

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**Effective Fiscal 2013**

**PREPARED BY:**

**BUREAU OF THE FISCAL SERVICE**

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1.0	06/13/2013	Original version	S2 13-01

## **Reduction of Prior Year Unobligated Indefinite Borrowing Authority Prior Year Adjustments (Budgetary Reporting)**

### **Overview**

Federal agencies that have recorded indefinite borrowing authority (whether exercised or not) are directed by the following guidance: OMB Circular No. A-11 (Part 5, Section 185.32; Part 1, Section 20; Section 82; Appendix F); the 1967 Report of the President's Commission on Budget Concepts; GAO's 2005 "A Glossary of Terms Used in the Federal Budget Process" to reduce the amount of indefinite borrowing authority that is not needed to cover obligations by September 30<sup>th</sup> of each fiscal year. If agencies follow the guidance, the end of year unobligated balance will be zero. However, instances have occurred where agencies have exercised indefinite borrowing authority but failed to obligate it as of September 30<sup>th</sup> of a given fiscal year. Therefore, this scenario was developed to direct agencies on how to reduce unobligated indefinite borrowing authority after September 30<sup>th</sup> if they have neglected to follow the policy set forth in the guidance listed within this paragraph.

The scenario that follows illustrates the transactions and effective dates to be recorded and used to reduce the indefinite borrowing authority after September 30<sup>th</sup> of a given fiscal year. The scenario is illustrative of a Treasury Account Symbol (TAS) that borrows from Treasury's Bureau of the Fiscal Service (Fiscal Service). The transactions are required by both the Department of the Treasury and Office of Management and Budget (OMB) for agencies that failed to reduce their exercised indefinite borrowing authority that is unobligated as of yearend. The scenario assumes a 0% loan interest rate.

This scenario uses the following United States Standard General Ledger accounts:

### **Listing of USSGL Accounts Used in This Scenario**

#### **Budgetary**

- 4141 Current-Year Borrowing Authority Realized
- 4143 Current-Year Decreases to Indefinite Borrowing Authority Realized
- 4145 Borrowing Authority Converted to Cash
- 4148 Resources Realized From Borrowing Authority
- 4201 Total Actual Resources – Collected
- 4450 Unapportioned Authority
- 4510 Apportionments

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
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- 4610 Allotments – Realized Resources
- 4801 Undelivered Orders – Obligations, Unpaid
- 4902 Delivered Orders – Obligations, Paid

**Proprietary**

- 1010 Fund Balance With Treasury
- 1350 Loans Receivable
- 2510 Principal Payable to the Bureau of the Public Debt
- 2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**BEGINNING TRIAL BALANCES**

<b>Borrowing Agency</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
N/A			N/A		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
N/A			N/A		

1. To record indefinite borrowing authority.

<b>Borrowing Agency (TC –A152)</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4141 Current-Year Borrowing Authority Realized	100,000		None		
4450 Unapportioned Authority		100,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

2. To record indefinite borrowing authority apportioned and available for allotment.

<b>Borrowing Agency (TC – A116)</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4450 Unapportioned Authority	100,000		None		
4510 Apportionments		100,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

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3. To record the allotment of indefinite borrowing authority.

<b>Borrowing Agency</b> (TC – A120)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4510 Apportionments	100,000		None		
4610 Allotments – Realized Resources		100,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

4. To record the drawing of cash to fund borrowing authority from Fiscal Service and to record the establishment of loans receivable and non-custodial liability. This is accomplished via SF 1151: Nonexpenditure Transfer (NET) in the Central Accounting Reporting System (CARS) NET Borrowings system.

<b>Borrowing Agency</b> (TC – A156)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b> (TC for use by Fiscal Service only)	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4148 Resources Realized From Borrowing Authority	100,000		None		
4145 Borrowing Authority Converted to Cash		100,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury			1350 Loans Receivable	100,000	
2510 Principal Payable to the BPD	100,000		1010 Fund Balance With Treasury		100,000
		100,000	1010 Fund Balance With Treasury	100,000	
			2985 Liability for Non-Entity Assets		100,000
			Not Reported on the Statement of		
			Custodial Activity		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

5. To record a current-year undelivered order without an advance in a program subject to apportionment.

<b>Borrowing Agency</b> (TC – B314)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4610 Allotments – Realized Resources	90,000		None		
4801 Undelivered Orders – Obligations, Unpaid		90,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

6. To record the disbursement of loans.

<b>Borrowing Agency</b> (TC – C408 or C432)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4801 Undelivered Orders – Obligations, Unpaid	90,000		None		
4902 Delivered Orders – Obligations, Paid		90,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1350 Loans Receivable	90,000		None		
1010 Fund Balance With Treasury		90,000			

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**NOTE:** Transactions # 7 and # 8 illustrate the entries that agencies should record on or before September 30<sup>th</sup> to return any unobligated indefinite borrowing authority. These transactions are included for informational purposes only. The remainder of the scenario assumes that these transactions did not occur.

7. To record the reduction of unobligated balances for indefinite borrowing authority at year end.

<b>Borrowing Agency (TC – F113)</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4610 Allotments – Realized Resources	10,000		None		
4143 Current-Year Decreases to Indefinite Borrowing Authority Realized		10,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

8. To record the return of principal to Treasury/Fiscal Service for the \$10,000 of unobligated indefinite borrowing authority. This is accomplished via SF 1151: NET in the CARS NET Borrowings system.

<b>Borrowing Agency (TC - A156 Reversal)</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service (TC for use by Fiscal Service only)</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4145 Borrowing Authority Converted to Cash	10,000		None		
4148 Resources Realized From Borrowing Authority		10,000			
<b><u>Proprietary</u></b> (effective for the current date)			<b><u>Proprietary</u></b>		
2510 Principal Payable to the BPD	10,000		1010 Fund Balance With Treasury	10,000	
1010 Fund Balance With Treasury		10,000	1350 Loans Receivable		10,000
			2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	10,000	
			1010 Fund Balance With Treasury		10,000

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**PRECLOSING ADJUSTED TRIAL BALANCES**

<b>Borrowing Agency</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4141 CY Borrowing Authority Realized	100,000		None		
4145 Borrowing Authority Converted to Cash		100,000			
4148 Resources Realized Borrowing Authority	100,000				
4450 Unapportioned Authority		0			
4510 Apportionments		0			
4610 Allotments – Realized Resources		10,000			
4801 Undelivered Orders – Obligations, Unpaid		0			
4902 Delivered Orders – Obligations, Paid		<u>90,000</u>			
<b>Total Budgetary</b>	<u>200,000</u>	<u>200,000</u>			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury	10,000		1010 Fund Balance With Treasury	0	
1350 Loans Receivable	90,000		1350 Loans Receivable	100,000	
2510 Principal Payable to the BPD		<u>100,000</u>	2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity		<u>100,000</u>
<b>Total Proprietary</b>	<u>100,000</u>	<u>100,000</u>	<b>Total Proprietary</b>	<u>100,000</u>	<u>100,000</u>

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
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**Closing entries**

9. To record the consolidation of actual net-funded resources.

<b>Borrowing Agency (TC – F302)</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4201 Total Actual Resources – Collected 4148 Resources Realized from Borrowing Authority	100,000	100,000	None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

10. To record the closing of fiscal-year borrowing authority.

<b>Borrowing Agency (TC – F306)</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4145 Borrowing Authority Converted to Cash 4141 CY Borrowing Authority Realized	100,000	100,000	None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

11. To record the closing of unobligated balances to unapportioned authority for unexpired multi-year and no-year funds.

<b>Borrowing Agency</b> (TC – F308)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4610 Allotments – Realized Resources 4450 Unapportioned Authority	10,000	10,000	None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

12. To record the closing of paid delivered orders to total actual resources.

<b>Borrowing Agency</b> (TC – F314)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4902 Delivered Orders – Obligations, Paid 4201 Total Actual Resources – Collected	90,000	90,000	None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
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**POST-CLOSING TRIAL BALANCES**

<b>Borrowing Agency</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4201 Total Actual Resources – Collected	10,000		None		
4450 Unapportioned Authority	<u>          </u>	<u>10,000</u>			
<b>Total Budgetary</b>	<b>10,000</b>	<b>10,000</b>			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury	10,000		1350 Loans Receivable	100,000	
1350 Loans Receivable	90,000		2985 Liability for Non-Entity Assets		
2510 Principal Payable to the BPD	<u>          </u>	<u>100,000</u>	Not Reported on the Statement		
<b>Total Proprietary</b>	<b>100,000</b>	<b>100,000</b>	of Custodial Activity	<u>          </u>	<u>100,000</u>
			<b>Total Proprietary</b>	<b>100,000</b>	<b>100,000</b>

**Budgetary Reports**

**Year 1**

<b>SF 133 STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES and PROGRAM AND FINANCING (P&amp;F) SCHEDULE</b>				
	<b>Borrowing Agency SF133 Line</b>	<b>Borrowing Agency P&amp;F Line</b>	<b>Fiscal Service SF133 Line</b>	<b>Fiscal Service P&amp;F Line</b>
<b>BUDGETARY RESOURCES</b>			N/A	N/A
<b>All accounts:</b>				
0900 Delivered Orders – Obligations, Paid (4902E)		90,000		
<b>Unobligated balance:</b>				
1000 Unobligated balance brought forward, October 1				

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

<b>Budget Authority:</b>				
<b>Borrowing authority:</b>				
<b>Mandatory:</b>				
1400 Current-Year Borrowing Authority Realized (4141E)	100,000	100,000		
1440 Borrowing authority (total). (This line is calculated. Equals the sum of lines 1400 through 1430 (SF 133) and lines 1400 through 1420 (P&F).)	100,000	100,000		
1900 Budget authority total (discretionary and mandatory). (This line is calculated. Equals the sum of combined total of mandatory and discretionary budget authority [Lines 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, and 1800 through 1842 (SF 133). Lines 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, and 1800 through 1827 (P&F)].)	100,000	100,000		
1910 Total budgetary resources. (This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1042, 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, 1800 through 1842, and 1901 (SF 133)].)	100,000			
1930 Total budgetary resources available. (This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1031, 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, 1800 through 1827, and 1901 (P&F)].)		100,000		
<b>MEMORANDUM (NON-ADD) ENTRIES:</b>				
<b>ALL ACCOUNTS:</b>				
1941 Unexpired unobligated balance carried forward, end of year (4610E)		10,000		
<b>STATUS OF BUDGETARY RESOURCES</b>				
<b>Obligations incurred:</b>				
<b>Direct:</b>				

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

2002 Category B (by project) (4902E)	90,000			
2004 Direct obligations (total). (This line is calculated. Equals sum of lines 2001 through 2003.)	90,000			
<b>Unobligated Balance</b>				
<b>Apportioned</b>				
2201 Available in the current period (4610E)	10,000			
2490 Unobligated balance, end of year. (This line is calculated. Equals sum of the amounts on detailed 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403.)	10,000			
2500 Total budgetary resources (This line is calculated. Equals sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources.)	100,000			
<b>Memorandum entries:</b>				
2501 Subject to apportionment (4610E, 4902E)	100,000			
2503 Direct unobligated balance, end of year (4610E)	10,000			
<b>CHANGE IN OBLIGATED BALANCE</b>				
<b>Unpaid obligations:</b>				
3010 Obligations incurred, unexpired accounts (4902E)	90,000	90,000		
3020 Outlays (gross) (-) (4902E)	(90,000)	(90,000)		
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>				
<b>Mandatory:</b>				
<b>Gross budget authority and outlays:</b>				
4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (P&F)].)	100,000	100,000		
4110 Outlays, gross (total) (4902E)	90,000	90,000		
4160 Budget authority, net (mandatory). (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and	100,000	100,000		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
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on lines 4140, 4141 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (P&F).)				
4170 Outlays, net (mandatory). (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.)	90,000	90,000		
4180 Budget authority, net (discretionary and mandatory). (This line is calculated. Equals sum of lines 4070 and 4160.)	100,000	100,000		
4190 Outlays, net (discretionary and mandatory). (This line is calculated. Equals sum of lines 4080 and 4170.)	90,000	90,000		

**Year 1**

<b>FMS 2108: YEAREND CLOSING STATEMENT</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
Column 3 Increases (4141E)	100,000	0
Column 4 Borrowings (4145E)	100,000	0
Column 5 Postclosing Unexpended Balance (1010E)	10,000	0
Column 6 (4141E, 4145E)	0	0
Column 11 Unobligated Balance (4610E)	10,000	0
FACTS II Edit Check 5: Col 5, 6, 7, 8 = Col 9, 10, 11	YES	YES

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**Year 1**

<b>BALANCE SHEET</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
<b>Assets:</b>		
Intragovernmental:		
1. Fund Balance With Treasury (Note 3) (1010E)	10,000	0
4. Loans Receivable (1350E)	90,000	100,000
6. Total Intragovernmental (calc.)	100,000	100,000
15. Total Assets (calc.)	<b><u>100,000</u></b>	<b><u>100,000</u></b>
<b>Liabilities:</b>		
Intragovernmental:		
18. Debt (Note 14) (2510E)	100,000	0
19. Other (Notes 15, 16, and 17) (2985E)	0	100,000
20. Total Intragovernmental (calc.)	100,000	100,000
28. Total Liabilities (calc.)	<b><u>100,000</u></b>	<b><u>100,000</u></b>
<b>Net Position:</b>		
33. Cumulative Results of Operations – Other Funds	0	0
34. Total Net Position (calc.)	0	0
35. Total Liabilities and Net Position (calc.)	<b><u>100,000</u></b>	<b><u>100,000</u></b>

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**Year 1**

<b>STATEMENT OF NET COST</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
Program Costs:		
1. Gross costs (Note 22)	0	0
2. Less: earned revenue	0	0
3. Net Program Costs (calc.)	0	0
5. Net program costs including Assumption Changes (calc.)	0	0
<b>8. Net cost of operations (calc.)</b>	<b>0</b>	<b>0</b>

**Year 1**

<b>STATEMENT OF CHANGES IN NET POSITION</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
	<b>All Other Funds</b>	<b>All Other Funds</b>
Budgetary Financing Sources:		
13. Other (+/-)	0	0
14. Total Financing Sources (sum of 4 through 13)	0	0

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15. Net Cost of Operations (+/-)	0	0
16. Net Change (sum of 14 minus 15)	0	0
17. Cumulative Results of Operations (sum of 3 and 16)	0	0
<b>27. Net Position (sum of 17 and 26)</b>	<b>0</b>	<b>0</b>

**Year 1**

<b>STATEMENT OF BUDGETARY RESOURCES</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
<b>BUDGETARY RESOURCES:</b>		N/A
1490 Borrowing authority (discretionary and mandatory) (4141E)	100,000	
1910 Total budgetary resources (This line is calculated. Equals sum of SBR lines 1000, 1020, 1021, 1043, 1290, 1490, 1690, and 1890.)	<b>100,000</b>	
<b>STATUS OF BUDGETARY RESOURCES:</b>		
2190 Obligations incurred (Note 31) (4902E)	90,000	
2204 Apportioned (4610E)	10,000	
2490 Unobligated balance, end of year (This line is calculated. Equals sum of SBR lines 2204, 2304, and 2404.)	10,000	
2500 Total budgetary resources (This line is calculated. Equals sum of SBR lines 2190 and 2490.)	<b>100,000</b>	
<b>CHANGE IN OBLIGATED BALANCES:</b>		
3012 Obligations incurred (+) (4902E)	90,000	

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3020 Outlays (gross) (-) (4902E)	(90,000)	
<b>BUDGET AUTHORITY AND OUTLAYS, NET:</b>		
4175 Budget authority, gross (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 1290, 1490, 1690 and 1890.)	100,000	
4180 Budget Authority, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4175, 4177, 4178 and 4179.)	100,000	
4185 Outlays, gross (discretionary and mandatory) (4902E)	90,000	
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4185 and 4187.)	90,000	

**BEGINNING TRIAL BALANCES**

<b>Borrowing Agency</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4201 Total Actual Resources – Collected	10,000		None		
4450 Unapportioned Authority	<u>10,000</u>	<u>10,000</u>			
<b>Total Budgetary</b>	10,000	10,000			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury	10,000		1350 Loans Receivable	100,000	
1350 Loans Receivable	90,000		2985 Liability for Non-Entity Assets		
2510 Principal Payable to the BPD	<u>100,000</u>	<u>100,000</u>	Not Reported on the Statement		
<b>Total Proprietary</b>	100,000	100,000	of Custodial Activity	<u>100,000</u>	<u>100,000</u>
			<b>Total Proprietary</b>	100,000	100,000

**After September 30**

If an agency appropriately recorded transactions #7 and #8, then transactions #13 and #14 would not be required to be recorded. In the event that transactions #7 and #8 were not recorded as of September 30, then transactions #13 and #14 are required to be recorded.

## Reduction of Prior Year Unobligated Indefinite Borrowing Authority Prior Year Adjustments (Budgetary Reporting)

13. To record the prior-year budgetary adjustment for the return of unobligated indefinite borrowing authority. Note: This prior-year budgetary adjustment transaction is unique to this specific scenario. It is required to reduce the amount of unobligated balance brought forward which was derived from indefinite borrowing authority. Agency representatives should consult with their management and auditors for any possible impact on their agency financial statements.

<b>Borrowing Agency</b> (TC will not be provided for correcting entry)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<u><b>Budgetary</b></u> (effective 9/30)  4450* Unapportioned Authority 4143* Current-Year Decreases to Indefinite Borrowing Authority Realized  <u><b>Proprietary</b></u>  None  * Must report Prior-Year Adjustment attribute domain value "P"	10,000	10,000	<u><b>Budgetary</b></u>  None  <u><b>Proprietary</b></u>  None		

14. To record the principal repayment to Treasury/Fiscal Service for the \$10,000 of unobligated indefinite borrowing authority that was converted to cash and not properly returned on or before September 30<sup>th</sup> as a current-year transaction. This is accomplished via SF 1151: NET in the CARS NET Borrowings system. Note: This prior-year budgetary adjustment transaction is unique to this specific scenario. Due to the effects of transaction #13, this additional transaction is required to reduce and align the indefinite borrowing authority exercised and converted to cash. Agency representatives should consult with their management and auditors for any possible impact on their agency financial statements.

<b>Borrowing Agency</b> (TC will not be provided for correcting entry)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b> (TC for use by Fiscal Service only)	<b>Debit</b>	<b>Credit</b>
<u><b>Budgetary</b></u>  4145* Borrowing Authority Converted to Cash 4148* Resources Realized from Borrowing Authority  <u><b>Proprietary</b></u> (effective for the current date)	10,000	10,000	<u><b>Budgetary</b></u>  None  <u><b>Proprietary</b></u> (effective for the current date)		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

2510 Principal Payable to the BPD 1010 Fund Balance With Treasury	10,000	10,000	1010 Fund Balance With Treasury 1350 Loans Receivable	10,000	10,000
* Must report Prior-Year Adjustment attribute domain value "X"			2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity 1010 Fund Balance With Treasury	10,000	10,000

**PRECLOSING ADJUSTED TRIAL BALANCES**

<b>Borrowing Agency</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4143 CY Decreases to Indefinite Borrowing Authority Realized		10,000	None		
4145 Borrowing Authority Converted to Cash	10,000				
4148 Resources Realized Borrowing Authority		10,000			
4201 Total Actual Resources – Collected	10,000				
4450 Unapportioned Authority	<u>0</u>				
<b>Total Budgetary</b>	<b>20,000</b>	<b>20,000</b>			
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury		0	1010 Fund Balance With Treasury	0	
1350 Loans Receivable	90,000		1350 Loans Receivable	90,000	
2510 Principal Payable to the BPD		<u>90,000</u>	2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity		<u>90,000</u>
<b>Total Proprietary</b>	<b>90,000</b>	<b>90,000</b>	<b>Total Proprietary</b>	<b>90,000</b>	<b>90,000</b>

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**Closing entries**

15. To record the consolidation of actual net-funded resources.

<b>Borrowing Agency</b> (TC will not be provided for correcting entry)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4148 Resources Realized from Borrowing Authority 4201 Total Actual Resources – Collected	10,000	10,000	None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

16. To record the closing of fiscal-year borrowing authority.

<b>Borrowing Agency</b> (TC will not be provided for correcting entry)	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
4143 Current-Year Decreases to Indefinite Borrowing Authority Realized 4145 Borrowing Authority Converted to Cash	10,000	10,000	None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
None			None		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**POST-CLOSING TRIAL BALANCES**

<b>Borrowing Agency</b>	<b>Debit</b>	<b>Credit</b>	<b>Fiscal Service</b>	<b>Debit</b>	<b>Credit</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
None			None		
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
1010 Fund Balance With Treasury		0	1350 Loans Receivable	90,000	
1350 Loans Receivable	90,000		2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity		
2510 Principal Payable to the BPD	<u>90,000</u>	<u>90,000</u>		<u>90,000</u>	<u>90,000</u>
<b>Total Proprietary</b>	<b>90,000</b>	<b>90,000</b>	<b>Total Proprietary</b>	<b>90,000</b>	<b>90,000</b>

**Budgetary Reports**

**Year 2**

<b>SF 133 STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES and PROGRAM AND FINANCING (P&amp;F) SCHEDULE</b>				
	<b>Borrowing Agency SF133 Line</b>	<b>Borrowing Agency P&amp;F Line</b>	<b>Fiscal Service SF133 Line</b>	<b>Fiscal Service P&amp;F Line</b>
<b>BUDGETARY RESOURCES</b>			N/A	N/A
<b>Unobligated balance:</b>				
1000 Unobligated balance brought forward, October 1 (4201B)	10,000	10,000		
<b>Adjustments:</b>				
1020 Adjustment of unobligated balance brought forward, October 1 (+ or -) (4143E)	(10,000)	(10,000)		

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**Year 2**

<b>FMS 2108: YEAREND CLOSING STATEMENT</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
Column 4 Borrowings (4145E)	(10,000)	0
Column 5 Adjustments (4143E)	10,000	0
Column 6 (4143E, 4145E)	0	0
FACTS II Edit Check 5: Col 5, 6, 7, 8 = Col 9, 10, 11	YES	YES

**Year 2**

<b>BALANCE SHEET</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
<b>Assets:</b>		
Intragovernmental:		
1. Fund Balance With Treasury (Note 3)	0	0
4. Loans Receivable (1350E)	90,000	90,000
6. Total Intragovernmental (calc.)	90,000	90,000
15. Total Assets (calc.)	<b>90,000</b>	<b>90,000</b>
<b>Liabilities:</b>		
Intragovernmental:		
18. Debt (Note 14) (2510E)	90,000	0
19. Other (Notes 15, 16, and 17) (2985E)	0	90,000

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

20. Total Intragovernmental (calc.)	90,000	90,000
28. Total Liabilities (calc.)	<b><u>90,000</u></b>	<b><u>90,000</u></b>
<b>Net Position:</b>		
33. Cumulative Results of Operations - Other Funds	0	0
34. Total Net Position (calc.)	0	0
35. Total Liabilities and Net Position (calc.)	<b><u>90,000</u></b>	<b><u>90,000</u></b>

**Year 2**

STATEMENT OF NET COST		
	Borrowing Agency	Fiscal Service
Program Costs:		
1. Gross costs (Note 22)	0	0
2. Less: earned revenue	0	0
3. Net Program Costs (calc.)	0	0
5. Net program costs including Assumption Changes (calc.)	0	0
<b>8. Net cost of operations (calc.)</b>	0	0

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

Year 2

<b>STATEMENT OF CHANGES IN NET POSITION</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
	<b>All Other Funds</b>	<b>All Other Funds</b>
Cumulative Results of Operations:		
1. Beginning Balances	0	0
3. Beginning Balances, as Adjusted (sums of lines 1 through 2b.)	0	0
Budgetary Financing Sources:		
13. Other (+/-)	0	
14. Total Financing Sources (sum of 4 through 13)	0	0
15. Net Cost of Operations (+/-)	0	0
16. Net Change (sum of 14 minus 15)	0	0
17. Cumulative Results of Operations (sum of 3 and 16)	0	0
<b>27. Net Position (sum of 17 and 26)</b>	<b>0</b>	<b>0</b>

**Reduction of Prior Year Unobligated Indefinite Borrowing Authority  
Prior Year Adjustments (Budgetary Reporting)**

**Year 2**

<b>STATEMENT OF BUDGETARY RESOURCES</b>		
	<b>Borrowing Agency</b>	<b>Fiscal Service</b>
<b>BUDGETARY RESOURCES:</b>		N/A
1000 Unobligated balance brought forward, October 1 (4201B)	10,000	
1490 Borrowing authority (discretionary and mandatory) (4143E)	(10,000)	
<b>BUDGET AUTHORITY AND OUTLAYS, NET:</b>		
4180 Budget Authority, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4175, 4177, 4178 and 4179.)	0	
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4185 and 4187.)	0	

**Note:** Budgetary and financial statement requirements for reporting differ from one another. For budgetary reporting, materiality thresholds do not apply, whereas for financial statement reporting, materiality thresholds do apply. Due to the immateriality of the ending balance in USSGL account 4143, it is presented on line 1490 on the Statement of Budgetary Resources and on line 1020 on the SF133/P&F.