

Contract Authority Liquidated by Appropriations Scenario

Background

Agencies may have statutory authority allowing them to enter into contracts or incur obligations prior to an appropriation (or the realization of revenues) for the payment of obligations. This authority may be current or permanent, with or without fiscal year limitation, and definite or indefinite in amount. An agency may not make expenditures to liquidate obligations incurred by (its) contract authority until Congress specifically appropriates funds or until funds otherwise become available for payment of the obligations.

Contract authority means specific statutory authority that permits an agency to incur obligations in advance of an appropriation of the cash to make outlays to liquidate the obligations. Contract authority is unfunded and a subsequent appropriation or offsetting collection is needed to liquidate the obligations. Typically, a law requires an agency to seek a subsequent appropriation of the liquidating cash. This type of appropriation does not provide new authority to incur obligations, so it is not counted as budget authority.

In a few cases, a law provides contract authority in order to allow an agency to incur obligations in anticipation of offsetting collections. When an agency receives collections, the agency uses them to liquidate the obligations.

Contract authority is composed of two authority types:

- *Definite contract authority*, where a law provides a specific amount of authority that cannot be exceeded. Authority is realized at the beginning of the program and carried forward until the authority is rescinded or completely consumed or until the program is terminated, whichever comes first. This is a no-year account and the authority does not expire, but unused authority must be reapportioned each year.
- *Indefinite contract authority*, where the amount of authority is not predetermined and authority is available as needed to cover obligations incurred. This is normally accounted for through a no-year account and the authority does not expire, but unused authority must be reapportioned each year.

***Contract Authority Liquidated by Appropriations
Scenario***

**Scenario 1: Definite Contract Authority Liquidated by an
Appropriation from General Fund**

This scenario includes entries to satisfy the basic transactions for definite contract authority liquidated by an appropriation from the general fund. This scenario represents 2 years of activity for which an appropriation provides the amount used to liquidate definite contract authority. (Note: Additional guidance for trust funds with contract authority will be forthcoming).

The following accounts will be used in this scenario. Refer to the U.S. Government Standard General Ledger for accounts, account descriptions, accounting transactions and crosswalks reports (https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm). In addition, each transaction in the scenario is coded with transaction numbers identified in Section III of the USSGL.

USSGL ACCOUNTS ILLUSTRATED

<u>Budgetary Accounts</u>	<u>Proprietary Accounts</u>
<p><u>Resource Accounts</u></p> <p>4130 Appropriation To Liquidate Contract Authority Withdrawn</p> <p>4131 Current Year Contract Authority Realized</p> <p>4135 Contract Authority Liquidated</p> <p>4138 Appropriation To Liquidate Contract Authority</p> <p>4139 Contract Authority Carried Forward</p> <p>4201 Total Actual Resources Collected</p> <p><u>Status of Resource Accounts</u></p> <p>4450 Unapportioned Authority</p> <p>4510 Apportionments</p> <p>4610 Allotments – Realized Resources</p> <p>4801 Undelivered Orders - Obligations, Unpaid</p> <p>4901 Delivered Orders - Obligations, Unpaid</p> <p>4902 Delivered Orders - Obligations, Paid</p>	<p><u>Assets</u></p> <p>1010 Fund Balance with Treasury</p> <p><u>Liabilities</u></p> <p>2110 Accounts Payable</p> <p><u>Net Position</u></p> <p>3100 Unexpended Appropriations - Cumulative</p> <p>3101 Unexpended Appropriations - Appropriation Received</p> <p>3106 Unexpended Appropriations - Adjustments</p> <p>3107 Unexpended Appropriations - Used</p> <p>3310 Cumulative Results of Operations</p> <p><u>Revenue</u></p> <p>5700 Expended Appropriations</p> <p><u>Expenses</u></p> <p>6100 Operating Expenses/Program Cost</p>

Explanation of Illustrated Account:

When contract authority is funded by an appropriation, an agency may receive excess appropriation that is not needed to cover obligations. The excess portion of the appropriation is withdrawn and reported in USSGL account 4130. The excess portion withdrawn is also reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule line 4050 (Portion of appropriation to liquidate contract authority withdrawn). The following account is illustrated in this scenario.

4130 Appropriation to Liquidate Contract Authority Withdrawn - the amount of the excess portion of an appropriation to liquidate obligations incurred against contract authority that is no longer required.

***Contract Authority Liquidated by Appropriations
Scenario***

Definite Contract Authority - Year 1

1. To record the enactment of public law for new contract authority.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4131 Current Year Contract Authority Realized	1,000		A166
CR 4450 Unapportioned Authority		1,000	

2. To record OMB approved apportionment request on SF 132 for contract authority.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	600		A116
CR 4510 Apportionments		600	

3. To record allotment of apportioned contract authority.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	600		A120
CR 4610 Allotments - Realized Resources		600	

4. To record an unexpended obligation for authority previously allotted.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4610 Allotments - Realized Resources	600		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		600	

5. To record the appropriation to liquidate contract authority.

Year 1			
<u>Budgetary Entry</u>			
DR 4138 Appropriation to Liquidate Contract Authority	400		TC A170
CR 4135 Contract Authority Liquidated		400	
<u>Proprietary Entry</u>			
DR 1010 Fund Balance with Treasury	400		
CR 3101 Unexpended Appropriations - Appropriation Rec.		400	

***Contract Authority Liquidated by Appropriations
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	400		B302
CR 4901 Delivered Orders - Obligations, Unpaid		400	
<u>Proprietary Entry</u>			TC
DR 6100 Operating Expenses/Program Costs	400		B134
CR 2110 Accounts Payable		400	
DR 3107 Unexpended Appropriations - Used	400		
CR 5700 Expended Appropriations		400	

7. To record a valid disbursement.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	400		B110
CR 4902 Delivered Orders- Obligations, Paid.		400	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	400		
CR 1010 Fund Balance with Treasury		400	

**Definite Contract Authority
Pre - Closing Trial Balance
Year 1**

USSGL Account	Debit	Credit
Budgetary		
4131	1,000	
4135		400
4138	400	
4450		400
4801		200
4902	0	400
Total	<u>1,400</u>	<u>1,400</u>
Proprietary		
3101		400
3107	400	
5700		400
6100	400	0
Total	<u>500</u>	<u>500</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
SF 133: Report On Budget Execution And Budgetary Resources
Year 1**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriation (4138E)	400
C. Contract authority (4131E)	1,000
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4901B)	0
6. Permanently not available:	
E. Pursuant to public law (4135E)	<u>(400)</u>
7. Total budgetary resources	<u><u>1,000</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	600
10. Unobligated balance not available:	
D. Other (4450E)	<u>400</u>
11. Total status of budgetary resources	<u><u>1,000</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net as of October 1 (4801B + 4901B)	0
13. Obligated balance transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	200
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	400

**Definite Contract Authority
USSGL-2108 Year End Closing Statement
Year 1**

(Record Type 7 – .941 Unfunded Contract authority)	<u>Main</u>	<u>C.A.</u>
Col. 2 Balance of contract authority (4139B)		0
Col. 3 New contract authority (4131E)		1,000
Col. 4 Appropriations to liquidate (4135E)		(400)
Col. 5 Writeoffs, restorations, or adjustments (4133E)		0
Col. 6 Balance of unfunded contract authority (4131E+4133E+4135E+4139B) calc. (2+3-4-5)		600
Col. 9 Undelivered Orders (4801E)	200	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc. (5+6+7+8 = 9+10+11) (4450E)	400	

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Program And Financing (Schedule P)
Year 1**

TOTAL NEW OBLIGATIONS:

1000 Total New Obligations (4801E-B + 4901E-B + 4902E)	600
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BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:

2140 Unobligated balance carried forward, start of year	0
2200 New budget authority (gross) (Sum lns. 4000...6990)	1,000
2275 Balance of contract authority withdrawn (4134E)	0
2390 Total budgetary resources available for obligation (sum 2140 through 2385)	1,000
2395 Total new obligations (-)	(600)
2440 Unobligated balance carried forward, end of year (4450E)	400

NEW BUDGETARY AUTHORITY (GROSS), DETAIL:

Discretionary:

4000 Appropriation (4138E)	400
4049 Portion applied to liquidate contract authority (-) (4135E)	(400)
4300 Appropriation (total mandatory) (sum lines 4000 through 4200)	0

Mandatory:

6610 Contract authority (4131E)	1,000
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CHANGE IN UNPAID OBLIGATIONS:

7240 Obligated balance, start of year	0
7310 Total new obligations	600
7320 Total outlays (gross) (-) (4902E)	(400)
7440 Obligated balance, end of year (4801E+ 4901E)	200

OUTLAYS (GROSS), DETAIL:

8690 Outlays from new discretionary authority (4802E-B + 4902E)	400
8693 Outlays from discretionary balances (4802E-B + 4902E)	0
8700 Total outlays (4802E-B + 4902E)	400

NEW BUDGET AUTHORITY AND OUTLAYS:

8900 Budget authority (net)	1,000
9000 Outlays (net)	400

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Balance Sheet
Year 1**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Definite Contract Authority
Statement of Net Cost
Year 1**

Program Costs	
1. Intragovernmental gross costs (6100E)	400
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>400</u>
10. Total net costs of operations	<u>400</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Statement of Changes in Net Position
Year 1**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		400
7. Appropriations used (3107E) (5700E)	400	(400)
16. Total Financing Sources	<u>400</u>	<u>0</u>
17. Net Cost of Operations	<u>400</u>	<u>0</u>
18. Ending Balances	<u>400</u>	<u>0</u>

**Definite Contract Authority
Statement of Financing
Year 1**

Resources Used to Finance Activities:	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>600</u>
11. Total resources used to finance activities	600
15. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>(200)</u>
17. Total resources used to finance items not part of the net cost of operations	<u>(200)</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>400</u>
30. Net Cost of Operations	<u>400</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Closing Entries - Year 1**

8. Consolidation of actual net-funded resources.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4201 Total Actual Resources Collected	400		F204
CR 4138 Appropriation to Liquidate Contract Authority		400	

9. Closing of fiscal year contract authority.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4135 Contract Authority Liquidated		400	F206
DR 4139 Contract Authority Carried Forward		600	
CR 4131 Current Year Contract Authority Realized			1,000

10. Closing of expended authority - paid.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4902 Expended Authority-Paid		400	F214
CR 4201 Total Actual Resources Collected		400	

11. Closing of fiscal year activity that increases unexpended appropriations.

Year 1			
<u>Proprietary Entry</u>			TC
DR 3101 Unexpended Appropriations - Appropriations Received	400		F233
CR 3100 Unexpended Appropriations - Cumulative		400	
DR 3100 Unexpended Appropriations - Cumulative	400		
CR 3107 Unexpended Appropriations - Used		400	

12. Closing of revenue and expense account to cumulative results of operations.

Year 1			
<u>Proprietary Entry</u>			TC
DR 5700 Expended Appropriations	400		F228
CR 3310 Cumulative Results of Operations		400	
DR 3310 Cumulative Results of Operations	400		
CR 6100 Operation Expenses/Program Costs		400	

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Post - Closing Trial Balance
Year 1**

USSGL Account	Debit	Credit
Budgetary		
4139	600	
4450		400
4801	<u>0</u>	<u>200</u>
Total	<u><u>600</u></u>	<u><u>600</u></u>

***Contract Authority Liquidated by Appropriations
Scenario***

Definite Authority -Year 2

1. To record OMB approved apportionment request on SF 132 for contract authority.

Year 2			
<u>Budgetary Entry</u>			TC A116
DR 4450 Unapportioned Authority	300		
CR 4510 Apportionments		300	

2. To record allotment of apportioned contract authority.

Year 2			
<u>Budgetary Entry</u>			TC A120
DR 4510 Apportionments	300		
CR 4610 Allotments - Realized Resources		300	

3. To record an unexpended obligation for authority previously allotted.

Year 2			
<u>Budgetary Entry</u>			TC B204
DR 4610 Allotments Realized Resources	300		
CR 4801 Undelivered Orders – Obligations, Unpaid		300	

4. To record the appropriation to liquidate contract authority.

Year 2			
<u>Budgetary Entry</u>			TC A170
DR 4138 Appropriation to Liquidate Contract Authority	500		
CR 4135 Contract Authority Liquidated		500	
<u>Proprietary Entry</u>			
DR 1010 Fund Balance with Treasury	500		
CR 3101 Unexpended Appropriations - Appropriation Rec.		500	

5. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 2			
<u>Budgetary Entry</u>			TC B302 and TC B134
DR 4801 Undelivered Orders - Obligations, Unpaid	300		
CR 4901 Delivered Orders - Obligations, Unpaid		300	
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses/Program Costs	300		
CR 2110 Accounts Payable		300	
DR 3107 Unexpended Appropriations - Used	300		
CR 5700 Expended Appropriations		300	

***Contract Authority Liquidated by Appropriations
Scenario***

6. To record a valid disbursement.

Year 2			
<u>Budgetary Entry</u>			TC B110
DR 4901 Delivered Orders – Obligations – Unpaid	300		
CR 4902 Delivered Orders- Obligations, Paid.		300	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	300		
CR 1010 Fund Balance with Treasury		300	

7. Of the \$500 of the appropriation received in year 2, transaction 4, the agency discovered that they only needed \$300 of the appropriation to liquidate contract authority; therefore, \$200 was withdrawn.

Year 2			
<u>Budgetary Entry</u>			New TC A169
DR 4135 Contract Authority Liquidated	200		
CR 4130 Appropriation to Liquidate Contract Authority Withdrawn		200	
<u>Proprietary Entry</u>			
DR 3106 Unexpended Appropriations - Adjustments	200		
CR 1010 Fund Balance with Treasury		200	

**Definite Contract Authority
Pre - Closing Trial Balance
Year 2**

USSGL Account	Debit	Credit
Budgetary		
4130		200
4135		300
4138	500	
4139	600	
4450		100
4801		200
4902	0	300
Total	<u>1,100</u>	<u>1,100</u>
Proprietary		
3101		500
3106	200	
3107	300	
5700		300
6100	300	0
Total	<u>800</u>	<u>800</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
SF 133: Report On Budget Execution And Budgetary Resources
Year 2**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriation (4138E)	500
C. Contract authority (4131E)	0
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	400
6. Permanently not available:	
D. Other authority withdrawn (-) (4130E)	(200)
E. Pursuant to Public Law (-) (4135E)	<u>(300)</u>
7. Total budgetary resources	<u><u>400</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	300
9. Unobligated balance not available:	
D. Other (4450E)	<u>100</u>
11. Total status of budgetary resources	<u><u>400</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net as of October 1 (4801B + 4901B)	200
13. Obligated balance Transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	200
D. Accounts payable (4901E)	0
15. Outlays:	
B. Disbursements (4902E)	300

**Definite Contract Authority
USSGL-2108 Year End Closing Statement
Year 2**

(Record Type 7 – .941 Unfunded Contract authority)	<u>Main</u>	<u>C.A.</u>
Col. 2 Balance of contract authority (4139B)		600
Col. 3 New contract authority (4131E)		0
Col. 4 Appropriations to liquidate (4135E)		(300)
Col. 5 Writeoffs, restorations, or adjustments (4133E)		0
Col. 6 Balance of unfunded contract authority (4131E+4133E+4135E+4139B) calc (2+3-4-5)		300
Col. 9 Undelivered Orders (4801E)	200	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	100	

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Program And Financing (Schedule P)
Year 2**

TOTAL NEW OBLIGATIONS:

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 300

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:

2140 Unobligated balance carried forward, start of year (4139B+4201B+4801B+4802B+4901B) 400
 2200 New budget authority (gross) (Sum lns. 4000...6990) 0
 2275 Balance of contract authority withdrawn (4134E) 0
 2390 Total budgetary resources ava. For obligation (sum 2140 through 2385) 400
 2395 Total new obligations (-) (300)
 2440 Unobligated balance carried forward, end of year 100

NEW BUDGETARY AUTHORITY (GROSS), DETAIL:

Discretionary:

4000 Appropriation (4138E) 500
 4049 Portion applied to liquidate contract authority (-) (4135E) (300)
 4050 Portion of appropriation to liquidate contract authority withdrawn (-) (4130E) (200)
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

Mandatory:

6610 Contract authority (4131E) 0

CHANGE IN UNPAID OBLIGATIONS:

7240 Obligated balance, start of year (4801B+4901B) 200
 7310 Total new obligations 300
 7320 Total outlays (gross) (-) (4902E) (300)
 7440 Obligated balance, end of year (4801E+4901E) 200

OUTLAYS (GROSS), DETAIL:

8690 Outlays from new discretionary authority (4802E-B + 4902E) 300
 8693 Outlays from discretionary balances 0
 8700 Total outlays (4802E-B + 4902E) 300

NET BUDGET AUTHORITY AND OUTLAYS:

8900 Budget authority (net) 0
 9000 Outlays (net) 300

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Balance Sheet
Year 2**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Definite Contract Authority
Statement of Net Cost
Year 2**

Program Costs	
1. Intragovernmental gross costs (6100E)	300
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>0</u>
10. Total net costs of operations	<u>300</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Statement of Changes in Net Position
Year 2**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		500
6. Other Adjustments (3106E)		(200)
7. Appropriations used (5700E) (3107E)	300	(300)
16. Total Financing Sources	<u>300</u>	<u>0</u>
17. Net Cost of Operations	<u>300</u>	<u>0</u>
18. Ending Balances	<u>300</u>	<u>0</u>

**Definite Contract Authority
Statement of Financing
Year 2**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>300</u>
11. Total resources used to finance activities	300
15. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	0
17. Total resources used to finance items not part of the net cost of operations	0
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>300</u>
30. Net Cost of Operations	<u>300</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Definite Contract Authority
Closing Entries - Year 2**

8. Consolidation of actual net-funded resources.

Year 2			
<u>Budgetary Entry</u>			
DR 4130 Appropriation to Liquidate Contract Authority Withdrawn	200		TC
DR 4201 Total Actual Resources Collected	300		F204
CR 4138 Appropriation to Liquidate Contract Authority		500	

9. Closing of fiscal year contract authority.

Year 2			
<u>Budgetary Entry</u>			
DR 4135 Contract Authority Liquidated	300		TC
CR 4139 Contract Authority Carried Forward		300	F206

10. Closing of expended authority - paid.

Year 2			
<u>Budgetary Entry</u>			
DR 4902 Expended Authority-Paid	300		TC
CR 4201 Total Actual Resources Collected		300	F214

11. Closing of fiscal year activity that increases unexpended appropriations.

Year 2			
<u>Proprietary Entry</u>			
DR 3101 Unexpended Appropriations - Appropriations Received	500		TC
CR 3100 Unexpended Appropriations - Cumulative		500	F233
DR 3100 Unexpended Appropriations - Cumulative	500		
CR 3106 Unexpended Appropriations - Adjustments		200	
CR 3107 Unexpended Appropriations - Used		300	

12. Closing of revenue and expense account to cumulative results of operations.

Year 2			
<u>Proprietary Entry</u>			
DR 5700 Expended Appropriations	300		TC
CR 3310 Cumulative Results of Operations		300	F228
DR 3310 Cumulative Results of Operations	300		
CR 6100 Operation Expenses/Program Costs		300	

*Contract Authority Liquidated by Appropriations
Scenario*

**Definite Contract Authority
Post - Closing Trial Balance
Year 2**

USSGL Account	Debit	Credit
Budgetary		
4139	300	
4450		100
4801	<u>0</u>	<u>200</u>
Total	<u>300</u>	<u>300</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Scenario II: Indefinite Contract Authority Liquidated by an
Appropriation from the General Fund**

This scenario includes entries to satisfy the basic transactions for indefinite contract authority liquidated by an appropriation from the general fund. This scenario represents 3 years of activity. In each year, the agency anticipates contract authority and later receives an appropriation of liquidating cash to pay the obligation. For indefinite authority at year end, the agency will adjust the unobligated balances to zero. (Note: Additional guidance for trust funds with contract authority will be forthcoming).

The following accounts will be used in this scenario. Refer to the U.S. Government Standard General Ledger for accounts, account descriptions, accounting transactions and crosswalks reports (https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm). In addition, each transaction in the scenario is coded with transaction numbers identified in Section III of the USSGL.

USSGL ACCOUNTS ILLUSTRATED

<u>Budgetary Accounts</u>	<u>Proprietary Accounts</u>
<p><u>Resource Accounts</u> 4032 Estimated Contract Authority 4130 Appropriation To Liquidate Contract Authority Withdraw 4131 Current Year Contract Authority Realized 4133 Reduction of Contract Authority 4134 Contract Authority Withdrawn 4135 Contract Authority Liquidated 4138 Appropriation To Liquidate Contract Authority 4139 Contract Authority Carried Forward 4201 Total Actual Resources Collected</p> <p><u>Status of Resource Accounts</u> 4450 Unapportioned Authority 4510 Apportionments 4590 Apportionments Unavailable - Anticipated Resources 4610 Allotments – Realized Resources 4801 Undelivered Orders - Obligations, Unpaid 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries 4901 Delivered Orders - Obligations, Unpaid 4902 Delivered Orders - Obligations, Paid</p>	<p><u>Assets</u> 1010 Fund Balance with Treasury</p> <p><u>Liabilities</u> 2110 Accounts Payable</p> <p><u>Net Position</u> 3100 Unexpended Appropriations - Cumulative 3101 Unexpended Appropriations - Appropriation Received 3106 Unexpended Appropriations - Adjustments 3107 Unexpended Appropriations - Used 3310 Cumulative Results of Operations</p> <p><u>Revenue</u> 5700 Expended Appropriations</p> <p><u>Expenses</u> 6100 Operating Expenses/Program Cost</p>

Contract Authority Liquidated by Appropriations Scenario

Explanation of Illustrated Accounts:

When contract authority is funded by an appropriation, an agency may receive excess appropriation that is not needed to cover obligations. The excess portion of the appropriation is withdrawn and reported in USSGL account 4130. The excess portion withdrawn is also reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule line 4050 (Portion of appropriation to liquidate contract authority withdrawn). The following account is illustrated in this scenario.

- **4130 Appropriation to Liquidate Contract Authority Withdrawn** - the amount of the excess portion of an appropriation to liquidate obligations incurred against contract authority that is no longer required.

At the end of the fiscal year, any unobligated balances for indefinite contract authority should be zero. USSGL account 4133 is used to record the withdrawal of indefinite contract authority that is not needed to cover obligations. The withdrawn amount is reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule lines 4900 and 6610 (Contract authority). The following account is illustrated in this scenario.

- **4133 Reductions of Contract Authority** - the amount of contract authority reduced by legislation or administrative action during the fiscal year.

When there are recoveries of prior year obligations that have been obligated against unfunded indefinite contract authority, the recovered amount is withdrawn and recorded in USSGL account 4134. The withdrawn amount is reported on the SF 133, line 6D (Other authority withdrawn) and P&F schedule line 2275 (Balance of contract authority withdrawn). The following account is illustrated in this scenario.

- **4134 Contract Authority Withdrawn** - the amount of unfunded indefinite contract authority withdrawn due to recoveries of prior-year obligations.

***Contract Authority Liquidated by Appropriations
Scenario***

Indefinite Contract Authority - Year 1

1. To estimate contract authority.

Year 1				
<u>Budgetary Entry</u>				TC A176
DR 4032	Estimated Contract Authority	1,000		
CR 4450	Unapportioned Authority		1,000	

2. To record budget authority apportioned by OMB and available for allotment.

Year 1				
<u>Budgetary Entry</u>				TC A116
DR 4450	Unapportioned Authority	600		
CR 4510	Apportionments		600	

3. To record allotment of apportioned contract authority.

Year 1				
<u>Budgetary Entry</u>				TC A120
DR 4510	Apportionments	600		
CR 4610	Allotments - Realized Resources		600	

4. To record an unexpended obligation for authority previously allotted and the realization of contract authority.

Year 1				
<u>Budgetary Entry</u>				TC B204
a. DR 4610	Allotments Realized Resources	600		
	CR 4801 Undelivered Orders – Obligations, Unpaid		600	
b. DR 4131	Current Year Contract Authority Realized	600		TC A168
	CR 4032 Estimated Contract Authority		600	

5. To record the appropriation to liquidate contract authority.

Year 1				
<u>Budgetary Entry</u>				TC A170
DR 4138	Appropriation to Liquidate Contract Authority	400		
CR 4135	Contract Authority Liquidated		400	
<u>Proprietary Entry</u>				
DR 1010	Fund Balance with Treasury	400		
CR 3101	Unexpended Appropriations - Appropriation Rec.		400	

***Contract Authority Liquidated by Appropriations
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	400		B302
CR 4901 Delivered Orders - Obligations, Unpaid		400	
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses/Program Costs	400		TC
CR 2110 Accounts Payable		400	B134
DR 3107 Unexpended Appropriations - Used	400		
CR 5700 Expended Appropriations		400	

7. To record a valid disbursement.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	400		B110
CR 4902 Delivered Orders- Obligations, Paid.		400	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	400		
CR 1010 Fund Balance with Treasury		400	

**Indefinite Contract Authority
Adjusting Entries - Year 1**

8. To adjust the estimated contract authority to zero and record the reduction of unobligated balance for indefinite contract authority.

Year 1			
<u>Budgetary Entry</u>			New
a. DR 4131 Current Year Contract Authority Realized	400		TC
CR 4032 Estimated Contract Authority		400	F112
b. DR 4450 Unapportioned Authority	400		TC
CR 4133 Reduction of Contract Authority		400	A174

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Pre - Closing Trial Balance
Year 1**

USSGL Account	Debit	Credit
Budgetary		
4131	1,000	
4133		400
4135		400
4138	400	
4801		200
4902	0	400
Total	<u>1,400</u>	<u>1,400</u>
Proprietary		
3101		400
3107	400	
5700		400
6100	400	0
Total	<u>800</u>	<u>800</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
SF 133: Report On Budget Execution And Budgetary Resources
Year 1**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriation (4138E)	400
C. Contract authority (4131E)	1,000
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	0
6. Permanently not available:	
D. Other authority withdrawn (4133E)	(400)
E. Pursuant to Public Law (4135E)	<u>(400)</u>
7. Total budgetary resources	<u><u>600</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	600
10. Unobligated balance not available:	
D. Other (4450E)	<u>0</u>
11. Total status of budgetary resources	<u><u>600</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net as of October 1 (4801B + 4901B)	0
13. Obligated balance Transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	200
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	400

**Indefinite Contract Authority
USSGL-2108 Year End Closing Statement
Year 1**

(Record Type 7 – .941 Unfunded Contract authority)	<u>Main</u>	<u>C.A.</u>
Col. 2 Balance of contract authority (4139B)		0
Col. 3 New contract authority (4131E)		1,000
Col. 4 Appropriations to liquidate (4135E)		(400)
Col. 5 Writeoffs, restorations, or adjustments (4133E)		(400)
Col. 6 Balance of unfunded contract authority (4131E+ 4133E+4134E+4135E+4139B) calc (2+3-4-5)		200
Col. 9 Undelivered Orders (4801E)	200	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	0	

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Program And Financing (Schedule P)
Year 1**

TOTAL NEW OBLIGATIONS:

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 600

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:

2140 Unobligated balance carried forward, start of year 0
 2200 New budget authority (gross) (Sum lns. 4000...6990) 600
 2275 Balance of contract authority withdrawn (4134E) 0
 2390 Total budgetary resources ava. for obligation (sum 2140 through 2385) 600
 2395 Total new obligations (-) (600)
 2440 Unobligated balance carried forward, end of year (4450E) 0

NEW BUDGETARY AUTHORITY (GROSS), DETAIL:

Discretionary:

4000 Appropriation (4138E) 400
 4049 Portion applied to liquidate contract authority (-) (4135E) (400)
 4050 Portion of approp. to liquidate contract authority withdrawn (-) (4130E) 0
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

Mandatory:

6610 Contract authority (4131E+4133E) 600

CHANGE IN UNPAID OBLIGATIONS:

7240 Obligated balance, start of year (4801B+4901B) 0
 7310 Total new obligations 600
 7320 Total outlays (gross) (-) (4902E) (400)
 7440 Obligated balance, end of year (4801E+4901E) 200

OUTLAYS (GROSS), DETAIL:

8690 Outlays from new discretionary authority (4802E-B + 4902E) 400
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0
 8700 Total outlays (4802E-B +4902E) 400

NEW BUDGET AUTHORITY AND OUTLAYS:

8900 Budget authority (net) 1,000
 9000 Outlays (net) 400

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Balance Sheet
Year 1**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Indefinite Contract Authority
Statement of Net Cost
Year 1**

Program Costs	
1. Intragovernmental gross costs (6100E)	400
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>400</u>
10. Total net costs of operations	<u>400</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Statement of Changes in Net Position
Year 1**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		400
7. Appropriations used (3107E) (5700E)	400	(400)
16. Total Financing Sources	<u>400</u>	<u>0</u>
17. Net Cost of Operations	<u>400</u>	<u>0</u>
18. Ending Balances	<u>400</u>	<u>0</u>

**Indefinite Contract Authority
Statement of Financing
Year 1**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>600</u>
11. Total resources used to finance activities	600
12. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>(200)</u>
17. Total resources used to finance items not part of the net cost of operations	<u>(200)</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>400</u>
30. Net Cost of Operations	<u>400</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Closing Entries - Year 1**

9. Consolidation of actual net-funded resources.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4201 Total Actual Resources Collected	400		F204
CR 4138 Appropriation to Liquidate Contract Authority		400	

10. Closing of fiscal year contract authority.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4133 Reduction of Contract Authority	400		F206
DR 4135 Contract Authority Liquidated	400		
DR 4139 Contract Authority Carried Forward	200		
CR 4131 Current Year Contract Authority Realized		1,000	

11. Closing of expended authority - paid.

Year 1			
<u>Budgetary Entry</u>			TC
DR 4902 Expended Authority-Paid	400		F214
CR 4201 Total Actual Resources Collected		400	

12. Closing of fiscal year activity that increases unexpended appropriations.

Year 1			
<u>Proprietary Entry</u>			TC
DR 3101 Unexpended Appropriations - Appropriations Received	400		F233
CR 3100 Unexpended Appropriations - Cumulative		400	
DR 3100 Unexpended Appropriations - Cumulative	400		
CR 3107 Unexpended Appropriations - Used		400	

13. Closing of revenue and expense account to cumulative results of operations.

Year 1			
<u>Proprietary Entry</u>			TC
DR 5700 Expended Appropriations	400		F228
CR 3310 Cumulative Results of Operations		400	
DR 3310 Cumulative Results of Operations	400		
CR 6100 Operation Expenses/Program Costs		400	

*Contract Authority Liquidated by Appropriations
Scenario*

**Indefinite Contract Authority
Post - Closing Trial Balance
Year 1**

USSGL Account	Debit	Credit
Budgetary		
4139	200	
4801	<u>0</u>	<u>200</u>
Total	<u>200</u>	<u>200</u>

***Contract Authority Liquidated by Appropriations
Scenario***

Indefinite Contract Authority - Year 2

1. To estimate contract authority.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4032 Estimated Contract Authority	2,000		A176
CR 4450 Unapportioned Authority		2,000	

2. To record estimated resources apportioned but not available for use until realized.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	1,200		A116
CR 4510 Apportionments		1,200	

3. To record allotment of apportioned contract authority.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	1,200		A120
CR 4610 Allotments - Realized Resources		1,200	

4. To record an unexpended obligation for authority previously allotted and the realization of contract authority.

Year 2			
<u>Budgetary Entry</u>			TC
a. DR 4610 Allotments Realized Resources	1,200		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		1,200	
b. DR 4131 Current Year Contract Authority Realized	1,200		TC
CR 4032 Estimated Contract Authority		1,200	A168

5. To record the appropriation to liquidate contract authority.

Year 2			
<u>Budgetary Entry</u>			
DR 4138 Appropriation to Liquidate Contract Authority	1,500		
CR 4135 Contract Authority Liquidated		1,500	TC
<u>Proprietary Entry</u>			A170
DR 1010 Fund Balance with Treasury	1,500		
CR 3101 Unexpended Appropriations - Appropriation Rec.		1,500	

***Contract Authority Liquidated by Appropriations
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	1,000		B302
CR 4901 Delivered Orders - Obligations, Unpaid		1,000	
<u>Proprietary Entry</u>			TC
DR 6100 Operating Expenses/Program Costs	1,000		B134
CR 2110 Accounts Payable		1,000	
DR 3107 Unexpended Appropriations - Used	1,000		
CR 5700 Expended Appropriations		1,000	

7. To record a valid disbursement.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	1,000		B110
CR 4902 Delivered Orders- Obligations, Paid.		1,000	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	1,000		
CR 1010 Fund Balance with Treasury		1,000	

8. Of the \$1,500 of the appropriation received in year 2, transaction 5, the agency discovered that they only needed \$1,000 of the appropriation to liquidate contract authority; therefore, \$500 was withdrawn.

Year 2			
<u>Budgetary Entry</u>			
DR 4135 Contract Authority Liquidated	500		New TC A1XX
CR 4130 Appropriation to Liquidate Contract Authority Withdrawn		500	
<u>Proprietary Entry</u>			
CR 3106 Unexpended Appropriations - Adjustments	500		
DR 1010 Fund Balance with Treasury		500	

**Indefinite Contract Authority
Adjusting Entries - Year 2**

9. To adjust the estimated contract authority to zero and record the reduction of unobligated balance for indefinite contract authority.

Year 2			
<u>Budgetary Entry</u>			New TC A169
a. DR 4131 Current Year Contract Authority Realized	800		
CR 4032 Estimated Contract Authority		800	
b. DR 4450 Unapportioned Authority	800		TC
CR 4133 Reduction of Contract Authority		800	A174

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Pre - Closing Trial Balance
Year 2**

USSGL Account	Debit	Credit
Budgetary		
4130		500
4131	2,000	
4133		800
4135		1,000
4138	1,500	
4139	200	
4801		400
4902	0	1,000
Total	<u>3,700</u>	<u>3,700</u>
Proprietary		
3101		1,500
3106	500	
3107	1,000	
5700		1,000
6100	1,000	0
Total	<u>2,500</u>	<u>2,500</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
SF 133: Report On Budget Execution And Budgetary Resources
Year 2**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriation (4138E)	1,500
C. Contract authority (4131E)	2,000
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	0
6. Permanently not available:	
D. Other authority withdrawn (4130E+4133E)	(1,300)
E. Pursuant to Public Law (4135E)	<u>(1,000)</u>
7. Total budgetary resources	<u><u>1,200</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	1,200
9. Unobligated balance not available:	
D. Other (4450E)	<u>0</u>
11. Total status of budgetary resources	<u><u>1,200</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net as of October 1 (4801B + 4901B)	200
13. Obligated balance transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	400
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	1,000

**Indefinite Contract Authority
USSGL-2108 Year End Closing Statement
Year 2**

(Record Type 7 – .941 Unfunded Contract authority)	<u>Main</u>	<u>C.A.</u>
Col. 2 Balance of contract authority (4139B)		200
Col. 3 New contract authority (4131E)		2,000
Col. 4 Appropriations to liquidate (4135E)		(1,000)
Col. 5 Writeoffs, resortations, or adjustments (4133E)		(800)
Col. 6 Balance of unfunded contract authority (4131E+ 4133E+4135E+4139B) calc (2+3-4-5)		400
Col. 9 Undelivered Orders (4801E)	400	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	0	

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Program And Financing (Schedule P)
Year 2**

TOTAL NEW OBLIGATIONS:

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 1,200

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:

2140 Unobligated balance carried forward, start of year 0
 2200 New budget authority (gross) (Sum lns. 4000...6990) 1,200
 2275 Balance of contract authority withdrawn (4134E) 0
 2390 Total budgetary resources ava. for obligation (sum 2140 through 2385) 1,200
 2395 Total new obligations (-) (1,200)
 2440 Unobligated balance carried forward, end of year (4450E) 0

NEW BUDGETARY AUTHORITY (GROSS), DETAIL:

Discretionary:

4000 Appropriation (4138E) 1,500
 4049 Portion applied to liquidate contract authority (-) (4135E) (1,000)
 4050 Portion of approp. to liquidate contract authority withdrawn (-) (4130E) (500)
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

Mandatory:

6610 Contract authority (4131E+4133E) 1,200

CHANGE IN UNPAID OBLIGATIONS:

7240 Obligated balance, start of year (4801B+4901B) 200
 7310 Total new obligations 1,200
 7320 Total outlays (gross) (-) (4902E) (1,000)
 7440 Obligated balance, end of year (4801E+4901E) 400

OUTLAYS (GROSS), DETAIL:

8690 Outlays from new discretionary authority (4802E-B + 4902E) 1,000
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0
 8700 Total outlays (4802E-B+4902E) 1,000

NEW BUDGET AUTHORITY AND OUTLAYS:

8900 Budget authority (net) 1,200
 9000 Outlays (net) 1,000

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Balance Sheet
Year 2**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Indefinite Contract Authority
Statement of Net Cost
Year 2**

Program Costs	
1. Intragovernmental gross costs (6100E)	1,000
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>0</u>
10. Total net costs of operations	<u>1,000</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Statement of Changes in Net Position
Year 2**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		1,500
6. Other Adjustment (3106E)	0	(500)
7. Appropriations used (5700E) (3107E)	1,000	(1,000)
16. Total Financing Sources	<u>1,000</u>	<u>0</u>
17. Net Cost of Operations	<u>1,000</u>	<u>0</u>
18. Ending Balances	<u>1,000</u>	<u>0</u>

**Indefinite Contract Authority
Statement of Financing
Year 2**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	<u>1,000</u>
11. Total resources used to finance activities	1,000
12. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>0</u>
17. Total resources used to finance items not part of the net cost of operations	<u>0</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>1,000</u>
30. Net Cost of Operations	<u>1,000</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Closing Entries - Year 2**

10. Consolidation of actual net-funded resources.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4130 Appropriation to Liquidate Contract Authority Withdrawn	500		F204
DR 4201 Total Actual Resources Collected	1,000		
CR 4138 Appropriation to Liquidate Contract Authority		1,500	

11. Closing of fiscal year contract authority.

Year 2			
<u>Budgetary Entry</u>			
DR 4135 Contract Authority Liquidated	1,000		TC
DR 4133 Reduction of Contract Authority	800		F206
CR 4139 Contract Authority Carried Forward		1,800	
DR 4139 Contract Authority Carried Forward	2,000		
CR 4131 Current Year Contract Authority Realized		2,000	

12. Closing of expended authority - paid.

Year 2			
<u>Budgetary Entry</u>			TC
DR 4902 Expended Authority-Paid	1,000		F214
CR 4201 Total Actual Resources Collected		1,000	

13. Closing of fiscal year activity that increases unexpended appropriations.

Year 2			
<u>Proprietary Entry</u>			
DR 3101 Unexpended Appropriations - Appropriations Received	1,500		TC
CR 3100 Unexpended Appropriations - Cumulative		1,500	F233
DR 3100 Unexpended Appropriations - Cumulative	1,500		
CR 3107 Unexpended Appropriations - Used		1,000	
CR 3106 Unexpended Appropriations - Adjustments		500	

14. Closing of revenue and expense account to cumulative results of operations.

Year 2			
<u>Proprietary Entry</u>			
DR 5700 Expended Appropriations	1,000		TC
CR 3310 Cumulative Results of Operations		1,000	F228
DR 3310 Cumulative Results of Operations	1,000		
CR 6100 Operation Expenses/Program Costs		1,000	

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Post - Closing Trial Balance
Year 2**

USSGL Account	Debit	Credit
Budgetary		
4139	400	
4801	<u>0</u>	<u>400</u>
Total	<u>400</u>	<u>400</u>

***Contract Authority Liquidated by Appropriations
Scenario***

Indefinite Contract Authority - Year 3

1. To estimate contract authority.

Year 3			
<u>Budgetary Entry</u>			TC
DR 4032 Estimated Contract Authority	1,500		A176
CR 4450 Unapportioned Authority		1,500	

2. To record budget authority apportioned by OMB and available for use until realized.

Year 3			
<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	700		A116
CR 4510 Apportionments		700	

3. To record allotment of apportioned contract authority.

Year 3			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	700		A120
CR 4610 Allotments - Realized Resources		700	

4. To record an unexpended obligation for authority previously allotted and the realization of contract authority.

Year 3			
<u>Budgetary Entry</u>			TC
DR 4610 Allotments Realized Resources	700		B204
CR 4801 Undelivered Orders – Obligations, Unpaid		700	
DR 4131 Current Year Contract Authority Realized	700		TC
CR 4032 Estimated Contract Authority		700	A168

5. To record the appropriation to liquidate contract authority.

Year 3			
<u>Budgetary Entry</u>			
DR 4138 Appropriation to Liquidate Contract Authority	700		
CR 4135 Contract Authority Liquidated		700	TC
<u>Proprietary Entry</u>			A170
DR 1010 Fund Balance with Treasury	700		
CR 3101 Unexpended Appropriations - Appropriation Rec.		700	

***Contract Authority Liquidated by Appropriations
Scenario***

6. To record the delivery of goods and accrue a liability. To record appropriations used for the fiscal year.

Year 3			
<u>Budgetary Entry</u>			TC
DR 4801 Undelivered Orders - Obligations, Unpaid	700		B302
CR 4901 Delivered Orders - Obligations, Unpaid		700	
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses/Program Costs	700		TC
CR 2110 Accounts Payable		700	B134
DR 3107 Unexpended Appropriations - Used	700		
CR 5700 Expended Appropriations		700	

7. To record a valid disbursement.

Year 3			
<u>Budgetary Entry</u>			TC
DR 4901 Delivered Orders – Obligations – Unpaid	700		B110
CR 4902 Delivered Orders- Obligations, Paid.		700	
<u>Proprietary Entry</u>			
DR 2110 Accounts Payable	700		
CR 1010 Fund Balance with Treasury		700	

8. Downward adjustment of prior year obligation due to a recovery of \$400.

Year 3			
<u>Budgetary Entry</u>			TC
a. DR 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries	400		D134
CR 4450 Unapportioned Authority		400	
b. DR 4450 Unapportioned Authority	400		New TC
CR 4134 Contract Authority Withdrawn		400	D136

**Indefinite Contract Authority
Adjusting Entries - Year 3**

9. To adjust the estimated contract authority to zero and record withdrawn unobligated balance of indefinite contract authority.

Year 3			
<u>Budgetary Entry</u>			New TC
a. DR 4131 Current Year Contract Authority Realized	800		F112
CR 4032 Estimated Contract Authority		800	
b. DR 4450 Unapportioned Authority	800		TC
CR 4133 Reduction of Contract Authority		800	A174

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Pre - Closing Trial Balance
Year 3**

USSGL Account	Debit	Credit
Budgetary		
4131	1,500	
4133		800
4134		400
4135		700
4138	700	
4139	200	
4801		400
4871	400	
4902	<u>0</u>	<u>700</u>
Total	<u><u>3,000</u></u>	<u><u>3,000</u></u>
Proprietary		
3101		700
3107	700	
5700		700
6100	<u>700</u>	<u>0</u>
Total	<u><u>1,600</u></u>	<u><u>1,600</u></u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
SF 133: Report On Budget Execution And Budgetary Resources
Year 3**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriation (4138E)	700
C. Contract Authority (4131E)	1,500
2. Unobligated balance:	
A. Brought forward, October 1 (4139B+4201B+4801B+4901B)	0
4. Recoveries of prior year obligations:	
A. Actual (4871E)	400
6. Permanently not available:	
D. Other authority withdrawn (4133E+4134E)	(1,200)
E. Pursuant to Public Law (4135E)	<u>(700)</u>
7. Total budgetary resources	<u><u>700</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E-B + 4901E-B + 4902E)	700
10. Unobligated balance not available:	
D. Other (4450E)	<u>0</u>
11. Total status of budgetary resources	<u><u>700</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net as of October 1 (4801B + 4901B)	400
13. Obligated balance transferred, net	
14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E+4871E)	0
D. Accounts payable (4901E)	0
15. Outlays:	
A. Disbursements (4902E)	700

**Indefinite Contract Authority
USSGL-2108 Year End Closing Statement
Year 3**

(Record Type 7 – .941 Unfunded Contract authority)	<u>Main</u>	<u>C.A.</u>
Col. 2 Balance of contract authority (4139E)		400
Col. 3 New contract authority (4131E)		1,500
Col. 4 Appropriation to liquidate (4135E)		(700)
Col. 5 Writeoffs, restorations, or adjustments (4133E+4134E)		(1,200)
Col. 6 Balance of unfunded contract authority (4131E+ 4135E+4133E+4134E+4139B) calc (2+3-4-5)		0
Col. 9 Undelivered Orders (4801E+4871E)	0	
Col. 10 Accounts Payable and Other Liabilities (4901E)	0	
Col. 11 Unobligated Balance calc (5+6+7+8 = 9+10+11) (4450E)	0	

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Program And Financing (Schedule P)
Year 3**

TOTAL NEW OBLIGATIONS:

1000 Total New Obligations (4801E-B + 4901E-B + 4902E) 700

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION:

2140 Unobligated balance carried forward, start of year 0
 2200 New budget authority (gross) (Sum Ins. 4000...6990) 700
 2210 Resources available from recoveries of prior year obligations (4871E) 400
 2275 Balance of contract authority withdrawn (4134E) (400)
 2390 Total budgetary resources ava. for obligation (sum 2140 through 2385) 700
 2395 Total new obligations (-) (700)
 2440 Unobligated balance carried forward, end of year (4450E) 0

NEW BUDGETARY AUTHORITY (GROSS), DETAIL:

Discretionary:

4000 Appropriation (4138E) 700
 4049 Portion applied to liquidate contract authority (-) (4135E) (700)
 4050 Portion of approp. to liquidate contract authority withdrawn (-) (4130E) 0
 4300 Appropriation (total discretionary) (sum lines 4000 through 4200) 0

Mandatory:

6610 Contract authority (4131E+4133E) 700

CHANGE IN UNPAID OBLIGATIONS:

7240 Obligated balance, start of year (4801B+4901B) 400
 7310 Total new obligations 700
 7320 Total outlays (gross) (-) (4902E) (700)
 7345 Recoveries of prior obligations (4871E) (400)
 7440 Obligated balance, end of year (4801E+4901E) 0

OUTLAYS (GROSS), DETAIL:

8690 Outlays from new discretionary authority (4802E-B + 4902E) 700
 8693 Outlays from discretionary balances (4802E-B + 4902E) 0
 8700 Total outlays (4802E-B + 4902E) 700

NEW BUDGET AUTHORITY AND OUTLAYS:

8900 Budget authority (net) 700
 9000 Outlays (net) 700

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Balance Sheet
Year 3**

Assets	
Intragovernmental	
1. Fund Balance with Treasury (1010E)	0
15. Total assets	<u>0</u>
Liabilities	
Intragovernmental	
16. Accounts payable (2110E)	0
27. Total liabilities	<u>0</u>
Net Position	
29. Unexpended appropriation (3100E)	0
30. Cumulative Results of Operations (3310E)	0
31. Total net position	0
32. Total liabilities and net position	<u>0</u>

**Indefinite Contract Authority
Statement of Net Cost
Year 3**

Program Costs	
1. Intragovernmental gross costs (6100E)	700
2. Less: Intragovernmental earned revenue	0
3. Intragovernmental net costs	<u>0</u>
10. Total net costs of operations	<u>700</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Statement of Changes in Net Position
Year 3**

	<u>Cumm. Results</u>	<u>Unexp. Approp.</u>
1. Beginning Balance (3100E and 3310E)	0	0
3. Beginning Balance as adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations received (3101E)		700
7. Appropriations used (5700E) (3107E)	700	(700)
16. Total Financing Sources	<u>700</u>	<u>0</u>
17. Net Cost of Operations	<u>700</u>	<u>0</u>
18. Ending Balances	<u>700</u>	<u>0</u>

**Indefinite Contract Authority
Statement of Financing
Year 3**

Resources Used to Finance Activities	
Budgetary Resources Obligated	
1. Obligations incurred (4801E-B + 4901E-B + 4902E)	700
11. Total resources used to finance activities	700
12. Change in budgetary resources obligated for goods, services and benefits Ordered but not yet provided (4801E-B)	<u>0</u>
17. Total resources used to finance items not part of the net cost of operations	<u>0</u>
18. Total resources used to resources used to finance net cost of operations (lines 11-17)	<u>700</u>
30. Net Cost of Operations	<u>700</u>

***Contract Authority Liquidated by Appropriations
Scenario***

**Indefinite Contract Authority
Closing Entries - Year 3**

9. Consolidation of actual net-funded resources.

Year 3		
<u>Budgetary Entry</u>		TC
DR 4201 Total Actual Resources Collected	700	F204
CR 4138 Appropriation to Liquidate Contract Authority	700	

10. Closing of fiscal year contract authority.

Year 3		
<u>Budgetary Entry</u>		
DR 4133 Reduction of Contract Authority	800	TC
DR 4134 Contract Authority Withdrawn	400	F206
DR 4135 Contract Authority Liquidated	700	
CR 4139 Contract Authority Carried Forward	1,900	
DR 4139 Contract Authority Carried Forward	1,500	
CR 4131 Current Year Contract Authority Realized	1,500	

11. Closing of related downward adjustments to unpaid unexpended obligations.

Year 3		
<u>Budgetary Entry</u>		TC
DR 4801 Undelivered Orders - Obligations, Unpaid	400	F227
CR 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries	400	

12. Closing of expended authority - paid.

Year 3		
<u>Budgetary Entry</u>		TC
DR 4902 Expended Authority-Paid	700	F214
CR 4201 Total Actual Resources Collected	700	

13. Closing of fiscal year activity that increases unexpended appropriations.

Year 3		
<u>Proprietary Entry</u>		TC
DR 3101 Unexpended Appropriations - Appropriations Received	700	F233
CR 3100 Unexpended Appropriations - Cumulative	700	
DR 3100 Unexpended Appropriations - Cumulative	700	
CR 3107 Unexpended Appropriations - Used	700	

***Contract Authority Liquidated by Appropriations
Scenario***

14. Closing of revenue and expense account to cumulative results of operations.

Year 3			
<u>Proprietary Entry</u>			TC
DR 5700 Expended Appropriations	700		F228
CR 3310 Cumulative Results of Operations		700	
DR 3310 Cumulative Results of Operations	700		
CR 6100 Operation Expenses/Program Costs		700	

**Indefinite Contract Authority
Post - Closing Trial Balance
Year 3**

USSGL Account	Debit	Credit
Budgetary		
4139	0	
4801	<u>0</u>	<u>0</u>
Total	<u><u>0</u></u>	<u><u>0</u></u>