



**GENERAL FUND RECEIPT ACCOUNT (GFR) SCENARIO 2: CUSTODIAL STATEMENT
COLLECTIONS: COLLECTION OF NON-EXCHANGE REVENUE: FINES AND PENALTIES**

EFFECTIVE FISCAL YEAR 2021

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Version Number	Date	Description of Change	Effective USSGL TFM
1.0	08/2007	Original	TFM Bulletin No. 2018-04
2.0	08/2020	Added General Fund of the U.S. Government Transactions, Updated Financial Statements	TFM Bulletin No. 2020-21

Background

Definition of a General Fund Receipt (GFR) Account

The Government Accountability Office (GAO) defines a GFR Account as: “A receipt account credited with all collections that are not earmarked by law for another account for a specific purpose. These collections are presented in the President’s budget as either governmental (budget) receipts or offsetting receipts. These include taxes, customs duties, and miscellaneous receipts.” (Government Accountability Office, [A Glossary of Terms Used in the Federal Budget Process, September 2005, GAO-05-734SP](#))

Purpose

This guidance proposes accounting and reporting guidance for various collections classified in GFR accounts. The focus of this guidance is on the GFR account activity.

Federal Account Symbols (FAS), Treasury Account Symbols (TAS), and Collections

The Federal Account Symbols and Titles (FAST) Book, published by Treasury, lists all FAS available for Federal agency use. A collection can be classified to any of the listed accounts. To classify a receipt, append your agency’s two digit department code to the FAS. This combination of department code and FAS creates TAS. For example, collections for work performed in accordance with Economy Act can be deposited into any type of expenditure account. On the other hand, National Park Service fees are designated by law to be deposited to a special fund receipt account. Similarly, collections for the National Endowment for the Arts Gift Fund are designated by law to be deposited to a trust fund receipt account. Amounts collected in the course of business by the U.S. Postal Service are, by law, deposited to a revolving fund. Amounts not belonging to the Government are, by law, classified to deposit fund accounts. As you can see, a specific law determines how the collections in the preceding examples are classified in a TAS.

Absent specific legislation, collections should be classified to a **General Fund Receipt TAS**. Title 31, United States Code (USC), chapter 33, section 3302(b) establishes this concept by stating: “Except as provided in section 3718 (b) of this title, an official or agent of the Government receiving money for the Government from any source shall deposit the money in the Treasury as soon as practicable without deduction for any change or claim.” Also, Title 31, USC, chapter 33, section 3302(e) states that “an official or agent of the Government having custody or possession of public money shall keep an accurate entry of each amount of public money received, transferred, and paid.”

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GFR Account Categories in the FAST Book

The “Types of Collections and Relevant FASAB References” column was included in the table to assist users in providing background information. The users should note that the types of collections and limited paragraph references listed on the chart are suggestions and they should not be solely relied on. Each entity should perform its own research to determine the appropriate category for its collection.

FAS	Description of Types of GFR Accounts	Types of Collections and Relevant FASAB Reference
1000 – Fines, penalties and forfeitures	Moneys received from levies imposed for violation of laws and regulations; confiscated or unclaimed funds; and proceeds from confiscated or unclaimed property.	Nonexchange, SFFAS 7, par. 2, 5, 30, 49, 54, 61, 173, 260 - 262

GFR Account Reporting Responsibility

Within each GFR account category listed in the FAST Book there are unique FAS to identify specific activity. After selecting the proper TAS, the reporting entity should append its 3-digit agency identifier code to the beginning of the TAS for classifying the receipt to Treasury. A collecting entity typically reports all GFR TAS beginning with its 3-digit agency identifier code within its entity financial statements.

Identifying and Reporting Custodial Collections

This guidance uses the word “custodial” as it relates to the Statement of Custodial Activity. The Statement of Custodial Activity was intended for those entities whose primary mission is collecting taxes or other revenues, particularly sovereign revenues that are intended to finance the entire Government’s operations, or at least the programs of other entities, rather than their own activities¹. Organizations that collect custodial revenues that are incidental to their primary mission do not need to report the collections and disposition of these revenues in a separate statement. The disclosure of the sources and amounts of the collections and the amounts distributed to others could be disclosed in accompanying footnotes².

¹ See SFFAC No. 2, paragraph 101.

² SFFAC No. 2, paragraph 103.

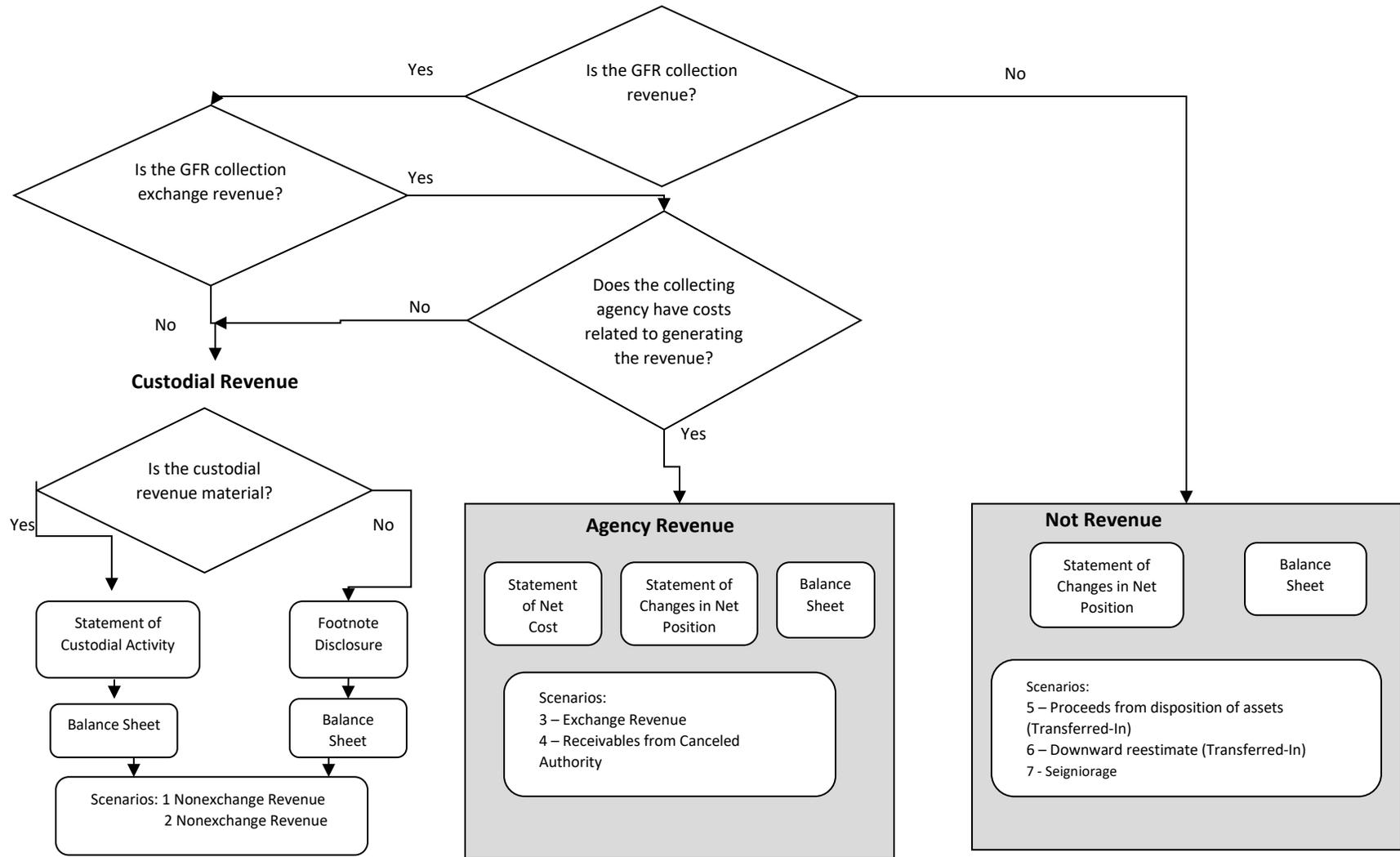
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Nonexchange Revenue

Entities that collect nonexchange revenue for the General Fund and other entities should not recognize the revenue as theirs, but instead they need to account and report for that revenue in accordance with provisions of Statement of Federal Financial Accounting Concept No. 2 above and Statement of Federal Financial Accounting Standard No. 7 (paragraphs 48-63).

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FLOWCHART - GFR COLLECTIONS TO COLLECTING AGENCY'S FINANCIAL STATEMENTS



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Chart - Impact on Collecting Entity’s Financial Statements by Various Types of Collections

GFR Account Activity	Statement of Net Cost	Statement of Changes in Net Position (SCNP)	Statement of Custodial Activity (SCA)	Footnote Disclosure	Balance Sheet	FASAB Standard Reference (see Appendix)
Collection of nonexchange revenue	No	No	Yes, if material and part of primary mission	Yes, if immaterial and incidental to primary mission	Yes, cumulative result is -0-.	SFFAS No. 7 – Par. 48, 49

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Listing of USSGL Accounts Used in This Scenario

Account Number	Account Name
Proprietary	
101000	Fund Balance With Treasury
136000	Penalties and Fines Receivable – Not Otherwise Classified
136700	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
298000	Custodial Liability
331000	Cumulative Results of Operations
520000	Revenues From Services Provided
532400	Contra Revenue for Penalties and Fines
599000	Collections for Others – Statement of Custodial Activity
599100	Accrued Collections for Others – Statement of Custodial Activity

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Scenario 2: Custodial Statement Collections: Collection of Nonexchange Revenue – Fines and Penalties

This assumption addresses collections of nonexchange fines and penalties revenue that are reported on the Statement of Custodial Activity. Refer to SFFAS No. 7, paragraphs 2, 5, 30, 49, 54, 61, 173, 260, and 262, and SFFAC No. 2, Entity and Display.

NOTE: The IRS has data limitations and cannot separately post, by tax class, penalties and fines receivables and revenue from taxes receivables and tax collections. FASAB’s SFFAS 7 paragraph 185 recognizes IRS systems limitations.

1. To record accrual of nonexchange revenue. (See SFFAS No. 7, Para. 53-55)							
GFR Account	Debit	Credit	TC	General Fund of the U.S. Government (099)	Debit	Credit	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 136000 (N) Penalties and Fines Receivable – Not Otherwise Classified 532000 (N) Penalties and Fines Revenue	700	700	C402	<u>Proprietary Entry</u> None			

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Also Post:

2. To record contra-revenue in the amount of revenue accrued and establish a custodial liability.							
GFR Account	Debit	Credit	TC	General Fund of the U.S. Government (099)	Debit	Credit	TC
<p><u>Budgetary Entry</u> None</p> <p><u>Proprietary Entry</u> 599100 (G)³ Accrued Collections for Others – Statement of Custodial Activity (RC 48) 298000 (G) Custodial Liability (RC 46)⁴</p>	700	700	C404	<p><u>Budgetary Entry</u> None</p> <p><u>Proprietary Entry</u> 198000 (F) Asset for Agency’s Custodial and Non-Entity – General Fund of the U.S. Government (RC 46)⁵ 571200 (F) Accrual of Agency Amount – To Be Collected – Custodial and Non-Entity – General Fund of the U.S. Government (RC 48)</p>	700	700	

³ The Federal/Non-Federal attribute domain value of “G” will always have trading partner 099 agency identifier.
⁴ RC – Reciprocal Category is shown for Intragovernmental Elimination Analysis (not included in GTAS upload.)
⁵ The Trading Partner is Department of Treasury (020).

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GFR Account Preclosing Trial Balance

Account	Description	Debit	Credit
<u>Budgetary</u>		-	-
None		-	-
		-	-
<u>Proprietary</u>		-	-
136000 (N)	Penalties and Fines Receivable – Not Otherwise Classified	700	-
298000 (G)	Custodial Liability	-	700
532000 (N)	Penalties and Fines Revenue	-	700
599100 (G)	Accrued Collections for Others – Statement of Custodial Activity	700	-
Total		1,400	1,400

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BALANCE SHEET AS OF DECEMBER 31, YEAR 1		
Line No.		GFR Account
	Assets (Note 2)	
	Intragovernmental	
6.	Total intragovernmental	-
9.	Accounts receivable, net (Note 6) (136000E)	700
15.	Total assets	700
	Liabilities (Note 13)	
	Intragovernmental	
19.	Other (Note 15, 16, and 17) (298000E)	700
20.	Total intragovernmental	700
28.	Total Liabilities	700
	Net Position	
33.	Cumulative results of operations – All Other Funds (Combined or Consolidated Totals)	-
35.	Total Net Position – All Other Funds	-
36.	Total Net Position	-
37.	Total liabilities and net position	700

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3. To record in a General Fund receipt account, the accrued estimated uncollectible nonexchange revenue reported on the Statement of Custodial Activity or on the custodial footnote.							
GFR Account	Debit	Credit	TC	General Fund of the U.S. Government (099)	Debit	Credit	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 532400 (N) Contra Revenue for Penalties and Fines 136700 (N) Allowance for Loss on Penalties and Fines – Not Otherwise Classified	100	100	D424	<u>Proprietary Entry</u> None			

Also Post:

4. To record the reduction of custodial liability by the amount of estimated uncollectible nonexchange revenue collected for others in a General Fund receipt account.							
GFR Account	Debit	Credit	TC	General Fund of the U.S. Government (099)	Debit	Credit	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 298000 (G) Custodial Activity (RC 46) 599100 (G) Accrued Collections for Others – Statement of Custodial Activity (RC 48)	100	100	D422	<u>Proprietary Entry</u> 571200 (F) Accrual of Agency Amount – To Be Collected – Custodial and Non-Entity – General Fund of the U.S. Government (RC 48) 198000 (F) Asset for Agency’s Custodial and Non-Entity Liabilities - General Fund of the U.S. Government (RC 46)	100	100	

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Year 1 Preclosing Trial Balance

Account	Description	Debit	Credit
<u>Budgetary</u>		-	-
None		-	-
		-	-
<u>Proprietary</u>		-	-
101000 (G)	Fund Balance With Treasury	600	-
136000 (N)	Penalties and Fines Receivable – Not Otherwise Classified	100	-
136700 (N)	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified	-	100
298000 (G)	Custodial Liability	-	600
532000 (N)	Penalties and Fines Revenue	-	700
532400 (N)	Contra Revenue for Penalties and Fines	100	-
599000 (G)	Collections for Others – Statement of Custodial Activity	600	
Total		1,400	1,400

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Preclosing Adjusting Entry

1. To record the closing of General Fund receipt accounts associated with fund balance at yearend. (Refer to TFM Bulletin No. 2019-15 paragraph 26 for a detailed description of the sweeping of the general fund receipt accounts.)							
GFR Account	Debit	Credit	TC	General Fund of the U.S. Government (099)	Debit	Credit	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 298000 (G) Custodial Liability (RC 46) 101000 (G) Fund Balance With Treasury (RC 40)	600	600	F124	<u>Proprietary Entry</u> 201000 (F) Liability for Fund Balance With Treasury (RC 40) 198000 (F) Asset for Agency's Custodial and Non-Entity Liabilities - General Fund of the U.S. Government (RC 46)	600	600	

Year 1 Preclosing Adjusted Trial Balance

Account	Description	Debit	Credit
<u>Budgetary</u>		-	-
None		-	-
		-	-
<u>Proprietary</u>		-	-
136000 (N)	Penalties and Fines Receivable – Not Otherwise Classified	100	-
136700 (N)	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified	-	100
532000 (N)	Penalties and Fines Revenue	-	700
532400 (N)	Contra Revenue for Penalties and Fines	100	-
599000 (G)	Collections for Others – Statement of Custodial Activity	600	-
Total		800	800

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BALANCE SHEET AS OF SEPTEMBER 30, YEAR 1		
Line No.		GFR Account
	Assets (Note 2)	
	Intragovernmental	
1.	Fund Balance with Treasury (Note 3) (101000E)	-
6.	Total intragovernmental	-
10.	Accounts receivable, net (Note 6) (136000E, 136700E)	-
15.	Total assets	-
	Liabilities (Note 13)	
	Intragovernmental	
19.	Other (Note 15, 16, and 17) (298000E)	-
20.	Total Intragovernmental	-
	Net Position	
33.	Cumulative results of operations – All Other Funds (Combined or Consolidated Totals)	-
35.	Total Net Position – All Other Funds	-
36.	Total Net Position	-
37.	Total liabilities and net position	-

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STATEMENT OF CUSTODIAL ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, YEAR 1		
Line No.		GFR Account
	Revenue Activity:	
	Sources of Cash Collections:	
7.	Miscellaneous (532000E, 532400E)	600
8.	Total Cash Collections	600
9.	Accrual Adjustments (+/-) (136000B, 136700B)	-
10.	Total Custodial Revenue	600
	Disposition of Collections:	
11.	Transferred to Others (by Recipient) (599000E)	600
12.	(Increase)/Decrease in Amounts Yet to be Transferred (+/-) (599100E)	-
14.	Retained by Reporting Entity	-
15.	Total Disposition of Collections	600
16.	Net Custodial Activity	-

OMB Circular No. A-136, Financial Reporting Requirements, Section II.3.8.35 – Note 35 Incidental Custodial Collections states: “Organizations collecting immaterial custodial revenues that are incidental to their primary mission may disclose the sources and amounts of the collections and the amounts distributed to others in accompanying notes rather than on the face of the statement.” Also, see SFFAC No. 2, Entity and Display, paragraph 103.

Note: The Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and the SF 133 & Schedule P are not applicable to this scenario.

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Reclassified Financial Statements

RECLASSIFIED BALANCE SHEET AS OF SEPTEMBER 30, YEAR 1		
Line No.		GFR Account
1		
2.	Non-federal	
2.2	Accounts and taxes receivable, net (136000E, 136700E)	-
2.9	Total non-federal assets	-
3	Federal	
3.1	Fund Balance with Treasury (RC 40)/1 (101000E)	-
3.14	Total federal assets	-
4.	Total assets	-
	Liabilities	
7.	Federal	
7.11	Liability to agency Other Than the General Fund of the U.S. Government for custodial and other non-entity assets (RC 10)/1 (298000E)	-
7.15	Total federal liabilities	-
8	Total liabilities	-
9	Net Position	
10	Total net position	-
11.	Total liabilities and net position	-

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RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION AS OF SEPTEMBER 30, YEAR 1		
Line No.		GFR Account
5	Non-federal non-exchange revenue:	
5.7	Other taxes and receipts (532000N, 532400N)	(600)
5.9	Total non-federal non-exchange revenue	(600)
8	Other financing sources:	
8.4	Non-entity collections transferred to the General Fund of the U.S. Government (RC 44) (599000E)	600
8.11	Total other financing sources	600
9	Net cost of operations	-
10	Net position, end of period	-

Note: The Reclassified Statement of Net Cost is not applicable to this scenario.

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Closing Entries

1. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.

GFR Account	Debit	Credit	TC	General Fund of the U.S. Government (099)	Debit	Credit	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 331000 Cumulative Results of Operations 599000 (G) Collections for Others – Statement of Custodial Activity (RC 44)	600		F336	<u>Proprietary Entry</u> 571000 (F) Transfer in of Agency Unavailable Custodial and Non-Entity Collections (RC 44) 331000 Cumulative Results of Operations	600	600	
And:							
532000 (N) Penalties and Fines Revenue 331000 Cumulative Results of Operations 532400 (N) Contra Revenue for Penalties And Fines	700						
		600					
		100					

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Year 1 Post-Closing Trial Balance

Account	Description	Debit	Credit
<u>Budgetary</u>		-	-
None		-	-
		-	-
<u>Proprietary</u>		-	-
136000 (N)	Penalties and Fines Receivable – Not Otherwise Classified	100	-
136700 (N)	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified	-	100
Total		100	100