

Nonexpenditure Transfers

Balance Transfers Resulting From a Legislative Change of Purpose

Effective Fiscal 2011

Background

Nonexpenditure transfers record the movement of fund balance and authority between two Treasury Appropriation Fund Symbol (TAFS) expenditure accounts. These transfers do not represent payments for goods and services; thus, they do not affect receipts or expenditures, nor do they affect the budget surplus or deficit.¹

Nonexpenditure transfers of *unobligated balances* are classified as either current-year authority or prior-year balance transfers. Generally, current-year transfers are reported as “Appropriation (budget authority) Transfers,” and prior-year transfers are reported as “Balance Transfers.” There is one exception, other than reappropriations. As outlined in Office of Management and Budget (OMB) Circular No. A-11, Section 20, when an unobligated balance transfer occurs as a result of *specific legislation that changes the purpose* for which the funds will be used, then that transfer is to be reflected as a *transfer of budget authority, that is, Appropriation Transfer*, rather than as a balance transfer.

Nonexpenditure transfers are accomplished via the on-line Governmentwide Accounting (GWA) System NET Application. When agencies initiate a nonexpenditure transfer, they must select the appropriate transfer type. The two transfer types relevant to this discussion are **Appropriation Transfers** (transfers of current-year authority) and **Balance Transfers** (transfers of prior-year balances). *Beginning November 2010*, agencies also will be required to select the appropriate budgetary USSGL account applicable to each transaction.

Issue and Proposal

Prior to this proposal, USSGL account 4170, “Transfers – Current-Year Authority,” captured both types of activity – transfers of current-year authority, as well as the exception for balance transfers where legislation has changed the purpose. For Budget² purposes and SF 133/P&F displays, that was accurate. OMB scores both types of activity as transfers of budget authority. However, a disconnect occurs when comparing the Budget presentations to the presentations in the Treasury Combined Statement (TCS). The TCS displays all transfers of prior-year unobligated unexpired balances as Balance Transfers. Therefore, having both types of activity in one account (USSGL account 4170) resulted in that account being mapped to two different transfer types in the GWA System NET Application.

¹ I TFM Part 2, Chapter 2000

² In this scenario, “Budget” refers to the Budget of the United States Government: Appendix.

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In order to avoid the split, while properly allowing the activity to be captured in the Budget and TCS in the appropriate places, two new USSGL accounts were proposed. These USSGL accounts represent nonexpenditure transfers of unobligated balances (both anticipated and realized) for which legislation has changed the purpose. They flow to the appropriate lines of the budgetary reports (SF 133 and P&F), as well as remain where they are needed for TCS purposes.

This proposal is effective fiscal 2011 (beginning October 1, 2010). The guidance contained within follows USSGL TFM S2 10-01 (June 2010), Part 2, Fiscal 2011 Reporting.

USSGL Accounts

Account Title: Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose
Account Number: 4183
Normal Balance: Debit

Definition: The amount of anticipated nonexpenditure transfers of prior-year unobligated balances between two unexpired Treasury Appropriation Fund Symbols resulting from legislation that changed the purpose for which the balances are available for obligation. These anticipated transfers are reflected as anticipated transfers of new budget authority on the SF 133: Report on Budget Execution and Budgetary Resources. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance.

Justification: *To establish an anticipated account that corresponds directly with newly proposed USSGL account 4193, “Balance Transfers - Unobligated Balances - Legislative Change of Purpose.”*

Account Title: Balance Transfers – Unobligated Balances – Legislative Change of Purpose
Account Number: 4193
Normal Balance: Debit

Definition: The amount of realized nonexpenditure transfers during the fiscal year of prior-year unobligated balances between two unexpired Treasury Appropriation Fund Symbols resulting from legislation that changed the purpose for which the balances are available for obligation. These balance transfers are reflected as transfers of new budget authority on the SF 133: Report on Budget

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Execution and Budgetary Resources and the Office of Management and Budget Program and Financing (P&F) Schedule. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance.

***Justification:** To make a distinction between nonexpenditure transfers of current-year authority and nonexpenditure balance transfers that result from a legislative change of purpose. With the addition of budgetary USSGL accounts linked to the specific transfer types in the revised Government Wide Accounting NET Module (effective November 2010), a new account is needed so that the activity can crosswalk properly.*

Modified USSGL account

Account Title: Transfers - Current-Year Authority
Account Number: 4170
Normal Balance: Debit

Definition: The amount of realized nonexpenditure transfers between two Treasury Appropriation Fund Symbols during the fiscal year of current-year unobligated authority. ~~This amount includes transfers of unobligated balances resulting from legislation that changes the purpose for which the balances are available for obligation.~~ This amount excludes transfers of amounts from invested balances. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance.

***Justification:** To make a distinction between nonexpenditure transfers of current-year authority and nonexpenditure balance transfers that result from a legislative change of purpose. With the addition of budgetary USSGL accounts linked to the specific transfer types in the revised Government Wide Accounting NET Module (effective November 2010), this account must be modified so that the activity can crosswalk properly.*

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The following chart illustrates the two transfer types in the GWA System NET Application, the applicable USSGL accounts from which the user will select, and how those accounts flow to the various reports.³

GWA System NET Application: Appropriation Transfer			
Proprietary USSGL Accounts	Budgetary USSGL Accounts	Fiscal 2011 SF 133/P&F Lines⁴	TCS Column
3102/3103 or 5755/5765	4128	1020, 1101/1102, 1200/1202, 1400	Column 2
	4129	1020, 1101/1102, 1200/1202, 1236	
	4167	1020, 1120/1121, 1220/1221	
	4170	1020, 1120/1121, 1220/1221, 1710/1711, 1810/1811	
	4173	1020, 1120/1121, 1220/1221	
	4175	1020, 1120/1121, 1220/1221, 1710/1711, 1810/1811	
GWA System NET Application: Balance Transfer			
Proprietary USSGL Accounts	Budgetary USSGL Accounts	Fiscal 2011 SF 133/P&F Lines	TCS Column
3102/3103 or 5755/5765	4176	1010/1011, 1020	Column 3
	4190	1010/1011, 1020	
	4191	1010, 1012, 1020	
	4192	1011, 1013, 1020	
	4193	1020, 1120/1121, 1220/1221	
	4356	1020, 1029, 1950	
	4831	1020, 3001, 3060/3061, 3090	
	4931	1020, 3001, 3060/3061, 3090	

³ This chart is based off of the Draft GWA System NET Application Matrix to be included in an upcoming TFM release

⁴ Refer to USSGL TFM S2 10-01 (June 2010), Part 2, Fiscal 2011 Reporting for line descriptions

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Impact on FACTS II Attribute Table⁵ Fiscal 2011									
USSGL Account	USSGL Account Attributes⁶								
	Normal Balance	Debit/ Credit	Begin/ End	Public Law	BEA Category	Direct Transfer Agency	Direct Transfer Account	Prior-Year Adjustment	TAFS Status
4183	D	Y	E		Y				U
4193	D	Y	E	Y	Y	Y	Y	Y	U/E

Impact on USSGL Crosswalks Fiscal 2011								
USSGL Account	SF 133/P&F	FMS 2108	Balance Sheet	Statement of Net Cost	Statement of Changes in Net Position	Statement of Budgetary Resources⁷	Statement of Custodial Activity	Reclassified Statements
4183	Lines 1151/1251	n/a	n/a	n/a	n/a	TBD	n/a	n/a
4193	Lines 1020, 1120/1121, 1220/1221	n/a	n/a	n/a	n/a	TBD	n/a	n/a

⁵ USSGL attributes listed on this table only include those applicable to proposed USSGL accounts 4183 and 4193.

⁶ Refer to TFM S2 10-01 (June 2010), Part 2, Section IV for a listing of domain values.

⁷ The format of and crosswalk for the Statement of Budgetary Resources for fiscal 2011 is under review by the OMB A-136 Subcommittee, as of June 3, 2010.

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Listing of USSGL Accounts Used in This Scenario

**Account
Number**

Account Name

Budgetary

4183	Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose
4193	Balance Transfers – Unobligated Balances – Legislative Change of Purpose
4201	Total Actual Resources – Collected
4450	Unapportioned Authority
4901	Delivered Orders – Obligations, Unpaid

Proprietary

1010	Fund Balance With Treasury
2110	Accounts Payable
3100	Unexpended Appropriations – Cumulative
3102	Unexpended Appropriations – Transfers-In
3103	Unexpended Appropriations – Transfers-Out

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USSGL Scenario

Assumptions

1. Activity in this scenario occurs in Year 2 between Unexpired TAFS A (a multi-year TAFS) and Unexpired TAFS B.
2. The BEA Category for TAFS A and TAFS B is discretionary.

Beginning Trial Balances					
Transfer From Unexpired TAFS A	Debit	Credit	Transfer To Unexpired TAFS B	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4201 Total Actual Resources – Collected	12,000		4201 Total Actual Resources – Collected	40,000	
4450 Unapportioned Authority		11,000	4450 Unapportioned Authority		40,000
4901 Delivered Orders – Obligations, Unpaid		1,000			
Total	12,000	12,000	Total	40,000	40,000
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	12,000		1010 Fund Balance With Treasury	40,000	
2110 Accounts Payable		1,000	3100 Unexpended Appropriations – Cumulative		40,000
3100 Unexpended Appropriations – Cumulative		11,000			
Total	12,000	12,000	Total	40,000	40,000

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Illustrative Transactions

1. To record the anticipated transfer of funds from TAFS A to TAFS B of prior-year unobligated balances, resulting from legislation that changed the purpose for which the balances were originally available for obligation.							
Transfer From Unexpired TAFS A	DR	CR	TC	Transfer To Unexpired TAFS B	DR	CR	TC
<u>Budgetary Entry</u> 4450 Unapportioned Authority 4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose	7,000	7,000	A470	<u>Budgetary Entry</u> 4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose 4450 Unapportioned Authority	7,000	7,000	A468
<u>Proprietary Entry</u> None				<u>Proprietary Entry</u> None			

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2. To record a nonexpenditure transfer of funds from TAFS A to TAFS B of prior-year unobligated balances, resulting from legislation that changed the purpose for which the balances were originally available for obligation. The original source of funds is derived from General Fund of the Treasury appropriations. These amounts were previously anticipated.							
Transfer From Unexpired TAFS A	DR	CR	TC	Transfer To Unexpired TAFS B	DR	CR	TC
<u>Budgetary Entry</u> 4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose 4193 Balance Transfers – Unobligated Balances – Legislative Change of Purpose	5,000		A476	<u>Budgetary Entry</u> 4193 Balance Transfers – Unobligated Balances – Legislative Change of Purpose 4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose	5,000		A472
<u>Proprietary Entry</u> 3103 Unexpended Appropriations – Transfers-Out 1010 Fund Balance With Treasury	5,000			<u>Proprietary Entry</u> 1010 Fund Balance With Treasury 3102 Unexpended Appropriations – Transfers-In	5,000		
		5,000				5,000	

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ADJUSTING ENTRY (4th Quarter)

3. To record an adjustment to anticipated appropriation and balance transfers not realized							
Transfer From Unexpired TAFS A	DR	CR	TC	Transfer To Unexpired TAFS B	DR	CR	TC
<u>Budgetary Entry</u>				<u>Budgetary Entry</u>			
4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose 4450 Unapportioned Authority	2,000	2,000	F104R	4450 Unapportioned Authority 4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose	2,000	2,000	F104
<u>Proprietary Entry</u>				<u>Proprietary Entry</u>			
None				None			

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Preclosing Adjusted Trial Balances					
Transfer From Unexpired TAFS A	Debit	Credit	Transfer To Unexpired TAFS B	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose		0	4183 Anticipated Balance Transfers – Unobligated Balances – Legislative Change of Purpose	0	
4193 Balance Transfers – Unobligated Balances – Legislative Change of Purpose		5,000	4193 Balance Transfers – Unobligated Balances – Legislative Change of Purpose	5,000	
4201 Total Actual Resources – Collected	12,000		4201 Total Actual Resources – Collected	40,000	
4450 Unapportioned Authority		6,000	4450 Unapportioned Authority		45,000
4901 Delivered Orders – Obligations, Unpaid		1,000			
Total	12,000	12,000	Total	45,000	45,000
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	7,000		1010 Fund Balance With Treasury	45,000	
2110 Accounts Payable		1,000	3100 Unexpended Appropriations – Cumulative		40,000
3100 Unexpended Appropriations – Cumulative		11,000	3102 Unexpended Appropriations – Transfers-In		5,000
3103 Unexpended Appropriations – Transfers-Out	5,000				
Total	12,000	12,000	Total	45,000	45,000

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CLOSING ENTRIES

4. To record the consolidation of actual net-funded resources.							
Transfer From Unexpired TAFS A	DR	CR	TC	Transfer To Unexpired TAFS B	DR	CR	TC
<u>Budgetary Entry</u> 4193 Balance Transfers – Unobligated Balances – Legislative Change of Purpose 4201 Total Actual Resources - Collected	5,000	5,000	F302R	<u>Budgetary Entry</u> 4201 Total Actual Resources – Collected 4193 Balance Transfers Unobligated Balances – Legislative Change of Purpose	5,000	5,000	F302
<u>Proprietary Entry</u> None				<u>Proprietary Entry</u> None			

5. To record closing of fiscal-year activity to unexpended appropriations.							
Transfer From Unexpired TAFS A	DR	CR	TC	Transfer To Unexpired TAFS B	DR	CR	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 3100 Unexpended Appropriations – Cumulative 3103 Unexpended Appropriations – Transfers-Out	5,000	5,000	F342	<u>Proprietary Entry</u> 3102 Unexpended Appropriations – Transfers-In 3100 Unexpended Appropriations – Cumulative	5,000	5,000	F342

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Postclosing Trial Balances					
Transfer From Unexpired TAFS A	Debit	Credit	Transfer To Unexpired TAFS B	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4201 Total Actual Resources – Collected	7,000		4201 Total Actual Resources – Collected	45,000	
4450 Unapportioned Authority		6,000	4450 Unapportioned Authority		45,000
4901 Delivered Orders – Obligations, Unpaid		1,000			
Total	7,000	7,000	Total	45,000	45,000
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	7,000		1010 Fund Balance With Treasury	45,000	
2110 Accounts Payable		1,000	3100 Unexpended Appropriations – Cumulative		45,000
3100 Unexpended Appropriations – Cumulative		6,000			
Total	7,000	7,000	Total	45,000	45,000

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SF 133: STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES AND BUDGET PROGRAM & FINANCING (P&F) SCHEDULE⁸		
	Transfer From Unexpired TAFS A	Transfer To Unexpired TAFS B
BUDGETARY RESOURCES		
Unobligated balance:		
1000 Unobligated balance brought forward, October 1 (+ or -) (4201B, 4901B)	11,000	40,000
Budget authority:		
Nonexpenditure transfers:		
1120 Appropriations transferred to other accounts (-) (4193E)	(5,000)	
1121 Appropriations transferred from other accounts (+) (4193E)		5,000
1151 Anticipated nonexpenditure transfers of appropriations (net) (+ or -) (4183E)	0	0
1160 Appropriation (total) (calc. lines 1100..1152)	(5,000)	5,000
1910 Total budgetary resources (calc. lines 1000..1901)	<u>6,000</u>	<u>45,000</u>
STATUS OF BUDGETARY RESOURCES		
Obligations incurred:		
Direct:		
2001 Category A (by quarter) (4901E-B)	0	
2004 Direct obligations (total) (calc. lines 2001..2003)	0	
Unobligated balance		
Apportioned		

⁸ Note: A “combined” SF 133 and Budget Program and Financing (P&F) Schedule crosswalk presentation was implemented 4th quarter fiscal 2010, as a result of OMB Circular No. A-11 (Advance) (March 2010). All sections of the combined crosswalk apply to both the SF 133 and P&F, except for: (1) “Status of Budgetary Resources,” and (2) anticipated amounts, each of which applies only to the SF 133.

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SF 133: STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES AND BUDGET PROGRAM & FINANCING (P&F) SCHEDULE		
2403 Other (4450E)	6,000	45,000
2500 Total budgetary resources (calc. lines 2001..2403. Also equals line 1910.)		
CHANGE IN OBLIGATED BALANCE		
Obligated balance, start of year (net):		
3000 Unpaid obligations, brought forward, October 1 (gross) (4901B)	1,000	
3020 Obligated balance, start of year (net) (calc. lines 3000..3011)	1,000	
Changes in obligated balance during the year:		
3030 Obligations incurred, unexpired accounts (4901E-B)	0	
Obligated balance, end of year (net):		
3090 Unpaid obligations, end of year (gross) (4901E)	1,000	
3100 Obligated balance, end of year (net) (calc. lines 3000..3081. Also equals sum of lines 3090 and 3091.)	1,000	
BUDGET AUTHORITY AND OUTLAYS, NET		
Discretionary:		
Gross budget authority and outlays:		
4000 Budget authority, gross (Sum of lines 1100..1152, 1170..1174, 1300..1330, 1500..1531, and 1700..1742. Also equals sum of lines 1160, 1180, 1340, 1540, and 1750.)	(5,000)	5,000
4020 Total outlays, gross (calc. lines 4010..4011)	0	0
4070 Budget authority, net (discretionary) (Line 4000 offset by sum of lines 4030..4034 and 4050..4053)	(5,000)	5,000
4080 Outlays, net (discretionary) (Lines 4010..4011 offset by sum of lines 4030..4034)	0	0

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FMS 2108: YEAREND CLOSING STATEMENT		
	Transfer From Unexpired TAFS A	Transfer To Unexpired TAFS B
Column 5. Postclosing Unexpended Balance (1010E)	7,000	45,000
Column 10. Accounts Payable and Other Liabilities (4901E)	1,000	0
Column 11. Unobligated Balance (4450E)	6,000	45,000

BALANCE SHEET		
	Transfer From Unexpired TAFS A	Transfer To Unexpired TAFS B
Assets:		
Intragovernmental:		
1. Fund Balance With Treasury (1010E)	7,000	45,000
6. Total Intragovernmental (calc.)	7,000	45,000
15. Total Assets (calc.)	<u>7,000</u>	<u>45,000</u>
Liabilities:		
Intragovernmental:		
17. Accounts Payable (2110E)	1,000	
20. Total Intragovernmental (calc.)	1,000	
28. Total Liabilities (calc.)	1,000	
Net Position:		
31. Unexpended Appropriations – Other Funds (3100B, 3102E, 3103E)	6,000	45,000
34. Total Net Position (calc.)	6,000	45,000
35. Total Liabilities and Net Position (calc.)	<u>7,000</u>	<u>45,000</u>

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STATEMENT OF CHANGES IN NET POSITION		
	Transfer From Unexpired TAFS A All Other Funds	Transfer To Unexpired TAFS B All Other Funds
Cumulative Results of Operations:		
17. Cumulative Results of Operations	0	0
Unexpended Appropriations:		
18. Beginning Balance (3100B)	11,000	40,000
20. Beginning Balance, as Adjusted (calc)	11,000	40,000
Budgetary Financing Sources:		
22. Appropriations Transferred-In/Out (+-) (3102E, 3103E)	(5,000)	5,000
25. Total Budgetary Financing Sources	(5,000)	5,000
26. Total Unexpended Appropriations	6,000	45,000
27. Net Position	6,000	45,000