

RAILROAD RETIREMENT BOARD (RRB)

LOST INVESTMENT OPPORTUNITY

(INDEFINITE BUDGET AUTHORITY)

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Department of the Treasury**

Version Number	Date	Description of Change	Effective USSGL TFM
1.0	12/05/2013	Original version	

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Lost Investment Opportunity

Background

Description of the “Lost Investment Opportunity”

RRB is an independent agency in the executive branch of the federal government. The RRB’s primary function is to administer comprehensive retirement-survivor and unemployment-sickness benefit programs for the nation’s railroad workers and their families, under the Railroad Retirement and Railroad Unemployment Insurance Acts. Per 45 USC 231f (c)(4), after the end of the month, the RRB shall determine the net amount, if any, which if added to or subtracted from the Social Security Trust Funds (Federal Old-Age and Survivors Insurance, Federal Disability Insurance, and Federal Hospital Insurance) would, with respect to each month, place those Trust Funds, taken as a whole, in the same position as if the Railroad Retirement Act had not been enacted. On a monthly basis RRB borrows from Treasury on the 15th of the month. Prior to fiscal year 2014 RRB would borrow a principal amount plus the amount RRB would have earned for the number of days hypothetically lost if the funds were invested in the Railroad Retirement Trust Fund (RRTF). This results in a “Lost Investment Opportunity” for the RRTF. The funds from the borrowing could have been invested in RRTF as of the close of the preceding month.

Beginning in fiscal year 2014, Bureau of the Fiscal Service (Fiscal Service) will process a warrant on October 1st for the entire year based upon the estimated “Lost Investment Opportunity” (the estimate will be provided by the RRB actuary office). This amount will be recorded in 060X0113. Around the 15th of the month the RRB will transfer the actual “Lost Investment Opportunity” from the 060X0113 account to the 060X8010 account for the current month.

In our example our actuarial estimate for the entire year will be \$4,500,000. The actual amount of the full year transfers will be \$4,320,000 (12 months * \$360,000). The only amount that would ever need to be transferred back to Treasury for the “Lost Investment Opportunity” would be the difference between the warrant amount and the amount of the full year transfers. In our example this is \$180,000.

Applicable Railroad Retirement Board Treasury Account Fund Symbols (TAFS)

60X0113, “Federal Payments to the Railroad Retirement Accounts, Railroad Retirement Board”

60X8010, “Social Security Equivalent Benefit Account, Railroad Retirement Board”

60X8010.009, “Advances from the General Fund, Social Security Equivalent Benefit Account, Railroad Retirement Board”

This scenario follows USSGL TFM S2 13-02 (October 2013) Revised by Bulletin No. 2014-01 (November 2013) Part 2, Fiscal 2014 crosswalks.

Listing of United States Standard General Ledger (USSGL) Accounts Used in This Scenario

Account Number	Account Name
<u>Budgetary</u>	
411400	Appropriated Receipts Derived from Unavailable Trust or Special Fund Receipts
411900	Other Appropriations realized
420100	Total Actual Resources – Collected
439100	Adjustment to Indefinite No-Year Authority
445000	Unapportioned Authority
451000	Apportionments
461000	Allotments – Realized Resources
480100	Undelivered Orders - Obligations, Unpaid
490200	Delivered Orders - Obligations, Paid
<u>Proprietary</u>	
101000	Fund Balance With Treasury
310100	Unexpended Appropriations – Appropriations Received
310600	Unexpended Appropriations - Adjustments
310700	Unexpended Appropriations - Used
331000	Cumulative Results of Operations
570000	Expended Appropriations
575000	Expenditure Financing Sources – Transfers-In
576000	Expenditure Financing Sources-Transfers-Out
610000	Operating Expenses/Program Costs

Illustrative Transactions

Beginning Trial Balances					
RRB General Fund TAFS 060X0113	DR	CR	RRB TAFS 060X8010	DR	CR
<u>Budgetary</u>			<u>Budgetary</u>		
N/A			N/A		
<u>Proprietary</u>			<u>Proprietary</u>		
N/A			N/A		

1. To record amounts appropriated to general fund TAFS 060X0113, and subsequently apportioned. The annual amount is based on the estimated “Lost Investment Opportunity”.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
<u>Budgetary Entry</u>							
411900 ¹ Other Appropriations Realized	4,500,000						
445000 Unapportioned Authority		4,500,000	A104				
445000 Unapportioned Authority	4,500,000						
451000 Apportionments		4,500,000		N/A			
<u>Proprietary Entry</u>							
101000 Fund Balance With Treasury	4,500,000		A116				
310100 Unexpended Appropriations – Appropriations Received		4,500,000					

¹ 4119: SF 133 and P&F Schedule line 1200 [Appropriation -- Authority_Type=P, BEA_Category_Indicator=M]

2. To record the expenditure transfer from the RRB general fund to the RRB Trust Fund. The object class code used for the RRB General Fund TAFS of 060X0113 would be 94.0 (Financial Transfers). The transfer is for the actual amount of the “lost investment” for a month. For our example we are presenting a monthly transfer of \$360,000. The total for the year would be \$4,320,000.

RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010.009	DR	CR	TC
<u>Budgetary Entry</u> 451000 Apportionments 490200 Delivered Orders – Obligations, Paid	360,000	360,000	A514	<u>Budgetary Entry</u> 411400 ² Appropriated Trust or Special Fund Receipts 445000 Unapportioned Authority	360,000	360,000	A510
<u>Proprietary Entry</u> 576000 Expenditure Financing Sources – Transfers-Out 101000 Fund Balance With Treasury	360,000	360,000	B134	<u>Proprietary Entry</u> 101000 Fund Balance With Treasury 575000 Expenditure Financing Sources – Transfers-In	360,000	360,000	
310700 Unexpended Appropriations - Used 570000 Expended Appropriations	360,000	360,000					

3. To record budget authority apportioned and available for allotment.

RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
N/A				<u>Budgetary Entry</u> 445000 Unapportioned Authority 451000 Apportionments	360,000	360,000	A116
				<u>Proprietary Entry</u> None			

² 4114: SF 133 and P&F Schedule line 1201 [Appropriation -- Authority_Type = P, BEA_Category_Indicator=M, Fund Type=ET]

4. To record the allotment of authority.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
N/A				<u>Budgetary Entry</u> 4510000 Apportionments 461000 Allotments-Realized Resources <u>Proprietary Entry</u> None	360,000	360,000	A120

5. To record current-year obligations, from authority received in transaction #4.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
N/A				<u>Budgetary Entry</u> 461000 Allotments-Realized Resources 480100 Undelivered Orders – Obligations, Unpaid <u>Proprietary Entry</u> None	360,000	360,000	B306

6. To record the disbursement of funds related to the obligation in transaction #5.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
N/A				<u>Budgetary Entry</u> 480100 Undelivered Orders – Obligations, Unpaid 490200 Delivered Orders – Obligations, Paid <u>Proprietary Entry</u> 610000 Operating Expenses/Program Costs 101000 Fund Balance With Treasury	360,000	360,000	B107
					360,000	360,000	

7. To record the decrease of indefinite budget authority in the general fund TAFS to reconcile to the indefinite appropriation equal to the amounts transferred to the RRB trust fund. The only amounts that would need to be returned to Treasury would be the difference between the warrant amount and the actual transfers to the RRB trust fund. There would be no requirement in this situation for the RRB trust fund to return any unobligated amount to the RRB general fund. Once an amount has been transferred from the RRB general fund it has met the requirement of obligation. In our example at the end of the year the warrant amount exceeded the amount transferred by \$180,000, therefore it has to be returned to Treasury.

RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
Budgetary Entry 451000 Apportionments 439100 ³ Adjustments to Indefinite No-Year Authority	180,000	180,000	F106 (mod)	N/A			
Proprietary Entry 310600 Unexpended Appropriations – Adjustments 101000 Fund Balance With Treasury	180,000	180,000					

Pre-Closing Adjusted Trial Balances

RRB General Fund TAFS 060X0113	DR	CR	RRB TAFS 060X8010	DR	CR
Budgetary 411900 Other Appropriations Realized 439100 Adjustments to Indefinite No-Year Authority 445000 Unapportioned Authority 451000 Apportionments 490200 Delivered Orders – Obligations, Paid TOTAL	4,500,000 0 0 0 4,500,000	 180,000 0 0 4,320,000 4,500,000	Budgetary 411400 Appropriated Trust or Special Fund Receipts 461000 Allotments – Realized Resources Apportionment 480100 Undelivered Orders – Obligations, Unpaid 490200 Delivered Orders – Obligations, Paid TOTAL	 4,320,000 0 0 0 4,320,000 4,320,000 0	 4,320,000 4,320,000

³ 4391: SF 133 and P&F Schedule line 1200 [Appropriation -- BEA_Category_Indicator=M, Fund=EG]

Proprietary			Proprietary		
101000	Fund Balance With Treasury		101000	Fund Balance With Treasury	
310100	Unexpended Appropriations – Appropriations Received	4,500,000	575000	Expenditure Financing Sources – Transfers-In	4,320,000
310600	Unexpended Appropriations – Adjustments	180,000	610000	Operating Expense	<u>4,320,000</u>
310700	Unexpended Appropriations - Used	4,320,000	TOTAL	4,320,000	<u>0</u>
570000	Expended Appropriations	4,320,000			4,320,000
576000	Expenditure Financing Sources – Transfers-Out	<u>4,320,000</u>			
TOTAL		8,820,000			

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Closing Entries

8. To record the consolidation of actual net-funded resources and reductions for withdrawn funds.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
<u>Budgetary Entry</u> 420100 Total Actual Resources – Collected 439100 Adjustments to Indefinite No-Year Authority 411900 Other Appropriations Realized <u>Proprietary Entry</u> None	4,320,000	180,000 4,500,000	F302	<u>Budgetary Entry</u> 420100 Total Actual Resources - Collected 411400 Appropriated Trust or Special Fund Receipts <u>Proprietary Entry</u> None	4,320,000	4,320,000	F302

9. To record the closing of paid delivered orders to total actual resources.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
<u>Budgetary Entry</u> 490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources - Collected <u>Proprietary Entry</u> None	4,320,000	4,320,000	F314	<u>Budgetary Entry</u> 490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources - Collected <u>Proprietary Entry</u> None	4,320,000	4,320,000	F314

10. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
Budgetary Entry None				Budgetary Entry None			
Proprietary Entry 570000 Expended Appropriations 576000 Expenditure Financing Sources – Transfers-Out	4,320,000	4,320,000	F336	Proprietary Entry 575000 Expenditure Financing Sources – Transfers-In 610000 Operating Expenses	4,320,000	4,320,000	F336

11. To record closing of fiscal-year activity to unexpended appropriations.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
Budgetary Entry None							
Proprietary Entry 310100 Unexpended Appropriations – Appropriations Received 310600 Unexpended Appropriations – Adjustments 310700 Unexpended Appropriations – Used	4,500,000	180,000 4,320,000	F342	N/A			

Post-Closing Adjusted Trial Balances

RRB General Fund TAFS 060X0113	DR	CR	RRB TAFS 060X8010	DR	CR
<u>Budgetary</u> None			<u>Budgetary</u> None		
<u>Proprietary</u> None			<u>Proprietary</u> None		

PROGRAM AND FINANCING (P&F) SCHEDULE

PROGRAM AND FINANCING (P&F) SCHEDULE		
	RRB TAFS 060X0113	RRB TAFS 060X8010
BUDGETARY RESOURCES		
0900 Total New Obligations	4,320,000	4,320,000
Unobligated Balance:		
1000 Unobligated Balance Brought Forward	0	0
Budget Authority:		
Appropriations:		
Mandatory:		
1200 Appropriation (411900E,439100E)	4,320,000	
1201 Appropriation Special or Trust Fund (411400E)		4,320,000
1900 Budget Authority Total	4,320,000	4,320,000
CHANGE IN OBLIGATED BALANCE		
3010 Obligations Incurred, unexpired accounts (490200E)	4,320,000	4,320,000
3020 Outlays (gross) (-) (490200E)	(4,320,000)	(4,320,000)
3050 Unpaid Obligations End of Year (480100E)	0	0
3100 Obligated Balance, Start of Year	0	0
3200 Obligated Balance, End of Year	0	0
BUDGET AUTHORITY AND NET OUTLAYS		
Mandatory		
Gross Budget Authority and Outlays:		
4090 Budget Authority, gross (This line is calculated. Equals the sum of the mandatory Budget authority [Lines 1201 and 1201])	4,320,000	4,320,000
4100 Outlays From New Mandatory Authority (490200E)	4,320,000	4,320,000

4110 Outlays, Gross (Total)	4,320,000	4,320,000
4160 Budget Authority, Net (Mandatory). (This line is calculated)	4,320,000	4,320,000
4170 Outlays, Net (Mandatory). (This line is calculated)	4,320,000	4,320,000
4180 Budget Authority, Net (Discretionary and Mandatory) (This line is calculated)	4,320,000	4,320,000
4190 Outlays, Net (Discretionary and Mandatory) (This line is calculated)	4,320,000	4,320,000

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SF 133 – REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

SF133 – REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES		
	RRB TAFS 060X0113	RRB TAFS 060X8010
SCHEDULE OF BUDGETARY RESOURCES		
Unobligated Balance:		
1000 Unobligated Balance Brought Forward	0	0
Budget Authority:		
Appropriations:		
Mandatory:		
1200 Appropriation (411900E,439100E)	4,320,000	
1201 Appropriation Special or Trust Fund (411400E)		4,320,000
1910 Total Budgetary Resources	4,320,000	4,320,000
STATUS OF BUDGETARY RESOURCES		
Obligations Incurred		
2002 Category B (490200E)	4,320,000	4,320,000
2004 Direct Obligations (total)	4,320,000	4,320,000
2490 Unobligated Balance, end of year	0	0
2500 Total Budgetary Resources	4,320,000	4,320,000
CHANGE IN OBLIGATED BALANCE		
Unpaid Obligations:		
3010 Obligations Incurred, unexpired accounts (490200E)	4,320,000	4,320,000
3020 Outlays (gross) (-) (490200E)	(4,320,000)	(4,320,000)
3050 Unpaid Obligations End of Year (480100E)	0	0
3100 Obligated Balance, Start of Year	0	0

3200 Obligated Balance, End of Year	0	0
BUDGET AUTHORITY AND NET OUTLAYS		
Mandatory		
Gross Budget Authority and Outlays:		
4090 Budget Authority, gross (This line is calculated. Equals the sum of the mandatory Budget authority [Lines 1201 and 1201])	4,320,000	4,320,000
4100 Outlays From New Mandatory Authority (490200E)	4,320,000	4,320,000
4110 Outlays, Gross (Total)	4,320,000	4,320,000
4160 Budget Authority, Net (Mandatory). (This line is calculated)	4,320,000	4,320,000
4170 Outlays, Net (Mandatory). (This line is calculated)	4,320,000	4,320,000
4180 Budget Authority, Net (Discretionary and Mandatory) (This line is calculated)	4,320,000	4,320,000
4190 Outlays, Net (Discretionary and Mandatory) (This line is calculated)	4,320,000	4,320,000

FMS 2108: YEAREND CLOSING STATEMENT

	RRB TAFS 060X0113	RRB TAFS 060X8010
Column 2 Preclosing Unexpended Balance - Treasury Supplied	0	0
Column 6 Postclosing Unexpended Balance (101000E)	0	0
Column 9 – Undelivered Orders – Obligations, Unpaid	0	0

BALANCE SHEET

	RRB TAFS 060X0113	RRB TAFS 060X8010
Assets:		
Intragovernmental:		
1. Fund Balance With Treasury (Note 3) (1010E)	0	0
15. Total Assets	0	0
Liabilities:		
28. Total Liabilities	0	0
Net Position:		
31. Unexpended Appropriations – Other Funds		
32. Cumulative Results of Operations – Earmarked Funds (Note 21)	0	0
33. Cumulative Results of Operations – Other Funds (575000E, 610000E)	0	0
34. Total Net Position (calc.)	0	0
35. Total Liabilities and Net Position (calc.)	0	0

STATEMENT OF NET COST

	RRB TAFS 060X0113	RRB TAFS 060X8010
Program Costs:		
1. Gross costs (Note 22) (610000E)	0	4,320,000
3. Net Program Costs (sum of 1 minus 2)	<u>0</u>	<u>4,320,000</u>
8. Net cost of operations	0	4,320,000

STATEMENT OF CHANGES IN NET POSITION

	RRB TAFS 060X0113	RRB TAFS 060X8010
Cumulative Results of Operations:		
Budgetary Financing Sources:		
5. Appropriations Used (570000E)	4,320,000	0
8. Transfers-In/Out Without Reimbursement (+/-) (576000E, 575000)	(4,320,000)	4,320,000
14. Total Financing Sources (sum of 4 through 13)	0	4,320,000
15. Net Cost of Operations (+/-)	0	4,320,000
16. Net Change (sum of 14 minus 15)	0	0
17. Cumulative Results of Operations (sum of 3 and 16)	0	0
Unexpended Appropriations		
Budgetary Financing Sources:		
21. Appropriations Received (310100E)	4,500,000	0
23. Other Adjustments (Rescissions, etc.) (310600E) (+/-)	(180,000)	0
24. Appropriations Used (310700E)	(4,320,000)	0
25. Total Budgetary Financing Sources (sum of 21 through 24)	0	0
26. Total Unexpended Appropriations (sum of 20 and 25)	0	0
27. Net Position (sum of 17 and 26)	0	0

STATEMENT OF BUDGETARY RESOURCES

	RRB TAFS 060X0113	RRB TAFS 060X8010
BUDGETARY RESOURCES		
Unobligated Balance:		
1000 Unobligated Balance Brought Forward	0	0
Budget Authority:		
Appropriations:		
Mandatory:		
1290 Appropriation (411900E, 411400E, 439000E)	4,320,000	4,320,000
1910 Total Budgetary Resources	4,320,000	4,320,000
STATUS OF BUDGETARY RESOURCES		
Obligations Incurred:		
2190 Obligations Incurred (490200E)	4,320,000	4,320,000
2500 Total Budgetary Resources	4,320,000	4,320,000
CHANGE IN OBLIGATED BALANCE		
Unpaid Obligations:		
3012 Obligations Incurred, unexpired accounts (490200E)	4,320,000	4,320,000
3020 Outlays (gross) (-) (490200E)	(4,320,000)	(4,320,000)
3100 Obligated Balance, Start of Year	0	0
3200 Obligated Balance, End of Year	0	0

BUDGET AUTHORITY AND NET OUTLAYS		
Mandatory		
Gross Budget Authority and Outlays:		
4175 Budget Authority, Gross (Discretionary and Mandatory)	4,320,000	4,320,000
4180 Budget Authority, Net (Discretionary and Mandatory).	4,320,000	4,320,000
4185 Outlays, Gross (Discretionary and Mandatory).	4,320,000	4,320,000
4190 Outlays, Net (Discretionary and Mandatory)	4,320,000	4,320,000
4210 Agency Outlays, Net (Discretionary and Mandatory)	4,320,000	4,320,000

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