

**RAILROAD RETIREMENT BOARD  
LOST INVESTMENT OPPORTUNITY (INDEFINITE BUDGET AUTHORITY)  
EFFECTIVE FISCAL YEAR 2014**

**PREPARED BY:**

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**Railroad Retirement Board  
Lost Investment Opportunity (Indefinite Budget Authority)  
Effective Fiscal 2014**

<b>Version Number</b>	<b>Date</b>	<b>Description of Change</b>	<b>Effective USSGL TFM</b>
1.0	09/04/2014	Original version	TFM S2 14-01 Part1 Revised by Bulletin No. 2014-07

**Railroad Retirement Board**  
**Lost Investment Opportunity (Indefinite Budget Authority)**  
**Effective Fiscal 2014**

**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 15<sup>th</sup> 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 RRB will be calculating the actual amount of the “Lost Investment Opportunity” each month. Based upon this calculation each month Bureau of Fiscal Service (Fiscal Service) will process a warrant for the calculated amount. This amount will be recorded in 060X0113. Monthly, the RRB will transfer via the SF-224, the actual “Lost Investment Opportunity” warranted in the 060X0113 account to the 060X8010.004 account. RRB will do this every month; therefore, there will not be a difference between the total warrant amounts for the year versus the total actual transfers for the year at year end. There will never be a situation where the RRB will need to transfer an amount back to Treasury due to the fact that at the end of the year the warrant amounts will always total the transferred amounts for the year.

In our example we are using hypothetical data that the total of the transfers for the year will be \$4,320,000 (12 months \* \$360,000). This will also be the total of the warrant amounts for the year.

**Applicable Railroad Retirement Board Treasury Account Fund Symbols (TAFSs)**

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

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

60X8010.004 “Advances from the General Fund for Financial Interchange Interest, Social Security Equivalent Benefit Account, Railroad Retirement Board”

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

**Account  
Number**

**Account Name**

Budgetary

411400	Appropriated Receipts Derived from Unavailable Trust or Special Fund Receipts
411900	Other Appropriations realized
420100	Total Actual Resources – Collected
445000	Unapportioned Authority
451000	Apportionments
461000	Allotments – Realized Resources
480100	Undelivered Orders - Obligations, Unpaid
490200	Delivered Orders - Obligations, Paid

Proprietary

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

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**Illustrative Transactions**

A beginning trial balance is not applicable in this scenario.

1. To record monthly amount appropriated to general fund TAFS 060X0113, and subsequently apportioned. RRB actuaries will calculate the actual amount of the lost investment each month. This amount will be sent to Treasury each month. The warrant each month will be equal to the actuarial calculated amount. In our example, we used \$360,000 per month							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
<b><u>Budgetary Entry</u></b>				<b><u>Budgetary Entry</u></b>			
411900 <sup>1</sup> Other Appropriations Realized	360,000			None			
445000 Unapportioned Authority		360,000	A104				
445000 Unapportioned Authority	360,000						
451000 Apportionments		360,000					
<b><u>Proprietary Entry</u></b>				<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	360,000		A116	None			
310100 Unexpended Appropriations – Appropriations Received		360,000					

<sup>1</sup> 411900: SF 133 and P&F Schedule line 1200 [Appropriation -- Authority\_Type=P, BEA\_Category\_Indicator=M]

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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 060X8010.004	DR	CR	TC
<b><u>Budgetary Entry</u></b> 451000 Apportionments 490200 Delivered Orders – Obligations, Paid	360,000			<b><u>Budgetary Entry</u></b> 411400 <sup>2</sup> Appropriated Trust or Special Fund Receipts 445000 Unapportioned Authority	360,000		
<b><u>Proprietary Entry</u></b> 576000 Expenditure Financing Sources – Transfers-Out 101000 Fund Balance With Treasury	360,000		A514 B134	<b><u>Proprietary Entry</u></b> 101000 Fund Balance With Treasury 575000 Expenditure Financing Sources – Transfers-In	360,000		A510
310700 Unexpended Appropriations - Used 570000 Expended Appropriations	360,000	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
<b><u>Budgetary Entry</u></b> None				<b><u>Budgetary Entry</u></b> 445000 Unapportioned Authority 451000 Apportionments	360,000		A116
<b><u>Proprietary Entry</u></b> None				<b><u>Proprietary Entry</u></b> None			

<sup>2</sup> 411400: SF 133 and P&F Schedule line 1201 [Appropriation -- Authority\_Type = P, BEA\_Category\_Indicator=M, Fund Type=ET]

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

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
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> 461000 Allotments-Realized Resources 480100 Undelivered Orders – Obligations, Unpaid	360,000	360,000	B306
<u>Proprietary Entry</u> None				<u>Proprietary Entry</u> None			

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
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> 480100 Undelivered Orders – Obligations, Unpaid 490200 Delivered Orders – Obligations, Paid	360,000	360,000	B107
<u>Proprietary Entry</u> None				<u>Proprietary Entry</u> 610000 Operating Expenses/Program Costs 101000 Fund Balance With Treasury	360,000	360,000	

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<b>Pre-Closing Adjusted Trial Balances</b>					
<b>RRB General Fund TAFS 060X0113</b>	<b>DR</b>	<b>CR</b>	<b>RRB TAFS 060X8010</b>	<b>DR</b>	<b>CR</b>
<b><u>Budgetary</u></b>			<b><u>Budgetary</u></b>		
411900 Other Appropriations Realized	4,320,000	-	411400 Appropriated Trust or Special Fund Receipts	4,320,000	
445000 Unapportioned Authority	-	-	461000 Allotments – Realized Resources Apportionment		-
451000 Apportionments	-	-	480100 Undelivered Orders – Obligations, Unpaid		-
490200 Delivered Orders – Obligations, Paid	-	<u>4,320,000</u>	490200 Delivered Orders – Obligations, Paid	-	<u>4,320,000</u>
<b>TOTAL</b>	<b>4,320,000</b>	<b>4,320,000</b>	<b>TOTAL</b>	<b>4,320,000</b>	<b>4,320,000</b>
<b><u>Proprietary</u></b>			<b><u>Proprietary</u></b>		
101000 Fund Balance With Treasury			101000 Fund Balance With Treasury	-	-
310100 Unexpended Appropriations – Appropriations Received	-	4,320,000	575000 Expenditure Financing Sources – Transfers-In		4,320,000
310700 Unexpended Appropriations - Used	-	-	610000 Operating Expense	<u>4,320,000</u>	-
570000 Expended Appropriations	4,320,000		<b>TOTAL</b>	<b>4,320,000</b>	<b>4,320,000</b>
576000 Expenditure Financing Sources – Transfers-Out	<u>4,320,000</u>	-			
<b>TOTAL</b>	<b>8,820,000</b>	<b>8,820,000</b>			

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**Closing Entries**

7. 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
<b><u>Budgetary Entry</u></b> 420100 Total Actual Resources – Collected 411900 Appropriations Realized	4,320,000	4,320,000	F302	<b><u>Budgetary Entry</u></b> 420100 Total Actual Resources - Collected 411400 Appropriated Trust or Special Fund Receipts	4,320,000	4,320,000	F302
<b><u>Proprietary Entry</u></b> None				<b><u>Proprietary Entry</u></b> None			

8. 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
<b><u>Budgetary Entry</u></b> 490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources - Collected	4,320,000	4,320,000	F314	<b><u>Budgetary Entry</u></b> 490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources - Collected	4,320,000	4,320,000	F314
<b><u>Proprietary Entry</u></b> None				<b><u>Proprietary Entry</u></b> None			

9. 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
<b><u>Budgetary Entry</u></b> None				<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 570000 Expended Appropriations 576000 Expenditure Financing Sources – Transfers-Out	4,320,000	4,320,000	F336	<b><u>Proprietary Entry</u></b> 575000 Expenditure Financing Sources – Transfers-In 610000 Operating Expenses	4,320,000	4,320,000	F336

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10. To record closing of fiscal-year activity to unexpended appropriations.							
RRB General Fund TAFS 060X0113	DR	CR	TC	RRB TAFS 060X8010	DR	CR	TC
<u>Budgetary Entry</u> None				<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 310100 Unexpended Appropriations – Appropriations Received	4,320,000		F342				
310700 Unexpended Appropriations – Used		4,320,000		<u>Proprietary Entry</u> None			

<b>Post-Closing Adjusted Trial Balances</b>					
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		

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

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<b>STATEMENT OF CHANGES IN NET POSITION</b>		
	<b>RRB TAFS 060X0113</b>	<b>RRB TAFS 060X8010</b>
Cumulative Results of Operations:		
Budgetary Financing Sources:		
5. Appropriations Used (570000E)	4,320,000	-
8. Transfers-In/Out Without Reimbursement (+/-) (576000E, 575000)	(4,320,000)	4,320,000
14. Total Financing Sources (calc of 4 through 13)	-	4,320,000
15. Net Cost of Operations (+/-)	-	4,320,000
16. Net Change (calc of 14 minus 15)	-	-
17. Cumulative Results of Operations (calc of 3 and 16)	-	-
Unexpended Appropriations		
Budgetary Financing Sources:		
21. Appropriations Received (310100E)	4,320,000	-
24. Appropriations Used (310700E)	(4,320,000)	-
25. Total Budgetary Financing Sources (calc of 21 through 24)	-	-
26. Total Unexpended Appropriations (calc of 20 and 25)	-	-
<b>27. Net Position (calc of 17 and 26)</b>	<b>-</b>	<b>-</b>

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<b>STATEMENT OF BUDGETARY RESOURCES</b>		<b>RRB TAFS 060X0113</b>	<b>RRB TAFS 060X8010</b>
<b>Budgetary Resources:</b>			
Line No.	<b>Budget Authority:</b>		
	<b>Appropriations:</b>		
	<b>Mandatory:</b>		
1290	Appropriations (411900E, 411400E)	<u>4,320,000</u>	<u>4,320,000</u>
1910	Total Budgetary Resources	<u>4,320,000</u>	<u>4,320,000</u>
<b>Status of Budgetary Resources:</b>			
	<b>Obligations Incurred:</b>		
2190	Obligations Incurred (490200E)	<u>4,320,000</u>	<u>4,320,000</u>
2500	Total Budgetary Resources	<u>4,320,000</u>	<u>4,320,000</u>
<b>Change in Obligated Balance</b>			
<b>Unpaid Obligations:</b>			
3012	Obligations Incurred, Unexpired Accounts (490200E)	4,320,000	4,320,000
3020	Outlays (gross)(-)(490200E)	(4,320,000)	(4,320,000)
<b>Budgetary Authority and Net Outlays</b>			
	<b>Mandatory</b>		
<b>Gross Budget Authority and Outlays:</b>			
4175	Budget Authority, Gross(Discretionary and Mandatory)	<u>4,320,000</u>	<u>4,320,000</u>
4180	Budget Authority, Net (Discretionary and Mandatory)	<u>4,320,000</u>	<u>4,320,000</u>
4185	Outlays, Gross (Discretionary and Mandatory)	<u>4,320,000</u>	<u>4,320,000</u>
4190	Outlays, Net (Discretionary and Mandatory)	<u>4,320,000</u>	<u>4,320,000</u>
4210	Agency Outlays, Net (Discretionary and Mandatory)	<u>4,320,000</u>	<u>4,320,000</u>

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing (P&amp;F) Schedule<sup>3</sup></b>					
		<b>RRB TAFS 060X0113</b>		<b>RRB TAFS 060X8010</b>	
		<b>SF 133</b>	<b>P&amp;F</b>	<b>SF 133</b>	<b>P&amp;F</b>
Line No.	<b>BUDGETARY RESOURCES</b>				
	<b>All accounts:</b>				
0900	Total new obligations (490200E)	-	4,320,000	-	4,320,000
	<b>Budget Authority:</b>				
	<b>Appropriations:</b>				
	<b>Mandatory:</b>				
1200	Appropriation (411900E)	4,320,000	4,320,000	-	-
1201	Appropriation Special or Trust Fund (411400E)	-	-	4,320,000	4,320,000
1900	Budget Authority Total	<u>-</u>	<u>4,320,000</u>	<u>-</u>	<u>4,320,000</u>
1910	Total Budgetary Resources	<u>-</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>-</u>
<b>STATUS OF BUDGETARY RESOURCES</b>					
	<b>Obligations incurred:</b>				
	<b>Direct:</b>				
2002	Category B (490200E)	4,320,000	-	4,320,000	-

<sup>3</sup>Note: USSGL TFM S2-14-01 Part 1 has two separate crosswalks for simplicity; we combined the SF 133 and P&F.

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**SF 133: Report on Budget Execution and Budgetary Resources &  
Budget Program and Financing (P&F) Schedule<sup>3</sup>**

		RRB TAFS 060X0113		RRB TAFS 060X8010	
		SF 133	P&F	SF 133	P&F
2004	Direct Obligations Total	4,320,000	-	4,320,000	-
2490	Unobligated balance, end of year	-	-	-	-
2500	Total budgetary resources	<u>4,320,000</u>	<u>-</u>	<u>4,320,000</u>	<u>-</u>
<b>CHANGE IN OBLIGATED BALANCE</b>					
<b>Obligated balance, start of year (net):</b>					
3010	Obligations incurred, unexpired accounts (490200E)	4,320,000	4,320,000	4,320,000	4,320,000
3020	Outlays (gross (-) (490200E)	(4,320,000)	(4,320,000)	(4,320,000)	(4,320,000)
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>					
<b>Mandatory:</b>					
<b>Gross budget authority and outlays:</b>					
4090	Budget authority, gross	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>
4100	Outlays from new mandatory authority (490200E)	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>
4110	Total outlays, gross (Total)	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>
4160	Budget authority, net (mandatory)	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>
4170	Outlays, net (mandatory)	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>
4180	Budget authority, net (discretionary and mandatory)	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>
4190	Outlays, net (discretionary and mandatory)	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>	<u>4,320,000</u>