

***Spending Authority from Offsetting Collections
Applied to Liquidate a Deficiency
Scenario***

Spending authority from offsetting collections applied to liquidate a deficiency occurs when spending authority from offsetting collections is made available to liquidate obligations in excess of budgetary resources. The spending authority from offsetting collections would be derived from other income earned and collection to date during the current fiscal year and would exclude reimbursable activity and unfilled customer orders. Include the amount to liquidate the deficiency on line 3A1 of the Report on Budget Execution and Budgetary Resources (SF 133) and the Statement of Budgetary Resources (SBR). This should cover the deficiency (reflected as a negative unobligated balance carried forward on line 2A of the SF 133 and SBR). Normally, there are no excess amounts because it is requested after the deficiency is known.

At year-end, it was determined that a deficiency of \$1,000 existed. The SF 133/SBR and the Budget Program and Financing Schedule at year-end are as follows:

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/
SBR: STATEMENT OF BUDGETARY RESOURCES
(YEAR-END)
YEAR 1**

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriations received (4119E)	<u>2,000</u>
7. Total budgetary resources	<u><u>2,000</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801E+4902E) ¹	3,000
9. Unobligated balance:	
A. Apportioned (4610E) ²	<u>(1,000)</u> ³
11. Total status of budgetary resources	<u><u>2,000</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

14. Obligated balance, net, end of period:	
C. Undelivered orders (4801E)	1,000
15. Outlays:	
A. Disbursements (4902E)	2,000

¹ 8A1 on crosswalk

² 9A1 on crosswalk; allotted more than apportioned

³ Obligated more than apportioned.

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**BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR
ACTUAL COLUMN FOR YEAR 1 REPORTING**

OBLIGATIONS BY PROGRAM ACTIVITY	
1000 Total new obligations (4801E+4902E)	3,000
BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION	
2200 New budget authority (gross)	2,000
2395 Total new obligations	(3,000)
2397 Deficiency (4610E)	1,000
NEW BUDGET AUTHORITY (GROSS), DETAIL	
4000 Appropriation (4119E)	2,000
CHANGE IN OBLIGATED BALANCES	
7310 Total new obligations	3,000
7320 Total outlays (gross) (4902E)	(2,000)
7440 Obligated balance, end of year (4801E)	1,000
OUTLAYS (GROSS), DETAIL	
8690 Outlays from new discretionary authority (4902E)	2,000
NET BUDGET AUTHORITY AND OUTLAYS	
8900 Budget authority (net)	2,000
9000 Outlays (net)	2,000
MEMORANDUM (NON-ADD) ENTRIES	
9190 Unpaid obligation, end of year: Deficiency	1,000

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Beginning Trial Balance

YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4450 ⁴	1,000	
4801	<u>0</u>	1,000
Total	<u>1,000</u>	<u>1,000</u>
Proprietary		
1010		1,000
3100	<u>1,000</u>	<u>0</u>
Total	<u>1,000</u>	<u>1,000</u>

Year 2

Anticipated collections of \$2,000 from federal sources. The Office of Management and Budget has approved using \$1,000 of the collections to liquidate the deficiency.

- To record anticipated collections other than refunds.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4070 Anticipated Collections from Federal Sources	2,000		A140
CR 4450 Unapportioned Authority		2,000	

- To record anticipated resources apportioned but not available for use until they are realized.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	2,000		A118
CR 4590 Apportionments Unavailable – Anticipated Resources		2,000	

⁴ Closed USSGL 4610, Allotments – Realized to USSGL 4450, Unapportioned Authority at year-end

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3. To record the receipt of previously anticipated collections.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4277 ⁵ Other Actual Collections – Federal	2,000		C109
CR 4070 Anticipated Collections from Federal Sources	2,000		
<u>Proprietary Entry</u>			
DR 1010 Fund Balance With Treasury	2,000		
5900 Other Revenue	2,000		

4. To record the realization of previously anticipated and apportioned authority.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4590 Apportionments Unavailable –			A122
Anticipated Resources	2,000		
CR 4510 Apportionments	2,000		

5. To reclassify collections to liquidate prior-year deficiency.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4212 Liquidation of Deficiency – Offsetting Collections	1,000		C110
CR 4277 Other Actual Collections – Federal	1,000		

6. To record an adjustment to unapportioned authority to liquidate deficiency.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	1,000		A116
CR 4450 Unapportioned Authority	1,000		

7. To record allotment of authority.

YEAR 2			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	1,000		A120
CR 4610 Allotments – Realized Resources	1,000		

⁵ This collection account is used in this entry (and others) for illustrative purposes only. Other collection accounts can also be used which are included in transaction C110 (and other respective transactions).

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8. The Budget Office approved purchase request for goods/services. (Commitment)

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4610 Allotments – Realized Resources	1,000	B202
CR 4700 Commitments	1,000	

9. To record current-year undelivered orders without an advance.

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4700 Commitments	500	B204
CR 4801 Undelivered Orders Obligations – Unpaid	500	

10. To record the delivery of goods and accrue a liability for current and prior year obligations (prior year - \$1,000).

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4801 Undelivered Orders Obligations – Unpaid	1,500	B302
CR 4901 Delivered Orders – Obligations, Unpaid	1,500	
<u>Proprietary Entry</u>		
DR 6100 Operating Expenses	1,500	
CR 2110 Accounts Payable	1,500	

11. Payment schedule certified and confirmed.

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4901 Delivered Orders – Obligations – Unpaid	1,500	B110
CR 4902 Delivered Orders- Obligations, Paid.	1,500	
<u>Proprietary Entry</u>		
DR 2110 Accounts Payable	1,500	
CR 1010 Fund Balance with Treasury	1,500	

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Pre-Closing Trial Balance

YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4212	1,000	
4277	1,000	
4700		500
4902	0	1,500
Total	<u>2,000</u>	<u>2,000</u>
Proprietary		
1010	500	
5900		2,000
6100	1,500	0
Total	<u>2,000</u>	<u>2,000</u>

Closing Entry

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

<u>Budgetary Entry</u>			
DR 4201 Total Actual Resources Collected	2,000		TC F204
CR 4212 Liquidation of Deficiency - Offsetting Collections	1,000		
CR 4277 Other Actual Collections – Federal	1,000		
<u>Proprietary Entry</u>			
None			

2. To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>			
DR 4902 Delivered Orders – Obligations, Paid	1,500		TC F214
CR 4201 Total Actual Resources Collected	1,500		

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3. To record closing of revenue, expense and other financing source accounts to cumulative results of operations..

		TC
<u>Budgetary Entry</u>		F228
None		
<u>Proprietary Entry</u>		
DR 3310 Cumulative Results of Operations	1,500	
CR 6100 Operating Expense		1,500
DR 5900 Other Revenue	2,000	
CR 3310 Cumulative Results of Operations		2,000

4. To record the closing of unobligated balances to unapportioned authority for unexpended multi-year funds.

YEAR 2		
<u>Budgetary Entry</u>		TC
DR 4700 Commitments	500	F210
CR 4450 Unapportioned Authority		500
<u>Proprietary Entry</u>		
None		

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**Post – Closing Trial Balance
YEAR 2**

YEAR 2	Debit	Credit
Budgetary		
4201	500	
4450	<u>0</u>	<u>500</u>
Total	<u>500</u>	<u>500</u>
Proprietary		
1010	500	
3310	<u>0</u>	<u>500</u>
Total	<u>500</u>	<u>500</u>

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES/
SBR: STATEMENT OF BUDGETARY RESOURCES
(YEAR-END)
YEAR 2**

BUDGETARY RESOURCES

2. Unobligated balance:	
A. Beginning of the period (4201+4801 (E-B))	(1,000)
3. Spending authority from offsetting collections:	
A. Earned	
1. Collected (4212E + 4277E)	<u>2,000</u>
7. Total budgetary resources	<u><u>1,000</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A. Direct (4801+4902(E-B)) ⁶	500
9. Unobligated Balance:	
A. Apportioned (4700E) ⁷	<u>500</u>
11. Total status of budgetary resources	<u><u>1,000</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

12. Obligated balance, net, beginning of period (4801(E-B))	1,000
15. Outlays	
A. Disbursements (4902E)	1,500
B. Collections (4212E + 4277E)	2,000

⁶ 8A1 on crosswalk

⁷ 9A1 on crosswalk

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**FMS 2108 Year-end Closing Statement
YEAR 2**

Column 5 (1010E)	500
Column 11 (4700E)	<u>500</u>
Total	<u><u>0</u></u>

**Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, Year 2
(in dollars/thousands/millions)**

Assets (Note 2)

Intragovernmental:

1. Fund Balance with Treasury (Note 3)(1010)	500
6. Total Intragovernmental	<u>500</u>
15. Total Assets	<u><u>500</u></u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
28. Commitments and contingencies (Note 16)	

Net position:

29. Unexpended appropriations (Note 20) (3100)	0
30. Cumulative Results of Operations (3310)	<u>500</u>
31. Total net position	<u>500</u>
32. Total liabilities and net position	<u><u>500</u></u>

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**Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF NET COST
For the year ended September 30, Year 2
(in dollars/thousands/millions)**

Program Costs:

Program A:	
1. Intragovernmental gross costs (6100E)	<u>1,500</u>
3. Intragovernmental net costs	<u>1,500</u>
Total net costs	<u>1,500</u>
7. Net Cost of Operations	<u>1,500</u>

**Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, Year 1
(in dollars/thousands/millions)**

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
Budgetary Financing Sources:		
8. Non-exchange Revenue (5900E)	0	2,000
Other Financing Sources:		
16. Total Financing Sources	0	2,000
17. Net Cost of Operations	<u>0</u>	<u>1,500</u>
Ending Balances		<u>500</u>

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**Department/Agency/Reporting Entity
COMBINED STATEMENT OF FINANCING
For the year ended September 30, Year 1
(in dollars/thousands/millions)**

**Resources Used to Finance Activities:
Budgetary Resources Obligated**

1. Obligations incurred (4801 (E-B)+ 4902E)	<u>500</u>
2. Less: Spending Authority from Offsetting Collections and Recoveries (4212E+ 4277E)	2,000
3. Obligations Net of Offsetting Collections Recoveries (1-2)	1,500
5. Net Obligations (3-4)	<u>1,500</u>
11. Total Resources Used to Finance Activities (5+10)	1,500

Resources Used to Finance Items not Part of the Net Cost of Operations

17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>0</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u><u>1,500</u></u>

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**BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR
ACTUAL COLUMN FOR YEAR 1 REPORTING**

OBLIGATIONS BY PROGRAM ACTIVITY

1000 Total new obligations (4801+4902 (E-B)) 500

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2200 New budget authority (gross) 1,000

2395 Total new obligations (500)

2440 Unobligated balance carried forward, end of year (4700E) 500

NEW BUDGET AUTHORITY (GROSS), DETAIL

SPENDING AUTHORITY FROM OFFSETTING COLLECTIONS

6800 Offsetting collections (cash) (4212E+4277E) 2,000

6833 Portion applied to liquidate deficiencies (4212E) (1,000)

6890 Spending authority from offsetting collections (total discretionary) 1,000

CHANGE IN OBLIGATED BALANCE

7240 Obligated balance, start of year (4801E) 1,000

7310 Total new obligations 500

7320 Total outlays (gross) (1,500)

OUTLAYS (GROSS), DETAIL

8690 Outlays from new discretionary authority (4902E *new*) 500

8693 Outlays from discretionary balances (4902E *bal*) 1,000

8700 Total Outlays (gross) 1,500

OFFSETS

8800 Federal sources (4212E⁸+4277) 2,000

NET BUDGET AUTHORITY AND OUTLAYS

8900 Budget authority (net) (1,000)

9000 Outlays (net) (500)

⁸ Use FACTS II attribute - Trans. Partner *F* – Federal.

Offsets to liquidate the deficiency can come from three sources. Federal sources (Trans. Partner – *F*; line 8800, Non-Federal sources (Trans. Partner – *X*; line 8840) or Offsetting governmental collections from non-Federal sources (Trans. Partner – *E*; line 8845).