

## USSGL 490200 Usage

**Account Title:** Delivered Orders – Obligations, Paid

**Account Number:** 490200

**Normal Balance:** Credit

**Definition:** This account is used to record the amount paid/outlaid for: (1) services performed by employees, contractors, vendors, carriers, grantees, lessors, and other government funds; (2) goods and tangible property received; and (3) programs for which no current service performance is required such as annuities, insurance claims, benefit payments, loans, etc.

### **Background:**

The USSGL Team in collaboration with OMB and other Government entities would like to address potential concerns with how USSGL 490200 is being used in “expense accrual” accounting entries. 490200 carries a normal credit balance and has very minimal transaction codes set up in which it is used as a debit. The one situation in which it is acceptable to use 490200 as a debit is for an actual refund collected for assets purchased or expenses incurred in the current year. Refunds collected from an obligation which were paid for in a prior year use USSGL 497200.

When Fiscal Service and OMB partnered to develop FACTS II to collect budgetary USSGL account over twenty years ago, they developed a crosswalk with the understanding that agencies have normal balances in their budgetary USSGL accounts. However, after the initial collection of budgetary data from Federal agencies, they found it necessary to show abnormal balances on the SF 133/Schedule P crosswalk in order to collect data from the agencies and provide them the capability to pass various FACTS II edits. By accommodating agency reporting of abnormal balances, OMB and Fiscal Service sought to reduce the burden of transitioning to budgetary reporting. In a majority of cases, agencies took the initiative to investigate and resolve abnormal balance issues. Incremental implementation of normal balance enforcement began with the adoption of GTAS in FY 2016. FYs 2021-2023 represents the final stretch.

OMB has worked with its Fiscal Service counterpart to modify the budgetary USSGL, the SF 133/Schedule P crosswalk, and its own OMB Circular No. A-11 (A-11) guidance as the Federal government improved and standardized budgetary reporting for greater reliability and integrity. Over the past five fiscal years, normal balances for a majority of budgetary USSGL accounts have been incrementally incorporated in the SF 133/Schedule P crosswalk. OMB and Fiscal Service are continuing to work with agencies to prevent the reporting of abnormal balances in the remaining budgetary USSGL accounts.

In FY2021 period 02 on the SF 133 crosswalk for outlay lines 4010 and 4011 the Debit/Credit attribute was changed from D/C to only C, meaning any 490200 debit balances would no longer crosswalk to these lines. The result was a few entities failed GTAS edits 14 and 20.

To help accommodate entities needs, OMB in conjunction with USSGL Team decided to change the crosswalk back to accept both Debit and Credits for USSGL 490200 on these lines beginning period FY 2021 period 04. This reversal is only planned as being temporary and as of FY 2022 period 09, the changes to the crosswalk will become permanent. It is important to note that on the SF

133/Schedule P crosswalk beginning period FY 2022 period 09, most lines that feature USSGL 490200 will not accept a Debit balance.

**Sample provided by entity:**

This is a hypothetical example provided by an entity that highlights how this scenario could potentially lead to issues with the SF 133 crosswalk and GTAS edits.

**Fiscal Year 2022**

**1) TC: B308 -Entry to Record the Advance to Grantee.**

SGL	Entered Dr	Entered Cr	Period Name
141000	500		AUG-22_FY-22
101000		500	AUG-22_FY-22
461000	500		AUG-22_FY-22
480200		500	AUG-22_FY-22

**2) TC: B604 -Entry to Record the Expense as of September 30, 2022.**

SGL	Entered Dr	Entered Cr	Period Name
610000	250		SEP-22_FY-22
140000		250	SEP-22_FY-22
490200		250	SEP-22_FY-22
480200	250		SEP-22_FY-22
310700	250		SEP-22_FY-22
570000		250	SEP-22_FY-22

**Fiscal Year 2023**

**3) TC B604 Reversal: Reversal Entry of September 30, 2022 Expense entry in October 2022.**

SGL	Entered Dr	Entered Cr	Period Name
141000	250		OCT-22_FY-23
610000		250	OCT-22_FY-23
480200		250	OCT-22_FY-23
490200	250		OCT-22_FY-23
570000	250		OCT-22_FY-23
310700		250	OCT-22_FY-23

**4) TC B604: Entry to Record Actual September 2022 Expenses.**

SGL	Entered Dr	Entered Cr	Period Name
610000	225		OCT-22_FY-23
140000		225	OCT-22_FY-23
490200		225	OCT-22_FY-23
480200	225		OCT-22_FY-23
310700	225		OCT-22_FY-23
570000		225	OCT-22_FY-23

**Impact on FY 2023 Trial Balance**

<b>490200</b>	
1. 250	1. Reversal of September Expense Entry (October 1, 2022). 2. Recording of Actual September Expenses (October 1, 2022).
	2. 225
25	

**Points of Contention:**

**Entry #2** – Do we have an actual expense here or is this an estimate? USSGL account 490200 is only supposed to be impacted once the entity has incurred an **actual** expense. What type of documentation supports an expense being posted here? Furthermore, the advance (previously posted in entry #1) is being reduced and under FASAB SFFAS 1 paragraph 59 *advances and prepayments are reduced when goods or services are received, contract terms are met, progress is made under a contract, or prepaid expenses expire*. In this entry is the entity meeting the terms under SFFAS 1 for which an advance should be reduced?

**Entry #3** – Why is this reversal necessary? If entry #2 is based off an actual expense, then the reversal shouldn't be necessary unless an actual refund is being collected. Also, since we are crossing fiscal years the refund would be recorded as a debit to USSGL account 497200 instead of USSGL account 490200. This is consistent with A-11 guidance. Our understanding currently is that entry #2 is based off an estimate in which the entity is looking to record expenses in the proper period. Therefore entry #3 is a reversal of the expense entry.

**Path to Resolution** – We believe a working group featuring OMB, USSGL Team, DOT, and potentially others to further discuss is necessary. If you are interested in being part of this discussion please contact [USSGLteam@fiscal.treasury.gov](mailto:USSGLteam@fiscal.treasury.gov) as soon as possible.