Early Cancellation of Authority With a U.S. Treasury Warrant		1,000	
<b><u>Proprietary</u></b>			
3106 Unexpended Appropriations – Adjustments	1,000		
1010 Fund Balance With Treasury		1,000	

### Preclosing Adjusted Trial Balance – Year X

USSGL	Program A	
	Debit	Credit
<b><u>Budgetary</u></b>		
4201 Total Actual Resources Collected	1,000	
4351 Partial or Early Cancellation of Authority With a U.S. Treasury Warrant	<u>0</u>	<u>1,000</u>
<b>Total</b>	1,000	1,000
<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury	0	
3100 Unexpended Appropriations – Cumulative	0	1,000
3106 Unexpended Appropriations – Adjustments	1,000	
<b>Total</b>	1,000	1,000

## Accounting for Early Cancellation of the Entire Appropriation

### Closing Entries – Year X

C1. To record closing of fiscal-year activity to unexpended appropriations.

USSGL	Program A		TC
	Debit	Credit	
<b><u>Budgetary</u></b> None			
<b><u>Proprietary</u></b> 3100 Unexpended Appropriations – Cumulative	1,000		F342
3106 Unexpended Appropriations – Adjustments		1,000	

C2. To reclassify canceled authority to memorandum accounts. **Note:** Only a TAFS with a balance in USSGL account 4351 should use USSGL accounts 8101 and 8102.

USSGL	Debit	Credit	TC
<b><u>Budgetary</u></b> 4351 Partial or Early Cancellation of Authority With a U.S. Treasury Warrant	1,000		F390
4201 Total Actual Resources – Collected		1,000	
<b><u>Proprietary</u></b> None			F301
<b><u>Memorandum</u></b> 8102 Offset for Partial or Early Cancellation of Authority	1,000		
8101 Partial or Early Cancellation of Authority		1,000	

### Postclosing Trial Balance

USSGL	Debit	Credit
<b><u>Budgetary</u></b> None		
<b><u>Proprietary</u></b> None		
<b><u>Memorandum</u></b> 8101 Partial or Early Cancellation of Authority		1,000
8102 Offset for Partial or Early Cancellation of Authority	<u>1,000</u>	<u>0</u>
<b>Total</b>	1,000	1,000

## Accounting for Early Cancellation of the Entire Appropriation

### External Reports

#### **SF 133: Report on Budget Execution and Budgetary Resources and Budget Program and Financing (P&F) Schedule Prior-Year Actual Column – Year X**

BUDGETARY RESOURCES	SF 133	P&F
Unobligated balance:		
1000 Unobligated Balance Brought Forward, October 1 (+or-) (4201B)	1,000	1,000
Adjustments to unobligated balance:		
1029 Other balances withdrawn (-) (4351E)	(1,000)	(1,000)
1910 Total budgetary resources	0	N/A
1930 Total budgetary resources available	N/A	0
<b>STATUS OF BUDGETARY RESOURCES</b>		
2500 Total budgetary resources	0	N/A
<b>CHANGE IN OBLIGATED BALANCES</b>	0	0
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>	0	0

#### **USSGL 2108: Yearend Closing Statement - Year X**

Column 2. Preclosing Unexpended Balance – Treasury Supplied	0*
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\*This amount has been reduced by the amount of the canceled unobligated balances that were processed via Treasury Warrant.

#### **Statement of Budgetary Resources**

<b>BUDGETARY RESOURCES</b>	
1. Unobligated balance; start of year (4201B)	1,000
6. Permanently not available (4351E)	(1,000)
7. Total budgetary resources	0
<b>STATUS OF BUDGETARY RESOURCES</b>	
11. Total status of budgetary resources	0
<b>CHANGE IN OBLIGATED BALANCES</b>	
	0
<b>NET OUTLAYS</b>	
	0

#### **Balance Sheet – Year X**

Net position:	
31. Unexpended Appropriations – Other Funds (3100B, 3106E)	0
35. Total Liabilities and Net Position	0

## Accounting for Early Cancellation of the Entire Appropriation

### Statement of Net Cost – Year X

No amounts to report	
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### Statement of Changes in Net Position – Year X

	Earmarked Funds	All Other Funds
Unexpended Appropriations:		
18. Beginning Balances (3100B)		1,000
20. Beginning Balances, as Adjusted		1,000
Budgetary Financing Sources:		
23. Other Adjustments (Rescissions, etc.) (3106E)		(1,000)
25. Total Budgetary Financing Sources (21..24)		(1,000)
26. Total Unexpended Appropriations (20+25)		0
27. Net Position (17+26)		0