

# U.S. Standard General Ledger (USSGL)

## Issues Resolution Committee (IRC) Meeting Minutes

**July 7, 2021**

**LOCATION: Call in only**

**TIME: 9:30 a.m. to 11:30 a.m.**

### **HANDOUTS:**

- Summary of Changes
- Borrowing Authority: Definite and Indefinite Scenario
- General Fund: TAS/ALC Validation Project
- Proposed Budgetary USSGLs for Fiscal Year (FY) 2021
- Draft Voting Ballot
- Part 1 & 2, Section III, FY 2021 & 2022: Transaction Codes
- Part 1 & 2, Section V, FY 2021 & 2022: Balance Sheet, Statement of Changes in Net Position
- Part 1 & 2, Section VI, FY 2021 & 2022: Reclassified Balance Sheet, Reclassified Statement of Operations and Changes in Net Position
- Part 1 & 2, Section VII, FY 2021 & 2022: Validations Summary, Validations Detail, Edits Detail

All handouts can be found at [USSGL IRC Meeting February 10, 2021, Handouts \(treasury.gov\)](https://www.treasury.gov/ussgl-irc-meeting-february-10-2021-handouts)

### **GENERAL ITEMS:**

Manager, **Stephen Riley (Fiscal Service)**, welcomed everyone to the IRC Meeting and conducted roll call.

### **AGENDA ITEMS:**

**Regina Epperly (Fiscal Service)** presented *Borrowing Authority: Definite and Indefinite Scenario*. **Regina** said that, since the April IRC meeting, there was only one additional comment on the scenario. Previously, we had been using USSGL account **251100** “Capitalized Loan Interest Payable Non-Credit Reform”. This USSGL account would have been used when an entity needed to borrow to pay interest on a loan; this does not happen in the borrowing authority scenario. Therefore, the USSGL account is being removed from the scenario. In addition, footnote 2 was added.

Please look at the handout and let us know whether there are any questions or comments about the changes that were made. We would like to post the final scenario to the USSGL Website in the next 3 to 4 weeks.

**Luke Sheppard (Fiscal)** presented *TAS and ALC Validation*. **Luke** stated that there is going to be a data call coming out that asks agencies to evaluate their TAS/ALC relationships they use and they are aware exist. Six audit findings were closed, seven remained open, and three were opened because of the 2020 audit. There was a prior data call out for finding 20-01. The working group has been created and seems to be going well. We are currently gathering information to see which TAS/ALC relationships are discovered that we believe fall outside of the traditional relationship. The listing will then be sent to entities for review to see whether they think one was added that shouldn't exist or whether we missed any.

**Bob Smalskas (GSA)** asked whether this applied to all entities, or just specific entities.

**Luke** replied that we are still gathering data, but it seems consistent across the board that every entity will be affected.

**Heather Six (Fiscal)** presented *Proposed Budgetary USSGLs*. **Heather** said there is only one proposed new USSGL account: USSGL account **412250** “Federal Financing Bank (FFB) - Net Principles Payment”. This account is contingent on a new line added to the SF-133 crosswalk when the OMB Circular No. A-11 is released. Only FFB may use this account.

**Jeff Taberner (Fiscal)** presented *Restricted Cash Held Outside of Treasury*. **Jeff** mentioned that we will be talking about USSGL account **113510** “Restricted Cash Held Outside of Treasury – Non-budgetary”. This account is new and created specifically for DOD TAS, but we have found that other agencies need to use this account as well. There is a proposed change to the definition to take out “Department of Defense use only” and GTAS validation 118 is being updated.

**Teresa Tancre (OMB)** stated that we would need to have a separate call with entities that want to use this account. This USSGL account should not be reported in any budgetary expenditure account.

**Teresa (OMB)** then presented *OMB Update*. **Teresa** said that, due to the change in administration, the updated OMB Circular No. A-11 was pushed back a little later than usual, into late July, and there are no big surprises with that. **Teresa** also mentioned that meetings will be scheduled with entities to identify where they are creating abnormal balances. If the balances are valid, OMB will work with them to create USSGL accounts to help. If they are not valid, then entities need to work towards correcting the abnormal balances. Any exception for validation 122 will continue.

**Jaime Sailing (Fiscal Service)** presented *Treasury and OMB Guidance*. Previously, there was a request for feedback about Treasury and OMB guidance. The feedback was gathered and then placed in different categories. One of the main feedback areas is regarding financial statements and what entities and auditors expect from their end of things; this caused Treasury to take a long look at the timeline change to help entities and auditors. The new timeline allows about 4 months for working with entities to figure out potential changes; agency-specific changes suggested during IRC meetings, and how to approach those in a better way, have also been discussed.

**Teresa (OMB)** mentioned that even though OMB Circular No. A-136 was recognized as part of financial statements feedback, it is an OMB document and the comments will be put into consideration by OMB Management.

**Carol Johnson (OMB)** stated that all efforts have been made to release OMB Circular No. A-136 as early as possible. The main success is making requirements a year out so that, if the OMB Circular No. A-136 comes out, there are not many new requirements in there for the year it is coming out, and then more for the upcoming year.

**Josh Hudkins (Fiscal)** presented the *Draft Voting Ballot #21-03*. The ballot will be sent out July 7<sup>th</sup> and will be due back by 12:00 p.m. on July 15<sup>th</sup> to coincide with the timing of our publication:

- We have a slight timing issue with how our Bulletin 21-20 publish aligns with the OMB A-11 release. We talked internally about doing 2 publishes back to back at one point, but that isn't going to be an efficient use of government time and money, so we are (potentially) pushing the publish, which is now scheduled for July 29<sup>th</sup>, into mid-to-late August pending A-11; however, for the items we are ready to publish, we are going to do an email blast to the group, and post crosswalks somewhere else on the USSGL website ( most likely under latest news and updates).
- Our process of putting a bulletin out is quite extensive behind the scenes, as we work through the reviews and approvals with the legal team, the editors, and others; that is why, if at all possible, it is better to only have one Bulletin publish.

- With that proviso, we may have an August IRC meeting to review the OMB A-11 updates, but we will let everybody know as quickly as possible about that.
- Also, regarding the GTAS system publish, it's an easier process to do multiple publishes in the system, so our exact publish date, or whether we do 2 publishes in GTAS, is still to be determined. Either way, we will do everything in our power to have the GTAS system up to date by the time the period 10 window opens on August 6th.

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**Brian** presented *Part I & II, Sec III: Transactions Codes*. **Brian** stated that, back in May, the USSGL Board approved two new USSGL Accounts for Criminal Restitution. Updates are needed to a few Transaction Codes in order to add USSGL **137400** "Criminal Restitution Receivable" and **137900** "Allowance for Loss on Criminal Restitution Receivable."

USSGL **137400** was added to TCs A195, C109, C143, C146, and C422 to record the collection and accrual of revenue for Criminal Restitution Receivables. USSGL **137900** was added to TCs D404 and 406 to record the estimated allowance for Bad Debts and the write-off receivables.

There are other Accounts Receivable TCs, but Criminal Restitution accounts were not added, because those TCs involved Deposit Funds or Federal collections from which Criminal Restitution activities are excluded

**Kyle Moore (Fiscal Service)** presented *Part I & II, Sec V Statement of Changes in Net Position and Sec VI Reclassified Statement of Operations and Changes in Net Position*. **Kyle** commented this footnote was added to the SCNP and RSOCNP crosswalks to provide clarity for guidance when an agency has a prior period adjustment that affects statements prior to the prior year statements.

The OMB Circular No. A-136 issued changes to the Statement of Changes in Net Position (SCNP), and Fiscal's SCNP needs updated to reflect those changes. These updates are **not** related to Fiscal's Streamlined Financial Statement Project, but are strictly due to annual updates within the A-136.

In reviewing the SCNP during a clarification of Debt Cancellation, we determined there was no formal FASAB definition of "Budgetary Financing Sources," or "Other Financing Sources," and these two terms could lead to more confusion. Those terms will be removed and replaced with one "Financing Sources" section. Illustrative Financial Statements within SFFAS 43 will also be updated by FASAB later.

Entities will see:

1. The header lines for "Budgetary Financing Sources" or "Other Financing Sources" have been removed.
2. USSGL accounts under "Transfers-in/out without reimbursement" have been consolidated into one line (Line 17) from two different lines under the two separate "Budgetary Financing Sources" or "Other Financing Sources" sections.
3. The "Other" line item within the "Budgetary Financing Sources" section has been removed, and those USSGL accounts have been consolidated with the USSGL accounts in Line 20, the "Other" line from the "Other Financing Sources" section. Note the Budgetary Impact Indicator attribute of D/E for those specific USSGL accounts.

**Jeff (Fiscal)** presented *Part I & II, Sec V Balance Sheet and Sec VI Reclassified Balance Sheet*. To summarize, we are making changes to the crosswalk to be in compliance with OMB Circular No. A-136. At a quick glance, entities will notice almost every line on the crosswalk has had a change for this IRC meeting, but there are a few main categories of changes:

1. New advance and prepayment lines in the asset and liabilities sections (lines 5,13,25 and 36).
2. New investment in special purpose vehicle line (line 15). No current USSGL accounts crosswalk to this line.
3. Due to the insertion of these new lines, the subsequent lines are being renumbered.
4. Several titles of existing lines have changes to their line title (line 10 Direct loan and loan guarantee receivable, net is now Loans receivable, net).
5. The net position section has been reorganized to present the Unexpended Appropriations lines together (with totals by Funds from dedicated collections and other than) and then the Cumulative Results lines (with total by funds from dedicated collections and other than).
6. Some lines have portions of their line title that is optional. They are shown on the crosswalks with brackets []. Line 30 Federal employee [and veteran] benefits payable (Note 15).
7. The heading line for With the public now has an option to be titled Other than intra-governmental.
8. Reciprocal categories have been added to the title of Federal lines (line 1 Fund Balance with Treasury (Note 3) (**RC 40**)).

**Dan Adams (Fiscal Service)** presented *Parts I & II, Section VII: Edits and Validations*. **Dan** mentioned that there are a lot of changes, so please refer to the SOC and the individual handouts.

**Melissa Stanley (Transportation)** asked for clarification that the list of object classes that will be the control is the same list in section 83 of OMB Circular No. A-11. **Teresa** confirmed that.

**Dan** asked whether the decimal point and trailing 0 will be changed in the OMB Circular No. A-11.

**Teresa** said that, in the upcoming OMB Circular No. A-11 there will be no change, but in the future, this change is being discussed. It is still the same number; there is just a period added. The other difference in the OMB Circular No. A-11 is that there is a numbering scheme identifying reimbursable vs direct.

**Paul Webster (SSA)** stated the SSA breaks the object classes down further between software and hardware and used 31.0 and 32.0 as examples. SSA has a 4-digit code in their system and questioned if it would fail if they used their codes.

**Dan** stated that yes it would fail since the system will only recognize 32.00 and not 32.20.

**Stephen Hull (SSA)** wanted to know if the digit changes will be made with the new bulk file format

**Dan** stated that if you report the new format, the new validation will apply against it.

**Teresa** clarified that OMB is not suggesting there is going to be a 4-digit vs 3-digit that has traditionally been shown in OMB Circular No. A-11. Every time you change the bulk file, it is a hardship for entities. The 0 at the end is added because the future is unknown, and we wanted it there if needed. There are also benefits in bringing this in with data act.

**Dan (OMB)** stated there are 2 differences with what we are doing in OMB Circular No. A-11. One is that there is no adjustment for rounding in GTAS for object class., and the second is that, because this is not required until 2022 and is optional, there is a code (9999) to indicate object class while its optional while still maintaining the format of the bulk file.

**HHS** asked how an agency would determine the deadline for the TAS combination regarding validation 122?

**Teresa** answered that it was determined by the USSGL account; if you go to the footnote on the crosswalk, the footnote identifies the period.

**HHS** also asked about additional exceptions for period 9 and the template that may be coming.

**Teresa** replied the template has been implemented into the GTAS override. If there are entities that want to request an exception for period 9 validation 122, please email Teresa. OMB would also like to thank everyone for their patience with the abnormal balances as we work together to correct those.

#### **MEETING ROUNDTABLE:**

##### **Meeting Wrap-Up:**

**Steve** concluded the meeting.

#### **Agencies via Conference Call:**

Architect of the Capital

Bureau of the Fiscal Service

Department of Agriculture

Department of Commerce

Department of Defense

Department of Education

Department of Energy

Department of Health and Human Services

Department of Homeland Security

Department of Housing and Urban Development

Department of Interior

Department of Justice

Department of Labor

Department of State

Department of Transportation

Department of Treasury

Department of Veterans Affairs

Environmental Protection Agency

Export-Import Bank

Farm Credit System Insurance Corporation

Federal Communications Commission

Federal Reserve System (Other Independent Rep)

Federal Trade Commission

Government Accountability Office

General Services Administration

Library of Congress

NASA

National Labor Relations

National Science Foundation

NRC (Nuclear Regulatory Commission)

Office of Management and Budget

Office of Personnel and Management

Railroad Retirement Board

Securities Exchange Commission

Small Business Administration

Smithsonian Institution

Social Security Administration

Tennessee Valley Authority

United States Agency for Global Media

United States Agency for International Development

United States Army Corp of Engineers

United States Postal Service