

USSGL Guide to Cancellations, Partial Adjustments, and Specific Permanent Reductions (Cheat Sheet)

Overview

Agency Question

✚ I have an upcoming cancellation that will need to be recorded on the books. What is the proper USSGL accounting treatment?

USSGL Response

- ✚ It is dependent upon many factors, including the following:
- To what type of Treasury Appropriation Fund Symbol (TAFS) does this apply (General Fund, Special Fund)?
 - What event is causing this situation (end of 5th year cancellation, partial cancellation)?
 - What is the period of availability of the TAFS (fiscal year, no-year)?
 - Is this TAFS flagged by Treasury as definite or indefinite?
 - Where is the canceled fund balance to be returned?
 - By what Treasury mechanism is the processing of the cancellation to be accomplished (via Warrant, via FMS 2108)?
- ✚ The answers to those questions, along with specific Treasury and OMB reporting guidance, will determine, in most cases, the proper budgetary USSGL account that is applicable.¹ However, note that the SF 133 and P&F lines included in this cheat sheet do not apply for backdated Treasury documents.

References

- ✚ USSGL TFM Supplement S2 10-02, Part 2, Fiscal Year 2011 Reporting (as updated)
- ✚ TFM Volume 1, Yearend Closing Bulletin (as updated)
- ✚ TFM Volume 1, Part 2, Chapter 2000: Warrant and Nonexpenditure Transfer (NET) Transactions (T/L 621)
- ✚ OMB Circular No. A-11, Section 20 (as updated)

¹ The USSGL accounts documented in this guide reference USSGL TFM S2 10-02 (Part 2, Fiscal Year 2011 Reporting)

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Acronyms

-  FY Fiscal Year (fiscal year appropriations include annual-year and multi-year appropriations)
-  TAFS Treasury Appropriation Fund Symbol
-  TCS Treasury Combined Statement
-  USSGL United States Standard General Ledger

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Note: Situation Numbers 1-5 typically apply to cancellations of general fund resources, where the fund balance is returned to the General Fund of the Treasury. These are accounting transactions initiated by an agency rather than required by a Congressional action (i.e., enacted rescission or cancellation).

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC ²	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line	Notes
1	End of 5 th expired year cancellation	FY	Expired	4350	Definite	2108	TC 31	Col. 4	Col. 5	1029	n/a	P&F is not applicable because the TAFS has expired and goes back to the General Fund of the Treasury.
2	End of 5 th expired year cancellation	FY	Expired	4350 (see notes)	Indefinite (see notes)	2108	TC 31	Col. 4	Col. 5	1029	n/a	Use USSGL account 4391 to adjust the indefinite authority on FMS 2108, then, at the end of the 5 th expired year, use USSGL account 4350 to cancel. (Treasury will remove the "I" flag during the 5 th expired year.)
3	Partial Cancellation ³	No-year	Unexpired	4351	Definite	Warrant	TC 31	n/a	Col. 5	1029	1029	- For 4 th quarter FACTS II reporting, notify BRD/Facts II Team if a TAFS has been partially canceled. - Requires USSGL accounts 8101/8102.
4	Early Cancellation of the Entire Appropriation ⁴	No-year, FY ⁵	Unexpired/ Expired	4351	Definite	Warrant	TC 31	n/a	Col. 5	1029	1029 (unexpired only)	- Must be processed via Treasury Warrant (per TFM Vol. I, Yearend Closing Bulletin). - For 4 th quarter FACTS II reporting, notify BRD/Facts II Team if a TAFS has been canceled early.
5	Early Cancellation of the Entire Appropriation ⁴	No-year, FY ⁵	Unexpired/ Expired	4351	Indefinite	Warrant	TC 31	n/a	Col. 5	1029	1029 (unexpired only)	- Must be processed via Treasury Warrant (per TFM Vol. I, Yearend Closing Bulletin). - For 4 th quarter FACTS II reporting, notify BRD/Facts II Team if a TAFS has been canceled early.

² TC 30 cancellations are returned to receipts and are available for future restoration. TC 31 cancellations are permanent and are unavailable for restoration. TC31's also are known as "Surplus Warrants."

³ Partial cancellations are not common and do not apply to TAFSs with extended disbursement authority. The agency would need legislation or a letter stating the need and request for cancellation and must receive Treasury and OMB concurrence before requesting a warrant. To process a partial cancellation two requirements must be met: (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and (2) no disbursement has been made against the appropriation for 2 consecutive fiscal years. Once processed, the funds are unavailable for restoration.

⁴ Early cancellations of entire appropriations are rare and do not apply to TAFSs with extended disbursement authority. This situation assumes that the TAFS is maintaining a balance. Prior to cancellation, there must be no activity within the TAFS for 2 consecutive fiscal years. To process an early cancellation of an entire definite appropriation, 2 requirements must be met: (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and (2) no disbursement has been made against the appropriation for 2 consecutive fiscal years. Once processed, the funds are unavailable for restoration.

⁵ Early cancellations within fiscal year accounts are rare and do not apply to TAFSs with extended disbursement authority. In these situations, it is preferred that the TAFS remain on the books until the end of the 5th expired year. To process an early cancellation of an entire indefinite appropriation, 2 requirements must be met: (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and (2) no disbursement has been made against the appropriation for 2 consecutive fiscal years. Once processed, the funds are unavailable for restoration.

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Note: Situation Numbers 6-9 apply to most cancellations of special and non-revolving trust fund budgetary resources where the fund balance is either returned to the originating unavailable receipt account or to the originating invested TAFS. These are accounting transactions initiated by an agency rather than required by a Congressional action (i.e., enacted rescission or cancellation).

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC ²	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line(s)	Notes
6	Special and non-revolving Trust Funds associated with "Unavailable" receipt accounts	No-year, FY	Unexpired/ Expired	4355	n/a	Warrant	TC 30	n/a	Col. 5	1029	1029 <u>(unexpired only)</u> , 1950 (expired only)	The TFM Vol. I, Yearend Closing Bulletin requires that the agency request a Warrant.
7	Special and non-revolving Trust Funds associated with "Available" receipt accounts	No-year, FY	Unexpired/ Expired	4350	n/a	2108	TC 31	Col. 4	Col. 5	1029	1029 <u>(unexpired only)</u> , 1950 (expired only)	Very rare.
8	Special and non-revolving Trust Funds associated with "Available" receipt accounts and invested relationships	No-year, FY	Unexpired/ Expired	4356	n/a	SF 1151: Balance Transfer ⁶	n/a	n/a	n/a	1029	1029 <u>(unexpired only)</u> , 1950	- For TAFS where the recipient must return fund balance back to the originating invested TAFS. - Treasury views as a return of fund balance rather than as a cancellation.
9	Special and non-revolving Trust Funds associated with "Available" receipt accounts and invested relationships that maintain receivables/payables	No-year, FY	Unexpired/ Expired	4121, 4357	n/a	n/a	n/a	Col. 7 for USSGL 4121, and Col. 11 for USSGL 4357	Col. 2 for USSGL 4121 and Col. 6 for 4357	1101, 1201, 1702, and 1802 (all unexp) for USSGL 4121; 1029 (unexp.) for USSGL 1029 for USSGL 4357	1101, 1201, 1702, and 1802 (all unexp) for USSGL 4121; 1029 (unexp.), 1950 (unexp.) and 1954 (expired) for USSGL 4357	- Net effect on FMS 2108 and TCS is zero because there is no movement of fund balance - For TAFS where the recipient maintains a receivable/payable relationship with the invested account. - Reverse the receivable.

⁶ NET Transfer Type and applicable USSGL accounts are defined in the GWA System NET Application Guide, I TFM 2 - 2000, Appendix 1.

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Note: Situation Numbers 10-11 apply specifically to partial “adjustments.” These are treated as adjustments, not as cancellations.

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC²	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line(s)	Notes
10	Partial “Adjustment”	No-year, FY	Unexpired	4119 (if Warrant)	Indefinite	Warrant	TC 10	n/a	Col. 2	1100, 1200	1100, 1200	Because the action is to an indefinite account, Treasury views it as an adjustment rather than as a cancellation. For quarters 1-3, the action is usually a Warrant.
11	Partial “Adjustment”	No-year, FY	Unexpired	4391 (if no Warrant)	Indefinite	2108	TC 10	Col. 4	Col. 2	1100, 1200	1100, 1200	Because the action is to an indefinite account, Treasury views it as an adjustment rather than as a cancellation. For quarter 4, the action is usually via FMS 2108.

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Note: Situation Numbers 12-13 apply to specific permanent reductions.

	Situation	Period of Availability	TAFS Status	USSGL Account	Definite/ Indefinite	Treasury Mechanism	STAR TC²	FMS 2108 Column	TCS Column	SF 133 Line	P&F Line(s)	Notes
12	Permanent Reductions of Spending Authority From Offsetting Collections (SAOC)	No-year, FY	Unexpired	4392 or 4393	n/a	SF 1151: Transfer to the General Fund Receipt Accounts ⁷	35	n/a	Col 5	1131 for USSGL 4393; 1722 for USSGL 4392	1131, 1722	Represents budgetary resources that are required to be returned to the general fund of the Treas. May be of new or unobligated balances. Generally applicable to general and revolving funds; however, may be unique situations including a special or non-revolving trust fund.
13	Permanent Reductions in Special and non-revolving Trust Funds	No-year, FY	Unexpired	4392 or 4393	n/a	SF 1151: Transfer to the General Fund Receipt Accounts	35	n/a	Col 5	1131 for USSGL 4393; 1722 for USSGL 4392	1130, 1131	Represents budgetary resources that are required to be returned to the general fund of the Treasury. May be of new or unobligated balances.

⁷ NET Transfer Type and applicable USSGL accounts are defined in the GWA System NET Application Guide, I TFM 2 - 2000, Appendix 1.