FLOWCHART FOR CORRECTIONS OF ERRORS IN A PREVIOUS PERIOD

Is the event material to your agency’s financials?

Do **not** restate –

Use current-year USSGL

account

YES

Request a **backdated** Treasury document –

Use PYA attribute domain value “B”

Do **not** request a **backdated** Treasury document -

Use PYA attribute domain value “X”

Is FBWT ≥ $500,000?

YES

Do **not** request a **backdated** Treasury document –

Use PYA attribute domain value “P”

Is FBWT affected?

YES

NO

Restate

(Use USSGL

account 740000)

NO

NO

*This* ***pro forma*** *uses information from the March 2019 U.S. Standard General Ledger, which is a Supplement to the Treasury Financial Manual (TFM) See Bulletin No. 2019-06 Part 2.*

**Proposed FY 2020 USSGL Accounts**

**Account Title**: Appropriations Outstanding – Prior Period Adjustments due to Corrections of Errors

**Account Number:** 320800

**Normal Balance:** Credit

**Definition:** The amount of net increase or decrease to unexpended appropriations due to an Agency’s error(s) in prior-period financial statements that resulted from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. Although the normal balance for this account is credit, it is acceptable in certain instances for this account to have a debit balance.

**Account Title:**  Appropriations – Expended- Prior-Period Adjustments Due to Corrections of Errors

**Account Number:** 570810

**Normal Balance:** Debit

**Definition:** The amount of net increase or decrease to expended appropriations due to Agency’s errors in prior-period financial statements that resulted from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance.

**Attributes**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| USSGL Acct. | USSGL Account Title | Antici-pated | Budg/  Prop | Norm Bal | Begin/End | Debit/Credit | Auth Type Code | Apport Cat | Apport Cat B |
| 320800 | Appropriations Outstanding – Prior-Period Adjustments Due to Corrections of Errors | N | P | C | E | D/C |  |  |  |
| 570810 | Appropriations – Expended – Prior-Period Adjustments Due to Corrections of Errors | N | P | D | E | D/C |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| USSGL Acct. | Avail Time | BEA Cat | Borrow Source | Budgetary Impact Indicator | Cohort Year | Cust/Non-Cust | Exch/  Non-exch | Fed/  Non-  fed | Trading Partner | Trading Partner Main | PY Adj | DEFC | Prgm Rpt  Category |
| 320800 |  |  |  |  |  |  |  | F | ### | #### |  |  |  |
| 570810 |  |  |  |  |  |  |  | F | ### | #### |  |  |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| USSGL Acct. | Reimb Flag | Year of  BA | Reduction Type | Fund Type | Reporting Type Code | Financing Account Code | TAS Status | Trans. Code |
| 320800 |  |  |  | GA | U | N | U | N |
| 570810 |  |  |  | GA | U | N | U | N |

**Transactions**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. During fiscal 2019, an error that occurred in fiscal 2018 was discovered. The error understated expenses by $2,000,000. A bill for a delivered unpaid order had not been recorded. No prior related obligation had been previously recorded. **The error is material** and requires restatement of the proprietary financial statements.[[1]](#footnote-1) | | | | | | | | | | | |
| **FPA (XXX)** | | | | | | | | **GF (099)** | | | |
| **System Only (GTAS)** | **Debit** | **Credit** | **TC** | **Work Paper Only (Non-GTAS)** | **Debit** | **Credit** | **TC** | **(GTAS)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  445000 (P**)** Unapportioned Authority  490100 (P)Delivered Orders –  Obligations, Unpaid  **Proprietary Entry (prior-year activity)**  740000 (Z) PPA - DCE  211000 (F) Accounts Payable  310800 (G099) Unexpend. Approp. – PPA  - DCE  570800 (G099) Expend. Approp. – PPA  - DCE | 2,000      2,000  2,000 | 2,000    2,000  2,000 | D312  D304 | **Budgetary Entry**  None  **Proprietary Entry**  610000 (F) Operating Expenses/  Program Costs  740000 (Z) PPA-DCE  570800 (Z) Expend. Approp. – PPA –  DCE  570000 (G) Expend. Approp.  310700 (G) Unexpend. Approp. – Used  310800 (Z) Unexpend Approp – PPA  - DCE | 2,000  2,000  2,000 | 2,000  2,000  2,000 |  | **Budgetary Entry**  None  **Proprietary Entry**  570810 (FXXX) Approp. –  Expend – PPA - DCE  320800 (FXXX) Approp.  Outstanding – PPA –  DCE | 2,000 | 2,000 |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2. During fiscal 2019, an error that occurred in fiscal 2018 was discovered. The error understated expenses and overstated cash by $7,000,000. A bill for a delivered unpaid order had not been recorded. **The error is material** and requires restatement of the proprietary financial statements.[[2]](#footnote-2) | | | | | | | | | | | |
| **FPA (XXX)** | | | | | | | | **GF (099)** | | | |
| **System Only (GTAS)** | **Debit** | **Credit** | **TC** | **Work Paper Only (Non-GTAS)** | **Debit** | **Credit** | **TC** | **(GTAS)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  445000 (B) Unapportioned Authority  490200 (B)Delivered Orders –  Obligations, Paid  **Proprietary Entry (prior-year activity)**  740000 (Z) PPA- DCE  101000 (G099) Fund Balance With  Treasury  310800 (G099) Unexpend. Approp. – PPA  – DCE  570800 (G099) Expend.Approp. – PPA –  DCE | 7,000    7,000  7,000 | 7,000  7,000  7,000 | D306  D304 | **Budgetary Entry**  None  **Proprietary Entry**  610000 (F) Operating Expenses/  Program Costs  740000 (Z) PPA – DCE  570800 (Z) Expend. Approp. – PPA DCE  570000 (G) Expend. Approp.  310700 (G) Unexpend.Approp. – Used  310800 (Z) Unexpend. Approp. –  PPA - DCE | 7,000  7,000  7,000 | 7,000  7,000  7,000 |  | **Budgetary Entry**  None  **Proprietary Entry**  201000 (FXXX) Liability  for FBWT  198000 (F020) Asset for  Agency's Custodial and  Non-Entity Liabilities –  GF of the U.S. Gov’t.  570810 (FXXX) Approp. – Expend –  PPA – DCE  320800 (FXXX) Approp. Outstand.  – PPA – DCE | 7,000  7,000 | 7,000  7,000 |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 3. During fiscal 2019, an error that occurred in fiscal 2018 was discovered. It understated expenses and overstated cash by $450,000. A bill and payment for a delivered paid order had not been recorded. **This error is material** and requires restatement of the proprietary financial statements.[[3]](#footnote-3) | | | | | | | | | | | |
| **FPA (XXX)** | | | | | | | | **GF (099)** | | | |
| **System Only (GTAS)** | **Debit** | **Credit** | **TC** | **Work Paper Only (Non-GTAS)** | **Debit** | **Credit** | **TC** | **(GTAS)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  490200 (P)Delivered Orders –  Obligations, Paid  **Proprietary Entry**  740000 (Z) PPA- DCE  101000 (G) FBWT  310800 (G099 ) Unexpend.Approp. - PPA  DCE  570800 (G099) Expend. Approp. – PPA  DCE | 450    450  450 | 450    450  450 | D306  D304 | **Budgetary Entry**  None  **Proprietary Entry**  610000 (F) Operating Expenses/  Program Costs  740000 (Z) PPA - DCE  570800 (Z) Expend. Approp. – PPA  DCE  570000 (G) Expend. Approp.  310700 (G) Unexpend. Approp. – Used  310800 (Z) Unexpend. Approp. –  PPA - DCE | 450  450  450 | 450  450  450 |  | **Budgetary Entry**  None  **Proprietary Entry**  201000 (FXXX) Liability for FBWT  198000 (F020) Asset for Agency's   Custodial and Non-Entity Liab.  - GF of the U.S. Gov’t.  570810 (FXXX) Approp. – Expend –  PPA – DCE  320800 (FXXX) Approp. Outstanding –  PPA – DCE | 450  450 | 450  450 |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4. During fiscal 2019, an error that occurred in fiscal 2018 was discovered. It understated expenses by $100,000. A bill for a delivered unpaid order had not been recorded. No prior related obligation had been previously recorded. **This error is immaterial** and does not require restatement of the proprietary financial statements.[[4]](#footnote-4) | | | | | | | | | | | |
| **FPA (XXX)** | | | | | | | | **GF** | | | |
| **System Only (GTAS)** | **Debit** | **Credit** | **TC** | **Work Paper Only (Non-GTAS)** | **Debit** | **Credit** | **TC** | **(GTAS)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  445000 (P) Unapportioned Authority  490100 (P)Delivered Orders – Obligations,  Unpaid  **Proprietary Entry (current-year activity)**  610000 (N) Operating Expenses/Program Costs  211000 (N) Accounts Payable  310700 (G099) Unexpended Appropriations –  Used  570000 (G099) Expended Appropriations | 100      100  100 | 100    100  100 | B134 | **Budgetary Entry**  None  **Proprietary Entry**  None |  |  |  | **Budgetary Entry**  None  **Proprietary Entry**  570005 (FXXX) Approp.-Expend.  320700 (FXXX) Approp.  Outstanding - Used | 100 | 100 |  |

1. The PYA attribute domain value “P” is used because FBWT is **not** affected. A matching backdated Treasury central accounting document is **not** prepared after the GTAS window period has closed for the period being corrected. [↑](#footnote-ref-1)
2. The PYA attribute domain value “B” is used because FBWT is > $500,000. A backdated Treasury central accounting document is prepared after the GTAS window period has closed for the period being corrected. [↑](#footnote-ref-2)
3. The PYA attribute domain value “X” is used because FBWT is < $500,000. A backdated Treasury central accounting document is **not** prepared after the GTAS window period has closed for the period being corrected. [↑](#footnote-ref-3)
4. A budgetary entry is required to reflect a beginning balance adjustment. The PYA attribute domain value “P” is used because FBWT is not affected. A backdated Treasury central accounting document is **not** prepared after the GTAS window period has closed for the period being corrected. [↑](#footnote-ref-4)