

CANCELLATIONS

Available Trust or Special Funds With Invested Relationships

Effective Date

The effective date for new USSGL accounts 4356, “Cancellation of Appropriation from Invested Balances,” and 4357, “Cancellation of Appropriated Amounts Receivable From Invested Special or Trust Funds,” is fiscal 2007, with early implementation available for fiscal 2006.

Overview

This scenario illustrates the accounting for cancellations of available trust or special fund Treasury Appropriation Fund Symbols (TAFS) that have an investment relationship with another TAFS. A good example is that of Treasury-Managed Trust Funds (TMTF). Treasury-Managed Trust Funds maintain “corpus” accounts that primarily collect and invest earmarked receipts on behalf of another trust fund recipient entity. Those recipient trust fund entities are responsible for running the programs of that entity. In most cases, the TMTF TAFS maintains a payable on the books and the receiving TAFS maintains a receivable on the books, representing authority that resides with the receiving TAFS, however, the invested fund balance remains with the TMTF until the receiving TAFS is ready to disburse. Although fund balance is not to be transferred until needed for disbursement, the receiving TAFS may, on occasion, have a minimal residual balance remaining in USSGL 1010 “Fund Balance With Treasury.” Therefore, two new USSGL accounts are needed to accommodate this activity.

USSGL 4356, “Cancellation of Appropriation from Invested Balances,” is needed to account for the cancellation of unobligated balances in the receiving TAFS represented by fund balance (i.e. USSGL 1010 “Fund Balance With Treasury”). The movement of fund balance from the receiving TAFS back to the invested TAFS is accomplished via SF 1151: Nonexpenditure Transfer Authorization.

USSGL 4357, “Cancellation of Appropriated Amounts Receivable From Invested Special or Trust Funds,” is needed to account for the cancellation of unobligated balances in the receiving TAFS represented by a receivable in the receiving TAFS and a payable in the invested TAFS. There is NO movement of fund balance with this activity.

This scenario follows USSGL TFM S2-06-02a, fiscal 2007 crosswalks (2006 P&F crosswalk). The proposed new USSGL accounts are bolded throughout the scenario. The scenario is illustrative in nature and does not reflect all types of trust or special fund activity. Refer to USSGL TFM S2-06-02a for a complete listing of valid USSGL transactions.

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New USSGL Accounts

(Effective Fiscal 2007, Available for Early Implementation Fiscal 2006)

Account Title: Cancellation of Appropriation From Invested Balances
Account Number: 4356
Normal Balance: Credit

Definition: The amount of appropriated receipts in a trust or special fund expenditure account that is cancelled and returned to the originating invested trust or special fund from which the amount was originally derived. The amounts are to be returned via SF 1151: Nonexpenditure Transfer Authorization.

Account Title: Cancellation of Appropriated Amounts Receivable From Invested Trust or Special Funds
Account Number: 4357
Normal Balance: Credit

Definition: The amount of appropriated receipts in a trust or special fund expenditure account, represented as a receivable from an invested trust or special fund, that is cancelled. There is no movement of fund balance.

Account	Movement of Fund Balance	Treasury Action	SF 133	USSGL 2108	P&F
4356	From Expenditure TAFS back to Invested Expenditure TAFS	SF 1151	Line 6A	n/a	Line 2398 (unexpired only), Line 2441
4357	n/a	n/a	Line 6A	Column 11	Line 2398 (unexpired only), Line 2441

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The following USSGL accounts are used in this scenario:

**Account
Number**

Account Name

Budgetary

4123	Amounts Appropriated From Invested TAFS Reclassified – Receivable – Temporary Reduction/Cancellation
4124	Amounts Appropriated From Invested Fund TAFS Reclassified – Payable – Temporary Reduction/Cancellation
4126	Amounts Appropriated From Specific Invested TAFS – Receivable
4127	Amounts Appropriated From Specific Invested TAFS – Payable
4129	Amounts Appropriated From Specific Invested TAFS – Transfers-Out
4201	Total Actual Resources – Collected
4356	Cancellation of Appropriation From Invested Balances
4357	Cancellation of Appropriated Amounts Receivable From Invested Trust or Special Funds
4384	Temporary Reduction/Cancellation Returned by Appropriation
4394	Receipts Unavailable for Obligation Upon Collection
4650	Allotments - Expired Authority

Proprietary

1010	Fund Balance With Treasury
1330	Receivable for Transfers of Currently Invested Balances
1610	Investments in U.S. Treasury Securities Issued by the Bureau of the Fiscal Service
2150	Payable for Transfers of Currently Invested Balances
3310	Cumulative Results of Operations
5755	Nonexpenditure Financing Sources - Transfers-In
5765	Nonexpenditure Financing Sources - Transfers-Out

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USSGL Scenario

5th Expired Year (2006)

Beginning Trial Balances					
Invested/Transferring TAFS (20X8001)	DR	CR	Receiving TAFS (69 FY 8123)	DR	CR
BUDGETARY			BUDGETARY		
4127		20,000	4126	20,000	
4201	100,000		4201	2,000	
4394		80,000	4650		22,000
PROPRIETARY			PROPRIETARY		
1610	100,000		1010	2,000	
2150		20,000	1330	20,000	
3310		80,000	3310		22,000

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5th Expired Year (2006)

It is the end of the 5th expired year. The Receiving TAFS must 1) return all remaining fund balance to the Transferring account, and must 2) cancel all remaining authority and balances.

1. To record the cancellation of unobligated expired balances represented by fund balance. This transfer is accomplished via SF 1151: Nonexpenditure Transfer Authorization. Transactions of this nature are reflected by the Receiving TAFS as a “cancellation” on the SF 133 and P&F, and as a “return of fund balance” on the USSGL 2108.

1. The Receiving TAFS must cancel the expired balances, and return the associated fund balance back to the originating Transferring TAFS.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
<u>Budgetary Entry</u>				<u>Budgetary Entry</u>			
4129				4650	2,000		
Amounts Appropriated From				Allotments - Expired Authority			
Invested TAFS – Transfers-Out				4356 Cancellation of			
4394	2,000			Appropriation From			
Receipts Unavailable				Invested Balances		2,000	
for Obligation Upon							
Collection		2,000	A531				
			Proposed	<u>Proprietary Entry</u>			
			New	5765			
<u>Proprietary Entry</u>				Nonexpenditure Financing Sources -			
1010				Transfers-Out	2,000		
Fund Balance With Treasury				1010		2,000	
5755	2,000			Fund Balance With Treasury			F121
Nonexpenditure							
Financing Sources -							
Transfers-In		2,000					

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2. To record the cancellation of unobligated expired balances represented by receivables/payables.

2A. First, record the cancellation of the unobligated expired balances represented by receivables/payables.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
<u>N/A</u>				<u>Budgetary Entry</u> 4650 Allotments – Expired Authority 4357 Cancellation of Appropriated Amounts Receivable From Invested Trust or Special Funds	20,000	20,000	F123

2B. Second, record the reversal of the receivables/payables.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
<u>Budgetary Entry</u> 4127 Amounts Appropriated From Specific Invested TAFS – Payable 4124 Amounts Appropriated From Invested Fund TAFS Reclassified – Payable – Temporary Reduction/Cancellation	20,000		A522	<u>Budgetary Entry</u> 4123 Amounts Appropriated From Invested TAFS Reclassified – Receivable – Temporary Reduction/Cancellation 4126 Amounts Appropriated From Specific Invested TAFS – Receivable	20,000	20,000	A518
<u>Proprietary Entry</u> 2150 Payable for Transfers of Currently Invested Balances 5755 Nonexpenditure Financing Sources - Transfers-In	20,000	20,000		<u>Proprietary Entry</u> 5765 Nonexpenditure Financing Sources - Transfers-Out 1330 Receivable for Transfers of Currently Invested Balances	20,000	20,000	

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5th Expired Year (2006)

Pre-Closing Adjusted Trial Balances					
Invested/Transferring TAFS (20X8001)	DR	CR	Receiving TAFS (69 FY 8123)	DR	CR
BUDGETARY			BUDGETARY		
4124		20,000	4123	20,000	
4127		0	4126	0	
4129	2,000	0	4201	2,000	
4201	100,000	0	4356	0	2,000
4394	<u>0</u>	<u>82,000</u>	4357	0	20,000
Total	102,000	102,000	4650	<u>0</u>	<u>0</u>
			Total	22,000	22,000
PROPRIETARY			PROPRIETARY		
1010	2,000		1330	0	
2150		0	3310	0	22,000
1610	100,000	0	5765	<u>22,000</u>	<u>0</u>
3310	0	80,000	Total	22,000	22,000
5755	<u>0</u>	<u>22,000</u>			
Total	102,000	102,000			

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5th Expired Year (2006)

CLOSING ENTRIES

3. To reclassify a reduction/cancellation recorded in an invested TAFS.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
<u>Budgetary Entry</u>							
4124 Amounts Appropriated From Invested TAFS Reclassified – Payable – Temporary Reduction/Cancellation	20,000						
4384 Temporary Reduction/Cancellation Returned by Appropriation		20,000	F360	N/A			
<u>Proprietary Entry</u>							
N/A							

4. To record the consolidation of actual net-funded resources.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
<u>Budgetary Entry</u>							
4201 Total Actual Resources – Collected	2,000						
4129 Amounts Appropriated From Invested TAFS – Transfers-Out		2,000	F302	N/A			
<u>Proprietary Entry</u>							
N/A							

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5th Expired Year (2006)

CLOSING ENTRIES

5. To reclassify a reduction/cancellation recorded in an invested TAFS.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
N/A				<u>Budgetary Entry</u> 4357 Cancellation of Appropriated Amounts Receivable From Invested Trust or Special Funds 4123 Amounts Appropriated From Invested TAFS Reclassified – Receivable – Temporary Reduction/Cancellation <u>Proprietary Entry</u> N/A	20,000		F369
						20,000	

6. To record the consolidation of actual net-funded resources.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
N/A				<u>Budgetary Entry</u> 4356 Cancellation of Appropriation From Invested Balances 4201 Total Actual Resources – Collected <u>Proprietary Entry</u> N/A	2,000		F302
						2,000	

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5th Expired Year (2006)

CLOSING ENTRIES (continued)

7. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.							
Invested/Transferring TAFS (20X8001)	DR	CR	TC	Receiving TAFS (69 FY 8123)	DR	CR	TC
<u>Budgetary Entry</u> N/A				<u>Budgetary Entry</u> N/A			
<u>Proprietary Entry</u> 5755 Nonexpenditure Financing Sources - Transfers-In 3310 Cumulative Results of Operations	22,000		F336	<u>Proprietary Entry</u> 3310 Cumulative Results of Operations 5765 Nonexpenditure Financing Sources - Transfers-Out	22,000	22,000	F336
		22,000					

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5th Expired Year (2006)

Post-Closing Trial Balances					
Invested/Transferring TAFS (20X8001)	DR	CR	Receiving TAFS (69 FY 8123)	DR	CR
BUDGETARY			BUDGETARY		
4201	102,000		N/A		
4384	0	20,000			
4394	<u>0</u>	<u>82,000</u>			
Total	102,000	102,000			
PROPRIETARY			PROPRIETARY		
1010	2,000		N/A		
1610	100,000				
3310	<u>0</u>	<u>102,000</u>			
Total	102,000	102,000			

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5th Expired Year (2006)

Budgetary Reports

SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES	
Invested/Transferring TAFS (20X8001)	Receiving TAFS (69 FY 8123)
BUDGETARY RESOURCES	BUDGETARY RESOURCES
1. Unobligated balance:	1. Unobligated balance:
A. Brought forward, October 1 (4201B, 4126B, 4127B, 4394B) 0	A. Brought forward, October 1 (4201B, 4126B, 4127B) 22,000
7. Total budgetary resources 0	3. Budget authority:
STATUS OF BUDGETARY RESOURCES	A. Appropriation
11. Total status of budgetary resources 0	1. Actual (4123E, 4126E-B) 0
	6. Permanently not available (-)
	A. Cancellations of exp'd and no-year accts (-) (4356E, 4357E) (22,000)
	7. Total budgetary resources 0
	STATUS OF BUDGETARY RESOURCES
	9. Unobligated balance:
	B. Exempt from apportionment:
	1. Balance, currently available
	11. Total status of budgetary resources 0

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5th Expired Year (2006)

Budgetary Reports

USSGL 2108: YEAR-END CLOSING STATEMENT			
Invested/Transferring TAFS (20X8001)		Receiving TAFS (69 FY 8123)	
Column 5 Post-Closing Unexpended Balance (1010E)	2,000	Column 5 Post-Closing Unexpended Balance (1010E)	0
Column 6 Other Authorizations (1610E)	100,000	Column 7 Reimbursements Earned (4123E)	20,000
Column 10 Accounts Payable and Other Liabs (4124E)	20,000	Column 8 Unfilled Customer Orders	0
Column 11 Unobligated Balance (4394E)	82,000	Column 11 Unobligated Balance (4357E)	20,000
Columns 5+6+7+8 = 9+10+11		Columns 5+6+7+8 = 9+10+11	
102,000 = 102,000		20,000 = 20,000	

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5th Expired Year (2006)

Budgetary Reports

BUDGET PROGRAM AND FINANCING SCHEDULE (P&F)			
Invested/Transferring TAFS (20X8001)		Receiving TAFS (69 FY 8123)	
Budgetary Resources Available for Obligation		Memorandum Entry	
2140	Unob bal cf, soy (4126B, 4127B, 4201B, 4394B)	0	
2440	Unobligated bal CF, end of year	0	
Net Budget Authority and Outlays		Net Budget Authority and Outlays	
8900	Budget auth (net) (+) (same as 2200 and 8800..8896)	0	
9000	Outlays (net) (+) (sum 8690..8698 minus 8800..8845)	0	
			2441 Special and trust fund receipts ret to sch N (4356E, 4357E) 22,000
			8900 Budget auth (net) (+) (same as line 2200 and 8800..8896) 0
			9000 Outlays (net) (+) (sum 8690..8698 minus 8800..8845) 0

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5th Expired Year (2006)

OMB Form and Content Statements

BALANCE SHEET		
Invested/Transferring TAFS (20X8001)		Receiving TAFS (69 FY 8123)
Assets		
Intragovernmental		
1. Fund Balance With Treasury (1010E)	2,000	
2. Investments (1610E)	100,000	
15. Total Assets (calc 6..14)	102,000	
Liabilities		
Intragovernmental		N/A
28. Total Liabilities (calc 19..27)	0	
Net Position		
32. Cumulative Results of Operations – Earmarked Funds	102,000	
34. Total Net Position (calc 29..33)	102,000	
35. Total Liabilities and Net Position (calc 28+34)	102,000	

STATEMENT OF NET COST		
Invested/Transferring TAFS (20X8001)		Receiving TAFS (69 FY 8123)
N/A		N/A

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OMB Form and Content Statements

STATEMENT OF CHANGES IN NET POSITION					
Invested/Transferring TAFS (20X8001)			Receiving TAFS (69 FY 8123)		
	Earmarked Funds	All Other Funds		Cum Res of Ops	Unexp Approps
Cumulative Results of Operations:			Cumulative Results of Operations:		
1. Beg Balances (3310B)	80,000	0	1. Beg Balances (3310B)	22,000	0
2. Adjustments	0	0	2. Adjustments	0	0
3. Beginning Bal, As Adjusted (calc 1..2b)	80,000	0	3. Beginning Bal, As Adjusted (calc 1..2b)	22,000	0
Other Financing Sources (Nonexchange):			Other Financing Sources (Nonexchange)		
11. Transfers-In/Out Without Reimb (+/-) (5755E)	22,000		11. Transfers-In/Out Without Reimb (+/-) (5765E)	(22,000)	
14. Total Financing Sources (calc 4..13)	22,000	0	14. Total Financing Sources (calc 4..13)	(22,000)	0
15. Net Cost of Operations	0	0	15. Net Cost of Operations	0	0
16. Net Change (calc 14-15)	22,000	0	16. Net Change (calc 14-15)	(22,000)	0
17. Cumulative Results of Operations (calc 3+16)	102,000	0	17. Cumulative Results of Operations (calc 3+16)	0	0

STATEMENT OF FINANCING	
Invested/Transferring TAFS (20X8001)	Receiving TAFS (69 FY 8123)
N/A	N/A