

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Effective Fiscal 2013

JOINTLY PREPARED BY:

**BUREAU OF THE FISCAL SERVICE
AND
OFFICE OF MANAGEMENT AND BUDGET**

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

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Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Overview

Federal agencies that have recorded indefinite borrowing authority (whether exercised or not) are directed by the following guidance: OMB Circular No. A-11 (Part 5, Section 185.32; Part 1, Section 20; Section 82; Appendix F); the 1967 Report of the President's Commission on Budget Concepts; GAO's 2005 "A Glossary of Terms Used in the Federal Budget Process" to reduce the amount of indefinite borrowing authority that is not needed to cover obligations by September 30th of each fiscal year. If agencies follow the guidance, the end of year unobligated balance will be zero. However, instances have occurred where agencies have exercised indefinite borrowing authority but failed to obligate it as of September 30th of a given fiscal year. Therefore, this scenario was developed to direct agencies on how to reduce unobligated indefinite borrowing authority after September 30th if they have neglected to follow the policy set forth in the guidance listed within this paragraph.

The scenario that follows illustrates the recommended transactions and effective dates to be recorded and used to reduce the indefinite borrowing authority after September 30th of a given fiscal year. The scenario is illustrative of a Treasury Account Symbol (TAS) that borrows from Treasury's Bureau of the Fiscal Service (Fiscal Service). The recommended transactions are required by both the Department of the Treasury and Office of Management and Budget (OMB) for agencies that failed to reduce their exercised indefinite borrowing authority that is unobligated as of yearend.

This scenario uses the following United States Standard General Ledger accounts:

Listing of USSGL Accounts Used in This Scenario

Budgetary

- 4141 Current-Year Borrowing Authority Realized
- 4143 Current-Year Decreases to Indefinite Borrowing Authority Realized
- 4145 Borrowing Authority Converted to Cash
- 4146 Actual Repayments of Debt, Current-Year Authority
- 4148 Resources Realized From Borrowing Authority
- 4201 Total Actual Resources – Collected
- 4450 Unapportioned Authority

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- 4510 Apportionments
- 4610 Allotments – Realized Resources
- 4801 Undelivered Orders – Obligations, Unpaid
- 4901 Delivered Orders – Obligations, Unpaid
- 4902 Delivered Orders – Obligations, Paid

Proprietary

- 1010 Fund Balance With Treasury
- 1341 Interest Receivable – Loans
- 1350 Loans Receivable
- 2110 Accounts Payable
- 2141 Accrued Interest Payable – Debt
- 2510 Principal Payable to the Bureau of the Public Debt
- 2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity
- 3310 Cumulative Results of Operations
- 5312 Interest Revenue – Loans Receivable/Uninvested Funds
- 5993 Offset to Non-Entity Collections – Statement of Changes in Net Position
- 5994 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position
- 6100 Operating Expenses/Program Costs
- 6310 Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

BEGINNING TRIAL BALANCES

Borrowing Agency	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
N/A			N/A		
<u>Proprietary</u>			<u>Proprietary</u>		
N/A			N/A		

1. To record indefinite borrowing authority.

Borrowing Agency (TC –A152)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4141 CY Borrowing Authority Realized 4450 Unapportioned Authority	100,000	100,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

2. To record indefinite borrowing authority apportioned and available for allotment.

Borrowing Agency (TC – A116)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4450 Unapportioned Authority 4510 Apportionments	100,000	100,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

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3. To record the allotment of indefinite borrowing authority.

Borrowing Agency (TC – A120)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4510 Apportionments	100,000		None		
4610 Allotments – Realized Resources		100,000			
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

4. To record the drawing of cash to fund borrowing authority from Fiscal Service and to record the establishment of loans receivable and non-custodial liability. This is accomplished via SF 1151: Nonexpenditure Transfer (NET) in the Central Accounting Reporting System (CARS) NET Borrowings system.

Borrowing Agency (TC – A156)	Debit	Credit	Fiscal Service (TC for use by Fiscal Service only)	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4148 Resources Realized From Borrowing Authority	100,000		None		
4145 Borrowing Authority Converted to Cash		100,000			
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	100,000		1350 Loans Receivable	100,000	
2510 Principal Payable to the BPD		100,000	1010 Fund Balance With Treasury		100,000
			1010 Fund Balance With Treasury	100,000	
			2985 Liability for Non-Entity Assets		100,000
			Not Reported on the Statement of Custodial Activity		

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5. To record the accrual of interest expenses incurred by the borrowing agency, and to record accrued receivable associated with USSGL account 2985 that is to be collected by Fiscal Service and deposited into a TAS that does not have budget authority.

Borrowing Agency (TC – B418)	Debit	Credit	Fiscal Service (TC for use by Fiscal Service only)	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4610 Allotments – Realized Resources 4901 Delivered Orders – Obligations, Unpaid	5,000	5,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
6310 Interest Expenses on Borrowing From the BPD and/or the FFB 2141 Accrued Interest Payable – Debt	5,000	5,000	1341 Interest Receivable – Loans 5312 Interest Revenue – Loans Receivable/Uninvested Funds	5,000	5,000
			5994 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position 2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	5,000	5,000

6. To record a current-year undelivered order without an advance in a program subject to apportionment.

Borrowing Agency (TC – B314)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4610 Allotments – Realized Resources 4801 Undelivered Orders – Obligations, Unpaid	85,000	85,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

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7. To record the delivery of goods or services and to accrue a liability.

Borrowing Agency (TC – B402)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4801 Undelivered Orders – Obligations, Unpaid	85,000		None		
4901 Delivered Orders – Obligations, Unpaid		85,000			
<u>Proprietary</u>			<u>Proprietary</u>		
6100 Operating Expenses/Program Costs	85,000		None		
2110 Accounts Payable		85,000			

8. To record a confirmed disbursement schedule previously accrued.

Borrowing Agency (TC – B110)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4901 Delivered Orders – Obligations, Unpaid	85,000		None		
4902 Delivered Orders – Obligations, Paid		85,000			
<u>Proprietary</u>			<u>Proprietary</u>		
2110 Accounts Payable	85,000		None		
1010 Fund Balance With Treasury		85,000			

NOTE: Transactions # 9 and # 10 illustrate the entries that agencies should record on or before September 30th to return any unobligated indefinite borrowing authority. These transactions are included for informational purposes only. The remainder of the scenario assumes that these transactions did not occur.

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

9. To record the reduction of unobligated balances for indefinite borrowing authority at year end.

Borrowing Agency (TC – F113)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4610 Allotments – Realized Resources	10,000		None		
4143 Current-Year Decreases to Indefinite Borrowing Authority Realized		10,000			
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

10. To record principal repayments to Treasury/Fiscal Service for the \$10,000 of unobligated indefinite borrowing authority. This is accomplished via SF 1151: NET in the CARS NET Borrowings system.

Borrowing Agency (TC - B121)	Debit	Credit	Fiscal Service (TC for use by Fiscal Service only)	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4450 Unapportioned Authority	10,000		None		
4146 Actual Repayments of Debt, Current-Year Authority		10,000			
<u>Proprietary</u> (effective for the current date)			<u>Proprietary</u>		
2510 Principal Payable to the BPD	10,000		1010 Fund Balance With Treasury	10,000	
1010 Fund Balance With Treasury		10,000	1350 Loans Receivable		10,000
			2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	10,000	
			1010 Fund Balance With Treasury		10,000

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

11. To record the payment of accrued interest payable/receivable. This transaction would be recorded on or before September 30th.

Borrowing Agency (TC – B112)	Debit	Credit	Fiscal Service (TC for use by Fiscal Service only)	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4901 Delivered Orders – Obligations, Unpaid	5,000		None		
4902 Delivered Orders – Obligations, Paid		5,000			
<u>Proprietary</u>			<u>Proprietary</u>		
2141 Accrued Interest Payable – Debt	5,000		1010 Fund Balance With Treasury	5,000	
1010 Fund Balance With Treasury		5,000	1341 Interest Receivable – Loans		5,000
			2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	5,000	
			1010 Fund Balance With Treasury		5,000
			5993 Offset to Non-Entity Collections – Statement of Changes in Net Position	5,000	
			5994 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position		5,000

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PRECLOSING ADJUSTED TRIAL BALANCES

Borrowing Agency	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4141	100,000		None		
4145		100,000			
4148	100,000				
4450		0			
4510		0			
4610		10,000			
4801		0			
4901		0			
4902		<u>90,000</u>			
Total Budgetary	<u>200,000</u>	<u>200,000</u>			
<u>Proprietary</u>			<u>Proprietary</u>		
1010	10,000		1010	0	
2110		0	1341	0	
2141		0	1350	100,000	
2510		100,000	2985		
6100	85,000		Liability for Non-Entity Assets		
6310			Not Reported on the Statement		
			of Custodial Activity		100,000
	<u>5,000</u>		5312		
Total Proprietary	<u>100,000</u>	<u>100,000</u>	Interest Revenue – Loans		
			Receivable/Uninvested Interest.		5,000
			5993		
			Offset to Non-Entity Collections –		
			Statement of Changes in Net Position	5,000	
			5994		
			Offset to Non-Entity Accrued		
			Collections – Statement of Changes		
			In Net Position	<u>0</u>	
			Total Proprietary	<u>105,000</u>	<u>105,000</u>

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Closing entries

12. To record the consolidation of actual net-funded resources.

Borrowing Agency (TC – F302)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4201 Total Actual Resources – Collected 4148 Resources Realized from Borrowing Authority	100,000	100,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

13. To record the closing of fiscal-year borrowing authority.

Borrowing Agency (TC – F306)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4145 Borrowing Authority Converted to Cash 4141 CY Borrowing Authority Realized	100,000	100,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

14. To record the closing of unobligated balances to unapportioned authority for unexpired multi-year and no-year funds.

Borrowing Agency (TC – F308)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4610 Allotments – Realized Resources 4450 Unapportioned Authority	10,000	10,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

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15. To record the closing of paid delivered orders to total actual resources.

Borrowing Agency (TC – F314)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4902 Delivered Orders – Obligations, Paid	90,000		None		
4201 Total Actual Resources – Collected		90,000			
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

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

Borrowing Agency (TC – F336)	Debit	Credit	Fiscal Service (TC for use by Fiscal Service only)	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
None			None		
<u>Proprietary</u>			<u>Proprietary</u>		
3310 Cumulative Results of Operations	90,000		5312 Interest Revenue – Loans Receivable/ Uninvested Funds	5,000	
6100 Operating Expenses/Program Costs		85,000	5993 Offset to Non-Entity Collections – Statement in Changes of Net Position		5,000
6310 Interest Expense on Borrowings From BPD and/or the FFB		5,000			

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POST-CLOSING TRIAL BALANCES

Borrowing Agency	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4201 Total Actual Resources – Collected	10,000		None		
4450 Unapportioned Authority		<u>10,000</u>			
Total Budgetary	<u>10,000</u>	<u>10,000</u>			
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	10,000		1350 Loans Receivable	100,000	
2510 Principal Payable to the BPD		100,000	2985 Liability for Non-Entity Assets		
3310 Cumulative Results of Operations	<u>90,000</u>		Not Reported on the Statement		
Total Proprietary	<u>100,000</u>	<u>100,000</u>	of Custodial Activity		<u>100,000</u>
			Total Proprietary	<u>100,000</u>	<u>100,000</u>

Budgetary Reports

Year 1

SF 133 STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES and PROGRAM AND FINANCING (P&F) SCHEDULE				
	Borrowing Agency SF133 Line	Borrowing Agency P&F Line	Fiscal Service SF133 Line	Fiscal Service P&F Line
BUDGETARY RESOURCES			N/A	N/A
All accounts:				
0900 Delivered Orders – Obligations, Paid (4902E)		90,000		
Unobligated balance:				
1000 Unobligated balance brought forward, October 1				

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Budget Authority:				
Borrowing authority:				
Mandatory:				
1400 Current-Year Borrowing Authority Realized (4141E)	100,000	100,000		
1440 Borrowing authority (total). (This line is calculated. Equals the sum of lines 1400 through 1430 (SF 133) and lines 1400 through 1420 (P&F).)	100,000	100,000		
1900 Budget authority total (discretionary and mandatory). (This line is calculated. Equals the sum of combined total of mandatory and discretionary budget authority [Lines 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, and 1800 through 1842 (SF 133). Lines 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, and 1800 through 1827 (P&F)].)	100,000	100,000		
1910 Total budgetary resources. (This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1042, 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, 1800 through 1842, and 1901 (SF 133)].)	100,000			
1930 Total budgetary resources available. (This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1031, 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, 1800 through 1827, and 1901 (P&F)].)		100,000		
MEMORANDUM (NON-ADD) ENTRIES:				
ALL ACCOUNTS:				
1941 Unexpired unobligated balance carried forward, end of year (4610E)		10,000		
STATUS OF BUDGETARY RESOURCES				
Obligations incurred:				
Direct:				

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2002 Category B (by project) (4902E)	90,000			
2004 Direct obligations (total). (This line is calculated. Equals sum of lines 2001 through 2003.)	90,000			
Unobligated Balance				
Apportioned				
2201 Available in the current period (4610E)	10,000			
2490 Unobligated balance, end of year. (This line is calculated. Equals sum of the amounts on detailed 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403.)	10,000			
2500 Total budgetary resources (This line is calculated. Equals sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources.)	100,000			
Memorandum entries:				
2501 Subject to apportionment (4610E, 4902E)	100,000			
2503 Direct unobligated balance, end of year (4610E)	10,000			
CHANGE IN OBLIGATED BALANCE				
Unpaid obligations:				
3010 Obligations incurred, unexpired accounts (4902E)	90,000	90,000		
3020 Outlays (gross) (-) (4902E)	(90,000)	(90,000)		
BUDGET AUTHORITY AND OUTLAYS, NET				
Mandatory:				
Gross budget authority and outlays:				
4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (P&F)].)	100,000	100,000		
4110 Outlays, gross (total) (4902E)	90,000	90,000		
4160 Budget authority, net (mandatory). (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and	100,000	100,000		

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on lines 4140, 4141 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (P&F).)				
4170 Outlays, net (mandatory). (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.)	90,000	90,000		
4180 Budget authority, net (discretionary and mandatory). (This line is calculated. Equals sum of lines 4070 and 4160.)	100,000	100,000		
4190 Outlays, net (discretionary and mandatory). (This line is calculated. Equals sum of lines 4080 and 4170.)	90,000	90,000		

Year 1

FMS 2108: YEAREND CLOSING STATEMENT		
	Borrowing Agency	Fiscal Service
Column 2 Balance of Borrowing Authority – Treasury Supplied	0	0
Column 3 Increases (4141E)	100,000	0
Column 4 Borrowings (4145E)	100,000	0
Column 5 Adjustments	0	0
Column 6 (4141E, 4145E)	0	0
Column 7 Reimbursements Earned and Refunds	0	0
Column 8 Unfilled Customer Orders	0	0
Column 9 Undelivered Orders and Contracts	0	0
Column 10 Accounts Payable and Other Liabilities	0	0
Column 11 Unobligated Balance (4610E)	0	0
FACTS II Edit Check 5: Col 5, 6, 7, 8 = Col 9, 10, 11	YES	YES

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Year 1

BALANCE SHEET		
	Borrowing Agency	Fiscal Service
Assets:		
Intragovernmental:		
1. Fund Balance With Treasury (Note 3) (1010E)	10,000	0
4. Loans Receivable (1350E)	0	100,000
6. Total Intragovernmental (calc.)	10,000	100,000
15. Total Assets (calc.)	<u>10,000</u>	<u>100,000</u>
Liabilities:		
Intragovernmental:		
18. Debt (Note 14) (2510E)	100,000	0
19. Other (Notes 15, 16, and 17) (2985E)	0	100,000
20. Total Intragovernmental (calc.)	100,000	100,000
28. Total Liabilities (calc.)	<u>100,000</u>	<u>100,000</u>
Net Position:		
33. Cumulative Results of Operations – Other Funds (5312E, 5993E, 6100E, 6310E)	(90,000)	0
34. Total Net Position (calc.)	(90,000)	0
35. Total Liabilities and Net Position (calc.)	<u>10,000</u>	<u>100,000</u>

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Year 1

STATEMENT OF NET COST		
	Borrowing Agency	Fiscal Service
Program Costs:		
1. Gross costs (Note 22) (6100E, 6310E)	90,000	0
2. Less: earned revenue (5312E)	0	5,000
3. Net Program Costs (calc.)	90,000	(5,000)
5. Net program costs including Assumption Changes (calc.)	90,000	(5,000)
8. Net cost of operations (calc.)	90,000	(5,000)

Year 1

STATEMENT OF CHANGES IN NET POSITION		
	Borrowing Agency	Fiscal Service
	All Other Funds	All Other Funds
Budgetary Financing Sources:		
13. Other (+/-) (5993E)	0	(5,000)
14. Total Financing Sources (sum of 4 through 13)	0	(5,000)

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15. Net Cost of Operations (+/-)	90,000	(5,000)
16. Net Change (sum of 14 minus 15)	(90,000)	0
17. Cumulative Results of Operations (sum of 3 and 16)	(90,000)	0
27. Net Position (sum of 17 and 26)	(90,000)	0

Year 1

STATEMENT OF BUDGETARY RESOURCES		
	Borrowing Agency	Fiscal Service
BUDGETARY RESOURCES:		
1000 Unobligated balance brought forward, October 1	0	N/A
1490 Borrowing authority (discretionary and mandatory) (4141E)	100,000	
1910 Total budgetary resources (This line is calculated. Equals sum of SBR lines 1000, 1020, 1021, 1043, 1290, 1490, 1690, and 1890.)	100,000	
STATUS OF BUDGETARY RESOURCES:		
2190 Obligations incurred (Note 31) (4902E)	90,000	
2204 Apportioned (4610E)	10,000	
2490 Unobligated balance, end of year (This line is calculated. Equals sum of SBR lines 2204, 2304, and 2404.)	10,000	
2500 Total budgetary resources (This line is calculated. Equals sum of SBR lines 2190 and 2490.)	100,000	
CHANGE IN OBLIGATED BALANCES:		
3012 Obligations incurred (+) (4902E)	90,000	

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3020 Outlays (gross) (-) (4902E)	(90,000)	
3200 Obligated balance, end of year (net) (This line is calculated. Equals sum of detailed SBR lines 3000, 3006, 3012, 3020, 3032, 3042, 3060, 3066, 3072 and 3082. Line 3200 also equals the sum of SBR lines 3050 and 3090.)	0	
BUDGET AUTHORITY AND OUTLAYS, NET:		
4175 Budget authority, gross (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 1290, 1490, 1690 and 1890.)	100,000	
4180 Budget Authority, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4175, 4177, 4178 and 4179.)	100,000	
4185 Outlays, gross (discretionary and mandatory) (4902E)	90,000	
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4185 and 4187.)	90,000	

BEGINNING TRIAL BALANCES

Borrowing Agency	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4201 Total Actual Resources – Collected	10,000		None		
4450 Unapportioned Authority	<u>10,000</u>	<u>10,000</u>			
Total Budgetary	10,000	10,000			
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	10,000		1350 Loans Receivable	100,000	
2510 Principal Payable to the BPD		100,000	2985 Liability for Non-Entity Assets		
3310 Cumulative Results of Operations	<u>90,000</u>		Not Reported on the Statement		
Total Proprietary	100,000	100,000	of Custodial Activity		<u>100,000</u>
			Total Proprietary	100,000	100,000

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

After September 30

The following transactions do not illustrate a recommended process. The recommended process is displayed above in Transactions # 1 - # 11. Transactions # 17 and # 18, below, illustrate the required entries that must be recorded in a subsequent fiscal year, in the event that Transactions # 9 and # 10 were not correctly completed on or before 9/30, in the proper fiscal year.

17. To record the prior-year budgetary adjustment for the return of unobligated indefinite borrowing authority.

Borrowing Agency (TC will not be provided for correcting entry)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u> (effective 9/30)			<u>Budgetary</u>		
4450* Unapportioned Authority	10,000		None		
4143* Current-Year Decreases to Indefinite Borrowing Authority Realized		10,000			
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		
* Must report Prior-Year Adjustment attribute domain value "P"					

18. To record the principal repayment to Treasury/Fiscal Service for the \$10,000 of unobligated indefinite borrowing authority that was converted to cash and not properly returned on or before September 30th as a current-year transaction. This is accomplished via SF 1151: NET in the CARS NET Borrowings system. Note: This prior-year budgetary adjustment transaction is unique to this specific transaction, and is needed to result in the proper reporting of budgetary resources. Agency representatives should consult with their agency management and auditors for any possible impact on their agency financial statements.

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Borrowing Agency (TC will not be provided for correcting entry)	Debit	Credit	Fiscal Service (TC for use by Fiscal Service only)	Debit	Credit
<u>Budgetary</u> (effective 9/30)			<u>Budgetary</u>		
4145* Borrowing Authority Converted to Cash	10,000		None		
4148* Resources Realized from Borrowing Authority		10,000			
<u>Proprietary</u> (effective for the current date)			<u>Proprietary</u> (effective for the current date)		
2510 Principal Payable to the BPD	10,000		1010 Fund Balance With Treasury	10,000	
1010 Fund Balance With Treasury		10,000	1350 Loans Receivable		10,000
			2985 Liability for Non-Entity Assets	10,000	
			Not Reported on the Statement		
			of Custodial Activity		
			1010 Fund Balance With Treasury		10,000
* Must report Prior-Year Adjustment attribute domain value "X"					

PRECLOSING ADJUSTED TRIAL BALANCES

Borrowing Agency	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4143 CY Decreases to Indefinite Borrowing Authority Realized		10,000	None		
4145 Borrowing Authority Converted to Cash	10,000				
4148 Resources Realized Borrowing Authority		10,000			
4201 Total Actual Resources – Collected	10,000				
4450 Unapportioned Authority	<u>0</u>				
Total Budgetary	<u>20,000</u>	<u>20,000</u>			
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury		0	1010 Fund Balance With Treasury	0	
2510 Principal Payable to the BPD		90,000	1350 Loans Receivable	90,000	
3310 Cumulative Results of Operations	<u>90,000</u>		2985 Liability for Non-Entity Assets		
Total Proprietary	<u>90,000</u>	<u>90,000</u>	Not Reported on the Statement		
			of Custodial Activity		<u>90,000</u>
			Total Proprietary	<u>90,000</u>	<u>90,000</u>

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Closing entries

19. To record the consolidation of actual net-funded resources.

Borrowing Agency (TC will not be provided for correcting entry)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4148 Resources Realized from Borrowing Authority 4201 Total Actual Resources – Collected	10,000	10,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

20. To record the closing of fiscal-year borrowing authority.

Borrowing Agency (TC will not be provided for correcting entry)	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4143 CY Decreases to Indefinite Borrowing Authority Realized 4145 Borrowing Authority Converted to Cash	10,000	10,000	None		
<u>Proprietary</u>			<u>Proprietary</u>		
None			None		

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

POST-CLOSING TRIAL BALANCES

Borrowing Agency	Debit	Credit	Fiscal Service	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
None			None		
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury		0	1350 Loans Receivable	90,000	
2510 Principal Payable to the BPD		90,000	2985 Liability for Non-Entity Assets		
3310 Cumulative Results of Operations	<u>90,000</u>		Not Reported on the Statement		
Total Proprietary	<u>90,000</u>	<u>90,000</u>	of Custodial Activity		<u>90,000</u>
			Total Proprietary	<u>90,000</u>	<u>90,000</u>

Budgetary Reports

Year 2

SF 133 STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES and PROGRAM AND FINANCING (P&F) SCHEDULE				
	Borrowing Agency SF133 Line	Borrowing Agency P&F Line	Fiscal Service SF133 Line	Fiscal Service P&F Line
BUDGETARY RESOURCES			N/A	N/A
All accounts:				
0900 Delivered Orders – Obligations, Paid (4902E)				
Unobligated balance:				
1000 Unobligated balance brought forward, October 1 (4201B)	10,000	10,000		
Adjustments:				
1020 Adjustment of unobligated balance brought forward, October 1 (+ or -) (4143E)	(10,000)	(10,000)		

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

1050 Unobligated balance (total) (This line is calculated. Equals sum of lines 1000 through 1042 (SF 133) and lines 1000 through 1031 excluding line 1001 (P&F).)	0	0		
1910 Total budgetary resources. This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1042, 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, 1800 through 1842, and 1901 (SF 133)].	0			
1930 Total budgetary resources available. This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1031, 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, 1800 through 1827, and 1901 (P&F)].		0		
STATUS OF BUDGETARY RESOURCES				
Unobligated Balance				
Apportioned				
2201 Available in the current period	0			
2490 Unobligated balance, end of year. This line is calculated. Equals sum of the amounts on detailed 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403.	0			
2500 Total budgetary resources This line is calculated. Equals sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources.	0			

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Year 2

FMS 2108: YEAREND CLOSING STATEMENT		
	Borrowing Agency	Fiscal Service
Column 2 Balance of Borrowing Authority – Treasury Supplied	0	0
Column 3 Increases	0	0
Column 4 Borrowings (4145E)	(10,000)	0
Column 5 Adjustments (4143E)	10,000	0
Column 6 (4143E, 4145E)	0	0
Column 7 Reimbursements Earned and Refunds	0	0
Column 8 Unfilled Customer Orders	0	0
Column 9 Undelivered Orders and Contracts	0	0
Column 10 Accounts Payable and Other Liabilities	0	0
Column 11 Unobligated Balance	0	0
FACTS II Edit Check 5: Col 5, 6, 7, 8 = Col 9, 10, 11	YES	YES

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Year 2

BALANCE SHEET		
	Borrowing Agency	Fiscal Service
Assets:		
Intragovernmental:		
1. Fund Balance With Treasury (Note 3)	0	0
4. Loans Receivable (1350E)	0	90,000
6. Total Intragovernmental (calc.)	0	0
15. Total Assets (calc.)	0	90,000
Liabilities:		
Intragovernmental:		
18. Debt (Note 14) (2510E)	90,000	0
19. Other (Notes 15, 16, and 17) (2985E)	0	90,000
20. Total Intragovernmental (calc.)	90,000	90,000
28. Total Liabilities (calc.)	90,000	90,000
Net Position:		
33. Cumulative Results of Operations - Other Funds (3310E)	(90,000)	0
34. Total Net Position (calc.)	(90,000)	0
35. Total Liabilities and Net Position (calc.)	0	90,000

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Year 2

STATEMENT OF NET COST		
	Borrowing Agency	Fiscal Service
Program Costs:		
1. Gross costs (Note 22)	0	0
2. Less: earned revenue	0	0
3. Net Program Costs (calc.)	0	0
5. Net program costs including Assumption Changes (calc.)	0	0
8. Net cost of operations (calc.)	0	0

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Year 2

STATEMENT OF CHANGES IN NET POSITION		
	Borrowing Agency	Fiscal Service
	All Other Funds	All Other Funds
Cumulative Results of Operations:		
1. Beginning Balances (3310E)	(90,000)	0
3. Beginning Balances, as Adjusted (sums of lines 1 through 2b.)	(90,000)	0
Budgetary Financing Sources:		
13. Other (+/-)	0	
14. Total Financing Sources (sum of 4 through 13)	0	0
15. Net Cost of Operations (+/-)	0	0
16. Net Change (sum of 14 minus 15)	0	0
17. Cumulative Results of Operations (sum of 3 and 16)	(90,000)	0
27. Net Position (sum of 17 and 26)	(90,000)	0

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

Year 2

STATEMENT OF BUDGETARY RESOURCES		
	Borrowing Agency	Fiscal Service
BUDGETARY RESOURCES:		N/A
1000 Unobligated balance brought forward, October 1 (4201B)	10,000	
1490 Borrowing authority (discretionary and mandatory) (4143E)	(10,000)	
1910 Total budgetary resources (This line is calculated. Equals sum of SBR lines 1000, 1020, 1021, 1043, 1290, 1490, 1690, and 1890.)	0	
STATUS OF BUDGETARY RESOURCES:		
2204 Apportioned	0	
2490 Unobligated balance, end of year (This line is calculated. Equals sum of SBR lines 2204, 2304, and 2404.)	0	
2500 Total budgetary resources (This line is calculated. Equals sum of SBR lines 2190 and 2490.)	0	
CHANGE IN OBLIGATED BALANCES:		
3012 Obligations incurred (+)	0	
3020 Outlays (gross) (-)	0	
3200 Obligated balance, end of year (net) (This line is calculated. Equals sum of detailed SBR lines 3000, 3006, 3012, 3020, 3032, 3042, 3060, 3066, 3072 and 3082. Line 3200 also equals the sum of SBR lines 3050 and 3090.)	0	
BUDGET AUTHORITY AND OUTLAYS, NET:		
4175 Budget authority, gross (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 1290, 1490, 1690 and 1890.)	0	
4180 Budget Authority, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4175, 4177, 4178 and 4179.)	0	

Reduction of Prior Year Unobligated Indefinite Borrowing Authority

4185 Outlays, gross (discretionary and mandatory)	0	
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of SBR lines 4185 and 4187.)	0	