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**CUSTODIAL ACTIVITY COLLECTED ON BEHALF OF A FEDERAL ENTITY**

**CUSTODIAL CLEARING ACCOUNTS:**

**RECLASSIFICATIONS TO A CLEARING LIABILITY OR DEFERRED REVENUE**

**EFFECTIVE FISCAL YEAR 2026**

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**U.S. DEPARTMENT OF THE TREASURY**

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**Background – Custodial Revenue & Reclassifications**

**Custodial Revenue and USSGL 599750 “Financing Sources Transferred In From Custodial Statement Collections - Contra Account”**

Revenues collected on behalf of other entities (including the U.S. Government as a whole) are considered Custodial Collections. When collected, the entity collecting funds should account for that revenue and disposition to the appropriate federal entity as a custodial activity (i.e., an amount collected for/disbursed to others.) These custodial transfers, by definition, do not affect the collecting entity’s net cost of operations or operating results. The receiving entity recognizes the revenue as nonexchange or exchange revenue, depending on its nature, according to the applicable revenue standards.

Entities acting in a custodial capacity must collect revenue and transfer the funds to a federal receiving entity in a timely manner. However, in some cases the receiving entity cannot yet classify the collection receipts to a specific payer or to a specific account. Moreover, receiving entities may not be able to recognize revenue on the collection receipts until services are performed or goods are delivered, per SFFAS 7 revenue recognition guidance. SGL 599750 “Financing Sources Transferred In From Custodial Statement Collections - Contra Account” is intended to capture these activities so the recipient entity may reclassify the collection receipt to a clearing liability until the correct payer can be identified, or reclassify as deferred revenue to be recognized as revenue when earned in a future period. Receiving entities may also use SGL 599750 to offset a net position impact if they do not have authority to keep/use the receipts.

Custodial collections do not include deposit funds, such as bidders’ earnest money, balances held temporarily by the Government as guarantees for performance, or amounts held by the Government as an agent for others. These types of collections should instead be reported in accordance with the provisions of SFFAS 31, *Accounting for Fiduciary Activities*.

**Custodial Guidance (Treasury Financial Manual, Volume I, Part 2, Chapter 4700, Appendix 10)**

The “Custodial and Non-Entity Transactions – Other Than the General Fund” sub-category consists of exchange and nonexchange transactions impacting assets and liabilities. The collecting entity should recognize a liability to the receiving entity if (at any point) it holds funds that it must remit to a receiving entity. In addition, some collecting entities will accrue collections anticipated from the public, net of allowance, if applicable, which also creates a liability to the receiving entity.

Accounting for custodial collections begins when a federal program agency (FPA) collects funds on behalf of another FPA, or an FPA books a receivable for funds to be collected on behalf of another FPA, net of allowance. In most cases, these funds are collected from the public. At the point of collection or accrual, the collecting entity increases its Fund Balance with Treasury (FBWT) or receivable and recognizes either exchange or non-exchange revenue with the source from which the funds were received. In addition, the receipt of these funds recognition of the receivable creates a liability to the receiving entity which must be recorded. When the collecting entity records the liability, the trading partner must be identified. In instances where the federal trading partner is unknown, the custodian must use Trading Partner (TP) FR Entity 9999 (Unidentified). It is imperative that the collecting entity knows how the receiving entity records the collections. If the receiving entity reports the transfer-in of custodial collections as exchange, then the collecting entity must report the collections for others, accrued collections for others, and custodial collections transferred out as exchange. The same situation applies for non-exchange.

When the collecting entity collects funds, it must transfer those collections to the receiving entity as quickly as possible. In doing so, the collecting entity will avoid a liability and the receiving entity, in most cases, will have those funds available for the authorized statutory purpose. The collecting and receiving entities should develop processes to ensure that the amount of funds held by the collecting entity as a custody liability reconciles with the custodial asset recorded by the receiving entity.

TFM Volume I, Part 2, Chapter 4700, Appendix 3, Table 5 presents the eliminating accounts used by the collecting entity and receiving entity. It is imperative that the correct USSGLs and Exchange/Non-Exchange attribute be used if the transaction is Exchange (RC 13, RC 14) or Non-Exchange (RC 15, RC 16).

**SFFAS 7 Exchange vs. Non-exchange Revenue**

FASAB’s SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, delineates revenues as either exchange or nonexchange depending upon the event generating the revenue. Exchange revenues are defined as revenues in which goods or services are provided to the public or another government entity for a price. Nonexchange revenues are defined as those revenues arising primarily from the exercise of the Government’s power to demand payments from the public (e.g., taxes, duties, fines, and penalties). This scenario addresses transactions related to the collection of exchange and non-exchange revenues.

**Disclaimers**

This scenario has not been developed nor is it intended to assist the user in determining if they have custodial activity. This document will assume the agency falls into one of two types of participants- the collecting agency or the receiving agency. The collecting agency is defined as the agency who collects the custodial collection from a non-federal (and in limited instances, a federal entity.) The receiving agency is defined as the federal or non-federal entity to whom the collecting agency transfers the custodial funds collected.

Federal agency management must make its own assessment as to whether funds are considered custodial activities, fiduciary funds, or neither in accordance with applicable FASAB and the Office of Management and Budget (OMB) guidance.

The Treasury Account Symbols referenced in this scenario are for illustrative purposes only; agencies should collaborate with Fiscal Service’s Budget Appropriation and Analysis Section (BAAS) team to ensure the most appropriate TAS/BETC combinations are available for their agency use.

The scenario is not intended to be all inclusive of the different types of revenues and/or expenses that may be recorded; the intent is to illustrate the main concepts through basic transactions. Refer to Section III, Accounting Transactions, for a complete listing of USSGL accounts that may be recorded. Section III may be accessed using the following link on the USSGL Web site (<http://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html>).

Budgetary and financial reports reflect the pertinent lines to be reported based on the main concepts illustrated. For full presentations of the reports and line descriptions, refer to the appropriate authoritative guidance (i.e. OMB Circular A-136: Financial Reporting Requirements, OMB Circular No. A-11: Preparing, Submitting, and Executing the Budget, Treasury Financial Manual references.)

**Background - Custodial Clearing Treasury Account Symbols**

**Custodial Clearing Accounts (F3600-F3699 for Collecting Entities)**

Historically, custodial revenue collected in a Treasury Account Symbol (TAS) of one federal entity and subsequently transferred to another TAS of another federal entity has been reported on Statements of Custodial Activity in Agency Financial Reports, but not always in the agencies’ GTAS bulk file. Even when data is reported within GTAS, proprietary accounting had not been reported consistently across the government.

In some situations, custodial collecting entities may receive collections in existing TASs that may be identified as inappropriate by Treasury and OMB. In other cases, there may not yet be a TAS in which the federal custodial entity can record the custodial collection and subsequent disposition. For both types of situations described above, federal custodial collecting entities should use custodial clearing accounts (F3600‐F3699) to coordinate the reporting of custodial activity (This activity does not apply to transactions with the General Fund.) The custodial clearing accounts have no budgetary impact on the custodial collecting entity.

A descriptive naming convention and TAS series and allows OMB and Fiscal Service to be aware of the type of custodial activity expected to be reported in each TAS. For a federal entity to use the custodial clearing accounts, the following conditions must be met:

* The financial activity reported for a TAS is related to custodial collections for a TAS (or federal entity) other than the General Fund of the U.S. Government and will be reported on an agency’s Statement of Custodial Activity (SCA) or in a footnote to the SCA;
* No budgetary SGLs will be reported or impacted in the TAS;
* The custodial collections activities will pass the following GTAS edits and/or validations:
	+ A $0 balance in SGL 101000, *Fund Balance with Treasury*, at the end of each reporting period (month, quarter, or year-end);
	+ A $0 balance in SGL 109000, *Fund Balance with Treasury While Awaiting a Warrant*, at the end of each reporting period (month, quarter, or year-end);
	+ The collecting custodial entity records the revenue with a “Fed/Nonfed Indicator” of “N” upon receipt; and
	+ Custodial dispositions are reported using SGL 599800, *Custodial Collections Transferred Out to a TAS Other Than the General Fund*.

Unlike other clearing accounts, custodial clearing accounts are not expected to close in the same manner nor are these accounts subject to the same scoring processes as the other accounts. For example, while the custodial clearing accounts will be required to have a $0 balance in SGL 101000 Fund Balance with Treasury, they could have balances in accrual-related SGL accounts that carry over from month-to-month or year-to-year. As such, they will not be graded in the same way as clearing and default accounts. See [TFM Volume 1, Part 2, Chapter 1500, Section 1535.10](https://tfx.treasury.gov/tfm/volume1/part2/chapter-1500-new-account-establishment-updating-accounts-and-description-accounts) Clearing, Default, and Custodial Accounts for more information.

**Custodial Clearing Suspense Accounts (F3876 for Receiving Entities)**

In some situations, custodial receiving entities may not have supporting documentation or other evidence to apply custodial receipts to a specific payer or account in a timely manner. A custodial clearing suspense account is needed to temporarily hold these funds until documentation can be obtained and a payer/account can be identified.

Receiving entities should prepare a recurring reconciliation of their Custodial Clearing Suspense TASs (at least quarterly) and describe any aged/stale items.

**Listing of USSGL Accounts Used in This Scenario**

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| **Account Number** | **Account Name** |
| **Budgetary** |
| 412000 | Anticipated Indefinite Appropriations |
| 420100 | Total Actual Resources, Collected  |
| 449000 | Anticipated Resources - Unapportioned Authority |
| 411400 | Appropriated Receipts Derived From Available Trust or Special Fund Receipts |
| 445000 | Unapportioned Authority |
| 459000 | Apportionments - Anticipated Resources - Programs Subject to Apportionment |
| 461000 | Allotments - Realized Resources |
| 470000 | Commitments - Programs Subject to Apportionment |
| 480100 | Undelivered Orders - Obligations, Unpaid |
| 490100 | Delivered Orders - Obligations, Unpaid |
| 490200 | Delivered Orders - Obligations, Paid |
| **Proprietary** |
| 101000 | Fund Balance With Treasury |
| 198100 | Receivable from Custodian or Non-Entity Assets Receivable From a Federal Agency – Other than the General Fund |
| 232000 | Other Deferred Revenue |
| 241000 | Liability for Clearing Accounts |
| 298000 | Custodial Liability |
| 331000 | Cumulative Results of Operations |
| 520000 | Revenue from Services Provided |
| 532000 | Penalties and Fines Revenue |
| 571300 | Accrual of Amounts Receivable From Custodian or Non-Entity Assets Receivable From a Federal Agency - Other than the General Fund |
| 580000 | Tax Revenue Collected - Not Otherwise Classified |
| 590000 | Other Revenue |
| 599000 | Collections for Others – Statement of Custodial Activity |
| 599700 | Financing Sources Transferred In From Custodial Statement Collections |
| 599750 | Financing Sources Transferred In From Custodial Statement Collections - Contra Account  |
| 599800 | Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund of the U.S. Government |
| 610000 | Operating Expenses/Program Costs |

**Scenario 1:**

**Custodial Statement Collections- Reclassification to a Clearing Account Until Specific Payer Can Be Identified; Transferred to Another Federal Entity Other than the General Fund**

The Collecting Agency (Agency C) acts in a custodial capacity by collecting exchange revenues from the public on behalf of the Receiving Agency (Agency R.) Once Agency C receives monies from the public, it transfers the funds to Agency R’s Custodial Clearing Suspense Account (F3876) via IPAC.

At the time of receipt, Agency R does not have the supporting documentation needed to identify a specific payer and apply the funds towards that payer’s account. Accordingly, the funds are temporarily held within the F3876 Custodial Clearing Suspense TAS until the payer can be identified.

After Agency R receives supporting documentation and identifies the specific payer, the funds are transferred to the correct TAS, its Special Fund, User Fees For Nationwide Enhancement Program.

* Agency C reports the collection to Custodial Collection TAS **F3604, *Agency C Custodial Collections of User Fees For Agency R’s Nationwide Enhancement Program*.**
* Agency R reports the receipt to Custodial Clearing Suspense TAS **F3876, *Agency R Custodial Collections Clearing Account.***
* Agency R reclassifies the funds to the correct TAS, Special Fund TAS **5009.001*,*** ***User Fees For Agency R Nationwide Enhancement Program.***

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| 1. Acting in its custodial capacity, the collecting entity (Agency C) receives funds in the form of user fees from the public, and records exchange revenue for the custodial collection in TAS F3604. |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |  |  |  |  |  |  |  |
| **Budgetary Entry**None **Proprietary Entry**101000 (G) Fund Balance With Treasury  590000 (N) Other Revenue  | 5,000 | 5,000 | S | X | RXX | C135 |  |  |  |  |  |  |  |

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| 2. Agency C and Agency R record the respective custodial receivable/custodial payable resulting from the custodial collection of exchange revenue.At the time of receipt, Agency R will not yet have received supporting documentation and will not be able to validate the correct payer from the public until it reviews documentation; Therefore, it initially records the custodial receivable in its Custodial Clearing Suspense TAS F3876.*\*If Agency R has matched the receipt of funds with supporting documentation and confirmed the correct payer, it would record the receipt directly into its Special Fund Receipt Account. It would not post a reclassification entry in Transactions No. 4 and No. 6.* |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**599000 (F) Collections for Others – Statement of Custodial Activity (RC 14) 298000 (F) Custodial Liability (RC 10) | 5,000 | 5,000 | S | X | RXX | C142 | **Budgetary Entry**None **Proprietary Entry**198100 (F) Receivable from Custodian or Non- Entity Assets Receivable From a Federal Agency – Other Than the  General Fund (RC 10) 571300 (F) Accrual of Amounts Receivable From  Custodian or Non- Entity Assets  Receivable From a Federal Agency –  Other than the General Fund (RC 14) | 5,000 | 5,000 | A | X | CXX | C133 |

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| 3. Agency C transfers the cash from the custodial collection. Both agencies record the transfer of cash from Agency C (F3604) to Agency R (F3876.) |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None**Proprietary Entry**599800 (F) Custodial Collections Transferred Out  to a TAS Other Than the General Fund (RC13)  101000 (G) Fund Balance With Treasury  | 5,000 | 5,000 | S | X | RXX | A210 | **Budgetary Entry**None **Proprietary Entry**101000 (G) Fund Balance With Treasury  599700 (F) Custodial Collections Transferred In  From Custodial Statement Collections  (RC 13) | 5,000 | 5,000 | A | X | CXX | C189 |

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| 4. At the time the $5,000 is transferred, Agency R has not received supporting documentation and cannot validate the correct payer from the public until it reviews documentation. Agency R records the reclassification of custodial collections received to a Liability for Clearing (general ledger) account. Funds remain in SGL 241000 “Liability for Clearing Accounts” until supporting documentation is received and funds can be attributed to a specific payer, at which time they will ultimately be transferred to the Special Fund Receipt Account.*\*If Agency R had initially matched the receipt of funds with supporting documentation and confirmed the correct payer, it would NOT record this entry.* |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A **Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**None **Proprietary Entry**599750 (N) Financing Sources Transferred In  From Custodial Statement Collections -  Contra Account  241000 (N) Liability for Clearing Accounts  | 5,000 | 5,000 |  |  |  | A221 |

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| 5. Agency C (F3604) records the reduction of the custodial liability and Agency R (F3876) records the reduction of the custodial receivable resulting from the transfer of the custodial collection of exchange revenue. |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**298000 (F) Custodial Liability (RC 10) 599000 (F) Collections for Others – Statement of Custodial Activity (RC 14) | 5,000 | 5,000 | S | X | RXX | C142R | **Budgetary Entry**None **Proprietary Entry**571300 (F) Accrual of Amounts Receivable  From Custodian or Non-Entity Assets  Receivable From a Federal Agency–  Other Than the General Fund (RC 14) 198100 (F) Receivable From Custodian or  Non- Entity Assets Receivable From  a Federal Agency – Other Than the General Fund (RC 10) | 5,000 | 5,000 | A | X |  CXX | C133R |

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| 6. Agency R received supporting documentation for the $5,000 collection from Agency C and determines the specific payer to which the funds should be applied. Agency R transfers the funds from the Custodial Clearing Suspense account (TAS F3876) to a Special Fund Account (5009.1.) It records the classification from the clearing account to the appropriate TASs.*\*If Agency R had initially matched the receipt of funds with supporting documentation and confirmed the correct payer, it would NOT record this entry.* |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**None **Proprietary Entry**241000 (N) Liability for Clearing Accounts  101000 (G) Fund Balance with Treasury  | 5,000 | 5,000 |  |  | 099 | D507 |

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| 7. Agency R’s Special Fund TAS 5009.001 records the receipt of User Fees for its Nationwide Enhancement Program. When reclassified by Agency R, this Special Fund receipt becomes part of the Special Fund’s Expenditure Account balance in CARS. |
|  | **Agency R****Special Fund Expenditure Account[[1]](#footnote-1)****(AID X 5009 TAS via AID X 5009.001 TAS)** | **DR** | **CR** | **Cust** | **Exch/** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**411400 Appropriated Receipts Derived from Available Trust  or Special Fund Receipts 445000 Unapportioned Authority**Proprietary Entry**101000 (G) Fund Balance with Treasury  590000 (N) Other Revenue | 5,0005,000 | 5,0005,000 | S | X | 099 | C188 |

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| **SCENARIO 1 PRE-CLOSING TRIAL BALANCE** |
| **USSGL****Account** | **Description** | **Agency C-** **Custodial Clearing****AID F3604** | **Agency R- Custodial Clearing Suspense****AID F3876** | **Agency R- Special Fund Expenditure Account****AID X 5009 TAS via** **AID X 5009.001 TAS** |
| **DR** | **CR** | **DR** | **CR** | **DR** | **CR** |
| **Budgetary:** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 411400 | Appropriated Receipts Derived from Available Trust or Special Fund Receipts | - | - | - | - | 5,000 | - |
| 445000 | Unapportioned Authority | - | - | - | - | - | 5,000 |
| **Total Budgetary** | **-** | - | - | - | **5,000** | **5,000** |
|  |  |  |  |  |  |  |  |
| **Proprietary:** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 101000 (G) | Fund Balance With Treasury  | - | - | - | - | 5,000 | - |
| 590000 (N) | Other Revenue | - | 5,000 | - | - | - | 5,000 |
| 599700 (F) | Custodial Collections Transferred In From Custodial Statement Collections (RC 13) | - | - | - | 5,000 | - | - |
| 599750 (N) | Financing Sources Transferred In From Custodial Statement Collections - Contra Account  | - | - | 5,000 | - | - | - |
| 599800 (F) | Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund (RC 13) | 5,000 | - | - | - | - | - |
| 599000 (G) | Collections for Others - Statement of Custodial Activity (RC 44) | - | - | - | - | - | - |
| **Total Proprietary** | **5,000** | **5,000** | **5,000** | **5,000** | **5,000** | **5,000** |

**Scenario 1 Closing Entries:**

**Custodial Statement Collections- Reclassification to a Clearing Account Until Specific Payer Can Be Identified; Transferred to Another Federal Entity Other than the General Fund**

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| 8a. Both entities record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None**Proprietary Entry**590000 (N) Other Revenue 331000 Cumulative Results of Operations331000 Cumulative Results of Operations  599800 (F) Custodial Collections Transferred  Out to a Treasury Account Symbol  Other Than the General Fund (RC 13) | 5,0005,000 | 5,0005,000 | S | X | RXX | F336F336 | **Budgetary Entry**None **Proprietary Entry**331000 Cumulative Results of Operations 599750 (N) Financing Sources Transferred  In From Custodial Statement  Collections - Contra Account 599700 (F) Custodial Collections Transferred In  From Custodial Statement Collections  (RC 13) 331000 Cumulative Results of Operations | 5,0005,000 | 5,0005,000 |  | X | CXX | F336F336 |

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| 8b. Agency R’s Special Fund Receipt Account records record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. |
|  | **Agency R****Special Fund Expenditure Account****(AID X 5009 TAS via AID X 5009.001 TAS)** | **DR** | **CR** | **Cust** | **Exch/** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**None**Proprietary Entry**590000 (N) Other Revenue 331000 Cumulative Results of Operations | 5,000 | 5,000 | S | X |  | F336 |

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| **SCENARIO 1 POST-CLOSING TRIAL BALANCE** |
| **USSGL****Account** | **Description** | **Agency C-** **Custodial Clearing****AID F3604** | **Agency R- Custodial Clearing Suspense****AID F3876** | **Agency R- Special Fund Expenditure Account****AID X 5009 TAS via** **AID X 5009.001 TAS** |
| **DR** | **CR** | **DR** | **CR** | **DR** | **CR** |
| **Budgetary:** |  |  |  |  |  |  |  |
| 411400 | Appropriated Receipts Derived from Available Trust or Special Fund Receipts | - | - | - | - | 5,000 | - |
| 445000 | Unapportioned Authority | - | - | - | - | - | 5,000 |
| **Total Budgetary** | **-** | - | - | - | **5,000** | **5,000** |
|  |  |  |  |  |  |  |  |
| **Proprietary:** |  |  |  |  |  |  |  |
| 101000  | Fund Balance with Treasury | - | - | - | - | 5,000 | - |
| 331000 | Cumulative Results of Operations | - | - | - | - | - | 5,000 |
| **Total Proprietary** | **-** | **-** | **-** | **-** | **5,000** | **5,000** |

**Scenario 2:**

**Custodial Statement Collections- Reclassification to a Clearing Account Until Specific Payer Can Be Identified; Transferred to General Fund Receipt Account**

The Collecting Agency (Agency C) acts in a custodial capacity by collecting non-exchange revenues from the public (in the form of penalties and fines) on behalf of the Receiving Agency (Agency R.) Once Agency C receives monies from the public, it transfers the funds to Agency R’s Custodial Clearing Suspense Account (F3876) via IPAC.

At the time Agency R receives the funds in its Clearing Account, it does not have the supporting documentation needed to identify a specific payer and apply the funds towards that payer’s account. Accordingly, the funds are temporarily held within the F3876 Custodial Clearing Suspense TAS until the payer can be identified.

After Agency R receives the supporting documentation, it determines it does not have the legal authority to retain the funds. Thus, Agency R transfers the funds to its General Fund Receipt Account (1099, Fines, Penalties, and Forfeitures.) Ultimately, the funds are swept back to the General Fund.

* Agency C reports the collection to Custodial Collection TAS **F3604, *Agency C Custodial Collections of Penalties and Fines Revenue For Agency R’s Law Enforcement Program*.**
* Agency R reports the receipt to Custodial Clearing Suspense TAS **F3876, *Agency R Custodial Collections Clearing Account.***
* Agency R reclassifies the funds to the appropriate TAS, General Fund Receipt Account TAS **1099.000*, Fines, Penalties, and Forfeitures.***

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| 1. Acting in its custodial capacity, the collecting entity (Agency C) receives funds in the form of penalties and fines from the public, and records non-exchange revenue for the custodial collection in TAS F3604. |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |  |  |  |  |  |  |  |
| **Budgetary Entry**None **Proprietary Entry**101000 (G) Fund Balance With Treasury  590000 (N) Other Revenue | 5,000 | 5,000 | S | T | RXX | C135 |  |  |  |  |  |  |  |

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| 2. Agency C and Agency R record the respective custodial receivable/custodial payable resulting from the custodial collection of non-exchange revenue.At the time of receipt, Agency R will not yet have received supporting documentation and will not be able to validate the correct payer from the public. Funds remain in the clearing account until they can be applied to a specific payer; This process could take longer than 30 business days. Therefore, it initially records the custodial receivable in its Custodial Clearing Suspense TAS F3876.*\*If Agency R has matched the receipt of funds with supporting documentation and confirmed the correct payer, it would record the receipt directly into its General Fund Receipt Account. It would not post a reclassification entry in Transactions No. 4 and No. 6.* |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**599000 (F) Collections for Others – Statement of Custodial Activity (RC 14) 298000 (F) Custodial Liability (RC 10) | 5,000 | 5,000 | S | T | RXX | C142 | **Budgetary Entry**None **Proprietary Entry**198100 (F) Receivable from Custodian or  Non-Entity Assets Receivable From a  Federal Agency – Other Than the General  Fund (RC 10) 571300 (F) Accrual of Amounts Receivable  From Custodian or Non- Entity  Assets Receivable From a Federal  Agency – Other than the General  Fund (RC 14) | 5,000 | 5,000 | A | T | CXX | C133 |

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| 3. Agency C transfers the cash from the custodial collection. Both agencies record the transfer of cash from Agency C (F3604) to Agency R (F3876.) |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**599800 (F) Custodial Collections Transferred Out  to a TAS Other Than the General Fund (RC 13)  101000 (G) Fund Balance With Treasury  | 5,000 | 5,000 | S | T | RXX | A210 | **Budgetary Entry**None**Proprietary Entry**101000 (G) Fund Balance With Treasury  599700 (F) Custodial Collections Transferred In  From Custodial Statement Collections  (RC 13) | 5,000 | 5,000 | A | T | CXX | A212 |

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| 4. At the time of receipt, Agency R has not received supporting documentation and cannot validate the correct payer from the public until it reviews documentation. Agency R records the reclassification of custodial collections received to a Liability for Clearing (general ledger) account. Funds remain in the Liability for Clearing SGL 241000 until supporting documentation is received and funds can be attributed to a specific payer.*\*If Agency R had initially matched the receipt of funds with supporting documentation and validated the correct payer, it would NOT record this entry.* |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A **Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**None **Proprietary Entry**599750 (N) Financing Sources Transferred In  From Custodial Statement Collections -  Contra Account  241000 (N) Liability for Clearing Accounts  | 5,000 | 5,000 |  |  |  | A221 |

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| 5. Agency C (F3604) records the reduction of the custodial liability and Agency R (F3876) records the reduction of the custodial receivable resulting from the transfer of the custodial collection of exchange revenue. |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**298000 (F) Custodial Liability (RC 10) 599000 (F) Collections for Others – Statement of Custodial Activity (RC 14) | 5,000 | 5,000 | S | T | RXX | C142R | **Budgetary Entry**None **Proprietary Entry**571300 (F) Accrual of Amounts Receivable  From Custodian or Non-Entity Assets  Receivable From a Federal Agency–  Other Than the General Fund (RC 14) 198100 (F) Receivable From Custodian or  Non- Entity Assets Receivable From  a Federal Agency – Other Than the General Fund (RC 10) | 5,000 | 5,000 | A | T | CXX | C133R |

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| 6. Agency R receives supporting documentation for the $5,000 collection from Agency C and determines that it does not have the legal authority to retain the funds; The funds need transferred to the General Fund of the U.S. Government. Agency R will transfer the funds from the Custodial Clearing Account to its General Fund Receipt Account that holds revenues from penalties and fines (1099.000.) It records the classification from the clearing account to the appropriate TASs.*\*If Agency R had initially matched the receipt of funds with supporting documentation and validated the correct payer, it would NOT record this entry.* |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**None **Proprietary Entry**241000 (N) Liability for Clearing Accounts  101000 (G) Fund Balance with Treasury  | 5,000 | 5,000 |  |  | 099 | D507 |

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| 7. Agency R records a receivable for penalties and fines collected from the public and determines it to be non-exchange revenue. The custodial agreement between Agency C and Agency R requires the funds to be transferred when received from the public. |
|  | **Agency R****General Fund Receipt Account****(AID 1099.000 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**None**Proprietary Entry**131000 (N) Accounts Receivable  532000 (N) Penalties and Fines Revenue | 5,000 | 5,000 | S | T |  | C420 |

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| 8. Agency R does not have the legal authority to retain and use the receipts. Therefore, the activity gets swept to the General Fund at year-end. The receiving entity reclassifies amounts from its Clearing account to its General Fund Receipt Account (1099.000.)  |
|  | **Agency R****General Fund Receipt Account****(AID 1099.000 TAS)** | **DR** | **CR** | **Cust** | **Exch/** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**None**Proprietary Entry**101000 (G) Fund Balance with Treasury 131000 (N) Accounts Receivable | 5,000 | 5,000 | S | T | 099 | C143 |

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| 9. Agency R records a contra-revenue in the amount of revenue collected for others and establishes a custodial liability. |
|  | **Agency R****General Fund Receipt Account****(AID 1099.000 TAS)** | **DR** | **CR** | **Cust** | **Exch/** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**None**Proprietary Entry**599000 (G) Collections for Others - Statement of  Custodial Activity (RC 44)[[2]](#footnote-2) 298000 (F) Custodial Liability (RC 10) | 5,000 | 5,000 | S | T | 099 | C142 |

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| 10. Agency R records the closing of the General Fund Receipt Accounts associated with Fund Balance with Treasury at year-end. |
|  | **Agency R****General Fund Receipt Account****(AID 1099.000 TAS)** | **DR** | **CR** | **Cust** | **Exch/** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**None**Proprietary Entry**298000 (F) Custodial Liability (RC 10) 101000 (G) Fund Balance with Treasury  | 5,000 | 5,000 | S | T | 099 | F124 |

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| **SCENARIO 2 PRE-CLOSING TRIAL BALANCE** |
| **USSGL****Account** | **Description** | **Agency C-** **Custodial Clearing****AID F3604** | **Agency R- Custodial Clearing Suspense****AID F3876** | **Agency R- General Fund Receipt Account****AID 1099.000** |
| **DR** | **CR** | **DR** | **CR** | **DR** | **CR** |
| **Budgetary:** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 445000 | Unapportioned Authority | - | - | - | - | - | - |
| **Total Budgetary** | **-** | - | - | - | - | **-** |
|  |  |  |  |  |  |  |  |
| **Proprietary:** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 101000 (G) | Fund Balance With Treasury  | - | - | - | - | - | - |
| 532000 (N) | Penalties and Fines Revenue | - | - | - | - | - | 5,000 |
| 590000 (N) | Other Revenue | - | 5,000 | - | - | - | - |
| 599700 (F) | Custodial Collections Transferred In From Custodial Statement Collections (RC 13) | - | - | - | 5,000 | - | - |
| 599750 (N) | Financing Sources Transferred In From Custodial Statement Collections - Contra Account  | - | - | 5,000 | - | - | - |
| 599800 (F) | Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund (RC 13) | 5,000 | - | - | - | - | - |
| 599000 (G) | Collections for Others - Statement of Custodial Activity (RC 44) | - | - | - | - | 5,000 | - |
| **Total Proprietary** | **5,000** | **5,000** | **5,000** | **5,000** | **5,000** | **5,000** |

**Scenario 2 Closing Entries:**

**Custodial Statement Collections- Reclassification to a Clearing Account Until Specific Payer Can Be Identified; Transferred to General Fund**

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| 11a. Both entities record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. |
| **Agency C****(AID F3604 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency R** **(AID F3876 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None**Proprietary Entry**590000 (N) Other Revenue 331000 Cumulative Results of Operations331000 Cumulative Results of Operations  599800 (F) Custodial Collections Transferred  Out to a Treasury Account Symbol  Other Than the General Fund (RC 13)  | 5,0005,000 | 5,0005,000 | S | T | RXX | F336F336 | **Budgetary Entry**None **Proprietary Entry**331000 Cumulative Results of Operations 599750 (N) Financing Sources Transferred  In From Custodial Statement  Collections - Contra Account 599700 (F) Custodial Collections Transferred In  From Custodial Statement Collections  (RC 13) 331000 Cumulative Results of Operations | 5,0005,000 | 5,0005,000 |  | T | CXX | F336F336 |

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| 11b. Agency R’s General Fund Receipt Account records record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. |
|  | **Agency R****General Fund Receipt Account****(AID 1099.000 TAS)** | **DR** | **CR** | **Cust** | **Exch/** | **TP** | **TC** |
|  |  |  |  |  |  |  | **Budgetary Entry**None**Proprietary Entry**532000 (N) Penalties and Fines Revenue  331000 Cumulative Results of Operations331000 Cumulative Results of Operations  599000 (G) Collections for Others - Statement  of Custodial Activity (RC 44) | 5,0005,000 | 5,0005,000 | S | T | CXX | F336 |

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| **SCENARIO 2 POST-CLOSING TRIAL BALANCE** |
| **USSGL****Account** | **Description** | **Agency C-** **Custodial Clearing****AID F3604** | **Agency R- Custodial Clearing Suspense****AID F3876** | **Agency R- General Fund Receipt Account****AID 1099.000** |
| **DR** | **CR** | **DR** | **CR** | **DR** | **CR** |
| **Budgetary:** |  |  |  |  |  |  |  |
| 445000 | Unapportioned Authority | - | - | - | - | - | - |
| **Total Budgetary** | - | - | - | - | - | **-** |
|  |  |  |  |  |  |  |  |
| **Proprietary:** |  |  |  |  |  |  |  |
| 331000 | Cumulative Results of Operations | - | - | - | - | - | - |
| **Total Proprietary** | - | - | - | - | - | - |

**Scenario 3:**

**Custodial Statement Collections- Reclassification to Deferred Revenue Until Performance of Statutory Work**

The Collecting Agency (Agency Y) collects non-exchange revenues from the public when court-ordered assessments are rendered. It collects the funds on behalf of the Receiving Agency (Agency Z.) After Agency Y receives the funds from the public, it transfers the funds to Agency Z’s Clearing Account (F3885) via the CARS ATM Module.

Based on the terms of the legal settlement, Agency Z must use the funds as a reimbursement for costs it incurs during performance of the required cleanup work. Accordingly, Agency Z records the funds in its general ledger clearing account and recognizes a deferred revenue (SGL 232000) until the required cleanup work is performed. After the performance of work is completed, Agency Z recognizes the funds as revenue, in accordance with SFFAS 7 guidance.

Agency Y uses Custodial Collection TAS **F3603, *Agency Y Custodial Collections For Agency Z, Non-Exchange Revenue from Court-Ordered Assessments*.**

Agency Z uses Custodial Collection TAS **AID X 8143, *Hazardous Substance Decontamination Fund*.**

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| 1. The receiving entity records anticipated collections to be received as part of a legal settlement. The collections are intended to be a reimbursement for costs incurred by the receiving entity for the performance of work required under terms of the legal settlement. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A **Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**412000 Anticipated Indefinite Appropriations 449000 Anticipated Resources –  Unapportioned Authority **Proprietary Entry**None | 3,000 | 3,000 |  |  |  | A102 |

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| 2. The receiving entity records anticipated resources apportioned. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A **Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**449000 Anticipated Resources – Unapportioned  Authority 459000 Apportionments - Anticipated  Resources - Programs Subject to Apprtn**Proprietary Entry**None | 3,000 | 3,000 |  |  |  | A118 |

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| 3. Agency Y records the receipt of a custodial collection from a non-federal entity, and records into TAS F3603. Agency Y has legal authority to collect on behalf of receiving agencies and hold the funds in an expenditure TAS. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**101000 (G) Fund Balance With Treasury  520000 (N) Revenue From Services Provided  | 3,000 | 3,000 | S | T | 099 | C135 | **Budgetary Entry**N/A **Proprietary Entry**N/A |  |  |  |  |  |  |

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| 4. Both entities record the custodial receivable/payable resulting from the collection by the Collecting Agency (TAS F3603) reported in Transaction No. 3. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**599000 (F) Collections for Others – Statement of Custodial Activity (RC 14) 298000 (F) Custodial Liability (RC 10) | 3,000 | 3,000 | S | T | ZXX | C142 | **Budgetary Entry**None **Proprietary Entry**198100 (F) Receivable from Custodian or Non- Entity Assets Receivable From a Federal Agency – Other Than the  General Fund (RC 10) 571300 (F) Accrual of Amounts Receivable  From Custodian or Non- Entity  Assets Receivable From a Federal  Agency – Other than the General  Fund (RC 14) | 3,000 | 3,000 |  | T | YXX | C133 |

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| 5. Both agencies record the transfer of the custodial collection from the Collecting Agency (F3603) to the Receiving Agency (X 8143.) In addition, the receiving entity records the realization of previously anticipated authority. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS via AID X 8143.3 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**599800 (F) Custodial Collections Transferred Out  to a TAS Other Than the General Fund (RC 13)  101000 (G) Fund Balance With Treasury  | 3,000 | 3,000 | S | T | ZXX | A210 | **Budgetary Entry**411400 Appropriated Receipts Derived from  Available Trust or Special Fund Receipts 412000 Anticipated Indefinite Appropriations459000 Apportionments - Anticipated  Resources - Programs Subject to  Apportionment  461000 Allotments - Realized Resources **Proprietary Entry**101000 (G) Fund Balance With Treasury  599700 (F) Custodial Collections Transferred In  From Custodial Statement Collections  (RC 13) | 3,0003,0003,000 | 3,0003,0003,000 | A | T | YXX | A212A123A212 |

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| 6. The receiving agency reclassifies the custodial collection to deferred revenue since cleanup work has not yet been completed. Revenue is ultimately recognized when services are performed or goods are delivered in accordance with the statutory authority or terms of the contract. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A **Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**None **Proprietary Entry**599750 (N) Financing Sources Transferred In  From Custodial Statement Collections -  Contra Account  232000 (N) Other Deferred Revenue | 3,000 | 3,000 |  |  |  | A221 |

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| 7. Agency Y (F3603) records the reduction of the custodial liability and Agency Z (X 8143) records the reduction of the custodial receivable resulting from the transfer of the custodial collection of non-exchange revenue. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None **Proprietary Entry**298000 (F) Custodial Liability (RC 10) 599000 (F) Collections for Others – Statement of Custodial Activity (RC 14) | 3,000 | 3,000 | S | T | ZXX | C142R | **Budgetary Entry**None **Proprietary Entry**571300 (F) Accrual of Amounts Receivable  From Custodian or Non-Entity Assets  Receivable From a Federal Agency–  Other Than the General Fund (RC 14) 198100 (F) Receivable From Custodian or  Non- Entity Assets Receivable From  a Federal Agency – Other Than the General Fund (RC 10) | 3,000 | 3,000 | A | T | YXX | C133R |

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| 8. The receiving agency records a commitment of unobligated amounts in programs subject to apportionment. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**461000 Allotments - Realized Resources  470000 Commitments - Programs Subject to  Apportionment **Proprietary Entry**None | 3,000 | 3,000 |  |  |  | B302 |

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| 9. The receiving agency records current-year undelivered orders without an advance. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**470000 Commitments - Programs Subject to  Apportionment 480100 Undelivered Orders - Obligations, Unpaid**Proprietary Entry**None | 3,000 | 3,000 |  |  |  | B306 |

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| 10. The receiving agency records the performance of services/delivery of goods and accrues a $1,000 payable for $1,000 of work incurred in accordance with the contract terms. $2,000 of work has yet to be performed and stays in deferred revenue. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**480100 Undelivered Orders - Obligations, Unpaid  490100 Delivered Orders - Obligations, Unpaid **Proprietary Entry**610000 (N) Operating Expenses/Program Costs  211000 (N) Accounts Payable  | 1,0001,000 | 1,0001,000 |  |  |  | B402B402 |

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| 11. The receiving agency recognizes revenue for the portion of costs ($1,000) incurred as a reimbursement of revenue. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**None **Proprietary Entry**232000 (N) Other Deferred Revenue  590000 (N) Other Revenue  | 1,000 | 1,000 |  |  |  | C424 |

|  |
| --- |
| 12. The receiving agency records a confirmed disbursement of an unpaid order for the performance of services previously accrued. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**490100 Delivered Orders - Obligations, Unpaid 490200 Delivered Orders - Obligations, Paid **Proprietary Entry**211000 (N) Accounts Payable  101000 (G) Fund Balance with Treasury | 1,0001,000 | 1,0001,000 |  |  |  | B110B110 |

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| **SCENARIO 3 PRE-CLOSING TRIAL BALANCE** |
| **USSGL****Account** | **Description** | **Agency Y****AID F3603** | **Agency Z****(AID X 8143 TAS via****AID X 8143.3 TAS)** |
| **DR** | **CR** | **DR** | **CR** |
| **Budgetary:** |  |  |  |  |  |
|  |  |  |  |  |  |
| 411400 | Appropriated Receipts Derived From Available Trust or Special Fund Receipts | - | - | 3,000 | - |
| 480100 | Undelivered Orders - Obligations, Unpaid | - | - | - | 2,000 |
| 490100 | Delivered Orders - Obligations, Unpaid | - | - | - | - |
| 490200 | Delivered Orders - Obligations, Paid | - | - | - | 1,000 |
| **Total Budgetary** | - | - | **3,000** | **3,000** |
|  |  |  |  |  |  |
| **Proprietary:** |  |  |  |  |  |
|  |  |  |  |  |  |
| 101000 (G) | Fund Balance With Treasury  | - | - | 2,000 | - |
| 232000 (N) | Other Deferred Revenue | - | - | - | 2,000 |
| 520000 (N) | Revenue From Services Provided | - | 3,000 | - | - |
| 590000 (N) | Other Revenue | - | - | - | 1,000 |
| 599700 (F) | Custodial Collections Transferred In From Custodial Statement Collections (RC 13) | - | - | - | 3,000 |
| 599750 (N) | Financing Sources Transferred In From Custodial Statement Collections - Contra Account  | - | - | 3,000 | - |
| 599800 (F) | Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund (RC 13) | 3,000 | - | - | - |
| 610000 (N) | Operating Expenses/Program Costs | - | - | 1,000 | - |
| **Total Proprietary** | **3,000** | **3,000** | **6,000** | **6,000** |

**Scenario 3:**

**Closing Entries for Custodial Statement Collections- Reclassification to Deferred Revenue Until Performance of Statutory Work**

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| 1. Both federal entities record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**None**Proprietary Entry**331000 Cumulative Results of Operations520000 (N) Revenue from Services Provided 599800 (F) Custodial Collections Transferred  Out to a Treasury Account Symbol  Other Than the General Fund (RC 13) 331000 Cumulative Results of Operations | 3,0003,000 | 3,0003,000 | S | T | ZXX | F336F336 | **Budgetary Entry**None **Proprietary Entry**331000 Cumulative Results of Operations590000 (N) Other Revenue 599750 (N) Financing Sources Transferred  In From Custodial Statement  Collections - Contra Account 610000 (N) Operating Expenses/ Program Costs599700 (F) Custodial Collections Transferred In  From Custodial Statement Collections  (RC 13) 331000 Cumulative Results of Operations | 3,0001,0003,000 | 3,0001,0003,000 | A | T | YXX | F336F336 |

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| --- |
| 2. The receiving entity records the closing of the closing of paid delivered orders to total actual resources. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources, Collected **Proprietary Entry**None | 1,000 | 1,000 |  |  |  | F314 |

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| 3. The receiving entity records the consolidation of actual net-funded resources. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**420100 Total Actual Resources, Collected  411400 Appropriated Receipts Derived From  Available Trust or Special Fund Receipts**Proprietary Entry**None | 1,000 | 1,000 |  |  |  | F302 |

|  |
| --- |
| 4. The receiving entity records the reduction to undelivered orders so that the balance equals obligations for the related unfilled customer orders. |
| **Agency Y****(AID F3603 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** | **Agency Z** **(AID X 8143 TAS)** | **DR** | **CR** | **Cust** | **Exch** | **TP** | **TC** |
| **Budgetary Entry**N/A**Proprietary Entry**N/A |  |  |  |  |  |  | **Budgetary Entry**480100 Undelivered Orders - Obligations, Unpaid 461000 Allotments - Realized Resources**Proprietary Entry**None | 2,000 | 2,000 |  |  |  | F111 |

|  |
| --- |
| **SCENARIO 3 POST-CLOSING TRIAL BALANCE** |
| **USSGL****Account** | **Description** | **Agency Y****AID F3603** | **Agency Z****(AID X 8143 TAS via****AID X 8143.3 TAS)** |
| **DR** | **CR** | **DR** | **CR** |
| **Budgetary:** |  |  |  |  |  |
|  |  |  |  |  |  |
| 411400 | Appropriated Receipts Derived From Available Trust or Special Fund Receipts | - | - | 2,000 | - |
| 461000 | Allotments - Realized Resources | - | - | - | 2,000 |
| **Total Budgetary** | **-** | **-** | **2,000** | **2,000** |
|  |  |  |  |  |  |
| **Proprietary:** |  |  |  |  |  |
|  |  |  |  |  |  |
| 101000 (G) | Fund Balance With Treasury  | - | - | 2,000 | - |
| 232000 (N) | Other Deferred Revenue | - | - | - | 2,000 |
| 331000 | Cumulative Results of Operations | - | - | - | - |
| **Total Proprietary** | **-** | **-** | **2,000** | **2,000** |

1. At the time of reclassification/deposit, the funds become part of budgetary resources and the Funds Balance with Treasury of the Special Fund Expenditure Account (AID X 5009) [↑](#footnote-ref-1)
2. SGL 599000(G) eliminates between the General Fund’s reciprocating entry within RC 44, General Fund Transactions/Non-Entity Transactions. [↑](#footnote-ref-2)