

THIS REPRINT OF THE ACCOUNTING MANUAL CONTAINS
ALL TRANSMITTALS THROUGH 96.2 (10/01/96)

Dept. Staff Manual

ACCOUNTING



OFFICE OF THE SECRETARY

... *Department Staff Manual System* ...

subject: INTRODUCTION

O-10-00 **Background** and Purpose
10 Scope
20 Applicability
30 Authority for Issuance

O-10-00 BACKGROUND AND PURPOSE

The Budget and Accounting Procedures Act of 1950 places on the head of each agency the responsibility for establishing and maintaining adequate systems of accounting and internal control which conform to the principles, standards, and related requirements of the Comptroller General of the United States.

Within the Department, each of the Operating Division's accounting systems and that of the Office of the Secretary and the Regions are considered a separate system within the overall design of the standard Departmental Accounting System prescribed in this manual. This manual incorporates the principles, standards, and related requirements of the Comptroller General, the Office of Management and Budget, and the Department of Treasury with supplements to give them specific meaning within this Department. Departmental requirements which build upon the Government-wide Standard General Ledger and a uniform code structure are included to insure uniform definition and compatible data, thus facilitating rapid summarization of data and interchange between the accounting systems and the central control agencies.

o-10-10 SCOPE

The Departmental Accounting Manual is designed primarily for use by systems and operating accountants and others who are responsible for the accounting and financial reporting operations of the various components of the Department. In addition to the principles, standards, and other requirements prescribed by the Comptroller General, the manual gives effect to the provisions of a number of regulations and instructions issued by the Treasury Department, the Office of Management and Budget, and other control agencies. Generally, if subjects are adequately covered in control agencies procedural manuals, and there is no need for Department supplementation,

they will not be repeated verbatim in this manual. Proper references will be made when there is a need to refer to the original text.

Complementary procedures and instructions in various other manuals are (1) procedures relating to the administrative audit and certification of vouchers contained in the Voucher Audit Manual, (2) procedures relating to maintenance of subsidiary detailed property records and board-of-survey action contained in the Personal Property Management Manual and the Real Property Management Manual, (3) internal procedures relating to the centralized payroll operations, and (4) instructions relating to the maintenance of time and leave accounts contained in the Time and Leave Accounts Manual.

O-10-20 APPLICABILITY

The material in this Manual is applicable in all parts of the Department unless otherwise specified. All of the accounting systems of HHS are subject to review by the audit community, i.e., the Comptroller General and the Inspector General. The Federal Managers' Financial Integrity Act of 1982 requires that the Secretary of HHS provide an annual report to the President of the United States and the Congress that the accounting systems of the Department are in compliance with the principles and standards prescribed by the Comptroller General. Heads of Operating Divisions and the Office of ~~the~~ Secretary are required to provide their annual statements to the Secretary through the Office of the Deputy Assistant Secretary, Finances (DASF). The DASF reviews the statement and, in cooperation with the Office of the Inspector General, prepares the Department's annual report for the Secretary's signature.

O-10-30 AUTHORITY FOR ISSUANCE

Chapter AMN of the Organization Manual.


Dennis J. Fischer
Deputy Assistant Secretary,
Finance

Subject: PLAN OF THE ACCOUNTING MANUAL

o-20-00 Development and Organization of the Manual
10 Revision and Maintenance of the Manual
20 Distribution of the Manual

0-20-00 DEVELOPMENT AND **ORGANIZATION** OF THE MANUAL

The Departmental Accounting Manual is a component of the HHS Staff Manual System and has been developed by the Office of the Deputy Assistant Secretary, Finance. The manual establishes a Department-wide standard accounting system for implementation in accounting systems at operating divisions, agencies, regions and the office of the Secretary. Each operating component will supplement this manual with an operating instruction manual which will be consonant with the requirements of this manual. When the operating component's Financial Management Officer sees a need to supplement or modify the standards prescribed for Department-wide use, the proposal will be sent to the Deputy Assistant Secretary, Finance for consideration of amending the manual. All operating component manuals will be reviewed and approved by the Office of the **Assistant** Secretary, Management and Budget and subsequently by the Comptroller General. The Table of Contents, Chapter O-30, outlines the detailed organization of the manual. Exhibits and Appendixes will be used as the means for issuing prescribed uniform accounting codes, record formats, and account structures.

0-20-10 REVISION AND MAINTENANCE **OF** THE MANUAL

New or revised chapter material and circulars will be forwarded under transmittal notices. Each notice will be dated and issued in numerical order. The notice will specify the material transmitted, material superseded (if any), reason for issuance, filing instructions, and distribution. Manual Circulars will be utilized only for the issuance of material which is limited in scope or temporary in nature. The "Check List of Transmittal Notices" will be used to record the receipt of material and will be filed in the back of the manual.

In general, manual material is filed in numerical order. Exhibits are assigned the same number as the chapter involved and are suffixed by an alpha to allow filing with the pertinent chapter. Appendixes and Manual Circulars will be serially numbered and filed separately at the end of the manual. The numbering system of the manual is:

Part..	1
Chapter	1-00
Section'	1-00-10
Paragraph	1-00-10A
Subparagraph	1-00-10A.1

The effective date of manual material is the date of the Transmittal Notice unless a specific date is incorporated in the text.

0-20-20 DISTRIBUTION OF THE MANUAL

The Departmental Accounting Manual is distributed on the "MS.HRFC-101" mailing list. Distribution is specified on the first page of each transmittal notice. Request for additional manuals or updates to the manual should be directed to your component's Directives Distribution Coordinator.



Material transmitted

Chapter 0-30	Table of Contents, pages 1-2
Chapter 1-70	Reimbursable Accounting,, pages 1-4
Exhibit 1-70-A	Budgetary Conceptual Framework, page 1
Exhibit 1-70-B	Proforma Reimbursable Transactions; Trial Balances and Closing Transactions; and SF-133 Report, pages 1-8
Chapter 4-20	General Ledger Accounts and Records , pages f-6
Exhibit 4-20-A	General Ledger Accounts and Records, pages 9-12
Exhibit 4-40-A	'Accounting Entries and Transactions Codes, pages 7-10, 15-18
Chapter 4-50	Object Class Codes, pages 63-64

Material superseded

Chapter 0-30	(pages 1- 2.	:	98.5)
Chapter 4-20	(page 6	:	98.6)
Exhibit 4-20-A	(pages 9-12	:	99.3)
Exhibit 4-40	(pages 7- 8	:	99.3)
	(pages 9-10, 15-16, 18	:	98.41)
Chapter 4-50	(page 63	:	98.4)

Background

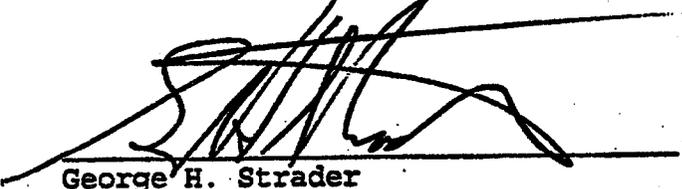
During **the** past year the USSGL Board has approved **numerous** changes in **the** US Chart of Accounts **that** require changes to our **HHS** general ledger accounts **and** the accompanying accounting entries and transaction codes, as well as a few changes in our sub-object classification codes. The attachment to this transmittal details each addition, modification **and** deletion to **HHS SGLs, TCs** and **sub-object** class codes. This is the third of a series of **changes** to bring **the HHS** general ledger into, **conformance** with the USSGL. The changes in this **transmittal** deal exclusively with Reimbursable Accounting and were **previously** issued in draft form by memo **dated August 4, 1999.**

In addition to the revisions, additions and **deletions** to SGL accounts and transaction codes, **a** new chapter 1-70, Reimbursable Accounting, has been developed (including a case 'study) to assist the **OPDIVs** in

maintaining a uniform **method** of accounting and reporting **throughout** the Department. The titles for SGL accounts 4800 and 4900 on page **6** of Chapter 4-20 have been updated and Chapter 0-30, Table **of Contents**, has been revised to reflect new chapter 1-70.

Filing Instructions

Place the new material in the appropriated section. Post receipt of this transmittal to the **HHS** Checklist of Transmittals and file **this** transmittal in sequential order after the checklist.



George H. Strader
Deputy Assistant Secretary, Finance



HHS TRANSMITTAL 99.7
Departmental Accounting Manual
Issue Date: 9/30/99

Page 1

Material transmitted

Chapter 0-30	Table of Contents, pages 1-2
Chapter 5-20	HHS Annual Financial Report, pages 1-10
Exhibit 5-20-A	HHS Reporting Entities, page 1
Exhibit 5-20-B	Key Milestones for Preparation and Audit of Financial Statements, pages 1-5
Exhibit 5-20-C	Financial Statement Formats and Crosswalks totaling 92 pages (includes exhibits C and C.1-C.27; each exhibit and applicable crosswalk begins with page 1)
Exhibit 5-20-D	Notes to the Financial Statements, page 1-22

Material superseded

Chapter 0-30	(Pages 1-2	: 99.5)
Chapter 5-20	(pages 1-7	: 95.4)
Exhibit 5-20A	(page 1	: 95.4)
Exhibit 5-20B	(pages 1-12	: 95.4)

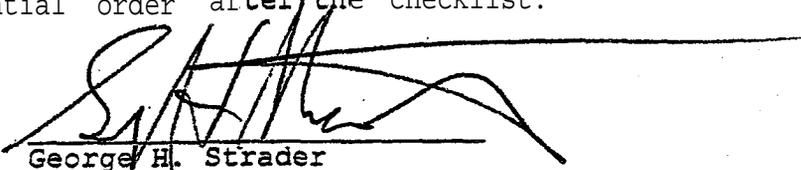
Background

Chapter 0-30, Table of Contents, has been revised to reflect the new title for Chapter 5-20. The chapter and its exhibits are being wholly **reissued**. The chapter guidance and financial statement formats conform to OMB Bulletin No. 97-01 and the technical amendments applicable for FY 1999 financial statement reporting. The SGL crosswalks conform to Section V of Transmittal S2 99-01 of the Treasury Fiscal Manual (TFM).

These instructions are applicable for FY 1999 standard external reporting.

File Instructions

Place the new material in the appropriate section. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmittal in sequential order after the checklist.


George H. Strader
Deputy Assistant Secretary, Finance

1

2

3

STANDARD GENERAL LEDGER (SGL) CHANGES

New SGLs

4221	Unfilled Customer Orders Without Advance	Establish new Posting Account
4222	*Unfilled Customer Orders With Advance	Establish new Posting Account
4251	Reimbursements and Other Income Earned - Receivable	Establish new Posting Account
4252	Reimbursements and Other Income Earned - Collected	Establish new Posting Account

Modified SGLs

(Note: SGL Modifications have no impact on
DAM Exhibit 4-20-A unless the TC title changes.)

4000	Budgetary	Added sub-accounts 4221, 4222, 4251, 4252 and deleted 4220, 4240, 4250, 4255
4450	Unapportioned Authority	Account title updated
4590	Apportionments Unavailable - Anticipated Resources"	Account title updated
4800	Unexpended Obligations	Account title updated
4801	Unexpended Obligations • Unpaid	Account title updated
4802	Unexpended Obligations • Prepaid/ Advanced	Account title updated
4870	Downward Adjustments of Prior-Year Unexpended Obligations"	Account title updated
4872	Downward Adjustments of Prior-Year Unpaid Unexpended Obligations	Account title updated
4872	Downward Adjustments of Prior-Year Prepaid/Advanced Unexpended Obligations Refunds Collected	Account title updated
4880	Upward Adjustments of Prior-Year Unexpended Obligations	Account title updated
4881	Upward Adjustments of Prior-Year Unpaid Unexpended Obligations	Account title updated
4882	Upward Adjustments of Prior-Year Prepaid/Advanced Unexpended Obligations	Account title updated
4971	Downward Adjustments of Prior-Year Unpaid Expended Authority	Account title updated
4972	Downward Adjustments of Prior-Year Paid Unexpended Authority Refunds Collected	Account title updated
4981	Upward Adjustments of Prior-Year Unpaid Unexpended Authority	Account title updated
4982	Upward Adjustments of Prior-Year Paid Unexpended Authority	Account title updated

STANDARD GENERAL LEDGER (SGL) CHANGES (CONTINUED)

Deleted Sots

4220	Reimbursable Orders Accepted	Replaced by 4221 & 4222
4230	Unfilled Customer Orders - Unobligated	Replaced by 4221 & 4222
4240	unfilled Customer Orders - Obligated	Replaced by 4221 & 4222
4250	Reimbursements and Other Income Earned	Replaced by 4251 & 4252
4255	Revolving Fund Earned Revenue,	Not Uaed

TRANSACTIONCODE (TC) CHANGES

New TCs

185 Return Advance **When** Cost of Reimbursable order is less than **advance**
336 Records Amount of Reimbursable Expense **Incurred** to Reimbursements Earned
and distributes costs **to** unfilled orders

Modified TCs

**(Note: TC Modifications have no impact on
DAM Exhibit 4-40-A unless the TC title changes.)**

006 Deleted note pending update on loan programs; also deleted **"D"** from
SGL 4450.

007 Changed the credit entry in "Unapportioned Authority - Available"
from 4512 (Apportionment Available for Distribution - Subsequent
Quarters) to 4590 (Apportionments Unavailable - Anticipated Resources).

050 Deleted component **entries** for reimbursable **transactions: 4250/4230,**
4240/4230 and **1314/5200**

053 Deleted component entries for reimbursable transactions: **4250/4240,**
4250/4230, 4240/4230 and **1314/5200**

055 Deleted B entry **(4210/4240).**

080, 081, 084, 090, 098, 181: Deleted component entry for reimbursable
transactions: **4250/4240** and **1314/5200.**

089, 190, 236: Deleted component entries for reimbursable transactions:
4250/4230 and **1314//5100/5200.**

091, 095, 191: Deleted component entries for reimbursable transactions':
4250/4240, 4230/4240, 4240/4230 and **1314/5100/5200.**

130 Changed the Description to **"to record reimbursable revenue earned that**
was financed by an advance" and also deleted component **entry C**
(4250/4230).

132 Changed the **Description to "to record reimbursable revenue earned that**
was not financed by an advance and requires billing" and also deleted
component entry B **(4250/4230).**

134 Changed the Description to **"to record reimbursable revenue earned that**
was not **financed** by an advance, but not yet ready to be **billed"** and also
deleted component entry **B (4250/4230);** also modified the note **regarding**
reversal of **TC 132.**

TRANSACTION CODE (TC) CHANGES (CONTINUED)

Modified Tcs (continued)

- 192 Deleted component &tries for reimbursable transactions: **4230/4250, 4250/4230, 5200/1314 and 1314/5200.**
- 238 Changed the Description to 'received **advance** for Consolidated Working Fund, Management and Revolving **Funds**, and direct appropriations for Reimbursable **Orders**" and added 030-399 to the Fund **Group** column.
- 310 Changed the accounting entries for the Acceptance of Reimbursable Orders from **4230/4220** to 4221 and **4222/4210** and a component entry **4590/4512.**

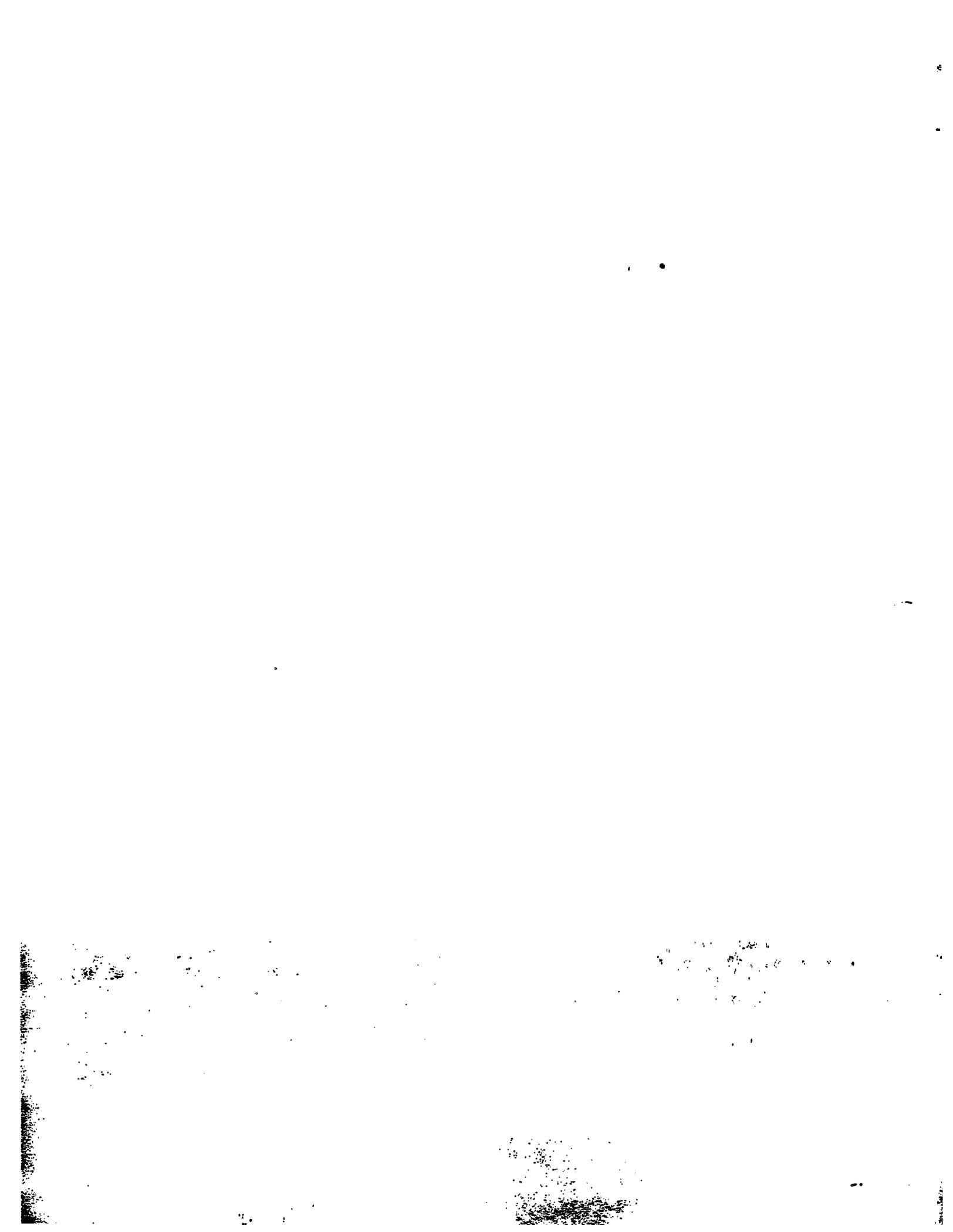
Deleted TCs

- 311, 312, 402: **Regarding** 402, and increases or decreases in 4210, Anticipated Reimbursement, should be made by TC 310.

Object Class (OC) changes

New Object classes

- 61.75 Advance - Unfilled Customer Orders
61.7K No Advance - Unfilled Customer Orders





HHS TRANSMITTAL 99.6
Departmental Accounting Manual
Issue Date: 12/20/99

Page 1

Material transmitted

Exhibit 4-20-A HHS Standard General Ledger Chart of Accounts,
pages 7-16
Exhibit 4-40-A Accounting Entries and Transaction Codes, pages 1-12
Chapter 5-65 Standard Form 132, Apportionment and Reapportionment
Schedule, pages 1-3
Exhibit 5-65-A Standard Form 132 Crosswalk, pages 1-3
Exhibit 5-65-B Conceptual Budgetary Framework, page 1
Exhibit 5-65-C Proforma SF 132 Scenario, page 1
Exhibit 5-65-D Scenario Transactions, pages 1-5
Exhibit 5-65-E Scenario Preclosing Trial Balance, page 1
Exhibit 5-65-F Scenario Standard Form 132, pages 1-3

Material superseded

Exhibit 4-20-A (page 8 : 99.3)
(pages 9 - 12 : 99.5)
(pages 13 - 15 : 99.4)
Exhibit 4-40-A (pages 2 - 5 : 98.4)
(pages 6 & 11 : 99.3)
(Pages 7 - 10 : 99.5)

Background

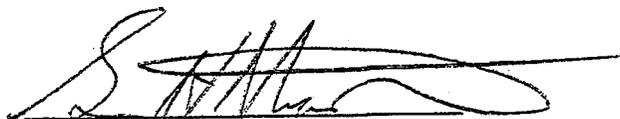
Over the past few years numerous changes have been made to the US Standard General Ledger (SGL) Chart of Accounts which necessitate changes to our BBS SGL accounts and related transaction codes (TCs). These changes are effective for FY 2000. These changes affect the transactions needed to produce the Standard Form 132, Apportionment and Reapportionment Schedule, the SF 133, Report on Budget Execution, and the Statement of Budgetary Resources.

This transmittal includes new Chapter 5-65, Standard Form 132, Apportionment and Reapportionment Schedule; and revisions to Exhibits 4-20-A and 4-40-B. Also included as an attachment to this transmittal is a listing of Standard General Ledger (SGL) and Transaction Code (TC) changes.

These changes and the new chapter were previously issued in draft form by memos dated August 24 and December 16, 1999. Please note that most of the Exhibit 4-20-A and 4-40-B page changes are due to changes in page break resulting from insertion of new SGL accounts and TCS.

Filing Instructions

Place the new material in the appropriate section. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmittal in **sequential order** after the checklist.

A handwritten signature in black ink, appearing to read "G. Strader", written over a horizontal line.

George H. Strader
Deputy Assistant Secretary, Finance

STANDARD **GENERAL** LEDGER (SQL) **CHANGES**

New SGLs

4255	Appropriation Trust Fund Expenditure Transfers • Collected	Establish new posting account
4283	Interest Receivable from Treasury	Establish new posting account
4287	Other Federal Receivables	Establish new posting account
4393	Rescissions • Prior Year	Establish new posting account
4396	Authority Permanently Not Available Pursuant to Public Law	Establish new posting account

Modified SGLs

(Note: **SGL** Modifications have no impact on
DAM Exhibit 4-20-A unless the SGL Title changes.)

4000	Budgetary	Added sub-accounts 4255, 4283, 4287 and 4396
4147	Actual Transfers to Treasury	Modified title and definition to SGL Standard
4265	Actual Collections from Sale of Foreclosed Property	Modified title and definition to SGL Standard
4390	Balance Available for Restoration, Writeoff and Withdrawal	Added sub-account 4393
4392	Rescissions • Current Year	Modified title and definition to SGL Standard
4395	Authority Unavailable Pursuant to Public Law • Temporary	Modified title to SGL Standard

Deleted SGLs

4113	Appropriations Rescinded	Replaced by 4392 and 4393
4410	Budgetary Resource • Not Available Pursuant to Public Law	Replaced by 4396 and 4395

TRANSACTION CODE (TC) CHANGES

New TCs

- 00L Budgetary Resources Rescinded by Congress - Prior-Year. This TC will record budget authority rescinded by legislative action or authority made unavailable pursuant to public law.
- 00Q To Record Authority Temporarily Unavailable Pursuant to Public Law. This TC will record authority temporarily unavailable pursuant to public law

Modified TCs

**(Note: TC Modifications have no impact on
DAM Exhibit 4-40-A unless the TC Title changes.)**

- 00H Change 4410 to 4396, Authority Permanently not Available Pursuant to Public Law
- 00K Change 4113 to 4392, Rescissions - Current Year

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Exhibits

(Exhibits follow the appropriate chapter)

CHAPTER 1-00
GENERAL STATEMENT

- 1-00-00 Purpose
 - 10 Submission of Systems for Approval
 - 20 Applicability
 - 30 Objectives
 - 40 Basic Principles and Standards

1-00-00 PURPOSE

This chapter restates in **● - w** form the principles, standards, and related requirements for establishing and maintaining accounting systems as prescribed by the Comptroller General. In subsequent chapters, these prescripts **● a** presented in detail with **● ◆□□●◆□** which give them specific meaning within this Department. Since all of the Department's accounting systems are subject to approval by the Comptroller General and such approval cannot be obtained unless each system conforms in all material respects to these prescribed principles, standards, and related requirements, no deviations will be permitted unless they are cleared in advance with the General Accounting Office. Internal clearance procedures, which must be followed prior to formal submission of an accounting system or request for deviation to the Comptroller General for approval are also put of this chapter.

1-00-10 SUBMISSION OF SYSTEMS FOR APPROVAL

There are two basic conditions which must be met before an accounting system can be submitted to the Comptroller General for approval:

- a. The agency's manual of instructions for use of its employees in maintaining the accounting system and a summary description of the system which includes the basic principles employed in the system must be complete (the summary description does not have to be part of the operating instructions manual), and
- b. The accounting system must be adequately tested or in regular use to the extent necessary to demonstrate its effectiveness.

After the system has been properly documented, a copy of the manual and a summary description of the system shall be submitted to the Office of the Comptroller, HEW, for review. All other supporting documentation called for in subsection 29.4 of Title 2 of the GAO Manual, except for the formal request for approval of the Comptroller General, shall accompany the manual. This review will be expedited if completed parts of the manual are submitted as work progresses. Also, final review and approval of the system by the Comptroller General will be expedited if deviations from the prescripts of the Comptroller General or the Department are presented for advance discussion. Any principles, standards, or related requirements in the proposed system which still appear to be in

(1-00-10 continued)

material disagreement with those of the Comptroller General after consideration and decision by the Office of Comptroller will be discussed with representatives of the General Accounting Office.

Upon completion of the review by the Office of Comptroller and satisfactory resolution of any problem areas, a formal request for approval of the system will be prepared and, the Comptroller General for the Secretary's signature. A recommendation to the Secretary will state that the accounting system conforms in all material respects with the prescribed principles, standards, and related requirements of the Comptroller General.

Requests for approval of deviations from the prescripts of the Comptroller General also shall be cleared with the Office of Comptroller before formal submission to the Comptroller General.

1-00-20 APPLICABILITY

The principles, standards, and related requirements prescribed in this manual apply to each operating agency and office of this Department.

1-00-30 OBJECTIVES

Managers at every level in the Department have an inherent responsibility for effective and economical management of the operations and resources entrusted to them. Top level managers have the added responsibility of decision making in terms of entire programs and program activities. A well designed and operating accounting system which regularly furnishes management with current meaningful financial data by assigned areas of responsibility and program elements can be of valuable assistance in fulfilling these responsibilities. Therefore, one of the primary tests of the effectiveness of any accounting system in the Department will be its ability to produce financial data which managers at appropriate levels of internal management can readily grasp and use. In addition to internal needs, the system must produce all needed financial information for the control agencies and Congress and provide an effective control over all funds and other resources for which the agency is responsible.

1-00-40 BASIC PRINCIPLES AND STANDARDS

Basic principles and standards which must be followed in the design and maintenance of accounting systems within the Department are covered in detail in applicable chapters of this manual. In summary form, they are:

1. Each system shall be maintained on a current accrual basis or if conversion techniques are found to be advantageous, such conversions shall be made not less frequently than monthly.

(1-00-40 continued)

2. Monetary property accounting shall be an integral part of each accounting system.
3. Depreciation of capitalized property shall be charged to the expense accounts not less frequently than monthly.
4. Accrued annual leave shall be recorded in the accounts at the close of each fiscal year and be reflected in the financial reports.
5. Appropriation and floor control shall be maintained at the highest level of organization which permits effective control of funds.
6. Consistent and coordinated classifications shall be used so that, to the fullest extent possible, accounting data can be used in various arrangements for internal management purposes, budgeting, programming, planning, Department-wide reports, and external reports.
7. For those budget classifications and program planning elements where needed cost data does not flow naturally from the accounts, scientific statistical sampling and other cost finding techniques shall be used to distribute actual cost data from related accounts.
8. Each system shall regularly produce effective cost reports for internal management and support of budget requests.
9. Each system shall have built into it adequate controls to insure the accuracy of the accounts and the data produced from the accounts.
10. Accounting functions shall be assigned so as to preclude the manipulation of records to cover irregularities.
11. Cross checks and balances shall be provided in each system to control against the loss or misuse of cash receipts and collections. All cash collections upon receipt should be placed under accounting control immediately and deposited intact daily, insofar as possible, with an authorized depository in accordance with the Treasury Department, the General Accounting Office, and DHEW procedures. (Exception - bid deposits, which will be returned uncashed to the unsuccessful bidders - Par. 12-2, Title 7 GAO Policy and Procedures Manual).
12. Internal reviews and audits shall be performed regularly to appraise the effectiveness of the accounting system.

1-10-00	Purpose and Applicability
10	Policy
20	General
30	Definitive Statements

1-10-00 PURPOSE AND APPLICABILITY

- A. An effective accrual accounting system involves more than the accrual of costs and expenditures and the production of periodic statements of financial condition. Properly **structured, the accounts should produce current information** consistent with budget and PPBS classifications. If these classifications are not consistent with an agency's organizational structure, the periodic or cumulative costs and expenditures systematically accrued in accounts by organizational components can be distributed by statistical techniques or other acceptable methods to the classifications as needed for analysis and budget purposes.
- B. This chapter provides general definition and guidance in the application of accrual accounting within the Department. Further **guidance** is provided in **subsequent chapters** of this manual devoted to specific areas of accounting. Accrual operating procedures appear in Chapter 3-60.
- C. To prescribe a standard application of accrual accounting to fit the varied needs of all organizations within the Department is not feasible. Applicable **systems must be** designed to fit the circumstances and requirements of each organization or a component thereof. Since a major objective of accrual accounting is to provide **management** officials with essential and reliable information for use in achieving efficient and economical operations, management's advice and **cooperation** must be obtained in establishing the accounting structure and internal reporting system.
- D. The policies and procedures defined and explained herein will apply to all agencies within the Department and to all affiliated Government organizations supported by the Department. **Agencies and other DREW affiliated organizations** will implement the instructions contained

(1-10-00 Continued)

herein which are applicable to their operations. Any significant deviation **from** the policies or accrual accounting procedure **prescribed** in this manual will be cleared in advance with the Deputy Assistant Secretary, Finance.

1-10-10 POLICY

- A. In the area of grants to and contracts with non-profit institutions, it is considered that the **Government is** in partnership with the grantee **or** contractor. No changes will be required in a grantee's or contractor's system of accounting as a result of the collection of data required by this instruction if **the system otherwise meets** the requirements of the grant/contract and of the awarding **Agency. However,** grantees and contractors may be requested to provide periodic information which does not normally appear in their regular reporting.
- B. Financial data relative to obligation and **disbursements** which are currently being recorded will continue to be handled.
- c. Accruals will be recorded at the **Common** Accounting Number (CAN) level.
- D. Data collection techniques will, where possible, **serve** management needs as **well** as financial **requirements** responsive to Department and **Central** Financial Agencies' reporting needs.
- E. Reliability of **data will** be commensurate with the expenditure of resources necessary to secure **that** reliability. The convention of materiality will be applied so as **to** exclude the need for refinement on **small** items unless **otherwise** required by this **manual**. Materiality, however, will not **be** limited to relative measures but will also be measured in **absolute** amounts. Prudent **business** judgment relative to possible mis-interpretation will **serve** as a guide.
- F. Direct monthly reporting by grantees and contractors for accrual purposes will be obtained only when statistical techniques **such** as correlation, regression procedure and sampling are inappropriate or will not provide **valid** and reliable data under the standards of paragraph **E** above.

- G. Techniques for obtaining accrual data based on program logic will be **revalidated** periodically by statistical **procedures**. Arbitrary prorations will not be employed for more than one quarter without being adjusted to actual figures **where** available.

1-10-20 GENERAL

- A. Accrual accounting will be on a monthly basis. Good **management** depends on current factual information concerning financial operations **for** purposes of planning and control. Accrual accounting meets this requirement by reflecting in the records and reports events as they occur from a Time or Period standpoint.
- B. Accrual accounting produces Accrued Costs and Accrued Expenditures related to goods and services used without regard to **WHEN** ordered, delivered, or paid.
- C. Accrual accounting provides current financial control over expenditures, revenues, assets and liabilities, and produces **information** about resources available for use in later **fiscal years**.
- D. A properly designed accrual accounting, system thus provides information with respect to the status of:
- **OBLIGATIONS**, i.e., value of goods and **services ordered**
 - **ACCRUED EXPENDITURES**, i.e., value of goods and services received actually or constructively. (1-10-30F)
 - **DISBURSEMENTS**, i.e., payments **for** goods and services
 - **COSTS**, i.e., goods and **other** resources used (consumed)
- E. Accrual accounting does not require a change in the method of appropriating funds because accrued costs are reconciled with obligations incurred, with accrued expenditures, and with disbursements.
- F. It is not a question of obligation accounting versus accrual accounting; information produced by both methods **is** necessary - but for different purposes.

(1-10-20 Continued)

G. Obligation accounting produces, **information** necessary for:

1. Controlling the dollar **amounts** of goods and services **ordered against** appropriations, **apportionments**, and allotments.
2. Reporting to **Congress** in the budget submission the dollar amounts of goods and services ordered, **or** to **be** ordered according to "object classes" such as personal services, travel, supplies **and** materials, etc.
3. As a by-product, showing dollar amounts disbursed for goods and **services** regardless of when ordered, delivered, or used.

H. Accrual accounting, properly integrated with obligation **and** appropriation **accounting**, provides:

1. All the information produced by obligation accounting **plus**,
2. Accrued costs and expenditures for **management's** use in planning, controlling and appraising the **efficiency** of operations.
3. Financial control over assets and liabilities.
4. Information for **determining accrued costs** as a basis for fee establishment **or** for-reimbursement **for services**.
5. Accrued cost information for **more** valid comparisons **of** actual and planned financial performance.
6. All the **information** necessary for cost budgets, including **goods** and services received and resources available **for** future use.

I. An accrual accounting system, properly integrated with accounts for appropriations and **obligations** provides information for a complete picture **of** the financial results of operations.

1-10-30 **DEFINITIVE STATEMENTS**

A. General

The concept of "accrued expenditures" should be clearly differentiated from that of "cost" or "applied cost."

These latter two terms, in place of referring to the **time of receipt of service or material, refer to the time of use or consumption of the service or material.** Thus, an accrued **expenditure** for the acquisition of an Inventory item becomes an applied cost at a later date, **when the item is withdrawn** for use. In **the case of materials and services** provided through working funds, **the applied costs become** accrued expenditures of the **appropriation** for which the work is performed as well as **the working fund and at the same time** accrued revenues **of the working fund. Cost** (applied cost) **records till continue to be** maintained where essential for performance evaluations as related to project schedule **or technical** reporting systems. The following definitions **are more** specific and are presented to **provide greater** penetration of the subject than was afforded in the preceding treatment.

B. Accrued Expenditures

1. Accrued expenditures are the aggregate **dollar** amount of financial transactions occurring during an accounting period which either **(a) require the concurrent or subsequent disbursement of funds** or **(b) result in the application of funds** previously advanced to others. Such transactions consist of **(a) goods and services whether received actually or constructively (1-10-30F), (b) services performed by employees, contractors, grantees, lessors and other payees, (c) amounts becoming owed under programs for which no current service or performance is required (such as annuities, insurance claims, other benefit payments and a few types of grants), (d) program-type loans (as distinct from current advances), and (e) liquidation of previously unfunded liabilities.** Expenditures accrue without regard to when the **payment takes place** and thus **include, for any period, all** disbursements made in payment of goods and **services** received during the period as **well as** any amounts unpaid for such services **at the end of the period.**
2. Expressed in accounting terms, accrued expenditures **are those** transactions which result in reduction in the Government's equity in net fund **assets (other than refunds of receipts).** The **credit side of** such entries will always be to fund-type assets such as cash **or advances or** to funded liabilities such as accounts payable or accrued liabilities, **the latter being** liabilities not yet

(L-10-30 Continued)

due and payable. While accrued expenditures are frequently simultaneously accrued costs or accrued expenses, they are not always such and, contrariwise, accrued costs and expenses are not always accrued expenditures. See subparagraph D below for the definition of accrued costs and expenses.

3. In those cases where Congress has permitted liabilities to accrued without being charged to the balance of an appropriation, a fund, or a contract authorization, the liability is considered "unfunded" and no accrued expenditure is recorded or reported until the time that the liability becomes funded, although an accrued non-fund cost would be recorded. The most common example of such an accrual is the earning of employee annual leave, which, except in the case of working capital or other revolving funds, is not funded i.e., chargeable to an appropriation or other fund until taken or until payable upon termination of employment.

C. Accrued Revenues

Accrued revenues earned during a given period are a source of funds and result from (1) services performed by the Government, (2) goods and other tangible property delivered to purchasers or their agents, including sales of fixed assets, and (3) amounts becoming owed to the Government for which no current performance by the Government is required. Examples of revenues are charges for hospital services, fines and forfeitures levied, interest accruing on loans, and premiums earned on Government-operated insurance programs. Revenue from gifts to the United State; will be recorded on a cash basis. The term "revenue is also used by Treasury Department to include collections of program-type loans. In the Umbrella system, such collections are classified as receipts.

D. Accrued (Applied) Costs or Expenses

1. The meaning of the word "costs" lies in the context of its use. When used to describe the use or consumption of goods or services, the term Applied Costs is synonymous with the terms Accrued Costs and Accrued Expenses but not with Accrued Expenditures. In Bureau of the Budget Circular A-11, the following definition is given:

"For operating programs, costs will represent the value of resources **consumed** or used. "

2. In this manual, the above definition will be intended whenever the terms Applied or Accrued Costs are **used**. When the word costs is used without a modifying adjective its meaning will have to be determined from **context**.
3. For most operating purposes, costs are synonymous with current expenses and are the value of goods and services actually used or consumed during the current period.
4. Examples of accrued costs or expenses are salaries, taxes, depreciation, materials issued, and interest charges. These costs accrue and are recognized in a specific period even though payment for them was made in a prior period (Depreciation) or will be made in a future period (Salaries earned but not paid at the end of the month or other period).

E. Advances and Prepaid Expenses

1. Advance payments, including prepaid expenses (costs), are assets and are, from the Treasury's viewpoint, treated as cash; they are neither accrued expenditures nor costs. They develop into **such** accruals only as the value represented by the advance is **earned** by the payee, at which time the advance outstanding or the prepaid expense is reduced and the accrued expenditures and costs **are** recognized. If an advance is neither earned by the payee nor returned, it becomes an accrued expenditure and cost when its uncollectibility is determined, at which **time** it should be recognized in the accounts.
2. Prepaid expenses are rare in Government, **since** generally the Government does not prepay rent and **does** not carry insurance, the two areas where prepayments most frequently occur in private industry. The criterion of materiality will generally likewise preclude the treatment of subscriptions to publications and reporting services as prepaid expenses. See Section 1-10-306 for the accounting treatment for deferred charges where benefits or services have been received by the **Government** (and hence are not prepaid expenses) but it is desired to spread the cost over subsequent periods benefiting from the expenditure.

(1-10-30 Continued)

F. Constructive Receipt

1. Constructive receipt of goods or other tangible **property**, rather than physical receipt or the **passing** of legal title, is the measure of the **accrual** in certain cases. When a contractor provides goods to the Government which he holds **himself** available to sell to others, the accrual occurs when **physical** delivery by the **contractor** and receipt by the Government take place or title passes (that is, when goods are either delivered to the Government or to a carrier acting on behalf of the Government). However, when a contractor manufactures or fabricates goods or equipment to the Government's specifications, constructive receipt occurs in each accounting period when the contractor earns a portion of the contract price, and the accrual takes place as the work is performed. Formal **acceptance** of the work by the Government is not a test in such case.
2. The accrual basis, among other things, measures what is owed between the parties, whether or not it is "due and payable", as soon as it becomes owed. In **general**, the Government does not owe on its obligations until performance takes place on the part of the other party; it does not owe on goods and equipment of a type sold generally until physical delivery has been made. However, once **performance** occurs, the Government owes for special fabrication even though it has not yet been billed.

G. Deferred Charges

1. Deferred charges are expenditures which benefit future fiscal periods and must, therefore, be accounted for as non-cash assets until applied to costs. They differ from prepaid expenses, paragraph **E** above, in that services have been rendered by the payees in the case of deferred charges while in the case of prepaid expenses they have not.
2. Deferred charges are accrued expenditures when incurred, similar to the acquisition of inventory or fixed assets, but do not become accrued costs until amortized. Examples of deferred charges are

leasehold improvements, the cost of which is to be amortized over the life of the lease and premiums on bonds purchased which are amortized by **charges** against interest income as earned.

H. Disbursements

Disbursements are checks issued or cash paid, net of **refunds**. **Note** that disbursements are not the same thing as expenditures. Also, note that **disbursements** include funds used to make advance payments.

I. Liabilities not Previously Recorded

Liabilities which are normally funded will be recorded as accrued expenditures and reported promptly, even if they cause the recorded obligations to exceed available funds. The concept of accrued expenditures must not be modified, nor disclosure prevented by the failure to record obligations larger in total than the amounts of available funds. Necessary corrective and reporting actions will be taken whenever such a violation of law has occurred (see Chapter 2-10-90). See paragraph **K** below for unfunded liabilities.

J. Subgrantees and Subcontractors

Where a grantee, a contractor, or even another Government agency (to which there is an obligation or an advance payment) performs through a subgrantee, subcontractor, or other party, it is necessary to determine the timing of such performance -- generally following the same rules as if the principal had performed directly. **For** instance, in a grant requiring specific performance according to Government specifications, the grantee's earnings, and therefore the Government's accrued expenditures, will be measurable, at least in part, by the amounts of the subgrantees' costs, including a pro-rata share of overhead, in a given period.

K. Unfunded Liabilities

In those cases where Congress has permitted liabilities to **accrue** without being charged as an obligation to the balance of an appropriation, a fund, or a contract authorization, the liability is considered "**unfunded**" and no obligation or accrued expenditure is recorded or reported until the time that the liability becomes

(1-10-30 continued)

funded. Non-fund **costs** are, **however**, incurred **and** recorded at the **time** the unfunded liability is accrued. Accrued **annual leave of employees is** a principal **example**. For **revolving** funds, however, leave currently accruing **is** a funded liability when earned **and** as such is reportable **as** an accrued expenditure.



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Material transmitted

Chapter 0-30	Table of Contents, (pages 1-2)
Chapter 1-20	Managerial Cost Accounting, (pages 1-19)
Exhibit 1-20-A	Crosswalk Example - Indian Health Service Crosswalk Between Budget Reporting, Cost Reporting, GPRA Programs and the Statement of Net Cost, (page 1)
Exhibit 1-20-B	Worksheet Illustration, Allocating Costs to Programs and Activities for Reporting on the Statement of Net Cost, (page 1)

Material superseded

Chapter 0-30	(pages 1-2,	: 97.1).
	(page 3 ,	: 98.1).
Chapter 1-20	(pages 1-5,	: 68.4).

Background

Chapter 1-20 is being reissued in its entirety. The new guidance implements **SFFAS No. 4** "Managerial Cost Accounting" and gives direction for its implementation in the **OPDIVs**, particularly concerning external reporting of cost information.

The draft chapter was first circulated August 11, 1998 and, after minor changes, finalized September 25, 1998.

Chapter 0-30 is revised to reflect the new title for Chapter 1-20.

Filing Instructions

Remove superseded material and replace it with the new material. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmittal in sequential order after the checklist.

George A. Strader
Deputy-Assistant Secretary, Finance

Subject: Managerial Cost Accounting

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1-20-00 **General**

- A. Managerial cost accounting is the process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way in which the organization uses, accounts for, safeguards, and controls its resources to meet its objectives. In managing Federal Government programs, cost information is essential in the following five areas: (1) budgeting and cost control, (2) performance measurement, (3) determining reimbursements and setting fees and prices, (4) program evaluations, and (5) making economic choice decisions.
- B. The Office of Management and Budget (OMB) in conjunction with the **Department** of Treasury and the General Accounting Office (GAO) established managerial cost accounting concepts and standards to provide reliable and timely information on the full cost of federal programs, their activities, and outputs. Determining the cost of an agency's specific programs and activities is essential for effective management of government operations. Congress and the President have deemed cost accounting important and have enacted several mandates to ensure effective cost accounting. These include:

- The Chief Financial Officers Act of 1990, which includes among the functions of the Chief Financial Officer (CFO) the development of an integrated financial management system which provides for the development and reporting of cost information, and the systematic measurement of performance;
- **The Government Performance and Results Act (GPRA)**, which mandates performance measurement by the federal agencies;
- **The National Performance Review (NPR)**, which includes a recommendation to require OMB to **issue a set** of cost accounting standards for all federal activities; and
- **The Clinger-Cohen Act**, which requires defining all technology, related activities, their costs, and measurements. This Act **requires** cost benefit analysis before IT acquisition decisions are made concerning building systems internally or **pursuing commercial** off-the-shelf options.

1-20-10 **Authority**

- A. Statement of Federal Financial Accounting Standards (SFFAS) No. 4, "Managerial Cost Accounting" - this standard, developed by the Federal Accounting Standards Advisory Board (FASAB) and issued by OMB, represents requirements for cost accounting for Federal agencies.
- B. OMB Bulletin 97-01, "Form and Content of Agency Financial Statements" - prescribes the form and content of agency financial statements. This bulletin provides proforma formats for preparing principal financial statements and specifies the disclosure requirements for notes accompanying the principal statements, as well as required supplemental information.
- C. Standard General Ledger (SGL)/Treasury Financial Manual (TFM) Bulletin, "U.S. Government Standard General Ledger" - The SGL, published annually as a supplement to the Treasury Financial Manual, provides a uniform chart of accounts to standardize Federal agency accounting and to support the preparation of standard external reports. Managerial cost accounting systems will need to use the SGL and may require additional SGL accounts as new cost related reports are designed.
- D. The CFO Council's "Managerial Cost Accounting Implementation Guide" - this **non-authoritative** guide is a technical practice aid to assist Federal entities in implementing cost accounting.

1-20-20 Definitions

- A. *Reporting Entity*: an organization for which financial statements must be prepared. For HHS, all Operating Divisions (**OPDIVs**) are considered reporting entities, including the Office of the Secretary. In addition, HHS produces Departmentwide audited financial statements.
- B. *Responsibility Segment*: Responsibility segments are the largest components of a reporting entity. A responsibility segment is equivalent to a suborganization, as discussed in OMB Bulletin 97-01. (Section 1-20-40, Responsibility Segments, provides a detailed explanation of how to define and establish responsibility segments.) Management has the flexibility to establish responsibility segments and to use any cost collection method within each segment. Within a segment, management may define sub-units,, functions, projects, business processes, activities, or a combination of them as cost centers to accumulate costs. The costs accumulated at lower levels can then be aggregated first to the program level, and then to the responsibility segment level (i.e., the organization responsible for managing the particular program or activity).
- C. **Full cost**: Full cost accounting is the assignment of direct and indirect costs, as well as inter-entity costs, to a cost object (program, activity, output, etc.). Direct and indirect costs are defined in sections 1-20-51 & 1-20-52.
- D. *Cost Object*: The term "cost object" refers to an activity or item whose cost is to be measured. A cost object may be a particular output (good or service produced), a program, an organization, a business activity performed, or other item whose cost is to be measured. Costs may be assigned to a cost object by direct tracing, cause-and-effect basis, or allocations. For **HHS and its OPDIVs, the term cost object will predominantly refer to a program or activity.** There may be intermediate cost objects that are used in the course of the cost assignment process. For example, a computer technology division provides technical support to other divisions within an organization. By assigning costs on a "cause-and-effect" basis, first costs are assigned to the activities of the computer division, such as hardware installation and maintenance, software design and installation or programming adjustments. Secondly, the costs of these computer division activities are further assigned to other divisions based on their consumption of the technical services.
- E. *Inter-entity cost*: Costs incurred by one responsibility segment for the benefit of another responsibility segment or another reporting entity, regardless of funding or reimbursement. **Inter-entity costs are always costs between two entities within the**

Federal Government. Costs incurred by one responsibility segment for the benefit of another responsibility segment *within the same OPDIV* are "Intra-entity **costs.**" Intra-entity cost must always be recognized by the responsibility segment which receives the benefit of the costs. However, inter-entity costs are only recognized for particular situations. See section 1-20-60 for the guidance on recognizing inter-entity costs.

- F. *Program:* Program refers to activities that are identified as programs in the **OPDIVs'** GPRA annual performance plans for the year being reported and for which goals and indicators have been submitted. GPRA programs may be consolidations, aggregations or disaggregations of line items in the OPDIVs' budget program and financing schedules. For external reporting, the OPDIV Statement of Net Cost will show the net cost of GPRA programs.
- G. *Activity:* Activity generally refers to lines of business or services offered by a responsibility segment. For example, the Program Support Center (**PSC**) provides accounting services (within the Financial Management program) and payroll services (within the Human Resources program); these would be considered separate activities within PSC. An activity may also be a, revolving fund, an operation funded by user fees, a gift or other trust fund, etc., which has not been included as a part of the named GPRA programs.
- H. **Output:** Outputs are goods or services produced by a program identified in the **OPDIVs'** GPRA annual performance plans (per the GPRA law, performance plans shall establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity). The ultimate purpose of cost accounting, as defined in SFFAS **No.4**, is to measure the full costs of program outputs. However, **OPDIVs are not required to report by outputs on the Statement of Net Cost.**
- I. *Non-Production Cost:* These are costs, incurred based on particular events which occur during a specific accounting period, but are not particularly related to the current operations, or production of goods and services for the period.

1-20-30 **Requirement for Cost Accounting**

- A. **FASAB's** Managerial Cost Accounting **Standard** (SFFAS No. 4) issued by OMB is the authoritative guidance on cost accounting for Federal entities (HHS and OPDIVs). The standard contains both concepts for cost accounting as well as specific standards to be followed. OPDIV **CFOs** may institute additional cost accounting policy to meet the unique needs of their OPDIV, provided these policies do not conflict with SFFAS No. 4.

- B. Managerial cost accounting will enable OPDIVs to measure and report the full costs of their programs and activities. Full cost should incorporate the sum of (1) the costs of resources consumed that directly or indirectly contribute to the program or activity (direct **or** indirect costs), and (2) the costs of identifiable supporting services provided by other responsibility segments within HHS, and by other Federal agencies (inter-entity costs). Costs of resources consumed should be accumulated by type of resource (HHS sub-object class). Full costs should be assigned to programs and activities through appropriate costing methodologies or cost finding techniques on a consistent basis. Cost assignments should be performed using the following methods listed in the order of preference: (a) directly tracing costs wherever feasible and economically practicable, (b) assigning costs on a cause-and-effect basis, or (c) allocating costs on a reasonable and consistent basis.
- C. Each OPDIV should accumulate and report the cost of its programs and activities on a regular basis for management information purposes. However, the resources required to obtain cost information should not outweigh the value of the information obtained. Managerial cost accounting should be a fundamental part of the financial management system and, to the extent possible, should be integrated with other parts of the system. Cost information developed for external and internal reporting purposes should be drawn from a common data source, and reports should be reconcilable to each other.
- D. A sophisticated cost accounting system to accumulate and assign costs is not required. In most instances, cost data can be obtained from the **OPDIV's** current accounting system using the HHS Common Accounting Number (CAN) structure and sub-object class codes. This will require **OPDIVs** to map or crosswalk their CAN structure to their programs designated under GPRA guidance and to other activities, such as lines of business being provided by service organizations. Exhibit 1-20-A provides an example of a crosswalk between Indian Health Service's budget (CAN) structure with their reporting (GPRA) structure. Costs can also be determined and analyzed through special cost studies and analyses. However, OPDIVs are encouraged to modify their existing systems as necessary to include automated cost assignments to expedite the preparation of internal cost reports and annual financial statements. Use of a combination of a formal cost accounting system supplemented by cost finding techniques and studies is acceptable. Each OPDIV should determine the appropriate detail for its cost accounting processes and procedures based on several factors. Some of these factors include the:

- nature of the **OPDIV's** operations;
- precision desired and needed for cost information;
- practicality of data collection and processing;
- availability of electronic data handling facilities;
- cost of installing, operating, and maintaining the cost accounting processes; and
- specific information needs of the OPDIV.

1-20-40 Responsibility Segments

- A. SFFAS No. 4 defines a responsibility segment as a component of a reporting entity that is responsible for carrying out a mission, conducting a major line of activity, or producing one or a group of related products or services. A responsibility segment usually possesses the following characteristics:
- 1) The manager reports to the entity's top management directly, and;
 - 2) The segment's resources and results of operations can be clearly distinguished from those of other segments of the entity.
- B. SFFAS No. 4 states that the designation of responsibility segments should be based on the following factors: (a) the entity's organization structure, (b) its lines of responsibilities and missions, (c) its outputs (**goods** or services it delivers), and (d) budget accounts and funding authorities. However, the predominant factor is the agency's organization structure and its existing responsibility components, such as bureaus, centers, institutes, or other divisions.
- C. For HHS, each OPDIV is a responsibility segment of the Department. Within an OPDIV, a responsibility segment is the sub-organization that is responsible for the management of each of its programs and activities. However, a particular program may also be divided among several responsibility segments. Likewise, when there is a need to develop costs for a particular project or service, a cost center manager would be designated. For service oriented organizations, such as the PSC, each line of business may be termed a responsibility segment with its own manager. A business-like fund, such as **HCFA's** Clinical Laboratory Improvement Amendments of 1988 program (**CLIA**), may be termed a responsibility segment with its own manager.

- D. The manager of each OPDIV responsibility segment should receive internal management reports periodically to be fully informed of the costs and revenues accruing to the segment's programs and activities. The head of each OPDIV should also be informed periodically of the costs and revenues of all program and activity costs of the **OPDIV's** responsibility segments.
- E. At the Departmental **level, the** Secretary and Assistant Secretaries should be informed of the costs and revenues of each OPDIV segment to be able to report to OMB and Congress the net cost of operating the Department. For the fiscal year, the Department's Statement of Net Cost will serve this purpose.
- F. At the Government-wide level, each cabinet-level agency will be reported as a responsibility segment. The Governmentwide Statement of Net Cost will report costs by responsibility **segment** and major budget function.

1-20-50 **Full cost**

- A. The full cost of an output produced by a program or activity is the sum of (1) the costs of resources consumed by the program or activity that directly or indirectly contribute to the output (**regardless of the source of funding**), and (2) the costs of identifiable supporting services provided by other programs or activities within the responsibility segment and by other responsibility segments and reporting entities (**regardless of the source of funding**).
- B. Although the ultimate purpose of cost accounting, as defined in SFFAS No. 4, is to measure the full costs of program outputs, unit **costs** of outputs are not presently a part of HHS' current accounting systems; and in fact, unit cost data may not be a practical goal for all programs. Emphasis should first be placed on incrementally achieving full cost accounting for outputs by developing full cost information for programs and activities, which can be achieved using the current HHS Common Accounting Number (CAN) structure and sub-object classification codes. This incremental approach makes sense because: 1) programs and activities are the intermediate cost objects which may be used to accumulate and allocate costs to outputs, and 2) GPRA requirements for identifying and reporting performance measures (including output measures) are not effective in their entirety until FY 1999.¹

¹ Even though **OPDIVs** should currently focus on full cost of programs/activities, according to the Project Leader for GPRA Implementation at **OMB**, as agencies' cost accounting systems become more mature, **OMB** will place greater emphasis on cost performance measures, such as the cost per unit of service.

- C. OPDIVs are not required to identify direct and indirect costs as components of program/activity costs in the Statement of Net costs, or as supplemental information. These costs are identifiable by sub-object class code and should be 'so categorized in internal cost reports prepared for program managers.

1-20-51 Direct Costs

- A. Direct costs are costs that can be specifically identified with a single cost object (i.e., a program, activity, or **output²**). Typical direct costs include:
- 1) salaries and other benefits for employees who work directly on the cost object;
 - 2) materials and supplies used in the work;
 - 3) various costs associated with office **space, equipment,** facilities, and utilities that are used exclusively for the cost object; and
 - 4) costs of goods or services received from other segments or entities that can be directly traced to the cost object.

1-20-52 Indirect Costs

- A. Indirect costs are costs of resources that are jointly or commonly consumed by two or more cost objects (program, activity or output), but are not specifically identifiable with a single cost object. There are two levels of indirect costs:
- 1) Indirect costs incurred within a responsibility segment. These indirect costs should be assigned to cost objects on a cause-and-effect basis, if such an assignment is 'economically feasible, or through reasonable allocations.
 - 2) Costs of support services that a responsibility segment receives from other segments or entities (inter-entity costs). These support costs should be first directly traced or assigned to various segments that receive the support services. They should then be assigned to cost objects.
- B. Indirect costs must be reasonably allocated to the cost objects that have benefitted from the cost based on a reasonable and consistent cost allocation methodology, The following are

² For HHS and its OPDIVs, the term cost object will predominantly refer to a program or activity.

examples of some common indirect costs that must be directly identified or allocated. This is not an inclusive list; **OPDIVs** may identify other indirect costs.

- procurement and contracting services
- financial management and accounting services
- information technology services
- automated data processing
- employee health and recreation facilities
- services to acquire **and** operate PP&E
- publication, reproduction, graphics and video services
- research and analytical services
- general administrative support
- scientific facilities
- office and ground maintenance
- security
- communications
- mail/messenger services
- personnel services
- library services
- legal services
- rent
- utilities
- office supplies

1-20-53 **Certain Cost Elements³**

A. Costs of Employee Benefits

1) Employee benefits include:

- a) Health and life insurance benefits for current employees;
- b) Pension benefits for employees, their survivors and dependents, covered by defined pension plans such as Civil Service Retirement System (**CSRS**), Federal Employees Retirement Plan (FERS), and Military Retirement System (MRS);
- c) Health and life insurance benefits for retired employees, their survivors and dependents, referred to as "other retirement benefits" (ORB), and;
- d) Other post-employment benefits (OPEB) for terminated and inactive employees, which include severance payments, training and counseling, continued health care, and unemployment and workers compensation.

- 2) Federal financial accounting standards require that the employing' entity accrue the costs to the Federal Government of providing pension and ORB benefits to employees and recognize the costs as an expense when the benefits are earned. The employing entity should recognize those

³ These costs can be identified using **HHS** sub-object class codes.

expenses regardless of whether the benefits are funded by the reporting entity or by direct appropriations to the trust funds. This principle should also be applied to health and life insurance benefits for current employees. The costs of employee benefits incurred by responsibility segments should be directly traced or assigned to established programs and activities.

- 3) Federal financial accounting standards require that OPEB costs be reported as an expense for the period during which a future outflow or other sacrifice of resources is probable and measurable. Since the recognition of OPEB costs is linked to the occurrence of an OPEB event rather than the production of outputs, assigning OPEB costs recognized in a period to outputs of that period would distort the cost of outputs. Therefore, OPEB costs should be reported as "Costs Not Assigned to Programs."

B. Costs of Public Assistance Programs

- 1) The full cost of public assistance programs includes:
 - (a) the costs of Federal resources that have, been or will be transferred to individuals and state/local governments, and
 - (b) the costs of operating the programs. These two types of costs are separately identified by sub-object class. Entitlement and grant programs administered by each OPDIV fall under this category.

C. Costs Related to Property, Plant and Equipment

- 1) **General Property, Plant, and Equipment (Gen PP&E)** . Since Gen PP&E are used to provide goods and services, the cost of acquiring Gen PP&E should be included in the full costs of the goods and services provided by programs and activities. Gen PP&E is capitalized and depreciated over the useful life of the asset, so the full cost of acquiring Gen PP&E will be recognized through depreciation charges over the useful lives of the individual assets.
- 2) **Stewardship Assets.** The costs of acquiring or constructing Heritage PP&E and Stewardship Land (referred to as Stewardship Assets) should be charged to expense as acquisition costs **are** incurred. The cost of acquiring Stewardship Assets should be reported as "Costs Not Assigned to **Programs.**"

D. Non-Production Cost

- 1) Non-production costs are costs linked to events other than the production of goods and services. Examples include:

- other post-employment benefits (OPEB) costs recognized as expenses when an OPEB event occurs (e.g., a reduction in force);
 - costs of acquiring or constructing Stewardship Assets;
 - reorganization costs, and;
 - nonrecurring cleanup costs resulting from facility abandonments that are not accrued.
- 2) Under certain circumstances, non-production costs may be assigned to goods and services over a number of periods. This practice **should** only be considered if: (a) experience shows that the costs recur in a regular pattern, and (b) a definite connection can be established between the non-production costs and the goods and services.

1-20-54 Costs Not **Assigned to Programs**

- A. Costs not assigned to programs are high level general management and administrative support costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to OPDIV programs and activities. Such costs must be identified and the rationale for why these costs should not be assigned to programs should be documented and retained for audit purposes. Additionally, the largest of these costs should be identified in a **financial** statement footnote.

1-20-60 **Inter-Entity Costs**

- A. Each **OPDIV's** full cost should incorporate the full cost of goods and services that it receives from other **OPDIVs** or Federal agencies (**regardless of the source of funding**). When **inter-ent** entity costs are reimbursed in full, they are accounted for in the same manner as direct and indirect costs. However, when inter-entity costs are only partially reimbursed, or not reimbursed at all, then the receiving entity must recognize an imputed cost and an imputed revenue (financing source) for the difference between **the** full cost of goods received and the total reimbursement. **FASAB's** intent in identifying "inter-entity" costs is to focus on the costs of goods and services received by an entity which have traditionally been considered "free" goods and not included as a cost to the program or activity. In fact, no goods **or** services received from another Federal entity are free but are paid for by taxpayers, and should **be included** when determining the full cost of operations.

- B. If an OPDIV provides goods or services to another Federal entity,** regardless of whether full reimbursement is received, the OPDIV should continue to recognize in its accounting records the full cost of those goods or services. The full costs of the goods or services provided by the OPDIV should also be reported to the receiving entity by the OPDIV.
- C. If an OPDIV receives goods or services from another Federal entity,** an OPDIV should recognize in its accounting records the full, cost of any goods or services it receives as an expense or, if appropriate, as an asset. **OPDIVs** should obtain documentation on costs from the providing entity to verify, as best they can, actual costs. However, if such cost information is not provided, or is partially provided, a reasonable estimate may be used. If the costs are not fully reimbursed, the OPDIV must recognize the difference as "Financing Sources Provided by Others." Imputed (inter-entity) costs and financing sources are eliminated in consolidated financial statements at either the OPDIV, Departmentwide, or Federal Governmentwide level.
- D. For financial statements covering fiscal years 1998 and 1999, OMB is limiting the inter-entity costs to be recognized by Federal agencies to the following: (1) employee's pension benefits, (2) the health, life insurance, and other benefits for retired employees, (3) other post-employment benefits for retired, terminated, and inactive employees, which include severance payments, training and counseling, continued health **care**, and unemployment and workers compensation under the Federal Employees' Compensation Act, and (4) losses in litigation proceedings (see FASAB Interpretation No. 2, Accounting for Treasury Judgment Fund Transactions).

1-20-70 **Costing Methodology**

- A. Costs of resources consumed by HHS programs and activities are accumulated by type of resource (HHS sub-object class). The full costs of resources that directly and indirectly contribute to a cost object (program, activity, or output) should be assigned to the cost object through costing methodologies or cost finding techniques that are most appropriate to the **OPDIV's** operating environment, and should be followed consistently. Whenever possible, financial accounting and budgetary accounting activities should apply similar costing methodologies. If practicable, outputs produced by programs and activities should

⁴ Memorandum from the OMB Contfoller, dated April 6, 1998, entitled "Technical **Guidance** for the **Implementation** of Managerial Cost Accounting Standards for the Federal Government."

be accumulated and measured in units; this is particularly important for activities measured under the Government Performance and Results Act.

1-20-71 Selecting a Costing Method

A. Costs should be assigned to cost **objects**⁵ in one of the following methods (listed in the order of OMB preference). **No** single methodology **is required** for all cost accounting applications.

1) Directly tracing costs to cost objects

Direct tracing applies to resources that are directly used by a cost object. The method of direct cost tracing usually relies on the observation, counting, and/or recording of the use of resources, such as staff hours or gallons of fuel consumed in a transport mission. Direct cost tracing often minimizes distortion and ensures accuracy in cost assignments. However, it can be a relatively costly process. It should be applied only to items that account for a substantial portion of the cost of a program or activity and only when it is economically feasible.

2) Assigning costs on a cause-and-effect basis

For costs that are not directly traced to a single cost object, intermediate cost objects can be established. The links reflect a cause-and-effect relationship between resource costs and programs and activities.

3) Allocating costs

Sometimes, it might not be economically feasible to directly trace or assign costs on a cause-and-effect basis. These costs can be allocated to programs and activities on a prorated basis. The cost allocations may involve two steps. The first step allocates the costs of support services to segments, and the second step allocates those costs to the programs and activities of each segment. The cost allocations are usually based on a relevant common denominator such **as** the number of employees, square footage of office space, or the amount of direct costs incurred in segments.

⁵ For **HHS** and its **OPDIVs**, the term cost object **will** predominantly refer to a program or **activity**.

- B. To assist cost analyses and cost findings, cost accounting may segregate costs that are *traced* or assigned to cost objects from costs that are *allocated* to cost objects; but this is not required.
- C. HHS does not mandate the usage of any particular indirect cost allocation methodology. **OPDIVs** may use **any** indirect cost allocation method that results in the fair presentation of the full cost of the cost object. Auditors will review the OPDIV allocation methodologies as part of their audit work.

1-20-72 Cost Allocation Methodologies

- A. There are some generally recognized cost allocation methodologies that have common usage. The following table lists some common bases for the distribution of indirect costs.

Costs to be Allocated	Basis for Allocation
Facilities (Rent, Depreciation, Utilities, Security, Etc.)	Square footage
Personnel Services & Payroll	# of FTEs serviced; personnel actions completed; W-2s issued
Financial Management Services; General Administrative Support	# of FTEs serviced; # of transactions processed
Automated Data Processing	Machine hours; # of transactions processed
Procurement and Contracting Services	# of contracts written; labor hrs
Publication, Reproduction, Graphics & Video Services	# of documents produced; # of jobs completed
Mail & Messenger Services	Volume of mail or # of packages delivered
Information Technology (IT) Services	IT equipment serviced; # of IT contracts managed
Employee Health and Recreation Facilities	# of FTEs eligible or enrolled
Legal Services	# of legal inquiries or cases handled
Office and Ground Maintenance	Square footage; # of service maintenance calls
Services to Acquire and Operate PP&E	# of PP&E purchases; # of service calls
Research and Analytical Services	# of research projects or inquiries handled
Scientific Facilities	# of research/testing projects
Library Services	# of FTEs; usage measure
Office Supplies	# of FTEs; usage measure

Cost allocation estimates should be reviewed and updated annually by management. This review should consist of inquiries and, if possible, observations of program personnel and activity. OPDIVs must document the rationale behind the adoption of each cost allocation methodology. Special attention should be **made** to consider the validity of a current allocation methodology due to any changes that have occurred in the operating environment. This documentation should be part of the material provided to the financial statement auditors. Exhibit 1-20-B provides a worksheet illustration for allocating costs and revenues, recorded by CAN, SGL, and sub-object class, to the various programs and activities.

1-20-73 **Selecting a Costing System**

- A. SFFAS #4 requires that a costing system, once adopted, be used consistently. Consistent use provides cost information that can be compared from year to year. Several costing systems have been successful in the private sector and in some government entities. Four are briefly described here. It is important to note that those costing systems are not mutually exclusive, and in fact OPDIVs are currently using various combinations of these systems.

1) Activity-based costing (ABC)

The ABC cost assignment is a two-stage procedure. The first stage assigns the costs of resources to activities and the second stage assigns activity costs to outputs. A major advantage of using ABC is that it avoids or minimizes distortions in product costing that result from arbitrary allocations of indirect costs. By tracing costs through activities, ABC provides more accurate service or product costs .

2) Job order costing

Job order costing is a costing methodology that accumulates and assigns costs to discrete jobs. The word "jobs" refers to products, projects, assignments, or a group of similar outputs.

3) Process costing

Process costing is a method that accumulates costs by individual processing divisions. The output of a processing division either becomes the input of the next processing division or becomes a part of the end product. Process costing is appropriate for production of goods or services with the following characteristics: (a) the production

involves a regular pattern of process, (b) its output consists of homogeneous units, and (c) all units are produced through the same process procedures.

4) Standard costing

Standard costs are carefully predetermined or expected costs that can be applied to activities, services, or products on a per unit basis. As work is being done, actual costs incurred are compared with standard costs for various tasks or activities to reveal variances. This feedback helps discover better **ways** of adhering to standards, of altering standards, and of accomplishing objectives. Standard costing helps managers to formulate budgets, control costs, and measure performance.

- B. OPDIV **CFOs** and program managers are in the best position to select a type of costing system that meets the **OPDIV's** needs. In making the selection, management should evaluate alternative costing methods and select those that provide the best results under its operating environment.

1-20-80 Cost Reports

- A. Each OPDIV should accumulate and report the cost of its programs and activities on a regular basis for management information purposes. Managerial cost accounting should provide information for use by both financial accounting and budgetary accounting. Cost information is used in producing both internal and external reports.

1-20-81 External Reporting

- A. **Statement of Net Cost:** OMB Bulletin 97-01 requires all reporting entities (HHS and **OPDIVs**) to prepare principal financial statements, including the Statement of Net Cost. This statement was **designed** to display the net cost of individual programs and activities as well as to report the net overall cost of operations for the entity. By reporting on both the gross cost of programs and activities, less related exchange revenues earned, the statement provides information on the net cost of Federal operations that are paid for by citizens via their tax dollars.
- B. **OPDIV** programs/activities must separately identify the gross costs of goods and services provided to the public and government agencies. In addition, the statement specifically identifies the following types of costs to be separately reported: costs related to grants and transfer payments (with identification of related administrative costs), revenue and expense related to

- lines of business for business-like activities, and the costs related to acquiring Stewardship Assets. Finally, the statement provides for separately reporting costs and revenues not attributable to specific programs and activities.
- C. There is flexibility in whether these specifically identified costs are shown on the principal statement or in supplemental schedules or notes, depending upon the number of designated OPDIV programs and activities reported on the face of the statement. The principal statement should be limited to one page. A high degree of standardization within OPDIVs is desired for
- D. Departmental comparisons and possible consolidation. OPDIVs and the Department will agree upon the format of the report before the statement is prepared for audit.
- E. As described in section 1-20-40, each OPDIV is designated a responsibility segment within the Department. In turn, each OPDIV will have designated responsibility segments within its organization according to the need to report costs and revenues for its programs and activities. For the OPDIV Statement of Net cost, the OPDIV is the responsibility segment. There is no requirement to report program/activity costs and revenues by the designated sub-organizational responsibility segments. **These** detailed data are intended for internal reporting to program managers to assist in the management of their operations.
- F. Besides reporting program/activity costs on the OPDIV Statement of Net Cost, with the OPDIV as the responsibility segment, net costs will be displayed within the appropriate budget function in accordance with past practice and, as well, to the portrayal of the Government-wide Statement of Net Cost.
- G. Although SFFAS No. 4 specifically requires accounting for the full cost of outputs, OMB Bulletin 97-01 only requires Federal agencies to report costs by programs and activities. OPDIVS are not required to report in the Statement of Net Cost the full cost of outputs in terms of units of output. However, if OPDIVs report output measures in the Overview section of the financial report, any cost measures included in the Overview must incorporate full cost as defined in the standard.
- H. The Departmentwide Statement of Net Cost, to be included in the HHS Accountability Report, will be reported at the OPDIV level, and this statement will not report program and activity details, but instead will refer the reader to the **OPDIV's** statement. The Statement of Net Cost will display the net operating cost of each OPDIV and the total cost within each budget function,

1-20-82 **Internal Reporting**

- A. Internal reporting needs are fundamentally different from external reporting requirements. Internal cost reporting should be specifically tailored to meet management's needs for cost information. Internal cost reports **prepared** for each responsibility segment within an OPDIV should provide relevant information to managers responsible for programs and/or activities, and this information should be used by managers for making operating decisions. In addition, internal cost reports should allow **OPDIVs** to:
- report the full cost of outputs by type of resource (HHS sub-object class);
 - identify the different components of program costs (direct, indirect, inter-entity), and;
 - accumulate cost information for program services (lines of business), and match these program revenues and costs.
- B. Internal cost reports should also serve managers in tracking and reporting (as necessary) on the full cost of achieving GPRA program goals and objectives. These reports must be tied to the different programs and activities defined thru the GPRA process. GPRA program staff should be consulted when identifying GPRA programs to be tracked.

1-20-90 **Roles and Responsibilities**

- . Specific roles and responsibilities are set forth for the Chief Financial Officers (**CFOs**), Financial Management Officers (**FMOs**), and Accounting Officers (**AOs**) as follows:
- A. **The OPDIV CFOs** are responsible for the following:
- oversight of the implementation of the OPDIV cost accounting policy;
 - the development of a cost accounting reporting system, with the **FMOs**;
 - review of all cost accounting procedures developed or revised by each **FMO** for consistency with SFFAS #4 and Departmental guidance, and;
 - final determination of the scope (nature and frequency) of reporting cost accounting information applicable to cost objects.

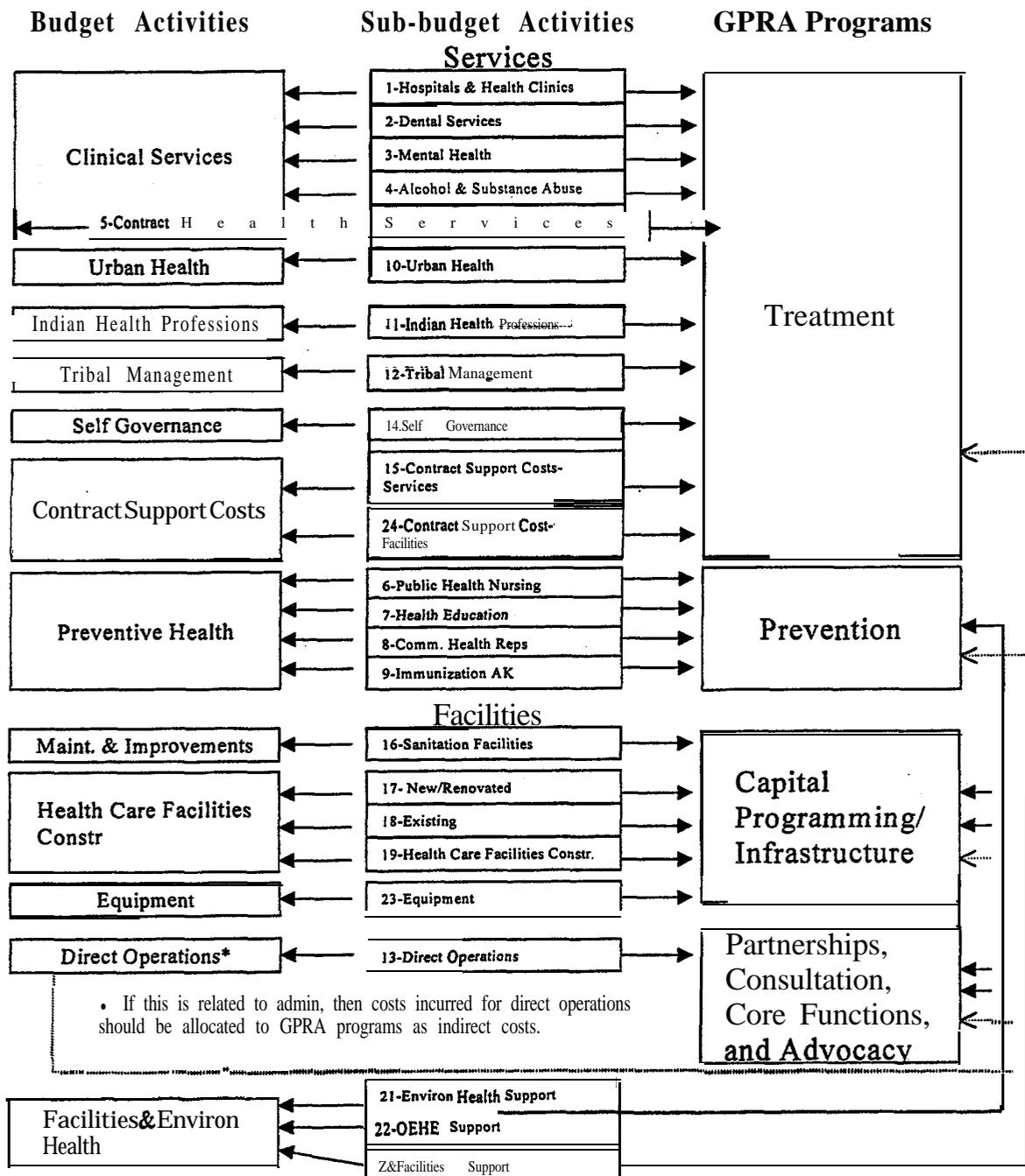
B. **FMOs** have overall responsibility for:

- the design and implementation of a system of cost accounting for their OPDIV;
- review of programs identified by the **OPDIV's** Annual Performance Plan, for which costs should be accumulated and assigned, and for program/activity outputs (where applicable), and the proper assignment methodology;
- final approval of the identification of the resources applicable to cost objects, and a proper cost assignment methodology;
- determining whether the appropriate cost accounting procedures can be accomplished through their current accounting system, cost finding techniques, or other cost studies and analyses;
- identification of significant inter-entity costs to ensure that full costs are recorded in the **OPDIV's** accounting system, and;
- ensuring that the general ledger is the basis for cost data.

C. **AOs** are responsible for:

- serving as a technical source to the CFO and **FMO** in implementing cost accounting within their respective organizations;
- providing oversight on implementation of cost accounting within their OPDIV, or the OPDIV for which they provide accounting services;
- identifying information needed to effectively implement cost accounting within their OPDIV, and taking the actions necessary to obtain this information, and;
- identifying, with program managers, the organization's programs and activities for which this standard is applicable, and (to the extent possible) quantifying program outputs on a timely basis.

Indian Health Service Crosswalk between Budget Reporting, Cost Reporting, GPRA Programs and the Statement of Net Cost



**WORKSHEET ILLUSTRATION
 ALLOCATING COSTS TO PROGRAMS AND ACTIVITIES
 FOR REPORTING ON THE STATEMENT OF NET COST**

Common Accounting Number	SGL Series	G/N	Sub-object Classification Codes	Allocation Method	Reported as →					TOTAL
					GPRA Programs (1) (2) (3)	Other Activities (1) (2) (3)			Not Allocated	
	6000-7200 5000-7100		Group those related to a single program/activity	N/A (Directly traced)					N/A	\$\$\$
			Group those using common allocation criteria						N/A	\$\$\$
			Costs/Revenue having unique allocation criteria						N/A	\$\$\$
			Group those not related to a program/activity	N/A (Not allocated)	N/A	N/A	N/A	N/A	N/A	\$\$\$

Subject: PROPERTY

- 1-30-00 General
 - 10 Expendable Property
 - 20 Nonexpendable Personal Property
 - 30 Real Property

1-30-00 GENERAL

Public Law 84-863 (31 USC 66 c) which amended the **Budgeting** and Accounting Act of 1950 (PL 81 784) provides that each Federal agency shall account for its property transactions and holdings in terms of monetary values as an inter-gal part of its accounting system. Applicable basic principles, standards, and related requirements are prescribed by the Comptroller General in Title 2, Chapter 2 of the General Accounting **Office** Policy and Procedures Manual. In this chapter, policies, standards and specific requirements for property accounting are promulgated for the guidance of agencies within the Department in accordance with the statutory and regulatory requirements cited.

Each agency in the Department shall systematically record, control, and report in monetary terms its investment in property. Departmental property falls into two classes, Real Property and Personal Property, the latter further classified as expendable and nonexpendable. Significant classifications of transactions and holdings shall be established in the accounts and reports so as to clearly disclose the nature and extent of the investment.

Coordinate Materiel and Real Property procedures **will** agree with **common** accounting principles set forth by the Department. Detailed property records shall serve as accountable records and support the balances in the general ledger accounts. Entries to both the general ledger control and subsidiary accounts and the detailed accountable property records shall be made from the same source documents. The documents will be controlled and annotated to ensure that both the property records and the fiscal control and subsidiary accounts are updated within two work days of receipt. Source **documents** shall contain sufficient data to determine whether the property is expendable or non-expendable, **capitalized** or noncapitalized, stocked or nonstocked. They will disclose the unit acquisition cost or other value at which the property is to be recorded and also identify and classify the types of property.

Where property accounting operations are mechanized, the property accounting data will be recorded in machine readable form early in the process, preferably, if suitable equipment is available, as a by-product in the preparation of the initial property transaction document.

The accounts and property management records shall be maintained in a form **which** will provide data for effective property management and for cost data which management can use in its overall **program** evaluation, control, and planning functions.

1-30-10 EXPENDABLE PROPERTY

A. General

Expendable property consists of categories and specific items which are charged as an expense when received or issued, according to the accounting system maintained for the using activity.

Properties charged to expense are **usually** expendable **items** that are consumed or exhausted in use, but may include low **value** items of a **durable** nature, such as desk top items and other articles included in non-capital **equipment** object classifications. Other property included in this category may be converted in the process of construction, fabrication or manufacture and may lose its identity **when** incorporated into or made a part of equipment or fixed property.

B. General Ledger Accounts and Records

Items of property classified as expendable for property control and/or cost accounting purposes (HHS Materiel Management Manual **103.27.5003-1** (00), and acquired for and maintained in duly constituted warehouses or stockrooms, shall be controlled and accounted for as assets in Stores general ledger account 125 until issued for use or consumption. When issued, they will be **charged** to the appropriate accounting entity. Stores items delivered directly from vendor to user shall be treated as current expense and charged to the proper account net of time **discount**. In unusual **circumstances** where operating unit expenses **may be** seriously distored by inclusion of a charge for items delivered directly, in a quantity intended for use beyond the current period, the costs properly chargeable to subsequent periods will be treated as deferred charges and recorded in general ledger account 134.9.

Separate ledger control accounts will be established and maintained for each warehouse and stockroom. Further subdivisions may be established in the accounts as are clearly justified by the need for the data furnished or by improvements in the exercise of control accountability. Subsidiary accounts, records, and other devices established to provide accounting data and control shall be maintained currently and accurately.

C. Determining Cost of Issues

Stores items, materials and supplies, issued for use shall be charged to using activities on the basis of cost. Acceptable methods of costing include:

1. Specific identification of items issued and costs recorded.
2. Cost determined on a first in, first out basis.
3. Computed average cost.
4. Standard cost adjusted from time to time to reflect changes in **actual** cost.

In practice the determination and recording of costs in the perpetual inventory records usually occurs prior to and apart from the payment of related invoices. To allocate time discounts by individual items and recompute unit costs is too time consuming for the sake of precisely allocating the small amount of such credits. The credits can be distributed periodically either separately or as a credit against handling charges. Costs will, therefore, be recorded based upon the firm unit prices stipulated in the purchase documents. No adjustments will be made for time discounts in the unit costs of individual items.

The credits originating from time discounts shall be accumulated in an operating account established and clearly identified for this purpose. Periodically, the credits accumulated in this account will be distributed to the users and consumers of the supplies and materials. Adjustments in unit costs of items purchased from the GSA may be handled under the time discount procedure, if not significant. (Unit costs on private vendors' invoices should be consistent with those in the purchase document.)

Costs of handling, storage and issuance may be: (1) prorated by generally accepted methods as part of the unit cost of materials and supplies issued or (2) accounted for separately by object of

expenditure as operating expenses for the supply function. If an agency accounts for and includes in its budgets, such service functions as part of a General Administration activity, these costs will be reported intact. If, however, these costs are usually prorated to operating activities for cost reports and are so reflected in the budget, they should be distributed at least as often as the cost reports are prepared.

D. Distribution of Charges to Using Activities

Charges for stores issued to the using activities shall be made **regularly** and not less frequently than one each month. The method used in distributing charges, through the fiscal **account-**office, shall be determined for each supply activity on the basis of its size, the **volume** and frequency of transactions, and the nature and extent of similar clerical operations with which the distribution of charges may be efficiently combined within the supply function. Possible alternatives are:

1. Pricing and routing of individual requisitions to the fiscal accounting office as orders are filled.
2. Furnishing fiscal accounting office with monthly reports of issuances for each activity, by manual **com-**pilation, by mechanized operations, or by computer print-outs. The latter two usually can be prepared as a by-product of updating perpetual inventories.

The extent to which clerical operations involving the **summar-**ization and distribution of charges and related activities may be more effectively or economically performed on mechanical **equipment** should be considered. It is important that costs of supplies issued be furnished the fiscal office regularly and timely.

E. Physical Inventories

Capable personnel not engaged directly in the supply activity will be assigned to conduct the inventory.

Physical inventories of supplies and materials maintained in warehouses and stockrooms shall be taken annually or more **frequently** as determined by the Property Management Officer. **Determination** will be based upon the types of storage maintained, their value, and the degree of internal control effected by stores' procedures and **records**. The results of Previous inventories also may be a determining factor in how

frequently these inventories shall be taken. These factors must be considered in determining the methods and procedures to be used in taking inventory in each major area or segment of stores' responsibility.

Sensitive stock items controlled by a perpetual inventory system will be inventoried each quarter of the year.

Detailed procedures, **instructions**, and the **forms** used will be devised by the agency's property management staffs. The procedures, instructions, and forms established will be **manualized** as part of the property management *system*. Detailed *policies* and procedures are specified for this **purpose** in the HHS Materiel Management Manual **s 103-27.53**. This material will be kept current and made readily available for the consistent guidance of all concerned.

F. Reconciliation and Adjustment

Perpetual inventory records of supplies and materials and the general ledger accounts will be reconciled each month. At least annually, the reconciliation will be based upon a physical inventory of the items in stock. Procedures **are contained** in HHS Materiel Management Manual **s 103-27.5204**.

As the general rule, adjustments will be made to correct clearly established errors in reporting or recording receipts and issuances (HHS **MM s 103-27.5019**) and agreed to by the accounting and property management staffs. Such adjustments shall be supported by a voucher properly cross-referenced to the documents which were involved in the incorrect entries. Unexplained losses shall be fully **documented** and reported to a designated agency official (apart from property or accounting) or a duly constituted Board of *Survey* for consideration and disposition (HHS **MM 103-25.51**). Entries adjusting the accounts and/or the stock record cards in these instances will be supported by a copy of the **document** evidencing approval of this action by the designated official or board.

1-30-20 NONEXPENDABLE PERSONAL PROPERTY

A. General

Nonexpendable property consists of categories and specific items, generally equipment, which are carried as capital assets of a program or activity until disposed of by transfer, sale or salvage. Accounting control shall be established and maintained as an integral part of the agency's accounting system. Policies and procedures shall:

1. Clearly state the criteria for capitalization of non-expendable personal property (HHS MM s 103-27.5007 (c)).
2. Provide for current recording of all such acquisitions and disposals to the general ledger control accounts and subsidiary property management records.
3. Provide for subsidiary property management records that support the financial accounting records (HHS MM 103-27-5201 (d)).
4. Provide for monthly reconciliation of the subsidiary property management records to the general ledger controls accounts.
5. Provide for reconciliation and adjustment of general ledger control accounts to subsidiary property management records subsequent to the regularly scheduled physical inventories.
6. Include requirements for determination and periodic recording of depreciation.

B. Principles of Capitalization

Nonexpendable personal property is capitalized at cost (invoice price less discount) plus significant and identifiable transportation and installation charges, and related costs of obtaining the property. More specific policies are:

1. An item is complete in itself and is not consumed.
2. It does not lose its identity by reason of being incorporated into another item of property.
3. It has a useful life of more than one year without material impairment of its physical condition.
4. An item has a unit cost of \$300 or more, including accessories. The exceptions to this rule are:
 - Weapons, regardless of cost, will always be capitalized.
 - Library books and other library resources, when acquired for "permanent collection" will always be capitalized.

Direct material and labor costs, together with a representative overhead factor, will determine the capitalized value of agency fabricated equipment.

Initial installation charges are considered as part of the value at which an item or group of items of personal property is capitalized. These include costs required to install, erect, or otherwise construct or assemble an item of personal **property**. Costs incident to the installation of equipment are not capital **ized** as a part of the cost when:

1. The costs are identifiable with an improvement to the building or structure housing the equipment and which will be capitalized as part of the real property costs.
2. The costs are of an indirect nature and consist of handling, moving or placing **portable** and plug-in type equipment in use.
3. The costs are directly identifiable to an item of equipment which is costed to current operations.

When a trade-in is involved in a purchase, the capital cost of the acquisition will be the amount payable to the seller plus the allowance given for the traded-in property. **The item traded-in** will be removed from the records together with accumulated depreciation upon release to the seller.

The cost of an item acquired by donation, devise, forfeiture or confiscation shall be established according to its value to the agency, its condition and fair market value.

When an item is retired from the inventory for any reason, the capitalized amount **shall** be removed **from** the asset account with a corresponding entry to adjust the reserve account for the amount of the accumulated depreciation.

Items acquired by lease-purchase contract, that have the practical effect of installment purchasing, shall be established at the purchase price. In accordance with the terms of the contract, rental payments be applied toward the purchase price. That portion to be capitalized which has been expensed shall be credited to current and prior years expense, as appropriate.

Any property acquired by foreclosure will be capitalized at the lesser of **the** appraised market or the amount owed by the borrower plus any costs incurred by the Department to acquire the item.

Property acquired from other agencies will be recorded as capital assets. That transferred with reimbursement will be recorded at the agreed upon price, but no less than its estimated useful value. That transferred without reimbursement will be recorded at its depreciated value, from the transferring agency's records, plus all costs incurred in acquiring the item.

Property will be recorded net of trade and cash discounts whether or not the cash discount is taken. Any penalty for late payment will not be considered an increase in the value of the asset acquired, but will be recorded as an added administrative cost of operation.

As items are identified and segregated for trade-in, sale or other disposal, the gross capitalized value will be transferred from the In-Use general ledger accounts 137.1 and 140.1 to the Pending Disposal general ledger accounts 137.2 and 140.2.

Property purchased by installment contracts will be capitalized at the time it is received and accepted by the Government, rather than periodically as installment payments are made or when title passes. Capitalization is based upon purchase price plus any related costs **which** may include site preparation, installation and similar costs whether included in the contract or incurred separately.

Property made available to a contractor by purchase or otherwise will be recorded in general ledger accounts 137.4 and 140.4 until disposed of by transfer, donation or sale, unless an exception is made by specific statute or regulation. Similarly, property made available to a **grantee will** be recorded in general ledger accounts 137.5 **and 140.5**. Only property acquired by grant funds may be **transferred** to a grantee.

C. General Ledger Accounts and Records

The chart of accounts provides five subordinate classifications to the general ledger control accounts "137 Equipment" and "140 Equipment Trust". Use of these and other sub accounts will be governed by the *needs* of each agency. Besides providing financial and management data, the sub accounts will facilitate reconciliation to subsidiary property records and the periodic physical inventories.

In determining the need for subordinate classifications (**or** other intermediate control records) these factors will be considered:

1. The size and type of agency and components.
2. The nature and extent of asset transactions and holdings.
3. The activity or cost center levels at which depreciation costs are to be recognized as operating expense.
4. The system or methods and procedure in effect for physical control and/or accountability for the assets involved.

Detailed records in support of the general ledger control and sub accounts will be maintained by the property management staff. As a minimum, subsidiary property records will be established for:

1. Each organizational segment established as an accountable area.
2. Each accounting entity for which costs are periodically **compiled**, if different from accountable area.
3. Each major grouping of property, such as, furniture and furnishings, and mechanical, technical, medical, scientific and electronic equipment, etc.

Equipment property records will contain the date of acquisition and the estimated useful life of the item. If these records are maintained on ADPE, print-outs or methods to items by life expectancy may be made available to assist in determining the amount to be charged to the depreciation expense account.

Additionally, property subsidiary records will be maintained to account for fixed equipment installed in leased real property; property loaned or borrowed or under personal custody; and federally owned property held in custody by a grantee or contractor, to include the name of the custodian and his **physical** location.

D. Depreciation

The procedures for determining and recording depreciation shall be simple. Under precision and detail in maintaining depreciation accounting records should be avoided. Generally, an annual computation of depreciation with proportionate allocation of the annual amount to each intervening report period should serve to provide fair estimates of equipment depreciation chargeable to the reporting period. these proportionate allocations must be revised whenever unusually large purchases of equipment are made during a current **year**. Depreciation of unusually large cost items of equipment should begin as soon as they are put in use. The calculation of depreciation can be made quickly and simply if subsidiary property records are maintained on ADPE to furnish year of acquisition and life expectancy data. For the sake of simplicity, salvage or trade-in value will be recognized in developing formula for **computing** depreciation only for those classes of capital equipment in which firm patterns of significant residual values have been established.

The useful life estimates for capital equipment should be reviewed and revised periodically in accordance with actual experience. The Internal Revenue Service bulletin on depreciation may be used as a guide,

Depreciation will be recorded each month in a cumulative control account in the general ledger, or annually for those agencies that do not require a more frequent determination of the costs of all resources consumed in performing services. If subordinate classifications (or other intermediate control records) are maintained for capital equipment, the amount of depreciation shall be recorded to the counterparts of such accounts or records. The debit part of the **cumulative** monthly depreciation entry is a charge to the Expense Control in the General Ledger and subsidiary accounts. Finer allocations of depreciation to budget activities or other cost breaks not directly aligned with accounting entities will be made only as required for periodic total cost reports for management.

E. Physical Inventories

As in the case of expendable materials, the inventorying of nonexpendable property is the responsibility of the Property Management Officer, except that inventorying of library books and other library resources are the responsibility of the Librarian. Detailed policies and procedures are contained in HHS Materiel Management Manual s 103-27.53. The physical inventory is necessary to verify the accuracy of the property management records and must be reconciled to the amounts recorded in the general ledger accounts. Capitalized nonexpendable property will be inventoried annually, except that personal custody property, regardless of cost and whether or not capitalized, will be inventoried at least every three years.

F. Reconciliation and Adjustment

The subsidiary property records and the general ledger accounts will be reconciled each month (see MM s 103-27.5020(c) for use of Property Voucher Register). The subsidiary property records and the general ledger accounts will subsequently be reconciled to the results of the annual physical inventory. Differences will be investigated to determine the cause and to identify materiel and fiscal accounting procedures that require modification to preclude future error and loss. Accounting records must be brought into agreement with the physical inventory findings.

Differences **which** are determined to be errors in recording receipts or disposals will be fully documented. With the approval of designated property management and accounting officials, adjustment to the accounts will be made for such differences without Board of Survey action.

Shortages, determined to be other than errors in recording receipts or disposals, and damages will be documented with all known facts and be referred to a designated individual or Board of Survey for determination of responsibility.

(HHS ~~MM~~ 103-25.51) After the determination is made a copy of the determination will be used to adjust the property management records and the fiscal control accounts. If an individual is held **pecuniarily** liable, the fiscal office will set up an account receivable and initiate action to recover the amount of the loss. If pecuniary liability is not established, the loss will be written off by a charge against the appropriate invested capital account or special loss gain account.

G. Nonexpendable Personal Property Not Capitalized

The \$300 minimum as a criteria for capitalization of nonexpendable property is a practical device that avoids a detailed property accounting for diverse items that do not warrant extensive accounting. Upon acquisition these items are charged directly to the operating costs of applicable activities, and are accounted for in object class 3190, Noncapitalized Equipment.

Officers at agency level will prescribe procedures to achieve control over such property. Methods may include maintenance of memorandum receipt files, safekeeping facilities, unique decals for the taking of physical inventories, and hand receipts.

When activities operating on a "fee for service" basis acquire a number of items that would substantially distort costs in the current accounting period, the cost may be recorded in general ledger account 134.9 as a deferred charge. Costs will then be amortized over a three to five year period of time.

Library books and other library resources, whose use will be limited to a year or less, will be recorded as expended **non-**capitalized property. Similar items purchased as reference

material for individual offices will be recorded as administrative supplies.

Items of any value that are not capitalized because they tend to loss identify by reason of being incorporated into another item of property will be recorded as expensed noncapitalized property or as a deferred charge. An example might be installed carpeting.

1-30-30 REAL PROPERTY

A. General

Real property consists of land, buildings and other structures including permanently attached fixtures, equipment and other appurtenances. **The** cost of such property will be recorded in the general ledger accounts and invested capital accounts when an agency of the Department has been assigned holding and accountability responsibility.

B. Principles of Capitalization

1. Land purchased by the Department shall be capitalized at the acquisition price, plus all costs incidental to the acquisition and to preparing the land for use.
2. Buildings and structures shall be capitalized on the basis of original cost plus the costs of additions, betterments, rehabilitation, or replacements costing \$500 or more as defined in Section • 17-10-40 Real Property Management Manual, and which significantly increase the usefulness, productivity, service life or capacity. Repair and maintenance costs necessary to keep the buildings and structures in operating condition shall be treated as current operating costs.
3. When major improvements are made by replacement of fixed **equipment**, (e.g., installation of a more efficient heating plant or higher speed elevators) the cost of the new equipment will be recorded and the cost and accumulated depreciation of the replaced equipment will be removed from the records.

4. The costs of non-structural improvements and alternations buildings and structures for which an agency does not have holding and accountability responsibility will be included in current operation expenses. For additions, **improvements** or betterments which affect the capacity or change the basic design of the **property** the cost shall be treated as an asset, **classified** as a long term deferred charge and amortized over the planned period of possession. Such costs that are to be recouped by increased charges for services rendered in subsequent accounting periods may be prorated proportionately.
5. Property transferred from another Government Agency, at no cost or at a cost less than original acquisition cost, will be **capitalized** at the original acquisition cost. Annual inventory reports on real property owned by the United States are stated on the basis of original acquisition cost. Expired costs represented by depreciation **accumulated** to the date of transfer will be assumed and recorded in the cumulative depreciation accounts.
6. Property acquired by donation or forfeiture, from outside the **Government**, will be recorded in a **capital** account at an amount which the Agency **determines** it **would** have ^{been} willing to pay for it, giving due consideration to the usefulness to the Agency, condition, and estimated market value.
7. Accrued costs for construction of real property are recorded in construction-in-process capital accounts on the basis of reported work performance under construction contracts. All significant elements of cost, whether direct or indirect, are accrued. Upon acceptance of property **from** the contractor, the amount thus accrued is transferred to the appropriate real property account.
8. Additions, improvements and betterments to leasehold buildings and structures having a useful life of over one year will be accounted for as an asset and amortized over the period of possession or the life of the improvement, whichever is less.

C. General Ledger Accounts and Records

Accounts subsidiary to the general ledger control accounts, 145 Fixed Real Property or 146 Fixed Real Property - Trust, will be maintained to show investment in land separately from investment in buildings and other structures. As a minimum, separate control accounts will be maintained for each accountable officer. The comprehensive real property records maintained by the accountable officer will be subsidiary to the general ledger control accounts. Procedures will provide that controlled real property vouchers, Form HHS-88, which assemble the **documents** evidencing these transactions, will be used to support entries to both the real property records and the general ledger accounts (See HEW Real Property Management Manual, Chapter **17-10**).

D. Depreciation

Depreciation of real property will be recorded in the accounts of all agencies of the Department at **least** annually; *however* a monthly recording is preferably so that all significant costs of an agency can be included when reporting costs of **performance** to management officials, the Congress and the public.

The expense account and reporting level at which the related expense or charge will be distributed **in** the detailed accounts **is** determined by the needs and **circumstances** of each application.

Agencies that periodically prepared 'total **cost**' reports for evaluation of comparable major installations or the costs of a major installation over an extended period, will require distribution of these costs to unfunded expense control accounts established at that level. Agencies, or segments thereof, engaged in activities, services and/or in furnishing goods and supplies on a reimbursable or charge basis are required to distribute depreciation charges at a level of detail appropriate to the proper determination and inclusion of those unfunded costs in charges established for the services or products furnished. Office of Management and Budget Circular A-25 provides that cost **computations**, used to establish user charges and fees for **government** services and property, shall include depreciation of buildings and equipment.

The period selected to **amortise** real property costs shall be estimated with due regard to all **available** information with respect to physical life, technological, and other factors of consequence which have a bearing on the probable useful period of life of the property to the agency. The maximum period **to be** used is 100 years.

The computation of the annual charge for depreciation and maintenance of detailed records are the responsibility of the fiscal accounting office. This office will distribute the computed charges to the related general ledger accounts and expense accounts according to the proration period established by the agency.

The conversion of depreciation expense into units of cost useful in structuring reports for shorter time periods, or in obtaining cost per unit of space occupancy and such other forms required to compute charges for reimbursable services and property exchanges, is also a function of the fiscal accounting office.

E. Inventory Real Property and Adjustment or Records

A review of the real property records and reconciliation with the general ledger accounts will be made at least annually to the accuracy of the real property records before the annual real property report is prepared. Any adjustments required to update either the property records, accounts, or both will be documented on a Real Property Voucher (*See HEW Real Property Management **Manual**, Chapter 17-10).

*Chapter 17-10 to be transferred to an appropriate part of the Facility Engineering and Construction (FEC) Manual.

Subject: JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

1-60-00 Purpose
 10 Overview
 20 HHS Support of JFMIP Efforts
 30 Information Requirements

1-60-00 PURPOSE

This chapter sets forth the objectives of the Joint Financial Management Improvement Program (JFMIP). It provides the **guide-**
- **lines** for HHS participation in the JFMIP and for reporting annually initiatives undertaken by the Office of the **Secretary**, Operating Divisions (**OPDIVs**), and Regions to improve financial management in the Department.

1-60-10 OVERVIEW

The JFMIP is a joint and cooperative undertaking of its sponsoring agencies consisting of the Office of Management and Budget, the General Accounting Office, the Department of the Treasury and the Office of Personnel Management. The program is administered by a Steering Committee, which is composed of representatives of the sponsoring agencies, the Executive Director of the JFMIP and a representative from a major Department. Under the guidance of the steering committee, the Executive Director and staff develop, direct and undertake programs and projects for JFMIP on a **day-**
to-day basis.

The overall objectives of the JFMIP are to:

- Encourage and promote the sharing and exchanging of information concerning good financial policies, practices and techniques throughout the Government.
- Improve financial management throughout the **Government**, and thereby contribute significantly to the effective and efficient planning and operation of Government programs.

1-60-20 HHS SUPPORT OF JFMIP EFFORTS

To achieve fully the necessary coordination and cooperation the Office of the Secretary, OPDIVs and Regions will identify financial management officials to serve as a point of contact on matters relating to the JFMIP. These officials are identified in the Federal Financial Management Directory. Their names are listed along with representatives of other Government Departments and Agencies. The JFMIP program is implemented in HHS in the following ways:

- 0 Special projects undertaken to study significant problem areas and recommend solutions. **HHS** components benefit by cooperating with and participating in these studies when requested by the Deputy Assistant Secretary, Finance,
- 0 An annual report on the progress within HHS on its own financial management improvements helps ensure continued management attention to and interest in improving financial management. The report describes financial management activities accomplished and in progress, and becomes part of the JFMIP Annual Report highlighting some of the major financial management improvements throughout the Federal Government.

1-60-30 INFORMATION REQUIREMENTS

- A. As appropriate the Office of the Secretary, OPDIVs and Regions shall prepare an annual Status Report of Financial Management Improvements on major projects on a calendar year basis. The report shall describe the project, highlight potential or actual savings, and identify the responsible action official who may be contacted for further details. A **"major"** project for the JFMIP annual report is one of the following:
1. Eliminates weaknesses that could lead to fraud, waste, abuse, and mismanagement of Government resources.
 2. Implements actions that are in response to the Congress.
 3. Improves the **accuracy**, reliability, and timeliness of financial reports.

- B. The annual report(s) will be submitted in original and five copies to the Deputy Assistant Secretary, Finance within 15 days following the close of the calendar year. Distribution will be made as follows:
1. The original and two copies of status reports selected for inclusion in the HHS annual report will be submitted to the JFMIP.
 2. Copies three and four of the status reports will be provided to the OIG Office of Audit and to the Departmental Internal Control (IC) Officers. The purpose of this is to inform both OIG the IC Officers of areas of review and to improve coordination with the JFMIP. It also allows them the opportunity to make available any additional information they might have with respect to the subject matter of the status reports.
 3. The last copy will be retained on file with the Office of the Deputy Assistant Secretary, Finance.
- C. Instructions for completing the annual Status Report of Financial Management Improvements are as follows:
1. The reporting format to be used is provided on Exhibit 1-60-A. The annual report should consist of a series of narrative summaries prepared in this format (one page for each major financial improvement).
 2. For each item being reported, enter in the space provided one of the following report categories:
 - (a) Financial Management Systems (as defined in OMB Circular A-127).
 - (b) Accounting Policies and Procedures.
 - (c) Financial Reporting.
 - (d) Cash and Credit Management/Debt Collection (e.g. smart cards, third party drafts, EFT, etc.).
 - (e) Automated Applications (e.g. enhanced input/output interface, the use of microcomputers, networking).
 - (f) Productivity.
 - (g) Budget Development and Execution.
 - (h) Cross-Servicing.
 - (i) Other initiatives (i.e., standardization of financial data).
 - (j) Auditing (for direct response by OIG).
 3. The status of each reported item should be checked either as "Accomplished," i.e., completed during the calendar year, or "**In Process.**"

4. For each reported item, there should be included in narrative form in the summary section of the report:
 - (a) A concise and succinct description of the improvement.
 - (b) the actual or estimated implementation/ completion date.
 - (c) Any actual or anticipated cost savings.
 - (d) Other major benefits.
 - (e) The name and telephone number of an individual to whom requests for more specific information on the improvement can be directed.
 5. The narrative should be descriptive of the improvement, yet be concise enough that it can be reported with minimum or no modification in the Annual JFMIP Report. Acronyms or abbreviation are not to be used unless they are fully explained or identified. Examples of management improvement projects reported in the HHS 1988 JFMIP submissions are provided in Exhibit 1-60-B. The summary narrative on each reported item should be limited to the space provided on Exhibit 1-60-A. Refer to previous JFMIP annual reports for a guide concerning length and description of the summary report on each improvement. More detailed information is optional, but, if prepared, it should be attached to the summary report.
- D. Instructions for updating the HHS portion of the JFMIP Federal Financial Managers Directory are as follows;
1. A current updated directory listing the Office of the Secretary, OPDIV and Regional financial management officials shall be submitted with the annual report. The listing will include the title of the position, address and telephone number for each individual. The list of officials should cover, as a minimum, those functions identified in Section 1-60-30-C-2.
 2. To assist in updating the directory, refer to the Department of Health and Human Services Federal Financial Managers Directory in Exhibit 1-60-C. If changes needed are minor, submit a marked-up copy of Exhibit 1-60-C.

~~Status Report of Financial Management Improvements~~

Department or Agency: _____

Bureau or Subdivision: _____

Category: _____

Status:

E 1

Accomplished

In Process

Description of Improvement

SUMMARY

Contact Person _____ Phone Number _____

DETAILS: (Optional, attach if prepared)

Status Report of 1988 Financial Management Improvements

Department or Agency: Department of Health and Human Services

Bureau or Subdivision: Office of the Secretary

Category: Financial Management Systems

Status: Accomplished In Process

Description of 1988 Improvement

SUMMARY

During 1988 the Department of Health and Human Services finalized the Phoenix Project Plan, addressing the accounting systems requirements of the entire Department. The plan calls for each Departmental component to acquire a primary accounting system which may be customized to meet unique agency needs while at the same time meeting the overall Departmental requirements as prescribed in the Departmental Accounting Manual. The importance of this achievement is that the implementation of this software will standardize, for all components and operating division of HHS, its chart of accounts, transaction codes, object class codes, accounting tables, input record layouts and accounting classification code structure, thus creating a single integrated Financial Management System for the Department.

Contact Person William T. Topolewski Phone Number ~~(202) 245-6497~~

DETAILS: (Optional, attach if prepared)

Status Report of 1988 Financial Management Improvements

Department or Agency: Department of Health and Human Services

Bureau or Subdivision: Centers for Disease Control

Category: CDC Travel Management System

Status: Accomplished In Process

Description of 1988 Improvement

SUMMARY

The Department of Health and Human Services, Centers for Disease Control, is phasing into production an interactive, on-line Travel Management System (TMS). The system incorporates the functional requirements as outlined in the Department's Phoenix Project. The system was developed using a modern data base management system and state-of-the-art concepts. The various travel documents and other documents generated as a result of travel are prepared in an on-line, interactive environment and submitted to the appropriate officials for electronic approval. Once approved, the travel documents are then electronically prepared and printed at printers attached to the personal computers. The system is fully integrated with the accounting function. There is a Cashier Module that provides for on-line verification that a traveler is authorized to pick up an advance. This module also electronically prepares any travel related documents required by the cashier. **There is** an Airline Ticket Module which provides for on-line verification that a traveler is authorized to pick up an airline ticket and handles recording and paying of airline carrier bills. A computer-generated list of travel selected for random audit can be produced on an "as needed" basis. Most importantly, the system automatically records all financial transactions (i.e., obligations, advances and expenditures) in the accounting system. The system will be installed at the first site in early 1989 and will be fully implemented at all sites by the end of FY 1989.

Contact Person Claude F. Pickelsimer, Jr Phone#-(404) 842-6600-

DETAILS: (Optional, attach if prepared)

Status Report of 1988 Financial Management Improvements

Department or Agency: Department of Health and Human Services

Bureau or Subdivision: Food and Drug Administration

Category: Automated Applications -- Accounts Payable

Status:

Accomplished

In Process

Description of 1988 Improvement

SUMMARY

in 1988 the Department of Health and Human Service's Food and Drug Administration (FDA) implemented an automated Accounts Payable System designed to facilitate compliance with the Prompt Pay Act and to issue payments under this Act. The system automatically determines the prompt pay date for each payment, as well as any discount or interest penalty. Standard transactions for the general ledger are also generated. Data files provide a base for the preparation of reports and the measurement of accounting technician performance. It is currently operational at FDA headquarters and is used by approximately 20 accounting technicians. This system is characterized by a stringent set of internal controls.

Contact Person Frank P. Claunts Phone Number **(301) 443-3260**

DETAILS: (Optional, attach if prepared)

Status Report of 1988 Financial Management Improvements

Department or Agency: Department of Health and Human Services

Bureau or Subdivision: Social Security Administration

Category: Financial Management Systems

Status: Accomplished In Process

Description of 1988 Improvement

SUMMARY

The Social Security Administration, Department of Health and Human Services, developed a budget tracking system that strengthened execution of its \$256 million information technology system budget by administratively controlling funds at the project level. Financial reports now track actual against planned spending by project. The status of funds data is available on-line or in hardcopy reports. The enhanced reporting permits the agency to track changes from the legislative to the operating budget, ensure that funds are used only for approved projects, and reprogram budgetary resources in the event they become available.

Contact Person Charles A Lewis Phone Number (301) 965-0003

DETAILS: (Optional, attach if prepared)

DEPARTMENT OF HEALTH AND HUMAN SERVICES
FEDERAL FINANCIAL MANAGERS DIRECTORY

OFFICE OF THE SECRETARY (OS) - (DEPARTMENTAL
MANAGEMENT BY FUNCTION)

OFFICE OF THE ASSISTANT SECRETARY FOR
MANAGEMENT AND BUDGET (ASMB)

**Assistant Secretary for Management and
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OS/ASMB/FINANCE

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Cash/Credit/Debt Management
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Financial Systems Development

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Grant Payments

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Accounting Operations

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Financial Reporting (Regional Accounting)

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Cost Allocation and Audit Resolution

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Audit Resolution

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OS/ASMB/BUDGET

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Budgeting

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OS/ASMB/MANAGEMENT AND ACQUISITION

Procurement Policy and Operations

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Procurement Operations

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Grants Policy

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Procurement Policy

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Procurement Operations

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OS/ASSISTANT SECRETARY FOR PERSONNEL
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HHS Exhibit f-60-C
Departmental Accounting Manual
HHS Transmittal 89.6 (12/31/89)

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Subject: REIMBURSABLE ACCOUNTING

1-70-10	Authorities
20	Scope
30	Basic Policy
40	Key Implementing Requirements
50	Reimbursable Events - Performing Agency
60	Analysis of Accounts
Exhibit 1-70-A	Budgetary Conceptual Framework
Exhibit 1-70-B	Proforma Reimbursable Transactions; Trial Balances and Closing Transactions; and SF-133 Report

01-70-10 Authorities

Following are the provisions in law and other regulations that pertain to reimbursable accounting:

- Title 31 USC, Section 1535 (the Economy Act)
OMB Circular A-34

1-70-20 Scope

All OPDIVs of HHS will follow the basic instructions contained in this chapter, supplementing their accounting systems as necessary to insure full implementation. These procedures are equally applicable to reimbursable work being performed by annual and multi-year appropriations and by revolving funds.

OPDIVs will refer to Chapter 10-20, Charges and Credits Between Appropriation Accounts (Expenditure and Nonexpenditure Transfers) which described in detail the various legal authorities and the differences between expenditure and nonexpenditure transfers.

1-70-30 Basic Policy

Throughout the federal government agencies are encouraged to provide services to other agencies and to non-federal entities on a reimbursable basis. The first step is the establishment of **an** agreement on the services to be performed, the basis for the price, and the method of payment. To perform these services for **the** "performing agency" obtains reimbursable budget authority from OMB each fiscal year. -The federal **"ordering"** agency pays for these services from their direct appropriations. If the reimbursable agreement is with a non-federal entity the "performing agency" collects a fee in advance unless otherwise permitted by law.

Advances are not normally collected from federal agencies although there may be an exceptional case when an advance may be appropriate.

At the end of the year the reimbursable agreements lapse although the services supported by obligations by the "performing agency" may be completed in the following year. (See 31 USC 1535(d)). Any unused amounts in the unfilled orders account will be canceled. The remaining amounts in estimated reimbursement authority is reversed. At year-end (post closing) the amounts remaining open are any undelivered orders and the corresponding unfilled orders, and any reimbursements receivable with the corresponding expended authority (unpaid) or total resources to be collected in the following year. All expenditures (paid and unpaid) are to be supported by collections from the client and by billed receivables. If there are extenuating circumstances barring billed receivables, the amounts to be billed will be recorded as unbilled receivables.

Advances from the client entities are applied at the time expenditures and reimbursements earned are recorded. Any excess advances are returned to the client entity. The "ordering agency" promptly records the receipt of services upon notification by the "performing agency," promptly pays for the services provided and/or liquidates any amount advanced for the reimbursable agreement. The "ordering agency" will also deobligate any amount in excess of the **amount** not obligated by the "performing agency" before the end of the period of availability of the funds. It is the responsibility of the "performing agency" to notify the "ordering agency" of the amount remaining obligated for unfilled orders at the close of the year.

01-70-40 Key Implementing Requirements

It is essential that all **OPDIVs** performing reimbursable services be able to distinguish between direct and reimbursable authority, and carry this funding identification through all transactions from apportionment through expended authority. Therefore, **CANs** will be established to uniquely identify direct and reimbursable program activity. These measures will reduce the risk of direct appropriations becoming overobligated or over spent. If for any reason, direct appropriations are used in filling customer orders an adjustment to reimbursable authority will be made when amounts can be identified to reimbursable **agreements**.

.A common agreement number should be established and recorded as the primary or secondary document number **by** both the **"ordering" and "performing"** agency and, at a minimum, used in transactions to **record** orders placed and received (ordering agency), orders accepted and reimbursements earned (performing agency) and customer orders billed (performing agency).

In an ideal system each cost incurred in the delivery of goods and services would be identified to the common agreement number, or task order, as the obligation and expenditure takes place, but in most HHS systems such a cost system cannot be implemented, nor would it be advisable to do so. At a minimum to meet government accounting and reporting standards, the system must be capable of accomplishing the following:

- Identify an **advance** of cash to the agreement and hold as an liability until the order is filled,
- Record unfilled customer orders according to whether or not an advance was received,
- Record reimbursements earned as either collected or receivable, after coupling costs to individual unfilled customer orders - with an advance or no advance,
- Record revenue from goods and services provided as the customer is billed or the advance is applied to the order,
- Display revenues and costs in the Statement of Net Cost by lines of business, program and budget function,
- Prepare Statement of Budgetary Resources using standard general ledgers accounts that distinguish reimbursable resources as: anticipated, unfilled customer orders (with and without advance) and earned reimbursements (receivable and collected).

An illustrative case study is at Exhibit 1-70-B. The study assumes the performing agency receives orders with an advance and orders with no advance. After costs have been accrued (TC **091**), the costs are manually reviewed to determine which of the orders have been filled and whether an advance had been received. At this point, an entry is made (TC 336) to record the reimbursements- received and reimbursements-collected and to reduce the unfilled customer **orders-** with an advance and no advance. Simultaneously, the customer is billed (**TC132**), or the advance is applied (**130**), and the revenue from goods and services is recorded. An excess of cash is returned to the customer (TC185).

There can be alternatives to these transactions. For instance, **if all** the customers are other federal agencies and orders are filled without an advance, TC336 can be **merged** with **TC091**. However, since the customer order number will (probably) not be carried in the expenditure transaction, a certain amount of analysis must be performed to allocate costs to the customer before preparing the billing. Any analysis that is required should be **done** quarterly in order to properly prepare the budgetary trial balance **for** FACTS II transmission.

01-70-50 **Reimbursable Events - Performing Agency**

Following are the events that occur during the year in the providing of services:

- Request anticipated reimbursable authority from OMB,
- Receive reimbursement apportionment from OMB,
- Establish reimbursable allotments/allowances and related CANS,
- Receive reimbursable orders from clients and record unfilled customer orders,
- Receive cash advances on some customer orders,
- Commit/obligate funds to provide the requested services,
- Record the delivery of services (reimbursements earned), reducing the orders to be filled (unfilled customer orders) and voucher the amount to be paid the supplying vendor,
- Identify the costs incurred to the individual reimbursable agreements, according to whether or not an advance was received with the order,
- Bill the client and/or reduce the amount previously **advanced** for the revenue earned,
- Liquidate the payable, and
- Return any excess advance to the client.

Exhibit 1-70-B shows how these events are recorded by transaction code, general ledger account, fund group and reimbursable sub-object classification in a pro-forma case study including trial balances, closing entries and the reporting of account balances on the SF-133, Budget Execution Report.

01-70-60 **Analysis of Accounts**

The reimbursable costs and expenditures, account 6101 (and asset accounts if the agreement calls for providing property items) and 4900 should agree. There should also be a continuing comparison of **these** costs with revenues earned from services provided, 5200, and **goods sold, 5300**. There may be instances when the revenue earned is less than the costs incurred. Fixed price agreements may be less than **actual** costs incurred or when the **client** is consistently billed at less than actual incurred, in which case the shortfall **must be** absorbed by direct appropriations. **For revolving funds, each activity** within a line of business should recover its share of full **costs**; one activity should not subsidize the short fall of another activity. Overall, unreimbursed costs will deplete the funds intended for future working capital or capital replacements.

**BUDGETARY CONCEPTUAL FRAMEWORK
 (Providing Entry)**

Reimbursable Resources	Status of resources
42 10 Anticipated Reimbursements and Other Income	4450 Unappropriated Authority
422 1 Unfilled Customer Orders Without Advance	4590 Apportionments Unavailable • Anticipated Resources
4222 Unfilled Customer Orders With Advance	46 11 Allotments Available for Commitment/Obligation
	46 12 Allowances Available for Commitment/Obligation
425 1 Reimbursements and Other Income Earned • Receivable	4700 Commitments
4252 Reimbursements and Other Income Earned - Collected	480 1 Unexpended Obligations • Unpaid
	4802 Undelivered Obligations - Prepaid/Advanced
	487 1 Downward Adjustments of Prior-Year Unpaid Unexpended Obligations •
	4872 Downward Adjustments of Prior-Year Prepaid/Advanced Unexpended Obligations Refunds Collected
	488 1 Upward Adjustments of Prior-Year Unpaid Unexpended Obligations
	4882 Upward Adjustments of Prior-Year Prepaid/Advanced Unexpended Obligations
	490 1 Expended Authority • Unpaid
	4902 Expended Authority • Paid
	497 1 Downward Adjustments of Prior-Year Unpaid Expended Authority
	4972 Downward Adjustments of Prior-Year Paid Expended Authority Refunds Collected
	498 1 Upward Adjustments of Prior-Year Unpaid Expended Authority
	4982 Upward Adjustments of Prior-Year Paid Expended Authority



Pro-forma Transactions

All transactions will be processed with IMN ranges 000-399 and 900-959. For the sake of simplicity no subsidiary classifications (D/R, G/N, etc.) are shown with the SGL account **Only** the reimbursable components of the various transaction codes are shown.

TC 006 Anticipated reimbursable authority, requesting apportionment on SF-132

	<u>Dr.</u>	<u>Cr.</u>	<u>Ob Cl</u>
4210 Anticipated Reimbursements and Other Income	2,000		99.00
4450 Unapportioned Authority		2,000	

TC 007 Receives apportionment from OMB (modified)

4450 Unapportioned Authority	900		99.01
4590 Apportionment Unavailable - Anticipated Resources		900	

(post 4590 by reimbursable **fund** group)

TC 3 10 Receives reimbursable orders (modified)

422 1 Unfilled Customer Order Without Advance	150		(new) 61.7J
4222 Unfilled Customer Order With Advance	600		(new) 61.7K
4210 Anticipated Reimbursements and Other Income -and-		750	
4590 Apportionments Unavailable - Anticipated Resources	750		
4512 Apportionment Available for Distribution - Subsequent Quarters		750	

(this would be followed by TC 013 to distribute to current quarter-for simplicity this case study will not show the TC)

TC 238 Received advance for reimbursable orders (modified)

1015 Fund Balance with Treasury - Collections	600		6 1 . 7 2
23 13 Advances - All Others		600	

TC 030 Issues allotment

4511 Apportionment Available for Distribution - Current quarter	750		99.00
4611 Allotments Available for Commitment/Obligation		750	

(this would be followed by TC 03 1, but is omitted for

		<u>Dr.</u>	<u>Cr.</u>	<u>Ob</u> <u>Cl</u>
TC050	Obligates for reimbursable orders			
	(first entry)			
	4611 Allotments Available for Commitment/Obligation	750		2 4 2 6
	4801 Unexpended Obligations -Unpaid		750	
	(second entry)			
	4801 Unexpended Obligations -Unpaid	275		2426
	4611 Allotments Available for Commitment/Obligation		275	
TC091	Records services performed and accrues the expense and payable			
	6101 Operating/Program Expense	455		24-26
	2 110 Accounts Payable		455	
	-and-			
	4801 Unexpended Obligations - Unpaid	455		
	4901 Expended Authority - Unpaid		455	
TC336 (new)	To record amount of reimbursable expense incurred to reimbursements earned and distribute costs to tilled customer orders			
	4251 Reimbursements and Other Income Earned - Receivable	130		61.7J
	4252 Reimbursements and Other Income Earned - Collected	325		61.7K
	-and-			
	4221 Unfilled Customer Orders Without Advance		130	61.7J
	4222 Unfilled Customer Orders With Advance		325	61.7K
TC130	Record reimbursable revenue earned that was financed by advance			
	23 13 Advances - All Other	325		
	5100 Revenue From Goods Sold		-0-	61.61
	5200 Revenue From Services Provided		325	61.62
TC132	Record reimbursement revenue earned that was not financed by an advance and requires billing			
	1311 Advances and Reimbursements Receivable - Billed	1-30		
	5100 Revenue From Goods Sold	-0-		61.61
	5200 Revenue From Services Provided		130	61.62

	<u>Dr.</u>	<u>Cr.</u>	<u>Ob Cl</u>
TC 134 Record reimbursement revenue earned that was not Financed by an advance, but not ready to be billed			
13 14 Advances and Reimbursements Receivable • Unbilled	-0-		
5 100 Revenue From Goods Sold		-0-	61.61
5200 Revenue From Services Provided		-0-	61.62
TC 185 Return advance when the cost of reimbursable order (new) is less than the advance			
2313 Advances • All Other	275		61.72
10 12 Fund Balance With Treasury -- Disbursements Other Than Payroll		275	
-and-			
42 10 Anticipated Reimbursements and Other Income	275		
4222 Unfilled Customer Orders With Advance		275	
(this entry is made prior to year-end) (also, if individual orders are maintained, the remaining amount of the undelivered order should be deobligated)			
TC050 Deobligate amount remaining when a reimbursable order has been filled			
4801 Unexpended Obligations • Unpaid	275		24-26
4611 Allotments Available for Commitment/Obligation		275	
TC192 Liquidate the amounts payable			
2 110 Accounts Payable	455		24-26
1012 Fund Balance with Treasury • Disbursements Other Than Payroll		455	
-and-			
4901 Expended Authority • Unpaid	455		
4902 Expended Authority • Paid	455		
(payments may also be made under TCs 181, 190 and 19 1) (also we have not shown the additional entries that would be required in the event the payment or more or less than the amount accrued)			

Trial Balances and Closing Entries		<u>Dr.</u>	<u>Cr.</u>
<u>Preclosing</u>	(first year)		
10 12	Fund Balance with Treasury - Disbursements (Other Than Payroll)		730
10 15	Fund Balance with Treasury - Collections	600	
1311	Advances and Reimbursements Receivable - Billed	130	
6101	Operating /Program Expenses	455	
5200	Revenue From Services Provided		455
		1185	1185
<hr/>			
42 10	Anticipated Reimbursements and Other Income	1525	
4221	Untilled Customer Orders Without Advance	20	
425 1	Reimbursements and Other Income Earned - Receivable	130	
4252	Reimbursements and Other Income Earned - Collected	325	
4450	Unapportioned Authority		1100
4590	Apportionment Unavailable - Anticipated Resources		150
4611	Allotments Available for Commitment/Obligation		275
4801	Unexpended Obligations - Unpaid		20
4902	Extended Authority - Paid		455
		2000	2000

<u>Closing Entries</u>		<u>Dr.</u>	<u>Cr.</u>
(A)	Close Expenses and Revenues		
	5200 Revenue From Services Provided	455	
	6 101 Operating/Program Expenses		455
(B)	Close Expended Authority		
	4902 Expended Authority - Paid	455	
	4201 Total Actual Resources - Collected		455
(C)	Close Anticipated and Unobligated Authority		
	4450 Unapportioned Authority	1100	
	4590 Apportionment Unavailable - Anticipated Resources	150	
	46 11 Allotments Available for Commitment/Obligation	275	
	42 10 Anticipated Reimbursements and Other Income		1525
(D)	Close Earned Reimbursements		
	4201 Total Actual Resources - Collected	325	
	4252 Reimbursements and Other Income Earned - Collected		325

<u>Postclosing</u> (first year)		<u>Dr.</u>	<u>Cr.</u>
1011	Fund Balance With Treasury • Authority		130
1311	Advances and Reimbursements Receivable • Billed	130	
		135	130
4221	Unfilled Customer Orders Without Advance	20	
425 1	Reimbursements and Other Income Eamed • Receivable	130	
4801	Undelivered Orders • Unpaid		20
4201	Total Actual Resour • Collected		30
		150	150

Pro-forma Transactions - 2nd Year

	<u>Dr.</u>	<u>Cr.</u>	<u>Ob Cl</u>
TC091	Records services performed and accrues the expense and payable		
6101	20		24-26
2 110	20		
	-and-		
4801	20		
4901		20	
TC336 (new)	To record amount of reimbursable expense incurred to reimbursements earned and distribute costs to unfilled customer orders		
425 1	20		61.7J
4221		20	
TC132	Record reimbursement revenue earned that was not financed by an advance and requires billing		
1311	20		61.62
5200		20	
TC192	Liquidate the amounts payable		
2 110	2	0	
1012		20	24-26
	-and-		
4901	20		
4902		20	

TC220 Collections-Advances and Reimbursements-Billed (Modified)	<u>Dr.</u>	<u>Cr.</u>	<u>Ob Cl</u>
1015 Fund Balance With Treasury - Collections	150		61.75
1311 Advances and Reimbursements - Billed		150	
-and-			
4252 Reimbursements and Other Income Earned - Collected	150		
4251 Reimbursements and Other Income Earned - Receivable		150	

Trial Balance and Closing Entries

<u>Preclosing</u> (second year)	<u>Dr.</u>	<u>Cr.</u>
6101 Operating/Program Expenses	20	
5200 Revenue From Services Provided		20
20		20

4252 Reimbursements and Other Income Earned - Collected	150	
4201 Total Actual Resources - Collected		130
4902 Exuended Authority - Paid		20
	150	150

Closina Entries

(A) Close Expenses and Revenues	<u>Dr.</u>	<u>Cr.</u>
5200 Revenue From Services Provided	20	
6101 Operating/Program Expenses		20
(B) Close Expended Authority		
4902 Expended Authority - Paid	20	
4201 Total Actual Resources - Collected		20
(C) Close Earned Reimbursements		
4201 Total Actual Resources - Collected	150	
4252 Reimbursements and Other Income Earned - Collected		150

Standard Form 133 Report of Budgetary Execution for Goals

<u>Line #</u>	<u>Begin/Ending Balances</u>	<u>Interim</u>	<u>Amount</u>	<u>Account Number and Title</u>
1				
2				
3A1	E	I/F	325	4252 Reimbursements and Other Income Earned • Collected
3A2	E	I/F	130	4251 Reimbursements and Other Income Earned • Receivable
3BI	E	I/F	•	4222 Unfilled Customer Orders with Advance
3B2	E	I/F	20	422 1 Unfilled Customer Orders Without Advance
3C2	E	I/F	1525	42 10 Anticipated Reimbursements and Other Income
7			2000	CALC (3A + 3B + 3C)
8A				
8B				
8C				
8D	E	I/F	20	4801 Unexpended Obligations • Unpaid
	E	I/F		4802 Unexpended Obligations • Prepaid/Advanced
	E	I/F		4881 Upward Adjustments of Prior-Year Unpaid Unexpended Obligations
	E	I/F		4882 Upward Adjustments of Prior-Year Prepaid/Advanced Unexpended Obligations
	E	I/F		4901 Expended Authority • Unpaid
	E	I/F	455	4902 Expended Authority • Paid
	E	I/F		4981 Upward Adjustment of Prior-Year Unpaid Expended Authority
	E	I/F		4882 Upward Adjustment of Prior-Year Paid Expended Authority

Standard Form 133 Report of Budgetary Execution for Goals (continued)

<u>Line #</u>	<u>Begin/Ending Balance</u>	<u>Interim Final</u>	<u>Amount</u>	<u>Account Number and Title</u>
9A1	E	I/F	275	4610 Allotments • Realized Resources
9A2	E	I	150	4590 Apportionments Unavailable • Anticipated Resources
10D	E	I	1100	4450 Unapportioned Authority
11			2000	C A L C (8 +9+10)
12				N/A
13				Not derived from SGL Accounts
14A	E	F	130	425 1 Reimbursements and Other Earnings • Receivable
14B1	E	F	20	4221 Unfilled Customer Orders Without Advance
14c	E	F	20	4801 Unexpended Obligations • Unpaid
14D	E	F		4901 Expended Authority • Unpaid
15A	E	F	455	4902 Expended Authority • Paid
15B	E	F	325	4252 Reimbursements and Other Income Earned • Collected
15			(130)	CALC 8 - (3A + 3B + 3D + 4A) + 12 or - 13 - (14A • 14B1 + 14C + 14D)

Subject: ADMINISTRATIVE CONTROL OF FUNDS AND **BUDGET**
EXECUTION POLICY

2-10-00	Purpose
10	Authority
20	scope
30	Definitions, Terminology and Concepts
40	Responsibilities and Functions of Individuals
50	Relationship to the Accounting System
60	Delegation of Responsibilities
70	General Prohibitions
80	Penalties for Violations
90	Apportionments
100	Appropriation Warrants
110	Allotments
120	Allowances
130	Obligation Based Operating Plan
140	Obligations and Disbursements
150	Special Situations
160	Violations and Reports
170	Internal Reporting of Violations
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190	Implementation

2-10-00 PURPOSE

This chapter establishes policy **and** prescribes a system for the administrative control of funds in the Department that complies with General Accounting Office (GAO) accounting standards, the statutory requirements, and guidelines established by the Office of Management and Budget (OMB). It is intended to accomplish the following:

- 0 Establish Departmental policy with regard to administrative control of funds.
- 0 Prescribe a system for positive administrative control of funds, designed to restrict obligations and disbursements against each appropriation or fund to the amount available.
- 0 Enable the Operating Division (OPDIV), Agency and Office of the Secretary (OS) Heads to fix responsibility for overobligation and overdisbursement of appropriations, apportionments, and allotments, as well as violations of any nonstatutory restrictions imposed.

- o Provide procedures, to include reporting requirements, for dealing with violations of the Antideficiency Act, and with administrative violations.

From the guidance given herein, each **OPDIV/Agency/OS** will add supplemental implementing procedures to accommodate its own unique, organizational requirements and conditions.

Discussion of violation and critical fund control matters is repeated in several sections **for** continuity and emphasis.

2-10-0 AUTHORITY

Following are the provisions in law and **other** regulations that pertains to the control **of** funds:

- o Money and Finance, Title 31 U.S.C.:
 - Sections **1341-1342, 1349-1351**, 1511-1519 (part of the Antideficiency **Act**, as amended).
 - Sections 1101, 1104-1108, 3324 (part of the Budget and Accounting Act, 1921, as amended).
 - Sections 1501-1502 (part of Section 1311 **of** the Supplemental Appropriations Act of 1950).
 - Sections 1112, 1531, **3511-3512**, 3524 (part of the Budget and Accounting Procedures **Act** of 1950).
 - Public Law 101-510, amending Subchapter IV.
- o Title X of **P.L.** 93-344, found at 2 U.S.C. 681-688.
- o Federal Credit Reform Act of 1990, Title V **of** the CBA of 1974, as amended by Section 13201 of the Omnibus Budget Reconciliation Act of 1990.
- o OMB Circular No. A-34, "Instructions **on** Budget **Execution**", and related OMB Guidelines.
- o Title 2, GAO Policy and Procedures Manual, Chapter 2, Appendix I, **F** 50, Fund Control.

2-10-20 SCOPE

All provisions of the chapter apply to **HHS** employees who are responsible for: systems for administrative control of funds; the budget execution and reporting prescribed in OMB Circular

A-34; the issuance and control of funds authorizations; **incurrence** of obligations, **and/or** authorization of disbursements; and the identification and reporting of statutory and nonstatutory fund control violations.

The procedures apply to all accounts that **OMB** apportions and, as appropriate, those accounts that **are** excluded from apportionment. Each **OPDIV/Agency/OS** will specify in its implementing procedures those **accounts** which are exempt from apportionment.

Each year a list of all appropriations and funds for which the OPDIV/Agency/OS is responsible will be furnished the Deputy Assistant Secretary, Finance for consolidation and submission to OMB by August 1. The list will be divided as follows:

Part I	Account symbol and title	Accounts that are apportioned.
Part II	Account symbol and title	Accounts that are exempt from apportionment.
Part III	Account symbol and title	Accounts that are automatically apportioned.

The account symbol will include the agency designator **"75"**, the period of availability, and the basic fund symbol.

2-10-30 DEFINITIONS, TERMINOLOGY AND CONCEPTS

Terminology and use of terms in this chapter **are** consistent with those in OMB Circular A-34 and other Treasury and GAO regulations, as should all implementing instructions of **OPDIV/Agency/OS** offices. In addition to these standard terms, the following are used in fund control and budget execution processes:

A. Allowance

A classification of obligational authority below the allotment level. It is not a sub-allotment and is not subject to Antideficiency Act penalties unless an administrative violation causes a statutory violation of the related allotment. It is subject to strict fund control procedures.

Allowance is standard **HHS** terminology and will be used in lieu of other descriptive terms. See Exhibit 2-10-A for format and instructions.

B. Strict Fund Control Procedures

A check for available funds to cover the commitment and obligation document prior to official release of such documents. This is normally an automated systems control feature, but which may be performed manually where **necessary**. Each holder of obligational authority will be provided **positive** information as to availability of funds against which obligations may be incurred **thereby** precluding **over-**obligation of the obligation authority. In addition, the automated system must flag all valid transactions which exceed the obligational availability so that corrective stop-action can **be** taken.

C. Financial Operating Plan

A one year plan, sometimes called a Budget Execution Plan, that is developed by all components of the Department having responsibility for administrative and program resources. It is developed in advance of the apportionment process on the basis of anticipated and actual funding levels. It must ultimately be modified to be consistent with available obligational authority. This plan, which reflects total budgetary resources to **be** used, will generally **be broken** into quarters. Quarterly amounts will be developed in accordance with seasonal or similar variations in fiscal requirements. Approved financial operating plans and the obligational authority **available will** determine the allotments and allowances to be issued.

Information subsequently provided by the accounting records must clearly support the levels of detail projected in the Budget Execution Plan and the Obligation Based Operating Plan **for** comparisons and variations.

The Department does not prescribe a standard format or process for a financial operating plan. **OPDIV/Agency/OS** offices should design and implement systems to satisfy the uniqueness of their programs.

D. Obligation Based Operating Plan (OBOP)

The OBOP is a detailed plan that is used by allowance **holders** and persons in subordinate organizations to estimate the resources needed for the fiscal year. **OBOPs** combined at a higher level comprise an organization's Financial Operating Plan. When organizations are managed under a cost concept their cost based operating plans will be bridged to obligations at the allowance level for fund control **pur-**

poses. After allotments and allowance are issued, the plans are modified to the obligation or cost authority granted within the approved allowance. Each plan is then used to control the incurrence of obligations and is subject to strict fund control procedures. Operating plans are not subject to Antideficiency Act penalties unless an administrative violation causes a statutory violation of the related allotment.

2-10-0 RESPONSIBILITIES AND FUNCTIONS OF INDIVIDUALS'

Various persons play a role in the financial management of an organization, and all interact in some way in handling the transactions and documents that effect the appropriation and fund balances.

A. Allottee

An **allottee** is a person who receives an allotment and is charged with the responsibility of: (1) administering the allotted funds for the purpose allotted, (2) conforming to any limitations included in the allotment and applying the limitations of the appropriation act and other governing law, (3) complying with the antideficiency statute, and (4) ensuring that obligations are prevalidated **for** fund availability prior to release. The **allottee** is subject to the penalties imposed for any violation of the **terms** of the allotment.

It is preferable that an **allottee be an** operating official who has responsibility for program performance of an entire program, a specific identifiable portion of a program, or a distinct operation and who is in a position to determine relative essentiality of various desirable expenditures to carry out the assigned mission. The authority of the **allottee** to incur obligations does not, however, give the **allottee** the authority of a contracting officer, personnel officer, etc.

It is normally not desirable to make staff officers (i.e., the accountant, the personnel officer or the general services officer) the allottee. These staff officers play an important role in fund control, the incurrence of obligations and in support of the operating officials requirements but normally they do not have responsibility for determining relative essentiality of expenditures. Rather, they facilitate carrying out the determinations of the operating officials.

B. Allowee

An allowee is a person who receives an allowance and in this capacity acts **for** and is responsible to the allottee. The responsibilities include (1) administering the funds according to the stated purpose of the allowance and (2) conforming to any limitations **of** law or other restrictions specified by the allottee. The allowee is subject to administrative discipline for any violation of the terms of the allowance.

The allowee occupies a position that is functionally similar to that **of** the allottee, i.e., he or she is an operating official.

Normally, the allowee is assigned to a headquarters, regional **or** field organization that is subordinate to the **allottee's** organization.

C. The Budget Officer

The budget officer is responsible **for** requesting apportionments and, when designated, for issuing allotments within the limits of apportioned funds. These actions must be taken in a timely manner since they precede **other** actions in the fund control process. The budget officer is also subject to statutory penalties for fund control violations in which allotments issued exceed apportionments and reapportionments.

D. The Accounting and Finance Officer

The accounting and finance officer plays an important part in fund control by: (1) ensuring the recording of all financial transactions in a systematic way, (2) furnishing to allottees, allowees and other persons involved in financial management current and frequent reports, summarizing financial transactions to show the status **of** funds to include used and unused balances of allotments and allowances, (3) promptly notifying the **allottee** and allowee whenever it appears the allotment **or** allowance is likely to be exceeded, and (4) certifies the year-end analysis **of** appropriations and fund balances required by **OMB** and the Treasury.

The officer **or** a designated accountant may be administratively charged with the responsibility of prevalidating obligation documents as to availability of funds. If such is the case, the accountant determines that adequate balances exist to finance each transaction before the

obligation is incurred. This is an important safeguard in the control of funds in that it tends to prevent **over-**obligation, but it is not a substitute for financial planning by the allottee.

E. The Personnel Officer

The personnel officer is frequently the contracting officer for personal services and, as such, plays an important part in facilitating the operating **officials'** requirements. This person classifies positions, assists in selecting personnel, employs the personnel **and** sees that the laws, rules, regulations and policies governing personnel are adhered to. The personnel officer is not normally charged with the responsibility for determining which of several positions is the more important in carrying out a particular program or whether the employment of personnel or purchasing other resources is the most prudent expenditure of limited funds. The personnel officer assures that all **requests** for personnel actions **are** prevalidated for fund **availability** before taking final action.

F. The General Services Purchasing or Contracting Officer

This person frequently has the responsibility for purchasing and contracting and, in this capacity, actually *incurs* the obligation. This person plays an important part in facilitating program operations through purchasing and contracting acts. In assisting the program official in determining **needs**, he or she is responsible for compliance with the laws, regulations and policies governing this work. Like the personnel officer, this person does not make a determination of needs relative to program accomplishment, but does in addition to functional responsibilities assure that all requests for purchasing and contracting are prevalidated for fund availability before taking final action.

G. The Official Authorizing Travel

Authority to authorize travel may be delegated to a person other than the operating official to whom funds are allotted or allowed. Often this authority is given to an administrative official at a level in the organization where it is possible to review all requests for the purpose of travel, to coordinate trips to single locations and to obtain a uniformity of travel practices. This travel authorization is similar in many respects to the personnel and purchasing function, but it often involves a greater degree of control. The person who authorizes travel should assure that travel

requests are prevalidated as to the availability of funds before final action is taken.

H. The Obligation Control Point (OCP)

This person acts as a link between the **allottee/allowee** and the accountant. The OCP reviews each obligating document to make sure it is properly prepared and signed and has **all** the financial information required **for** recording and payment before the document is released.. This person is also responsible for assuring that each document is recorded in the accounting system in the month *in* which the obligation is incurred. The function of certifying **for** fund availability may be combined in this position since **both** entail a detailed examination of the obligating document. See Chapter 2-35 for further details.

I. The Certifying Officer

The certifying officer is not concerned **with the** control of funds, but has the responsibility to preaudit documents to assure that the voucher is legally payable, correctness of facts that the goods and services were received in **accor-**dance with the terms of the contract or agreement, correct-ness of the computations in the voucher, and that purchases are being charged to the appropriate fund account-

Thus, it can be seen that several specialists, vorking together within an organization, play major roles in **the planning and** execution of the **allottee's** mission. The **allowee** plays a specially critical role because of his relationship to the **allottee** and as "first **line**" controller **of** obligation incurrence. The allottee, however, has the ultimate responsibility for carrying out the mission and for controlling the funds made available for that purpose.

2-10-50 RELATIONSHIP TO THE ACCOUNTING SYSTEM

Fund control *means* the measures taken to control use of fund authorizations and is an integral part of the **HHS** accounting system. In particular, **Chapters 2-30** and 2-35 describe the control and recording of commitments and obligations. Chapter **3-00** describes the flow of transactions and related accounting from the point of authorization through apportionment, allotment, obligation and disbursement for funds subject to apportionment, as well as those not subject to apportionment. This chapter also illustrates the type of fund reservation and obligation control register to be maintained for each allottee.

Chapters **4-20** and 4-40 specify the proforma entries and general ledger accounts for each transaction effecting budgetary accounts. These and other parts of the manual will assist the **OPDIV/Agency/OS** offices in developing techniques to achieve an acceptable degree **of** control, which will ensure that:

- o All apportionments and other subdivisions of funds are promptly issued and recorded at **the beginning** of the period in which they become available. Credit accounts will be handled in the same manner as non-credit accounts.
- o Obligating documents are certified for availability of funds and cleared by the Obligation Control Point prior to release.
- o All valid obligations are promptly recorded in the applicable reporting period, whether funds are available or not.
- o All reimbursable orders received and earned are promptly recorded.
- o **Fund** availability reports (status of fund authorizations) are produced from the accounting system and given to all allottees and allowees at frequent intervals (at least once each week) to preclude the need for supplementary records. Only when the accounting system does not record *commitments, or the status reports are not timely, should there be a need for memorandum or **"cuff"** records.
- o The accounting system must be designed to promptly **"report"** a transaction that exceeds a recorded statutory limitation or a nonstatutory restriction,

Each person who has a part in the fund control processes shall be made aware of his/her responsibilities for the above actions. In addition, it is the responsibility of the Chief of each accounting and **finance** office to make sure that newly appointed allottees and allowees understand:

- o Procedures for processing commitment and obligation documents.
- o Obtaining certification of fund availability.
- o Using the fund availability reports.

- o That fund authorization, fund reservation, and obligational documents must be periodically reconciled to the fund availability reports, and any **differences promptly** brought to the attention of the accounting office.

In addition to the required reconciliation of documents to official **records** (see Chapter **2-40**), the Chief of each accounting and finance office will prepare the year-end analytical reports of appropriations and fund balances required by Part 2, Chapter 4200 of the Treasury Fiscal Requirements Manual and OMB Circular A-11 (see Chapter **5-70**).

2-10-60 DELEGATION OF RESPONSIBILITIES

A. Apportionment Requests.

Responsibility for apportionment requests is shared by the OPDIV/Agency/OS and the Assistant Secretary for Management and Budget (**ASMB**).

Heads of OPDIV/Agency/OS, as administrators of HHS programs, will designate in writing the persons they hold responsible for the development of apportionment and reapportionment requests and submission to the ASMB. These instructions will be included in implementing instructions,

The Secretary of HHS has delegated **to the** ASMB the authority to act on his/her behalf **on** all budget and accounting matters, which includes the authority to request apportionment and reapportionment **of** funds from the OMB. In turn, the ASMB has authorized the Deputy Assistant Secretary, Finance, or his/her designee, to sign the Apportionment and Reapportionment Requests, SF-132, and the Apportionment and Reapportionment Requests for Direct and Guaranteed Loan Programs and Financing Accounts, SF-142. However, requests which include the need for a deficiency or supplemental appropriation shall be approved by the Secretary prior to submission to OMB and the Congress.

The fact that requests are prepared by **OPDIV/Agency/OS** staff, who are also responsible for the administrative control of funds procedures, in no way causes the **ASMB's** authority over the administration of these funds to be relinquished or diminished.

B. Appropriation Reports

Reports on Status of Budget Execution, SF-133, and **Execution** Reports for Direct and Guaranteed Loan Program and Financing Accounts, SF-143, may be signed by any responsible person having administrative supervision or **jurisdiction over the** accounting and finance office that **maintains the records** upon which the report is based. See Chapter **5-55** for further details on report content and routing **instructions**.

C. Allotment Authority

Normally, the budgetary official designated responsible for apportionment requests will also issue allotment documents based upon the approved apportionment, reapportionment or other statutory authority which makes funds available for obligation. The authority to issue allotments may be extended to other persons in the **organization**, in writing, provided the designated person is fully aware of the amounts to be made available and all legal **and administrative** restraints to be applied.

The allotment authority must be transmitted in writing. Until **a standard allotment form is developed for the** Department, allotters will ensure that each allotment document clearly **indicates**:

- 0 The authority to incur obligations.
- 0 The amount that can be obligated within a specified period of time.
- 0 Any statutory limitation on the funds.
- 0 Any administrative restrictions on the funds.
- 0 The responsibility for adhering to Antideficiency Act limitations.
- 0 Purposes for which obligations may be incurred.
- 0 The control of reimbursable authority.
- 0 The guaranteed loan commitments supportable by the subsidy budget authority being allotted.
- 0 The name and organizational title of the allottee.

D. Allowance Authority

Allottees may delegate all of their authority, except **the** responsibility for violation of Section 1517(a) of Title **31**

U.S.C., to officials designated as **allowees** at headquarters, regional and field levels. This gives the operations person the needed authority to incur obligations for a **specific** program, segment of a program, or administrative activity within the framework of higher level controls, i.e., apportionments and allotments.

Allowance authority is transmitted by the issuance of the **HHS** standard allowance document, **HHS** Form 626, or computer generated equivalent. See Exhibit 2-10-A. In completing this form the **allottee** will clearly specify:

- o **Any** statutory limitation **on the** funds.
- o Any administrative restrictions on the **funds**.

E. Operating Plan Authority

Allowees may, in turn, assign further fund control to lower level organizations through the use of obligation based operating plans or cost based operating plans that are bridged to obligations. These plans are viewed as **a** practical means of providing for the use of **funds** below the allowance level, i.e., responsibility centers, cost centers and for elements of expense within the organizational structure. The authority is transmitted by the acceptance and approval of the Operating Plan. The plans themselves do not relieve the allowee of responsibility for fund control. Establishment **and** execution of operating plans must be closely monitored for substantial deviations which could cause an overobligation of the allowance and thence of the allotment.

F. Antideficiency Act Responsibilities

In delegating **responsibilities** for fund control and budget execution appointed officials at each level should clearly understand the relationship of the granted authority to accountability for violations of the Antideficiency Act. Responsibilities for acts of violation are fixed as follows:

- o Apportionment/Reapportionment

Violating Act: Allotting funds in excess of the approved apportionment and **reappor-**

tionment, for either direct funds
or estimated reimbursements.

Responsible: The designated allotter.

0 Estimated Reimbursements

Violating Act: Incurring obligations against
estimated reimbursable budgetary
resources in excess **of** goods or
services furnished when there is
entitlement, valid orders received
within the government, and advances
received for **orders** outside the
government.

Responsible: The designated allotter, **allottee**
and the allowee if implementing
instructions so provide,

0 Allotment

Violating Act: Incurring obligations or
authorizing disbursements in
advance of the allotment; and
incurring obligations or
authorizing disbursements in excess
of an allotment, to include in
excess of any statutory limitation
or restriction.

Responsible: The **allottee** and the person
authorizing the advance action; and
the **allottee** and offending person
or persons at the operating level
for the exceeding actions.

0 New Guaranteed Loan Commitments

Violating Act: Making commitments to guarantee
loan principal by private lender in
excess of apportioned guaranteed
loan level.

: Permitting the liability for the
Federal share of new commitments to
exceed the Federal share
supportable by loan subsidy.

: Permitting the contingent liability for the Federal share of the loans outstanding with the private lender, end of period, to exceed the Federal share supportable by loan subsidy. This is limited to guaranteed principal only.

Responsible: The person designated to control the loan commitments to the lender.

o Personal **Service** Clause

Violating Act: Employment in excess of that authorized by **law** (when specified).

Responsible: The person authorizing the employment.

o Voluntary Service Clause

Violating Act: Acceptance **of** voluntary services except in emergencies (see FPM **311.4**), or where statutory authority permits.

Responsible: The person accepting the service for the government.

2-10-70 GENERAL PROHIBITIONS

Certain basic actions are prohibited by the Antideficiency Act. The Department interprets and applies the application of the prohibitions in this way:

- o Obligation or disbursement in excess of the amount available within an appropriation or fund including obligation or disbursement in excess of a statutory limitation (31 U.S.C. 1341(a)).
- o Obligation or contract for payment of money for any purpose in advance of appropriations made for such purpose, unless specifically authorized by law. This includes obligation or disbursement for any purpose specifically prohibited by statute (31 U.S.C. 1341(a)).
- o Obligation or disbursement from each loan program, financing, and liquidation account in excess of:
(1) the amounts available for administrative expenses,

direct and guaranteed loan subsidies, direct and guaranteed loan levels, and any limitation specified by law, **or** (2) the amounts apportioned for the amounts specified above, whichever is the lower (Title V CBA of 1974).

- o Acceptance **of** voluntary **service** (31 U.S.C. 1342).
- o Employment of personal service in excess **of** that authorized by law (31 U.S.C. 1342).
- o Obligation or disbursement in excess of an apportionment **or** reapportionment, including limitations placed in supporting documentation and footnotes, unless otherwise specified on the SF-132 **or** SF-142 (31 U.S.C. 1517(a)).
- o Obligation or disbursement in excess of an allotment (31 U.S.C. 1517(a)).

Violation of any of these prohibitions is subject to penalties imposed by the Antideficiency Act. Below the allotment level other administrative restrictions (nonstatutory prohibitions) may also be imposed. This means that the allowee or the holder of an operating plan will be subject to administrative discipline should the amount of the obligational authority, or any statute limitation or administrative restriction that is placed upon the document, be exceeded. In the event the **terms** of the allowance or the operating plan are violated and the overobligation or overdisbursement causes a statutory violation of the allotment, the person or persons responsible for the actions will assume statutory responsibilities along with the allottee.

2-10-8Q PENALTIES FOR VIOLATIONS

Sections 1518 and 1519 of Title 31 U.S.C. concerns the penalties for violating the Antideficiency Act. Key points are:

- o Penalties apply to **any** officer or employee who knowingly and willingly cause a violation.
- o Upon conviction, a person may be fined not more than \$5,000 or be imprisoned for not more than two years, or both.
- o Depending upon the circumstances of the violation, a person may receive administrative discipline which may

lead to suspension from duty without pay or removal from office.

The penalties imposed by the Antideficiency Act apply to **holders** of obligational authority at the apportionment and allotment levels, although another person acting under delegated authority may have caused the overobligation or overdisbursement of an appropriation, apportionment or allotment. That person as well as the **allottee** and allotter, as appropriate, should be cited in the statutory violation report and be disciplined according to the severity of the charge.

Administrative discipline may be imposed **for** violations other than the statutory violations. This would apply to persons who overobligate or overdisburse the amount of an allowance or exceed the limitation or administrative restriction placed on the **allowance**, as well as those who exceed operating plans. Officials of OPDIVS/Agencies/OS will take appropriate disciplinary measures which may consist of:

- o Letter of reprimand or censure for official record,
- o Unsatisfactory performance rating.
- o Transfer to another position.
- o Monetary penalty such as forfeiture of step increase, grade reduction or suspension from duty without pay.
- o Removal from office.

2-10-90 APPORTIONMENTS

A. **Apportionment Control**

Apportionment of funds is a formal distribution by the OMB of amounts available **for** obligation in an appropriation or fund account. The funds so apportioned limit the amount of allotments and obligations that may be incurred either by total appropriation or by any limitation included in the approved apportionment. This prevents obligation of an account in a manner that would require a deficiency or supplemental appropriation, and achieves the most effective and economical use of amounts available. Controls are imposed in two ways: by time periods (Category A) or activities, projects, and/or objects (Category B). Controls based on time periods will apply only to Category A apportionments.

All accounts will be apportioned other than those specifically exempted by 31 U.S.C. **1511(b)** or other laws; **accounts** whose budgetary resources are available only for transfer to **other** accounts, whose resources have expired for **obligational** purposes or whose resources have been fully obligated before the beginning of the fiscal year, and those exempted by **OMB** under authority of 31 U.S.C. **1516**. Transfers to other agencies or accounts must be apportioned by the parent agency and must be consistent with the budget presentation or other transferring authority specified by law.

For loan programs Category B funds may be further apportioned according to loan subsidy, default claims, interest to Treasury, administrative expenses, capitalized costs, interest supplements, payments to **receipt** accounts, and other categories as specified in SF 143 schedules.

For guaranteed loan programs, the loan level will be apportioned based upon new loan commitments supportable by the subsidy budget or, in the case of a negative subsidy, the amount authorized by the appropriation act.

B. Basis for Apportionment Action

In addition to the basic legal requirement for apportioning funds (preventing the necessity **for deficiency** or supplemental appropriations), apportionments must also (1) consider any other legal restrictions imposed by the Congress, and (2) be a part of the organization's annual financial operating plan based upon a careful forecast of obligations. Apportionment and reapportionment documents will be supported by sufficient data to justify amounts **on** various lines of the requests. Total amounts requested for programs, over the period of availability, must conform to the amounts appropriated as presented in the budget documents. Exceptions to this will occur when reprogramming is approved or when reimbursable work results in activity which is more or less than initially expected. Examples of supporting data that could accompany apportionment and reapportionment requests are:

- o **Sources** and projected applications of reimbursements.
- o Identification of programs for which prior year unobligated funds will be used.

- o Explanation and identification of programs and amounts of changes to budget estimates resulting from Congressional actions.
- o Identity of-transfers in and out.
- o Basis for development of Category A apportionment amounts (i.e., resources apportioned by time periods.)
- o List of activities, projects, and/or objects that support a Category B apportionment.
- o Data on risk categories or financing **tranches** for loan programs, when required by OMB.
- o Other data specified by OMB, or others, that would assist in analyzing the amounts requested.

When supplemental or deficiency appropriations are necessary, apportionment requests must reflect the need for the additional funds. **OMB's** approval of the request, however, does not authorize issuance of allotments and **incurrence** of obligations beyond existing laws.

Designated budget officials should be prepared to furnish OMB with the current year operating plan and other supporting information as requested by OMB examiners to assist in their quarterly review of apportionments required by 31 **U.S.C.** 1513.

In compliance with the requirements of Public Law **101-510**, a footnote should be appended to each apportionment containing appropriation realized as follows: "Pursuant to 31 USC 1553 (b), not to exceed 1% of the total appropriations for this account is apportioned for the purpose of paying legitimate obligations related to cancelled appropriations."

C. Requests for and Timing of Apportionments and Reapportionments

Requests for apportionment and reapportionment will be initiated by designated budget officials on behalf of the Heads of OPDIV/Agency/OS. Subsequently, Departmental finance and budget officials will review the requests and supporting documents to determine accuracy of data and conformance with budget presentations and justifications, and special supporting data requirements desired by the OMB. The Deputy Assistant Secretary, Finance (or his/her

designee) as the delegate for the Secretary will sign and **forward all** requests to OMB.

Initial apportionment requests for the fiscal year must be **submitted to** OMB by either (1) August 21, preceding the fiscal year **for** accounts wherein all or a portion of the budgetary resources do not result from current action by the Congress, or (2) within ten **days** after approval **of** the appropriation or substantive acts providing new budget authority or by August 21, whichever is later.

Reapportionments will be required whenever amounts in approved apportionments are no longer appropriate because **of** a change in amounts available for obligation, including supplemental acts, or the occurrence of unforeseen events. (See **OMB** Circular A-34 for specifics.)

D. **Deferrals**

A deferral is an action or an inaction that temporarily **withholds** or delays the obligation or disbursement of authorized funds authority. A **deferral can** take place prior to or following apportionment. The action may be taken by OMB on its own initiative or at the **request** of an agency.

Several kinds of delaying or deferring actions may occur in the Department. Following are examples of typical actions and the resultant reporting that is required for each:

- o There are routine financial management or procurement actions that affect the timing of obligation of funds. These internal management decisions do **not** affect the apportionment process and are **not** classed as deferrals for reporting to Congress.
- o Policy decisions may be made by officials to obligate apportioned funds provided for a specific purpose or project at a pace **significantly** slower than intended by the Congress. The "**agency** deferrals" are **not** required to be reflected in the apportionment schedules, but **must** be reported to Congress via special message.
- o Actions may be taken to defer obligations for programmatic reasons, i.e., providing for contingencies or achieving savings made possible by or through changes in requirements or greater efficiency of operations (Anti-deficiency Act.) These actions **are** **reflected** in the apportionment process and **must be** reported to Congress via special message.

Any withholding of budget or other obligational authority received through a continuing resolution covering only part of a year will be reported **as a** deferral, even if proposed for the duration of the resolution. **Funds** withheld from a continuing resolution providing funds for a full fiscal year may be reported as either a deferral **or a** rescission, depending upon the nature of the withholding.

When a multi-year apportionment is approved, the **normal** rules apply for the withholding of **funds and** sending of messages, i.e., a deferral is a temporary withholding of **funds** while a rescission is a withholding with the intention not to use the **funds** before they elapse. Deferral actions may not be taken for **any** period beyond the end of the fiscal year of the message. Deferrals for subsequent years must be reported at the beginning of each such fiscal **year**.

In determining which actions are to be reported, the primary criterion is the intent of the **Congress** in providing the funds. Pending Congressional action, obligating authority will be withheld and no obligations will be incurred that apply to the deferred **funds**.

The Congress may act to overturn the deferral by passing an impoundment resolution. In that event, positive action will be taken to release the funds and obligate according to Congressional intent. When funds have been deferred through the apportionment process, a reapportionment must be submitted the day following the passage of the resolution. When Congress does not take action to disapprove reported deferrals, the funds may be released by another special message or may **be** deferred until the end **of** the fiscal year. Annual accounts and the last year of multi-year **accounts**, however, **may** be deferred only part of the year. As the fourth quarter approaches these accounts, as well as the other deferrals, should be reviewed and a decision made to either release the funds for use in the current **year or** propose that the funds be rescinded. (See **OMB** Circular A-34 for specifics.)

E. Rescissions

A rescission is enacted legislation that cancels budget authority previously provided by the *Congress* before its authorized time for obligation has expired. Rescissions are proposed when the President determines that all or part of approved budget authority is not required to carry out the objective or scope **of** the program, and when all or a

part of budget authority is to be reserved for the entire fiscal year. Congress may also propose rescission of approved budget authority.

At the time a departmental rescission is proposed, apportionment forms must be submitted to **OMB** if the funds had been previously apportioned. While the rescission is under consideration, obligating authority will be withheld and no obligations will be incurred that apply to these funds. If Congress takes affirmative action on the exact amount proposed by the President, no further action is required (unless reapportionment action is requested for other reasons.) If the amount rescinded by the Congress differs from the amount proposed, reapportionment requests must be promptly submitted to **OMB**. Actions to be taken on Congressionally proposed rescissions will vary depending upon the status of the initial apportionment request. (See **OMB Circular A-34** for specifics.)

If Congress does not complete action on the Presidential proposals within 45 calendar days of continuous session, any funds covered by the proposed rescission must be made available for obligation. In this case, reapportionment **requests** must be promptly submitted to **OMB**.

As can be seen by this dialogue, action to defer or rescind the use of funds may be initiated by the **OPDIV/Agency/OS**, the Department, **OMB** or the Congress. In any event, the appropriate HHS budget official must initiate the related documents and follow the same routing instructions described for apportionments.

F. Reprogramming

An approved reprogramming of funds results in a change to one or more limitations of an enacted appropriation. such limitations are not restricted to those expressly written in appropriation language **but may** include changes to the bases on which an appropriation amount or programs were developed by Congress. An approved reprogramming will not result in transfers between two or more appropriations, but is limited to changes within **an** account.

A reprogramming proposal must be signed by the Secretary before going to the Chairman of the appropriate House Appropriations Subcommittee and Chairman of the Senate Committee on Appropriations. These letters are worded as requests for approval and are forwarded by the **OPDIVS** to the Assistant Secretary for Management and Budget in accordance

with guidance issued annually by the Deputy Assistant **Secretary**, Budget who establishes reprogramming policies.

2-10-100 APPROPRIATION WARRANTS

Although the warrant process is not considered to serve a legal function in the administrative control of funds, it **is** described here to lend continuity to the funding cycle. Warrants **are** issued on **TFS Form 6200**, pursuant to law, **by** the Secretary of the Treasury to establish the amount of monies authorized to **be** withdrawn from the Treasury. Requests for **temporary** warrants are initiated by **OPDIV/Agency/OS** budget officials. Further processing and monitoring the issuance actions through Treasury, as well as the distribution to performing **HHS** organization, is done through the Deputy Assistant Secretary, Finance. Authenticated copies of the warrant are furnished to the performing organization.

For definite appropriations from the general fund of the Treasury, warrants are automatically issued in the full amount as stated in the appropriation acts. For indefinite appropriations and in special instances such as borrowing from subsequent year's appropriations, when authorized by law, warrants must **be** requested at the beginning of the period for which the need exists. These latter warrants require adjustment, as necessary, to agree with actual obligations or disbursements.

For appropriations under a continuing resolution which provides temporary obligational authority, temporary warrants are issued in accordance with the provisions of the resolution. Within such guidelines, HHS **must** request temporary warrants for annualized levels of appropriations from Treasury based on the funding levels as approved by OMB in apportionments. See TFM **2-2040.25** for information to be submitted with these requests.

All agency requests for warrants must be cleared by **OMB** prior to submission to Treasury unless instructed otherwise. **Any** differences between warranted amounts and apportioned amounts must be reported to OMB.

2-10- 0 ALLOTMENTS

It is the policy of the Department that allotments will be issued at the **highest practical level within** the fund availability authorized by continuing resolutions, appropriation acts and fund limitations contained therein, apportionment schedules and limitations within the apportionment, and **Section 601** of the Economy Act advance or reimbursement agreements. The objectives are to (1) finance each **allottee** with a single allotment for each

appropriation **or** fund affecting that person, and (2) keep allotments at the major budget activity level, if it is practical to do so. In no case will multiple allotments be made to the same **allottee** from the same budget activity level unless it is necessary to comply with appropriation and apportionment limitations or interagency agreements. A violation of the terms of the allotment is subject to provisions of the Antideficiency Act.

In developing allotment structures within the Department, the following criteria will be maintained:

- o Allotments will be issued after the apportionment and reapportionment or other statutory authority notification is received, except as noted below. Annual allotments will be issued on the first day of the fiscal year. Quarterly allotments will be issued on the first day of the quarter.
- o Allotments will be issued in accordance with an approved, financial operating plan, and will be revised as necessary to stay within the totals of amounts appropriated by the Congress and within the amount of apportionments and reapportionments.
- o Allotments will be made to officials charged with the responsibility for directing **a departmental** program/operation, **or** a significant portion of a program/operation. The allotment may be made to a regional or field organization when the program is placed at that level.
- o Allotments will be issued to cover programs that are under a continuing resolution (apportionments may not be processed for these programs or appropriations). If there are no apportionments the limit on authority to incur obligations will be as stated in the continuing resolution act.
- o A formal allotment document must be prepared in all circumstances even when, for example, the organization Head is both the **allotter** and the allottee.
- o When more than one allotment per appropriation or fund is issued, the **allotter** must make sure that controls are established in the accounting system, or manually, to ensure that the sum of all allotments, and any statutory limitations, do not exceed the amount apportioned **for** that appropriation or fund.

- 0 A separate allotment is not required to control a legal limitation. The **Departmental** accounting system has been designed **to** establish **intermediate** controls Within the allotment **for** that purpose.
- 0 A separate allotment will **be issued for** orders and projects **placed** under Section 601 of the Economy Act where obligations can be distinctly identified and are incurred after definite agreements **have been** established. Joint funded projects should have a single allotment covering all the **participating** agency funding agreements. Reimbursable and appropriated funds may be merged into a single allotment in areas such as hospital operations, audit agency services, **etc., where** obligations cannot be clearly segregated between the two sources of funds at the time of **incurrence**, and where a cost finding system is available to ultimately enable correct reporting and/or billing Under the reimbursable agreements.
- 0 Allotments for estimated reimbursements apportioned, anticipated receipts **or transfers** will **be** issued after the actual agreement is reached between the parties unless it is **not** practical to do so. when an organization furnishes numerous **reimbursable services**, **the** allotment may include the value of both signed agreements and those anticipated within the allotment period. The amounts will **be** separately annotated on the allotment document as a **caution** to the allottee not to obligate funds against unsigned orders. If actual new agreements do not reach the estimated level, an **adjustment** must be made in the allotment as-soon as the fact is known. If **the** amount apportioned for use from any appropriation or fund **includes** unrealized reimbursements or other anticipated receipts, these **will not be** allotted **unless there is** reasonable assurance that such items will be collected, to the extent **permitted** by law or departmental regulation, and deposited to the credit of the appropriation involved. Together, the **allotter** and the **allottee** must make this determination before permitting unrealized amounts to be used as a basis for incurring obligations. When it is known that such amounts will not be realized, the allotment will be adjusted accordingly.
- 0 The use **of** funds for obligation OR disbursement must at all times be preceded by an allotment. There will be occasions **when** the administrative processes preclude having signed apportionments and warrants before it is

necessary to issue the authority to incur obligations. Under these circumstances (e.g., pending approval of apportionments **from** OMB while under a continuing resolution **or** immediately after enactment of an appropriation act) and if approval is expected, tentative allotments must be issued in sufficient time to permit incurrence of obligations. If there is no doubt that OMB will approve the requested apportionment amount, the tentative allotment may be issued in the amount of the request. However, if doubt exists, the tentative allotments should be issued at a safe level (in consultation with the Deputy Assistant Secretary, Finance). Upon receipt of the approved apportionment schedule, the tentative allotments must be promptly revised for any difference between amounts requested for apportionment and those approved for obligation.

- o The allotting official must ensure that a copy of the allotment document reaches the appropriate accounting and finance office. This must be done **simultaneously** with the issuance to the allottee.
- o No allotment will be made for the sole purpose of securing accounting information or maintaining control **by** object class. Allottees should make full use of the accounting system and its reports to obtain information that is useful in managing funds provided by the allotment.
- o When the **allottee** wishes to revise the amount of the allotment, a justifying letter, with a revised financial operating plan for substantial changes, will be sent to the allotting official. Only in an emergency will fund authorizations be requested or approval given by telephone or other rapid communication means; and in all instances, a formal document will be prepared concurrent with the informal approval. Both the **allotter** and the **allottee** must keep a record of the informal communication and attach it to the follow-on document as supporting evidence of the prior approval.

2-10-120 ALLOWANCES

An allowance is a classification of obligational authority below the allotment level. This term is to be used uniformly throughout the Department in lieu **of** any other terminology. Allowances will be issued at the highest practicable level **for** those programs and activities set forth in the schedules of the Budget

Appendix to operating officials at headquarters, regional and field offices.

The strict fund control procedures of the allotment apply equally to the allowance. A violator of the allowance is subject to administrative discipline. In the event a violation causes the related allotment to be overobligated or overdisbursed, the violation is also subject to the provisions of the Antideficiency Act,

For the application of allowances within the Department, the following criteria will be followed:

- o HHS 626, Advice of Allowance, is the standard document to be used. See Exhibit 2-10-A for format and instructions.
- o At least one allowance **will** be issued for each allotment.
- o Allowances will be issued in accordance with an approved financial operation plan, and will be revised as necessary to never exceed the amount of funds allotted.
- o Tentative allowances will be issued at the beginning of each quarter pending approval of plans on newly enacted appropriations or continuing resolutions, and in sufficient time to permit incurrence of obligations. These allowances will be adjusted,, as necessary, to bring obligational authority into agreement with any amendments to allotments following receipt of approved apportionments. .
- o Allowances for program funds will be issued immediately following receipt of or continuation **of** the allotment authority for the program.
- o Allowances for salaries and expenses and direct operations activities **issued** quarterly **or** annually will be issued immediately following receipt of or confirmation of the allotment authority.
- o The **allottee** must be sure that controls are sufficient to preclude the issuance of allowances in excess of the allotment received.
- o Funds will not be obligated or disbursements made before issuance or confirmation of the allowance authority. If the allowance document is delayed, for

any reason, the allowee will contact the **allottee** and authorization approval **may** be given by telephone or other rapid communication means; in all instances, a formal document will be prepared concurrent with the informal approval and both the **allottee** and **the** allowee must keep a record of the informal communication and attach it to the follow-on document as supporting evidence of prior approval. This is an emergency procedure only, not **the** usual means of communicating allowance authority.

- 0 Legal limitations and administrative **restrictions** may be **placed** on the allowed funds; these must be entered in the Purposes and Limitations block of **HHS** Form 626.
- 0 The allowance may be distributed by object class and Common Accounting Number (CAN) for guidance only. This distribution does not **infer** that a limitation or **restriction** is **placed** upon **the** obligational authority at these levels. The exception would be the statutory restriction at **object** class level, which must be clearly identified in the Purposes and Limitations block.
- 0 Allowances for salaries and expenses to regional, district and field offices will **provide** fund authority for all object classes required to support their operations.

2-10- 0 OBLIGATION BASED OPERATING PLAN (OBOP)

The OBOP is developed by holders of obligational authority and is the basis for constructing **the allottee's** financial Operating plan. After the apportionment, allotment and allowance steps, it is used to assign funds to and control operations of organizations at and below the allowance level. When consolidated the adjusted plans (to include cost based operating plans bridged to obligations) will not **exceed** the total of the allowance **from** which they are derived. **The** OBOP is time-phased to set forth anticipated obligations for a fiscal year and it is compared throughout the year to actual obligations incurred. The plans are developed by the allow88 and staff responsible **for** any defined segment of and allowance. They are approved by the allowee and the allottee, as appropriate.

The holder of an operating plan must NOT exceed the approved plan. Violations may be cause for administrative discipline. In the event such a violation leads to a statutory violation of the related allotment, the operating plan holder will be cited with

the allowee and **allottee** and will be penalized according to the provisions of the Antideficiency Act.

2-10-140 OBLIGATIONS AND DISBURSEMENTS

Section 1501 of Title 31 U.S.C. describes the criteria for valid obligations. HHS policy and detailed **procedures** on **responsibilities** and requirements for recording and reporting obligations are in Chapter **2-30** of this manual. Heads of **OPDIV/Agency/OS** will ensure that all **persons** responsible for fund control adhere to the following requirements **for** obligations and disbursements, All publications **on** control of **funds** must include these items:

- 0 Obligations and disbursements will not exceed the amount of the obligational authority made available.
- o For loan **programs**, obligation6 and disbursements will not exceed: (1) the amount of authority made available for loan subsidies. Modifications of direct **or** guaranteed loans will not exceed apportioned unobligated balances of subsidy amounts, (2) the amount of the credit program supportable **by** the enacted subsidy, whether the subsidy is positive or negative, (3) the amount appropriated for administrative expenses, and (4) obligation6 and disbursements may not be **incurred** against lapsed unobligated balances for loan subsidies, except to correct mathematical or data errors in calculating **subsidy amounts**.
- 0 The **allottee** and the allowee are responsible to ensure the validity and accuracy of all obligation6 and disbursements.
- 0 Each person having obligational authority is responsible for promptly submitting documents to the appropriate Obligation Control Point (OCP) residing in the accounting and finance office. Following OCP clearance, each accounting and finance office will promptly record the obligations and subsequent disbursements into the official accounting records. See Chapter 2-35 on Clearing and Recordation of Obligations.
- 0 Budgetary resource6 made available by estimated **reimbursements** are **not** available for obligation until (a) goods or services have been furnished and there is entitlement, (b) valid orders have been received, **or** (c) an advance ha6 been received for orders from outside government.

- o Obligations must be identified with the CAN which includes the component coding **for** the appropriation or fund, at the time incurred. In the event an allotment or allowance is revised that would require change in the CAN, obligations previously recorded must be promptly reclassified to the amended CAN or **CANs**.
- o Obligations and disbursements are to be promptly recorded and reported at the earliest possible time.
- o The recording **of** an obligation must not be delayed because there is a lack **of** funds.
- o If a recorded obligation exceeds funds available, the Chief **of** the accounting and finance office will immediately notify the appropriate obligating official and **allottee** that an apparent violation **of** Section 1341(a)(i) **of** Title 31 U.S.C. has **occurred** and that further obligations should not be incurred.
- o Status of funds reports to the **allottee** will clearly indicate the available balance of **the allotment**. The available balance will reflect unliquidated fund reservation documents if the HHS organization's accounting system does commitment accounting; otherwise the **allottee** must take into account the current reservations to properly control the funds. Although commitments may be accumulated in the records for strict fund control purposes, as are actual obligations, amounts committed are reported on the **SF** 133 and SF 143, Reports on Budget Execution, along with other balances of apportioned and available funds.

2-10- 5.0 SPECIAL SITUATIONS

A. **Questionable Violations**

Sometimes an event will occur that will appear to be a prohibited or questionable action, but which upon investigation can be attributed to clerical error or failure to follow proper procedures. While some situations may not be reportable offenses, all should be thoroughly investigated for correction of 'the fault:

- o **Commitments/Obligations**. For purposes **of** effective financial planning and fund control, commitments may be systematically accumulated in accounting records in advance of their becoming valid obligations. When these records are used to prepare official reports on

obligations incurred, appropriate adjustments must be made so that the amounts reported represent valid obligations as defined by law. Failure to do so could cause the appearance of an overobligation, although it **is** unlikely that a commitment or reservation entry would exceed the available amount. Obligations shall be recorded at the earliest possible time after the transaction has been consummated and without regard to the availability or unavailability of funds. In no event will the recording be withheld pending receipt of additional fund authority.

- o Errors- An error does not establish a bona fide obligation even though the accounting record may indicate otherwise. An error, however, can lead to an actual violation. For example, an overobligation incurred because an error led to the belief that sufficient funds were available is a violation. **Actual** violations, even though caused by **errors**, must be reported.
- o **Deobligation.** Procedures require the accounting and finance **office** to periodically review the records to make sure that only obligations meeting Section 1311 of the Supplemental Appropriations Act of **1950** criteria remain. Other amounts should be deobligated. However, arbitrary deobligation action **is taken** at the risk of a future violation if subsequent **payment** or charges should result in a deficiency of fund authority.
- o **Transmission of Fund Authorizations.** Procedures require that fund authorizations **be made** in a specific amount in writing. Any other means of more rapid communications (telephone, ADP terminal, telecopier, etc.) should be limited to emergency circumstances only. Written authorizations shall be prepared concurrently with less formal communication and promptly transmitted to the recipient. The recipient will fully document the communication and have it posted to the record. Upon receipt the formal authorization will be attached to the documentation used for recording purposes.
- o **Overobligations and Overexpenditures Resulting from Inaccurate Estimates of Obligations.** In some cases, it is difficult for officials to estimate the ultimate liability of indefinite price contracts and other open-ended obligations. The **allottee** must establish obligations at a level that will ensure that sufficient

funds are available for complete liquidation and, yet, avoid the impression of creating a **reserve** or restricting the use of authorized funds. Any other solution might not stand the test of "incurring obligations in anticipation of subsequent appropriations".

- B. **Out-year Commitments** In the event an **OPDIV/Agency/OS's financial plan** extends beyond the fiscal **year**, for instance in plans for construction and capital **projects** and **multi-year** grants, commitments made in anticipation of future funding must be controlled not to exceed the financial plan. These planned commitments will be maintained in memorandum records until funds are provided and the commitment is formally recorded in the accounting system.
- C. **Limitation on Payments Related to Cancelled (prior year) Obligations** Chapter **3-50** outlines the policy on accounting for expired appropriation balances. During a **five year** period unliquidated obligations may be adjusted and disbursements made, but no new obligations made. Following the five year period all remaining obligations and unobligated balances are cancelled and associated funds withdrawn. Recording of further valid obligations or payment of previously cancelled obligations must be funded and paid from current year unexpired appropriations (for the **same** general purpose), subject strict fund control limitations:
- o obligations and payments related to cancelled balances are limited to 1% (cumulative for all cancelled accounts) of the current year unexpired appropriation (not total budgetary **resources**), -and
 - o cannot exceed the cancelled account's original appropriation, apportionment, and allotment unexpended balances.

2-10-160 VIOLATIONS AND REPORTS

When it appears that an Antideficiency Act violation has occurred, all pertinent facts must be gathered to prepare the violation report required **by Section 1351, 31 U.S.C.** Initially, each obligation and disbursement transaction which exceeds amounts available must be examined to determine why the violation occurred and to name the person or persons who were responsible. Actions that are later taken to correct the cause of the violation do not negate the fact that a violation has occurred and must be reported. The amount of the violation is not a

factor in determining whether a report must be submitted. **All** violations must be reported immediately upon discovery.

Administrative fund violations that occur through use of allowances and lower level operating plans within the allowance **must** also be examined and administratively reported. This is essential because loss of control or overt neglect of operational guides may ultimately lead to a legal violation; **Administrative** violations are subject to examination and reporting each-time cumulative obligations or costs exceed the total amount of the allowance or plan and each time a restriction, **such** as a program limitation or object class target, is exceeded. Again, the amount **of** the violation is not factor and all violations must be reported upon discovery.

2-10-170 INTERNAL REPORTING OF VIOLATIONS

Chiefs of the accounting and finance offices where official accounts are maintained **or any other employee** who is aware of an apparent violation, either legal or administrative, should report the apparent violation in writing. Some automated accounting systems may be designed to issue a special message when an HHS account balance indicates that an investigation is in order. Otherwise, a review at least monthly of the status of allotment and allowance accounts and comparative operating plan reports will reveal apparent violations. Headquarters' offices of the **OPDIV/Agency/OS** will also make monthly reviews to determine whether appropriations, or apportionments, allotments and allowances have been exceeded. An investigation of the facts will reveal whether the excesses are to be classed as a legal or administrative violation.

Initial reports of **all** violations will be forwarded through the usual administrative channels to the Head of each **OPDIV/Agency/OS**.

A copy of those which appear to be legal violations will also be sent to the Deputy Assistant Secretary, Finance. Based upon the facts in the report, the OPDIV/Agency/OS will issue instructions for further investigation. After investigation a final report will be made at which time administrative discipline will be taken, where warranted, and amended procedures will be implemented if needed.

Reports will be prepared in accordance with Part III of OMB Circular A-34 except that administrative violations will be addressed to the Head of each OPDIV/Agency/OS and signed by the principal investigator.

2-10-180 EXTERNAL REPORTING OF VIOLATIONS

When it has been substantiated by the final report of the investigator that an Antideficiency violation has occurred, the Head of the OPDIV/Agency/OS will IMMEDIATELY send the report for **the President** and the Congress to the Deputy Assistant **Secretary, Finance**. **He** will review the report and forward it to the **Secretary** for his signature.

In addition to reports of violations discovered within the operating components of the Department, reports will also be made on violations not previously reported which are included in findings of the **HHS** Inspector General or the GAO in connection with audits and investigations. In these cases, the reports should explain why the violation was not discovered and previously reported. If the Department does not agree with the GAO that a violation has actually occurred, a letter explaining the HHS point of view should be prepared for the Secretary's signature and transmitted through normal channels to the Comptroller General with a copy to the Director of OMB.

Reports on violations relating to allocation accounts will be prepared by the agency administering the account and provided to the parent of the account for submission to authorities as described above.

2-10-190 IMPLEMENTATION

The Head of each OPDIV/Agency/OS are responsible **for** issuing any instructions deemed necessary to implement this system of administrative control of funds within their respective organizations. To ensure that implementing instructions are consistent with the provisions of this chapter, they will be sent to the Deputy Assistant Secretary, Finance for review and approval prior to their promulgation. Thereafter, organizations should review the instructions annually **for** current applicability. Events which may require a revision to the instructions are:

- o Reported violations.
- o Change in organizational structure.
- o Change in operating procedures.
- o Change in statutory requirements.
- o Advancement in management technique.



DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
ADVICE OF ALLOWANCE

o: (Name, Title and Organization) Ms. Bernice L. Bernstein, Regional Director, Region II New York		(Address)		Date Issued 10/15/75	Fiscal Year 19 76	Appropriation 75X11X0090(01)
<p>AUTHORITY: You are authorized to OBLIGATE FUNDS indicated below under this Advice of Allowance, within the limitations of law or administrative direction. Funds shall be available on the first day of the quarter. Unobligated balances at the end of each quarter may be used in subsequent quarters, except that no funds may be used beyond the close of the fiscal year.</p>						Allotment No. 30 Allowance No. 390-2
Funds	Common Account Number Detail	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Allowance Previously Authorized	6-1020742	\$4,500				\$4,500
Original Allowance or Subsequent Increase in Allowance	6-1020742		\$4,500			\$4,500
Decrease in Allowance						
Revised Amount	6-1020742	\$4,500	\$4,500			\$9,000
Object Class Detail: PS & B T & T Other						
Purpose and Limitations				Name, Title and Organization		
This allowance for the period 7/1/75-12/31/75 is made under the terms and conditions of P.L. 92-65. Obligations must not exceed the specific activity indicated above without prior approval from this office.				Authorizing: /s/ Armando D. Savat, Acting Director Budget and Financial Management, OHD Approving: /s/ Jerry Sutton, Director Office of Administration and Management Office of Human Development		

EXAMPLE

INSTRUCTIONS - ADVICE OF ALLOWANCE

<u>TO</u>	Name, title, organization and address of the individual issued obligational authority by the specific allowance advice.
<u>DATE</u>	Date authority is issued.
<u>APPROPRIATION</u>	Treasury Assigned symbol.
<u>FISCAL YEAR</u>	Fiscal year of the authority.
<u>ALLOTMENT NO.</u>	2 digit number assigned the Allotment Advice in the Accounting Internal Machine Number file (CAN Table).
<u>ALLOWANCE NO.</u>	3 digit number assigned the Allowance Advice in the Accounting Internal Machine Number file (CAN Table). Number the initial allowance XXX followed by a sequential number -1; number subsequent increments, increases or decreases, XxX-2, XxX-3, XxX-4, etc.
<u>ALLOWANCE</u>	
Previously Authorized:	The sum of previous issuances in the fiscal year. <i>To</i> be used when amending an annual allowance, and to bring forward the quarterly amounts of the allowances issued.
Original or Increase:	The initial allowance and any subsequent increment during the fiscal year.
Decrease:	A reduction in the amount of the allowance during the fiscal year.
Revised Amount:	The amount adjusted by an increase or decrease in the Allowance. The revised Total should agree with the cumulative amount recorded in the Accounting Allowance File. Cumulative commitments and obligations should not exceed the revised amount.
COMMON ACCOUNT NUMBER <u>DETAIL</u>	7 digit number assigned to indicate a sub-division of an appropriation or fund at which obligations, costs and expenditures will be maintained; the number is a cross-reference to the data elements represented by the Internal

INSTRUCTIONS - ADVICE OF ALLOWANCE (Continued)

Machine Number (CAN Table). Distribution to more than one CAN is for informational **purposes** or for specific direction concerning the obligation of funds.

OBJECT CLASS DETAIL Only for an operating Expense Allowance. **"Other"** may be detailed by object or sub-object class code. Distribution does not dictate explicit limitation within the allowance.

PURPOSE AND LIMITATIONS Federal Catalog Number and name of assistance program, or other purpose, qualification or contingency the **allottee** wishes to convey concerning the authority.

NAME, TITLE & ORGANIZATION Signatures of the **Allottee** and the Budget Official.

DISTRIBUTION Original to Allowee, 1st copy to Accounting and Finance Office (OPDIV/Agency or Region), 2nd copy to Budget Office (**OPDIV/** Agency or Region), 3rd copy to Program Office and 4th copy to retained by Allottee,

**DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
ADVICE OF ALLOWANCE**

TO: (Name, Title and Organization)		(Address)			Date issued	Fiscal Year 19	Appropriation
AUTHORITY: YOU are authorized to OBLIGATE FUNDS indicated below under this Advice of Allowance, within the limitations of law or administrative direction. Funds shall be available on the first day of the quarter. Unobligated balances at the end of each quarter may be used in subsequent quarters, except that no funds may be used beyond the close of the fiscal year.							Allotment No. Allowance No.
Funds	Common Account Number Detail	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total	
Allowance Previously Authorized							
Original Allowance or Subsequent Increase in Allowance		100,000	100,000	100,000	100,000	400,000	
Decrease in Allowance							
Revised Amount							
Object Class Detail: PS & B T & T Other							
Purpose and Limitations				Name, Title and Organization			
EXAMPLE: Annual allowance broken into quarterly increments. Allowance issued at beginning of FY for application and entry into accounting system at each quarter. The allowance should reflect the annual plan for incurrence of obligations.				Authorizing: Approving:			

E X A M P L E

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
ADVICE OF ALLOWANCE

HHS Exhibit 2-10-A
Departmental Accounting Manual
HHS Transmittal 88.1 (4/1/88)

Name, Title and Organization		Address		Date Issued	Fiscal Year	Appropriation
					19	
<p>AUTHORITY: You are authorized to OBLIGATE FUNDS indicated below under this Advice of Allowance, within the limitations of law or administrative direction. Funds shall be available on the first day of the quarter. Unobligated balances at the end of each quarter may be used in subsequent quarters, except that no funds may be used beyond the close of the fiscal year.</p>						Allotment No. <hr/> Allowance No.
Funds	Common Account Number Detail	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Allowance Previously Authorized		100,000	100,000	100,000	100,000	400,000
Original Allowance or Subsequent Increase in Allowance						
Decrease in Allowance					50,000	50,000
Revised Amount		100,000	100,000	100,000	50,000	350,000
Object Class Detail: PS & B T & T Other						
Purpose and Limitations				Name, Title and Organization		
EXAMPLE : Adjustment to an annual allowance.				Authorizing: Approving:		

E X A M P L E

**DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
ADVICE OF ALLOWANCE**

TO: (Name, Title and Organization)		(Address)			Date Issued	Fiscal Year 19	Appropriation
AUTHORITY: You are authorized to OBLIGATE FUNDS indicated below under this Advice of Allowance, within the limitations of law or administrative direction. Funds shall be available on the first day of the quarter. Unobligated balances at the end of each quarter may be used in subsequent quarters, except that no funds may be used beyond the close of the fiscal year.							Allotment No. Allowance No.
Funds	Common Account Number W I	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total	
Allowance Previously Authorized							
Original Allowance a Subsequent Increase In Allowance		500,000				500,000	
Decrease in Allowance							
Revised Amount							
Object Class Detail: PS & B T & T Other							
Purpose and Limitations				Name, Title and Organization			
EXAMPLE: Quarterly allowance issued at beginning of FY				Authorizing: Approving:			

E X A M P L E

Subject: ACCOUNTING AND FINANCIAL REPORTING - RELATIONSHIP
OF ACCOUNTING TO BUDGET

- 2-20-00 Background
- 10 Supporting the Budget Formulation Process
- 20 Supporting Budget Execution and Program **Operations**
- 30 Cost Finding, Cost Accounting, and Other Allocation
Methods
- 40 Control of Funds Through the Accounting Classification
Structure

2-20-00 BACKGROUND

The need to perform many of the accounting or finance processes is required by law. This includes the administrative control of funds procedures and the need to substantiate and support various aspects of budget formulation and budget execution. Further requirements of accounting systems results from management and program data needs and from guidelines of the General Accounting Office, Office of Management and Budget (OMB), and Treasury.

Accurate and meaningful accounting data are essential to sound budget estimating and programming since results of prior periods and projections of such experience usually form the basis for forecasting future budget authority needs and outlay estimates. The actual data in the various schedules of the Budget Appendix are products of the accounting systems. The Budget Appendix produced by OMB from input by government agencies is an important document used by Congress and the public. The Appendix is an annual report prepared in January showing the President's Budget for the past, current, and succeeding fiscal years. The past fiscal year data is based, in part, on actual amounts reported and shown in Treasury's Year-End Closing Statement TFS-2108, OMB's SF-133 Report on Budget Execution and various other supporting financial reports.

Z-20-00 (Continued)

The accounting process serves an equally important role in the execution of the budget. It must provide up-to-date information for controlling funds, and to enable managers to track the progress of program obligations for conformance with OMB apportionment limitations or highlight problems through financial reports that dictate altering the course of operations. In addition, up-to-date accurate disbursements and collection data are vital to tracking and monitoring outlay estimates that are required for various budget updates and OMB reports that occur throughout the year.

A. Uniformity of Classifications

Several parts of the Accounting Manual describe the uniform approach that must be taken when assigning descriptors and codes as part of the accounting and budget classification structure. The structure includes, for example, fiscal year and appropriation, budget activity, budget subactivity, budget sub-subactivity, allotment, allowance, cost center, etc. Accuracy and uniformity of these elements are key to the ability to respond to the information needs of managers, the budget requirements, and administrative control of funds processes. As a result of proper coding and structure, the accounting system should be able to produce numerous varieties of data needed for effective managing and budgeting.

B. Developing the Classifications and Assigning Codes

This process, which is usually monitored by the finance office, cannot be done efficiently and properly without active coordination among budget, program, contract and grant, administrative, and accounting staffs. When completed, the coding and structure must serve all of the aforementioned needs. Chapter 4-30, Common Accounting Number, prescribes the common accounting number structure and Chapter 3-30, Internal Machine Number, and Description File, prescribes the pyramidal structure of the accounting and budget structure. The common accounting number structures are illustrated in X4-30-1 and X4-30-2.

Z-20-10

SUPPORTING THE BUDGET FORMULATION PROCESS

The formulated budget material includes, for example, the program and financing schedule, object classification schedules, federal credit data, business-type statement, along with several other supporting schedules, all of which contain, in some form, actual data of the accounting system. These results frequently enter into decisions concerning amounts of new budget authority that may be requested and subsequently approved. Thus, it is necessary that the data are correct. An examination of the program and financing schedule for a no-year account illustrates the importance of accounting data. The amount of new budget authority requested is a by-product of the estimated program level as well as the accounting system's unobligated balance from the prior year. If the latter is incorrect, the planned program level requested could be under or over funded and inappropriate. For budget formulation purposes, OMB Circular A-11 contains a comparison of data including the Treasury Combined Statement (which is prepared by Treasury based on the ~~Year-End~~ TFS-2108 report prepared by the accounting office), budget's program and financing schedule, and the Report on Budget Execution, SF-133. This comparison shows the need for consistency among these reports and schedules in order to correctly prepare the budget. Furthermore, agency heads are required to certify as to the validity of all obligations furnished in support of the budget.

The outlay portion of the budget also can have a significant influence on the amounts appropriated, since current outlays resulting from previously obligated funds as well as newly obligated funds-- along with receipts --results in budget deficits or surpluses. Actual outlays are obtained from the accounting records. These are used as a basis for **projecting outlays** for both the current year and budget year. In many cases, for example, monthly and annual obligations and outlay data from the accounting records can be a very accurate predictor when simplified statistical analyses or comparisons are applied. Thus, not only are the year-end type accounting reports important but the monthly products are equally as useful.

2-20-20

SUPPORTING BUDGET EXECUTION AND PROGRAM OPERATIONS

A. Timely Reports of Current Operations

Up-to-date and timely accounting reports can aid significantly in tracking program operations and executing the budget. For example, the amount of obligational authority apportioned under a continuing resolution is based on the rate of obligation in previous years. In addition to historical tabulations of obligations incurred and paid, program managers can benefit from timely commitment accounting reports. Budget execution functions such as tracking and adjusting allotments, allowances, and operating plans; reviewing and monitoring reimbursable and fund transfer activities; monitoring staffing and payroll; insuring that travel or other limitations are within ceiling; and developing and tracking apportionments can depend heavily on timely and current information from accounting systems.

Reports prepared to maintain the internal operations of an accounting system are usually inadequate for budget and program purposes since accounting listings are usually cryptic in nature, frequently contain codes which are difficult to translate and, in many instances contain more information than is needed for management of operations. For these reasons, the accounting office must take the lead in assisting budget, program, contracting, grant, and administrative officials to develop reports and other data peculiar to the operation of the organization as well as for budgeting purposes.

B. Information Exchange and Document Flow

Accounting systems are more effective when budget, program, and administrative offices give full support to the process through day-to-day exchanges of information and by insuring a smooth flow of paperwork that represents accounting transaction input. The exchange of information must be in both directions, to the offices being supported by the accounting system, and from the supported offices. Changes to the

(2-20-20B Continued)

budget structure, organization structure, reimbursable agreements and activities, fiscal cut-off or closing dates, and changes to policy or procedures because of OMB or Treasury revisions are but a few examples of alterations to routine operations that, through information exchanges, can avoid or reduce unnecessary work of any of the affected organizations.

The flow of documents to an accounting office is of significant importance as is a high degree of accuracy of the documents in insuring that up-to-date accounting reports are available. Tests should be performed periodically by the organizations involved to determine that the flow of documents is timely and without serious obstacles. Accounting offices should time-stamp all incoming documents to aid in such tests. The accounting office should also test its internal document and transaction flow to determine if it is efficient and effective.

Another important consideration is that organizations supported by accounting reports should provide negative or positive feedback to the accounting office indicating that reports are correct or that transactions are questionable. Further, certain reports which are sent by the accounting office to OMB should be reviewed by the budget office before being transmitted. This will help insure that apportionment data and SF-133 are consistent.

2-20-30

COST FINDING, COST ACCOUNTING, AND OTHER ALLOCATION METHODS

Cost finding and allocation methods are alternatives when methods of operations prevent direct charging of obligations or expenditures to a specific cost center, program, or activity. Such a situation can occur when, for example, an employee performs work on behalf of two or more programs or performs intermittent work on a reimbursable project, as well as for the program to which the employee is routinely assigned. When such efforts cannot be easily identified and accounted for, extraordinary procedures are required to account for the costs/obligations/ expenditures on a collective basis, then through a redistribution technique, the charges are allocated to the various programs or activities.

(2-20-30 Continued)

The redistribution process must be a formally documented procedure that can be substantiated through audit. Cost accounting and cost finding are acceptable methods. Cost accounting is usually the more expensive and formal process, frequently applying units of measure to accumulated costs for subsequent reallocation. Cost finding is normally used when infrequent allocation or redistribution is needed. The data produced are usually not as precise because this process is not an integral part of the accounting system. However, this latter procedure may be the most reasonable and economical approach to the problem.

2-20-40

CONTROL OF FUNDS THROUGH THE ACCOUNTING CLASSIFICATION STRUCTURE

The accounting and budget classification structure and codes discussed in Department Accounting Manual Chapters 3-30 and 4-30 are key to the preparation of data and reports required by various laws, regulations, and management. The development of the structure and specific codes are not the sole responsibility of the accounting staff. As demonstrated earlier, the budget, program, and administrative staffs must contribute to this process in order to insure that all needs are met.

The code hierarchy prescribed in Chapter 3-30-30 serves a number of purposes, two of which are budget formulation and budget execution. Some of the important code elements that serve these functions are:

Fiscal Year -- The appropriation act or other law prescribes the fiscal year.

Appropriation -- This number is determined by appropriation act or as the result of other laws permitting creation of an account.

Allotment -- Within each appropriation, a limited number of allotments are issued to control and administer funds. Not less than one allotment is required for each appropriation or other fund, and fund limitation as appropriate, which is subject to obligations and expenditures including reimbursements, revolving fund resources, and funds transferred-in from external agencies. If practical to do so, the allotment should be kept at the major budget activity level.

(z-20-40 Continued)

Allowance -- There must be not less than one allowance per allotment. The allowances are subdivisions of allotments and may identify fund authorization at the budget sub and sub-subactivity level.

Budget Activity

Budget Subactivity

Budget Sub-subactivity -- These three elements are the formal sub-designations of the appropriation account as depicted in the President's Budget Appendix and other documents. The subactivity and sub-subactivity elements are shown in the Appendix as "indented" sub-elements of the budget activity. These elements must be coded in accounting systems in the manner and form presented in the budget as amended by Congressional expression in appropriation acts. This is necessary to insure that the budget is executed according to the desires of the President and Congress and for the purpose of being able to support the next year's budget. The assignment of Common Accounting Numbers (CANs), allotments, and allowances must be done in a manner that is consistent with budget activity coding.

Chapter 4-30 prescribes the manner in which the Common Accounting Number (CAN) is developed and applied. In brief, the CAN is a code, at the bottom of the classification hierarchy, that is used along with other transaction information, such as contract number and dollar amount, to facilitate linking such transaction data to the accounting classification elements described above which have been previously entered in the accounting system. The computerized accounting system performs this linking function, thus permitting input of a minimal amount of data with each transaction by the accounting staff.

Not less than one CAN must be assigned and used within each allowance. The number of CANs generally should be kept to a minimum but not to the point of diminishing the need to maintain separate accountability where managers dictate that such controls are essential. Above all, the CANs must be representative of the entire accounting and budget classification in order to insure that all of the functions and needs are served.

An illustration of the CAN assignment is found in X4-30-1.

RESPONSIBILITIES AND REQUIREMENTS FOR RECORDING
AND REPORTING COMMITMENTS AND OBLIGATIONS

2-30-00 Purpose

- 10 Criteria for Determining Commitments
- 20 Statutory Requirements for Obligations
- 30 Criteria for Determining Obligations
- 40 Review of Unliquidated Obligations
- 50 Adjustment of Obligations
- 60 Reconciliation of Documents
- 70 Certification of Obligations

2-30-00 PURPOSE

This chapter establishes responsibilities and prescribes the general requirements for identifying, validating, recording and reporting commitments and obligations. Further detailed requirements and procedures for processing and controlling commitments and obligations are embodied in the Administrative Control of Funds, Chapter 2-10, Reconciliation and Internal Control, Chapter 2-40, and Systems Requirements and Operations, Chapter 3-00.

2-30-10 CRITERIA FOR DETERMINING COMMITMENTS

A. General

1. Applicability Within DHEW

The use and applicability of commitment accounting is outlined in Chapter 3-00, systems requirements and operation. Commitment accounting is optional and its applicability shall be determined by each agency.

2. Definition

A commitment is a reservation of a specific amount of available funds which provides for a later incurring of an obligation.

3. Certification of Fund Availability

When formal commitment accounting is employed a certification should be indicated on the commitment document that funds are available. Modification of this certification requirement should be made in mechanized processing where fund availability can be verified on a mechanized basis. A verification on fund availability will assist in preventing an over commitment of funds.

(2-30-10 continued)

B. General Requirements

1. Guidance Review

Since the **commitment serves as a basis** for a later incurring of an obligation the guidance which follows in this chapter on obligations ● should be reviewed for applicability to **commitments** (i.e. funds chargeable, costs incurred, timing, etc.).

2. Accounting Period

Generally, **commitments** are recorded on a **monthly basis**; however, it may be advantageous for an **operating agency** or an accounting office to consider other **commitment time periods**. Since allotments and allowances are generally issued on a **quarterly basis**, it may be advantageous to establish an obligation for the first month of a quarter and reserve funds based on a **commitment** for the remaining two months of the quarter for certain object classes (i.e. personal ● services and benefits, rents, communications, and utilities, etc.).

3. Adjustments

Adjustment or removal of the commitment is required when the obligation amount is established. This adjustment or removal of the **commitment amount** will generally be ● accomplished on a manual basis unless an accounting ● subsystem has established mechanized procedures for this type of adjustment.

C. Release of Committed Funds

Wherever requirements for funds are cancelled or an obligation will not take place then action should be taken to notify the **fiscal office in writing**. If funds have been committed but it is determined that the funds will **not** be obligated for a particular requirement then the **commitment** should be removed. Unobligated commitments against annual appropriations will be cancelled at the end of the **fiscal year (June 30)**. Accounting offices should notify **initiating offices** (such as procurement, transportation, etc.) of the commitment cancellation. This will provide the initiating offices an opportunity to review and **determine** if a commitment is to be reestablished in the succeeding year.

D. Recording Commitments

1. Influencing Factors

Each operating agency should determine the extent that **commitments** should be formally recorded. Time, geographical distance, and document processing (i.e., mechanization) factors may influence this decision. Where commitments for certain transactions are converted to the obligation stage within a ● short period of time, the use of formal commitment accounting for these type transactions may not be required. In some agencies the method of using a **bulk commitment** technique based on a dollar level within a monthly or quarterly time frame could be considered if commitment accounting is implemented.

(2-30-10 continued)

2 . Prompt Recording

If formal **commitment** accounting is established, commitments should be recorded promptly based on acceptable documentation that will support a **reservation** of funds. The **commitment** can be based on grant applications approved for funding, requisitions, purchase requests, procurement action documents, proposals, letters of Intent, **estimates** supported by **administrative** determinations, and other acceptable written forms which indicate the intention to incur an obligation.

E. criteria**1. Personnel Services**

For **commitment** purposes, an **administrative determination** of pay, **allowances**, and **DHEW Contributions Costs** can be estimated and established at the beginning of the **month** or **quarter**. The cost can be based on prior paid payrolls adjusted for known changes such as **general pay raises** and **projected hires and separations**.

2. Travel and Transportation

Costs of travel and transportation can be **estimated** prior to **commencement** of the travel and transportation and a **commitment** established to reserve a **specific amount** of available funds. The travel request and other related **documentation** should be used as the basis for the **administrative commitment** of funds.

3. Communication Services, Rents, and Utility Services

Pending the receipt of **agreements** and contracts for **communication services**, **rents**, and **utility services**, an **administrative commitment** of funds can be established for **known obligations** that will be incurred. **Monthly charges** for these services can be established as a **commitment** at the beginning of **each** month. A **certified register** or listing as outlined in **Chapter 4-80, Voucher Examination Manual** may be used to support the **commitment**. (See 2-30-10 8.2 for other **commitment time periods**).

4. Other Contractual Services and Procurement of Supplies, Materials, and Equipment**a. General**

When requests for **contractual services** and **procurement** of **supplies**, **materials** and **equipment** are processed prior to **incurring** the **obligation**, the requests can be **established** as a **commitment** of funds. Supporting documentation for the request are **purchase requests**, **proposals**, **letters of intent**, **blanket purchase agreements**, and **obligation authorities**. The **obligation authority** as used in this text represents the **authorization** to **incur obligations** within the **dollar amount** indicated in the **obligation authority commitment document**.

(2-30-10 continued)

b. Orders for Supplies and Services
Require Acceptance

Where orders for supplies and services require acceptance on the part of the supplying agency, a commitment can be established pending the acceptance in writing and conversion to an obligation. The request for supplies and services can be used as the commitment document.

5. Entertainment, Official Reception and
Representation Expenses

When official reception and representation functions have been approved, an administrative commitment of funds can be established for the estimated costs for these functions.

6. Land, Buildings, Construction in Process,
Structure, and Facilities

Proposals, bids, letters of intent can serve as a basis for an administrative commitment of available funds prior to completed negotiations of a contract or agreement. Plans, proposals, and applications with cost estimates can assist in establishing the administrative commitment and reservation of funds.

7. Loans

Pending the signing of loan agreements, an administrative reservation of funds can be established for the amount of the loan to be charged against available funds.

8. Investments in Securities

Requests for the estimated purchase price of stocks, bonds, debentures, and other securities (excluded are par value U.S. Government securities) can be established as a commitment of available funds. An approved purchase request and other requisition and application forms may be used to support the commitment.

9. Grant 6

Pending the execution of an agreement or approval of an application or similar document for a grant, a commitment can be established reserving available funds for grants that will be obligated. Approved requests for grants may be used as supporting documentation for the commitment. In certain formula grant-in-aid programs wherein specific projects must be approved by a Federal employee to constitute an obligation the amount determined by the formula for each State may be used to record the commitment.

7-10 continued)

10. Pending Litigation and Other Legal Liabilities

A commitment of available funds can be established for pending litigation and other legal liabilities where evidence is provided that actual obligations will be incurred. Claim applications and other related documentation can be used to support the commitment. See Part 4, "Claims," General Administration Manual.

11. Contract

Pending finalization and definitization of a contract or changes to a contract, a commitment can be established to reserve funds. Proposals, bids, letters of intent, and pending change documentation can be used to support the commitment.

12. Review and Reconciliation

Outstanding commitments should be reviewed and reconciled at least quarterly and an annual year-end review is mandatory. Commitments must be converted to valid obligations or removed from the books before the year-end closing. The procedure in Chapter 2-40, Reconciliations and Internal Control should be reviewed for applicability to commitments.

13. Reporting of Commitments

If reporting requirements are established by operating Branches, the reports and statements should be based on valid commitments recorded.

2-30-20 STATUTORY REQUIREMENTS FOR OBLIGATIONS

Specific legal requirements for recording and reporting of obligations are set forth in section 1311 of the Supplemental Appropriation Act of 1955, 31 USC 200. Portions of this section are:

"(a) -- no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of --

"(1) a contract or agreement between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased, or leased, or work or services to be performed or;

"(2) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or

**RESPONSIBILITIES AND REQUIREMENTS FOR RECORDING
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"(3) an order required by law to be placed with a Government agency ; or

"(4) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations; or

"(5) a grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulas prescribed by law, or (ii) pursuant to a plan authorized by, or approved in accordance with and authorized by, law; or

"(6) a liability which may result from pending litigation brought under authority of law; or

"(7) employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or

"(8) any other legal liability of the United States against an appropriation or fund legally available therefor.

"(b) Hereafter in connection with the submission of all requests for proposed appropriation to the Bureau of the Budget (now Office of Management and Budget), the head of each Federal agency shall report that any statement of obligations furnished therefor consists of valid obligations as defined in subsection (8) hereof.

"(c) Each report made pursuant to subsection (b) shall be supported by certifications of the officials designated by the head of the agency, and such certifications shall be supported by records evidencing the amounts which are reported therein and having been obligated. Such certifications and records shall be retained in the agency in such form as to facilitate audit and reconciliation for such period as may be necessary for such purposes. The officials designated by the head of the agency to make certifications may not delegate the responsibility.

"(d) No appropriation or fund which is limited for obligation purposes to a definite period of time shall be available for expenditure after the expiration of such period except for liquidation of amounts obligated in accord with subsection (a) hereof; but no such appropriation or fund shall remain available for expenditures for any period beyond that otherwise authorized by law.

"(a) Any statement of obligation of funds furnished by any agency of the Government to the Congress or any committee thereof shall include only such amounts as may be valid obligations as defined in subsection (a) hereof."

Z-30-30 CRITERIA FOR DETERMINING OBLIGATIONS

A. Obligation Defined

Reference OMB Circular No. A-36. "An obligation for Federal Government Accounting represents the dollar amount for orders placed, contracts awarded, services received and similar transactions during a given period which will require payments during the same or a future period. In addition to orders and contracts for future performance, obligations incurred include (a) the value of goods and services accepted and other liabilities arising against the appropriation or fund without a formal order, and (b) disbursements made for which obligations were not previously reported." The obligation represents a stage in the fund control and administration of public funds. It is generally associated with the ordering or agreement stage (contract) in contrast to the request or commitment action stage.

B. General Requirements

1. **Introduction.** All obligations should be recorded promptly in the accounts as they are incurred when the obligations meet the tests set out in the statutory requirements cited in the preceding paragraph. Valid obligations should be recorded as they are incurred even though the control accounts indicate that efficient funds may not be available. This situation may require an antideficiency report to be issued. When an agency, after applying the specific statutory tests and after research of Comptroller General decisions on "obligations," is unable to resolve whether a particular financial transaction should be recorded as an obligation, it should submit the question to the Office of the Deputy Assistant Secretary, Finance, Office of Assistant Secretary, Comptroller, for consideration. If necessary, a decision will be obtained from the Comptroller General.

2. Certification of Fund Availability

Where formal commitment accounting is not employed, a certification should be indicated on the obligation document that funds are available. Modification of this certification requirement should be made in mechanized processing where fund availability can be verified on a mechanized basis. If formal commitment accounting is employed it should not be necessary to recertify availability of funds to process obligation documents since the commitment document would be the basis to convert to the obligating document. The verification of fund availability should assist in the administrative control of funds.

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3. Documentation

a. Obligations Supported by Contractual Documents

Obligations must be supported by proper documentation as outlined below. They are not recordable until such documents have been (1) where required, signed by the contractor or other performing agency, (2) signed by the authoring representative of the operating agency, (3) where required, approved administratively, and (4) filed or otherwise delivered to the contractor or other performing agency. The date of all signatures and approvals must be shown on the document. All required actions must be completed within the period of availability for obligation or the funds being cited.

b. Accounting Office Copy

A signed copy of the obligating document must be filed in the accounting office which records the obligation. A certified true, photographed, or similarly reproduced copy may be used for this purpose. See Part 3-50, DHEW, Procurement Manual for distribution of numbered contracts, purchase orders, delivery orders and other purchasing instruments.

c. Written Evidence Prior to Receipt of Documentation

Written evidence that a valid obligating document exists should suffice until a copy of the document as prescribed is received.

In such cases, the accounting office will take immediate action to obtain the prescribed copy of the actual document. Written evidence may be a letter, memorandum, electrical message, other written communication from the individual having physical possession of the valid obligating document, or a written record of a telephone conversation with that person signed by the responsible individual receiving the communication. Information must be included to support a determination of a valid recordable obligation does in fact exist. While specific details may vary, the following information should be included,

- (1) document number;
- (2) date and type of the obligating document;
- (3) contractor or vendor's name and address;
- (4) actual or estimated amount of the obligation;

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- (5) quantity and brief description of the supplies or services being procured;
- (6) fund citation, and
- (7) a **• ♦♦♦□□□♦** that all required signatures and administrative approvals have been obtained and delivery or mailing of document accomplished, when applicable,
- (8) name title, organization and phone number of person submitting the above data and the date it was received.

d. Responsibility of Contracting or Procuring Activity

It is the responsibility of the activity taking the obligating **• ction** to provide the necessary documentation to the proper accounting office in a timely manner.

e. Administrative Determinations

In some cases written administrative determinations with estimated amounts can constitute the supporting documentation for obligations relating to: personal **• nhta**, travel and related transportation, amounts due periodically under **• oprtated lttt • grtt=nta**, grants, public utility services, subaidita, and similar transactions. This type of documentation can be used where a contract or other document supporting the obligation provided for the payment or the accrual of payments to be made, and where there is no separate purchase or delivery document to place in the file to substantiate the recording of each accrued unpaid item. Such written administrative determination should contain **• description** of the transaction, refer where appropriate to the document initially authorizing the transaction, and be authenticated by an official who is vested with the authority to make such administrative determination.

f. Miscellaneous Obligation Document (MOD)

The miscellaneous obligation document may be used to **• atebiah** obligations at the beginning or during an accounting period for estimated costs for personnel, travel, communications, and other costs for which valid documentation is not currently available. The use of the MOD in this manner provides a means of identifying and obligating funds immediately for fund control purposes. The written administrative determinations referred to in **• .** above may be prepared upon, or made a part of, the Miscellaneous Obligation Document. Upon receipt of valid documentation the amount of the obligation should be adjusted accordingly.

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g. Machine Listings as Obligor Documents

The recording of obligations may be based upon signed summaries supported by machine listings of the documents when operations are mechanized with punch card accounting machines or automatic data processing equipment and documents are authorized to be processed without signature. Other applicable requirements must be satisfied. These listings must be verified for correctness and certified that copies of the supporting documents are available in auditable form.

4. Appropriation or Fund to be Charged

An obligation will be charged to the appropriation or fund available for the fiscal year in which the obligation was incurred. The general rule is that the obligation must have been made to meet a bona fide need of the fiscal year to be charged.

Supplies and services ordered should be for the intention of meeting the bona fide need of the fiscal year in which the need arises or to replace stock used in that fiscal year. If the supplies and services can not be used (exception stock replacement) in the current fiscal year then the obligation should be established in the fiscal year in which the costs are incurred and the supplies and services will be used: i.e., it is not proper to contract for the installation of carpet in the current fiscal year when the office space where the carpet is to be installed will not be available until the next fiscal year. In this case, the installation costs for the carpet should be established as an obligation in the next fiscal year when the bona fide need exists and the office space is available and ready for the installation of the carpet. In determining the bona fide need for each fiscal year each case must be examined on its own individual set of facts.

An appropriation or fund is an account established to make amounts available for obligation and expenditure from the Treasury. These accounts include not only those to which money is directly appropriated, but also revolving funds, trust funds, etc.

A one-year account is one which is available for incurring obligations only during a specified fiscal year.

A multiple-year account is one which is available for incurring obligations for a definite period in excess of one fiscal year.

A no-year account is one which is available for incurring obligations for an indefinite period of time.

An unexpired account is one which is available for incurring obligations.

An expired account is one which is no longer available for obligation but is still available for disbursement to pay existing obligations. (Set Chapter 3-50).

C. Personal Services

1. Pay and Allowances

Obligations incurred for personal services for civilian and commissioned officers consist of amounts earned during the reporting period. **This** includes base pay, allowances, overtime pay, night differential pay, and other additions to base pay, such as monetary allowances for subsistence and quarters.

a. Salaries and Allowances

Obligations for salaries and allowances are in the gross amount, before deductions for retirement, bonds, taxes, insurance, and allotments, but are net deductions for such items as quarters, subsistence and refunds which are credited back to the appropriation. Obligations for personal services should be supported by payrolls or other written administrative determinations at the close of the monthly accounting period. The obligations should represent the liability for the monthly accounting period for personal services of individuals supported by personnel records. For civilian personnel and **commissioned** officers, the obligation should be supported by the Payroll Data **Flowback** CAN and Object Class Cost **Summary** and the Accrual Cost **Summary** for earned but unpaid salary costs for the balance of the month. These reports are supported by tape formatted records for automatic input to the OPDIV/agency accounting systems.

b. DHHS Contributions

Obligations for required DHHS contributions for Federal insurance (FICA), group life insurance, health benefits, and retirement, should be estimated for the monthly accounting period. Such determinations should be supported by information furnished from personnel records. The prior payroll adjusted for known changes may be used for estimating the obligations. Accounting documentation will be provided as in "a." above.

c. Payroll Period Covering Portions of Two Months

Where a payroll period covers portions of two calendar months, the proportionate amount accruing within each month is an obligation applicable to that month.

d. Witnesses and Experts

Obligations for obtaining witnesses and **employing** experts should be **evidenced** by a signed copy of the document **evidencing** their employment. Accounting documentation will be provided as in "a." above.

e. Continuation Pay - Commissioned Officers

Continuation Pay for Commissioned Medical Officers is obligated for the total amount of the entitlement in the accounting period in which the Commissioned Medical Officer signs the agreement to remain on active duty. The fiscal year appropriation available on the date of agreement is the only appropriation available for obligation and payment of such continuation pay regardless of the **fact** some installments may be paid in subsequent fiscal years. Adjustment should be made **from** payroll FY/CAN to obligation **FY/CAN**.

2. Incentive Awards

Cash awards made to civilian personnel under the incentive awards program should be recorded as obligations in the accounting period during such awards are approved. Copy of the document informing the recipient of the award should be used to support the obligation. Adjustment should be made from payroll FY/CAN to obligation **FY/CAN**.

3. Lump Sum Leave Payable

In an obligation against the **FY/CAN** available at the time of the separation date. Adjustment should be made from payroll **FY/CAN** to **obligation** **FY/CAN**.

4. Accrued Annual Leave

Annual leave and compensatory time accrued as earned leave and sick leave (not accrued) are recorded as obligations only at the time leave is used and paid for with the exception of those **appropriations/funds** which are specifically authorized by law to obligate on the basis of annual leave earned.

5. Severance Pay

Is to be reported as an obligation when payable.

6. Equalization Allowance

Obligations for equalization allowances (under 5 USC 3373) will be reported at the time the salaries and *wages* are earned.

7. Uniform Allowance

Is to be established as an obligation when payable to the employee.

D. Travel and Transportation

Travel and Related Transportations

Unless otherwise provided below, **obligations** for temporary duty and permanent change of station travel and related transportation are obligated and charged against the appropriations current in the year in which the costs are incurred and the employee becomes

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entitled to reimbursement. Des or supppping documents are darcridtd in Part 4, Voucher Examination Manual and the Travel Manual, and their use for obligation purposes is Indicated in the following paragrpspha.

a. Costs Included

The amount of the obligations should include all authorized costs incident to travel, such as: (1) transportation of the employtt, professional • quiptnt, howehoth goods, and dependents, (2) monetary allowance in lieu of transportation, (3) mileage and per diem • - llwtttt, (4) incidental travel expenses, (5) dislocation a llowances, and (6) temporary and nontemporary storage.

b. Travel Orders

Pending receipt of the SF 1012 Travel Voucher, tentative obligations for travel and related transportation may be based on travel authorizations issued. It is recognized that the travel order at the time of issuance, and where travel has not been initiated is not considered a valid obligating document (reference 35 Comp. Gtn. 183 and 31 Comp. Gtn. 472). However, in 35 Comp. Gtn. 183, GAO acknowledger that the travel order at the time of issuance can serve tentatively as an obligation for transportation to be purchued and reimbursements to be earned where it is administratively determined desirable to avoid certain additional accounting requirements and that all estimated amounts for travel and related expenses so recorded are • djwtttd to • ctual obligation6 periodically and, in any event, prior to the submission of the report on obligations required by Subsection (b) of Section 1311, Public Law 663, 83rd Congress (31 USC 200). However, follow up action is required with the traveler to insure that travel and related transportation did actually occur. Immediate • djstantnt of the obligation must be made upon receipt of the approved SF 1012 Travel Voucher. In the case of single year appropriations where the period covered by the travel authorization extends beyond the end of the fiscal year, the estimate will be for the transportation purchased (see paragraph f. below) and the reimbursements earned to the end of the fiscal year. At the end of a f iscal year, a careful review must be made to insure the obligations are valid and travel and transportation costs were Incurred within the fiscal year.

c. Basis for Estimates

It is not contemplated that the estimates should ncttssarily be recorded at the maximum amount that might be incurred. Rather, estimates should be based on statistical factors, the individual travel experience of the estimating office, and such other information as is available to product the most • ccuraft and realistic estimate practicable. However, these estimates must be adjusted • ctual costs when incurred.

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d. Travel Advance Adjustments

When a travel advance is obtained that covers periods of travel in two fiscal years, the advance is disbursed in the current fiscal year. However, at the time the travel voucher is submitted for settlement, an adjustment by each fiscal year must be made based on when the travel is performed and when the cost is incurred.

e. Per Diem, Mileage, and Miscellaneous Expense

Costs for the per diem allowance in lieu of subsistence, mileage, and miscellaneous expenses are obligated in the fiscal year in which the traveler incurs the costs and performs the travel. In the case where two fiscal years are involved in a travel situation, costs for per diem, mileage, and miscellaneous expense must be separated by fiscal year based on when the travel cost is incurred.

f. Transportation Expenses

Transportation expenses are obligated to the fiscal year current at the time the transportation request (TR) is exchanged for a commercial type ticket except where a transportation request is exchanged for a ticket in one fiscal year for travel to commence in the following fiscal year. In the case of the transportation request (TR) which is exchanged for a commercial type ticket in a fiscal year the total cost of the ticket is charged to the current fiscal year even if the travel commences within the current fiscal year and extends into the next fiscal year. Where travel does not start until the next fiscal year then the next fiscal year must be charged with the travel costs including the commercial ticket purchased with a TR.

g. Permanent Change of Station (PCS)

(1) Obligations for permanent change of station should be established when costs are incurred and the employee becomes entitled to reimbursement.

(2) Travel Household Goods, and Personal Effects

(a) Commuted and Reimbursement Basis.

When the employee travels and ships household goods and personal effects at his own expense, the expenses of travel and transportation (including packing, crating, drayage, and/or storage) are obligated to the appropriation current at the time the

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employee becomes entitled to reimbursement (i.e. when the employee performs the travel or pays the transportation costs). It is recognized that the travel order at the time of issuance and where travel has not been initiated is not considered a valid obligating document (35 CG 183, and 31 CC 472). However, for fund control purposes, determination of the estimated cost should be made for tentative (estimated) obligation purposes pending the receipt of the reimbursement travel voucher SF 1012. The travel order and related documentation should be used to • □□□□ in establishing the tentative (estimated) obligation. In the case of reimbursements on a computed basis for the transportation of household effects, there should be eliminated from obligations at year-end the portion thereof for which the employee has not yet earned the reimbursement by making his own expenditure for transportation.

(b) Bill of Lading (See Part 103-40, DHEW Materiel Management Manual)

When a SF 1103, "U.S. Government Bill of Lading" (CBL) or SF 1113, "Public Voucher for Transportation Charges" are used, the costs of transportation of household goods and personal effects are obligated against appropriation current at the time the carrier picks up the goods (31 CG 171). Where several shipments are involved and separate bills of lading are issued, then each shipment is considered separate and distinct. In the case of multiple shipments, the date each bill of lading is received for by the carrier determines the accounting period for obligating and charging to the proper appropriation. The received bill of lading should be used as the obligating document. The issuing office shall annotate each CBL with the actual □□ • rtsinted transportation charger and forward the CBL to the applicable fiscal office for obligating purposes.

(3) Allowance for Expenses Incurred in Connection with Residence Transactions

In accordance with conditions and requirements outlined in Chapter 3-60 of the DHEW Travel Manual, an employee can be reimbursed for expenses paid in connection with: the sale of one residence at his old official station; the purchase (including construction) of one dwelling at his new official station; or the settlement of an unexpired lease involving his residence or a lot on which a house trailer used as his residence was located at the old official station. Reimbursement for these expenses should be obligated against the proper appropriation at the time costs are incurred and the employee becomes entitled to the reimbursement. A tentative

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obligation can be established based on the estimated cost pending the receipt of the approved "Employee Application for Reimbursement of Expenses Incurred Upon Sale or Purchase (or both) of Residence Upon Change of Official Station - HEW 531" with the SF 1012 Travel Voucher. The estimated amount can be determined from the travel orders issued to the employee.

(4) Allowance for Miscellaneous Expenses and Temporary Lodging Allowances on Authorized or Approved Permanent Change of Station

Allowances for miscellaneous expenses and temporary lodging allowances on a PCS move (see Chapter 3-60, DHEW Travel Manual) are obligated against the proper appropriation at the time the employee becomes entitled to payment or reimbursement. A tentative obligation can be established based on the estimated cost pending the receipt of the approved SF 1012, Travel Voucher.

(5) Transportation of House Trailer

The cost for moving a house trailer should be obligated against the appropriation current when the costs are incurred and the employee becomes entitled to reimbursement. If the house trailer is moved by the individual employee with his own personal automobile or truck on a mileage basis or the employee pays a commercial carrier to move the house trailer then a tentative obligation can be established based on the estimated cost pending the receipt of the SF 1012 Travel Voucher. If the government moves the house trailer for the individual then the bill of lading shall be used to obligate and charge the appropriation current at the time the carrier picks up the house trailer for transporting. The issuing office shall annotate each GBL with the actual or estimated transportation charges and forward the GBL to the applicable fiscal office for obligating purposes. In some cases, a combination of the above methods of transporting may be employed and the applicable obligating documentation should be used.

(6) Authorized Cost Prior to Date of Reassignment

Any cost incurred by the Government prior to the effective date of reassignment should be obligated against the appropriation current at the time such cost is incurred. These costs include Transportation Request (TR) for transportation of personnel, or

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Government Bills of Lading (GBL) for shipment of household goods, cartage, packing, carting, and storage.

(7) Storage of Household Goods

When an employee is entitled to storage of household goods for a permanent change of station movement, the cost of such storage is chargeable to the appropriation current when the service is rendered. For example, if household goods are placed in storage, the service for the first fiscal year or part thereof is chargeable to the current year funds. Each subsequent year's service is chargeable to the subsequent year's appropriation.

2. Transportation of Government Property and Supplies

Obligations incurred for transportation of Government property and supplies should be evidenced by: (1) Government Bill of Ladings (GBL) issued to commercial carriers, (2) other contracts for commercial transportation or rental of truck and (3) intragovernmental orders for specific transportation. The obligation should be based on established rates, in amounts representing the estimated cost of the transportation to be furnished. The obligations should be adjusted upon receipt of evidence of payment of final bills. Transportation is an obligation of the fiscal year in which the carrier picks up the goods. The Issuing office shall annotate each GBL with the actual or estimated transportation charges and the date the carrier picked up the shipment, and forward the GBL to the applicable fiscal office for obligating purposes.

E. Communications Services, Rents, Leases, and Utility Services

1. Communication Services

Include amounts for services received or amounts owed for the use of property during the reporting period. For contracts within or beyond the fiscal year involving recurring services (such as rent), exclude amounts for services not yet performed, even though the total amount of the contract is definite. (Ref. OMB Circular A-34) Where contracts or agreements are entered into for communication services, a copy of the signed contract or agreement should support the obligation. For recurring type communication services, the estimated cost may be used for obligation purposes pending the receipt of the actual billing. General Services Administration (GSA) has sole authority for entering into long term contracts not to exceed 10 years with communication common carriers. The GSA will normally enter into area-wide, general purpose, and special purpose contracts for tele-communications services to executive agencies. Where the agency is authorized to enter into general or special

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purpose contracts as outlined in Part 9, DHEW Real Property Management Manual, a copy of the signed contract • agreement should support the obligation. For a telegram, the date a telegram is sent determines the fiscal year accounting period for obligation purposes. When the telephone service begins in one fiscal year and ends in another fiscal year, provision is made by the Act of April 27, 1957, 50 Statute (31 USC 668a) whereby the billing for telephone service may be charged to the appropriation current at the end of the period. In the case of postage, include the cost of stamps purchased and advance payments for metered mail. Forms and supporting documents are described in Chapters 4-70 and 4-80 of the Voucher Examination Manual.

2. Rental Agreements and Leases

Obligations for amounts due under rental agreements and leases should be based on such agreements or leases, or upon written determinations of specific amounts due under the provisions thereof. Include amounts for services received or amounts owed for the use of property during the reporting period. In determining reimbursement to General Services Administration for real property rentals the Form 65, Space Assignment Record should be examined to determine the annual and quarterly rental rate.

a. Termination Provisions

Obligations should be recorded in the amount of the liability for the current monthly period. Where the liability under the terms of the lease is for a longer period or a greater amount (e.g. where a lease contains no termination clause or a clause requiring payment of termination costs or more than 30 days' notice), the amount of such greater liability should be recognized.

b. Without Termination Provisions

Obligations under rental agreements or leases without termination provisions will be recorded: (1) when the agreement is entered into, or (2) at the beginning of the fiscal year. The amount is based on the use of the property during the year.

c. Estimates and Adjustments

Obligations covering costs accrued for use of property during the accounting period may be estimates. Such estimates should be adjusted to actual costs based on invoices received.

d. Data Processing Equipment

Obligations covering rental of data processing equipment should be recorded: (1) on a monthly basis, (2) as the charges accrue, and (3) when delivery orders covering rental of such equipment are issued under open-end contracts, except as provided in a. above, for termination clauses.

3. Utility Services

Obligations for recurring charges for utility service may be evidenced by estimated costs. These will be based upon the estimated service which has been furnished or the actual amounts billed, if available for that period. Where a contract or agreement exists then the contract or agreement should support the obligation for utility services. For recurring type charges, the certified register or listing as outlined in Chapter 4-80, Voucher Examination Manual, may be used to support the obligation. The obligation should be recorded in the accounting period in which services are received or amounts are owed for the use of property. However, 31 USC 668 (a) permits meter readings such as gas, electricity, water, steam and the like to be charged to the appropriation current at the end of the billing period where the charge begins in one fiscal year and ends in another fiscal year.

F. Other Contractual Services and Procurement of Supplies, Materials, and Equipment

1. General

Obligations for contractual services, and obligations for procurement of supplies, materials, and equipment should be evidenced by documents as required.

a. Binding Agreements

Such obligations must be evidenced by written agreements. The agreements will be in a form and for a purpose authorized by law. Types of documents most commonly used are: contracts, purchase orders, statement and certificate of award, orders issued against indefinite quantity contracts, and basic ordering agreements. (See Chapters 4-60 and 4-90 of the Voucher Examination Manual.)

b. Document Content

The provisions of the documents used and the nature of the transactions involved determine when obligations have been incurred and in what amount.

c. Commitment

Documents which serve only to reserve funds administratively for specific use do not constitute documentary evidence of obligations. Examples of such documents are: administrative commitment documents, blanket purchase agreements, and blanket delivery orders.

d. Cash Discount

Contractual documents with provision for cash discount for payment within a specified time will be recorded in the gross amount if it is determined that the cash discount is not effective, according to Chapter 10-40-50 B Guidelines. If the discount is to be taken the obligation and cost of purchase will be recorded in the net amount. The amount of discounts not taken or lost, due to late payment, will be charged to expense account 601.7.

e. Termination Provisions

Contractual documents with specific provisions for termination prior to performance without cost or liability to the Government are not recordable as obligations until the Government's right to terminate has expired. If annual funds are involved, the charge must be to funds current when the Government may no longer terminate.

f. Notice to Proceed

Contractual documents with provisions for the use of a "notice to proceed" must contain a positive statement that the "notice to proceed" will be issued not later than a specified date or within a specified time period after the execution of the document provided either date is within the current fiscal year. These **documents** are then recordable as obligations against current funds. In the absence of such a positive statement, such documents are recordable as obligations only after the "notice to proceed" has been issued and are properly chargeable to the funds current when the "notice to proceed" is issued.

g. Foreign Currency

Some contractual documents provide for payment in foreign currency. The dollar amount of obligations should be computed on the basis of the lowest available legal exchange rate on the date the contract is executed. If changes occur in the legal rate of exchange, unliquidated obligations should be reviewed and adjusted accordingly. Treasury Department publishes rates on the first working day of each quarter which represents the latest available Treasury Selling Rate in each country, See Treasury Department Circular No. 930 "Regulations Governing Foreign Exchange Operations". Unliquidated obligations should be reviewed at least quarterly and the dollar amounts adjusted to reflect the current quarterly exchange rate. Where required fund control records shall be maintained on both the foreign currency and dollar values.

2. Contracts Between the Operating Agency and Contractors (Including Foreign and State Governments and Instrumentalities **Thereof**)

(For specific details and guidelines on preparation and types of contracts see Federal Procurement Regulations and DHHS Procurement Manual. General guidance on selecting Award Instrument, Contract or Grant, is outlined in Part 3-1, DHHS Procurement Manual.) Contracts as evidence of obligations should be recorded as follows:

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a. General

- (1) The Comptroller General has stated in a number of decisions that the general rule governing the obligation of appropriations by contract is not in the terms of the length of contract, but in terms of whether the contract meets a need of the fiscal year sought to be charged. In 33 Comptroller General Decision 60-61, the Comptroller General said:

"..... the general rule has been stated that, in order to obligate a fiscal year appropriation for payments to be made in a succeeding year, the contract imposing the obligation must have been made within the fiscal year sought to be charged and the contract must have been made to meet a bona fide need of the fiscal year to be charged."

In this same decision the provisions of Section 1 of the Surplus Fund • Certified Claims Act of 1949, 31 USC 7128 are stated:

"Except as otherwise provided by law, all balances of appropriations contained in the annual appropriation bills and made specifically for the service of any fiscal year shall only be applied to the payment of expenses properly incurred during that year, or to the fulfillment of contracts properly made within that year."

- (2) Regarding amendments to contracts, the Comptroller General has held that amendments to contracts within the original scope of work should be charged to the appropriation initially obligated "under the long established rule that consummation of a Government contract obligates the appropriation initially charged to the extent necessary to satisfy all charges contemplated by the contract." (41 Comp. Gen. 134 - 138). If there is a change in the scope of the work beyond that set forth in the original contract, the cost of the services to be performed in the period covered by the amendment must be charged to the appropriations of the fiscal year in which the amendment or new contract is executed.
- (3) In determining the length of a particular contract, the following factors should be considered: nature of the project; whether the project is readily divisible into stages; the statute involved; and the budget justifications for the appropriations involved.

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- (4) **Cost overruns** which are approved by an authorized DHEW official should be charged to the same appropriation against which the contract was charged since it involves the same scope of work as the original contract.

b. Types of Contracts and Agreements

(1) Firm Fixed-Price Contract

Obligation should be recorded in the amount stated in the contract.

(2) Fixed-Price Contract with Escalation, Price Redetermination, or Incentive Provisions

Obligation should be recorded in the amount stated in the contract. Contracts with an incentive clause should be recorded at the billing price, if available. Obligations recorded should be adjusted as provided in amendments to the contract.

(3) Cost-Reimbursement and Time and Material Contracts

Obligations should be recorded for the total estimated costs or the estimated payments, as provided in the contract, for the following types: cost, cost-sharing, cost-plus-fixed-fee (CPFF), cost-plus-incentive-fee (CPIF), time-and-material, and labor-hour contracts. Obligations should not be recorded in excess of the maximum current liability, including the fixed fee in the case of CPFF contracts, and fee in the case of CPIF contracts. Obligations recorded should be adjusted as provided in amendments to the contract.

(4) Indefinite Delivery Type Contracts and Basic Ordering Agreements

(a) Call Procurement Arrangements

When a contract provides for an indefinite quantity at specific prices, the total amount of each call represents an obligation. To be valid each call must be supported by a document evidencing such calls. All obligations should be recorded when calls are issued.

(b) Basic Ordering Agreements with Negotiated Contracts

When a contract provides for an indefinite quantity at indefinite prices, the estimated amount of each written order for specific quantities placed thereunder is a

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recordable obligation evidenced by the order. Obligations should be adjusted when firm prices are established.

(c) Requirements Contract

These contracts are similar to call procurement contracts. Under requirements contracts, Government contracts to order all supplies or services from the contractor. Except for blanket delivery orders, each written order placed under a requirements contract represents an obligation upon issuance. Obligation of blanket delivery orders issued by requirements type contract should be completed, based upon: (i) receiving reports in the case of supplies, or (ii) written evidence of work scheduled in the case of services. In the case of services, the written evidence may be consolidated periodic listing of work orders scheduled to the contractor showing estimated dollar amount of each.

(d) Blanket Purchase Agreements

All purchases made under these agreements should be consolidated and forwarded to the accounting office which should record obligations in the month the purchases are made.

(e) Definite Quantity Contracts

When the contract provides for a definite quantity at specific prices, with delivery or performance at designated location upon order, the amount of the fixed price stated in such contracts should be recorded as an 'obligation.'

(f) Indefinite Quantity Contract

In the case of "indefinite quantity contracts," in which a minimum quantity is specified in the contract, the amount stated as the part of this minimum quantity should be recorded as an obligation when the contract is executed. Additional obligations should be recorded, based upon written orders for quantities in excess of this minimum.

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(g) Acceptance

When the terms of a contract or agreement described in (a), (b), (c), (d), (e), or (f) above require acceptance of a definitive order by the contractor, the obligation is created when the contractor accepts the order in writing, delivers the goods, or performs the services. Partial delivery or performance should constitute evidence of acceptance to the extent of such delivery or performance. Such delivery or performance must be accomplished during the period the funds are available for obligation.

(5) Letter Contracts

A letter contract and a precedent thereto should be evidence of an obligation as provided below.

- (a) The letter contract and subsequent amendments must be signed by the contracting officer, accepted in writing by the contractor, and approved administratively, if required.**
- (b) The terms of the offer and acceptance must be sufficiently specified and reasonably definitive to show the purpose and scope of the contract.**
- (c) Obligations should be recorded in the amount stated as the maximum liability under the letter contract and amendments thereto. Obligations should be adjusted to the amount stated in the definitive contract.**

(6) Contract Authorizing Variations in Quantities to be Delivered

Obligations under these contracts should be recorded for the value of the minimum quantity specified for delivery excluding variations. Obligations should be adjusted to the value of minimum quantities delivered and accepted.

(7) Contingency Items

Obligations for these items are based on the following criteria:

(a) Contingency Items

A contract may provide for additional performance on the part of the contractor. These provisions are called contingency items and usually cover engineering changes, facilities, maintenance, repairs, and parts.

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(b) Retention of Copy

When obligations are supported by a contingency order obligating documents, a copy of the order or contract must be maintained by the accounting office in a manner to provide an audit trail.

3. Supplies or Services Ordered from Government Agencies Outside DHEW

Orders for specific supplies, materials, equipment, work, or services placed with Government agencies outside the DHEW are evidence of obligations at follows:

a. Orders Placed Pursuant to Law

Orders required by law to be placed with Government agencies, such as Federal Prison Industries, Government Printing Office, and General Services Administration (GSA) are obligations at the time the orders are issued. This includes orders placed with the General Services Administration by agencies with limited exemption from procurement under the Federal Property and Administrative Services Act of 1949, as amended.

b. Other Orders on Government Agencies

Other orders on other Government agencies should be obligations in the amount stated in the order when accepted in writing by the performing, procuring, or supplying agency. Obligations so recorded against annual appropriations pursuant to Section 601 of the Economy Act (31 US Code 686) should be decreased at the end of the fiscal year in which the order was issued to the extent that the agency ordered upon has not incurred obligations under such orders. Evidence of delivery may be used as evidence of acceptance of the order by the agency ordered upon, but only to the dollar amount of deliveries made in the event of partial deliveries.

c. General Services Administration (GSA) Job Orders

The GSA Job Order is prepared by DHEW operating agencies for the purpose of obtaining services from GSA, such as: retreating and removing partitions; installing electric outlets; conversion of space from general office use to special purpose use (such as computer rooms, etc.). The above are classified as tenant alterations in GSA controlled buildings and require reimbursement in accordance with FPMR Subpart 101-19.4, Standard Practices for Financing.

(2-30-30 continued)

Job orders must be approved by GSA, include the GSA cost of performing the work, and be certified as to fund availability and obligated by HEW by not later than September 30. They must be considered a valid obligation of the fiscal year. Job orders must be complete and definitive as to specifications:

- (1) All job orders, particularly those near the end of a fiscal year should contain a "Time is of the essence" clause to strengthen the notion that such renovations are a bona fide need of the fiscal year funds being obligated.
- (2) Any unreasonable delay in performing the job order requirements must be attributed to the performing agency. If such delay is caused by HEW, then the job order(a) should be deobligated from prior year funds and reobligated against the then current year funds. If HEW is the delaying factor, then it is prima facie not a bona fide need of the prior fiscal year.
- (3) The availability of funds and the desire not to lapse such funds are not in themselves valid bases to obligate funds. There must be a bona fide need for such services.

Major projects such as extensive alternations are established as obligations on a GSA Job Order Form 1354 with supporting documentation. GSA will use the following information for preparing cost estimates:

- (1) Detailed layout plans indicating erection or removal of partitions, installation of outlets and light fixture*, etc.
- (2) Narrative description of work to be performed.
- (3) Detailed specifications of such items as equipment to be installed and materials to be used.

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Where routine type services such as installing electric outlets and hanging pictures are handled on an open (or blanket) job order basis, a **commitment** or a tentative obligation may be established based on estimated costs to be incurred. Open (or **blanket**) job orders should be closed out by June 30 each fiscal year.

4. Advance Payments on Orders

An advance payment made by the operating agency as required by another Government agency under authority of Section 601 of the Economy Act (31 USC 686) should be evidenced by an obligation. Unless already recorded, an obligation should be recorded in the amount of such advance payment. However, if such obligations are charged against an annual appropriation, they will be reduced at the end of the fiscal year to the extent that the agency ordered upon has not actually incurred obligations under orders to which the advances pertain. The unused portion of the advance either should be returned or bought up out of the subsequent years appropriation if a new agreement is executed to complete the order.

5. Orders for Supplies or Services Placed with Working Capital Funds

Firm and complete orders for **supplies** or services placed with a working **capital** fund will be evidence of obligations as follows:

a. Orders Placed with Working Capital Funds

Except as provided below, orders will be accepted in writing by the performing working capital fund **component**.

b. Orders Placed with Stock Funds

Orders should be recorded as obligations when the **orders are issued**; i.e., when the order is placed. Material eligible for financing under stock funds is considered to be "common-use standard-stock." In the absence of **information** that justifies contrary action, such obligations should be retained in the records on the basis **that the** supplying agency will comply with the delivery provisions. Where the order involves stock items other than referred to above, the obligation is incurred by the requisitioning activity at the time of issuance of a formal notification from the supplying **activity** that such items **are** on hand or on order and will be released for prompt delivery; and where the order involves execution of a specific contract, the obligation is incurred by the requisitioning activity at the **time the contract is entered into** by the supplying activity. Pending notification of delivery or execution of a contract such order shall be **recorded** as a commitment.

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c. Requirement for Valid Obligations

Unless the orders for the particular services supplied by a revolving or management fund are rewired by law to be placed with the fund, acceptance of a requisition by the fund does not establish an obligation on the part of the ordering appropriation.

Furthermore, the Comptroller General has made it clear that the word "law" as used in subsection 1311(a)(3) of the Supplemental Appropriation Act, 1955, Public Law 663, approved August 26, 1954, does not include administrative regulations (34 Comp. Gen. 705, 707). Therefore, it would not meet the requirements of subsection 1311 (a)(3) if orders placed with the fund are required to be so placed only by Department directives.

d. Orders Chargeable to Appropriations

Current when Orders are Placed

The printing plants of DHEW which are listed below are financed either by working capital funds or management funds and have been specifically authorized by the Joint Committee on Printing.
Departmental Printing Plant, DGS, OA, OS
Washington, D. C.

Printing Plant (SSA)
Baltimore, Maryland

Printing Plant, DRG, NIH, PHS,
Bethesda, Maryland

Printing Plant, Parklawn Building
Rockville, Maryland

Printing Plant, (HSMHA)
Communicable Disease Center
Atlanta, Georgia

Printing Plant, "SPHS" Hoe Pital
Lexington, Kentucky

Orders placed on these plants for printing and related services are "authorized by law to be placed with a Government agency." Such orders, therefore, constitute obligations upon the appropriated funds of the ordering agency when the order is placed provided the following pre-requisites are met:

1. The material is ready for processing.
2. (a) The order is intended to serve a bone fide need of the fiscal year in which the need arises, or

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(b) The order is required to replace stock used in **fiscal year**.

Requisitions for printing services by their very **nature** may include request for visual **aids** services. If all of the material is ready for **processing**, and reproduction or printing is delayed only **pending** receipt of the visual aids **service**, the requisition or order may include the visual aids **service** and the complete job may be billed **in** its entirety to the ordering **office for charge to** the appropriation current when the order was placed.

If, however, a reproduction order which includes visual aids **services** it not otherwise **ready** for processing, a separate order should be **submitted** for the visual aids **services** and the **submission** of the requisition for reproduction or printing delayed until the **remaining material** is **ready** for **processing**.

Each of the plants should prepare a list for each **fiscal** office with the following information on all orders in process (unbilled) as of **June 30** for the purpose of adjusting **Fiscal** records to reflect valid obligations for section 1311 purposes. The lists should be routed through the normal billing channels and should be attached to the **statement** for services rendered during the month of **June**.

UNBILLED ORDERS FOR PRINTING AND RELATED SERVICES AS OF JUNE 30, 19

Name of Agency _____ **Date** _____

<u>Name of Ordering Office</u>	<u>Req. No.</u>	<u>Date of Req.</u>	CAN	<u>Appro. No.</u>	<u>Est. Cost of Completed Job</u>	<u>Status of Job as of <u>1/</u> June 30</u>
				"To be filled in' only if provided on requisition"		

1/ Use symbol **(D)** if job **MS** delivered as of June 30 or **(UD)** if undelivered as of June 30.

**e. Orders Chargeable to Appropriations Current
when Work is Performed**

Requisitions for services, other than those "authorized by **law** to be placed with a **Government** agency," should be charged to the appropriation current when the work is **performed**. Consequently, the cost of work performed through **June 30** will be determined on requisitions issued in one **fiscal year** but requiring performance of work **beyond June 30**. Such requisitions shall be closed out as of

(2-30-30 continued)

June 30 and the charges incurred through that date billed to the agencies for charge against the appropriations shown on the requisitions. In addition, each service organization will contact the ordering agency and identify the particular requisitions which are incomplete and for which a new requisition must be submitted.

The new requisitions should indicate that they have been issued to cover completion of work begun on earlier requisitions (such earlier requisitions to be cited by number and date) and should show the new fiscal year appropriation as the one to be charged with the cost of completing the job.

6. Purchase Orders

The following criteria will apply to purchase orders:

a. Unilateral Orders

Purchase orders issued pursuant to law authorizing purchases without advertising, and specifically requesting the delivery of goods or performance of work or services, constitute obligations when issued. Purchases which may be made without formal advertising are limited to supplies or services which in any one case do not exceed \$2,500 (Sec. 3709, Revised Statute, as amended, 41 U.S.C. 5). For other limitations, see Part 4, Voucher Examination Manual and Chapter 5-20 HEW Procurement Manual.

b. Acceptance of Offers

When a purchase order issued pursuant to law is used to accept a specific, binding, written offer made by a contractor or vendor to sell specific goods or to furnish specific services at specific prices, an obligation should be recorded upon issuance of the purchase order provided the purchase order contains the final approval required for such purchase and has been mailed or otherwise delivered to the contractor or vendor.

c. Acceptance by Vendor

Purchase orders issued under other circumstances require acceptance by the vendor. Acceptance by vendor may be required where a definite number of a special item is ordered for delivery at a specific place or additions to specific and unique requirements are levied on the vendor. The acceptance by the vendor may be needed for continuing type service requirements such as for garage rentals and office machines.

Evidence of this acceptance must be contained in the accounting files. If written acceptance is not received, delivery on purchase orders should constitute evidence of acceptance. Acceptance should be only to the extent of such delivery and providing such delivery is

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accomplished during the period of availability for obligation of funds being cited. If written acceptance is not received, and deliveries are accepted subsequent to the period of availability of the Funds cited in the purchase order, a new and current funding citation must be provided for the processing of an amended purchase order. If payment to the vendor should inadvertently be made from the expired funds, charges should be transferred to the proper fiscal year.

4. Time Limitations

All actions involved in the obligation of funds must be completed within the period of availability of the funds being cited.

**G. Entertainment - Official Reception
and Representation Expenses**

The annual appropriation Act of the Departments of Labor and Health, Education, and Welfare normally contains a section under the General Provisions which provides authority for payment of expenses incurred for official reception (Ref. Chapter 4-80, Voucher Audit Manual). Costs for approved functions should be obligated and charged to the appropriation (Salaries and Expenses) current at the time the costs are incurred.

**H. Land, Buildings, Construction in Process,
Structures, and Facilities**

1. Policies For Direct Federal Construction

For policies governing planning, acquisition, and construction relating to real property see DHEW Facilities Planning and Construction Manual and DHEW Real Property Management Manual. It is the general policy of DHEW to utilize the services of General Services Administration (GSA) and the Department of Interior for design, or administration of design contracts with architect-engineers, and for administration of construction contracts. Generally, funds are transferred to GSA by DHEW for the project and GSA does the obligating and accounting for the funds and provides DHEW with SF 133, "Report on Budget Status (Obligation Basis)."

Transfers are made by one agency to mother- for major procurement or construction are generally accomplished by SF 1152, "Nonexpenditure Transfer Authorization." There are situations, however, where organizational units within DHEW administer construction projects. For types of contracts that may be encountered, see paragraph F.2. of this section.

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2. Basis for Obligation

When DHEW obligates and perform the accounting, obligations should include contracts and • grcnmtr for • cqlritlon of land and interest in land, buildings, construction in process, • tructure8 , end facilities. Where condemnation proceedings are involved include an estimated amount for the price of the land at the time the Attorney General is requested to start proceedings, adjusted to the amount of the payment to be held in • eerou where there is a declaration of taking. In the case of liabilities for real property acquired under lease-purchase contracts, including liabilities for costs applicable to properties which are incurred prior to or during construction, include only the portion of the liability financed from available • ppropriationr, excluding the remaining amount of liability applicable to future periods. The cost of real property acquired under lease-purchase contracts is a type of installment purchasing and should include the purchase price under the contracts and other costs incurred by DHEW.

The dollar cost should be obligated in accordance with the contract or agreement. For projects extending over a year the costs should be • eparately identified as to the fundr available for the project in the current year and the fundr to be obtained in future years. General Service Administration (GSA) will bill the DHEW Operating Agency for the costs of, project work performed by GSA personnel including design end supervision and the costs of contracts awarded ②■① • dminetered by GSA to • ccomplirh authorized projects.

3. Land

Included in the obligation costs for the acquisition of land are : (Ref. DHEW Real Property Management Manual • d Chapter 1-30, DHEW Accounting Manual)

- Cost of land
- Appraisal
- Clearing of Land
- Damage to Roperty of Others
- Drainage
- Grading
- Landscaping

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Legal Fees and Expenses
Plats and Surveys
Removal and Relocation of the Property of others
as part of Purchase Contract
Removal of Structures or Facilities Purchased but
Not Used.

The costs will be obligated and chargeable to the fiscal year appropriation at the time land is acquired by DHEW. Information on land acquisitions is maintained on the Real Property Record - Land, Form HEW-83. The purchase order or contract documents and the real property voucher should be used as the obligating documents. (See Chapter 17-10, DHEW Real Property Management Manual.)

4. Building and Construction in Procurement

Costs for buildings and improvements are obligated and chargeable to the appropriation at the time the buildings are acquired by DHEW. A separate Real Property Record - buildings, Form HEW-84 is maintained for each building for which the Department has management and accountability responsibilities. The purchase order or contract documents and the real property voucher should be used as the obligating documents.

5. Structures and Facilities

Included under structures and facilities are utility systems (heating, sewage, water, electrical, roads, parking, storage tanks, etc.). The DHEW Real Property Manual provides a list of items classified as structures and facilities. Costs for structures and facilities are obligated and chargeable to the fiscal year appropriation at the time the structures and facilities are acquired. The purchase order or contract documents and the real property voucher should be used as the obligating documents.

6. Loans

1. General

Loans are made to non-Federal agencies such as individuals, institutions or private concerns. The obligating document may take the form of a loan contract or agreement, an obligating letter, or a special document form established by an operating agency. The terms of the specific contract and agreement and when funds are made available may influence the amount and fiscal year recording the obligation.

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2. Student Loans

a. National Defense Education and Higher Education Programs.

Student loans are available under National Defense Education Act (Title II, Section 203, Title II, Section 207, Title III, Section 305); Higher Education Act, (Title IV-B, Section 422) , Where the loan funds are awarded to the institution and the student loan records are maintained by the educational institution, the obligation should be established by DHEW organizations at the time of the issuance of the obligating letter (official allocation letter) notification to the institution. Each institution participating in the National Defense Student Loan Program executes a binding agreement as a precondition to participating in the program. Periodically and definitely at the end of the fiscal year adjustments to the obligations should be made when reports from institutions are received indicating loans that have been granted which are supported by loan agreements.

b. U. S. Loan Program for Cuban Students

This program is administered through participating institutions under the Public Law 87-510, Migration and Refugee Assistance Act of 1962. The Cuban student "signs a promissory note for each loan and a copy of the note is forwarded to the Cuban Loan Section, Loans Branch, Division of Student Financial Aid, Office of Education. The obligation will be established upon receipt of a copy of the signed promissory note in the Office of Education. A notification should be furnished the fiscal and accounting office when the signed promissory note is received.

c. Cancellation of Student Loans

To encourage borrowers to enter the teaching profession cancellation of Student Loans is provided. The OE Form 1028, Request for Partial Cancellation of Loan should be used to adjust or remove the obligation previously established for the loan.

d. Defaulted Loans

Defaulted loans include student loan nonpayments and where the death or disability of the student occurs. The occurrence of any of these events will cause the lending agency to sustain a loss and subsequently to file a claim against the Student Loan Insurance Fund. Claims must be fully documented to include an assignment of the note to

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the Commissioner of Education. Upon receipt of the claim the obligation will be established for a defaulted loan.

e. Interest

While loan holders are still students, the Office of Education may pay the interest. To further encourage lending institutions to make low interest student loans, the Office of Education may make incentive interest payments. Interest should be obligated when accrued and payable.

3. Medical Facilities Construction

A program for the construction and modernization of hospitals and medical facilities provides for direct loans and guaranteed loans to public institutions. Under this program construction projects are inspected and payments made as construction progresses. The loan contract or agreement executed and signed by the parties involved should support the obligation.

J. Investments in Securities

Investments, as used in this category, refers to stocks, bonds, debentures, other securities, etc. Excluded are par value U.S. Government securities. Investments will be obligated at the purchase price in the accounting period in which the investments are purchased. The purchase order or contract should support the obligation.

K. Grants

1. General

a. Generally, the criteria outlined for contracts in paragraph 2-30-30 F. are applicable to grants especially where contracts and agreements are involved. Grants should be obligated upon execution of an agreement or grant award or similar document in which the amount and purposes of the grant, performance period, obligations of the parties to the grant, and any other applicable conditions are set out. The Office of Management and Budget instructions in Section 22.5 of Circular A-34 should be used as the guidelines for determining grant-in-aid obligations. Pertinent parts of these instructions are as follows:

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Unless otherwise required by law, the amount of obligations to be included for Federal grant-in-aid programs, shared revenues, and taxes payable to States and political subdivisions will be determined as follows:

- (1) **For grants which involve no administrative determination, and which are automatically fixed by a statutory formula or specified by law, the obligation to be reported will be the amount determined by the application of the formula or the amount appropriated, whichever is smaller at the time the amount determined becomes available to the grantee.**
- (2) **For grants based upon approved financial programs obligations to be reported will cover only the period of time for which the financial requirements have been established and approved, and for which it has been administratively determined that funds will be paid to grantees. For example, if requirements have been established and approved for one month, and it has been determined that payment will be made on the basis of such approval, obligations will be based on the requirements for that month.**
- (3) **For grants based upon approved construction and related projects, the Federal share of the project will be considered to be obligated at the time the project is approved by the appropriate Federal authority.**
- (4) **For any other grants involving administrative determination, obligations will cover the amount approved for payment at the time the determination is made.**
- (5) **Payments in lieu of taxes will be reported as obligations at the time the taxes would be due.**
- (6) **Taxes and assessments based on property valuation will be reported as an obligation at the time payment is due, unless further action by Congress is necessary to authorize payment. For revolving funds and other cases specifically authorized by law, taxes will be recorded as they accrue.**

Under either the automatic grants or those based on administrative determinations, the fact that recipient agencies are required to match federal contributions does not affect the Government's obligation. However, in any case where an agency determines that future payments on an approved program should be modified or discontinued, the obligation previously reported will be adjusted accordingly."

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b. Subsection 16.8(c) Title 2, General Accounting Office Manual provides additional general guidance on the accounting and reporting of grants • 8' follows:

"(c) GRANTS

Definition

Except • 8 otherwise expressly • uthotiated by law, Federal grants are payments in cash or in kind made to provide • 88irlanCa for specif Led purposes .

The acceptance of a grant from the United States creates a legal duty on the part of the grantee to use the funds or property made available in • 88irlanCa with the conditions of the grant. Grant payments may be made in advance of work performed or as a reimbursement for work performed or costs incurred by grantees.

The United States generally has a reversionary interest in the unused balances of advance payment grants, in any funds improperly • 88irlanCa whether received as an advance or reimbursable payment, and in property or facilities purchased or otherwise made available under the conditions of the grants, unless title thereto is specifically vested unconditionally in the grantee by the terms of the grant under authority of law.

"Responsibility of grantor agency

The grantor department or agency is responsible for seeing that:

Grants are applied solely in accordance with the conditions of the grants.

Unused balances of grants, including funds improperly applied, are returned to the United States.

Property or facilities purchased with such funds, or otherwise made available, are utilized and disposed of in accordance with the terms of the grant or other instructions of the grantor agency.

Advance payments made to grantees under the terms of the grants do not exceed the current or revised needs of grantees.

"Accounting and reporting

Accounting for grants shall include all aspects of grant transactions from approval of the proposed grants to final action by the grantees and grantors.

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"Accounting for a grant begins with the execution of an agreement or the approval of ~~an~~ application or similar document in which the amount and purpose of the grant, the performance periods, the obligations of the parties to the grant, and other applicable basic terms are set out. This action establishes a commitment ~~of~~ funds ~~and~~ the agreement, application or similar document is the obligating instrument, provided that the United States is bound thereunder to disburse the grant funds either unconditionally or under conditions solely within the control of the grantee.

"Payments to grantees in advance of work performed shall be accounted for as advances of the grantor agencies until evidence of performance has been received from the grantees.

"Payments to grantees as reimbursement for work performed or costs incurred shall be accounted for as reductions of liabilities to pay for such work or costs.

"Payments to grantees under grants where no performance or reporting by grantees is required or where the payments are scheduled to correspond ~~to~~ performance shall be accounted for as liquidations of the obligations and as costs incurred.

"Reports under advance payment grants shall be required of grantees at reasonably frequent periods and to show, as a minimum, how the funds or property were applied, details of property acquired, and unused fund balances. Upon acceptance by the grantor agencies, such reports shall be used as the bases for liquidating obligations, reducing the advance accounts, ~~and~~ taking charges to appropriate cost and property accounts.

"Reports under reimbursable grants also shall be required at reasonably frequent periods and used as support for recording the agency liability for costs incurred and for liquidating the obligation under the grant.

"Estimates may be used in lieu of reports where necessary for monthly reporting purposes.

"Where title to grantee-acquired property vests or may vest in the Government, appropriate property records shall be established.

"At termination of a grant, unused and improperly applied funds shall be collected by the grantor agency or appropriately adjusted by offset or otherwise utilized in accordance with the conditions of the grant and arrangements shall be made for disposition of Government-owned property."

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2. Grant Programs

Grant programs are classified broadly into the following areas for obligation purposes.

- Formula - (Principally to States)
- Construction - (Federally assisted)
- Research
- Training and Fellowship - (Include fellowships, traineeships, training grants)
- Multi - purpose - (Such as Regional Medical Programs)
- Services and demonstrations
- Other

In the above grant programs the obligation should be established at the time of approval and be supported by documentation such as the notification or statement of grant award and approval list of awards.

3. Grants to State and Local Governments

8. Grants Fixed by Statutory Formula or Specified by Law

Where no administrative determination is involved the obligation to be recorded will be the amount determined by the application of the formula to the amount appropriated. Where DHEW grants have fixed statutory formulas and 8160 involve an administrative determination as to the grant amount then this amount will be recorded as an obligation when the determination is made. However, once the State has met all the requirements, the obligation will be for the amount of the State's share of DHEW's appropriated funds as determined by the formula and the amount indicated on the obligating document.

b. Grants Based on Approved Financial Programs Covering an Established and Approved Time Period and Involving Administrative Determination that Funds will be Paid

The obligation to be recorded will cover only the period of time for which the financial requirements have been established and approved and for which it has been administratively determined that funds will be paid to the State or local government. For example, if requirements have been established and approved for three months, and if it has been determined that payments will be made on the basis of such approval, the obligation will be recorded at the time this determination is made and on the basis of the amount approved for the three months.

4. Construction Grants

Initial information for the construction project will ordinarily be available on the HEW 537, "Application for Federal Attittance for Construction of Health and Educational Facilities." The application plus additional information furnished should provide the estimated dollar amount, the purposes of the project, the preconstruction performance requirements leading to final Departmental approval of the construction grant, and the estimated completion date for each preconstruction phase (i.e., financing arrangements for the grantee's share, site, title, and survey arrangements; architectural plans and specifications; etc.). The approved agreement or grant award statement should be used as the obligating instrument provided DHEW is bound thereunder to disburse the grant funds either unconditionally or under conditions solely within the control of the grantee. (Ref. Subsection 16.8(c) Title 2, GAO Manual). An obligation will be recorded when the Department approves without change the grantee's application, or when the grantee accepts the grant offer of the Department where the application is amended by the Department.

The obligation amount will be based on the best available estimate and will later be revised based on more refined estimates or on final approval of the construction grant subject to the availability of funds.

If the grant application agreement contains a provision that Federal funds will be made available only where the applicant proceeds to fulfill conditions of the application, an obligation will be recorded when it is determined that the grantee has accordingly fulfilled the stated conditions. Under these circumstances and at a practical matter, final approval of the construction grant will usually be the basis for the obligation of funds.

Funds for construction programs that are included in monies allocated to states on a formula basis, and where the State agency is permitted by legislation to make final project approvals, will be obligated according to criteria in paragraph 3 a. above.

5. gone Fide Need as a Condition to Obligate

8. A grant award or similar must meet the fide need of the fiscal year in which the grant award or similar agreement is initially obligated. In 33 Comp. Gen. 57, 61, the Comptroller General stated:

(2-30-30 continued)

"... the general rule has been stated that in order to obligate a fiscal year appropriation for payments to be made in a succeeding year, the contract imposing the obligation must have been made within the fiscal year sought to be charged and the contract must have been made to meet a bona fide need of the fiscal year to be charged."

While the Comptroller General decision refers to a contract as the obligating document, the same rule applies equally as well to grants.

- b. In 44 Comp. Gen. 399, 401, the Comptroller General stated that determination of "what constitutes a bona fide need of the service of a particular fiscal year depends in large measure upon the facts and circumstances of the particular case, there being no general rule for application to all situations." In general, a grant may be initially obligated in one fiscal year for a project or activity which is to commence in the next or subsequent fiscal years, provided that the grantee needs lead time in order to meet the contemplated starting date. This type of obligation action would be applicable in educational service grants where by the institution needs the grant funds prior to the end of the current fiscal year (probably April or May) for scheduling and planning purposes for the academic year that will begin in September of the following fiscal year.

6. Effect of Contingencies on Recording of Obligations.

Certain grants may provide that grantee performance is to begin only upon the occurrence of a future event. If the future event is uncertain (e.g., enactment of the appropriation for a subsequent fiscal year), the obligation is contingent until the occurrence of the future event and no binding agreement or recordable obligation is created until that time. If the future event is certain (e.g., issuance of a notice to proceed which is merely a direction to a grantee to begin work on an existing grant), the grant shall be considered an obligation according to the criteria set forth in preceding paragraphs not when the notice to proceed is issued.

7. Obligation Amount for Grants Payable in Foreign Currency

The dollar amount of an obligation to be recorded for a grant agreement which provides for payment in foreign currency will be computed on the basis of the lowest available legal exchange rate on the date the grant is executed, unless the terms of the grant provide a different exchange rate in which case that rate is used. If there is a reasonable basis for expecting a change in the legal rate of exchange, or if a change in the legal rate subsequently takes place, the obligation will be based on the rate anticipated to be in effect when payments are to be made under the grant. The obligation shall

2-30-30 continued)

be reviewed frequently and ● adjusted accordingly (See paragraph 2-30-30 F. 1. g.)

8. Funding Period Covered by Initial Obligation

a. Severable Grants

If a project can be divided into two or more discrete work stages or phases, a grant may be executed for each discrete phase of the project. Funding would then be provided from the fiscal year appropriation current at the time each project phase is approved or the grant is executed, ● a appropriate. Where the project can be divided into stages the first stage grant or contract could contain language that the contract or grant is the first stage of a proposed (number of years) project and it is the intention of the DHEW operating agency to award additional contracts and grants to complete the project, subject to satisfactory performance and subject to the ● availability of appropriations for the project.

b. Nonseverable Grants

A nonseverable grant is identified with a project or activity which has a specified, tangible and product or result within a specified time period and cannot be divided into discrete phases. A grant of this type must be fully obligated and funded from the fiscal year appropriation current at the time the Federal Government becomes unconditionally committed, in accordance with criteria ● set forth in preceding paragraphs. A nonseverable grant which covers two or three years, for example, must be fully funded at the outset.

c. Project Period Grants

Project period grants are funded in a series of successive years' appropriations. Under the Project Period Grant approach, the project is approved in its entirety; however, the funding is provided in annual increments called budget periods. The Federal share of the project costs for the coming budget period would be the basis for the annual grant. Unused funds remaining in the hands of a grantee would serve as a basis for adjustments ● ● succeeding grant increments. Policy guidelines on the use of the Project Period System for discretionary type grants are included in Chapter 1-85 of the Grants Administration Manual.

An initial award and subsequent continuation grant award(a) unless limited by law made in support of discretionary grants such as research, demonstration, or other projects generally involve a general result that cannot with

(2-30-30 continued)

certainty be accomplished within an identifiable time frame. The project period may span up to several years, subject to legislative or administrative restrictions. The control aspect in administering project period grants is to award funds each fiscal year based on the needs of the budget period (usually 12 months), as set forth in the approved project budget. If it is determined that continued funding would not be in the best interests of the government and the grant is to be terminated, the grantee would be notified in advance to permit an orderly termination. The initial grant award provides funds for conduct of the project during the first budget period of the project (usually, but not necessarily, 12 months), and the grant document states the funding support recommended for the remainder of the project period, subject to the appropriation of funds by the Congress. The period of the initial grant award is the same as the project period. The period of each continuation grant award is the same as the remainder of the project period; however, funds provided would usually be for a 12 month budget period. The grant document authorizes the use of the awarded funds throughout the project period of the grant. In the case of continuation grants, the grantee is authorized to continue to expend old year appropriations which have been committed to the program until they are exhausted and to pick up at that point with then current appropriations which are awarded to the project. Thus, the grantee is authorized the use of each year's funds obligated to the project until the funds are expended. Therefore, the grantee is authorized the use of funds of the then current fiscal year covered by the continuation grant. Every effort should be made to make sure the approved project budget is not overstated in order to make available unexpended balances for use in succeeding years. However, adjustments in the award should be made when authorized funds exceed or are less than the approved budget for the year. Any funds excess to the grantee's needs at the end of the final budget period of a project shall be returned to the Department of Health, Education, and Welfare.

9. Criteria for Adjustments to Initial Obligations

a. Within the Same Fiscal Year

- (1) Except as specified in subparagraph b. below, appropriated amounts are available for obligation by an HEW agency only during the fiscal year(s) authorized by law.
- (2) Subject to legislative and administrative restrictions, appropriated amounts which were obligated but unexpended under one grant award may be deobligated and reobligated for use under another present award only within the fiscal year(s) authorized by the appropriations.

(2-30-30 continued)

- (3) When **obligation amounts are linked directly to amounts paid by grantees (i.e., public assistance grants) obligations incurred must include upward adjustments for the differences between obligations previously recorded and the actual payments by grantees for the Federal share.** Payments to grantees for these upward adjustments must be subject to the availability by **appropriated funds.**
- (4) If conditions of a grant award provide that the grantee's authority to obligate expires at June 30, or at some other specified date (which may be several years in the future for project period grants), **the amount of the grant award not obligated at the expiration date by the grantee will be used as the amount to reduce the obligation recorded on the books of the HEW agency.** The final obligation adjustment for a grant award will be based on the grantee's final expenditure report. Cash draws by the grantee under letters of credit or cash advances by Treasury check to a grantee must be recorded in an advance account by the HEW agency. The advance account will be liquidated on the basis of expenditure (performance) reports received from the grantee. (Ref. Subsection 16.8(c) Title 2, GAO Manual.)

b. In Subsequent Fiscal Years

"Unobligated balances from a prior fiscal year may be used to pay increased adjustments in obligations properly incurred in that same prior fiscal year; provided, the grant or other agreement contained a provision for adjustment -- "doctrine of relation back". As an example an award that provides for adjustment from a provisional indirect cost rate meets the doctrine of relation back and any increase cost related to this provision must be charged to the same fiscal year appropriation against which the applicable grant award was charged." In the absence of such a provision, with respect to construction loans under Title III of Higher Education Facilities Act of 1963, the Comptroller General ruled that increases in construction costs must be obligated as new loans from the current year ceiling -- ref. 41 Comp. Gen. 135).

(2-30-30 continued)

- (2) Unexpended obligations or unobligated balances from an expired appropriation may not be used to fund a **change** in scope of work. **Appropriated** funds of the current year must be used. The ending date **of the grant** may be extended, **however**, to **permit** the use of unexpended obligations for **completing** work within the original scope of the project.
- (3) Subject to legislative and administrative **restrictions** as to the total length of time a project **may** be **supported**, unexpended balances in the hands of grantees for project period grants **at the end of an** approved period of support **may** be used to **fund continuation** of the **same** project if the work scope remains unchanged. Unobligated balances of **expired** appropriations may not, however, be used to fund other projects in subsequent **fiscal years**.

10. Disposition of Unobligated Balances of Appropriations

Periodically, the status of unpaid grant obligations **will** be reviewed to determine whether the obligation is still valid. To extent **it is** determined that **payments will not** be made, the obligation will be **reduced, or written off**. **Any such action must** be coupled with **agreement** of the grantee, and such action **must comply**, if applicable, with provisions of "**termination** of award."

L. Other Obligations

1. Pensions, Annuities, Insurance Claims, Refunds, Awards, and Indemnities

Include amounts determined **administratively** or **judicially** to be due **and payable when** no further action by Congress is required to authorize payment.

2. Interest and Dividends

Include the amount of interest accrued or **dividends** declared (other than **dividends** payable from a **Government-owned fund**) to the Treasury during the period.

3. Liability Under Pending Litigation

Obligations covering liability under pending litigation will be evidenced by written administrative determinations of the estimated amount of liability that will result from such litigation. Such obligations exist only in those cases where the Government has admitted its liability for the payment of money and the amount of such payment is to be determined by the litigation.

4. Other Legal Liabilities

The following types of liabilities will be recorded as obligations when supported by appropriate documentary evidence:

- a. Evidence of claims payable pursuant to law, when finally approved and funds certified for payment, if not previously recorded as an obligation.
- b. Any present liability of the Government where competent legal authority has determined that such liability exists. Tort claims should be obligated based on the approved W-1145, Voucher for Payment. See Chapter 4-80, Voucher Examination Manual and Part 4, "Claims," General Administration Manual.
- c. Liabilities evidenced by disbursement documents, not preceded by a recorded obligation. This should be an exception to the common practice and indicates a breakdown in system of document flow particularly in areas of procurement, grants, loans, etc.

2-30-40 Review of Unliquidated Obligations

A. Current Appropriations

The revision of amounts obligated, as more precise information becomes available, is a continuing responsibility. Review of unliquidated obligations should be performed quarterly but an annual year-end review is mandatory. (See Chapter 5-70). Obligations recorded as of June 30 can be adjusted in the interval between June 30 and July 30 (final closing of the books for the fiscal year) as additional information becomes available. Unpaid obligations under \$1.00 should be removed from the accounts on the basis that a billing probably will not be received. The document evidencing the obligation should be retained in a special file to support the payment authorization in the event a bill is received. In many cases, payment vouchers establishing the actual liability will be in process and can be compared to the obligated amount; Every effort should be made to establish accurately the amounts of unliquidated obligations to be reported at year-end.

(2-30-40 continued)

B. Prior Year Appropriations

The responsibility for continuing critical review and ● djwtwat of unliquidated obligations extends also to prior year ● pproprtitiv. Obligations which will not result in the expenditure of funds should be deobligated or cancelled. Small items (\$5 .00 or less) should be liquidated and the documents retained in ● .speciiZfile to support the payment ● uthorisation in the event a bill la received. This progress and ● tatu8 of incomplete contracts, grants, and loans should be reviewed with procurement, grant and other of ficials concerned. Adjustments required by the circumstances disclosed should be promptly processed to cancel inactive transactions, permit release of unneeded funds to the Treasury, and terminate reporting requirements. (S08 Chapter3-50, Expired Appropriations.

2-30-50

ADJUSTMENTS OF OBLIGATIONS

Section 1311, Public Law 633, 31 USC 200d requires that no new obligation may be incurred after the expiration of the definite period for which the appropriation was made available. However, many obligations are based upon estimates which must be ● djwted upward or downward when the bills are paid, or even prior to the payment of the bills, if the adjustments are significant. Further, many awards contain provisions for upward or downward adjustment of the award for the difference between a provisional indirect cost rate and the actual audited indirect cost rate, etc.

Although these adjustments usually result in upward adjustments, they are not considered to be new obligations but are adjustments of existing obligations and shall be recorded as such provided the increased costs are attributed to the adjustment from an estimated to actual or that the doctrine of relation back applies and provided there is no increase in scope of work performed.

It is incumbent upon all program managers to hold in reserve sufficient unobligated balances of their authorizations (allowances, limitations) from which to subsequently pay the contingent costs so as to be able to honor the provisions of the grant or contracts on a timely basis and further to preclude any antideficiency violation (see Chapter 2-10 for provisions on antideficiency violations).

OMB Circular A-34 provides the following guidance:

"22.2 Adjustment of obligations incurred.-

Except as provided in the following two paragraphs, obligations incurred will be net of the following: (a) cancellations of prior obligations, (b) downward adjustments for the difference between obligations pravlowely recorded and actual payments thereof, and (c) refunds arising during the reporting period in recovery of erroneous payments or due to accounting adjustments.

Adjustments in unexpired accounts: For material changes in unexpired accounts of the foregoing nature relating to obligations incurred in prior years, the transactions will not be netted, but reported separately as- "recoveries of prior obligations."

(2-30-50 continued)

"Adjustments in expired accounts: For expired accounts (including annual limitations on the use of revolving or other no-year funds) all adjustments of obligations are netted and the result reported as obligations incurred if the net adjustment is upward and recoveries of prior obligations if the adjustment is downward."

2-30-60 RECONCILIATION OF DOCUMENTS**A. Monthly and Quarterly**

See Chapter 2-40, Reconciliations and Internal Control.

B. Year-end Documentation of Unpaid Obligations

A detailed list of valid year-end unpaid obligations (both delivered and undelivered) must be prepared and retained as a part of the official records. Unpaid obligations listed must be identified by appropriation, allotment, operating plan, allowances, or cost center and by object class, date of obligation, and name of vendor. These transactions must also be identified by delivery status and vendor classification (Government and other). Other reporting details are set forth in Part 5 of this Manual.

2-30-70 REPORTING AND CERTIFICATION OF OBLIGATIONS

All reports and statements of obligations incurred shall be based on valid obligations recorded in the accounts. This requirement applies to internal reports made to agency management staff, operating staff, and the Secretary, HEW, as well as to those reports required by the central control agency. All reports of total obligations prepared at the end of any given month should reflect obligations which can be reconciled to the amounts shown on the Reports of Budget Status, Form SF-133. Other reporting requirements for obligations are set forth in Part 5 of this Manual.

Material transmitted

Chapter 2-35, Clearance and Recordation of Obligations (pages 1-5).

HHS Exhibit 2-35-A, Financial Information Requirements (pages 1-5).

Material superseded

Chapter 2-35 (pages 1-4: 77.1).

HHS Exhibit X2-35-1 (pages 1-5: 77.1).

Background

There are no substantial changes in the material presented in this chapter. A minor revision is the qualification that some Obligational Control Point (OCP) responsibilities, described as manual functions, may be accomplished through automated processes in the Finance office and at other data input points. Other revisions are to delete references to single letter of credit at the Division of Federal Assistance Financing (DFAF); to put the chapter into **HHS** Staff Manual format; and to update organizational names, addresses, and telephone numbers.

Final instructions

Remove superseded material and replace it with the new material. Post receipt of this transmittal to the **HHS** Checklist of Transmittals and file this transmittal in sequential order after the checklist.



Dennis J. Fischer
Deputy **Assistant** Secretary, Finance

Distribution: MS: RRCF-101



Subject: CLEARANCE AND RECORDATION OF OBLIGATIONS

2-35-00 Background and Purpose
10 Policy
20 Responsibilities of the **OPDIV/OS/** Regions
30 Responsibilities of the Obligation Control Point
40 Responsibilities of the Deputy Assistant Secretary,
Finance

g-35-00 BACKGROUND AND PURPOSE

The common link between a federal grant, contract or loan recipient, and the government's funding and payment office is a properly executed and recorded obligation document. It is mandatory that all obligations of federal funds be recorded by the awarding organization's servicing finance office on or before the government is obligated to pay for the future delivery of goods and/or services. Title X, Impoundment Control, of P.L. 93-344 makes it imperative that an obligation be recorded in the same period that the obligation is incurred. It **is**, therefore, Of prime importance for each **OPDIV/OS/Region** finance office to maintain an obligation control point for assuring (1) the obligation documentation is complete; (2) the obligation is recorded in the **OPDIV/OS/Region's** accounting system in the same month the obligation is incurred; and (3) a timely release and distribution of obligation documents. This chapter sets the policy for the establishment of obligation control points and the procedures to be followed in recording and releasing all obligations for **HHS** grants, loans and significant contracts.

2-35-10 POLICY

Each **OPDIV/OS/Region** will establish and maintain Obligation **Control** Points (**OCPs**) for the purpose of clearing and assuring the prompt recording of obligations. Where data input functions **are** largely centralized in the finance office, there may be a single OCP; however, where obligation data are input to the accounting system via computer from decentralized offices the functions of the OCP, as described in this chapter, must be delegated to the applicable offices.

The OCP responsibilities for assuring the content and accuracy of critical data elements on the obligating documents will depend upon the degree of automation in each organization. Computer created documents can be designed to require the necessary data, and on-line edits will assist in assuring the accuracy of

the data prior to entry into the accounting system or the distribution of the document'.

Likewise, in a decentralized and-highly automated environment the finance office may permit the originating office to maintain the hard copy of obligating documents. All of these factors will be taken into consideration when implementing the procedures described in the following section of this chapter.

2-35-20 RESPONSIBILITIES OF **THE OPDIV/OS/REGIONS**

A. It is the responsibility of each BBS officer having authority to obligate federal funds to properly execute **and** submit all obligation documents to their servicing finance office in a timely manner. Those obligations which are significant in nature and amount must be reviewed and cleared through the OCP before any segment or copy of **the** obligating document is distributed or released to a contractor or grantee. The specific types of obligations that must be processed and cleared through the OCP are:

- 0 All grants for Federal Domestic Assistance programs.
- 0 All loans for Federal Domestic **Assistance** programs.
- 0 All contracts of \$2500 and more.

Other obligations, including those listed below, are excluded from this OCP policy, but may be included by a specific **OPDIV/OS/Regions** at their **option**:

- 0 Contracts in amounts less than \$2500.
- 0 Procurement from government agencies through **cross-servicing** agreements.
- 0 FEDSTRIP.
- 0 Delivery orders under basic ordering agreements under \$2500.
- 0 Blanket purchase agreements.
- 0 Government personnel travel.
- 0 **SSA's** Benefits and Health Insurance Programs.

- B. In addition to clearance by the OCP, each **OPDIV/OS/Region** must certify that funds'are availability for the obligation. This certification of funds is not a requirement of this chapter but is a requirement of Chapter 2-30-30. The OCP functions and the certification of funds availability are similar since each requires a specific type of examination and a recording of **the** obligation in accordance with **2-35-30B**. If an **OPDIV/OS/Region** desires, they may combine the **two** functions into a single operation. Regardless of this operational decision, the OCP function must be performed by each financial office, or the office delegated to perform this function.

2-35-30 RESPONSIBILITIES OF **THE** OBLIGATION CONTROL POINT (OCP)

- A. The OCP must ascertain that the obligation document is signed by an appropriate government official who has the delegation of authority to obligate federal funds as prescribed in the General Administration Manual, Chapter **8-75**.
- B. The OCP has the responsibility of assuring that all obligations requiring OCP clearance are supported by proper documentation (grant award, contract, loan agreement and attachments thereto), which provide the following financial information to the recipient and the finance office:
- o Payment clause identifying the paying office, its address, and telephone number.
 - o Central Registry System/Entity Identification Number (**CRS/EIN**) identifying the recipient of the obligation.
 - o Document Number identifying the specific obligation document.
 - o Fiscal Year (**FY**) and Common Accounting Number (**CAN**) **showing** the source of funds.
 - o The amount being obligated.
 - o The amount of any carryover funds.
 - o An indication if special expenditure reporting by FY and CAN is required. This applies only if the obligation is paid through the Payment Management system (**PMS**).

- C. The OCP must also assure that the financial office is provided the information required to record and pay the obligation. The following are elements required by the finance office:
- o Effective date of the obligation.
 - o Obligation document reference code.
 - o **CAN.**
 - o Object class.
 - o Federal/non-federal code.
 - o **CRS/EIN.**
 - o Budget period dates (begin/end **dates**).
 - o Indication whether the obligation is an initial obligation or an adjustment to an existing obligation.
 - o Identification of the applicable commitment **document when** formal commitment accounting is employed.

- D. The OCP must also assure that the obligation documents contain any other information that management deems necessary, such as:
- o Project period dates.
 - o Amount obligated this fiscal year.
 - o Total obligation amount under **this document** number.
 - o Catalog **of** Federal Domestic Assistance program identification.
 - o Funding appropriation.

All of the above data elements are further defined in Exhibit 2-35-A.

- E. The OCP is responsible for clearing (or rejecting) **the** document and having the obligation recorded within 24 **hours**. Upon recordation in the accounting system, the finance office must quickly transmit obligation data to the PMS so that award authority will be established in advance **of the** recipient's request for funds. It **is** also **essential that the**

obligation **be recorded into** the accounting system in the same month the obligation is dated **or** issued. If obligations are recorded in a later **period** the delay might be viewed as an agency deferral when, 'in **fact**, no decision was made to withhold the obligation or expenditure of budget authority. When information is missing or incorrect, the obligation must not **be** cleared or recorded: the OCP must cite the deficiencies and return it to the originating office. In turn, the obligating office must correct the deficiencies and resubmit the obligation to the OCP for clearance.

- F. OCP clearance and recording procedures must be flexible at the end of a fiscal year (or any other period after which fund availability **lapses**). Application of control procedures should not result in a lapse of needed funds. See also **2-30-30B** of this manual.
- G. When obligations are made to recipients with multiple accounts, but a single point **of** contact, the OCP is responsible for insuring that a recipient's single point of contact receives a copy of the obligation document. (See the Grants Administration Manual or the **PMS** Users Guide for a listing **of** such recipients and the names and addresses of their single point of contact.)

2-35-40 RESPONSIBILITIES OF THE DEPUTY ASSISTANT SECRETARY,
FINANCE

The Office of Financial Policy (OFP) which reports to the Deputy Assistant Secretary, Finance sets the policy for the establishment and implementation **of** the OCP. The OFP will provide assistance to a **OPDIV/OS/Region** in establishing, implementing the OCP activity, and reviewing its operation and **effectiveness**.

FINANCIAL **INFORMATION** REQUIREMENTS

All of the specific financial information requirements discussed below must be met by all **HHS** awards made under Federal Domestic Assistant programs and for all other awards paid through the Payment Management System (PMS).

1. Payment Clause

The payment clause in an award document must identify the **HHS** payment office giving its name, mailing address and telephone number. This is the office to which the recipient must turn for all payment activity.

- a. For awards paid through the **PMS** the following statement should be used;

"Payments under this award will be made available through the **HHS** Payment Management System (PMS). PMS is administered by the Division of Federal Assistance Financing, Office of the Deputy Assistant Secretary, finance which will forward instructions for obtaining payments. Inquiries regarding payments should be directed to:

Director, Division of Federal Assistance Financing
Rockwell Building, 8th Floor
P.O. Box 6021
11400 Rockville Pike
Rockville, MD 20852
(301) **443-1660**

- b. For awards paid by the letter of credit system operated by **OPDIV/OS** finance offices, the following statement should be used:

"Payments under this award will be made available through a letter of credit administered by _____
_____. Inquiries regarding payments should be directed to:

Telephone Number: _____"

- c. For awards paid by Treasury check or wire transfer, or by **OPDIV/OS/Region Third** Party Draft, (but not through the PMS) the following statement should be used.

"Payments under this award will be made available by (list the method of payment) issued through the _____ finance office. Inquiries regarding payments should be directed to:

Telephone Number: _____"

2. Central Reaistry **System/Entity** Identification Number
(CRS/EIN)

The **CRS/EIN** is used to identify the recipient organization (i.e., the grantee). It also allows the recipient's business office to identify the specific performing component (grantee) to which the award was made. This is particularly important for those recipients for which multiple **CRS/EINs** are assigned to reflect branch campuses, separate divisions, etc. Chapter **10-51** of the Departmental Accounting Manual describes the **CRS/EIN** in detail and indicates how it is obtained, registered and used.

The **CRS/EIN** is a 12 character code and must be clearly identified and titled "**CRS/EIN.**" It must reflect the **CRS/EIN** assigned to the performing component (i.e., the grantee) and not the **CRS/EIN** of the business office component (i.e., the payee) when the two are different. The **CRS/EIN** must be expressed as follows:

- o The first position identifies the recipient as an organization (code 1) or individual (code 2).
- o The second through tenth positions are the HHS recipient's identification number (the Internal Revenue Service Income Tax Identification Number: the Employer's Identification Number (EIN) for organizations or the Social Security Number (SSN) for individuals).
- o The eleventh and twelfth positions are the HHS assigned **CRS/EIN** suffix for organizations to identify component organizations (blank for individuals).

A **CRS/EIN** should be expressed as 1-5807198740A5 using hyphens to offset the three segments of the **CRS/EIN**.

3. Document Number

The document number is a common denominator through which **HHS** and the recipient communicate for expenditure reporting. It is extremely important that this data item be prominently displayed. It should be highly visible and should be titled "Document Number."

Normally, the document number recorded in the **OPDIV/OS/** Region accounting system is the grant/contract number or a shortened version of that number. The BBS document number **is** composed of a 10 character "**core**", but may be expanded to 20 characters.

For grants paid through the PMS the document number is specifically structured as follows:

<u># of characters</u>	<u>Purpose</u>	<u>Requirement</u>
1	Prefix	Optional
10	Core Number	Required
2	Budget Period *	Optional
4	Suffix **	Optional
3		Blank

* Creates a separate document record in PMS

** Identifies amendments or modifications

4. Fiscal Year (FYI and Common Accounting Number (CAN)

All **HHS** awards provide obligational authority from appropriations through citation of a FY and CAB. The FY is normally expressed as a two character code to correlate with the last two digits of the FY (for example, 86 indicates FY 1986). The CAN is a seven character code consisting of three segments:

0	OPDIV/AGENCY code	1 digit
0	Accounting Point code	2 digits
0	Program identification code	4 digits

The FY and CAN are **the mechanism** through which the automated accounting system relates awards to appropriations, allotments, allowances, federal domestic assistance catalog programs, the budget activity structure, etc.

The award document should reflect the FY and CAN through which the award action is funded. **If** more than one FY and CAN provides funding for the award action, each should be cited along with the amounts attributable to each year. The FY year and CAN should be titled "**FY-CAN.**"

5. Amounts

a. Amount of this Award/Action

The award document package should clearly indicate the amount of federal obligation it represents. This will measure the amount of change if an obligation existed prior to this award. This is the amount which will be entered into the automated accounting systems as an obligation. This requirement is waived for NIH awards for which the indirect cost portion of the award is issued separately: these awards must show the amount of direct support obligated with a notation that indirect cost support will be provided on a summary HHS notice.

b. Carry-over Balance

On some project period awards funds obligated, but unexpended in one budget period, may be carried forward to the next budget period for expenditure. This amount is known as the carry-over balance or as the unobligated balance from **prior** budget periods. All **awards** which provide authority to the recipient to use this balance should clearly identify the amount. This amount is not obligated in the accounting system since it was previously obligated (in prior budget periods).

6. Special Expenditure Reporting Requirement

Some awards paid through the PMS are funded from different appropriations and by law or regulation require that recipient expenditures be separately reported. Such awards are referred to as multi-funded awards. When this occurs, the recipient must be notified of the requirement so that he/she can report expenditures **by FY** and CAN back to the PMS in lieu of a total only at the document number level (without regard to FY and CAN).

For all such multi-funded awards, data are input to the PMS with a special report indicator of **"Y"** to uniquely identify them. PMS Staff uses this indicator to notify the recipient (On the **PMS** Report 272) of the requirement for expenditure reporting at the document, FY, CAN level on the multi-funded award (note, the normal expenditure reporting level is **by** document number only). **As** the recipient reports expenditures **through PMS** Report 272, he/she will specially identify the amounts expended on multi-funded awards by **FY** and CAR.

Whenever an award is determined to be multi-funded, as defined above, the award document package must so state and the amounts obligated by FY and CAN must be specifically identified.

RECONCILIATIONS AND INTERNAL CONTROL .

2-40-00 General**-10 Reports.****-20 General Ledger Accounts****-30 Subsidiary Records****-40 Obligations****2-40-00 GENERAL**

- A. Reconciliations and related verifications insure and demonstrate the validity and integrity of the accounting system. These functions are essential to attainment of a well regulated system. They must be regularly and consistently performed to secure the proper discharge of internal control responsibilities.
- B. Each agency's system shall routinely provide for periodic reconciliations, verifications, and controls as follows:
1. Trial balances of the general ledger accounts by account or fund and trial balance summarized without regard to account or fund symbol will be taken monthly.
 2. Appropriation cash balances will be reconciled with Treasury cash balances monthly.
 3. General ledger accounts will be reconciled at least quarterly with subsidiary asset accounts and supporting records.
 4. General ledger accounts will be reconciled monthly with all other subsidiary accounts and records.
 3. Batch totals of money amounts and hash totals of significant data elements must be provided for each batch of fiscal documents. Such totals must be a part of the automated input data to provide for computer comparison of the detail with the totals.
 6. All necessary data elements must be coded and reviewed by competent personnel prior to input to the financial system to assure the highest degree of accuracy and reliability. (It is by far more advantageous to exercise care and accuracy on the input than to devote even more manpower to the task of searching and correcting errors, perhaps after management decisions have been made on erroneous data.)
 7. All inputted data, to automated systems, must be verified.

(2-40-00 cont i n u e d)

8. Processing control8 and error checks shall be programmed into the automated system, to the extent feasible (from the cost/benefit ratio standpoint) to provide the maximum assurance the data is good.
9. The automated processing of the data shall be controlled so that the programmers do not run the program and so that the machine operators can not modify the programs.
10. Division of responsibilities among the fiscal staff to provide maximum internal control should be reviewed and strengthened.

(Items 5 through 10 are particularly important in an automated system since the general ledger accounts cease to be control accounts created from independent source documents and become summary accounts created from the detail data inputted into the system.)

- C. Reconciliation procedures and techniques should be carefully planned to cover the needs of each subsystem. A systematic review of subsystem characteristics should be conducted to assure that all critical points in the division of duties and responsibilities and in the relationships established between record8 segments are considered. The use of check lists, schedules, and special forms are recommended to facilitate timely reconciliations. Localization of errors and their causes by time periods and responsible areas will be facilitated by a permanent file of reconciliation records.

2-40-10 REPORTS

- A. Reconciliations assure the accuracy and validity of data accumulated in the accounts for both internal and external reports. Procedures should provide, however, that all reports are verified before being issued. The arithmetic should be checked by cross-footing. Key figures should be checked back to accounts after the report has been compiled. Written instructions and explanations should be prepared to cover the steps necessary to derive reported data which cannot be clearly traced directly to the accounts. Before a report containing such data is issued, the work sheets should be checked to determine whether the data was properly derived. Work sheets should be retained at least until the next report is prepared. If necessary, explanatory comments should be submitted with special reports to • assure correct interpretation of the data--particularly if the data is such that it cannot be related back to the accounts.
- B. Further detailed material with respect to reports and reconciliations required in agency relationships with the Treasury Department, the Bureau of the Budget, and the General Accounting Office is presented in Part 5 of this manual.

2-40-20 GENERAL LEDGER ACCOUNTS

- A. Each subsystem shall provide for the scheduling of coordinated cut-offs and systematic assembly of a trial balance of the general ledger. These requirements are necessary prerequisites to reconciliation of the general ledger accounts. A trial balance will establish that the accounts are in balance and that a degree of accuracy in arithmetic exists in the accounts. It will not, without analysis, reveal whether entries were made to the proper accounts or whether all the current period transactions have been recorded. More detailed procedures should be developed for Systematic analysis of the data shown on the trial balance.
- B. Each system should provide for (1) regular and routine reconciliation of the detail records to the general ledger (subsidiary) accounts, (2) thorough investigation of differences, and (3) determination of specific causes of differences and initiation of corrective action. The requisite check lists, schedules and special forms should be carefully designed and proceduralised as an integral part of the accounting system. These activities should be scheduled and conducted so as to facilitate rather than impede the assembly and issuance of the reports required by management.
- C. Whenever specific account relationships exist in a particular system, reconciliations should be applied in accordance with these relationships (formula approach). In cost/accrual applications, the following general formula or an appropriate variant may be applied for appropriated fund accounts:

Cost Applied;	(Various Cost Centers)
Add :	Capitalized Fixed Asset Acquisitions (to the extent funded)
	Loans Made
Add or Deduct:	The net change in Inventory Accounts (Increase + or Decrease -).
	The net change in Deferred Charges (Increase + or Decrease -).
	Unfunded liability for accrued annual leave (Increase + or Decrease -).
Deduct :	Unfunded Costs for Depreciation
Equals:	Expended Appropriations and Accrued Expenditures (funded)
Add or Deduct :	Change in Unliquidated (Unpaid/Undelivered) Obligations (Increase + or Decrease -).
Equals :	Obligations Incurred
Add:	Unobligated Balances
Equals:	Amount of Appropriation

2-40-30 SUBSIDIARY RECORDS

- A. The **subsidiary records** represent the link between the general ledger and the mass of individual transactions. Periodically, the individual documents and asset items should be reviewed, amounts summed, and be reconciled to the subsidiary accounts. The following subsidiary accounts will be verified at regular intervals:

Receivables	Expense to Controls
-Advances	Unliquidated Obligations
Inventories	Assignment Accounts
Fixed Assets	Deposit Accounts
Payables	Statistical Accounts

In situations where the volume of transactions is high, monthly or at least quarterly reconciliation and verifications are required. Otherwise, semiannual or even annual reconciliations may suffice. Fixed assets shall be inventoried and reconciled in accordance with the time periods specified in the Personal Property Manual Chapter 12-40.

- B. The records and forms used or maintained in the conduct of these reconciliations should be kept to a minimum. They should provide, however, for the essentials which include;

1. Evidence of actual performance.
2. Identity of time performed and person performing.
3. Evidence that all areas have been covered at the time specified.
4. Clear instructions as to procedures.

These records should be maintained for audit or for special analysis as may be necessary,

- C. To spread the workload, the accounts may be reconciled on a cycle basis provided that all such accounts are reconciled at least quarterly.

2-40-40 OBLIGATIONS

- A. Reconciliation of the basic obligational documents with subsidiary general ledger accounts is preferably conducted at the end of each month. Quarterly critical review and complete reconciliation of the basic documents to subsidiary ledger records is mandatory. (See Chapter 2-30, Requirements for Obligations). The review must be conducted so as to establish the continuing accuracy and validity of all obligations of record, including obligations of prior years as well as current appropriations. Revisions of the summary recorded and the cancellation of obligations no longer deemed valid should be promptly reflected in fully documented documents to

(Z-40-40 cont inued)

the accounts. The obligation documents must be completely annotated as to the date of successive review, information developed, determinations made, and action taken. In the case of lapsed appropriations, additional emphasis will be accorded to dormant and inactive obligations. Procedures in connection with year-end review and documentation of unpaid obligations are set forth in Section 2-30-40 of this manual.

SYSTEM REQUIREMENTS AND OPERATION

- 3-00-00 General
 - 10 System Documentation
 - 20 Elements Comprising a Total System
 - 30 Basic Structure of a System
 - 40 Appropriation Accounting - Input and Output
Controls, Revenue and Receipts, Closing Entries
 - 50 Obligation Control
 - 60 Accounts Payable and Other Accrual Based Processes
 - 70 Disbursements
 - 80 System Output

3-00-00 GENERAL

This accounting manual part prescribes general guidelines for the establishment of accounting records and their maintenance and control. The forms and processes described are not to be applied arbitrarily. Rather, the intent is to provide general guidance to financial management officials, systems analysts, and others responsible for the development and maintenance of agency accounting systems, so that, each system in addition to meeting the specific needs of the agency will consistently provide compatible data required by the Department, Congress and the Control Agencies. External reporting requirements and the procedures for establishing internal reporting requirements for accounting systems are set forth in Part 5, Financial Reporting, of this manual.

3-00-10 SYSTEM DOCUMENTATION

- A. The accounting system in each agency will be fully documented in an accounting manual which will serve as the official means of detailed communication and reference. It should contain accounting policies, account formats, methods, procedures, and practices and the forms to be employed. The use of documents, records and forms will be clearly defined and processes simply described. All matters essential to the proper functioning and control of the system will be covered. It is important that the manual be complete and currently maintained so that:
1. It will serve as a detailed guide for the conduct of daily operations by supervisors and clerks, and thereby form the basis for achieving uniformity, consistency, and reliability in accounting operations.
 2. It will serve as a means of communication with those persons concerned with processing system input documents and those who use the reports and data compilations produced by the system.

(3-00-10 Continued)

3. It will serve as a means of indoctrination and instruction of new personnel.
4. It will serve as a means of broadening and increasing the capabilities of accounting personnel generally.

Also, system integration, coordination, responsiveness, and control depend essentially upon clear precise communication and understanding of the procedures to be followed. Consistent attainment of this objective is not possible, particularly in the larger agencies, without a comprehensive procedures manual.

3-00-20 ELEMENTS COMPRISING A TOTAL SYSTEM

A total accounting system includes all input documents evidencing accounting transactions, all of the accounts and subsidiary records maintained, trial balances, working papers, reports, and the detailed procedures which make it a workable system. In a mechanical system, either EAM or EDP, printouts of accounts information will be produced at regular intervals. These printouts will be indexed and retained in post binders. Each agency's accounting manual will specify the documents to be used as a basis for entry or as the record to be employed in each phase of the accounting process or class of accounts affected. It will establish specific responsibility for control and custody of the documents. All transactions, adjustments, analyses, accruals, and related processes will be completely documented. They will be referenced and maintained so as to clearly support the entries to the accounts and the reports produced from them. All documents must be readily accessible for reference at all times.

The use of procedures, methods and techniques not prescribed or explained in the accounting manual will be avoided. Methods and techniques occasionally employed for special reports and analyses will be fully documented and retained with the related working papers.

3-00-30 BASIC STRUCTURE OF A SYSTEM

A. General

The chart of general ledger accounts prescribed in Chapter 3-20 of this manual, which includes account codes, account titles, account definitions and transaction flow specifications, forms the basic structure of the accounting system outlined in this chapter. This general chart of accounts fulfills the requirements prescribed by the General Accounting Office and the Bureau of the Budget and is structured with sufficient flexibility to meet the needs of all agencies within the Department. Use of additional or substitute accounts to meet any unique situations of an agency must be cleared in advance with the Office of Comptroller.

(3-00-30 Continued)

B. Functions of the Account Structure

The basic structure of the chart of general ledger accounts is functionally segmented as follows:

- | | |
|----------------|--------------------------|
| 1. assets | 5. reciprocal and income |
| 2. liabilities | 6. expense |
| 3. capital | 7. statistical |
| 4. budgetary | |

The specific account titles, codes, contents and transactions, of individual accounts within each segment are detailed in Chapter 3-20, General Ledger Accounts. The functions of each segment are as follows:

1. The asset accounts primarily reflect the resources available to an agency to carry out its assigned program(s). Among this largest group of prescribed accounts are (a) separate accounts reflecting fund balances with the U.S. Treasury for each appropriation, (b) various receivable and advance payment accounts, (c) inventory accounts, and (d) fixed asset accounts.

Each agency has the responsibility for maintaining current and accurate records of individual disbursements and deposits. The Treasury Department maintains only summary control totals for each agency accounting station. Net disbursements and deposits of receipts must be reconciled monthly with the U.S. Treasury summary accounts. Reports of net disbursements and receipts by appropriation, fund, and receipt accounts together with related control totals must be furnished the U.S. Treasury shortly after the close of each month.

The inventory and fixed asset accounts are control accounts over detailed property records. Amounts representing current consumption of these assets are obtained from either subsidiary accounts or records and are the basis for charges to the expense accounts.

2. The accounts payable and accrued liability accounts reflect accrued expenditures for which payment is not made or due in the current accounting period. Entries to accounts payable will be recorded currently as receiving or work progress reports are received. The control accounts are usually supported by subsidiary accounts or records for each creditor. In mechanized operations, either EAM or EDP, the subsidiary records may be individual transactions of amounts owed to creditors recorded on punch cards or magnetic tape. Entries to the accrued liability accounts will be determined at the end of each fiscal period (monthly for most applicable objects). Accruals are determined for such objects, among others, as salaries and related personnel benefits earned during the fiscal period but not due for payment until the subsequent fiscal period, travel expenses incurred but not paid in the fiscal period,

(3-00-30 Continued)

continuing contractual type services not billed or paid monthly, and unfunded expenses such as accrued annual leave.

Accrued expenditures as accumulated in the liability accounts will differ from obligations incurred for some objects of expenditure because some obligations are incurred as contracts are awarded or orders for goods or services are placed regardless of when the goods will be received or services rendered.

Separate accounts payable and accrued liability accounts must be maintained by appropriation for (1) amounts owed to Government agencies and (2) amounts owed to other than Government agencies. This information is pertinent to establishing the total amount owed by the Government as a whole.

3. Agency equity, as represented by the Capital Accounts ("300 Series") is defined as residual accountability for resources which are within the control of the agency and carry forward to subsequent fiscal periods. These resources include inventories, prepaid expenses, fixed assets (net of depreciation) and deferred charges. The periodic change in agency equity is computed in the closing process.

The difference between Expended Appropriations (a/c 471) and Income Control (a/c 551) and Expense Control (a/c 601) represents changes in selected resources. In the case of revolving funds, gains or losses from operations are included in the computation of the change in agency equity. For other type funds, the unobligated balances lapse at the end of their period of availability and revert to the general fund of the U. S. Treasury, therefore, have no effect on equity.

4. Budgetary Accounts. The budgetary segment of accounts ("400 Series," 4 above) is used to record and control appropriations and funds from the point of authorization or receipt through apportionment, allotment, obligation, and expenditure. Control and subsidiary record format and content are arranged primarily for the purpose of controlling, accounting, and reporting on the status of funds in accordance with statutory and regulatory requirements. Appropriations and other congressional authorizations are credited as enacted. Estimated reimbursements and other available funds (transfers, transfer appropriations) are similarly recorded in accordance with interagency agreements and other authorizations. Apportionments approved by the Bureau of the Budget and allotments issued within an agency also are entered in these accounts. The remaining entries are primarily those which arise from carrying out the agency's programs, i.e., fiscal transactions resulting from direct operations, grants, etc. They are entries which record in summary form by appropriation the amounts which reduce or increase the available funds. These accounts facilitate the control of funds and permit rapid preparation of

(3-00-30 Continued)

status of funds reports at the allotment level or higher.

5. Reciprocal Control and Income ("500 Series," Segment 5)

a. Reciprocal Control

This segment of accounts is employed when the general ledger and/or allotment ledger has been decentralized to field stations of an agency. The accounts are also used to facilitate transfer and control of parts of an appropriation or fund which will be used by more than one agency of the Department. This type of transfer is similar to an allocation to a transfer appropriation account (allotments of the Civil Rights appropriation is an example of this type of transfer). See explanation of use and sample entries in Sections 3-20-30 and 3-20-50 of this manual.

b. Income

This segment of accounts is used to record current year operating and other income. Appropriate subsidiary records should be maintained to permit analysis of income by type of services rendered, goods supplied, interest earned, etc.

6. Expense Control ("600 Series," Segment 6)

This segment of accounts functions as a control over the accrual based expense data maintained in detailed subsidiary amounts and records. Two subsegments will be maintained in this series, one for funded costs and the other for unfunded costs (annual leave accruals and depreciation):

- a. The subsidiary accounts for funded costs will be maintained at organizational levels consistent with assigned responsibility for effective management of an activity, operation, or extended project. Short range projects need not be established as cost centers; cost findings may be used instead to determine costs of such projects to avoid frequent changes in account classifications.
- b. Unfunded costs will be distributed monthly only at the major organizational or budget activity level. Finer distribution

(3-00-30 Continued)

of these costs will be made as frequently as required to determine total costs of reimbursable operations and in analyzing and comparing costs of measurable operations.

The sources of entry to the expense control segment of accounts are:

- (1) The Accounts Payable Process
- (2) The Recording of Accrued Liabilities
- (3) Revenue and Receipts Processes for Refunds
- (4) The Disbursements Process

The Expense Segment of Accounts is closed out to the "300 Series", Capital Accounts at the end of each accounting period.

7. Statistical Accounts ("700 Series" Segment 7)

This segment contains accounts which primarily perform certain ancillary accounting functions in relation to the Civil Service Commission and Treasury, such as, control accounts for retirement fund deductions and payments. The uses of these various accounts are described in Section 3-20-30 of this manual.

3-00-40 APPROPRIATION ACCOUNTING - INPUT AND OUTPUT CONTROLS, REVENUE AND RECEIPTS, CLOSING ENTRIES

The flow of transactions through the budgetary segment of accounts provides for identification of (1) the source and nature of funds; (2) their status as to apportionment, allocation, and allotment; and (3) their status with respect to obligations incurred, expenditures, and realization of reimbursements. These are required accounts which serve as input and output controls for the entire accounting system. The design of allotment and other subsidiary accounts for a particular agency's system will be structured in accordance with the program and administrative requirements of the agency. These requirements will be established in the manner set forth in Chapter 5-00 and 5-10. Initial entries in the budgetary accounts (through the allotment stage) are made from documents evidencing (1) congressional approval of appropriations and authorizations to incur obligations or expend special funds, (2) apportionments (some appropriations or funds may not be subject to apportionment), and (3) allotments approved by the agency's budget office. Changes and adjustments in these accounts must be similarly evidenced prior to entry. Two transaction flows are prescribed; the first, for funds subject to apportionment and the second, for funds not subject to apportionment. These transaction flows are outlined in the charts and explanatory text following:

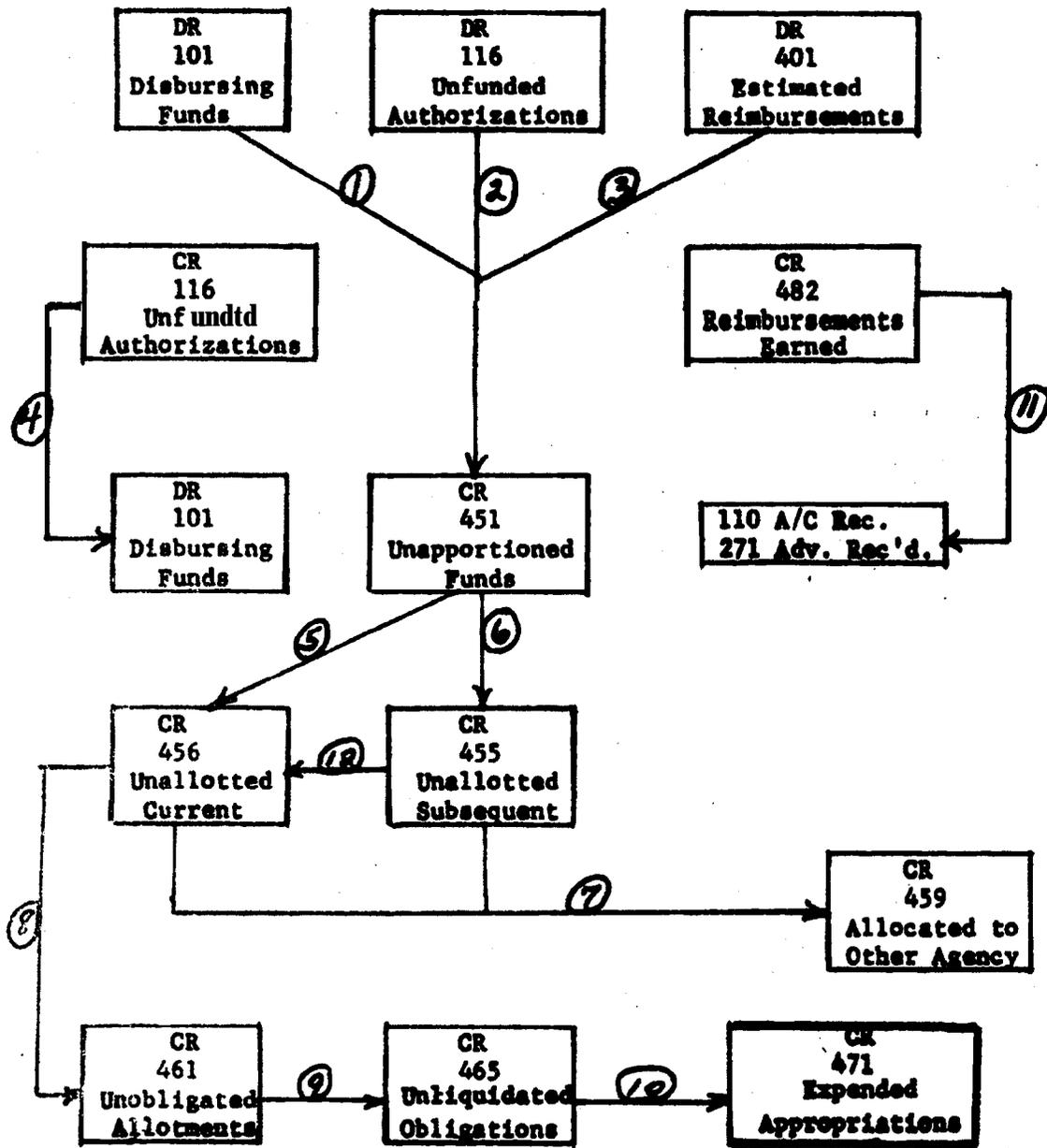
A. Flow of funds subject to apportionment

Funds subject to apportionment include:

1. Direct Appropriations
2. Contract and Other Unfunded Authorizations and Transfers Authorized by Congress
3. Authorized Reimbursements to Appropriations and Available Receipts

(3-00-40 Continued)

FLOW OF FUNDS SUBJECT TO AFFORTIONMENT
IN THE USING AGENCY'S ACCOUNTS



(3-00-40 Continued)

The entries, for funds subject to appropriation, shown in the chart preceding are as follows:

Entry NO.

- 1 Direct appropriation (Dr account 101, Cr account 451) are entered from appropriation warrants issued by the Treasury Department and countersigned by the Comptroller General.
- 2 Contract and other unfunded authorization and transfer (Dr account 116, Cr account 451) are entered from the documents evidencing congressional authorization (a) for contract negotiation, (b) for consolidation, merger, or transfer of appropriations, (c) for use of certain general or special fund receipts as realized, and (d) to expend trust fund monies up to an established limit.
- 3 Estimated reimbursements authorized in the approved budget are entered (Dr e/c 401, Cr a/c 451).
- 4 This entry (Dr a/c 101, Cr e/c 116) records the funding of disbursing accounts by Treasury in accordance with prior authorization (previously entered in 2 above) as evidenced by :

(a) Warrants issued by Treasury in accordance with appropriations enacted to fund prior Congressional authorizations.

(b) Accomplished transfer documents (SF-1151) evidencing the actual transfer, merger, or consolidation of funds in accordance with Congressional authorization. In the case of Congressional authorizations to expend funds directly from trust accounts, the agency responsible for initiating action to transfer monies to its disbursing account will request the monies only as needed to meet current disbursement requirements.

(c) The receipt and deposit of available receipts in accordance with prior authorization.

At this point in the flow, the total reflected in Account 451 forms the basis for preparation of the apportionment request to the Bureau of the Budget and should agree with the total of amounts reflected on the Standard Form (SF-132 or 142) submitted. Adjustments or changes in the amounts recorded in these accounts are entered from documents evidencing BoB changes in the operating budget. The flow of funds out of Account 451 (Unapportioned Funds) is based upon BoB approved apportionments. Any balance

Entry No.

- remaining in Account 451 reflects the amount of unapportioned funds or reserves as indicated on the initial or revised SF-132's (or 142's) approved by the Bureau of the Budget.
- 5 Funds apportioned for obligation and expenditure in the current quarter are transferred to Account 456 pending the issuance of allotments.
- 6 Funds apportioned for obligation and expenditure in subsequent quarters are temporarily transferred to and reserved in Account 455. At the beginning of each quarter, the amount apportioned for that quarter is moved into Account 456 pending the issuance of allotments.
- 7 Approved allocations to other Government agency transfer appropriation (account), are entered as a debit to accounts 455 and 456 and a credit to account 459 in accordance with the approved apportionment schedule. The request for apportionment of such funds is based upon an agreement between the parent and wing agencies. Such allocations are usually confined to large construction or similar projects, specified in the parent appropriation, for which direct supervision and administrative responsibility is assumed by the agency receiving the allocation.
- 8 Establishment and issuance of official allotments, within the apportioned limits for each appropriation, are recorded in this entry (Dr a/c 456, Cr a/c 461).
- 9 Obligations are recorded in summary form at the appropriation and allotment control level from batched and cleared documents evidencing transactions (Dr a/c 461, Cr a/c 463). The totals secured in reporting to the subsidiary records (allowance controls) are reconciled to the amounts previously entered in the control accounts. In a computer system, a batch total is used as the major control and the input run sheets provide the distribution of totals by appropriations, allotments, and allowance controls, if used.
- 10 Accrued expenditure transactions, either accounts payable or accrued liabilities are the source of this entry. The liquidating debit to Account 465 must be in the total of amounts previously obligated for the accrued expenditures being processed. Any difference between the totals previously obligated and the total of amounts to be paid must be adjusted in the entry increasing or decreasing the unobligated balance (a/c 461). Payment transactions not preceded by establishment of

(3-00-40 Continued)

Entry ND.

en obligation will usually be recorded • e a debit to 461, Unobligated Allotments end • credit to 471, Expended Appropriations.

The credit ♦□ • □♦◆◆ 471 corresponds to the total amount of the accrued expenditure transactions processed in each batch. In a computer operation these summary entries are verified by comparing the individual amounts with the amounts previously recorded • e obligations.

- 11 A8 measurable units of reimbursable work or services are completed, the amounts earned are billed and recorded as • credit to Account 482. Account 482 serves to assemble reimbursement income data for comparison to the budgeted amounts recorded in Account 401, Estimated Reimbursements, to provide the means of keeping • llohmtr in line with realized income in • ccordence with Section 11, Circular A-34, Buruu of the Budget.

In a system where volume is low end other requirements permit, billings may be charged directly against existing advance accounts. The preferable practice is to charge • li billings to accounts receivable, and advances earned • re cleared • gainst the receivable. Two entries • re thus involved (1) Dr. 110, &count8 Receivable (Government), Cr. a/c 482, Reimbursements Earned, (2) Dr. a/c 271, Advances from Other Agencies, Cr. a/c 110, Accounts Receivable.

- 12 A8 amounts apportioned to subsequent quarters become available for allotment, obligation, and expenditure, they are transferred to Unallotted Funds, Current Quarter, Account 456.

B. Flow of Funds not Subject to Apportionment
in the Using Agency's Account8

Transfer appropriation account8 and consolidated working fund advances to directly finance and account for obligation8 and expenditure8 are set up, in the negotiated or budgeted amount, in Account8 421 end 422, respectively. There account8 have been established to segregate such • llocetione and advances from fund8 subject to • pportionment. The required entry, upon receipt of the documents which place there amount8 in Treasury Disbursing Accounts, under the fund title end symbol designated is:

Dr. 101 Disbursing Fund
Cr. 271 Advancer from Other Agencies

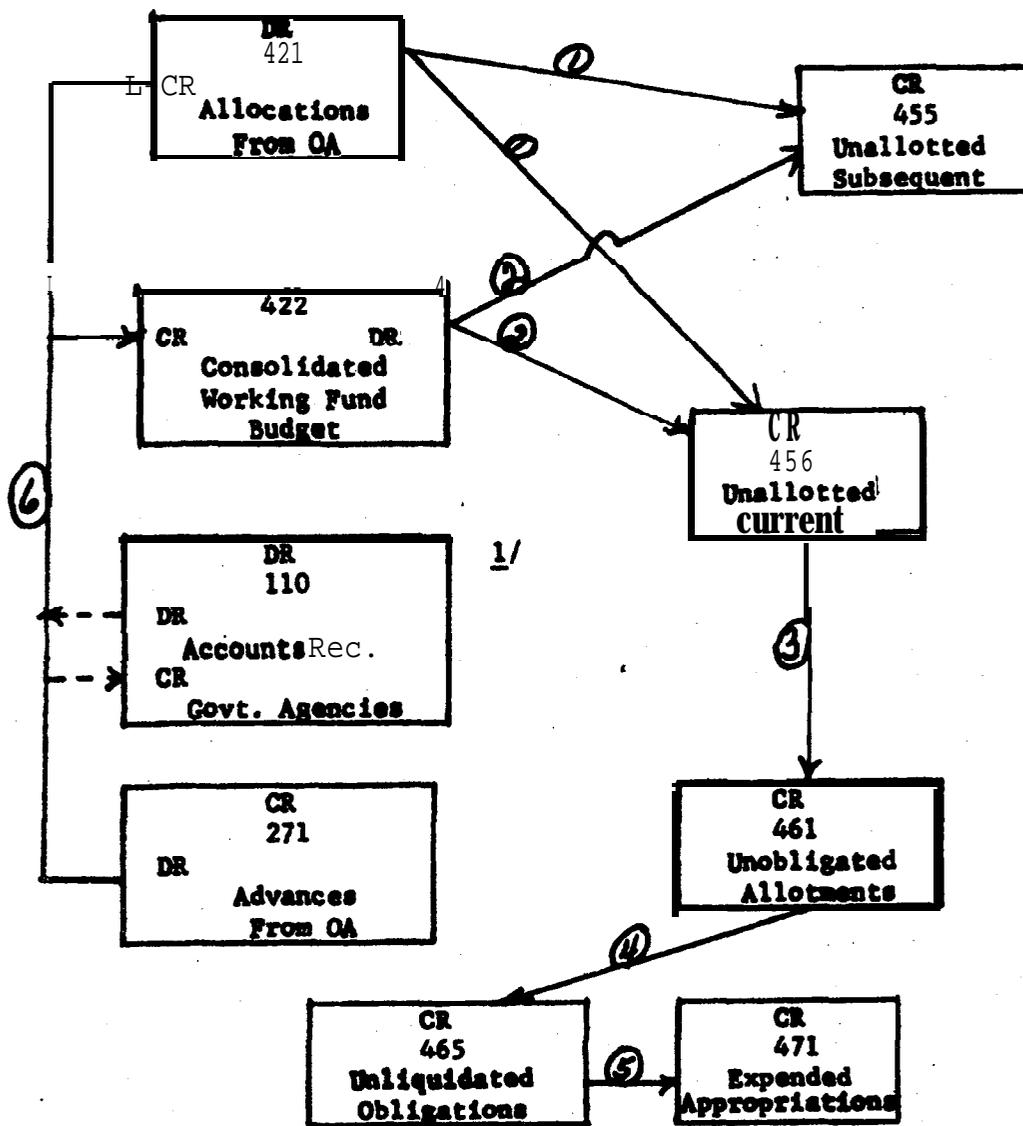
The series of entries prescribed for • brequent transactions is illustrated In the following flow chart. Each numbered entry is explained in the text following the chart.

(3-00-40 Continued)

FLOW OF FUNDS NOT SUBJECT TO APPORTIONMENT

Transfer Appropriations

Consolidated Working Fund Advance Accounts



1/ Alternative method of recording billings or reports to parent agencies.

(3-00-40 Continued)

Entry No.

Explanation of numbered entries for funds not subject to apportionment in the using agencies accounts:

- 1 Entry for amounts to be established in transfer appropriation accounts in accordance with the parent agency's apportionment schedule as expressed in the agreement between agencies.
- 2 When obligations and accrued expenditures are to be charged directly to the fund title and symbol established for Consolidated Working Fund Advances, a complete segment of account must be in general conformity with the procedure established for regular appropriations. This entry records the total amount budgeted and apportioned for the fiscal period contemplated in the agreement. From this point on the accounts and entries for issuance of allotments and controlling funds are the same as those specified for apportionment funds.
 When obligations and accrued expenditures are charged to direct appropriation and the Consolidated Working Fund Advance accounts are used only to reimburse the direct appropriation, the only accounts employed are Disbursing Funds, CWF (101) and Advances from Other Agencies, (271). In these instances, the amount of reimbursements must be estimated and apportioned as a part of the appropriation so utilized in accordance with the limitations applicable to the permit appropriation. The direct appropriation is periodically reimbursed by internal transfer using either (SF-1081) or a journal voucher crediting 101 Disbursing Funds (CWF) and debiting 101 Disbursing Funds (appropriation).
 A concurrent entry is made debiting account 271 (CWF symbol), Advances from Other Agencies, and crediting Account 482, Reimbursements Earned (appropriation symbol).
- 3 Record the issuance of allotments for both transfer appropriation and Consolidated Working Fund Accounts.
- 4 and 5 Records obligations and accrued expenditures in the same manner as for funds subject to apportionment.
- 6 Records in Accounts 421 and 422 the summary of classification of revenues and the consumption of an advance previously recorded in Account 271. The source of entry is the report or summary of expenditures submitted to internal management and/or the parent agency as required. Alternatively, the reports or summaries may

(3-00-40 Continued)

Entry No.

be charged to Accounts Receivable and the advance is then written off against the receivable.

C. Closing Entries

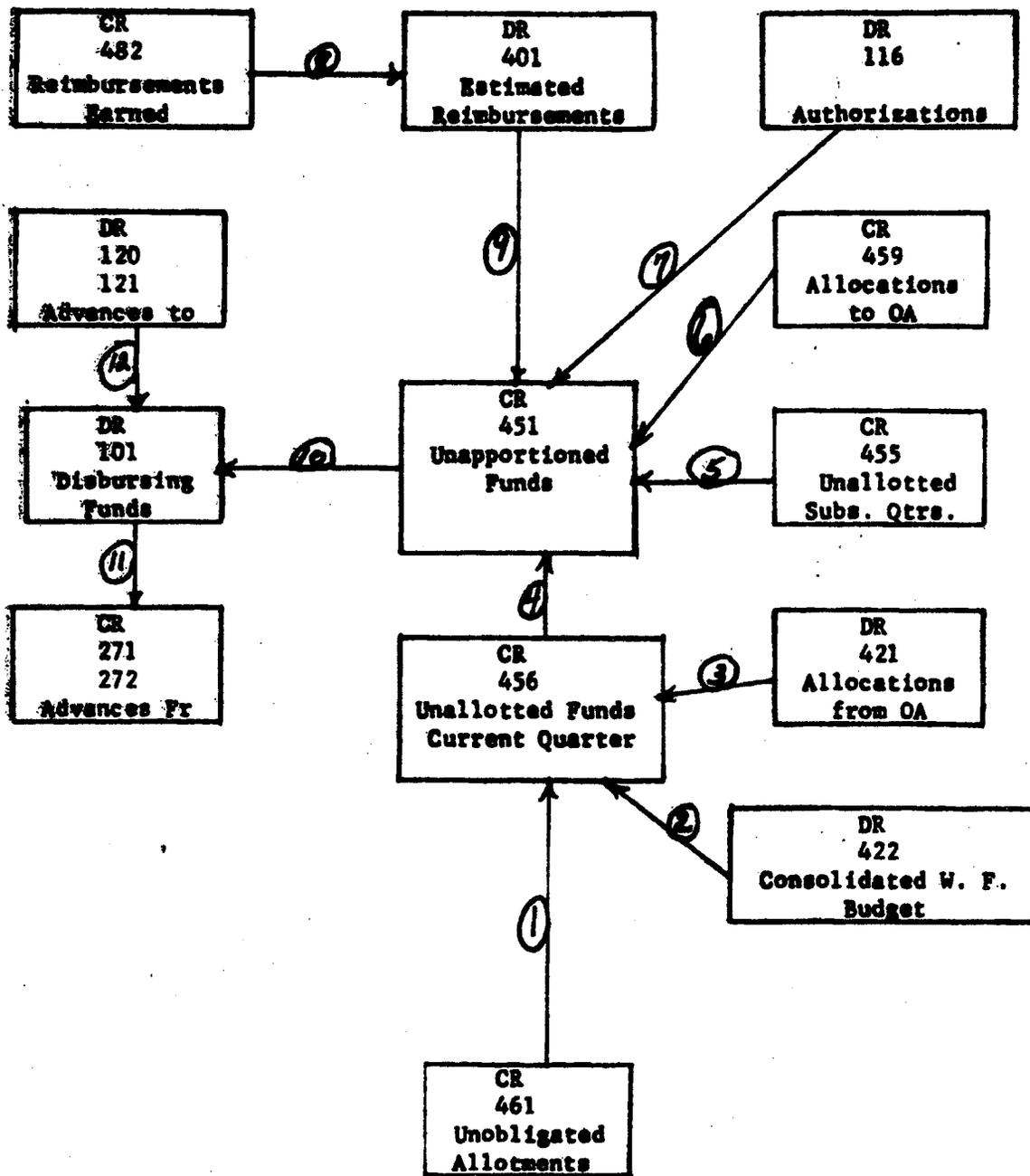
The pattern of closing entries for appropriation⁸ or funds is generally the reverse of the pattern used $\diamond \square \bullet \square \diamond \oplus \delta \bullet \delta \approx$ them. Closing entries are made in series of distinct steps as follows:

1. Withdrawal of unobligated balances of allotments for all lapsed funds including transfer appropriation, management, and consolidated working funds accounts.
2. Repayment or withdrawal of unused advances and allocations.
3. Adjustments for unrealized authorizations and • at that reimbursement.
4. Assembly and determination in Account 451 of the unobligated amounts of direct appropriations subject to withdrawal by Treasury.
5. Withdrawal of unobligated amounts by Treasury.
6. The transfer of Disbursing Funds, Receivables and Unpaid Obligations contra to Successor "M" Accounts.
7. Closing of Expended Appropriations (471), Income (551), and Expense Control⁸ (601) into Capital Account (351).

The following chart and legend illustrates the closing entries for unobligated balances subject to withdrawal or repayment in the budgetary and related asset and liability • account⁸. These entries are outlined in the chart and referenced • $\square \square \bullet \diamond \diamond \times \square \square$ following:

CLOSING ENTRIES

UNUSED OR UNOBLIGATED BALANCES OF FUNDS



(3-00-40 Continued)

<u>Entry No.</u>	<u>Description Closing Entries</u>
1	Closing of Unobligated Allotment Balances (461) into Unallotted Funds - Current Quarter (456) to effect withdrawal of unused portions of allotments (all funds).
2	Closing of any unused portion of Consolidated Working Fund Budget (422) into Unallotted Funds - Current Quarter (456) to effect withdrawal of unobligated balances of allotments (applicable only where Consolidated Working Fund Advance accounts are used directly to finance and account for the work or project performed).
3	Closing of unused or unobligated allocations (Account 421, transfer appropriation accounts) into Unallotted Fund8 - Current Quarter (416) in preparation for repayment to the parent agency or direct withdrawal by Treasury.
4	Closing unobligated balances (direct appropriations, authorizations and reimbursements) from Unallotted Fund8 - Current Quarter (456) into Unapportioned Fund8 Account (451). A preliminary to determination of amounts subject to withdrawal by Treasury.
3	Closing of any unallotted balances (Account 455) into unapportioned fund8 in preparation for establishing amount subject to withdrawal by Treasury.
6	Return of any unused portions of allocations to other account (Account 459) (concurrent with entry 12).
7	Amounts of unused authorizations for special and trust fund activities will be closed out to the unapportioned funds account either at the end of the period of availability for obligation or when the fund8 expire. In trust fund activities, where Congress places a limitation on expenditure of fund8 in a given period, this account can be used to reflect the amounts available for restoration. When left open for this purpose subsequent restorations or returns to the trust fund must be processed to this account.

(3-00-40 Continued)

<u>No.</u>	<u>Description Closing Entries</u>
8	Closing of actual earned reimbursements (Account 482) to Estimated Reimbursements (Account 401) as a preliminary to establishing the amount to be withdrawn by Treasury.
9	Unrealized balance (Estimated Reimbursements, 401) closed to an apportioned funds account (451) to determine actual amount subject to withdrawal by Treasury.
10	Withdrawal of unobligated balances by Treasury. (direct appropriations, authorizations and reimbursements).
11	Records actual payment to parent agency (or private concern 88 appropriate) of unused advances (merged accounts) and the repayment to the parent agency or direct withdrawal by Treasury of unobligated balances of transfer appropriation account funds or consolidated working fund advances.
12	Actual receipt of unused portions of advances returned by other agencies or private concerns. When this entry records the return of funds advanced to other agencies in transfer appropriation accounts, it must be accompanied by entry (6) in the same amount.

When this entry records the return of unused consolidated working fund advances, it must be accompanied by an entry in the same amount Dr. 471, Expended Appropriations, Cr. 461, Unobligated Allotments. These amounts will usually be included in entries (1) and (4).

3-00-50 OBLIGATIONS CONTROL**A. Purpose**

As an integral part of the total accounting system, the obligations control process in the budgetary segment of accounts serves the following principal functions:

1. Provides a direct system of controls which comply with statutory requirements for records to control and report on obligations and status of funds of each appropriation.
2. Serves as the initial and progressive record for control of accounting transactions from inception to payment.
3. Provides the means for systematically classifying and accumulating data in the format required for prompt and effective reporting to the regulatory agency.

(3-00-50 continued)

4. Provides a uniform classification and flow of transactions as a basis for assembly of reports and other data at the Department level.

System characteristics and patterns related to size, structure, transaction volume and the equipment employed will be developed to attain these objectives in accordance with the methods and techniques broadly outlined in this section. The obligation control processes will be maintained primarily to control and report on the status of funds at the allotment and appropriation levels. The classification, control, and reporting of accrued expenditures by cost center, project, activity, object of expenditure or in other forms of interest to management functions of other specific segments of the accounts and accounting system. In a computerized system, obligations, accrued expenditures, and costs can be integrated in such a way that many accounting transactions will be keyed into the system at the obligation stage and not require detailed re-entry at successive stages. This approach significantly reduces the chance of error as a transaction moves from the obligation to the accrued expenditure stage and subsequently or simultaneously is allocated to cost centers. In addition to the above, obligations and accrued expenditures, any disbursements not preceded by an obligation transaction, will be recorded in summary fund limitation accounts at the appropriate control level in general ledger accounts. Thus, the status of funds, by appropriation or other control level established in the system, will be readily and currently available by reference to the general ledger accounts.

B. Basic Record

The basic record required to establish and maintain obligation control are the documents evidencing the inception and progress of individual obligation transactions. The technical adequacy and accuracy of these documents in terms of evidencing the validity of obligations, shall be reviewed to insure compliance with statutory requirements. The criteria established for these documents and for the obligations they represent are set forth in Chapter 2-30, "Requirements for Obligations." The responsibility for providing adequate documentation rests primarily upon the allottee, the contracting or procurement officer, and upon such other officials designated, within an organization, to discharge the following responsibilities inherent in obligation transactions:

1. To determine that items, services, and/or expenditures contemplated meet requirements and are within limitations or purposes of the appropriation.
2. To determine that items, services, and/or expenditures ordered are required in the quantities and/or amounts requested.

(3-00-50 continued)

3. To determine that amounts to be utilized are properly and accurately identified by object class code.
4. To verify that items, service and/or expenditure are approved by the allottee or his designee.
5. To determine that orders or contracts placed are negotiated in good faith at the best possible terms and prices, and that conditions are in accord with the requirements of pertinent legislation, as applicable.
6. To determine that supplies, materials and services are obtained from other government agencies where available in the interest of economy and efficiency in procurement.

C. Document Flow

1. General. The flow of obligations on documents to accounting operation and the assignments of authority and responsibility for the functions and determinations warranted in Section 3-00-50B preceding will be specified in each (IOBCY) manual. Obligations will be recorded, at the appropriate control level prior to or concurrent with the issuance of purchase orders and/or the execution of contracts.
2. Manual System. In a manual system, documents in process may be maintained in accordance with the control accounts, that is, by period and by transaction status (undelivered orders and unpaid delivered orders). As obligations progress to the status of liabilities, these documents, together with those evidencing receipt of goods or services form the basis for authorizing and recording expenditures in the accounts payable and expense accounts.
3. Computer System. In systems utilizing computers, the flow and filing of documents within the accounting operation are not subject to the same file classifications required with manual applications. Totals and listings of transaction details are usually and quickly available in any array required to coincide with the control documents, however, must be filed systematically so as to be readily accessible for association, verification, analysis and control, at the input stage, for each individual transaction. Transaction documents will be temporarily grouped or batched to facilitate and control the entry process. They will not be filed until each batch input run is balanced to the control totals. A document file organized by the vendor name or order control number will serve for most applications.

Documents in process constitute a continuing major file grouping usually referred to as the "open" file. Paid documents are further subject to major file grouping by fiscal year to facilitate reference and records retention and disposal processes. This file grouping is usually referred to as the "closed" file. Thus, the file categories established for transaction documents are:

(3-00-50 Continued)

(a) Open File

(1) Vendor Name or Order Control Number

(b) Closed File

(1) Fiscal Year

(2) Vendor Name or Order Control Number

As transactions take place, file maintenance of open file documents by vendor name facilitates individual association and processing of related documents subsequently received with them on file. Maintenance by vendor name has an advantage over order control number because subsequently received documents, like invoices, may not bear the order control number and identification can be difficult. Computerized systems commonly utilize a control number identification for individual transactions. Outputs of such a system requiring reference to documents on file must provide the vendor's name.

D. Document Flow Outline

The document flow outlines which fulfill the essentials are illustrated and discussed in this section. The variations illustrated provide for the wide range organizational and financial structural characteristics generally observed within the department. Further, one flow pattern may be clearly specified for a particular type of transaction and another prescribed for the general run of transactions. The essential point is that documentation requirements be fully and promptly met at each of the designated points of responsibility established in the system:

1. Definitions and General Considerations

For the purpose of these outlines, the following terms are used in the context indicated: (See also Z-10-20)

- a. Allottee refers, to the persons or points at which official responsibility and commensurate authority for funds control is vested. Consequently, the term Allottee refers to variously: titled official; with the authority for funds control decisions and the responsibility for initiation of transactions and/or awareness of the extent and progress of transactions within their purview.
- b. Fund Reservation Document is defined to include all documents used to initiate transactions such as requisitions, proposals, estimates, applications, and letters of intent. Estimates may be recorded by either a special form developed for this type of transaction or by the miscellaneous obligation record form. Although the accounting operation may perform certain services in connection with the preparation of these estimates, the primary responsibility for accuracy and timeliness in preparation and submission rests with the allottee or designees of the program official. The purpose of this requirement is to

(3-00-50 continued)

assure that the responsible official will apply his more timely and intimate knowledge of circumstances to the construction of the function in the fiscal office.

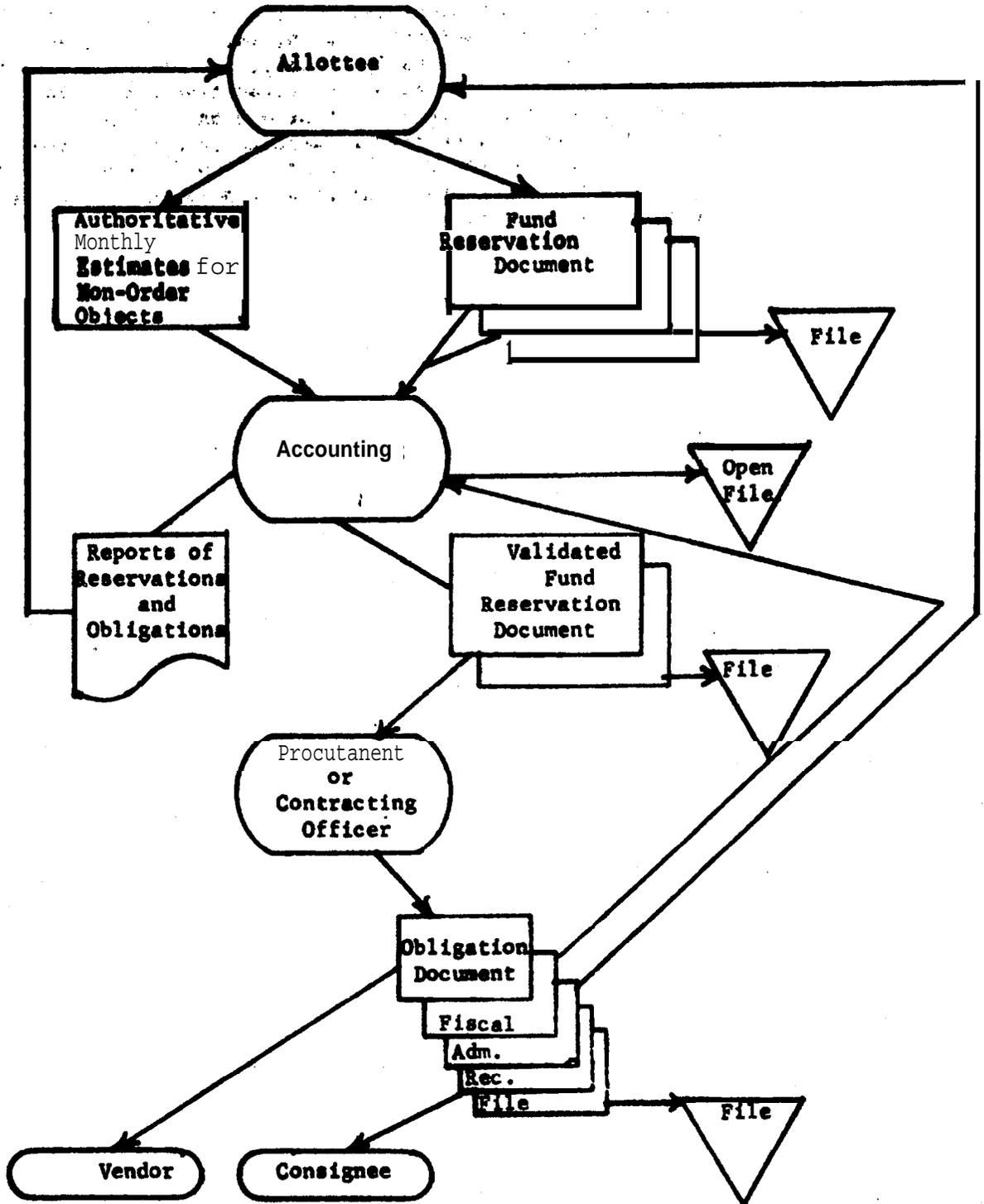
- c. Allotment Control Operation refers to the obligation control segment of the accounting function in the fiscal office.
- d. Contracting Officer refers to the official designated to complete or finalize a transaction, in the form of a valid obligation, in response to the request of the initiating official and in accordance with program and statutory requirements. The term includes purchasing procurement, and contracting officers within the usual definition, and variously titled officials whose functions are concerned with finalizing other form of obligations.
- e. Obligational Document refers to purchase orders, contracts in final form, and similar documents which bind all parties concerned and fulfill the evidence requirements set forth in Chapter 2-30 (Requirements for Obligations). (See also 2-10-20 C4).
- f. Vendor or Contractor refers to the person, agency or organization with which the obligation is placed. The designation includes other Federal, State, local, private organizations, or any combination thereof.

2. Flow of Documents when Accounting Office Records Reservations

For small organizations with low transaction volume and simple organizational structure, the flow of fund reservation documents through the Accounting Office brings together at one point all allotment control from the time the allottee first reserves funds for a particular purpose through the formal obligation stage. Properly designed with frequent and timely reporting to the allottee, such allotment control eliminates the need for duplicate record keeping by each allottee. The following chart illustrates this type of flow.

(3-00-50 Continued)

FLOW OF DOCUMENTS WHEN ACCOUNTING RECORDS FUND RESERVATIONS



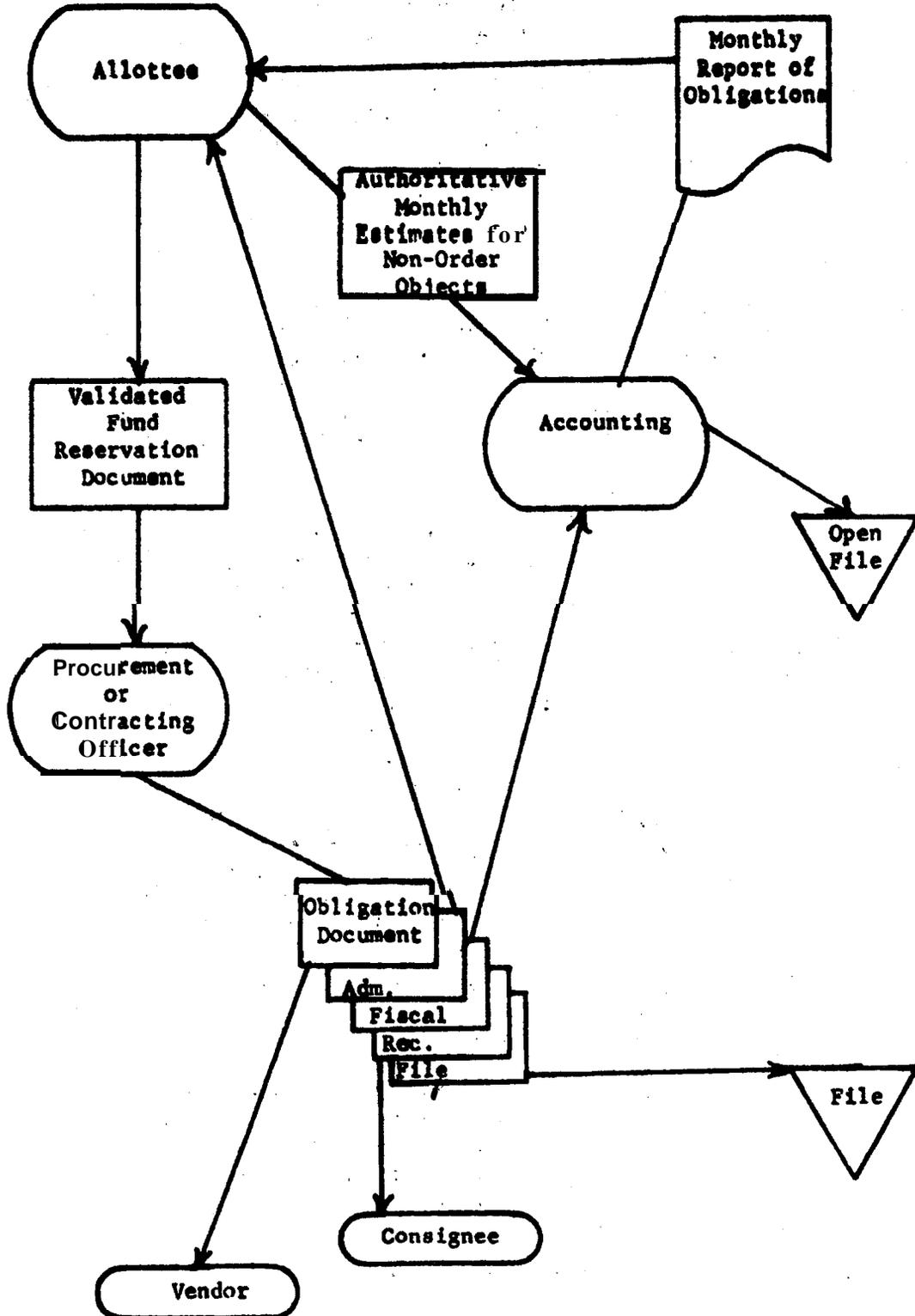
(3-00-50 Continued)

3. Allottee Records Fund Reservations in Memoranda Accounts

For the larger more complex organizations, processing time and complexities are reduced by recording reservations on simple memoranda records maintained by the allottee. The allottee reconciles his records with periodic, usually monthly, reports on a "valid obligation" basis furnished by the accounting operation. Reservations not yet reflected as obligations on the accounting records are noted and carried forward to the BCU880iV0 reports. The reconciliation also enables the allottee to follow-up on delays in the issuance of orders. The flow of documents is illustrated in the following chart.

(3-00-50 Cont inued)

FLOW OF DOCUMENTS WHEN ACCOUNTING RECORDS ONLY OBLIGATIONS



(3-00-30 Continued)

E. Illustrative Process Format**1.**

The fundamental format and related processes of a manual Obligation Control Register are illustrated and described in some detail to graphically display the principles of control required for effective management of obligations and related transactions. The format and processes described may be appropriately applied, with minor variations, to a simple manual or semi-mechanized system. The basic control principles also apply to larger more complex automated systems. Subsequent portions of this manual section deal with variations in format and processes to be considered in other more complex applications.

2. Illustrative outline

a. The format of an Obligation Control Register including illustrative entries which follow illustrates the document flow described in Section 3-00-30 D 2. Transactions are recorded at the fund reservation stage to facilitate planning and control. The columnar arrangement utilized is as follows:

- (1) Date - of entry
- (2) Reference - Source Reference of Documents entered
- (3) Description - Notational description of transaction, such as, type, object, vendor's name, etc.
- (4) Reservations - Reservation and liquidation amounts by batch totals and single large transactions like payroll.
- (5) Obligated Amounts - Individual amounts of valid obligations. Batch totals are recorded in general ledger control accounts 461 and 465. As disbursements are made, the difference between recorded obligations and actual expenditures are recorded in batch totals either as plus or minus. An expenditure not previously recorded as an obligation is recorded as separate line item.
- (6) Allotment Advice - Quarterly allotments and amendments - recorded from authoritative allotment advances.
- (7) Available Balance - The effect of amounts reserved, obligated, and disbursed upon the amount allotted is computed and the available balance is adjusted accordingly. The available balance in this column plus outstanding

(3-00-50 Continued)

reservations will equal the balance in the ,461 "Unobligated Allotments" account if the allotment is at the appropriation level. If several allotments are made from one appropriation, the sum of the available balances of such allotments plus the outstanding reservations will equal the balance in the "461" account. This reconciliation should be made at least monthly.

OBLIGATIONS CONTROL REGISTER

Appropriation _____

A/C _____

Allottee Organization: _____

Allottee: _____

Date (1)	Reference (2)	Description (3)	Reservations (4)	Obligated Amounts (5)	Allotments and Changes (6)	Available Balance (7)
7/1	MA-1	Allotment Advice (1)			1,000,000.00	1,000,000.00
7/8	B-1	Reservations (Salaries and Related Benefits) (2)	300,000.00			700,000.00
7/8	R-2	Reservations (Requisitions) (2)	110,120.00			589,880.00
7/9		Liquidation of Reservations (3)	(46,725.00)			
	PO-64932	Equipment OXC Co "		750.00		
	PO-64933	Supplies EXL Co "		400.00		
	Co-64934	Equipment DOE Co "		3,500.00		
	PO-64972	Equipment Rayco Co "		10,750.00		
	PO-64973	Equipment John Clark Co "		1,500.00		
	CO-64974	Consultation Services JDR Co "		24,762.00		594,943.00
	WP-1	Regular Payroll - July 12-26 (4)	(135,000.00)	135,304.00		594,639.00
	UP-2	Overtime Payroll - July 12-26 (4)	(2,500.00)	2,405.00		594,734.00
7/17	M-2	Allotment Advice (Reduction) (5)			(50,000.00)	544,734.00
7/31	DR or VR	Excess of Actual Expenditures Over Obligated Amounts (6)		2,301.43		542,432.57
7/31		Cumulative Totals (7)	225,895.00	181,672.43	950,000.00	542,432.57
7/31		Adjustments for Incurred Obligations (8)	(162,500.00)	162,500.00		
		Closing Totals	63,395.00	344,172.43	950,000.00	542,432.57
8/1		Opening Total a	63,395.00	344,172.43	950,000.00	542,432.57
8/1		Reversing Entries	162,500.00	(162,500.00)		

(3-00-50 cont **inued)**

- b. **Entry (1) in the Obligations Control Register illustrates recording of the original allotment advice. The amount allotted is entered in column (6) and the resultant unobligated balance is extended to column (7). Subsequent allotment advices are similarly entered and are added to or subtracted from the available balance. Increases are recorded as indicated in entry (1). Decreases in allotted funds are recorded in parentheses as in (entry (5)).**
- c. **Pund reservation documents (requisitions, salary estimates, contract proposals, etc.) are sorted and batched by allotment. Each group is edited for complete documentation and accuracy of account coding. The amounts to be recorded, as reservations, are totaled. The totals arrived at for each allotment are compared to available balances reflected in the obligation control registers to determine whether sufficient funds are available. Rejections are annotated and returned to the originator. As each batch is cleared in this manner, a sequential number is assigned. The individual documents (original and carbon) in each cleared batch are stamped with the date, batch number, and a funds validation indication. Copies intended for the contracting or procurement offices are removed and forwarded without further delay. The batch totals are then entered in the obligations control register. Date, batch number, description, and amount are entered from the retained documents as indicated in entry (2). The reduction in unobligated balance is computed and the new balance entered in column (7). The retained copies are then filed chronologically by allottee. This process is repeated at least daily.**
- d. **Copies of payroll documents, purchase orders, contracts, and other valid obligation documents related to requisitions previously cleared are sorted and grouped by allotment as they are received. These documents are processed against the reservations file in groups by allotment. The documents are assembled on for one and a control tape is run on each batch obtaining a total of the amounts to be liquidated as reservations and a total of the amounts to be obligated. A shuttle adding machine with two counters is ideal for this purpose. The liquidated amount and the amount of obligation for each item appear side by side on the tape. A journal voucher is prepared debiting general ledger account 461, Unobligated Allotments and crediting a/c 465, Unliquidated Obligations. The individual obligation documents are then posted to the obligations control register as indicated in entries (3). The first entry (3) reflects a liquidation of reservations,**

(3-00-50 continued)

in total only, of the actual amounts previously recorded as reservations. If then a difference between the reservations liquidated and obligations recorded, the available balance in column (7) is adjusted. Obligation documents not preceded by requisitions require special attention as there may be an account designation error or requirement for processing to place an emergency order.

The reservation for personal services and related benefits is usually entered at the beginning of each month for the entire month, entry (2). Reservations may be made for classes of expenditure not preceded by obligating documents or where there are delays in receipt of valid obligating documents. The working papers prepared for each class or type of such expenditure are based upon recorded experience, new normal pay projections, and the provisions of leases and contracts, as applicable. The statements may be prepared by the allottee or the accounting office if it is furnished with necessary and timely information. If the accounting office prepares the statements, the statements should be reviewed by the allottee prior to closing the books for the month. Balances of unliquidated reservations can then be used as a firm up obligations at the end of the month.

The working papers for the statement will be prepared consistently in a form which will facilitate periodic entry and liquidation of the reservations. The miscellaneous obligation record can be used for this purpose. If the statement preparer the statements, special forms should be designed for the purpose.

Entry (6) reflects the net difference, plus or minus, between disbursements and the obligations liquidated by the disbursements.

Entry (7) is the monthly rule-off of the register for balancing-reconciliation to the general ledger control account. Adjusting entries are then made to record incurred obligations (see entry (8) below).

g. Entry (8) reflects the adjusting entries required to record obligations incurred for which obligation documents are not available in the accounting office at the close of the month. Salaries and other personnel benefits earned but not payable until the next month, recurring travel performed on blanket orders, and utilities are in this category. Since such entries are made only to ascertain total cumulative obligations incurred, they will be reversed after the books are reopened both on the control register and in the general ledger.

In any accounting system whether it be simple or complex, the fund control processes can form the base on which the entire system

(3-00-50 continued)

is built. Information by objects of expenditure is needed for the • xtortul control • gracies end for internal management analyses • xpnditures. Information on an accrual basis is needed for program planning, budget presentations and internal management. In a relatively simple system, punch card records can be utilized to good advantage to provide this information. Individual punch cards prepared for each obligation transaction can, through a proper coding system including • status code, be manipulated to (1) control resources on order, (2) update general ledger control and cost accounts as goods or services are received, and (3) array costs by PPB categories and budget activities. Anything less than a punch card subsidiary system is too inflexible to produce accurate • d timely information.

F. Larger Agencies. More complex fund organization structure - large volume of transactions

Obligations control functions and processes for the larger • gtnicits are essentially the same as those described earlier in this section except that detail is not posted to registers. Usually the • ccount\$ag transactions are recorded on punch cards or magnetic tape • ud updating of accounts is accomplished mechanically. The registers simply serve as a control on input into the mechanized system. Once the daily runs are prepared and balanced to the control registers, the batch totals are not significant. Hard copy ledgers are dispensed with and mechanical tabulations reflect the account balances and available funds at each level to which funds are • llocsted formally or informally.

Reservations are not usually recorded in the accounts. File copies retained at the originating point (allottee or cost center) serve as memoranda records and enable the allottee or cost center official to control the funds allocated to him. The accounting office records obligations upon receipt of pre-validated purchase orders, contracts, and other valid obligation documents.

The flow of documents within the accounting operation consist of sorting, checking accounting codes and other information which will be recorded, assigning transaction codes, obtaining batch control totals • d recording the totals to control registers as a control over input into the mechanized system. After the required transaction information is put in machineable form and daily runs prepared, the • ccounting office balances each batch to the control registers before updating of the master tape files and accounts is started. The exact details of flow and handling are not specifically prescribed since they • ould conform to the needs of each application and the equipment used. In a totally integrated system, however, once an

(3-00-50 continued)

obligation is recorded in machineable form, much of the information is used again in various stages to reflect accrued expenditures and disbursements by simple updating of the transaction code. By not having to rekey identification codes or money amounts, a necessary error is reduced appreciably.

3-00-60

**ACCOUNTS PAYABLE AND OTHER
ACCRUAL BASED PROCESSES**

An acceptable accounting system on the accrual basis is built around the "Accounts Payable Process" and the "Accrual Process." These two processes are separately organized and controlled to simplify account entry and control procedure in manual, mechanical, or computer application.

A. Accounts Payable

In the "Accounts Payable Process", acquisitions are distributed in the general ledger account (control and subsidiary) at the point in time that the liability accrues (goods or services are received). Receiving reports and vendor invoices for minor purchases which serve as receiving reports are processed with the original obligation documents. The amount of the liability established for each transaction is compared to the amount initially obligated. The documents are batched and control totals for obligations liquidated and related accrued expenditures are developed and recorded by use of internal journal vouchers. The batched documents are then released to subsidiary accounting posting processes or to computer input. Adjustments that are made by virtue of correctable changes in amounts reflected in the receiving reports are captured and recorded in the general ledger account 461. This amount should be the difference between the debits to 465, Unliquidated Obligations and credits to 471, Expended Appropriations. If all vendor transactions are processed through the accounts payable process, the disbursements process will be simpler since all payments to vendors will be treated as credits to disbursing funds and debited to accounts payable. The exact quantity of these actions and the specific methods, techniques, and forms to be employed will vary depending upon the time and complexity of an agency's accounting system and the type of equipment employed. However, the control totals that should be developed in the batching and input process are:

1. 200 Series, Accounts Payable (Government, Other)
2. 600 Series, Expense Control
3. 400 Series, Budgetary Accounts, debit and credits to account 461, Unobligated Allotments; account 465, Unliquidated Obligations; and 471, Expended Appropriations.

These control totals and account entries are essential for fund control, input/output control, and internal reconciliation and control

(3-00-60 continued)

requirements. The subsidiary record posting or computer entry processes, whichever employed, may yield exceptions which will require adjustments be made to the control accounts to bring them into agreement. Further, the exceptions so generated must also be controlled through the re-entry process. Periodically, upon completion of the posting or computer entry and updating process, the subsidiary account balances are reconciled to the control accounts.

B. Other Accrual Based Processes

Accruals of liabilities such as salaries earned but not paid, utilities, services under continuing contracts or agreements, and others requiring data analysis and computations are functionally segregated from the routine vendor voucher flow. Basic documents, working papers, and other material related to the preparation and introduction of these entries should be concentrated at one accounting group. An effective procedure is to place responsibility on this group for maintenance and control of a prenumbered series of journal vouchers for posting accruals to the accounts. Review and approval of these vouchers prior to posting should be carefully supervised. Where monthly reservations are made against allotments and the reservations are based on current knowledge furnished by the allottee, the month end balances of these reservations can be used as obligations incurred and also as accrued liabilities. The accrued liability transactions are subject to the same control and flow requirements established for accounts payable documents and may be merged in that flow or separately batched for control and subsidiary account postings. This accounting group is concerned with the preparation, for approval and entry, of journal vouchers distributing costs and making accruals in the following areas:

- a. Distribution of salaries and related personnel benefits earned but payable in the following accounting period.
- b. Unpaid rents, utilities, services and other distributable costs accruing during the month.
- c. Inventory issuances.
- d. Depreciation
 - e. Annual item
- f. Deferred charges, prepaid expenses

Expenses which are prepaid regularly, such as quarterly space rentals, annual subscriptions (if total is significant), etc., should all uniformly be run through a prepaid expense account,

(3-00-60 cont inued)

even if the payment is sometimes made in last month of the extended period. Processing on an accrual basis is simplified.

As a general rule, accruals will be made at the end of a period and reversed at the opening of the subsequent period to keep the accounts payable and disbursements processes as simple as possible.

3-00-70 DISBURSEMENTS

- A. The disbursing process is concerned primarily with management control and reconciliation of disbursing funds. Account entries distribute disbursements by appropriation. The entries required to be made are:

(1) Dr. Accounts Payable
Cr. Disbursing Funds

(Note: Accounts Payable is debited for the amount originally recorded. If the disbursement is more or less than that amount, the appropriate budgetary, and asset or expense accounts should be debited or credited for the difference.)

- (2) If disbursement is not preceded by an obligation or accrued expenditure, the entries are:

Dr. Unobligated Allotments
Cr. Expended Appropriations

- also -

Dr. Expense or Appropriate Asset Account
Cr. Disbursing Funds

- B. In a manual system accounts payable items are scheduled for payment as rapidly as possible after the invoices are received. Voucher schedules of payment are certified and sent to the Regional Disbursing Office daily. Invoices indicating time discounts are given preferential handling. Records are maintained of discounts lost. Further details concerning these procedures are set forth in the HEW Voucher Audit Manual. Control totals are established and entered in the General Ledger accounts as indicated in A. above.
- c. In a computer system two general outliners are provided for guidance:
- (1) Payment scheduler to Treasury can be produced automatically by the computer in a variety of forms;

(3-00-70 cont inued)

(a) printed output, (b) magnetic tape, or (c) punched cards which are transmitted to the servicing RDO. Advice and consent of the RDO must be secured as to timing, format, and schedule for submission of certifications.

- (2) Voucher-schedules of payment can be prepared by flexo-writer or similar equipment which provides as a by-product, accurate updating information in machineable form. The totals on the voucher-schedules are an input control for the computer processes.

3-00-80 SYSTEM OUTPUT

In both the general statement on accounting principles and standards, 1-00-30, and in the chapter on reporting objectives and standards, 5-00-00, emphasis is placed on designing an accounting system which will produce valid, useful, and timely data to meet internal and external needs. The chapter on reporting objectives particularly stresses the preparation of useful reports, i.e., reports should be prepared only in the amount of detail required to meet a particular need. Summary data which meets the needs of top management, for example, will not meet the needs of a budget analyst or a supervisor of an operation, since such needs detailed cost information to assist him in carrying out his responsibilities. In addition to reports, a highly mechanized system will need to produce at frequent and regular intervals control of funds data and general ledger information if hard copy ledgers are not maintained. The output of any accounting system should provide as a minimum:

1. Current information for control of appropriations, apportionments, and allotments.
2. Reports on the availability of funds to allottees and budget staff.
3. Summary cost reports to top management, budget staff, and allottees by budget activities and program planning elements. These reports will contain information bridging costs to obligations.
4. Summary cost reports by PPB categories, programs, and program elements for compilation of Department-wide reports. (Separate instructions will be issued for each Department-wide report specifying content and format of information to be submitted. Ultimate goal will be to receive this data in machineable form to facilitate compilation.)

(3-00-80 continued)

- 5. Detailed cost reports to managers having "front line" responsibility for direct program operations and projects and program grants and contracts.**
- 6. All information needed for reports to the control agencies, such as, the SF-133, Budget Status Report; SF-225, Report of Obligations by Object Class; et al. (See part 5 of this manual for the various external reports required).**
- 7. Expenditure data by country, state, county, city, and Congressional District.**

Subject: THE FEDERAL SYSTEM OF FUNDS, RELATED ACCOUNTS AND
SYMBOLS

3-10-00 Purpose
10 The Fund Concept
20 Classification of Funds
30 System of Identifying Fund and Related Accounts

3-10-00 PURPOSE

This chapter describes the system of fund classification and **symbolization** to be used within the Department. Included also is a description of the types of funds utilized by DHHS, such as general funds, special funds, revolving funds, and transfer appropriation accounts. For additional information concerning account symbols and fund classifications see Title 7 of the General Accounting Office (GAO) Policy and Procedures Manual and Office of Management and Budget (OMB) Circular A-34.

3-10-10 THE FUND CONCEPT

Each Federal agency's accounting **system** must by law embody fund control procedures. The Department's policies and procedures relating to control of funds are contained in Chapter 2-10, "Administrative Control of Funds and Budget Execution Policy". As the general rule, funds appropriated or authorized by Congress must be accounted for in terms of the specific purposes, time limitations, and any other limitations prescribed in each authorization. Within the structure of the accounting **system**, each fund is identified **by** the title established in the law and **by symbols** which, with the concurrence of the requesting agency, are assigned by the Department of the Treasury. Other limitations or requirements as to purpose, rate of expenditure, and accounting may be imposed **by** the OMB in the process of apportionment or by regulation within the Department or operating component. Fund revenues, expenses, assets, liabilities, and equities, as well as traditional budgetary classifications, **must** be readily identifiable in the accounts maintained.

3-10-20 CLASSIFICATION OF FUNDS

In the Federal government funds are classified in two basic groups. The first group is composed of funds or resources

derived from the general taxing and revenue powers, from business operations, or from other earnings of the government. This group includes:

- o General funds
- o Revolving funds
- o Management funds
- o Special funds

The second basic fund group consists of resources held by the government in the capacity of custodian or trustee:

- o Trust funds
- o Deposit funds

In addition to the above, advance and transfer fund accounts are used to facilitate accounting for transactions between appropriations and funds, usually when one agency by agreement carries out a purpose of an appropriation made to another agency. These fund accounts are:

- o Consolidated working fund accounts
- o Transfer appropriation accounts

These various funds and fund accounts are defined as follows:

A. General Funds

General funds are revenues which are not earmarked by law for specific purposes. They are available for expenditure only upon Congressional appropriation or other authorization to spend general revenues. The expenditures are accounted for by the programs or purposes for which the appropriations were made or other purposes authorized by Congress.

B. Revolving Funds

These funds are established to finance a continuing cycle of specific operations. Reimbursements and collections derived from such operations are available for reuse without further action by the congress. Initial capital is appropriate by the Congress.

C. Management Funds

Such funds are authorized by law to facilitate accounting for, and the administration of intragovernmental **activities** financed from, two or more appropriations,

Such funds are also used where a common service is rendered for several organizational units regardless of whether or not financed from separate appropriations. In practice, each organizational unit contributes to the fund its share of the cost of rendering the services. The contributions are used in carrying out the activities of the fund during a specific period.

D. Special funds

These funds consist of revenues earmarked by law for a specific purpose. The receipts are classified as "available" (may be spent without further action by the Congress) or "unavailable" (cannot be spent unless appropriated by the Congress).

E. Trust Funds

Trust funds are established to account for resources which are held in trust for specific programs, or purposes. Like special funds, trust funds may be classified as "available" or "unavailable". Available trust funds are those which may be spent without further Congressional action and unavailable trust funds are those which may not be expended without Congressional authorization.

F. Deposit Funds

Deposit funds are used to account for receipts which are (1) temporarily held in suspense and later refunded, transferred, or paid to some other fund of the government or (2) held by the government as agent or banker for others and paid out as requested by the owners. Such funds are not available for paying salaries, expenses, grants, or other expenditures of the government.

G. Consolidated Working Fund Accounts

Consolidated working funds represent advances received by an agency under the authority of Section 601 of the Economy Act, 1932 (31 U.S.C. 686), or other provisions of law for the purpose of one agency performing work for, or furnishing **supplies** and materials to, another agency in accordance with an agreement between the two agencies. The agency making the advance must treat it as an "expenditure" transaction and the agency receiving the

advance must perform the work or furnish the supplies or materials within the fiscal year or years for which the advancing appropriation is available. The agency performing the work must maintain separate accounts by years of availability of the funds and according to the basic type of fund from which advanced, i.e., advances from trust funds must be classified as trust working funds and advances from general fund appropriations must be classified as general fund working funds. Advances received from two or more appropriations within the same basic fund group having the same time limitation may be commingled. When obligations and expenditures are incurred directly against the consolidated working fund accounts, the original fund group classifications must be maintained in greater detail.

H. Transfer Appropriation Accounts

These accounts are established to receive allocations from another agency to carry out the purpose of the appropriation of the agency from which received. These accounts are established under Section 601 of the Economy Act or other similar provisions of law and are used primarily for construction, major procurement or contractual services, or in instances where the services to be furnished by the performing agency extend beyond the fiscal year in which the advance is made. The cash advances are treated as nonexpenditure transactions and the accounts carry symbols identifying the parent appropriation,

3-10-30 SYSTEM OF IDENTIFYING FUNDS AND RELATED ACCOUNTS

A. Appropriation Symbols

The complete appropriation symbol consists of a series of digits which indicate: (1) the department or agency primarily responsible for administration of the fund; (2) the fiscal year(s) during which the appropriation is available for obligation; and (3) the basic fund group and numerical identification of the appropriation. The complete symbol must be used on all accounting documents. The following examples illustrate the structure of the complete appropriation symbol:

For one-year appropriations

	75	*	0120		
1.	Department _____				1 Health and Human Services
2.	Fiscal Year _____				2 The last digit of applicable fiscal year
3.	Fund Group and Appropriation Designation _____				3 Salaries and Expenses - General Departmental Management

For multiple-year appropriations

	75	4/5	0350		
1.	Department _____				1. Health and Human Services
2.	Fiscal Years _____				2. The ending digits of first and last fiscal years
3.	Fund Group and Appropriation Designation _____				3. Health Resources and Services Administration - Public Health Service

For no-year appropriations

	75	X	15	01		
1.	Department _____					1. Health and Human Services
2.	Fiscal Years _____					2. No-year appropriations are indicated by an "X"
3.	Fund Group and Appropriation Designation _____					3. Family Support to States - Administration for Children and Families

For transfer appropriations (1)

	75	11	*	1000		
1.	Department to which Transferred _____					1. Health and Human Services
2.	Department to which Appropriated _____					2. Executive Office of the President
3.	Fiscal Year _____					3. The last digit of applicable fiscal year
4.	Fund Group and Appropriation Designation _____					4. General Administration Expense

(1) Transfer appropriations retain the symbol of the Department to which the appropriation was made and are prefixed by the two-digit symbol of the Department to which the transfer is made.

B. Fund Group and Account Identification

The last four digits of the appropriation symbol are referred to as the "basic symbol" and fall within the following groups:

	<u>Numerical Identification</u>	
	<u>from</u>	<u>to</u>
1. Receipt account symbols		
a. General funds	0 0 0 0	3899
b. Special funds	5000	5999
c. Trust funds	7000	8999
2. Expenditure account symbols		
a. General funds	0000	3899
b. Consolidated working funds	3900	3949
c. Management funds	3950	3999
d. Revolving funds	4000	4999
(1) Enterprise funds and receipts mostly from outside government	4000	4499
(2) Working capital, industrial, and other funds relating primarily to internal operation of the government	4500	4999
e. Special funds	5000	5999
f. Deposit funds	6000	6999
(1) Accounts where government acts as fiscal agent or banker	6000	6099
(2) Suspense accounts	6100	6999
g. Trust funds	7000	8999

C. Assignment of Symbols

The four-digit basic fund group and numerical identification codes designating individual appropriations are tentatively assigned or reserved by Department of Treasury for the OMB as items requiring such identification are assembled in the President's Budget. The basic code first appears in the published President's Budget. As Congress enacts appropriations for these items, Treasury then usually assigns the four-digit basic fund group and numerical identification code previously reserved.

D. Identification of Operating Divisions and Subordinate Organizations Within the Department

Most of the individual deposit fund accounts are used by all organizations of the Department and each fund carries the same identifying symbol. To distinguish these accounts by component organization within the Department, a two-digit numerical suffix is used for each organization. These same identifying symbols are shown in HHS Exhibit 3-10-A. These same **identifying symbols** also appear in many cases in the various appropriation symbols of the component organization, usually as the first and second digits of the basic symbol (last four digits): although in a few cases, they may be the last two digits of the basic symbol.

HHS OPDIV/SUBORDINATE ORGANIZATION SYMBOLS
(Aligned to Appropriation)

Administration for Children and Families (ACF)	17
Administration on Aging (AOA)	01 *
Health Care Financing Administration (HCFA)	05
Office of the Secretary (OS)	01
Public Health Service (PHS) Agencies:	
Agency for Health Care Policy and Research (AHCPR)	15 *
Centers for Disease Control and Prevention (CDC)	09
Food and Drug Administration (FDA)	06
Health Resources and Services Administration (HRSA)	03
Indian Health Service (IHS)	10
National Institutes of Health (NIH)	08
Office of the Assistant Secretary for Health (OASH)	11
Substance Abuse and Mental Health Services Administration (SAMHSA)	13

* GSA's Bureau/Activity Codes that differ from
HHS OPDIV/Subordinate Organization Symbols

AHCPR	18
AOA	19

All GSA "bureau" billing codes should be obtained through the Office of the Deputy Assistant Secretary, Finance. Codes should not differ except to differentiate organizations having the same symbol, i.e.; AOA and OS.)



Material transmitted

Chapter 3-20	Data Input and Standard Accounting Transaction Records, pages 1-12
Exhibit 3-20-A	Standard Accounting Transaction Record (Record Type "2"), pages 1-2
Exhibit 3-20-B	Transaction Record for Awards Paid by the PMS (Record Type "7"), pages 1-2
Exhibit 3-20-C	Computer Generated Record to the PMS (Record Type "9"), page 1
Exhibit 3-20-D	Optional HCFA/PMS Interface Record - Transaction Record for Charging Distribution (Record Type "6"), page 1
Exhibit 3-20-E	Batch Header Record (Record Type "1"), page 1
Exhibit 3-20-F	Batch Trailer Record (Record Type "4"), page 1
Exhibit 3-20-G	OPDIV Accounting Point Numbers for Use in Transmitting Records in Batch to or from the Central Payroll System, Division of Payment Management, or Any Other Central Operation and Between HHS Accounting Systems, page 1
Chapter 3-30	Data Elements and Codes Represented by the Common Accounting Number, pages 1-11
Exhibit 3-30-A	HHS Common Accounting Number Table, page 1
Exhibit 3-30-B	Codes Assigned to Categories of Funds Within Each Major Type of Fund, page 1
Chapter 4-20	General Ledger Accounts and Records, pages 1-6
Exhibit 4-20-B	General Ledger Update Process, page 1
Exhibit 4-20-C	General Ledger Record Data Elements Definitions, pages 1-2
Exhibit 4-20-D	Standard General Ledger Record Layout, page 1
Exhibit 4-20-E	Posted General Ledger Account Example, page 1
Exhibit 4-20-F	Fiscal Year/CAN/Sub-Object Class Data Elements Definitions, pages 1-2
Exhibit 4-20-G	Fiscal Year/CAN/Sub-Object Class Record Layout, page 1
Chapter 4-30	Common Accounting Number, pages 1-6
Exhibit 4-30-A	Identification of HHS Regional Offices and the States Served, page 1
Exhibit 5-80-C	FARS Record Layout, page 1

Material superseded

Chapter 3-20	(pages 1 - 12	: 95.1).
Exhibit 3-20-A	(pages 1 - 2	: 95.1).
Exhibit 3-20-B	(pages 1 - 2	: 95.1).
Exhibit 3-20-C	(page 1	: 95.1).
Exhibit 3-20-D	(pages 1 - 2	: 95.1).
Exhibit 3-20-E	(page 1	: 95.1).
Exhibit 3-20-F	(page 1	: 95.1).
Exhibit 3-20-G	(page 1	: 95.1).
Chapter 3-30	(pages 1 - 12	: 88.7).
Exhibit 3-30-A	(page 1	: 88.7).
Exhibit 3-30-B	(page 1	: 88.7).
Chapter 4-20	(pages 1 - 4 and 6 - 7	: 95.1).
	(page 5	: 97.2).
Exhibit 4-20-B	(page 1	: 95.1).
Exhibit 4-20-C	(Pages 1 - 2	: 95.1).
Exhibit 4-20-D	(page 1	: 95.1).
Exhibit 4-20-E	(page 1	: 95.3).
Exhibit 4-20-F	(pages 1 - 2	: 92.3).
Exhibit 4-20-G	(page 1	: 92.3).
Chapter 4-30	(pages 1 - 7	: 97.1).
Exhibit 4-30-A	(page 1	: 88.7).
Exhibit 4-30-B	(page 1	: 88.7).
Exhibit 4-30-C	(page 1	: 88.7).
Exhibit 5-80-C	(page 1	: 85.1).

Backaround

Revised record layouts needed to update Departmental Financial Systems Standards to meet the year 2000 (Y2K) requirements were issued by memo dated April 30, 1998. This transmittal incorporates the Y2K revisions into the various Departmental Accounting Manual (DAM) chapters and exhibits, reflecting a 4-digit fiscal year identifier instead of a 2-digit identifier. In addition the DAM chapters and exhibits have been revised to refer to HHS entities as OPDIVS instead of **OPDIV/Agency/OS**. Details of the revisions made follow:

CHAPTER 3-20 AND 3-20 EXHIBITS

All references to "**OPDIV/Agencies/OS**" changed to "OPDIV" to reflect current organizational status of HHS entities. HHS Exhibit 3-20-G has been revised to reflect current HHS OPDIV entities.

This chapter and exhibits also describes the data elements and codes to be included in the standard accounting transaction record. These records are used when transactions are transmitted between accounting systems and central systems (i.e., PMS and Payroll).

The major changes to the standard accounting records are date fields and amount field. The date fields are changed to reflect the use of a 4 digit year identifier and the amount field is changed to 15 digits to accommodate HCFA and PMS.

The Effective Date, Award Date - Beginning, and the Award Date - Ending field reflects the use of a four digit year identifier to be used with the two digit month and the two digit day. Total number of characters in the effective date field will be eight.

Record type "4" Batch Dollar Total changed from 15 characters to 17 characters.

The fiscal year prefix to the CAN is now four characters which reflects the fiscal year of the availability of funds obligated, or the current fiscal year for receipt account, general ledger adjustments, etc.

The Batch Date/Batch Identification field is expanded to 9 characters to reflect the use of a 1-digit year identifier. The year identifier will be used with the 2-digit month and the 2-digit day along with a 1-digit serial number to identify the various batches transmitted in a day.

The chapter now contains one record type "2", where previously the chapter contained a record type "2" for standard accounting records and another for payments from PMS. These changes do not increase the length of the records however, the position of the records changed as a result of field length increasing.

HHS Exhibit 3-20-A, Standard Accounting Transaction Record (Record Type "2"), is changed to reflect the new number of characters in the effective date, fiscal year, award date-beginning, and award date-ending fields. The record positions will reflect the adjustments as a result of these modified fields; e.g. effective date will now be record position 2-9.

HHS Exhibit 3-20-B, Transaction Record for Awards Paid by the PMS (Record Type "7"); HHS Exhibit 3-20-C, Computer generated record to the PMS (Record Type "9"); and HHS Exhibit 3-20-A, Transaction Record of Payments from the PMS (Record Type "2"); will be changed to reflect the new number of characters in the effective date, fiscal year, award date-beginning, and award date-ending fields. The record positions will reflect the adjustments as a result of these modified fields.

HHS Exhibit 3-20-D, Transaction Record for Charging Distribution (Record Type "6"), was added to show an optional record format used by PMS to provide accounting transactions for grant advances to HCFA. Future implementation will use record type "2" for advance transactions.

HHS Exhibits 3-20-E and 3-20-F, Batch Header Record (Record **Type"1"**) and Batch Trailer Record (Record Type **"4"**), will change to reflect the new 8 character date field (YYYYMMDD). The field positions in the records reflect the adjustments as a result of these modified fields.

CHAPTER 3-30 AND 3-30 EXHIBITS

All references to **"OPDIV/Agencies/OS"** changed to **"OPDIV"** to reflect current organizational status of HHS entities and references to organizational entities have been updated and all references to Merged (**"M"**) accounts deleted, HHS Exhibit 3-30-B, Codes Assigned to Categories of Funds Within Each Major Type of Fund, modified to reflect consolidation of **"015 to "025"** and **"025 to 029"** into **"015 to 029."**

HHS Common Accounting Number Table changed to show a 4 digit Fiscal Year Range.

This Chapter describes the data elements and codes that are represented by the Common Accounting Number (CAN) Identification Code. It tells how these codes, linked with a unique identifying CAN, are stored in a computer table for use in processing **each accounting** transaction

The fiscal year range of the CAN Table will reflect the use of an 8 character range. The From Fiscal Year, will be four digits and the To Fiscal Year, will be four digits.

The examples of the new date ranges will be reflected in the narrative describing the use of the fiscal year for example 2001 through 2002.

HHS Exhibit 3-30-A, HHS Accounting Number Table, changed to reflect the four digit from and to Fiscal year. It also shows the **"EIS"** Code.

CHAPTER 4-20 AND CHAPTER 4-20 EXHIBITS (EXCLUDING 4-20-A)

All references to **"OPDIV/Agencies/OS"** in the chapter and exhibits changed to **"OPDIV"** to reflect current organizational status of HHS entities.

HHS Exhibit 4-20-D (Standard General Ledger Record Layout), HHS Exhibit 4-20-F (Fiscal Year/Can/Sub-Object Class Data Elements Definition), and HHS Exhibit 4-20-G (Fiscal Year/Can/Sub-Object Class Record Layout) changed to show 4-digit Fiscal Year identifier.

CHAPTER 4-30 AND EXHIBIT 4-30-A

All references to "OPDIV/Agencies/OS" changed to "OPDIV" to reflect current organizational status of HHS entities.

This chapter prescribes the common accounting number (CAN). The concept of the CAN is discussed, along with its relationship to the philosophy and logic of the HHS standard accounting system. This chapter sets forth the structure of the CAN and identifies key codes that serve as its data elements. The principles and data element code structure prescribed in this chapter are applicable to all accounting systems within the Department.

Each CAN used in the input transaction record must be prefixed with a 4-digit fiscal Year identifier.

HHS Exhibit 4-30-A, Identification of HHS Regional Offices and the States Served, has been update to reflect the current address for the HHS regional offices.

EXHIBIT 5-80-C

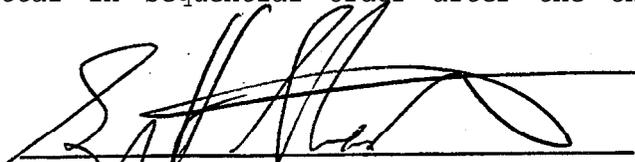
Exhibit 5-80-C, FARS Record Layout, expanded to 100 positions to accommodate 15 character outlay amount, 20 character Grant ID Code.

The Fiscal Year field changed to a 4-digit FY identifier.

The Award Start Date and Award Ending Date changed to reflect the use, of a four-digit FY identifier used with a two-digit month and **two-**digit day. Total number of characters in the effective date field will be eight. The Date Format will be (YYYYMMDD).

Filing Instructions

Remove superseded material and replace it with the new material. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmittal in sequential order after the checklist.


George H. Strader
Deputy Assistant Secretary, Finance

Subject: DATA INPUT AND STANDARD ACCOUNTING TRANSACTION RECORDS

3-20-00	System Requirements
10	Standard Accounting Transaction Record
20	Transaction Record for Awards paid by the PMS
30	Computer Generated Record to the PMS
40	Transaction Record of Payments from the PMS
50	Batch Header Records
60	Batch Trailer Records

3-20-00 **SYSTEM REQUIREMENTS**

This chapter describes the data elements and codes to be entered into the accounting system as input transactions. These data are specifically formatted as a computer record called the Standard Accounting Transaction Record (Exhibit 3-20-A). This record will be used when transactions interface or are transmitted between accounting systems and other central systems. The record is mandatory for use in all HHS accounting systems. A record type code denotes the specific use of the transaction record. Each record type is shown in a separate Exhibit as not all data elements are applicable to each record type. The prescribed record layout specifies 160 positions, but OPDIV systems may lengthen the record to add data elements and codes unique to each internal accounting system. The Standard Accounting Transaction Record will also act as the audit trail and historical record of transactions. Data not required to be formatted in this fashion may be input according to the approved design and software developed for the OPDIV system. Similarly, all transaction data must be maintained in an approved file for audit and historical purposes.

The data elements and codes defined in this chapter compose the data required to be input from source documents or records regardless of method of input or origin of data. Data from a transaction document may be directly entered by a technician at a terminal in the accounting office or from a remote location, or it may be generated at any location by a source module such as purchasing, property, contracting, **or** accounts payable. Some data elements and codes may be system generated rather than manually entered by the user, depending upon the individual system design and software. Initial transaction input should include as much data as possible. Follow-on transaction data should be minimal as possible; it should add information to the basic or preceding transaction and not duplicate data already input.

Data may be input on-line or held for batch input to time computer processing or to reduce processing costs. When data in batches are interchanged between systems, a batch header and trailer record may be used for identification purposes and to ensure records are received as intended by the sender. These batch records are not mandatory if system software provides elements that ensure proper control for transmission and receipt of data. It is essential that transmission format and controls be standardized when like data are being transmitted from numerous systems to one central system, and vice versa.

The standard data elements and codes for use in all systems are described in the sequence in which they are shown on the Standard Transaction Records described in the next sections.

3-20-10 STANDARD ACCOUNTING TRANSACTION RECORD (Exhibit 3-20-A)

Number of
Characters

Data Element Definition

- | | |
|---|---|
| 1 | RECORD TYPE CODE - A code to identify the type of record in the Standard Accounting Transaction Record.

"2" denoted the basic input records. It is used to input transaction data other than data that relates to an award to be paid through the Payment Management System (PMS) . |
| 8 | EFFECTIVE DATE - This date represents the actual date of a transaction as distinguished from the posting data (YYYYMMDD). |
| 3 | TRANSACTION CODE - This code identifies the type of transaction (allotment, obligation, accrual, payment, receipt, etc.) and when used in conjunction with other fields of data, determines the general ledger account pair(s) to be posted. See example in Exhibit 4-40-B. |
| 1 | NORMAL/REVERSE CODE - This code supplements the transaction code to indicate whether the debit and credit entries to the general ledger accounts are normal entries, or whether debit and credit entries to the general ledger accounts are the reverse of the described entries. The reverse code "2" may be used to reverse a transaction recorded in error, or to record a downward adjustment (equivalent of a negative or credit money amount). The reverse code may be used with any of the modifier codes. The code structure is: |

Number of
Characters

Data Element Definition

- "1" = Normal
"2" = Reverse
- 1 MODIFIER CODE - A code whose function is to identify the nature of a transaction (i.e., initial obligation, follow-up accruals, payments, etc.) and to control the status of a transaction as it is affected by subsequent transactions. The code structure is:
- "2" = Commitment - Indicates that the transaction is a reservation of funds, but not yet a valid obligation.
"3" = Obliaation - The initial recording of valid obligation is defined to be at the Obligation Document Number, FY/CAN and Object Class level.
"4" = Chance - Indicates a normal change by virtue of input of the follow-on data (accrual, payment, etc.).
"5" = Amend - A document increase or decrease to a basic obligation or commitment.
"7" = Adjustment to a Previously Closed Record - Indicates that a transaction is a modification to a previously closed obligation.
"8" = Payroll - Identifies payroll/accounting data.
"9" = All Other - Used to modify other transaction codes for which a modifier code is not specifically provided in codes "2" through "5". Code "9" will be used in connection with such transactions as inventory adjustments, advance payments, recognizing accrued income, warrants, allotments, operating plans, etc.
- 3 OBLIGATION DOCUMENT REFERENCE CODE - A code to identify the type of document, i.e., travel order, purchase order, grant, contract, loan agreement, etc. See Exhibit 4-90-1.
- 20 OBLIGATION DOCUMENT NUMBER - The number of the initial obligation document to which all follow-on documents (accruals, payments, refunds, etc.) will be related. The Ten digit core ID is required for all documents. However agencies have the option of expanding it up to 20 characters.

Number of
 Characters

Data Element Definition

<u>Number of Characters</u>	<u>Purpose</u>	<u>Requirement</u>	<u>Record Position</u>
1	Prefix	Optional	18
10	Core Number	Required	19-28
2	Core Extension*	Optional	29-30
7	Suffix**	Optional	31-37

* If a Core Extension is entered it will cause a new **document record** to be created in PMS.

** The suffix is to identify things such as amendments or modifications.

Prefixes and suffixes will not cause new document records to be created in PMS. They will help to identify individual transactions (mod 1, mod 2, etc.) .

- 3 OTHER DOCUMENT REFERENCE CODE - A code used to identify the current document. This code is used in the same manner as the Document Reference Code for obligation documents
- 20 OTHER DOCUMENT NUMBER - The number of the current **document**, i.e., travel voucher, travel advance, receiving report, report of expenditure on grant or contract, letter-of-credit, journal voucher, etc.

GEOGRAPHIC CODE - An identification code for the geographic distribution of Federal funds by **continent**, state, county, congressional district, SMSA, and city. This code is maintained in Entity Attribute files and in the IMN stored in the CAN Table. The code structure is:

"1" = Refers to the IMN in the CAN Table for the geographic identification of the location of the Federal government installation. (To be used for recording direct operations, primary salaries and expenses of the Federal installation when a specific Entity Number is not used in the Primary Recipient field.)

"2" = Refers to the Central Registry System or OPDIV Vendor File for the geographic identification of the location of the recipient of Federal funds. (To be used for recording program funds transactions

Number of
Characters

Data Element Definition

- such as financial assistance grants, loans, contracts, etc., and direct operations funds when a specific CRS Entity Number is used.)
- 4 FISCAL YEAR - A prefix to the CAN representing four digits (YYYY) of the fiscal year of availability of funds obligated, or the current fiscal year for receipt account, general ledger adjustments, etc.
- 7 COMMON ACCOUNTING NUMBER (CAN) - A code to provide organizational identification. Refer to Chapter 4-30 for a complete description of the CAN.
- 4 OBJECT CLASS CODE - A code for classifying financial transactions. Refer to Chapter 4-50 for a complete description of object class codes.
- 15 AMOUNT - A money amount field to accommodate line item amounts up to \$9,999,999,999.99.
- Negative amounts will be recorded as an unsigned (positive) amount in this field and with a code "2" in the reverse field.
- 12 PRIMARY RECIPIENT - A code to identify individuals or organizations that do business with the OPDIV, etc. This code is to accommodate the Department-wide Central Registry System (CRS) code which identifies the entity. The code is comprised of three components as follows:
- Prefix -A one character code to differentiate between organizational entities and individuals.
- "1" = Organizational Entity
"2" = Individual Entity
- Identification Number - A nine character code consisting of :
- (1) An Employer Identification Number (EIN) assigned by the Internal Revenue Service to identify the organizational entity;

- or -

Number of
Characters

Data Element Definition

(2) A Social Security Number (**SSN**) assigned by the Social Security Administration to identify individuals;

- or -

(3) In instances where the above numbers are not attainable, a pseudo number will be assigned by the CRS.

EIN suffix - A two character code assigned by the CRS for use with the EIN to uniquely identify subordinate organizational elements of a major organizational entity assigned a single EIN. The first character must be alphabetic and the second must be alpha/numeric. This field must be blank when a prefix "2" is used.

The CRS publishes and updates a directory of both individual and organizational entities contained in HHS systems; however, this directory does not include Social Security beneficiaries or Federal employees of HHS unless these individuals are also recipients of a grant or otherwise qualify for inclusion in the CRS.

12 PAYEE ORGANIZATION (secondary entity) - This code identifies the organization or individual to whom a payment is made, but only if the secondary entity number is different from the primary entity.

The same parameters as set forth above for Primary Recipient shall be used for the Payee Organization number.

10 PAYMENT/COLLECTION DOCUMENT NUMBER - A number that identifies the schedule number for disbursements, and the collection document number for collections.

8 GENERAL LEDGER ACCOUNT NUMBERS - A financial account number for use with transaction code 399 where it is necessary to record the specific general ledger accounts in the input transaction.

1 CURRENT/PERMANENT AUTHORITY CODE - A general ledger subsidiary account to denote whether budget authority enacted by Congress is current year authority or permanent authority. The code structure is:

<u>Number of Characters</u>	<u>Data Element Definition</u>
	"C" = Current Fiscal Year Authority "P" = Permanent Authority
1	FUNDED/UNFUNDED CODE - A general ledger subsidiary account to denote whether or not the transaction is funded by appropriation/fund. The code structure is: "F" = Funded by an appropriation/fund "U" = <u>Not</u> funded by an appropriation/fund
1	GOVERNMENT/NON-GOVERNMENT CODE - A general ledger subsidiary account to denote whether a transaction is with a Federal or non-Federal entity. The code structure is: "G" = Government (Federal) Entity "N" = Non-Government (non-Federal) Entity
1	APPROPRIATION ACT/SUBSTANTIVE LAW - A general ledger subsidiary account to denote whether budget authority is the result of an Appropriation Act or a Substantive Law. The code structure is: "T" = Appropriation Act "L" = Substantive Law
8	AWARD DATE - BEGINNING - The beginning date of the funding or budget period of an award (YYYYMMDD).
8	AWARD DATE - ENDING - The ending date of the funding or budget period of an award (YYYYMMDD) .
1	INVENTORY CATEGORY - A general ledger subsidiary account to denote whether inventory has been purchased or manufactured for use in normal operations or for sale to other users. "M" = For use "S" = For Sale

3-20-20 TRANSACTION **RECORD FOR AWARDS** PAID BY **THE PMS**
(Exhibit 3-20-B)

Number of
Characters

Data Element Definition

1 RECORD TYPE CODE - A code to identify the type of record in the Standard Accounting Transaction Record.

"7" denotes this record is used in recording obligation transactions (initial awards, commitments to awards, and final report of expenditures) or any other transaction which requires a type "9" to be computer generated to update or adjust the data in the PMS.

Other data elements for this record are identical to those in record type "2" except that Payee Organization (secondary entity) may be reserved for insertion of the PMS Payment Identification Number (PIN). The PIN is assigned by PMS staff when the payment is to be made to other than the performing grantee entity and is linked to the Primary Recipient Number in its Key File.

The record is extended to include:

1 SPECIAL REPORT INDICATOR - A code that indicates grantee must report to the PMS at a multiple project, activity, or program level (identified by CANs) within a single grant award. Consolidated funding and IGA awards do not fit this situation. The code structure is:

"Y" = Yes - Expenditure reporting to the PMS is required at a level below the document level.

"Blank" = Expenditure reporting to the PMS is not required at a level below the document level.

3-20-30 **COMPUTER GENERATED RECORD TO THE PMS (Exhibit 3-20-C)**

Number of
Characters

Data Element Definition

1 RECORD TYPE CODE - **A code** to identify the type of record in the Standard Accounting Transaction Record.

"9" denotes the computer record to be generated from record **type "7" transactions.**

The same data elements recorded as record type **"7"** transactions are generated for record type **"9"** transactions except for the following that are not required for PMS records:

- Other Document Reference Code
- Other Document Number
- Geographic Code
- Payee Organization (secondary entity)
- Payment/Collection Document Number
- General Ledger Account Number
- Current/Permanent Authority Code
- Funded/Unfunded Code
- Appropriation Act/Substantive Law
- Inventory Category - For Use/For Sale

3-20-40 **TRANSACTION RECORD OF CBARGING DISTRIBUTION (Exhibit 3-20-D)**

Number of
Characters

Data Element Definition

1 RECORD TYPE CODE - A code to identify the type of record in the Standard Accounting **Transaction Record.**

"6" denotes transaction record for Charging Distribution.

8 SF224 DATE - A composite code to denote the actual date of the SF224 (YYYYMMDD).

3 TRANSACTION CODE - TC 062 for Non-Block Grants.

1 REVERSE CODE - This code supplements the transaction code to indicate whether the debit and credit entries to the general ledger accounts are normal entries, or whether debit and credit entries to the general ledger account are reverse of the described entries. The code structure is **"1"** Normal, **"2"** = Reverse.

<u>Number of Characters</u>	<u>Data Element Definition</u>
1	MODIFIER CODE - A code whose function is to identify the nature of a transaction. The modifier for Record Type "6" is fixed "4" Which indicates a normal change by virtue of input of the follow-on data.
12	DOCUMENT EIN - A code to identify individuals or organizations that do business with the OPDIV, etc.
1	AWARD ID PREFIX - An optional code to further identify the initial obligation document. It is used with the ID core Extension and the ID suffix.
10	AWARD ID CORE The Core 10 character number required for the initial obligation document.
2	AWARD ID CORE EXT - The optional two character extension to be used when using the expanded initial obligation document.
7	AWARD ID SUFFIX - An optional code to-identify such things as amendments or modifications. It is used with the ID prefix and ID Core Extension.
4	FISCAL YEAR A prefix to the CAN representing four digits (YYYY) of the fiscal year of availability of funds obligated.
7	CHARGING CAN - A code to provide organizational identification.
4	OBJECT CLASS - A code for classifying financial transactions.
15	INCREMENTAL AMOUNT - The amount distributed for this charging period.
15	CUMULATIVE AMOUNT - The total amount distributed to date.
15	DISBURSEMENT AMOUNT - The total disbursement amount as of this charging date.
7	DOCUMENT CAN - (Not Currently Used).
3	DOCUMENT REFERENCE CODE - A code to identify the type of document.

3-20-50 **BATCH HEADER RECORDS (Exhibit 3-20-E)**

<u>Number of Characters</u>	<u>Data Element Definition</u>
1	RECORD TYPE CODE - A code to identify the type of record in the Standard input layout. "1" denotes this as the batch header record.
5	BATCH (literal) - the actual word "Batch" to distinguish between accounting data batches and detail transactions.
9	BATCH DATE/BATCH IDENTIFICATION - A composite code to denote the date (YYYYMMDD) the batch is being transmitted to a one digit serial number (A/N) to identify the various batches transmitted in a day.
1	TERMINAL NUMBER - A code to identify the originating point (to be determined by the OPDIV system or the accounting point). Central payment systems will be identified as follows: "p" = Payroll "N" = Division of Payment Management (DPM) (for the PMS)
4	BATCH ID NUMBER - A code (to be determined by the OPDIV or the Accounting Point) to further identify the various batches transmitted.
1	OPDIV - A code to distinguish the particular Component Operating Division (OPDIV) of the Department that transmitted the data. This is the first character of the CAN described in Chapter 4-30.
2	ACCOUNTING POINT - A code to identify the specific point originating the transmission; This code is the second and third character of the CAN described in Chapter 4-30, and the codes shown on Exhibit 3-20-G for Operating Division (OPDIV) transmission.

3-20-60 BATCH TRAILER RECORDS (Exhibit 3-20f)

Number of
Characters

Data Element Definition.

1	RECORD TYPE CODE - A code to identify the type of record in the Standard input layout. "4" denotes this as the batch trailer record.
4	TRANSACTION COUNT - The actual number of transactions included in the batch.
15	BATCH DOLLAR TOTAL - The total of the batch expressed in dollars and cents with no punctuation, left zero filled, signed or unsigned. The total amount can either be the "Net" amount (taking into consideration plus and minus amounts) or the "Total" amount (ignoring plus and minus signs) depending on how your OPDIV is set up. When used for PMS users should call PMS to verify which amount to use. Most Non-HHS Agencies should be the "Total" amount.

Other data elements and codes in the record are identical to the Header Record.

Batch (literal)
Batch Date/Batch Identification
Terminal Number
Batch ID Number
OPDIV
Accounting Point

STANDARD ACCOUNTING TRANSACTION RECORD
 (Record Type "2")

Field No.	Data Element	Number of Characters	Record Position	Desc.	Length
1	Record Type Code	1	1	N	Fixed
2	Effective Date	8	2-9	N	Fixed
3	Transaction Code	3	10-12	N	Fixed
4	Normal/Reverse Code	1	13	N	Fixed
5	Modifier Code	1	14	N	Fixed
6	Oblig. Doc. Ref. Code	3	15-17	A/N	Fixed
7	Oblig. Doc. No. (Left Justify) - Except PMS, the doc. # must be structured as described *, **	20	18-37	A/N	Variable
8	Other Doc. Ref. Code**	3	38-40	N	Fixed
9	Other Doc. No.(Left Justify) ***	20	41-60	A/N	Variable
10	Geographic Code***	1	61	N	Fixed
11	Fiscal Year	4	62-65	N	Fixed
12	Common Accounting Code	1	66	A/N	Fixed
	Accounting Point	2	67-68	N	Fixed
	I.D. Number	4	69-72	A/N	Fixed
	Reserved for Future Use	2	73-74		
13	Object Class Code:				
	Major Object Class	2	75-76	N	Fixed
	Sub-Object Class	2	77-78	A/N	Variable
14	Amount	15	79-93	N	Fixed
15	Primary Recipient				
	Prefix	1	94	N	Fixed
	EIN/SSN	9	95-103	N	Fixed
	Suffix	2	104-105	A/N	Fixed
16	Payee Organization*** (Secondary Entity)***				
	Prefix ***	1	106	N	Fixed
	EIN/SSN***	9	107-115	N	Fixed
	Suffix	2	116-117	A/N	Fixed
17	Payment/Collection Doc.No. ****	10	118-127	A/N	Fixed
	Reserved for Future Use	3	128-130		
18	General Ledger Account Number ***	8	131-138	N	Variable
19	Current/Permanent Authority Code* * *	1	139	A	Fixed
20	Funded/Unfunded Code * * *	1	140	A	Fixed
21	Government/Non-Govt. Code	1	141	A	Fixed
22	Appropriation Act/Substantive Law ***	1	142	A	Fixed
23	Award Date - Beginning	8	143-150	N	Fixed
24	Award Date - Ending	8	151-158	N	Fixed
25	Special Report Indicator For PMS Only, Not Used other than PMS	1	159	A****	Fixed
26	Inventory Category For Use/For Sale****	1	160	4	Fixed

Record Type 2 is used by OPDIVs to record **all** Transactions. Record 2 is used by PMS to report back to the OPDIVs expenditures reported by the grantees and for recording advance transactions at the grant level. Record 2 is also used to record payroll charges to the OPDIVs.

Number of Characters	Purpose	Requirement	Record Position	Description
1	Prefix	Optional	18	A/N
10	Core Number	Required	19-28	A/N
2	Core Extension *****	Optional	29-30	A/N
7	Suffix **	Optional	31-37	A/N

The General Ledger Account Number field is not used in PMS for General Ledger Accounts, however these fields in PMS are used as described below:

This record generated from the PMS will include the following data elements in unused fields for Division of Payment Management (DPM) use only. Refer to Disbursement record Type in the PMS User's Manual for Operating Divisions.

Data Element	Number of Characters	Record Positions
PMS PIN	4	135-138
PMS Disbursement Cycle	2	139-140
Disbursement Source	1	142

- * For PMS interface records, the document number must be structured as described in the data element definitions.
- ** The **suffix** is to identify things such as amendments or modifications.
- *** Not used in PMS.
- **** A "Y" in this field means that expenditure reporting is required at a **level** below the document level. A "Blank" in this field means that expenditure reporting is **not** required at a level below the document **level**.
- ***** If a Core Extension is entered it will cause a new document record to be created in PMS.

**TRANSACTION RECORD FOR AWARDS PAID BY THE PMS
 (Record Type "7")**

Field No.	Data Element	Number of Characters	Record Position	Desc.	Length
1	Record Type Code	1	1	N	Fixed
2	Effective Date	8	2-9	N	Fixed
3	Transaction Code	3	10-12	N	Fixed
4	Normal/Reverse Code	1	13	N	Fixed
5	Modifier Code	1	14	N	Fixed
6	Obligation Document Reference Code	3	15-17	N	Fixed
7	Oblig. Doc. No. (Left Justify) * Except PMS, the Core document # must be structured as described	20	18-37	A/N	Variable
8	Other Document Reference Code	3	38-40	N	Fixed
9	Other Doc. Number (Left Justify)	20	41-60	A/N	Variable
10	Geographic Code	1	61	N	Fixed
11	Fiscal Year	4	62-65	N	Fixed
12	Common Accounting Number				
	OPDIV Code	1	66	A/N	Fixed
	Accounting Point	2	67-68	N	Fixed
	I.D. Number	4	69-72	A/N	Fixed
	Reserved for Future Use	2	73-74		Fixed
13	Object Class Code:				
	Major Object Class	2	75-76	N	Fixed
	Sub-Object Class	2	77-78	A/N	Fixed
14	Amount	15	79-93	N	Variable
15	Primary Recipient Prefix	1	94	N	Fixed
	EIN/SSN	9	95-103	N	Fixed
	Suffix	2	104-105	A/N	Fixed
16	Payee Org. (Secondary Entity)	12	106-117	A/N	Fixed
17	Payment/Collection Doc. #	10	118-127	A/N	Fixed
	Reserved for Future Use	3	128-130		
18	General Ledger Account Number	8	131-138	N	Fixed
19	Current/Permanent Authority Code	1	139	A	Fixed
20	Funded/Unfunded Code	1	140	A	Fixed
21	Government/Non Govt. Code	1	141	A	Fixed
22	Approp. Act/Substantive Law	1	142	A	Fixed
23	Award Date - Beginning	8	143-150	N	Fixed
24	Award Date - Ending	8	151-158	N	Fixed
25	Special Report Indicator	1	159	A**	Fixed
26	Inventory Category	1	160	A	Fixed

Record 7 is used to record obligations in the accounting system for awards to be paid by PMS.

Number of Characters	Purpose	Requirement	Record Position	Description
1	Prefix	Optional	18	A/N
10	Core Number Core Extension *	Required	19-28	A/N
2		Optional	29-30	A/N
4	Suffix **	Optional	31-34	A/N
3		Blanks	35-37	

* For PMS interface records, the document number must be structured as described in the data element definitions.

** A "Y" in this field means that expenditure reporting is required at a level below the document level. A "Blank" in this field means that expenditure reporting is **not** required at a level **below** the document level.

**COMPUTER GENERATED RECORD TO THE PMS
 (Record Type "9")**

Field No.	Data Element	Number of Record Characters	Position	Desc.	Length
1	Record Type Code	1	1	N	Fixed
2	Effective Date	8	2-9	N	Fixed
3	Transaction Code	3	10-12	N	Fixed
4	Normal/Reverse Code	1	13	N	Fixed
5	Modifier Code	1	14	N	Fixed
6	Oblig. Doc. Reference Code.	3	15-17	A/N	Fixed
7	Oblig. Doc.No. - Except PMS, the Core doc. # must be structured as described *	20	18-37	A/N	Variable
8-10	Not Used	24	38-61		Fixed
11	Fiscal Year	4	62-65	N	Fixed
12	Common Accounting Number				
	OPDIV Code	1	66	A/N	Fixed
	Accounting Point	2	67-68	A/N	Fixed
	I.D. Number	4	69-72	A/N	Fixed
	Rsrvd for Future Use	2	73-74		
13	Object Class Code:				
	Major Object Class	2	75-76	A/N	Fixed
	Sub-Object Class	2	77-78	A/N	Fixed
14	Amount	15	79-93	N	Variable
15	Primary Recipient Prefix	1	94	N	Fixed
	EIN/SSN	9	95-103	N	Fixed
	suffi	2	104-105	A/N	Fixed
16-20	Not Used	38	106-140		
21	Government/Non Govt. Code	1	141	A	Fixed
22	Not Used	1	142		
23	Award Date - Beginning	8	143-150	N	Fixed
24	Award Date-Ending	8	151-158	N	Fixed
25	Special Report Indicator	1	159	A**	Fixed
26	Not Used	1	160		

* For PMS interface records, the document number must be structured as described in the data elements definition.

** A "Y" in this field means that expenditure reporting is required at a level below the document level. A "Blank" in this field means that expenditure reporting is **not** required at a level below the document level.

Optional **HCFA/PMS** Interface Record

Transaction Record for Charging Distribution
 (Record Type "6")

Field No.	Data Element	Number of Characters	Record Position	Desc.	Length
1	Record Type Code	1	1	N	Fixed "6"
2	SF224	8	2-9	N	YYYYMMDD
3	Transaction Code	3	10-12	N	Fixed
4	Reverse Code	1	13	N	Pos. Amt. = "1" Neg. Amt. = "2"
5	Modifier	1	14	N	Fixed "4"
6	Document EIN	12	15-26	A/N	Alpha/Numeric
7	Document Number *	20	27-46	A/N	Variable
8	Fiscal Year	4	47-50	N	Numeric (YYYY)
9	Charging CAN	7	51-57	A/N	Seven A/N
10	Object Class	4	58-61	A/N	Four A/N
11	Incremental Amount	15	62-76	N	Fifteen N
12	Cumulative Amount	15	77-91	N	Fifteen N
13	Disbursement Amount	15	92-106	N	Fifteen N
14	Filler	25	107-122		Spaces
15	Document CAN	7	123-129	A/N	Seven A/N
16	Document Ref. Code	3	130-132	A/N	Three A/N
17	Filler	28	133-160		Spaces

* For PMS interface records, the document number must be structured as described in the data element definitions as shown below:

Number of Characters	Purpose	Requirement	Record Position	Description
1	Prefix	Optional	27	A/N
10	Core Number	Required	28-37	A/N
2	Core Extension	Optional	38-39	A/N
7	Suffix	Optional	40-46	A/N

BATCH HEADER RECORD
(Record Type "1")

Field No.	Data Element	Number of Characters	Record Position	Desc.	Length
1	Record Type Code	1	1	N	Fixed
2	Batch (Literal)	5	2-6	A	Fixed
3	Batch date	8	7-14	N	Fixed
4	Date	1	15	A/N	Fixed
5	Batch date- Serial Terminal Number	1	16	A/N	Fixed
6	Batch ID Number	4	17-20	A/N	Fixed
7	Reserved for Future Use	5	21-41	A/N	
8	OPDIV	1	42	A/N	Fixed
9	Accounting Point	2	43-44	A/N	Fixed
10	Reserved for Future Use	116	45-160		

BATCH TRAILER RECORD
(Record Type "4")

Field No.	Data Element	Number of Characters	Record Position	Desc.	Length
1	Record Type Code	1	1	N	Fixed
2	Batch (Literal)	5	2-6	A	Fixed
3	Batch date- Date	8	7-14	N	Fixed
4	Batch date- Serial	1	15	A/N	Fixed
5	Terminal Number	1	16	A/N	Fixed
6	Batch ID Number	4	17-20	A/N	Fixed
7	Transaction Count	4	21-24	N	Fixed
8	Reserved for Future Use	17	25-41	A/N	
9	OPDIV	1	42	A/N	Fixed
10	Accounting Point	2	43-44	A/N	Fixed
11	Reserved for Future Use	9	45-53		
12	Batch Dollar Total	17	54-70	N	Fixed
13	Reserved for Future Use	90	71-160		

**OPDIV ACCOUNTING POINT NUMBERS FOR USE IN
 TRANSMITTING RECORDS IN HATCH TO OR FROM THE
 CENTRAL PAYROLL SYSTEM, DIVISION OF PAYMENT
 MANAGEMENT, OR ANY OTHER CENTRAL OPERATION,
 AND BETWEEN HHS ACCOUNTING SYSTEMS**

OPDIV		Accounting Point Number
1	Office of the Secretary (OS)	99
2	Administration on' Aging (AOA)	99
3	Health Resources and Services Administration (HRSA)	30
5	Health Care Financing Administration (HCFA)	80
6	Food and Drug Administration (FDA)	99
8	National Institutes of Health (NIH)	31
9	Centers for Disease Control and Prevention (CDC)	21
9	Agency for Toxic Substances and Disease Registry (ATSDR)	21
C	Substance Abuse and Mental Health Services Administration (SAMHSA)	30
E	Program Support Center (PSC)	86
G	Administration for Children and Families (ACF)	99
J	Indian Health Service (IHS)	30
K	Agency for Health Care Policy and Research (AHCPR)	30

Subject: **DATA ELEMENTS AND CODES REPRESENTED BY THE COMMON ACCOUNTING NUMBER**

3-30-00 Purpose
10 Function
20 Data Element Codes Stored in CAN Table
30 Appropriation Symbol
40 Descriptor File

3-30-00 PURPOSE

This chapter describes the data elements and codes that are represented by the *Common Accounting Number (CAN) Identification Code*, the four digit pseudo code, described in Chapter **4-30**. It tells how these codes, linked with a unique identifying CAN, are stored in a computer table for use in processing each accounting transaction. The composite group of codes representing specific data elements has been known as the Internal Machine Number (IMN). This Chapter also prescribes the use of a standard record layout for the stored data containing the CAN and its associated data element codes. In HHS accounting systems this record is called the HHS Common Accounting Number Table.

3-30-10 FUNCTION

The coded data elements represent detailed information that is pertinent in full, or in part, to all transactions related to a CAN. The function of the stored data is to provide data elements in coded form; that can be related to, and which expand upon the transaction data recorded with a individual transaction. The data elements can be categorized as accounting classifications, organizational classifications, geographical designations, and data elements that are essential for special reporting.

The specified data elements are needed for computer processing of transactions and to identify data in the output process. Thus, a one time determination of these classifications is made when the file is created or updated for every authorized CAN. Each transaction subsequently processed for a given CAN will be associated uniformly and consistently with these classifications. In the absence of the stored data, a vast amount of manual effort would be involved in gathering and coding the data elements associated with each transaction as well as increase the possibility of error.

The CAN on an individual transaction is linked with the CAN in the computer table and thereby each transaction can be expanded to the full range of data elements initially established for the CAN. See section 3-30-20 and Exhibit 3-30-A (HHS CAN TABLE).

The coded data stored in the table is **related to** an English description of each data element. The English description, stored in a Descriptor File is used in connection with computer output. See section 3-30-40.

3-30-20 **DATA ELEMENT CODES STORED IN CAN TABLE (Exhibit 3-30-A)**

The following describes the mandatory data elements and the composite group of codes that are linked to the CAN and its life cycle dates, Each HHS accounting system has flexibility to extend the mandatory coded data elements to include data elements and related descriptors unique to its accounting system.

<u>Number of Characters</u>	<u>Data Element Definition</u>
8	FISCAL YEAR (RANGE) - These dates identify the first and last fiscal years for which a certain combination of funding/programmatic/organizational codes are valid when associated with a specific CAN. A CAN may have more than one entry on the table, but each entry must have a unique fiscal year range. Use of the fiscal year range retains the uniqueness of the CAN when the CAN is reused/reassigned with a different combination of associated data elements.
4	<u>From FY</u> - The four digits of the first fiscal year to be used.
4'	<u>To FY</u> - The four digits of the last fiscal year to be used. The "to FY" can be changed to indicate that an entry on the table will be valid for the forthcoming FY.
7	COMMON ACCOUNTING NUMBER - This code is comprised of three segments as follows:
1	<u>Operating Division (OPDIV) Code</u> - A code assigned to components within an OPDIV. See Chapter 4-30.

Number of
Characters

Data Element Definition

The code is assigned by the Office of the Deputy Assistant Secretary, Finance in conjunction with the OPDIV.

- 2 **Accounting Point** - A code used to identify Accounting Points within an OPDIV. An Accounting Point is an office providing accounting services to all OPDIV **program** and administrative offices, within a specialized geographic area, facility, or purpose.

The codes "01" through "10" are reserved for and used consistently by all the OPDIV accounting systems to identify their accounting points throughout the Department. Codes "11" through "19" are reserved for future use.

OPDIVs have the latitude to assign location codes "00" and "20" through "99" to identify all other Accounting Points in any sequence **that best** fits their purpose. It is recommended that whenever possible any Accounting Point which serves more than one accounting system be identified by the same Accounting Point number in each of the systems.

- 4 **Identification** - A pseudo code to uniquely identify the **IMN** data elements to which the CAN is assigned within the OPDIV and the related Accounting Point.

The OPDIV and Accounting Point code segments may not be used to identify any other data.

- 3 **APPROPRIATION CODE** - This code is to identify appropriations by type of fund. *The reasons for this identification are:*

- (a) to facilitate computer processing, since, for certain transaction codes, the generation of the general ledger entry is dependent upon the nature of the fund involved in the transaction, and

Number of
'Characters

Data Element Definition

(b) . to facilitate extraction of data for the preparation of Reports SF-224 and **SF-133**.

See Exhibit 3-30-B for blocks of codes assigned to categories of funds within each **major** type of fund.

This IMN code also serves to "look-up" the full appropriation **symbol which is** contained in the Descriptor File. Section 30 has this discussion.

- 1 APPORTIONMENT - A code to identify the apportionment when there are multiple apportionments within an appropriation.
- 2 ALLOTMENT - This code identifies sub-division of appropriations/apportionments. Managers should assign codes in logical sequence within each appropriation/apportionment. If necessary, the field will be right justified.
- 3 ALLOWANCE/LIMITATION - This code identifies sub-divisions of the allotment such as, operating plans or guidelines, expenditure targets, allowances, etc. Codes should be assigned in numerical sequence within each allotment. This field will be right justified as necessary.
- 2 BUDGET ACTIVITY - This code identifies major activities as set forth in the Budget Appendix. Codes should be -assigned in numerical sequence within each allotment. This field will be right justified as necessary.
- 2 SUB-BUDGET ACTIVITY - This code identifies **sub-**activities that appear as "indented" line items below the major activities in the Budget Appendix. Codes should be assigned in numerical sequence within each Budget Activity. This field should be right justified as necessary.
- 2 SUB/SUB BUDGET ACTIVITY - This code identifies line items in the budget Appendix that are "indented" beneath the sub-activity level. Codes should be assigned in numerical sequence within each Sub-Budget Activity. This field should be right justified as necessary.

Number of
Characters

Data Element Definition

- 3 COST CENTER - This code identifies a Cost Center that is associated with other data elements in the IMN. Codes should be assigned in any logical sequence within each Sub-Budget Activity. This field should be right justified as necessary. See Chapter 1-20, Section 40.
- 3 PROJECT - This code identifies a Project that has been established within an accounting system. The project must be associated with other data elements in the IMN. Codes should be assigned in any logical sequence within each Sub-Budget Activity. This field should be right justified as necessary.
- 3 LOCATION - This code identifies the Federal Installation from which, or on whose behalf, the transaction is **initiated even** though the transactions will be recorded at a different Federal Installation, **i.e.**, accounting point. If the field identifies an accounting point, the two digit code of the accounting point will be recorded as the Location Code of the IMN, e.g., 001 through 099. This field should be right justified as necessary.

If the Federal Installation is **not** an accounting point, the IMN Location code for those installations will be assigned, in numerical sequence beginning with number 100 through 999.

The Location code will always identify the installation on whose behalf the transaction is made (the accounting point or an installation within the geographic area served by the accounting point, as appropriate).

- 1 APPORTIONMENT CATEGORY - A code **to denote** whether funds are provided by a Category "A" apportionment or by a Category "B" apportionment. The code structure is:

"A" = Category 'A' Apportionments
"B" = Category 'B' Apportionments

Number of
Characters

Data Element Definition

- 1 DIRECT/REIMBURSABLE PROGRAM - A code to denote whether funds are Direct Program Authority or Reimbursable Program Authority. The code structure is:
- "D"** = Director Program Authority
"Rⁿ" = Reimbursable Program Authority
- 1 PAYROLL CAN INDICATOR - A **code** to **denote** whether or not the CAN is used for payroll. (A **'Y'** in this field indicates Yes; a blank in this field indicates No) .
- 1 PMS CAN INDICATOR - A code to denote whether or not the CAN is used for PMS transactions. (A **'Y'** in this field indicates Yes); (A blank in this field indicates No).
- 12 INSTALLATION LOCATION,- This code is **comprised of** four segments as follows:
- 2 State/Continent - a standard Federal **code**, FIPS PUB 5.
- 4 City - a standard Federal code, FIPS PUB 55.
- 3 County-Country - a standard Federal **code**, FIPS PUB 6.
- 3 Congressional District - a standard Federal **code**, FIPS PUB 9. (Right justify as necessary)

Together these codes form a composite twelve digit code which can be obtained from the HHS Geographic Location Code Book published periodically by the Program Support Center (**PSC**) Division of Payment Management. The codes are also on computer tape and can be obtained upon request.

- 3 FINANCIAL ASSISTANCE REPORTING SYSTEM (**FARS**) - This is the HHS "**Program I.D. Code**" which is the **key** code used in connection with Government-wide reporting under the provisions of OMB Circular A-84. The Program I.D. Code structure is assigned by each HHS OPDIV. The code is usually the *last* three digits of the program code used by OMB in their annual Catalog of Federal Domestic Assistance. The system of codes is controlled and maintained by the PSC.

<u>Number of Characters</u>	<u>Data Element Definition</u>
11	ORGANIZATION - This code identifies a specific HHS organizational unit with a financial transaction. Data will be classified by the Administrative Code published in Chapter 8-69 of the General Administration Manual.' The code is hierarchical and portrays the place of an organization within the whole organization structure. The first position denotes the OPDIV. The second position of, the code identifies the first subordinate organization element, the third position identifies the second subordinate level, etc. This field should be left justified.
6	EIS CODE - This code will be used to support the requirements of the Department's Financial Information Reporting System (FIRS).

3-30-30 **APPROPRIATION SYMBOL**

The **full** appropriation symbol represented by the shortened IMN in the CAN Table is contained in the Descriptor File (see 3-30-40). As opposed to the **other** descriptions in the descriptor File, the appropriation symbol is sectionalized into five discrete fields and certain of these fields enter into computer programming logic.

'A, APPROPRIATION SYMBOL STRUCTURE

The fourteen positions of the Appropriation Symbol are divided into fields, as follows:

1. REG (Regular) - Two characters
 - a. If the appropriation is a direct appropriation to HHS, the symbol **"75"** will be recorded in this field.
 - b. **If** the appropriation **is** a direct appropriation **to** another Government Department, the two digit symbol of the other Government Department will be recorded in this field.
 - c. If the appropriation is a transfer appropriation from another Government Department, the two digit HHS symbol **"75"** will be recorded in this field.

2. TR (Transferred) FROM - Two characters

- a. If the appropriation is a direct appropriation to HHS, this field will be left blank.
- b. If the appropriation is a transfer appropriation to another Government Department, the two digit HHS symbol **"75"** will be recorded in this field.
- c. If the appropriation is a transfer appropriation from another Government Department, the two digit symbol of the other Government Department will be recorded **in this** field.

3. FY (FISCAL YEAR) - Three characters

The coded data for this field depends upon whether the appropriation is identified as an annual-year, multi-year, or no-year (see Chapter 3-10).

- a. If the appropriation is a multi-year appropriation, the last digit of the fiscal year that ~~beains~~ the multi-year period will be recorded in the left most position of the field. A slash (/) will be recorded in the middle position. The last digit of the fiscal year that ends the multi-year period will be recorded in the right most position.
- b. If the appropriation **is** a no-year appropriation, alpha **"X"** will be recorded in the left most **position of the field**. The remaining two positions will be left blank.
- c. If the appropriation is an annual-year appropriation, the field will be left blank.

4. I. D. Number - Four characters

The basic four digit number of the appropriation is recorded in this field.

5. SUFFIX - Three characters

In this field will be recorded limitation digits that are a **part** of the appropriation symbol. The decimal point will not be recorded. Such limitations generally are used to:
(a) identify the HHS OPDIV administering the transfer appropriation, or (b) identify the entities from which advances are received for Consolidated Working Fund Accounts.

B. FISCAL YEAR AS A DATA ELEMENT IN THE CAN TABLE

Two fiscal **years** are **entered** in the table. The dates identify the first year that a CAN is assigned to represent the multiple data elements in the table and the last year this particular funding structure will be valid. The fiscal years are, therefore, expressed as a range. For example, the table may list a specific CAN for fiscal years 1998 through 1999 when the data elements will be constant, and may also list the same CAN for fiscal years 2001 through 2002 when the funding structure changed. There should be no overlapping ranges for the same CAN. The last fiscal year date may be changed in the table without adding a new entry when an expiring range should be extended to the new fiscal year.

The purpose of establishing a range of fiscal year dates is to permit funding and program changes without the necessity of assigning new **CANs** and, at the same time, keep the CAN table as small as possible since new entries are only required when changes occur. Should there be a need to provide more discrete data, **OPDIVs** may **add "unique"** data elements to the table.

The technique to identify the fiscal year for appropriation symbol printout purposes is set below:

- There are three types of appropriations which **must** be identified and each have different requirements for developing the fiscal year. The type of the appropriation will be developed **by interpreting** the three position appropriation code in the IMN. The fiscal year used in the appropriation identification will be consistent with the four digit fiscal year **taken from** the input transaction.
- Annual appropriations - Integrity of the fiscal year must be retained for the current year and the subsequent four expired years, until cancellation.
- Multi-year appropriations - Integrity of the fiscal year must be retained for all unexpired fiscal years and the subsequent expired years until cancellation.
- No-year appropriations - Are available until expended and all activity in the fiscal year is reported as current. The fiscal year in this type of appropriation is always reported with an **"X"** in the fiscal year space of the appropriation symbol.

3-30-40 DESCRIPTOR FILE

The function of the IMN Descriptor File is to provide English language description of the coded data in the number and the full appropriation **symbol**. Accounting systems have flexibility with respect to the manner of arranging the file. The file may be arranged so that the descriptors for each **IMN** follow the coded data, or a separate file of all descriptors may be established. If the latter technique is adopted each segment of the file containing descriptors for a single IMN must be identified with the related CAN.

The Descriptor File fields are listed below along with the coded data elements that identify each field. Most field sizes are established at 40 positions. If necessary, the description of the data element should be suitably abbreviated:

		Descriptor File	
Internal Machine	Descriptor File	Field Size	
<u>Number Data Element</u>	<u>Field Name</u>	<u>(No. of Positions)</u>	<u>9</u>
Fiscal year	-----	N/A	<u>1/</u>
OPDIV	OPDIV Name	40	
Accounting Point	Accounting Point Name	40	
Appropriation	Appropriation Title	45	<u>2/</u>
	Appropriation Symbol	14	<u>3/</u>
Apportionment	Apportionment Segment	40	
	Name		
Allotment	Allotment Name	40	
Allowance/	Allowance/Limitation	40	
Limitation	Plan Name		
Budget Activity	Budget Activity Name	40	
Sub-Budget	Sub-Budget Activity	40	
Activity	Name		
Sub/Sub-Budget	Sub/Sub-Budget Activity	40	
Activity	Name		
Cost Center	Cost Center Name	40	
Project	Project Name	40	
Location	Name of Federal	40	
	Installation		
Installation Location	-m-w---	19	<u>4/</u>
State-Continent	State-Continent Name		
City	City Name	23	<u>4/</u>
County-Country	County-Country Name	23	<u>4/</u>
Congressional	N/A	N/A	<u>4/</u>
District			
FARS (Fin-	Program Name	N/A	<u>5/</u>
{Financial			
Assistance			
Reporting			
System)			
Organization	Organization Title	62	<u>6/</u>

- 1/ No descriptor is required for this data element. (The data element itself is used in the print-out of the appropriation **symbol**.)
- 2/ The field size of the Appropriation Title is set at 45 digits to attain compatibility with the requirements for reporting under the provision of OMB Circular A-84 (Chapter 5-80).
- 3/ Section 3-30-30 discusses the Appropriation symbol field.
- 4/ Systems have an election to (a) maintain these fields in the Descriptor File on the basis of imputing the English description for each Installation Location in the **IMN** file, or (b) for printout, pass the geographic code for installation Location against a file which contains all HHS approved geographic codes and names.

Congressional district is not identified by name. For print-out purposes, the Congressional District number can be extracted from the **IMN**.

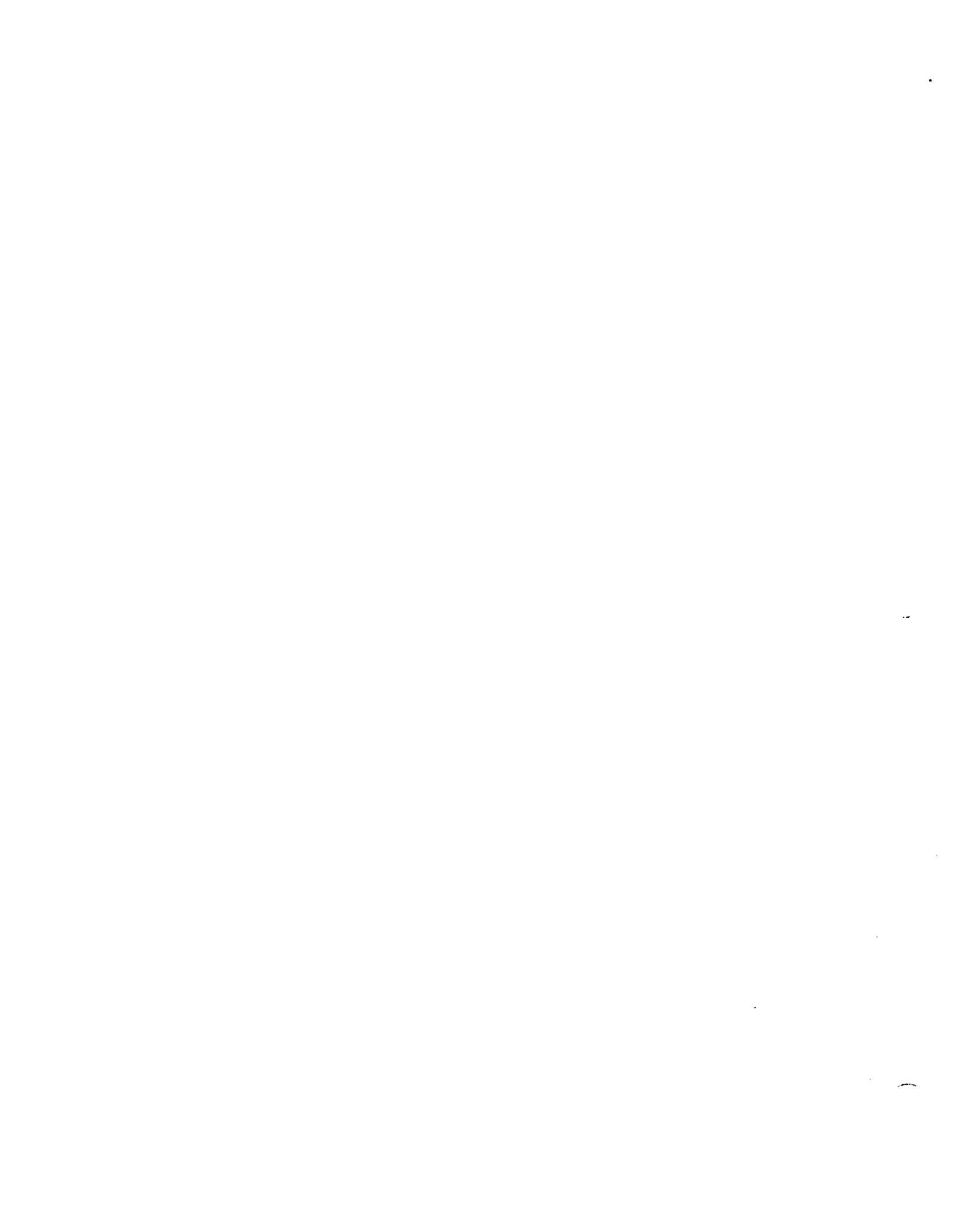
The field sizes have been established to make them correspond to the fields in the HHS Geographic Location field maintained by the **PSC**.

- 5/ **FARS** reports are submitted to the Division of Financial **Systems Operations** (Chapter 5-80). Titles and descriptions of all HHS programs are maintained centrally in the **FARS** data bank, therefore it is not necessary for operating accounting systems to maintain an English description of the **FARS** Program I.D. Codes.
- 6/ Organization titles should be taken from the Central Registry of Standard Administrative Codes maintained by the Office of Management Programs, Deputy Assistant Secretary for Administrative and Management Services. See Chapter 8-69 of the General Administration Manual.

HHS COMMON ACCOUNTING NUMBER TABLE

RECORD LAYOUT

Field No.	Data Element	Number of Characters	Record Position	Desc.	Length
1	Fiscal Year (Range)				
	From FY	4	1- 4	N	Fixed
	To FY	4	5- 8	N	Fixed
2	Common Accounting Number				
	OPDIV Code	1	9	A/N	Fixed
	Accounting Point	2	10-11	N	Fixed
3	I.D. Number	4	12-15	A/N	Fixed
	Appropriation (IMN) Code	3	16-18	A/N	Fixed
	Reserved for Future Use	2	19-20		
4	Apportionment	1	21	A/N	Fixed
5	Allotment	2	22-23	N	Fixed
6	Allowance /Limitation	3	24-26	A/N	Fixed
7	Budget Activity	2	27-28	A/N	Fixed
8	Sub-Budget Activity	2	29-30	A/N	Fixed
9	Sub/Sub Budget Activity	2	31-32	A/N	Fixed
	Reserved for Future Use	2	33-34		
10	Cost Center	3	35-37	A/N	Fixed
-ii-	Project	3	38-40	A/N	Fixed
12	Location	3	41-43	A/N	Fixed
13	Apportionment Category	1	44	A	Fixed
I 4	Code (A or B)				
	Direct/Reimbursable Program	1	45	A	Fixed
	Code(D or R)				
15	Payroll CAN Indicator	1	46	A	Fixed
	(Y=Yes; Blank + No)				
16	PMS CAN Indicator	1	47	A	Fixed
	(Y=Yes; Blank = No)				
	Reserved for Future Use	4	48-52		
17	Installation Location:				
	State/Continent	2	53-54	A/N	Fixed
	City	4	55-58	A/N	Variable
	County-Country	3	59-61	A/N	Variable
	Congressional District	3	62-64	A/N	Variable
18	FARS	3	65-67	A/N	Fixed
19	Organization	11	68-78	A/N	Variable
20	EIS Code	6	79-84	A/N	Variable
	Reserved for Future Use	11	85-100		





HHS TRANSMITTAL 99.1
Departmental Accounting Manual
Issue Date: 03/19/99

Material transmitted

Exhibit 3-30-B Codes Assigned to Categories of Funds Within Each Major Type of Fund, (page 1).

Material superseded

Exhibit 3-30-B (page 1 : 98.6)

Background

Exhibit 3-30-B, Codes Assigned to Categories of Funds Within Each Major Type of Fund, is revised to accommodate a situation that has recently arisen. An HHS OPDIV received a Multiple-Year Trust Fund-Transfer Appropriation from another Federal agency. Our Internal Machine Number (IMN) Codes did not provide for Multiple Year Funds under the Trust Funds-Transfer Appropriation category. In order to correct the code table, IMN Codes were changed to include Multiple Year Funds as follows:

Trust Funds - Transfer Appropriations

<u>IMN Codes</u>	<u>Type of Fund Group</u>	<u>Exp or Rcpt Acct Symbols</u>	
960 to 979	No-Year Funds	7000 to 8399) 8500 to 8999)	(no change)
980 to 994	Annual Funds	7500 to 8399) 8500 to 8999)	(changed)
995 to 999	Multiple Year Funds	7500 to 8399) 8500 to 8999)	(new)

IMN Codes originally included as part of the Annual Funds category (995 to 999) have been reassigned to the Multiple Year Funds category.

Filing Instructions

Remove superseded material and replace with the new material. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmittal in sequential order after the checklist. Please note that HHS Transmittal 99.1 follows HHS Transmittal 98.6.

George H. Strader
Deputy Assistant Secretary, Finance

**CODES ASSIGNED TO CATEGORIES OF FUNDS
 WITHIN EACH MAJOR TYPE OF FUND**

<u>Internal Machine Number Code</u>	<u>Type of Fund Group</u>	<u>Expenditure or Rcpt Acct Symbols (Last 4 Digits by Fund Group)</u>
<u>General Funds - Direct Appropriations</u>		
000 to 014	Working Capital Funds (Intra-governmental)	4500 to 4999
015 to 029	Revolving Funds (Public Enterprise Funds)	4000 to 5999
030 to 099	No-Year Funds (Program)	0000 to 3899
100 to 199	Multiple Year Funds	0000 to 3899
200 to 399	Annual Funds	0000 to 3899
<u>General Funds - Transfer Appropriations</u>		
400 to 429	No-Year Funds	0000 to 3899
430 to 459	Multiple Year Funds	0000 to 3899
460 to 499	Annual Funds	0000 to 3899
<u>General Funds - Consolidated Working Funds</u>		
500 to 529	No-Year Funds	3900 to 3999
530 to 559	Multiple Year Funds	3900 to 3999
560 to 599	Annual Funds	3900 to 3999
<u>Deposit Funds</u>		
600 to 699	No-Year Regular	6000 to 6999
<u>Receipts Accounts</u>		
700 to 709	Budget Clearing Accounts	3800's
710 to 799	General	0100 to 3299
800 to 819	Special	5000 to 5999
820 to 899	Trust	7000 to 8999
<u>Trust Funds - Direct Appropriations</u>		
900 to 909	No-Year Revolving Funds	8400 to 8499
910 to 939	No-Year Funds - Other	7000 to 8399
		8500 to 8999
940 to 959	Annual Funds	7000 to 8399
		8500 to 8999
<u>Trust Funds - Transfer Appropriations</u>		
960 to 979	No-Year Funds	7000 to 8399
		8500 to 8999
980 to 994	Annual Funds	7500 to 8399
		8500 to 8999
995 to 999	Multiple Year Funds	7500 to 8399
		8500 to 8999



HHS TRANSMITTAL 98.3
Departmental Accounting Manual
Issue Date: 02/20/98

Page 1

Material Transmitted

Chapter 3-50 Expired Appropriations(pages 1-7)

Material Superseded

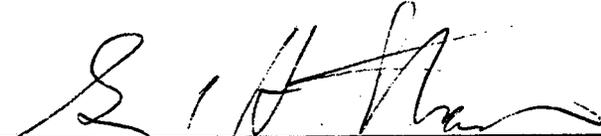
Chapter 3-50 (pages 1, 2 & 7: 91.4).
(pages 3 - 6 : 92.3).

Background

Chapter 3-50 has been revised to conform with Treasury Bulletin No. 98-04, Extended Authority to Liquidate Obligations, dated October 29, 1997 and to eliminate material contained in the chapter pertaining to the "M" account transition period which ended on September 30, 1993.

Filing instructions

Remove superseded material and replace it with the new material. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmittal in sequential order after the checklist.



George H. Strader
Deputy Assistant Secretary, Finance

SUBJECT: EXPIRED APPROPRIATIONS

3-50-10	Purpose and Scope	'
20	Authority	
30	Duration of Expired Accounts	
35	Apportionment Requirements for Payment of Cancelled Obligations	
40	Payment of Claims Against Cancelled Accounts -	
	Alternative I: Using Current Year Funds	
50	Payment of Claims Against Cancelled Accounts -	
	Alternatives II and III : Using Budgetary and Legislative Approaches	
55	Cancelled Account Collections	
60	Annual Certification of Obligated Balances	
65	Approval and Reporting Requirements for Contract Changes	

3-50-10 PURPOSE AND SCOPE

This chapter implements 31 U.S.C 1552 ("**M**" Account Legislation). This law prescribes the rules for the availability of appropriation and fund balances and establishes procedures for accounting for annual and multi-year expired appropriation accounts.

It abolishes the practice of transferring obligated balances after 2 years from expired accounts to "**M**" accounts, otherwise known as successor merged appropriation accounts, where they would have remained available indefinitely for disbursement to liquidate "**valid**" obligations and payables (**by** valid is meant those obligations incurred in the unexpired year and adjusted during the expired years). In replacing this practice, the new law now mandates that:

- The duration of expired accounts as identified by fiscal year be extended from 2 expired years to 5 expired years.
- During this 5 year period, unliquidated obligated balances may be adjusted and the associated disbursements may be made, but no new obligations may be incurred during the expired years.

- On September 30 of the 5th fiscal year after obligation authority has expired, all obligated and unobligated balances must be cancelled and the expired account cancelled, unless authority has been given to liquidate obligations under a longer period than 5 years as discussed in 3-50-30.
- Should payments of valid obligations and payables be, required after the 5th expired year when the balances are no longer available because they have been duly cancelled, such payments must be paid in one of two ways: 1) from the current year unexpired appropriation or 2) as the result of a change in the legislative authority on the original appropriation to extend beyond the standard 5 year expiration period (this later action should be done, when necessary, through the auspices of the ASMB, prior to the end of the 5th year).

This chapter incorporates guidance as promulgated in OMB Circular No. A-34, Instructions on Budget Execution; guidelines for cancelling and closing expired accounts as set forth in section 2030.40 of I TFM 2-2000, Nonexpenditure Transactions; and guidance on reporting procedures specified in section 4240 of I TFM 2-4200, Agency Reports on Unexpended Balances of Appropriations and Funds (FMS Form 2108: Yearend Closing Statement), and I TFM Bulletin 98-04, Extended Authority to Liquidate Obligations.

3-50-20 AUTHORITY

OMB Circular No. A-34 provides the budget execution procedures for annual and multi-year appropriations including cancelling expired accounts. I TFM 2-2000 and 2-4000 establishes the reporting procedures for closed accounts. No-year appropriations will continue to be cancelled on a case by case basis when the purpose of the appropriation has been achieved.

TFM Bulletin No. 98-04 provides instructions on how to notify Treasury of legal authority to liquidate obligations beyond the normal period of availability. Extended authority to liquidate obligations may be granted through specific legislation which allows the obligated balance for an annual year or multi-year account to remain on the books and available for disbursement **purposes** only for a specified period of years.

3-50-30 DURATION OF **EXPIRED ACCOUNTS**

The duration of expired accounts is increased from 2 to 5 years. Previously, accounts were maintained for 2 expired years after which the expired accounts were rolled over into a successor merged ("M") account.

Under these revised procedures, expired accounts will be maintained for 5 fiscal years following the expiration of the original appropriation. After the **5th** expired year, the obligated and unobligated balances shall be cancelled and the budget authority is withdrawn to Treasury; any receivables or payables remaining on the account are cancelled for the appropriation. Closing procedures and transactions are provided in chapter 3-70.

Some Federal programs have a legitimate need to liquidate obligations over a longer period than 5 years. For example, construction projects may dictate that funds should not be disbursed until various project stages are satisfactorily completed, and this may take **7-10** years or longer. In order to extend authority to liquidate obligations beyond the normal period of availability of 5 years, appropriate language must be cited. According to OMB Circular A-11, such language should read as follows:

"Provided, that such sums are to remain available through **20XX** for the disbursement of funds obligated on FY **19BY**."

After the original 5 fiscal year period of availability, only obligated balances may remain on the books for these accounts and, any amounts deobligated would be cancelled at the end of the fiscal year on the Year-end Closing Statement (FMS Form 2108). In order to extend the availability of unobligated balances, refer to the instructions in the Treasury Year-end closing bulletin.

3-50-35 **APPORTIONMENT** REQUIREMENTS FOR **PAYMENT OF CANCELLED OBLIGATIONS**

Beginning in FY 1992, agencies are required to request that OMB apportion up to 1 percent of the appropriated amounts of every affected annual and multi-year account for paying valid obligations and payables related to cancelled accounts.

3-50-40 **PAYMENT OF CLAIMS AGAINST CANCELLED ACCOUNTS -
ALTERNATIVE I: USING CURRENT YEAR FUNDS**

For the majority of obligations and payables, the payment of old claims on cancelled accounts must be funded and paid from current year appropriations. This refers to both the obligations that have been cancelled as well as to the valid obligation adjustments made to cancelled accounts which may never have been recorded. After the 5th expired year, when all balances are cancelled, obligation and payment of the cancelled balances must be funded and paid from the current year unexpired appropriation unless the budgetary or legislative alternatives are used (see 3-50-50).

Alternative **I** provides that the current year appropriation funds used for payment must be for the same general purpose as the cancelled account and these funds are subject to the following limitations:

- the cumulative total of all payments to be made from the current year appropriation to cover cancelled account balances is limited to 1% of the current year appropriation (Note: The reference to current year appropriation is not the same as total budgetary resources, which include not only the current year appropriations, but reimbursements and other income, user fees, recoveries of prior year obligations, etc.) , and
- the cumulative total of all payments cannot exceed the cancelled appropriation's original unexpended balance or the unexpended balance of the original available apportionment and allotment, whichever is the appropriate level of control for the cumulative payments in question.

Surpassing either of these limits is a violation of the **Anti-deficiency Act**. Before recording the obligation and payment in the current year appropriation account, the above 2 tests must be successfully passed. The **1st** test is controlled through the allotment/allowance process. 'To carry out the **2nd** test, it is necessary to maintain the unexpended balance from the original appropriation in the accounting system even **after the** cancelled funds have been returned to Treasury. Accordingly, the unexpended balances recorded in the general ledger as expired appropriations will be retitled and maintained in the records as cancelled authority. These cancelled, but unexpended balances, will need to be updated in future years as cancelled year obligations are recorded and charged to the current year appropriation.

A new transaction and a special general ledger undelivered order subaccount has been established for recording these obligation adjustments in the cancelled year's budgetary memorandum accounts. This will be addressed in more detail in chapters 4-40 and 3-70.

To make payments, each Operating Division (OPDIV) must request a special subclass account from Treasury for each current unexpired annual and multi-year account. Payments from the current year appropriation related to a cancelled account must be recorded and reported on the monthly SF 224 charged to **the subclass** account.

To simplify the funds control tests and the associated accounting, all such payments will be made at the agency headquarters rather than at the decentralized operation points (such as the Regional Offices). The supporting documentation will still be assembled and coordinated by the decentralized organization and forwarded to the headquarters accounting point for payment.

3-50-50 PAYMENT OF CLAIMS AGAINST CANCELLED ACCOUNTS -
ALTERNATIVES II AND III: USING BUDGETARY AND
LEGISLATIVE APPROACHES

Other than paying valid cancelled obligations using funds from the current year appropriation account as discussed in 3-50-40, two additional alternatives are allowed:

- This 2nd alternative would apply when the nature of a program requires payments beyond the 5 expired years, e.g. construction grants and certain block grants. If this criteria is met, then proposed changes to the appropriation language may be submitted as part of the budget process through the Department and OMB to Congress requesting approval to extend the number of expired years, or to keep the appropriation open indefinitely, or
- Under the 3rd alternative, Agencies may request, as part of their budget submission, the reappropriation of cancelled balances. However, payments must be deferred until the appropriation is available.

Each agency should review those accounts and associated programs subject to this legislation and, where it is appropriate and can be justified, develop plans to seek relief as defined above, e.g. construction grants and applicable block grants. Agencies'

accounting systems must be able to identify the appropriations which are exempt from this legislation or those accounts that are maintained beyond 5 years, i.e., not cancelled after, 5 years.

3-50-55 CANCELLED ACCOUNT COLLECTIONS

When an expired account is cancelled, all open receivables and refunds to cancelled accounts are to be transferred to and accounted for as Miscellaneous Receipts Receivables together with the associated allowance for loss. Upon collection, the funds will be deposited to the Miscellaneous Receipts account.

3-50-60 ANNUAL CERTIFICATION OF OBLIGATED BALANCES

Each finance office is responsible for performing a **document-by-document** review of all unpaid obligations at the end of each fiscal year. Based upon this annual review, unpaid obligations no longer valid should be deobligated during the 5 expired years of the appropriation, and cancelled at the expiration of the 6th year unless extended authority has been granted to liquidate obligations over a longer period than 5 years.

The submission by the finance office of the signed Treasury Year-end Closing Statement (**FMS** Form 2108) at fiscal year-end satisfies this certification requirement attesting that the annual review and reconciliation was performed. OPDIVS are required to certify the obligated balances and footnote the **FMS** Form 2108, citing the appropriate law and date of approval.

OPDIVS with the proper extended authority to liquidate obligations beyond the 5 year limit must notify Treasury in writing of the specific legislation in order for the account to remain on Treasury's books.

The notification should be sent to:

Finance Management Branch
Funds Management Division
Financial Management Service
Department of the Treasury
3700 East-West Highway, Room **6F06**
Hyattsville, MD 20782
(Telephone: 202-874-9950)

All workpapers and records are to be retained for audit purposes.

3-50-65 APPROVAL AND REPORTING REQUIREMENTS FOR CONTRACT
CHANGES

Approval and reporting requirements for obligation adjustments related to "**contract** changes:" are required in expired appropriation accounts; it does not apply to unexpired appropriations.

By definition, a contract change is limited to changes on an existing contract under which a contractor is required to perform additional work to accomplish a previously defined explicit objective. It does not include adjustments related to an escalation clause.

The following reporting requirements relating to such contract changes, utilizing Department specified dollar thresholds lower than required by OMB guidelines are to be observed:

- When a transaction will cause cumulative increases at the appropriation level for contract changes during a fiscal year to exceed \$3 million, requests for approval shall be submitted to the Secretary through the Assistant Secretary for Management and Budget (ASMB).
- When a transaction will cause cumulative increases at the appropriation level for contract changes during a fiscal year to exceed \$24 million, requests for approval shall be submitted to the Secretary for submission to Congress through the ASMB.

No obligation may be made or recorded in the Agency's accounting system until the request has been submitted and a period of 30 days has elapsed after the submission of the request.

CHAPTER 3-60

ACCRUAL PROCEDURES

- 3-60-00 General
 - 10 Timing and Recognition of Accruals
 - 20 Methods of Accrual
 - 30 ADP Adaptation
 - 40 Monthly **Accruals** for Grants, Contracts, Insurance Claims, Loan Costs and Interest Expense
 - 50 Accruals for In-House Costs
 - 60 Accruals for Revenue
 - 70 Surveys of Grantee Expenditures
 - 80 Reporting of Accruals
 - 90 Miscellaneous
 - 100 Definitions

3-60-00 GENERAL

This Chapter will serve as a procedural reference for accrual accounting for all agencies, for affiliated organizations, and for the Office of the Secretary. It contains in detail the techniques of accrual accounting and explains the relationship of these procedures to the design of agency accounting subsystems.

Explanatory material and basic principles are contained in Chapter 1-10. The substance of this Chapter, **3-60**, of the Accounting Manual covers the accrual procedures which are to be used for monthly recording of grants, contracts, loans, insurance and interest payments; it describes accrual procedures for in-house costs and expenses; it describes accrual procedures for revenue and **income; it covers procedures to be used when surveys of grantee groups are considered necessary; it identifies the internal and external reports and generally treats recordation procedures; and finally it deals with several miscellaneous accrual subjects.** The definitions appearing in Section 1-10-30 are repeated in Section 3-60-100.

3-60-10 TIMING OF THE RECOGNITION OF ACCRUALS

A. General Concept

As stated in Chapter 1-10, in **most** instances, accrued expenditures are recognized upon the **receipt** of goods or services. For example, when a manufacturer sells to the *Govexmment*, goods which he may also sell to others, accrual **occurs** on physical delivery by the seller and receipt by the Government and title passes, i.e., when goods are either delivered to the Government **or to a carrier acting on behalf of the Government.** **In this** case, the goods will be taken into the accounts on the basis of a receiving report. At that time, an asset or cost account is debited and accounts payable is credited.

(3-60-10 Continued)

The receiving report **or** some other evidence of receipt of the goods and not necessarily an invoice is the basis of the entry. Note that the obligation is liquidated upon receipt **of the goods or** service, i.e., the obligation is liquidated on the accrual basis.

B. Timing Based on Performance

1. While most accrued expenditures will be recognized as described above, there is an important refinement discussed below.
2. In the case of fabrication in accordance with Government specifications, performance by the payee (grantee or contractor) rather than physical deliver is the test to be applied in determining whether **there** is an accrued expenditure.
3. The crucial point is the time when the money is owed by the Government, not when it **is** due and payable or when the amount becomes a legal liability. Thus, accrued expenditures include amounts for unbilled **performance** in addition to billed amounts.
4. The concept applies to amounts earned by grantees or contractors on the basis of performance by subgrantees and subcontractors as well as on the basis of their own performance.
5. In the case of accrued revenues, the concepts of performance and earnings are vital to the definition. Revenues are earned by the Government and are owed to **the Government** as performance occurs, regardless of the timing of collection or even of whether billing has occurred. Receipts collected in advance of **performance** are unearned revenue (deferred income) until performance occurs, and develop into accrued **revenues as** the money is earned by the agency concerned.
6. The concept is applicable to revenues of all types of funds included in the budget, including appropriation reimbursements. **Where** revenues will be credited upon collection to an appropriation account for a **year** that has not yet started, the accrual will be accounted for and reported under the symbol of the future account **in** the period in which the earnings actually take place.
7. Some revenues will prove to be uncollectible. **Estimates** of such uncollectibles will be excluded from the **net** accrued revenues. The normal method of doing this is to charge expense on an estimated basis for the **esti-** mated uncollectibles, as the money is earned, and concurrently establish an allowance (reserve) for possible losses on collections. **Uncollectibles are** charged against these allowances. Write-offs which **are**

not charged to such an account will be treated as adjustments to expense in the period in which they are recognized in the accounts.

3-60-20 METHODS OF ACCRUAL

A. General

There are two methods of recording transactions on an accrual basis, the inventory method (not to be confused with month-end inventories of accruals which are used in both methods) and the continuing method. Both are explained in the following paragraphs. However, the latter is the preferred method. In the interest of simplification, budgetary entries have been omitted. A more detailed treatment of individual account adjustments to comply with accrual requirements is in paragraph 3-60-80 H, below.

B. Inventory Method

1. Expenditure and revenue transactions during the month are recorded on a cash basis as expenses or income. Accruals are determined, listed and recorded as assets or liabilities or asset (advancer) only at the end of the month, for liabilities incurred and not paid and for income not collected or use of advances not accounted for. Thus, all unpaid bills, receiving reports, unvouchered travel authorizations, estimates of grant costs less grant payments, amounts determined by application of statistical procedures to independent grant financial data, and grantee or contractor periodic reports are listed or computed each month by common accounting number, as required. In coding blanket accrual entries of this kind, the following special procedures will be used:

- (1) Object code 41.92 will be assigned.
- (2) Dummy obligation document number 8 will be used, e.g., 0000999999.
- (3) Fields for primary and secondary vendor codes will be left blank.

There will be a reversal of such accruals in the next month, therefore actual payment when made is charged to the appropriate cost account. Revenue is handled on a comparable basis.

2. In the reversal entries for unbilled items and similar accruals, agency subsystems will adopt and consistently apply either one of the two following methods:
 - (a) Reverse the entry in full at the first of the following month, or

(3-60-20 Continued)

(b) During the following month, each time payment is made for an item individually accrued in the previous month, concurrently reverse the amount previously set up. Where the accrual was on a **blanket** basis comprising a large number of individual items (generally grants), the amount to be concurrently reversed with the payment, is the amount of the current payment. In such cases, the amounts of the unreversed portion of the blanket estimates will be adjusted at month-end to reflect the current estimates of further accrual amounts. Under this second method, the records consistently, on a day-to-day basis, reflect accrual data more accurately than the first method, but more entries are required.

EXAMPLE OF JOURNAL ENTRIES UNDER THE INVENTORY METHOD

<u>Cost Account</u>		<u>Accounts Receivable, Unbilled</u>	
1 \$525,000	3 \$525,000	2 \$125,000	3 \$125,000
<u>Revenue. Misc. Receipts</u>		<u>Accounts Payable</u>	
3 \$125,000	2 \$125,000	3 \$525,000	1 \$525,000

- 1 To record accrued liabilities at April 30
- 2 To record accrued revenues at April 30
- 3 To reverse April 30 accruals in May

3. The principal advantages of this method are (a) it is not necessary to adjust the accounts receivable and payable each time there is a difference between the accrual recorded and the amount received or paid, or when materials are returned, (b) it is not necessary to reconcile disbursements with the accounts payable when there are partial payments, and (c) receivables and payables are less subject to duplication than under the continuing method.

4. The **principal disadvantages** of **this** method are **(a) that it is necessary to repeat the entry for** an invoice at the end of each month **until the** associated cash payment **is made, (b) it forces** most of the **work** involved in accrual preparation **to be performed during the month-end closing period, (c) interim reports during the month taken from** books of record are not accurate **under reversal** method 2(a) above, and (d) **receivables and payables** are likely to be overlooked and thus-the accounts may be understated.

C. Continuing Method

1. Expenditure transactions **are recorded as accounts payable** as goods and services are received or estimated to have been received **and revenue transactions are recorded as accounts receivable are** generated. **Advances are recorded as cash is** advanced to grantees or contractors or as cash **is** drawn down as advances **under letters of credit.** As bills are paid, cash payments **are recorded** against accounts payable as appropriate. **Thus,** accounts payable or accounts receivable or advances **consistently** reflect the amount **owed or due** from outsiders. Cash payments or receipts are **applied** to these balances and it is not **necessary to consider these** cash transactions when **recording cost items.** Quarterly grantee/contractor statements or estimates of grantee costs (the month-end #inventory of accruals) must be received or made for recording and establishing accounts payable or reduction of grantee/contractor **advance** balances. However, even when the **continuing** method is used for in-house operations **and small** grant programs, **it** will generally be necessary to **use the** inventory method for large grant programs. In such cases blanket estimates of unreported grantee accrued expenditure will be made at the end of each month on an inventory **basis** and **then** reversed in the following month, as outlined in paragraph **3-60-20B.** Grantee reports of actual expenditure are then charged to program expense **when** received and not to the blanket accrual credit account. Below is an example of the recording of accrued expenditures under the continuing method:

(3-60-20Continued)

EXAMPLE OF JOURNAL ENTRIES UNDER THE CONTINUING METHOD

<u>Cash</u>		<u>Cost Account "A"</u>	
	2 \$ 5,000	1	\$10,000
	4 10,000	3	25,000
<u>Cost Account "B"</u>		<u>Accounts Payable</u>	
1	\$10,000	2	\$ 5,000
3	5,000	1	\$20,000
		4	10,000
		3	30,000

¹To record materials received April 5 per receiving reports

²To record April 9 cash disbursements

³To record April 12 invoices for services received

⁴To record April 15 cash disbursements

- The principal advantages of this method are (a) the workload is spread **more** evenly throughout the month, as a **complete** month-end inventory **is** not necessary, (b) the receivables and payables are recorded currently, **making** them less likely to be over-looked, and (c) all financial reports prepared from this data base are more accurate on a day-to-day basis than under the first method.
- The principal disadvantages of this continuing method are (a) receivables and payables must be adjusted each **time** there is a difference between the amount recorded and the amount received or paid, or when materials are returned, (b) it is **sometimes** difficult to reconcile payments with payables when there are partial payments, and (c) payables **are** subject to being duplicated when payment is made unless adequate controls are established. For these reasons, periodic analysis and adjustment of the receivables and payables are necessary.

D. Adjustment Entries Required by Accrual Accounting

1. When the accrual **basis of accounting** is employed, "the accounts are adjusted **periodically to make the** data which has been recorded as **it** occurred, consistent with the basic assumptions of the system, i.e., the matching of expenses with revenue for the comparable period. The **accounts must be reviewed** to ascertain whether the expenses incurred in current and prior periods **have been allocated properly**, whether any revenue **has been** recognized that has **not** met the earnings test, and **whether any expenses** have been incurred but not **recorded, or** recorded but not incurred. **In reality, what must be done is to** adjust the cash flow for "leads" and "lags" which **have occurred** during the period. Although there are numerous adjusting entries, nearly all of them can be classified into four major types:

- I. Expense incurred by the gradual consumption of an asset.
- II. Expense and liability increase **continuously** as incurred.
- III. Revenue earned by gradual performance of **service**.
- IV. **Revenue and** asset increase continuously **as earned**.

2. **Type I Adjustments - Expense incurred by the gradual use of an asset**

Expenditures are frequently made which will benefit more than one accounting period. When this occurs, the **outlays must** be allocated to the periods in a manner which approximates the usefulness of goods and services in the provision of services as a necessary step in determining total costs for each period. As a general rule, such **expenditures are** initially charged **to asset accounts and are** gradually converted to expenses through adjusting entries over a period of **time. These assets are** **sometimes** viewed as deferred. **When the** service potential of the assets **has** expired, the **cost** of that service potential is recognized as an expense in the periods which benefited from the expiration. The three principal types of such assets are:

3-60-20 Continued)

- a. **Inventories** - these become expenses when they are **consumed**. For example, significant quantities of material; and supplies. They **are** accrued expenditures when received.
- b. **Deferred Charges** - these include leasehold **improvements and other services** received, the cost of **which is** to be spread over subsequent benefiting **periods**. They **are** also accrued expenditures when **received**, but **expenses** when amortized. See **also** paragraph 1-10-30C.
- c. **Long-Lived Assets** - these are fixed assets such as buildings and equipment. The mechanism to convert their cost to expense is called depreciation. They are accrued expenditures when received, physically or constructively.

It should be noted that the foregoing classification does not include prepaid expenses, which occur when payments are made in advance of receipt of service. As explained in subsection **1-10-30E** these items are classified as advances and represent neither accrued expenditures nor accrued expenses.

3. **Type II Adjustments** - Expense and liability increase continuously as incurred

Expenses that have been incurred but are not yet due and payable and that accumulate with the passage of time must be recognized as accrued expenditures and expenses in each applicable accounting period. Generally a liability exists for each such accrued expense. This liability is created by a credit to the appropriate accrued liability account and by a debit to the proper program cost or expense account. An example of this type of adjustment is to record the interest expense applicable to the current accounting period which will be paid during a future period. In some instances the liability accrued may not be legally recognizable as an obligation against an appropriation, such as accrued employee leave. **In** such cases the credit is to an unfunded liability account and the contra expense debit is excluded from accrued expenditures. In a limited number of other cases, the accrual of the expense may not concurrently create a legal liability, as in the case of certain public **assistance** provided to beneficiaries for which the Government is not legally liable for its share until the services have actually been paid for by the States.

These accruals would also be classified as unfunded expenses, but not accrued expenditures and the credit would be to an unfunded provision for future payments to States.

4. Type III Adjustments - Revenue earned by gradual performance of service

There are times when payment will be received for goods and services before the **goods** are delivered or the services are performed. In essence, the "buyer" has made an advance payment which the "seller" must recognize as a liability **or** unearned income until the necessary performance required of him **takes** place. A common example of this **type** of adjustment is where revolving funds receive payment in advance.

5. Type IV Adjust mts - Revenue and asset increase continuoulsy as earned

Uncollected revenues (such as interest on notes receivable) that have been earned but are not yet due and collectible and that accumulate with the passage of time must be recognized in each applicable accounting **period**. **An asset exists** for each accrued revenue. This asset is created by a debit to the appropriate accrued receivable account and a credit to the proper **revenue** account.

6. Reversing Entries

In recording the actual cash receipts **or** payments of **items** that have been accrued, it is easy to forget **to** make a division between what portion belongs in the current period and what has been accrued in the past. In addition, subsequent collections and payments of accrual items frequently cannot be properly recorded without reference to the accrued adjustments that were made at the close of the previous accounting period. Consequently, it is sometimes simpler to make reversing entries the following month in regard to certain accrual adjustments. In a reversing entry, the accounts and amounts are the same **as** in the entry that is being reversed, but the debits are replaced by credits and visa versa. In short, it has the effect of canceling a preceding entry. See also subsection **3-60-20B**. Reversing entries should be made to offset only those types of accrual adjustments which resulted in the creation **or** increase in an asset or liability or similar account. This would exclude the Type I and **III** adjustments, since it is presumed that the original transactions were originally charged to

(3-60-20 Continued)

assets or credited to liabilities and the accrual entry reflects **their** gradual **consumption or earning**.

3-60-30 ADP ADAPTATION**A. General**

Since the continuing method **of** accrual generally will be utilized by **DHEW** agencies, it is important to understand the concept **of** accrual accounting under the ADP procedures in the DHEW Accounting Manual. Through the utilization of uniform transaction codes and accounting entries and through the utilization **of** ADP equipment, it is possible to place much **of** the burden **of** the **accrual** process on the computer.

B. Concurrent Obligations and Expenditures

1. Under the accrued expenditure concept as defined in **BoB** Circular A-34 dated July 1960, as revised, certain object classes of expenditures will immediately be accrued as expenditures as they are **obligated** and in the same amounts as the obligation. The "Umbrella" system is designed around this principle and the transaction codes and related accounting entries, coupled with ADP programming techniques, afford a full scale accrual accounting system.
2. Transactions properly coded will enable the computer to currently adjust the general ledger accounts. The processing of a transaction with the related documentation automatically adjusts account balances and allows the preparation of accounting reports on a continuing basis. The following chart **shows the basic** accrual transactions as **they** occur under the **"Umbrella"** system (excluding budgetary entries).

BASIC ACCRUAL TRANSACTIONS

Asset		Accounts Receivable	Cash (Disbursing Funds)	
		5 \$10,000		6 \$110,000
2	\$10,000			
3	\$10,000			
Accounts Payable			Accrued Liabilities	
6	\$55,000	2 \$60,000	6	\$55,000
6	\$5,000		6	\$5,000
Expense			Income	
1	\$60,000	6 \$10,000		4 \$10,000
2	\$50,000			5 \$10,000
3	\$50,000			
		<u>Advances to:.....</u>		
		3 \$60,000		
		<u>Advances from:.....</u>		
		4 \$10,000		

- 1 To accrue (and obligate) object classes, 11, 12, 13, 21, 22, 23, 42, 43, 44, 98 and 99.
- 2 To record receiving reports and estimate monthly accruals for object classes, 24, **25**, 26, 31, 32, 33, 41, 96 and 97.
- 3 To record receiving reports and estimated monthly accruals for equipment, supplies and services paid on an advance basis.
- 4 To record invoices rendered for sale of goods or services financed from advances.
- 5 To record invoices rendered for sale of goods or services.
- 6 To record disbursements and partial or complete liquidation and expense adjustment.

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3, For example, many obligations recorded at the beginning of the month for fund control purposes represent services received by the end of the month. Therefore, in these cases, obligations **are concurrent** with accrued expenditures; Accordingly, the transaction codes in Chapter 4-40 have been developed to establish the accrued expenditure and obligation simultaneously in the case of the following object classification codes:

- 11 • Personal Compensation
- 12 • Personal Benefits
- 13 • Benefits for Former Personnel
- 21 • Travel and Transportation of Persons
- 22 • Transportation of Things
- 23 • Rent, Communications and Utilities
- 42 • Insurance Claims and Indemnities
- 43 • Interest and Dividends
- 44** - Refunds
- 98 - Unvouchered

4. In each of these cases, there is normally no documentation to represent the incurring of monthly expenditures other than the obligation document itself. However, at month-end, best estimates or computations based on methods described hereafter will also constitute a valid basis for adjusting the obligation and accrual of expenditures.

C. Nonconcurrent Obligations and Expenditures

1. On the other hand, obligations for many other object classes do not always concurrently represent accrued expenditures. Transactions in these object classes are not expenditures until the point in time when the goods or services are received, or where there is, constructive receipt (performance), as defined in paragraph **1-10-30F**. The largest **of** these object classes in terms of dollars and units are those connected with grants and contracts. The object classes where obligations generally are not concurrent with accrued expenditures are:

- 24 • Printing and Reproduction
- 25 • Other Services (Contractual)
- 26 • Supplies and Materials
- 31 • Equipment

- 32 - Land and Structures
 - 33 - Investment and Loans
 - 41 - Grants, Subsidies and Contributions
 - 96** - Undistributed U. S. Obligations
2. Some obligations for direct operating expenses recorded at the beginning of the month for fund control purposes do not represent goods and services which will be received in the current month. These object classes are also treated as undelivered/unpaid orders and not accrued expenditures, until such time as the goods or services are received including, of course, constructive performance **or** receipt as defined earlier. Transaction codes have been established for all recurring types of activity which would be affected by the **accrual process**, including receiving reports (partial and **final**), reports of expenditures, interest costs, etc.

3- 60-40 MONTHLY ACCRUALS FOR GRANTS. CONTRACTS. INSURANCE CLAIMS. LOAN COSTS AND INTEREST PAYMENTS

A. General

1. This section describes procedures required to accrue monthly program **costs**, expenditures, and losses chargeable to **DHEW** resources, but which **were** originally **incurred** by organizations and individuals "outside" of the **DHEW** organization **structure, under the terms** of grants, contracts, and loan and other agreements. Accounts and accounting entries concerned are identified in many cases to clarify the description. The accounting for **DHEW** revenue generated by these "outside" activities is discussed in Section **3-60-60**.
2. One of the principal problems in accounting for "outside" activities arises from the fact that DHEW is almost entirely dependent upon individuals outside of its administrative control for the **necessary reports on** the financial transactions affecting DREW resources. Often these individuals themselves are wholly dependent for their information on reports from secondary grantees, intermediaries, **or** subcontractors **to whom some** of the funds may have been transferred for ultimate expenditure. Until such **time as more** frequent financial reporting **to** DHEW by many **outsiders** is deemed feasible, it will be necessary to estimate

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transaction amounts for the monthly intervals between the periodic reports submitted by the various outside recipients.

3. Another major reporting problem arises from the fact that practically all grantees and others required to account for DHEW funds, keep their books on a cash basis and report their transactions in the same manner. Some also use the obligation or encumbrance basis of accounting. DHEW, **however**, is required to report expenditures by these sources as well as **its** own expenditures on an accrual basis. This adds the complication of converting estimated and actual cash disbursements to accrued expenditures.
4. In the following parts of the section; methods are presented for arriving at monthly estimates of accrued expenditures for **DHEW** activities administered by outside organizations. Where the circumstances are such that equally valid or better results can be obtained by other methods, the latter may be used upon the written submission of a request to, and the approval by, the Deputy Assistant Secretary, Finance.
5. It is important **to** note that where matching funds or other cost sharing by grantees is involved, only the Federal portion of the expenditures and/or unpaid liabilities is to be accrued in DHEW accounts.

B. Accountable Grants - Project Type

1. Accounting Procedures and Grantee Reports

The following steps will be taken in accounting for grants where the grantee is required to account for the grant funds, and the grant is not the **program**-type discussed in paragraph C below.

- a, All advance payments by DHEW to grantees, including withdrawals under letters of credit and similar advances to sub-grantees, will be treated as accountable advances to non-Federal agencies. The unexpended balances less applicable estimated unreported accrued expenditures of grantees will be included with the other fund-type asset and liability balances reportable monthly to Treasury on Form **BA-6727**.
- b. Grantees will be required to report not less frequently than quarterly their (1) actual cash disbursements relating to grant funds and (2) the unexpended cash balances in their hands and in the hands of secondary grantees (which latter amount may be statistically determined).

(3-60-40 continued)

- If a grantee keeps his accounts on a accrual basis (as distinct from the obligation or encumbrance basis), his expenditure reports should also be on the accrual basis reconciled to the cash balances. The advance accounts will be individually credited with the reported disbursements, and the balances in the advance accounts will always represent amounts for which the grantee is still accountable. Appropriate program expense accounts will be charged with the reported expenditures.
- c. At each month-end, estimates will be made, down to the common accounting number (CAN) level of expenditure incurred but not yet reported by grantee (and sub-grantees). These estimates will embrace both the net unpaid liabilities as of the date of the last report of grantees reporting on a cash basis, and accrued expenditures of all grantees from the date of their last report through the current accounting period; Definition of net unpaid liabilities and estimating methods are given in subparagraph 2 and 3 below.
- d. The amounts estimated will be recorded by blanket entries charging the appropriate program expense Accounts and crediting in total for each appropriate the Advances to Non-Federal Agencies, or Accounts Payable Non-Federal Agencies, without distribution to individual grantee accounts. See paragraph 3-60-20 B for methods of entry and reversal.
- e. Where grants are initially financed wholly by grantee funds and the grantee bills DHEW monthly for reimbursements due or where the monthly Federal reimbursement payments to grantees are scheduled approximately with performance, the payments will be charged directly to program expense and credited to cash. In the event the current payments are not made in the current month the credit entry will be to Accounts Payable Non-Federal Agencies and reported to Treasury under that heading on Form M-6727. The accrual will be reversed the beginning of the next month, when the reversal is usually made.
- f. The accounting for cash advances and grantee-reported payments relating to grants financed through the Grant Management Fund will be in accordance with the provisions of Chapter 10-50 of the DHEW Accounting Manual. The monthly

(3-60-40 Continued)

estimates for unreported grantee accrued expenditures required by c above and outlined in paragraph 2 below will be developed by the Grant Management Fund (GMF) organization in collaboration with the parent agency and the amounts should be recorded in the accounts of both the GMF and the parent appropriation. On the Grant Management Fund books, the debit for the estimates will be to the liability (Advances from Other Federal Agencies) and a credit to Advances to Other than Federal Agencies, without distribution to individual grant or grantee accounts. The corresponding entry on the parent agency books will be a credit in exactly the same amount to the **reciprocal** account - Advances to Other Federal Agencies and a debit to program expense (CAN).

2. Estimating Grantee Expenditure&

- a. As stated in subparagraph **3-60-40B1c** above, there are two elements of unreported grantee accrued expenditures chargeable to project grants which will be estimated and recorded each month and reversed in the following month. These are:
(1) the "net unpaid liabilities" of grantees reporting on a cash basis as of the ending date of the period covered by their most recent disbursement reports and (2) grantees' expenditures accrued since the period covered by the most recent disbursement reports through the eurrent month. (It is assumed that disbursement reports will be recorded during the month as received.)
- b. As used in this section, the **term** "unpaid liabilities" covers amounts due and unpaid for services; materials and equipment received by grantees and subgrantees whether billed or unbilled; salaries and wages earned but unpaid including accrued annual leave where not otherwise provided for; and properly applicable indirect expenses earned but not yet charged to the grant by the grantee. It does not include unpaid, undelivered orders **or** similar types of obligations **or** encumbrances.
- c. As used in this section, the term "net" as applied to unpaid liabilities means the amount developed by (1) the sum of: grantee unpaid liabilities (other than to subgrantee), subgrantees' unpaid liabilities (other than to grantee and disbursements made by subgrantees from their own funds for which **reimbursement** has **not** yet been made from grant funds and less (2) unexpended advances of grant funds in the hands of subgrantees.

- d. There are various ways in which unreported grantee accrued expenditures may be estimated monthly. Under some financing **arrangements**, grantees **are required** to submit quarterly their estimates of monthly fund requirements for the next quarter. These projections may be used where experience indicates that they are generally valid and reliable as measures of projected accrued expenditures.
- e. Experience may indicate that expenditures follow a standard cost **curve** such as one of those described in paragraph **K** below, from which the estimates may be developed accordingly.
- f. The method outlined in this **subparagraph** will be used when computing accrued expenditures employing individual grant computations. The formulas are based on limited use of straight line projections, but adjustments are subsequently made for actual experience each time grantee disbursement reports are received. Errors, therefore, do not accumulate and in a sufficiently large universe, they should tend to offset.
- (1) The formulas require the use of factors to be developed for estimating net unpaid liabilities of grantees for the principal types of grants. These factors, when applied to individual average monthly disbursements of grantees, will produce the amounts required to convert cumulative grantee disbursements to cumulative accrued expenditures. The statistical sampling procedures required to develop and update these factors are discussed in Section 3-60-70. While the results of the formula are generally reliable only in the aggregate, the calculations are made from data for each individual grant for which **estimates are** needed. In most instances, use of computer facilities will be required. It should be noted that two formulas are presented. The first is used where no grantee disbursement reports have yet been received under a grant (situation 1) and the second for grants where one or more reports have been received (situation 2).

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- (2) Situation 1: No disbursement reports have as **yet** been received from grantee,
- (a) Divide number of months elapsed through current month since the starting date of grant or of the current funding **period** by total number of months of grant **or** current funding period.
 - (b) Multiply amount of grant or current funding amount by the decimal fraction produced in (a), above.
 - (c) Accumulate results by program account numbers (**CAN**) and combine with similar accumulations under Situation 2 below.
- (3) Situation 2: One or more disbursement reports of grantee have been received and recorded.
- (a) Divide cumulative reported disbursements by the number of months covered by reports, to obtain average monthly disbursements.
 - (b) Multiply average monthly disbursements for each type of grant by the pre-determined ratio of net unpaid liabilities to average monthly disbursements, discussed in Section 3-60-70.
 - (c) Result of (b) represents assumed amount of grantee unpaid liabilities applicable to the grant as of the end of last disbursement report period.
 - (d) Divide number of months since last disbursement report period through current month, by number of months since last disbursement report period through the end of the grant current funding period.
 - (e) Determine potential accrued expenditures from last disbursement report period to the **end of** the grant or funding period by subtracting from the grant or current funding amount the accrued expenditures through date of last disbursement report period, **i.e.**, reported disbursements plus **assumed** unpaid liabilities at end of disbursement report period, item, (c) immediately above. If this total for any grant exceeds the amount of the grant, the amount for this step for such grant should be considered to be zero.

- (f) Multiply the results of (e) by the decimal fraction produced in (d) to obtain an estimate **of unreported** accrued expenditure^s from end of **last** disbursement report period to current date.
- (g) Accumulate result^s under (e) and (f) **immediately above by program account numbers (CAN)** and combine with similar accumulations under Situation **1 above** to establish an estimate of all unreported accrued expenditures to be reflected as the net unpaid liabilities as of the end of the month for the grant^s involved.
- g. Another method, described **in this** sub paragraph, or a valid modification thereof may be employed when estimating **accrued** expenditure^s for programs where there **are** large number^s of grants and it **is not possible or** feasible to establish accrued expenditures on an individual grant basis either manually or by computer. The method employs a series of ratios. Only a concept of the methodology is described here, as each program has unique characteristics which would require individualized application of **the steps** described below. The method **should be designed to use** data which is normally available from grantees **or** which can be derived from DHEW grant records. The methodology follows:
- (1) The average monthly amount of the outstanding grants for a given program will be determined. This can be done on a sampling basis **or** it can be obtained by segregating such **grants into** classes based on length of grant period, multiplying the number of **f** grants in each class by the number of months for each class, totaling the products, and then dividing the total into the aggregate **face amount** of all the grant^s involved. The result (**quotient**) is the average monthly **grant** amount for the given program. An example would be:

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<u>Number of Grants</u>	<u>Life</u>	<u>Product of Col. 1 x Col. 2</u>	<u>Aggregate Grant Amount</u>
(1)	(2)	(3)	(4)
1,000	12 Months	12,000	\$60,000,000
500	6 Months	3,000	15,000,000
Totals		15,000	\$75,000,000

$\$75,000,000 \div 15,000 = \$5,000$, Average monthly grant amount

- (2) A ratio is determined, normally as a result of statistical studies, which relates the average monthly grant amount to the average monthly grantee disbursements. This ratio can be **determined** from grantee reports either monthly, or quarterly as presently provided (where interpolation is **permissible**). In the example being followed it is assumed that sampling has indicated that grantees are **disbursing** at the **rate** of 90% of the average **monthly** grant amounts. Thus, the average disbursements of the grantees for this program is \$4,500 per month.
- (3) A third ratio is computed periodically which relates actual grantee disbursements month-by-month to the average monthly disbursements over *the* life of the grant. This ratio is most effectively determined through computer operations although it can be performed manually. The accumulation of a sampling of disbursement data from the quarterly or monthly reports presently required is plotted on a graph over which a straight line is laid representing the cumulative grant disbursements based on the average determined in (2) above. For example, the actual amounts during the first six months of a twelve month grant generally would be less than the average; correspondingly the actual amounts during the last six months generally would be in excess of the average. Thus the cumulative **amounts**, month-by-month, would describe an **"S"** sine curve. The formula for the **curve** would be determined on a "least squares" basis using the

straight **line as** a measure of central tendency. **Where** classes of different grant lives are concerned, this figure must be a **weighted average** of the point in **life** of the classes. (Three months would be the **1/4** point of the 12 month class and the **1/2** point of the 6 month class). Let us assume for the example that the ratio of actual to average in the third month is **90%**, which, applied to the average monthly expenditure would result in an estimated average actual expenditure of \$4,050.

- (4) The last ratio is that for estimating the amount of grantee unpaid liabilities. This ratio will be established by the periodic surveys described in Section **3-60-70** which relate grantees' unpaid liabilities to average monthly disbursements. These surveys will be made as often as is necessary to assure reasonably accurate information. In this example, the ratio can be assumed to be 30%. That is, the average grantee has unpaid bills and has received services and materials not yet due which amount to \$1,215 (30% of \$4,050).
- (5) The amounts in items (3) and (4) above are combined to arrive at the average grantee disbursements for the month plus unpaid liabilities. In this case it is \$5,265 (\$4,050 + \$1,215).
- (6) This amount is multiplied by the number of grants in the **program**. This provides the total **accrual** for the month. In this example the amount is **\$7,897,500**.
- (7) The amount in item (6) above is added to the accumulation from previous months of the figures from the computations in item (3) multiplied by the total number of grants (total estimated

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actual disbursements) to produce total cumulative grantee accrued expenditures. Where a program starts anew each year, there is no problem relative to a starting point, however where programs run continually, sampling of presently received grantee reports may be made and the results extrapolated to provide an estimate of the beginning total program disbursements at the beginning of the fiscal year.

- (8) Cumulative cash payments to grantees and letter of credit draw downs will be deducted from the amount in (7) above, the total estimated accrued expenditures. The resulting difference representing the unreported accrued expenditures is charged to programs costs (CAN) and credited in blanket to Advances to Non-Federal Agencies Estimated Accruals. See paragraph **3-60-20B** for recording and reversing blanket entries.

3. Data Required for Estimating Formulas

- a. The individual grant data required for application of the accrual formulas in paragraphs 2f and 2g will be maintained as part of the existing grant records or by the establishment of a separate tape/card record for the purpose. **The** following information is required:
- (1) Grant number and type
 - (2) CAN or other account designation chargeable with grant expenditures
 - (3) Factor ratio of net unpaid liabilities to average monthly disbursements for this type of grant (see Section **3-60-70**)
 - (4) Year and month **of** start of grant or current funding period
 - (5) Year and month of end of grant or current funding period
 - (6) **Amount** of grant **or** current funding
 - (7) Year and month of end of period covered **by latest** recorded disbursements reported by grantee.
 - (8) Most recent cumulative disbursements reported by grantee.

- b. With the foregoing data **in** machine readable form the monthly computation of unreported accrued expenditures under the **formula** can **be** fully automated. It is essential that the **data** file be current in every respect as of **the** close of each month before the accrual **caiculations** are made. This means that the record will include (1) all disbursement reports of grantees received and entered in the accounts, (2) all changes in starting and ending dates, and (3) all changes in amounts of grants or their current funding in effect as of the close of the accounting period.
- c. When grants cover more than one CAN, the amounts of the grants' current funding and **reported** disbursements must be established and recorded separately for each account.
- c. Accountable Grants - Program Type
1. General
- a. There are a number of programs, some very substantial in amount, where **DHEW** contributes supporting funds, generally to state and local governments. In some cases the amounts are computed on the basis of statutory formulas applied to factors over which **DHEW** has no control and the grants are really "open-ended". In most of these programs the grantees are required to report periodically on their disbursements chargeable to such grants. The monthly estimatfng and accruing of these disbursements and conversion to accrued expenditures are discussed in this paragraph C.
- b. Disbursement reports will be obtained from all grantees at least quarterly. On the basis of these reports and formulas developed from periodic studies of outstanding claims and liabilities, reasonably accurate monthly estimates of grantees' accrued expenditures will be made as described in the following subparagraphs.
- c. These monthly estimates and periodic adjustments will be recorded as program costs whether or not there are sufficient appropriated funds to finance them. To the extent the appropriation is insufficient to cover these accruals and there is

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Congressional authority to incur these liabilities **or** claims without charge to an appropriation or fund, these accruals will be credited to unfunded accrued liabilities **or** claims which are not reportable to **Treasury** 8s liabilities on Form BA-6727. In these cases **the** related costs will be excluded from accrued expenditures until funded by appropriations, **at** which time the transactions become accrued expenditures as defined by BOB Circular **68-10** (and obligations incurred) but are not again **reported as costs**. The aim of **accrual** of costs here, **as** elsewhere, is to measure as accurately ^{8s} practicable each month the actual costs incurred by the Government, regardless of the funding aspects.

- d. The unfunded costs and related liabilities or claims should not **be** confused with costs **and** expenditures accrued under authority to obligate and expend in the current year against appropriations to be made for the following year. The latter transactions are considered funded costs and accrued expenditures, even though the appropriation has not yet been received. Furthermore, the concept of unfunded costs does not apply to overexpenditure or overobligation of **an** appropriation when there is no legislative authority to incur costs without advance appropriation. In such case the expenditure overrun represents a violation of the Anti-Deficiency Act **and** must be recorded as an **accrued** expenditure and the violation reported as required by law.
- e. Programs-type grants are so different in nature and spending patterns that separate studies for estimating grantees' unpaid liabilities will be required for each major program. Surveys will be made in a number of States to determine applicable **techniques**. The surveys outlined in Section **3-60-70**, below, are for establishing ratios of these unpaid liabilities to average monthly payments of grantees or for the development of **charac-**teristic cost curves. Pilot surveys indicate that, because of the magnitude of these programs and the multiplicity of payment points, (including, in some instances, substantial numbers of secondary grantees or intermediaries) considerable use may have to be made by DHEW agencies of statistical

sampling methods, both in the selection of States for the studies and by State **agencies** in their development of the **information** required. Stratified **sampling** (by size) and other statistical techniques as described in Section 3-60-70 will be **used with** a view towards obtaining the maximum reliability possible under the **circumstances**.

- f. Some maintenance payments under Public Assistance programs, have substantial **amounts** of due but unpaid claims at each month-end. The Federal share of such amounts will be statistically estimated using procedures outlined in Section 3-60-70, below. Any estimated claims will be included in the adjustment for grantee unpaid liabilities chargeable to such programs.
- g. In the program of Aid to Educationally Deprived Children, the bulk of the funds are transmitted by the States to local educational agencies (secondary grantees) for the conduct of the **program**. Information, on a sample basis, will be obtained from which to project the amount of unpaid liabilities of these secondary grantees which, along with expenditures of **the** prime grantee, are chargeable to the grant funds.
- h. When the amounts of unpaid liabilities at each month-end are to be obtained for a program by a statistical sampling of States, the amount for the entire program will be determined by extrapolation, using the ratio which the total program expenditures for all States bears to the similar total for the reporting States (the sample used) unless some other available base would produce a more statistically reliable accrual.
- i. Smaller programs with State and local governments will require further studies to develop statistically reliable methods for determining applicable unpaid liabilities as of each month-end. Where possible, the grants of individual programs will be combined into groups with relatively homogeneous liability and **length** of life characteristics so that statistical sampling may be applied.

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j. Entries recording unpaid liabilities of States and local government applicable to DREW programs should be set up in blocks identified by **common** accounting numbers with charges to the applicable program expense and undistributed credits to accrued liabilities or advances to States and local governments. When unpaid liability data on more than one program are required by a single **DHEW** agency from a single State agency, the several requirements will be coordinated and combined into a single request. See paragraph **3-60-20B** for methods for recording blanket entries.

2. SRS Open-End Grants

- a. SRS has several major programs financed by "open-end" grants. Chief among these are grants to States for the Federal share of maintenance payments and medical assistance to needy persons. The States report on these disbursements at least quarterly. From these reports current monthly estimates for accruals will be made as outlined in paragraph 1 above. If the disbursements have been financed by advances to the States, the credit side of the estimated accruals will be to separate credit balance sub-accounts contra to the advance accounts for the individual States in order to retain intact the amount of the advances yet to be accounted for by each State. Upon receipt of the grantee's quarterly disbursement report, the contra sub-accounts would be debited and the advance account proper would be credited with the reported disbursements. Any difference between the estimates and the actual would also be adjusted at that time.
- b. Most State agencies account for grant funds on a cash basis. For any large-scale **program**, there is therefore likely to be a substantial **amount** of unpaid liabilities and claims outstanding at the end of any accounting period. Statistical studies will be made to establish and revalidate from time to time, ratios of such outstanding amounts to average monthly or quarterly disbursements for **each** major program (See Section **3-60-70**). Applying these ratios to reports of actual cash disbursements or to current estimates of State agencies' cash disbursements produces

current estimates for the accrual of their outstanding liabilities and claims in the accounts. **As** in the case of the cash disbursement estimates, the credits for these accruals must be associated with, but kept separate from, the primary advances accounts in order that amounts **of** advances yet to be accounted for by the grantees may be clearly shown.

3. SSA Open-End Grants

- a. The Government is required by law to make certain periodic payments (grants) to Social Security Trust Funds. The amount of one of these grants -- payment for military service credits -- is fixed by actuarial calculations every five years and presents no accrual problems other than requiring **the** determination as to which year's costs each annual payment relates. In the trust fund **accounts**, the receipt of these payments is treated as revenue and will be accrued on the same basis and in the same amount as the payments from the appropriation. See subparagraph **3-60-60B2**.
- b. The other Government payments to the Social Security Trust Funds are "open-ended", in that the amounts depend entirely on certain uncontrollable events, such as the number of voluntary participants in the Supplementary Medical Insurance Program for whom the Government is required to make matching premium contributions. Costs of these contributions will be accrued in the various appropriation accounts as they are incurred. Concurrently, revenue in equal amounts will be accrued in the respective trust fund accounts as outlined in subparagraph **3-60-60B2** of the revenue section of this Chapter. These cost accruals in the appropriation accounts will be classified as accrued expenditures. **If**, however, the total charges exceed **available** funds in the appropriation and there is legislative authority for carrying the liability as unfunded, the excess costs would be treated as unfunded and the liability recorded as "Unfunded Accrued Liabilities - Federal Agencies". Such amounts would not be reported as accrued expenditures until appropriations are made available to liquidate the unfunded liability.

c. Under the National Defense Student Loan program, the Federal Government is required to reimburse institutions of higher education for their portion of loan principal and interest relating to student loan cancellations resulting from students accepting teaching assignments under the provisions of the NDEA Act of 1968, as amended. (See **3-60-401** for treatment of Federal share of loan costs). The school's portion of such cancellations is based on its respective **percentages** of ownership in the NSDL **funds**. The comprehensive annual financial report **from** schools shows the amount of principal and interest **on** teacher cancellations resulting from a full year's teaching. Reports may be obtained semiannually if needed to assist in reliably estimating such cancellations. OE will utilize the most recent of these reports from schools to determine monthly estimates for the accrual of this unreported liability or use experience of similar institutions adjusted for differences in timing and volume of **NDS** loans. This entry will be a credit to Accrued Liabilities - Non-Federal Agencies and a debit to program expense (CAN). Appropriate adjustments of the estimates will be made upon receipt of the **reports** of actual cancellations. (See paragraph **3-60-20B** if entries are made on a blanket basis). No provision is to be made in advance for future cancellations of existing loans. To the extent that there is authority to incur these liabilities in advance of appropriations and the authority is so used, the accruals will be recorded as unfunded entries.

5. NIH Open-End Loan Subsidy Grants

- a. The Federal capital contribution program, Sections 741(i) and 823(c) of the Public Health Service Act, require the Federal Government to reimburse schools for their portion of unpaid principal and interest

(3-60-40 Continued)

on student loan write-offs from cancellations. These write-offs or cancellations arise from doctors and nurses commencing practice in the professions or from death or disability of the borrowers. The comprehensive annual financial reports from schools (PHS 4663-23) to the Bureau of Health Manpower show the amounts of principal and interest on such loan cancellations. Reports will be obtained quarterly from which **NIH** will develop **estimates** for the accrual of this appropriations liability. In the absence of reports, the experience of similar institutions, adjusted for differences in timing and volume, should be used. The entry would be a debit to program expense (CAN) and a credit to Accrued Liabilities-Non-Federal **Agencies**. Appropriate adjustments of the estimates will be made upon receipt of the quarterly reports of actual cancellations.

- b. Under **Sections 744(b)** and 823(b) of the Public Health Service Act, the Government is required to reimburse out of appropriated funds, most of the losses sustained by the schools on student loans which have been financed by borrowings from the Health Education Revolving Loan Funds. Reimbursable losses consist of (1) cancellations of student loan interest and principal for service in the health and nursing professions, (2) death or disability of the borrowers, (3) 90% of the losses due to defaults of **borrowers**, (4) collection expenses on student loans, and (5) the excess of the amount of interest payable on the schools' borrowings from the Health Education Revolving Loan Funds over the interest which they actually collect from students on loans made from such funds.
- c. Schools report the foregoing losses periodically. Such reports will be placed on a semiannual basis as rapidly as possible. Monthly **estimates** of the losses will be made in the light of current trends and other program data available. The amount will be charged to program expense (CAN) in the absence of reports, estimates will be made based on experience with comparable schools, adjusted for volume and timing. The credit side of such entries will be to Accrued Liabilities-Federal Agencies, since the money is not actually paid to the schools but to the Revolving Loan Funds

where it is applied **against** the indebtedness of the schools for interest and principal on their borrowings. Appropriate adjustments **will** be made to the accruals upon receipt of the schools' reports of actual **transactions** for the same period. **See paragraph 3-60-20B** for methods for recording and reversing blanket entries.

- d. The Interest differential portion of the Sections 744(b) and 823(b) accrual will be based on the difference in face amounts between the interest due the Revolving Funds by the schools, computed on an accrual basis, and the interest (if any) actually collected by the schools from the student borrowers whether or not remitted to the Revolving Funds by the schools at the reporting **date**. The portions of the other loss items are based on the actual amounts reported by the schools or estimated in the absence of reports.
- e. An additional, but unfunded, liability will also be established for the potential net **loss to be sustained** under Sections 744(b) and 823(b) on **student** loans outstanding as of the report date and which **is not reflected** in the schools' financial reports. These **are** losses that would normally be provided by the establishment of allowances for cancellations **due** to death and disability (but not for the "professional service" cancellations) and 90 percent of defaults less accrued but uncollected interest on student loans in repay status. Estimates will be made for such net accrued losses based on such experience and information as is readily available. The entry is a debit to program expense (CAN) and a blanket credit to Unfunded Accrued Liabilities - Other Federal Agencies. When **these** losses are actually sustained and funded, the related unfunded provision will be reversed.

D. Construction Grants

1. General

Chapter 10-40 of the **DHEW** Accounting Manual authorizes payments of specified percentages of construction grants according to specified percentages of completion of the work. Expenditures under these grants accrue as the construction work progresses whether or

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not reports and billings for the progress have been received from the grantees.

2. Estimates of Construction Progress

- a. Subparagraphs b and c following, provide **alternative** methods for developing estimates for accruing unreported construction progress. Estimates of progress will consider the value of work in **place** plus the value **of** materials on hand not installed, and the value of substantial components in progress of fabrication by vendors. Entries for the accruals will be on a blanket basis with debits to program expense and credits to **Accrued Liabilities - Non-Federal Agencies**. See paragraph **3-60-20B** for methods for recording and reversing blanket entries.
- b. **Where** periodic site-engineer progress reports are available or can be practicably obtained, accrued expenditure curves **or estimates may** be developed by analysis of the reports and may be used in estimating the accruals since the last reports. Where site-engineer progress reports are not obtainable, the accrued expenditure curves or estimates may be developed from studies of certified grantee progress reports used to support requests for payments. Recurring studies will be made from time to **time** to establish the validity of accrued expenditure curves.
- c. Estimates of construction progress from the end of the period covered by the latest grantee progress report through the current month will be made each month or as frequently as practicable for all construction grants. The estimates of such progress for large grants may be made each month on a grant-by-grant examination and evaluation by knowledgeable program staff. For smaller grants, projections of monthly progress for the next three to six months or longer, where appropriate, may be prepared by program staff at the time of **the award** and when each progress report is subsequently received from the grantee.

3. Excess Payments

Under some circumstances cumulative grant payments may exceed the value of the cumulative progress of the project. In such cases the excess of cumulative payments over the value of work progress must not be charged to program expense but to Advances-Non-Federal Agencies.

E. No-Performance Grants

Grants based on statutory entitlement and which require neither performance by the grantee nor his reporting on the use of the funds, become accrued costs upon the establishment of entitlement. If funds are currently available, these grants are accounted for as accrued expenditures concurrently with entitlement. If funds are not available, the accrued expenditures and costs will not be recorded until funded. Amounts withheld from grants pending subsequent validation of entitlement **should** be carried as a liability since the full amount of the grant is considered to be a cost incurred upon entitlement. These grants will be recorded in the accounts as soon as the entitlement is assured.

F. Direct Fellowships

Fellowships paid directly to students by operating agencies **or** through the Division of Central Payroll will be charged to program expense (CAN) as paid. If any significant amounts of these stipends are paid in advance of the month in which "earned" or are not paid until some month following that in which "earned", appropriate adjustment must be made to record the prepaid expense or accrued liability, respectively. However, tuition grants will be charged off as accrued expenditures at the time of payment without proration over the academic periods covered.

G. Contracts

1. Coverage and Bases for Accruals

There are three types of contracts to which the procedures prescribed by this paragraph **apply: cost-type, fixed-price, and fixed-rate** contracts. In each case, performance by the contractor (or his sub-contractor) by which payment is earned is the test to be applied in determining DHEW accrued expenditures. For cost-type contracts, contractor performance is represented by his **costs** actually incurred (and related fee earned if any); for fixed-price contracts, performance amounts are based on the stage of completion or other satisfactory evidence of contractor performance; and for fixed-rate contracts, performance "amounts" represent the product of the units of work performed times the established rate or rates.

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2. Reporting by Contractors

8. To obtain reimbursement or credit against advances, contractors periodically bill DHEW for work performed. While these billings are generally monthly, it is not usually possible for contractors to submit their bills each month in time for DHEW agencies to enter them in their accounts for the period covered by the bills. The periodic Contract Financial Report (form HEW 515-4/69 Exhibit X3-60-1) prescribed by the Handbook entitled "Procedure for **Reporting Financial Information** by Contractors" will provide the principal **basis** for estimating and recording each month the accrued expenditures for unbilled contractor performance. The report will also provide data of value to project and contracting officers in monitoring contractors' progress and to budget officers in projecting contract expenditures.
- b. The Contract Financial Report will be required on a monthly basis for all contracts with private enterprise (Industrial **and Commercial** Activities) for which average annual expenditures will exceed \$250,000 including contract amendments. The form may also be required on 8 monthly **basis** for smaller contracts with private enterprise at the option of the **contracting** or project officer.
- c. The Contract Financial Report will be required quarterly for all contracts with private enterprise (Industrial **and Commercial** Activities) for which average annual expenditures will range from \$100,000 to \$250,000, including contract amendments, unless monthly reporting has been prescribed. This report will also be required for all contracts and agreements with Federal agencies, States and other non-profit organizations involving annual expenditures over \$100,000 including contract amendments. It will also be required for all contracts involving average annual expenditures less than \$100,000 but not below \$25,000 for which contractor billings are not made at least monthly. Certain modifications of the foregoing requirements are authorized in subparagraph d. below.

d. Neither quarterly nor monthly Contract Financial Reports will be obtained for accrual purposes from contractors if the program in which they are **participating** is being treated **by** statistical methods for determining cost or expenditure accruals or if the **DHEW** agency determines that comparable information can be obtained by some other approved procedure. Written authority from the Deputy Assistant Secretary, Finance will be obtained for exemption from use of the Contract Financial Report forms.

3. Accounting for Contract Accruals

At the close of each month, estimates will be made and recoded for otherwise unrecorded contractors' costs incurred through the close of the current period using, to the extent available, data included in Contract Financial Reports or other comparable information received from contractors.* The amounts of accrued costs will be recorded by debit to the appropriate program cost accounts (CAN) and a blanket credit to Accrued Liabilities - Non-Federal Agencies (or Federal Agencies) or Advances to Non-Federal Agencies (or Federal Agencies) without distribution to individual contractor accounts. See paragraph **3-60-20B** for blanket accrual and reversal entries. Where withholdings have been made on progress payments, care will be taken to see that full amounts of all unapplied withholdings are charged to program costs (CAN) and included in Accrued Liabilities - Non-Federal Agencies at the close of each period.

H. Insurance Claims and Indemnities

1. Old Ane. Survivors and Disability Payments

a. As the benefits are paid early in the month following the month due, an amount equivalent to the entire payment represent; an accrued liability. In addition, it will be necessary to establish an accrual for claims in process. Claims which will be payable when presented will be accrued based on studies of retroactive payments and other pertinent factors. Studies to establish the relationship of these delayed items to the amounts paid will be used for accrual computations.

*adjusted, where necessary, to the calendar-month basis.

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Recurring studies will be made from time to time **to assure** the continued validity of accrual factors in use.

2. Supplementary Medical Insurance Payments

In developing the monthly accrual for supplementary medical insurance payments, it will be necessary to estimate unreported benefits to individuals based on sample data indicating level and cost of services performed. These unreported benefits **include** the benefits billed and unpaid plus the benefits incurred but unbilled. The accrual will be charged to the appropriate expense accounts (CAN) and established as an accrued liability. The factors used for the accrual will be periodically revalidated to assure continued reliability.

3. Hospital Insurance Payments

Accruals will be established based on current withdrawals of funds by intermediaries, revised as may be necessary to recognize adjustments based on final **cost** reports and audits. Current withdrawals of funds are based on providers' (hospitals, etc.) current case load and rates, regardless of time of providers' billings. Thus, intermediaries' needs approximately reflect estimated providers' performance and billings through the end of the current accounting period. An additional accrual will be made to cover the period between the intermediaries' last submissions and the end of the accounting period.

4. Losses On Insured Student Loans

- a. Losses sustained under insured student loan programs will be charged to program expense (CAN) upon approval of the claims for indemnity. The entire equity of the insured Student Loan Fund is considered reserved for such losses chargeable to the Fund. To be consistent with general Government practice, no accruals will be made for such costs whether chargeable to the Insurance Fund or to appropriations provided for the purpose.
- b. **If** there is any probability that a defaulted loan for which indemnity **has** been made, may ultimately be recovered in whole or part, the claim acquired against the **borrower** by subrogation will be recorded in **the** Fund as an asset with an offsetting valuation allowance based on a weighted **average**

probability of collection with the amount reserved charged to program cost. Differences between **amounts** estimated to **be** collectible and amounts actually **collected** will be **debited** or credited to **program costs (CAN)**.

I. Loan Costs and Losses

1. General

Under the various DHEW loan programs there are two principal types of costs and losses which may be experienced that will not involve further fund outlays but which will reduce funds which **DHEW** would otherwise subsequently receive. These losses arise from (1) inability to collect direct loans and advances made to institutions from appropriations and from **DHEW** revolving funds, and (2) costs and losses charged against the Government's equity in capital contributions to revolving student loan **funds** administered by colleges and universities. Provisions for these **non-fund** costs and losses will be made by accrual of valuation allowances against the related assets or in certain cases by direct write-off of the assets at the time the cost is incurred, in the manner hereinafter described.

2. Valuation Allowances on Direct Loans

Based on estimates provided by knowledgeable program officers, additions to valuation allowances will be accrued monthly for losses expected to be sustained due to death, disability and defaults of direct borrowers. In the case of direct loans to institutions where credit has been carefully granted or is secured, little if any provision for losses may be required. Accruals will be established by the application of **loss-experience** ratios to loans made during the month and the resultant amounts should be charged to program expense (CAN) (**non-fund**) and credited to the valuation allowances. Losses will be charged to the allowance accounts when **uncollectability** of the loans is established. Balances in the allowance accounts will be checked periodically for adequacy in relation to the amounts of loans **out-standing**, and the accrual rates will be adjusted prospectively as required.

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3. Valuation Allowances for Student Loan Fund Losses

The allowance for losses on Government equity in capital contributed to student loan funds, including such funds created by conversion of Education Opportunity Grants to Student Loan Funds, will provide only for expected losses due to death, disability, or default of the student borrowers. They should not cover the portion of such losses chargeable to the institutions' capital contributions or amounts reimbursable by the Government to the loan funds. The cost and expenditure for the latter **type** of losses are accounted for as fund transactions which are described in paragraph C. 4. of this Section. The amounts to be accrued for the death, disability, and default losses chargeable to Government capital equity will be set up each month by the application **of** established loss ratios to Federal capital contributions for the month. These loss ratios will be developed by knowledgeable program officers in the light of the experience with each type of loan. The rates will be adjusted prospectively as found necessary.

4. Treatment of Loan Cancellation

- a. No advance allowance will be made for anticipated loan cancellations because of teaching and professorial practice or for collection **and** administrative expenses chargeable to the Government's contributed capital, equity. These **charges** are considered to be **program** costs and expenses when they occur. **The** Government receives a service when any of these charges arise. Fiscal period costs of performance would be distorted by setting up reserves for them in advance. The difficulty in accounting for this type of cost and expense is in estimating the amounts that have occurred each month in advance of **receiving** periodic reports thereon from the institutions concerned. Estimates of such charges will be made each month based on available program data and experience. The accrual would be a debit to program expense (CAN) (non-fund) and a credit **to** a temporary suspense credit sub-account of the investment asset control account.

b. When the periodic reports on the changes in the Government's capital equity are received, entries will be made charging the valuation allowance and suspense credit accounts with the actual costs and losses reported, and crediting the investment account representing the capital equity. At that time any difference between the amounts estimated for teacher and practice cancellations and similar service-type charges discussed in the preceding paragraph, and the amounts actually reported will be adjusted so as to leave in the suspense credit account only the estimates of such losses for the periods for which reports have not been received from the institutions.

J. Interest Payments:

The only DHEW expenditures chargeable to object class 43, interest, occur in revolving funds financed by sales of participation certificates and/or appropriations on which interest must be paid to the Treasury when the funds are used. This amount is modified by the monthly amortization of premium and discount (if any) on sales of Participation Certificates. (See Paragraph 3-60-60D). Interest payable will be accrued monthly based on ~~FNMA~~ reports or computed from the interest base and applicable rate or rates, by debits to interest **expense** and credits to Accrued Interest Payable to Federal Agencies. Interest payments, when made, are charged to the Accrued **Interest** Payable Account.

K. Use of Cost Curves

1. General

a. The following subparagraphs outline the techniques to be utilized by agencies in the determination of accruals for grants and contracts **where** it is appropriate to use cost **curves** and time does not permit the use of survey methods to obtain the curve configuration.

(3-60-40 Continued)

b. The standard bell curve, **declining cost** curve and **straight line projection method** as outlined in the subparagraphs below will be utilized for grants and **contract** when current **expenditure** trends, **recent cost levels, or expenditure-reporting** on the part of the **grantee** are not available either **through historical data or current reporting**. These methods are easily adaptable to ADP or manual processing and will also provide cost **data for management purposes**. When cost curves are used, **comparison of actual costs to estimated costs and analysis of differences** should be accomplished as soon as the actual costs are available so that refinement of the **estimating process** may be accomplished. Ultimately, another technique may have to be utilized when expenditure trends and cost trends become available and do not conform to the percentages utilized in these methods.

2. Description of the Curves

The cost curves are as follows:

a. The Standard Bell Curve

The standard **curve** (Exhibit X3-60-2 and X3-60-3) may be used for those grants and contracts where the costs build up **slowly** during the initial phases of the term, then increase rapidly and finally level off toward the end of the term. For example, a grant or a contract for **\$1,000,000** which is to be performed between September 1 and June 30 might be estimated as follows:

		<u>% of</u> <u>Time</u>	<u>% of</u> <u>Cost</u>	<u>Amount</u> <u>Accrued</u>
Pete				
Sept.	30	10%	4.00%	40,000
Nov.	30	30%	18.25%	182,500
Jan.	31	50%	47.25%	472,500
Mar.	31	70%	78.50%	785,000
May	31	90%	97.50%	975,000
June	30	100%	100.00%	1,000,000

b. The Declining Cost Curve

The declining cost curve (Exhibit X3-60-4 and X3-660-5) is for those grants and contracts where costs build up rapidly at the beginning of the term because of startup costs and large material purchases, and level off during the later stages of the term. For example a fabrication grant or contract valued at 9600,000 would be accrued as follows:

<u>Time or Units Completed</u>	<u>% of Time or Units</u>	<u>% of Cost</u>	<u>Amount Accrued</u>
15	10%	18.00%	\$108,000
45	40%	49.00%	294,000
75	50%	72.00%	432,000
120	80%	94.00%	564,000
150	100%	100.00%	600,000

c. The Straight Line Curve

The straight line projection (total cost divided by time) is used for level of effort type of grants or contracts where costs remain relatively constant and stable during the term. For example, the estimate for a grant or contract for research services in the amount of \$100,000 to be performed between September 1 and June 30 is compared with the amount that would be recorded if it were appropriate to use the standard bell curve in the following tabulation:

<u>Date</u>	<u>% of Time</u>	<u>% of Cost</u>	<u>Amount Accrued</u>	<u>Bell Curve Amount</u>
Sept. 30	10%	10%	\$ 10,000	\$ 4,000
Nov. 30	30%	30%	30,000	18,250
Jan. 31	50%	50%	50,000	47,350
Mar. 31	70%	70%	70,000	78,500
May 31	90%	90%	90,000	97,500
June 30	100%	100%	100,000	100,000

d. Modifications

Minor modifications and change orders may be included in the total amount and applied to the curve percentages. Substantial modifications will be computed independently of the basic grant/contract based on the appropriate factors.

(3-60-40Continued)

L. Loans and Other Program-Type Investments

1. Accounting for Loan Principal

- a. Loans and similar program-type investments are recorded **as** accrued expenditures when cash is paid out. Repayments of loans and similar investments are **recorded as** accrued receipts when the **cash** is received for purposes of Treasury reports DA-6727 and 6728. These types of transactions therefore ordinarily require no accrual adjustments. However, if prior to the adoption of the "Umbrella" system expenditures properly classifiable as loans or similar investments were charged off as program expense, appropriate restoration of the assets will be made in the accounts for amounts outstanding. Adjustments will also be made where loan expenditures have been charged to asset accounts but not subsequently reduced for repayments, cancellations, defaults, etc. It is assumed in this procedure that all outstanding loans and investments have been routinely recorded **as** assets and therefore require no accrual adjustments (accruals of interest and allowances for losses are discussed elsewhere). The investments made purely for **income** producing purposes, as in the case of purchase of U.S. Government bonds by Social Security-Trust Funds are not **accrued** expenditure transactions **nor** are sales of such investments reportable to Treasury as accrued receipt transactions. The term "investment" as used in this paragraph L does not relate to investments of this nature.
- b. The appropriations from which currently outstanding loans and investments have been made which may require restoration or adjustment in the accounts are as follows:
- (1) Elementary and Secondary Educational Activities and Defense Educational Activities:
 - (a.) Loans for equipment and minor remodeling.
 - (2) Higher Educational Activities, Expansion and Improvement of Vocational Education, and Defense Educational Activities:
 - (a) Capital contributions to NDEA Student Loan Funds.
 - (b) Loans to institutions for their **contributions** to NDEA Student Loan Funds.

- (c) Advances to State and non-profit loan insurance funds.
- (d) Advances and loans for construction of facilities not yet transferred to Higher Education Facilities Loan Fund.
- (3) Health Manpower Education and Utilization:
 - (a) **Capital contributions to Student Loan Funds.**
 - (b) Loans to institutions for their contributions to Student Loan Funds (Such loans are no longer being made).
- (4) Assistance to Refugees in the United States:
 - (a) Loans to Cuban refugee students.
- c. The amounts of direct loans and advances to institutions and individuals made from appropriations and yet outstanding will be periodically reconciled to the records maintained by the various program offices, if any.

2. Accounting for Insured Loans

In the insured loan programs, the amounts of loans outstanding insured by the Federal Government have not heretofore been recorded in the accounts of DHEW. Reports of these loans are received and compiled currently by the Office of Education. From these data, periodic reports on outstanding loan guarantees and other program operations are prepared for Bureau of the Budget and **Treasury** Department, among others. The amount of such loan guarantees will be recorded in the statistical accounts section of the General Ledger by a debit to an account entitled, Guaranteed Loans, and credit to a contra account entitled, Loan Guarantees. Accounting for losses under these guarantees is discussed under subparagraph **3-60-40H4**, Losses on Insured Loans.

3-60-50 ACCRUALS FOR IN-HOUSE COSTS

This Section contains more specific definition of policy and procedures as related to the methods of accrual of in-house costs. (See also Section **3-00-60**).

(3-60- 50 Continued)

A. Personal Services

1. General

Payroll accruals till reflect a percentage of the total payroll cost for the last full pay period **in** the fiscal month including government contributions, The DHEW central payroll system provides a labor cost **summary** which reflects payroll cost at the common accounting number level and also provides a magnetic tape of the cost summary data in tape record **format** prescribed by the "Umbrella" **system** for automatic entry into automated subsystems. **The** utilization of a percentage factor **based** upon the number of workdays to be accrued in relation to a normal **pay** period of 10 workdays, (which may not always **be** the same days for all agencies) allows for an automatic computation of payroll costs. While minor distortions may result from the utilization of this method, the advantage of automatic computation far outweighs this minor disadvantage.

2. Optional Methods of Computation

There are several methods which can be used by the central payroll operation to compute the payroll residual estimate for the days between the end of the payroll period and the month's end so as to **accomodate** work patterns peculiar to the agencies or parts of agencies. Specific patterns for CAN numbers will be based on data provided by the agencies. Two methods are:

- a. Month-end estimates of residuals are based on the nearest representative prior biweekly payroll period at a **computed** standard percentage rate for each **day,at the end of** the month which is **to** be estimated. The gross percentage used in computing the estimate is applied to the nearest prior week's cost distribution to allocate the estimate to the cost **accounts**. Care must be taken to assure that the last biweekly **payroll** itself is recorded.
- b. Where standard unit labor costs are known and output is easily estimated, a standard cost can be determined, the aggregate of which can be worked into a complete payroll estimate for the period between the last day of the last full pay period and the end of the month.

c. Both of the methods described above operate on the assumption that time charged to programs during the period for which accrual is being made is the same as that in the prior full pay period and that the same proportion of leave was taken. The method in paragraph (b) above contains factors for consideration of overtime and personnel levels and assumes the achievement of standard unit output. The techniques provide reasonably accurate methods for recording the accrued expenditures but may result in minor distortions. Special efforts are required at year end to record actual costs in the appropriation cost and liability accounts. In most instances, only a special labor distribution for the period between the last full pay period and June 30, will suffice.

3. Accrued Annual Leave

Changes in the value of accrued annual leave will be recorded at a minimum at the end of each fiscal year in the expense accounts (non-fund) at the common accounting number level. Where revolving fund accounts are involved, monthly accruals and fund entries will be established. The automated system of leave accounting when operative will allow for the computation of leave costs on an automated basis and will become a normal accounting feedback item to all agencies. Except in the case of revolving funds, accrued annual leave is unfunded and the accrual, although a cost, is not an accrued expenditure until it is taken.

B. Fringe Benefits

Methods described in paragraph A above will be used for establishing percentage type fringe benefits. Factors must be determined as in paragraph A above for health benefit and life insurance accruals where the costs based on a full day period and proration cannot be used because of employees who work for only a part of the period. At June 30, the amount will be determined and accrued. Lump sum leave payments due employees separately at month end will be determined and credited to accrued payroll (funded). These would be expensed from the unfunded accrued leave account.

(3-60-50Continued)

C. Allowances and Awards

Special **allowances** such as tools and clothing will be recorded in **the** month they become payable to **the** employee. Actual costs will be **recorded at** June 30, Awards will be recorded as expenses when they are administratively approved for payment through the payroll process regardless of the date of actual award presentation.

D. Materials, Supplies, and Minor Equipment

1. General

Costs of materials, supplies and minor equipment received for which payment has not been made will be recorded in the month of receipt using receiving reports based on invoice prices or on purchase order prices. Major equipment, buildings, land, etc., which are normally **acquired** by contract are treated in paragraph 3-60-40G. Direct charge materials or equipment will be costed to expense accounts. General use items will be charged to inventory accounts and the cost transferred to appropriate expense accounts when issued from stock.

2. Method of Operation

Only receiving reports in excess of \$1,000 need be handled as accrual items except at June 30 when all items will be recorded. Materials in transit where **title** has passed to the Government should also be included. It is recognized that materials and supplies that are delivered during the last few days of months other than June **cannot be received**, inspected, documented and recorded prior to the monthly cutoff date. Arrangements will be made for prompt preparation and transmittal of receiving reports to the accounting office. If feasible, arrangements should be made with the receiving department to provide informal notification of the receipt of large value items when it is improbable that **the** receiving report will be processed prior to the month-end. Large value shipments that have not been accepted because of minor defects will be recorded unless the **item** is to be returned to the vendor. Where there is a reasonable basis to assume that defective material will be paid for at less than the established price, the entry may be made at an appropriately reduced cost.

E. Travel

Travel costs will be recorded **as** expenditures through the use **of** either of the following methods:

- a. Record only the amount of the submitted travel vouchers at the month-end. In addition, **cost of** all travel **accomplished before** July 1 but not **vouchered** is accounted for at the year's end.
- b. Travel requests are recorded as an expenditure when obligated based on the **estimated** cost of the trip, provided travel starts in the month of obligation. Expenditures are adjusted to actual when the voucher is paid. At the year's end, the recorded obligations and costs are reduced by (1) the amount of the per diem applying to the next fiscal year, and (2) the transportation purchased in the next fiscal year. This method is preferred. Blanket travel orders will be recorded monthly on the basis of estimates of travel to begin or be performed in the current month.
- c. Exceptions to method (b) above are the large items of cost connected with change of station travel such as real estate **commissions**, per diem at the destination, and associated costs if these costs cannot be closely estimated **on** the travel order. These items will then be recorded as **costs, or the** estimate adjusted to actual **costs**, upon receipt of evidence of **liability of** the Government.

F. Transportation of Things

Costs as evidenced by copies of Government Bills of Lading issued to carriers will be recorded in the month in which the GBL is issued, in the same amount and concurrent with the obligation. Unless the amounts are significant, it is not necessary **to** make monthly estimates for transportation costs not covered by **GBL's**. At June 30, all costs including those covered by **GBL's** will be recorded based on billings received, evidence of household goods in transit (from travel authorizations), and other reliable notices that transportation has been started or has been accomplished.

(3-60-50 Continued)

G. Utility Services

Estimates for utility services, if substantial, (i.e., gas, electricity, water, telephone) should be based on previous billings. If usage fluctuates significantly, meter readings or estimates of usage should be obtained and priced in accordance with applicable schedules of charges. In addition, the estimated cost for the days between the billing date and the end of the month will be recorded. In those cases where the amount of liability for the portion of the month between the end of the normal billing period and the end of the month is **immaterial**, the monthly billing periods will be equated with the accrued expenditures for the calendar month in which the billing period ends and no accrual need be made.

H. Leases and Rents

The monthly liability for and cost of leases and rents will be recorded in the month in which the property was used. For fixed price agreements the amount accrued will be the actual monthly cost. Rentals based on usage (i.e., reproduction equipment, GSA vehicles) are generally based on previous billings unless there are substantial known fluctuations. When significant **flutuations** do occur, meter readings or estimates of **usage** should be obtained and priced according to the schedule of charges. Rentals of EDP equipment resulting from usage in excess of base periods should be computed based on 8 system of computer usage reports.

I. Depreciation

Depreciation costs will be accrued at least monthly by **common** account number. Undue precision and detail shall be avoided **in** the determination and recording of depreciation costs. The detailed methods of recording depreciation of equipment and real property **are** outlined in Chapter 1-30 of the DREW Accounting Manual.

J. Minor Items

Minor items of a petty cash nature may be recorded as expenditures when payment or final settlement is made regardless of the specific period of actual use. Record estimate of intransit items in July and let it stand until June **30** of the same fiscal year. Then adjust it to actual.

3-60-60 ACCRUALS FOR REVENUEA. Accruals for Revenues from Rents and Sales1. General

Revenue will be recorded in the month in which it is earned. For practicality, unrecorded accounts receivable estimated to aggregate less than **\$1,000** for a revenue source need not be recorded at month's end other than at June 30. Individual small amounts need not be estimated separately, but when the source of revenue is significant, the total should be estimated monthly. Accrued revenues will be recorded for both Miscellaneous Treasury Receipts and reimbursements to appropriations or revolving or other funds including working capital and management funds.

2. Rentals

When income producing property (real and personal) is managed by another Federal **agency**, it is necessary for the parent organization to duplicate some records and controls maintained by the managing **agency**. Estimates of the proceeds should **be recorded** monthly based upon previous amounts transferred. Upon receipt of the transfer, the revenue account should be adjusted to actual and the receivable adjusted. Any significant difference **should be** investigated in order that estimates for succeeding months may be as accurate as is reasonable.

3. Sale of Commodities and Services

Revenues for commodities and services furnished to another Federal organization or to firms or individuals outside the Government, which by law may be credited directly to appropriations or funds, should be recorded monthly. The entry should be based on the costs accumulated for the applicable customer work order or **billing** schedules and should comply with the full cost requirements of user charge procedures and **BoB** Circular A-25 where applicable.

(3-60-60 Continued)

4. Method of Ooperation

Estimates, based on statistical studies or historical data, should be made of revenue accruing to agencies for the sale of materials or services to outsiders, when actual sales instruments are not **available**. **Selling** prices to be used will be established based on full cost **recovery**. Entries of a **summary** nature will be made to cover the period between the last recorded sales and the end of the fiscal period **or** to cover unbilled portions of services, materials and related costs which will result in sales. Contra debits should be **summarized** to accounts receivable or to an appropriate accrued asset account for unbilled work in process. The cost of sales are assumed **to** be accrued in the process of normal expenditure accruals. Where inventory items are sold and costs of sales are to be separately identified, entries charging cost of sales and crediting asset or expense accounts must be made. Sales must be entered gross rather than net of cost, as **cost** of sales, as mentioned above, are recorded as accrued expenditures.

B. Interest Income

1. Revolving Loan Funds

Interest income earned by revolving loan funds will be accrued monthly. A review will also be made before final closing of the accounts for the fiscal year to see that all interest earned but uncollected at the year-end on loans, investments and advances is set up in the revolving funds as Accrued Interest Receivable and credited to Interest Income. The accrual should be recorded by blanket entry without identification to individual borrowers' accounts. Where the volume of interest-earning assets is too small to necessitate or justify the use of sampling methods in computing those accruals, individual calculations should be made, in which case, specific accruals for each loan may be made.

2. Social Security Trust Funds

a. In the Social Security Trust Funds, the interest earned but uncollected on investments will be computed and recorded monthly by the **Treasury** Department as a credit to Interest Income. The valuation of investments purchased above **or** below par will be adjusted monthly or as of the year-end to reflect the amortization of such premiums or discounts, by appropriate

charge or credit to Trust Fund income.
(See paragraphs 3-60-100G and 3-60-60D).

- b. Where amounts have been advanced by one SSA **trust** fund for the benefit of another, accruals for the related interest receivable by the former and payable by the latter fund will be computed by SSA and recorded in the respective funds accounts by Treasury Department. In the case of the owing fund, the debit for the accruals will be to Interest Income rather than to Interest Expense since the interest due the lending fund is really a transfer of the interest earned by the borrower on the amounts, during the period of the advance.

3. Appropriated Funds - Direct Loans

Interest earned on direct loans made from appropriated funds (other than loans transferred to revolving funds) are payable to Miscellaneous Treasury Receipts when collected. The accounting for the principal of these loans is discussed in paragraph 3-60-40L. Interest on these direct loans earned but not due and due but not collected will be accrued in the accounts. Blanket entries or individual entries for each loan will be made by debits to accrued Interest Receivable - Non-Federal Agencies (Miscellaneous Treasury Receipts) - and credits to income accounts. The amounts of the accruals can be computed from the detailed records maintained by program **offices**. Where the number of loans outstanding and currently earning interest is sufficiently great, statistical sampling techniques will be used for computing the accruals.

4. Appropriated Funds - Capital Contributions to Loan Programs

- a. Interest income is also **earned by** DHEW agencies on their capital contributions to student loan funds administered by educational institutions. These earnings arise from the Government's having an equity in late charges and in the interest payable to the loan funds by student borrowers when their loans reach repayment status.

(3-60-60 Continued)

Such interest collections, however, are retained by the institutions in the loan funds and the Government's share **serves** to increase the Government's investment in the funds. The **Government's** equity in interest and other charges collected from students will be recorded from the reports of the institutions. Amounts will be debited to Investments and credited to Interest or Other Income (non-fund).

- b. Blanket accrual entries will also be made periodically for the Government's equity in any interest earned on student loans, but uncollected. In order to retain the identity of the amount of the Government's equity in the balance of the loan funds as reported by the institutions, the debit for the accrued interest equity should be to a separate sub-account of the investment asset account; the credit would be to Interest Income (non-fund). Where data reported by the institutions are not in sufficient detail to permit precise **calculation** of interest accrued on student loans, the determination of the amount to accrue for the Government's equity must be based on the application of informed judgment to such data as are available, including experience of prior years. In some instances it may be found feasible to employ statistical sampling and develop totals by extrapolation.

c. Insurance Premiums

Single-payment insurance premiums are collected from student borrowers by lending banks under the Federal student loan insurance program. These premiums are due the Student Loan Insurance Fund and are either remitted by the banks **to** the Fund or applied as off-sets against payments to lenders for the Government's liability for the interest subsidy on the loans. In the latter case, the fund will be reimbursed for the off-set by the appropriations financing the interest subsidy. The insurance premiums are earned by the Student Loan Insurance Fund at the time the loans are made and the Fund assumes the insurance risk. Any such premiums earned but not collected by the Fund either from banks or from the appropriations, will be set up from the program office records of guaranteed loans made, on a blanket or individual basis by a debit to Accounts Receivable Non-Federal Agencies and a credit to Insurance Premium Income.

D. Earned income and Other Deferred Credits

1. It is assumed that the credit entries in these accounts are up-to-date as of **month-end** because of the character of these types of transaction e.g.;
 - a. **discounts** on investments purchased (at the time of purchase);
 - b. premium in participation certificates **sold** (at time of sale);
 - c. **unredeemed commissary** coupons (at time of sale); and
 - d. all other.
2. Accounts "a", "b", and "d" may be analyzed at month-end to determine the balance unamortized **at** the end of the month. The monthly amortization amounts for these items, however, can also be determined **without** month-end analysis by spreading **at** the time of the transaction, either manually on worksheets or by EDP, the amounts **to be** amortized each month over the "life" of the credit.
3. The account for unredeemed **commissary** coupons will be charged with an amount **equal to the experience** factor of **commissary** coupons sold that month that will never **be** redeemed due to loss of coupons, etc. **It** is assumed that redeemed coupons **will have** been charged to the account in lieu of cash debits each day up to the end of the month. The **factor** which reflects the coupons that will not be redeemed, should be determined periodically, on the basis of a statistical study of a sampling **of** coupons turned in.

E. Other Social Security Trust Funds Income

Source of **Social Security Administration** Trust **Funds** Income, other than interest, are:

- FICA taxes (net of refunds)
- Deposits** by States
- Insurance contributions from participants
- Appropriations from General Funds of the Treasury
- Railroad Retirement System

(3-60-60 Continued)

Each of these categories should be reviewed and estimates made for amounts earned but uncollected as well as amounts collected but unearned as of the month-end. For earned **amounts**, entries will be made in the various Trust **Funds** accounts debiting Accounts Receivable and **crediting** Trust Fund income accounts for the month-end **accruals**. Collected but unearned amounts will be treated as unearned income. Accruals of tax revenue⁶ and state deposits will not be made until the decision has been made by the Bureau of the Budget to record such revenues for the Government generally on an accrual basis. Where there are accruals of income due the Trust Funds from Federal **appropriations**, contra (reciprocal) Accrued Liabilities will be set up in the appropriation accounts financing this income, as prescribed by paragraph **3-60-40C**.

3-60-70 SURVEYS OF GRANTEE EXPENDITURESA. General

1. It will be necessary from time to time for **DHEW** agencies to request selected grantees or contractors to provide information relative to ratios of unpaid liabilities to average monthly cash payments, monthly expenditure patterns (for characteristic cost curves) or other expenditure data. These statistics will be required in order to maintain the validity of methods of estimating accruals which **are** used as substitutes for the direct reporting by all grantees which was contemplated by **BoB** Bulletin **68-10**.
2. Pilot surveys have been made of colleges and universities and State organizations. **T h e s e** surveys were employed to determine the feasibility of establishing formulas **or** other statistical devices for converting grantee cash expenditures to accrued expenditures. For some **programs, the** surveys have been productive of information which appears to be valid. In others the results are as yet inconclusive. In any event, data developed will require periodic revalidation.
3. The survey methodology develops data **not only** from the prime grantees, but also from **sub-**grantees where such are involved. In both cases sampling is used **to** obtain the data, although the method used for prime grantees is less sophisticated than that for the sub-grantees (because of the magnitude of sub-grantee operations).

4. Survey data are to be used at the agency **level to** develop formulas which, when applied each month **to known** or estimated measures of activity such as grantee cash payments, will produce estimates of grantee accrued expenditures. In some cases, where characteristic curves based on accrual concepts are employed, the monthly increment, from tables of monthly curve percentages, will be applied to develop the portion of the grant award which is estimated to be expended monthly in the grant period.
5. Although the first surveys were conducted by the Office of the Assistant Secretary, Comptroller, as a part of the development program for accrual accounting for DHEW, it is anticipated that subsequent surveys will be conducted by the individual agencies having the preponderant interest in the type of grant to be surveyed. It is necessary however to establish a uniformity of method, standardization of the reporting forms and coordination of surveys so as to keep the impact on the grantees and subgrantees to a minimum. Because of this, the methods referred to in this section and the related **forms** and instructions in the exhibits to this chapter will be employed. Modifications will be referred for approval **to** the Deputy Assistant Secretary, Finance, so as to retain the desired **uniformity**. The survey forms and instructions will be approved by the Bureau of the Budget under the Federal Reports Act and will be the only forms and instructions authorized for collecting this information. They will be incorporated in this instruction when approved. Plans for surveys must be cleared in advance with the Deputy Assistant Secretary, Finance, as to scope, timing and sample selection.

B. College and University Surveys

1. Grantee unpaid liabilities

- a. The monthly accruals of expenditures by grantees called for by paragraph **3-60-40B** require, in most instances, the use of formulas in which grantee unpaid **liabilities are** expressed as

(3-60-70 Continued)

a percentage of either the average monthly grant amount or the average monthly grantee disbursements for a given type of grant.

- b. As stated in paragraph **3-60-70A** above, these percentages are developed and will be periodically validated by surveys of the experience of selected grantees. For purposes of these formulas and related surveys, grants to colleges and universities will be grouped by the following principal types:
- (1) Research and/or development
 - (2) Training**
 - (3) Fellowships**
 - (4) Other grants, exclusive of construction grants (identify)
- c. Exhibit X3-60-6 provides the forms and instructions to be used in surveying college and university expenditures for the establishment or revalidation of ratios of unpaid grantee liabilities to average monthly grant amounts and to average monthly grantee disbursements. The survey instructions require that grantees report the desired data for only a sample of their **DHEW** grants using the statistical sampling methods prescribed in the instructions for their selection. The key data to be reported for each grant selected are the number of months of the grant term, the amount of the grant, the current unpaid liabilities (as defined in the instructions) and the cumulative cash disbursements. In compiling the responses, agencies will compute from **summations** of responses by type of grant, the average amount of awards surveyed per grant per month of life, the average amount of unpaid liabilities per grant and the average monthly cash disbursements **per** grant. From these data, the percentages of unpaid liabilities to average monthly grant amounts and average cash disbursements will be computed.

2. Characteristic **cost** curves

- a. The operational characteristics of some grants administered by colleges and universities may be such that it is simpler or more satisfactory to use some estimating accrual methods other

than **those requiring** the formula for the determination of grantee unpaid liabilities. Such grant programs will therefore not be included in unpaid liabilities surveys. These excluded grants will be covered by the characteristic cost curve surveys referred to in paragraph 2, **or construction programs referred** to in paragraph 3 below.

- b. Exhibit X3-60-7 provides the forms and instructions to be used in obtaining data from colleges and universities in the development of characteristic cost curves for **these** programs. Grantees are requested in this survey, as in the case of the unpaid liabilities survey, to report only on randomly selected grants. The principal data to be reported are distributions of accrued expenditures under each grant by months **over** a period of a year and the **amounts of** the awards. **Summation** of the reported data by types of grants, and computation of ratios of the expenditures for each month to the total awards, provide the basis for a characteristic cost curve for the type of grant surveyed.

3. Construction grants

As provided in paragraph **3-60-40D**, accrued expenditures for construction grants to colleges and universities will be based on engineers' progress reports. At a later date it may be found feasible to develop characteristic cost curves for principal types of construction. In such case, surveys will be prescribed for establishing such cost curves.

c . State Agency Surveys

1. Grantee unpaid liabilities

- a. Surveys of grant expenditures by State agencies are required periodically to establish or revalfdate formulas used in estimating unpaid liabilities of the **agencies** in the monthly recording **of** their accrued expenditures. As in the case of colleges and universities, these formulas are generally expressed in terms **of** percentages of either the average monthly grant amount or the average monthly grantee cash disbursements for each of the principal. types **of grants**. **For** purposes of these

(3-60-70 Contfnued)

formulas and the related surveys, grants to **State** agencies will be grouped by the following principal types:

- (1) Public assistance
 - (2) Medical **assistance**
 - (3) Vocational rehabilitation services
 - (4) **Maternal and** child health and welfare **services**
 - (5) **Comprehensive** health planning and **services**
 - (6) Elementary and secondary education
 - (7) Vocational education
 - (8) Manpower development and training activities
 - (9) Research and/or development
 - (10) Training (other than Manpower and Training Act of 1962)
 - (11) Fellowships
 - (12) Other services (identify)
 - (13) Other, excluding construction (identify)
- b. The operational characteristics of some grants to State agencies are not susceptible of or do not require the use of an unpaid liability factor in computing estimated accrued expenditures and hence are not to be included in surveys of unpaid liabilities. These exluded grants will be covered by the characteristic cost curve surveys referred to in paragraph 2 or construction programs referred to in paragraph 3 below.
- c. Exhibit X3-60-8 provides the forms and instructions to be used in surveying State agencies for the establishment or revalidation of unpaid liability formula ratios. Formula grants coving large continuing programs such as Medicaid and Aid to Educationally Deprived Children will usually require grantees to obtain substantial amounts of data from a statistical sampling of sub-grantees. Supplementary forms and instructions are provided in the attached exhibits for this purpose. These instructions include techniques for selecting sample subgrantees and extrapolating the sample data to the state-wide universe. Data to be reported to DHEW by the grantees are the same as those called for in the unpaid liability

surveys of colleges and universities. However, because of the subgrantee factor in State surveys, States are required to (1) include in their reported liabilities,, the liabilities of their subgrantees, and amounts spent by subgrantees from their own funds, (2) **deduct** from the State agency liabilities the amounts of unexpended grant funds in the hands of sub**grantees**, and (3) add to their liabilities the unreimbursed disbursements of subgrantees.

2. **Characteristic cost curves**

- a. In some programs where funds are expended through local educational agencies or other subgrantees, States sometimes adopt the, practice of requiring the subgrantees **to** finance program expenditures from their own funds during the entire fiscal year and then to seek reimbursement from grant funds held by the State early in the following fiscal year. This practice has been followed for example, by **some States** in the administration of grants under the Smith-Hughes and George-Barden (Vocational.Education) Acts. In these cases it is impossible to develop monthly grantee accrued **expenditures by** application of **factors** to current grantee **disbursements** since these occur only once a year and after the year in which the expenditures were incurred is closed. It is necessary under these circumstances to develop and apply characteristic cost curves for accruing estimated grantee expenditures.
- b. Survey forms and related instructions for obtaining from State agencies the data necessary for developing or revalidating cost curves for such grants appear under Exhibit X3-60-9. In this type of survey, grantees are requested to obtain from a statistical sample of subgrantees the latters' month-by-month accrued expenditures chargeable to the grants over the life of the grant whether or not reimbursed as yet by the grantee. The summation of all these reports, and computation

(3-60-70 Continued)

of composite ratios of the expenditures for each month to the total of these grants provide the basis for a characteristic cost curve for the type of grant surveyed.

3. Construction

As provided in paragraph **3-60-40D**, accrued expenditures for construction grants to States will be based on engineers' progress reports. At a later date it may be found feasible to develop characteristic cost curves to principal types of construction. In such case surveys will be prescribed for establishing such cost curves.

3-60-80 REPORTING OF ACCRUALS

A. General

Chapter 1-10 explains the reasons for employing accrued expenditures in DHEW accounting. The foregoing portions of Chapter 3-60 describe methods which can be used in determining accrual values and amounts. In some specific areas, mention has been made of account titles and accounting entries which should be used in recording the accruals thus computed. These references have been placed in the text material primarily for explanatory purposes and to illustrate more completely the **circumstances** surrounding the specific subject matter. This part of the guide will not completely **describe** the recordation process but it will, in addition to some explanatory material, indicate references in the Accounting Manual and other documents which illustrate the processing and reporting **of** the product of the accrual computation. The discussion will be general and not specifically aimed at any one type of accrual or area of operation.

B. Transaction Codes

Accounting Manual Chapter **4-40** Transaction Codes, in its Exhibit X4-40-3, describes various transaction codes. The descriptive information accompanying the transaction codes amply illustrates the model transactions including identification of the general ledger accounts (asset, liability, equity, expense and income accounts) which are affected. **Also** identified are the related portions of the Internal Machine **Number (IMN)** and the Object Class **(OC)** codes. The only items not identified are specific cost centers. These will be determined from the agency **Common** Accounting Number (CAN) code book.

C. The Record- Process

Accounting Manual Chapter 3-00, System Requirements and Operation, in Section 3-00-60 describes the recordation of accounts payable **and other accruals**. Also Sections 3-60-40, 50, and 60 above describe accounting entries, as **specifically** applied to certain types of accruals. The accrual process conforms, as to the **determina-**tion of amount, to the methods described in Chapter **3-60**. Chapter 3-00 also describes the mechanical methods of the accounting process such as cost distribution and internal controls.

D. Internal Reports

The objectives and standards of internal reporting are provided in Chapter 5-10 of the DHEW accounting manual. The emphasis in internal reporting is on accrued costs. Costs on monthly operating statements should be related to budgets of standard or variable types or the data should be related to performance figures both qualitative and quantitative and supported by narrative comment containing analyses of variances. The important factors are that (1) the manager can do something constructive as a result of the cost information, (2) the value of the corrective action exceeds the costs of collecting the data, (3) the information is clearly presented and valid, and (4) there is related information against which the costs or expenditures can be measured.

E. External Reports

There are two external reports which, in compliance with **BoB** Circular A-34, are provided for the Bureau of the Budget and which contain **information** relative to accrued expenditures and accrued costs. There are:

SF-133 Report on Budget Status-Obligation Basis

Together with its reconciliation of applied **costs** to accrued expenditures.

SF-143 Report on Budget Status-Accrual Basis

In addition, there are two reports which, in compliance with Treasury Transmittal Letter No. 18, dated June 20, 1968, are provided for the Treasury. These reports, which are reconciliations of net accrued expenditures

(3-60-80 Continued)

to net disbursements and accrued receipts to Miscellaneous Treasury Receipts are:

BA-6727 Report of Selected Balances **for** Stating Budget Results on the Accrual Basis, Appropriation and Fund Accounts

BA-6728 Report of Selected Balances for Stating Budget Results on **the** Accrual Basis, General, Special and Trust Fund Receipt Accounts.

A brief description of each of these reports and their relationship to accruals follows:

F. Bureau of the Budget Reports

1. SF-133- Report on Budget Status - Obligation Basis

- a. This report is a monthly report for each appropriation account. It is divided into three sections, (1) the amounts available, (2) the status of the amounts available, and (3) the relations of obligations to net disbursements. It also contains information relative to current and unexpired accounts as well as the consolidated amounts for the appropriation title. The information is shown on a cumulative basis.
- b. The important aspect of this report as related to accruals is contained in the **second section**, the status of amounts available. **Line 7**, Accrued Expenditures, includes **liabilities** incurred for goods and services received and other assets acquired and performance accepted and other liabilities incurred not involving the furnishing of goods and services. These liabilities include provisions for constructive receipt as defined in paragraph **1-10-30F**. In those cases where the precise amount of accrued liabilities is not known, best estimates are used. The amount reported also includes adjustments of accrued expenditures previously reported.
- c. Line 8, Undelivered Orders Outstanding, reconciles the accrued expenditures to Obligations Incurred, Line 9. The components of this item are:
 - (a) Changes *in* advances outstanding (+ or -).
 - (b) **Changes in** unpaid undelivered orders (+ or -).
 - (c) **Adjustments** and transfers (+ or -).

- (1) recoveries of prior obligations.
 - (2) unpaid obligations **for** which goods and services were not received; transferred to or from the account.
- d. ~~The~~ SF-133 is supported by a schedule entitled Report on Applied Costs and Accrued Expenditures. This report, which is required on a quarterly basis, may be tailor-made to fit the agency's requirements. It contains two parts:
- (a) Activity classifications (budget line items in the required detail to conform to the latest budget documents in terms of applied or accrued costs (or in more detail as required)).
 - (b) Changes in selected asset and liability accounts such as inventories, deferred charges, accrued annual leave, transfers of property in **or** out without **charge**, and adjustments **to** prior years' costs or expenditures.
- e. Thus, the two reports combine to trace financial transactions from accrued **costs** to disbursements through accrued expenditures and obligations.

2. SF-141 - Report on Budget Status-Accrual Basis

- a. This report is to be submitted to the Bureau of the Budget on a quarterly basis for certain revolving funds subject to annual limitations by Congress and for funds not apportioned. The report is submitted for each revolving fund which the agency maintains. The report includes two sections, (1) amounts available and (2) the disposition of amounts available. The figures are on a cumulative basis and are compared with the data in its column **1** taken from the latest SF-142, Apportionment and Reapportionment, Accrual Basis. The data on lines 7 and 8 in the report's Column 2 reflect accrued expenditures to date, broken down by quarters, so as to be comparable with the budget apportionment. They also show the total amounts still available which have not yet been applied.

(3-60-80 Continued)

G. Treasury Reports

1. BA-6727 - **Report of Selected Balances for Stating Budget Results on the Accrual Basis. Appropriation and Fund Accounts**
 - a. This report provides a monthly link or bridge between "Net Cash Disbursements" and "Net Accrued Expenditures". The bridge accounts include applicable accounts receivable, advances and prepayments on grants, contracts and similar items, accounts payable including other funded accrued liabilities, and applicable unearned revenues. The totals of these accounts are combined with certain budgetary **accounts** representing the agency's equity as a net result of the combination of accrued expenditures and accrued revenues and other reimbursements creditable to appropriations and funds. This amount is proved by relating it to an analysis of the account for undelivered orders as reduced by an analysis of the account for anticipated reimbursements.
 - b. The report is to be submitted at the appropriation or fund title level (without fiscal year designation for annual or no-year accounts). In addition to providing data for intergrating accrued revenues and expenditures into the **Treasury's** central accounting and financial reporting system, the report also provides data on the integration of these accounts into the agency's accounting system. The Treasury instructions state that the reports must be completed for all lines even though the accrual implementation is not yet complete. Lines are to contain:
 1. A figure balance, if the accrual system has been fully implemented.
 2. A "zero" balance, so written, if appropriate,
 3. A "p" if the system is partially implemented and some figures are available.
 4. The letters "NR" connoting "no readiness" if implementation has not progressed to the point of proving any figures, and
 5. The letters "NA" meaning "Not applicable" if the account is not germane to the agency.

- c. The report is based on the constructive receipt concept but data should be accurate and supported by the agency's accounting system. Estimating to the **degree** authorized in Chapter 1-10 and **3-60** will be permitted. The data **must** be coordinated (through one of **the lines** in the budgetary accounts, "Fund **Balance** with the **Treasury**") **with** the cost basis data reported on SF-1220 and SF-224 and similar reports which will continue to be received.
2. **BA-6728 - Report of Selected Balances For Stating Budget Results on the Accrual Basis. General. Special and Trust Fund Receipt Accounts**

This monthly report relates to receipts, other than reimbursements to appropriations and revolving funds, and is generally to be: (1) at the aggregate level for each major class of general fund receipt **accounts**, (2) a single report for all special fund receipt accounts combined, and (3) a single **report** for all trust fund receipt accounts combined. Report BA-6728 is similar in most respects to BA-6727 as to method of **preparation** and submission. The bridge on **this report** however is limited to applicable accounts receivable and accounts payable (for refunds payable). The link to the Treasury reports is the line "**Revenue Collected**" which includes loan repayments and other non-revenue receipts. Accruals are established through the accounts "Uncollected Revenue" and "Revenue Accrued". Balance sheet accounts including equity accounts are thereby tied into the central books of the Treasury.

3-60-90 **MISCELLANEOUS**

A. Documentation of Accruals

1. Written Evidence

Written evidence or records of computations and explanations supporting estimates will be retained for use in making the necessary analysis and evaluations of variances. Adequate documentation also is needed **for** audit purposes. Unless written documentation **or** records are retained, it is often

(3-60-90 Continued)

difficult and time consuming if not impossible to reconstruct the estimates.

2. Retention of Document&

Retention of the worksheets or ADP produced data prepared to compute the estimates will usually constitute adequate documentation.

B. Common Unacceptable Accrual Practices

Accrual practices that have been criticized by auditors **in** the past include the following:

1. Failing to include unpaid invoices.
2. Duplicating liabilities and costs by including in the estimates amounts withheld from grantees/contractors.
3. Recording liabilities and costs based on receiving reports without making a deduction for progress payments that were previously recorded as costs.
4. Failing to include all applicable grants and contracts in the estimate. (A check list or the listing used for determining variances between the estimated and the actual costs may be used to correct this practice).
5. Failing to use the most current information available. (Periodic reviews should be made of purchase order and grant and contract data).
6. Basing estimates on previous invoices without considering the type of costs billed, the period covered, **the** cost trend, and the status of project work.
7. Including contingent liabilities in the estimates of cost.
8. Failing to transmit promptly receiving reports and inventory issue tickets to the proper Financial Management organization.

C. Inter- agency and Inter- department accruals

Grants and contracts financed by allotments and allocation from other **DHEW** agencies and other departments and agencies of the Federal Government are to be accounted for and reported to the parent organizations on the same basis as those financed by direct appropriations.

The DHEW agencies allotting or allocating funds to other DHEW agencies and other departments and agencies should request such receiving organizations to report their expenditures on a similar accrual

basis so that they may be recorded in the parent accounts in conformance with the requirements of accrual accounting.

3-60-100 **DEFINITIONS**

A. As a convenience, the definitions relating to **accrual concepts** appearing in Section 1-10-30 are repeated **here**.

B. **Accrued Expenditures**

1. Accrued expenditures are the aggregate dollar amount of financial transactions occurring during an accounting period which either (a) require the concurrent or subsequent disbursement of funds or (b) result in the application of funds previously advanced to others. Such transactions consist of (a) goods and services whether received actually or constructively (**1-10-30F**), (b) services performed by employees, contractors, **grantees**, lessors and other payees, (c) amounts becoming owed under programs for which no current service or performance is required (such as annuities, insurance claim, other benefit payments and a few types of grants), (**d**) **program**-type loans (as distinct from current advances), and (e) liquidation of previously unfunded liabilities. Expenditures accrue without regard to when the payment takes place and thus include, for any period, all disbursements made during the period in payment of goods and services received as well as any amounts unpaid for such services at the end of the period.
2. Expressed in accounting terms, accrued expenditures are those transactions which result in reductions in the Government's equity in net fund assets (other than refunds of receipts). The credit side of such entries will always be to fund-type assets such as cash or advances **or** to funded liabilities such as accounts payable or accrued liabilities, the latter **being** liabilities not yet due and payable. While accrued expenditures are frequently simultaneously accrued costs or accrued expenses, they are not always such and, contrariwise, accrued

(3-60-100 Continued)

costs and expenses are not always accrued expenditures. See paragraph D below for the definition of accrued costs and expenses.

3. In those cases where Congress has permitted liabilities to accrue without being charged to the balance of an appropriation, a fund, or a contract authorization, the liability is considered "unfunded" and no accrued expenditure is recorded or reported until the time that the liability becomes funded, although an accrued non-fund cost would be recorded. The most **common** example of such an accrual is the earning of employee annual leave, which, except in the case of working capital or other revolving funds, is not funded i.e. chargeable to an appropriation or other fund until taken or until payable upon **termination** of employment.

C. Accrued Revenues

Accrued revenues earned during a given period are a source of funds and result from (1) services performed by the Government, (2) goods and other tangible property delivered to purchasers or their agents, including sales of fixed assets, and (3) amounts becoming owed to the Government for which no current performance by the Government is required. Examples of revenues are **charges** for hospital services, fines and forfeitures levied, interest accruing on loans, and premiums earned on Government-operated insurance programs. Revenue from gifts to the United States will be recorded on a cash basis. The term "revenue" is also used by Treasury Department to include collections of program **type loans**. In the umbrella system such collections are classified as receipts.

D. Accrued (Applied) Costs or Expenses

1. The meaning of the word "costs" lies in the context of its use. When used to describe the use or consumption of goods or services, the term Applied Costs is **synonymous** with the terms Accrued Costs and Accrued Expenses but not with Accrued Expenditures. In Bureau **of the** Budget Circular A-11, the following definition is given:
"For operating programs, costs will represent the value of resources consumed or used."
2. In this **manual**, the above definition will be intended whenever the terms Applied or Accrued Costs are used. When the word costs is used without a modifying adjective its meaning will have to **be** determined from context.

3. For most operating purposes, costs are synonymous with current expenses and are the value of goods and services actually used or consumed during the current period.
4. Examples of accrued costs or **expenses** are **salaries**, taxes, depreciation, materials issued, and **interest** charges. These costs accrue and are recognized in a specific period even through payment for them was made in a prior period (Depreciation) or will be made in a future period (Salaries earned but not paid at the end of the month or other period).

E. Advances and Prepaid Expenses

1. Advance payments, including prepaid expenses (costs), are assets and are, from the Treasury's viewpoint, treated as cash; they are neither accrued expenditures nor costs. They develop into such accruals only as the value represented by the advance is earned by the payee, at which time the advance outstanding or the prepaid expense is reduced and the accrued expenditures and costs are recognized. If an advance is neither earned by the payee nor returned, it becomes an accrued expenditure and cost when its uncollectibility is determined, at which time it should be recognized in the accounts.
2. Prepaid expenses are rare in Government, since generally the Government does not prepay rent and does not carry insurance, the two areas where prepayments most frequently occur in private industry.

The criterion of materiality will generally likewise preclude the treatment of subscriptions to publications and reporting services as prepaid expenses. See paragraph **G** below for the accounting treatment for deferred charges where benefits or **services** have been received by the Government (and hence are not prepaid expenses) but it is desired to spread the cost over subsequent periods benefiting from the expenditure.

(3-60- 100 Continued)

F. Constructive Receipt

1. Constructive receipt of goods or other tangible property, rather than physical receipt or the **passing** of legal title, is the measure of the **accrual** in certain cases. When a contractor provides goods to **the-Government** which he holds himself available to sell to others, the accrual occurs when physical delivery by the contractor and receipt by the Government takes place or title passes (that is, when goods are either delivered to the Government or to a carrier acting on behalf of the Government). However, when a contractor manufactures or fabricates goods or equipment to the Government's specifications, constructive receipt occurs in each accounting period when the contractor earns a portion of the contract price, and the **accrual** takes place as the work is performed. **Formal** acceptance of the work by the Government is not a test in such case.
2. The accrual basis, among other things measures what is owed between the parties, whether or not it is "due and payable", as soon as it becomes owed. In general, the Government does not owe on its obligations until performance takes place on the part of the other party; it **does** not owe on goods and equipment of a type sold generally until physical delivery has been made. However, once performance occurs, the Government owes for special fabrication even though it has not yet been billed.

G. Deferred Charges

1. Deferred charges are expenditures which benefit future fiscal periods and must, therefore, be accounted for as non-cash assets until applied to costs. They differ from prepaid expenses, paragraph **E** above, in that services have been rendered by the payees in the case of deferred charges while in the case of prepaid expenses they have not.
2. Deferred charges are accrued expenditures when incurred, similar to the **acquisition** of inventory or fixed assets, but **do** not become accrued costs until amortized. Examples of deferred charges are leasehold improvements, the cost of which is to be amortized **over** the life of the lease and premiums on bonds purchased which are **amortized** by charges against interest income,

H. Disbursements

Disbursements are checks issued or cash paid, net of refunds. Note that disbursements are **not** the same thing as expenditures. **Also, note that** disbursements **include** funds used to make advance payments.

I. Liabilities not Previously Recorded

Liabilities which are normally funded will be recorded as accrued expenditures and reported promptly, even if they cause the recorded obligations to exceed available funds. The concept of accrued expenditures must not be modified, nor disclosure prevented by the failure to record obligations larger in total than the amounts of available funds. Necessary corrective and reporting actions will be taken whenever such a violation of law has occurred (see Chapter 2-10-90). See paragraph K below for unfunded liabilities.

J. Subgrantees and Subcontractors

Where a grantee, a contractor, or even another Government agency (to which there is an obligation or an advance payment) performs through a subgrantee, subcontractor, or other party, it is necessary to determine the timing of such performance -- generally following the same rules as if the principal had performed directly. For instance, **in** a grant requiring specific performance according to Government specifications, the grantee's earnings, and therefore the Government's accrued expenditures, will be measurable, at least in part, by the amounts of the subgrantees' costs, including a pro-rata share of overhead, in a given period.

K. Unfunded Liabilities

In those cases where Congress has permitted liabilities to accrue without being charged as an obligation to the balance of an appropriation, a fund, or a contract authorization, the liability is considered "unfunded" and no obligation or accrued expenditure is recorded or reported until the time that the liability becomes funded. Non-fund costs are, however, incurred and recorded at the time the unfunded liability is accrued. Accrued annual leave of employees is a **principal** example. For revolving funds, however, leave currently accruing is a funded liability when earned and as such is reportable as an accrued expenditure.

CONTRACT FINANCIAL REPORT (Dollars in thousands) (See instructions before preparation)		1 For Month Ended	2 No. of Work Days	3 Contract No.	Form Approved Budget Bureau No. 8SR0035 Sheet _____ of _____
4 To	5 From:	6 Contract Value \$ _____		7 Contract Type	
10 Program/Scope of Work		8 Funded Contract Amount \$ _____		9 Amounts Billed \$ _____	
11 Signature and Title of Authorized Representative		12 Preparation Date		13 Payments Received \$ _____	
14 Appropriation (or Fund Citation) and/or Reporting Category		15 Cost Incurred/Contract Earnings			
		Cum. Actual End of Prior Month a	Actual/Estimated Current Month b	Cumulative Actual/Estimated To Date c	16 Planning Data (For Agency use only) d
		\$ _____	\$ _____	\$ _____	
17 TOTAL					

FORM HEW 515-61/60

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

General Instructions

Recently the Federal Government adopted improvements in its accounting concepts (Bureau of the Budget Bulletin No. **68-10**, subject: "Reporting accrued revenues and expenditures to Treasury and the Bureau of the Budget," April 26, 1968). This requires **Government** agencies to obtain from contractors information on costs incurred or earnings on a monthly basis beginning with a report for the month of July 1968.

This Contract Financial Report has been primarily designed to obtain such information for Government contracts, both fixed-price and cost type, with private enterprise, on a constructive delivery basis for work **performed**.

This form will not be used for Government contracts for the acquisition of mass-produced items which the contractor holds himself available to sell **to** others (off-the-shelf type items). The reporting need applies in those cases where a contractor provides services or manufactures and fabricates material in accordance with Government instructions or specifications.

For cost-type, price redetermination, and fixed-price incentive (cost consideration) **contracts**, data are to be reported in terms of performance, including profit **or fees**. In case of fixed-price contracts, it is not necessary for the contractor to **report** his actual costs, but only to **report** the amounts earned including profit or fee, based on the stage of completion or other satisfactory evidence of performance under the contract.

Amounts to be reported will be based on the contractor's accounting records and will include estimates for current period accruals to the extent required.

Costs incurred or accrued earnings by subcontractors should be included in the amounts reported by the prime contractor. The prime contractor is responsible for including the activities of its subcontractors.

This report will be prepared as of the end of each prescribed period. In those cases where the contractor's period does not coincide with the calendar period, the contractor will report on the basis of his accounting period nearest to the end of the calendar month.

Private enterprise as used in the following paragraphs applies to Industrial and **Commercial** Activities. Contracts with educational institutions, other than those for fabrication or construction, **are** excludable **from** the reporting requirements of these instructions, if the DREW agency determines that comparable information can be obtained by other procedures. Such institutions must, as a minimum, report cash expenditures at least quarterly.

Contracts for which a Contract Financial Report are required are **as** follows:

A. Monthly for all **DHEW** contracts

- (1) With private enterprise for which average annual expenditure will exceed \$250,000 (including contract amendments).
- (2) With private enterprise for less than \$250,000 average annual expenditure at the option **of** the contracting officer.

B. Quarterly for all DHEW contracts

- (1) With private enterprise for which average annual expenditure will range between \$100,000 and **\$250,000** (including contract amendments) unless monthly reporting has been provided by A(2) above.
- (2) With States and other non-profit organizations involving annual expenditure over \$100,000 (including contract amendments).
- (3) Involving average annual expenditure less than \$100,000 but not below \$25,000 for which contractor billings are not made at least monthly.

The Contract Financial Report is due **in** the office of the addressee in 2 copies not later than the 15th of the following period.

Preparation Instructions

1. **For Month Ended.** Enter the ending date of the accounting **period, e.g.,** July 31, July 25, etc. Delete month **and** insert "quarter" if contractor is reporting quarterly.
2. **No. of Work Days.** Enter the number of work **days** included in the period **being** reported, e.g., 20 days, **21** days, 61 days, etc.

3. **Contract No.** Enter the complete letter symbol or contract symbol, number, and number of the **latest** modification or amendment,
4. **To.** Enter the full name and address of the appropriate **Federal Agency** and organizational component or other designate d recipient to whom the report ie to be **submitted**.
5. **From.** Enter the full name and address of the contractor **and**, if applicable, the contractor's division performing the contract.
6. **Contract Value.** Enter the total definitized cost plus **fee of all work** to be performed under the contract as of the preparation date of the report. Include the most recent executed modification or amendment and indicate its number. For all incentive contracts, enter the total of the negotiated target cost and the target fee. For firm fixed-price contracts enter the total amount of the contract.
7. **Contract Type.** Enter the type of contract, e.g., **Cost-Plus-Fixed-Fee**, Cost-Plus-Incentive-Fee, Firm Fixed-Price, etc.
8. **Funded Contract Amount.** Enter, as of the preparation date of the report, the amount of contract funds made available for the work to be performed under the contract, including the most recent executed modification or amendment.
9. **Amounts Billed.** Enter the total amount of invoices **billed by the contractor** against this contract **as** of the preparation date of the report and the latest invoice number.
10. **Program/Scope of Work.** Enter a brief description of the program, contract scope **of work**, item or **items** purchased, or type of services being performed.
11. **Signature and Title of Authorized Representative.** The report should be signed by the authorized representative.
12. **Preparation Date.** Enter the preparation date of the report.
13. **Payments Received** Enter the total amount of payments received by the contractor for this contract as of the preparation date of the report, excluding loans and advances outstanding.

14. Appropriation (or Fund Citation) and/or Reporting Category. Enter all appropriations or fund citations and/or the captions of the reporting categories where required under the terms of the contract. Where two or more appropriation sources are used for funding a single contract or line item and the contract specifies instructions for such reporting or segregation, data should be segregated by appropriation accounting reference. Line items or categories of additional information may be defined according to the needs of the Department or Agency, e.g., deliverable end-items, hardware systems, functional categories, elements of costs, performing organizations.

15. Costs Incurred/Contract Earnings. Enter in appropriate columns as defined below, the amounts of costs incurred or contract earnings on a line item basis as identified under the reporting category in column 14. The prime contractor is responsible for including the costs incurred or earnings of its subcontractors. The contractor should include all appropriate fees earned. Contractors reporting quarterly will delete the monthly reference in columns 15a and b heading and insert "quarter".

- a. Cumulative Actual End of Prior Period. Enter the cumulative actual costs incurred or contractor earnings through the end of the prior accounting period (including fees earned on an equitable basis for all work performed under the contract) for all goods and services either delivered or undelivered, in-place or not in-place.

Reports which are prepared on a cash basis will be so identified by inserting the word "cash" in the columnar heading. The amounts reported in the column would be, for each reporting category, the cumulative disbursements incurred through the prior period.

- b. Actual/Estimated Current Period. Enter the actual or estimated costs incurred (including fees) or contractor earnings for the current period. All available pertinent actual cost data for the period will be used in developing the estimated figure.

Contractors preparing reports on a cash basis will provide the sum of the disbursements and the unpaid liabilities for each reporting category for the current period. If unpaid liabilities cannot be identified by reporting category, provide the aggregate amount as a single line item.

- c. Cumulative Actual/Estimated to Date.** Enter the actual or estimated total costs incurred (including fees) or contractor earnings through the end of the current accounting period (total of Columns 15a and 15b).
16. **Planning Data (for Agency use only).** These columns are provided for optional use by the Federal Agency to provide planning or other data considered desirable for management purposes. (The contractors should leave this blank.)
17. **Total.** -Enter the totals of the respective columns.

Note: Any comments necessary to clarify the information contained in this report should be entered on the reverse of the form.

STANDARD BELL CURVE FOR RESEARCH GRANTS

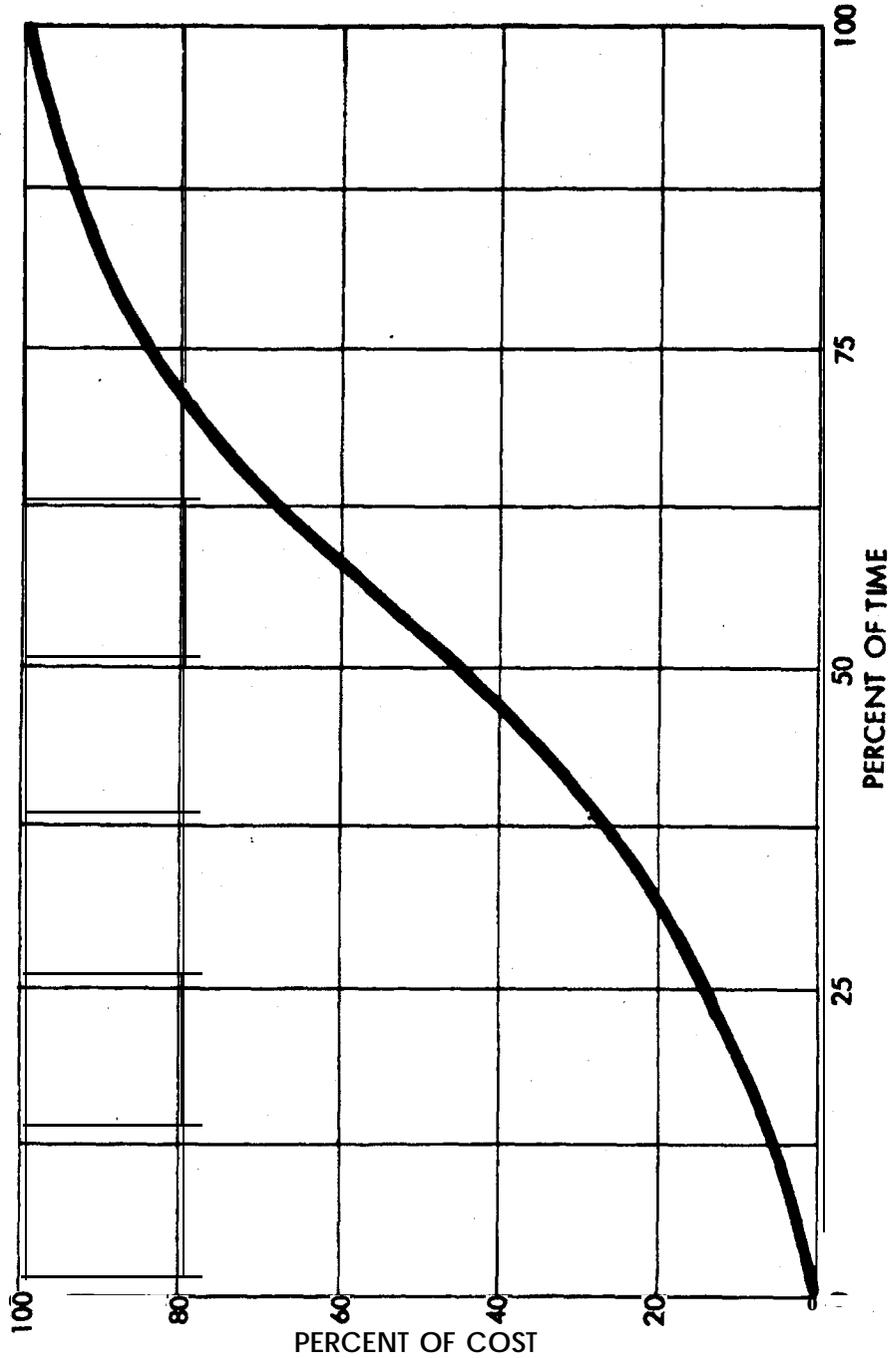


TABLE OF STANDARD BELL CURVE PERCENTAGES

<u>% Time</u>	<u>% Cost</u>	<u>% Time</u>	<u>% Cost</u>	<u>% Time</u>	<u>% Cost</u>
1	0.25	35	23.50	69	77.00
2	0.50	36	24.75	70	78.50
3	0.75	37	26.00	71	80.00
4	1.00	38	27.25	72	81.50
5	1.50	39	28.75	73	83.00
6	2.00	40	30.25	74	84.50
7	2.50	41	31.75	75	86.00
8	3.00	42	33.25	76	87.25
9	3.50	43	35.00	77	88.50
10	4.00	44	36.75	78	89.75
11	4.50	45	38.50	79	90.75
12	5.00	46	40.25	80	91.75
13	5.50	47	42.00	81	92.75
14	6.00	48	43.75	82	93.50
15	6.50	49	45.50	83	94.25
16	7.25	50	47.25	84	95.00
17	8.00	51	49.00	85	95.50
18	8.75	52	50.75	86	96.00
19	9.50	53	52.50	87	96.50
20	10.25	54	54.25	88	97.00
21	11.00	55	56.00	89	97.25
22	11.75	56	57.50	90	97.50
23	12.50	57	59.00	91	97.75
24	13.25	58	60.50	92	98.00
25	14.00	59	62.00	93	98.25
26	14.75	60	63.50	94	98.50
27	15.50	61	65.00	95	98.75
28	16.25	62	66.50	96	99.00
29	17.25	63	68.00	97	99.25
30	18.25	64	69.50	98	99.50
31	19.25	65	71.00	99	99.75
32	20.25	66	72.50	100	100.00
33	21.25	67	74.00		
34	22.25	68	75.50		

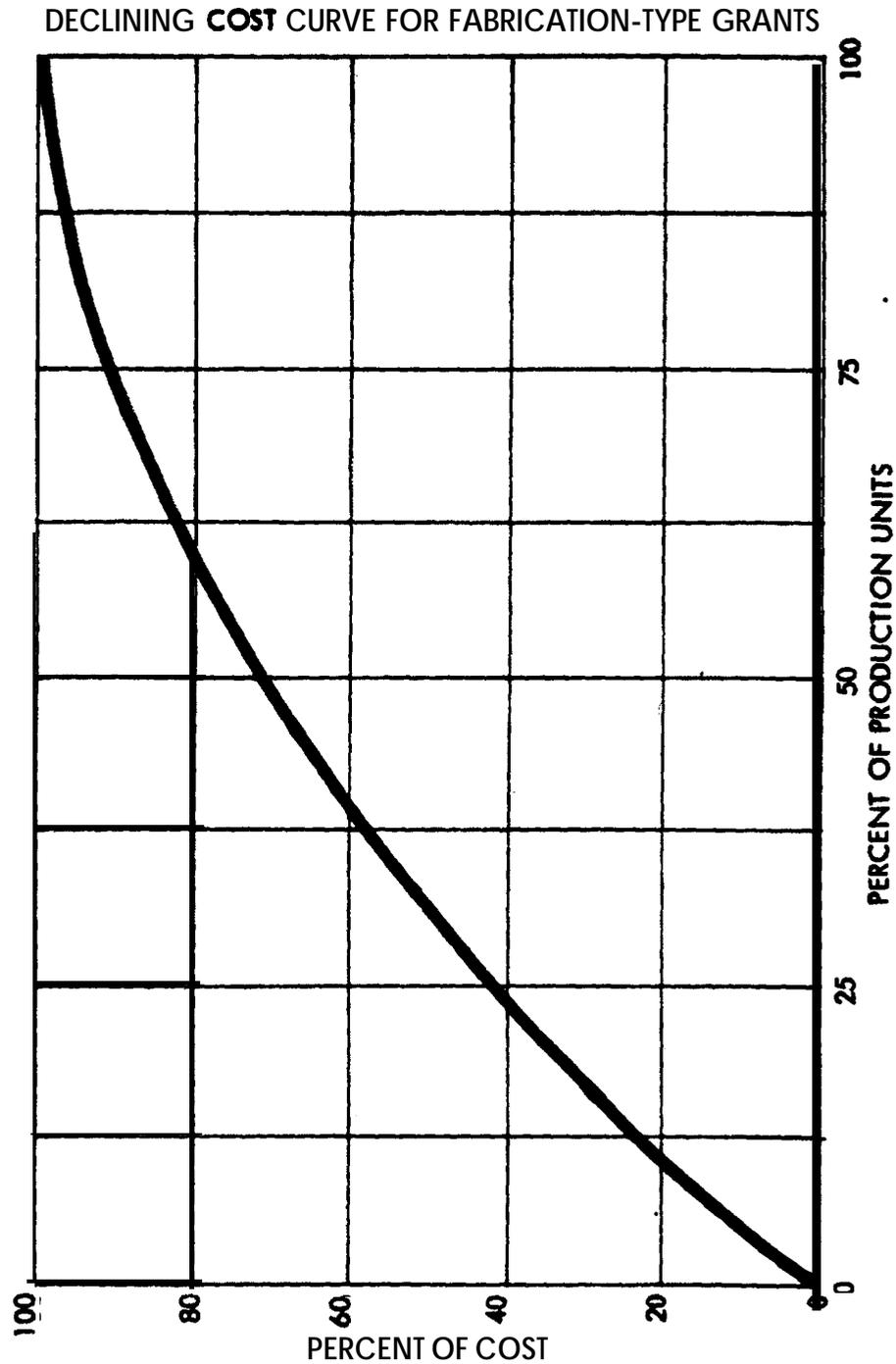


TABLE OF DECLINING COST CURVE PERCENTAGES

<u>Time or % Units</u>	<u>% Cost</u>	<u>Time or % Units</u>	<u>% Cost</u>	<u>Time or % Units</u>	<u>% Cost</u>
1	1.80	35	56.00	69	87.40
2	3.60	36	57.20	70	88.00
3	5.40	37	58.40	71	88.60
4	7.20	38	59.60	72	89.20
5	9.00	39	60.80	73	89.80
6	10.80	40	62.00	74	90.40
7	12.60	41	63.00	75	91.00
8	14.40	42	64.00	76	91.60
9	16.20	43	65.00	77	92.20
10	18.00	44	66.00	78	92.80
11	19.80	45	67.00	79	93.40
12	21.60	46	68.00	80	94.00
13	23.40	47	69.00	81	94.40
14	25.20	48	70.00	82	94.80
15	27.00	49	71.00	83	95.20
16	28.60	50	72.00	84	95.60
17	30.20	51	73.00	85	96.00
18	31.80	52	74.00	86	96.40
19	33.40	53	75.00	87	96.80
20	35.00	54	76.00	88	97.20
21	36.40	55	77.00	89	97.60
22	37.80	56	77.80	90	98.00
23	39.20	57	78.60	91	98.20
24	40.60	58	79.40	92	98.40
25	42.00	59	80.20	93	98.60
26	43.40	60	81.00	94	98.80
27	44.80	61	81.80	95	99.00
28	46.20	62	82.60	96	99.20
29	47.60	63	83.40	97	99.40
30	49.00	64	84.20	98	99.60
31	50.40	65	85.00	99	99.80
32	51.80	66	85.60	100	100.00
33	53.20	67	86.20		
34	54.60	68	86.80		

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SURVEY OF ACCRUAL ACCOUNTING DATA FOR GRANTS
 GRANT LIABILITY AND EXPENDITURE REPORT

1. Name of Organization _____
2. Location (City & State) _____
3. Name of DHEW operating Agency 1/ _____
4. Type of grants covered _____
5. Dates of which data are reported (reporting date) _____

DATA BY INDIVIDUAL GRANT

6. Grant number				
7. Month and year <input type="radio"/> effective				
8. Grant term in months				
9. Month and year <input type="radio"/> expenditures began				
10. Method of financing (use code in II. E.)				
	Amounts <u>2/</u>			
11. Amount of award				
12. Unpaid liabilities as of line 5 date: <u>3/</u>				
a. Unpaid bills				
b. Accrued payroll				
c. Unpaid claims				
d. Unpaid allocable indirect <input type="radio"/> expense				
e. Total unpaid liabilities (a + b + c + d)				
13. Cash expenditures to line 5 date				
14. Total accrued <input type="radio"/> expenditures to line 5 date (12 e plus 13)				
15. Advances or payments by DHEW to line 5 date				

Prepared by _____ Title _____ Date _____

1/ Operating agencies of DHEW are: Office of the Secretary (OS), Office of Education (OE), Social and Rehabilitation Services (SRS), National Institutes of Health (NIH), Health Services and Mental Health Administration (HSMHA), Consumer Protection and Environmental Health Service (CPEHS), and Social Security Administration (SSA).

2/ Report only the DHEW grant share of the total program or project. Report in thousands of dollars to nearest tenth.

3/ If books are kept on accrual basis check here _____ and omit data on lines 12a, b, c, and d.

U.S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

Survey of Grants to Colleges and Universities
to Determine Relationships of
Accrued Expenditures to Grant Amount, Cash
Disbursements and Grant FinancingI. PURPOSE

The U. S. Bureau of the Budget, in implementing the recommendations of the President's Commission on Budget Concepts, requires that Federal agency accounting and reporting be on an accrual basis. In the Department of Health, Education, and Welfare formulas and characteristic cost curves have been or will be developed for estimating at the DHEW agency level the monthly accrued expenditures of grantees without requiring additional continuing periodic reports **containing** this information from the institutions concerned. **In order** to obtain the information necessary to develop and/or **revalidate** these formulas and cost curves, sampling of accrued expenditure and certain other data from selected institutions will be required from time to time. These instructions and the attached report form provide the medium for obtaining such samplings.

II. DEFINITIONS

- A. Grantee - The college or university administering a DHEW grant with financial activity in the current fiscal year.
- B. DHEW - The U. S. Department of Health, Education, and **Welfare** or any of its constituent operating agencies.
- C. Grant - The specific award of financial assistance to **a college** or university by DHEW to carry out specified programs, projects, services or activities. The term includes all awards whether funded by letters of credit, advances, or reimbursements.
- D. Accrued expenditures - as used in this survey, consist of grantee cumulative cash disbursements charged to the grant plus amounts chargeable but unpaid at the end of the reporting period for services rendered (including payrolls), materials, supplies and equipment received whether billed or unbilled, unpaid claims, and unpaid applicable indirect expenses. In each instance reference is to a specific grant. For this project, the terms "accrued expenditures" and "accrued costs" may

generally be considered to be synonymous since costs and accrued expenditures **are** likely to be concurrent because materials, supplies, and any capital-type items financed under a DHEW grant are ordinarily charged directly as a cost to the grant when purchased.

- E. DHEW financing - as used in this survey, consists of:
1. Cash withdrawals by grantee under letters-of-credit.
 2. Periodic direct advance DHEW payments.
 3. Periodic payments for billings to and reimbursements by DHEW.

III. EXTENT OF COVERAGE

A. The information on grants to be reported on the forms provided is to be obtained from a statistical sampling of all grants awarded by DHEW and currently being administered by the reporting institution. Either of the two sampling methods described in paragraphs C and D below may be used in making the sample selection. Construction grants and awards relating to loan programs are excluded from the survey.

B. Grants are to be classified by principal type using separate reports, coded for each type, as follows:

Code

1. Research and/or development
2. Training
3. Fellowships
4. Other grants, exclusive of construction grants (identify)

Judgement may be used in classifying grants under the above types, giving special weight to the predominant characteristic of the work involved. Group under type "4, Other" such activities as demonstration, testing, planning, evaluation, teaching, technical assistance, support, equipment, books and other materials, et cetera.

C. Use the following table to determine the required number of grants to be selected for each of the type6 **shown** in paragraph B:

FOR EACH TYPE OF GRANT

<u>NUMBER OF ACTIVE GRANTS</u>	<u>NUMBER TO BE SELECTED FOR SURVEY</u>
2 - 1	1
26 - 25 100	2
101 - 300	2
301 and above	5

Using random number tables or other valid statistical sampling techniques select the specific grants of each type and furnish for each such selected grant the data called for on the form provided.

- D. In the event information on the number of grants of ~~each type~~ is not available, an alternate method of **selection** may be used. Under this method, the total number of active **DHEW grants** of all types should be regarded as the population universe and no attempt need be made to estimate the number of each type of grant.

Under this circumstance, the reports should cover the two largest (dollar value) grants and a sample of the **remainder** selected as follows, using random number tables or other valid statistical sampling techniques.

<u>TOTAL NUMBER ACTIVE GRANTS</u>	<u>NUMBER TO BE SELECTED FOR SURVEY</u>
13 - 12	ALL
26 - 25 100	12
	15
101 - 300	20
301 and above	25

- E. The operational characteristics may not require disbursements each month. Because of this, the concept of applying a factor to each month's expenditures to estimate accrued expenditures would be inappropriate. In such cases, it is necessary to employ an alternative method for obtaining bases for **estimating** accruals. The procedures to be followed **in** accumulating and reporting survey data are **described** in attached TAB 1 of these instructions.

IV. PERIOD OF COVERAGE

The starting point for reporting information called for in this survey is the effective date of the **grant**, if awarded in the current fiscal year or the starting date of the **current funding period if the instrument was awarded prior to the current** fiscal year.

The date as **of** which financial data are to be reported, called the reporting date, is the last day of a recently completed representative accounting month. If cash records are held open at the close of the fiscal year to include subsequent disbursements applicable to the prior fiscal year, do **not** use fiscal year-end as the reporting date, unless **you are able to** identify accruals as against payments actually made.

V. STEPS FOR DEVELOPING AND REPORTING DATA

- A. All grants covered by the survey will be reported on the attached form "Grant Liability and Expenditure Report". A separate **column** on the report will be used for each grant using additional report forms as needed. A separate report or reports will be made for each principal type of grant listed in paragraph **IIIB**. Only the DHEW grant share of unpaid liabilities, disbursements and accrued expenditures will be reported.
- B. Where the college or university maintains its accounts on a true accrual basis so that the reported accrued expenditures on line **14** would completely conform to the accrued expenditure concepts as defined in paragraph **IID**, it will not be necessary to report the details of the unpaid liabilities called for on lines **12a** through 12d on the Grant Liability and Expenditure Report. The amount on line **12e** can be developed in such cases by deducting line 13 from line 14.
- C. For those colleges and universities which do not have their accounting on an "accrual basis" (not obligation or encumbrance basis) it will be necessary in determining "unpaid liabilities" (line **12a., b., c., d and e**, of report) related to the selected grants to make reviews and analyses of documents for services, materials, and equipment which were on hand but unpaid as of the reporting date, plus similar liabilities for any services, materials and equipment **received on or before** the reporting date but for which a bill had not been received. In addition, salaries and wages earned but unpaid at the reporting date should be **determined** and

reported together with any unpaid indirect expenses properly allocable to the selected grant. The development of unpaid liabilities does not **require** absolute precision **such** as inclusion of **insignificant** amounts, the **splitting** of monthly utility bills or other **impracticable procedures**. It also is not necessary to include unpaid **liabilities** of subcontractors unless the amounts involved are likely to be significant in amount. Amounts should be stated in nearest tenth of thousand of dollars throughout the report.

- D. Detailed instructions for completing the form are given below:

Line No.

1. Name of college or university reporting.
2. **City and State** in which accounting office is **located**.
3. **Name** of DHEW agency awarding the grants.
4. Insert type of grant and code number shown in Section III **B** of these instructions.
5. Insert the ending date of a recently completed representative accounting month as of which the amounts are **being** reported. This is referred to hereafter as "reporting date" (see Section IV).
6. Insert the DHEW operating agency grant number including applicable prefixes, if any.
7. Show month and year of award if awarded during the current fiscal year, otherwise show starting date of most recent funding.
- a. Show total number of months involved in the current funding period of the selected grant. Round to nearest **whole** month.
9. Insert the month and year in which grantee cash expenditures began to **occur** in the current funding period.
10. Identify the method of providing **DHEW** funds to the grantee, using the appropriate code as listed in paragraph II E of these instructions.

11. Insert the amount of the current funding. This and all subsequent amounts should be in thousands of dollars to the nearest tenth (e.g. \$50,307 should be reported as \$50.3).
12. For institutions not reporting on a true accrual basis show on lines 12 a, b, c, and d, the amounts of the various types of unpaid liabilities as of the reporting date. Use the definitions shown in Section II D and V B. If books are kept on the "accrued cost basis" (not obligation or encumbrance basis) lines a, b, c, and d, need not be completed. Earned overhead accruals should be included in line 12 c, 'whether currently recorded in the accounts or not using provisional rates if necessary. Unearned overhead charges should be excluded.
13. Insert grantee cumulative cash disbursements from date of current funding of grant through reporting date.
14. This line is the sum of lines 12 e and 13 for those institutions not reporting on the accrual basis. It also is to be used for reporting total accrued expenditures taken from the books for institutions reporting on the accrual basis of accounting as provided in paragraph VB.
15. Show cumulative cash withdrawals under **letters-of-credit** or other forms of DHEW payment from date of current funding through reporting date. This line may be omitted if funding of the selected grant is financed through the DHEW NIH Grant Management Fund **or** similar fund operated on an "institutional" basis, unless the information is readily available in the institution's records.

VI. SUBMISSION OF REPORTS - FURTHER INFORMATION

When the survey is completed at each institution, the survey report and attachments if any (original copy) should be forwarded promptly to Mr. _____.

Any questions concerning the project should be taken up directly with Mr. _____ who can be reached on _____ **Calls** may be made collect.

Subject: APPROPRIATION SYMBOLS AND TITLES

4-10-00 Purpose
10 Application
20 Assignment of Appropriation Symbols

4-10-00 PURPOSE

The appropriation, receipt, and other fund account symbols and titles are assigned by the Department of the Treasury consistent with the **principles** and standards prescribed by the Comptroller General of the United States, and published in the Treasury Financial Manual (TFM). Appendix No. 1 to I TFM 2-1500 is updated during each fiscal year in segments as major appropriations are enacted or as other revisions are needed. This appendix, also known as the Federal Account Symbols and Titles (FAST) Book, is obtainable from the Financial Management Service, Department of the Treasury.

4-10-10 APPLICATION

Each accounting transaction pertaining to receipt or disbursement of funds must be identified with the appropriate Department of the Treasury account symbol for purposes of fund control and external reports. Structure of the appropriation symbol as a system of identifying funds and related accounts is described in Chapter 3-10. Identification of transactions to program and cost center levels below the Treasury account symbol is accomplished through common accounting numbers described in Chapter 4-20.

4-10-20 ASSIGNMENT OF APPROPRIATION SYMBOLS

The Department of the Treasury has responsibility for the assignment of all appropriation, receipt, and fund account symbols. As new program proposals requiring separate financing are approved by the Office of Management and Budget, the Department of the Treasury tentatively assigns an account symbol. After Congress approves the new program and appropriates funds for it, the Department of the Treasury usually assigns to it the account symbol previously reserved.

**HHS Chapter 4-20
Departmental Accounting Manual
HHS Transmittal 98.6 (10/1/98)**

SUBJECT: GENERAL LEDGER ACCOUNTS AND RECORDS

4-20-00	Purpose and Scope
10	Grouping and Coding of Accounts
20	chart of Accounts
30	General Ledger Process
40	Standard General Ledger
50	General Ledger Accounts Posted by Transaction Code
60	Decision Support Subsidiary Information

4-20-00 PURPOSE AND SCOPE

This chapter sets forth the general ledger accounts and a general ledger record layout, for use in all Departmental accounting systems. The use of standard accounts and other elements of data associated with the maintenance of a general ledger system will permit comparability and facilitate the analysis and/or consolidation of similar data and financial statements of the various organizational components of the Department.

The accounts, together with the data prescribed in the record layout, are required in all general ledger systems, including revolving funds, and whether the systems are centralized or decentralized throughout the Department.

The chart of accounts implements the U.S. Government Standard General Ledger which was approved by the Secretary of the Treasury, the Comptroller General of the United States, and the Director, Office of Management and Budget on August 14, 1986. Agencies were advised to adopt the general-ledger accounts since the account structure is a key ingredient in improving financial systems and management efficiency throughout the Government. The standard is intended to:

- provide control over all financial transactions and resource balances
- integrate proprietary and budgetary accounting
- provide for full accrual accounting
- satisfy basic OMB and Treasury reporting requirements (Program and Financing, Budget Execution Report, and related Treasury Reports)
- satisfy HHS Department-wide requirements for management reports and preparation of financial statements required by the Department, OMB, Treasury and other users of the financial statements.

4-20-10 GROUPING AND CODING OF ACCOUNTS

- A. The Government-wide Standard General Ledger (SGL) Chart of Accounts is published and maintained by the Financial Management Service, Department of Treasury, as a supplement to the Treasury Financial Manual.
- B. A four digit account numbering scheme provides the basic structure of the standard general ledger. It incorporates the traditional proprietary and budgetary accounts and also provides for statistical/memorandum accounts. Both the proprietary and budgetary sections are self-balancing within themselves.
- 1000 Assets
 - 2000 Liabilities
 - 3000 Equity of the U.S. Government
 - 4000 Budgetary
 - 5000 Revenue and Financing Sources
 - 6000 Expense
 - 7000 Gain, Losses and Unusual Items
 - 8000 Government-wide Memorandum Accounts
 - 9000 BBS Memorandum Accounts
- C. As permitted by the Government standard, HHS has excluded some general ledger accounts not pertinent to Departmental operations and has added numerous subsidiary general ledger accounts to meet requirements unique to this Department. All subsidiary accounts will summarize to the Government prescribed account for reporting purposes.
- D. Within the basic structure, summary and posting accounts are provided and are also designated in the HHS Standard General Ledger Chart of Accounts (Exhibit 4-20-A). A summary account is one specified for use Government-wide and is subdivided into subsidiary posting accounts. Accounts which are not further subdivided are posting accounts. Posting accounts include those specified for use Government-wide and those established by HHS to meet Departmental specific needs. Posting should not be made to summary accounts.
- E. Some basic (posting) accounts are subdivided by subsidiary classification, sometimes called data elements or subaccounts in various agencies of the Government. These subsidiary classifications are needed in conjunction with the general ledger accounts to meet external reporting requirements. Their use is mandatory in all HHS systems. The subsidiary classifications are defined as:

Authorization Source

Appropriation Acts	T
Substantive Law	L

Definition: Funds that become available as a result of appropriation acts passed by Congress versus funds that are automatically available due to existing laws.

Authorization Timing

Current Year Authority	C
Permanent Authority	P

Definition: Current authority requires action by Congress on a request for new budget authority. Permanent authority becomes available without further action by Congress.

Program Financing

Direct Program Authority	D
Reimbursable Authority	R

Definition: Direct obligation are financed by appropriations while reimbursable obligations are financed by offsetting collection (payment for goods or services are provided to the paying entity by the performing account).

Apportionment Category

Category A Apportionment	A
Category B Apportionment	B

Definition: Category A funds are apportioned quarterly. Category B funds are apportioned on some other basis.

Transaction Type

Government	G
Non-Government	N

Definition: An indication of whether an amount is an exchange of assets/liabilities within the Federal Government or an increase/decrease to Federal Government assets/ liabilities. This indication is used mainly to eliminate offsetting amounts on combined statements to insure that Government assets and liabilities are included only once. Non-Government entities include individuals, State/Local Government Agencies, Corporations and Foreign Countries.

Type Funding

Funded by Appropriation	F
Unfunded	U

Definition: Costs are either unfunded or funded by appropriation. Traditionally, examples of unfunded costs have been depreciation/amortization and annual/sick leave, meaning the costs were not funded in the current period. The depreciable assets were funded in prior periods. The annual/sick leave costs require funding in future periods. Currently, in HHS systems, these unfunded costs and all funded wsts are recorded in basic (posting) general ledger accounts rather than by a subsidiary classification. The funded/unfunded subsidiary classification can be associated with the classification of liability transactions.

Inventory Category

Inventory for Use	M
Inventory for Sale	8

Definition: An indicator of whether inventory of materials and supplies have been purchased for use in operations or for sale.

Object Classification

Definition: A method of classifying obligations and expenditures according to the types of services, articles, or other items involved, e.g., personal services, supplies and materials, and equipment. See Chapter 4-50 for specific codes. OMB Circular A-11 prescribes the major object classes, however HHS has expanded these codes into sub-object classes for control at a lower level and to better describe the obligations and expenditures being incurred. In HHS systems sub-object classes are also assigned to other than obligation and expenditure documents. See 4-20-60 on Decision Support Subsidiary Information.

4-20-20 CHART OF ACCOUNTS

The HHS Standard General Ledger Chart of accounts is listed in Exhibit i-20-A. The listing provides the following information:

Type Record

- P = Posting account.
- S = Summary of subsidiary P accounts
- T = Summary of S accounts and/or some P accounts
- G = Summary of accounts within financial statement categories (Assets, Liabilities, etc.)

Account Number - The general ledger account numbers which are displayed to show the "roll-ups" to summary accounts.

Account Title - This is the name of the general ledger account.

Normal Balance

DR = Debit

CR = Credit

DC = Debit/Credit

The general ledger accounts are also published as a separate document entitled "**HHS** Posted General Ledger." The Posted General Ledger maintains the accounts at the lowest subsidiary level, described in **4-20-10E**, and shows all the possible transactions (**TCs**) that may pertain to the account.

Both the Chart of Accounts and the Posted General Ledger are available to **OPDIVs** on-line in the SGL/TC Database Documentation System, and are periodically made available in hard copy and electronic formats by the Office of **Financial** Policy, OS.

4-20-30 GENERAL LEDGER PROCESS

The general ledger process begins with the individual input of data by a technician or from interface and batch records, more fully described in Chapter 3-20. The next step in the process is the retrieval of additional data elements stored in the CAN table by the association of the CAN from the input records with the CAN on the table. This process is commonly called the CAN "**explosion**". The next step is called the "decode" process in which key data elements from input and those retrieved from the CAN table are matched to data elements in the decode table to retrieve the various pairs of general ledger accounts needed to process the defined activity of the transaction code. The final step is the update of the general ledger record for the dollar amount recorded with the transaction Code. This process, together with a listing of the required data elements, is portrayed in Exhibit 4-20-B.

4-20-40 STANDARD GENERAL LEDGERS

General ledgers shall be maintained in such a way that data can be produced by accounting point, by appropriation or fund symbols, and by special apportionment, if necessary. Trial balances must be issued at the accounting point level as this is the lowest level of general ledger control and informational requirements. General ledger data are to be consolidated at **OPDIV** level by appropriation or fund **symbol**.

To maintain this uniformity throughout the Department, data **elements** listed in Exhibit 4-20-B are maintained in a standard General Ledger Record. The data elements are defined and the record layout are shown on Exhibits 4-20-C and 4-20-D,

4-20-50 GENERAL LEDGER ACCOUNTS POSTED BY TRANSACTION CODE

Each general ledger debit entry and credit entry derived from the input of a transaction code and general ledger processing is posted to the general ledger accounts. An example of a Posted General Ledger Account is displayed in Exhibit 4-20-E. Because of its size, the Posted General Ledger is published as a separate hard copy listing. It is also available to OPDIVs on-line in the SGL/TC Database Documentation System, and is periodically made available in both hard copy and electronic formats by the Office of Financial Policy, OS.

4-20-60 DECISION SUPPORT SUBSIDIARY INFORMATION

To provide more detailed information to HHS managers about the Department's programs and operations, accounting systems must maintain data at the Fiscal Year, Common Accounting Number (CAN) and Sub-object class level for these selected general ledger accounts:

- 4511 Apportionment Available for Distribution -
Current Quarter
- 4512 Apportionment Available for Distribution -
Subsequent Quarters
- 4611 Allotments Available for Commitment/Obligation
- 4612 Allowances Available for Commitment/Obligation
- 4620 Other Funds Available for Commitment/Obligation
- 4630 Other Funds Not Available for Commitment/Obligation
- 4700 Commitments
- 4800 Unexpended Obligations
- 4900 Expended Authority
- 4930 Expended Appropriations against Transfers to Other Agencies
- 1012-1014 Disbursements
- 5000 Series Revenue
- 6000 Series Expense

The FY/CAN/SUB-OC balances of these general ledger accounts will provide the capability to further distribute the amounts to the level of any of the data elements in the CAN table, see Exhibit 3-30-A. For example, commitment data at the object class level can be extracted for a given budget activity or project for a given year.

The data elements to be maintained and the record layout for this subsidiary information are shown in Exhibits 4-20-F and 4-20-G.

These requirements may be revised in the future., as well as the data elements in the CAN table to meet special needs, when the Division Support System is fully designed.



HHS TRANSMITTAL 99.4
Departmental Accounting **Manual**
Issue Date: **9/20/99** .

Page I

Material transmitted .

Exhibit 4-20-A *General Ledger Accounts and Records, Pages **13-15**

Exhibit 4-50 Object Class Codes, pages 43-44 and 61-62

Material superseded

Exhibit 4-20-A (pages 13-16 : 99.3)

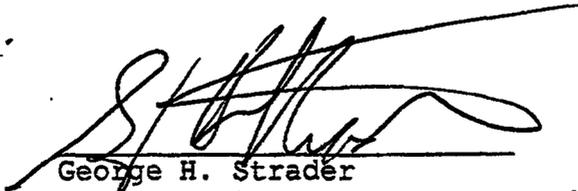
Exhibit **4-50** (page **44** : 97.3)
(page **62** : 98.4)

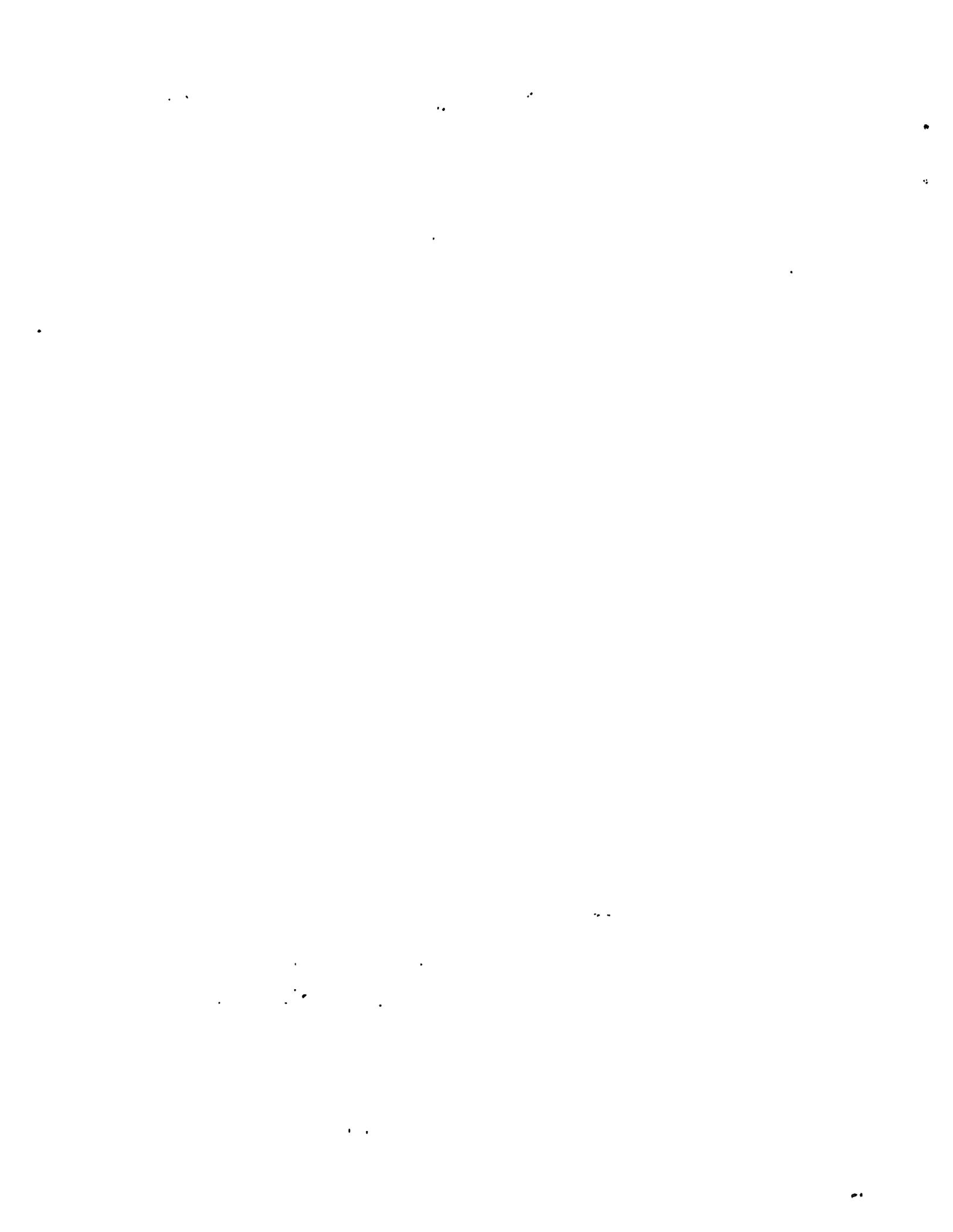
Background

During the past year the USSGL Board has approved numerous changes in the US Chart of Accounts that require changes to our HHS general ledger accounts and the accompanying accounting entries and transaction codes, as well as a few changes in our sub-object classification codes **to be effective October 1, 1999**. The attachment to this transmittal details each addition, modification and deletion to HHS **SGLs**, TCS and **sub-object** codes. This is the second of a series of changes to bring the HHS general Ledger into conformance with the USSGL. These changes were previously issued in draft form by memo dated July **15**, 1999.

Filing Instructions

Remove superseded material and replace with **the new** material. Post receipt of this transmittal to the HHS Checklist of Transmittals and file this transmitted in sequential order after the checklist.


George H. Strader
Deputy Assistant Secretary, Finance



standard General Ledger Changes

. New SGLs

6805	Other Future Funded Expenses	Establish New Posting Account
6710	Depreciation, Amortization and Depletion	Was Previously 6902
6801	Annual and Compensatory Leave	Was previously 6904
6900	Nonproduction Costs	Establish New 6900 Posting Account (see old 6900' below)

Modified SGLs

5600	Donated Revenue - Financial Resources	Changed from Summary to Posting Account
5610	Donated Revenue - Non-Financial Resources	Modified Description
5720	Financing Sources Transferred-In Without Reimbursement	Modified Description
6000	Expense	Sub-account 6710 Added
6100	Operating/Program Expense	Sub-account 6107 Deleted
6790	Other Expenses Not Requiring s Budgetary Resources	Modified Description
6800	Future Funded Expenses	Establish as Summary Account with sub-accounts 6801 & 6805

.. Deleted SGLs

5601	Donated for Travel Expense - Cash Retained by Agency	Replaced by 5610
5602	Donated for Travel Expense - Value of Services-in-Kind	Replaced by 5610
5603	Donated for Travel Expense - Cash Retained by Traveler	Replaced by 5610
5604	Other Donated Revenue	Replaced by 5610
6107	Supplies and Yaterials Issued from Inventory	Replaced by 6790
6900	Other Expenses'	Deleted Old 6900 Summary Account (see new 6900 above)
6901	Expenses from Transfer to Other Agency	Included as part of 6101
6902	Depreciation and Amortization - Unfunded	Replaced by 6710
6904	Annual and Compensatory Leave - Unfunded	Replaced by 6801

Deleted SGLs (continued)

6905 Other Expenses - Unfunded Replaced by 6790
6906 Current Year Unfunded FECA Expense Replaced by 6805

Transaction Code Changes

(NOTE: **These TC changes have no impact** on DAM Chapter 4-40 as no TC titles were modified, added or deleted.)

052 6801 replaces 6904
096 6801 replaces **6904**
097 6801 replaces 6904
09A 6101 replaces 6901 (further modification will be made in the Transfer-appropriation **Package**)
10D 6805 replaces 6906
183 6801 replaces 6904 and 6905 (parking fringe benefit) deleted
247 6790 replaces 6905 and 5610 replaces 5601, 5602 **and** 5603
30B 6790 replaces 6107 and note deleted as no longer applicable
321 6710 replaces 6902
356 6790 replaces 6905 and 5710 replaces 5604
358 6790 replaces 6905 and 5720 replaces 5903
503 6790 replaces 6905

Object Class (OC) Changes

New OCs

26.57 Non-Human **Primate** Animals (acquired for direct use)
26.58 Aquatic Species (acquired for direct use)
26.56 Non-Human Primate Animals (acquired for inventory)
26.533 Aquatic Species (acquired for inventory)

Modified OCs

26.55 Changed from "Research Animals" to "**Other** Research Animals (acquired **for direct** use)"
26.53 Changed from "Research Animals" to "**Other** Research Animals (acquire+ for **inventorey**)" ,

Deleted OC

61.64 Parking Fringe Benefit [deleted, no longer applicable)

The Revenue standard did not recognize the need to maintain an equity account for the initial classification of a revolving/management fund and so the SGL deleted account 3213. Several members of the Board, including HHS, believes there is sufficient merit to maintain this data apart from Cumulative results of operation. See the one-time adjustment below for the reclassification of the account number.

Likewise, there is merit in maintaining an equity division for Federal property in custody of others, pending recovery or disposition of the property. See the one-time adjustment below for the reclassification of the account number.

ONE-TIME ADJUSTING ENTRIES (USE TC-399)

- (1) To remove any "stewardship investment PP&E" (heritage assets and stewardship land that was previously recorded in property asset accounts 1730, 1739, 1740, 1749, 1750, 1759) See SFFAS No. 4.

Dr. 7400 Prior period adjustments
Cr. Asset accounts 1730, 1740, 1750

-and-

- * Dr. Accumulated depreciation accounts 1739, 1749, 1759
Cr. 7400 Prior period adjustments

- (2) To remove the balance in "Investment in capital assets"

Dr. 3211 Investment in capital assets
Cr. 7400 Prior period adjustments

Beginning October 1, 1998 as assets are purchased the component entry will be to Dr. 3100 and Cr. 5700

- (3) To remove the balance in "Donations & other items."

Dr. 3400 Donations and other items
Cr. 7400 Prior period adjustments

Beginning October 1, 1998 donations and other items will be recorded in revenue accounts 5600 and 5610, Financial and non-financial resources, and 5609 and 5619 for any return of the resources.

- (4) To reclassify the initial capitalization of a fund to a subsidiary account of **"Cumulative** results of operations-

Dr. 3213 Appropriated for revolving & management funds
Cr. 3313 Capital Investments (initial and **subsequent**
capitalization)

Beginning October **1**, 1998 any capitalization will be recorded: for appropriated funds making the investment, Dr. 3313 and Cr. 1012, also '3100 and 5700; for the revolving/ management fund receiving the capitalization, Dr. 1011 and Cr. **3313**

- (5) To remove the balance in "Transfers-in" and Transfers-out" accounts.

Dr. 3220 Transfers-in without reimbursement
Cr. 7400 Prior period adjustment

-and-

Dr. 7400 Prior period adjustment
Cr. 3230 Transfers-out without **reimbursement**

Beginning October **1**, 1998 transfers-in will be recorded in accounts 5720 and transfers-out will be recorded in 5730.

- (6) To reclassify "Federal property in custody of **others**" to a subsidiary account of **"Cumulative** results. of operations"

Dr. 3212 Federal property **in** the custody of others
Cr. 3312 Federal property in the custody of **others**

Beginning October **1**, 1998 Federal property purchased by and reported by a grantee or contractor will be recorded as Dr. **1754**. Property in the custody of others. **"This property is exclusive** of stewardship investment property purchased with grant funds and expensed that is subject to supplementary stewardship reporting. See SFFAS No. 6.

In accordance with the above, we are changing the name of **SGL** 1754 to "Federal property in custody of others," and deleting **SGL** 1755. There appears to be no requirement to maintain separate accounts for grantees and contractors.

TCs will **also modified** to record the loan of *equipment* to a grantee or contractor

Dr. 1754 Federal property in custody of **others**
Cr. Asset accounts **1751**, 1756

It is essential that property records maintain the identity of property transferred in/out, and property in the custody of others apart from purchases/disposals to facilitate the recording of the above **entries**.

AMENDED TRANSACTION CODES

TC Explanation

00P Modified the description and changed 3400 credit entry to **3100**; this is a collection to be made available to Special/Trust funds for obligation

081 Subdivided SGL 1710 **into** 1711 & 1712 and added sub-object **code** 32.12

Recoded **SGLs** 1721 and 1722 to 1720 and added "**G/N**"; also dropped sub-object **class code** 32.52

For **SGL** 1730, **revised the** sub-object class codes to **32.21-32.2D** (except **32.2A**), 32.41 and 32.42

For SGL 1340, revised the sub-object class codes to **32.31-32.3H** and **32.2A**

For SGL 1756, revised the sub-object class codes to 31.41, 31.44, 31.45 and 31.48

Added SGL 1820 and sub-object class code 32.71

For **component** entry reducing 3100, Appropriated **capital**, changed the contra entry **from 3211 to** 5700 and amended the sub-object class code range to include codes for **both** asset and expense purchases.

The same changes are made to TCs:

090, 091, 095, **181**, 191, 192, 237 and 330

082 Modified the description and made other changes in the entries according to the new PMS procedures for accruing grants at end of the year .

- 09A** As shown in **081**: added **SGLs** 1711, 1712, 1730, 1740 and . . . applicable sub-object class codes; **revised** the sub-object class codes **for** 1756; changed the component **entry** 3211 to 5700. Changed 1721 to 1720G and added sub-object class code 32.51
- 102 Added to description, **current** year portion; and deleted component entry Dr. **3100** and Cr. 3211
- 109**, Deleted component entry Dr. 3211 and Cr. **3320**.
111
- 121 Added to description, prior year portion; and deleted component entry Dr. 3310 and Cr. 3211
- 122 Reclassified Cr. entry 3212 to 3312 and revised the note
- 184, On component entry changed Cr. 3211 to 5700 and deleted
194 note for **"C"** entry
- 223 Deleted **component** entry Dr. 3211 and Cr. 3100 and revised **the** note
- 262, Added 1829 as a Cr entry to **"A"** component with sub-object class
'26A code 61.33; deleted component entry Dr. 3211 and Cr. 5700 and applicable note; **on** TC 262 note **regarding closing** entry, changed 7110 to 7111 and 3320 to 3310, and on TC 26A note changed 7210 to 7211 and 3320 to 3310
- 263 Deleted the **component entry** Dr. 5700 and Cr. 3211
The same changes are made to **TCs**:
265, 303, 322, 326
- 268 Changed description of the TC, modified the note and changed the range of the sub-object class for SGL 1756
- 283, Deleted component entry Dr. 3211 and Cr. 1933 for **TC**283 and
284 the reverse for 284, and revised 283 note changed 284 description
- 288 Deleted the component entry Dr. 1943 and Cr. 3211; also deleted component entry Dr. 3100 and Cr. 5700, and revised the note
- 28C Deleted the component entry **Dr.** 3211 and Cr. 1943

31B Deleted the **component** entry Dr. 3100 and **Cr.** 5700 because account 3211 is deleted; all capital asset **are** recorded to 5700 at the time purchased

The same changes are made to **TCs:**

302, **31F**, 315, 323, 332, 341, 406, 409,

31C Deleted component entry Dr. 3211 and **Cr.** 5700

The same changes **are made to TCs:**

31D and **31E**

321 Added 1719 as **Cr.** entry with sub-object class code 61.34; for 1739 changed sub-object class code 61.36 to 61.31; for 1749 changed sub-object class code **from** 61.31 to **61.36**; and dropped notes 1 and 3

334 Deleted *component entry Dr. 3320 **and** Cr. 3211 and revised the note

355 Reclassified 1710 to 1711 and added 1712 with s-object class code 32.12; revised sub-object class codes for 1730, 1740 and 1756 **as described** in TC 081; and reclassified 3400 to 5610

357 Made the same changes as for TC 355; except that Cr. entry to 3220 was reclassified to 5720

9BA Changed the closing entry *from* 3320 to 3310

9BB, 9BC, 9BD, 9BE, 9BF, 9BG, 9BH, 9BJ, 9BK, 9BM, 9BN, 9BP, 9BQ, 9BR, 9CA, 9CB, 9CC, 9CD, 9CE, 9CG, 9CH, 9CJ, 9CK, 9CM, 9CN, 9CP, 9CR, 9CY and 9ED

9CQ Changed the closing entry from 3320 to 3310 and added a note regarding closing when 7300 has a credit balance

9CS Changed the closing entry from 3320 to 3310 and reversed the entry

The same changes are made to **TCs:**

9CT, 9CU, 9CV, 9CW and 9CX

9CZ Changed the closing entry *from* 3320 to 3310 and added a note regarding closing when 7600 has a credit balance

NEW TRANSACTION CODES

TC Explanation

- 10E** To record actuarial liability *for* PHS CO Corps retirement system
- 10F** To *record* co&s/financing *sources for* pension benefits
- 20G** To record liability for claims *to be* paid by the Treasury Judgment Fund or to be funded for payment by the OPDIV

DELETED TRANSACTION CODES

269, 295, 354, 421, 422, 424, 425, 426, 427, 428, 429, **9AF, 9BS, 9BT, 9CF, 9EB** and **9EC**

SUB-OBJECT CLASS CODE CHANGES

- 32.11 Changed title of "Land" to "Land & land rights"
- 32.12 Established new code *for* "Improvements to land"
- 32.51 Changed **title of "Construction in progress -** By other government agency" to "Construction in progress"
- 32.52 Deleted, see 32.51
- 32.71 Established new code for "Leasehold **improvements**"
- 61.13 Modified title to include both grantee 6 Contractor
- 61.14 Deleted, see 61.13
- 61.34 Established new code for "Depreciation *of* Improvements to **Land**".
- 61.5T** Established code for "Litigation expense"
- 61.5W** Established **code** for *Civilian and commissioned officer' pension **benefits**"
- 61.5X Established code *for* "Civilian and **commissioned** officer health benefits"
- 61.5Y** Established code *for* "Civilian and commissioned officer life insurance benefits"

AS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
G .	1000	ASSETS	DR
S	1010	FUND BALANCE WITH TREASURY	DR
P	1011	AUTHORITY	DR
P	1012	DISBURSEMENTS. (OTHER THAN PAYROLL)	CR
P	1013	DISBURSEMENTS (PAYROLL)	CR
P	1014	FOREIGN DISBURSEMENTS	CR
P	1015	COLLECTIONS	DR
P	1016	DEPOSIT FUNDS AND BUDGET CLEARING/ SUSPENSE ACCOUNTS	DR
S	1100	CASH	DR
P	1110	UNDEPOSITED COLLECTIONS	DR
P	1120	IMPREST FUNDS	DR
P	1190	OTHER CASH	DR
P	1195	OTHER MONETARY ASSETS	DR
P	1200	FOREIGN CURRENCY	DR
T	1300	RECEIVABLES, NET	DR
S	1310	ACCOUNTS RECEIVABLE	DR
P	1311	ADVANCES AND REIMBURSEMENTS RECEIVABLE - BILLED	DR
P	-1312	REFUNDS RECEIVABLE	DR
P	1313	GENERAL/TRUST FUND RECEIPTS RECEIVABLE	DR
P	1314	ADVANCES AND REIMBURSEMENTS RECEIVABLE - UNBILLED	DR
P	1315	AUDIT DISALLOWANCES RECEIVABLE	DR
P	1316	ANTICIPATED RECOVERIES - AUDIT' DISALLOWANCES	DR
P	1317	INSURANCE PREMIUMS RECEIVABLE	DR
P	1318	ACCOUNTS RECEIVABLE - NON-CURRENT	DR
P	131A	ANTICIPATED RECOVERY - PROGRAM DISALLOWANCES	DR
P	1319	ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	CR
S	1340	INTEREST RECEIVABLE	DR
P	1341	INTEREST RECEIVABLE ON LOANS	DR
P	1343	INTEREST RECEIVABLE ON INVESTMENTS	DR
P	1344	INTEREST RECEIVABLE ON GENERAL/TRUST FUND RECEIPTS	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
P	134A	INTEREST RECEIVABLE ON DELINQUENT ACCOUNTS	DR
P	134B	INTEREST RECEIVABLE ON DELINQUENT LOANS	DR
P	134c	PENALTY RECEIVABLE ON DELINQUENT ACCOUNTS	DR
P	134D	PENALTY RECEIVABLE ON DELINQUENT LOANS	DR
P	134E	ADMINISTRATIVE COSTS RECEIVABLE ON DELINQUENT ACCOUNTS	DR
P	134F	ADMINISTRATIVE COSTS RECEIVABLE ON DELINQUENT LOANS	DR
P	1349	ALLOWANCE FOR LOSS ON INTEREST RECEIVABLE	CR
S	1350	LOANS RECEIVABLE	DR
P	1351	LOANS <i>RECEIVABLE</i> - PRINCIPAL	DR
P	1352	LOANS RECEIVABLE. - COLLECTIONS	CR
P	1353	GENERAL/TRUST FUND RECEIPTS LOANS RECEIVABLE - PRINCIPAL	DR
P	1354	GENERAL/TRUST FUND <i>RECEIPTS</i> LOANS RECEIVABLE' - COLLECTIONS.	CR
P	1355	LOANS RECEIVABLE - GUARANTEED/ PLEGGED - PRINCIPAL	DR
P	1356	LOANS RECEIVABLE - GUARANTEED/ PLEGGED - COLLECTIONS	CR
P	1357	LOANS RECEIVABLE - DEFAULTED - PRINCIPAL	DR
P	1358	LOANS RECEIVABLE - DEFAULTED - COLLECTIONS	CR
P	135A	LOANS RECEIVABLE - CURRENT	DR
P	1359	ALLOWANCE FOR LOSS ON LOANS RECEIVABLE	CR
P	1399	ALLOWANCE FOR SUBSIDY	CR
T'	1 4 0 0	ADVANCES AND PREPAYMENTS	DR
S	1410	ADVANCES TO OTHERS	DR
P	1411	TRAVEL ADVANCES AND EMERGENCY EMPLOYEE PAYMENTS	DR
P	1412	ADVANCES TO COMMISSIONED OFFICERS	DR
P	1413	ADVANCES TO NON-FEDERAL ENTITIES THROUGH PMS	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
P	1414	ADVANCES TO OTHERS BY NON-EXPENDITURE TRANSFER	DR
P	1417	ADVANCES TO OTHERS - OTHER THAN THROUGH PMS	DR
P	1418	ADVANCES TO OTHERS - ESTIMATED ACCRUALS	CR
S	1450	PREPAYMENTS AND DEFERRED CHARGES	DR
P	1451	PREPAYMENTS	DR
P	1452	DEFERRED CHARGES	DR
T	1500	INVENTORIES AND RELATED PROPERTY, NET	DR
S	1510	OPERATING MATERIALS AND SUPPLIES	DR
P	1511	OPERATING MATERIALS AND SUPPLIES HELD FOR USE	DR
P	1512	OPERATING MATERIALS AND SUPPLIES HELD IN RESERVE FOR FUTURE USE	DR
P	1513	OPERATING MATERIALS AND SUPPLIES - EXCESS, UNSERVICEABLE AND OBSOLETE	DR
S	1520	INVENTORY (FOR SALE), NET	DR
P	1521	INVENTORY HELD FOR SALE	DR
P	1522	INVENTORY HELD IN RESERVE FOR FUTURE FUTURE SALE	DR
P	1523	INVENTORY HELD FOR REPAIR	DR
P	1524	INVENTORY - EXCESS, UNSERVICEABLE AND OBSOLETE	DR
P	1525	MANUFACTURING - RAW MATERIALS AND SUPPLIES	DR
P	1526	MANUFACTURING - WORK-IN-PROCESS	DR
P	1527	MANUFACTURING - FINISHED GOODS	DR
P	1529	INVENTORY (FOR SALE) - ALLOWANCE	CR
P	1530	SEIZED PROPERTY - MONETARY INSTRUMENTS	DR
S	1540	FORFEITED PROPERTY, NET	DR
P	1541	FORFEITED PROPERTY HELD FOR SALE	DR
P	1542	FORFEITED PROPERTY HELD FOR DONATION OR USE	DR
P	1549	FORFEITED PROPERTY - ALLOWANCE	CR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
s	1550	FORECLOSED PROPERTY, NET	DR
P	1553	FORECLOSED PROPERTY	DR
P	1559	FORECLOSED PROPERTY - ALLOWANCE	CR
S	1560	COMMODITIES, NET	DR
P	1561	COMMODITIES HELD UNDER PRICE SUPPORT AND STABILIZATION SUPPORT PROGRAMS	DR
P	1569	COMMODITIES - ALLOWANCE	CR
S	1570	STOCKPILE MATERIALS	DR
P	1571	STOCKPILE MATERIALS HELD IN RESERVE	DR
P	1572	STOCKPILE MATERIALS HELD FOR SALE	DR
S	1590	OTHER RELATED PROPERTY, NET	DR
P	1591	OTHER RELATED PROPERTY	DR
P	1599	OTHER RELATED PROPERTY - ALLOWANCE	C R
T	1600	INVESTMENTS, NET	DR
P	1610	SECURITIES (AT PAR)	DR
S	1611	SECURITIES - UNAMORTIZED PREMIUM OR DISCOUNT	DC
P	1612	SECURITIES - UNAMORTIZED DISCOUNT	CR
P	1613	SECURITIES - UNAMORTIZED PREMIUM	DR
P	1690	OTHER INVESTMENTS	DR
T	1700	FIXED ASSETS, NET	DR
S	1710	LAND	DR
P	1711	LAND AND LAND RIGHTS	DR
P	1712	IMPROVEMENTS TO LAND	DR
P	1719	ACCUMULATED DEPRECIATION ON IMPROVEMENTS TO LAND	CR
P	1720	CONSTRUCTION IN PROGRESS	DR
P	1730	BUILDINGS	DR
P	1739	ACCUMULATED DEPRECIATION ON BUILDINGS	CR
P	1740	OTHER STRUCTURES AND FACILITIES	DR
P	1749	ACCUMULATED DEPRECIATION ON OTHER STRUCTURES AND FACILITIES	CR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
S	1750	EQUIPMENT	DR
P	1751	EQPT IN USE OTHER THAN IT (ADP AND TC)	DR
P	1752	EQUIPMENT - PENDING DISPOSAL	DR
P	1753	CENTRALLIBRARY - EQUIPMENT AND BOOKS	DR
P	1754	FEDERAL PROPERTY IN CUSTODY OF OTHERS	DR
P	1756	IT (ADP AND TC) EQUIPMENT IN USE	DR
P	1759	ACCUMULATED DEPRECIATION ON EQUIPMENT	CR
P	1810	ASSETS UNDER CAPITAL LEASE	DR
P	1819	ACCUMULATED DEPRECIATION ON ASSETS UNDER CAPITAL LEASE	CR
P	1820	LEASEHOLD IMPROVEMENTS	DR
P	1829	ACCUMULATED AMORTIZATION ON LEASEHOLD IMPROVEMENTS	CR
P	1830	IT (ADP AND TC) SOFTWARE	DR
P	1839	ACCUMULATED AMORTIZATION ON- IT (ADP AND TC) SOFTWARE	CR
P	1840	OTHER NATURAL RESOURCES	DR
P	1849	ALLOWANCE FOR DEPLETION	CR
P	1890	OTHER FIXED ASSETS	DR
T	1900	OTHER ASSETS, NET	DR
P	1920	UNREQUISITIONED AUTHORIZED APPROPRIATIONS	DR
P	1921	RECEIVABLE FROM APPROPRIATIONS	DR
P	1922	BORROWINGS RECEIVABLE FROM TREASURY	DR
S	1930	INTRA-OFFICE TRANSFERS - ISSUED	DR
P	1931	WITHIN FUND TRANSFER	DR
P	1932	ADVANCES AND REIMBURSEMENTS	DR
P	1933	ALL OTHER TRANSFERS	DR
S	1940	INTRA-OFFICE TRANSFERS - RECEIVED	CR
P	1941	WITHIN-FUND TRANSFER	CR
P	1942	ADVANCES AND REIMBURSEMENTS	CR
P	1943	ALL OTHER TRANSFERS	CR
P	1990	OTHER ASSETS	DR

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HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
G	2000	LIABILITIES	CR
S	2100	ACCRUED LIABILITIES - OTHER	CR
P	2110	ACCOUNTS PAYABLE	CR
P	2120	DISBURSEMENTS IN TRANSIT	CR
P	2130	CONTRACT HOLDBACKS	CR
P	2140	ACCRUED <i>INTEREST</i> PAYABLE	CR
P	2180	LOAN GUARANTEE LIABILITY	CR
P	2190	OTHER ACCRUED LIABILITIES	CR
T	2200	ACCRUED LIABILITIES - PAYROLL AND BENEFITS	CR
S	2210	ACCRUED FUNDED PAYROLL AND BENEFITS	CR
P	2211	ACCRUED FUNDED PAYROLL	CR
P	2212	ACCRUED FUNDED ANNUAL-LEAVE	CR
P	2213	ACCRUED FUNDED COMPENSATORY LEAVE	CR
S	2220	ACCRUED UNFUNDED LIABILITIES	CR
P	2221	ACCRUED UNFUNDED ANNUAL LEAVE	CR
P	2222	ACCRUED UNFUNDED COMPENSATORY LEAVE	CR
P	2225	ACCRUED UNFUNDED FECA LIABILITY	CR
T	2300	UNEARNED REVENUE (ADVANCES)	CR
S	2310	ADVANCES FROM OTHERS	C R
P	2322	ADVANCES FROM FEDERAL AGENCIES FOR DISBURSEMENT THROUGH MANAGEMENT FUNDS	CR
P	2322	ADVANCES FROM FEDERAL AGENCIES BY NON-EXPENDITURE TRANSFER	CR
P	2313	ADVANCES - ALL OTHER	CR
P	2314	ADVANCES - ESTIMATED ACCRUALS	DR
P	2315	ADVANCES - THROUGH THIRD-PARTY DRAFTS	DR
P	2320	DEFERRED CREDITS	CR
P	2400	LIABILITY FOR DEPOSIT FUNDS AND SUSPENSE ACCOUNTS, AND UNRECONCILED CASH BALANCES	DC
T	2500	AGENCY LIABILITY IN THE FORM OF NOTES PAYABLE AND OTHER BORROWING AGREEMENTS	CR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
T	2500	AGENCY LIABILITY IN THE FORM OF NOTES PAYABLE AND OTHER BORROWING AGREEMENTS	CR
S	2510	PRINCIPAL PAYABLE TO TREASURY	CR
P	2511	PRIN PAYABLE TO TREASURY - BORROWING	CR
P	2512	PRIN PAYABLE TO TREASURY - REPAYMENT	CR
S	2520	BORROWING FROM FEDERAL FINANCING BANK (FFB)	CR
P	2521	BORROWING FROM FFB - BORROWING	CR
P	2522	BORROWING FROM FFB - REPAYMENT	DR
S	2530	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTHORITY, NET	CR
P	2531	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTHORITY - BORROWING	CR
P	2532	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING - REPAYMENT	DR AUTHORITY
P	2540	PARTICIPATION CERTIFICATES	CR
S	2590	OTHER DEBT	CR
P	2591	OTHER DEBT - BORROWING	CR
P	2592	OTHER DEBT - REPAYMENT	DR
S	2600	ACTUARIAL LIABILITIES	CR
P	2610	RETIREMENT PLANS	CR
P	2620	INSURANCE PLANS	CR
P	2690	OTHER ACTUARIAL LIABILITIES	CR
S	2900	OTHER LIABILITIES	CR
P	2910	PRIOR LIENS OUTSTANDING ON ACQUIRED COLLATERAL	CR
P	2920	CONTINGENT LIABILITIES	CR
P	2930	LIABILITY FOR BORROWINGS TO BE RECEIVED	CR
P	2940	CAPITAL LEASE LIABILITY	CR
P	2950	LIABILITY FOR SUBSIDY RELATED TO UNDISBURSED LOANS	CR
P	2960	ACCOUNTS PAYABLE CANCELED	CR
P	2970	RESOURCES PAYABLE TO TREASURY	CR
P	2990	OTHER LIABILITIES	CR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
G	3000	EQUITY	DC
P	3100	APPROPRIATED CAPITAL	CR
P	3105	APPROPRIATED CAPITAL FUNDING CANCELED PAYABLES	DR
S	3300	RESULTS OF OPERATIONS	DC
P	3310	CUMULATIVE RESULTS OF OPERATIONS	DC
P	3312	FEDERAL PROPERTY IN CUSTODY OF OTHERS	CR
P	3313	APPROPRIATED FOR REVOLVING AND MGMT FUNDS	CR
G	4000	BUDGETARY	DR
P	4001	ANTICIPATED TOTAL RESOURCES	DR
P	4032	ANTICIPATED CONTRACT AUTHORITY	DR
P	4034	ANTICIPATED REDUCTIONS TO CONTRACT AUTHORITY	CR
P	4042	ANTICIPATED BORROWING AUTHORITY	DR
P	4044	ANTICIPATED REDUCTIONS TO BORROWING AUTHORITY	CR
P	4047	ANTICIPATED PAYMENTS TO TREASURY	CR
P	4060	ANTICIPATED COLLECTIONS FROM NON-FEDERAL SOURCES	DR
P	4070	ANTICIPATED COLLECTIONS FROM FEDERAL SOURCES	DR
S	4110	APPROPRIATIONS REALIZED, NET	DR
P	4111	DEBT LIQUIDATION APPROPRIATIONS	DR
P	4112	DEFICIENCY APPROPRIATIONS	DR
P	4114	APPROPRIATIONS REALIZED BUT WITHDRAWN	DR
P	4115	LOAN SUBSIDY APPROPRIATION - INDEFINITE	DR
P	4116	ENTITLEMENT LOAN SUBSIDIES APPROPRIATION - INDEFINITE	DR
P	4117	LOAN ADMINISTRATIVE EXPENSE APPROPRIATION - DEFINITE - CURRENT	DR
P	4118	RE-ESTIMATED DISCRETIONARY LOAN SUBSIDY APPROPRIATION - INDEFINITE - PERMANENT	DR
P	4119	OTHER APPROPRIATIONS REALIZED	DR
P	4120	APPROPRIATIONS ANTICIPATED - INDEFINITE	DR
P	4121	LOAN SUBSIDY APPROPRIATION - INDEFINITE - CURRENT	DR
S	4130	CONTRACT AUTHORITY	DR
P	4131	CURRENT-YEAR CONTRACT AUTHORITY REALIZED - DEFINITE	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

<u>TYPE</u> <u>RECORD</u>	<u>ACCOUNT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>NORMAL</u> <u>BALANCE</u>
P	4132	CURRENT-YEAR CONTRACT AUTHORITY REALIZED - INDEFINITE	DR
P	4133	ACTUAL REDUCTIONS TO CONTRACT AUTHORITY	CR
P	4135	CONTRACT AUTHORITY CONVERTED TO CASH	CR
P	4138	RESOURCES REALIZED FROM CONTRACT AUTHORITY	DR
P	4139	CONTRACT AUTHORITY CARRIED FORWARD	DR
S	4140	BORROWING AUTHORITY	DR
P	4141	CURRENT-YEAR BORROWING AUTHORITY REALIZED -DEFINITE	DR
P	4142	CURRENT-YEAR BORROWING AUTHORITY REALIZED - INDEFINITE	DR
P	4143	ACTUAL REDUCTIONS TO BORROWING AUTHORITY	DR
P	4145	BORROWING AUTHORITY CONVERTED TO CASH	CR
P	4148	RESOURCES REALIZED FROM BORROWING AUTHORITY	DR
P	4149	BORROWING AUTHORITY CARRIED FORWARD	DR
P	4147	ACTUAL TRANSFERS TO TREASURY	CR
P	4150	REAPPROPRIATIONS	DR
P	4160	ANTICIPATED TRANSFERS - CURRENT-YEAR AUTHORITY	DC
P	4170	TRANSFERS - CURRENT-YEAR AUTHORITY	DC
P	4180	ANTICIPATED TRANSFERS - PRIOR-YEAR AUTHORITY	DC
P	4190	TRANSFERS - PRIOR-YEAR AUTHORITY	DC
P	4201	TOTAL ACTUAL RESOURCES - COLLECTED	DR
P	4210	ANTICIPATED REIMB AND OTHER INCOME	DR
P	4215	ANTICIPATED TRUST FUND EXP TRANSFERS	DR
P	4221	UNFILLED CUSTOMER ORDERS WITHOUT ADVANCE	DR
P	4222	UNFILLED CUSTOMER ORDERS WITH ADVANCE	DR
P	4225	APPROP TRUST FUND EXPENDITURE TRANSFERS - RECEIVABLE	DR
P	4251	REIMBURSEMENTS AND OTHER INCOME EARNED - RECEIVABLE	DR
P	4252	REIMBURSEMENTS AND OTHER INCOME EARNED - COLLECTED	DR
P	4255	APPROPRIATION TRUST FUND EXPENDITURE TRANSFERS - COLLECTED	DR
S	4260	ACTUAL COLLECTIONS FROM NON-FEDERAL SOURCES	DR
P	4261	ACTUAL COLLECTION OF FEES	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
P	4262	ACTUAL COLLECTION OF LOAN PRINCIPAL	DR
P	4263	ACTUAL COLLECTION OF LOAN INTEREST	DR
P	4264	ACTUAL COLLECTION OF RENT	DR
P	4265	ACTUAL COLLECTIONS FROM SALE OF FORECLOSED PROPERTY	DR
P	4266	OTHER ACTUAL COLLECTIONS - NON-FEDERAL	DR
S	4270	ACTUAL COLLECTIONS FROM FEDERAL SOURCES	DR
P	4271	ACTUAL PROGRAM FUND SUBSIDY - COLLECTED - DEFINITE - CURRENT	DR
P	4272	ACTUAL PROGRAM FUND SUBSIDY - COLLECTED - INDEFINITE - PERMANENT	DR
P	4273	INTEREST COLLECTED FROM TREASURY	DR
P	4274	ACTUAL PROGRAM FUND SUBSIDY COLLECTED - INDEFINITE -CURRENT	DR
P	42.75	ACTUAL COLLECTIONS FROM LIQUIDATING ACCT	DR
P	4276	ACTUAL COLLECTIONS FROM FINANCING FUND	DR
P	4277	OTHER ACTUAL COLLECTIONS - FEDERAL	DR
P	4283	INTEREST RECEIVABLE FROM TREASURY	DR
P	4287	OTHER FEDERAL RECEIVABLES	DR
P	4310	ANTICIPATED RECOVERIES OF PRIOR YEAR OBLIGATIONS	DR
P	4320	ACTUAL RECOVERIES OF PRIOR YEAR OBLIGATIONS	CR
P	4350	CANCELED AUTHORITY	
S	4390	BALANCE AVAILABLE FOR RESTORATION, WRITEOFF AND WITHDRAWAL	DC
P	4391	RESTORATIONS, WRITEOFFS AND WITHDRAWALS	DC
P	4392	RESCISSIONS - CURRENT-YEAR	CR
P	4393	RESCISSIONS - PRIOR-YEAR	CR
P	4395	AUTHORITY UNAVAILABLE PURSUANT TO PUBLIC LAW - TEMPORARY	CR
P	4396	AUTHORITY PERMANENTLY NOT AVAILABLE PURSUANT TO PUBLIC LAW	CR
P	4420	UNAPPORTIONED AUTHORITY - PENDING RESCISSION	CR
P	4430	UNAPPORTIONED AUTHORITY - OMB DEFERRAL	CR
P	4450	UNAPPORTIONED AUTHORITY	CR
S	4510	APPORTIONMENTS	CR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

<u>TYPE RECORD</u>	<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>NORMAL BALANCE</u>
P	4511	APPORTIONMENT AVAILABLE FOR DISTRIBUTION - CURRENT QUARTER	CR
P	4512	APPORTIONMENT AVAILABLE FOR DISTRIBUTION - SUBSEQUENT QUARTERS	CR
P	4520	ALLOCATIONS TO OTHERS	CR
P	4530	ALLOCATIONS FROM OTHERS	DR
P	4540	INTERNAL FUND DISTRIBUTIONS ISSUED	CR
P	4550	INTERNAL FUND DISTRIBUTIONS RECEIVED	DR
S	4570	ALLOTMENTS AND ALLOWANCES ISSUED	CR
P	4571	ALLOTMENTS ISSUED (INTRA-AGENCY)	CR
P	4572	ALLOWANCES ISSUED (INTRA-AGENCY)	CR
S	4580	ALLOTMENTS AND ALLOWANCES RECEIVED	DR
P	4581	ALLOTMENTS RECEIVED (INTRA-AGENCY)	DR
P	4582	ALLOWANCES RECEIVED (INTRA-AGENCY)	DR
P	4590	APPORTIONMENTS UNAVAILABLE - ANTICIPATED RESOURCES	CR
S	4610	ALLOTMENTS - REALIZED RESOURCES	CR
P	4611	ALLOTMENTS AVAILABLE FOR COMMITMENT/OBLIGATION	CR
P	4612	ALLOWANCES AVAILABLE FOR COMMITMENT/OBLIGATION	CR
P	4620	OTHER FUNDS AVAILABLE FOR COMMITMENT/OBLIGATION	CR
P	4630	FUNDS NOT AVAILABLE FOR COMMITMENT/OBLIGATION	CR
P	4650	ALLOTMENTS - EXPIRED AUTHORITY	CR
P	4700	COMMITMENTS	CR
T	4800	UNEXPENDED OBLIGATIONS	CR
P	4801	UNEXPENDED OBLIGATIONS - UNPAID	CR
P	4802	UNEXPENDED OBLIGATIONS - PREPAID/ADVANCED	CR
P	4820	UNDELIVERED ORDERS - CANCELED	CR
P	4830	UNDELIVERED ORDERS - OBLIGATIONAL ADJUSTMENTS	CR
S	4870	DOWNWARD ADJUSTMENTS OF PRIOR-YEAR UNEXPENDED OBLIGATIONS	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
P	4871	DOWNWARD ADJUSTMENTS OF PRIOR-YEAR UNPAID UNEXPENDED OBLIGATIONS	DR
P	4872	DOWNWARD ADJUSTMENTS OF PRIOR-YEAR PREPAID/ADVANCED UNEXPENDED OBLIGATIONS REFUNDS COLLECTED	DR DR
S	4880	UPWARD ADJUSTMENTS OF PRIOR-YEAR UNEXPENDED OBLIGATIONS	CR
P	4881	UPWARD ADJUSTMENTS OF PRIOR-YEAR UNPAID UNEXPENDED OBLIGATIONS	CR CR
P	4882	UPWARD ADJUSTMENTS OF PRIOR-YEAR PREPAID/ADVANCED UNEXPENDED OBLIGATIONS	CR
T	4900	EXPENDED AUTHORITY	CR
P	4901	EXPENDED AUTHORITY - UNPAID	CR
P	4902	EXPENDED AUTHORITY - PAID	CR
P	4920	EXPENDED AUTHORITY - CANCELED	DR
P	4930	EXPENDED AUTHORITY REPORTED AGAINST TRANSFERS TO OTHER AGENCIES=	CR
S	4970	DOWNWARD ADJUSTMENTS OF PRIOR-YEAR EXPENDED AUTHORITY	DR
P	4971	DOWNWARD ADJUSTMENTS OF PRIOR-YEAR UNPAID EXPENDED AUTHORITY	DR
P	4972	DOWNWARD ADJUSTMENTS OF PRIOR-YEAR PAID EXPENDED AUTHORITY REFUNDS COLLECTED	DR
S	4980	UPWARD ADJUSTMENTS OF PRIOR-YEAR EXPENDED AUTHORITY	CR
P	4981	UPWARD ADJUSTMENTS OF PRIOR-YEAR UNPAID EXPENDED AUTHORITY	CR
P	4982	UPWARD ADJUSTMENTS OF PRIOR-YEAR PAID EXPENDED AUTHORITY	CR
G	5000	REVENUE AND FINANCING SOURCES	CR
P	5100	REVENUE FROM GOODS SOLD	CR
P	5200	REVENUE FROM SERVICES PROVIDED	CR
T	5300	INTEREST AND PENALTIES REVENUE	CR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
S	5310	INTEREST REVENUE	CR
P	5311	INTEREST REVENUE EARNED - RETAINED BY AGENCY	CR
P	5312	INTEREST REVENUE EARNED - GENERAL/TRUST FUND RECEIPTS	CR
P	5319	CONTRA REVENUE FOR INTEREST	DR
P	5320	PENALTIES, FINES AND ADMIN FEES REVENUE	CR
P	5329	CONTRA REVENUE FOR PENALTIES, FINES AND ADMINISTRATIVE FEES REVENUE	DR
P	5400	BENEFIT PROGRAM REVENUE	CR
P	5500	INSURANCE AND GUARANTEE PREMIUM REVENUE	CR
P	5600	DONATED REVENUE - FINANCIAL RESOURCES	CR
P	5609	CONTRA REVENUE FOR DONATION - FINANCIAL RESOURCES	DR
P	5610	DONATED REVENUE - NON-FINANCIAL SOURCES	CR
P	5619	CONTRA DONATED REVENUE - NON-FINANCIAL SOURCES	DR
P	5700	APPROPRIATED CAPITAL USED	CR
P	5720	FINANCING SOURCES TRANSFERRED-IN WITHOUT REIMBURSEMENT	CR
P	5730	FINANCING SOURCES TRANSFERRED-OUT WITHOUT REIMBURSEMENT	DR
P	5780	IMPUTED FINANCING SOURCES	CR
P	5790	OTHER FINANCING SOURCES	DC
P	5799	ADJUSTMENT OF APPROPRIATED CAPITAL USED	DR
P	5800	TAX REVENUES	CR
S	5900	OTHER REVENUE	CR
P	5901	MISCELLANEOUS REVENUE - GENERAL/ TRUST FUND RECEIPTS	CR
P	5902	INTRA-OFFICE SALES REVENUE - TRANSFERS OUT	CR
P	5903	REVENUE - ALL OTHER SOURCES	CR
P	5909	CONTRA REVENUE FOR OTHER REVENUE	DE
P	5990	CONTRA REVENUE - COLLECTED FOR OTHERS	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
G	6000	EXPENSE	DR
S	6100	OPERATING EXPENSES/PROGRAM COSTS	DR
P	6101	OPERATING/PROGRAM EXPENSES	DR
P	6102	INTRA-OFFICE PURCHASES EXPENSE - TRANSFERS IN	DR
P	6103	EXPENSE - COST CAPITALIZED	CR
P	6104	EXPENSE - CASH DISCOUNTS LOST/NOT TAKEN	DR
P	6105	EXPENSE - PRICE VARIATION/CASH DISCOUNTS TAKEN	DC
P	6108	EXPENSE - RECLASSIFIED AS EXTRAORDINARY ITEM	CR
P	6190	CONTRA BAD DEBTS EXP - INCURRED FOR OTHERS	CR
P	6199	EXCESS SUBSIDY RETURNED	CR
S	6300	INTEREST EXPENSES	DR
P	6310	INTEREST EXP ON BORROWING FROM TREASURY	DR
P	6320	INTEREST EXPENSES ON SECURITIES	DR
P	6330	OTHER INTEREST EXPENSES	DR
P	6400	BENEFIT PROGRAM EXPENSES	DR
P	6500	COST OF GOODS OR SERVICES SOLD	DR
P	6600	APPLIED OVERHEAD	DC
P	6710	DEPRECIATION, AMORTIZATION, DEPLETION	DR
P	6720	BAD DEBT EXPENSE	DR
P	6730	IMPUTED COSTS	DR
P	6790	OTHER EXPENSES NOT REQUIRING BUDGETARY RESOURCES	DR
P	6800	FUTURE FUNDED EXPENSES	DR
P	6801	ANNUAL AND COMPENSATORY LEAVE	DR
P	6805	OTHER FUTURE FUNDED EXPENSES	DR
P	6900	NON-PRODUCTION COSTS	DR
G	7000	GAINS, LOSSES, AND UNUSUAL ITEMS	DC
T	7100	GAINS	CR
S	7110	GAINS ON DISPOSITION OF ASSETS	CR
P	7111	GAINS ON DISPOSITION OF ASSETS-BOOK VALUE OF ASSET	DR
P	7112	GAINS ON DISPOSITION OF ASSETS - PROCEEDS OF SALE	CR
P	7190	OTHER GAINS	CR

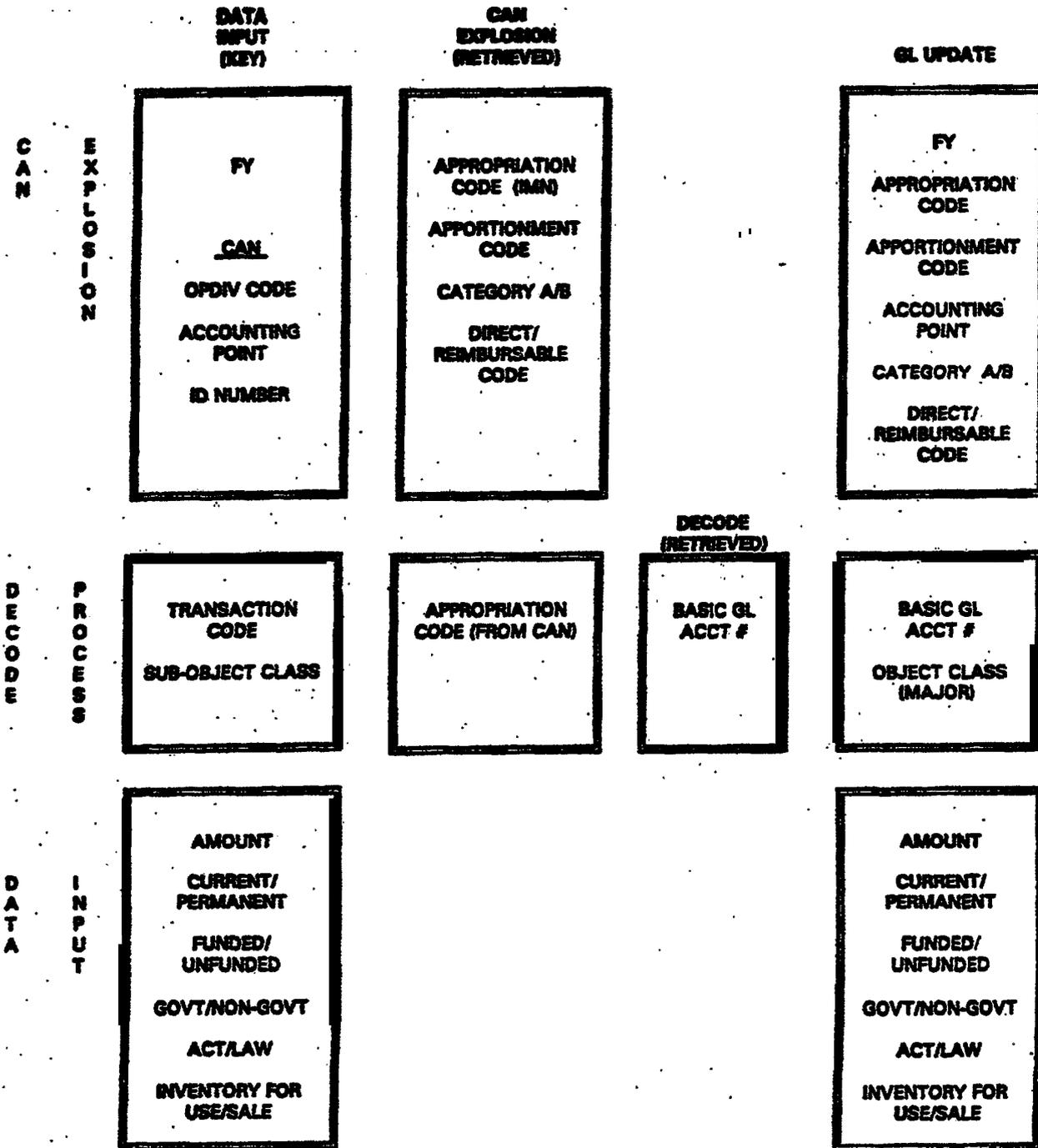
HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
T	7200	LOSSES.	DR
S	7210	LOSSES ON DISPOSITION OF ASSETS	DR
P	7211	LOSSES ON DISPOSITION OF ASSETS - BOOK VALUE OF ASSET	DR
P	7212	LOSSES ON DISPOSITION OF ASSETS - PROCEEDS OF SALE	CR
P	7290	OTHER LOSSES	DR
P	7300	EXTRAORDINARY ITEMS	DC
S	7400	PRIOR PERIOD ADJUSTMENTS	DC
P	7401	PRIOR YEAR UNFUNDED FECA EXPENSES	DR
P	7402	PRIOR YEAR FUNDED FECA EXPENSE	DR
P	7500	DISTRIBUTION OF INCOME - DIVIDEND	DR
P	7600	CHANGES IN ACTUARIAL LIABILITY	DC
S	8000	GOVERNMENT-WIDE MEMORANDUM ACCOUNTS	DC
P	8010	GUARANTEED LOAN LEVEL (GLL)	DR
P	8015	GLL - UNAPPORTIONED	CR
P	8020	GLL - APPORTIONED	CR
P	8025	GLL - ALLOTTED AND AVAILABLE LENDERS	CR
P	8030	GLL - ADMINISTRATIVE COMMITMENTS PRIOR PRIOR TO SIGNING CONTRACTS	CR
P	8035	GLL - CONTRACT SIGNED - UNDISB BY LENDERS	CR
P	8040	GLL - DISBURSED BY LENDERS	CR
P	8045	GLL - UNUSED AUTHORITY	CR
P	8050	GUARANTEED LOAN (GL) PRINCIPAL OUTSTANDING	CR
P	8053	GL NEW DISBURSEMENTS BY LENDER	CR
P	8056	GL REPAYMENTS AND PREPAYMENTS	DR
P	8059	GL DEFAULT - LOAN ACQUIRED	DR
P	8062	GL DEFAULT - PROPERTY ACQUIRED	DR
P	8065	GL DEFAULT - CLAIM PAYMENT ONLY	DR
P	8068	GL ADJUSTMENTS	DC
P	8070	GL PRINCIPAL TO BE COLLECTED	DR

HHS STANDARD GENERAL LEDGER CHART OF ACCOUNTS

TYPE RECORD	ACCOUNT NUMBER	ACCOUNT TITLE	NORMAL BALANCE
s	9000	HHS MEMORANDUM ACCOUNTS	DC
P	9001	AUTHORITY TO DRAW FUNDS	DR
P	9012	GUARANTEED LOANS	DR
P	9016	ACQUIRED COLLATERAL	DR
P	9062	LOANS GUARANTEED	CR
P	9066	COLLATERAL ACQUIRED PENDING LOAN DEFAULT	CR
P	9501	FUNDS NOT YET DRAWN	CR
P	9700	CONTINGENT ACCOUNTS - CONTROL	DR
P	9771	CONTINGENT ACCOUNTS PAYABLE - DEFERRALS	CR
P	9999	PROGRAMMING ENTRY	DC

GENERAL LEDGER UPDATE PROCESS





GENERAL LEDGER RECORD
DATA ELEMENTS DEFINITIONS

Field #	Data Element Definition
1	FISCAL YEAR - This code identifies the fiscal year of the appropriation. General ledger accounts are maintained by individual fiscal year for all years to the year of cancellation.
2	IMN CODE - This IMN code identifies the appropriation and categorizes it by type of fund; annual appropriation, trust fund, etc.
3	APPORTIONMENT CODE - This code identifies the apportionment when there are multiple apportionments within an appropriation.
4	ACCOUNTING POINT - This code identifies the Accounting Point within an OPDIV.
5	ACCOUNT ID - The general ledger account number is comprised of a basic account number and 0 to 3 sub-account codes. Following are the segments of a G/t account number:
5A	Basic Account Code - A General Ledger account number as described in sections 4-20-10 and 4-20-20.
	Subsidiary Classification - The following codes further subdivide the data recorded in a basic general ledger account to meet external reporting requirements as described in section 4-20-10C.
5B	Category Code
5C	Direct/Reimbursable Code
SD	Current/Permanent Code
SE	Funded/Unfunded Code
5F	Govt/Non-Govt code

GENERAL LEDGER RECORD
DATA ELEMENTS DEFINITIONS

<u>Field #</u>	<u>Data Element Definition</u>
5G	Act/Law Code
5H	Major Object Class Code
5I	Inventory for Use/Sale
6	CURRENT BALANCE - A signed money amount field to accommodate amounts up to \$99,999,999,999.99 (Debits = "+" and credits = "-").
7	PRIOR MONTH END BALANCE - A signed money amount field to accommodate amount up to \$99,999,999,999.99 (mbits = "+" and Credits = "-").
8	PRIOR YEAR END BALANCE - A signed money amount field to accommodate amount up to \$99,999,999,999.99 (Debits = "+" and credits = "-").
9	PRIOR QUARTER END BALANCE - A signed money amount field to accommodate amount up to \$99,999,999,999.99 (Debits = "+" and Credits = "-").
10	PRIOR MONTH BEGINNING BALANCE - A signed money amount field to accommodate amount up to \$99,999,999,999.99 (Debits = "+" and credits = "-").
11	PRIOR YEAR BEGINNING BALANCE - A signed money amount field to accommodate amount up to \$99,999,999,999.99 (Debits = "+" and Credits = "-").

STANDARD GENERAL LEDGER RECORD LAYOUT

Field No.	Data Element	Number of Characters	Record Position	Disc	Length
1	FY	4	1-4	N	Fixed
2	IMN Code	3	5-7	N	Fixed
3	Apportionment Code	1	8	A/N	Fixed
4	Accounting Point Reserved for Future Use	2 8	9-10 11-18	N	Fixed
5	Account ID:				
5A	Basic Account Code	4	19-22	N	Fixed
5B	Subsidiary Class. Code:	1	23	A	Fixed
5C	Direct/Reimb. Code	1	24	A	Fixed
5D	Current/Perm. Code	1	25	A	Fixed
5E	Funded/Unfunded Code	1	26	A	Fixed
5F	Gov/Non-Gov Code	1	27	A	Fixed
5G	Act/Law Code	1	28	A	Fixed
5H	Major Obj. Class Code	2	29-30	N	Fixed
5I	Inventory for Use/Sale Reserved for Future Use	1 8	31 32-39	A	Fixed
6	Current Balance	16	40-55	N	Variable
7	Prior Month End Balance	16	56-71	N	Variable
8	Prior Year End Balance	16	72-87	N	Variable
9	Prior Qtr. End Balance	16	88-103	N	Variable
10	Prior Month Beg. Balance	16	104-119	N	Variable
11	Prior Year Beg. Balance	16	120-135	N	Variable



SUBJECT : COMMON ACCOUNTING NUMBER

4-30-00	Purpose and Applicability
10	Functions
20	Structure
30	Assignment
40	Fiscal Year Identification
50	Input to Computer Storage
60	Transaction Input
70	Code Book

4-30-00 **PURPOSE AND APPLICABILITY**

This chapter prescribes the common accounting number, often referred to as the CAN, or the "Uniform Accounting Number." The basic concept of the CAN is discussed, along with its significant relationship to the philosophy and logic of the HHS standard accounting system. This chapter also sets forth the structure of the CAN and identifies key codes that serve as its data elements. The principles and data element code structure prescribed in this chapter are applicable to all accounting systems within the Department.

4-30-10 **FUNCTIONS**

The three principal functions served by the CAN are:

- To substitute a uniform length fiscal code for numerous varying length data elements that are associated with an accounting transaction.
- To provide certain organizational identifications for control of inputs and for distribution of outputs.
- To provide an interface between the accounting system and other Management Information Systems.

A. To substitute for numerous data elements that are associated with an accounting transaction.

There are ever-increasing demands for the reporting of information to HHS managers, to the Congress, to Federal control agencies, and to the general public. Much of the needed information must be supported by the accounting systems.

Gathering and coding the number of data elements that must be associated with each transaction would, in the absence of a mitigation technique, require a vast amount of effort. If all

the coded data were recorded manually on each source document the input procedure would be unwieldy and extremely susceptible to error.

In order to reduce the number of data elements that are required to be recorded with each transaction, a technique has been developed and made part of the HHS standard accounting system. This technique involves use in the input process, of a single, relatively short length "pseudo" code (CAN) to substitute for a number of (varying length) data elements which would otherwise have to be coded into the system with each input of a transaction. See Chapter 3-30, "Data Elements and Codes Represented by the Common Accounting Number," for identification of these coded data elements which are recorded, along with English language text, in a computerized look-up table, also called the Internal Machine Number (IMN). For example, a certain organization level within an accounting system may initiate numerous transactions with which are associated constant data elements identifying a specific budget activity, cost center, project, geographic location, etc. The primary function of the CAN is to substitute, in the input process, a short, uniform length code for these specific but constant data elements, and thereby avoid the burden imposed by extensive coding and more lengthy input processes. The data elements for which the CAN substitutes in the input process are ultimately associated with the transaction data, but this association takes place in the internal computer processing stage through the use of stored data elements in the (IMN) look-up table. That is, the CAN which is recorded with each transaction matches with an identical CAN in the table, which is linked to the full range of data elements needed for the identification, processing, and controlling output processes.

B. To provide certain organizational identification.

The first three digits of the CAN are structured to identify (1) the OPDIV accounting systems within the Department, and (2) the accounting points of each OPDIV component.

C. Interface with Management Information System.

Since the CAN, through the IMN, identifies the OPDIV accounting point, appropriation, budget activity, cost center, organizational unit, and other pertinent data, it provides a short, standard-sized data element code which, if included in other management information systems, can provide the cross walk to associate financial data with quantitative and program information..

B. Accounting Points

This two digit numeric code is used to identify Accounting Points within an OPDIV. An Accounting Point is an office providing accounting services to an OPDIV program or administrative office within a specialized geographic area, facility, or purpose. The codes "01" through "10" will be reserved for and used consistently by all OPDIV accounting systems to identify their various accounting points within the Department. Codes "11" through "19" are reserved for future use.

Accounting systems have latitude to assign location codes "00" and "20" through "99" to identify all other Accounting Points in any sequence that best fits their purpose. It is recommended that whenever possible any Accounting Point which serves more than one accounting system be identified by the same Accounting Point number in each of the systems.

C. Identification Code

This four digit numeric code will be used to uniquely identify the data elements contained in the IMN to which the CAN is assigned within the OPDIV and the related Accounting Point. The four digit identification number permits specific identification of data for up to 10,000 specific combinations of accounting classifications within each OPDIV Accounting Point. ---

The OPDIV and Accounting Point code segments may not be used to identify any other data. The specific four digit Identification Code segment may not be structured in a hierarchical manner (left to right digit structuring of this code) to provide any specific recognizable data. The only exception in this area is as specified in section 4-30-40. To do so would seriously reduce the number of combinations of accounting classifications which could be identified.

Further, in those instances where the same accounting classifications exist in several Accounting Points (OPDIV headquarters office, regional offices as listed in Exhibit 4-30-A, Indian area offices, etc.), the same Identification Code number of the accounting classification should be used with the Accounting Point Code providing the unique quality to the CAN. Any other structuring of the Identification Code segment of the CAN would destroy this usefulness of the number.

4-30-30 ASSIGNMENT

Each OPDIV financial management officer is responsible for the assignment of **CANs** for use in their component organization. Within the four digit identification number, a block of numbers may be

assigned to each appropriation title. Within each such block progressively smaller blocks of numbers may be assigned for each allotment, allowance/limitation, budget activity, etc. Each CAN shall thus be associated with a unique **IMN** coded to the lowest detail level of data elements required. In those titles where there are several appropriations of varying periods of availability, currently available for expenditure at the same time, that is annual, multiple year, or no-year accounts, separate blocks of numbers must be assigned for each specific account. Each block size should be adequate to provide a specific number for each combination of data elements contained in the IMN, as set forth in Chapter 3-30, for each such appropriation and still have sufficient unused numbers within each block to provide for future expansion. The assigned CAN will be used year after year so long as the data elements in the IMN file do not change. The fiscal year prefix (see the next section) will identify the fiscal year availability of the appropriation to which the transaction is applicable.

Once a CAN has been assigned, it remains an active number for an indefinite period of years, until such time as there is absolute certainty that no further accounting transactions will pertain to the CAN as it was initially assigned.

4-30-40 **FISCAL YEAR IDENTIFICATION**

Each CAN used in the input transaction record must be prefixed with a four digit (YYYY) fiscal year identifier. The four digit code identifies the fiscal year in which the transaction (obligation) was incurred or the transaction transpired (advance, etc.). The fiscal year identifier may change with transactions, even though the CAN and associated data elements do not change.

The function of the fiscal year identifier is to identify the fiscal year of the appropriation under which a transaction originated, thereby permitting association of a follow-up transaction in one year with the related originating transaction and appropriation that occurred in a previous year.

4-30-50 **INPUT TO COMPUTER STORAGE**

When a new CAN is assigned, it must be entered into the automated system by input to computer storage in accordance with Chapter 3-30 of this Manual. The number, itself, must be entered, along with the data element codes (IMN) that, relate to the CAN, as well as the English description of the data elements (IMN Description File) . Accounting systems should develop data input forms on which CAN and related data can be recorded for subsequent entry to the computer. Reproductions of Exhibits 3-30-A and 3-30-B may well serve accounting systems' needs in this respect.

Once a CAN and related data elements and IMN has been stored, it is not necessary to change at any time unless one or more of the related data elements change. Specifically, it is not necessary to assign new **CANs** and related data each year at the time that the fiscal year availability changes. Section 3-30-20 discusses the identification of the fiscal year in more detail.

4-30-60 TRANSACTION INPUT

The CAN, prefixed with the four digit (**YYYY**) fiscal year identification code, must be input with each detail transaction (See 3-20-10).

Some transactions do not affect all data elements included in the IMN for a CAN. For example, allotments are recorded at the appropriation or appropriation limitation level, while obligations and accrued expenditures against such allotments may be recorded at the cost center level. The computer program must be designed to control by transaction code (TC) (type of transaction) the data required and extract only those stored data elements which are pertinent. For example, when recording TC "030" for an Advice of Allotment, the first CAN in the group of **CANs** assigned to the IMN representation for that allotment should be used and all lower level data elements in the IMN will be suppressed.

4-30-70 CODE BOOKS

All **CANs** to be used by an accounting system during the current year shall be identified with the appropriations, allotments, budget activities, organizational levels, cost centers, and projects, etc., and published each year in an OPDIV Accounting System Code Book. In addition, extracts of these **CANs** by Accounting Points (regional offices, field and district offices, etc.) may also be published to provide the Accounting Points with a ready reference of only those **CANs** applicable to their activity. All **CANs** assigned for the current year should be included in the current year code book, even though the **CANs** have not changed from the previous year.

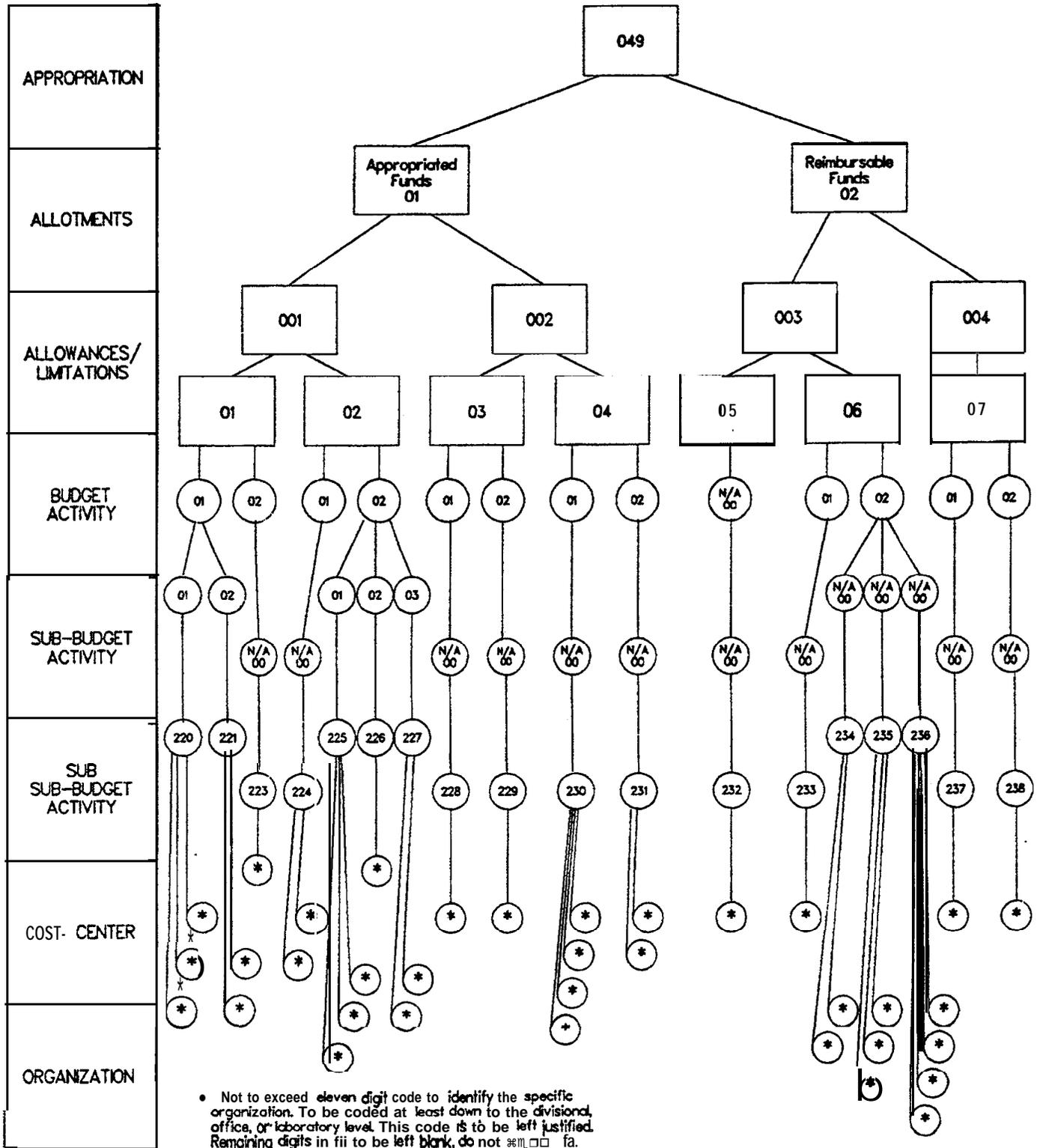
Code books should be widely distributed. Personnel in offices furnishing input to the accounting system **should be** instructed in the proper way to code documents. Code books should be prepared in advance of a fiscal year so there will be no delays in the coding and furnishing of documents at the beginning of the current year.

OPDIV accounting and finance offices will forward four copies of their code books to the Office of the Deputy Assistant Secretary, Finance.

IDENTIFICATION OF HHS REGIONAL OFFICES AND THE STATES SERVED

<u>Region</u>	<u>Address</u>	<u>States Served</u>
I	John F. Kennedy Federal Building Government Center Boston, MA 02203	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
II	Jacob K. Javits Federal Building 26 Federal Plaza New York, NY 10278	New York, New Jersey Puerto Rico, Virgin Islands
III	3535 Market Street P. O. Box 13716 Philadelphia, Pennsylvania 19101	Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia
IV	Atlanta Federal Center Suite 5B95 61 Forsyth Street Atlanta, GA 30303-8909	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee
V	105 West Adams Street Chicago, IL 60603	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin
VI	1200 Main Tower Building Suite 1100 Dallas, TX 75202	Arkansas, Louisiana, New Mexico, Oklahoma, Texas
VII	Bolling Federal Bldg., Room 210 601 East 12th Street Kansas City, MS 64106	Iowa , Kansas, Missouri, Nebraska
VIII	1961 Stout Street Room 1076 Denver, CO 80294-3538	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
IX	Federal Office Building 50 United Nations Plaza San Francisco, CA 94102	Arizona, California, Hawaii, Nevada, Guam, Trust Territory of Pacific Islands, American Samoa
X	Blanchard Plaza Building 2201 6th Avenue Seattle, Washington 98121	Alaska, Idaho, Oregon, Washington

A Hypothetical Example of the More Significant Data Elements of the Internal Machine Number File
 (Reference to Chapter 3-30)



IDENTIFICATION OF HHS REGIONAL OFFICES
AND THE STATES SERVED

<u>Region</u>	<u>Address</u>	<u>State Served</u>
I	John F. Kennedy Federal Building Government Center Boston, Massachusetts 02203	Connecticut, Maine, New Hampshire, Massachusetts, Rhode Island, Vermont
II	Jacob K. Javits Federal Building 26 Federal Plaza New York, New York 10278	New York, New Jersey Puerto Rico, Virgin Islands
III	3535 Market Street P. O. Box 13716 Philadelphia, Pennsylvania 19101	Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia
IV	101 Marietta Tower Atlanta, Georgia 30323	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee
V	300 South Wacker Drive Chicago, Illinois 60606	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin
VI	1200 Main Tower Dallas, Texas 75202	Arkansas, Louisiana, New Mexico, Oklahoma, Texas
VII	601 East 12th Street Kansas City, Missouri 64106	Iowa, Kansas, Missouri Nebraska
VIII	1961 Stout Street Denver, Colorado 80294	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
IX	Federal Office Building 50 United Nations Plaza San Francisco, California 94102	Arizona, California, Hawaii, Nevada, Guam, Trust Territory of Pacific Islands, American Samoa
X	The Third and Broad Building 2901 3rd Avenue Seattle, Washington 98121	Alaska, Idaho, Oregon, Washington

subject: **ACCOUNTING ENTRIES AND TRANSACTION CODES**

4-40-10 Purpose
 20 Background
 30 Transactions and Transaction Codes
 40 Standard Accounting Entries
 50 Nonstandard Accounting **Entries**

4-40-10 PURPOSE

One of the standard data elements in HHS accounting systems is the **Transaction Code (TC)**. It is the key to the way each accounting action is recorded in the General Ledger and other subsidiary files, **records**, and **reports**. This chapter describes the **standard** accounting entries used in HHS accounting systems.

4-40-20 BACKGROUND

There are **two generally accepted** methods of entering data into automated accounting systems, the single entry and the double entry. The double entry is the **traditional method** in which the debit and credit entries are input separately into the system. A single input **record** may be used, but the record would contain data for each debit account and credit account. The single entry method is one in which the debit and credit **entries** are derived from data entered once in a record. **HHS accounting systems uses** the single **entry method** to reduce the input volume and to lessen the **work of** the accounting technician. Work is further reduced by special programming and computer tables. The technician enters a TC with a single dollar amount, but does not select or enter the general ledger debit and credit account numbers. The computer **program**, using each unique TC together with other data elements in the record, selects the proper general ledger accounts and posts **the** single dollar amount to each debit and credit entry. Under this method a compound entry cannot be **made**; a single dollar amount for a debit account cannot be broken into multiple credit entries. The amount for each credit account must be entered separately with the same amount posted to the contra debit account.

4-40-30 TRANSACTIONS AND TRANSACTION CODES

Standardized accounting entries (transactions) have been **developed** according to the type of transaction. Each transaction has a unique title and description. Each transaction defines all

the possible combinations of debit and credit general ledger accounts. This includes the **proprietary** and budgetary accounts and titles, and the operating accounts and titles for revenue, expense, **gain, and loss**. For instance, TC 050 is entitled "**Obligations**" and is used to establish an obligation record and entries and, in **some cases**, to cancel a previously **recorded** commitment. For this TC there are multiple sets of accounting actions' (debit and credit entries) that can be taken depending upon the data elements that appear in the single input record. Each accounting entry in a TC **is** referenced to a range of data elements and codes stored internally, which are derived from the transaction's **Common Account Number (CAN)**, and to the object class and other data elements taken from the input record. The TC and these data elements identify the **action** to a set, or sets, of general ledger account debits and credits, all of which are maintained **in a** computer table. As the single entry **is** input into the system, the computer recognizes the TC and calls in the **data from the** table and the input record to **process that particular TC**. Using the full range of data elements defined for the TC, the correct debit and credit general ledger accounts are **selected** and the **appropriate** accounting entries are **recorded**. **General** ledger accounts are posted directly from the input transactions; they are **not derived** from summary totals of other files. Likewise, subsidiary files are posted **directly** from the input transactions.

4-40-40 STANDARD ACCOUNTING ENTRIES

Exhibit -4-40-A is an Accounting Transaction Index of the **TCs** showing the transaction number **and the** description of the transaction action. Specific **number ranges of TCs** have been established by function.

An example of an **actual** accounting entry is displayed in Exhibit 4-40-B'. **Because** of its size, the complete TC Listing is published **as** a separate document entitled "**HHS Transaction Codes.9** **Until this** listing is made available to **OPDIVs** through the **HHS** Office of Finance' Home Page **on** the "**Internet**" or through access to the **SGL/TC** Documentation Database System, it will be made available in hard copy format upon request **to the** Office of Financial **Policy (OFF)**, OS. .

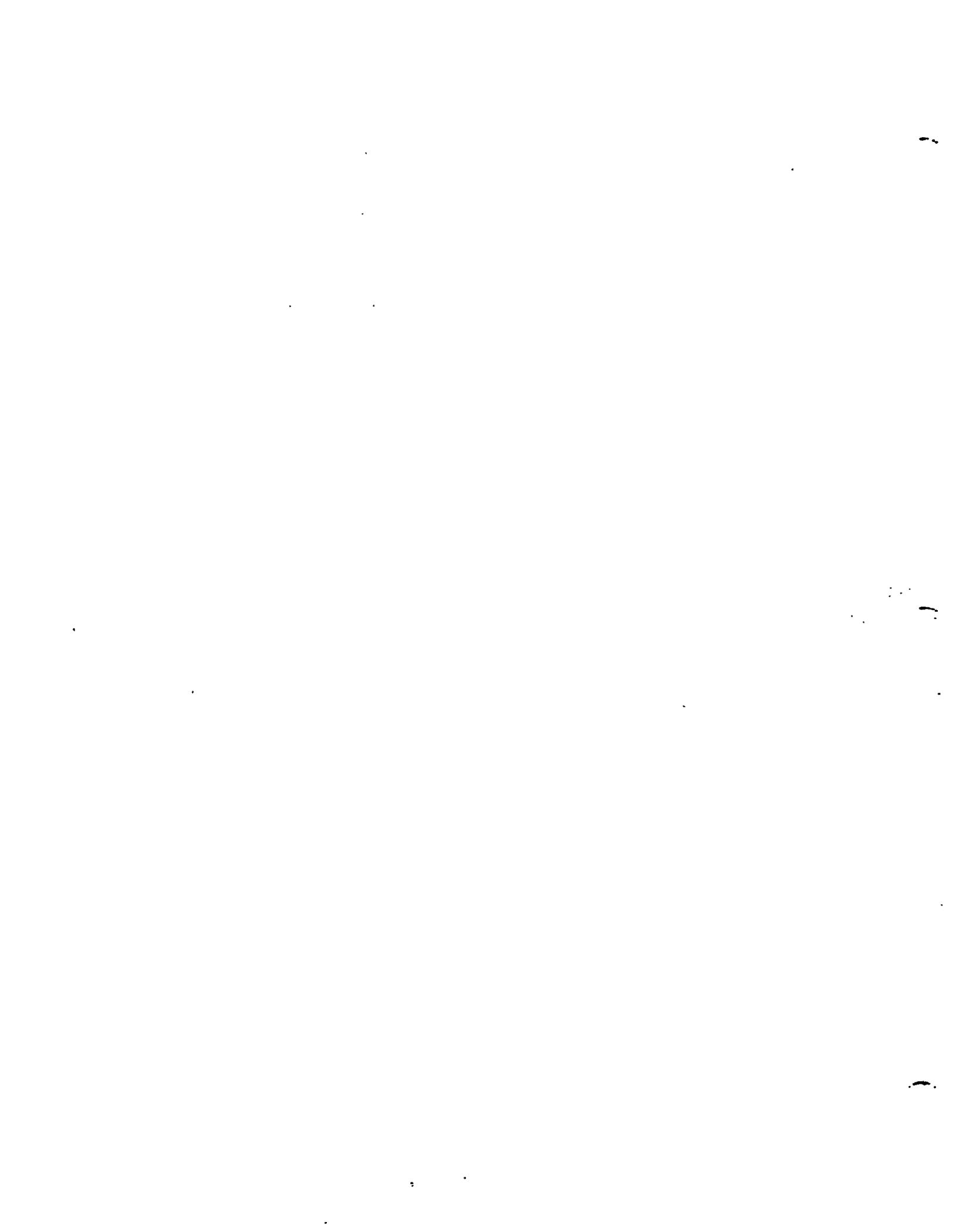
OPDIV accounting systems will **not** modify the standard **TCs** without Departmental approval. Unique requirements should be brought to **OFF's** attention, so that new or **modified TCs** may be designed and **added to** the TC Listing.

NONSTANDARD

ACCOUNTING ENTRIES

When a standard accounting entry will not accommodate the data to be entered into the system, transaction code TC 399 will be used. A TC 399 action will be entered in the traditional method; however, there is no special programming that will accomplish the multiple postings. The single dollar amount is entered, but the appropriate general ledger debit and credit accounts must also be entered in the transaction record.

OPDIVs may enter a TC 399 when a standard transaction code does not meet the requirements; however, TC 399 entries should be prudently used. Each accounting system should require the approval of the Director of Accounting and Finance before entering unique or adjusting data by a TC 399. Other than one-time journal entries should be submitted to the Office of Financial Policy, OS for inclusion in the HHS TC Table.



ACCOUNTING TRANSACTION INDEX

<u>#C</u>	<u>Transaction Code</u>	<u>Description</u>
		<u>RECEIPT OF AUTHORITY AND APPORTIONMENT</u>
001		WARRANT RECEIVED OR TRUST FUND DRAW DOWNS BY NON-EXP TRANSFER.
002		APPROPRIATIONS ANTICIPATED TO BE MADE AVAILABLE (INCLUDES INDEFINITE AND RELATED TRANSFERS)
003		APPROPRIATION-ANTICIPATED-REALIZED (INDEFINITE AUTHORIZATION)
004		TRUST FUNDS DRAW DOWN BY EXPENDITURE TRANSFER
005		TRANSFER OF CURRENT YEAR AUTHORIZATIONS (LEGISLATIVE) FROM & (TO) OTHER AGENCIES OR BETWEEN APPROPRIATIONS (DOES NOT RETAIN PARENT AGENCY APPROPRIATION SYMBOL)
006		ESTIMATED ANTICIPATED REIMBURSEMENTS
007		APPORTIONMENT - CATEGORY A & B
008		RECORD ESTIMATED DEBT REPAYMENTS ((PRINCIPAL) DUE THIS FISCAL YEAR
009		BUDGETARY AUTHORITY WITHHELD FROM APPORTIONMENT BY OMB
00A		APPROPRIATION ENACTED TO ELIMINATE PRIOR YEAR DEFICIENCY
00B		APPROPRIATION AND FUND AUTHORITY ENACTED (OTHER THAN REVOLVING FUNDS)
00C		CAPITAL APPROPRIATED FOR REVOLVING FUNDS - SUBJECT TO APPORTIONMENT
00D		DEFINITE BORROWING AUTHORITY
00E		ESTIMATED RECOVERIES OF PRIOR YEAR OBLIGATIONS
00F		ACCOMPLISHED NON-EXPENDITURE TRANSFERS FROM AND (TO) CURRENT FISCAL YEAR APPROPRIATION
00G		ACCOMPLISHED NON-EXPENDITURE TRANSFERS FROM AND (TO) PRIOR FISCAL YEAR APPROPRIATION
00H		BUDGETARY RESOURCES WITHHELD BY SPECIFIC STATUTORY RESTRICTIONS
00J		BUDGETARY RESOURCES WITHHELD PENDING RESCISSION BY CONGRESS

ACCOUNTING TRANSACTION INDEX

<u>#C</u>	<u>Transaction Code Description</u>
00K	BUDGETARY RESOURCES RESCINDED BY CONGRESS
00L	BUDGETARY RESOURCES RESCINDED BY CONGRESS - PRIOR-YEAR
00M	ANTICIPATED NON-EXPENDITURE TRANSFER FROM AND (TO) CURRENT FISCAL YEAR APPROPRIATION
00N	ANTICIPATED NON-EXPENDITURE TRANSFER FROM AND (TO) PRIOR FISCAL YEAR APPROPRIATION
00P	COLLECTIONS OF MISCELLANEOUS REVENUE; ALSO DONATED REVENUE AVAILABLE TO SPECIAL AND TRUST FUNDS
00Q	TO RECORD AUTHORITY TEMPORARILY UNAVAILABLE PURSUANT TO PUBLIC LAW
00R	APPROPRIATION AUTHORIZATION NOT REQUIRING APPORTIONMENT
00s	RECLASSIFICATION OF UNOBLIGATED BALANCES BROUGHT FORWARD AND FOR EXCESS OF BUDGETARY RESOURCES REALIZED OVER AMOUNTS ESTIMATED AND APPORTIONED NOT IN EXCESS OF \$200,000 OR 1% OF ESTIMATED BUDGETARY RESOURCES WHICH-EVER IS LOWER IS AUTOMATICALLY APPORTIONED
00T	RECLASSIFICATION OF EXCESS OF BUDGETARY RESOURCES REALIZED OVER AMOUNTS ESTIMATED AND APPORTIONED IN EXCESS OF 200,000 OR 1% OF TOTAL BUDGETARY RESOURCES, WHICHEVER IS LOWER
00u	APPORTIONMENT OF ANTICIPATED RECOVERIES OF PRIOR-YEAR OBLIGATION As UNAVAILABLE UNTIL REALIZED
00v	RECORD OTHER NEW BUDGET AUTHORITY ENACTED (INCLUDES TRUST FUNDS)
00w	APPROPRIATION ENACTED TO LIQUIDATE DEBT
010	TRANSFERS FROM OTHER AGENCIES OR DEPARTMENTS
011	TRANSFERS To OTHER AGENCIES OR DEPARTMENTS
012	ESTABLISHMENT OF ANTICIPATED FUNDING UNDER CONSOLIDATED WORKING FUNDS PENDING TRANSFER OF FUNDS (SPECIFIC AGREEMENTS)
013	AVAILABILITY OF APPORTIONMENT AT BEGINNING OF QUARTER

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
014	INITIAL CAPITALIZATION OF FUNDS APPROPRIATED FOR WORKING CAPITAL/REVOLVING FUNDS
016	TRANSFER OF UNOBLIGATED BALANCES, OTHER THAN CURRENT YEAR AUTHORIZATIONS, BETWEEN APPROPRIATIONS OR OTHER AGENCIES (TRANSFERS IN) REAPPROPRIATIONS
017	TRANSFER OF GROSS UNDELIVERED UNPAID OBLIGATIONS BETWEEN APPROPRIATIONS OR TO OTHER AGENCIES (TRANSFERS IN)
018	TRANSFER OF GROSS DELIVERED UNPAID OBLIGATIONS BETWEEN APPROPRIATIONS OR TO OTHER AGENCIES (TRANSFERS IN)
019	TRANSFERS OF GROSS RECEIVABLE BETWEEN APPROPRIATIONS OR BETWEEN OTHER AGENCIES (TRANSFERS IN)
020	INDEFINITE BORROWING AUTHORITY
02A	EXERCISE BORROWING AUTHORITY FROM TREASURY (PUBLIC DEBT) AND FEDERAL FINANCING BANK (AGENCY DEBT)
023	ESTABLISHMENT OF RECEIVABLE/PAYABLE UNDER CONSOLIDATED WORKING FUNDS WHEN AGREEMENT IS NOT FULLY FUNDED (IGA)

ALLOTMENT/ALLOWANCE

024	TO DEFER AVAILABILITY OF OBLIGATIONAL AUTHORITY
030	TO ISSUE ALLOTMENTS FROM THE APPORTIONMENT
031	TO ISSUE ALLOWANCES FROM THE ALLOTMENT
032	TO ISSUE ALLOTMENTS FOR FUNDS NOT REQUIRED TO BE APPORTIONED
037	OBLIGATION PLAN

COMMITMENTS/OBLIGATION/CANCELLATIONS

040	COMMITMENTS - TEST FOR AVAILABILITY OF FUNDS
041	COMMITMENTS - NO TEST FOR AVAILABILITY OF FUNDS

ACCOUNTING TRANSACTION INDEX

<u>#C</u>	<u>Transaction Code Description</u>
050	OBLIGATIONS AND NO DECOMMITMENT OR SIMULTANEOUS FULL DECOMMITMENT (EXCLUSIVE OF PERSONAL SERVICE COSTS) - WITH TEST FOR AVAILABILITY OF FUNDS
051	OBLIGATIONS - NO TEST FOR AVAILABILITY OF FUNDS
052	ESTIMATED OBLIGATIONS AND ACCRUED (PROJECTION) UNPAID PERSONAL SERVICES COSTS AND RELATED BENEFITS
053	OBLIGATIONS (WITH SOME ACCRUALS) AND PARTIAL DECOMMITMENT IN THE SAME AMOUNT AS THE OBLIGATION
055	CANCELLATION OF UNEXPENDED OBLIGATION/UNDELIVERED ORDERS IN EXPIRED ACCOUNTS
056	OBLIGATIONAL ADJUSTMENTS RELATED TO CANCELED ACCOUNTS (FUNDED FROM CURRENT FISCAL YEAR UNEXPIRED ACCOUNTS)
057	CANCELLATION OF ACCOUNTS RECEIVABLE REFUNDS AND REIMBURSEMENTS IN EXPIRED ACCOUNTS
058	CANCELLATION OF AUDIT DISALLOWANCE RECEIVABLE (REFUND) IN EXPIRED ACCOUNTS
059	CLOSING OF FINANCIAL ASSISTANCE AWARDS (PROGRAM FUNDS - GRANTS, CONTRACTS, LOANS, AGREEMENTS, ETC.) FINANCED THROUGH PMS BASED UPON APPROVED "FINAL REPORT OF EXPENDITURE" (FROE) AT END OF PROJECT PERIOD OR AWARD
05A	CANCELLATION OF ACCOUNTS PAYABLE IN EXPIRED ACCOUNTS
05B	CANCELLATION OF ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE REFUNDS
<u>ADVANCES</u>	
060	ADVANCES TO FEDERAL AND NON-FEDERAL ENTITIES OTHER THAN TRAVEL ADVANCES/EMPLOYEE EMERGENCY PAYMENTS AND ADVANCES THROUGH THE PAYMENT MANAGEMENT SYSTEM (PMS) (SEE 061 AND 062)
061	TRAVEL ADVANCES AND EMPLOYEE EMERGENCY PAYMENTS
062	ADVANCES TO NON-FEDERAL ENTITIES THROUGH THE PAYMENT MANAGEMENT SYSTEM (PMS)

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
065	TO RECORD PREPAID EXPENSES (PREVIOUSLY OBLIGATED BUT NOT RECEIVED)
066	CASHIER FUNDS (ESTABLISHED FROM OPDIV APPROPRIATION AND REPORTED UNDER PRE-FIXED (41) ACCOUNT
067	RECORDING OF UNDEPOSITED COLLECTIONS AT END OF ACCOUNTING PERIOD
070	RECLASSIFY OVER-ADVANCE BY PMS TO OPDIV ACCOUNTS RECEIVABLE (FOR COLLECTION WRITEOFF)
	ACCRUED EXPENDITURES/COSTS
	PARTIAL RECEIVING REPORTS
	FINAL RECEIVING REPORTS
	<u>OTHER</u>
080	ESTIMATED ACCRUALS - PARTIAL - (CONSTRUCTIVE RECEIPT UNDER CONTRACTS & GRANTS) (NOT FINANCED BY ADVANCE PAYMENTS)
081	RECEIVING REPORTS - PARTIAL (FOR MATERIALS OR SERVICES ACTUALLY RECEIVED) - (NOT FINANCED BY ADVANCE PAYMENTS)
082	ESTIMATED ACCRUALS (CONSTRUCTIVE RECEIPT) FOR AMOUNTS DUE AND PAYABLE TO CONTRACTORS/GRANTEES AT YEAR-END (ENTRY TO BE REVERSED AT BEGINNING OF FOLLOWING YEAR)
089	RECEIVING REPORTS - PARTIAL - (FOR EQUIPMENT, SUPPLIES, OR SERVICES PROVIDED UNDER ADVANCE PAYMENTS - OTHER THAN BY LETTER OF CREDIT - WHICH WERE NOT SPECIFICALLY OBLIGATED OR COMMITTED
08A	ACCRUED BULK ESTIMATE OF TRUST FUND BENEFIT - ACCRUAL NOT PREVIOUSLY OBLIGATED
090	RECEIVING REPORTS - PARTIAL - (FOR EQUIPMENT, SUPPLIES, OR SERVICES PROVIDED UNDER ADVANCE PAYMENTS - OTHER THAN BY LETTER OF CREDIT - WHICH WERE PREVIOUSLY OBLIGATED)
091	RECEIVING REPORTS - FINAL - (NOT FINANCED BY ADVANCE PAYMENTS)
095	RECEIVING REPORTS - FINAL (FOR EQUIPMENT, SUPPLIES, OR SERVICES PROVIDED UNDER ADVANCE PAYMENTS - OTHER THAN LETTER OF CREDIT)
096	ACCRUED LEAVE EARNED/LIABILITY TO PAY

ACCOUNTING TRANSACTION INDEX

<u>#C</u>	<u>Transaction Code Description</u>
097	TRANSFER OF LEAVE BALANCES IN (+) OR OUT (-)
098	ESTIMATED MONTHLY ACCRUALS (CONSTRUCTIVE RECEIPTS) - FOR ESTIMATED UNPAID LIABILITIES OF CONTRACTOR/GRANTEES UNDER AWARDS FINANCED THROUGH OTHER FEDERAL AGENCIES
099	GRANTS MANAGEMENT FUND (MONTHLY ESTIMATED ACCRUALS) FOR ESTIMATED UNPAID LIABILITIES OF CONTRACTORS/GRANTEES UNDER AWARDS FINANCED THROUGH LETTERS OF CREDIT AND TIMING OF PAYMENTS ACTIVITIES
09A	VALUE OF GOODS OR SERVICES ACQUIRED UNDER TRANSFER ACCOUNTS TO OTHER AGENCIES
102	EXERCISE OF OPTION TO PURCHASE UNDER A LEASE/PURCHASE AGREEMENT (CURRENT YEAR PORTION)
109	TO RECORD FORGIVENESS (CANCELLATION) OF ACCOUNT AND LOAN RECEIVABLES DUE TO OPERATION OF LAW, REGULATION, STATUTE, ETC.
10A	ACQUISITION OF ASSETS UNDER A CAPITAL LEASE
10B	TO APPLY PERIODIC LEASE PAYMENT TO LIABILITY ESTABLISHED AT TIME OF ACQUISITION
10C	UNFUNDED ACTUARIAL FECA LIABILITIES
10D	UNFUNDED FECA "CHARGEBACKS " RECEIVED FROM DEPT OF LABOR
10E	ACTUARIAL LIABILITY FOR THE PHS COMMISSIONED OFFICER CORPS RETIREMENT SYSTEM
10F	IMPUTED COSTS/FINANCING SOURCES FOR PENSION AND OTHER BENEFITS
10G	CONTINGENT LIABILITY FOR CLAIMS TO BE PAID BY THE TREASURY JUDGEMENT FUND OR FUNDED BY AN OPDIV
110	TO RECORD ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE
111	TO RECORD ALLOWANCE FOR LOSS ON LOANS RECEIVABLE
112	TO RECORD ALLOWANCE FOR LOSS ON ACCRUED INTEREST RECEIVABLE
113	TO WRITE OFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE • (NON-GOVT)

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
114	TO WRITE-OFF UNCOLLECTIBLE LOANS (NON-GOVERNMENT)
118	TO WRITE-OFF UNCOLLECTIBLE ACCRUED INTEREST
119	AMORTIZATION OF DEFERRED CHARGES TO EXPENSE
11A	TO RECORD ALLOWANCE FOR LOSS ON PENALTIES, FINES AND ADMINISTRATIVE FEES RECEIVABLE ON DELINQUENT ACCOUNTS
11C	TO RECORD ALLOWANCE FOR LOSS ON ACQUIRED COLLATERAL (UNFUNDED)
120	AMORTIZATION OF PREPAID EXPENSES UPON RECEIPT OF GOODS
121	EXERCISE OF OPTION TO PURCHASE UNDER A LEASE/PURCHASE AGREEMENT (PRIOR YEAR EXPENSE)
122	RECORD FINANCIAL ACCOUNTABILITY FOR PROPERTY (FEDERAL TITLE) IN CUSTODY OF OTHERS
126	TO RECORD LOANS RCVBL (COLLECTIONS TO BE DEPOSITED TO MISC RCPTS)
128	TO WRITE-OFF UNCOLLECTIBLE PENALTIES, FINES AND ADMINISTRATIVE FEES ON DELINQUENT ACCOUNTS RECEIVABLE
129	TO WRITE-OFF UNCOLLECTIBLE PENALTIES FINES AND ADMINISTRATIVE FEES ON DELINQUENT LOANS RECEIVABLE
12A	TO RECLASSIFY PORTION OF LOANS RECEIVABLE AS CURRENT RECEIVABLE
12B	RECLASSIFY PORTION OF LOANS RECEIVABLE - GUARANTEED/PLEDGED AS CURRENT RECEIVABLE
12c	RECLASSIFY PORTION OF LOANS RECEIVABLE - DEFAULTED AS CUR RCVBL
12D	TRANSFER LOANS RCVBL AND ACCRD INTEREST BETWEEN MULTI-YEAR ACCTS
	<u>ACCRUAL/INCOME</u>
130	TO RECORD REIMB REVENUE EARNED THAT WAS FINANCED BY AN ADVANCE
132	TO RECORD REIMBURSABLE REVENUE EARNED THAT WAS NOT FINANCED BY AN ADVANCE AND REQUIRES BILLING

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
133	SALE OF SCRAP MATERIAL AND OTHER REIMBURSABLES - GENERAL/TRUST FUND RECEIPTS
134	TO RECORD REIMBURSABLE REVENUE EARNED THAT WAS NOT FINANCED BY AN ADVANCE, BUT NOT YET READY TO BE BILLED
135	TO DISTRIBUTE UN-BILLED CHARGES TO BILLED RECEIVABLES
136	ACCRUE IN BUDGETARY ACCOUNTS THE QUARTERLY AMOUNT OF LOAN REPAYMENTS DUE (1/4 OF ANNUAL EST LOAN COLLECTIONS)
138	ACCRUAL OF INSURANCE PREMIUMS
139	ACCRUED INTEREST EARNED ON RECEIVABLES AND LOANS
13A	TO RECLASSIFY ACCTS RECEIVABLE AS NON-CURRENT RECEIVABLE
13B	TO RECLASSIFY ACCTS REC AS NON-CURRENT REC (AUDIT DISALLOWANCE)
140	ACCRUED INTEREST EARNED ON INVESTMENTS
142	AMORTIZATION OF DEFERRED CREDITS
143	AMORTIZATION OF DISCOUNTS ON SECURITIES PURCHASED
144	AMORTIZATION OF PREMIUM ON SECURITIES PURCHASED
145	ACCOUNTS RECEIVABLE - ADVANCES AND REIMBURSEMENTS - BILLED TO FEDERAL AGENCIES - FOR UNEARNED INCOME
148	ACCRUED INTEREST, PENALTIES, FINES AND ADMINISTRATIVE FEES EARNED ON DELINQUENT ACCOUNTS RECEIVABLE
149	ACCRUED INTEREST, PENALTIES. FINES AND ADMINISTRATIVE FEES EARNED ON DELINQUENT LOANS RECEIVABLE
	DISBURSEMENTS FOR GOODS AND SERVICES
	PARTIAL
	FINAL
	<u>OTHER</u>
181	DISBURSEMENTS - PARTIAL - NOT PREVIOUSLY ACCRUED
182	DISBURSEMENTS - PARTIAL - PREVIOUSLY ACCRUED

ACCOUNTING TRANSACTION INDEX

<u>#C</u>	<u>Transaction Code Description</u>
183	DISBURSEMENTS - PAYROLLS - NOT PREVIOUSLY OBLIG OR ACCRUED
184	DISBURSEMENTS - PARTIAL - FOR LOANS AND INVESTMENTS AND ACCRUED INTEREST PURCHASED ON INVESTMENTS
185	RETURN ADVANCE WHEN COST OF REIMB ORDER Is LESS THAN ADVANCE
186	AUDIT DISALLOWANCE OFFSET AGAINST CURRENT YEAR GRANT/CONTRACT
189	TRAVEL ADVANCES AND EMERGENCY EMPLOYEE PAYMENTS APPLIED(NON-DISB)
190	DISBURSEMENT - FINAL - NOT PREVIOUSLY OBLIGATED OR ACCRUED
191	DISBURSEMENT - FINAL - NOT PREVIOUSLY ACCRUED
192	DISBURSEMENTS - COMPLETE OR FINAL - PREVIOUSLY ACCRUED
193	PAYMENT OF ACCRUED INTEREST PAYABLE
194	FINAL DISBURSEMENT - FOR LOANS AND INVESTMENTS AND ACCRUED INTEREST PURCHASED ON INVESTMENTS
195	REFUNDS FROM OTHER INCOME
196	REFUND FOR RETURN OF GOODS SOLD OR SERVICES RENDERED AFTER RECEIPT OF PAYMENT
198	DISBURSEMENTS - FINAL - (FOR LOST DISCOUNTS)
199	DISBURSEMENTS - FINAL - (FOR INTEREST PENALTIES)
19A	LOANS MADE BY NON-FEDERAL LENDERS - GUARANTEED BY HHS
19B	REPAYMENT OF BORROWING AUTHORITY FROM TREASURY (PUBLIC DEBT) AND FEDERAL FINANCING BANK (AGENCY DEBT)
19C	DISBURSEMENT OF PRIOR ACCRUAL, RECORD BENEFIT PAYMENTS MADE BY PAYMENT CENTERS
19D	TO RECORD ACQUIRED COLLATERAL-PENDING POSSIBLE LOAN DEFAULT
19E	PAYMENT TO RELEASE PRIOR LIENS ON ACQUIRED COLLATERAL

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
	<u>COLLECTIONS</u>
220	COLLECTIONS (CASH RECEIPTS) • ADVANCES AND REIMBURSEMENTS BILLED
221	COLLECTION OF INCOME • NOT ANTICIPATED (FUNDS NOT RETURNED TO TREASURY) • INCLUDES PROCEEDS FROM SALE OF PROPERTY WHEN THERE IS A GAIN
223	COLLECTION OF PRINCIPAL ON LOANS OR DIRECT SALE
224	COLLECTION OF INTEREST ON LOANS (REPAYMENT OR OUTRIGHT SALE) AND AUDIT DISALLOWANCE
227	COLLECTION OF INSURANCE PREMIUMS
228	COLLECTION OF PRINCIPAL • REDEMPTION OF SECURITIES
22A	COLLECTION OF INCOME FOR SALE OF PROPERTY WHEN THERE IS A LOSS
232	COLLECTIONS • ACCOUNTS RECEIVABLE • GENERAL/TRUST FUND RECEIPTS
235	COLLECTIONS • RECEIPT ACCOUNTS • NOT PREVIOUSLY ACCRUED • INCLUDES PROCEEDS FROM SALE OF PROPERTY WHEN THERE IS A GAIN
236	COLLECTIONS • REFUNDS AND AUDIT DISALLOWANCES BILLED
237	COLLECTION • REFUNDS • UNBILLED
238	RECEIVED ADVANCE FOR CONSOLIDATED WORKING FUND, MANAGEMENT AND REVOLVING FUNDS, AND DIRECT APPROPRIATION FOR REIMBURSABLE ORDERS
239	COLLECTION OF UNPAID PARTICIPATING AGENCY FUNDING NOTICES (IGA) FOR CONSOLIDATED WORKING FUNDS
23A	COLLECTION OF INCOME (RETURNED TO TREASURY) FOR SALE OF PROPERTY WHEN THERE IS A LOSS
240	PROCEEDS FROM SALE OF PROPERTY AVAILABLE FOR EXP FROM THE APPROP
241	DEPOSIT AND SUSPENSE ACCOUNTS FOR DEDUCTIONS FOR TAXES, SAVINGS BONDS, AND OTHER TRANSACTIONS
242	COLLECTION OR REPAYMENT OF UNUSED TRAVEL ADVANCE AND EMERGENCY EMPLOYEE PAYMENTS

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code</u>	<u>Description</u>
243		ADVANCES RECEIVED FROM OTHER FED AGENCIES UNDER LETTER OF CREDIT
246		COLLECTION OF ACCRUED INTEREST ON INVESTMENTS
247		REIMBURSEMENTS FOR TRAVEL EXPENSES FROM NON-FEDERAL SOURCES
248		COLLECTION OF INTEREST, PENALTIES, FINES AND ADMINISTRATIVE FEES ON DELINQUENT ACCOUNTS RECEIVABLE
249		COLLECTION OF INT, PENALTIES, FINE AND ADMIN FEES ON DEL LOANS
250		RECORD ACQUIRED COLLATERAL RELATED TO PAY-OFF OF DEFAULTED LOAN AND ACCRUED INTEREST
251		RECORD PRIOR LIENS OUTSTANDING ON ACQUIRED COLLATERAL AS RESULT OF DEFAULTED LOAN GUARANTEES
252		TO ADJUST VALUE OF RECORDED COLLATERAL DOWN TO FAIR MARKET VALUE
253		TO ADJUST VALUE OF RECORDED COLLATERAL UP TO FAIR MARKET VALUE
254		RECORD SALE OF ACQUIRED COLLATERAL
<u>DISPOSAL AND EXCHANGE OF ASSETS</u>		
260		RECLASSIFICATION OF EQUIPMENT PENDING DISPOSAL
261		DISP OF PROPERTY BY TRANSFER, TRADE-IN OR SALE OUTSIDE THE AGENCY
262		ADJUSTMENT OF ACCUMULATED DEPRECIATION ON EQUIPMENT AND FIXED PROPERTY (DISPOSALS/EXCHANGES) WHEN THERE IS A GAIN
263		ALLOWANCE ON TRADE-IN EQUIPMENT (RESIDUAL VALUE) WHEN ALLOWANCE IS GREATER THAN BOOK VALUE
264		FOR MONIES RCVBL ON DISP OF FIXED PROPERTY "WHERE THE FUNDS WILL BE USED TO PURCHASE REPLACEMENTS" - WHERE THERE IS A GAIN
265		FOR MONIES RECEIVABLE ON DISPOSITION OF FIXED PROPERTY "WHERE THE PROCEEDS WILL NOT BE USED TO PURCHASE REPLACEMENT PROPERTY" - WHEN THERE IS A GAIN
266		FOR MONIES RECEIVABLE ON DISPOSITION OF FIXED PROPERTY "WHERE THE FUNDS WILL BE USED AT A LATER TIME TO PURCHASE REPLACEMENTS"

ACCOUNTING TRANSACTION INDEX

<u>#C</u>	<u>Transaction Code</u>	<u>Description</u>
267		PROCEEDS FROM SALE OF PROPERTY (PROPERTY TO BE REPLACED AT A LATER DATE)
268		EQUIPMENT LOANED TO CONTRACTORS AND GRANTEES
26A		ADJUSTMENT OF ACCUMULATED DEPRECIATION ON EQUIPMENT AND FIXED PROPERTY (DISPOSALS/EXCHANGES) WHEN THERE IS A LOSS
26B		FOR MONIES RECEIVABLE ON DISPOSITION OF FIXED PROPERTY "WHERE THE FUNDS WILL BE USED TO PURCHASE REPLACEMENTS" - WHERE THERE IS A LOSS
26C		FOR MONIES RECEIVABLE ON DISPOSITION OF FIXED PROPERTY "WHERE THE PROCEEDS WILL NOT BE USED TO PURCHASE REPLACEMENT PROPERTY" - WHEN THERE IS A LOSS
26D		RECORD LOSS ON LIQUIDATION OF PRIOR LIEN WHEN PAYMENT OF LIEN IS GREATER THAN RECORDED VALUE (LIABILITY) OF THE PRIOR LIEN
26E		RECORD GAIN ON LIQUIDATION OF PRIOR LIEN WHEN PAYMENT OF LIEN IS LESS THAN RECORDED VALUE (LIABILITY) OF THE PRIOR LOAN
26F		WRITE-OFF REMAINING VALUE OF ACQUIRED COLLATERAL WHEN THE RECORDED VALUE IS GREATER THAN AMOUNT REALIZED
26G		WRITE-OFF REMAINING VALUE OF ACQUIRED COLLATERAL WHEN THE RECORDED VALUE IS LESS THAN THE AMOUNT REALIZED
26H		PROPERTY TRANSFERRED-OUT WITHOUT REIMBURSEMENT TO OTHER FEDERAL AGENCY (PURCHASED PROPERTY ONLY)
26J		ALLOWANCE ON TRADE-IN EQUIPMENT (RESIDUAL VALUE) WHEN ALLOWANCE IS LESS THAN BOOK VALUE

INTER AND INTRA OPDIV/OFFICE TRANSACTIONS

270		TRANSFERS-OUT - CATEGORY A & B APPORTIONMENT - (ISSUING OPDIV)
271		TRANSFERS-IN - CATEGORY A & B APPORTIONMENT - (RECEIVING OPDIV)
278		ALLOTMENT ISSUED FROM HEADQUARTERS TO REGIONAL/FIELD OFFICES (HEADQUARTERS ENTRY)

. ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
279	ALLOTMENTS RECEIVED AT REGIONAL FIELD OFFICES FROM HEADQUARTERS (REGIONAL/FIELD ENTRY)
280	ALLOWANCES ISSUED FROM HEADQUARTERS TO REGIONAL FIELD STATIONS (HEADQUARTERS ENTRY)
281	ALLOWANCES RECEIVED AT REGIONAL FIELD STATIONS FROM HEADQUARTERS (FIELD ENTRY)
282	APPROPRIATION REIMBURSEMENT TRANSFERRED FROM ACCOUNTING POINT TO HEADQUARTERS (FIELD ENTRY)
283	TRANSFER OF PROPERTY AND COSTS BETWEEN ACCOUNTING POINTS - ISSUING POINT
284	TRANSFER OF ACCUMULATED DEPRECIATION AND AMORTIZATION ON PROPERTY TRANSFERRED BETWEEN ACCOUNTING POINTS - ISSUING POINT
285	TRANSFER OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES BETWEEN ACCOUNTING POINTS - SENDING POINT
287	TRANSFERS OF UNCOLLECTIBLE REFUNDS FROM ACCOUNTING POINTS TO HEADQUARTERS
288	TRANSFERS OF UNCOLLECTIBLE REIMBURSEMENTS FROM ACCOUNTING POINTS TO HEADQUARTERS
289	TRANSFERS OF UNCOLLECTED GENERAL FUND RECEIPTS TO HEADQUARTERS
28A	APPROPRIATION REIMBURSEMENT RECEIVED AT HEADQUARTERS FROM ACCOUNTING POINT (HEADQUARTERS ENTRY)
28B	TRANSFER OF PROPERTY AND COSTS BETWEEN ACCOUNTING POINTS - RECEIVING POINT
28C	TRANSFER OF ACCUMULATED DEPRECIATION AND AMORTIZATION ON PROPERTY TRANSFERRED BETWEEN ACCOUNTING POINTS - RECEIVING POINT
28D	TRANSFER OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES BETWEEN ACCOUNTING POINTS - RECEIVING POINT
28E	RECEIPT OF UNCOLLECTIBLE REFUNDS TRANSFERRED FROM ACCOUNTING POINTS
28F	RECEIPT OF UNCOLLECTIBLE REIMBURSEMENTS TRANSFERRED FROM ACCOUNTING POINTS

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
28G	RECEIPT OF UNCOLLECTED GENERAL FUND <i>RECEIPTS TRANSFERRED FROM</i> ACCOUNTING POINTS
290	TRANSFER OF UNCOLLECTED TRAVEL <i>ADVANCES BETWEEN ACCOUNTING POINTS WITHIN THE SAME APPROPRIATION - SENDING POINT</i>
292	INTRA-FUND TRANSFERS BETWEEN WORK-IN-PROCESS ACCOUNT AND FOR WITHIN OFFICE TRANSFERS (WITHIN THE ACCOUNTING POINT BETWEEN WORE-IN-PROCESS ACCOUNTS AND OTHER ACTIVITIES)
293	SALES VALUE OF GOODS TRANSFERRED OUT (THIS ENTRY IS TAKEN FROM THE BILLING OR ADVICE OF TRANSFER) - ISSUING POINT
294	VALUE OF GOODS TRANSFERRED IN (THIS ENTRY IS TAKEN FROM INVOICE OR ADVISE OF TRANSFER) - RECEIVING POINT
296	TO RECLASSIFY LOANS SOLD FROM LOANS RECEIVABLE (DEBT BORROWING) TO LOANS RECEIVABLE - GUARANTEED/PLEDGED OR TO LOANS RECEIVABLES - DEFAULTED
297	TO RECORD RECLASSIFIED LOANS AS LOANS RECEIVABLE - GUARANTEED/PLEDGED
298	TO RECORD RECLASSIFIED LOANS AS LOANS RECEIVABLE - DEFAULTED
29A	TRANSFER OF UNCOLLECTED TRAVEL <i>ADVANCES BETWEEN ACCOUNTING POINTS WITHIN THE SAME APPROPRIATION - RECEIVING POINT</i>
<u>OTHER TRANSACTIONS</u>	
300	RECORD DEPRECIATION DIRECTLY TO WORE-IN-PROCESS INVENTORY
301	INDIRECT COSTS TRANSFERRED TO OVERHEAD ACCOUNT FOR SUBSEQUENT REALLOCATION TO COST CENTERS
302	ISSUANCES FROM INVENTORIES WITHIN THE APPROPRIATION FROM WHICH THE INVENTORIES WERE FUNDED - ISSUING POINT
303	RECEIPT <i>OF</i> ISSUANCES FROM INVENTORIES WITHIN THE APPROPRIATION FROM WHICH THE INVENTORIES WERE FUNDED - RECEIVING POINT
304	THIRD-PARTY DRAFTS ISSUED
305	PAYMENTS TO THIRD-PARTY DRAFT VENDORS FOR THIRD-PARTY DRAFTS HONORED

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
306	THIRD-PARTY DRAFTS ISSUED BY ANOTHER OPDIV
307	THIRD-PARTY DRAFTS ISSUED FOR ANOTHER OPDIV
308	THIRD-PARTY DRAFTS • COLLECTIONS
30A	INVENTORIES ISSUED TO APPROPRIATIONS OTHER THAN THE FUNDING APPROPRIATION AND ISSUED FOR SALE • REIMBURSABLE
30B	ISSUANCE OF SUPPLIES AND MATERIALS FROM INVENTORIES FOR USE IN OPERATIONS
310	ACCEPTANCE OF REIMBURSABLE ORDERS
31B	ESTIMATED LOSS OF INVENTORY FOR SALE
31c	ESTIMATED LOSS OF INVENTORY • RAW MATERIALS AND SUPPLIES
31D	ESTIMATED LOSS OF INVENTORY • WORK IN PROCESS
31E	ESTIMATED LOSS OF INVENTORY • FINISHED GOODS
31F	ESTIMATED LOSS OF INVENTORY • OTHER
31J	ADJUSTMENT TO STOCKPILED INVENTORY WHEN RECORDED VALUE EXCEEDS THE PHYSICAL INVENTORY
321	DEPRECIATION AND AMORTIZATION EXPENSE
322	INCREASE ADJUSTMENT OF RECORDED VALUE OF EQUIPMENT TO PHYSICAL INVENTORY
323	REDUCE VALUE OF RECORDED EQUIPMENT TO PHYSICAL INVENTORY VALUE
325	OVERHEAD CHARGES APPLIED TO WORK-IN PROCESS ACCOUNT
326	TRANSFER OF OVERHEAD CHARGES TO THE INVENTORY FOR ANIMALS, INCLUDING RESEARCH ANIMALS, AND OTHER AGRICULTURE PRODUCTS
327	TRANSFER OF INDIRECT COSTS FROM APPLIED OVERHEAD TO APPROPRIATE PROGRAMS/COST CENTERS
328	ACCTS RECEIVABLE • REFUNDS FOR RECOVERY OF PRIOR YEAR OBLIGATIONS • UNEXPIRED MULTI-YEAR AND NO-YEAR ACCOUNTS

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<u>TC #</u>	<u>Transaction Code</u>	<u>Description</u>
329		DIRECT LABOR FOR ANIMALS,- INCLUDING RESEARCH ANIMALS, AND CROPS PREVIOUSLY CHARGED TO OPERATING EXPENSES
330		ACCOUNTS RECEIVABLE - REFUNDS
331		RECLASSIFICATION OF OUTSTANDING ADVANCE TO REFUND RECEIVABLE
332		PREMIUMS ON SECURITIES PURCHASED
333		AUDIT DISALLOWANCE PENDING OR UNDER APPEAL
334		DISCOUNT ON PURCHASE OF SECURITIES
335		AUDIT DISALLOWANCE BECOMES COLLECTIBLE
336		RECORDS AMOUNT OF REIMBURSABLE EXPENSE INCURRED TO REIMBURSEMENT EARNED AND DISTRIBUTES COSTS TO UNFILLED ORDERS
338		DEFERRAL OF EXPENSES PREVIOUSLY CHARGED OFF
339		MARK-UP AND MARK-UP CANCELLATION ON INVENTORY
33A		TO RESERVE ALLOWANCE AUTHORITY FOR LATER PERIOD
33%		DISCOUNT ON SALE OF LOANS TO NON-FEDERAL ENTITY
340		MARK-UP CANCELLATION ON GOODS SOLD (SPECIAL SALES)
341		LOSS OF INVENTORY BY UNFORESEEN CIRCUMSTANCES
342		ANTICIPATED RECOVERY OF PROGRAM DISALLOWANCE
344		TO CAPITALIZE OPDIV DEVELOPED ADP/TC SOFTWARE
345		COLLECTION OF AUDIT DISALLOWANCE THROUGH PUBLIC ASSISTANCE AWARD ADJUSTMENT
347		SPOILAGE IN MANUFACTURING MATERIAL and SUPPLIES INVENTORY
348		SPOILAGE IN THE WORK-IN-PROCESS INVENTORY
349		SPOILAGE IN THE FINISHED GOODS INVENTORY

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<u>#C</u>	<u>Transaction Code Description</u>
350	TRANSFER OF MANUFACTURING MATERIAL AND SUPPLIES TO INVENTORY FOR RESALE
351	TRANSFER OF MANUFACTURING MATERIAL AND SUPPLIES TO WORK-IN-PROCESS
352	TRANSFERS OF FINISHED GOODS FROM WORK-IN-PROCESS ACCOUNTS
353	MANUFACTURING MATERIAL AND SUPPLIES PRODUCED BY THE OPDIV THROUGH THE OPERATING EXPENSE ACCOUNT
355	DONATED ASSETS RECEIVED THAT MEET CAPITALIZATION CRITERIA
356	DONATED ASSETS RECEIVED THAT DO NOT MEET CAPITALIZATION CRITERIA
357	ASSETS TRANSFERRED-IN WITHOUT REIMBURSEMENT FROM OTHER FEDERAL AGENCIES THAT MEET CAPITALIZATION CRITERIA
358	ASSETS TRANSFERRED-IN WITHOUT REIMBURSEMENT FROM OTHER FEDERAL AGENCIES THAT DO NOT MEET CAPITALIZATION CRITERIA
360	TO TRANSFER OPERATING MATERIALS AND SUPPLIES HELD FOR USE TO OPERATING MATERIALS AND SUPPLIES HELD IN RESERVE FOR FUTURE USE
361	TO TRANSFER OPERATING MATERIALS AND SUPPLIES HELD FOR USE TO OPERATING MATERIALS AND SUPPLIES DEEMED EXCESS, OBSOLETE AND UNSERVICEABLE
362	TO TRANSFER INVENTORY HELD FOR SALE TO INVENTORY HELD IN RESERVE FOR FUTURE USE
363	TO TRANSFER INVENTORY HELD FOR SALE TO INVENTORY HELD FOR REPAIR
364	TO TRANSFER INVENTORY HELD <i>FOR</i> SALE TO INVENTORY DEEMED EXCESS, OBSOLETE AND UNSERVICEABLE
365	TO TRANSFER STOCKPILE MATERIALS HELD IN RESERVE TO STOCKPILE MATERIALS HELD FOR SALE

ADJUSTING ENTRIES

400	REDISTRIBUTION OF EXPENSES WITHIN CAN
401	INCREASE TO WORK-IN-PROCESS INVENTORY ADJUSTMENT

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
403	YEAR-END TRANSFER OF DISBURSEMENTS FROM ACCOUNTING POINTS TO HEADQUARTERS - TRANSFERRING OFFICE
404	YEAR-END TRANSFER OF COLLECTIONS FROM ACCOUNTING POINTS TO HEADQUARTERS - TRANSFERRING OFFICE
405	YEAR-END TRANSFER OF REIMBURSEMENTS EARNED FROM ACCOUNTING POINTS TO HEADQUARTERS - TRANSFERRING OFFICE
406	ADJUSTMENT TO OPERATING MATERIALS AND SUPPLIES INVENTORY WHEN RECORDED VALUE EXCEEDS THE PHYSICAL INVENTORY
407	ADJUSTMENT OF INVENTORY FOR SALE WHEN RECORDED VALUE EXCEEDS THE PHYSICAL INVENTORY
408	TO ADJUST CREDIT BALANCE OF OVERHEAD ACCOUNT TO COST OF GOODS SOLD
409	PERIODIC REVIEW AND ADJUSTMENT OF COMPOSITE RATE OF DEPRECIATION AND ADJUSTMENT OF ACCUMULATED DEPRECIATION ACCOUNT
40A	YEAR-END TRANSFER OF DISBURSEMENTS FROM ACCOUNTING POINTS TO HEADQUARTERS - RECEIVING OFFICE
40B	YEAR-END TRANSFER OF COLLECTIONS FROM ACCOUNTING POINTS TO HEADQUARTERS - RECEIVING OFFICE
40c	YEAR-END TRANSFER OF REIMBURSEMENTS EARNED FROM ACCOUNTING POINTS TO HEADQUARTERS - RECEIVING OFFICE
40D	ADJUSTMENT OF INVENTORY HELD IN RESERVE FOR FUTURE USE WHEN THE RECORDED VALUE EXCEEDS THE PHYSICAL INVENTORY
40E	ADJUSTMENT OF INVENTORY HELD FOR REPAIR WHEN THE RECORDED VALUE EXCEEDS THE PHYSICAL INVENTORY
40F	ADJUSTMENT OF INVENTORY - EXCESS, OBSOLETE AND UNSERVICEABLE WHEN THE RECORDED VALUE EXCEEDS THE PHYSICAL INVENTORY
410	ADJUSTMENT OF FINISHED GOODS INVENTORY WHEN THE RECORDED VALUE EXCEEDS PHYSICAL INVENTORY

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<u>TC #</u>	<u>Transaction Code Description</u>
411	ADJUSTMENT OF RAW MATERIAL AND SUPPLIES INVENTORY WHEN BOOK VALUE EXCEEDS PHYSICAL INVENTORY
412'	ADJUSTMENT OF OTHER RELATED PROPERTY TO INCLUDE INVENTORY OF ANIMALS AND AGRICULTURE PRODUCTS WHEN RECORDED VALUE EXCEEDS PHYSICAL INVENTORY
413	TO CLOSE VARIOUS MANUFACTURING SUPPLIES AND MATERIALS INVENTORY SUBACCOUNTS TO YEAR-END BALANCE
414	TO CLOSE THE VARIOUS WORK-IN-PROCESS SUBACCOUNTS TO YEAR-END BALANCE
415	TO CLOSE OUT VARIOUS FINISHED GOODS SUBACCOUNTS TO YEAR-END BALANCE .
416	TO CLOSE VARIOUS INVENTORY FOR RESALE SUBACCOUNTS TO YEAR-END BALANCE .
417	RECLASSIFICATION OF EXPENSE TO EARMARK AS EXTRAORDINARY ITEM IN FINANCIAL STATEMENT
418	TO RECORD THE WITHDRAWAL OF MISCELLANEOUS RECEIPTS COLLECTED FOR TRE TREASURY
451	TO RECORD DIFFERENCE BETWEEN OPDIV FUND BALANCE AND AMOUNT REPORTED BY TREASURY AT YEAR-END
489	WITHDRAWAL OF OBLIGATED AND UNOBLIGATED BALANCES OF CANCELED ANNUAL AND MULTIPLE YEAR BALANCES
	<u>HCFA ENTRIES ONLY - PUBLIC ASSISTANCE CONTINGENCIES</u>
501	ISSUANCE OF PUBLIC ASSISTANCE DEFERRAL NOTICE
503	ISSUANCE OF PUBLIC ASSISTANCE DISALLOWANCE NOTICE 'UPON DISAPPROVAL OF DEFERRED EXPENDITURES

ACCOUNTING TRANSACTION INDEX

TC #

Transaction Code Description

CLOSING DISBURSING FUND SUBSIDIARY
ACCOUNTS TO AUTHORITY FOR YEAR-END
FUND BALANCES WITH TREASURY AND TO
CLOSE TRANSFERS WITHOUT REIMBURSEMENT
TO INVESTMENTS **IN** CAPITAL ASSETS

9AA CLOSING * 1012 TO **1011** *

9AB CLOSING * 1013 TO 1011 * . "

9AC CLOSING * 1014 TO **1011** *

9AD **CLOSING** * 1015 TO **1011** *

CLOSING REVENUE AND GAIN ACCOUNTS AND EXPENSE AND
LOSS ACCOUNTS TO NET RESULTS OF OPERATIONS AND UNFUNDED
ACTUARIAL EXPENSES TO FUTURE FUNDING REQUIREMENTS

9BA CLOSING * **5100** TO 3310 *

9BB CLOSING * 5200 TO 3310 *

9BC CLOSING * 5301 TO 3310 *

9BD CLOSING * 5400 TO 3310 *

9BE CLOSING * 5500 TO 3310 *

9BF CLOSING * 5601 TO 3310 *

9BG CLOSING * 5602 TO 3310 *

9BH CLOSING * 5603 TO 3310 *

9BJ CLOSING * 5604 TO 3310 *

9BK CLOSING * 5700 TO 3310 *

9BM CLOSING * 5902 TO 3310 *

9BN CLOSING * 5903 TO 3310 *

9BP CLOSING * 7111 TO 3310 * . *

9BQ CLOSING * 7112 TO 3310 *

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code Description</u>
9BR	CLOSING * 7190 TO 3310 *
9CA	CLOSING * 6101 TO 3310 •
9CB	CLOSING * 6102 TO 3310 *
9CC	CLOSING * 6103 TO 3310 *
9CD	CLOSING * 6104 TO 3210 •
9CE	CLOSING * 6105 TO 3310 *
9CG	CLOSING * 6107 TO 3310 *
9CH	CLOSING * 6310 TO 3310 *
9CJ	CLOSING * 6320 TO 3310 *
9CK	CLOSING * 6330 TO 3310 *
9CM	CLOSING * 6400 TO 3310 *
9CN	CLOSING * 6500 TO 3310 *
9CP	CLOSING * 6600 TO 3310 •
9CQ	CLOSING * 7300 TO 3310 *
9CR	CLOSING * 6901 TO 3310 *
9CS	CLOSING * 6902 TO 3310 *
9CT	CLOSING * 6903 TO 3310 *
9CU	CLOSING * 6904 TO 3310 *
9CV	CLOSING * 6905 TO 3310 *
9CW	CLOSING * 7211 TO 3310 *
9CX	CLOSING * 7212 TO 3310 *
9CY	CLOSING * 7290 TO 3310 *
9CZ	CLOSING * 7600 TO 3310 *

ACCOUNTING TRANSACTION INDEX

<u>TC #</u>	<u>Transaction Code</u>	<u>Description</u>
		<u>CLOSING MISCELLANEOUS RECEIPTS REVENUE AND MISCELLANEOUS RECEIPTS COLLECTED (DEPOSITED) INTO UNCOLLECTED RECEIPTS</u>
9DB	CLOSING *	5302 TO 5990 *
9DC	CLOSING *	5303 TO 5990 *
9DD	CLOSING *	5901 TO 5990 *
9DE	CLOSING *	6903 TO 6190 *
		<u>CLOSING CURRENT YEAR NET RESULTS OF OPERATION TO CUMULATIVE RESULTS OF OPERATION AND OTHER SELECTED ACCOUNTS TO FUTURE FUNDING REQUIREMENTS</u>
9EA	CLOSING *	7402 TO 3310*
9ED	CLOSING *	6906 TO 3310 *
9EE	CLOSING *	7401 TO 3501 *
		<u>CLOSING UNUSED BUDGETARY RESOURCES ACCOUNTS (TO BE CARRIED FORWARD OR TO BE CARRIED AS EXPIRED/CANCELED)</u>
9FA	CLOSING *	4120 TO 4450 AND 4612 *
9FB	CLOSING *	4160 TO 4450 AND 4612 *
9FC	CLOSING *	4180 TO 4450 AND 4612 *
9FD	CLOSING *	4210 TO 4450 AND 4612 *
9FE	CLOSING *	4420 TO 4450 AND 4612 *
9FF	CLOSING *	4320 TO 4450 AND 4612 *
9FG	CLOSING *	4310 TO 4450 AND 4612 *
9FH	CLOSING *	4320 TO 4450 AND 4612 *
9FJ	CLOSING *	4420 TO 4450 AND 4612 *
9FK	CLOSING *	4430 TO 4450 AND 4612 *

ACCOUNTING TRANSACTION INDEX

TC # **Transaction Code Description**

9FL CLOSING * 4410 TO **4450** AND 4612 *

9FO **CLOSING** * 4590 TO 4450 *

9FP CLOSING * 4511 TO 4450 *

9FQ CLOSING * 4512 TO 4450 *

9FR **CLOSING** * 4571 TO 4450 *

9FS CLOSING * 4572 TO 4450 *

9FT CLOSING * 4581 TO 4450 *

9FU CLOSING * 4582 TO 4450 *

9FV CLOSING * 4611 TO 4450 *

9FW CLOSING * 4612 TO 4450 *

9FX CLOSING * 4620 TO 4170 *

9FY CLOSING * 4630 TO 4450 *

CLOSING EXPENDED APPROPRIATIONS AND
OTHER ACCOUNTS TO SOURCE OF FUNDING

9GA CLOSING * 4902 TO 4119, 4150, 4170, 4255 AND **4530** *

9GB CLOSING * 4930 TO 4119 AND 4150 *

9GC CLOSING * 4250 TO 4119, 4150 AND 4255 *

9GD CLOSING • 4113 TO 4119 AND 4150 •

9GE CLOSING * **4170** TO 4119 *

9GF CLOSING * 4190 TO 4119 *

9GK CLOSING * 4920 TO 4119, 4150 AND 4170 *

9GL CLOSING * 4920 TO 4210 *

ACCOUNTING TRANSACTION INDEX

TC #

Transaction Code Description

**CLOSING UPWARD AND DOWNWARD ADJUSTMENT
TO PRIOR YEAR OBLIGATIONS IN EXPIRED
ACCOUNTS AND CANCELED OBLIGATIONS
IN CANCELED YEAR'S ACCOUNTS**

9HA CLOSING * 4831 TO 4801 AND 4872 TO 4802 *

9HB CLOSING • 4881 TO 4801 AND 4882 TO 4802 *

9HC CLOSING * 4820 TO 4801 AND 4802 *

9HJ CLOSING * 4971 TO 4901 AND **4972 TO** 4902 *

9HK CLOSING * 4981 TO 4901 AND 4982 TO 4902 *

**CLOSING CANCELED YEAR'S ACCOUNTS AFTER
ALL OBLIGATIONAL ADJUSTMENTS ARE MADE**

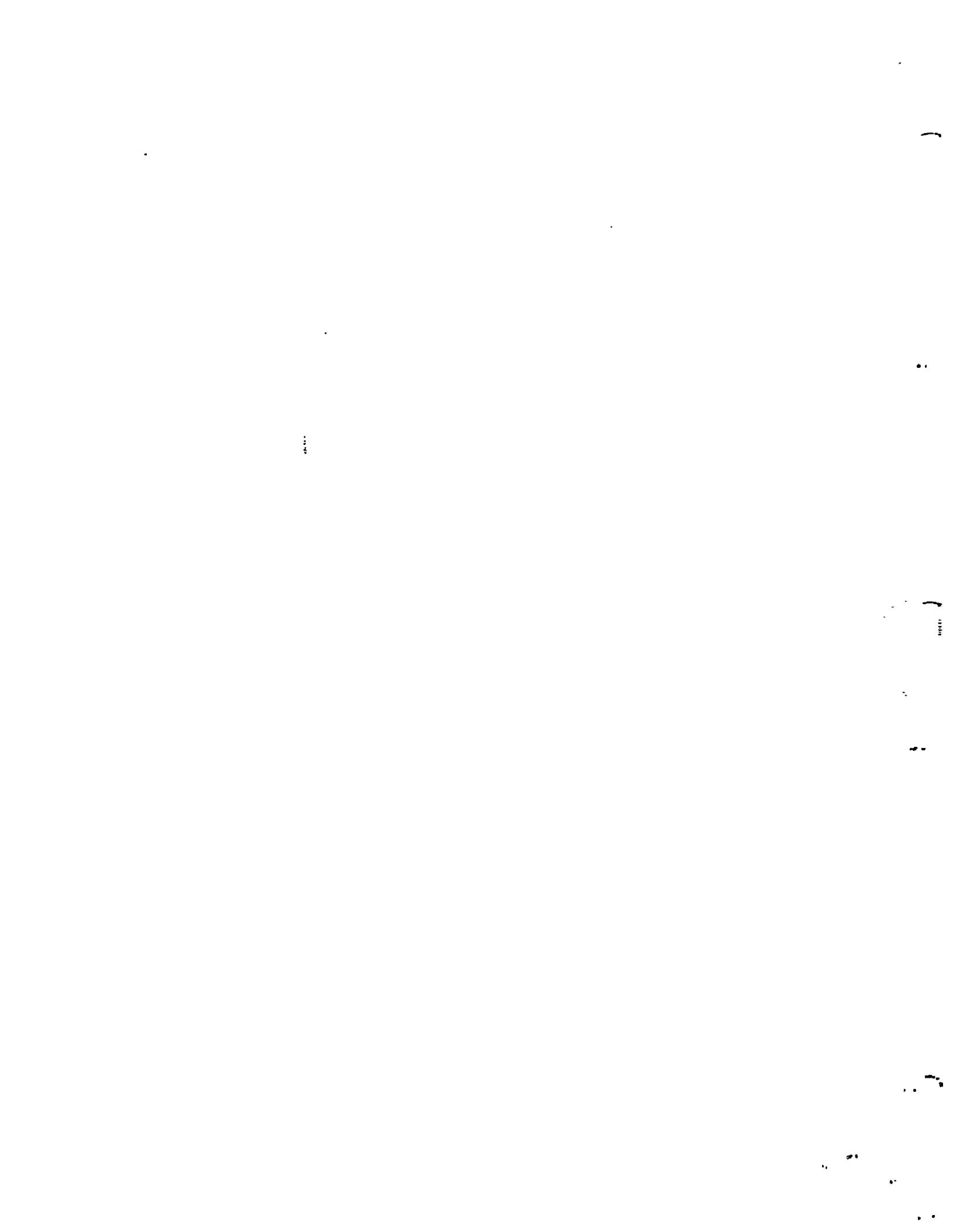
9HD CLOSING * 4612 TO 4119, 4150 AND 4170 *

9HE CLOSING * 4612 TO 4210 *

9HF CLOSING * 4830 TO 4119, 4150 AND 4170 *

9HG CLOSING * 4830 TO 4210 *

9HH CLOSING * 4630 **TO** 4119, 4150 AND 4170 *



Subject: OBJECT CLASS CODES

4-50-00 Purpose

- 10 . Application
- 20 Major Object Classes Prescribed
- 30 Definitions and **Prescribed** Object Classes

4-50-00 PURPOSE

This chapter prescribes a uniform classification to be used in classifying the financial transactions of the **Department** by object class. The classifications are an extension of the major object **classifications prescribed in OMB Circular No. A-11 and Treasury's I TFM Z-4400.** Additional codes have been added to classify **costs and income** and changes in asset, liability, and equity accounts not otherwise affecting obligations. The object class code is an essential part of the automated coding of financial transactions.

4-50-10 APPLICATION

A. **Major Object Class.** The major object **classifications prescribed by OMB** are used uniformly throughout the **Government** to report obligations for each account according to the nature of the services and articles procured. Object class data are also required for each **Program and Financing Schedule, the SF 225 *Report on Obligations",** and other Operating Division (**OPDIV**) Status of Funds and management reports. The **primary HHS additions** to the major object class code structure are in the code range **50 through 90.** Codes have been assigned to identify unfunded costs, income **and expense items,** asset, liability, and net worth **items** which do not **necessarily** affect obligations. Each **accounting** system must, therefore, use these codes in **classifying** financial transaction documents representing obligations, applied costs, accrued costs, accrued expenditures, **and** disbursements. The general ledger accounts or subsidiary accounts must be **structured** so as to facilitate the production of data by these major **classifications.** The major object classes have been further extended for **more** detailed classification of data as deemed necessary for management **purposes.** The major object class has a numeric code structure.

B. **Object Class Detail.** Extension of the major object class codes is **done uniformly** throughout the **Department** by adding

two digits to the **basic** code, which has an alpha/numeric structure. The **first** digit is a **numeric** code which identifies the primary types or groups of objects within the **major** object class. This digit, with the two digit **major** object class code, is primarily used in the preparation of **OMB's MAX** budget system (**MAX**). The last or fourth digit is used to identify specific **objects** within the primary type or group of objects.. The full four **digit** code is used exclusively for Departmental purposes.

The object class codes prescribed in this chapter **permit** more detailed review and analysis of common or **special interest** classes of data within the structure and insure uniformity of reporting **such** data. It is intended that extended object class codes be standard **throughout** the Department. Any **planned use** of an **unassigned** code should be **submitted** to the Deputy Assistant Secretary, **Finance** for review, approval and publication in this manual (see **"Reserved for local use"** under object class: 25.90). In the event the code is unique to **one OPDIV's** requirement, **other OPDIVs** need not include the code in their **programs**. Should an OPDIV elect to **use** an **unpublished**, unassigned object class code for a special purpose, it **must** be understood that future developments may **require use** of such a code under the **Departmental Accounting System**, thereby **requiring** reclassification on the part of the OPDIV.

C. Accounting Requirements for Accrued Leave and Pay Classifications

1. **Payroll Interface.** OPDIV accounting systems routinely receive data **from** the Accounting for Pay System for recording data **in** the basic accounting **system** for all personnel/pay costs to **include** accrued leave. **Accrued** leave **earned** is initially recorded under object class 50 and later, **as** leave is used, is reclassified to object class 10 pay classifications. As a minimum, the value of accrued leave balances must be reflected **in** general ledger **accounts** as of the end of the last pay period applicable to types of filled positions and pay systems by the object **classes** which **most** nearly represent the **nature** of the cost. An analytical distribution may be made to the appropriate codes, if necessary, to meet **OMB** and other **year-end requirements**. The Departmental Accounting systems depend upon the Accounting for Pay System to provide these pay end leave costs in automated form, on a timely pay period basis.

2. **OPDIV System Requirements.** OMB requires that leave for employees be funded at the time leave is used, with the exception that leave may be funded at the time leave is earned when specifically authorized by law. At present neither the HHS Division of Personnel and Payroll Operation or the Accounting for Pay System can distinguish detail payroll data by these two divisions when payroll data are being processed. Therefore, the Accounting for Pay System will classify the leave earned and used by the object class codes in the 50 series since the major portion of all leave applies to unfunded activity. When OPDIVs process these pay data in their accounting systems they must provide for recoding the data applicable to the funded leave to the appropriate subobject class codes 11.8E through 11.8M through the use of the Appropriation (IMN) code in the Common Accounting Number table. In summary, leave data will be processed as follows:

Accounting for Pay System Activity

- a. All leave earned and adjustments will be identified by type of leave by subobject class codes 51.21 through 51.14.
- b. All leave used will be identified by type of leave by subobject class codes 51.21 through 51.24.
- c. All day-to-day use of leave will be included in the paid amounts by subobject class codes 11.11 through 11.14 and 11.31 through 11.3C as appropriate (type of position filled and by pay system).
 - (1) The amounts paid must separately indicate the amounts for work performed and the amounts for non-productive time (leave used) .
- d. All lump sum leave payments will be included in the paid amounts by subobject class codes 11.16 through 11.19; and 11.35 through 11.3M, as appropriate (type of position filled and by pay system).
- e. All leave transferred in (+) or out (-) of the accounts will be identified by subobject class codes 52.11 through 52.14 (by type of leave).

OPDIV Accounting System

- a. **Leave earned (+)** will be recorded by object class by type of leave and fund as follows:
- (1) For leave accrued as **unfunded liability** - Subobject class codes 51.11 through **51.14**.
 - (2) For leave accrued as a **funded liability** - Subobject class codes **11.8E** through **11.8H**.
- b. **Leave used (-)** day-to-day and **lump sum** leave payments will be recorded by object class by type of leave and fund as follows:
- (1) For leave accrued as **unfunded liability** - Subobject class codes 51.21 through **51.24**, which will **reduce** the accrued liability.
 - (2) For leave accrued as a **funded liability** - Subobject class codes **11.8J** through **11.8M**, which will reduce the accrued liability.
- c. All day-to-day **use of leave, lump sum** use of leave, and **leave transferred in or out** will be treated the same as indicated above.
- d. **The transaction** code, object class codes, and **selected IMNs** will **cause the** leave earned amounts to be treated as an **unfunded liability**, and will **not charge the** accrued leave against **obligational authority**. The **object** class codes for leave used will liquidate the leave liability to **the extent of** the value of leave used. The **amount** of leave used will be a charge against **obligational authority** and as accrued **expenditures** to the extent of the value of leave used and paid.
- e. The **transaction** code, object **class codes**, and **selected IMNs** will **cause the** leave earned amounts to be treated as a **funded liability** for those funds **specifically** authorized by law, and will charge the accrual against **obligational authority** and will increase accrued expenditures.
- subsequently, the object class codes for leave used will liquidate the leave liability to the extent of **the** value of leave used and paid.

4-50-20 OBJECT CLASSES PRESCRIBED

The following major object classes are prescribed:

- 10 **PERSONAL SERVICES AND BENEFITS**
 - 11 Personnel compensation
 - 12 Personnel benefits
 - 13 **Benefits** for **former** personnel

- 20 **CONTRACTUAL SERVICES AND SUPPLIES**
 - 21 Travel and transportation
 - 22 Transportation of things
 - 23 Rent, **communications**, and utilities
 - 24 Printing and reproduction
 - 25 Advisory and assistance services and other **services**
 - 26 Supplies and materials

- 30 **ACQUISITION OF CAPITAL ASSETS**
 - 31 **Equipment**
 - 32 Lands and **structures**
 - 33 Investments and loans

- 40 **GRANTS AND FIXED CHARGES**
 - 41 **Grants**, subsidies, and contributions
 - 42 Insurance claims and **indemnities**
 - 43 Interest and dividends
 - 44 Refunds

- 50 **UNFUNDED ITEMS AND ADJUSTMENTS THEREOF**
 - 51 'Leave accruals and adjustments for forfeiture, and use
 - 52 Leave balances transferred in or out

- 60 **CHANGES AND ADJUSTMENTS OF GENERAL LEDGER ACCOUNTS WHICH MAY ALSO INVOLVE COST OR INCOME ACCOUNTS**
 - 61 Transactions involving capitalization, depreciation,, amortization, sales, income, advances, reimbursements, and receipts.

- 80 **REDISTRIBUTION AND REALLOCATIONS OF COSTS, ADJUSTMENTS AND CLOSING ENTRIES**

81 **Transactions involving transfers, allocations, adjusting and closing entries.**

90 OTHER

90.0 **Below reporting threshold (\$500 thousand or less)**

91.0 **Unvouchered**

92.0 **Undistributed (used for A-11 reporting with prior OMB approval)**

93.0 **Limitation on expenses - Revolving and trust funds (used for A-11 reporting)**

99 **Not otherwise classified (HHS usage only)**

99.0 **Subtotal obligations (used for A-11 reporting)**

99.9 **Total obligations (used for A-11 reporting)**

DEFINITIONS A N D PRESCRIBED OBJECT CLASSES

The definitions that follow conform to those prescribed in Section 35.5 of OMB Circular No. A-11. The object class codes are listed under each applicable major object class. The three digit object class codes required for budgetary reporting are listed first, followed by the full four digit subject class codes required in all HHS accounting systems.

10 PERSONAL SERVICES AND BENEFITS

11 **Personnel compensation**
.1 **Pull-time permanent**
.3 **Other than full-time permanent**
.5 **Other personnel compensation**
.7 **Military personnel**
.8 **Special personal services payments**

12 **Personnel benefits**

.1 **Civilian personnel**

.2 **Military personnel**

13 **Benefits for former personnel**

.1 **All benefits for former personnel**

11 **Personnel compensation - Gross compensation for personal services rendered to the Government by Federal civilian employees, military personnel, and non-Federal personnel.**

11.10 **Full-time permanent - Regular salaries, and wages paid directly to civilian full-time permanent employees, as defined in section 35.3 of OMB Circular No. A-11, and other payments that become part of the employee's basic rate of pay (e.g. geographic differentials and critical position**

pay). Includes regular **salaries** and wages paid to **employees** while on annual, sick, **compensatory** or **other paid leave**, and lump **sum payments** for annual **leave upon separation; excludes compensation above the basic rate, e.g., for overtime or other premium pay**, which should, be recorded under **object class 11.50. Includes regular pay of the commissioned officers of the Public Health Service (PHS).**

Where **employees** are paid from more than one appropriation, the applicable portion will be included under **each appropriation. Include compensation for all workdays in the fiscal year.**

- 11.11 **Base pay - Pull-time civilian**
- 11.12 **Base pay - Pull-time wage board**
- 11.13 **Base pay - Pull-time consultant**
- 11.14 **Base pay - Commissioned officer**
- 11.15 Sick leave used
- 11.16 Normal leave • Civilian
- 11.17 **Normal** leave - **Wag@** board
- 11.18 **Normal** leave • Consultant
- 11.19 Annual leave • Commissioned officer
- 11.1A **LSLP - Civilian**
- 11.1B **LSLP - Wage board**
- 11.1C **LSLP - Consultant**
- 11.1D **LSLP - Commissioned officer**
- 11.1F Administrative leave - Civilian
- 11.10 Administrative leave - **Wage** board
- 11.1J Administrative leave - Consultant
- 11.1K **Quarters deduction - Civilian**
- 11.1L **Quarters deduction - Wage board**
- 11.1M **Quarters deduction - Consultant**
- 11.1P Subsistence/laundry deduction • Civilian
- 11.1Q Subsistence/laundry deduction - **Wage board**
- 11.1R Subsistence/laundry deduction - **Consultant**
- 11.1T **Geographic adjustment pay**

- 11.30 **Other than full-time permanent - Regular salaries and wages, including obligations for lump sum payments for annual leave upon separation, paid directly to Federal civilian employees for part-time, temporary, or intermittent employment, as defined in section 35.3 of OMB Circular No. A-11. Includes pay for employees in the Competitive and Excepted Services with appointments that are not designated as full-time permanent under object class 11.10. Includes pay for employees in the**

senior Executive service who are serving under limited term appointments and under limited emergency appointments, as defined in 5 U.S.C. 3132(a)(5) and under limited emergency appointments, as defined in 5 U.S.C. 3132(a)(6).

NOTE: Personal services for individuals under contract and reportable under Office of Personnel Management (OPM) as a Federal employee is normally classified under 11.30 or 11.50, as appropriate. Payments to a contractor for the personal services of a group of the contractor's employees will be classified according to the type of contract involved under major object class 25 (e.g., personal service contracts for operation and maintenance of facilities will be classified under object class 25.40).

Examples

Part time employment - Regular pay for employment with appointments that require work on a prearranged schedule of hours or days of work less than the prescribed hours or days of work for full-time employees in the same group or class.

Temporary employment - Regular pay for full-time employment for a limited period of time that is generally less than a year, i.e., seasonal employment of employees, without permanent appointment. Also pay for employees with term appointment and pay for employees whose tenure is without specific limitation, i.e., indefinite appointment.

Intermittent employment - Regular pay for employment of consultants and other employees with appointments that require work on an irregular or occasional basis, with hours or days work not based on a prearranged schedule. Compensation is paid only for time actually employed or services actually rendered.

11.31	Base pay - Full-time civilian
11.32	Base pay - Full-time wage board
11.33	Base pay - Full-time consultant
11.34	Base pay - Commissioned officer (includes COSTEP)
11.35	Base pay - WAE civilian (when actually employed)
11.36	Base pay - WAE wage board

11.37 Base pay - WAE consultant
11.3A Base pay - Part-time civilian
11.38 Base pay - Part-time wage board
11.3C Base pay - Part-time consultant
11.30 Sick leave used
11.3E Normal leave - Civilian
11.3F Normal leave - Wage board
11.30 Normal leave - Consultant
11.3H Annual leave use - Commissioned officer
11.3J LSLP - Civilian (lump sum leave paid)
11.3x LSLP - Wage board
11.3L LSLP - Consultant
11.3M LSLP - Commissioned officer
11.3P Administrative leave - Civilian
13.34 Administrative leave - Wage board
11.3R Administrative leave - Consultant
11.3T Geographic adjustment pay

1x.50 Other personnel compensation - All personnel compensation above basic rates paid directly to civilian employees. Excludes cash allowances for higher cost of living locations, which are classified under object class 12.10. Includes overtime, holiday pay, Sunday pay, night work differential, supervisory differential, and hazardous duty pay, as defined in section 35.3 of OMB Circular No. A-11.

Examples

Overtime - Payments for services in excess of the 40 hour week or 8 hour day.

Holiday pay - payments for services of 8 hours or less on holidays or days treated as holidays.

Sunday pay - Payments above the basic rate of 8 hours or less of regularly scheduled work on Sundays for which this premium pay is given.

Night work differential - Payments above the basic rate for night work which is not subject to overtime or Sunday pay.

Post differentials - Payments authorized under 5 U.S.C. 5925 above the basic rate for service at hardship posts abroad and which are based upon conditions of environment differing substantially

from those in the contiguous 48 States and the District of Columbia.

Other payments above basic rates - Payments above basic rates for **stand-by pay and premium pay** in lieu of overtime and other payments not separately classified.

Cash awards - One time payments that do not become part of the employee's base pay; such as cash incentive awards, performance awards, meritorious and distinguished executive award of rank. Includes cash awards to employees who save the government money by marketing their homes in connection with a permanent change of station.

- 11.51 Overtime pay - Civilian
- 11.52 Overtime pay - wage board
- 11.54 Holiday pay - Civilian
- 11.55 Holiday pay - Wage board
- 11.57 Sunday pay - Civilian
- 11.58. Sunday pay - Wage board
- 11.59 Staffing differential
- 11.5A Night work differential - Civilian
- 11.5B Night work differential - Wage board
- 11.5C Supervisory differential
- 11.5D Special pay - Dental and veterinarian; Variable special pay - Medical; Board certified pay for commissioned officers; and Baylor Plan special pay - Nurses
- 11.5E Physician and dentist special pay - Other compensation under Title 38
- 11.5F Post differential (hardship post abroad) - Civilian
- 11.50 Post differential (hardship post abroad) - Wage board
- 11.5H Post differential (hardship post abroad) - Commissioned officer
- 11.5I Post differential (hardship post abroad) - Consultant
- 11.5K Relocation incentive award
- 11.5L Incentive pay (leprosarium, flying duty, etc.)
- 11.5M Incentive award - Commissioned officer
- 11.5N Cash awards - grades 13-15
- 11.5P Performance award - Senior executive service
- 11.50 Meritorious executive award - Senior executive service
- 11.5R Distinguished executive award - Senior executive service

- 11.5s **Cash awards, below grade 13**
11.5T Performance awards, **grades 13-15**
11.5U **Performance awards, below grade 13**
11.5W other **payments above base salary** - Civilian
11.5X other **payments above base salary** - Wage board
11.5Y other **payments above base salary** - **Consultant**
II.52 **Other payments above base salary** • Commissioned
 officer
- 11.70 **Military personnel** • Pay of military personnel, including amounts above basic rates; for example, **overtime, holiday pay, night work differential, hazardous duty pay, flight pay, and extra pay** based upon conditions of environment (except cost of living allowances for locations outside the contiguous 48 states and the District of Columbia which are classified under object class 12.20). Also includes basic **allowances** for subsistence, (BAS) and for quarters (BAQ). Excludes payments made to other agencies for **services** of military personnel on reimbursable **detail, which are** classified under object class 11.80. (NOTE: NOT APPLICABLE TO HHS DURING PEACE TIME..)
- 11.80 **Special personal service payments** - Regular salaries and wages paid directly to persons whose workyears are not reportable to the Office of Personnel Management (OPM) as Federal civilian employees and payments for personal services that do not represent salaries or wages paid directly to Federal employees.

Examples

Compensation of persons not reportable as Federal employment compensation for persons not included in regular employment reports to OPM, such as: witnesses, casual workers, and patient and inmate help. Includes compensation in the nature of allowances to trainees and volunteers. Also includes payments for salary equalization authorized under 5 U.S.C. 3373 and 3584 for individuals on leave of absence for employment with international organizations or State and local governments. (During the period of leave of absence, such persons are not included in reports on Federal employment to OPM if the Federal agency pays 50 percent or less of the person's salary),

Payments for reimbursable details - Payments made to other agencies for **services of civilian employees and military personnel on reimbursable detail (both compensation and personnel benefits)**. **Excludes** other payments **forreimbursable** activities between **Government** accounts, which are classified **under object class 25.30**.

Agency reimbursement to the Civil Service Retirement and Disability fund for reemployed annuitants - Payments by an agency employing an **annuitant to reimburse the Civil Service Retirement and Disability Fund for the annuity paid to that employee**, as required by **PL 94-397 (5 U.S.C. 8339, 8344)**.

Annual leave - This **amount** will be included in those cases where annual leave is **fuaded** when it accrues. It will represent **the net difference** between **annual leave earned** and **wed** during the **year**. The excess of **annual leave earned over annual leave taken** will be a **positive** amount; the **excess of annual leave taken over annual leave earned** will be a negative entry.

Annual leave is classified as fuaded only when the law specifically authorizes the fund to record and report accrued leave earned as obligations incurred. Use object class codes in the **SI series** for the **accrual of leave for all other fund** accounts .

- 11.81 **Employee on reimbursable detail from another Agency**
- 15.82 **Reimbursement to the Civil Service Retirement and Disability Fund for reemployed annuitants**
- 11.85 **Compensation of persons not reportable as Federal employees**
- 11.8A **Allowances to trainee**
- 11.8E **Annual leave earned and adjustments**
- 11.8F **Commissioned officer leave earned and adjustments**
- 11.8H **Compensatory leave earned and adjustments**
- 11.85 **Annual leave used (regular and LSLP) (-)**
- 11.8K **Commissioned officer leave used (regular and LSLP) (-)**
- 11.8M **Compensatory leave used (-)**

12. **Personnel benefits** - Benefits for **currently employed Federal civilian, military, and certain non-Federal** personnel. (Payment⁶ of benefits to certain **former Federal civilian and military personnel** are classified **under object classes 13 and 42.**)

12.10. **Civilian personnel benefits** - Cash allowances paid **directly to Federal civilian** employees and payments to other funds for the benefit of these employees, and benefit⁶ authorized by statute to be paid, **including** those to **certain non-Federal civilian** employees.

This object class **consists** of all such payments **whether** or not the personnel **compensation** of these employee⁶ **is** classified under object classes 11.10 through **11.80**. Benefit payments for **non-Federal civilian** employee⁶ **under** this object class include persons not reportable to **OPM** as Federal employees.

Excludes cash incentive **awards** classified under object class 11.50 **and** perquisites provided in kind (which are classified under the object class representing the nature of the **item purchased**), **and payments** to former employees **resulting from** their employment. .

Examples

Recruitment and retention incentives - Payments **above the basic rate** for recruitment **bonuses**, relocation bonuses, and retention allowance⁶ . authorized by 5 U.S.C. **5753** and 5754.

Allowances - Includes quarters allowances, uniform allowances (when paid in cash), special pay **that** is paid in a lump **sum**, reimbursements for notary public expenses, and allowance⁶ above basic rates of pay for service outside the contiguous 48 states and the District of Columbia to **compensate** for a substantially higher cost of living **at** the post of **assignment** than the cost of living in the District of Columbia (**as** authorized under 5 U.S.C. 5924, 5941).

Also includes allowance⁶ for separate maintenance, education for dependents, transfers **for employees**

stationed abroad, and personal allowances based upon assignment or position.

Relocation and other expenses related to permanent change of station (PCS) - Includes authorized allowances for expenses incurred in connection with the sale of a residence, or settlement of unexpired lease, subsistence while occupying temporary quarters, and miscellaneous moving expenses, as authorized under 5 U.S.C. 5724a. Also includes reimbursement of amounts equal to income taxes incurred by transferred employees for moving and storage expenses under 5 U.S.C. 57243 and contractual charges for relocation services under 5 U.S.C. 5724c. Charges for other PCS expenses are classified under object class 12.20, 21, 22, or 25.70 as appropriate.

Payments to other funds - Includes employer's share of employee retirement, life insurance and health insurance benefits, accident compensation (e.g., payments to the Office of Worker's Compensation), Federal Insurance Contribution Act taxes, and other such payments. Includes agency \$80 payments to the civil service retirement fund for currently employed CSRS and FERS personnel, as required under the Federal Workforce Restructuring Act of 1994. Also includes agency payments to finance fiduciary insurance cost of the Federal Retirement Thrift Investment Board.

Subsidies for commuting costs - Includes payments to subsidize the costs of Federal civilian employees in commuting by public transportation.

- 12.11 Civil Service Retirement Act (CSRA) - Employer contribution - Civilian
- 12.12. Federal Insurance Contributions Act (FICA) - Employer contribution - Civilian
- 12.13 Federal Insurance Contributions Act (FICA) - Employer contribution - Commissioned officer
- 12.14 Federal Employees Group Life Insurance (FEGLI) - Employer contribution - Civilian
- 12.15 -Federal Employees Group Life Insurance (FEGLI) - Employer contribution - Commissioned officer
- 12.16 Servicemen's Group Life Insurance (SGLI) - Employer contribution - Commissioned officer
- 12.17 Federal Employees Health Benefits Act (FEHBA) - Employer contribution - Civilian

- 12.18 **Employees Accident Compensation Fund.** - All
- 12.19 **Continuation pay - Commissioned officer (medical)**
- 12.1A **Federal Insurance Contribution Act (FICA) -
Employer contribution for PCS or relocation
expense (use only when requirement exists to
differentiate cost from payroll FICA using
subobject class 12.12 and 12.13)**
- 12.18 Uniform allowance - Civilian
- 12.1C uniform **allowance - Commissioned officer**
- 12.1D **Basic allowance for quarters and subsistence -
Civilian**
- 12.1E **Basic allowance for quarters and subsistence -
Commissioned officer**
- 12.1F **Cost of living allowance abroad (other than
hardship posts abroad) - Civilian**
- 12.1G **Cost of living allowance abroad (other than
hardship posts abroad) - Commissioned officer**
- 12.1H **Educational (stipend) allowance - Civilian**
- 12.15 **Educational (stipend) allowance - Commissioned
officer**
- 12.1K **Family separation allowance - Commissioned officer**
- 12.1L **Dislocation allowance - Commissioned officer**
- 12.1M **Temporary subsistence expense (incident to
employment or change of station) - Civilian**
- 12.1N **Real estate costs (incident to employment or
change of station) - Civilian**
- 12.1P **Allowance for miscellaneous expenses (incident to
employment or change of station) - Civilian**
- 12.1Q **Thrift Savings Fund (fiduciary insurance) -
Employer contribution - Civilian**
- 12.1R **Housing allowance - Commissioned officer**
- 12.1s **Federal Employees Retirement System (FERS) -
Employer contribution - Civilian**
- 12.1T **Relocation tax allowance**
- 12.1U **Third party relocation services**
- 12.1V **Tax-deferred savings plan - Employer contribution
(mandatory) - Civilian**
- 12.1W **Tax-deferred savings plan - Employer contribution
(matching) - Civilian**
- 12.1X **Interest on savings under PL 89-538 - Commissioned
officer**
- 12.1Y **Other personnel benefits - Civilian**
- 12.12 **Other personnel benefits - Commissioned officer**
- 12.AA **Retention allowance**
- 12.AB **Recruitment bonus**
- 12.AC **Relocation bonus**
- 12.AD **Retirement systems for Biomedical Research Service**
- 12.AE **Transit subsidy**

-12.20 **Military personnel benefits** - Comprises cash allowance and payments to other funds for military personnel. Excludes pay classified under object class 11.70 and benefit payments to veterans resulting from their past service.

NOTE: NOT APPLICABLE TO HHS DURING PEACE TIME

13 **Benefits for former personnel** - Benefits due to former employees or their survivors on the basis (at least in part) on the length of service to the Government. Excludes benefits provided in kind, such as hospital and medical care, which are classified under the object class representing the nature of the items purchased.

Examples

Retirement benefits - Compensation in the form of pensions, annuities, or other retirement benefits paid to former military and certain civilian government personnel or their survivors, exclusive of payments from retirement trust funds, which are classified under object class 42.

Separation pay - Severance payments to former employees involuntarily separated through no fault of their own and voluntarily separation incentive (VSI) payments to employees who voluntarily separate from Federal service.

Other benefits - Payments to other funds for ex-Federal employees and ex-service persons (e.g., agency payments to the unemployment trust fund for ex-employees and one-time payment of 9 percent of final basic pay to the civil service retirement fund for employees who took the early-out under buy-out authority), and other benefits paid directly to the beneficiary. Also includes Government payment to the employees health benefits fund for annuitants.

13.10 **All benefits for former personnel**

13.11 Retirement and disability retirement pay -
Commissioned officer

13.12 Severance pay

13.13 Annuity pay - Commissioned officer

- 13.14 **Unemployment compensation (PL 96-498) (payments to U.S. Department of Labor for Federal Employees Compensation Account)**
- 13.15 **Voluntary separation incentive payments**
- 13.16 **Payments to CSRS (related to voluntary separation incentive payments)**
- 13.19 **Other benefits**

20 **CONTRACTUAL SERVICES AND SUPPLIES**

- 21 **Travel and transportation of persons** - Obligations for transportation of government employees or others, their per diem allowance while in an authorized travel status, and other expenses incident to travel that are to be paid by the Government either directly or by reimbursing the traveler.

This object class consists of both travel away from official stations, subject to regulations governing civilian and military travel, and local travel and transportation if persons in and around the official station of an employee,

NOTE: Costs for this object class are grouped in common categories according to the purpose of travel and for recording in the accounting system by object class code. The office initiating the travel is responsible for placing the accounting classification and dollar cost on the travel order. When a person is accomplishing tasks involving more than one purpose, the cost will usually be allocated between the applicable object class codes according to the traveler's best estimate. See object class definitions-for specific guidance.

Data for special studies, one-time reports, occasional queries, periodic budget analyses, etc., will be provided by sampling techniques. Additional object classes will be established by the Department when a continuous proven need for information is indicated.

Examples

Transportation of persons - Contractual obligations for services in connection with carrying persons from place to place, by land, air

or water and the furnishing of accommodations incident to actual travel. Includes commercial transportation charges; rental or lease of passenger cars; charter of trains, buses, vessels, ambulances; ambulance service or hearse service; and expenses incident to the operation of the rented or chartered conveyances. (Rental or lease of all passenger-carrying vehicles is to be charged to this object class, even though such vehicles may be used incidentally for transportation of things). Includes mileage allowances for use of privately owned vehicles and related charges that are specifically authorized (such as highway and ferry tolls). It includes rental or lease of passenger motor vehicles from Government motor pools. Also includes bus, subway, streetcar, and taxi fares (including tips) whether used for local transportation or for travel away from a designed post of duty.

Subsistence for travelers - Payments to travelers of per diem allowances or reimbursement of actual expenses for subsistence. Other types of subsistence payments are classified under object class 25.80.

Transportation expenses incident to permanent change of station (PCS) - Payments to employees for transportation expenses and per diem allowances or reimbursement of actual travel expenses associated with a permanent change of station (including travel expenses and per diem for the employee's immediate family), as authorized under 5 U.S.C. 5724a. Charges for other PCS expenses are classified under object class 12.10, 12.20, 22, or 25.70, as appropriate.

Incidental travel expenses - Other expenses directly related to official travel, such as baggage transfer, and telephone and telegraph expenses, as authorized by travel regulations.

21.10 **Site visit** - To visit a particular site in order to personally perform operational or managerial activities, e.g., assist contractors and grantees during preaward negotiations, program monitoring, and postaward evaluations; review activities concerning establishment of entitlement, benefits, and claims of beneficiaries and recipients;

conduct **hearings** on **dissemination** of policy **guidelines**; **carry out an audit, investigation** or **inspection** to include **regulatory reviews** of internal and **external** activities, conduct negotiations to include judicial and **administrative** procedures, and **other proceedings** and negotiations to avoid or **settle litigation**; provide program and **administrative instructions**; and **provide** technical assistance.

Program

21.11 Domestic
 21.12 Foreign

Administration & management

21.13 Domestic
 21.14 Foreign

Audit, investigation & inspection

21.15 Domestic
 21.16 Foreign

Litigation

21.17 Domestic
 21.10 Foreign

21.20 **Information meeting** - To attend a meeting to **discuss day-to-day** operational support of **program activities including staff meetings and orientation between field, regional, and central office**; and review status reports or discuss topics of general interest. An **information meeting** may be a scientific, technical or **professional meeting** at either a domestic or international site. **if a site visit is conducted as part of the same except consider the entire trip to be site visit for consultant travel. All consultant travel will be included in this category.**

Program

21.21 Domestic - Non-consultant
 21.22 Domestic - Consultant
 21.23 Foreign - Non-consultant
 21.24 Foreign - Consultant

Administration & management

- 21.25 **Domestic - Non-consultant**
- 21.26 **Domestic - Consultant**
- 21.27 **Foreign - Non-consultant**
- 21.28 **Foreign - Consultant**

- 21.30 **Speech or presentation - To make a speech or a presentation, deliver a paper or otherwise take part in a formal program other than a training course. All advisory committee travel will be included in this category and will be considered as domestic travel.**

Program

- 21.31 **Domestic**
- 21.32 **Foreign**

Administration & management

- 21.33 **Domestic**
- 21.34 **Foreign**
- 21.35 **Advisory committees**

- 21.40 **Training attendance - To receive training associated with developing and improving employees' knowledge, skills, performance and attitude including training conferences held for professional development. Foreign travel will not be charged to these subcategories.**

- 21.41 **Internal (HHS)**
- 21.42 **Inter-agency**
- 21.43 **Non-government**
- 21.45 **Regulatory (FDA)**

- 21.50 **Conference attendance - To attend a conference, convention, seminar or symposium for purposes of observation or education directly related to the program mission or initiative only with no formal role in the proceedings.**

- 21.51 **Domestic**
- 21.52 **Foreign**
- 21.53 **Domestic - Regulatory (FDA)**
- 21.54 **Foreign - Regulatory (FDA)**

- 21.60 **Relocation** - To move from one **official** duty station to **another (same** as PCS or PCS move, to include a house hunting trip).
- 21.61 **PCS civilian - Domestic**
- 21.6A **Relocation** (other than new employee)
21.63 **Preemployment** interview
21.6C **Relocation of new employee.**
21.60 **Relocation of new employee's family**
- 21.62 **PCS civilian - Foreign**
- 21.6E **Relocation** (other than new employee)
21.6F **Preemployment** interview
21.6G **Relocation of new employee**
21.6H **Relocation of new employee's family**
- PCS Commissioned officer**
- 21.63 **Domestic**
21.64 **Foreign**
- 21.70 **Entitlement** - Transportation, per diem and allowances and actual expenses to which an employee (**or dependent**) is entitled as a result of **an assignment; e.g.,** official vacation or home leave; medical, **emergency,** and educational travel. Charges to entitlement will be limited to **foreign** travel.
- 21.71 **Home** leave
21.72 **Medical and emergency**
21.73 **Educational**
- 21.80 **Special mission** - To carry out a special Agency **mission, e.g.,** transfer patients between facilities; provide security of a person or a shipment (such as a diplomatic pouch); move witnesses and appellants from residence to other locations; for travel by Federal beneficiaries, claimants, personnel detailed **to** other stations. for special-duties, and **other** non-employees. Except for security travel and disaster and emergency **assistance,** charges to all **other** subcategories will be limited to **domestic** travel.,

Security

- 21.81 Domestic
- 21.82 Foreign
- 21.83 Non-OPDIV personnel
- 21.04 Witnesses

Patients transfer

- 21.85 Between non-Federal & HHS facilities
- 21.86 Between HHS out-patient clinic & HHS hospital
- 21.87 Temporary details

Disaster & emergency assistance

- 21.80 Domestic
- 21.89 Foreign

- 21.90 **Other travel** - The following 21.91 through 21.97 series of subobject class codes are for the exclusive use of the PHS to fulfill unique requirements for management of international travel. All pertain to foreign travel. For purposes of Departmental travel reporting to central control agencies, the amounts recorded in these classifications will be combined in the subobject class codes listed in brackets at the end of the definition. The 21.99 and 21.9A-21.9Z series of subobject class codes apply to all OPDIV/Agency accounting systems.

- 21.91 **International contract/grant site visit travel** - PHS supported travel to make site visit in connection with any PHS contract or grant to an overseas institution. (21.12)

- 21.92 **International regulatory/inspectional travel** - International travel to fulfill statutory obligations related to protecting the health and welfare of the American people (e.g., travel to fulfill requirements of the Food, Drug and Cosmetics Act or of the Immigration and Naturalization Act). (21.16)

- 22.93 **International bilateral agreement related travel** - Activities related to the planning, implementation, or review of activities under the official bilateral health programs, such as the official programs of cooperation under the U.S. - Peoples'

Republic of China **Health Protocol**, the **C.I.S**
(formerly **U.S.S.R.**) **Health Agreement**, the U.S. -
Italy **Health Agreement**, the U.S. - Israel **Health**
Agreement, and other& (21.12) .

2 1 . 9 4 International o't h e r . - - Travel for
bilateral cooperation between the U.S. and another
country, but which is not under the aegis of a
formal bilateral agreement. (21.12)

25.95 Multilateral t e r a l t r a v e l - Activities
related to the official representation to
multilateral organizations and/or the
implementation of programs of those organizations,
including advisory services. (21.12)

This includes the following organizations:

- 0 Food and Agriculture Organization (FAO)
- 0 International Agency for Research on Cancer
(IARC)
- 0 International Center for Diarrheal Disease
Research (ICDDR)
- 0 International Labor Organization (ILO)
- 0 Pan American Health Organization (PAHO)
- 0 United Nations Children's Fund (UNICEF)
- 0 United Nations Development Program (UNDP)
- 0 United Nations Environmental Program (UNEP)
- 0 United Nations Narcotics Commission (UNNC)
- 0 United Nations Population Commission (UNPC)
- 0 World Health Organization (WHO)

21.96 Special international mission travel - Disaster or
emergency assistance related to the program
mission of the agency. Examples include
epidemiological assistance in the face of an
overseas polio epidemic, travel to consult with
other countries following a major disaster,
consultations on a major overseas food contamina-
tion problem, travel to escort an alien mental
patient to his home country, and the like. This
type of travel draws upon the unique capabilities
of the PHS and is performed on behalf of the D.S.
Government, not just to achieve a more limited
agency objective. (21.89)

- 21.97 **International scientific/professional meeting travel** - To attend a conference, convention, seminar or symposium for the purposes of observation and education; or to make a speech or presentation or deliver a paper or otherwise participate in a formal program, except for international meetings which are normally held in the U.S. and which are being held in Canada or U.S. border areas. (21.50, 21.30 - divide according to purpose)
- 21.99 **Unidentified travel (including unidentified international travel)** - When the purpose of travel cannot be properly identified at the time of the request, the amount may be recorded as unidentified. The amount must be moved to the proper classification once identification is made.
- NOTE:** The following classification range has been reserved for **Special Travel Projects** which will be defined by the **OPDIVs** and approved by the Department. (21.9A through 21.9Z)
- 21.9A **Union negotiations** - Travel by union representatives granted official time to engage in bargaining sessions.
- 21.9B **Union representational activities** - Travel by union representatives granted official time to engage in representational activities other than bargaining sessions.
- 21.9C **Master agreement negotiations (union)** - Travel by union representatives granted official time to engage in the master agreement negotiations.
- 21.9D **Master agreement negotiations (management)** - Travel by management representatives granted official time to engage in the master agreement negotiations.
- 22 **Transportation of things** - Contractual obligations for the transportation of things (including animals), and for other services incident to the transportation of things. (Excludes transportation paid by a vendor, regardless of whether the cost is itemized on the bill for the commodities purchased by the government.) Transportation costs incident to delivery and

installation of **equipment should** be capitalized **where conditions** permit, positive and ready identification, and **the equipment** meets the Departmental capitalization **criteria**.

Examples

Freight and express - Charges by common carrier and contract carrier, including freight and **express, demurrage, switching, recrating, refrigerating, and other incidental expenses.**

Trucking and other local transportation - Charges for hauling, handling, and other services incident to local transportation, including contractual transfers of supplies and equipment.

Mail transportation - Postage used in parcel post and charges for **express package services** (i.e., charges for transporting freight). (It **excludes** other **postage and charges** that are classified under object class 23.30.)

Transportation of household goods related to permanent change of station (PCS) travel - Payments to Federal employees for transportation of household goods and effects or house trailers in lieu of payment of actual expenses when payment is for transfer of personnel from one official station to another. Charges for other PCS **expenses** are classified under object class 12.10, 12.20, 21, or 25.70, as appropriate.

22.10 **Transportation of household goods (excludes storage of household goods recorded under object class and 25.70).**

22.11 Transportation of household goods and house trailer8 - Civilian (other than new employee)

22.12 Transportation of household goods and house trailers - Commissioned officer

22.13 Transportation of household **goods** and house trailer8 - Civilian (new employee)

22.20 **Transportation via truck**

22.21 **GSA** motor pool and commercial trucks

- 22.30 Transportation via parcel post, FedEx, United Parcel Service, etc.
- 22.31 Parcel post, FedEx, Waited Parcel Service, etc.
- 22.40 Regular transportation
- 22.41 Freight or express
- 22.4A Longshoring
- 22.50 Transportation - Medical stockpile materials
- 22.52 Another
- 22.90 Other transportation of things
- 22.91 Other local charges
- 22.92 Moving office from one location to another location
- 23 Rent, communications, and utilities - Charges for possession and use of land, structures, or equipment owned by others and charges for communication and utility services. Excludes charges for rental of transportation equipment, which are classified under object class 21 or 22.
- 23.10 Rental payments to GSA - Direct obligations for rental of space and rent related services assessed by the General Services Administration (GSA) as rent, formerly known as standard level user charges (SLUC). Excludes charges for related services provided by GSA in addition to services provided under rental payments, e.g., extra protection or extra cleaning, which are classified under object class 25.30.
- 23.1A Rental of space and rent-related services
- 23.18 Parking space rental payments
- 23.X Lease-purchase through GSA
- 23.20 Rental payments to others - Obligations for possession and use of space, land, and structures leased from a non-Federal source. Rental payments to agencies other than GSA for space, land, and structures that are subleased or occupied by permits, regardless of whether the space is owned or leased will be classified under object class 25.30.

- 23.2A Exhibit, temporary space, and other rentals for possession of land and structures
- 23.30 Communications, utilities, and miscellaneous charges.

Examples

ADP and telecommunication (TC) services and rentals - Obligations for any transmission, emission, or reception of signs, signals writings, images, sounds, or information of any nature by wire, radio, visual, or other electromagnetic systems; postage (excluding parcel post and express mail service for freight); contractual mail (including express mail service for letters) or messenger service; and rental of post office boxes, postage meter machines, mailing machines, and teletype equipment. Includes charges for the rental of information technology (ADP and TC) hardware and software. (Charges for maintenance to IT (ADP and TC) hardware and software and related training and technical assistance, when significant and readily identifiable in the contract or billing, will be classified under object class 25.70. Contractual services involving the use of equipment in the possession of others such as computer time-sharing, will also be classified under object class 25.70.)

Utility services - Obligations for heat, light, power, water, gas, electricity, and other utility services.

Miscellaneous charges - Periodic charges under purchase rental agreements for equipment. (Payments subsequent to the acquisition of title to the equipment should be classified under object class 31.) Excludes payments under lease-purchase contracts for construction of buildings, which are classified under object class 32 or 43, and for lease-purchase contracts for IT (ADP and TC) equipment, which are classified under object class 31.

- 23.3A ADP equipment rental - Basic rental and extra use charges for all ADP equipment including maintenance charges and software when furnished as part of rental contract (see 31.40 for equipment definition)

- 23.33 Contractual mail service
- 23.3C Contractual messenger service
- 23.3D Duplicating equipment and photocopier rental
- 23.38 Postage and express mail service (other than transportation of things included in 22.31)
- 23.3F Postage meter and mailing machines equipment rental
- 23.30 Post office boxes
- 23.3H Utilities - Heat, light, power, water, gas and electricity
- 23.32 Other rentals (other than 23.31-23.32, 23.3A, 23.3D and 23.3F))

NOTE: For OMB A-12 reporting purposes, codes for TC charges that follow (23.50-23.80) will be combined with 23.30.

TC CHARGES

TC Equipment Rental

- 23.31 TC infrastructure equipment - Common use (e.g., voice/data switch, videoconference bridge, uninterrupted power supply, etc.)
- 23.32 TC end-user equipment - leased TC equipment (telephones, pagers, etc.)

Lines/Features

- 23.33 Agency system lines - lines and dial tone from a23 Agency operated switching system
- 23.34 GSA system lines - Lines and dial tone from a GSA consolidated switching system
- 23.35 Non-agency or non-GSA system lines - Lines and dial tone provided by a commercial carrier (e.g., telecommuter or emergency dial-up)
- 23.36 Custom Calling Features - Calling features when got included in agency or GSA lines charge
- 23.37 Dedicated circuits (e.g., wide band data, alarm)
- 23.38 Voice mail - Recurring charges for voice mail system when not provided as part of line service

Local Calls

- 23.A3 Message units - Local calls (e.g., dial 9, directory assistance)

Long Distance Calls

- 23.83 **FTS2000 - FTS2000 network calls (voice/data)**
- 23.C3 **Non-FTS2000 - Domestic long distance calls**
- 23.D3 International direct dial calls - International long distance **calls**
- 23.E3 Toll-free - **Incoming 800/888** services
- 23.F3 FITS2000 Federal Calling **Cards** - Calls charged on **FTS2000 FedCard**
- 23.03 Domestic calling cards - **Calls** charged on **commercial** calling card
- 23.H3 International calling **cards** - Calls charged on international calling card
- 23.53 Surcharge items (taxes, adjustments, etc.)
- 23.K3 **VAN services** - Data **transmitted** by a value added **carrier**

Fee-for-Service

- 23.N3 Shared agency system **charge** - **Cost** of operating and maintaining agency bared system
- 23.P3 **Shared GSA system charge** - Cost of operating and maintaining **GSA consolidated system**
- 23.43 **Other** service charge - Cost for services provided by another Federal agency

Teleconferencing Services

- 23.T3 Teleconf **erencing** - video
- 23.U3 Teleconferencing - audio

Wireless Services

- 23.V3 cellular - Cellular services including base. rates and airtimecharges
- 23.W3 Pager/radio - Pager services including base rates and utilization charges
- 23.X3 Satellite **service**

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HHS CHAPTER 4-50
Departmental Accounting Manual
HHS Transmittal 96.2 (10/01/96)

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- 24 **Printing and reproduction** - Obligations for contractual printing and reproduction (including photocomposition, photography, 'blueprinting, photostating, and microfilming), and the related **composition and binding operations** performed by **the Government Printing Office, other agencies** or other units of the same **agency** (on a reimbursable basis), and **commercial** printers or photographers. Includes all **common processes** of duplicating **obtained** on a **contractual** or reimbursable basis. Also **includes** standard forms when specially printed or assembled to order, and printed **envelopes** and letterheads.
- NOTE:** This object class consists of both printing and binding as defined in the **Government Printing and Binding Regulation** issued by **the Joint Committee on Printing** and reproduction of the type that does **not** come within the **Joint Committee's** definitions.
- 24.10 **Printing, duplicating, and binding (as defined in the Government Printing and Binding Regulations).**
- 24.11 Printing and binding - **GPO**
- 24.1A** Printing and binding - Contract field printing
- 24.1R** **Printing and** biadiag - Other
- 24.20 **Printing, duplicating, and binding (other than as defined in the Government Printing and Binding Regulations).**
- 24.29 . Printing and binding - **Other**
- 24.30 **Photostating, blueprinting, and photography.**
- 24.39 **Photostating,** blueprinting, and photography
- 2 4 . 4 0 **Microfilming.**
- 24.49 **Microfilming**

25

Other contractual services - Contractual services for advisory and assistance services acquired from non-government. sources, **purchases of goods and services from other Federal agencies or accounts, operation and maintenance of facilities and equipment by contract, payments to contractors for medical care, research and development (R&D) contracts, contractual subsistence and support of persons by public and Federal agencies, and other services with the private sector not otherwise classified.**

When estimated, blanket or lump sum **accruals**, at a **program** level covering many separate contracts, are recorded subject to adjustment to actual upon receipt of periodic progress report8 or reimbursement vouchers, subobject class **25.9Z** shall be used to record the monthly **blanket** estimated accruals. Estimated accruals under subobject **class 25.9Z** will be reversed when the actual **accrual amounts are recorded by the contract(s)** under the appropriate **object class** to identify the type of contract.

25.10

Advisory and assistance services - Obligations for advisory and assistance services acquired by contract from **non-governmental sources** to support or improve organizational policy development, **decision-making, management, and administration; support program and/or project management and administration; provide management and support services for R&D activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures.** Such **services** may take the form of information, **advice, opinions, alternatives, analyses, evaluations, recommendations, training and technical support.** Also includes inter-agency agreements for advisory and assistance services (see 25.30 for inter-agency agreements for **purchase of goods and services**). **Supplies and materials** furnished by the contractor in connection with advisory and assistance **services** or other services are included based on the type of contractual services involved.

Excludes personnel appointments and advisory committees **which** are classified under object class **11.30.** . Also excludes obligations for contracts with the private **sector** for routine IT (ADP and

--

TC) services under object classes **25.30 and 25.70 (i.e., Federal information processing resources)** as defined in subpart 201-39.201 of the Federal Information Resources Management Regulations (**FIRMR**), unless they are an integral part of advisory and assistance services contracts; architectural and engineering services as defined in the **Federal Acquisition Regulations (FAR)** 36.102; and research on theoretical mathematics and **basic** medical, biological, physical, social, psychological, or other **phenomena**.

Classifications

Management and professional support services - Obligations for contractual services that provide assistance, advice, or training for the efficient and effective management and operation of **organizations, activities (including management and support services for R&D activities), or systems**. These services are normally closely related to the basic responsibilities and mission of the agency contracting for the services. **Includes** efforts that support or contribute to improved organization of program management, logistics, management, project monitoring and reporting, data **collection**, budgeting, **accounting**, **performance** auditing, and administrative/technical support for conferences and training programs. Excludes auditing of financial statements, which is classified under **other** services, object class **25.20**.

25.12 **Management** and professional support services, other than management and support of **R&D activities**

25.13 **Management** and support of R&D activities

Studies, analyses, and evaluations - Obligations for **contractual services that** provide organized, analytical **assessments/evaluations** in support of policy development, decision-making, management, or administration. Includes studies in support of R&D and IT activities. Also includes obligations for models, **methodologies**, and related software supporting studies, analyses, or evaluations,

25.15 Studies, analyses, and evaluations, other than those in support of **R&D** and IT activities

25.16 Studies in support of R&D activities

- 25.17 Studies in support of IT (ADP and TC) activities - Includes **management** or feasibility studies; **technology** forecasts; and requirements definition-

Engineering and technical services (excluding routine engineering services, as described above)

- Obligations for contractual services used to support the program office during the acquisition cycle by providing such services as systems engineering and technical direction (FAR 9.505-1(b)) to ensure the effective operation and maintenance of a weapon system or major system as defined in OMB Circular No. A-109 or to provide direct support of a weapons system that is essential to R&D, **production, or** maintenance of the system.

NOTE: No codes have **been** assigned to this classification.

- 25.20 **Other services** - Obligations for contractual services with the private sector that are not otherwise classified will be reported under this object class. **Excludes** obligations classified under other object classes for contractual services and supplies classified under object classes 21, 22, 23, 24, **25.30**, 25.40, 25.50, 25.60, 25.70, **25.80**, and 26.

Also specifically excluded are the following:

- o Obligations for advisory and assistance services contracts classified under object class 25.10.
- o Obligations for research and development classified under object classes 25.10, 25.40, and 25.50, as appropriate.
- o Transfers between Federal and trust funds classified under object classes 25.30 and 92.0.
- o Repairs and alterations to buildings classified under object **classes** 25.40 Or 32.
- o Repair, maintenance, and storage of vehicles and storage of household goods, which are classified under object class 25.70.
- o Subsistence and support of persons classified under object class 25.80.
- o Obligations for services in connection with **initial** installation of equipment, when

performed by the vendor, **classified** under **object class 31**.

For A-11 reporting purposes, include obligations recorded in HHS unique **subobject class 25.92** as put of 25.20 totals.

Examples

Auditing - Includes obligations for auditing of financial statements when done by contract with the private sector. Excludes performance auditing, which is **classified under object class 25.10** and audits of financial statements performed by the HHS OIG **classified under subobject class 25 3N**.

Information technology (IT) services - Automated data processing (ADP) and telecommunications (TC) services (Used for. A-11 Exhibit 43) - recorded under object **classes 25.AA, 25.AB, 25.AC and 25.AD** and included as part of **25.20 totals**. Includes all IT services not included under object classes 25.30 and 25.70.

Typing and stenographic service contracts with the private sector.

Tuition and registration fees - Training courses, seminars, conferences and workshops.

Fees and other charges - Fees for abstracting land' titles, premiums on insurance (other than payments to the Office of Personnel Management), and surety bonds.

NOTE: No codes have been assigned to this classification.

Publication of notices, advertising, and radio and television time when done by private sector contract.

- 25.29 **Auditing** of financial statements (see 25.313 for OIG performed audits)
- 25.2A Medical stockpile services
- 25.2B **Confidential expenditures** (use 21.81 through 21.84 for travel related to **criminal** investigation, also see 61.X)
- 25.2C Entertainment expenses (representation limitation)

- 25.2D **Expert witnesses**
- 25.2E **Field reader** contracts
- 25.2F **Foreign claims** service
- 25.20 Graphic arts services
- 25.2H Guest lecturers and speakers
- 25.23 Interpreter services
- 25.20 Temporary help **services**
- 25.2V Publication of *notices*, **advertising**, radio, television time, **and other** media production and distribution
- 25.21 Tuition and registration fees via **HHS Automated Training System (A-Train)** or by other authorized means • Training **courses**, seminars, conferences and workshops (**excludes advisory** and assistance **services** for administrative/technical support for conferences and training programs recorded under 25.10 and IT training recorded under **25.AC**)
- 25.2X Entertainment **expenses** other than those recorded in **25.2C (specific authorization required)**
- 25.22 All other **services**
- 25.M IT (**ADP** and **TC**) time sharing
- 25.AB IT (**ADP** and **TC**) system **analysis, programming, design** and engineering including **advice** on **TC planning**
- 25.AC IT (**ADP** and **TC**) related commercial training
- 25.AD Other **IT (ADP and TC)** related **services not** reflected elsewhere in 25.20
- 25.30 **Purchase of goods and services from Federal Agencies or accounts - Includes obligations for purchases from other Federal agencies or accounts that are not otherwise classified. Includes inter-agency agreements for contractual services (including the Economy Act) for the purchase of goods and services, except as described in the note below.**

NOTE: Certain types of obligations, formerly **included** in 25.30, have been reclassified. Specifically, **agreements with other** agencies to make **repairs and** alterations to buildings are classified under object classes 25.40 or 32, as appropriate; storage and maintenance of vehicles **and** household goods are classified under object class 25.70; and subsistence and support of persons is classified under object class 25.80. Also excludes **obligations** for **inter-agency** contracts for development of software or for software' **or** hardware maintenance, which are

classified under **object classes 31 and 25.70, respectively.**

Excludes inter-agency contracts for advisory and assistance services, which are classified under object class 25.10 and payments made to other agendas for services of civilian employees or military personnel on reimbursable detail, which are classified under object class 11.80. Also excludes inter-agency services for inpatient care at Federal hospital classified under object class 25.60 and other obligations for contractual services classified under object classes 21, 22, 23.10-23.30, 24, 25.20, 25.40-25.80, and 26.

Classifications

Transfers between Federal and trust funds -

Obligations, formerly classified under object class 25.20, that finance the purchase of goods and services (i.e., reimbursable activities) through transfers between **Federal** and trust fund accounts (**also** see object class 92.0).

- 25.30 **Inter-agency** services (except for items recorded **below** or **elsewhere** under **object class 25**)
- 25.39 **Intra-agency** services (except for items reported below or elsewhere under object class **25**)
- 25.3B** Special recurring services provided by GSA (work authorization)
- 25.3C** **Guard** services provided by GSA
- 25.33 Auditing of financial **statements** performed by the **HHS** Office of Inspector General (**OIG**)

Information technology (IT) systems - Automated data processing (ADP) and telecommunications (TC) services (Used for A-11 Exhibit 43).

- 25.33 **IT (ADP and TC) inter-agency services -**
Obligations for payments and offsetting collections for **IT** services (**ADP** and **TC**) provided to or received from Executive Branch agencies, judicial and legislative branches, and State and local governments.
- 25.34 **IT (ADP and TC) intra-agency services -**
Obligations for payments and offsetting collections for all **IT (ADP and TC)** services within **HHS**. Includes **revolving** fund transactions for **IT** services

- 25.40 **Operation and maintenance of facilities** - Includes obligations for the operation and maintenance of facilities when done by contract, including Government-owned contractor-operated facilities (GOCOs). Includes contracts and work orders with the private sector and GSA for service contracts, routine repair of facilities, and upkeep of land. Also includes obligations for operation of facilities engaged in research and development activities. Excludes alterations, modifications, or improvements to facilities and land, which are classified under object class 32.
- 25.41 Building repairs/alterations (See subobject class 25.43 for security-related)
- 25.42 Building repairs/alterations and other non-recurring services by GSA (work authorization) (See subobject class 25.44 for security-related)
- 25.43 Security-related building alterations (alterations for office security & employee safety)
- 25.44 Security-related building alterations (alterations by GSA for office security & employee safety)
- 25.45 Government-owned contractor operated facilities (GOCOs) - Operation and maintenance
- 25.46 Parking facility management
- 25.47 Maintenance of buildings and grounds
- 25.48 Guard services
- 25.49 Cleaning services
- 25.4A Laundry and towel services
- 25.4B Pest control services
- 25.42 All other operation and maintenance of facilities
- 25.50 **Research and development contracts** - Excludes R&D reported as advisory and assistance services under object class 25.10 or as operation and maintenance of R&D facilities under object class 25.40. Includes contracts for the conduct of basic and applied research and development activities,
- 25.55 Research and development contracts
- 25.60 **Medical care** - Obligations for payments to contractors for medical care. Includes payments to Medicare contractors; payments to private hospitals, nursing homes, or group health organizations for medical care services provided to veterans; payments to carriers by the employees and retired employee's health benefits fund and CHAMPUS; and inpatient care at Federal hospital.

Excludes contracts with individuals who are reportable under Office of Personnel Management regulations as Federal employees (object class 11.30 or 11.50.) and payments to compensate casual workers and patient help (object class 11.80).

Classifications

States, intermediaries and carriers Federal program administrative costs

- 25.6E State agency **services (HCFA and FDA usage only)**
- 25.63 Medicare part A **intermediaries (HCFA usage only)**
- 25.60 Medicare part B **carriers (HCFA usage only)**
- 25.6H **IHS fiscal intermediaries (IHS usage only)**

Other medical care services

- 25.69 **Laboratory and testing services**
- 25.68 **Medical health services** (including medical advisors)
- 25.65 **Nurse visits and services - HHS facilities**
- 25.61 **Physicians visits and services - HHS facilities**
- 25.6U **Purchase of vital record transcripts**
- 25.6V **Rehabilitation services**
- 25.6W **Inpatient care at Federal hospitals (inter-agency services)**
- 25.62 **All other medical care**
- 25.70' **Operation and maintenance of equipment -**
Obligations for operation, maintenance, repair and storage of equipment when done by contract.

Classifications

Storage and maintenance - Obligations for contractual **services for storage and care** of vehicles and storage of household goods, including those **associated** with a permanent change of station (PCS). Obligations for other PCS **expenses** are **classified** under object class 12.10, 12.20, 21, or 22.

- 25.71 Storage of house&old goods (other than new employee)
- 25.72 Storage of household goods (new employee)
- 25.79 Storage and care of **vehicles** ,

Equipment operation and maintenance

- 25.76** Repairs to laboratory and scientific equipment
25.7A Repairs to office equipment
25.7N Maintenance agreements - Equipment (other than maintenance recorded under subobject class **25.7R**)

Software and hardware operation and maintenance - IT systems - ADP and TC services (Used for A-11 Exhibit 43). Obligations for contracts to maintain software or hardware, including maintenance that is part of a rental/lease contract when significant and readily identifiable in the contract or billing (see **23.3A** when part of a rental contract!,, maintenance furnished as part of software purchases recorded under **31.40** or **31.90**, and TC technical support. Include obligations for **GOCOs** (exclusive of government-furnished space or equipment).

Excludes charges for rental of IT (ADP and TC) hardware and software, which are classified under object class **23.3A**, **23.31** and **23.32**. Also **excludes contracts** where the principal purpose is to upgrade or improve software, which are classified under object class **31.40** or **31.90**.

- 25.73** IT (ADP and TC) annual software and system use licenses - Contracts for annual renewal of software licenses and data system access [excludes indefinite licensed software recorded under **31.40** or **31.90**.]
- 25.7Q** IT (ADP and TC) data center operations - Contracts for data center operations (includes operation of tape/disk libraries)
- 25.7R** IT (ADP and TC) software and hardware maintenance and repairs - Contracts to provide services associated with the maintenance and repair of existing systems (includes maintenance of tape/disk libraries, **excludes maintenance** and repairs included as part of **25.7Q**).
- 25.78** IT (ADP and TC) data entry - Contracts for the entry of data into computer systems (**excludes** data entry included as part of **25.73** or **25.7Q**)
- 25.7U** TC technical support - Infrastructure - Direct support for the **set-up**, operation, maintenance, and removal of a primary common use system
- 25.7V** TC technical support - End-user - Direct technical support (e.g., installation, relocation, removal of end user equipment)

- 26.16 Media **used for** propagation of tissue cultures
- 26.18 Blood and blood products

- 26.20 Drugs, biologicals, and reagents acquired for inventory

- 26.21 Drugs, medicines, and vaccines, including pharmacy **bottles**
- 26.22 Radiopharmaceutical-drugs, medicines, and **vaccines-** labeled with **or** containing radionuclides
- 26.23 Biological materials
- 26.24 Tissue materials
- 26.25 Controlled substances
- 26.26 Media **used** for propagation of tissue cultures
- 26.28 Blood and blood products

- 26.30 Medical stockpile and other medical and dental supplies acquired for direct use
 - (Medical stockpile)
- 26.31 Supplies and materials for additional emergency hospitals
- 26.33 Supplies and materials for community hospitals
- 26.36 Supplies and materials that increase hospital capacity
- 26.38 Supplies and materials for replacement of hospital stocks
- 26.39 Supplies for repackaging
 - (Other medical and dental supplies)
- 26.3A **Medical and surgical**, including X-Ray, photographic and X-Ray film
- 26.3D Dental, including X-Ray film
- 26.36 Prosthetic and orthopedic
- 26.3K Eyeglasses
- 26.3N General hospital linens and medical personnel clothes
- 26.32 Other medical and dental supplies

- 26.40 Medical stockpile and other medical and dental supplies acquired for inventory
 - (Medical stockpile)
- 26.41 Supplies and materials for additional emergency hospitals
- 26.43 Supplies and materials for community hospitals
- 26.46 Supplies and materials that increase hospital capacity

- 26.48 Supplies and materials for replacement of hospital stocks
- 26.49 Supplies for repackaging
(Other medical and dental supplies)
- 26.4A Medical and surgical, including X-Ray, photographic and X-Ray film
- 26.40 Dental, including X-Ray film
- 26.4G **Prosthetic** and orthopedic
- 26.4K Eyeglasses
- 26.4N General hospital linens and medical personnel clothes
- 26.42 Other medical and dental supplies

- 26.50 Laboratory supplies and chemicals

(Acquired for direct use)
- 26.51 Laboratory supplies
- 26.52 Chemicals
- 26.53 Forage, including food for research animals
- 26.54 Glassware (lab)
- 26.55 Other Research animals
- 26.56 Radionuclides (radioisotopes) - Radiochemicals, sealed sources and other items containing radionuclides
- 26.57 Non-Human Primate Animals
- 26.58 Aquatic Species
- 26.59 All other

(Acquired for inventory)- 26.5A Laboratory supplies
- 26.5B Chemicals
- 26.5C Forage, including feed for research animals
- 26.5D Glassware (lab)
- 26.53 Other Research animals
- 26.5F Radionuclides (radioisotopes) - Radiochemicals, sealed sources and other items containing radionuclides
- 26.5G Non-Human Primate Animals (acquired for inventory)
- 26.5H Aquatic Species (acquired for inventory)
- 26.52 All other

- 26.60 Subsistence and administrative supplies acquired for direct use

- 26.61 Subsistence
- 26.6A IT (ADP and TC) supplies - Supplies acquired such as magnetic tape, containers, reels, tabulating paper, disks, user manuals, and in support of telephone, facsimile teletypewriter, radio, data communication operations, etc.
- 26.6L Office supplies

Ammunition and explosives

Materials and parts - Obligations for commodities (including building materials) used in the construction, repair, or production of supplies, equipment, machinery, buildings, and other structures.

- 26.10 **Drugs, biologicals, and reagents acquired for direct use.**
- 26.21 **Drugs, medicines; and vaccines, including pharmacy bottles**
- 26.12 **Radiopharmaceutical-drugs, medicines, and vaccines-labelled with or containing radionuclides**
- 26.13 Biological materials
- 26.14 Tissue materials
- 26.15 Controlled substances
- 26.16 Media used for propagation of tissue cultures
- 26.18 Blood and blood products
- 26.20 **Drugs, biologicals, and reagents acquired for inventory.**
- 26.21 **Drugs, medicines, and vaccines, including pharmacy bottles**
- 26.22 **Radiopharmaceutical-drugs, medicines, and vaccines-labelled with or containing radionuclides**
- 26.23 Biological materials
- 26.24 Tissue materials
- 26.25 Controlled substances
- 26.26 Media used for propagation of tissue cultures
- 26.28 Blood and blood products
- 26.30 **Medical stockpile and other medical and dental supplies acquired for direct use.**
 - (Medical stockpile)
- 26.31 **Supplies and materials for additional emergency hospital**
- 26.33 **Supplies and materials for community hospitals**
- 26.36 **Supplies and materials that increase hospital capacity**
- 26.38 **Supplies and materials for replacement of hospital stocks**
- 26.39 **Supplies for repackaging**

- (Other: medical and dental supplies)
- 26.3A **Medical and surgical, including X-Ray, photographic and X-Ray film**
- 26.30 **Dental, including X-Ray film**
- 26.30 **Prosthetic and orthopedic**
- 26.3K **Eyeglasses**
- 26.31 **General hospital linens and medical personnel clothes**
- 26.32 **Other medical and dental supplies**
- 26.40 **Medical stockpile and other medical and dental supplies acquired for inventory.**
- (Medical stockpile)
- 26.41 **Supplies and materials for additional emergency hospitals**
- 26.43 **Supplies and materials for community hospitals**
- 26.46 **Supplies and materials that increase hospital capacity**
- 26.48 **Supplies and materials for replacement of hospital stocks**
- 26.49 **Supplies for repackaging**
(Other medical and dental supplies)
- 26.4A **Medical and surgical, including X-Ray, photographic and X-Ray film**
- 26.40 **Dental, including X-Ray film**
- 26.46 **Prosthetic and orthopedic**
- 26.4K **Eyeglasses**
- 26.4N **General hospital linens and medical personnel clothes**
- 26.42 **Other medical and dental supplies**
- 26.50 **Laboratory supplies and chemicals.**
- (Acquired for direct use)
- 26.51 **Laboratory supplies**
- 26.52 **Chemicals**
- 26.53 **Forage, including food for research animals**
- 26.54 **Glassware (lab).**
- 26.55 **Research animals**
- 26.56 **Radionuclides (radioisotopes) - Radiochemicals, sealed sources and other items containing radionuclides**
- 26.59 **All other**
- (Acquired for inventory)
- 26.5A **Laboratory supplies**
- 26.5B **Chemicals**
- 26.5C **Forage, including feed for research animals**

- 26.50 Glassware (lab)
- 26.5E Research animals
- 26.5F Radionuclides (radioisotopes) - Radiochemicals, sealed sources and other items containing radionuclides
- 26.52 All other
- 26.60 Subsistence and administrative supplies ● 
for direct use.
- 26.61 Subsistence
- 26.6A IT (ADP and TC) supplies • Supplies acquired such as magnetic tape, containers, reels, tabulating paper, disks, user manuals, and in support of telephone, facsimile teletypewriter; radio, data communication operations, etc.
- 26.6L Office supplies
- 26.6M Subscriptions, pamphlets, reference books and documents purchased for the direct use of individuals, of ficers, and activities and retained in the offices for day-to-day use
- 26.6P Claims folder6
- 26.60 Charge-out cards for claims folder6
- 26.6R Flexi-flash signals for claims folders
- 26.61 Educational/training supplies
- 26.62 All other administrative supplies
- 26.70 Subsistence and administrative supplies acquired for inventory.
- 26.71 Subsistence
- 26.7A IT (ADP and TC) supplies • Supplies acquired such as magnetic tape, containers, reels, tabulating paper, disks, user manuals, and in support of telephone, facsimile teletypewriter, radio, and data communication operations, etc.
- 26.7L Office supplies
- 26.7M Subscriptions, pamphlets, and documents
- 26.7P Claims folder6
- 26.7Q Charge-out cards for claims folders
- 26.7R Flexi-flash signals for claims folders
- 26.7W Educational/training supplies
- 26.72 All other-administrative supplies
- 26.80 All other stock classes acquired for direct use.
- 26.81 Paper stock for printing and printing supplies
- 26.82 Photographic paper and supplies

- 26.83 **Microfilm**
- 26.84 **Other unexposed film**
- 26.85 Pictures, prints, negatives, etc., for visual aids
- 26.86 Envelopes
- 26.89 All other printing and **photographic supplies**
- 26.8A **Kitchen and dietetic, excluding subsistence**
- 26.80 Patients **clothing (indigents)**
- 26.8E **Uniforms of non-medical personnel (including attendants' coats, cooks' caps, etc.)**
- 26.80 Supplies for buildings and **grounds maintenance**
- 26.8H **Fuel for heating buildings**
- 26.85 **Housekeeping and janitorial supplies**
- 26.8M **Transportation supplies**
- 26.8N All other **maintenance supplies**
- 26.8R **Insecticides and rodenticides**
- 26.8X **Laundry supplies**
- 26.8Y **Ammunition and explosives**
- 26.82 All other

26.90 All other stock classes acquired for inventory.

- 26.91 Paper **stock for printing and printing supplies**
- 26.92 Photographic paper and **supplies**
- 26.93 **Microfilm**
- 26.94 Other unexposed film
- 26.95 Pictures, prints, negatives, etc., for visual aids
- 26.96 **Envelopes**
- 26.99 **All other printing and photographic supplies**
- 26.9A **Kitchen and dietetic, excluding subsistence**
- 26.93) Patients **clothing (indigents)**
- 26.9E **Uniforms of non-medical personnel (including attendants' coats, cooks' caps, etc.)**
- 26.9G **Supplies for buildings and grounds maintenance**
- 26.9H **Fuel for heating buildings**
- 26.95 **Housekeeping and janitorial supplies**
- 26.9M **Transportation supplies**
- 26.91 All other **maintenance supplies**
- 26.9R **Insecticides and rodenticides**
- 26.9X **Laundry supplies**
- 26.9Y **Ammunition and explosives**
- 26.92 All other

30 **ACQUISITION OF ASSETS.**

- 31 **Equipment** - Obligations for the purchase of **personal property of** a durable nature - that is, property which may be **expected to have a period of service** of a year or more after being put into use without material impairment of its physical

condition. Includes obligations for service in connection with the initial installation of **equipment when performed under contract. Excludes supplies and materials classified under object class 26. Also excludes purchase of fixed equipment, which is classified under object class 32 and operation, maintenance and repair of equipment classified under object class 25.70.**

NOTE: This object class consists of both capitalized equipment, 31.10 through 31.80 and 31.AA, and non-capitalized equipment that is charged directly to expense, 31.90. Full criteria for capitalization of equipment is contained in Chapter 1-30, Property Accounting.

Examples

Transportation equipment - Obligations for **vehicles, including** passenger-carrying automobiles, motor trucks, and motorcycles; tractors; aircraft; trains; and steamships, **barges, power launches, and other vessels.**

Furniture and fixtures - Obligations for movable **furniture, fittings, fixtures, and household equipment. Includes desks, tables, chairs, typewriters, word processing equipment, calculators.**

Publications for permanent collections.

Tools and implements.

Machinery - Obligations for engines, generators, manufacturing machinery, transformers, **ship equipment, pumps, and other production and construction machinery.**

Instruments and apparatus - Obligations for surgical instruments, X-Ray apparatus, signaling **equipment, telephone and telegraph equipment, electronic equipment, scientific instruments and appliances, measuring and weighing instruments and accessories, photographic equipment, picture projection -equipment and accessories, and mechanical drafting devices.**

IT (ADP and TC) software - Includes obligation for the purchase of custom and off-the-shelf software, regardless of cost (see 31.43, 31.4D, 31.9C and 31.9D). Excludes software that is an integral part of consulting services contracts, as defined in object class 25.10. Also excludes rental of IT (ADP and TC) hardware and software, which are classified under object class 23.30.

IT (ADP and TC) equipment - Obligations for the purchase of Electronic data processing equipment and TC common use infrastructure equipment and TC end-user equipment (see 31.41, 31.44, 31.45, 31.9F, 31.95, and 31.9K).

Local and wide area network (LAN and WAN) hardware equipment and network operating system (NOS) software - Obligations for the purchase of servers, routers, hubs, multiplexers, concentrators, etc. (see 31.48 and 31.9B).

Armaments - Obligation for tanks, armored carriers, tractors, missiles, machine guns, small arms, bayonets, anti-aircraft guns, artillery, searchlights, detectors, fire-control apparatus, submarine mine equipment, ammunition hoists, torpedo tubes, and other special and miscellaneous military equipment.

CAPITALIZED EQUIPMENT (Individual items valued \$25,000 and over)

31.10 Transportation equipment.

31.11 Land vehicles
31.1A Water vehicle
31.1R Air vehicles

31.20, Furniture and furnishings.

31.21 Desks, tables, and chairs
31.2A Filing equipment
31.2H Medical, dental, and scientific
31.2M Plant, shop, and ground
31.2Q Kitchen and dietetic
31.2U Furniture and furnishings. for quarters
31.22 All other

NOTE: For description of the kinds of equipment included in each category, see the capital equipment descriptions under object classes 31.10, 31.20, 31.30, 31.40, 31.50, 31.60, 31.70, and 31.80.

32.00

Land and structures - Obligations for purchase of land, buildings, and other structures, non-structural improvements, fixed equipment when acquired under contract (whether an addition or a replacement), and payments from liquidating accounts for defaulted loan guarantees on loans that have been foreclosed, so that the Federal payment results in the acquisition of a **physical** asset rather than a loan asset.

Examples

Land - Obligations for the purchase of land and interest in lands, including easements and rights of way

Buildings and other structures - Obligations for the **acquisition** or construction of buildings and structures, and additions thereto, **when** acquired under contract. Includes alterations, modifications, and improvements in land and structures when done by, contract. Excludes routine maintenance and repair of facilities, which is classified under **object class 25.4**. Includes principal payments under **lease-purchase contracts** for construction of buildings.

Non-structural improvements - Obligations **for** improvements of land, such as landscaping, fences, sewers, wells, and reservoirs, when **acquired** under contract. Routine maintenance and repair are classified under object class 25.40.

Fixed equipment - Obligations for fixtures and equipment that become permanently attached to or a part of buildings **or structures**, such as **elevators**, plumbing, power-plant boilers, fire-alarm systems, lighting or heating systems, and air-conditioning or refrigerating systems (whether an addition or a replacement), when **acquired** under contract. Includes amounts for services **for** the initial installation of fixed equipment when performed under contract.

- 32.10 Land
- 32.11 Land and land rights
- 32.12 Improvements to land

- 32.20 **Buildings and other structures**
- 32.21 Buildings, other than energy efficiency improvements
- 32.2A** Other structures, other than energy efficiency improvements
- 32.2B** ADP site - Site **facility** construction, or modification required for ADP (e.g., raising floors, moving walls, air conditioning, uninterruptible power sources, etc.) (see note **in 32.2C**)
- 32.2C** TC site - Site or facility construction or modification required to support TC functions
- 32.2D** Energy efficiency improvements to buildings and other structures

- NOTE : Includes cumulative costs of \$25,000 and above for a particular **32.2B** or **32.2C** site **installation** or renovation project. Items under \$25,000 such as relocating outlets/receptacles, installing cable, and costs **not** related to a major project should be charged to a repair and renovation expense category in 25.40.

- 32.30 **Non-structural improvements**
- 32.31 Sanitation systems
- 32.3A** Roadways
- 32.3H** Fences
- 32.39 Other

- 32.40 **Fixed equipment**
- 32.41 Fixed equipment, other than energy efficiency improvements
- 32.42 Energy efficiency improvements - fixtures and equipment

- 32.50 **Construction in progress**
- 32.91 Construction in progress

- 32.60 **Land, buildings, and structures under capital lease**
- 32.61 Land, buildings, and structures under capital lease

- 32.70 **Leasehold improvements**
- 32.71 Leasehold improvements
- 33.00 **Investments and loans** - Obligations for the purchase of securities and expenditures in the nature of capital for other funds. In credit liquidating accounts, includes payments for defaulted loan guarantees in those cases where the default has not resulted in foreclosure, so that the government acquires the title to the note rather than title to physical assets. **If payment** occurs for which there is **no** asset (property or enforceable notes) so that the payment is a sunk cost, it should be included under object class 42.

Examples

Investments in securities - Obligations for the purchase of stocks, bonds, debentures, and other securities (except the par value of **U.S.** Government securities or securities of wholly-owned Government enterprises) in which money is invested either temporarily or permanently. Includes the amounts paid for interest accrued at the **time** of purchase and premiums paid on all investments, including payments over par value for the purchase of Government securities and discounts under par value on sales of Government securities.

Loans - Loans to foreign governments, States, and other political subdivisions; loans to other government agencies; and loans to institutions, corporations, associations, and individuals.

Investments in other funds - Capital payments to trust revolving funds or other funds which are expected to be returned when the enterprise is liquidated, transferred or sold. Excludes **non-**expenditure transfers between funds.

- 33.10 **Investments in securities (excludes par value of U.S. Government securities)**
- 33.11 Stocks
- 33.16 Bonds
- 33.1A** Debentures
- 33.1H** Other securities

- 33.1V Accrued interest on investments purchased
- 33.1W Accrued interest on loans purchased
- 33.1x Premiums ON investments purchased
- 33.1Y Discounts on sale of investments
- 33.12 Other

- 33.20 Loans

- 33.21 Construction loans
- 33.21 Loans (educational, health, **welfare**, etc.)
- 33.23 Advances for reserve funds
- 33.2G Capital contributions

- 33.30 Investment in other funds

- 33.31 Capital provided to other funds (excludes **non-**
expenditure transfers between funds)

- 40.00 GRANTS AND FIXED CHARGES (41.00 - 44.00)

- 41.00 Grts, subsidies, and contributions - Grants
(including revenue **sharing**), subsidies (including
credit program costs), gratuities, and other aid for
which cash payments are made to States, other
political subdivisions, corporations, associations,
and individuals; contributions to international
societies, commissions, proceedings, or projects
whether in lump sum or as quotas of expenses;
contributions fixed by treaty; grants to foreign
countries; taxes imposed by taxing authorities where
the Federal government has consented to taxation
(excluding the employer's share of Federal Insurance
Contribution Act taxes); and payments in lieu of
taxes. Includes readjustment and other benefits for
veterans, other than indemnities for death or
disability.

NOTE: Obligations under grant programs that involve the furnishing of services, supplies, materials, and the like, rather than cash are **not** charged to this object class, but to the object class representing the nature of the services, articles, or other items that are purchased.

When estimated blanket or lump sum accruals, at a program level covering many separate awards, are recorded subject to adjustment to actual upon receipt of periodic progress reports, object class code **41.9Z**

shall be used to record the monthly blanket estimated accruals. Appropriate amounts under object class 41.92 shall be reversed when the actual accruals are recorded by the specific award(s) under the appropriate object class to identify the type of grant award.

- 41.10** Grants in aid (formula)
- 41.11 Construction
- 41.15 All other
- 41.1A** Payments in lieu of taxes
- 41.20 **Training and fellowships**
- 41.21 Training
- 41.25 Fellowships .
- 41.30 Student financial aid
- 41.31 Financial assistance
- 41.38 Cancellation or forgiveness of loans involving cash payments
- 41.39 Interest benefits
- 41.40 Research and demonstration
- 41.41 Research
- 41.45 Demonstration
- 41.50 Other projects
- 41.51 Other projects
- 41.60 **Construction projects**
- 41.61 Construction projects
- 41.70** Subsidies and gratuity payments
- 41.71 Subsidies
- 41.75 Gratuity payments
- 41.80 **Tribal payments (IHS usage only)**
- 41.81 Title **III** tribal health administration
- 41.82 Title **III** tribal health services operations
- 41.83 Title III tribal training - Employee and leader

- 41.84 Title III tribal grants - Other
- 41.85 Title III tribal indirect cost
- 41.8A** Title I **tribal health** administration
- 41.8B** Title **I** tribal health services **operations**
- 41.8C** Title I tribal training - Employee and leader
- 41.8D** Title I tribal - Other
- 41.8E** Title I tribal indirect cost

- 41.90 Miscellaneous and blanket lump sum monthly accruals

- 41.91 All other grants
- 41.92 Estimated lump sum (blanket) monthly **accruals**

- 42.00 Insurance claims and indemnities - Benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act.

Examples

Social insurance and retirement - Payments for individuals from trust funds for social security, medicare, unemployment insurance, railroad retirement, Federal civilian retirement, military **retirement**, and other social insurance and retirement programs.

Other claims and indemnities - Payments to veterans and former civilian employees or their survivors for death or disability, whether service connected or not. Payments of claims and judgments arising from court decisions or abrogation of contracts; indemnities for the destruction of livestock, crops, and the like; damage to or loss of property; and personal injury or death. Includes payments to or for persons displaced as a result of **Federal and** federally assisted programs, as authorized under 42 U.S.C. 4622-4624. Includes losses made good on Government shipments, and payments made from liquidating accounts on guarantees where no asset is received and where forgiveness is not provided by law.

- 42.10 Social insurance claims and retirement

- 42.11 Default under guaranteed **student loan** - **Death**
- 42.12 Default under guaranteed student loan - Other
- 42.1A** Benefit payments (**OASI**)
- 42.1H** Medicare payments
- 42.12 All other

- 42.20 Other claims and indemnities (not covered by insurance)
- 42.21 Compensation for personal injury or death (includes death gratuity for commissioned officers)
- 42.22 Compensation for loss or damage of property
- 42.23 Attorney fee - Equal Access to Justice Act
- 42.22 All other
- 43.00 Interest and dividends - Payments to creditors for the use of moneys loaned, deposited, overpaid, or otherwise made available and the distribution of earnings to owners of trust or other funds. Includes interest payments under lease-purchase contracts for construction of buildings. If payment of claims under a contract has been delayed by the Government, the interest will be recorded under the same object class used for the original contract, and not in this object class.
- 43.10 Interest
- 43.11 Interest to creditors for use of money
- 43.12 Late payment charges on vendor bills
- 43.15 Interest under lease-purchase contracts
- 43.29 All other
- 43.20 Dividends
- 43.21 Distribution of earnings to investors
- 43.29 All other
- 44.00 Refunds and repayments of deposits - Payments made from an appropriation or fund account to refund amounts previously received by the Government to correct errors in computations, erroneous billing and other factors (see section 14.2(i) of OMB Circular No. A-11). Also includes amounts refunded to former employees or their beneficiaries for employee contributions to retirement and disability funds (e.g., payments made when employees die before retirement or before their annuities equal the amount withheld).
In the account receiving the refund, previously recorded obligations will be reduced in the appropriate object class(es) by the amount of the refund.

Examples

Refunds - Refund of fines, penalties, forfeitures, taxes, duties, **and premiums**; returns of deposits in retirement and disability funds; and other refunds on account of adjustments, errors in **computation**, etc.

Repayment of deposits - Repayment of amounts not subject to demand or claims by the United States for which it has assumed custody. Such items represent the repayment of those monies received in trust for private purposes and over which the government exercises the responsibility of custodian rather than owner .

- 44.10 Refund&
- 44.11 Refunds of general and trust fund receipts
- 44.20 **Repayment of deposits**
- 44.21 Repayments of amounts held in trust .
- 50.00 **UNFUNDED ITEMS AND ADJUSTMENTS (51.00 - 52.00, (HHS USAGE ONLY)**

Comprises unfunded *items* for leave accruals affecting the cost of government operations, its liability therefore, and the effect on net worth. These items of cost are funded only when the leave is **used** and paid for.
- 51.00 Leave accruals, adjustments for forfeiture, and use
- 51.10 **Leave earned (accrued) and adjustments for forfeiture**
- 51.11 Annual leave earned and adjustments for forfeiture
- 51.12 *Commissioned officers annual leave earned*
- 51.14 *Compensatory leave earned and adjustments for forfeiture*
- 51.20 Leave used
- 51.21 Annual leave used - Regular and LSLP (-)
- 51.22 *Commissioned officers annual leave used - Regular and LSLP (-)*
- 51.24 *Compensatory leave used (-)*

- 52.00 Leave balances transferred in (+) or out (-)
- 52.10 Transfers of leave balances
- 52.11 Annual leave
- 52.12 Commissioned officers leave
- 52.14 Compensatory leave
- 60.00 CHANGES AND ADJUSTMENTS OF GENERAL LEDGER ACCOUNTS WHICH MAY ALSO INVOLVE COST OR INCOME ACCOUNTS (61.00, HHS USAGE ONLY)

Comprises transactions (not requiring obligation of currently available funds) involving capitalization of assets previously recorded as expense or costs under grants, contracts, or direct operations, and also includes transfers and sale of property with or without reimbursement and other donations, etc.

Includes depreciation transactions to record cost of use of equipment and value of services (costs) provided by other agencies without reimbursement. Also includes sales and recoveries for goods or services provided; movement of goods between inventories, issues therefrom, and other inventory adjustments; accrued interest earned on investments acquired and collection of such principal and interest repayments; the deferral of prepaid expenses and income, the amortization of such items, allowance for bad debts (defaults) and the write-off of actual losses; advances, reimbursements, and receipts; and other miscellaneous items involving transactions associated with but not directly involving the obligation of appropriated and other funds.
- 61.00 Transactions involving capitalization, depreciation, amortization, sales, income, advances, reimbursements, and receipts
- 61.10 Transactions involving capitalization of assets and adjustments
- 61.11 Initial capitalization of fund (exclusive of cash)
- 61.13 Equipment acquired by grantees/contractors from grant/contract funds (title to HHS)
- 61.16 Agency constructed property including installation, or reinstallation of purchased property by force labor

- 61.17 **Exercise of** option to purchase under lease-purchase contracts (for portion **of** lease payment to be capitalized)
- 61.18 Property held for disposal - **Equipment** other than XT (**ADP** and TC)
- 61.19 Property held for disposal - IT (ADP and **TC**) equipment
- 61.1~ Transfer of property in or out without reimbursement
- 61.18 Book value adjusted to physical inventory - Equipment in use other than IT (ADP and **TC**)
- 61.1C** Book value adjusted to physical inventory - IT (ADP and TC) equipment in use
- 61.1D** Donations (other than leave liability)
- 61.1E** Book value adjusted to physical inventory - IT (**ADP** and TC) software in use
- 61.1F** Property held **for** disposal - IT (ADP and TC) software
- 61.1H** Disposal of assets by sale or trade-in other than IT (ADP and TC) equipment)
- 61.15 Disposal of IT (ADP and TC) equipment by sale or trade-in
- 61.1K** Cancellation or forgiveness of loans not **involving** cash payment
- 61.1L** Cancellation of audit disallowance
- 61.1M** Cancellation of interest on audit disallowance
- 61.1P** Disposal of assets by sale or trade-in - IT (ADP and TC) software
- 61.1W** Reclassify **expense** as extraordinary *item*
- 61.1X Reserved to meet insufficiencies
- 61.1Y** Withdrawal or restoration of unobligated balances

- 61.20 **Changes in inventories (supplies, materials, work-in-process and finished goods)**

- 61.21 Transfers between inventories
- 61.22 Inventory mark-up
- 61.23 Issues from inventory (cost of goods sold)
- 61.24 Issues from stock for use
- 61.25 Spoilage
- 61.26 Other inventory adjustments
- 61.27 Costs capitalized

- 61.30 **Depreciation and amortization of equipment, software, and fixed property**

- 61.31 Depreciation of land improvement facilities
- 61.32 Depreciation **of** assets under capital lease
- 61.33 Depreciation of leasehold improvements
- 61.34 Depreciation of improvements to land
- 61.36 Depreciation of **structures**

- 61.37 Depreciation of IT (ADP and TC) equipment - Site preparation
- 61.3A** Depreciation on equipment other than IT (ADP and TC)
- 61.3B** Depreciation of IT (ADP and TC) equipment
- 61.3C** Amortization of IT (ADP and TC) software
- 61.36 Depreciation of Federal property **in** custody of contractors
- 61.3H** Depreciation of Federal property in custody of grantees

- 61.40 Investments, loans, and related interest

- 61.42 Accrued interest earned on loans
- 61.43 Accrued interest earned on guaranteed/pledged loans
- 61.44 Accrued interest earned on investments
- 61.45 Accrued interest earned - All other
- 61.46 Accrued interest forgiven
- 61.47 Purchase of U.S. Government securities
- 61.48 Accrued interest earned - Audit disallowance
- 61.49 Accrued interest earned - Audit disallowance - Pending appeal/litigation

- 61.4A** Guaranteed/pledged loans
- 61.4B** Guaranteed loans in default
- 61.4C** Accrued interest earned on defaulted loans
- 61.4D** Defaulted loans - Collected
- 61.4E** Defaulted accrued interest - Collected
- 61.4G** Acquired collateral - Not otherwise classified
- 61.4H** Principal on loans and investments - Collected
- 61.4K** Acquired collateral - Loans
- 61.4L** Principal on guaranteed/pledged loans - Collected
- 61.4M** Acquired collateral - Interest
- 61.4N** Acquired collateral - Prior lien
- 61.4P** Accrued interest earned on delinquent accounts
- 61.44 Accrued penalties earned on delinquent accounts
- 61.4R** Accrued administrative costs earned on delinquent accounts

- 61.4S** Interest on loans - Collected.
- 61.4T** Interest on guaranteed/pledged loans - Collected
- 61.4U** **Debt** borrowing and replacement - Treasury (Public Debt).

- 61.41 Accrued interest earned - Program disallowance
- 61.4X Insurance premiums on federally insured loans
- 61.4Y** Debt borrowing and replacement - Federal Financing Bank (Public Debt)

61.50	<u>Deferral of costs, credits, allowances for bad debts, and adjustments</u>
61.51	Prepaid expenses
61.52	Amortization of deferred charges
61.53	Actual bad debt - Audit disallowance
61.54	Deferred credits
61.55	Amortization of deferred credits
61.56	Prior year unfunded FECA expense
-61.57	Estimated bad debts (allowance)
61.58	Actual bad debt - Loans and accounts receivable
61.59	Current year unfunded FECA expense
61.5A	Actual bad debt - Advances and reimbursements
61.5B	Actual bad debt - Refunds
61.5C	Actual bad debt - General/trust fund loan
61.5D	Actual bad debt - Defaulted loans
61.5E	Actual bad debt - Guaranteed/pledged loans
61.5F	Actual bad debt - Defaulted loan - Gen/trust Fund
61.5G	Actual bad debt - Interest - General/trust fund
61.5H	Actual bad debt - Interest - Defaulted loan
61.5K	Actual bad debt - Interest - Defaulted loan - General/trust fund
61.5L	Actual bad debt - Interest - Loan
61.5M	Actual bad debt - Interest - Guaranteed/pledged loan
61.5P	Actual bad debt - Interest - Investment
61.5Q	Actual bad debt - Interest on Delinquent accounts
61.5R	Actual bad debt - Penalties and fines on delinquent accounts
61.5S	Actual bad debt - Administrative fees on delinquent accounts
61.5T	Litigation expense
61.5U	Actual Bad Debt - Interest on Delinquent Loan
61.5W	Civilian and commissioned officer - Pension benefits
61.5X	Civilian and commissioned officer - Health benefits
61.5Y	Civilian and commissioned officer - Life insurance benefit
61.60	<u>Sales and unfunded expenses</u>
61.61	Safe of goods
61.62	Sale of services
61.63	Earned advance, reimbursement, and transactions - Unbilled
61.65	Sale of scrap material
61.66	Donated travel expenses - Deposited
61.67	Donated travel expenses - Services in kind
61.68	Donated travel expenses - Retained by traveler
6i.69	Sale - All other
61.6A	Parking fringe benefit

- 61.70 Advances, reimbursements, and receipts
- 61.71 Advances made to others (including travel advance)
- 61.72 Advances received from others
- 61.73 Unearned advance - Billed
- 61.74 Earned receivable - Billed
- 61.75 Receivable - Collected
- 61.76 Receivable - Audit disallowance
- 61.77 Miscellaneous receipts
- 61.78 Available receipts
- 61.79 Deposit Funds
- 61.7A** Youth Opportunity Corps advances and repayments
- 61.7B** Commissioned officer advances and payments
- 61.7C** Confidential advances for investigative purposes (also see 21.81 through 21.84 and **25.2B**)
- 61.7D** Interest on audit disallow and **del** accounts -Collected
- 61.7E** Penalty on delinquent accounts - Collected
- 61.7F** Admin costs on delinquent accounts - Collected
- 61.7G** Advance for employee emergency payment
- 61.7H** Third-party draft
- 61.75 Advance - Unfilled customer orders
- 61.7K** No advance - Unfilled customer orders
- 61.72 Cashier fund

- 80.00 REDISTRIBUTION AND REALLOCATION OF COSTS, ADJUSTMENTS AND CLOSING ENTRIES (81.00, HHS use **only**)

Comprises transfers between accounting points within an agency and transfers between headquarters accounting points of agencies; redistribution of direct and overhead costs for labor distribution purposes; and adjusting and closing entries.

- 81.00 Transactions involvins transfers, allocations, adiustins and closing entries

- 81.10 Intra-asency and inter-asency transfers

- 81.11 Intra-agency transfer-out (sales)
- 81.16 Intra-agency transfer - Other
- 81.19 Inter-agency transfer

- 81.20 Allocation of costs

- 81.22 Allocation of direct costs
- 81.23 Allocation of indirect costs

- 81.90 Adjustins entries
- 81.91 Adjusting entry (not otherwise classified)
- 82.00 Closins entries
- 90.00 OTHER (91.00 - 99.90)

Consists of unvouchered items; undistributed items which are temporarily unidentifiable by object class; limitation on expenses - revolving and trust fund items; other transactions not otherwise classified; subtotal, obligations; below reporting threshold items; and total obligations.

- 91.00 Unvouchered - Charges that may be incurred lawfully for confidential purposes, not subject to detailed vouchering or reporting.

NOTE: Requires the approval, authorization or certification of the President or an official of an executive agency. The GAO may audit these expenditures to the extent necessary to determine the propriety for payment, unless the President has exempted those financial transactions related to foreign intelligence, counterintelligence activities **or** law enforcement investigations. Expenditures exempted from GAO audit should be reported and reviewed by the Select Committees on Intelligence of the House of Representatives and the Senate.

Operating procedures have been issued to the Assistant Inspector General for Investigations and the agency Financial Management Officers for the handling and recording of Confidential Expenditures which previously were handled as "**Unvouchered**" expenditures. See object classes 21.81-21.84, **25.2B** and **61.7C**.

- 92.00 Undistributed (used for A-11 reporting purposes only with prior OMB approval) - Charges that cannot be distributed to the object classes listed above. 'Includes intra-governmental expenditure transfers that merely move resources between accounts with no **benefit to the paying** account and are not otherwise classified and transfers that result from appropriation action or general transfer authority. Excludes transfers by the paying account to finance reimbursable activities, hich should usually be reported as **direct** obligations

in object class 25.30. The description of object class 25.30 indicates where reimbursable obligations are classified in other object classes.

93.00 **Limitation on expenses - Revolving and trust funds**
(used for A-11 reporting purposes only) - Used when there is an annual limitation on administrative or non-administrative expenses for revolving and trust funds. In the object class schedule for the revolving or trust fund, total obligations applicable to the limitation are reported as a lump sum entry without any distribution under object class 93.

NOTE: A separate object classification schedule for the limitation will distribute the lump sum obligations reported in the **parent** schedule in object classes 11.10 through 44.20, as appropriate, with an offsetting negative entry on line 93.0 equal to the total obligations distributed. No amount will be shown on the subtotal line (99.0) or the total line (99.9) of the separate object classification schedule for the limitation.

99 **Not otherwise classified (HHS usage only) -**
Encompasses transactions for appropriation authorizations, borrowing from Treasury (public debt transactions), non-expenditure transfers, consolidated working fund agreements, apportionments, allotments, operating plans, etc., which precede the transactions incurred or accomplished to carry out the purpose or mission of the fund or activity.

NOTE: Object class 99 is also used for A-11 reporting purposes only (see 99.00, 99.50 and 99.90 below)

99.00 **Subtotal, obligations (used for A-11 reporting purposes only)** - Subtotal of entries above for direct, reimbursable, or allocation account obligations when, more than one of these categories are reported in a single account and whenever any reimbursable obligations are reported in non-revolving fund accounts. The subtotal stub entry for reimbursable obligations, "Reimbursable obligations", should be used, even if all reimbursable obligations are classified in a single object class category.

99.50 Below reporting threshold (used for A-11 reporting purposes only) - Obligations are reported under this object class whenever data for an object class entry is below the reporting threshold (**\$500** thousand or less)- and the sum of the below threshold amounts round to **\$1 million** or more.

NOTE: Use of this object class to report amounts of more than \$4 million requires OMB approval.

919.90 Total obligations (used for A-11 reporting purposes only) - This entry **will** equal the sum of the total obligations for all the object class entries. The amount must equal total obligations as shown on line 10.00 of the program and financing schedule. Only the final total of all obligations should be **reported** on this line. Use 9999 to report total obligations. Subtotals for schedules containing two or more sections will be coded 99.0 for the individual sections.

Subject: AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

4-60-00 Purpose
-10 Structure of the Treasury Agency Location Code
-20 Assignment or Change to the Agency Location Code or
Accounting Station Address

4-60-00 **PURPOSE**

- A. The Treasury Agency Location Code (ALC) is used by Treasury to identify transactions, documents, and reports processed through the Treasury Department by a specific accounting point or station, within an agency or bureau of a Federal Department or independent agency. The use of the ALC, also referred to as the accounting station symbol, enables the Treasury Department to reconcile deposits and disbursements distributed by appropriation, fund, and receipt by account symbol on the monthly FMS Form 224, Statement of Transactions, with the total control accounts maintained by Treasury Department regional disbursing offices.
- B. The ALC must be indicated on all fiscal documents and reports which are submitted by DHHS organizations to the Treasury Department. Examples of the types of fiscal documents submitted to the Treasury are:

Voucher and Schedule of Disbursements
Schedules of **Canceled** Checks
Expenditure Transfers
Non-Expenditure Transfers
Schedule of Adjustments and Corrections
Certificates of Deposit

4-60-10 **STRUCTURE OF THE TREASURY AGENCY LOCATION CODE**

The ALC has been structured to provide a uniform method of identifying accounting stations within the Department. Accounting points are identified by each geographical location within a region and operating agency. The code consists of 8-digits (00 00 0000) of numerics as follows:

First Set (Left most)- 2 Digits -- identifies the Department (75 for Department of Health and Human Services). (Treasury Requirement).

Second Set - 2 Digits -- identifies the Operating Divisions (OPDIVS) within the Department. In DHHS, generally these digits are the same as the OPDIV identifying symbols. (Treasury Requirement).

Third Set - First 2 Digits -- identifies the geographic region, except for headquarters offices which use zeros for these 2-digits. (Department Requirement) ,

Third Set - Last 2 digits -- identifies accounting points within the OPDIV. In accordance with Chapter 4-30, numbers "01" through "10" are reserved for and used consistently by all OPDIV accounting systems to identify their various accounting points within the department. The numbers and "11" through "19" are reserved for future use under the DHHS Accounting System. Numbers "00" and "20" through "99" are available for assigning numbers to accounting points throughout an OPDIV. To provide a higher degree of uniformity in the use of accounting point numbers for a headquarters office in an OPDIV, wherever possible, the same set of digits used in the common accounting number (CAN) are used for the ALC.

The Treasury Department will not accept all zeros in the last four digits therefore OPDIV Headquarters Offices using "00" as an accounting point number must use "01" in the fourth set of the Treasury ALC.

4-60-20 **ASSIGNMENT OR CHANGE TO THE AGENCY LOCATION CODE OR
ACCOUNTING STATION ADDRESS**

- A. Submit request for ALC establishment, deletion or change to:

Department of Health and Human Services
Deputy Assistant Secretary, Finance
Office of Financial Policy
Division of Accounting and Fiscal Policy
Room 521-D, Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

The request must be received in a timely enough manner to allow for reviewing and forwarding to Treasury at least 30 days before the requested effective date.

B. Submit Accounting Station addresses changes in writing to:

Manager, Budget Reports Branch
Reports Management Division
Financial Management Service
Department of the Treasury
3700 East-West Highway (518D)
Hyattsville, MD 20782
(Telephone 202-874-9900)

A copy of the address change memorandum should also be sent to the Deputy Assistant Secretary, Finance at the address shown in section A above.

See Exhibit 4-60-A for a listing of Agency Location Codes and HHS Accounting Station Addresses.

HHS Exhibit 4-60-A
Departmental Accounting Manual
HHS Transmittal 88.3 (7/1/88)

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LISTING OF

AGENCY LOCATION CODES

AND

ACCOUNTING STATION ADDRESSES

AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

PROGRAM SUPPORT CENTER

(PSC PROVIDES ACCOUNTING SERVICES FOR ACF, **AHCPR**, AOA, **FOH**, HRSA, **IHS**, OS AND SAMHSA)

DEPT OF HEALTH AND HUMAN SERVICES 75 01 0098
PROGRAM SUPPORT CENTER
HUMAN RESOURCES SERVICE
PERSONNEL AND PAY SYSTEMS DIVISION
ACCOUNTING PROGRAMS
SILVER SPRING CENTER, SUITE 700
8455 COLESVILLE ROAD
SILVER SPRING, MD 20911

DEPT OF HEALTH AND HUMAN SERVICES 75 01 0500
PROGRAM SUPPORT CENTER (ACH NEXT DAY PAYMENTS)
FINANCIAL MANAGEMENT SERVICE
DIVISION OF PAYMENT MANAGEMENT
P.O. BOX 6021
ROCKVILLE, MD 20852

DEPT OF HEALTH AND HUMAN SERVICES 75 01 0501
PROGRAM SUPPORT CENTER (ALL PAYMENT AND COLLECTION ACTIVITIES EXCEPT ACH)
FINANCIAL MANAGEMENT SERVICE
DIVISION OF PAYMENT MANAGEMENT
P.O. BOX 6021
ROCKVILLE, MD 20852

DEPT OF HEALTH AND HUMAN SERVICES 75 01 0502
PROGRAM SUPPORT CENTER (OPDIV APPROPRIATION CHARGING)
FINANCIAL MANAGEMENT SERVICE
DIVISION OF PAYMENT MANAGEMENT
P.O. BOX 6021
ROCKVILLE, MD 20852

DEPT OF HEALTH AND HUMAN SERVICES 75 03 0030
PROGRAM SUPPORT CENTER
DIVISION OF FINANCIAL OPERATIONS
REPORTS AND CONTROL BRANCH
ROOM 16A-12, PARKLAWN BLDG
5600 FISHERS LANE
ROCKVILLE, MD 20857

HEALTH RESOURCES AND SERVICES ADMINISTRATION

DEPT OF HEALTH AND HUMAN SERVICES 75 03 0628
HEALTH RESOURCES AND SERVICES ADMINISTRATION
GILLIS W. LONG HANSEN'S DISEASE CENTER
5445 PT CLAIR ROAD
CARVILLE, LA 70721

AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

INDIAN HEALTH SERVICE

DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE NAVAJO AREA OFFICE P.O. BOX 9020 WINDOW ROCK, AZ 86515-9020	75 03 0654
DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE ALBUQUERQUE AREA OFFICE 5538 MONTGOMERY BLVD NE, ROOM 123 ALBUQUERQUE, NM 87109-1311	75 03 0657
DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE OKLAHOMA CITY AREA OFFICE *FIVE CORPORATE PLAZA 3625 NW 56TH STREET OKLAHOMA CITY, OK 73112	75 03 0660
DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE NASHVILLE AREA OFFICE 711 STEWARTS FERRY PIKE NASHVILLE, TN 37214-2634	75 03 0661
DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE ABERDEEN AREA OFFICE 115 FOURTH AVENUE, SOUTHEAST FEDERAL BUILDING, ROOM 309 ABERDEEN, SD 57401	75 03 0856
DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE BILLINGS AREA OFFICE FINANCIAL MANAGEMENT 2900 4TH AVENUE NORTH, SUITE 405 P.O. BOX 2143 BILLINGS, MT 59103	75 03 0862
DEPT OF HEALTH AND HUMAN SERVICES INDIAN HEALTH SERVICE PORTLAND AREA OFFICE FINANCIAL MANAGEMENT SERVICES 1220 SW 3RD AVENUE, ROOM 476 PORTLAND, OR 97204	75 03 0863

AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

INDIAN HEALTH SERVICE (CONTINUED)

DEPT OF HEALTH AND HUMAN SERVICES 75 03 0961
INDIAN HEALTH SERVICE
PHOENIX AREA OFFICE
40 NORTH CENTRAL AVE, SUITE 600
PHOENIX, AZ 85004

DEPT OF HEALTH AND HUMAN SERVICES 75 03 1058
INDIAN HEALTH SERVICE
ALASKA AREA NATIVE HEALTH SERVICE
4141 AMBASSADOR DRIVE
ANCHORAGE, AK 99508

HEALTH CARE FINANCING ADMINISTRATION

DEPT OF HEALTH AND HUMAN SERVICES 75 05 0080
HEALTH CARE FINANCING ADMINISTRATION
DIVISION OF ACCOUNTING (TRUST FUND)
P.O. BOX 7520
BALTIMORE, MD. 21207-0520

FOOD AND DRUG ADMINISTRATION

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0099
FOOD AND DRUG ADMINISTRATION
DIVISION OF FINANCIAL MANAGEMENT HFA-120
5600 FISHERS LANE
ROCKVILLE, MD 20857

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0171
FOOD AND DRUG ADMINISTRATION
1 MONTVALE AVENUE
STONEHAM, MA 02180

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0172
FOOD AND DRUG ADMINISTRATION
109 HOLTON STREET
WINCHESTER, MA 01890

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0272
FOOD AND DRUG ADMINISTRATION
599 DELAWARE AVENUE
BUFFALO, NY 14202

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0273
FOOD AND DRUG ADMINISTRATION
ROOM 700 - FEDERAL OFFICE BUILDING
850 3RD AVENUE (AT 30TH STREET)
BROOKLYN, NY 11232

AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

FOOD AND DRUG ADMINISTRATION (CONTINUED)

DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION DISTRICT OFFICE 900 MADISON AVENUE BALTIMORE, MD 21201	75 06 0374
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 60 EIGHTH STREET NORTHEAST ATLANTA, GA 30309	7.5 06 0476
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 297 PLUS PARK BOULEVARD NASHVILLE, TN 37217	75 06 0477
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 7200 LAKE ELLENORE DRIVE, SUITE 120 ORLANDO, FL 32809	7.5 06 0478
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 1141 CENTRAL PARKWAY CINCINNATI, OH 45202-1097	75 06 0579
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 240 HENNEPIN AVENUE MINNEAPOLIS, MN 55401-1912	75 06 0580
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 3310 LIVE OAK STREET DALLAS, TX 75204	75 06 0681
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION NATIONAL CENTER FOR TOXICOLOGICAL RESEARCH HFT-323, 3900 NCTR DRIVE JEFFERSON, AR 72079	75 06 0689
DEPT OF HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 10 WATERVIEW BOULEVARD, THIRD FLOOR PARSIPPANY, NJ 07054	75 06 0724

AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

FOOD AND DRUG ADMINISTRATION (CONTINUED)

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0783
FOOD AND DRUG ADMINISTRATION
P.O. BOX 15905
LENEXA, KS 66285-5905

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0784
FOOD AND DRUG ADMINISTRATION
U.S. COURTHOUSE AND CUSTOMSHOUSE BUILDING
1114 MARKET STREET, ROOM 1002
ST. LOUIS, MO 63101

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0885
FOOD AND DRUG ADMINISTRATION
BUILDING 20, DENVER FEDERAL CENTER
P.O. BOX 25087
DENVER, CO 80225-0087

DEPT OF HEALTH AND HUMAN SERVICES 75 06 0987
FOOD AND DRUG ADMINISTRATION
ATTN: FISCAL DEPT
19900 MACARTHUR BOULEVARD, SUITE 300
IRVINE, CA 92612

NATIONAL INSTITUTES OF HEALTH

DEPT OF HEALTH AND HUMAN SERVICES 75 08 0031
NATIONAL INSTITUTES OF HEALTH (INTRA-MURAL ACCOUNTING POINT)
GENERAL LEDGER REPORTS AND RECONCILIATION BRANCH
DIVISION OF FINANCIAL MANAGEMENT
BUILDING 31, ROOM B1B47
31 CENTER DRIVE
BETHESDA, MD 20892

DEPT OF HEALTH AND HUMAN SERVICES 75 08 0040
NATIONAL INSTITUTES OF HEALTH (EXTRA-MURAL ACCOUNTING POINT)
GENERAL LEDGER REPORTS AND RECONCILIATION BRANCH
DIVISION OF FINANCIAL MANAGEMENT
BUILDING 31, ROOM B1B47
31 CENTER DRIVE
BETHESDA, MD 20892

DEPT OF HEALTH AND HUMAN SERVICES 75 08 0099
NATIONAL INSTITUTES OF HEALTH (ALL OTHER ACTIVITY)
GENERAL LEDGER REPORTS AND RECONCILIATION BRANCH
DIVISION OF FINANCIAL MANAGEMENT
BUILDING 31, ROOM B1B47
31 CENTER DRIVE
BETHESDA, MD 20892

AGENCY LOCATION CODES AND ACCOUNTING STATION ADDRESSES

NATIONAL INSTITUTES OF HEALTH (CONTINUED)

DEPT OF HEALTH AND HUMAN SERVICES 75 08 0820
NATIONAL INSTITUTES OF HEALTH
NIH ROCKY MOUNTAIN LABORATORY
HAMILTON, MT. 59840

CENTERS FOR DISEASE CONTROL AND PREVENTION

DEPT OF HEALTH AND HUMAN SERVICES 75 09 0421
CENTERS FOR DISEASE CONTROL AND PREVENTION
FINANCIAL MANAGEMENT OFFICE
1600 CLIFTON ROAD
ATLANTA, GA 30333

DEPT OF HEALTH AND HUMAN SERVICES 75 09 0527
CENTERS FOR DISEASE CONTROL AND PREVENTION
FINANCIAL MANAGEMENT OFFICE
4676 COLUMBIA PARKWAY
CINCINNATI, OH 45226

ACCOUNTING STATION

AGENCY LOCATION CODE

SOCIAL SECURITY ADMINISTRATION

DEPT HEALTH AND HUMAN SERVICES 75 04 5500
SOCIAL SECURITY ADMINISTRATION
GREAT LAKES PROGRAM SERVICE CENTER
ATTN: FISCAL CONTROL AND AUDIT BRANCH
4TH FLOOR
600 W. MADISON STREET
CHICAGO, IL. 60606

DEPT HEALTH AND HUMAN SERVICES 75 04 5600
SOCIAL SECURITY ADMINISTRATION
MID-AMERICA PROGRAM SERVICE CENTER
ATTN: FISCAL CONTROL AND AUDIT BRANCH
ROOM 924
601 EAST 12TH STREET
KANSAS CITY, MO. 64106

DEPT HEALTH AND HUMAN SERVICES 75 04 5900
SOCIAL SECURITY ADMINISTRATION
WESTERN PROGRAM SERVICE CENTER
ATTN: FISCAL CONTROL AND AUDIT BRANCH
P.O. BOX 2000
RICHMOND, CA. 94802

DEPT HEALTH AND HUMAN SERVICES 75 04 8701
SOCIAL SECURITY ADMINISTRATION
DIVISION OF FINANCE
ATT: CENTRAL ACCOUNTING OPERATIONS BRANCH
P.O. BOX 17195
BALTIMORE, MD 21235
(LETTER OF CREDIT -TFCS)

HEALTH CARE FINANCING ADMINISTRATION

DEPT HEALTH AND HUMAN SERVICES 75 05 0080
HEALTH CARE FINANCING ADMINISTRATION
DIVISION OF ACCOUNTING
P.O. BOX 17255
BALTIMORE, MD. 21203-7255
(TRUST FUND)

ACCOUNTING STATION

AGENCY LOCATION CODE

HEALTH CARE FINANCING ADMINISTRATION

DEPT HEALTH AND HUMAN SERVICES 75 05 9701
HEALTH CARE FINANCING ADMINISTRATION
DIVISION OF ACCOUNTING
P.O. BOX 17255
BALTIMORE, MD. 2120307255
(LETTER OF CREDIT)

FOOD AND DRUG ADMINISTRATION

DEPT HEALTH AND HUMAN SERVICES 75 06 0099
FOOD AND DRUG ADMINISTRATION
HFA-120, ACCOUNTING BRANCH
5600 FISHERS LANE
ROCKVILLE, MD. 20857

DEPT HEALTH AND HUMAN SERVICES 75 06 0171
FOOD AND DRUG ADMINISTRATION
585 COMMERCIAL STREET
BOSTON, MA. 02109

DEPT HEALTH AND HUMAN SERVICES 75 06 0172
FOOD AND DRUG ADMINISTRATION
109 HOLTON STREET
WINCHESTER, MA. 01890

DEPT HEALTH AND HUMAN SERVICES 75 06 0272
FOOD AND DRUG ADMINISTRATION
599 DELAWARE AVENUE
BUFFALO, NY. 14202

DEPT HEALTH AND HUMAN SERVICES 75 06 0273
FOOD AND DRUG ADMINISTRATION
ROOM 700 - FEDERAL OFFICE BUILDING
850 3RD AVENUE (AT 30TH STREET)
BROOKLYN, NY. 11232

DEPT HEALTH AND HUMAN SERVICES 75 06 0275
FOOD AND DRUG ADMINISTRATION
P.O. BOX 5719
PUERTA DE TIERRA STATION
SAN JUAN, PUERTO RICO 00906-5719

ACCOUNTING STATION

AGENCY LOCATION CODE

FOOD AND DRUG ADMINISTRATION

DEPT HEALTH AND HUMAN SERVICES 75 06 0374
FOOD AND DRUG ADMINISTRATION
900 MADISON AVENUE
BALTIMORE, MD. 21201

DEPT HEALTH AND HUMAN SERVICES 75 06 0375
FOOD AND DRUG ADMINISTRATION
U.S. CUSTOMHOUSE
ROOM 900
2ND AND **CHESNUT** STREETS
PHILADELPHIA, PA. 19106

DEPT HEALTH AND **HUMAN** SERVICES 75 06 0476
FOOD AND DRUG ADMINISTRATION
60 EIGHT STREET N.E.
ATLANTA, GA. 30309

DEPT HEALTH AND HUMAN SERVICES 75 06 0477
FOOD AND DRUG ADMINISTRATION
297 PLUS PARE BOULEVARD
NASHVILLE, TN. 37217

. DEPT HEALTH AND HUMAN SERVICES 75 06 0478
FOOD AND DRUG ADMINISTRATION
7200 **LAKE ELKNORE** DRIVE, SUITE 120
ORLANDO, FL. 32809

DEPT HEALTH AND HUMAN SERVICES 75 06 0577
FOOD AND DRUG ADMINISTRATION
ROOM 1222 MAIN POST OFFICE BUILDING
433 WEST **VAN BUREN** STREET
CHICAGO, IL. 60607

DEPT HEALTH AND HUMAN SERVICES 75 06 0578
FOOD AND DRUG ADMINISTRATION
1560 EAST JEFFERSON AVENUE
DETROIT, MI. 48207

. DEPT HEALTH AND HUMAN SERVICES 75 06 0579
FOOD AND DRUG ADMINISTRATION
1141 CENTRAL **PARKWAY**
CINCINNATI, OH. 45202

ACCOUNTING STATION

AGENCY LOCATION CODE

FOOD AND DRUG ADMINISTRATION

DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 240 HENNEPIN AVENUE MINNEAPOLLIS, MM. 55401	75 06 0580
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 3032 BRYAN STREET DALLAS, TX. 75204	75 06 0681
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 4298 ELYSIAN FIELDS AVENUE NEW ORLEANS, LA. 70122	75 06 0682
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION NATIONAL CENTER FOR TOXICOLOGICAL RESEARCH ROOM 29, BUILDING 13 JEFFERSON, AR. 72079	75 06 0689
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 61 MAIN STREET NEST ORANGE, NJ. 07052	75 06 0724
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 1009 CHERRY STREET KANSAS CITY, MO. 64106	75 06 0783
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION ROOM 1002 U.S. COURTHOUSE AND CUSTOMSHOUSE BUILDING 1114 MARKET STREET ST. LOUIS, MO. 63101	75 06 0784
DEPT HEALTH AND HUMAN SERVICES FOOD AND DRUG ADMINISTRATION 2ND & 3RD AVENUE, BUILDING #20 DENVER FEDERAL CENTER DENVER, CO. 80225-0087	75 06 0885

ACCOUNTING STATION

AGENCY LOCATION CODE

FOOD AND DRUG ADMINISTRATION

DEPT **HEALTH** AND HUMAN SERVICES 75 06 0986
FOOD AND DRUG ADMINISTRATION
ROOM 26 FEDERAL OFFICE BUILDING
50 UNITED NATIONS PLAZA
SAN FRANCISCO, CA. 94102

DEPT HEALTH AND HUMAN SERVICES 75 06 0987
FOOD AND DRUG ADMINISTRATION
1521 WEST PICO BOULEVARD
LOS ANGELES, CA. 90015

DEPT HEALTH AND **HUMAN** SERVICES 75 06 1088
FOOD AND DRUG ADMINISTRATION
ROOM 5009 FEDERAL OFFICE BUILDING
909 FIRST AVENUE
SEATTLE, WA. 98174

NATIONAL INSTITUTE OF HEALTH

DEPT HEALTH AND **HUMAN** SERVICES 75 08 0031
NATIONAL INSTITUTE OF HEALTH
OPERATIONS ACCOUNTING BRANCH, **DFM**
BUILDING 31, ROOM **B1B55**
9000 ROCKVILLE PIKE
BETHESDA, MD. 20892

DEPT HEALTH AND HUMAN SERVICES 75 08 0040
NATIONAL INSTITUTE OF HEALTH
FEDERAL ASSISTANCE ACCOUNTING BRANCH, **DFM**
BUILDING 31, ROOM **B1B05**
9000 ROCKVILLE PIKE
BETHESDA, MD. 20892

DEPT HEALTH AND HUMAN SERVICES 75 08 0099
NATIONAL INSTITUTE OF HEALTH
REPORTS AND ACCOUNTS CONTROL BRANCH, **DFM**
BUILDING 31, ROOM **B1C15**
9000 ROCKVILLE PIKE
BETHESDA, MD. 20892

DEPT HEALTH AND **HUMAN** SERVICES 75 08 0820
NATIONAL INSTITUTE OF HEALTH
ROCKY MOUNTAIN LABORATORY
HAMILTON, HT. 59840

ACCOUNTING STATION

AGENCY LOCATION CODE

CENTER FOR DISEASE CONTROL

DEPT HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
CENTER FOR DISEASE CONTROL
ATTN: FINANCIAL MANAGEMENT OFFICE
1600 CLIFTON ROAD
ATLANTA, GA. 30333

75 09 0421

DEPT HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
NAT'L INSTITUTE FOR OCCUPATIONAL SAFETY
AND HEALTH, CDC
4676 COLUMBIA PARKWAY
CINCINNATI, OH. 45226

75 09 0527

CHAPTER 5-00
REPORTING OBJECTIVES AND STANDARDS

- 5-00-00 Reporting Objectives
 - 10 Reporting Standards
 - 20 Structure and Content
 - 30 Periodic Review and Evaluation

S-00-00 REPORTING OBJECTIVES

An accounting system fully accomplishes its intended function only when the information reflected in the accounts is regularly, consistently, promptly, and reliably assembled in formats suitable to the uses of management. The effectiveness and related qualifications of an agency's accounting system and procedures will be measured largely by its capacity and ability to produce valid, useful, and timely data.

Agency accounting systems and procedures will be designed primarily to produce directly most of the reports needed at the top and middle management levels and to facilitate by appropriate measures the prompt preparation and distribution of all other reports.

In large measure, the format and content of external reports are either fixed by statute or the published requirements of the central control agencies. These reports are among those dealt with in subsequent chapters of this manual part. However, the structure of an agency's accounting system and its reporting provisions cannot be allowed to rest solely upon this narrow base. The reports required by the Department and by internal agency management must also be fully considered in the system design.

5-00 1 0 REPORTING STANDARDS

- A. The general standards to be observed by an agency within the Department in preparing data presentations in the form of reports and analyses prepared in whole or part from accounting records are as follows:

1. **Completeness and Clarity**

All essential facts relating to the scope and purpose of each presentation and the period of time involved shall be included and clearly displayed. The requirements and intent of prescribed reports shall be fully and clearly served. Reports shall be maintained on a consistent basis from period to period. Material changes in bases and classifications will be fully disclosed together with their effect on the data reported.

(S-00-10 continued)

2. Accuracy and Reliability

The requirement for accuracy does not rule out the inclusion of reasonable estimates when precise measurements are not available, are inappropriate, or are conducive to unreasonable delay. The basis and reason for inclusion of estimates should be clearly stated. All steps should be taken to avoid bias, presentation of misleading information, or obscurement of significant facts and relationships.

3. Timeliness

Reports must be produced promptly. Scheduled reports will be produced in accordance with the time allotments specified.

4. Relation to the Accounts

Reports shall be based on official accounting records maintained within prescribed standards. Where reports or data are either (1) translated from the accounts or (2) are based on sources other than the accounts this fact shall be clearly disclosed. In the first instance, a record of the methods and basis employed in transforming the data into the form of the report so as to enable reconciliation to the accounts, will be prepared and made a part of the records. In the second instance, the source will be disclosed and if as in (1) above a translation is made, the procedure specified will apply to enable reconciliation to the source.

5. Status of Reports

Reports, analyses, and related work papers form an integral part of the formal accounting records from which they are compiled. They will be maintained so as to be clearly and readily accessible for repeated reference to the information compiled and the methods employed.

5-00- 20 STRUCTURE AND CONTENT

The basic structure and content of reports specified by the central control agencies and the Department are as prescribed in the various circulars, memorandums, and published procedures requiring their submittal. The structure content and arrangement of these and further details concerning the standards and guidelines applicable to internal reports are discussed in subsequent chapters of this manual part.

5-00-30 PERIODIC REVIEW AND EVALUATION

All ● pettr of reportt and reporting will be periodically reviewed with agency management in rttptct to the following:

- A. Relevancy of content and format.
- B. Timing of production and release in relation to the need for the information.
- C. Relationship to the tccountr and accounting process i.e.; production efficiency and coat.
- D. Accuracy and reliability.
- E. Other information needs in the management processes not presently supplied.

CHAPTER 5-10
INTERNAL REPORTS

- 5-10-00 General**
- 10 Design Procedure
- 20 Agency Accounting Manual Provisions
- 30 Periodic Review and Evaluation

5-10-00 GENERAL

- A.** The design, implementation and maintenance of internal accounting report functions within each agency in the DHEW will conform to the principles and practices set forth in this chapter. Included within the purview of this requirement are the production of all reports and assemblies of data regularly prepared from the accounts on fixed schedules and such special reports and analyses as may be required. The internal reports, reconciliations and other data assemblies required to control the accounting system and to manage accounting operations must also conform to these requirements.
- B.** The content of internal reports will, as a general rule, be focused upon costs in explicitly defined organizational or other areas of responsibility and current information relating to obligations needed for fund control purposes.
- C.** The content of reports, reporting methods, and schedules must be fully responsive to management's needs. Operating and systems accountants should keep abreast of and be fully responsive to management's special needs as well as to changes in established reports and other data presentation.
- D.** The preparation and distribution of reports that are not useful, that are excessively detailed, or fail in any significant aspect to satisfy the need or use at the point employed is to be avoided. Reports will be simply directed to the essential points of information required to evaluate and project conditions, control funds or activities, or to make decisions, as the purpose may be, at the point of use. The amount of detail shown including unusual items, explanatory notes and comments, shall be appropriate to the level and nature of the management functions to be exercised on the basis of the report. Analyses are most effective when the report parallels the analytic process applied to the data presented, e.g.: problem, cause, and corrective action to be applied. In all cases, the essential points should stand out and be clearly identifiable. Ordinarily, there should not be any need for additional computations or interpretive activity to arrive at the significant or essential points.
- E.** All reports prepared should be directly traceable to the accounts and records from which derived. Where statistical methods are applied to data for reporting purposes, the techniques applied and

INTERNAL REPORTS

The relationship between the amounts reported and those listed from the accounts shall be clearly explained in the report.

DESIGN PROCEDURE

A. General

1. The reporting function will be established as a separate and distinct phase of the accounting system. Personnel assignments must accord with the pattern established for internal control in the total system. Liaison will be maintained with report recipients and system personnel.
2. Design of the internal reporting phase requires as much or more care and attention to details as the other phase or parts of the accounting system.
3. The process of creating or revising a complete reporting system or any of its parts consists of two major steps:
 - a. Establishing requirements and structure.
 - b. Design of the report preparation procedures.

Each is discussed in greater detail in the remaining parts of this manual section.

Establishing Requirements and Structure

1. Comprehensive Review

Reports cannot be properly designed for those who use them without a clear and mutual understanding of the information needed and how it will be used. Thus, prior to the design of any report or a reporting system, a comprehensive survey should be conducted at the appropriate levels of management control to document the data needs and factors in the organizational structure, objectives, methods of operation, resource input-output measures employed, and other details, which will help determine report structure and content. All of concern at this point is the subsequent need to classify data needs at each point by type, extent of detail, time and frequency of need, and the permissible tolerances with respect to accuracy and the use of estimates or statistical methods. The expressed needs and aspirations of report recipients and users should also be documented for consideration in subsequent review and design steps. The material developed at each point or level of management control will be reviewed with progressively higher echelons in management to fully develop prospective patterns and to broaden

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perspective. In short, all of the information which will provide an accurate, consistent, and comprehensive definition of managements' reporting needs must be systematically assembled.

2. Management Leadership and Participation

Full active participation of line and staff personnel is essential to the determination of system output requirements and attainment of utility in reports. Management must make clear to the accountants exactly what is needed. The accountants assist in arriving at definitions of what is or may be useful, is feasibly and consistently attainable, and how the data will be obtained and compiled in terms of accounts and the amounting processes.

3. Tentative Proposals

Tentative reporting structure proposals should be formulated for review and approval at appropriate management levels. Factors which should be considered and reviewed with successive levels of management in developing and assembling such proposals include:

- a. Requirements basic to the control exercised at each level of management.
- b. Relationships between reports and their content and format at successive levels,
- c. Relationship to the accounting records and processes projected or existing.
- d. Timing and frequency of data needs.
- e. Tolerances as to the use of estimates and the issuance dates.
- f. Methods and costs of production.

4. Final Proposal and Approvals

The final proposal will be presented to top management in considerable detail for approval. With respect to each report or series of reports proposed, the following matters should be explicitly covered:

- a. Report Title
- b. Report Purposes

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- c. **Report Content**
- d. **Report Format (putlinr)**
- e. **Management Levels directed to (or named recipients)**
- f. **Time and Frequency Specifications**
- g. **Relationships Between Reports**
- h. **Accounting Record sources and Methods of Production**

The presentation should include any recommendations concerning minor organizational changes or alternative administrative practices which will improve clarity or usefulness of the reports proposed. The final proposal as approved by management is then used as a basis for procedures design.

C. Design of the Report Preparation Procedures

a. Considerations

The principal design considtrations which bear directly upon reliability and timelintae in report preparation and issuance are:

1. Structure of the accounts in relation to report content. This factor determines the amount of work and consequently the time required for preparation and in some degree affects the ability to product reliable reports.
2. Timely and effective application of reconciliation and verification procedures to the accounts (Chapter 2-40). Accuracy and reliability of the data rtfitted in reports and the prevention of delay in preparation and issuance are directly depe dent upon this factor.
3. Ready availability of current concise instructions coctrning the details and the time schedule for each step involved in preparation and issuance.

The design of ● ubaldlary records and their relationship to control accounts at intermediate and general ledger levels should be predicated upon the established reporting objectives and requirements.

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In some instances, the data in reports produced at the basic level or at frequent time intervals can be used in the preparation of reports prepared infrequently or at a higher level.

d. Control and Subsidiary Account Structure

It will not be possible to arrange control and subsidiary account relationships in the accounting system to accommodate the requirements of all reports issued. The preceding analysis by level and frequency combined with a review of preparation time and issue date tolerances and report purposes will serve as a basis for establishing relative priorities. The basic core of essential priority reports will be derived directly from accounts and records structured for this purpose. Reports with lower priority may be compiled expeditiously from basic priority reports or by further processing of data derived from the accounts. Those considerations should enable an arrangement of procedures and a schedule which will most efficiently meet reporting requirements.

e. Reconciliations and Verifications

Reconciliation and verification procedures are specified principally those specified in Chapter 2-40 of this manual. With respect to reports these procedures, basic control, provide requisite assurance that the accounts are in proper condition prior to the derivation of reports. Processes which must be applied specifically to individual reports and groups of reports consist of (1) reapplying, at a review point, the adding or computing processes used in compiling the reports, (2) depicting precisely, in either the report or in the work papers retained for the record, the relationship between the reported data and specific accounts from which they are derived. This requirement applies to instances in which this relationship cannot otherwise be readily determined. Other reconciliations and verifications which may be applied are dependent upon the relationships between reports, either by periodic intervals of time or successive reporting levels, which are established in the structure. Such reconciliations as are appropriate to accurate maintenance of these relationships should be established and applied.

5-10-20 AGENCY ACCOUNTING MANUAL PROVISIONS

Uniformity, consistency, and reliability in a reporting structure are completely attainable only as a result of a complete understanding, by all concerned, of the factors involved and the principles and procedures established for producing the reports. All of the essential aspects of report production, issuance, and control will be explicitly included in each agency's accounting manual. Issued as a separate

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segment or separable part, it will be distributed currently to report recipients and others concerned with reports who do not otherwise receive distribution of the Accounting Manual or changes thereto. The following matters are considered essential to effective communications concerning the reporting system.

- a. A description of the reporting system generally outlining structure, flow, policy, and responsibilities.
- b. Procedures for obtaining special reports and for requesting or suggesting changes.
- c. A reports directory which lists by position or level of management the recipients of each report, the time of issuance, and any special input requirements.
- d. Detailed segments devoted to each report which show: (1) the procedures to be followed; (2) preparation start times; (3) record sources; (4) responsibilities at each stage in preparation and issuance; (5) issuance date; (6) reconciliation and verification procedures and how they will be evidenced, and (7) illustrations and explanations of the forms employed.
- e. A separate report issuance schedule arranged by starting times which shows: (1) starting point in the accounting operations, (2) the progressive flow of responsibilities at successive stages of preparation and verification and (3) due dates.
- f. A reports control procedure which provides: (1) initiation and maintenance of the schedule set forth in e. above, (2) specific follow-up authority and responsibility, (3) reviews to ensure that reconciliation and verification procedures have been applied, and (4) a point of routine liaison with management concerning the receipt of reports and other routine matters concerning the preparation and distribution of reports.

Not all of the factors and relationships involved in the actual production of reports can be completely foreseen or preordained in the initially written procedures. However, when accounting and operating personnel are provided with detailed instructions

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concerning the principles, intent, purpose and tolerances of each report, informed judgments can be made in resolving immediate problems and the procedural adjustments required will become more quickly apparent. The system of detailed instructions required to be established can then be relied upon to accurately and uniformly communicate these adjustments to all concerned.

5-10-30 PERIODIC REVIEW AND EVALUATION

The reporting structure, the scope, content and utility of individual reports, the methods and procedures employed to produce reports and the account structure and processes from which they are derived, should be reviewed periodically to ensure that prescribed conditions apply.

This review may be conducted on a cycle basis, considering reports by production or frequency groupings, by level of recipient or other convenient or appropriate classifications. The review should be directed toward the possibility of (1) combining similar reports, (2) increasing or reducing the frequency of issuance, and (3) making changes in the accounts, recording processes or methods of compilation to otherwise reduce the cost or time required for production and issuance.

Reviews to the extent necessary in the indicated circumstances are required when:

1. Major changes are contemplated in the content and format of reports or the reporting system.
2. Major changes are contemplated in the accounting system.
3. A reporting system is initially approved and implemented on the basis of a review of only the salient reporting requirements.

The process of periodic review must also effectively operate to maintain liaison between report users and the accounting function. It should also be productive of opportunities to consider initiation of useful reporting techniques in new areas or in areas not previously considered.

Subject: HHS ANNUAL FINANCIAL REPORT

5-20-00	Purpose, Applicability and Authority
5-20-10	General Standards
5-20-20	Segments of the Annual Financial Report
5-20-30	Eliminations
5-20-40	Management and Legal Representation Letters
5-20-50	Automated Transmission *** Financial Statements
5-20-60	Reporting Due Dates
5-20-70	Auditor's Report
Exhibit 5-20-A	HHS Reporting Entities
Exhibit 5-20-B	Key Milestones for Preparation and Audit of Financial Statements
Exhibit 5-20-C	Financial Statement Formats and Crosswalks (includes exhibits C and C.1-C.27)
Exhibit 5-20-D	Notes to Financial Statements

S-20-00 **PURPOSE, APPLICABILITY AND AUTHORITY**

This chapter provides guidance for the preparation of the year-end financial report by HHS Operating Divisions (OPDIVs), and prescribes the formats and notes for both the OPDIV and the Departmentwide financial statements.

The Chief Financial Officers (CFOs) Act of 1990 required Executive Branch agencies to prepare and audit financial statements for all trust funds, revolving funds, and accounts having substantial commercial activity. The CFOs Act coverage was subsequently broadened by the passage of the Government Management Reform Act of 1994 (GMRA). GMRA requires annual audited financial statements commencing with fiscal year (FY) 1996, covering all HHS accounts and associated activities. The Act has also designated March 1 as the reporting due date for audited financial statements. For HHS to comply with the CFOs Act, separate financial statements should be prepared on an entity-wide basis for HHS organizational components as designated in Exhibit 5-20-A. The designated OPDIV financial statements will be used as input information to the Department-wide financial statement to be prepared by Office of Finance staff. Audit coverage of the component financial statements will be determined on an individual basis.

The Office of Management and Budget (OMB) is required by the CFO Act to provide guidance and oversight to federal agencies. Minimum requirements for preparing year-end financial statements are contained in OMB Bulletin 97-01, "Form and Content of Agency Financial Statements," as amended. The guidance provided by this chapter supplements that provided by OMB.

Exhibit 5-20-A shows a listing of HHS Reporting Entities; Exhibit 5-20-B contains the Key Milestones for Preparation and Audit of Financial Statements; Exhibits 5-20-C.1 through 5-20-C.27 provide financial statement formats and crosswalks between statement line items and the corresponding general ledger (SGL) accounts included in the HHS Standard General Ledger Chart of Accounts; and Exhibit 5-20-D illustrates the note disclosures applicable to financial statements.

S-20-10 GENERAL STANDARDS

The financial statements shall be prepared in accordance with the accounting principles and standards prescribed by the HHS Departmental Accounting Manual (DAM) and other pronouncements of the Department, and with the form and content guidance prescribed by OMB Bulletin 97-01 and subsequent releases. Accrual accounting principles are to be employed, where appropriate, in the recording of transactions. All account balances reported in the financial statements shall be based upon summarized transaction data from the official accounting records. Supporting detail must be documented and must agree or reconcile with the official accounting records. This documentation, such as trial balances and account reconciliations, should be assembled in one central location in order to provide readily accessible source data for those preparing adjustments and reviewing the statements. All supporting documentation should be retained for use in any subsequent reviews.

The preparers of the financial statements may determine the need for additional guidance through an analysis of the reporting entity's operations and account balances. It should be recognized that preparing financial statements is a dynamic process in which standards evolve and unique accounting issues may arise that have not been adequately addressed or may require other than "textbook" solutions. Resolving such issues may require the joint efforts of report preparers and auditors, utilizing the guidance of the accounting profession. To this end, establishing and maintaining lines of communication with the auditors to address and resolve any questions regarding accounting standards or reporting issues is critical.

Inquiries for assistance or clarification of Department-wide policies, procedures and standards for preparing financial statements may be addressed to the Office of Financial Policy (OFP), Division of Accounting and Fiscal Policy (DAFP). ***OPDIVS are to strictly follow the statement formats and SGL crosswalks presented in the Exhibits to this chapter. In the event OPDIVs believe their operations warrant deviation from HHS and OMB standards for reporting, the request will be addressed to the Deputy Assistant Secretary, Finance with a full explanation regarding the need to depart from published standards.***

5-20-20 **SEGMENTS OF ANNUAL FINANCIAL REPORTS**

The CFOs Act, OMB's form and content guidance and FASAB's Federal accounting concept statement "Entity and Display" require the ANNUAL FINANCIAL REPORT TO be comprised of several parts. Segments other than the principal financial statements and related notes provide information on the past, present and future financial outlook, as well as programmatic and performance data. In particular, the CFOs Act and the Government Performance and Results Act (GPRA) require the systematic measurement of performance of major programs and other financial management aspects of the entity. Such measurement is accomplished by the development and use of appropriate performance indicators which will assist in evaluating the progress in achieving the entity's goals and objectives.

The various segments of the financial report are:

- A. Administrator's Message
- B. Chief Financial Officer's Message
- C. Management's Discussion and Analysis
- D. Principal Financial Statements and Related Notes
- E. Required Supplementary Stewardship Information
- F. Required Supplementary Information
- G. Other Accompanying Information
- H. Audit Opinion (see section 5-20-70)

These segments are applicable to both OPDIV reports and the HHS Accountability Report. Following is a brief description of the contents of each segment.

A. The Administrator's Message

The Administrator's message will speak to management goals of the organization and highlight the achievements toward meeting those goals. Also highlighted will be any impediments that lessened the organization's success and future plans to meet challenges and opportunities.

B. The Chief Financial Officer's Messaae

The CFO's message will contain a brief discussion and analysis of the financial statements, noting trends of revenues and expenses, and actions taken to resolve problem areas. The CFO will reveal the status of implementing the accounting standards required by the Federal Accounting Standards Advisory Board (FASAB), the actions being taken to evolve to a performance based budgeting environment and the progress toward developing measures of performance, and the organization's compliance with OMB, the CFO's Act and other Federal statutes relevant to financial management.

C. Management's Discussion and Analysis (D&A)

The Federal Accounting Standards Advisory Board has specified the contents of the MD&A. The MD&A is classified as required supplementary information (RSI). It should consist of the following:

- the entity's mission and organization structure
- the entity's performance goals and results
- the entity's systems and controls
- the entity's significant achievements
- the future effects on the entity of current demands, risks, uncertainties, events, conditions and trends
- discussion of the financial statements and financial condition

In addition to these requires segments, it would be desirable to describe, preferable by graphic display, the source of the current year's financing and the uses of these funds. The detail of financing should be at the level of the organization's budget and the application of funds should be at the major program level. The financing narrative should indicate the portion of the budget request that was dedicated to specific program and projected performance measurement information. In discussing the entities performance goals and results of the major programs and activities, the narrative should follow and complement the financial data presented in the Statement of Net Cost and applicable schedules.

D. Principal Financial Statements and Notes

OMB Bulletin 97-01 requires agencies to prepare the following principal statements:

- Balance Sheet
- Statement of Net Cost
- Statement of Changes in Net Position
- Statement of Budgetary Resources
- Statement of Financing

OPDIVs will prepare each principal statement as presented in Exhibits 5-20-C.1 through 5-20-C.27 and the accompanying notes in accordance with Exhibit 5-20-D. OPDIV dollar amounts will be rounded to the nearest thousand. Departmental dollars will be rounded to the nearest million. Comparative statements and accompanying notes are not required until FY 2000.

The principal financial statements may be a consolidated statement or a consolidating statement displaying the major budget functions of the President's budget. For those OPDIVs having more than one major budget function, the scope of the audit will determine whether a one column report or a multi-column report will be prepared. When a one column report is prepared the consolidating statement will be placed

in the "Other Accompanying Information" segment of the report. When the OPDIV prepares both consolidated statements and supplemental consolidating statements, eliminations will be displayed only on the consolidating statements.

The financial statement line items are designed to display information at a summary level. Detailed information is to be presented in the formatted footnotes and/or the accompanying narrative. Lines of data should not be combined in the "Other" line of the report. When "Other" consists of only one SGL item, the name of the item may be used rather than "Other." Also, in the event "Accrued Annual Leave", which normally falls in the "Other" line, is greater than the sum of all other lines within the caption "Other Liabilities Not Covered by Budgetary Authority" an additional line should be added.

Presently, the Statement of Budgetary Resources and the Statement of Financing will be prepared on a combined basis.

OMB requires a Statement of Custodial Activity for agencies whose primary mission is the collection of taxes and duties (IRS), or whose significant activities include collecting nonexchange revenue (Customs Service) for the General Fund of the Treasury, a trust fund, or other recipient entities. When OPDIVs have material custodial collections, a disclosure note will be prepared to show the sources and disposition of these custodial collections. Currently, the only material custodial collections identified are the collections for child support enforcement by ACF and the royalty collections made by NIH. If other OPDIVs believe they have custodial activity material enough to warrant disclosure in the footnotes, this should be discussed with Division of Accounting and Fiscal Policy (DAFP). NOTE: Miscellaneous Receipts due to Treasury may fall under the technical definition of custodial activity, but they are **not** to report the receipts as custodial collections.

E. Required Supplementary Stewardship Information (RSSI)

These reports consist of:

Stewardship PP&E
Stewardship Investments

Stewardship PP&E includes Heritage Assets and Stewardship Land. Presently these apply only to the Indian Health Service (IHS). Stewardship Investments includes Non-federal Physical Property, Human Capital and Research and Development (R&D). Presently all OPDIVs have R&D except HCFA, IHS, PSC and SAMHSA. Only ACF and NIH report Human Capital and only IHS reports Non-federal Physical Property.

F. Required Supplementary Information (RSI)

These reports consist of:

Statement of Budgetary Information
Segment Information
Deferred Maintenance
Intra-governmental Balances

Supplementary information for the Statement of Budgetary Resources will be aggregated and presented as reported on the Program and Financing Schedule (P&F) . Segment Information is the additional data required for Franchise and Revolving Funds when these data are not presented as a separate column on the consolidating balance sheet. The financial data will show costs and revenues by product line. In addition to the net cost summary, the services provided will be described as well as the identity of major customers. Deferred maintenance reports on the condition, costs to return to acceptable condition, the maintenance scheduled and that actually performed on both General PP&E and Stewardship PP&E. Two method of determining costs are provided: that based on condition assessment surveys or life-cycle cost forecasts. The Intra-governmental Balances reports the financial statement asset and liability lines by the dollars related to agency partner. When the asset/liability category comprise less than 20 percent of the category the agency partner dollars may be aggregated into one figure. In addition, exchange revenue and non-exchange revenue is to be reported by intra-governmental partner. Revenues (net of inter-OPDIV activity) less than \$2 billion for FY 1999 and \$500 million for FY 2000 need not be reported. In addition the report calls for reporting, in total, the full cost of generating the revenues.

G. Other Accompanying Information

These reports consist of:

Consolidating Balance Sheet by Budget Function, OPDIV and HHS
Consolidating Balance Sheet by OPDIV, HHS
Consolidating Statement of Net Cost, OPDIV and HHS
Public and Intra-governmental Net Costs, OPDIV and HHS
Consolidating Statement of Changes in Net Position, OPDIV and HHS
Hospital Insurance (HI) & Supplemental Medical Insurance (SMI)
Medicare Trust Fund Projections
Statement of Account of Medicare Trust Fund Investments
Federal Managers' Financial Integrity Act
Prompt Pay
Civil Monetary Penalties

The format of the first five reports, together with the SGL crosswalks, explain the contents. OPDIVs and the Department have discretion on the format and content of the latter six reports. Other reports of interest to report readers may be included.

5-20-30 ELIMINATIONS

Eliminations are intra-governmental transactions that must be identified and eliminated from the financial statements so that assets, liabilities, expenses and revenues will not be double-counted. These transactions are identified by adding the sub-account code "G" to each general ledger account and maintaining a subsidiary file maintained by partner code and by internally developed codes or other identification for the intra-OPDIV eliminations. The governmental transactions within an OPDIV are to be eliminated on applicable OPDIV financial statements, those between OPDIVs are to be eliminated on applicable Departmentwide financial statements, and those between Agencies are to be eliminated on the financial report of the United States government.

Detailed instructions on the maintenance of subsidiary files are issued and periodically updated by the Division of Accounting and Fiscal Policy (DAFP). OPDIVs are encouraged to confirm their intra-governmental transaction balances periodically with other OPDIVs; however, DAFP will assist in this process after receiving OPDIV files containing June 30 balances, and again at September 30. A review of the differences is made by staff of the Office of Inspector General (OIG) as a part of their verification of FACTS data transmitted to Treasury for preparation of the governmentwide financial statements. OPDIVs should ensure that the September 30 "G" balances on the subsidiary files equal the "G" balances reported under FACTS. When the inter-OPDIV transactions reported to DAFP are not equal at year-end, DAFP will determine the most conservative amount to be eliminated on the Departmentwide financial statements.

As previously stated, financial statements are prepared at the combined level and eliminations are shown to arrive at the consolidated level.

OMB, GAO and the Treasury are concentrating on improving the reporting of intra-governmental transactions. Treasury is requiring for FY 1999 that balances be confirmed with four major trading partners: Treasury, Bureau of Public Debt (BPD), Labor and OPM. DAFP will issue supplemental guidance to that contained in Treasury's "Intragovernmental Fiduciary Transactions Accounting Guide." OMB's Bulletin 97-01, amended, also requires a special "Intra-governmental Balances" schedule to be submitted with the financial statements. See section F of 5-20-20 and Exhibit 5-20-C.18, the standard format for this report.

5-20-40 **MANAGEMENT AND LEGAL REPRESENTATION LETTERS**

Before the audit of the financial statement is completed, OPDIVs must furnish the auditor a "Management Representation Letter" which contain assertions that may affect the audit opinion and assertions concerning the effectiveness of internal controls, the system's substantial compliance with Federal financial management system requirements and compliance with laws and regulations. An illustration of this letter is at Appendix E, OMB Bulletin 98-08.

OPDIVs must also request that their legal counsel present to the auditor a "Legal Representation Letter" concerning the potential for litigation, claims and assessments at September 30 as well as a follow-on letter for any impending actions from September 30 to the completion of the audit. These legal letters are also the basis for recording contingent liabilities or making other applicable disclosures to the financial statement. In addition to the OPDIV legal representation letters, the OIG requires similar letters from OGC's Administrative and Business Law Division to support the HHS Accountability Report. Detailed instruction of the actions to be taken are issued by DAFP.

5-20-50 **AUTOMATED TRANSMISSION - FINANCIAL STATEMENTS**

Beginning FY 1999 and beyond, OPDIVs will submit their financial statements, supplemental statements and schedules, and notes to the Department electronically. The data collection and electronic transmission is termed "Automated Financial System (AFS)." The AFS uses the standard financial statement formats and notes contained in this chapter's Exhibits. The AFS will compile the data to produce the HHS-wide financial statements and notes for inclusion in the HHS Accountability Report. OPDIVs may use the AFS to prepare their own financial statements and notes if they desire.

Detailed guidance regarding the submission of OPDIV financial data to AFS is provided under separate cover.

5-20-60 **REPORTING DUE DATES**

The due date for the Department's Chief Financial Officer to submit the HHS Accountability Report to OMB is March 1 of the year following the current fiscal year reported. OPDIV draft financial statements and notes shall be submitted for review and consolidation to OFP no later than the middle of November. OFP will finalize the HHS-wide consolidated statements and notes by the middle of February to allow for a final review and submission to OMB by the March 1 deadline. Ample time must be given to submitting the OPDIVs and the Department's Discussion and Analysis segment of the reports to OMB. Exhibit 5-20-A provides the Key Milestones for Preparation and Audit of Financial Statements.

Preparers should verify to their satisfaction, and include to the extent possible, all financial adjustments to the financial statements recommended by the auditors. The final audit reports prepared by the OPDIV auditors should accompany their financial report and the audit report by the Office of Inspector General (OIG) should accompany the March 1 submission of the HHS Accountability report. **NOTE:** Although the OIG usually prepares individual audit reports of the OPDIVs, this report does not suffice for the annual financial report described in this chapter.

To meet the above time lines, the OPDIV financial manager must plan effectively to ensure that his/her annual report is produced in a timely manner. Consistent with the Departmental mile-stones, the plan should be supplemented with key target dates and coordinated with all involved organizational components. Management staff of the OPDIVs should be involved in report preparation and review to assist in defining and evaluating the program area(s) reported. Additionally, the finished appearance of each report should reflect the high professional standards of the Department.

5-20-70 **AUDITOR'S REPORT**

Financial statements are the direct responsibility of management, and management alone is responsible for their content. The audit report is the means by which the auditor expresses an opinion on the fairness of the financial statements. By stating exceptions in the audit report, the auditor focuses management's attention to areas where improvements are required.

The auditor's opinion shall include:

A statement that the financial statements were audited in accordance with Government Auditing Standards and the provisions of the applicable OMB bulletin on the audit requirements for federal financial statements.

A statement that the disclosures in the financial statements are adequate.

Exceptions or qualifications to the information presented in the financial statements are concisely stated in the report.

An opinion (unqualified, qualified, adverse, or disclaimer of an opinion) as to whether the financial statements, taken as a whole, are presented fairly, in all material respects, in accordance with applicable accounting standards.

Government Auditing Standards also require the auditor to prepare reports on the internal accounting controls and compliance with laws and regulations. A separate management letter may be issued containing those control weaknesses and compliance matters that were determined to be of lesser significance than the matters presented in the reports on internal controls and compliance with laws and regulations.

Certain programs/funds included in financial statements may be prepared on an unaudited basis, and will be so indicated. HHS's annual financial statement audits will be controlled by OMB Bulletin No. 98-08, dated August 24, 1998, and subsequent releases.

HHS REPORTING ENTITIES

1. Health Care Financing Administration (HCFA)
2. Administration for Children and Families (ACF)
3. Administration on Aging (AoA)
4. Food and Drug Administration (FDA)
5. Health Resources and Services Administration (HRSA)
6. Indian Health Service (IHS)
7. Centers for Disease Control (CDC -Includes ATSDR)
8. National Institutes of Health (NIH)
9. Substance Abuse & Mental Health Services Administration ((SAMHSA))
10. Agency for Health Care Policy and Research (AHCPR)
11. Program Support Center (PSC)
12. Office of the Secretary (OS))
13. HHS (Department-wide)

The following milestones were initially established by OFP/OIG staff and then updated for elimination policy, FACTS I, revised OMB Bulletin 98-08 re legal claims and OFP consolidation procedures. These milestones should be considered as "generic" guidelines. OPDIVs and their auditors may revise these dates to fit phased audit requirements so long as the financial statement and notes data are transmitted to the Department by the dates specified for preparation, audit and submission of the HHS Accountability Report to OMB.

**Key Milestones for Preparation and Audit
 of Financial Statements**

Milestones at OPDIV Level		Deadline
1	Funding for audit provided - included in budget request submitted.	10/1 Prior Year
2	Audit Contract in place.	5/15 Curr Yr
3	Entrance conferences held.	6/1
4	Planning phase completed by Auditors.	6/30
5	Auditor requests CFO/FMO to issue "letter of inquiry" on claims.	8/1
6	Internal control "testing phase" documentation provided the auditor.	8/3
7	Provide OFP ASCII elimination file as of 6/30 (OFP will subsequently provide analysis to OIG).	8/15
8	Provide 6/30 trial balance of accounts and agreed upon subsidiary reports and reconciliations to auditor; auditor begins substantive interim procedures.	8/15
9	Issue "letter of inquiry" to OPDIV legal counsel to gather claims data and to prepare "legal representation" letter for auditor.	9/1
10	Pro-forma financial statements provided to auditors.	9/4
11	Audit work on internal controls completed.	9/30
12	6/30 substantive procedures completed by auditor.	9/30
13	Year-end close-out completed.	10/15
14	Electronically transmit FACTS MAF data changes to Treasury.	10/15
15	Receive FECA, OPM pension and other inter-entity transaction information from OFP.	10/30

**Key Milestones for Preparation and Audit
 of Financial Statements**

Milestones at OPDIV Level		Deadline
16	PMS provides accrual/advance reports.	10/20
17	Allocation to GPRA programs completed; submitted to auditor for review (excluding inter-entity transactions and other late data).	11/2
18	Begin drafting MD&A.	11/2
19	Adjusting entries prepared, recorded and adjusted trial balance prepared as of 9/30; provided to auditor along with agreed upon subsidiary reports and reconciliations; provide estimates for inter-entity data not yet included (such as OPM and FECA data).	11/6
20	Draft financial statements provided to auditor, and copies to OFP via AFS transmission (includes GPRA allocations).	11/13
2i	FECA/OPM allocations posted and submitted to auditor for review.	11/15
22	2108/6653/224 reconciliations completed and any adjustments recorded and submitted to auditor for review, along with other late adjustments.	11/20
23	Provide OFP ASCII elimination file as of 9/30 (OFP will subsequently provide analysis to OIG).	11/24
24	OPDIV counsel furnishes claims data to include Liability and Note Disclosure. Treasury Judgement Fund from applicable sources.	11/25
25	Insure all missing documentation has been provided the auditor, otherwise fieldwork cannot be completed by 12/15.	12/61
26	Furnish auditor 9/30 elimination data (3 levels with supporting data).	12/9
27	Legal representation letter signed and presented to auditor, copy to OFP.	12/5
28	Audit procedures completed.	12/11
29	Draft MD&A provided to auditor and copies to OFP (copies sent to OMB for review).	12/15
30	Auditor prepares final adjustments.	12/21-12/23

**Key Milestones for Preparation and Audit
 of Financial Statements**

Milestones at OPDIV Level		Deadline
31	CFO requests and meets with auditor to review audit findings.	12/21-12/23
32	OPF furnishes OMB comments on MD&A to OPDIVs - negotiates any changes.	12/31
33	Supplemental allocation to GPRA programs to include all adjustments agreed to 12/31.	1/8 Next Year
34	Final adjustments recorded and financial statements prepared; furnished auditor and OPF (via AFS transmission).	1/11
35	Management representation letter signed and furnished to auditor with copy to OPF.	1/20
36	Second legal representation letter signed and furnished to auditor (any significant items after 9/30 to be noted in financial statements).	1/20
37	Final MD&A and updated notes provided to auditor.	1/21
38	Auditors' discussion draft provided to OPDIVs and OPF.	1/21
39	Provide auditors with comments on discussion draft.	1/28
40	Exit conferences held - final changes discussed.	2/8-2/10
41	FACTS transmission of ATBs and Notes to Treasury.	2/1
42	Treasurv e-mails summarized FACTS data for verification.	2/8
43	Auditor issues final report to OPDIV, OIG and OPF (15 copies).	2/15
44	Treasury formatted FACTS data checked to OPDIV ATBs and financial statements.	2/22
45	Any FACTS adjustments to Treasury.	2/24
46	OPDIV CFO verifies FACTS data to HHS CFO for Department's 3/2 verification to Treasury.	2/25
47	OPDIV hard copy statements transmitted to OMB through OPF.	3/1
48	OPDIV statements posted on Internet.	3/31

**Key Milestones for Preparation and Audit
 of Financial Statements**

Milestones at HHS Level		Deadline
1	OFP, from OPDIV files, compares 6/30 inter-OPDIV eliminations and attempts to resolve differences.	8/15-8/30
2	OFP receives FECA/payroll related data from Labor and OPM; allocates FECA and issues instructions to Payroll for OPDIV payroll related allocations.	10/20
3	OFP receives AFS electronic transmission of OPDIV draft financial statements and notes.	11/13
4	OFP, from OPDIV files, compares 9/30 inter-OPDIV eliminations and attempts to resolve differences.	11/24-12/15
5	OFP receives OPDIV draft MD&A; furnishes to OMB.	12/15
6	OFP sends "letter of inquiry" to OGC; requests interim response on Department legal representation letter (as of 9/30); and requests that updated response be sent to OIG.	12/15
7	OMB furnishes MD&A comments to OFP; OFP reviews and furnishes to OPDIV for amendment.	12/31
8	OFP receives updated AFS electronic transmission of financial statements and notes.	1/11
9	OFP consolidates OPDIV statement data into HHS-wide statements and provides to OIG.	1/15
10	OFP updates HHS-wide statements for any late OPDIV adjustments and notes; provides to OIG.	2/1
11	OFP completes inter-OPDIV elimination entries and furnishes to OIG.	2/1
12	OFP and OGC prepare format of legal response (support for financial statement; OIG to review).	2/1
13	OFP begins internal clearance for Accountability report.	2/1-2/25
14	OFP submits HHS draft MD&A to OPDIVs and OMB for review.	2/7
15	OFP OPDIV desk officers assist OPDIVs with FACTS verification worksheets.	2/8-2/24
16	OFP enters eliminations entries on HHS-Wide financial statements.	2/10

**Key Milestones for Preparation and Audit
 of Financial Statements**

Milestones at HHS Level		Deadline
17	OFFP completes MD&A and begins publication procedures; furnishes to OIG.	2/10
18	OIG completes review of HHS-wide MD&A, financial statements and notes.	2/13
19	OPDIV approval and OMB comments on HHS MD&A due; submit any changes to OIG	2/14
20	OFFP finalizes HHS-wide consolidated statements and notes; furnishes to OIG and sends to publisher.	2/17
21	OFFP completes HHS-wide management representation letter; OGC completes HHS-Wide legal representation letters and furnishes to OIG.	2/17
22	Department-wide level audit findings briefing by OIG to DASF.	2/20
23	HHS submits HHS Accountability Report (prepublication copy) and OPDIV financial reports to OMB.	2/23
24	Secretarial approval obtained.	2/25
25	OFFP receives Summarized FACTS data via FMS Intranet.	2/26
26	OIG renders opinion on HHS Accountability Report.	2/28
27	OGC submits updated legal representation letter to OIG, copy to OFFP.	3/1
28	OFFP furnishes HHS Accountability Report to OMB.	3/1
29	CFO Facts verification to Treasury and OMB.	3/3
30	HHS posts Accountability Report to Internet after review by OMB; delivers "glossy" to OMB and others.	3/15

Financial Statement Formats and Crosswalks

Principal Financial Statements:

Consolidated Balance Sheet (for OPDIV and Department)	Exhibit 5-20-C. 1
Consolidating Balance Sheet (optional OPDIV multi-column)	Exhibit 5-20-C.2
Consolidated Statement of Net Cost (Department)	Exhibit 5-20X.3
Consolidated Statement of Net Cost (for OPDIV)	Exhibit 5-20X.4
Consolidating Statement of Net Cost (optional OPDIV multi-column)	Exhibit 5-20-C.5
Consolidated Statement of Changes in Net Position (for OPDIV and Department)	Exhibit 5-20-C.6
Consolidating Statement of Changes in Net Position (optional OPDIV multi-column)	Exhibit 5-20-C.7
Combined Statement of Budgetary Resources (for OPDIV and Department)	Exhibit 5-20X.8
Combined Statement of Financing (for OPDIV and Department)	Exhibit 5-20X.9

Required Supplementary Stewardshio Information (RSSI):

Stewardship PP&E (for applicable OPDIVs and Department)	Exhibit 5-20-C. 10
Stewardship Investment - Nonfederal Physical Property (for applicable OPDIVs & Dept)	Exhibit 5-20-C. 11
Stewardship Investment - Human Capital (for applicable OPDIVs and Department)	Exhibit 5-20-C.12
Stewardship Investment - R&D (for applicable OPDIVs and Department)	Exhibit 5-20-C. 13

Reaured Supplementary Information (RSI):

Combining Statement of Budgetary Resources (for OPDIV and Department)	Exhibit 5-20-C. 14
Condensed Balance Sheet: Franchise & Intragovernmental Support Revolving Funds (for applicable OPDIV & Department Segment Information)	Exhibit 5-20-C. 15
Condensed Statement of Net Cost: Franchise & Intragovernmental Support Revolving Funds (for applicable OPDIV & Department Segment Information)	Exhibit 5-20-C. 16
Deferred Maintenance (for OPDIV and Department)	Exhibit 5-20-C. 17
Intra-governmental Balances (for OPDIV and Department)	Exhibit 5-20-C. 18

Other Accompanying Information:

Consolidating Balance Sheet by Budget Function (for Department)	Exhibit 5-20-C. 19
Consolidating Balance Sheet by Budget Function (for OPDIV)	Exhibit 5-20-C.20
Consolidating Balance Sheet by Operating Division (for Department)	Exhibit 5-20X.2 1
Consolidating Statement of Net Cost by Budget Function (for Department)	Exhibit 5-20-C.22
Consolidating Statement of Net Cost by Budget Function (for OPDIV)	Exhibit 5-20X.23
Public and Intragovernmental Costs (for Department)	Exhibit 5-20-C.24
Public and Intragovernmental Costs (for OPDIV)	Exhibit 5-20X.25
Consolidating Statement of Changes in Net Position by Budget Function (for Department)	Exhibit 5-20-C.26
Consolidating Statement of Changes in Net Position by Budget Function (for OPDIV)	Exhibit 5-20X.27

Principal Statement'

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATED BALANCE SHEET
 For the year ending September 30, 1999
 (in thousands)

		"Budget Function"		
		Intra- OPDIV Combined Totals	Elimi- nations	Consoli- dated Totals
ASSETS				
1. Entity:				
1a. Intragovernmental				
1a1.	Fund Balance with Treasury (Note 2)	\$ xxx	\$ XXX	\$ XXX
1a2.	Investments, Net (Note 3)	xxx	XXX	XXX
1a3.	Accounts Receivable, Net (Note 4)	xxx	XXX	XXX
1a4.	Other (Note 10)	xxx	XXX	XXX
	Total Intragovernmental	XXX	XXX	XXX
1b.				
1b1.	Investments, Net (Note 3)	xxx	xxx	XXX
1b2.	Accounts Receivable, Net (Note 4)	XXX	xxx	XXX
1b3.	Loans Receivable and Foreclosed Property, Net (Note 5)	xxx	xxx	XXX
1b4.	Advances with the Public (Note 6)	XXX	XXX	XXX
1b5.	Cash and Other Monetary Assets (Note 7)	XXX	xxx	XXX
1b6.	Inventory and Related Property, Net (Note 8)	xxx	xxx	XXX
1b7.	General Property, Plant, and Equipment, Net (Note 9)	xxx	XXX	XXX
1b8.	Other (Note 10)	xxx	x x x	XXX
	Total Entity	x x x	xxx	XXX
2. Non-Entity:				
2a. Intragovernmental				
2a1.	Fund Balance with Treasury (Note 2)	xxx	XXX	XXX
2a2.	Accounts Receivable, Net (Note 4)	xxx	XXX	XXX
2a3.	Other (Note 10)	x x x	XXX	XXX
	Total Intragovernmental	xxx	XXX	XXX
2b.				
2b1.	Accounts Receivable, Net (Note 4)	XXX	XXX	XXX
2b2.	Cash and Other Monetary Assets (Note 7)	XXX	XXX	XXX
2b3.	Other (Note 10)	XXX	X X X	XXX
	Total Non-Entity	X X X	XXX	XXX
3. Total Assets		<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

Principal Statement*

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATED BALANCE SHEET
 For the year ending September 30, 1999
 (in thousands)

	"Budget Function"		
	Combined Totals	Intra- OPDIV Elimi- nations	Consoli- dated Totals
LIABILITIES			
4. Liabilities Covered by Budgetary Resources			
4a. Intragovernmental			
4a1. Accounts Payable (Note 11)	\$ XXX	\$ XXX	\$ XXX
4a2. Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX
4a3. Debt	XXX	XXX	XXX
4a4. Other (Note 17)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total Intragovernmental	XXX	XXX	XXX
4b.			
4b1. Accounts Payable (Note 11)	XXX	XXX	XXX
4b2. Entitlement Benefits Due and Payable (Note 12)	XXX	XXX	XXX
4b3. Accrued Grants (Note 13)	XXX	XXX	XXX
4b4. Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX
4b5. Debt Held by the Public	XXX	XXX	XXX
4b6. Loan Guarantees (Note 15)	XXX	XXX	XXX
4b7. Federal Employee and Veterans Benefits (Note 16)	XXX	XXX	XXX
4b8. Other (Note 17)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total Liabilities Covered by Budgetary Resources	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
5. Liabilities Not Covered by Budgetary Resources			
5a. Intragovernmental			
5a1. Accounts Payable (Note 11)	XXX	XXX	XXX
5a2. Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX
5a3. Debt	XXX	XXX	XXX
5a4. Other (Note 17)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total Intragovernmental	XXX	XXX	XXX
5b.			
5b1. Accounts Payable (Note 11)	XXX	XXX	XXX
5b2. Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX
5b3. Debt Held by the Public	XXX	XXX	XXX
5b4. Federal Employee and Veteran's Benefits (Note 16)	XXX	XXX	XXX
5b5. Other (Note 17)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total Liabilities Not Covered by Budgetary Resources	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

Principal Statement+

U.S. Department of Health and Human Service
 Reporting OPDIV
CONSOLIDATED BALANCE SHEET
 For the year ending September 30, 1999
 (in thousands)

	"Budget Function"		
	Combined Totals	Intra- OPDIV Elimi- nations	Consoli- dated Totals
6. Total Liabilities	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
NET POSITION			
7. Unexpended Appropriations (Note 18)	XXX	XXX	XXX
8. Cumulative Results of Operations (Note 18)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
9. Total Net Position	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
10. Total Liabilities and Net Position	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

The accompanying notes are an integral part of these statements.

* Note: This principal statement format should be used by OPDIVs which have only one budget function and no Consolidating Balance Sheet. The column heading "Budget Function" should be renamed to reflect the OPDIV's correct budget function title: "Education, Training, and Social Services," or "Health." All three columns will be used.

OPDIVs with multiple budget functions may prepare the optional Consolidating Balance Sheet shown in Exhibit 5-20-C.2 as their principal statement, or they may prepare a one column (shaded column) Consolidated Balance Sheet following this exhibit format, as long as a Consolidating Balance Sheet by Budget Function (Exhibit 5-20-C.20) is included in the "Other Accompanying Information" section of the financial statements. The combined and eliminations columns will always be reported in the Consolidating Balance Sheet by Budget Function.

The HHS-wide Balance Sheet will use the one column consolidated statement format (Exhibit 5-20-C.1) with a supplemental consolidating schedule (Exhibit 5-20-c. 19) .

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>		<u>ACCT.</u>		<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>TB</u>	<u>NUM-</u>		<u>INFORMATION</u>
<u>BER</u>	<u>CLOSE</u>	<u>COLUMN</u>	<u>BER</u>	<u>ACCOUNT TITLE</u>	<u>REQUIRED</u>
ASSETS					
1				ENTITY	
1A				INTRAGOVERNMENTAL	
1A1				FUND BALANCE WITH TREASURY	
	POST	E	1011 G	AUTHORITY	
	POST	E	1012 G	DISBURSEMENTS (OTHER THAN PAYROLL)	
	POST	E	1013 G	DISBURSEMENTS (PAYROLL)	
	POST	E	1014 G	FOREIGN DISBURSEMENTS	
	POST	E	1015 G	COLLECTIONS	
	POST	E	1016 G	DEPOSIT FUNDS AND BUDGET CLEARING/SUSPENSE ACCTS	
1A2				INVESTMENTS, NET	
	POST	E	1343 G	INTEREST RECEIVABLE ON INVESTMENTS	
	POST	E	1349 G	ALLOWANCE FOR LOSS ON INTEREST REC	RELATED TO INVESTMENTS
	POST	E	41610 G	INVESTMENTS IN U.S. TREASURY SECURITIES ISSUED BY PUBLIC DEBT	
	POST	E	1611 G	DISCOUNT ON U.S. TREASURY SECURITIES ISSUED BY PUBLIC DEBT	
	POST	E	1612 G	PREMIUM ON U.S. TREASURY SECURITIES ISSUED BY PUBLIC DEBT	
	POST	E	1613 G	AMORTIZATION OF DISCOUNT AND PREMIUM ON U.S. TREASURY SECURITIES ISSUED BY PUBLIC DEBT	
	POST	E	1620 G	INVESTMENTS IN SECURITIES OTHER THAN PUBLIC DEBT SECURITIES	
	POST	E	1621 G	DISCOUNT ON SECURITIES OTHER THAN PUBLIC DEBT SECURITIES	
	POST	E	1622 G	PREMIUM ON SECURITIES OTHER THAN PUBLIC DEBT SECURITIES	
	POST	E	1623 G	AMORTIZATION OF PREMIUM AND DISCOUNT ON SECURITIES OTHER THAN PUBLIC DEBT SECURITIES	
	POST	E	1690 G	OTHER INVESTMENTS	
1A3				ACCOUNTS RECEIVABLE, NET	
	POST	E	1311 G	ADVANCES AND REIMBURSEMENTS RECEIVABLE - BILLED	
	POST	E	1312 G	REFUNDS RECEIVABLE	
	POST	E	1313 G	GENERAL/TRUST FUND RECEIPTS REC	
	POST	E	1314 G	ADVANCES AND REIMBURSEMENTS RECEIVABLE - UNBILLED	
	POST	E	1318 G	ACCOUNTS RECEIVABLE - NON-CURRENT	
	POST	E	1319 G	ALLOWANCE FOR LOSS ON ACCOUNTS REC	
	POST	E	1330 G	RECEIVABLE FOR ALLOCATION TRANSFERS	

					<u>BALANCE SHEET REPORT CROSSWALK</u>			
LINE NUM- B E R	PRE/ POST CLOSE	TB COLUMN	ACCT. NUM- B E R	ACCOUNT	TITLE	<u>ADDITIONAL INFORMATION REQUIRED</u>		
	POST	E	1344 G	INTEREST RECEIVABLE ON	GENERAL/ TRUST FUND RECEIPTS			
	POST	E	1349 G	ALLOWANCE FOR LOSS ON	INTEREST REC			
1A4				OTHER				
	POST	E	1414 G	ADVANCES TO OTHERS BY NON-	EXPENDITURE TRANSFERS			
	POST	E	1417 G	ADVANCES TO OTHERS - OTHER	THAN THROUGH PMS			
	POST	E	1451 G	PREPAYMENTS				
	POST	E	1452 G	DEFERRED CHARGES				
	POST	E	1920 G	UNREQUISITIONED AUTHORIZED	APPROPRIATIONS			
	POST	E	1921 G	RECEIVABLE FROM APPROPRIATIONS		DO NOT USE WITHOUT PERMISSION FROM TREASURY/OMB		
	POST	E	1922 G	BORROWINGS REC FROM TREASURY				
	POST	E	1990 G	OTHER ASSETS				
				TOTAL INTRAGOVERNMENTAL		CALCULATION (SUM 1A1 THROUGH 1A4)		
1B				[No title]				
1B1				INVESTMENTS, NET				
	POST	E	1343 N	INTEREST REC ON INVESTMENTS				
	POST	E	1349 N	ALLOWANCE FOR LOSS ON INTEREST	REC RELATED TO INVESTMENTS			
	POST	E	1620 N	INVESTMENTS IN SECURITIES OTHER	THAN PUBLIC DEBT SECURITIES			
	POST	E	1621 N	DISCOUNT ON SECURITIES OTHER THAN	PUBLIC DEBT SECURITIES			
	POST	E	1622 N	PREMIUM ON SECURITIES OTHER THAN	PUBLIC DEBT SECURITIES			
	POST	E	1623 N	AMORTIZATION OF PREMIUM AND DISCOUNT	ON SECURITIES OTHER THAN PUBLIC DEBT SECURITIES			
	POST	E	1690 N	OTHER INVESTMENTS				
1B2				ACCOUNTS RECEIVABLE, NET				
	POST	E	1311 N	ADVANCES AND REIMBURSEMENTS	RECEIVABLE - BILLED			
	POST	E	1312 N	REFUNDS RECEIVABLE				
	POST	E	1313 N	GENERAL/TRUST FUND RECEIPTS REC				
	POST	E	1314 N	ADVANCES AND REIMBURSEMENT	RECEIVABLE - UNBILLED			
	POST	E	1315 N	AUDIT DISALLOWANCES RECEIVABLE				
	POST	E	1316 N	ANTICIPATED RECOVERIES - AUDIT	DISALLOWANCES			
	POST	E	1317 N	INSURANCE PREMIUMS RECEIVABLE				
	POST	E	1318 N	ACCOUNTS RECEIVABLE - NON-CURRENT				
	POST	E	1319 N	ALLOWANCE FOR LOSS ON ACCOUNTS REC				

HHS Exhibit 5-20-C.1
 Departmental Accounting Manual
 HHS Transmittal 99.7 (9/30/99)

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>	<u>TB</u>	<u>ACCT.</u>	<u>ACCOUNT TITLE</u>	<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>COLUMN</u>	<u>NUM-</u>		<u>INFORMATION</u>
<u>BER</u>	<u>CLOSE</u>		<u>BER</u>		<u>REQUIRED</u>
	POST	E	131A N	ANTICIPATED RECOVERY - PROGRAM DISALLOWANCE	
	POST	E	1344 N	INTEREST RECEIVABLE ON GENERAL/TRUST FUND RECEIPTS	
	POST	E	134A N	INTEREST RECEIVABLE ON DELINQUENT ACCOUNTS	
	POST	E	1349 N	ALLOWANCE FOR LOSS ON INTEREST RECEIVABLE	
	POST	E	1361 N	PENALTIES, FINES AND ADMINISTRATIVE FEES RECEIVABLE	
1B3				LOANS RECEIVABLE AND FORECLOSED PROPERTY, NET	
	POST	E	1341 N	INTEREST RECEIVABLE ON LOANS	
	POST	E	1344 N	INTEREST REC ON GENERAL/TRUST FUND RECEIPTS	
	POST	E	134A N	INTEREST RECEIVABLE ON DEL ACCTS	
	POST	E	134B N	INTEREST RECEIVABLE ON DEL LOANS	
	POST	E	1349 N	ALLOWANCE FOR LOSS ON INTEREST REC	RELATED TO LOANS
	POST	E	1351 N	LOANS RECEIVABLE - PRINCIPAL	
	POST	E	1352 N	LOANS RECEIVABLE - COLLECTION	
	POST	E	1353 N	GENERAL/TRUST FUND RECEIPTS - LOANS REC - PRINCIPAL	
	POST	E	1354 N	GENERAL/TRUST FUND RECEIPTS - LOANS REC - COLLECTIONS	
	POST	E	1355 N	LOANS RECEIVABLE - GUARANTEED/ PLEGDED - PRINCIPAL	
	POST	E	1356 N	LOANS RECEIVABLE - GUARANTEED/ PLEGDED - COLLECTIONS	
	POST	E	1357 N	LOANS RECEIVABLE - DEFAULTED - PRINCIPAL	
	POST	E	1358 N	LOANS RECEIVABLE - DEFAULTED - COLLECTIONS	
	POST	E	135A N	LOANS RECEIVABLE - CURRENT	
	POST	E	1359 N	ALLOWANCE FOR LOSS ON LOANS REC	
	POST	E	1361 N	PENALTIES, FINES AND ADMIN FEES REC ON DELINQUENT ACCOUNTS	
	POST	E	1362 N	PENALTIES, FINES AND ADMIN FEES REC	
	post	E	1369 N	ALLOW FOR LOSS ON PENALTIES, FINES AND ADMIN FEES RECEIVABLE	
	POST	E	1399 N	ALLOWANCE FOR SUBSIDY	NOT CURRENTLY USED IN HHS
	POST	E	1551 N	FORECLOSED PROPERTY	NOT CURRENTLY USED IN HHS
	POST	E	1559 N	FORECLOSED PROPERTY - ALLOWANCE	
1B4				ADVANCES WITH THE PUBLIC	
	POST	E	1411 N	TRAVEL ADVANCES & EMERGENCY EMPLOYEE PAYMENTS	1413 AND 1418 WILL BE NETTE IF A DR BALANCE REPORT AS AN ASSET, IF A CR BALANCE REPORT AS A LIABILITY IN 4E ACCRUED GRANTS
	POST	E	1412 N	ADVANCES TO COMM OFFICERS	
	POST	E	1413 N	ADVANCES TO NON-FEDERAL ENTITIES THROUGH PMS	

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>		<u>ACCT.</u>			<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>TB</u>	<u>NUM-</u>			<u>INFORMATION</u>
<u>BER</u>	<u>CLOSE</u>	<u>COLUMN</u>	<u>BER</u>	<u>ACCOUNT</u>	<u>TITLE</u>	<u>REQUIRED</u>
	POST	E	1417 N	ADVANCES TO OTHERS - OTHER		
				THAN THROUGH PMS		
	POST	E	1418 N	ADVANCES TO OTHERS -		
				ESTIMATED ACCRUAL		
1B5				CASH AND OTHER MONETARY		
				ASSETS		
	POST	E	1110 N	UNDEPOSITED COLLECTIONS		NOT USED IN HHS
	POST	E	1120 N	IMPREST FUNDS		
	POST	E	1130 N	FUNDS HELD BY THE PUBLIC		NOT USED IN HHS
	POST	E	1190 N	OTHER CASH		
	POST	E	1195 N	OTHER MONETARY ASSETS		
	POST	E	1200 N	FOREIGN CURRENCY		
1B6				INVENTORY AND RELATED		
				PROPERTY, NET		
	POST	E	1511 N	OPERATING MATERIALS AND		
				SUPPLIES HELD FOR USE		
	POST	E	1512 N	OPERATING MATERIALS AND		
				SUPPLIES HELD IN RESERVE		
				FOR FUTURE USE		
	POST	E	1513 N	OPERATING MATERIALS AND		
				SUPPLIES - EXCESS,		
				UNSERVICEABLE & OBSOLETE		
	POST	E	1521 N	INVENTORY HELD FOR SALE		
	POST	E	1522 N	INVENTORY HELD IN RESERVE		
				FOR FUTURE SALE		
	POST	E	1523 N	INVENTORY HELD FOR REPAIR		
	POST	E	1524 N	INVENTORY - EXCESS,		
				OBSOLETE AND UNSERVICEABLE		
	POST	E	1525 N	MANUFACTURING - RAW MATERIALS		
				AND SUPPLIES		
	POST	E	1526 N	MANUFACTURING - WORK-IN-PROCESS		
	POST	E	1527 N	MANUFACTURING - FINISHED GOODS		
	POST	E	1529 N	INVENTORY - ALLOWANCE		
	POST	E	1541 N	FORFEITED PROPERTY HELD FOR SALE		
	POST	E	1542 N	FORFEITED PROPERTY HELD FOR		
				DONATION OR USE		
	POST	E	1549 N	FORFEITED PROPERTY - ALLOWANCE		
	POST	E	1561 N	COMMODITIES HELD UNDER PRICE		NOT USED IN HHS
				SUPPORT AND STABILIZATION		
				SUPPORT PROGRAMS		
	POST	E	1569 N	COMMODITIES - ALLOWANCE		NOT USED IN HHS
	POST	E	1571 N	STOCKPILED MATERIALS HELD IN		
				RESERVE		
	POST	E	1572 N	STOCKPILED MATERIALS HELD FOR SALE		
	POST	E	1591 N	OTHER RELATED PROPERTY		
	POST	E	1599 N	OTHER RELATED PROPERTY - ALLOWANCE		

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>		<u>ACCT.</u>		<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>TB</u>	<u>NUM-</u>	<u>ACCOUNT TITLE</u>	<u>INFORMATION</u>
<u>B E R</u>	<u>CLOSE</u>	<u>COLUMN</u>	<u>B E R</u>		<u>REQUIRED</u>
1B7				GENERAL PROPERTY, PLANT AND EQUIPMENT, NET	
	POST	E	1711 N	LAND AND LAND RIGHTS	
	POST	E	1712 N	IMPROVEMENTS TO LAND	
	POST	E	1719 N	ACCUMULATED DEPRECIATION ON IMPROVEMENTS TO LAND	
	POST	E	1720 N	CONSTRUCTION IN PROGRESS	
	POST	E	1730 N	BLDNGS, IMPROVEMENTS & RENOVATIONS	
	POST	E	1739 N	ACCUM DEPRECIATION ON BLDGS IMPROVEMENTS & RENOVATIONS	
	POST	E	1740 N	OTHER STRUCTURES AND FACILITIES	
	POST	E	1749 N	ACCUMULATED DEPR ON OTHER STRUCTURES AND FACILITIES	
	POST	E	1751 N	EQUIPMENT IN USE OTHER THAN IT (ADP & TC)	
	POST	E	1752 N	EQUIPMENT - PENDING DISPOSAL	
	POST	E	1753 N	CENTRAL LIBRARY - EQUIPMENT & BOOKS	
	POST	E	1754 N	FEDERAL PROPERTY IN CUSTODY OF OTHERS	
	POST	E	1756 N	IT (ADP & TC) EQUIPMENT IN USE	
	POST	E	1759 N	ACCUM DEPR ON EQUIPMENT	
	POST	E	1810 N	ASSETS UNDER CAPITAL LEASE AND LEASE-PURCHASE	
	POST	E	1819 N	ACCUMULATED DEPRECIATION ON ASSETS UNDER CAPITAL LEASE	
	POST	E	1820 N	LEASEHOLD IMPROVEMENTS	
	POST	E	1829 N	ACCUMULATED AMORTIZATION ON LEASEHOLD IMPROVEMENTS	
	POST	E	1830 N	INFORMATION TECHNOLOGY SOFTWARE	
	POST	E	1839 N	ACCUMULATED AMORTIZATION ON INFORMATION TECHNOLOGY SOFTWARE	
	POST	E	1840 N	OTHER NATURAL RESOURCES	NOT USED IN HHS
	POST	E	1849 N	ALLOWANCE FOR DEPLETION	NOT USED IN HHS
	POST	E	1890 N	OTHER GENERAL PROPERTY, PLANT AND EQUIPMENT	
1B8				OTHER	
	POST	E	1451 N	PREPAYMENTS	
	POST	E	1452 N	DEFERRED CHARGES	
				TOTAL ENTITY ASSETS	CALCULATION (SUM OF 1A, INTRA-GOVERNMENTAL ASSETS, AND 1B1 THROUGH 1B8)
2				NON-ENTITY	THESE ACCOUNTS WILL MAINLY BE USED FOR MISC RECEIPTS DU TO TREASURY, HOWEVER ALL USSGL ACCOUNTS ARE LISTED TO MAINTAIN CONTINUITY
2A				INTRAGOVERNMENTAL	
2A1				FUND BALANCE WITH TREASURY	

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>		<u>ACCT.</u>			<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>TB</u>	<u>NUM-</u>			<u>INFORMATION</u>
<u>BER</u>	<u>CLOSE</u>	<u>COLUMN</u>	<u>BER</u>	<u>ACCOUNT</u>	<u>TITLE</u>	<u>REQUIRED</u>
	POST	E	1011 G	AUTHORITY		
	POST	E	1012 G	DISBURSEMENTS (OTHER THAN PAYROLL)		
	POST	E	1013 G	DISBURSEMENTS (PAYROLL)		
	POST	E	1014 G	FOREIGN DISBURSEMENTS		
	POST	E	1015 G	COLLECTIONS		
	POST	E	1016 G	DEPOSIT FUNDS AND BUDGET CLEARING/SUSPENSE ACCTS		
2A2				ACCOUNTS RECEIVABLE, NET		
	POST	E	1311 G	ADVANCES AND REIMBURSEMENT RECEIVABLE - BILLED		
	POST	E	1312 G	REFUNDS RECEIVABLE		
	POST	E	1313 G	GENERAL/TRUST FUND RECEIPTS REC		
	POST	E	1314 G	ADVANCES AND REIMBURSEMENT RECEIVABLE - UNBILLED		
	POST	E	1318 G	ACCOUNTS RECEIVABLE - NON-CURRENT		
	POST	E	1319 G	ALLOWANCE FOR LOSS ON ACCOUNTS REC		
2A3				OTHER		
	POST	E	1414 G	ADVANCES TO OTHERS BY NON- EXPENDITURE TRANSFERS		
	POST	E	1417 G	ADVANCES TO OTHERS - OTHER THAN THROUGH PMS		
	POST	E	1451 G	PREPAYMENTS		
	POST	E	1452 G	DEFERRED CHARGES		
	POST	E	1990 G	OTHER ASSETS		
				TOTAL INTRAGOVERNMENTAL		CALC (SUM OF 2A1 THROUGH 2A3)
2B				[No title]		
2B1				ACCOUNTS RECEIVABLE, NET		
	POST	E	1311 N	ADVANCES AND REIMBURSEMENTS RECEIVABLE - BILLED		
	POST	E	1312 N	REFUNDS RECEIVABLE		
	POST	E	1313 N	GENERAL/TRUST FUND RECEIPTS RECEIVABLE		
	POST	E	1314 N	ADVANCES AND REIMBURSEMENT RECEIVABLE - UNBILLED		
	POST	E	1318 N	ACCOUNTS RECEIVABLE - NON-CURRENT		
	POST	E	1319 N	ALLOWANCE FOR LOSS ON ACCOUNTS REC		
	POST	E	1344 N	INTEREST RECEIVABLE ON GENERAL/ TRUST FUND RECEIPTS		
	POST	E	1349 N	ALLOWANCE FOR LOSS ON INTEREST REC		
	POST	E	134A N	INTEREST RECEIVABLE ON DEL ACCOUNTS		
	POST	E	1361 N	PENALTIES, FINES AND ADMIN FEES REC		
2B2				CASH AND OTHER MONETARY ASSETS		

BALANCE SHEET REPORT CROSSWALK

LINE NUM- B E R	PRE/ POST CLOSE	TB COLUMN	ACCT. NUM- B E R	ACCOUNT TITLE	ADDITIONAL INFORMATION REQUIRED
	POST	E	1110 N	UNDEPOSITED COLLECTIONS	NOT USED IN HHS
	POST	E	1120 N	IMPREST FUNDS	
	POST	E	1190 N	OTHER CASH	
	POST	E	1195 N	OTHER MONETARY ASSETS	
	POST	E	1200 N	FOREIGN CURRENCY	
	POST	E	1530 N	SEIZED PROPERTY - MONETARY INSTRUMENTS	NOT USED IN HHS
2B3				OTHER	
	POST	E	1417 N	ADVANCES TO OTHERS - OTHER THAN TROUGH PMS	IT IS UNLIKELY THAT SUCH EVENTS WOULD OCCUR FOR NON-ENTITY ASSETS
	POST	E	1451 N	PREPAYMENTS	
	POST	E	1452 N	DEFERRED CHARGES	
	POST	E	1990 N	OTHER ASSETS	
				TOTAL NON-ENTITY ASSETS	CALCULATION (SUM OF 2A, INTRA-GOVERNMENTAL ASSETS, AND 2B1 THROUGH 2B3)
3				TOTAL ASSETS	CALCULATION (SUM OF 1 AND 2)
LIABILITIES					
4				LIABILITIES COVERED BY BUDGETARY RESOURCES	
4A				INTRAGOVERNMENTAL	
4A1				ACCOUNTS PAYABLE	
	POST	E	2110 G	ACCOUNTS PAYABLE	
	POST	E	2120 G	DISBURSEMENTS IN TRANSIT	NOT USED IN HHS
	POST	E	2140 G	ACCRUED INTEREST PAYABLE	
	POST	E	2150 G	LIABILTY FOR ALLOCATION TRANSFERS	
4A2	POST	E	2995 G	ACCRUED CLEANUP COST	SEGREGATE FROM THE SGL USED TO RECORD (2110 or 2190)
4A3				DEBT	
	POST	E	2510 G	PRINCIPAL PAYABLE TO TREASURY	
	POST	E	2520 G	BORROWING FROM FEDERAL FINANCING BANK	
	POST	E	2530 G	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTHORITY, NET	NOT USED IN HHS NOT USED IN HHS
	POST	E	2540 G	PARTICIPATION CERTIFICATES	
	POST	E	2590 G	OTHER DEBT	

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>		<u>ACCT.</u>		<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>TB</u>	<u>NUM-</u>	<u>ACCOUNT TITLE</u>	<u>INFORMATION</u>
<u>B E R</u>	<u>CLOSE</u>	<u>COLUMN</u>	<u>BER</u>		<u>REQUIRED</u>
4A4				OTHER	
	POST	E	2190 G	OTHER ACCRUED LIABILITIES	
	POST	E	2311 G	ADVANCES FROM FEDERAL AGENCIES FOR DISB THROUGH MGMT FUNDS	
	POST	E	2312 G	ADVANCES FROM FEDERAL AGENCIES BY NON-EXPENDITURE TRANSFER	
	POST	E	2313 G	ADVANCES - ALL OTHER	
	POST	E	2314 G	ADVANCES - ESTIMATED ACCRUALS (UNEARNED REVENUE)	
	POST	E	2320 G	DEFERRED CREDITS	
	POST	E	2400 G	LIABILITY FOR DEPOSIT FUNDS AND SUSPENSE ACCOUNTS	
	POST	E	2920 G	CONTINGENT LIABILITIES	
	POST	E	2930 G	LIABILITY FOR BORROWINGS TO BE RECEIVED	
	POST	E	2940 G	CAPITAL LEASE LIABILITY	
	POST	E	2950 G	LIABILITY FOR SUBSIDY RELATED TO UNDISBURSED LOANS	
	POST	E	2910 G	RESOURCES PAYABLE TO TREASURY	
	POST	E	2990 G	OTHER LIABILITIES	
				TOTAL INTRAGOVERNMENTAL	CALCULATION (SUM 4A1 THROUGH 4A4)
4%				[No title]	
4B1				ACCOUNTS PAYABLE	
	POST	E	2110 N	ACCOUNTS PAYABLE	
	POST	E	2120 N	DISBURSEMENTS IN TRANSIT	NOT USED IN HHS
	POST	E	2130 N	CONTRACT HOLDBACKS	
	POST	E	2140 N	ACCRUED INTEREST PAYABLE	
4B2				ENTITLEMENT BENEFITS DUE AND PAYABLE	
	POST	E	2160 N	Entitlement Benefits Due & Payable	SEGREGATE FROM THE SGL USED TO RECORD THE ENTITLEMENT LIABILITY UNTIL ACCOUNT IS IMPLEMENTED
4B3				ACCRUED GRANTS	
	POST	E	1413 N	ADVANCES TO NON-FEDERAL ENTITIES THROUGH PMS	SEE LINE 1B4 WITH REGARD TO DISPLAYING A NEGATIVE DEBIT AS A LIABILITY AND REPORT AS ACCRUED GRANTS
	POST	E	1418 N	ADVANCES TO OTHERS - ESTIMATED ACCRUALS	
4B4	POST	E	2995 N	ACCRUED CLEANUP COST	SEGREGATE FROM THE SGL USED TO RECORD (2110 OR 2190) UNTIL THE ACCT IS IMPLEMENTED

BALANCE SHEET REPORT CROSSWALK

LINE NUM- B E R	PRE/ POST CLOSE	TB COLUMN	ACCT. NUM- B E R	ACCOUNT TITLE	ADDITIONAL INFORMATION REQUIRED
435				DEBT HELD BY THE PUBLIC	
	POST	E	2140 N	ACCRUED INTEREST PAYABLE	RELATED TO DEBT
	POST	E	2530 N	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTH, NET PARTICIPATION CERTIFICATES	NOT USED IN HHS
	POST	E	2540 N	OTHER DEBT	NOT USED IN HHS
	POST	E	2590 N		
4B6	POST	E	2180 N	LOAN GUARANTEES	
4B7				FEDERAL EMPLOYEE AND VETERAN'S BENEFITS	
	POST	E	2610 N	ACTUARIAL PENSION LIABILITY	COMMISSIONED CORPS ONLY
	POST	E	2620 N	ACTUARIAL HEALTH INS LIABILITY	NOT USED IN HHS
	POST	E	2630 N	ACTUARIAL LIFE INS LIABILITY	NOT USED IN HHS
	POST	E	2690 N	OTHER ACTUARIAL LIABILITIES	ONLY IF FUNDED
4B8				OTHER	
	POST	E	2130 N	CONTRACT HOLDBACKS	
	POST	E	2190 N	OTHER ACCRUED LIABILITIES	
	POST	E	2211 N	ACCRUED FUNDED PAYROLL	
	POST	E	2212 N	ACCRUED FUNDED ANNUAL LEAVE	
	POST	E	2213 N	ACCRUED FUNDED COMPENSATORY LEAVE	
	POST	E	2313 N	ADVANCES - ALL OTHER	
	POST	E	2314 N	ADVANCES - ESTIMATED ACCRUALS	
	POST	E	2315 N	ADVANCES - THROUGH 3 RD -PARTY DRAFTS	
	POST	E	2320 N	DEFERRED CREDITS	
	POST	E	2400 N	LIABILITY FOR DEPOSIT FUNDS AND SUSPENSE ACCOUNTS	MAY ALSO BE A DR BALANCE
	POST	E	2920 N	CONTINGENT LIABILITIES	
	POST	E	2940 N	CAPITAL LEASE LIABILITY	
	POST	E	2990 N	OTHER LIABILITIES	
				TOTAL LIABILITIES COVERED BY BUDGETARY RESOURCES	CALCULATION (SUM OF 4A AND 4B)
5				LIABILITIES NOT COVERED BY BUDGETARY RESOURCES	
5A				INTRAGOVERNMENTAL	
5A1				ACCOUNTS PAYABLE	
	POST	E	2110 G	ACCOUNTS PAYABLE	
	POST	E	2120 G	DISBURSEMENTS-IN-TRANSIT	NOT USED IN HHS
5A2	POST	E	2995 G	ACCRUED CLEANUP COSTS	

BALANCE SHEET REPORT CROSSWALK

<u>LINE</u>	<u>PRE/</u>	<u>ACCT.</u>	<u>ADDITIONAL</u>
<u>NUM-</u>	<u>POST</u>	<u>NUM-</u>	<u>INFORMATION</u>
<u>NR</u>	<u>CLOSE</u>	<u>BER</u>	<u>REQUIRED</u>
	<u>TB</u>		
	<u>COLUMN</u>		
		<u>ACCOUNT</u>	<u>TITLE</u>
5A3			DEBT
	POST	E 2140 G	ACCRUED INTEREST PAYABLE
	POST	E 2510 G	PRINCIPAL PAYABLE TO TREASURY
	POST	E 2520 G	BORROWING FROM FED FINANCING BANK
	POST	E 2540 G	PARTICIPATION CERTIFICATES
	POST	E 2590 G	OTHER DEBT
			RELATED TO DEBT
			NOT USED IN HHS
5A4			OTHER
	POST	E 2130 G	CONTRACT HOLDBACKS
	POST	E 2190 G	OTHER ACCRUED LIABILITIES
	POST	E 2221 G	ACCRUED UNFUNDED ANNUAL LEAVE
	POST	E 2222 G	ACCRUED UNFUNDED COMPENSATORY LEAVE
	POST	E 2320 G	DEFERRED CREDITS
	POST	E 2400 G	LIAB FOR DEPOSIT FUNDS, CLEARING
			ACCTS & UNDEPOSITED COLLECTIONS
	POST	E 2920 G	CONTINGENT LIABILITIES
	POST	E 2940 G	CAPITAL LEASE LIABILITY
	POST	E 2960 G	ACCOUNTS FAYABLE CANCELLED
	POST	E 2980 G	CUSTODIAL LIABILITY
	POST	E 2990 G	OTHER LIABILITIES
			MAY ALSO BE A DEBIT BALANCE
			NOT USED IN HHS
			TOTAL INTRAGOVERNMENTAL
			CALCULATION (SUM 5A1 THROUGH 5A4)
5B			[No title]
531			ACCOUNTS PAYABLE
	POST	E 2110 N	ACCOUNTS PAYABLE
	POST	E 2120 N	DISBURSEMENTS IN TRANSIT
			NOT USED IN HHS
5B2			ENVIRONMENT AND DISPOSAL COSTS
	POST	E 2995	ACCRUED CLEANUP COST
533			DEBT HELD BY THE PUBLIC
	POST	E 2140 N	ACCRUED INTEREST PAYABLE
	POST	E 2530 N	SECURITIES ISSUED BY FEDERAL
			AGENCIES UNDER GENERAL & SPECIAL
			FINANCING AUTHORITY, NET
	POST	E 2540 N	PARTICIPATION CERTIFICATES
	POST	E 2590 N	OTHER DEBT
			RELATED TO DEBT
			NOT USED IN HHS
			NOT USED IN HHS
5B4			FEDERAL EMPLOYEE AND
			VETERAN'S BENEFITS
	POST	E 2610 N	ACTUARIAL PENSION LIABILITY
	POST	E 2620 N	ACTUARIAL HEALTH INS LIABILITY
	POST	E 2630 N	ACTUARIAL LIFE INS LIABILITY
	POST	E 2690 N	OTHER ACTUARIAL LIABILITIES
			COMMISSIONED CORPS ONLY
			NOT USED IN HHS
			NOT USED IN HHS

					<u>BALANCE SHEET REPORT CROSSWALK</u>		
LINE	PRE/		ACCT.			ADDITIONAL	
NUM-	POST	TB	NUM-			INFORMATION	
<u>BER</u>	<u>CLOSE</u>	<u>COLUMN</u>	<u>BER</u>		<u>ACCOUNT TITLE</u>	<u>REQUIRED</u>	
5B5					OTHER		
	POST	E	2130 N		CONTRACT HOLDBACKS		
	POST	E	2190 N		OTHER ACCRUED LIABILITIES		
	POST	E	2221 N		ACCRUED UNFUNDED ANNUAL LEAVE		
	POST	E	2222 N		ACCRD UNFUNDED COMPENSATORY LEAVE		
	POST	E	2225 N		ACCRUED UNFUNDED FECA LIABILITY		
	POST	E	2320 N		DEFERRED CREDITS		
	POST	E	2620 N		ACTUARIAL PENSION LIABILITY		NOT USED IN HHS
	POST	E	2630 N		ACTUARIAL LIFE INS LIABILITY		NOT USED IN HHS
	POST	E	2910 N		PRIOR LIENS OUTSTANDING ON ACQUIRED COLLATERAL		NOT USED IN HHS
	POST	E	2920 N		CONTINGENT LIABILITIES		
	POST	E	2940 N		CAPITAL LEASE LIABILITY		
	POST	E	2960 N		ACCOUNTS PAYABLE CANCELED		NOT USED INN HHS
	POST	E	2980 N		CUSTODIAL LIABILITY		
	POST	E	2990 N		OTHER LIABILITIES		
					TOTAL LIABILITIES NOT COVERED BY BUDGETARY RESOURCES		CALCULATION (SUM 5A AND 5B)
6					TOTAL LIABILITIES		CALCULATION (SUM OF 4 AND 5)
	N-ET POSITION						
7					UNEXPENDED APPROPRIATIONS		
	POST	E	3100		APPROPRIATED CAPITAL		
	POST	E	3105		APPROPRIATED CAPITAL FUNDING CANCELED PAYABLES		NOT USED IN HHS
					CUMULATIVE RESULTS OF OPERATIONS		
	POST	E	3310		CUMULATIVE RESULTS OF OPERATIONS		
	POST	E	3312		FEDERAL PROPERTY IN CUSTODY OF OTHERS		
	POST	E	3313		APPROPRIATED FOR REVOLVING AND MANAGEMENT FUNDS		
9					TOTAL NET POSITION		CALCULATION (SUM OF 7 AND 8)
10					TOTAL LIABILITIES AND NET POSITION		CALCULATION (SUM OF 6 AND 9)

Principal Statement (optional)

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATING BALANCE SHEET
 For the year ending September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra-Entity Eliminations	Consoli- dated Totals
ASSETS						
Entity:						
Intragovernmental						
Fund Balance with Treasury (Note 2)	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Investments, Net (Note 3)	xxx	xxx	xxx	xxx	xxx	xxx
Accounts Receivable, Net (Note 4)	xxx	xxx	xxx	xxx	xxx	xxx
Other (Note 10)	xxx	xxx	xxx	xxx	xxx	xxx
Total Intragovernmental	xxx	xxx	xxx	xxx	xxx	xxx
Investments, Net (Note 3)	xxx	xxx	xxx	xxx	xxx	xxx
Accounts Receivable, Net (Note 4)	xxx	xxx	xxx	xxx	xxx	xxx
Loans Receivable and Foreclosed Property, Net (Note 5)	xxx	xxx	xxx	xxx	xxx	xxx
Advances with the Public (Note 6)	xxx	xxx	xxx	xxx	xxx	xxx
Cash and Other Monetary Assets (Note 7)	xxx	xxx	xxx	xxx	xxx	xxx
Inventory and Related Property, Net (Note 8)	xxx	xxx	xxx	xxx	xxx	xxx
General Property, Plant, and Equipment, Net (Note 9)	xxx	xxx	xxx	xxx	xxx	xxx
Other (Note 10)	xxx	xxx	xxx	xxx	xxx	xxx
Total Entity	xxx	xxx	xxx	xxx	xxx	xxx

Principal Statement (optional)*

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATING BALANCE SHEET
 For the year ending September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra-Entity Eliminations	Consoli- dated Totals
LIABILITIES						
Liabilities Covered by Budgetary Resources						
Intragovernmental						
Accounts Payable (Note 11)	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX	XXX	XXX	XXX
Debt	XXX	XXX	XXX	XXX	XXX	XXX
Other (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX
Total Intragovernmental	XXX	XXX	XXX	XXX	XXX	XXX
Accounts Payable (Note 11)	XXX	XXX	XXX	XXX	XXX	XXX
Entitlement Benefits Due and Payable (Note 12)	XXX	XXX	XXX	XXX	XXX	XXX
Accrued Grants (Note 13)	XXX	XXX	XXX	XXX	XXX	XXX
Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX	XXX	XXX	XXX
Debt Held by the Public	XXX	XXX	XXX	XXX	XXX	XXX
Loan Guarantees (Note 15)	XXX	XXX	XXX	XXX	XXX	XXX
Federal Employee and Veterans Benefits (Note 16)	XXX	XXX	XXX	XXX	XXX	XXX
Other (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX
Total Liabilities Covered by Budgetary Resources	XXX	XXX	XXX	XXX	XXX	XXX

Principal Statement (optional)*

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATING BALANCE SHEET
 For the year ending September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra-Entity Eliminations	Consoli- dated Totals
Liabilities Not Covered by Budgetary Resources						
Intragovernmental						
Accounts Payable (Note 11)	XXX	XXX	XXX	XXX	XXX	XXX
Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX	XXX	XXX	XXX
Debt	XXX	XXX	XXX	XXX	XXX	XXX
Other (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX
Total Intragovernmental	XXX	XXX	XXX	XXX	XXX	XXX
Accounts Payable (Note 11)	XXX	XXX	XXX	XXX	XXX	XXX
Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX	XXX	XXX	XXX
Debt Held by the Public	XXX	XXX	XXX	XXX	XXX	XXX
Federal Employee and Veteran's Benefits (Note 16)	XXX	XXX	XXX	XXX	XXX	XXX
Other (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX
Total Liabilities Not Covered by Budgetary Resources	XXX	XXX	XXX	XXX	XXX	XXX
Total Liabilities	XX	XXX	XXX	XXX	XXX	XXX
NET POSITION						
Unexpended Appropriations (Note 18)	XXX	XXX	XXX	XXX	XXX	XXX
Cumulative Results of Operations (Note 18)	XXX	XXX	XXX	XXX	XXX	XXX
Total Net Position	XXX	XXX	XXX	XXX	XXX	XXX
TOTAL LIABILITIES AND NET POSITION	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

* Note: This statement format may be used by OPDIVs that want to report multiple budget functions in their principal statement, in which case no supplemental statement is required.

The column headings "Budget Function I" etc., should be renamed to reflect the OPDIV's correct budget function titles: "Education, Training, and Social Services," "Health," "Medicare," "Income Security," "Admin. of Justice!" or "Natural Resources and Environment."

Principal Statement				
U. S. Department of Health and Human Services				
CONSOLIDATED STATEMENT OF NET COST				
For the Year Ended September 30, 1999				
(in millions)				
Operating Division	OPDIV Consolidated Totals	<u>Inter-OPDIV</u> costs (-)	<u>Eliminations</u> Earned/Exchange Revenues (+) ¹	HHS Consolidated Totals
ACF	XXX	(XX)	xx	xx>X
AOA	xxx	(XX)	xx	XXX
AHCPR	xxx	(XX)	xx	XX>X
CDC	xxx	(XX)	xx	XX>X
FDA	xxx	(XX)	xx	xx: X
HCFA	xxx	(XX)	xx	xx: X
HRSA	xxx	(XX)	xx	xx: X
IHS	xxx	(XX)	xx	XX>X
NIH	xxx	(XX)	xx	xx: X
OS	xxx	(XX)	xx	xx: X
PSC	xxx	(XX)	xx	xx: X
SAMHSA	<u>x x x</u>	<u>(XX)</u>	x x	<u>x x : X</u>
Net Cost of Operations	<u>x x x</u>	<u>(XX)</u>	<u>x x</u>	<u>XX>X</u>

The accompanying notes are an integral part of these departmental statements. In addition, detailed information on individual operating divisions (OPDIVs) can be found in the following supplemental schedules: "Consolidating Statement of Net Cost by Budget Function" and "Public and Intragovernmental Net Costs."

Eliminations for non-exchange revenue are reported in the Statement of Changes in Net Position

Principal Statement*

U.S. Department of Health and Human Services
 Reporting OPDIV
 CONSOLIDATED STATEMENT OF NET COST
 For the year ended September 30, 1999
 (in thousands)

	"Budget Function"		Consolidated Totals
	Combined Totals	Intra-OPDIV Eliminations	
1 Net Program/Activity Costs			
1A GPRA Programs			
1A1 GPRA Program A	\$ XXX	\$ XXX	\$ XXX
1A2 GPRA Program B	XXX	XXX	XXX
1A3 GPRA Program C	XXX	XXX	XXX
1A4 GPRA Program D	XXX	XXX	XXX
1A5 Net Cost - GPRA Programs	XXX	XXX	XXX
1B Other Activities (Note)			
1B1 Activity 1	\$ XXX	\$ XXX	\$ XXX
1B2 Activity 2	XXX	XXX	XXX
1B3 Activity 3	XXX	XXX	XXX
1B4 Net Cost - Other Activities	XXX	XXX	XXX
2 Total Net Program/Activity Costs ¹	XXX	XXX	XXX
3A Add: Costs Not Assigned to Programs/Activities	XXX	XXX	XXX
3B Less: Earned Revenues Not Attributable to Programs/Activities	(XXX)	(XXX)	(XXX)
4 Net Cost of Operations	\$ XXX	\$ XXX	\$ XXX

The accompanying notes are an integral part of these statements.

*Note: This statement format should be used by OPDIVs which have only one budget function and no Consolidating Statement of Net Cost. The Budget Function column should be renamed to reflect the correct OPDIV budget function: "Education, Training, & Social Services," or "Health." All 3 columns will be used. OPDIVs with multiple budget functions may prepare the optional Consolidating Statement of Net Cost shown in Exhibit 5-20-C.5 as their principal statement, or they may prepare a one column (shaded column) Consolidated Statement of Net Cost following this exhibit format, as long as a Consolidating Statement of Net Cost by Budget Function (Exhibit 5-20-C.23) is included in the "Other Accompanying Information" section of the financial statements. The combined and eliminations columns will always be reported in the Consolidating Statement of Net Cost.

in addition to this Statement of Net Cost format, there will be a supplemental schedule to display the costs of programs/activities by "Intragovernmental" and "With the Public," unless this information is included in the body of the Statement of Net Cost for each program/activity. For transfer payments, OPDIVs with large amounts should report the amount of transfer payments included in total gross cost in a footnote on the face of the statement. Transfer payments, an OMB term, means grants, subsidies, tribal payments, and social insurance claims; largely the 41 and 42 series of sub-object classification codes.

¹ Net Program/Activity Costs include approximately \$ XXX billion/million in transfer payments for various Departmental/OPDIV programs.

Principal Statement (optional)'

U.S. Department of Health and Human Services
 Reporting OPDIV
 CONSOLIDATING STATEMENT OF NET COST
 For the year ended September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Budget Function Combined Totals	Intra- Entity Eliminations	Consolidating Totals
1 Net Program/Activity Costs						
1A GPRA Programs						
1A1 GPRA Program A	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ XXX
1A2 GPRA Program B	xxx	xxx	xxx	xxx	xxx	xxx
1A3 GPRA Program C	xxx	xxx	xxx	xxx	xxx	xxx
1A4 GPRA Program D	xxx	xxx	xxx	xxx	xxx	xxx
1A5 Net Cost - GPRA Programs	xxx	xxx	xxx	xxx	xxx	xxx
1B Other Activities (Note)						
1B1 Activity 1	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
1B2 Activity 2	xxx	xxx	xxx	xxx	xxx	xxx
1B3 Activity 3	xxx	xxx	xxx	xxx	xxx	xxx
1B4 Net Cost - Other Activities	xxx	xxx	xxx	xxx	xxx	xxx
2 Total Net Program/Activity Costs ¹	xxx	xxx	xxx	xxx	xxx	xxx
3A Add: Costs Not Assigned to Programs/Activities	xxx	xxx	xxx	xxx	xxx	xxx
3B Less: Earned Revenues Not Attributable to Programs/Activities	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
4 Net Cost of Operations	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx

The accompanying notes are an integral part of these statements.

* Note: This statement format may be used by OPDIVs that want to report their multiple budget functions in their principal statement, in which case no supplemental statement is required.

The column headings "Budget Function I" etc., should be renamed to reflect the OPDIV's correct budget function titles: "Education, Training, and Social Services," "Health," "Medicare," "Income Security," "Admin. of Justice," or "Natural Resources and Environment."

For transfer payments, OPDIVs with large amounts should report the dollar amount of transfer payments included in total gross cost in a footnote on the face of the Statement of Net Cost. Transfer payments, an OMB term, means grants, subsidies, tribal payments, and social insurance claims; largely the 41 and 42 series of sub-object classification codes.

¹ Net Program/Activity Costs include approximately \$ XXX billion/million in transfer payments for various Departmental/OPDIV programs.

STATEMENT OF NET COST REPORT CROSSWALK

LINE i	PRE/ POST t CLOSE	TB COL	ACCT NUMBER	ACCOUNT TITLE	ADDITIONAL INFORMATION REQUIRED
				NET PROGRAM/ACTIVITY COSTS	
1A				GPRA PROGRAMS	ALL THE 6000, 7000 SERIES SGLS FOR COSTS ASSIGNED OR ALLOCATED, EITHER DIRECTLY OR INDIRECTLY.
1A1				GPRA PROGRAM A	
	PRE	E	6101	G/N OPERATING/PROGRAM EXPENSES	
	PRE	E	6102	G/N INTRA-OFFICE PURCHASES EXPENSE- TRANSFERS IN	
	PRE	E	6103	G/N EXPENSE * COST CAPITALIZED	
	PRE	E	6104	G/N CASH DISCOUNTS LOST	
	PRE	E	6105	G/N EXPENSES-PRICE VARIATION/CASH DISCOUNTS TAKEN	
	PRE	E	6108	G/N EXPENSE-RECLASSIFIED AS EXTRAORDINARY ITEM	
	PRE	E	6190	G/N CONTRA BAD DEBT EXPENSE-INCURRED FOR OTHERS	
	PRE	E	6199	ADJUSTMENT TO SUBSIDY EXPENSE	
	PRE	E	6310	INTEREST EXPENSE ON BORROWING FROM TREASURY	
	PRE	E	6320	G/N INTEREST EXPENSES ON SECURITIES	
	PRE	E	6330	G/N OTHER INTEREST EXPENSES	
	PRE	E	6400	G/N BENEFIT PROGRAM EXPENSE	
	PRE	E	6500	G/N COST OF GOODS SOLD	
	PRE	E	6600	G APPLIED OVERHEAD	
	PRE	E	6710	N DEPRECIATION AND AMORTIZATION	
	PRE	E	6720	G/N BAD DEBT EXPENSE	
	PRE	E	6730	G IMPUTED COST	
	PRE	E	6790	G/N OTHER EXPENSES NOT REQUIRING BUDGETARY RESOURCES	
	PRE	E	6800	G/N OTHER FUTURE FUNDED EXPENSES	
	PRE	E	6801	N ANNUAL AND COMPENSATORY LEAVE	
	PRE	E	6900	G/N NONPRODUCTION COSTS	NOT PRESENTLY USED IN HHS
	PRE	E	6905	G/N OTHER EXPENSES UNFUNDED	
	PRE	E	6906	G CURRENT YEAR UNFUNDED FECA EXP	
	PRE	E	7111	G/N GAINS ON DISPOSITION OF ASSETS- BOOK VALUE OF ASSETS	
	PRE	E	7112	G/N GAINS ON DISPOSITION OF ASSETS- PROCEEDS OF SALE	
	PRE	E	7190	G/N OTHER GAINS	
	PRE	E	7211	G/N LOSSES OF DISPOSITION OF ASSETS- BOOK VALUE	
	PRE	E	7212	G/N LOSSES OF DISPOSITION OF ASSETS- PROCEEDS OF SALE	

STATEMENT OF NET COST REPORT CROSSWALK

<u>LINE #</u>	<u>PRE/POST CLOSE</u>	<u>TB COL</u>	<u>ACCT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>ADDITIONAL INFORMATION REQUIRED</u>
	PRE	E	7290 G/N	OTHER LOSSES	
	PRE	E	7300 G/N	EXTRAORDINARY ITEMS	
	PRE	E	7500 G/N	DISTRIBUTION OF INCOME-DIVIDEND	NOT CURRENTLY USED IN HHS
	PRE	E	7600 G/N	CHANGES IN ACTUARIAL LIABILITY	
	PRE	E	5100 G/N	REVENUE FROM GOODS SOLD	ALL THE 5000 SERIES SGLS FOR EARNED (EXCHANGE) REVENUE ASSIGNED OR ALLOCATED, EITHER DIRECTLY OR INDIRECTLY.
	PRE	E	5109 G/N	CONTRA REVENUE FOR GOODS SOLD	
	PRE	E	5200 G/N	REVENUE FROM SERVICES PROVIDED	
	PRE	E	5209 G/N	CONTRA REVENUE FOR SERVICES PROVIDED	
	PRE	E	5311 G/N	INTEREST REVENUE EARNED-RETAINED BY AGENCY	
	PRE	E	5312 G/N	INTEREST REVENUE EARNED-GENERAL TRUST FUND RECEIPTS	
	PRE	E	5320 G/N	PENALTIES, FINES AND ADMINISTRATIVE FEES REVENUE	
	PRE	E	5329 G/N	CONTRA REVENUE FOR PENALTIES, FINES AND ADMINISTRATIVE FEES	
	PRE	E	5400 G/N	BENEFIT PROGRAM REVENUE	
	PRE	E	5409 G/N	CONTRA REVENUE FOR BENEFIT REVENUE PROGRAM	
	PRE	E	5500 G/N	INSURANCE AND GUARANTEE PREMIUM REVENUE	
	PRE	E	5509 G/N	CONTRA REVENUE FOR INSURANCE AND GUARANTEE PREMIUM REVENUE	
	PRE	E	5901 G/N	MISCELLANEOUS REVENUE-GENERAL/TRUST FUND RECEIPTS	
	PRE	E	5902 G/N	INTRA-OFFICE SALES REVENUE-TRANSFERS OUT	
	PRE	E	5903 G/N	ALL OTHER SOURCES	
	PRE	E	5909 G/N	CONTRA REVENUE FOR OTHER REVENUE	
				NET COST-GPRA PROGRAM A	CALCULATION (SUM OF 1A1)
1A2	PRE	E		GPRA PROGRAM B USE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	
1A3	PRE	E		GPRA PROGRAM C USE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	

STATEMENT OF NET COST REPORT CROSSWALK

<u>LINE #</u>	<u>PRE/POST CLOSE</u>	<u>FB COL</u>	<u>ACCT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>ADDITIONAL INFORMATION REQUIRED</u>
1A4	PRE	E		GPRA PROGRAM D, ETC. USE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	
1A5				NET COST - GPRA PROGRAMS	CALCULATION (SUM OF 1A1 THROUGH 1A4)
1B				OTHER ACTIVITIES	ALL COSTS AND REVENUES ASSIGNED OR ALLOCATED TO MAJOR ACTIVITIES NOT INCLUDED IN GPRA PROGRAMS.
1B1	PRE	E		ACTIVITY 1 USE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	
1B2	PRE	E		ACTIVITY 2 USE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	
1B3	PRE	E		ACTIVITY 3, ETC. USE SAME ACCOVNTS LISTED FOR GPRA PROGRAM A ABOVE	
1B4				NET COST - OTHER ACTIVITIES	CALCULATION (SUM OF 1B1 THROUGH 1B3)
2				TOTAL NET PROGRAM/ACTIVITY COSTS	CALCULATION (SUM OF 1A5 AND 1B4)
3A				ADD: COSTS NOT ASSIGNED TO PROGRAMS/ACTIVITIES VSE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	ANY REMAINING COSTS NOT ASSIGNED OR ALLOCATED TO SPECIFIC PROGRAMS/ACTIVITIES
3B				LESS: EARNED REVENUES NOT ATTRIBUTABLE TO PROGRAMS/ACTIVITIES USE SAME ACCOUNTS LISTED FOR GPRA PROGRAM A ABOVE	ANY REMAINING REVENUES NOT ASSIGNED OR ALLOCATED TO THE SPECIFIC PROGRAMS/ACTIVITIES
4				NET COST OF OPERATIONS	CALCULATION (SUM OF 2 THROUGH 3B)

Principal Statement*

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
 For the year ended September 30, 1999
 (in thousands)

	Budget		Function
	Combined <u>Totals</u>	Elimin- <u>ations</u>	Consolid- ated <u>Totals</u>
1. Net Cost of Operations	\$ xxx	\$ xxx	\$ xxx
2. Financing Sources (other than exchange revenues):			
2a. Appropriations Used	xxx	xxx	xxx
2b. Taxes (and other non-exchange revenue)	xxx	xxx	xxx
2c. Donations (non-exchange revenue)	xxx	xxx	xxx
2d. Imputed Financing	xxx	xxx	xxx
2e. Transfers-in	xxx	xxx	xxx
2f. Transfers-out	(xxx)	(xxx)	(xxx)
2g. Other Financing Sources	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
3. Net Results of Operations	xxx	xxx	xxx
4. Prior Period Adjustments (Note 21)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
5. Net Change in Cumulative Results of Operations	xxx	xxx	xxx
6. Increase (Decrease) in Unexpended Appropriations	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
7. Change in Net Position	xxx	xxx	xxx
8. Net Position-Beginning of Period	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
9. Net Position-End of Period	<u>\$ x x</u>	<u>\$ xxx</u>	<u>\$ xxx</u>

The accompanying notes are an integral part of these statements.

* Note: This principal statement format should be used by OPDIVs which have only one budget function and no Consolidating Statement of Changes in Net Position. The column heading "Budget Function" should be renamed to reflect the OPDIV's correct budget function title: "Education, Training, and Social Services," or "Health." All three columns will be used.

OPDIVs with multiple budget functions may prepare the optional Consolidating Statement of Changes in Net Position shown in Exhibit 5-20-C.7 as their principal statement, or they may prepare a one column (shaded column) Consolidated Statement of Changes in Net Position following this exhibit format, as long as a Consolidating Statement of Changes in Net Position by Budget Function (Exhibit 5-20-C.27) is included in the "Other Accompanying Information" section of the financial statements. The combined and eliminations columns will always be reported in the Consolidating Statement of Changes in Net Position by Budget Function.

The HHS-wide Statement of Changes in Net Position will present the one column consolidated statement (Exhibit 5-20-C.6) with a supplemental consolidating schedule (Exhibit 5-20-C.26).

Principal Statement (optional)*

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
 For the year ended September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra-Entity Eliminations	Consolidated Totals
1. Net Cost of Operations	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
2. Financing Sources (other than exchange revenues):	xxx	xxx	xxx	xxx	xxx	xxx
2a. Appropriations Used	xxx	xxx	xxx	xxx	xxx	xxx
2b. Taxes (and other non-exchange revenue)	xxx	xxx	xxx	xxx	xxx	xxx
2c. Donations (non-exchange revenue)	xxx	xxx	xxx	xxx	xxx	xxx
2d. Imputed Financing	xxx	xxx	xxx	xxx	xxx	xxx
2e. Transfers-in	xxx	xxx	xxx	xxx	xxx	xxx
2f. Transfers-out	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
2g. Other Financing Sources	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>
3. Net Results of Operations	xxx	xxx	xxx	xxx	xxx	xxx
4. Prior Period Adjustments (Note 21)	<u>x x x</u>	<u>xxx</u>	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>
5. Net Change in Cumulative Results of Operations	xxx	xxx	xxx	xxx	xxx	xxx
6. Increase (Decrease) in Unexpended Appropriations	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
7. Change in Net Position	xxx	xxx	xxx	xxx	xxx	xxx
8. Net Position-Beginning of Period	<u>xxx</u>	- xxx	<u>x x x</u>	<u>xxx</u>	<u>x x x</u>	<u>x x x</u>
9. Net Position-End of Period	<u>\$ x x</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ x x</u>	<u>\$ xxx</u>	<u>\$ x x</u>

The accompanying notes are an integral part of these statements

* Note: This statement format may be used by OPDIVs that want to report multiple budget functions in their principal statement, in which case no supplemental statement is required.

The column headings "Budget Function I" etc, should be renamed to reflect the OPDIV's budget function titles: "Education, Training, and Social Services," "Health," "Medicare, Income Security," Admin. of Justice," or "Natural Resources and Environment."

STATEMENT OF CHANGES IN NET POSITION REPORT CROSSWALK

<u>LINE</u> <u>No.</u>	<u>PRE/</u> <u>POST</u> <u>CLOSE</u>	<u>TB</u> <u>COLUMN</u>	<u>ACCT</u> <u>No.</u>	<u>ACCOUNT</u> <u>TITLE</u>	<u>ADDITIONAL</u> <u>INFORMATION</u> <u>REQUIRED</u>
1				NET COST OF OPERATIONS	BROUGHT FORWARD FROM THE STATEMENT OF NET COST
2				FINANCING SOURCES	ANY OF THE 5000 & 7000 SERIES SGL THAT MAY BE DEEMED TO BE NON-EXCHANGE REVENUE
2A				APPROPRIATIONS USED	
	PRE	E	5700	APPROPRIATED CAPITAL USED	
	PRE	E	5799	ADJUSTMENT OF APPROPRIATED CAPITAL USED	NOT USED IN HHS
2B				TAXES (AND OTHER NON-EXCHANGE REVENUE)	
	PRE	E	5320G/N	PENALTIES, FINES & ADMINISTRATIVE FEES REVENUE	
	PRE	E	5329G/N	CONTRA REVENUE FOR PENALTIES, FINES & ADMINISTRATIVE FEES	
	PRE	E	5800G/N	TAX REVENUES	NOT USED IN HHS
	PRE	E	5809G/N	CONTRA REVENUE FOR TAXES	NOT USED IN HHS
	PRE	E	5890N	TAX REVENUE REFUNDS	
2c				DONATIONS (NON-EXCHANGE REVENUE)	
	PRE	E	5600N	DONATED REVENUE-FINANCIAL RESOURCES	
	PRE	E	5609N	CONTRA REVENUE FOR DONATIONS-FINANCIAL RESOURCES	
	PRE	E	5610N	DONATED REVENUE-NON-FINANCIAL RESOURCES	
	PRE	E	5619N	CONTRA REVENUE FOR DONATIONS-NON-FINANCIAL RESOURCES	
2D				IMPUTED FINANCING SOURCES	
	PRE	E	57806	IMPUTED FINANCING SOURCES	
2E				TRANSFERS-IN	
	PRE	E	57206	FINANCING SOURCES TRANSFERRED-IN WITHOUT REIMBURSEMENT	

STATEMENT OF CHANGES IN NET POSITION REPORT CROSSWALK

<u>LINE No.</u>	<u>PRE/POST CLOSE</u>	<u>TB COLUMN</u>	<u>ACCT No.</u>	<u>ACCOUNT TITLE</u>	<u>ADDITIONAL INFORMATION REQUIRED</u>
2F				TRANSFERS-OUT	
	PRE	E	5730G	FINANCING SOURCES TRANSFERRED OUT WITHOUT REIMBURSEMENT	
2G				OTHER FINANCING SOURCES	
	PRE	E	5790G	OTHER FINANCING SOURCES	
3				NET RESULTS OF OPERATIONS	CALCULATION (SUM OF 1 AND 2)
4				PRIOR PERIOD ADJUSTMENTS	
	PRE	E	7400G/N	PRIOR PERIOD ADJUSTMENTS	
	PRE	E	7401G	PRIOR YEAR UNFUNDED FECA EXPENSE	
	PRE	E	7402G	PRIOR YEAR FUNDED FECA EXPENSE	
5				NET CHANGE IN CUMULATIVE RESULTS OF OPERATIONS	CALCULATION (SUM OF 3 +/- 4)
6				UNEXPENDED APPROPRIATIONS	
	PRE	E	3100	APPROPRIATED CAPITAL	
	PRE	E	3105	APPROPRIATED CAPITAL FUNDING CANCELED PAYABLES	NOT USED IN HHS
7				CHANGES IN NET POSITION	CALCULATION (SUM OF 5 +/- 6)
8				NET POSITION - BEGINNING OF PERIOD	
	PRE	B	3100	APPROPRIATED CAPITAL	
	PRE	B	3310	CUMULATIVE RESULTS OF OPERATIONS	
				NET POSITION-END OF PERIOD	CALCULATION (SUM OF 7 AND 8)
	POST				SHOULD EQUAL ENDING BAL OF 3100 + 3310

Principal Statement

U.S. Department of Health and Human Services
Reporting OPDIV
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the year ended September 30, 1999
(in thousands)

Budgetary Resources:

1. Budget Authority	\$	xxx
2. Unobligated Balances - Beginning of Period		xxx
3. Spending Authority from Offsetting Collections		xxx
4. Adjustments		<u>xxx</u>
5. Total Budgetary Resources	\$	<u>xxx</u>

Status of Budgetary Resources:

6. Obligation Incurred	\$	xxx
7. Unobligated Balances - Available		xxx
8. Unobligated Balances - Not Available		<u>xxx</u>
9. Total Status of Budgetary Resources	\$	<u>xxx</u>

Outlays:

10. Obligations Incurred	\$	xxx
11. Less: Spending Authority from Offsetting Collections and Adjustments		<u>xxx</u>
12. Obligated Balance, Net - Beginning of Period		xxx
13. Obligated Balance Transferred, Net		xxx
14. Less: Obligated Balance, Net - End of Period		<u>(xxx)</u>
15. Total Outlays	\$	<u>xxx</u>

The accompanying notes are an integral part of these statements.

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF Line No	Bud. Res Line No	Unex- pired Col	Ex- pired Col	TB Col	Acct No	Sub- Acct	Account Title	Additional Information Required ¹
BUDGETARY RESOURCES:								
SBR Line: 1. Budget Authority								
1A	1	X		E	4111		Debt Liquidation Appropriations	Appropriation Act ²
1A	1	X		E	4112		Deficiency Appropriations	Supplemental Appropriation ²
1A	1	X		E	4115		Loan Subsidy Appropriation - Definite - Current	Supplemental Appropriation ²
1A	1	X		E	4116		Entitlement Loan Subsidy Appropriation - Indefinite	Supplemental Appropriation ²
1A	1	X		E	4117		Loan Administrative Expense Approp. - Definite Current	Appropriation Act ²
1A	1	X		E	4118		Re-estimated Discretionary Loan Subsidy Appropriation - Indefinite - Permanent	Appropriation Act. Cont. Res. Sup. Appropriation ²
1A	1	X		E	4119		Other Appropriations Realized	Appropriation Act ²
1A	1	X		E	4121		Loan Subsidy Appropriation - Indefinite - Current	Appropriation Act ²
1A	1	X		E	4150		Reappropriations	Appropriation Act ²
1A	1	X		E	4391		Adjustments to Indefinite No-Year Authority	
1A	1	X		E	4392		Rescissions-Current Year'	Appropriations
1B	1	X		E	4042		Estimated Borrowing Authority - Indefinite ⁵	Zero for final
1B	1	X		E	4141		Current-Year Borrowing Authority Realized - Definite ⁵	
1B	1	X		E	4142		Current-Year Borrowing Authority Realized - Indefinite ⁵	
1B	1	X		E	4392		Rescissions-Current Year ⁴	Borrowing Authority
1C	1	X		E	4032		Anticipated Contract Authority ⁵	Zero for final
1C	1	X		E	4131		Current-Year Contract Authority Realized - Definite ⁵	
1C	1	X		E	4132		Current-Year Contract Authority Realized - Indefinite ⁵	
1C	1	X		E	4392		Rescissions-Current Year ⁴	Contract Authority
1D	1	X		E	4170		Transfers - Current-Year Authority	
1D	1	X		E	4175		Allocation Transfers ⁴	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133 Line No	Bud. Res Line No	Unex- pired Col	Ex- pired Col	TB Col	Acct sub- o Acct-	Account Title	Additional Information Required ¹
1E	1	X		E	4120	Appropriations Anticipated - Indefinite	Approp. Act. ² Zero for final.
1E	1	X		E	4160	Anticipated Transfers - Current-Year Authority	Approp. Act. ^{2,4} Zero for final.
1E	1	X		E	4165	Anticipated Allocation Transfers	Approp. Act. ^{2,4} Zero for final.
SBR Line: 2. Unobligated Balances - Beginning of Period							
2A	2	X	X	B	4139	Contract Authority Carried Forward	
2A	2	X	X	B	4149	Borrowing Authority Carried Forward	
2A	2	X	X	B	4201	Total Actual Resources - Collected	
2A	2	X	X	B	4221	Unfilled Customer Orders Without Advance	
2A	2	X	X	B	4222	Unfilled Customer Orders With Advance	
2A	2	X	X	B	4225	Appropriation Trust Fund Expenditure Transfers - Receivable	
2A	2	X	X	B	4251	Reimbursements and Other Income Earned - Receivable	
2A	2	X	X	B	4281	Actual Program Fund Subsidy Receivable - Definite - Current ⁴	
2A	2	X	X	B	4282	Actual Program Fund Subsidy Receivable - Indef. - Permanent ⁴	
2A	2	X	X	B	4283	Interest Receivable from Treasury ⁴	
2A	2	X	X	B	4284	Actual Program Fund Subsidy Receivable - Indef. - Current ⁴	
2A	2	X	X	B	4205	Receivable from the Liquidating Fund ⁴	
2A	2	X	X	B	4286	Receivable from the Financing Fund ⁴	
2A	2	X	X	B	4201	Other Federal Receivables ⁴	
2A	2	X	X	B	4801	Undelivered Orders - Unpaid ⁴	
2A	2	X	X	B	4802	Undelivered Orders - Paid ⁴	
2A	2	X	X	B	4901	Expended Authority - Unpaid ⁴	

Should also equal:

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF	Bud.											
133	Res	Unex-	Ex-	TB	Acct	Sub-						
Line	Line	piled	piled	Col	No	Acct-		Account Title		Additional Information Required		
No	No	Col	Col	Col	No	Acct-						
		X		B	4395			Authority Unavailable Pursuant to Public Law - Temporary				
		X		B	4450			Unapportioned Authority - Available				
		X		B	4620			Other Funds Available for Commitment/Obligation				
			X	B	4650			Allotments - Expired Authority		4650 must be used in lieu of SGL Acct "4612, with FY identifier", for FACTS II		
2B	2	X		E	4190			Transfers - Prior-Year Authority ⁴				
2c	2	X		E	4180			Anticipated Transfers - Prior-Year Authority ⁴				
SBR Line: 3. Spending Authority from Offsetting Collections												
3A1	3	X	X	E	4252			Reimbursements and Other Income Earned - Collected ³				
3A1	3	X	X	E	4261			Actual Collection of Fees ³				
3A1	3	X	X	E	4262			Actual Collection of Loan Principal				
3A1	3	X	X	E	4263			Actual Collection of Loan Interest				
3A1	3	X	X	E	4264			Actual Collection of Rent ³				
3A1	3	X	X	E	4265			Actual Collections from Sale of Foreclosed Property				
3A1	3	X	X	E	4266			Other Actual Collections - Non-Federal				
3A1	3	X	X	E	4271			Actual Program Fund Subsidy Collected - Definite - Current ⁴				
3A1	3	X	X	E	4212			Actual Program Fund Subsidy Collected - Indef. - Permanent ⁴				
3A1	3	X	X	E	4273			Interest Collected from Treasury ⁴				
3A1	3	X	X	E	4274			Actual Program Fund Subsidy Collected - Indefinite - Current ⁴				
3A1	3	X	X	E	4275			Actual Collections from Liquidating Fund ⁴				
3A1	3	X	X	E	4276			Actual Collections from Financing Fund ⁴				
3A1	3	X	X	E	4277			Other Actual Collections - Federal				
3A1	3	X	X	E	4872			Downward Adj. of Prior-Yr. Paid Undel. Orders - Collected				
3A1	3	X	X	E	4972			Downward Adj. of Prior-Yr. Paid Exp. Authority - Refunds Collected				

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133 Line No	Bud. Res Line No	Wnex- pired Col	Ex- pired Col	TB Col	Acct o	Sub- Acct-	Account Title	Additional Information Required ¹
3A2	3	X	X	E-B	4251		Reimbursements and Other Income Earned - Receivable ³	
3A2	3	X	X	E-B	4281		Actual Program Fund Subsidy Receivable - Definite - Current ⁴	
3A2	3	X	X	E-B	4202		Actual Program Fund Subsidy Receivable - Indef. - Permanent ⁴	
3A2	3	X	X	E-B	4283		Interest Receivable from Treasury ⁴	
3A2	3	X	X	E-B	4284		Actual Program Fund Subsidy Receivable - Indef. - Current ⁴	
3A2	3	X	X	E-B	4285		Receivable from the Liquidating Fund ⁴	
3A2	3	X	X	E-B	4286		Receivable from the Financing Fund ⁴	
3A2	3	X	X	E-B	4287		Other Federal Receivables ⁴	
3B1	3	X	X	E-B	4222		Unfilled Customer Orders With Advance	Oblig. amounts only for final in yr. of expiration. ACCOUNT 4222 replaces old HHS acct 4240 Unfilled Customer Orders - Oblig (with Advance)
3B2	3	X	X	E-B	4221		Unfilled Customer Orders Without Advance	Oblig. amounts only for final in yr. of expiration. Account 4221 replaces old HHS acct 4230 Unfilled Customer Orders - Unobligated (without Advance)
3C1	3				N/A		Used only with prior OMB approval	
3C2	3	X		E	4210		Anticipated Reimbursements and Other Income	Debit Balances. Zero for final
3C2	3	X		E	4060		Anticipated Collections from Non-Federal Sources	Debit Balances. Zero for final
3C2	3	X		E	4070		Anticipated Collections from Federal Sources	Debit Balances. Zero for final
3D1	3	X	X	E	4255		Appropriation Trust Fund Expenditure Transfers - Collected	
3D2	3	X		E	4215		Anticipated Trust Fund Expenditure Transfers	Zero for final
3D2	3	X	X	E-B	4225		Appropriation Trust Fund Expenditure Transfers - Receivable	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF	Bud.									
133	Res	Unex-	Ex-	TB	Acct	Sub-				
Line	Line	pired	pired	Col	Acct	Sub-				
No	No	Col	Col	Col	Acct	Sub-	Account Title		Additional Information Required	¹
SBR Line: 4. Adjustments										
4A	4	x	X	E	4871		Downward Adjustments of Prior-Year Unpaid Undelivered Orders			
4A	4	X	X	E	4971		Downward Adjustments of Prior-Year Unpaid Expended Authority			
4B	4	X		E	4310		Anticipated Recoveries of Prior-Year Obligations		Unexpired accounts only. Dr. Bal. Zero for final	
5	4	X		E	4395		Authority Unavailable Pursuant to Public Law * Temporary		Appropriation Act ²	
6A	4	X	X	E	4350		Canceled Authority		4350 must be used in lieu of SGL Acct "4612, with FY identifier", for FACTS II.	
6B	4	X		E	4393		Rescissions - Prior-Year		Reductions not affecting more than one account	
6C	4	X		E	4147		Actual Payments to Treasury			
6D	4	X		E	4133		Actual Adjustments to Contract Authority			
6D	4	X		E	4143		Actual Reductions to Borrowing Authority			
6E	4	X	X	E	4396		Authority Permanently Not Available Pursuant to Public Law		Appropriation Act. ² Reductions affecting more than one account and reappropriation reductions.	
6F	4	X		E	4034		Anticipated Adjustments to Contract Authority		Zero for final	
6F	4	X		E	4044		Anticipated Reductions to Borrowing Authority		Zero for final	
6F	4	X		E	4047		Anticipated Payments to Treasury		Zero for final	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133	Bud. Res	Unex- pired	Ex- pired	TB Col	Acct No	Sub- Acct-	Account Title	Additional Information Required ¹
8C	6	X		E-0	4801		Undelivered Orders Unpaid	Not subject to apportionment ^{2,3}
8C	6	X		E-B	4802		Undelivered Orders - Paid	Not subject to apportionment ^{2,3}
8C	6	X	X	E	4881		Upward Adjustments of Prior-Year Unpaid Undelivered Orders	Not subject to apportionment ^{2,3}
8C	6	X	X	E	4882		Upward Adjustments of Prior-Year Paid Undelivered Orders	Not subject to apportionment ^{2,3}
8C	6	X		E-B	4901		Expended Authority - Unpaid	Not subject to apportionment ^{2,3}
8C	6	X		E	4902		Expended Authority - Paid	Not subject to apportionment ^{2,3}
8C	6	X	X	E	4981		Upward Adjustments of Prior-Year Unpaid Expended Authority	Not subject to apportionment ^{2,3}
8C	6	X	X	E	4982		Upward Adjustments of Prior-Year Paid Expended Authority	Not subject to apportionment ^{2,3}
8D	6	X		E-B	4801	R	Undelivered Orders Unpaid ³	
8D	6	X		E-B	4802	R	Undelivered Orders - Paid ³	
8D	6	X	X	E	4881	R	Upward Adjustments of Prior-Year Unpaid Undelivered Orders ³	
8D	6	X	X	E	4882	R	Upward Adjustments of Prior-Year Paid Undelivered Orders ³	
8D	6	X		E-B	4901	R	Expended Authority - Unpaid ³	
8D	6	X		E	4902	R	Expended Authority - Paid ³	
8D	6	X	X	E	4981	R	Upward Adjustments of Prior-Year Unpaid Expended Authority ³	
8D	6	X	X	E	4982	R	Upward Adjustments of Prior-Year Paid Expended Authority ³	
SBR Line: 7. Unobligated Balances Available								
9A1	7	X		E	4531		Apportionment Available for Distribution - Current Quarter	Must crosswalk 4511 to 4510C (current) for FACTS II
9A1		X		E	4540		Internal Fund Distributions Issued	Not used for FACTS II
9A1		X		E	4550		Internal Fund Distributions Received	Not used for FACTS II
9A1		X		E	4571		Allotments Issued (Intra Agency)	Not used for FACTS II

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF Line No	Bud. Res No	Unex- pired Col	Ex- pired Col	TB Col	Acct No	Sub- Acct	Account Title	Additional Information Required ¹
9A1		X		E	4572		Allowances Issued (Intra Agency)	Not used for FACTS II
9A1		X		E	4581		Allotments Received (Intra Agency)	Not used for FACTS II
9A1		X		E	4582		Allowances Received (Intra Agency)	Not used for FACTS II
9A1	7	X		E	4611		Allotments Available for Commitment/Obligation	Must crosswalk 4611 to 4610 for FACTS II
9A1		X		E	4612		Allowances Available for Commitment/Obligation	Must crosswalk 4612 to 4610 for FACTS II
9A1	7	X		E	4700		Commitments	
9A2	7	X		E	4590		Apportionments - Unavailable	Anticipated. Unavailable for obligation through current period.
9B	7	X		E	4620		Other Funds Available for Commitment/Obligation	
9C	7						Used Only with Prior OMB Approval	Used Only with Prior OMB Approval
SBR Line: 8. Unobligated Balances - Not Available								
10A	8	X		E	4512		Apportionment Available for Distribution - Subsequent Qtrs.	Must crosswalk 4512 to 4510S (subsequent) for FACTS II.
10A	8	X		E	4590		Apportionments - Unavailable	Subsequent periods
10B	8	X		E	4430		Unapportioned Authority - OMB Deferral	
10C	8	X		E	4420		Unapportioned Authority - Pending Rescission	
10D	8	X		E	4060		Anticipated Collections from Non-Federal Sources	Unexpired accounts only. Cr Bal. Zero for final

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF Line No	Bud. Res Line No	Unex- pired Col	Ex- pired Col	TB Col	Acct No	Sub- Acct	Account Title	Additional Information Required ¹
10D	8	X		E	4070		Anticipated Collections from Federal Sources	Unexpired accounts only. Cr Bal. Zero for final
10D	8	X		E	4210		Anticipated Reimbursements and Other Income	Unexpired accounts only. Cr Bal. Zero for final
10D	8	X		E	4310		Anticipated Recoveries of Prior-Year Obligations	Unexpired accounts only. Cr Bal. Zero for final
10D	8	X		E	4450		Unapportioned Authority - Available	
10D	8	X		E	4630		Funds Not Available for Commitment/Obligation	
10D	8		X	E	4650		Allotments - Expired Authority	Expired accounts only. Account 4650 must be used in lieu of old SGL Acct "4612, with FY identifier", for FACTS II.

SBR Line: 9. Total, Status of Budgetary Resources

11 9 X X Calculation [Sum of lines 8 through 101]

OUTLAYS:

SBR Line: 10. Obligations Incurred

8A 10 X E-B 4801 AD Undelivered Orders - Unpaid ³
 8A 10 X E-B 4802 AD Undelivered Orders - Paid ³
 8A 10 X X E 4881 AD Upward Adjustments of Prior-Year Unpaid Undelivered Orders ³
 8A 10 X X E 4882 AD Upward Adjustments of Prior-Year Paid Undelivered Orders
 8A 10 X E-B 4901 AD Expended Authority - Unpaid ³
 8A 10 x E 4902 AD Expended Authority - Paid ³
 8A 10 X X E 4981 AD Upward Adjustments of Prior-Year Unpaid Expended Authority ³
 8A 10 X X E 4982 AD Upward Adjustments of Prior-Year Paid Expended Authority ³

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133	Bud . Res	Unex- piled	Ex- piled	TB Col	Acct No	Sub- Acct	Account Title	Additional Information	Required ¹
8B	10	X		E-B	4801	BD	Undelivered Orders - Unpaid	Subcategory 1...N	^{2, 3}
8B	10	X		E-B	4802	BD	Undelivered Orders - Paid	Subcategory 1...N	^{2, 3}
8B	10	X	X	E	4881	BD	Upward Adjustments of Prior-Year Unpaid Undelivered Orders	Subcategory 1...N	^{2, 3}
8B	10	X	X	E	4882	BD	Upward Adjustments of Prior-Year Paid Undelivered Orders	Subcategory 1...N	^{2, 3}
8B	10	X		E-B	4901	BD	Expended Authority - Unpaid	Subcategory 1...N	^{2, 3}
8B	10	X		E	4902	BD	Expended Authority - Paid	Subcategory 1...N	^{2, 3}
8B	10	X	X	E	4981	BD	Upward Adjustments of Prior-Year Unpaid Expended Authority	Subcategory 1...N	^{2, 3}
8B	10	X	X	E	4982	BD	Upward Adjustments of Prior-Year Paid Expended Authority	Subcategory 1...N	^{2, 3}
8C	10	X		E-B	4801		Undelivered Orders - Unpaid	Not subject to apportionment	^{2,3}
8C	10	X		E-B	4802		Undelivered Orders - Paid	Not subject to apportionment	^{2,3}
8C	10	X	X	E	4881		Upward Adjustments of Prior-Year Unpaid Undelivered Orders	Not subject to apportionment	^{2,3}
8C	10	X	X	E	4882		Upward Adjustments of Prior-Year Paid Undelivered Orders	Not subject to apportionment	^{2,3}
8C	10	X		E-B	4901		Expended Authority - Unpaid	Not subject to apportionment	^{2,3}
8C	10	X		E	4902		Expended Authority - Paid	Not subject to apportionment	^{2,3}
8C	10	X	X	E	4981		Upward Adjustments of Prior-Year Unpaid Expended Authority	Not subject to apportionment	^{2,3}
8C	10	X	X	E	4982		Upward Adjustments of Prior-Year Paid Expended Authority	Not subject to apportionment	^{2,3}
8D	10	X		E-B	4801	R	Undelivered Orders - Unpaid ³		
8D	10	X		E-B	4802	R	Undelivered Orders - Paid ³		
8D	10	X	X	E	4881	R	Upward Adjustments of Prior-Year Unpaid Undelivered Orders		
8D	10	X	X	E	4882	R	Upward Adjustments of Prior-Year Paid Undelivered Orders ³		
8D	10	X		E-B	4901	R	Expended Authority - Unpaid ³		

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133 Line No	Bud. Res Line o	Unex- pired Col	Ex- pired Col	TB Col	Acct No	Sub- Acct-	Account Title	Additional Information Required
8D	10	X		E	4902	R	Expended Authority - Paid ³	
8D	10	X	X	E	4981	R	Upward Adjustments of Prior-Year Unpaid Expended Authority ³	
8D	30	X	X	E	4982	R	Upward Adjustments of Prior-Year Paid Expended Authority ³	
SBR Line: 11. Less: Spending Authority from Offsetting Collections and Adjustments								
3A1	11	X	X	E	4252		Reimbursements and Other Income Earned - Collected ³	
3A1	11	X	X	E	4261		Actual Collection of Fees ³	
3A1	11	X	X	E	4262		Actual Collection of Loan Principal	
3A1	11	X	X	E	4263		Actual Collection of Loan Interest	
3A1	11	X	X	E	4264		Actual Collection of Rent ³	
3A1	11	X	X	E	4265		Actual Collections from Sale of Foreclosed Property	
3A1	11	X	X	E	4266		Other Actual Collections - Non-Federal	
3A1	11	X	X	E	4271		Actual Program Fund Subsidy Collected - Definite - Current ⁴	
3A1	11	X	X	E	4212		Actual Program Fund Subsidy Collected - Indef. - Permanent ⁴	
3A1	11	X	X	E	4213		Interest Collected from Treasury ⁴	
3A1	11	X	X	E	4274		Actual Program Fund Subsidy Collected - Indef. - Current ⁴	
3A1	11	X	X	E	4275		Actual Collections from Liquidating Fund ⁴	
3A1	11	X	X	E	4276		Actual Collections from Financing Fund ⁴	
3A1	11	X	X	E	4211		Other Actual Collections - Federal	
3A1	11	X	X	E	4872		Downward Adjustments of Prior-Year Paid Undelivered Orders - Refunds Collected ³	
3A1	11	X	X	E	4972		Downward Adjustments of Prior-Year Paid Expended Authority - Refunds Collected ³	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF Line No	Bud. Res Line o	Unex- pired Col	Ex- pired col	TB Col	Acct Acct	Sub- Acct	Account Title	Additional Information Required ¹
3A2	11	X	X	E-B	4251		Reimbursements and Other Income Earned - Receivable ³	
3A2	11	X	X	E-B	4281		Actual Program Fund Subsidy Receivable - Definite - Current ⁴	
3A2	11	X	X	E-B	4282		Actual Program Fund Subsidy Receivable - Indef. - Permanent ⁴	
3A2	11	X	X	E-B	4283		Interest Receivable from Treasury ⁴	
3A2	11	X	X	E-B	4284		Actual Program Fund Subsidy Receivable - Indef. - Current ⁴	
3A2	11	X	X	E-B	4285		Receivable from the Liquidating Fund ⁴	
3A2	11	X	X	E-B	4286		Receivable from the Financing Fund ⁴	
3A2	11	X	X	E-B	4287		Other Federal Receivables ⁴	
3B1	11	X	X	E-B	4222		Unfilled Customer Orders - with Advance	Oblig. amounts only for final in yr. of expiration ⁴
3B2	11	X	X	E-B	4221		Unfilled Customer Orders - without Advance	Oblig. amounts only for final in yr. of expiration ⁴
3D1	11	X	X	E	4255		Appropriation Trust Fund Expenditure Transfers Collected	
3D2	11	X		E	4215		Anticipated Trust Fund Expenditure Transfers	Zero for final
3D2	11	X	X	E-B	4225		Appropriation Trust Fund Expenditure Transfers - Receivable	
4A	11	X	X	E	4871		Downward Adjustments of Prior-Year Unpaid Undelivered Orders ³	
4A	11	X	X	E	4971		Downward Adjustments of Prior-Year Unpaid Expended Authority ³	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF Line No	Bud. Res No	Unex- col	Ex- Col	TB Col	Acct Sub- Accto	Account Title	Additional Information Required ¹
SBR Line: 12. Obligated Balance, Net - Beginning of Period							
12	12	X	X	B	4221	Unfilled Customer Orders without Advance ³	
12	12	X	X	B	4225	Appropriation Trust Fund Expenditure Transfers - Receivable ³	
12	12	X	X	B	4251	Reimbursements and Other Income Earned - Receivable ³	
12	12	X	X	B	4281	Actual Program Fund Subsidy Receivable - Definite - Current ⁴	
12	12	x	X	B	4282	Actual Program Fund Subsidy Receivable - Indef. - Permanent ⁴	
12	12	X	X	B	4283	Interest Receivable from Treasury	
12	12	x	X	B	4284	Actual Program Fund Subsidy Receivable - Indef. - Current ⁴	
12	12	X	X	B	4285	Receivable from the Liquidating Fund ⁴	
12	12	X	X	B	4286	Receivable from the Financing Fund ⁴	
12	12	X	X	B	4287	Other Federal Receivables ⁴	
12	12	X	X	B	4801	Undelivered Orders - Unpaid ³	
12	12	X	X	B	4901	Expended Authority - Unpaid ³	
SBR Line: 13. Plus or Minus: Obligated Balance Transferred, Net							
13	13	x		E	4831	Undelivered Orders, Transferred - Unpaid ³	
SBR Line: 14 Less: Obligated Balance, Net - End of Period							
14A	14	X	X	E	4225	Appropriation Trust Fund Expenditure Transfers - Receivable	
14A	14	X	X	E	4251	Reimbursements and Other Income Earned - Receivable ³	
14A	14	X	X	E	4281	Actual Program Fund Subsidy Receivable - Definite - Current ⁴	
14A	14	X	X	E	4282	Actual Program Fund Subsidy Receivable - Indef. - Permanent ⁴	
14A	14	X	X	E	4283	Interest Receivable from Treasury ⁴	
14A	14	X	X	E	4284	Actual Program Fund Subsidy Rec.- Indefinite - Current ⁴	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133 Line No	Bud. Res Line No	Unex- pired Col	Ex- pired Col	TB Col	Acct Acct	Sub- Acct	Account Title	Additional Information Required
14A	14	X	X	E	4285		Receivable from the Liquidating Fund ⁴	
14A	14	X	X	E	4286		Receivable from the Financing Fund ⁴	
14A	14	X	X	E	4281		Other Federal Receivables ⁴	
14B1	14	X	X	E	4221		Unfilled Customer Orders Without Advance	Oblig. amounts only for final in yr. of expiration
14B2	14						Use Only with Prior OMB Approval	Use only with prior OMB approval.
14B3	14						Use Only with Prior OMB Approval	Use only with prior OMB approval.
14C	14	X	X	E	4801		Undelivered Orders - Unpaid ³	
14C	14	X	X	E	4831		Undelivered Orders, Transferred - Unpaid ³	
14C	14	X	X	E	4871		Downward Adjustments of Prior-Year Unpaid Undelivered Orders ³	
14C	14	X	X	E	4881		Upward Adjustments of Prior-Year Unpaid Undelivered Orders ³	
14D	14	X	X	E	4901		Expended Authority - Unpaid ³	
14D	14	X	X	E	4971		Downward Adjustments of Prior-Year Unpaid Expended Authority ³	
14D	14	X	X	E	4981		Upward Adjustments of Prior-Year Unpaid Expended Authority ³	
SBR Line:	15.	Equals:	Total	Outlays				
15	15	x	X		Calculation [Line 8 = (3A + 3B + 3D + 4A) + 12 + 13 + (- 14A - 14B1 + 14C + 14D)]			

Also Equals:

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF Line No	Bud. Res Line No	Unex- pired Col	Ex- pired Col	TB Col	Acct No	Sub- Acct	Account Title	Additional Information Required ¹
15A	15	X	X	E-B	4802		Undelivered Orders - Paid ³	
15A	15	X	X	E	4902		Expended Authority - Paid ³	
15A	15	X	X	E	4882		Upward Adjustments of Prior-Year Paid Undelivered Orders ³	
15A	15	X	X	E	4982		Upward Adjustments of Prior-Year Paid Expended Authority ³	
Should equal disbursements reported on SF 224.								
15B	14	X	X	E-B	4222		Unfilled Customer Orders With Advance	Oblig. amounts only for final in yr. of expiration
15B	15	X	X	E	4252		Reimbursements and Other Income Earned - Collected ³	
15B	15	X	X	E	4255		Appropriation Trust Fund Expenditure Transfers - Collected ³	
15B	15	X	X	E	4261		Actual Collection of Fees ³	
15B	15	X	X	E	4262		Actual Collection of Loan Principal	
15B	15	X	X	E	4263		Actual Collection of Loan Interest	
15B	15	X	X	E	4264		Actual Collection of Rent ³	
15B	15	X	X	E	4265		Actual Collections from Sale of Foreclosed Property	
15B	15	X	X	E	4266		Other Actual Collections - Non-Federal	
15B	15	X	X	E	4211		Actual Program Fund Subsidy Collected - Definite - Current ⁴	
15B	15	X	X	E	4272		Actual Program Fund Subsidy Collected - Indef. - Permanent ⁴	
15B	15	X	X	E	4213		Interest Collected from Treasury ⁴	
15B	15	X	X	E	4274		Actual Program Fund Subsidy Collected - Indef. - Current ⁴	
15B	15	X	X	E	4275		Actual Collections from Liquidating Fund ⁴	
15B	15	X	X	E	4276		Actual Collections from Financing Fund ⁴	
15B	15	X	X	E	4277		Other Actual Collections - Federal	

Statement of Budgetary Resources (SBR) Report Crosswalk and Its Relationship with the SF 133

SF 133 Line No	Bud. Res Line No	Unex- pired Col	Ex- pired Col	TB Col	Acct No	Sub- Acct.	Account Title	Additional Information Required ¹
15B	15	X	X	E	4872		Downward Adjustments of Prior-Year Paid Undelivered Orders - Refunds Collected ¹	
15B	15	X	X	E	4972		Downward Adjustments of Prior-Year Paid Expended Authority - Refunds Collected ³	

Should equal collections reported on the SF 224.

Notes:

¹ The additional information required column describes additional account attributes required to split account balances for the reports. These attributes are also required for FACTS II.

² This information is used only for SF 133 reporting, not used for the Statement of Budgetary Resources.

³ Gov/Non-Gov subaccount will be needed when consolidated Statements of Budgetary Resources are required.

⁴ New HHSSGL Account - HHS Transaction Codes to be established.

⁵ BBS currently has no contract or borrowing authority.

Principal Statement

U.S. Department of Health and Human Services
 Reporting OPDN
 COMBINED STATEMENT OF FINANCING
 For the year ended September 30, 19xx
 (in thousands)

RESOURCES USED TO FINANCE ACTIVITIES:

Budgetary

1. Budgetary resources obligated for orders and delivery of goods and services to be received or benefits to be provided to others	\$ xxx
2. Less: Offsetting collections, recoveries of prior-year authority, and changes in unfilled customer orders	<u>(xxx)</u>
3. Net budgetary resources used to finance activities	<u>xxx</u>

Non-budgetary

4a. Property received from others without reimbursement	xxx
4b. Property given to others without reimbursement	(xxx)
5. Costs incurred by others for the entity without reimbursement	xxx
6. Other non-budgetary resources	<u>xxx</u>
7. Net non-budgetary resources used to finance activities	<u>xxx</u>
8. Total Resources Used to Finance Activities	<u>xxx</u>

RELATIONSHIP OF TOTAL RESOURCES TO THE NET COST OF OPERATIONS:

Deduct resources used to fund items not part of the net cost of operations:

9. Increase or (decrease) in budgetary resources obligated to order goods and services not yet received or benefits not yet provided	xxx
10. Budgetary offsetting collections that do not increase exchange revenue or decrease expenses:	
a. Decrease/(increase) in revenue collected in advance	xxx
b. Collections that decrease assets unrelated to exchange revenue	(xxx)
c. Credit program collections that increase liabilities for loans guarantees or allowances for subsidy	(xxx)
d. Other	xxx
11. Adjustments other than collections made to compute net budgetary resources that do not affect cost of operations:	
a. Recoveries of prior-year authority	(xxx)
b. Decrease/(increase) in unfilled customer orders	xxx
c. Other	xxx

Principal Statement

U.S. Department of Health and Human Services
 Reporting OPDIV
 COMBINED STATEMENT OF FINANCING
 For the year ended September 30, 19xx
 (in thousands)

12. Resources that fund expenses recognized in prior periods	xxx
13. Resources that finance the acquisition of assets or liquidations of liabilities	xxx
14. Other resources used to fund items not part of the net cost of operations	<u>xxx</u>
15. Total Resources Used to Fund Items Not Part of the Net Cost of Operations	<u>xxx</u>
16. Resources Used to Finance the Net Cost of Operations	<u>xxx</u>
COMPONENTS OF NET COST OF OPERATIONS THAT DO NOT REQUIRE OR GENERATE RESOURCES DURING THE REPORTING PERIOD:	
17. Expenses or exchange revenue related to the disposition of assets or liabilities, or allocation of their costs over time:	
a. Expenses related to use of assets	xxx
b. Losses/(gains) from reevaluation of assets and liabilities	xxx
c. Decrease/(increase) in exchange revenue receivable from the public	xxx
d. Interest revenue from amortization of credit program allowance for subsidy	xxx
e. Other	<u>xxx</u>
f. Subtotal	<u>xxx</u>
18. Expenses that will be financed with budgetary resources recognized in future periods:	
a. Annual leave expense from increase in annual leave liability	xxx
b. Credit program subsidy expense from upward subsidy re-estimates	xxx
c. Other	<u>x x x</u>
d. Subtotal	<u>xxx</u>
19. Other net cost components that do not require or generate resources during the reporting period	<u>xxx</u>
20. Total Components of Net Cost of Operations That Do Not Require or Generate Resources During the Reporting Period	<u>xxx</u>
21. Net Cost of Operations	<u><u>\$ x x</u></u>

The accompanying notes are an integral part of these statements.

Statement of Financing Report Crosswalk

Line Num- ber	Pre/ Post TB Close	Acct Num- ber	Account Title	Additional Information Required
Resources Used to Finance Activities:				
Budgetary:				
1. Budgetary Resources Obligated for Orders and Delivery of Goods and Services to Be Received or Benefits to Be Provided				
1	Pre	E-B 4801	Undelivered Orders - Unpaid	
1	Pre	E-B 4802	Undelivered Orders - Paid	
1	Pre	E 4881	Upward Adjustments of Prior-Year Unpaid Undelivered Orders	Note 1
1	Pre	E 4882	Upward Adjustments of Prior-Year Paid Undelivered Orders	Note 1
1	Pre	E-B 4901	Expended Authority - Unpaid	
1	Pre	E 4902	Expended Authority Paid	
1	Pre	E 4981	Upward Adjustments of Prior-Year Unpaid Expended Authority	Note 1
1	Pre	E 4982	Upward Adjustments of Prior-Year Paid Expended Authority	Note 1
2. Less: Offsetting Collections, Recoveries of Prior-Year Authority, And Changes in Unfilled Customer Orders				
2	Pre	E-B 4221	Unfilled Customer Orders Without Advance	Obligated amounts only for final in year of expiration. (Decreases)/Increases
2	Pre	E-B 4222	Unfilled Customer Orders With Advance	Obligated amounts only for final in year of expiration. (Decreases)/Increases
2	Pre	E-B 4225	Appropriation Trust Fund Expenditure Transfers - Receivable	
2	Pre	E-B 4251	Reimbursements and Other Income Earned - Receivable	
2	Pre	E 4252	Reimbursements and Other Income Earned - Collected	
2	Pre	E 4255	Appropriation Trust Fund Expenditure Transfers - Collected	
2	Pre	E 4261	Actual Collection of Fees	
2	Pre	E 4262	Actual Collection of Loan Principal	
2	Pre	E 4263	Actual Collection of Loan Interest	
2	Pre	E 4264	Actual Collection of Rent	
2	Pre	E 4265	Actual Collections from Sale of Foreclosed Property	
2	Pre	E 4266	Other Actual Collections - Non-Federal	
2	Pre	E 4212	Actual Program Fund Subsidy Collected - Definite - Current	
2	Pre	E 4272	Actual Program Fund Subsidy Collected - Indefinite - Permanent	
2	Pre	E 4213	Interest Collected from Treasury	
2	Pre	E 4214	Actual Program Fund Subsidy Collected - Indefinite - Current	

Statement of Financing Report Crosswalk

<u>Line Pre/</u>	<u>Acct</u>			<u>Account Title</u>	<u>Additional Information Required</u>
<u>Num-</u>	<u>Post</u>	<u>TB</u>	<u>Num-</u>		
<u>ber</u>	<u>Close</u>	<u>Col</u>	<u>ber</u>		
2	Pre	E	4215	Actual Collections from Liquidating Fund	
2	Pre	E	4216	Actual Collections from Financing Fund	
2	Pre	E	4277	Other Actual Collections - Federal	
2	Pre	E-B	4281	Actual Program Fund Subsidy Receivable - Definite - Current	
2	Pre	E-B	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	
2	Pre	E-B	4283	Interest Receivable from Treasury	
2	Pre	E-B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	
2	Pre	E-B	4285	Receivable from Liquidating Fund	
2	Pre	E-B	4286	Receivable from the Financing Fund	
2	Pre	E-B	4287	Other Federal Receivables	
2	Pre	E	4871	Downward Adjustments of Prior-Year Unpaid Undelivered Orders	Note 1
2	Pre	E	4872	Downward Adjustments of Prior-Year Paid Undelivered Orders - Refunds Collected	Note 1
2	Pre	E	4971	Downward Adjustments of Prior-Year Unpaid Expended Authority	Note 1
2	Pre	E	4912	Downward Adjustments of Prior-Year Paid Expended Authority Refunds Collected	Note 1
3. Net Budgetary Resources Used to Finance Activities					
3	Calculation (1 - 2)				
Non-Budgetary:					
4a. Property Received from Others Without Reimbursement					
4a	Pre	E	5610	Donated Revenue - Nonfinancial Resources	
4a	Pre	E	5619	Contra Donated Revenue - Nonfinancial Resources	
4a	Pre	E	5720	Financing Sources Transferred In Without Reimbursement	

HHS Exhibit 5-20-C.9
 Departmental Accounting Manual
 HHS Transmittal 99.7 (9/30/99)

Statement of Financing Report Crosswalk

Line Pre/ Num- Post TB Num- ber	Close Col ber	Acct ber	Account Title	Additional Information Requ
4b	Pre	E 5730	Financing Sources Transferred Out Without Reimbursement	
5	Pre	E 5780	Imputed Financing Sources	
6	Pre	E 5790	Other Financing Sources	
7			Net Non-Budgetary Resources Used to Finance Activities Calculation (4a - 4b + 5 ± 6)	
8			TOTAL RESOURCES USED TO FINANCE ACTIVITIES Calculation (3 + 7)	
Relationship of Total Resources to Net Cost of Operations:				
Deduct Resources Used to Fund Items Not Part of the Net Cost of Operations:				
9	Pre	E 4801	Undelivered Orders - Unpaid	Net (Increases)/Decreases
9	Pre	E 4802	Undelivered Orders - Paid	Net (Increases)/Decreases
9	Pre	E 4881	Upward Adjustments of Prior-Year Unpaid Undelivered Orders Orders Refunds Collected	Note 1
9	Pre	E 4882	Upward Adjustments of Prior-Year Paid Undelivered Orders	Note 1

Statement of Financing Report Crosswalk

Line Pre/ Num- Post TB Num- &Close Col ber -	Acct Account Title	<u>Additional Information Required</u>
10. Budgetary Offsetting Collections That Do Not Increase Exchange Revenue or Decrease Expenses		
10a.	Decrease or Increase in Revenue Collected In Advance Credit Reform	
10b.	Collections That Decrease Assets Unrelated to Exchange Revenue Credit Reform	
10c.	Credit Program Collections that Increase Liabilities for Loan Guarantees Guarantees or Allowances for Subsidy Credit Reform	
10d.	Other	
11. Adjustments Other Than Collections Made To Compute Net Budgetary Resources That do Not Affect Net Cost of Operations		
11a. Recoveries of Prior Year Obligations		
11a Pre E 4871	Downward Adjustments of Prior-Year Unpaid Undelivered Orders	Note ¹
11a Pre E 4872	Downward Adjustments of Prior-Year Paid Undelivered Orders Collected	Refunds Note ¹
11a Pre E 4971	Downward Adjustments of Prior-Year Unpaid Expended Authority	The 4971 account balance will not be subtracted here unless an entry was made to adjust the amount of downward adjustments from 6101 to 7401. ¹
11a Pre E 4972	Downward Adjustments of Prior-Year Paid Expended Authority - Refunds Collected	The 4912 account balance will not be subtracted here unless an entry was made to adjust the amount of downward adjustments from 6101 to 7401. ¹
11b. Decrease or (Increase) in Unfilled Customer Orders		
11b Pre E-B 4221	Unfilled Customer Orders Without Advance	
11b Pre E-B 4222	Unfilled Customer Orders With Advance	
11b Pre E-B 4222	Unfilled Customer Orders With Advance	

Statement of Financing Report Crosswalk

Line	Pre/	Acct			
Num-	Post	TB	Num-		
<u>ber</u>	<u>Close</u>	<u>Col</u>	<u>ber</u>	<u>Account Title</u>	<u>Additional Information Required</u>
12. Resources That Fund Expenses Recognized in Prior Periods					
12	Pre	E-B	2221	Accrued Unfunded Annual Leave	If net decrease
13	Pre	E-B	2222	Accrued Unfunded Compensatory Leave	If net decrease
14	Pre	E-B	2225	Accrued Unfunded FECA Liability	If net decrease
12	Pre	E-B	2610	Retirement Plans	If net decrease
12	Pre	E-B	2620	Insurance Plans	If net decrease
12	Pre	E-B	2690	Other Actuarial Liabilities	If net decrease
12	Pre	E-B	2920	Contingent Liabilities	If net decrease
12	Pre	E-B	2940	Capital Lease Liability	If net decrease. Related to payment made prior to FY91.
12	Pre	E-B	2990	Other Liabilities	If net decrease
12	Pre	E-B	2995	Accrued Cleanup Cost	If net decrease
13. Resources That Finance the Acquisition of Assets or Liquidation of Liabilities					
13	Pre		1511	Operating Materials and Supplies Held for Use	Current year purchases
13	Pre		1512	Operating Materials and Supplies Held in Reserve for Future Use	Current year purchases
13	Pre		1513	Operating Materials and Supplies - Excess, Unserviceable and Obsolete	Current year purchases
13	Pre		1521	Inventory Purchased for Resale	Current year purchases
13	Pre		1522	Inventory Held in Reserve for Future Sale	Current year purchases
13	Pre		1523	Inventory Held for Repair	Current year purchases
13	Pre		1524	Inventory - Excess, Obsolete and Unserviceable	Current year purchases
13	Pre		1525	Inventory - Raw Materials	Current year purchases
13	Pre		1526	Inventory - Work in Process	Current year purchases
13	Pre		1521	Inventory Finished Goods	Current year purchases
13	Pre	E-B	1529	Inventory - Allowance	
13	Pre		1561	Commodities Held Under Price Support and Stabilization Support Programs	Current year purchases
13	Pre	E-B	1569	Commodities - Allowance	
13	Pre		1571	Stockpile Materials Held in Reserve	Current year purchases
13	Pre		1572	Stockpile Materials Held for Sale	Current year purchases
13	Pre		1591	Other Related Property	Current year purchases
13	Pre	E-B	1599	Other Related Property - Allowance	

Statement of Financing Report Crosswalk

<u>Line Num-ber</u>	<u>Pre/Post Close</u>	<u>TB Col</u>	<u>Acct Num-ber</u>	<u>Account Title</u>	<u>Additional Information Required</u>
13	Pre		1620	Investments in Securities Other Than Public Debt Securities	Non-Gov/Current year purchases
13	Pre		1690	Other Investments	Non-Gov/Current year purchases
13	Pre		1711	Land and Land Rights	Current year purchases
13	Pre		1712	Improvements to Land	Current year purchases
13	Pre	E-B	1719	Accumulated Depreciation on Improvements to Land	
13	Pre		1720	Construction in Progress	Current year purchases
13	Pre		1730	Buildings, Improvements, and Renovations	Current year purchases
13	Pre	E-B	1739	Accumulated Depreciation on Buildings, Improvements, and Renovations	
13	Pre		1740	Other Structures and Facilities	Current year purchases
13	Pre	E-B	1749	Accumulated Depreciation on Other Structures and Facilities	
13	Pre		1750	Equipment	Current year purchases
13	Pre	E-B	1759	Accumulated Depreciation on Equipment	
13	Pre		1810	Assets Under Capital Lease	Current year purchases
13	Pre	E-B	1819	Accumulated Depreciation on Assets Under Capital Lease	
13	Pre		1820	Leasehold Improvements	Current year purchases
13	Pre	E-B	1829	Accumulated Amortization on Leasehold Improvements	
13	Pre		1830	Information Technology Software	Current year purchases
13	Pre	E-B	1839	Accumulated Amortization on Information Technology Software	
13	Pre		1840	Other Natural Resources	Current year purchases
13	Pre	E-B	1849	Allowance for Depletion	
13	Pre		1890	Other General Property, Plant, and Equipment	Current year purchases
14. Other Resources Used to Fund Items Not Part of the Net Cost of Operations					
(Need for this line not yet identified.)					
15. TOTAL RESOURCES USED TO FUND ITEMS NOT PART OF THE NET COST OF OPERATIONS					
Calculation ($\pm 9 \pm 10a - 10b - 10c \pm 10d - 11a \pm 11b \pm 11c + 12 + 13 + 14$)					
16. RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS					
Calculation (8 ± 15)					

Statement of Financing Report Crosswalk

<u>Line Pre/</u>	<u>Acct</u>				<u>Additional Information Required</u>
<u>Num- Post TB Num-</u>					
<u>ber Close Col ber</u>		<u>Account</u>	<u>Title</u>		
Components of Net Cost of Operations That Do Not Require or Generate Resources During the Reporting Period:					
17. Expenses of Exchange Revenue Related to the Disposition of Asset or Liabilities, or Allocation of Their Costs Over Time:					
17a. Expenses Related to Use of Assets					
17a	Pre	E	6107	Supplies and Materials Issued from Inventory	
17a	Pre	E	6500	Cost of Goods and Services Sold	
17a	Pre	E	6902	Depreciation and Amortization - Unfunded	
17a	Pre	E	7300	Extraordinary Items	
17b. Losses or (Gains) from Revaluation of Assets and Liabilities					
17b	Pre	E	7111	Gains on Disposition of Assets - Book Value of Asset	
17b	Pre	E	7112	Gains on Disposition of Assets * Proceeds from Sale	
17b	Pre	E	7190	Other Gains	
17b	Pre	E	7211	Losses on Disposition of Assets ~ Proceeds from Sale	
17b	Pre	E	7212	Losses on Disposition of Assets * Proceeds from Sale	
17b	Pre	E	7290	Other Losses	
17c. Decrease or (Increase) in Exchange Revenue Receivable from the Public					
17c	Pre	E-B	1311	Advances and Reimbursements Receivable - Billed	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c	Pre	E-B	1312	Refunds Receivable	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c	Pre	E-B	1314	Advances and Reimbursements Receivable * Unbilled	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c	Pre	E-B	1315	Audit Disallowances Receivable	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c	Pre	E-B	1316	Anticipated Recoveries Audit Disallowances	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c	Pre	E-B	1317	Insurance Premiums Receivable	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.

Associated with Obligations Only.

Statement of Financing Report Crosswalk

Line Pre/ Num- Post TB Num- ber Close Col ber	Acct Num- ber	Account Title	Additional Information Required
17c Pre	E-B 1318	Accounts Receivable - Non-Current	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c Pre	E-B 1319	Allowance for Loss on Accounts Receivable	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
17c Pre	E-B 131A	Anticipated Recoveries * Program Disallowances	Non-gov. (Increases)/Decreases. Portion associated with Non-gov exchange revenue.
<p>Note: <i>Receivables related to loans are not shown on the crosswalk pending analysis of HHS loan accounting procedures.</i></p> <p>Comment: <i>The Revenue Standard states that interest on Treasury securities held by trust funds and special funds is usually considered a nonexchange transaction.</i></p>			
17d.		Interest Revenue from Amortization of Credit Program Allowance for Subsidy Credit Reform	
17e.		Other	
17e Pre	E 6903	Bad Debt Expense * Unfunded	
17f.		Subtotal	
		Calculation (17a + 17b ± 17c ± 17d ± 17e)	
18. Expenses that will be financed with budgetary resources recognized in future periods:			
18a.		Annual Leave Expense from Increase in Annual Leave Liability	
18a	6904	Annual and Compensatory Leave - Unfunded	
18b.		Credit Program Subsidy Expense from Upward Subsidy Re-estimates Credit Reform	

Statement of Financing Report Crosswalk

<u>Line</u>	<u>Pre/</u>	<u>Acct</u>								<u>Additional Information Required</u>
<u>Num-</u>	<u>Post</u>	<u>TB</u>	<u>Num-</u>							
<u>ber</u>	<u>Close</u>	<u>Col</u>	<u>ber</u>		<u>Account Title</u>					
18c.					Other					
18c	Pre	E	6905		Other Expenses - Unfunded					
18c	Pre	E	6906		Current Year Unfunded FECA Expense					
18d.					Subtotal					
					Calculation (18a ± 18b ± 18c)					
19.					Other Net Cost Components That Do Not Require or Generate Resources During The Reporting Period					
20.					TOTAL COMPONENTS OF NET COST OF OPERATIONS THAT DO NOT REQUIRE OR GENERATE RESOURCES DURING THE REPORTING PERIOD					
					Calculation (± 17f ± 18d ± 19)					
21.					Net Cost of Operations					
					Calculation (16 ± 20)					

Notes:
1 These accounts are only applicable to those OPDIVs that have implemented upward/downward adjustments to prior-year obligations. Otherwise, these amounts are merely netted against 4800/4900.

Comments:
OF is researching the impact of the latest credit reform model on HHS accounting. When the workgroup's efforts are complete, reporting Lines labeled "Credit Reform" will be further explained.

Required Supplementary Stewardship Information

**U.S. Department of Health and Human Services
 Reporting OPDIV
 Stewardship Property, Plant, and Equipment
 For Year Ended September 30, 1999**

HHS has three types of property, plant, and equipment (PP&E) for stewardship reporting:

1. Heritage Assets
2. Stewardship Land
3. Indian Trust Lands

Heritage Assets are PP&E of historical, natural, cultural, educational, or artistic significance. **Heritage** assets are generally expected to be preserved indefinitely. This category includes buildings on the National Historic Register, cemetery sites, etc.

Stewardship Land includes land and land rights other than that acquired for or in connection with general PP&E. "Land" is defined as the solid part of the surface of the earth, excluding natural resources related to land. Examples of stewardship land include land used as forests and parks, and land used for wildlife and grazing.

Indian Trust Lands are those lands that do not meet the definition of stewardship land, but are held by the Indian Health Service (IHS) as separate and distinct, because of the Federal Government's long-term trust responsibility. All Indian trust lands, when no longer needed by IHS in connection with its general use PP&E, must be returned to the Department of the Interior's Bureau of Indian Affairs for continuing trust responsibility and oversight.

Asset Description	Number Of Sites	Total Square Footage	Federal Acreage	Total Acreage
Heritage Assets	3	3,429	5.32	5.32
Stewardship Land		n/a	n/a	n/a
Indian Trust Lands	<u>81</u>	n/a	<u>433.80</u>	<u>433.80</u>
Totals	<u>85</u>	<u>146,279</u>	<u>439.12</u>	<u>439.12</u>

Below is an example of additional information which may be disclosed by OPDIVs, in addition to the basic disclosure information shown above.

Distribution of Stewardship Assets by Type and Area

	Heritage Assets			Stewardship Land		Indian Trust Land	
	Number of Sites	Square Footage	Total Acreage	Number of Sites	Total Acreage	Number of Sites	Total Acreage
Aberdeen						9	74.7
Alaska	2	1,134	5.32				
Albuquerque						4	3.6
Bemidji						2	9.4
Billings						7	48.0
Navajo						32	220.7
Oklahoma City						2	9.9
Phoenix	1	2,295				15	54.0
Portland						5	1.5
Tucson						5	12.0
Total	3	3,429	5.32			81	433.8

Required Supplementary Stewardship Information

U.S. Department of Health and Human Services
 Reporting OPDIV
 Stewardship Investments
 Nonfederal Physical Property
 For Year Ended September 30, 1999

"Investment in nonfederal physical property" refers to expenses incurred by the Federal Government for the purchase, construction, or major renovation of physical property owned by state and local governments: including major additions, alterations, and replacements: the purchase of major equipment; and the purchase or improvement of other physical assets. 'Cash grants related to nonfederal physical property programs are included in this definition, but grants for maintenance and operations are not considered investments.

			Total Investments	
OPDIV	or	Program	1999	1998
ACF	or	Program 1	xxx	xxx
AoA	or	Program 2	xxx	xxx
AHCPR	or	Program 3	xxx	xxx
CDC	or	Program 4	xxx	xxx
FDA	or	Program 5	xxx	xxx
HCFA	or	Program 6	xxx	xxx
HRSA	or	Program 7	xxx	xxx
IHS	or	Program 8	xxx	xxx
NIH	or	Program 9	xxx	xxx
OS	or	Program 10	xxx	xxx
PSC	or	Program 11	xxx	xxx
SAMHSA	or	Program 12	<u>xxx</u>	<u>xxx</u>
Total, HHS			<u>\$ xxx</u>	<u>\$ xxx</u>

Required Supplementary Stewardship Information

**U.S. Department of Health and Human Services
Reporting OPDIV
Stewardship Investments
Investment in Human Capital
For Year Ended September 30, 1999**

"Investments in Human Capital" are expenses incurred by Federal education and training programs for the public which are intended to maintain or increase national productive capacity. Two operating divisions of the department conduct education and training programs under this category: ACF and NIH.

Note: Narrative may change from year to year. Also, the table will be expanded to include 5 years of data.

Administration for Children and Families (ACF)

ACF is unable to provide baseline data for two of its programs for FY 1998. Under both the Temporary Assistance for Needy Families (TANF) program and the Office of Refugee Resettlement (ORR), States have flexibility in how they spend their money. Under TANF, States are authorized in part to spend money on training and education that prepares people for work, as well as transitional services for training on-the-job. ORR grants are used by States to provide employment-related and social services to refugees. Under both TANF and ORR programs, each State decides how much it will spend on these and other activities. Since there is nothing in statute or regulation requiring States to report discretely how much they spend on training and education, ACF is unable to provide detailed information on these two programs at this time.

In contrast, the Administration on Developmental Disabilities (ADD) program within ACF is able to estimate their investment in human capital from existing data collection activities. Under ADD, 22 grants were awarded for Projects of National Significance (PNS). PNS grants are awarded to non-profit institutions to enhance the independence, productivity, integration, and inclusion of people with developmental disabilities into the community. Monies also support the development of national and state policy to serve this community.

National Institutes of Health (NIH)

The NIH Research Training and Career Development Program addresses the need for trained personnel to conduct medical research. The primary goal of the support that NIH provides for graduate training and career development is to produce new, highly trained investigators who are likely to perform research that will benefit the Nation's health. In FY 1998, the NIH funded 15,336 full-time training positions. Our ability to maintain the momentum of recent scientific progress and our international leadership in medical research depends upon the continued development of new, highly trained investigators.

(in millions)	Annual Investment	
	<u>1998</u>	<u>1999</u>
OPDIV/Program		
ACF		
TANF	unable	unable
ORR	unable	unable
ADD	1.04	XXX
NIH		
Research, Training & Career Development	660.47	XXX
Totals	\$ 661.51	\$ 0.00

Required Supplementary Stewardship Information							
U.S. Department of Health and Human Services							
Reporting OPDIV							
Stewardship Investments							
Investment in Research and Development							
For the Year Ended September 30, 1999							
(in thousands)							
OPDIV	or	Program	Basic	Applied	Development	Total 1999	Total 1998
ACF	or	Program 1	xxx	xxx	xxx	xxx	12,731
AOA	or	Program 2	xxx	xxx	xxx	xxx	31
HCPR	or	Program 3	xxx	xxx	xxx	xxx	139,511
DC	or	Program 4	xxx	xxx	xxx	xxx	398,491
DA	or	Program 5	xxx	xxx	xxx	xxx	53,36
CFA	or	Program 6					
IRSA	or	Program 7	xxx	xxx	xxx	xxx	43,991
HS	or	Program 8					
IH	or	Program 9	xxx	xxx	xxx	xxx	11,037,921
S	or	Program 10	xxx	xxx	xxx	xxx	14,401
SC	or	Program 11					
AMHSA	or	Program 12	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>1,541</u>
Total, HHS			<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$1,701,971</u>	

Required Supplementary Information					
U.S. Department of Health and Human Services					
Reporting OPDIV					
COMBINING STATEMENT OF BUDGETARY RESOURCES					
For the year ended September 30, 1999					
(in thousands)					
	Major Budgetary Account	Major Budgetary Account	Major Budgetary Account	Other Budgetary Accounts	Combined Total
Budgetary Resources:					
1. Budget Authority	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
2. Unobligated Balances - Beginning of Period	xxx	xxx	xxx	xxx	xxx
3. Spending Authority from Offsetting Collections	xxx	xxx	xxx	xxx	xxx
4. Adjustments	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
5. Total Budgetary Resources	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>
Status of Budgetary Resources:					
6. Obligation Incurred	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
7. Unobligated Balances - Available	xxx	xxx	xxx	xxx	xxx
8. Unobligated Balances - Not Available	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
9. Total Status of Budgetary Resources	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>
Outlays:					
10. Obligations Incurred	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
11. Less: Spending Authority from Offsetting Collections and Adjustments	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
12. Obligated Balance, Net - Beginning of Period	xxx	xxx	xxx	xxx	xxx
13. Obligated Balance Transferred, Net	xxx	xxx	xxx	xxx	xxx
14. Less: Obligated Balance, Net - End of Period	<u>(xxx)</u>	<u>(xxx)</u>	<u>(xxx)</u>	<u>(xxx)</u>	<u>(xxx)</u>
15. Total Outlays	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>
The accompanying notes are an integral part of these statements.					

Instructions:

Each OPDIV will display the supplementary information according to the summaries contained in each Program and Financing (P&F) Schedule in the President's Budget. Presently they are:

ACF Temporary Assistance for Needy Families
 Contingency Fund
 Family Support Payments to States
 Low Income Home Energy Assistance
 Refugee and Entrant Assistance
 Family Preservation and Support
 JOB Opportunities and Basic Skills (PY only)
 State Legalization Impact Assistance Grants (PY only)
 Child Care Entitlement to States
 Child Care and Development Block Grant
 Social Services Block Grant
 Children and Families Services Programs
 Violent Crime Reduction Programs
 Children's Research and Technical Assistance
 Payments to States for Foster Care and Adoption Assistance

Note : ACF may select the largest of these to display separately and aggregate the smaller ones to display in an "Other" column.

AHCPR Health Care Policy and Research

AOA Aging Services Programs

CDC Disease Control, Research and Training

FDA Salaries and Equipment
 Revolving Fund for Certification

HCFA Grants to State for Medicaid
 Payments to Health Care Trust Funds
 Program Management
 State Children's Health Insurance Fund
 Health Maintenance Organization Loan and Loan Guarantee Fund
 Federal Hospital Insurance Trust Fund
 Health Care Fraud and Abuse Control Account
 Federal Supplementary Medical Insurance Trust Fund

(See note under ACF)

HRSA Health Resources and Services
 Vaccine Injury Compensation
 Health Center Guaranteed Loan Financing Account
 Health Education Assistance Loans Program Account
 Health Education Assistance Loans Financing Account
 Health Education Assistance Loans Liquidating Account
 Medical Facilities Guarantee and Loan Fund
 Vaccine Injury Compensation Program Trust Fund

(see note under ACF)

IHS Indian Health Services
 Indian Health Facilities

NIH All NIH ICDs are combined

OS All DM accounts combined

OIG All OIG

PSC Retirement Pay and Medical Benefits for Commissioned Officers
 Health Activities Funds
 HHS Service and Supply Fund
 Miscellaneous Trust Funds

SAMHSA Substance Abuse and Mental Health Services

	NIH		HRS		FDA		Other		Combined	
	Service & Supply Fund		Service & Supply Fund		Certification Fund		Revolving Funds		Total	
U.S. Department of Health and Human Services Condensed Balance Sheet Franchise and Intragovernmental Support Revolving Funds For the year ended September 30, 1999 , (in millions)										
Assets										
Fund Balance with Treasury	\$ xxx	\$ xxx			\$ x x x		\$ xxx	\$ xxx		\$ xxe
Accounts Receivable, Net	xxx	xxx			xxx		xxx	xxx		xx}
Property, Plant & Equipment, Net	xxx	xxx			xxx		xxx	xxx		xxe
Other Assets	- xxx-	x x x			<u>x x x</u>		<u>x x x</u>	<u>x x x</u>		<u>x x i</u>
Total Assets	<u>\$ xxx</u>	<u>\$ xxx</u>			<u>\$ xxx</u>		<u>\$ xxx</u>	<u>\$ xxx</u>		<u>\$ xx}</u>
Liabilities										
Accounts Payable	\$ xxx	\$ xxx			\$ xxx		\$ xxx	\$ xxx		\$ xx}
Deferred Revenue	xxx	xxx			xxx		xxx	xxx		xxi
Other Liabilities	<u>xxx</u>	<u>xxx</u>			<u>xxx</u>		<u>xxx</u>	<u>xxx</u>		<u>x x i</u>
Total Liabilities	<u>xxx</u>	<u>xxx</u>			<u>xxx</u>		<u>xxx</u>	<u>xxx</u>		<u>xx}</u>
Net Position										
Unexpended Appropriations	\$ xxx	\$ xxx			\$ xxx		\$ xxx	\$ xxx		\$ xxi
Cumulative Results of Operations	<u>xxx</u>	<u>xxx</u>			<u>xxx</u>		<u>xxx</u>	<u>xxx</u>		<u>xx}</u>
Total Net Position	<u>xxx</u>	<u>xxx</u>			<u>xxx</u>		<u>xxx</u>	<u>xxx</u>		<u>xx}</u>
Total Liabilities & Net Position	<u>\$ xxx</u>	<u>\$ xxx</u>			<u>\$ xxx</u>		<u>\$ xxx</u>	<u>\$ xxx</u>		<u>\$ xx}</u>

For OPDIV statements, this format should be followed with the exception that only one column will be displayed. Also, the OPDIV name ("National Institutes of Health, " "Food & Drug Administration," etc., should be inserted after the first line of the title, above "Condensed Balance Sheet."

Required Supplementary Information					
U.S. Department of Health and Human Services					
Condensed Statement of Net Cost					
Franchise and Intragovernmental Support Revolving Funds					
For the year ended September 30, 1999					
(in millions)					
Program/Business Line	Less:				
	Intra- governmental	With the Public	Gross Costs	Earned Revenue	Net Costs
NIH Service & Supply Fund					
Administrative Services	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Information Technology	xxx	xxx	xxx	xxx	xxx
Instrumentation Services	xxx	xxx	xxx	xxx	xxx
Animal Services	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx
HRSA FOH					
Clinical Occupational Health	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Environmental Health	xxx	xxx	xxx	xxx	xxx
Employee Assistance	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx
HHS Service & Supply Fund					
Administrative Operations Services	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Financial Management Services	xxx	xxx	xxx	xxx	xxx
Human Resources Services	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx
FDA Certification Fund					
Foods	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Human Drugs	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx
Other Revolving Funds					
Product Line 1	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Product Line 2	xxx	xxx	xxx	xxx	xxx
Product Line 3	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx
GrandTotals-HHS Revolving Funds	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx

For OPDIV statements, **this** format should be followed for each individual franchise and intragovernmental support revolving fund. The OPDIV name ("National Institutes of Health, " "Food & Drug Administration," etc., should be inserted after the first line of the title, above "Condensed Statement of Net Cost."

Required Supplementary Information

U.S. Department of Health and Human Services
 Reporting OPDIV
 DEFERRED MAINTENANCE
 For Year Ended September 30, 1999

There are two methods for determining deferred maintenance: *Condition Assessment Surveys*, or *Life-Cycle Cost Forecasts*. Condition Assessment Surveys consist of periodic inspections of PP&E to determine if PP&E are in acceptable working condition and, if not, projecting the cost to reinstate them to acceptable working condition. Life-Cycle Cost Forecasts compare the cost of actual maintenance performed to the projected cost of maintenance schedules determined when PP&E were first placed in service. For each category of PP&E (General PP&E, Heritage Assets, and Stewardship Land), and each class of assets within General PP&E (Land, Buildings, Equipment), OPDIVs must disclose the method for determining deferred maintenance and the specific disclosures outlined by FASAB for each method. (These disclosure requirements are found in SFFAS No. 6, ¶83.) Sample disclosures are shown below.

Sample language in these two deferred maintenance footnotes **DO NOT** constitute official HHS policy for deferred maintenance. For example, the disclosure for Life-Cycle Cost Forecasts states that individual maintenance schedules are maintained on personal property over \$100,000. OPDIVs may use different thresholds. Also, OPDIVs may maintain individual maintenance schedules on all real property, instead of only real property more than \$500,000.

[Disclosure for Condition Assessment Surveys]

Category	Asset Condition (see explanation below)	Cost to Return to Acceptable Condition
General PP&E		
Land	2	\$0
Buildings	4	\$1,000,000-1,600,000
Equipment	4,5	\$1,050,000-2,000,000
Stewardship PP&E		
Heritage Assets	3	\$10,000
Stewardship Land	3	\$0

Asset condition is assessed on a scale of 1-5 as follows:

Excellent =1; Good = 2; Fair = 3; Poor = 4; Very Poor = 5.

A "Fair" or "3" rating is considered acceptable operating condition. Although PP&E categories may be rated as acceptable, individual assets within a category may require maintenance work to return them to acceptable operating condition. Therefore, asset categories with an overall rating of "Fair" or above may still report necessary costs to return to acceptable condition.

[Disclosure for **Life-Cycle Cost** Forecasts]

Category	Prior-Year Balance Cumulative Deferred Maint.	Current-Year Scheduled Maint.	Current-Year Maint. Actually Performed	Current-Year Balance Cumulative Deferred Maint.
General PP&E				
Land	\$0	\$0	\$0	\$0
Buildings	\$1,600,000	\$400,000	\$800,000	\$1,200,000
Equipment	\$2,800,000	\$800,000	\$100,000	\$3,500,000
Stewardship PP&E				
Heritage Assets	\$150,000	\$0	\$50,000	\$100,000
Stewardship Land	\$0	\$0	\$0	\$0

The original date for the maintenance forecasts represented in the table above range from **<insert year of oldest building>** for some buildings, to the current year for equipment. Maintenance schedules are maintained for categories of assets, grouped together in the year placed in service. Individual maintenance schedules are maintained for the following PP&E:

- 1) Personal property (equipment) with an initial acquisition cost of \$100,000 and an expected useful greater than five (5) years;
- 2) Real Property (all other assets) with an initial acquisition cost of \$500,000, and;
- 3) All Stewardship PP&E.

[The following paragraph provides an example of how OPDIVs can explain anticipated questions by the readers of the financial statements. OPDIVs should review their footnote disclosures to ensure full and informative disclosures. This includes anticipating instances where the reader may need more detailed information. In this example, the sample entity had scheduled maintenance of \$800,000, but only performed \$100,000 or work, a deficiency of **87.5%**. Without an explanation, this simple disclosure may mislead readers into thinking that management is ignoring routine maintenance requirements, instead of making a conscious decision to forego maintenance in lieu of purchasing new equipment.]

There were no changes made to any past maintenance forecasts during the current year, and management did not find it necessary to make any other adjustments to the scheduled maintenance amounts. Management decided to forego \$700,000 of the scheduled \$800,000 in maintenance for equipment in the current year as a result of the scheduled replacement of more than \$2.5 million in computer equipment in the next fiscal year. The equipment being replaced represents approximately 71% (\$500,000) of the forgone maintenance during the current year.

Required Supplementary Information

U.S. Department of Health and Human Services
 Reporting OPDIV
 INTRAGOVERNMENTAL TRANSACTIONS
 For Year Ended September 30, 1999

Intra-governmental Assets

<u>Aaency</u>	<u>TFM Dept Code</u>	<u>Fund Bal. with Treasury</u>	<u>Invest ments</u>	<u>Accounts Receivable</u>	<u>Other</u>
Dept of Agriculture	12		xxx	xxx	xxx
Dept of Commerce	13		xxx	xxx	xxx
Dept of Defense	17,21, 57,97		xxx	xxx	xxx
Dept of Education	91		xxx	xxx	xxx
Dept of Energy	89		xxx	xxx	xxx
Dept of HUD	86		xxx	xxx	xxx
Dept of HHS	75		xxx	xxx	xxx
Dept of the Interior	14		xxx	XXX	xxx
Dept of Justice	15		xxx	XXX	xxx
Dept of Labor	16		xxx	xxx	xxx
Dept of State	19		xxx	xxx	xxx
Dept of Transportation	69		xxx	xxx	xxx
Dept of the Treasury	20	xxx	xxx	xxx	xxx
Dept of Veterans Affairs	36		xxx	xxx	xxx
Agency for International Dev	72		xxx	xxx	xxx
Environ Protection Agency	68		xxx	xxx	xxx
Fed Emergency Mgmt Agency	58		xxx	xxx	xxx
Small Business Admin	73		xxx	xxx	xxx
General Services Admin	47		xxx	xxx	xxx
National Aeronautics & Space Admin	80		xxx	xxx	xxx
National Science Foundation	49		xxx	xxx	xxx
Nuclear Regulatory Commission	31		xxx	xxx	xxx
Office of Personnel Mgmt	24		xxx	xxx	xxx
Social Security Admin	28		xxx	xxx	xxx
Total		\$ xxx	\$ xxx	\$ XXX	XXX

<u>Agency</u>	<u>Intra-aovernmental</u>		<u>Liabilities</u>		
	<u>TFM Dept Code</u>	<u>Accounts Payable</u>	<u>Environmental & Disposal COSTS</u>	<u>Debt</u>	<u>Other</u>
Dept of Agriculture	12	xxx	XXX	xxx	xxx
Dept of Commerce	13	xxx	XXX	xxx	xxx
Dept of Defense	17,21, 57,97	xxx	XXX	xxx	xxx
Dept of Education	91	xxx	XXX	xxx	xxx
Dept of Energy	89	xxx	XXX	xxx	xxx
Dept of HUD	86	xxx	XXX	xxx	xxx
Dept of HHS	75	xxx	XXX	xxx	xxx
Dept of the Interior	14	xxx	XXX	xxx	xxx
Dept of Justice	15	xxx	XXX	xxx	xxx
Dept of Labor	16	xxx	XXX	xxx	xxx
Dept of State	19	xxx	XXX	xxx	xxx
Dept of Transportation	69	xxx	XXX	xxx	xxx
Dept of the Treasury	20	xxx	XXX	xxx	xxx
Dept of Veterans Affairs	36	xxx	XXX	xxx	xxx
Agency for International Development	72	xxx	XXX	xxx	xxx
Environmental Protection Agency	68	xxx	XXX	xxx	xxx
Federal Emergency Mgmt Agency	58	xxx	XXX	xxx	xxx
Small Business Admin	73	xxx	XXX	xxx	xxx
General Services Admin	47	xxx	XXX	xxx	xxx
National Aeronautics & Space Admin	80	xxx	XXX	xxx	xxx
National Science Foundation	49	xxx	XXX	xxx	xxx
Nuclear Regulatory Comrnisslon	31	xxx	XXX	xxx	xxx
Office of Personnel Mgmt	24	xxx	XXX	xxx	xxx
Social Security Admin	28	xxx	XXX	xxx	xxx
Total		<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING BALANCE SHEET BY BUDGET FUNCTION

For the year ending September 30, 1999

(in millions)

	Education, Training & Social Services	Health	Medicare	Income Security	Admin. of Justice	Natural Resources & Environment	Combined Totals	Elimin- ations	Consoli- dated Totals
ASSETS									
Entity:									
Intragovernmental									
Fund Balance with Treasury	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Investments	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Accounts Receivable	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other	<u>X X X</u>	<u>XXX</u>	<u>X X X</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>X X X</u>
Total Intragovernmental	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Investments	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Accounts Receivable	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Loans Rec. & Foreclosed Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Advances with the Public	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Cash & Other Monetary Assets	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Inventory & Related Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Gen Property, Plant & Equipment	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other	<u>XXX</u>	<u>XXX</u>	<u>X X X</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total Entity	<u>XXX</u>	<u>X X X</u>	<u>X X X</u>	<u>XXX</u>	<u>X X X</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING BALANCE SHEET BY BUDGET FUNCTION
 For the year ending September 30, 1999
 (in millions)

	Education, Training & Social Services	Health	Medicare	Income Security	Admin of Justice	Natural Resources & Environment	Combined Totals	Elimin ations	Consoli- dated Totals
Non-Entity:									
Intragovernmental									
Fund Balance with Treasury	XXX	XXX	XXX	XXX	XXX	xxx	xxx	xxx	xxx
Accounts Receivable	XXX	XXX	XXX	XXX	XXX	xxx	xxx	xxx	xxx
Other	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	- xxx	xxx -	<u>xxx</u>	<u>xxx</u>
Total Intragovernmental	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Accounts Receivable	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Cash & Other Monetary Assets	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Other	<u>xxx</u>	<u>X X X</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>	<u>x x x</u>	<u>xxx</u>	<u>x x x</u>
Total Non-Entity	<u>xxx</u>	<u>X X X</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	- xxx	xxx -	<u>xxx</u>	<u>x x x</u>
TOTAL ASSETS	<u><u>\$ X X X</u></u>	<u><u>\$ x x x</u></u>	<u><u>\$ X X X</u></u>	<u><u>\$ xxx</u></u>	<u><u>\$xx</u></u>	<u><u>\$ x x x</u></u>	<u><u>x x x</u></u>	<u><u>\$ xxx</u></u>	<u><u>\$ xxx</u></u>

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING BALANCE SHEET BY BUDGET FUNCTION
 For the year ending September 30, 1999

(in millions)

	Education, Training & Social Services	Health	Medicare	Income Security	Admin of Justice	Natural Resources & Environment	Combined Totals	Elimin- ations	Consoli- dated Totals
LIABILITIES									
Liabilities Covered by Budgetary Resources									
Intragovernmental									
Accounts Payable	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Environmental & Disposal Costs	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Debt	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Other	<u>xxx</u>	<u>X X X</u>	<u>X X X</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total Intragovernmental	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Accounts Payable	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Entitlement Benefits Due & Payable	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Accrued Grants	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Environmental & Disposal Costs	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Debt Held by the Public	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Loan Guarantees	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Federal Employee & Veterans Benefits	xxx	xxx	xxx	xxx	xxx	x x x	xxx	xxx	xxx
Other	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total Liabilities Covered by Budgetary Resources	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>X X X</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING BALANCE SHEET BY BUDGET FUNCTION
 For the year ending September 30, 1999
 (in millions)

	Education, Training & Social Services	Health	Medicare	Income Security	Admin of Justice	Natural Resources & Environment	Combined Totals	Elimin- ations	Consoli- dated Totals
Liabilities Not Covered by									
Budgetary Resources									
Intragovernmental									
Accounts Payable	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Environmental & Disposal Costs	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Debt	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>X X X</u>	<u>XXX</u>	<u>X X X</u>	<u>X X X</u>	<u>XXX</u>	<u>X X X</u>
Total Intragovernmental	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Accounts Payable	XXX	XXX	XXX	XXX	XXX	XXX	xxx	XXX	XXX
Environmental & Disposal Costs	XXX	XXX	XXX	XXX	XXX	XXX	xxx	XXX	XXX
Debt Held by the Public	XXX	XXX	XXX	XXX	XXX	XXX	xxx	XXX	XXX
Federal Employee & Veterans Benefits	XXX	XXX	XXX	XXX	XXX	XXX	xxx	XXX	XXX
Other	<u>XXX</u>	<u>X X X</u>	<u>X X X</u>	<u>XXX</u>	<u>X X X</u>	<u>XXX</u>	<u>xxx</u>	<u>X X X</u>	<u>X X X</u>
Total Liabilities Not Covered by Budgetary Resources	<u>X X X</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>XXX</u>
Total Liabilities	<u>XXX</u>	<u>XXX</u>	<u>- xxx-</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>xxx</u>	<u>xxx</u>	<u>X X X</u>

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING BALANCE SHEET BY BUDGET FUNCTION
 For the year ending September 30, 1999
 (in millions)

	Education, Training & Social Services	Health	Medicare	Income Security	Admin of Justice	Natural Resources & Environment	Combined Totals	Elimin ations	Consoli- dated Totals
NET POSITION									
Unexpended Appropriations	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Cumulative Results of Operations	x x x	xxx	xxx	xxx	xxx	- xxx	xxx	xxx	xxx
Total Net Position	xxx	xxx	- xxx	xxx	xxx	xxx	xxx	- xxx	xxx
TOTAL LIABILITIES & NET POSITION	\$ x x	\$ xxx	\$ xxx	x	\$ x x	\$ xxx	x x	\$ x x	\$ x x

In addition to this schedule, more detailed information on individual operating divisions (OPDIVs) can be found in the OPDIVs' audited financial statement. OPDIV financial statements can be accessed on the Internet at: www.hhs.gov

Other Accompanying Information

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATING BALANCE SHEET by BUDGET FUNCTION
 For the year ending September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra-Entity Eliminations	Consoli- dated Totals
ASSETS						
Entity:						
Intragovernmental						
Fund Balance with Treasury (Note 2)	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Investments, Net (Note 3)	xxx	xxx	xxx	xxx	xxx	xxx
Accounts Receivable, Net (Note 4)	xxx	xxx	xxx	xxx	xxx	xxx
Other (Note 10)	xxx	xxx	xxx	xxx	xxx	xxx
Total Intragovernmental	xxx	xxx	xxx	xxx	xxx	xxx
Investments, Net (Note 3)	xxx	xxx	xxx	xxx	xxx	xxx
Accounts Receivable, Net (Note 4)	xxx	xxx	xxx	xxx	xxx	xxx
Loans Receivable and Foreclosed Property, Net (Note 5)	xxx	xxx	xxx	xxx	xxx	xxx
Advances with the Public (Note 6)	xxx	xxx	xxx	xxx	xxx	xxx
Cash and Other Monetary Assets (Note 7)	xxx	xxx	xxx	xxx	xxx	xxx
Inventory and Related Property, Net (Note 8)	xxx	xxx	xxx	xxx	xxx	xxx
General Property, Plant, and Equipment, Net (Note 9)	xxx	xxx	xxx	xxx	xxx	xxx
Other (Note 10)	xxx	xxx	xxx	xxx	x x x	xxx
Total Entity	xxx	xxx	xxx	xxx	xxx	xxx

Other Accompanying Information

U.S. Department of Health and Human Service
 Reporting OPDIV
 CONSOLIDATING BALANCE SHEET by BUDGET FUNCTION
 For the year ending September 30, 1999
 (in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra-Entity Eliminations	Consoli- dated Totals
LIABILITIES						
Liabilities Covered by Budgetary Resources						
Intragovernmental						
Accounts Payable (Note 11)	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX	XXX	XXX	XXX
Debt	XXX	XXX	XXX	XXX	XXX	XXX
Other (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX
Total Intragovernmental	XXX	XXX	XXX	XXX	XXX	XXX
Accounts Payable (Note 11)	XXX	XXX	XXX	XXX	XXX	XXX
Entitlement Benefits Due and Payable (Note 12)	XXX	XXX	XXX	XXX	XXX	XXX
Accrued Grants (Note 13)	XXX	XXX	XXX	XXX	XXX	XXX
Environmental and Disposal Costs (Note 14)	XXX	XXX	XXX	XXX	XXX	XXX
Debt Held by the Public	XXX	XXX	XXX	XXX	XXX	XXX
Loan Guarantees (Note 15)	XXX	XXX	XXX	XXX	XXX	XXX
Federal Employee and Veterans Benefits (Note 16)	XXX	XXX	XXX	XXX	XXX	XXX
Other (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX
Total Liabilities Covered by Budgetary Resources	XXX	XXX	XXX	XXX	XXX	XXX

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING BALANCE SHEET BY OPERATING DIVISION
 For the year ending September 30, 1999
 (in millions)

	ACF	AoA	AHCPR	CDC	FDA	HCFA	HRSA	IHS	NIH	OS	PSC	SAMHSA	Combined Totals	Elimin- ations	Consoli- dated Totals	
NET POSITION																
Unexpended Appropriations	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
Cumulative Results of Operations	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	x	x	<u>xxx</u>	-	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>	<u>x x x</u>	
Total Net Position	-xxx	xxx	xxx	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	x	x	<u>x xxx-</u>	<u>xxx</u>	<u>x x x</u>
TOTAL LIABILITIES & NET POSITION	<u>\$xxx</u>	<u>sxxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>sxxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>sxxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>sxxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	

In addition to this schedule, more detailed information on individual operating divisions (OPDIVs) can be found in the OPDIVs' audited financial statements. OPDIV financial statements can be accessed on the Internet at: www.hhs.gov

Other Accompanying Information											
U. S. Department of Health and Human Services											
CONSOLIDATING STATEMENT OF NET COST BY BUDGET FUNCTION											
For the Year Ended September 30, 1999											
(in millions)											
Operating Division	Education, Training, & Social Services	Income Admin of Health Security	Medicare Justice	Natural Resources & Environment	OPDIV Consolidated Totals	Inter-Budget Eliminations costs	Function Revenues	HHS Consolidated Totals			
ACF	\$ xxx	\$ -	\$ -	\$ xxx	\$ xxx	\$ -		\$ xxx	\$ (xxx)	\$ xxx	\$ xxx
AOA	xxx							x x x	(xxx)		xxx
AHCPR		xxx						xxx	(xxx)	xxx	xxx
CDC		xxx		xxx		xxx		xxx	(xxx)	xxx	xxx
PDA		xxx						xxx	(xxx)	xxx	xxx
ICFA		xxx	xxx					xxx	(xxx)	xxx	xxx
IRSA		xxx						xxx	(xxx)	xxx	xxx
L-KS		xxx						xxx	(xxx)	xxx	xxx
NIH		xxx						xxx	(xxx)	xxx	xxx
OS		xxx						xxx	(xxx)	xxx	xxx
OSC		xxx						xxx	(xxx)	xxx	xxx
SAMHSA	<u>x x x</u>							<u>x x x</u>	(x x x)	<u>xxx</u>	<u>xxx</u>
Net Cost	<u>\$ xxx x x x</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>		<u>\$ xxx</u>	<u>\$ (xxx)</u>	<u>\$ xxx</u>	<u>\$ x x</u>

The accompanying notes are an integral part of these statements. In addition, detailed information on individual programs and other activities for the operating divisions (OPDIVs) can be found in the OPDIVs' audited financial statement. OPDIV financial statements can be accessed on the Internet at: www.hhs.gov GPRA

Other Accompanying Information

U.S. Department of Health and Human Services

Reporting OPDIV

CONSOLIDATING STATEMENT OF NET COST

For the year ended September 30, 1999

(in thousands)

	Budget Function I	Budget Function II	Budget Function III	Combined Totals	Intra- Entity Eliminations	Consolidating Totals
Net Program/Activity Costs						
GPRA Programs						
GPRA Program A	\$ xxx	\$ xxx	\$ XXX	\$ XXX	\$ XXX	\$ xxx
GPRA Program B	xxx	xxx	XXX	XXX	XXX	xxx
GPRA Program C	xxx	xxx	XXX	XXX	XXX	xxx
GPRA Program D	xxx	xxx	XXX	XXX	XXX	xxx
Net Cost - GPRA Programs	xxx	xxx	XXX	XXX	XXX	xxx
Other Activities (Note)						
Activity 1	\$ xxx	\$ xxx	\$ XXX	\$ XXX	\$ XXX	\$ xxx
Activity 2	xxx	xxx	XXX	XXX	XXX	xxx
Activity 3	xxx	xxx	XXX	XXX	XXX	xxx
Net Cost - Other Activities	xxx	xxx	XXX	XXX	XXX	xxx
Total Net Program/Activity Costs	xxx	xxx	XXX	XXX	XXX	xxx
Add: Costs Not Assigned to Programs/Activities	xxx	xxx	xxx	xxx	XXX	xxx
Less: Earned Revenues Not Attributable to Programs/Activities	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Net Cost of Operations	\$ xxx	\$ xxx	\$ XXX	\$ XXX	\$ XXX	\$ xxx

The accompanying notes are an integral part of these statements.

Other Accompanying Information					
U.S. Department of Health and Human Service					
Public and Intragovernmental Costs					
For the year ended September 30, 1999					
(in millions)					
Operating Division	Intra- Governmental	With the Public	Gross Costs	OPDIV	
				Less: Revenue	Consolidate ⁶ Net Cost of Operations
ACF	\$ -	\$ xxx	\$ xxx	\$ -	\$ xxx
AoA		xxx	xxx	xxx	xxx
AHCPR	-	xxx	xxx	xxx	xxx
CDC	xxx	xxx	xxx	xxx	xxx
FDA		xxx	xxx		xxx
HCFA	xxx	xxx	xxx	xxx	xxx
HRSA		xxx	xxx	xxx	xxx
IHS		xxx	xxx	xxx	xxx
NIH	xxx	xxx	xxx	xxx	xxx
OS		xxx	xxx	xxx	xxx
esc	xxx	xxx	xxx	xxx	xxx
SAMHSA		xxx	xxx	x x x	xxx
Total Public and Intragovernmental Costs	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>

Other Accompanying Information					
U.S. Department of Health and Human Service					
Reporting OPDIV					
Public and Intragovernmental Costs					
For the year ended September 30, 1999					
(in thousands)					
Programs/Activities	Intra- Governmental	With the Public	Gross Costs	Less: Earned Revenue	Combined Net Program/ Activity Costs
GPRA Programs	\$ -	\$ xxx	\$ xxx	\$ -	\$ xxx
GPRA Program A	-	xxx	xxx	xxx	xxx
GPRA Program B	xxx	xxx	xxx	xxx	xxx
GPRA Program C		xxx	xxx		xxx
GPRA Program D	<u> </u>	<u>xxx</u>	<u>- xxx</u>	<u>xxx -</u>	<u>xxx</u>
Subtotal	<u>xxx</u>	<u>x x x</u>	<u>xxx</u>	<u>xxx</u>	<u>x x x</u>
Other Activities					
Activity 1		xxx	xxx	xxx	xxx
Activity 2	xxx	xxx	xxx	xxx	xxx
Activity 3	<u>x</u>	<u>x xxx x</u>	<u>xxx</u>	<u>x x x</u>	<u>xxx</u>
Subtotal	<u> </u>	<u>x x x</u>	<u>x</u>	<u>x xxxx</u>	<u>xxx</u>
Total Public and Intragovernmental Costs	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ x x</u>

Other Accompanying Information

U.S. Department of Health and Human Service
 CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
 For the year ended September 30, 1999
 (in millions)

	Education, Training & Social Services	Health	Medicare	Income Security	Admin of Justice	Natural Resources & Environment	Combined Totals	Elimin- ations	Consoli- dated Totals
Net Cost of Operations	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Financing Sources (other than exchange revenues):									
Appropriations Used	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Taxes (and other non-exchange revenue)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Donations (non-exchange revenue)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Imputed Financing	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Transfers-in	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Transfers-out	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Other Financing Sources	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net Results of Operations	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Prior Period Adjustments	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net Change in Cumulative Results of Operations	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Increase (Decrease) in Unexpended Appropriations	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Change in Net Position	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Net Position-Beginning of Period	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net Position-End of Period	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>

The accompanying notes are an integral part of these statements.

Notes to the Financial Statements

These sample notes are prepared from the perspective of the HHS-wide consolidated financial statements. No one OPDIV should have a need to report all of the footnotes included in these guidelines. The purpose of these notes is to provide examples for OPDIVs in preparing their own specific footnote disclosures. Highlighted text represents additional guidance for the preparer of the OPDIV's footnotes and should not be considered model language to be included in the notes. References to "the Department" within these sample notes should be replaced with references to a specific OPDIV, with the exception of references to official Departmental accounting policy (i.e., the Departmental Accounting Manual).

These sample notes attempt to anticipate all the line items and footnote disclosures which may be required for the FY 1999 statements. An OPDIV may not have any transactions for a particular line-item and corresponding footnote. For instance, if an OPDIV does not have any investments to report, the line-item for Investments should be removed from the Balance Sheet, along with the reference to investments in Note 1, and the footnote itself, "Note 4. Investments." However, OPDIV statements should report all non-zero line-items included in the standard proforma statements issued by the Office of Financial Policy. This is necessary to ensure a proper roll-up of OPDIV statements into the Departmentwide consolidated statements.

Footnote disclosures included in these sample notes may be expanded to describe unique OPDIV situations. Any expanded footnotes must still include the minimum disclosures shown in these sample notes, and required by FASAB accounting standards and OMB Bulletin 97-O 1, "Form and Content of Agency Financial Statements."

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30 1999**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

[This note should state that the OPDIV is a component reporting entity of the Department of Health and Human Services. It should also discuss the significant accounting policies and standards adopted by the reporting entity (OPDIV). In most cases the significant accounting policies should be the same as those listed below, since significant OPDIV accounting policies should conform to departmental policies, which in turn conform to generally accepted accounting principles of the Federal Government (FED GAAP). **Any deviations from FED GAAP must be clearly disclosed in Note 1.]**

Reporting Entity [If it is deemed necessary to gaining an understanding of the financial statements, OPDIVs should describe the components which make up the reporting entity (OPDIV) in this section, in place of the Department's components which are the individual OPDIVs. OPDIVs must provide a listing or table of Treasury Fund Symbols covered by the financial statements.]

The Department of Health and Human Services consists of the following twelve (12) components, identified as Operating Divisions (OPDIVs), which have diverse missions and programs:

1. Administration for Children and Families (ACF)
2. Centers for Disease Control (CDC)/Agency for Toxic Substances and Disease Registry(ATSDR)
3. Food and Drug Administration (FDA)
4. Health Care Financing Administration (HCFA)
5. Health Resources and Services Administration (HRSA)
6. Indian Health Administration (IHS)
7. National Institutes of Health (NIH)
8. Program Support Center (PSC)
9. Substance Abuse and Mental Health Services Administration (SAMHSA)
10. Administration on Aging (AoA)
- II. Agency for Health Care Policy and Research (AHCPR)
12. Office of the Secretary (OS)

In FY 1999, the first nine (9) OPDIVs listed above received full scope audits, while the last three (3) were reviewed as part of the Departmental consolidated audit. Each OPDIV is considered a responsibility segment for purposes of preparing the HHS-wide Statement of Net Cost.

Basis of Presentation This disclosure must be revised by OPDIVs with respect to the number of funds included in the financial statements presentation.

The financial statements have been prepared to report the financial position and results of operations of HHS as required by the Chief Financial Officers Act of 1990, and amended by the Government Management Reform Act of 1994. They have been prepared from Departmental records in accordance with the form and content guidance of OMB Bulletin 97-O 1, and generally accepted accounting principles of the Federal Government, as specified by

OMB. These statements are therefore different from financial reports prepared pursuant to other OMB directives that are primarily used to monitor and control HHS's use of budgetary resources.

The **financial** statements consolidate the balances of about one hundred and forty discrete appropriations and fund accounts, and a number of accounts used for suspense, collection of receipts and general governmental functions. Material intra-HHS balances have been eliminated in the consolidation of the account balances from the financial statements of HHS's twelve OPDIVs; each issued under separate cover. Intra-entity eliminations are presented on the Consolidating Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position. The effects of intra-entity transactions are not eliminated in the presentation of the other principal statements. e r statements are labeled as combined/combining statements rather than consolidated/consolidating statements. Supplemental information is accumulated from the OPDIV reports, regulatory reports and other sources within HHS. Information is generally presented herein on a summary level, hence greater detail on OPDIV programs and activities is found in the annual reports prepared by the OPDIVs.

Basis of Accounting

For most HHS programs, transactions are recorded on an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds.

The cash basis is used by HCFA for Medicare benefit payments and Medicaid Program draws by States to cover current quarter expenses, and a number of other OPDIV programs. For these programs, an accrual method adjustment is made by recording year-end estimates of unpaid liabilities.

Entity & Non-Entity Assets

Entity assets are those assets which the reporting entity holds and has the authority to use in its operations. Non-entity assets are assets the entity holds but does not have the authority to use. An example of non-entity assets is income tax receivables, which the IRS collects for the US. Government but does not have authority to spend.

Fund Balance with Treasury

The Department maintains all cash accounts with the U.S. Treasury. The account, "Fund Balance with Treasury," represents appropriated, revolving, trust, and other funds available to pay current liabilities. The U.S. Treasury processes cash receipts and disbursements for HHS.

Investments

Trust fund balances in excess of current needs are invested in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Accounts Receivable

Accounts receivable consist of amounts owed to the Department by other Federal agencies and the public. Amounts due from the public are presented net of an allowance for loss on uncollectible accounts. The allowance for loss is based on past collection experience and/or an analysis of the outstanding balances. Accounts receivable also includes interest due to the Department other than interest on direct loans and loan guarantees. HHS non-entity receivable balances represent amounts that cannot be used by HHS once collected. Such receipts are transferred to the General Fund of the Department of the Treasury.

Loans Receivable

Loans are accounted for as receivables after funds are disbursed. In accordance with Credit Reform legislation, for loans obligated prior to October 1, 1991, loan principal, interest, and other costs are reduced by an allowance for loss based on historical data and current market factors. For loans obligated on or **after** October 1, 1991, the loans receivable is reduced by an allowance equal to the present value of the subsidy costs associated with these loans. Loans receivable also includes interest due to the Department for direct loans and defaulted loan guarantees.

Inventory and Related Property

Inventory and Related Property includes: Inventories Held for Sale; Operating Materials and Supplies, and; Stockpile Materials. Inventories Held for Sale (Inventories) consists of small equipment and supplies held by the various OPDIV Service and Supply Funds for sale to HHS components and other Federal entities. Operating Materials and Supplies (OMS) consist of pharmaceuticals, biological products, vaccines, and other medical supplies which are **used** in providing medical services and conducting medical research in the various **OPDIVs**. Both Inventories and OMS are recorded as assets when purchased, and expensed when they are consumed or sold. Generally, these inventories are recorded at (1) historical cost (or a method which reasonably approximates historical cost), or (2) the lower of cost (using weighted-average cost method) or market. Stockpile materials represent supplies of biological materials and vaccines held for use in case of a national emergency.

General Property, Plant and Equipment

The basis for recording purchased General Property, Plant and Equipment (PP&E) is **full** cost, including all **costs** incurred to bring the **PP&E** to a form and location suitable for its intended use. The cost of **PP&E** acquired under a capital lease is the amount recognized as a liability for the capital lease at its inception. The cost of **PP&E** acquired through donation is the estimated fair value when acquired. The cost of **PP&E transferred** from other Federal entities is the net book value of the transferring entity. All **PP&E** with an initial acquisition cost of \$25,000 or more and an estimated useful life of two (2) years or greater are capitalized. **PP&E** are depreciated on a straight-line basis over the estimated useful life of the item. Land and land rights, including permanent improvements, are not depreciated. Normal maintenance and repair costs are expensed as incurred.

Advances and Prepayments

Advances are cash outlays made by the Department to its employees, grantees or others to cover a part or all of the recipients' anticipated expenses or as advance payments for the costs of goods and services the Department receives. Prepayments are payments made to cover certain periodic expenses before they are incurred. Progress payments on **work** in process are **not** included in advances and prepayments. Advances to the public, primarily grant advances, are reported in Note 6, "Advances to the Public." Advances to other Federal agencies are reported in Note 10, "Other Assets."

Liabilities

Liabilities are recognized for amounts of probable future outflows or other sacrifices of resources as a result of past transactions or events. Since HHS is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payments of all liabilities other than contracts can be abrogated by the sovereign entity. In accordance with Public Law and existing Federal accounting standards, no liability is recorded for any future payment to be made on behalf of current workers contributing to the Medicare Hospital Insurance (HI) Trust Fund.

Liabilities Covered by Budgetary Resources are those liabilities funded by available budgetary resources including: (1) new budget authority, (2) spending authority from offsetting collections, (3) recoveries of unexpired budget authority, (4) unobligated balances of budgetary resources at the beginning of the year, and (5) permanent indefinite appropriation or borrowing authority.

Liabilities Not Covered by Budgetary Resources are incurred when funding has not yet been made available through Congressional appropriations or current earnings. HHS recognizes such liabilities for employee annual leave earned but not taken, and amounts billed by the Department of Labor for Federal Employee's Compensation Act (disability) payments. For HHS revolving funds, all liabilities are funded as they occur.

Accounts Payable

Accounts Payable consists of amounts due for goods and services received, progress in contract performance, interest due on accounts payable, and other miscellaneous payables such as worker's compensation (FECA) payments due to the Department of Labor.

Entitlement Benefits Payable

Entitlement Benefits Payable represents benefits due and payable to the public from entitlement programs enacted by law. In HHS the largest entitlement programs, which comprise the bulk of HHS entitlement spending, are Medicare and Medicaid (HCFA).

Accrued Grants

HHS grant programs are classified into two categories, block grants and non-block grants.

Block Grants

For most block grant programs, OPDIVs record expenses as the grantees draw funds. Therefore the year-end accrual for block grants is equal to the amount of funds drawn that have not already been recorded as expenditures.

Non-Block Grants

For non-block programs, grantees draw funds (recorded as advances in OPDIV systems) commensurate with their immediate cash needs. When grantees pay bills they report this to HHS' Division of Payment Management (DPM), quarterly and DPM reports these grantee expenditures to the OPDIVs. The OPDIVs then record an expense and reduce the grantee advance balance accordingly.

In 1998 all OPDIVs except HCFA adopted a new process to estimate and accrue unreported grantee expenditures. Grantees report their expenses on a quarterly basis using the grantee expenditure report, SF 272. The new process divides unreported grantee expenditures into two components: 1) 4th quarter grantee expenditures incurred and expected to be reported on the September 30 SF 272, and 2) 4th quarter grantee expenditures incurred but not expected to be reported (IBNR) on the September 30 SF 272.

The estimate of the first component was based upon historical grantee data. Grantee advances have proven to be a reliable predictor of quarterly grantee expenditures. Based on this relationship a regression analysis, using historical grantee advance and expenditure data, was used to estimate 4th quarter grantee expenditures. The estimated 4th quarter grantee expenditures were calculated by PMS, transmitted to the OPDIVs and are reported in the accompanying financial statements.

To estimate the second component, IBNR, HHS conducted 4 grantee surveys to determine if grantees had unreported expenses at year-end and if so, in what amounts. As a result of the surveys HHS determined that grantees typically had year-end IBNR equal to approximately 2 weeks of annual reported expenditures. This two-week accrual of grantee IBNR expenses was calculated by the Department, transmitted to OPDIVs and is reported in the accompanying financial statements.

Federal Employee & Veterans' Benefits

Federal Employee & Veterans' Benefits consist of the actuarial portions of future benefits earned by Federal employees and Veterans, but not yet due and payable. These costs include pensions, other retirement benefits, and other post-employment benefits. These benefits programs are normally administered by OPM and not by the Department of Health and Human Services, or any of the individual operating divisions of the Department. Therefore, HHS does not recognize any liability on the Balance Sheet for pensions, other retirement benefits, and other post-employment benefits. HHS does, however, recognize the imputed cost and imputed financing related to these benefits in the Statement of Net Cost and the Statement of Changes in Net Position, respectively.

The lone exception to this policy is the PHS Commissioned Corps Retirement System. The HHS-administered PHS Commissioned Corps Retirement System is discussed in Note 16, "Federal Employee & Veterans' Benefits."

Pensions: Pensions provide benefits upon retirement and may also provide benefits for death, disability, or other termination of employment before retirement. Pension plans may also include benefits to survivors and dependents, and they may contain early retirement or other special features. Most HHS employees participate in the Civil Service Retirement System (CSRS) or the Federal Employee Retirement System (FERS). Under CSRS, HHS makes matching contributions equal to 7 percent of basic pay. For FERS employees, HHS contributes the employer's matching share for Social Security and contributes an amount equal to one percent of employee pay to a savings plan and matches up to an additional 4 percent of pay. Most employees hired after December 31, 1983 are covered by FERS. The Office of Personnel Management reports on CSRS and FERS assets, accumulated plan benefits, unfunded liabilities, if any, applicable to Federal employees.

Other Retirement Benefits: Retirement benefits other than pensions (ORB) are all forms of benefits to retirees or their beneficiaries provided outside the pension plan. Examples include health and life insurance. Retirement health care benefits are the primary ORB expense.

Other Post-employment Benefits: Post-employment benefits other than pensions (OPEB) include all types of benefits provided to former or inactive (but not retired) employees, their beneficiaries, and covered dependents. Inactive employees are those who are not currently rendering services to their employers and who have not been terminated, but who are not eligible for an immediate annuity, including those temporarily laid off or disabled. OPEB includes salary continuation, severance benefits, counseling and training, continuation of health care or other benefits, and unemployment and workers' compensation benefits paid by the employer entity.

Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent that current or prior year funding is not available to cover annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken. Any liability for sick leave that is accrued but not taken by a CSRS-covered employee is transferred to the Office of Personnel Management upon the retirement of that individual. No credit is given for sick leave balances upon the retirement of FERS-covered employees.

Obligations Related to Canceled Appropriations

Payments may be required of up to 1% of current year appropriations for valid obligations incurred against prior year appropriations that have been canceled. The total potential payments related to canceled appropriations is estimated to be \$million as of September 30, 1999.

Revenues and Other Financing Sources

Funding for the Department/OPDIV is classified as **revenue or other financing sources**. Revenue is an inflow of resources that the Government demands, earns, or receives by donation. Revenue comes from two sources: exchange transactions and nonexchange transactions. Exchange revenues arise when a Government entity provides goods and services to the public or to another Government entity for a price. Another term for "exchange revenue" is "earned revenue." Nonexchange revenues arise primarily from exercise of the Government's power to demand payments from the public (e.g., taxes, duties, fines, and penalties) **but also** include donations. Other Financing Sources include appropriations used, transfers of assets from other Government entities, and imputed financing.

Other Financing Sources

Congressional appropriations are the primary funding source for most of the Department's programs. For financial statement purposes, appropriations used are recognized as a financing source as expenses are incurred.

Imputed financing is an "other financing source" which reflects cost incurred by one Federal entity which are paid for by another Federal entity. These are also known as inter-entity costs. For financial statements covering fiscal years 1998 and 1999, OMB is limiting the inter-entity costs to be recognized by Federal agencies to the **following**: (1) employee's pension benefits, (2) the health, life insurance, and other benefits for retired employees, (3) other post-employment benefits for retired, terminated, and inactive employees, which include severance payments, training and counseling, continued health care, and unemployment and worker's compensation under the Federal Employees' Compensation Act, and (4) losses in litigation proceedings (FASAB Interpretation No. 2, Accounting for Treasury Judgement Fund transactions)?

Financing for the Public Health Service (PHS) Commissioned Corps Retirement System is provided through annual appropriations. The estimate for PHS Commissioned Corps employees is an intra-HHS elimination because the PSC recognizes the liability for their retirement plan.

Nonexchange Revenue

Nonexchange revenues include income taxes, excise taxes, duties, fines, penalties, and other inflows of resources arising from the Government's power to demand payments, as well as voluntary donations. Nonexchange revenue is recognized when a reporting entity establishes a specifically identifiable, legally enforceable claim to cash or other assets. It is recognized to the extent that the collection is probable and the amount is measurable.

Medicare's Hospital Insurance program, also known as HI or Medicare Part A, is financed through the HI Trust fund, whose revenues come primarily through Medicare's portion of payroll and self-employment taxes collected under the Federal Insurance Contribution Act (FICA) and Self-Employment Contribution Act (SECA). The Medicare payroll tax rate was 2.9% of annual wages-employees and employers were each required to contribute 1.45% of employees' wages, with no limitation, to the HI Trust Fund. Self-employed individuals paid the full 2.9% themselves.

² Memorandum from G. Edward DeSeve, Controller, OMB, dated April 6, 1998, entitled "Technical *Guidance for the implementation of Managerial Cost Accounting Standard for the Federal Government.* "

Medicare's Supplemental Medical insurance program, also known as **SMI** or Medicare Part B, is financed primarily by general **fund** appropriations (Payments to the Health Care Trust Funds) provided by Congress and by monthly premiums paid by beneficiaries. Premium payments **from** Medicare beneficiaries are matched approximately 3 to 1 by Congressional appropriations. Interest revenue on investments is recognized as it is earned.

Exchange Revenue

Revolving funds recognize exchange revenue at the time goods or services are provided to the public or to another Government entity. Reimbursable service agreements between HHS activities and with other Federal agencies generally recognize these revenues when the related expenses are incurred. Various user fees are collected to offset the cost of providing services.

Exchange Revenue and Pricing Policies

Federal agencies which provide goods and services to the public or another government entity must disclose specific information related to their pricing policies and any expected losses under goods made to order. These **disclosures** are described in SFFAS No. 7. **This disclosure will most likely apply to PSC, CLIA (HCFA), CIT (NIH), PDUFA (FDA), and other reimbursable programs.** The paragraph should **include** a description of goods and services provided, differences in pricing policies, the nature of intragovernmental transactions, and full amount of expected losses.

Contingencies

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to the **Department/OPDIV**. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. With the exception of pending, threatened or potential litigation, a contingent liability is recognized when a past transaction *or* event has occurred, a future outflow or other sacrifice of resources is more likely than not, and the related future outflow or sacrifice of resources is measurable. For pending, threatened or potential litigation, a liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is likely to occur, and the related future outflow or sacrifice of resources is measurable.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Intra-Governmental Relationships and Transactions

In the course of its operations, HHS has relationships and financial transactions with numerous Federal agencies. The more prominent of these are with the Social Security Administration (SSA) and the Department of the Treasury. The SSA determines eligibility for Medicare programs, and also allocates a portion of Social Security benefit payments to the Medicare Part B Trust Fund for Social Security beneficiaries who elect to enroll in the Medicare Part B program. The Treasury receives the cumulative excess of Medicare receipts and other financing over outlays, and issues interest-bearing securities in exchange for the use of those monies. At the **Government-**wide level, the assets related to the trust funds on HHS' financial statements and the corresponding liabilities on the Treasury's financial statements should be eliminated.

Comparative Data OMB Bulletin 97-01, "Form and Content of Agency Financial Statements" provides that comparative financial statements are permitted but not required until reporting periods beginning after September 30, 1999 (FY 2000). Management has determined that, due to the implementation of new FASAB accounting standards and new financial statement formats and disclosures for FY 1999, it is not feasible nor prudent to attempt to restate FY 1998 amounts in the current statements. Therefore, comparative data will not be presented in the financial statements for FY 1999.

Unless otherwise stated, footnotes are presented in thousands.

NOTE 2. FUND BALANCE WITH TREASURY

HHS's undisbursed account balances are listed below by fund type. Other funds include balances in deposit, suspense, clearing and related non-spending accounts.

	<u>Entity Assets</u>	<u>Non-entity Assets</u>	<u>Total</u>
Trust Funds	x x x	x x x	XXX
Revolving Funds	x x x	x x x	x x x
Appropriated Funds	XXX	XXX	x x x
Other Funds	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

Other Information:
 OPDIVs should disclose any restrictions related to fund balance with Treasury, including dedicated collections. Dedicated collections include funds within the budget classified as "trust funds," those funds within the budget that are classified as "special funds" but that are similar in nature to trust funds, and other funds which are fiduciary in nature. The identification of funds that are similar in nature to trust funds is a matter of managerial judgment. Also, OMB Bulletin 97-01 requires a discussion of discrepancies between fund balances with Treasury and the general ledger accounts or amounts reported in the President's budget be included here.

NOTE 3. INVESTMENTS, NET

HHS invests trust fund cash that is in excess of current needs in Department of the Treasury securities. The Treasury is HHS's agent and advisor for investing.

	----- Amounts for Balance Sheet Reporting -----					
	(1)	(2)	(3)	(4)	(5)	(6)
	Cost	Amortization Method	Unamortized (Premium) Discount	Investments, Net	Other Adjustments	Market Value Disclosure
I. Intragovernmental Securities:						
(1) Marketable	XXX		XXX	XXX	XXX	XXX
(2) Non-Marketable: Par Value	XXX		XXX	XXX	XXX	XXX
(3) Non-Marketable: Market-Based	<u>XXX</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Subtotal	XXX		XXX	XXX	XXX	XXX
(4) Accrued Interest	<u>XXX</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Subtotal	<u>XXX</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
J. Other Securities						
(1)	XXX		XXX	XXX	XXX	XXX
(2)	XXX		XXX	XXX	XXX	XXX
(3)	<u>XXX</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Subtotal	XXX		XXX	XXX	XXX	XXX
(4) Accrued Interest	<u>XXX</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total	<u>XXX</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Other Information [OPDIVs should disclose any other information relative to understanding the nature of reported investments, such as permanent impairments. See examples below.]						
CFA invests in Special Issues exclusive to HI and SMI Trust Funds that are purchased and redeemed at face value. Certificates are short-term and pay from 5 3/8 to 5 3/4 percent. Bond interest rates range from 5 7/8 to 13 3/4 percent. Bonds mature at various dates from June 1999 to June 2013. The accrued interest receivable on investments totaled \$__million as of September 30, 1999.						
RSA's Vaccine Injury Compensation Trust Fund invests in market-based (MK) special securities. Securities currently held are MK Bills and Notes maturing in fiscal years 1999, 2004, and 2008.						
NIH invests a portion of their trust fund cash in short-term U. S. Treasury Securities. The majority of HHS' investments in securities are held to maturity and no provision is made for unrealized gains and losses.						

NOTE 4. ACCOUNTS RECEIVABLE, NET

	<u>Ending Bal, Gross Receivables</u>	<u>Interest Receivable</u>	<u>Allowance</u>	<u>Net Accounts Receivables</u>
Entity:				
Intragovernmental	XXXX	xxx	(XXX)	XXXX
From the Public				
Medicare	XXXX	XXX	(XXX)	XXXX
Medicaid	XXXX	XXX	(XXX)	XXXX
Other Public	<u>XXXX</u>	<u>XXX</u>	<u>(XXX)</u>	<u>XXXX</u>
Total, Entity	<u>XXXX</u>	<u>XXX</u>	<u>(XXX)</u>	<u>XXXX</u>
Non-Entity				
Intragovernmental	XXXX	XXX	(XXX)	XXXX
From the Public	<u>XXXX</u>	<u>XXX</u>	<u>(XXX)</u>	<u>XXXX</u>
Total, Non-Entity	<u>XXXX</u>	<u>XXX</u>	<u>(XXX)</u>	<u>XXXX</u>

OPDIVs should describe major components of accounts receivable (A/R) in this note. For example, PSC may have A/R primarily for goods and services provided to others, or HCFA's A/R may be primarily for amounts due from Medicare secondary payers. A/R for other OPDIVs may be due to audit disallowances for grants. Likewise, if the bulk of A/R for an OPDIV result from 1 or 2 programs, this information should be disclosed. An example of this would be if 80% or 90% of A/R for ACF resulted from the Child Support Enforcement program, this information would be important to the reader of the financial statement and should be included. See the examples below.

HCFA's Medicare receivables are primarily due to overpayments to providers, beneficiaries, physicians and suppliers, and to claims where Medicare should be the secondary payer. The Medicaid balance is the net realizable value of disallowances in dispute with the States.

HHS non-entity receivable balances represent amounts that cannot be used by HHS once collected. Such receipts are transferred to the General Fund of the Department of the Treasury.

The allowance for loss on accounts receivable is based upon analytical procedures on both individual and group basis. Individual analysis is based upon the debtor's ability to pay, the debtor's payment record and willingness to pay and the probable recovery of amounts from secondary sources, including liens garnishments, etc. To estimate allowance for loss by groups, HHS stratifies receivables into groups exhibiting similar characteristics. Estimated losses are then projected based upon statistical sampling or through historical loss experience. The allowance is periodically reviewed and adjustments are made as required.

NOTE 5. LOANS RECEIVABLE & FORECLOSED PROPERTY, NET [The allowance method should be identified. This is a simplified format and may not include all required disclosures. Refer to OMB Bulletin 97-01 for a more detailed discussion of the minimum disclosure requirements for direct loan and loan guarantee programs.]

Loans receivable are included for the Health Education Assistance Loans (HEAL) guaranteed loan program which is administered by HRSA. The gross receivables amount for this program represents defaulted loans, which have been paid to lenders under the guarantee, and includes principal and interest.

Loan Programs	Loans Receivable (Principal)	Interest Receivable	Gross Loans Receivable	Allowance	Net Receivables
HEAL Loans (HRSA)					
Pre-1992 loans	XXX	x x x	XXX	(XXX)	XXX
Post-1991 loans	XXX	XXX	XXX	(XXX)	XXX
Subtotal	x x x	x x x	XXX	(XXX)	XXX
Other					
Pre-1992 loans	XXX	XXX	x x x	(XXX)	XXX
Post-1991 loans	XXX	XXX	XXX	(XXX)	XXX
Total	XXX	XXX	XXX	(XXX)	XXX

NOTE 6. ADVANCES WITH THE PUBLIC

With the Public	
Grant Advances, Net	x x x
Travel Advances and Emergency Employee Payments	x x x
Other	XXX
Total Advances	XXX

Advances with the Public includes advances to grantees in excess of their grant-related expenses, payments to HHS employees for travel and emergency salary advances, and advances to non-Federal entities for goods and services to be provided to HI-IS. Advances with the Public does not include advances to Federal agencies for goods and services to be provided. These advances are reported as "Advances to Other Federal Entities" in **Note 10. Other Assets.**

Grant Advances, Net

For non-block grants, OPDIVs record the initial draw down of funds **from** grant awards as an Advance to the Public. When grantees submit their quarterly expense reports (SF 272), OPDIVs reduce the advance and increase expense for the amounts reported by the grantee. At fiscal year end OPDIVs book an accrual for grant expenses incurred but not yet reported (**IBNR**) by grantees. If grant advances outstanding at year end exceed the accrual for IBNR, then the OPDIV reports an asset for net grant advances. Otherwise, the OPDIV reports a liability called Accrued Grants for the excess of IBNR over outstanding grant advances.

At the department level, the asset and liability balances for the individual OPDIVs are separately combined and reported as separate line-items on the HHS-wide Balance Sheet. Netting OPDIV grant advance balances with OPDIV accrued grant liability **balances** would result in a net asset for HHS of \$XXX million, as follows:

Grant Advances	\$ x,xXx
Accrued Grants	<u>(XXX)</u>
Total Advances, net	\$ <u>xxx</u>

(See Note 1, Significant Accounting Policies, for a description of the accrued grant expense and the change in methodology for FY 98)

NOTE 7. CASH & OTHER MONETARY ASSETS

	<u>Entity Assets</u>	<u>Non-Entity Assets</u>
Cash	\$ x x x	\$ x x x
Foreign Currency	x x x	x x x
Other Monetary Assets		
(1) Gold	XXX	x x x
(2) Special Drawing Rights	XXX	x x x
(3) U.S. Reserves in the International Monetary Fund	XXX	x x x
(4) Other	<u>x x x</u>	<u>x x x</u>
(5) Total Other Monetary Assets	<u>XXX</u>	<u>x x x</u>
Total Cash, Foreign Currency and Other Monetary Assets	<u>\$ XXX</u>	<u>\$ x x x</u>
Other Information:		

NOTE 8. INVENTORY & RELATED PROPERTY, NET

<u>Inventory Held for Sale:</u>	
Inventory held for current sale	XXX
Inventory reserved for future sale	XXX
Excess, obsolete, and unserviceable inventory	XXX
Inventory held for repair	XXX
Total, Inventory Held for Sale	XXXX
<u>Operating Materials & Supplies (OMS):</u>	
OMS held for use	XXX
OMS reserved for future use	XXX
Excess, obsolete, and unserviceable OMS	XXX
Total, Operating Materials & Supplies	x x x x
<u>Stockpile Materials (SM):</u>	
SM held for sale	x x x
SM held for emergency or contingency	XXX
Total, Stockpile Materials	<u>x x x x</u>
Inventory & Related Property, Gross	x x x x x
less: Allowance for loss/obsolescence/spoilage	<u>(XXX)</u>
Inventory & Related Property, Net	<u><u>x x x x x</u></u>

HHS inventories are valued at historical cost. Inventory items are classified into appropriate categories, when received, based upon U.S. Standard General Ledger definitions derived from FASAB Standard No.3, "Inventory And Related Property."

HHS inventories are comprised of inventory held for sale, operating materials and supplies used in general operations and stockpile materials. CDC is mandated by law to maintain a vaccine stockpile to meet unanticipated needs for the vaccines, and for national emergencies. Vaccine stockpiles are maintained by the vaccine manufacturers and consist of several types of vaccines. CDC may only sell these vaccines to state, local, or territorial health departments.

OPDIVs should prepare Notes 9 & 10 regardless of the OPDIV's materiality threshold. Materiality for reporting HHS-wide will be determined in the consolidation process.]

NOTE 9. GENERAL PROPERTY PLANT AND EQUIPMENT, NET

Balances for the major categories of HHS Property, Plant and Equipment are listed below:

	<u>Depreciation Method</u>	<u>Est. Useful Lives</u>	<u>Acquisition Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land & Land Rights	N/A	N/A	x x x		XXX
Improvements to Land	Straight Line	5-20 yrs	x x x	(XXX)	xxx
Construction in Progress	N/A	N/A	x x x		x x x
Buildings, Facilities & Other Structures	Straight Line	15-40 yrs	XXX	(XXX)	XXX
Equipment	Straight Line	3-10 yrs	x x x	(XXX)	x x x
Assets Under Capital Lease	Straight Line	life of lease	XXX	(XXX)	x x x
Leasehold Improvements	Straight Line	7-15 yrs or life of lease	x x x	<u>(XXX)</u>	<u>XXX</u>
Totals			<u>x x x x</u>	<u>(XXXX)</u>	<u>XXXX</u>

NOTE 10. OTHER ASSETS

	<u>Entity Assets</u>	<u>Non-Entity Assets</u>
Intragovernmental		
Prepayments & Deferred Charges	x x x	x x x
Advances to Other Federal Entities	x x x	XXX
Other	XXX	XXX
Total, Other Assets, Intragovernmental	XXX	x x x
With the Public		
Prepayments & Deferred Charges	x x x	x x x
Other	XXX	XXX
Total, Other Assets, With the Public	XXX	XXX

NOTE 11. ACCOUNTS PAYABLE

[This note can be a narrative disclosure; a table is not necessary. However, accounts payable must be broken out between Intragovernmental and Public.]

NOTE 12. ENTITLEMENT BENEFITS PAYABLE

	With the Public	
	Liabilities Covered by Budgetary Resources	Liabilities Not Covered by Budgetary Resources
Medicare Claims	x x x	XXX
Medicaid	x x x	XXX
Other	XXX	XXX
Totals	XXX	x x x

Entitlement Benefits Payable represents benefits due and payable to the public from entitlement programs enacted by law. In HHS the largest entitlement programs, which comprise the bulk of HHS entitlement spending, are Medicare and Medicaid (HCFA) and Temporary Assistance for Needy Families (ACF).

NOTE 13. ACCRUED GRANTS

A liability for accrued grants occurs when grant advances outstanding at year end are less than the accrual for IBNR grant expenses. Otherwise, HHS reports an asset called Grant Advances (see Note 6, "Advances to the Public", for details).

NOTE 14. ENVIRONMENTAL & DISPOSAL COSTS

There are two types of cleanup events or activities: Ongoing Cleanup (SFFAS #5) and Deferred Cleanup (SFFAS #6). For both types of operations, the following disclosures should be made:

- the circumstances surrounding each liability, including the sources (applicable laws and regulations) of cleanup requirements;
- the method used for assigning estimated total cleanup costs to each discrete cleanup project or activity;
- the unrecognized portion of estimated total cleanup costs for each discrete cleanup project or activity;
- material changes in total estimated cleanup costs based on changes in law, technology, or other factors, and;
- nature of estimates and disclosure of information regarding possible changes due to inflation, deflation, technology, or applicable laws and regulations.

Environmental & Disposal Costs are the costs of removing, containing, and or disposing of (1) hazardous waste from property, or (2) material and or property that consists of hazardous waste at a permanent or temporary closure or shutdown of associated PP&E. In accordance with SFFAS # 5 Accounting for Liabilities of the Federal Government and SFFAS #6 Property Plant and Equipment, HHS has recognized a liability for cleanup of \$XX million. The following table presents HHS OPDIV cleanup costs:

Project/ Activity	Method for Assigning Cost	Total Est. Cleanup Cost	Less: Unrecogn Portion (Deferred Cleanup Costs Only)	Liability Recogn for Cleanup Costs
A	Estimated Cost of Similar Remediation	XXX	(XXX)	XX
B		XXX		XXX
C		XXX	(XXX)	XXX
		XXX	(XXX)	XX

NOTE 15. LOAN GUARANTEES

Loan Programs	Defaulted Loans Guaranteed	Interest Payable	Liability for Loan Guarantees
HEAL Guarantees (HRSA)			
Pre- 1992 guarantees	x x x	x x x	x x x
Post- 199 1 guarantees	XXX	XXX	XXX
Subtotal	x x x	x x x	x x x
Other			
Pre- 1992 guarantees	XXX	x x x	x x x
Post- 199 1 guarantees	XXX	XXX	XXX
Total	XXX	XXX	XXX

NOTE 16. FEDERAL EMPLOYEE & VETERANS' BENEFITS

	With the Public
Liabilities Not Covered by Budgetary Resources	
PHS Commissioned Corp Pension Liability	XXX
Future Workers' Compensation Benefits (FECA Actuarial Liability)	XXX
Total, Federal Employee & Veterans' Benefits	XXX

PHS Commissioned Corps Pension

HHS administers the PHS Commissioned Corps Retirement System for approximately XXX active duty officers and XXX retiree annuitants or survivors. Authorized by Public Law 78-410, it is a defined benefit plan and is non-contributory. The plan does not have accumulated assets, funding is provided entirely on a “pay as you go” basis by Congressional appropriations. Administrative costs are not borne by the plan. The actuarial present value of accumulated plan benefits is \$XXX million, of which \$XXX million is non-vested. The assumed interest rate is 6.75 percent. Economic assumptions are the same as those used by the Military Retirement System. Withdrawal and retirement rates are based on the historical trends of officers in the PHS retirement system. The actuarial liability was established based upon the Public Health Service’s Report for Commissioned Corps Retirement System for Plan Year Ending September 30, 1998.

Future Workers’ Compensation Benefits

The actuarial liability for future workers’ compensation benefits includes the expected liability for death, disability, medical and miscellaneous costs for approval compensation cases. The liability is determined using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payment related to that period. Consistent with past practice, these projected annual benefit payments have been discounted to present value using the office of Management and Budget’s economic assumptions for 10-year Treasury notes and bonds. Interest rate assumptions utilized for discounting in 1998 was 5.69% in year 1 and thereafter.

To provide more specifically for the effects of inflation on the liability for future workers’ compensation benefits wage inflation factors (cost of living adjustments or COLAs) and medical inflation factors (consumer price index medical or CPIMs) are applied to the calculation of projected future benefits. These factors are also used to adjust the methodology’s historical payments to current year dollars. The methodology also includes a discounting formula to recognize the timing of compensation payments per year instead of one lump sum per year. The projected number of years of benefit payments is 37 years.

NOTE 17. OTHER LIABILITIES

OPDIVs should describe the makeup of each component of “Other Liabilities.” See the examples below:

	Liabilities Covered by Budgetary Resources		Liabilities Not Covered by Budgetary Resources	
	Intra-governmental	With the Public	Intra-governmental	With the Public
Advances from Other Federal Agencies	XXX	---	XXX	---
Capital Lease Liability	XXX	XXX	XXX	XXX
Contingent Liabilities	---	---	—	XXX
Accrued Payroll & Annual Leave Earned	---	x x x	---	XXX
Vaccine Injury Compensation Program	---	XXX	---	XXX
Other	XXX	XXX	XXX	XXX
Total, Other Liabilities	XXX	XXX	XXX	XXX

Advances from Other Federal Agencies of \$ XXX million are for the provision of goods and services. The Vaccine Injury Compensation Program (VICP), administered by HRSA, provides compensation for vaccine-related injury or death. The liability of \$ XXX represents the estimated future payment value of injury claims outstanding for VICP as of September 30, 1999.

NOTE 18. NET POSITION

Net position is the difference between assets and liabilities. The section contains two line items: Unexpended Appropriations, including unobligated appropriations and undelivered orders, and Cumulative Results of Operations. Unobligated appropriations are either available for **obligation or not available** (permanently or temporarily) pursuant to a specific provision in law. Undelivered orders represents appropriations obligated (i.e., legally reserved) for the amount of goods or services ordered but not yet received. Cumulative results of operations represents the net difference between (1) expenses and losses and (2) **financing** sources, including appropriated capital used, **and revenues** and gains since the inception of the activity.

	Trust Funds	Revolving Funds	Appropriated Funds	Totals
Unexpended Appropriations:				
Unobligated,				
Available	x x x	x x x	x x x	x x x
Unavailable	x x x	x x x	XXX	x x x
Undelivered Orders	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Subtotal	x x x	x x x	x x x	x x x
Cumulative Results of Operations	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Net Position	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

NOTE 19. LEASES

[OMB Bulletin 97-01 requires a separate commitment schedule for both capital and operating leases, if leasing costs are significant.]

Capital/Operating Leases:

Description of Lease Arrangements:

- (1) _____
- (2) _____
- (3) _____

Future Payments Due:

Asset Category	(1)	(2)	(3)	Totals
Fiscal Year				
Year 1	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Year 2	XXX	XXX	XXX	XXX
Year 3	XXX	XXX	XXX	x x x
Year 4	XXX	XXX	XXX	XXX
Year 5	XXX	XXX	XXX	x x x
After 5 Years	XXX	xxx	xxx	x x x
Total Future Lease Payments	\$ XXX	\$ xxx	\$ XXX	\$ XXX

NOTE 20. GROSS COST AND EARNED REVENUE BY BUDGET FUNCTIONAL CLASSIFICATION

	Education, Training, & Social Services	Health	Medicare	Income Security	Admin of Justice	Combined Totals
Intragovernmental Costs	XXX	XXX	XXX	XXX	XXX	XXX
With the Public	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Gross Cost	XXX	XXX	XXX	XXX	XXX	XXX
Less: Earned Revenue	<u>(XXX)</u>	<u>(XXX)</u>	<u>(XXX)</u>	<u>(XXX)</u>	<u>(XXX)</u>	<u>(XXX)</u>
Net Cost	<u>XXX</u>	<u>XXX</u>	<u>x x x</u>	<u>x x x</u>	<u>x x x</u>	<u>XXX</u>

NOTE 21. PRIOR PERIOD ADJUSTMENTS

	Increases (Decreases) to Equity
Correction of Errors	x , x x x
Change in Accounting Principles	<u>(XXX)</u>
Total	<u>x x x</u>
Other Information:	

NOTE 22. CUSTODIAL ACTIVITY

The Administration for Children and Families (ACF) collects money from dead-beat dads and forwards it to the states to pay child support claims. ACF does this through *describe mechanism for collection*, ACF collected \$ XXX Billion in FY 1999.

NIH receives royalties from licenses for NIH funded inventions. The law allows inventors to receive a share of the royalties, and thus NEH distributes them to the inventors. Also, by law NIH provides the French American AIDS Foundation with a share of the royalties that NIH receives for an HIV test kit. Last year NIH received \$ XXX million in royalties. Of this amount, NIH paid \$ XXX million to inventors and \$ XXX million to the French American AIDS Foundation. Custodial receipts were about \$ XXX million for royalties. Any unpaid amounts will appear as non-entity assets.

The following notes (23-26) disclose important information on major revenues and expenses for HCFA, which is material to the department as a whole. These disclosures apply to HCFA only. The numbers included are for illustrative purposes only and will change for FY 1999.

NOTE 23. MEDICARE BENEFIT PAYMENTS

Medicare Claims Estimated Improper Payments

Federal government audits require the review of programs for compliance with Federal laws and regulations. Accordingly, the OIG reviewed a statistically valid sample of Medicare claims to determine that claims were paid properly by Medicare contractors, and that services were actually performed and were medically necessary. Medicare, like other insurers, makes payments based on a standard claims form. The internal claims process involves reviewing claims as billed and paying the correct amount for the services rendered. The claims submitted for payment to Medicare contractors contained no visible errors. However, when the medical review asked for documentation from providers to support their claims, there was an 7.1 percent error rate with a dollar value in the range of \$7.8-\$17.4 billion (\$12.6 billion midpoint). This is a reduction from 1997 error rate of 11 percent with a dollar value in the range of \$12.1-\$28.4 billion (\$20.3 billion midpoint). The majority of the errors fell into four broad categories: lack of medical necessity, insufficient or no documentation, incorrect coding, and noncovered/unallowable services.

Cost Report Settlement Process

The cost report settlement process represents the value of final outlays to providers based on fiscal intermediary (FI) audits, reviews and final settlements of Medicare cost reports. All institutional providers are required to file Medicare cost reports. For providers paid under the prospective payment system (PPS), the cost report includes costs that are not covered under PPS, such as disproportionate share hospital payments, indirect medical education payments, and other indirect costs. For providers paid on a cost basis, the cost report represents the total costs incurred by the provider for medical services to patients and reflects the final distribution of these costs to the Medicare program.

In 1998, 32,903 cost reports totaling \$95.9 billion were reviewed. Approximately \$70 billion represented inpatient claims to PPS providers. The cost report settlements, therefore, focused on the remaining non-PPS balance of about \$26 billion.

1998 Cost Report Summary

	Desk Reviews and Other	Audits	Total
Providers	\$ XX,XXX	\$ X,XXX	\$ XX,XXX
Costs Claimed	\$ XX,XXX	\$ XX,XXX	\$ XX,XXX
Disallowed	\$ X,XXX	\$ X,XXX	\$ X,XXX

The \$1.6 billion disallowed represents 6 percent of this \$26 billion non-PPS balance. Baaed on the current disallowance rates, if the full-scope audits were expanded to include the entire universe, the total amount disallowed would range **from** \$1.6 billion *to* \$2.2 billion. Therefore, by limiting the amount of full-scope audits that were conducted, HCFA may have overpaid providers by as much as \$600 million.

NOTE 24. MEDICARE PREMIUMS COLLECTED AND FEDERAL MATCHING CONTRIBUTION

SMI benefits and administrative expenses are **financed** by monthly premiums paid by Medicare beneficiaries and are matched by the Federal government through the general fund appropriation, Payments to the Health Care Trust Funds. Section 1844 of the Social Security Act authorizes appropriated funds to match **SMI** premiums collected, and outlines the ratio for the match as well as the method to make the trust funds whole if **insufficient** funds are available in the appropriation to match all premiums received in the fiscal year. The monthly SMI premium per beneficiary is \$43.80 beginning January 1997. Premiums collected from beneficiaries totaled \$19.4 billion in FY 1998 and were matched by a \$59.8 billion contribution from the Federal government.

NOTE 25. EMPLOYMENT TAX REVENUE

For periods after December 31, 1993, employees and employers are each required to contribute 1.45 percent of employees' wages, and self-employed persons are required to contribute 2.90 percent of net income, with no limitation, to the HI Trust Fund. The Social Security Act requires the transfer of these contributions **from** the General Fund of Treasury to the HI Trust Fund based on the amount of wages certified by the Commissioner of Social Security from SSA records of wages established and maintained by SSA in accordance with wage information reports. The SSA uses the wage totals reported annually by employers via the quarterly Internal Revenue Service Form 941 as the basis for conducting quarterly certification of regular wages.

NOTE 26. SUBSEQUENT EVENT - TOBACCO SETTLEMENT

Subsequent to the 1998 fiscal year-end, certain States entered into a settlement agreement with tobacco companies for reimbursement of medical costs incurred in treating tobacco-related illnesses. Under Section 1903(d) of the Social Security Act, States must allocate from the amount of any Medicaid-related expenditures recovery, the **pro-**rat share to which the Federal government is entitled. The financial statements have not recognized a receivable for any proceeds as a result of the tobacco settlement since the **final** disposition of these funds has not been determined.



HHS TRANSMITTAL 98.2
Departmental Accounting Manual
Issue Date: 02/02/98

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Material Transmitted

Chapter 5-30 Federal Agencies' Centralized Trial-Balance System (FACTS), (pages 1-5).
Exhibit 5-30-A HHS Standard General Ledger Accounts Crosswalked to Treasury Accounts (pages 1-7).

-Material Superseded

Chapter 5-30 (pages 1 - 3 : 97.1).
Exhibit 5-30-A (pages 1 - 6 : 97.1).

Background

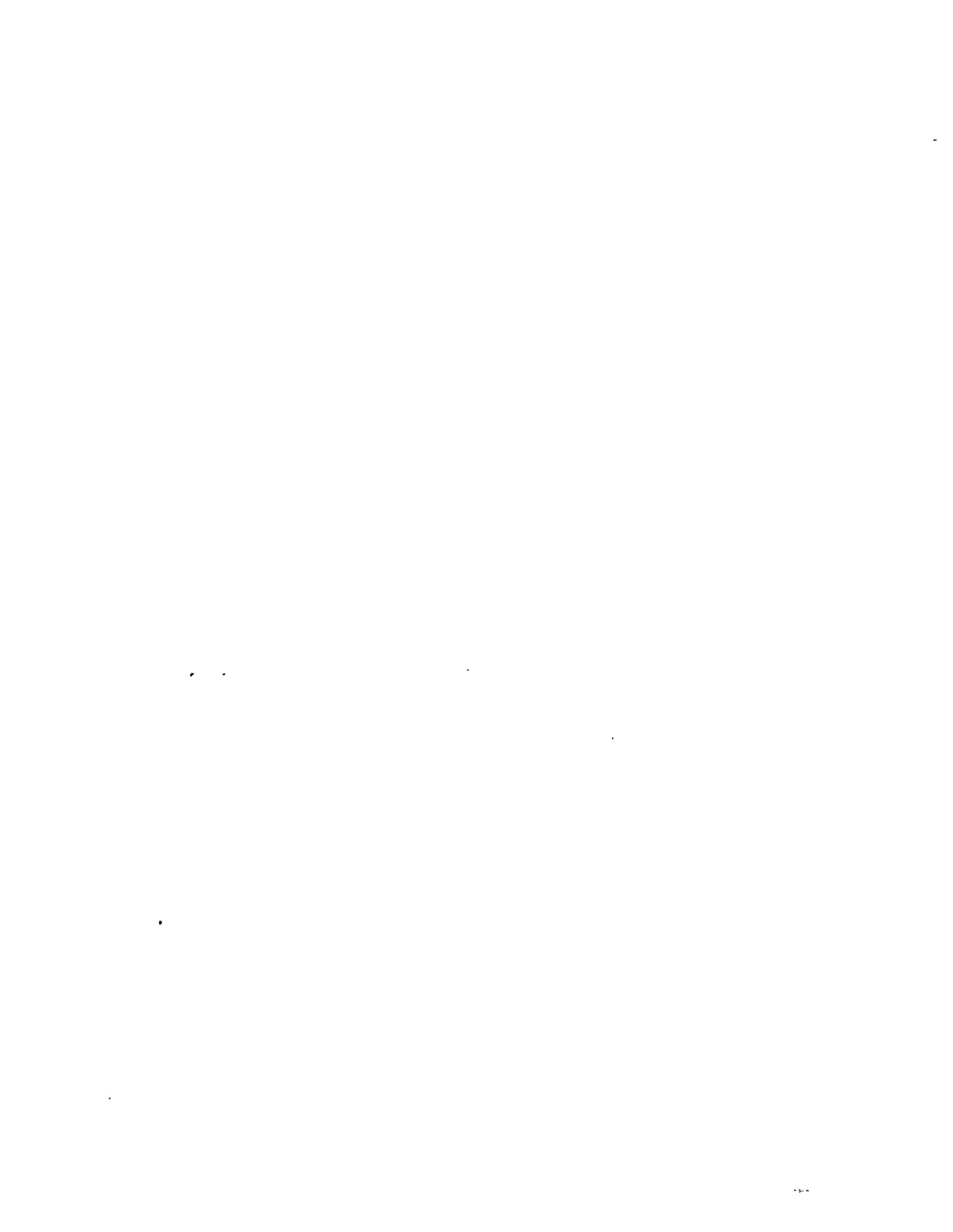
Chapter 5-30 and Exhibit 5-30-A have been updated to conform with changes made to I TFM 2-4000 "Federal Agencies Centralized Trial-Balance System (FACTS) " issued under TFM Transmittal Letter No. 572 dated July 29, 1997; and TFM Bulletin 98-02, FACTS Data Verification, dated October 8, 1997.

Filing instructions

Remove superseded material and replace it with the new material. Post receipt of this transmittal to the HHS Checklist of **Transmittals** and file this transmittal in sequential order after the checklist.

A handwritten signature in black ink, appearing to read "George H. Strader", written over a horizontal line.

George H. Strader
Deputy Assistant Secretary, Finance



**SUBJECT: FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE
SYSTEM (FACTS)**

5-30-00 **Authority**
 10 **Reporting Standards**
 20 **Transmission Methods**
 30 **Reporting Entities Submissions**
 40 **FACTS Data Verification**

5-30-00 **AUTHORITY**

Section 405 of the Government Management Reform Act of 1994 (GMRA) (31 U.S.C. 331 (e)(1)) requires the Secretary of the Treasury to annually prepare and submit to the President and the Congress an audited financial statement for the preceding fiscal **year**, covering all accounts and associated activities of the executive branch of the United States Government. Section 114 of the Budget and Accounting procedures Act of 1950 (31 U.S.C. 3513a) provides that each executive agency must furnish the Secretary of the Treasury with information relating to the agency's financial condition and operations as the Secretary may require. HHS accounting offices responsible for OPDIV financial records will transmit pre-closing proprietary trial balance data electronically through the Treasury Financial Management Service (FMS) Federal Agencies' Centralized Trial-Balance System (FACTS).

The SF 220-8 (Report on Guaranteed Loans) and the Treasury Report on Receivables Due from the Public (TROR a.k.a. Schedule 9) will continue to be reported on a quarterly basis as required in I TFM 2-4100, Credit and Debt Management Reporting. They will be submitted via the Government On-Line Accounting Link System (GOALS) as set forth in I TFM 6-4000, On-Line Payment and Collection (**OPAC**) system.

5-30-10 **REPORTING STANDARDS**

This chapter supplements the **FACTS instructions contained** in I TFM 2-4000, Federal Agencies' Centralized Trial-Balance System (FACTS). The TFM chapter contains more detailed information on electronically transmitting a pre-closing proprietary adjusted trial-balance (ATB) at the Treasury appropriation/fund group level using the U.S. Government Standard General Ledger (SGL) accounts. The SGL accounts are listed in this manual at Exhibit 4-20-A and in I TFM 2-4000 Appendix No. 2. Additionally, **OPDIVs**

must also electronically transmit the NOTES Report and any Notes Supplements as required by I TFM 2-4000. A full description of the Notes Report with instructions are contained in I TFM 4-2000 Appendix No. **1**.

Pre-closing proprietary **ATBs** and the NOTES Report will be transmitted by each OPDIV entity responsible for the maintenance and reporting of financial data. These reporting entities are also responsible for reporting **ATBs** on the funds and appropriations transferred-in from another component or Federal Agency.

Each pre-closing ATB will include balances of all proprietary SGL accounts (assets, liabilities, equity, revenues and expenses) for each appropriation/fund group for the fiscal year, to include all adjustments made prior to closing and those made as a result of the audit of the financial statements. All fund years for a given appropriation symbol are combined into a single ATB for FACTS transmission. The exception is that a single ATB can be transmitted for all fund groups in the following categories:

- Clearing Accounts (use 3800 for the fund group)
- Deposit Fund Accounts (use 6000 for the fund group)
- **"Unavailable"** Receipt Accounts (use 5000 for the fund group)

See Exhibit 5-30-A for a listing of **HHS** SGL subsidiary accounts crosswalked to the Treasury listed accounts. Subsidiary accounts must be summarized to **the** Treasury account for transmission.

5-30-20 TRANSMISSION METHODS

ATBs may be transmitted by one of three methods: a host-to-host transfer, a PC-to-host transfer, or with a PC application. NOTES must be transmitted via the PC application following the ATB transmission. For further information on transmission options, contact the FMS GOALS Marketing Team at **202-874-8270**.

5-30-30 REPORTING ENTITIES SUBMISSIONS

Master Appropriation File (MAF)

Reporting entities are required to establish a MAF on the FACTS database and transmit MAF data through a PC application. All users must **verify their** data electronically and annually review and update their automated **MAF** by October 31st. Treasury staff will examine the updated files. After Treasury concurs, the data will be uploaded to the MAF. Then the reporting entity must

initiate an action in the PC application to acknowledge the Treasury concurrence of the updated MAF.

SGL Account Balances

The **ATBs** will contain all preclosing account balances. In addition, a number of the accounts will be appended with an attribute to identify whether 'the underlying transactions were with a government (**G**) or non-government (**N**) organization. FACTS will have a transmission edit to verify that SGL accounts transmitted have equal debit and credit balances. Any ATB that does not meet the debit equals credit edit will not be accepted.

NOTES Report

The thirteen notes required by FACTS generally follow the note disclosures described in OMB Bulletins 94-01 and 97-01 for the OPDIV financial statements. This NOTES Report should not require duplicate work by the accounting staff.

ATB and NOTES Report Submission Due Date

Annually, Treasury publishes submission requirements in its TFM Bulletin entitled "Year-End Closing Procedures." HHS has set a submission date of February 15 for the ATB and NOTES Report. This is one of other dates contained in Departmental instructions entitled "**Audited** Financial Statement Milestones." It is essential this date be met or the preparation of the **Government-wide** Statements will be delayed and the Department will not be able to furnish the FACTS data verification described below.

The ATB account balances and NOTES data transmitted will be the same ATB account balances used in the entity financial statements. The FACTS notes should be the same as the notes accompanying the financial statements, wherever possible.

The Government Securities Management Branch, Bureau of the Public Debt will provide an ATB of the audited trust fund activity no later than February 2 for the following trust funds:

- Federal Supplementary Medical Insurance (**SMI**)
- Federal Hospital Insurance (HI)
- Vaccine Injury Compensation

The appropriate reporting entity must consolidate the trust fund data into their ATB.

5-30-40 **FACTS DATA VERIFICATION**

OPDIV Verification

It is essential that the trial **balances submitted to Treasury by reporting entities** are the same trial balances used in the preparation of the OPDIV financial statements. The trial balances submitted to Treasury are the source data for the preparation of the Government-wide financial statements and the OPDIV financial statements are the source data for the preparation of the HHS-wide financial statements. Therefore, OPDIV internal operating procedures should ensure that a verification of trial balances takes place. Further, OPDIV auditors should verify, as part of the audit coverage, that the **ATBS** submitted to Treasury are the same trial balances used in preparing the financial statements. OPDIV **CFOs** will provide assurance to the HHS CFO that trial balance verifications have been made as support for the **CFOs** certification statement described in the next section.

OPDIV accounting staff will also assist the Office of Finance in carrying out the data comparisons that are the basis for the **CFO's** verification to Treasury. The assistance needed will be communicated separately once FMS comparative data reports are received.

HHS CFO and OIG Verification

The HHS Chief Financial Officer (CFO) and the Inspector General (**IG**) are required to verify, independently, the consistency of FACTS data against the Department-wide audited financial statements submitted to OMB annually. Treasury has described the verification process to be followed in its TFM Bulletin 98-02. The verification procedures **were** developed in connection with the preparation and audit of the consolidated government-wide financial statements. The intent is to determine the consistency of agency financial statements with summarized FACTS data since these data are also used statements.

The CFO is required to provide a verification response to the FMS via the Internet no later than March 2. The data verification and response is required regardless of the status of the financial statements audit for OMB submission. Should the audit not be complete by March 2, the CFO must verify the FACTS data after audit adjustments have been accomplished. The response verifies that no material differences were found or that differences exist, in which case a report explaining the differences must be submitted.

The IG response is based on the Statement on Standards for Attestation Engagements No. 4, "Agreed-Upon Procedures Engagements." Again, the intent is to describe any inconsistency between summarized FACTS data and the HHS-wide financial statements. The IG report is to be issued to the FMS and the General Accounting Office by March 6 or, if the financial statements are issued after March 2, within one week of the issuance of the financial statements.

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
HHS STANDARD GENERAL LEDGER ACCOUNTS CROSSWALKED TO TREASURY ACCOUNTS
 (EXHIBIT WILL BE UPDATED ANNUALLY AS **REQUIREMENTS CHANGE**)

<u>HHS</u> <u>ACCTS</u>	<u>ACCOUNT TITLES</u>	<u>TREASURY</u> <u>ACCOUNTS</u>	<u>G/N</u>
ASSETS			
1010	FUND BALANCE WITH TREASURY	1010	
1011	AUTHORITY		
1012	DISBURSEMENTS (OTHER THAN PAYROLL)		
1013	DISBURSEMENTS (PAYROLL)		
1014	FOREIGN DISBURSEMENTS		
1015	COLLECTIONS		
1016	DEPOSIT FUNDS AND BUDGET CLEARING/SUSPENSE ACCTS		
1110	UNDEPOSITED COLLECTIONS	1110	
1120	IMPREST FUNDS	1120	
1190	OTHER CASH	1190	
1195	OTHER MONETARY ASSETS	1195	
1200	FOREIGN CURRENCY	1200	
1310	ACCOUNTS RECEIVABLE	1310	G/N
1311	ADVANCES AND REIMBURSEMENTS RECEIVABLE - BILLED		
1312	REFUNDS RECEIVABLE		
1313	GENERAL/TRUST FUND RECEIPTS RECEIVABLE		
1314	ADVANCES AND REIMBURSEMENTS RECEIVABLE - UNBILLED		
1315	AUDIT DISALLOWANCES RECEIVABLE		
1316	ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES		
1317	INSURANCE PREMIUMS RECEIVABLE		
1318	ACCOUNTS RECEIVABLE - NON-CURRENT		
131A	ANTICIPATED RECOVERY - PROGRAM DISALLOWANCE		
1319	ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	1319	G/N
(1)	• RECEIVABLE FOR ALLOCATION TRANSFERS	1330	
1340	INTEREST RECEIVABLE	1340	G/N
1341	INTEREST RECEIVABLE ON LOANS		
1343	INTEREST RECEIVABLE ON INVESTMENTS		
1344	INTEREST RECEIVABLE ON GENERAL/TRUST FUND RECEIPTS		
134A	INTEREST RECEIVABLE ON DELINQUENT ACCOUNTS		
134B	INTEREST RECEIVABLE ON DELINQUENT LOANS		
134c	PENALTY RECEIVABLE ON DELINQUENT ACCOUNTS		
134D	PENALTY RECEIVABLE ON DELINQUENT LOANS		
134E	ADMIN COSTS RECEIVABLE ON DELINQUENT ACCOUNTS		
134F	ADMIN COSTS RECEIVABLE ON DELINQUENT LOANS		
1349	ALLOWANCE FOR LOSS ON INTEREST RECEIVABLE	1349	G/N
1350	LOANS RECEIVABLE	1350	G/N
1351	LOANS RECEIVABLE - PRINCIPAL		
1352	LOANS RECEIVABLE - COLLECTION		
1353	GENERAL/TRUST FUND RCPTS LOANS REC - PRINCIPAL		
1354	GENERAL/TRUST FUND RCPTS LOANS REC - COLLECTIONS		
1355	LOANS RECEIVABLE - GUARANTEED/PLEDGED - PRINCIPAL		
1356	LOANS RECEIVABLE - GUARANTEED/PLEDGED - COLLECTIONS		
135.7	LOANS RECEIVABLE - DEFAULTED - PRINCIPAL		

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
 HHS STANDARD GENERAL LEDGER ACCOUNTS CROSSWALKED TO TREASURY ACCOUNTS
 (EXHIBIT WILL BE UPDATED ANNUALLY AS REQUIREMENTS CHANGE)-

HHS ACCTS	ACCOUNT TITLES	TREASURY ACCOUNTS	G/N
1358	LOANS RECEIVABLE - DEFAULTED - COLLECTIONS		
135A	LOANS RECEIVABLE - CURRENT		
(1) 1359	ALLOWANCE FOR LOSS ON LOANS RECEIVABLE	1359	G/N
(1) 1399	ALLOWANCE FOR SUBSIDY	1399	
1410	ADVANCES TO OTHERS	1410	G/N
1411	TRAVEL ADVANCES AND EMERGENCY EMPLOYEE PAYMENTS		
1412	ADVANCES TO COMMISSIONED OFFICERS		
1413	ADVANCES TO NON-FEDERAL ENTITIES THROUGH PMS		
1414	ADVANCES TO OTHERS BY NON-EXPENDITURE TRANSFER		
1417	ADVANCES TO OTHERS - ALL OTHER		
1418	ADVANCES TO OTHERS - ESTIMATED ACCRUALS		
1450	PREPAYMENTS	1450	G/N
1451	PREPAYMENTS		
1452	DEFERRED CHARGES		
1510	OPERATING MATERIALS AND SUPPLIES		
1511	OPERATING MATERIALS AND SUPPLIES HELD FOR USE	1511	
1512	OPERATING MATERIALS AND SUPPLIES HELD IN RESERVE FOR FUTURE USE	1512	
1513	OPERATING MATERIALS AND SUPPLIES - EXCESS, UNSERVICEABLE AND OBSOLETE	1513	
1520	INVENTORY (FOR SALE), NET		
1521	INVENTORY HELD FOR SALE	1521	
1522	INVENTORY HELD IN RESERVE FOR FUTURE SALE	1522	
1523	INVENTORY HELD FOR REPAIR	1523	
1524	INVENTORY - EXCESS, UNSERVICEABLE AND OBSOLETE	1524	
(2) 1525	MANUFACTURING - RAW MATERIALS AND SUPPLIES	1521	
(2) 1526	MANUFACTURING - WORK IN PROCESS	1521	
(2) 1527	MANUFACTURING - FINISHED GOODS	1521	
1529	INVENTORY (FOR SALE) - ALLOWANCE	1529	
(1) 1530	SEIZED PROPERTY - MONETARY INSTRUMENTS	1530	
(1) 1540	FORFEITED PROPERTY, NET		
1541	FORFEITED PROPERTY HELD FOR SALE	1541	
1542	FORFEITED PROPERTY HELD FOR DONATION OR USE	1542	
1549	FORFEITED PROPERTY - ALLOWANCE	1549	
(1) 1550	FORECLOSED PROPERTY, NET		
1551	FORECLOSED PROPERTY	1551	
1559	FORECLOSED PROPERTY - ALLOWANCE	1559	
(1) 1560	COMMODITIES, NET		
1561	COMMODITIES HELD UNDER PRICE SUPPORT AND STABILIZATION SUPPORT PROGRAMS	1561	
1569	COMMODITIES - ALLOWANCE	1569	
1570	STOCKPILE MATERIALS		
1571	STOCKPILE MATERIALS HELD IN RESERVE	1571	
1572	STOCKPILE MATERIALS HELD FOR SALE	1572	

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
HHS STANDARD GENERAL LEDGER ACCOUNTS CROSSWALKED TO TREASURY ACCOUNTS
(EXHIBIT WILL BE UPDATED ANNUALLY AS REQUIREMENTS CHANGE)

HHS ACCTS	ACCOUNT TITLES	TREASURY ACCOUNTS	G/N
1590	OTHER RELATED PROPERTY, NET		
1591	OTHER RELATED PROPERTY	1591	
1599	OTHER RELATED PROPERTY - ALLOWANCE	1599	
1610	SECURITIES (AT PAR)	1610	G/N
1611	SECURITIES - UNAMORTIZED PREMIUM OR DISCOUNT	1611	G/N
1612	SECURITIES - UNAMORTIZED DISCOUNT		
1613	SECURITIES - UNAMORTIZED PREMIUMS		
1690	OTHER INVESTMENTS	1690	G/N
1710	LAND	1710	
1720	CONSTRUCTION IN PROGRESS	1720	
1730	BUILDINGS	1730	
1739	ACCUMULATED DEPRECIATION ON BUILDINGS	1739	
1740	OTHER STRUCTURES AND FACILITIES	1740	
1749	ACCUMULATED DEPR ON OTHER STRUCTURES AND FACILITIES	1749	
1750	EQUIPMENT	1750	
1751	EQUIPMENT IN USE OTHER THAN IT (ADP AND TC)		
1752	EQUIPMENT - PENDING DISPOSAL		
1753	CENTRAL LIBRARY - EQUIPMENT AND BOOKS		
1754	FEDERAL PROPERTY IN CUSTODY OF CONTRACTORS		
1755	FEDERAL PROPERTY IN CUSTODY OF GRANTEEES		
1756	IT (ADP AND TC) EQUIPMENT IN USE		
1759	ACCUMULATED DEPRECIATION ON EQUIPMENT	1759	
(3) 1760	MILITARY EQUIPMENT	1760	
(3) 1769	ACCUMULATED DEPRECIATION ON MILITARY EQUIPMENT	1769	
1810	ASSETS UNDER CAPITAL LEASE AND LEASE-PURCHASE	1810	
1819	ACCUMULATED DEPR ON ASSETS UNDER CAPITAL LEASE	1819	
1820	LEASEHOLD IMPROVEMENTS	1820	
1829	ACCUM AMORT ON LEASEHOLD IMPROVEMENTS	1829	
1830	IT (ADP AND TC) SOFTWARE	1830	
1839	ACCUMULATED AMORTIZATION ON IT (ADP AND TC) SOFTWARE	1839	
(3) 1840	OTHER NATURAL RESOURCES	1840	
(3) 1849	ALLOWANCE FOR DEPLETION	1849	
1890	OTHER FIXED ASSETS	1890	
(1) 1920	UNREQUISITIONED AUTHORIZED APPROPRIATION	1920	
(4) 1921	RECEIVABLE FROM APPROPRIATIONS	1921	
(1) 1922	BORROWINGS RECEIVABLE FROM TREASURY	1922	
(5) 1930	INTRA-OFFICE TRANSFERS - ISSUED		
1931	WITHINFUND TRANSFER		
1932	ADVANCES AND REIMBURSEMENTS		
1933	ALL OTHER TRANSFERS		
(5) 1940	INTRA-OFFICE TRANSFERS - RECEIVED		
1941	WITHIN-FUND TRANSFER		
1942	ADVANCES AND REIMBURSEMENTS		
1943	ALL OTHER TRANSFERS		

FEDERAL **AGENCIES'** CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
 HHS STANDARD GENERAL LEDGER ACCOUNTS **CROSSWALKED TO TREASURY ACCOUNTS**
 (EXHIBIT WILL BE UPDATED **ANNUALLY AS REQUIREMENTS CHANGE**)

HHS ACCTS	ACCOUNT TITLES	TREASURY ACCOUNTS	G/N
1990	OTHER ASSETS	1990	G/N
LIABILITIES			
	2110 ACCOUNTS PAYABLE	2110	G/N
(1)	2120 DISBURSEMENTS IN TRANSIT	2120	G/N
(1)	2130 CONTRACT HOLDBACKS	2130	G/N
	2140 ACCRUED INTEREST PAYABLE	2140	G/N
(3)	LIABILITY FOR ALLOCATION TRANSFERS	2150	
(1)	2180 LOAN GUARANTEE LIABILITY	2180	
	2190 OTHER ACCRUED LIABILITIES	2190	G/N
	2210 ACCRUED FUNDED PAYROLL AND BENEFITS	2210	
	2211 ACCRUED FUNDED PAYROLL		
	2212 ACCRUED FUNDED ANNUAL LEAVE		
	2213 ACCRUED FUNDED COMPENSATORY LEAVE		
	2220 ACCRUED UNFUNDED LIABILITIES	2220	G/N
	2221 ACCRUED UNFUNDED ANNUAL LEAVE		
	2222 ACCRUED UNFUNDED COMPENSATORY LEAVE		
	2225 ACCRD UNFND FED EMPL COMP ACT (FECA) LIABILITY		
	2310 ADVANCES FROM OTHERS	2310	G/N
	2311 ADV FROM FED AGENCIES FOR DISB THRU MGMT FUNDS		
	2312 ADV FROM FED AGENCIES BY NON-EXPENDITURE TRNSFR		
	2313 ADVANCES - ALLOTHBR		
	2314 ADVANCES - ESTIMATED ACCRUALS		
	2315 ADVANCES - THROUGHTHIRD-PARTYDRAFT		
	2320 DEFERRED CREDITS	2320	G/N
	2400 LIABILITY FOR DEPOSIT FUNDS AND SUSPENSE ACCOUNTS	2400	G/N
	2510 PRINCIPAL PAYABLE TO TREASURY	2510	
	2511 PRINCIPAL PAYABLE TO TREASURY - BORROWING		
	2512 PRINCIPAL PAYABLE TO TREASURY - REPAYMENT		
	2520 BORROWING FROM FEDERAL FINANCING BANK (FFB)	2520	
	2521 BORROWING FROM FED FIN BANK (FFB) - BORROWING		
	2522 BORROWING FROM .FED FIN BANK (FFB) - REPAYMENT		
(1)	2530 SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTHORITY, NET	2530	G/N
	2531 SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTHORITY - BORROWING		
	2532 SECURITIES ISSUED BY FEDERAL AGENCIES UNDER GENERAL AND SPECIAL FINANCING AUTHORITY - REPAYMENT		
(3)	2540 PARTICIPATION CERTIFICATES	2540	G/N
(1)	2590 OTHER DEBT	2590	G/N
	2591 OTHER DEBT - BORROWING		
	2592 OTHER DEBT REPAYMENT		
	2610 RETIREMENT PLANS	2610	
(1)	2620 INSURANCE PLANS	2620	G/N

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
 HHS STANDARD **GENERAL** LEDGER ACCOUNTS CROSSWALKRD TO TREASURY ACCOUNTS
 (**EXHIBIT** WILL BE UPDATED ANNUALLY AS **REQUIREMENTS** CHANGE)

HHS ACCTS	ACCOUNT TITLES	TREASURY ACCOUNTS	G/N
2690	OTHER ACTUARIAL LIABILITIES	2690	
2910	PRIOR LIENS OUTSTANDING ON ACQUIRED COLLATERAL	2910	
2920	CONTINGENT LIABILITIES	2920	G/N
(1) 2930	LIABILITY FOR BORROWINGS TO BE RECEIVED	2930	
(1) 2940	CAPITAL LEASE LIABILITY	2940	G/N
(1) 2950	LIABILITY FOR SUBSIDY RELATED TO UNDISBURSED LOANS	2950	
(6) 2960	ACCOUNTS PAYABLE CANCELLED	2960	G/N
(1) 2970	RESOURCES PAYABLE TO TREASURY	2970	
2990	OTHER LIABILITIES	2990	G/N
EQUITY			
3100	APPROPRIATED CAPITAL	3100	
(7) 3105	APPROPRIATED CAPITAL FUNDING CANCELLED PAYABLES	3105	
3210	CAPITAL INVESTMENTS	3210	
3211	INVESTMENT IN CAPITAL ASSETS		
3212	FEDERAL PROPERTY IN CUSTODY OF OTHERS		
3213	APPROPRIATED FOR REVOLVING AND MANAGEMENT FUNDS		
3220	TRANSFERS-IN FROM OTHERS WITHOUT REIMBURSEMENT	3220	
3230	TRANSFERS-OUT TO OTHERS WITHOUT REIMBURSEMENT	3230	
3310	CUMULATIVE RESULTS OF OPERATIONS	3310	
(8) 3320	NET RESULTS OF OPERATIONS	3320	
3400	DONATIONS AND OTHER ITEMS	3400	
(3) 3500	DEFERRED LIQUIDATING CASH AUTHORITY	3500	
(9) 3501	FUTURE FUNDING REQUIREMENTS	3501	
(10)	REVENUES AND FINANCING SOURCES		
5100	REVENUE FROM GOODS SOLD	5100	G/N
5200	REVENUE FROM SERVICES PROVIDED	5200	G/N
5300	INTEREST AND PENALTIES REVENUE	5300	G/N
5301	INTEREST REVENUE EARNED - RETAINED BY- AGENCY		
5302	INTEREST REVENUE EARNED - GEN/TRUST FUND RECEIPTS		
5303	INTEREST, PENALTY AND ADMIN COSTS EARNED ON DELINQUENT ACCOUNTS - GEN/TRUST FUND RECEIPTS		
(1) 5400	BENEFIT PROGRAM REVENUE	5400	G/N
5500	INSURANCE AND GUARANTEE PREMIUM REVENUE	5500	G/N
5600	DONATED REVENUE	5600	
5601	DONATED FOR TRAVEL EXP - CASH RETAINED BY AGENCY		
5602	DONATED FOR TRAVEL EXP - VALUE OF SERVICES-IN-KIND		
5603	DONATED FOR TRAVEL EXP - CASH RETAINED BY TRAVELER		
5604	OTHER DONATED REVENUE		
5700	APPROPRIATED CAPITAL USED	5700	
(11) 5780	IMPUTED FINANCING SOURCES		G/N
5790	OTHER FINANCING SOURCES	5790	
(1) 5799	ADJUSTMENT OF APPROPRIATED CAPITAL USED	5799	

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
HHS STANDARD GENERAL LEDGER ACCOUNTS CROSSWALKED TO TREASURY ACCOUNTS
 (EXHIBIT WILL BE **UPDATED** ANNUALLY AS **REQUIREMENTS** CHANGE)

HHS ACCTS	ACCOUNT TITLES	TREASURY ACCOUNTS	G/N
(3)	5800 TAXREVENUES	5800	G/N
	5900 OTHER REVENUE	5900	G/N
	5901 MISC REVENUE - GENERAL/TRUST FUND RECEIPTS		
	5902 INTRA-OFFICE SALES REVENUE - TRANSFERS OUT		
	5903 REVENUE - ALL OTHER SOURCES		
	5990 CONTRA REVENUE - COLLECTED FOR OTHERS	5990	G/N
(10)	EXPENSE		
	6100 OPERATING/PROGRAM EXPENSES	6100	G/N
	6101 OPERATING/PROGRAM EXPENSES		
	6102 INTRA-OFFICE PURCHASES EXPENSE - TRANSFERS IN		
	6103 EXPENSE - COST CAPITALIZED		
	6104 EXPENSE - CASH DISCOUNTS LOST/NOT TAKEN		
	6105 EXPENSE - PRICE VARIATION/CASH DISCOUNTS TAKEN		
	6106 EXPENSE - BAD DEBT		
	6107 SUPPLIES AND MATERIALS ISSUED FROM INVENTORY		
	6108 EXPENSE - RECLASSIFIED AS EXTRAORDINARY ITEM		
	6190 CONTRA BAD DEBTS EXPENSE - INCURRED FOR OTHERS	6190	G/N
(1)	6199 -EXCESS SUBSIDY RETURNED .	6199	
(1)	6310 INTEREST EXPENSES ON BORROWING FROM TREASURY	6310	
(1)	6320 INTEREST EXPENSES ON SECURITIES	6320	G/N
	6330 OTHER INTEREST EXPENSES	6330	G/N
(1)	6400 BENEFIT PROGRAM EXPENSES	6400	G/N
	6500 COST OF GOODS SOLD	6500	G/N
	6600 APPLIED OVERHEAD	6600	G/N
(11)	6730 IMPUTED COST		G/N
	6900 OTHER EXPENSES	6900	G/N
	6901 EXPENSE FROM TRANSFERS TO OTHER AGENCIES		
	6902 DEPRECIATION AND AMORTIZATION - UNFUNDED		
	6903 BAD DEBT EXPENSE - UNFUNDED		
	6904 ANNUAL AND COMPENSATORY LEAVE - UNFUNDED		
	6905 . OTHER EXPENSES - UNFUNDED		
	6906 CURRENT-YEAR UNFUNDED FECA EXPENSE		
(10)	GAINS		
	7110 GAINS ON DISPOSITION OF ASSETS	7110	
	7111 GAINS ON DISP OF ASSETS - BOOK VALUE OF ASSET		
	7112 GAINS ON DISP OF ASSETS - PROCEEDS OF SALE		
	7190 OTHER GAINS	7190	
(10)	LOSSES		
	7210 LOSSES ON DISPOSITION OF ASSETS	7210	
	7211 LOSSES ON DISP OF ASSETS - BOOK VALUE OF ASSET		
	7212 LOSSES ON DISP OF ASSETS - PROCEEDS OF SALE		

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM
 HHS STANDARD GENERAL LEDGER ACCOUNTS CROSSWALKED TO TREASURY ACCOUNTS
 (EXHIBIT WILL BE UPDATED ANNUALLY AS REQUIREMENTS CHANGE)

HHS ACCTS	ACCOUNT TITLES	TREASURY ACCOUNTS	G/N
7290	OTEER LOSSES	7290	
7300	EXTRAORDINARY ITEMS	7300	G/N
7400	PRIOR PERIOD ADJUSTMENTS	7400	G/N
7401	PRIOR YEAR UNFUNDED FECA EXPENSE		
7402	PRIOR YEAR FUNDED FECA EXPENSE		
7403	PRIOR YEAR ADJUSTMENTS - OTEER		
(1) 7500	DISTRIBUTION OF INCOME - DIVIDEND	7500	
7600	CHANGES IN ACTUARIAL LIABILITY	7600	

NOTES :

- (1) No TC established in HHS for this account pending study of need for the account.
- (2) Accounts 1525, 1526 and 1527 Manufacturing - Raw Materials and Supplies, Work-In-Process, and Finished Goods will be retained pending a needs study. Report as part of Account 1521.
- (3) Accounts not used in HHS. Treasury allocation account 2150 may be established in HHS in 1998 as needed to conform to government-wide procedures.
- (4) No TC has been established in HHS for this account; in the event amounts are due but warrants not received, record here with a credit to 3100.
- (5) These are intra-entity self-balancing accounts.
- (6) Report nothing in 2960. OMB Bulletin 94.01 asks that an estimate of the probable liability for payment be disclosed in footnote #27.
- (7) Not used in HHS, no need to segregate from Account 3100.
- (8) Account 3320 is the current year Net Results; report nothing as this SGL account should not be a part of the pre-closing trial balance.
- (9) This account is not used in HHS. For balance sheet presentation, Future Funding Requirements is the amount reported as Unfunded Liabilities on line 7e and is shown as a negative component against Cumulative Results.
- (10) If accounting systems do not presently record 5000-7000 by G/N, report according to your best knowledge. This designation must be as accurate as possible because it is the source for Government-wide eliminations.
- (11) These accounts are pending approval by the SGL Board; until established in FACTS report account 6730 in account 6900 and account 5780 in account 5790.

CHAPTER 5-40
STATEMENT OF TRANSACTIONS (SF-224)
REQUIRED UNDER TREASURY DEPARTMENT CIRCULAR NO.945

5-40-00	Purpose and Applicability
-10	Report Submission Requirements
-20	Content of Report
-30	Special Instructions

S-40-00 PURPOSE AND APPLICABILITY
This chapter supplements Part 2 Chapter 3300 of the Treasury Fiscal Requirements Manual (**TFRM**) which prescribes the instructions for the preparation of the SF-224, Statement of **Transactions** (Exhibit X5-40-1), and the related supporting documents. This report will provide the Treasury with classified receipt and disbursement data for recording in Treasury accounts and for publication in Treasury reports. The provisions of this chapter are applicable to all accounting stations of **HEW**.

s-40-10 REPORT SUBMISSION REQUIREMENTS
Reports are required monthly and must be submitted, with supporting documents attached, no later than the third working day of the subsequent month. In addition, a separate report **is** required for all letter of credit transactions and must be submitted no later than the eighth working day of the subsequent month.

For year-end **closing**, a schedule for the preparation and submission of SF-224's will be transmitted by separate **TFRM** bulletin.

All SF-224 reports, dated and signed by a responsible official, shall be distributed as follows:

original copy to:
Bureau of Government Financial Operations
Government Reports Branch
Department of the Treasury
Treasury Annex **No.1**, Room 1423 GAO
Washington, D. C. 20226
Stop 224

Note: To expedite Treasury's receipt and processing of these reports all accounting station should type the **legend** "**Priority Report-Standard Form 224**" in the lower left hand corner of each addressed envelope.

If hand carried to Treasury, deliver to:
441 G Street N.W.
Room 1423
Washington, D. C.

(5-40-10 continued)

Copy to:

Office of the Secretary
Division of Financial Planning and Analysis
South Port 81 Building, Room 745-D
200 Independence Ave., S.W.
Washington, D.C. 20201

Each regional and district office, hospital, and other stations must send a copy to the applicable parent agency. When an accounting station reports transactions for an account symbol that is applicable to another parent agency, a copy of the SF-224 must be submitted to the parent agency for reconciliation purposes (e.g. DFAPS 75-08-0098; Payroll 75-01-0098). Further, parent agencies may prescribe additional distribution.

5-40-20

CONTENT OF REPORT

The SF-224 shall be prepared on the basis of vouchers paid or accomplished by Treasury's regional disbursing offices, Federal Reserve Banks, and on the basis of cash collections received for deposit on SF-215 Deposit Ticket (formerly SF-219 Certificate of Deposit) less SF-5515 Debit Vouchers (formerly TFS 5504).

Confirmed deposits continue to be the basis for special operations involving the determination of amounts available for investment or amounts of interest earned with respect to certain trust funds. Agencies authorized to include vouchers with fixed payment dates (e.g. payrolls) in their monthly reports even though the paid voucher has not been received from the Treasury regional disbursing office prior to preparation of the SF-224.

Detailed instructions for the preparation of the SF-224 are as follows:

Section I **Classification of Disbursements, and Collections by Appropriation, Fund and Receipt Account.**

Column 1. **Appropriation, Fund or Receipt Account**
List the established appropriation, fund or receipt account symbols in ascending numerical sequence according to the basic four(4) digits of the account symbol (e.g. 0120, then 0135, then 0137, etc.) Unavailable receipt account symbols should also be listed in ascending numerical sequence following the HEW account symbols.

The Regional accounting stations and the report for the HEW central payroll operation should continue to separate the data by agency and should list those accounts applicable to each agency in ascending order sequence.

(5-40-20 continued)

Column 2. Receipts and Revolving Fund Repayment
For each applicable symbol listed in column 1,
report the following data.

Available Receipts

Report all receipts, net of adjustments, of special or **trust** funds which, pursuant to law or trust agreement, are immediately available in their entirety as appropriations to a single agency for expenditure without further **action** by Congress. The related account symbol in column 1 should be followed by A/R. The Department of the Treasury's **publication "Federal Account Symbols and Titles"** identifies those receipt account that are classified as available.

Unavailable Receipts

Report all receipts, net of adjustments, which at the time of collection, are not appropriated and are not immediately available for expenditure. The **cumulative** net amount reported for the fiscal year should be in agreement with the balance in account **353.2-Capital-Transfer** to U.S. Treasury-Miscellaneous General/Trust Receipts, and also with amounts reported quarterly in column 2 of TFS-6728, Statement of Receipt Account.

"F" Clearing Accounts

Report all receipt **transactions** net of **adjustments**.

Revolving Fund AccountsPublic Enterprise Funds

Report all **repayments** (**refunds** and reimbursements), net of **adjustments**, for all accounts in the 4000 to 4499 series.

Trust Revolving Funds

Report all repayments, net of adjustments, for accounts in the 8400 to 8499 series. The cumulative net amount reported for the fiscal year should be in agreement with the balance in account 101.3 **Disbursing Funds-Advances/Reimbursements/Collections** (Other than Treasury Loan Account).

Deposit Fund Accounts

All credits to deposit fund accounts in the 6000 to 6999 series are to be reported net in **column 3**.

(5-40-20 continued)

Borrowing from the Public (issuing agency)

Report all borrowing at par value. The difference between par value and amount received should be shown as a charge or credit as the case may be in column 3. 1/

Sales of Federal Securities (by investing agency)

Report all sales at par value. The difference between par value and the amount received will be shown as a charge or credit as the case may be in column 3. 1/

Loan Repayment

Report repayment of principal and direct sale of loans to the extent that the cash transaction relate to a revolving fund or receipt account. Non-cash transactions are not to be reported. The cumulative net amount reported for the fiscal year should be in agreement with the balance in account 101.5 Disbursing Funds-Collections/Repayments (Treasury Loan Accounts).

Column 3. Net Disbursements

For each applicable symbol listed in column 1 report the following data:

General Fund Accounts

Report all charges of repayments (refunds and reimbursements) and adjustments in the 0100 to 3899 series.

"F" Clearing Accounts

Report all charges net of adjustments.

Management Fund Accounts (including consolidated working funds)

Report all charges net of advances and adjustments in the 3900 to 3999 series.

Revolving Fund Accounts

Public Enterprise

Report all charges, net of adjustments, of accounts in the 4000 to 4499 series.

Intragovernmental

Report all charges net of adjustment of accounts in the 4500 to 4999 series.

1/ These transactions will be further identified by prefixing the account symbol in column 1 with the applicable sub-class code as assigned by Treasury form TFS-7103, Sub-Classification Authorization (See-Exhibit X5-40-2).

(5-40-20 continued)

Special Fund Accounts

Report all changes net of adjustments in the 5000 to 5999 series.

Trust Fund. Accounts

Report all charges net of adjustments of accounts in the 8000 to 8999 series. (Trust Funds in the 9000 to 9999 series are not applicable to **HEW.**)

The cumulative net amount reported for the fiscal **year**, for the accounts listed above (including revolving fund repayments in column 2) should **agree** with the net balance in accounts 101.2 Disbursing Funds-Disbursements (Other than Treasury Loan Account) and 101.3 Disbursing Funds-Advances/Reimbursements/Collections (Other than Treasury Loan Account).

Deposit Fund Accounts

Report all credits and charges net in accounts in the 6000 to 6999 series. The **cumulative** net amount reported for the fiscal year should agree with the balance in account **104-Deposit Funds**.

Investments in Federal Securities

Report all investments at par value. 1/

Redemption of Federal Securities (by issuing agency)

Report all redemptions of par value. 1/

Federal Securities-Difference Between Par Value and Purchase or Redemption Price

Report the difference between par value and amount received as a charge or credit for sales of Federal securities.

Loan Disbursements

Report all **cash** disbursements, net of repayments, not reported in column 2, and other cash adjustments. The net amount reported for investments, securities, and loans should agree with the balance reported in account 101.4 Disbursing **Funds-Disbursements** (Treasury Loan Account).

1/ These transactions will be further identified by prefixing the account symbol in column 1 with the applicable sub-class code as assigned by Treasury form TFS-7103, Sub-Classification Authorization.

(S-40-20 continued)

Columnar Totals - Report net totals for columns 2 and 3.

Net Total Section I - Report the net total of column 3 less column 2.

Section II Control Totals of Disbursements and Collections Classified in Section I

This section provides for distinguishing transactions processed by **Treasury** from net collections received by the agencies or departments.

Line 1. Report **summary** net total according to month paid (in applicable block) of all charges and credits represented by voucher schedules and other documentation processed by Treasury. (See **I TFRM** 6-5060.10 for reporting requirements relating to Simplified Intragovernmental Billing and Collection (**SIBAC**) System).

Line 2. Report total collections received for deposit on SF-215 Deposit Ticket net of uncollectible items charged on **SF-5515**, Debit Voucher, and any related adjustments for the current accounting month **that** has been classified in Section I.

Note: Memorandum copies of all SF-215 and SF-5515 should be submitted with the SF-224.

Line 3. Report net total of line 1, less line 2. The net total of Section II must agree with the net total of Section I.

Section III Status of Collections

This section provides the **status of actual collections and deposit activity**, and the balances of **undeposited collections** and unconfirmed deposits at the beginning and end of **the** period.

Line 1. Report the balance of account 103 Undeposited Collections at the close of the prior month as recorded in account **75F3875** with applicable suffix-number (this should include those deposits made through the last

(5-40-20 continued)

day of the prior month that have not been acknowledged by Treasury). The amount **reported must** agree with the amount on line 4, Section **III** of the prior month's report. If line 1 is not in agreement, it will **be** changed by Treasury and the agency will be notified accordingly.

Line 2. Report the same amount reported on line 2 of Section 11.

Line 3. Report a summary of all **confirmed** deposit tickets (**SF-215**), less related debit vouchers (SF-5515). **These items must be identified according** to the **confirmed** month based on the date entered by the depository. Provision has been made to report deposits (in the applicable block) for the current month, two prior months, and the total. Amounts in each **of these** blocks must be supported by a list of confirmed deposit tickets and debit vouchers grouped according **to** the applicable block. This list should be headed with the same identifying information as shown on **the** SF-224 and **should** identify each deposit ticket and debit voucher by a **confirmed date**, number, and total amount.

Line 4. Report net total **of** lines 1 and 2 less line 3.

Note: All negative amounts should be identified by a **credit** symbol (CR).

The letter **of** credit transactions should be classified and reported in the same format as the regular SF-224 report. In addition, a listing (in duplicate) of the individual payment vouchers (**TUS-5401-Payment** Voucher on Letter of Credit) should be attached to support the totals reported in Section II. The format and data reportable are illustrated in Exhibit x5-40-3). Refer to **TFRM** Part 4, Chapter **2000**, Section 2030 **for** additional information relating to advances by letter of credit.

(5-40-20 continued)

5-40-30 SPECIAL INSTRUCTIONS

Late Receipt of Documents

If a paid or **accomplished** document is received **too** late for inclusion in the report for the month **in which it** was paid or accomplished (except vouchers with fixed **payment dates (e.g. payroll)** the transaction should be reported in Section I of the SF-224 in the month **it is received, and identified in Section IX as to the paid or accomplished month. Since receipts are reported on a collections received basis, late receipt of confirmed deposit tickets need only be identified in Section III as to the confirmed month; .**

*Correction of Errors

The monthly SF-224 **will neither be subject to recall** for correction nor will a corrected or amended statement **be accepted unless specifically requested by Treasury.** Corrections **should be reported on the subsequent month's SF-224 report and appropriately classified in Section I, and identified in Section II or III.**

Reconciliation of Differences

For **reconciliation purposes, any difference(s) disclosed in the comparison of agency's and Treasury's records will be furnished to the agencies accounting station on Treasury Form TFS-6652, Statement of Differences (Exhibit x5-4014).** A **listing of accomplished expenditure transfer and adjustment documents under D.O. symbol 999, Washington D. C. , will accompany each TFS-6652 to assist the agency in this reconciliation.** If more detailed information is required the agency may request in writing that the **appropriate Treasury regional disbursing office(s) furnish a list of the documents to support its control total for the payment month as shown on the agency's Statement of Differences.** The agency's request should contain the **following information: (1) the accomplished payment month involved, (2) the amount reported for the Treasury regional disbursing office as shown on the Statement of Differences, (3) the amount included on the SF-224 for which accomplished copies of documents were received from the particular Treasury regional disbursing office, and (4) the amount of the difference as it relates to the particular Treasury regional disbursing office. Treasury will adjust any discrepancies on their records and the agency will adjust their discrepancies on the SF-224 for the current month.**

(5-40-30 continued)

Differences in direct deposit transactions will be reconciled by Treasury with the listing provided by each agency's accounting station in support of Section III, line 3 of the SF-224. Where necessary, agency station⁸ will be contacted directly and advised as to the deposit ticket(s) or debit **voucher(s)** involved. Correction by the station **shall** be included in the SF-224 for the current month.

Supplemental Report⁸

Treasury does **not** prescribe instructions in the TFRM for requesting "**supplemental**" SF-224⁸ during the fiscal year. However, Treasury has the option to request a supplemental SF-224 if the **amount** reported on the Statement of Differences **is** a significant amount (usually **over** \$10 million). When there **is** a request for a supplemental report from a letter of credit accounting station, Treasury must provide the agency with (1) paid voucher number (**TUS-5401**), (2) date paid, and (3) **amount**. **In** the **case** of request⁸ for **supplementals** of regular SF-224 data the agencies may ask that Treasury provide them with any additional information required **to** reconcile the differences (e.g. dates and amounts of outstanding SF-1166s).

Special Breakdown of Selected Accounts

When the data reported on the SF-224 **for a single** account (including receipt and transfer accounts) could be applicable to more than one agency it should be reported as a one line entry on the SF-224. A breakdown by agency must be provided on a separate statement attached to the SF-224 (see Exhibit X5-40-5 **for** format). This requirement **is** particularly relevant to Regional stations. This breakdown **is** not required by Treasury and should be submitted only to the applicable agencies.

Computer Generated SF-224

Treasury's specifications for a mechanized SF-224 are prescribed in Appendix No.2 of Chapter 3300 of the TFRM.

Standard Form No. 504-Rev
June 1971
GPO: 1971 - 750-000
Printed on one
sheet of 8 1/2 x 11
504-104

STATEMENT OF TRANSACTIONS
(Classified According to Appropriation, fund and Receipt Account, and Related Control Totals)

DEPARTMENT OR AGENCY Health, Education & Welfare	LOCATION OR MAIL ADDRESS OF DEPARTMENT (TITLE) Room 71311 South Portal Bldg. 200 Independence Ave. S.W. Washington, D.C. 20201	AGENCY SYMBOL OR IDENTIFYING SYMBOL 75-01-0099
OFFICE OF OFFICER Office of the Secretary		ACCOUNTING PERIOD (MONTH) December 31, 1976

Section I - Classification of Disbursements and Collections by Appropriation, Fund and Receipt Account

APPROPRIATION, FUND OR RECEIPT ACCOUNT (1)	RECEIPTS AND BY RECEIVING FUND REPAYMENTS (2)	NET DISBURSEMENTS (3)
7570100		250,000.00
7570120		150.00
7550120		60,000.00
7570120		1,000,000.00
7550135		85,000.00
7560135		150,000.00
7570135		96,000.00
7571636		2,000,000.00
753/51636		12,500.00
755/61636		18,000.00
755/71636		25,000.00
7563901		20,000.00
7573901		150,000.00
7524503		500,000.00 Cl
7526875 (Cl)		1,800.00
75-8160500 (Cl)		26,000.00
752499	7,000.00	
752252	80.00	
752423	15.00	
752499	190.00	
COLUMNAR TOTALS.....	7,225.W	3,394,450.00
NET TOTAL, SECTION I (Column 3 minus column 2).....		3,387,165.00

Section II - Control Totals of Disbursements and Collections Classified in Section I

1. ADD: Payment Transactions (Net) Classified in Section I, Accomplished by Disbursing Office in:

THIS MONTH	PREVIOUS MONTH OF November	PREVIOUS MONTH OF	
\$ 3,600,000.00	\$ 250,000.00		\$ 3,850,000.00

2. DEDUCT: Collections Received This Month (Net) and Classified in Section I 162,835.00

1. NET TOTAL, SECTION II (Must agree with Net Total of Section I)..... 3,387,165.00

Section III - Status of Collections

1. Balance of Undeposited Collections and Unconfirmed Deposits, Close of Preceding Month. 72,000.00

2. ADD: Collections Received This Month (Same as Section II, Item 2)..... 162,835.00

3. DEDUCT: Deposits Confirmed as Credited in Accounts of Treasurer, U.S. in:

THIS MONTH	PREVIOUS MONTH OF	PREVIOUS MONTH OF	
\$ 534,835.00			\$ 534,835.00

1. NET TOTAL, SECTION III - Balance of Undeposited Collections and Unconfirmed Deposits, Close of Month.....

DATE: 1/5/77

OFFICE: Required to be audited and returned to the office within 30 days following the close of the reporting month.

SIGNATURE: John Doe, Chief, Accounts Control

FORM NO. TFS 7103

Bureau of Government
Financial Operations

THE DEPARTMENT OF THE TREASURY
SUB-CLASSIFICATION AUTHORIZATION

Fiscal Service

(Transactions below appropriation, fund
receipt account levels)

Treas. Sub- Class No.
Agency No.

Sub-class prefix	Appropriation or Fund	Type of Transaction

ATTACHMENT TO SF 224 STATEMENT OF TRANSACTIONS
COVERING VOUCHER PAYMENTS ON THE LETTER OF
CREDIT

Department of Agency		Bureau or Office		Agency Station Symbol for Letter of Credit Transaction	
HEW		HSA		75-03-9701	
Location - Mail Address of Reporting Office				Accounting Period Ended	
Health Services Administration 5600 Fishers Lane Rockville, Maryland 20852				June 30, 1976	
Letter of Credit No.	Serial Number	Voucher Number (Form TUS 5401) Paid	Date Voucher	Amount	Total for Month
75-03-0301	1837767	228	3/31/76	306,000.00cr	
Sub Total					306,000.00cr
75-03-1201	1939316	193	5/20/76	50,000.00cr	
75-03-1201	1939116	193	5/20/76	90,000.00	
Sub Total					40,000.00
75-03-0101	2011854	208	6/30/76	150,000.00	
9434101	1837991	203	6/11/76	200,000.00	
75-03-0101	1837992	204	6/16/76	200,000.00	
73434101	2011851	205	6/22/76	100,000.00	
75-03-0101	2011852	206	6/24/76	340,000.00	
79434115	1289724	96	6/2/76	100,405.00	
75-03-0111	2207600	87	6/23/76	100,000.00	
9434301	1937793	260	6/2/76	3,000.00	
75-03-0301	1837784	241	6/10/76	417,800.00	
9434301	1837786	243	6/22/76	5,000.00	
76434301	1837788	245	6/28/76	10,000.00	
73434311	1354146	64	6/2/76	150,000.00	
75-03-0401	2011951	185	6/7/76	2,000,000.00	
79434901	1838595	213	6/4/76	100,000.00	
75-03-0501	1818596	214	6/15/76	200,000.00	
Total					40,860,092.43
Grand Total					40,594,092.43

* Adjustment for a voucher previously reported in error.

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SUBJECT: BUDGETARY REPORTS

5-50-00	Purpose
10	Authority
20	Submission of Reports
30	Report on Obligations
40	Report on Budget Execution
50	Program and Financing Report/Supplemental Source Data
60	Year-End Analysis of Appropriations and Fund Balances

To be revised. This chapter will **consolidate** report instructions now in Chapters S-50, 5-55, and **5-70** and add a new section for the PFR/SSD data not previously included in the Departmental Manual.

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

STANDARD FORM 225, REPORT ON OBLIGATION

LINE NUMBER	PRE/POST CLOSE	T B PLUS/ COLUMN MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	OTHER DATA ELEMENTS REQUIRED	RECONCILIATION
I	PRECLOSE	E	4900		EXPENDED APPROPRIATIONS	OBJECT CLASS	
				4900GD	GOVERNMENT - DIRECT		TOTAL LINE I EQUALS LINE 8, SF-133
				4900GR	GOVERNMENT - REIMBURSABLE		
				4900ND	NON-GOVERNMENT - DIRECT		
				4900NR	NON-GOVERNMENT - REIMBURSABLE		
				4930	EXPENDED APPROPRIATIONS REPORTED AGAINST TRANSFERS TO OTHER AGENCIES		
	PRECLOSE	E - B	4600		UNDELIVERED ORDERS	OBJECT CLASS	
				4800GD	GOVERNMENT - DIRECT		
				4600GR	GOVERNMENT - REIMBURSABLE		
				4800ND	NON-GOVERNMENT - DIRECT		
				4800NR	NON-GOVERNMENT - REIMBURSABLE		
II	PRECLOSE	E	4250	4250	REIMBURSEMENTS AND OTHER INCOME EARNED		LINE 3A, SF-133
	PRECLOSE	E - B	4240	4240	UNFILLED CUSTOMER ORDERS - OBLIGATED		LINE 3B, SF-133
	PRECLOSE	E	4320		ACTUAL RECOVERIES OF PRIOR YEAR OBLIGATIONS		LINE 4A, SF-133
				4320C	CURRENT AUTHORITY		
				4320P	PERMANENT AUTHORITY		
III					USE AMOUNT FROM LINE 12 OF SF 133 (UNEXPIRED)		
IV					USE AMOUNT FROM LINE 12 OF SF 133 (EXPIRED)		
V					USE AMOUNT FROM LINE 13C OF SF 133 (UNEXPIRED + EXPIRED)		

NOTE: For revolving funds additional accounts may be required for Section II.

PAGE 1

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
1A	X		E - B		4111	4111C 4111P	DEBT LIQUIDATION APPROPRIATIONS CURRENT AUTHORITY PERMANENT AUTHORITY	
	X		E - E		4112	4112	DEFICIENCY APPROPRIATIONS	
	X		E - E		4113	4113C 4113P	APPROPRIATIONS RESCINDED CURRENT AUTHORITY PERMANENT AUTHORITY	
	X		E - E		4119	4119C 4119P	OTHER APPROPRIATIONS REALIZED CURRENT AUTHORITY PERMANENT AUTHORITY	
	X		E		4392	4392	WITHDRAWALS DUE TO RESCISSION OF UNOBLIGATED BALANCE	
1B	X		E		4120	4120	APPROPRIATIONS ANTICIPATED - (INDEFINITE)	
1C	X		E - B		4131	4131C 4131E 4131P	CONTRACT AUTHORITY - W/O LIQUIDATING APPROPRIATION CURRENT AUTHORITY - APPROPRIATION ACT PERMANENT AUTHORITY - SUBSTANTIVE LAW	
	X		E		4132	4132C 4132P	CONTRACT AUTHORITY - W/ LIQUIDATING APPROPRIATION CURRENT AUTHORITY PERMANENT AUTHORITY	

PAGE 2

OF BUDGET EXEC

STANDARD FORM 133,

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXP/RED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
X			E - B		4141	4141CT	BORROWING AUTHORITY ESTABLISHED - DEFINITE	
						4141CC	CURRENT AUTHORITY - APPROPRIATION ACT	
						4141PT	CURRENT AUTHORITY - SUBSTANTIVE LAW	
						4141PC	PERMANENT AUTHORITY - APPROPRIATION ACT	
							PERMANENT AUTHORITY - SUBSTANTIVE LAW	
X			E B		4142	4142CT	BORROWING AUTHORITY ESTABLISHED - INDEFINITE	
						4142CC	CURRENT AUTHORITY - APPROPRIATION ACT	
						4142PT	CURRENT AUTHORITY - SUBSTANTIVE LAW	
						4142PC	PERMANENT AUTHORITY - APPROPRIATION ACT	
							PERMANENT AUTHORITY - SUBSTANTIVE LAW	
X			E		4143	4143CT	BORROWING AUTHORITY WITHDRAWN	
						4143CC	CURRENT AUTHORITY - APPROPRIATION ACT	
						4143PT	CURRENT AUTHORITY - SUBSTANTIVE LAW	
						4143PC	PERMANENT AUTHORITY - APPROPRIATION ACT	
							PERMANENT AUTHORITY - SUBSTANTIVE LAW	
X			E - B		4150	4150	OTHER NEW BUDGET AUTHORITY	
X			E		4160	4160	ANTICIPATED TRANSFERS OF CURRENT FISCAL YEAR AUTHORITY	
X			E		4170	4170C	APPROPRIATION TRANSFERS	
						4170P	CURRENT AUTHORITY	
							PERMANENT AUTHORITY	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

RECONCILIATION FEATURE AND
 ADDITIONAL INFORMATION

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HES ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
2A	X		B	4450	4450D	AUTHORITY AVAILABLE FOR APPORTIONMENT DIRECT PROGRAM	
					4450R	REIMBURSABLE PROGRAM	
2B	X		E	4180	4180	ANTICIPATED TRANSFERS OF PFY AUTHORITY	
	X		E	4190	4190	TRANSFERS - PRIOR YEAR BUDGETARY RESOURCES	
3A	X	X	E	4250	4250	REIMBURSEMENTS AND OTHER INCOME EARNED	
3B	X	X	E - 3	4240	4240	UNFILED CUSTOMER ORDERS - OBLIGATED	
3C	X		E	4210	4210	ANTICIPATED REIMBURSEMENTS AND OTHER INCOME	
	X		E	4220	4220	REIMBURSABLE ORDERS ACCEPTED	
	X		E	4230	4230	UNFILED CUSTOMER ORDERS - UNOBLIGATED	
4A	X		E	4320	4320C	ACTUAL RECOVERIES OF PRIOR YEAR OBLIGATIONS CURRENT AUTHORITY	
					4320P	PERMANENT AUTHORITY	
4B	X		E	4310	4310	ANTICIPATED RECOVERIES OF PRIOR YEAR OBLIGATIONS	
	X		E	4320	4320C	ACTUAL RECOVERIES OF PRIOR YEAR OBLIGATIONS CURRENT AUTHORITY	
					4320P	PERMANENT AUTHORITY	

NOTE: FOR NO-YEAR AND MULTI-YEAR FUNDS.

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
5	X		E		4410	4410	BUDGETARY RESOURCES - NOT AVAILABLE PURSUANT TO PUBLIC LAW	
6	X		E - 3		4391		RESTORATIONS, WRITEOFFS & WITHDRAWALS	NOTE: APPLIES TO NO-YEAR ACCOUNTS ONLY.
						4391C	CURRENT AUTHORITY	
						4391P	PERMANENT AUTHORITY	
i					CALC 1X + 2X + 3X + 4X + 5 + 6			
8	X	X	E		4900		EXPENDED APPROPRIATIONS	
						4900GD	GOVERNMENT - DIRECT PROGRAM	
						4900GR	GOVERNMENT - REIMBURSABLE PROGRAM	
						4900ND	NON-GOVERNMENT - DIRECT PROGRAM	
						4900NR	NON-GOVERNMENT - REIMBURSABLE PROGRAM	
						4930	EXPENDED APPROPRIATIONS REPORTED AGAINST TRANSFER TO OTHER AGENCIES	
	X	X	3 - 3		4800		UNDELIVERED ORDERS	
						4800GD	GOVERNMENT - DIRECT PROGRAM	
						4800GR	GOVERNMENT - REIMBURSABLE PROGRAM	
						4800ND	NON-GOVERNMENT - DIRECT PROGRAM	
						4800NR	NON-GOVERNMENT - REIMBURSABLE PROGRAM	
			E	PLUS	4320		ACTUAL RECOVERIES OF PRIOR YEAR OBLIGATIONS	
						4320C	CURRENT AUTHORITY	
						4320P	PERMANENT AUTHORITY	

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STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES AND ADDITIONAL INFORMATION
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9A	X		E		4510	4511AD 4511AR	APPORTIONMENT AVAILABLE FOR DISTRIBUTION - CURRENT QUARTER CATEGORY A APPORTIONMENT - DIRECT PROGRAM CATEGORY A APPORTIONMENT - REIMBURSABLE PROGRAM.	
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	X		E		4540	4540AD 4540AR	INTERNAL FUND DISTRIBUTIONS ISSUED CATEGORY A APPORTIONMENT - DIRECT PROGRAM CATEGORY A APPORTIONMENT - REIMBURSABLE	
--	---	--	---	--	------	------------------	--	--

	X		E		4550	4550AD 4550AR	INTERNAL FUND DISTRIBUTIONS RECEIVED CATEGORY A APPORTIONMENT - DIRECT PROGRAM CATEGORY A APPORTIONMENT - REIMBURSABLE PROGRAM.	
--	---	--	---	--	------	------------------	---	--

	X		E		4570	4571AD 4571AR	ALLOTMENTS AND ALLOWANCES ISSUED ALLOTMENTS ISSUED (INTRA-AGENCY) - CATEGORY A - DIRECT PROGRAM ALLOTMENTS ISSUED (INTRA-AGENCY) - CATEGORY A - REIMBURSABLE PROGRAM	
--	---	--	---	--	------	------------------	--	--

						4572AD 4572AR	ALLOWANCES ISSUED (INTRA-AGENCY) - CATEGORY A - DIRECT PROGRAM ALLOWANCES ISSUED (INTRA-AGENCY) - CATEGORY A - REIMBURSABLE PROGRAM.	
--	--	--	--	--	--	------------------	---	--

	X		E		4580	4581AD 4581AR 4582AD 4582AR	ALLOTMENTS AND ALLOWANCES RECEIVED ALLOTMENTS (INTRA-AGENCY) - CATEGORY A - DIRECT PROGRAM ALLOTMENTS (INTRA-AGENCY) - CATEGORY A - REIMBURSABLE PROGRAM ALLOWANCES (INTRA-AGENCY) - CATEGORY A - DIRECT PROGRAM ALLOWANCES (INTRA-AGENCY) - CATEGORY A - REIMBURSABLE PROGRAM.	
--	---	--	---	--	------	--------------------------------------	---	--

	X		E		4610	4611AD 4611AR 4612AD 4612AR	ALLOTMENTS AND ALLOWANCES AVAILABLE FOR COMMITMENT/OBLIGATION ALLOTMENTS - CATEGORY A - DIRECT PROGRAM ALLOTMENTS - CATEGORY A - REIMBURSABLE PROGRAM ALLOWANCES - CATEGORY A - DIRECT PROGRAM ALLOWANCES - CATEGORY A - REIMBURSABLE PROGRAM.	
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STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	1/B OCMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
X			E		4700	4700AD 4700AR	COMMITMENTS AVAILABLE FOR OBLIGATION CATEGORY A - DIRECT PROGRAM CATEGORY A - REIMBURSABLE PROGRAM	
93	X		E		4510	45113D 45113R	APPORTIONMENT AVAILABLE FOR DISTRIBUTION - CURRENT QUARTER CATEGORY B APPORTIONMENT - DIRECT PROGRAM CATEGORY B APPORTIONMENT - REIMBURSABLE PROGRAM	
X			E		4540	4540BD 4540BR	INTERNAL FUND DISTRIBUTIONS ISSUED CATEGORY B APPORTIONMENT - DIRECT PROGRAM CATEGORY B APPORTIONMENT - REIMBURSABLE PROGRAM	
X			E		4550	4550BD 4550BR	INTERNAL FUND DISTRIBUTIONS RECEIVED CATEGORY B APPORTIONMENT - DIRECT PROGRAM CATEGORY B APPORTIONMENT - REIMBURSABLE PROGRAM	
X			E		4570	4571BD 4571BR	ALLOWMENTS AND ALLOWANCES ISSUED ALLOWMENTS ISSUED (INTRA-AGENCY) CATEGORY B - DIRECT PROGRAM ALLOWMENTS ISSUED (INTRA-AGENCY) CATEGORY B - REIMBURSABLE PROGRAM	
						4572BD 4572BR	ALLOWANCES ISSUED (INTRA-AGENCY) CATEGORY B - DIRECT PROGRAM ALLOWANCES ISSUED (INTRA-AGENCY) CATEGORY B - REIMBURSABLE PROGRAM	
X			E		4560	4561BD 4561BR	ALLOWMENTS AND ALLOWANCES RECEIVED ALLOWMENTS RECEIVED (INTRA-AGENCY) - CATEGORY B - DIRECT PROGRAM ALLOWMENTS RECEIVED (INTRA-AGENCY) - CATEGORY B - REIMBURSABLE PROGRAM	
						4562BD 4562BR	ALLOWANCES RECEIVED (INTRA-AGENCY) CATEGORY B - DIRECT PROGRAM ALLOWANCES RECEIVED (INTRA-AGENCY) - CATEGORY B - REIMBURSABLE PROGRAM	

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STANDARD FORM 133, REPO OF BUDGET EXEC

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
X			E		4610	4611BD	ALLOTMENTS AND ALLOWANCES AVAILABLE FOR COMMITMENT/OBLIGATION	
						4611BR	ALLOTMENTS - CATEGORY B - DIRECT PROGRAM	
						4612BD	ALLOTMENTS - CATEGORY B - REIMBURSABLE PROGRAM	
						4612BR	ALLOWANCES - CATEGORY B - DIRECT PROGRAM	
						4612BR	ALLOWANCES - CATEGORY B - REIMBURSABLE PROGRAM	
X			E		4700	4700BD	COMMITMENTS AVAILABLE FOR OBLIGATION	
						4700BR	ALLOTMENTS - CATEGORY B - DIRECT PROGRAM	
						4700BR	ALLOTMENTS - CATEGORY B - REIMBURSABLE PROGRAM	
X			E		4620	4620	OTHER FUNDS AVAILABLE FOR COMMITMENT/OBLIGATION	
X			E		4510	4512AD	APPORTIONMENT AVAILABLE FOR DISTRIBUTION - SUBSEQUENT QUARTER	
						4512AR	CATEGORY A APPORTIONMENT - DIRECT PROGRAM	
						4512BD	CATEGORY A APPORTIONMENT - REIMBURSABLE PROGRAM	
						4512BR	CATEGORY B APPORTIONMENT - DIRECT PROGRAM	
						4512BR	CATEGORY B APPORTIONMENT - REIMBURSABLE PROGRAM	
X			E		4520	4520	ALLOCATIONS TO OTHERS	NOTE: HAVE ADDED TO GOVERNMENT-WIDE CROSSWALK
X			E		4420	4420	APPROPRIATIONS AVAILABLE FOR APPORTIONMENT - WITHHELD PENDING RECESSION	
X			E		4430	4430	APPROPRIATIONS AVAILABLE FOR APPORTIONMENT - ONE DEFERRED PROGRAMS	
X			E		4440	4440	REVOLVING FUNDS AVAILABLE FOR APPORTIONMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
103	X		E		4450	4450	AUTHORITY AVAILABLE FOR APPORTIONMENT	NOTE: HAVE EXCLUDED 1610, 1611, AND 1690 AND HAVE ADDED 4450 TO THE GOVERNMENT-WIDE CROSSWALK
	X	X	E		4630	4630	OTHER FUNDS UNAVAILABLE FOR COMMITMENT/OBLIGATION	
11							CALC 6 + 9K + 10K AND ALSO = LINE 7	
12							CALC 8 - 3A - 3B - 4A	
13A	X	X	3		1110	1110	UNDEPOSITED COLLECTIONS	NOTE: HAVE ADDED 1110 TO THE GOVERNMENT-WIDE CROSSWALK
	X	X	3		1310		ACCOUNTS RECEIVABLE	
						1311G-N	ADVANCES AND REIMBURSEMENTS BILLED - GOVERNMENT AND NON-GOVERNMENT	
						1312G-N	REFUNDS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
						1314	ADVANCES AND REIMBURSEMENT - UNBILLED	
						1315N	AUDIT DISALLOWANCES - NON-GOVERNMENT	
						1316N	ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES - NON-GOVERNMENT	
						1316G-N	ACCOUNTS RECEIVABLE - NON-CURRENT	
						1321G-N	ACCRUED INTEREST ON LOANS RECEIVABLES GOVERNMENT AND NON-GOVERNMENT	
						1322G-N	ACCRUED INTEREST ON ADVANCES - GOVERNMENT AND NON-GOVERNMENT	NOTE: THIS EXCLUDES ACCOUNTS 1313, 1324, 1331, 1332, 1333, 1334, 1335 AND 1336. RECEIPTS WILL REVERT TO TREASURY.
						13235-X	ACCRUED INTEREST ON INVESTMENTS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	3		1319		ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	
						1319F	ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE - FUNDED	
						1329F	ALLOWANCE FOR LOSS ON ACCRUED INTEREST RECEIVABLE - FUNDED	

STANDARD FORM 139, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HES ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
X	X		B		1350	1353G-N	LOANS RECEIVABLE - GOVERNMENT AND NON-GOVERNMENT	NOTE THIS EXCLUDES BOTH CURRENT AND NON-CURRENT LOANS. WE ARE DISCUSSING THIS INCLUSION IN GOVERNMENT-WIDE CROSSWALK WITH TREASURY. ALSO EXCLUDED IS ACCOUNT 1359, ALLOWANCE FOR LOS ON LOANS.
					1410		ADVANCES	
						1411N	TRAVEL ADVANCES - NON-GOVERNMENT	
						1412N	ADVANCES TO COMMISSIONED OFFICERS - NON-GOVERNMENT	
							ADVANCES TO GOVERNMENT AND NON-GOVERNMENT AGENCIES - GOVERNMENT AND NON-GOVERNMENT	
						1413G-N	GOVERNMENT AND NON-GOVERNMENT	
						1415G	ADVANCE OF INVESTMENT PRINCIPLE WITH GSWA GOVERNMENT	
						1416G	ADVANCE OF INVESTMENT INTEREST WITH GSWA - GOVERNMENT	
						1417G-N	ADVANCES TO OTHERS - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	NOTE: THIS EXCLUDES 1414G ADVANCES TO OTHERS BY NON-EXPENDITURE TRANSFER
						1418G-N	ADVANCES TO OTHERS - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
X	X		B		1450		PREPAYMENTS	
						1450G-N	PREPAYMENTS GOVERNMENT AND NON-GOVERNMENT	
X	X		B		2110		ACCOUNTS PAYABLE	
						2110G-N	ACCOUNTS PAYABLE - GOVERNMENT AND NON-GOVERNMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/MINUS	GV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
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X	X	B			2120		DISBURSEMENTS IN TRANSIT	
							2120G-N DISBURSEMENTS IN TRANSIT - GOVERNMENT AND NON-GOVERNMENT	
X	X	B			2130		CONTRACT HOLDBACKS	
							2130G-N CONTRACT HOLDBACKS - GOVERNMENT AND NON-GOVERNMENT	
X	X	B			2140		ACCRUED INTEREST PAYABLE	
							2140G-N ACCRUED INTEREST PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
X	X	B			2190		ACCRUED LIABILITIES - OTHER	
							2190G-N ACCRUED LIABILITIES - OTHER - GOVERNMENT AND NON-GOVERNMENT	
X	X	B			2210		ACCRUED FUNDED PAYROLL AND BENEFITS	
							2211 ACCRUED FUNDED PAYROLL	
							2212 ACCRUED FUNDED ANNUAL LEAVE	
							2213 ACCRUED FUNDED COMPENSATORY LEAVE	
X	X	B			2310		ADVANCES FROM OTHERS	
							2311G ADVANCES FROM FEDERAL AGENCIES FOR DISBURSEMENT SERVICIAL MANAGEMENT FUNDS - GOVERNMENT	
							2313G-N ADVANCES - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	
							2314G-N ADVANCES - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
X	X	B			2320		DEFERRED CREDITS (UNEARNED REVENUE)	
							2322G-N DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
							2329G-N ALL OTHER DEFERRED CREDITS - GOVERNMENT AND NON-GOVERNMENT	

NOTE: THIS EXCLUDES 2312G ADVANCES FROM OTHER GOVERNMENT AGENCIES BY NON-EXERCITURE TRANSFER

NOTE: THIS EXCLUDES 2510, 2520, 2530, 2540, 2590 AND 2910 WHICH APPEARS ON GOVERNMENT-WIDE CROSS-WALK. TREASURY AND OMB WILL RESOLVE THIS ISSUE WITH THE AGENCIES

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

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LEGEND: B = BEGINNING BALANCE
E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
	X	X	B		2990	2990	OTHER LIABILITIES	APPEARS ON GOVERNMENT-WIDE CROSS-WALK. TREASURY AND OMB WILL RESOLVE THIS ISSUE WITH THE AGENCIES
					4240	4240	UNFILLED CUSTOMER ORDERS - OBLIGATED	
	X	X	B		4800		UNDELIVERED ORDERS	
						4800GD	GOVERNMENT - DIRECT PROGRAM	
						4800GR	GOVERNMENT - REIMBURSABLE PROGRAM	
						4800ND	NON-GOVERNMENT - DIRECT PROGRAM	
						4800NR	NON-GOVERNMENT - REIMBURSABLE PROGRAM	
133	THESE DATA FOR ACCOUNTS LISTED IN 13A FOR PROGRAM TRANSFERS DUE TO REORGANIZATIONS MUST BE EXTRACTED FROM DETACHMENT ORDERS							
	X	X	E		1110	1110	UNDEPOSITED COLLECTIONS	
13C	X	X	E		1310		ACCOUNTS RECEIVABLE	THE TOTAL OF EXPIRED AND UNEXPIRED COLUMNS SHOULD AGREE WITH SECTION V OF THE SF-225 REPORT.
						1311G-N	ADVANCES AND REIMBURSEMENTS BILLED - GOVERNMENT AND NON-GOVERNMENT	
						1312G-N	REFUNDS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
						1314	ADVANCES AND REIMBURSEMENTS - UNBILLED	
						1315N	AUDIT DISALLOWANCES - NON-GOVERNMENT	
						1316N	ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES - NON-GOVERNMENT	
						1318G-N	ACCOUNTS RECEIVABLE - NON-CURRENT	
						1321G-N	ACCRUED INTEREST ON LOANS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
						1322G-N	ACCRUED INTEREST ON ADVANCES - GOVERNMENT AND NON-GOVERNMENT	
						1323G-N	ACCRUED INTEREST ON INVESTMENTS - GOVERNMENT AND NON-GOVERNMENT	
								AT YEAR-END FINAL REPORT, SHOULD AGREE WITH NET AMOUNT OF COLUMNS 9 AND 10 LESS 7 AND 8 OF THE TFS-2106 REPORT.
								SEE NOTES FOR LINE 13A REGARDING EXCLUSION AND ADDITION OF CERTAIN ACCOUNTS.

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STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	GOV-WIDE ACCOUNT NUMBER	HIS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
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X	X	E		1319		ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	
				1319F		ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE - FUNDED	
				1329F		ALLOWANCE FOR LOSS ON ACCRUED INTEREST RECEIVABLE - FUNDED	

X	X	E		1350		LOANS RECEIVABLE	
				1350G-N		ADVANCES ON LOANS RECEIVABLE	GOVERNMENT AND NON-GOVERNMENT

X	X	E		1410		ADVANCES	
				1411N		TRAVEL ADVANCES - NON-GOVERNMENT	
				1412N		ADVANCES TO COMMISSIONED OFFICERS - NON-GOVERNMENT	
				1413G-N		ADVANCES TO GOVERNMENT AND NON-GOVERNMENT AGENCIES - GOVERNMENT AND NON-GOVERNMENT	
				1415G		ADVANCE OF INVESTMENT INTEREST WITH GWA - GOVERNMENT	
				1416G		ADVANCE OF INVESTMENT INTEREST WITH GWA - GOVERNMENT	
				1417G-N		ADVANCES TO OTHERS - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	
				1418G-N		ADVANCES TO OTHERS - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	

X	X	E		1450		PREPAYMENTS	
				1450G-N		PREPAYMENTS - GOVERNMENT AND NON-GOVERNMENT	

X	X	E		2110		ACCOUNTS PAYABLE	
				2110G-N		ACCOUNTS PAYABLE - GOVERNMENT AND NON-GOVERNMENT	

X	X	E		2120		DISBURSEMENTS IN TRANSIT	
				2120G-N		DISBURSEMENTS IN TRANSIT - GOVERNMENT AND NON-GOVERNMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
	X	X	E		2130		CONTRACT HOLDBACKS 2130G-N CONTRACT HOLDBACKS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2140		ACCRUED INTEREST PAYABLE 2140G-N ACCRUED INTEREST PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2190		ACCRUED LIABILITIES - OTHER 2190G-N ACCRUED LIABILITIES - OTHER - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2210		ACCRUED FUNDED PAYROLL AND BENEFITS 2211 ACCRUED FUNDED PAYROLL 2212 ACCRUED FUNDED ANNUAL LEAVE 2213 ACCRUED FUNDED COMPENSATORY LEAVE	
	X	X	E		2310		ADVANCES FROM OTHERS 2311G ADVANCES FROM FEDERAL AGENCIES FOR DISBURSEMENT THRU MANAGEMENT FUND - GOVERNMENT 2313G-N ADVANCES - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT 2314G-N ADVANCES - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	3		232c		DEFERRED CREDITS (UNEARNED REVENUE) 2322G-N DEFERRED PREMIUMS ON PARTICIPATION CERTIFICATES PAYABLE - GOVERNMENT AND NON-GOVERNMENT 2329G-N ALL OTHER DEFERRED CREDITS - GOVERNMENT AND NON-GOVERNMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
	X	X	E		2990	2990	OTHER LIABILITIES	
	X	X	E		4240	4240	UNFILLED CUSTOMER ORDERS - OBLIGATED	
	X	X	E		4600		UNDELIVERED ORDERS	
						4800GD	GOVERNMENT - DIRECT PROGRAM	
						4800GR	GOVERNMENT - REIMBURSABLE PROGRAM	
						4800ND	NON-GOVERNMENT DIRECT PROGRAM	
						4800NR	NON-GOVERNMENT REIMBURSABLE PROGRAM	
14					CALC 12 + 13A +/- 13B - 13C AND ALSO THIS LINE MUST AGREE WITH TREASURY OUTLAY AMOUNTS.			
15A	x	X	3		1110	1110	UNDEPOSITED COLLECTIONS	
					1310		ACCOUNTS RECEIVABLE	
						1311G-N	ADVANCES AND REIMBURSEMENTS BILLED - GOVERNMENT AND NON-GOVERNMENT	
						1312G-N	REFUNDS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
						1314	ADVANCES AND REIMBURSEMENTS - UNBILLED	
						1315N	AUDIT DISALLOWANCES - NON-GOVERNMENT	
						1316N	ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES - NON-GOVERNMENT	
						1316G-N	ACCOUNTS RECEIVABLE - NON-CURRENT	
						1321G-N	ACCRUED INTEREST ON LOANS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
						1322G-N	ACCRUED INTEREST ON ADVANCES - GOVERNMENT AND NON-GOVERNMENT	
						1323G-N	ACCRUED INTEREST ON INVESTMENTS - GOVERNMENT AND NON-GOVERNMENT	
								SEE NOTES FOR LINE 13A REGARDING EXCLUSION AND ADDITION OF CERTAIN ACCOUNTS

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STANDARD FORM 139, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
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X	X		B		1319		ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	
						1319F	ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE - FUNDED	
						1329F	ALLOWANCE FOR LOSS ON ACCRUED INTEREST RECEIVABLE - FUNDED	
X	X		B		1350		LOANS RECEIVABLE	
						1350G-N	ADVANCES ON LOANS RECEIVABLE - GOVERNMENT AND NON-GOVERNMENT	
X	X		B		1410		ADVANCES	
						1411N	TRAVEL ADVANCES - NON-GOVERNMENT	
						1412N	ADVANCES TO COMMISSIONED OFFICERS - NON-GOVERNMENT	
						1413G-N	ADVANCES TO GOVERNMENT AND NON-GOVERNMENT AGENCIES - GOVERNMENT AND NON-GOVERNMENT	
						1415G	ADVANCE OF INVESTMENT PRINCIPLE WITH GWA GOVERNMENT	
						1416G	ADVANCE OF INVESTMENT INTEREST WITH GWA - GOVERNMENT	
						1417G-N	ADVANCES TO OTHERS - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	
						1418G-N	ADVANCES TO OTHERS - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
X	X		B		1450		PREPAYMENTS	
						1450G-N	PREPAYMENTS - GOVERNMENT AND NON-GOVERNMENT	
X	X		B		2110		ACCOUNTS PAYABLE	
						2110G-N	ACCOUNTS PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
X	X		B		2120		DISBURSEMENTS IN TRANSIT	
						2120G-N	DISBURSEMENTS IN TRANSIT - GOVERNMENT AND NON-GOVERNMENT	
X	X		B		2130		CONTRACT HOLDBACKS	
						2130G-N	CONTRACT HOLDBACKS - GOVERNMENT AND NON-GOVERNMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	COL 3	COL 4	COL 5	GO-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFO ON
	X	X	B			140		ACCUMULATED INTEREST PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
	X	X	B			190		ACCUMULATED LIABILITIES - OTHER	
	X	X	B			2210		ACCUMULATED FUNDED PAYROLL AND BENEFITS	
						2211		ACCUMULATED FUNDED PAYROLL AND BENEFITS	
						2212		ACCUMULATED FUNDED ANNUAL LEAVE	
						2213		ACCUMULATED FUNDED COMPENSATORY LEAVE	
	X	X	B			2310		ADVANCES FROM OTHERS	
						2311G		ADVANCES FROM FEDERAL AGENCIES FOR DISBURSEMENTS (FRC)	
						2312G		MANAGEMENT FUNDS - GOVERNMENT	
						2313G		ADVANCES FROM FEDERAL AGENCIES BY NON-EXPENDITURE TRANSFER - GOVERNMENT	
						2314G-N		ADVANCES - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	
						2315G-N		ADVANCES - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	B			2520		DEFERRED CREDITS (UNEARNED REVENUE)	
						2522G-N		DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
						2523G-N		ALL OTHER DEFERRED CREDITS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	B			2990		OTHER LIABILITIES	

USE DATA FOR ACCOUNTS LISTED IN 15A FOR PROGRAM TRANSFERS DUE TO REORGANIZATIONS MUST BE EXTRACTED FROM DETERMINATION CROSSES

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	FHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
15C	X	X	E		1110	1110	UNDEPOSITED COLLECTIONS	
	X	X	E		1310		ACCOUNTS RECEIVABLE	YEAR-END FINAL REPORT SHOULD AGREE WITH THE NET AMOUNT IN COLUMN 10 LESS COLUMN 7 OF THE TFS-2108 REPORT.
							1311G-N ADVANCES AND REIMBURSEMENTS BILLED - GOVERNMENT AND NON-GOVERNMENT	
							1312G-N REFUNDS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
							1314 ADVANCES AND REIMBURSEMENTS - UNBILLED	
							1315N AUDIT DISALLOWANCES - NON-GOVERNMENT	
							1316N ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES - NON-GOVERNMENT	
							1318G-N ACCOUNTS RECEIVABLE - NON CURRENT	
							1321G-N ACCRUED INTEREST ON LOANS RECEIVABLES - GOVERNMENT AND NON-GOVERNMENT	
							1322G-N ACCRUED INTEREST ON ADVANCES - GOVERNMENT AND NON-GOVERNMENT	
							1323G-N ACCRUED INTEREST ON INVESTMENTS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		1319		ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	SEE NOTE FOR LINE 13A REGARDING EXCLUSION AND ADDITION OF CERTAIN ACCOUNTS
							1319F ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE - FUNDED	
							1329F ALLOWANCE FOR LOSS ON ACCRUED INTEREST RECEIVABLE - FUNDED	
	X	X	E		1350		LOANS RECEIVABLE	
							1353G-N ADVANCES ON LOANS RECEIVABLE - GOVERNMENT AND NON-GOVERNMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
	X	X	E		1410		ADVANCES	
						1411N	TRAVEL ADVANCES - NON-GOVERNMENT	
						1412N	ADVANCES TO COMMISSIONED OFFICERS - NON-GOVERNMENT	
						1413G-N	ADVANCES TO GOVERNMENT AND NON-GOVERNMENT AGENCIES - GOVERNMENT AND NON-GOVERNMENT	
						1415G	ADVANCE OF INVESTMENT PRINCIPLE WITH GAMA GOVERNMENT	
						1416G	ADVANCE OF INVESTMENT INTEREST WITH GAMA - GOVERNMENT	
						1417G-N	ADVANCES TO OTHERS - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	
						1418G-N	ADVANCES TO OTHERS - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		1450		PREPAYMENTS	
						1450G-N	PREPAYMENTS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2110		ACCOUNTS PAYABLE	
						2110G-N	ACCOUNTS PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2120		DISBURSEMENTS IN TRANSIT	
						2120G-N	DISBURSEMENTS IN TRANSIT - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2130		CONTRACT HOLDBACKS	
						2130G-N	CONTRACT HOLDBACKS - GOVERNMENT AND NON-GOVERNMENT	
	X	X	E		2140		ACCRUED INTEREST PAYABLE	
						2140G-N	ACCRUED INTEREST PAYABLE - GOVERNMENT AND NON-GOVERNMENT	

STANDARD FORM 133, REPORT OF BUDGET EXECUTION PAGE 19

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	COL 1 UNEXP.	COL 2 EXPIRED	T B COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURE AND ADDITIONAL INFORMATION
X	X		E		2:90	2:900-N	ACCUMULATED LIABILITIES - OTHER	
X	X		E		22:0	22:11	ACCUMULATED FUNDED PAYROLL AND BENEFITS	
						22:12	ACCUMULATED FUNDED ANNUAL LEAVE	
						22:13	ACCUMULATED FUNDED COMPENSATORY LEAVE	
X	X		E		23:0	23:1:G	ADVANCES FROM OTHERS	
						23:1:G	ADVANCES FROM FEDERAL AGENCIES FOR DISBURSEMENTS THRU MANAGEMENT FUNDS - GOVERNMENT	
						23:2G	ADVANCES FROM FEDERAL AGENCIES BY NON-EXPENDITURE TRANSFER - GOVERNMENT	
						23:3G-N	ADVANCES - ALL OTHER - GOVERNMENT AND NON-GOVERNMENT	
						23:4G-N	ADVANCES - ESTIMATED ACCRUALS - GOVERNMENT AND NON-GOVERNMENT	
X	X		E		2320	2322G-N	DEFERRED CREDITS (UNEARNED REVENUE)	
						2322G-N	DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES PAYABLE - GOVERNMENT AND NON-GOVERNMENT	
						2329G-N	ALL OTHER DEFERRED CREDITS - GOVERNMENT AND NON-GOVERNMENT	
X	X		E		2990	2990	OTHER LIABILITIES	
						CALC 14 - 15A - 15B + 15C + 15C AND ALSO EQUALS ACCOUNT:		
						4900	EXPENDED APPROPRIATIONS	
						4900G	EXPENDED APPROPRIATIONS - GOVERNMENT - DIRECT PROGRAM	
						4930	EXPENDED APPROPRIATIONS - NON-GOVERNMENT - DIRECT PROGRAM	
						4930	EXPENDED APPROPRIATIONS REPORTED AGAINST TRANSFERS TO OTHER AGENCIES	

Program and **Financing** Report/Supplemental Source Data

This general ledger crosswalk to the **PFR/SSD** will be published at the conclusion of Government-wide General Ledger Task Force meetings with Treasury and **OMBstaff** to resolve problem areas.

TFS 2106, YEAR-END CLOSING STATEMENT

PAGE :

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
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1						SYMBOLS PROVIDED BY TREASURY: FOR EACH APPROPRIATION/ FUND BY FISCAL YEAR EXCEPT FOR DEPOSIT AND SUSPENSE ACCOUNTS. WILL ALSO INCLUDE THE SUB-ACCOUNTS WHEN APPROPRAITE FOR COLUMN 2 AMOUNTS.	
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2						PRECLOSING UNEXPENDED BALANCES SHOULD AGREE WITH COLUMN 5 OF THE PRELIMINARY SEP 30 TFS-6653 UNDISBURSED APPROPRIATION ACCOUNT.	PROVIDED BY TREASURY
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THE AMOUNT PROVIDE BY TREASURY SHOULD
 AGREE WITH LISTED GENERAL LEDGERS.

FOR EACH ACCOUNT THAT HAS AUTHORITY
 REPRESENTED BY SUB-ACCOUNT NUMBERS
 APPEARING IN COLUMN 1, AMOUNTS SHOULD
 AGREE WITH GENERAL LEDGERS:

- 1011 AUTHORITY
- 1012 DISBURSEMENT (OTHER THAN PAYROLL)
- 1013 DISBURSEMENT - PAYROLL
- 1014 FOREIGN DISBURSEMENTS
- 1015 COLLECTIONS
- 1120 IMPREST FUND

2, 3 AND 4; AND SHOULD AGREE WITH SF220,
 LINE 1A ADJUSTED FOR TRANSFERS TO AND
 FROM OTHER AGENCIES.

NOTE: RELATES TO SUBACCOUNT 92:

ITS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
-				1200		FOREIGN CURRENCY	NOTE: WRITING TO TREASURY REGARDING THIS OMISSION.
-				1610G		SECURITIES (AT PAR) GOVERNMENT	NOTE: 1610, 1612, 1613 AND 1690 RELATES TO SUB-ACCOUNTS 971 AND 972
-				1610N		NON-GOVERNMENT	
-				1612G		SECURITIES - UNAMORTIZED PREM/DISC UNAMORTIZED DISCOUNT - GOVERNMENT	QUESTIONS: DOES 971 RELATES ONLY TO FTR? DOES 971 ALSO RELATE TO OTHER THAN FEDERAL SECURITIES; DO WE NEED ANOTHER SUB-ACCOUNT?
-				1612N		UNAMORTIZED DISCOUNT - NON-GOVERNMENT	
-				1613G		UNAMORTIZED PREMIUM - GOVERNMENT	
-				1613N		UNAMORTIZED PREMIUM - NON-GOVERNMENT	
-				1690G		OTHER INVESTMENTS GOVERNMENT	
-				1690N		NON-GOVERNMENT	
-				4131C		CONTRACT AUTHORITY - WITHOUT LIQUIDATING AUTHORITY CURRENT AUTHORITY - APPROPRIATION ACT	
-				4131G		CURRENT AUTHORITY - SUBSTANTIVE LAW	
-				4131P		PERMANENT AUTHORITY - APPROPRIATION ACT	NOTE: RELATES TO SUB-ACCOUNT 94.
-				4131P		PERMANENT AUTHORITY - SUBSTANTIVE LAW	
-				4141C		BORROWING AUTHORITY - DEFINITE CURRENT AUTHORITY - APPROPRIATION ACT	NOTE: ACCOUNT 4141 AND 4142, LESS 2510, 2520, 2530 AND 2540 RELATE TO THE AUTHORITY TO BORROW AND ARE REPORTED UNDER SUB-ACCOUNT 95.
-				4141G		CURRENT AUTHORITY - SUBSTANTIVE LAW	
-				4141P		PERMANENT AUTHORITY - APPROPRIATION ACT	
-				4141P		PERMANENT AUTHORITY - SUBSTANTIVE LAW	

TFS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
						BORROWING AUTHORITY - INDEFINITE	
				4142CT		CURRENT AUTHORITY - APPROPRIATION ACT	
				4142CL		CURRENT AUTHORITY - SUBSTANTIVE LAW	
				4142PT		PERMANENT AUTHORITY - APPROPRIATION ACT	
				4142PL		PERMANENT AUTHORITY - SUBSTANTIVE LAW	
			LESS				
				2511		BORROWING FROM TREASURY - BORROWING	
				2512		BORROWING FROM TREASURY - REPAYMENT	
				2521		BORROWING FROM FEDERAL FINANCING BANK - BORROWING	
				2522		BORROWING FROM FEDERAL FINANCING BANK - REPAYMENT	
				2531		SECURITIES ISSUED BY FEDERAL AGENCIES UNDER SPECIAL FINANCING AUTHORITY - BORROWING	
				2532		SECURITIES ISSUED BY FEDERAL AGENCIES UNDER SPECIAL FINANCING AUTHORITY - REPAYMENT	
				2541		PARTICIPATION CERTIFICATES - BORROWING	
				2542		PARTICIPATION CERTIFICATES - REPAYMENT	
3	PRECLOSE & POSTCLOSE	E		1310		ACCOUNTS RECEIVABLE	
				1311G		ADVANCES AND REIMBURSEMENTS BILLED - GOVERNMENT	
				1311N		ADVANCES AND REIMBURSEMENTS BILLED - NON-GOVERNMENT	
				1312G		REFUNDS RECEIVABLE - GOVERNMENT	
				1312N		REFUNDS RECEIVABLE - NON-GOVERNMENT	
				1314		ADVANCES AND REIMBURSEMENTS RECEIVABLE - UNBILLED	
				1315A		AUDIT DISALLOWANCES RECEIVABLE - NON-GOVERNMENT	
				1316N		ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES	
				1316G		ACCOUNTS RECEIVABLE - GOVERNMENT - NON-CURRENT	
				1316N		ACCOUNTS RECEIVABLE - NON-GOVERNMENT - NON-CURRENT	
				1318F		ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE - FUNDED	
				1321G		ACCRUED INTEREST ON LOANS RECEIVABLE - GOVERNMENT	
				1321N		ACCRUED INTEREST ON LOANS RECEIVABLE - NON-GOVERNMENT	

TFS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
				23228		ACCRUED INTEREST ON ADVANCES - GOVERNMENT	
				1322N		ACCRUED INTEREST ON ADVANCES - NON-GOVERNMENT	
				1323G		ACCRUED INTEREST ON INVESTMENTS - GOVERNMENT	
				1323N		ACCRUED INTEREST ON INVESTMENTS - NON-GOVERNMENT	
				1329F		ALLOWANCE FOR LOSS ON ACCRUED INTEREST RECEIVABLES - FUNDED	NOTE: EXCLUDES 1319U, 1324G-N, 1331N, 1332N, 1333N, 1334N, 1335N, 1336N, AND 1339U - UNFUNDED ALLOWANCE FOR LOSS AND RECEIVABLES WHOSE COLLECTIONS REVERT TO TREASURY RECEIPTS.
	PRECLOSE & POSTCLOSE	E		1350		LOAN RECEIVABLE	
				1353G		ADVANCES ON LOANS RECEIVABLE - GOVERNMENT	NOTE: EXCLUDES 1351G-N, 1352G-N, AND 1359F-U. ALL LOANS RECEIVABLES AND ALLOWANCE FOR LOSS.
				1353N		ADVANCES ON LOANS RECEIVABLE - NON-GOVERNMENT	WE ARE DETERMINING IF ANY AMOUNT OF LOANS RECORDED IN 1351 SHOULD BE INCLUDED IN THIS LINE.
	PRECLOSE & POSTCLOSE	E		1410		ADVANCES	NOTE: EXCLUDES 1414G, ADVANCES TO OTHERS BY NON-EXPENDITURE TRANSFER.
				1411N		TRAVEL ADVANCES - NON-GOVERNMENT	
				1412N		ADVANCES TO COMMISSIONED OFFICERS - NON-GOVERNMENT	
				1413G		ADVANCES TO GOV AND NON-GOV AGENCIES - GOVERNMENT	: SHOULD ALSO EXCLUDE ANY ADVANCES TO CONSOLIDATED WORKING FUNDS - MUST BE TESTED.
				1413N		ADVANCES TO GOV AND NON-GOV AGENCIES - NON-GOVERNMENT	
				1416G		ADVANCE OF INVESTMENT PRINCIPLE WITH GWA - GOVERNMENT	
				1416N		ADVANCE OF INVESTMENT INTEREST WITH GWA - GOVERNMENT	
				1417G		ADVANCES TO OTHERS - ALL OTHER - GOVERNMENT	
				1417N		ADVANCES TO OTHERS - ALL OTHER - NON-GOVERNMENT	: WE ARE QUESTIONING TREASURY ON ITS INSTRUCTION TO EXCLUDE ADVANCES TO CONSOLIDATED WORK FUNDS.
				1416G		ADVANCES TO OTHERS - ESTIMATED ACCRUALS - GOVERNMENT	
				1416N		ADVANCES TO OTHERS - ESTIMATED ACCRUALS - NON-GOVERNMENT	
	PRECLOSE & POSTCLOSE	E		1450		PREPAYMENTS	NOTE: WILL TEST TO SEE IF SHOULD BE EXCLUDED.
				1450G		GOVERNMENT	
				1450N		NON-GOVERNMENT	

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TFS 2106, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	COU	NAME	RECO	LIABTY	FEATURES
	PRECLOSE & POSTCLOSE	E		2110	2110G GOVERNMENT 2110N NON-GOVERNMENT		ACCOUNTS PAYABLE			
	PRECLOSE & POSTCLOSE	E		2120	2120G GOVERNMENT 2120N NON-GOVERNMENT		DISBURSEMENTS IN TRANSIT			
	PRECLOSE & POSTCLOSE	E		2130	2130G GOVERNMENT 2130N NON-GOVERNMENT		CONTRACT HOLDBACKS			
	PRECLOSE & POSTCLOSE	E		2140	2140G GOVERNMENT 2140N NON-GOVERNMENT		ACCURED INTEREST PAYABLE			
	PRECLOSE & POSTCLOSE	E		2190	2190G GOVERNMENT 2190N NON-GOVERNMENT		OTHER ACCURED LIABILITIES			
	PRECLOSE & POSTCLOSE	E		2210	2211 ACCURED FUNDED PAYROLL 2212 ACCURED FUNDED ANNUAL LEAVE 2213 ACCURED COMPENSATORY LEAVE		ACCURED FUNDED PAYROLL AND BENEFITS			

NOTE: COLUMN 3 APPLIES ONLY TO SECOND PRIOR YEAR WITH A POSITIVE NET OF ALL GENERAL LEDGER ACCOUNT BALANCES (PAYABLES EXCEED RECEIVABLES).

LEGEND: B = BEGINNING BALANCE
E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	FIS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
PRECLOSE & POSTCLOSE	E			2310		ADVANCES FROM OTHERS	
					2311G	ADVANCES FROM FEDERAL AGENCIES FOR DISBURSEMENT THROUGH MANAGEMENT FUNDS - GOVERNMENT	
					2313G	ADVANCES - ALL OTHER - GOVERNMENT	
					2313N	ADVANCES - ALL OTHER - NON-GOVERNMENT	
					2314G	ADVANCES - ESTIMATED ACCRUALS - GOVERNMENT	
					2314N	ADVANCES - ESTIMATED ACCRUALS - NON-GOVERNMENT	
PRECLOSE	E			2320		DEFERRED CREDITS (UNEARNED REVENUE)	
					23226	DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES - GOVERNMENT	NOTE: WILL TEST TO SEE IF SHOULD BE EXCLUDED.
					2322X	DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES - NON-GOVERNMENT	
					23296	ALL OTHER DEFERRED CREDITS - GOVERNMENT	
					2329N	ALL OTHER DEFERRED CREDITS - NON-GOVERNMENT	
PRECLOSE & POSTCLOSE	E			2500		DEBT	NOTE: EXCLUDES DEBT GLS 2510, 2520, 2530, 2540, 2590. ALSO 2910. HAVE WRITTEN TREASURY.
PRECLOSE & POSTCLOSE	E			2910		PRIOR LIENS OUTSTANDING ON ACQUIRED COLLATERAL	
PRECLOSE & POSTCLOSE	E			2990	2990	OTHER LIABILITIES	
PRECLOSE & POSTCLOSE	E			4240	4240	UNFILLED CUSTOMER ORDERS - OBLIGATED	

TFS 2106, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
	PRECLOSE & POSTCLOSE	E		4800		UNDELIVERED ORDERS	
					4800GD	GOVERNMENT - DIRECT PROGRAM	
					4800GR	GOVERNMENT - REIMBURSABLE PROGRAM	
					4800ND	NON-GOVERNMENT - DIRECT PROGRAM	
					4800NR	NON-GOVERNMENT - REIMBURSABLE PROGRAM	
4	POSTCLOSE	E-B		4391		RESTORATION, WRITEOFFS, & WITHDRAWALS	
					4391C	CURRENT AUTHORITY	
					4391P	PERMANENT AUTHORITY	
5	POSTCLOSE	E		1010		FUND BALANCE WITH TREASURY AUTHORITY	NOTE: THIS COLUMN IS THE NET OF COLUMNS 2, 3 AND 4; AND SHOULD AGREE WITH SF220, LINE 1A ADJUSTED FOR TRANSFERS TO AND FROM OTHER AGENCIES.
					1011		
				-	1200	FOREIGN CURRENCY	NOTE: WRITING TO TREASURY REGARDING THIS OMISSION.
6	POSTCLOSE	E		-	1120	EXPRESST FUND	NOTE: RELATES TO SUB-ACCOUNT 921
	POSTCLOSE	E		1610		SECURITIES (AT PAR)	NOTE: 1610, 1612, 1613 AND 1693
					1610G	GOVERNMENT	RELATES TO SUB-ACCOUNTS 971 AND 972
					1610N	NON-GOVERNMENT	

HHS 2106, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
POSTCLOSE	E			1611		SECURITIES - UNAMORTIZED PREM/DISC	QUESTIONS: DOES 971 RELATE ONLY TO FFB? DOES 971 ALSO RELATE TO OTHER THAN FEDERAL SECURITIES; DO WE NEED ANOTHER SUB-ACCOUNT?
					1612G	UNAMORTIZED DISCOUNT - GOVERNMENT	
					1612N	UNAMORTIZED DISCOUNT - NON-GOVERNMENT	
					1613G	UNAMORTIZED PREMIUM - GOVERNMENT	
					1613N	UNAMORTIZED PREMIUM - NON-GOVERNMENT	
POSTCLOSE	E			1690		OTHER INVESTMENTS	
					1690G	GOVERNMENT	
					1690N	NON-GOVERNMENT	
				4131		CONTRACT AUTHORITY - WITHOUT LIQUIDATING AUTHORITY	
					4131GT	CURRENT AUTHORITY - APPROPRIATION ACT	
					4131GL	CURRENT AUTHORITY - SUBSTANTIVE LAW	
					4131PT	PERMANENT AUTHORITY - APPROPRIATION ACT	NOTE: RELATES TO SUB-ACCOUNT 941
					4131PL	PERMANENT AUTHORITY - SUBSTANTIVE LAW	
				-		BORROWING AUTHORITY - DEFINITE	
					4141GT	CURRENT AUTHORITY - APPROPRIATION ACT	NOTE: ACCOUNT 4141 AND 4142, LESS 2510, 2520, 2530 AND 2540 RELATE TO THE AUTHORITY TO BORROW AND ARE REPORTED UNDER SUB-ACCOUNT 951
					4141GL	CURRENT AUTHORITY - SUBSTANTIVE LAW	
					4141PT	PERMANENT AUTHORITY - APPROPRIATION ACT	
					4141PL	PERMANENT AUTHORITY - SUBSTANTIVE LAW	
				-		BORROWING AUTHORITY - INDEFINITE	
					4142GT	CURRENT AUTHORITY - APPROPRIATION ACT	
					4142GL	CURRENT AUTHORITY - SUBSTANTIVE LAW	
					4142PT	PERMANENT AUTHORITY - APPROPRIATION ACT	
					4142PL	PERMANENT AUTHORITY - SUBSTANTIVE LAW	

TFS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HRS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
			LESS		2511	BORROWING FROM TREASURY - BORROWING	
					2512	BORROWING FROM TREASURY - REPAYMENT	
					2521	BORROWING FROM FEDERAL FINANCING BANK - BORROWING	
					2522	BORROWING FROM FEDERAL FINANCING BANK - REPAYMENT	
					2531	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER SPECIAL FINANCING AUTHORITY - BORROWING	
					2532	SECURITIES ISSUED BY FEDERAL AGENCIES UNDER SPECIAL FINANCING AUTHORITY - REPAYMENT	
					2541	PARTICIPATION CERTIFICATES - BORROWING	
					2542	PARTICIPATION CERTIFICATES - REPAYMENT	
7	POSTCLOSE	E			1120	IMPREST FUND	NOTE: RELATES TO SUB-ACCOUNT 921
				1310		ACCOUNTS RECEIVABLE	
					1311G	ADVANCES AND REIMBURSEMENTS BILLED - GOVERNMENT	
					1311N	ADVANCES AND REIMBURSEMENTS BILLED - NON-GOVERNMENT	
					1312G	REFUNDS RECEIVABLE - GOVERNMENT	
					1312N	REFUNDS RECEIVABLE - NON-GOVERNMENT	
					1314	ADVANCES AND REIMBURSEMENTS RECEIVABLE - UNBILLED	
					1315N	AUDIT DISALLOWANCES RECEIVABLE - NON-GOVERNMENT	
					1316G	ANTICIPATED RECOVERIES - AUDIT DISALLOWANCES	
					1316G	ACCOUNTS RECEIVABLE - NON-CURRENT - GOVERNMENT	
					1316N	ACCOUNTS RECEIVABLE - NON-CURRENT - NON-GOVERNMENT	
					1319F	ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE - FUNDED	
					1321G	ACCRUED INTEREST ON LOANS RECEIVABLE - GOVERNMENT	
					1321N	ACCRUED INTEREST ON LOANS RECEIVABLE - NON-GOVERNMENT	
					1322G	ACCRUED INTEREST ON ADVANCES - GOVERNMENT	
					1322N	ACCRUED INTEREST ON ADVANCES - NON-GOVERNMENT	
					1323G	ACCRUED INTEREST ON INVESTMENTS - GOVERNMENT	
					1323N	ACCRUED INTEREST ON INVESTMENTS - NON-GOVERNMENT	
					1329	ALLOWANCES FOR LOSSES ON ACCRUED INTEREST RECEIVABLE - FUNDED	

NOTE: EXCLUDES 1319C, 1324G-N, 1331N, 1332B, 1333N, 1334N, 1335N, 1336N, AND 1339C - UNFUNDED ALLOWANCE FOR LOSSES AND RECEIVABLES WHOSE COLLECTIONS REVERT TO TREASURY RECEIPTS.

YES 2:06, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
	POSTCLOSE	E		1350		LOAN RECEIVABLE	
					1353G	ADVANCES ON LOANS RECEIVABLE - GOVERNMENT	
					1353N	ADVANCES ON LOANS RECEIVABLE - NON-GOVERNMENT	NOTE: EXCLUDES 1351G-N, 13523-N, AND 1359F-J - ALL LOANS RECEIVABLES AND ALLOWANCE FOR LOSS. WE ARE DETERMINING IF ANY AMOUNT OF LOANS RECORDED IN 135I SHOULD BE INCLUDED IN THIS LINE.
	POSTCLOSE	E		1410		ADVANCES	
					1411N	TRAVEL ADVANCES - NON-GOVERNMENT	
					1412N	ADVANCES TO COMMISSIONED OFFICERS - NON-GOVERNMENT	
					1413G	ADVANCES TO GOV AND NON-GOV AGENCIES - GOVERNMENT	
					1413N	ADVANCES TO GOV AND NON-GOV AGENCIES - NON-GOVERNMENT	
					1415G	ADVANCE OF INVESTMENT PRINCIPLE WITH GWA - GOVERNMENT	
					1416G	ADVANCE OF INVESTMENT INTEREST WITH GWA - GOVERNMENT	
					1417G	ADVANCES TO OTHERS - ALL OTHER - GOVERNMENT	
					1417N	ADVANCES TO OTHERS - ALL OTHER - NON-GOVERNMENT	
					1418G	ADVANCES TO OTHERS - ESTIMATED ACCRUALS - GOVERNMENT	
					1418N	ADVANCES TO OTHERS - ESTIMATED ACCRUALS - NON-GOVERNMENT	NOTE: EXCLUDES 1414G, ADVANCES TO OTHERS BY NON-EXPENDITURE TRANSFER.
	POSTCLOSE	E		1450		PREPAYMENTS	
					1450G	GOVERNMENT	
					1450N	NON-GOVERNMENT	NOTE: WE ARE QUESTIONING TREASURY ON THEIR INSTRUCTION TO EXCLUDE ADVANCES TO CONSOLIDATED WORKING FUNDS
6	POSTCLOSE	E		4230			NOTE: WE WILL TEST TO SEE IF SHOULD BE EXCLUDED
					4240	UNFILLED CUSTOMER ORDERS - OBLIGATED	NOTE: FOR NO-YEAR AND MULTI-YR FUNDS, WE HAVE WRITTEN TREASURY THAT ALL AUTHORITY EXPIRES AT YEAR-END.

TFS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/ MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
9	POSTCLOSE	E		1120			
	POSTCLOSE	E		4800		UNDELIVERED ORDERS 4800GD GOVERNMENT - DIRECT PROGRAM 4800GR GOVERNMENT - REIMBURSABLE PROGRAM 4800ND NON-GOVERNMENT - DIRECT PROGRAM 4800NR NON-GOVERNMENT - REIMBURSABLE PROGRAM	
10	POSTCLOSE	E		-	1120	INTEREST FUND	
	POSTCLOSE	E		2110		ACCOUNTS PAYABLE 2110G GOVERNMENT 2110N NON-GOVERNMENT	
	POSTCLOSE	E		2120		DISBURSEMENTS IN TRANSIT 2120G GOVERNMENT 2120N NON-GOVERNMENT	
	POSTCLOSE	E		2130		CONTRACT HOLDBACKS 2130G GOVERNMENT 2130N NON-GOVERNMENT	

NOTE: WRITING TO TREASURY REGARDING PROPER REPORTING OF IMPREST FUND (ALSO TO COMPLETELY ELIMINATE FROM 2108).

NOTE: SEE NOTE ABOVE IN LINE 9.

NOTE: THE NET OF COLUMNS 9 AND 10 LESS 7 AND 8 SHOULD AGREE WITH LINE 13C OF SF133 AND CARRIED FORWARD TO LINE 13A OF SUBSEQUENT YEAR. SHOULD ALSO AGREE WITH SECTION V OF SF225.

TFS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B= BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	TB COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
POSTCLOSE	E			2140		ACCRUED INTEREST PAYABLE	
					2140G	GOVERNMENT	
					2140N	NON-GOVERNEMNT	
POSTCLOSE	E			2190		OTHER ACCRUED LIABILITIES	
					2190G	GOVERNMENT	
					2190N	NON-GOVERNEMNT	
POSTCLOSE	E			2210		ACCRUED FUNDED PAYROLL AND BENEFITS	
					2211	ACCRUED FUNDED PAYROLL	
					2212	ACCRUED FUNDED ANNUAL LEAVE	
					2213	ACCRUED FUNDED COMPENSATORY LEAVE	
POSTCLOSE	E			2310		ADVANCES FROM OTHERS	
					2311G	ADVANCES FROM FED AGENCIES FOR DISBURSEMENTS THRU FUNDS - GOVERNMENT MANAGEMENT	
					2313G	ADVANCES - ALL OTHER - GOVERNMENT	NOTE: EXCLUDES 2312G ADVANCES FROM OTHERS BY NON-EXPENDITURE TRANSFER
					2313N	ADVANCES - ALL OTHER - NON-GOVERNMENT	
					2314G	ADVANCES - ESTIMATED ACCRUALS - GOVERNMENT	
					2314N	ADVANCES - ESTIMATED ACCRUALS - NON-GOVERNMENT	
POSTCLOSE	E			2320		DEFERRED CREDITS (UNEARNED REVENUE)	
					2322G	DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES - GOVERNMENT	NOTE: WILL TEST TO SEE IF SHOULD BE INCLUDED
					2322N	DEFERRED PREMIUM ON PARTICIPATION CERTIFICATES - NON-GOVERNMENT	
					2329G	ALL OTHER DEFERRED CREDITS - GOVERNMENT	
					2329N	ALL OTHER DEFERRED CREDITS - NON-GOVERNMENT	

TFS 2108, YEAR-END CLOSING STATEMENT

LEGEND: B = BEGINNING BALANCE
 E = ENDING BALANCE

LINE NUMBER	PRE/POST CLOSE	T B COLUMN	PLUS/MINUS	GOV-WIDE ACCOUNT NUMBER	HHS ACCOUNT NUMBER	ACCOUNT NAME	RECONCILIATION FEATURES
	POSTCLOSE	E		2510	-	BORROWING FROM TREASURY	NOTE: EXCLUDES DEBT GSS 2510, 2520, 2530, 2540 AND 2590, ALSO 2910.
	POSTCLOSE	E		2520	-	BORROWING FROM FEDERAL FINANCING BANK	
	POSTCLOSE	E		2530	-	SECURITIES ISSUED BY FED. AGENCIES UNDER SPECIAL FIN. AUTH.	
	POSTCLOSE	E		2540	-	PARTICIPATION CERTIFICATES	
	POSTCLOSE	E		2590	-	OTHER DEBT	
	POSTCLOSE	E		2910	-	PRIOR LIENS OUTSTANDING ON ACQUIRED COLLATERAL	
	POSTCLOSE	E		2990	2990	OTHER LIABILITIES	
11	POSTCLOSE	E		4450		AUTHORITY AVAILABLE FOR APPORTIONMENT	NOTE: THIS COLUMN SHOULD AGREE WITH LINE 9 AND 10 OF UNEXPIRED A- THAT WILL BE CARRIED FORWARD TO SUBSEQUENT YEAR EXCEPT WHEN RECEIVABLES EXCEED PAYABLES.
				4450ii		DIRECT PROGRAM	
				4440		REVOLVING FUNDS AVAILABLE FOR AE'E'ROPRIATION	

CHAPTER 5-55
REPORT ON BUDGET EXECUTION (SF-133)
REQUIRED UNDER OMB CIRCULAR A-34 (**REV**)

- 5- 55-00** Purpose and Applicability
- 10 Coverage and Due Dates of Reports
 - 20 Submission of Reports
 - 30 Report Format
 - 40 Content of Report
 - 50 Subsidiary Reports

5-55-00 PURPOSE AND APPLICABILITY

This **chapter** provides supplemental instructions for the preparation of the SF-133 Report on Budget Execution (Exhibit X5-55-1) as prescribed in OMB Circular A-34 (Revised), Sections 51.1 through 53.1. The SF-133 report is designed to provide OMB **with** current data on all open accounts, whether or not apportioned, unless **otherwise** specified by **OMB**. The instructions in this chapter are applicable to all Principal Operating Components/Agencies of HEW. Parent agencies are responsible for incorporating regional data and providing a consolidated report of the account level.

5- 55-10 COVERAGE AND DUE DATES OF REPORTS

A separate report shall be prepared monthly for each open expenditure account (except deposit funds and budget clearing accounts). The reports must be submitted within **20** days after the end of each calendar month. In addition to the regular report submitted for September 30, an amended report (designated "Final Report" **in** the upper **right** hand corner) must be submitted in any case where the regular end-of-year balances-reported differ from those reported to Treasury for inclusion in **the** annual Treasury Combined Statement (TFS-2108 Statement of Unexpended **Balances** of Appropriations and Funds). These final reports should be submitted as **soon** as possible **after** the **submission** of the **TFS-2108** to Treasury but no later than November 30.

A separate report shall also be prepared for each open account transferred in from another agency or department (**SF-1151-Non** Expenditure Transfer). The reports shall be prepared and submitted in accordance with Instructions provided by the parent account organization, including dates **due**. Reports on consolidated working funds will be prepared by the receiving agency according to **the** account symbol, disregarding limitations and parent appropriation accounts.

5-55-20 SUBMISSION OF REPORTS

(1) The original **copy** of the SF-133 report **and** any **sub-**
sidary • **chadulea or data**, with pages numbered consecutively
for each **POC/Agency** and signed by an authorized **officer**,
should be submitted to:

Office of **Management and Budget**
Human Resources Program Division
Washington, D. C. 20513

(2) Confirmed copies of all SF-133 reports plus an additional
copy of each quarterly report should be **submitted** to:

The Office of the Secretary
Division of Financial Planning
and Analysis
South Portal Building Room 745-D
200 Independence Ave., **S.W.**
Washington, **D. C.** 20201

(3) **Copies** of **th**e quarterly report⁸ covering all accounts
maintained by the Department are submitted by the
Division of Financial **Planning** and Analysis to:

chairman, Committee on Appropriations
House of Representatives
Washington, D. C. 20515

(4) A copy of each SF-133 report covering **foreign** currency
funds (FT accounts) should be submitted each month to:

The Department of the Treasury
Special Reports Branch
Treasury Annex
Washington, D. C. 20226

5-55-30 REPORT FORMAT

The SF-133 **report** is divided into three general sections:
(1) Budgetary-**Resources**, (2) Statue of Budgetary Resources;
and (3) Relation of Obligation⁸ to Outlays and Accrued
Expenditures. The report is also subdivided **vertically** into
three **columns** for reporting data as to year of availability.

Unexpired accounts: The data for these accounts should be
reported la the first column. **However**, if an appropriation
ha8 more than one unexpired account, additional columns must
be used to report each of these accounts separately.

Expired accounts: The data for all expired accounts (including
"M" accounta) should be consolidated and reported **in** the second
column or the next **column** if more than **one** unexpired account
is reported.

(5- 55-30 continued)

The third column will be used to show the total of the first two or more columns for the last month in each quarter.

Amounts reported will be rounded to the nearest dollar and will be cumulative from the beginning of the fiscal year.

5- 55-40 CONTENT OF REPORT

To ensure compatibility of reporting from all POC/Agencies, the data content should be consistent with the transaction coder and pro-form entries prescribed in the Departmental Accounting Manual as well as the effects on SF-132s, Apportionment and Reapportionment Schedule. Thus, it will be necessary for finance offices to obtain and use the most current SF-132s (or temporary Treasury warrants in lieu of SF-132s). It is suggested that budget offices be included in the preparation process of the SF-133. Refer to OMB Circular A-34 for a more complete explanation of the line-by-line data elements.

BUDGETARY RESOURCES

Line 1 Budget authority:

A. Appropriations realized

Report the amount of current year appropriations enacted and amounts otherwise made available by Treasury warrants and special/trust fund receipts as recorded in account 101.1 - Disbursing Funds-Authority. Amounts should be consistent with those on line 1A of the SF-132 and should be net of all applicable rescissions enacted during the fiscal year of both current appropriations and balances of prior year appropriations. Show in a footnote the total amount of rescissions separately identifying the amount of prior year appropriations rescinded. Specifically, include (1) appropriations in an appropriation act which become available on or after October 1, (2) that portion of indefinite appropriations and amounts for programs under a continuing resolution which have been warranted by Treasury, and (3) amounts of receipts to special and trust fund accounts designated by Treasury as available.

B. Appropriations anticipated (indefinite)

Report balance of account 109 - Available Funds Authorized by Congress.

(5-55-40 continued)

C. Other new authority

Report balances of new budget authority (other than appropriations) becoming available on or after October 1, and recorded in account 101.1 Disbursing Funds-Authority. Identify in the stub column the type of budget authority (e.g. contract authority, reappropriation, public debt authority, agency debt authority). Amounts reported on this line will be net of all applicable rescissions enacted (of both current budget authority and balances of prior year budget authority other than appropriations). Show in a footnote the total amount of enacted rescissions separately identifying the amount of prior year budget authority rescinded. The amount reported on this line should be consistent with amount reported on line 1c of the SF-132 report.

For revolving funds, in which credits and repayments to indefinite debt authority are available for obligation, report only that amount of debt authority anticipated to be used during the fiscal year net of credits or repayments without going below zero. Credits and repayments anticipated to be used will be reported on line 3.

D. Net transfers (+ or -)

Report the net effect of non-expenditure transfers (SF-1151) to (+) or from (-) as recorded in account 101.1 Disbursing Funds-Authority. Also include the current estimate of any new budget authority to be transferred to (+) or from (-) under existing legislation.

Do not include anticipated transfers that require legislation. Items included that were not previously reported should be explained in a footnote.

Line 2 **Unobligated balance:**

A. **Brought forward, October 1.**

This line is applicable only to no-year and unexpired multiple-year accounts.

(5- 55-40 continued)

Report the preceding year's "post closing" balance8 in the following accounts .

451-Unapportioned Appropriation
455-Unallotted Funds-Subsequent Quarters
456-Unallotted Funds-Current Quarter8
459-Apportions Transferred to Other Agencies
461-Unobligated Allotments

The amount reported should be in agreement with lines 9 and 10 of the "final" SF-133 for the preceding year and must remain **contant** during the year. If there are any adjustments ~~of prior year~~ amounts necessary, **report them** on **lines 1A, 4, 8, 9C or 10E**, as appropriate.

B. Net transfers (+ or -)

Report the net effect on account 101.1 Disbursing Fund-Authority for the transfer of unobligated balances of prior year budget authority to (+) or from (-) the account. Include the current estimate for any balances **to** be transferred to (+) or from (-) under existing legislation. The use of this line may be necessary as a **result** of organization or appropriation structure changes.

Entries **must** be explained in a footnote. This line will not include transfers of new budget authority **enacted** for the current **fiscal** year (reported on line **1D**), transfer8 to allocation accounts, anticipated transfers that require legislation, or amounts written off.

Line 3 Reimbursements and other income:

A. Earned

Report the balances of accounts, as applicable

101.5 Disbursing **Funds-Collections/Repayments-**
 Treasury Loan Account
 551 Income Control
 552 Income-Miscellaneous-General/Trust Fund
 Receipts
 554.1 Income-Donated-Deposit to Appropriation

In the case of revolving funds, write-offs of receivables will be netted against revenue8 **repor** ted on this line, **as** reported in account **155-Allowance** for Losses-Non-Federal Agencies.

(5-55-40 continued)

When specifically authorized by law this line may include reimbursements and other income earned in a prior year and available to be credited to the current year account. Identify in a footnote the amount of such earnings, together with a citation of the applicable law.

For unexpired accounts, the net amount applicable to the **current** reporting period should be shown in the stub column.

On the September 30 report the amount of uncollected, earned reimbursements and other income, that will be credited to a subsequent year's account pursuant to law, should be excluded from this line. Include in a footnote the amount and a citation of the applicable law.

- B. Changes in unfilled customers' orders (+ or -)
Report the net increase (+) or decrease (-) in unfilled orders on hand as recorded in account **426-Unfilled Customers' Orders** (balance-end of reporting period) less **426-Unfilled Customers' Orders** (balance - October 1).

For accounts **expiring** for obligation at the end of the year, amounts of the above nature that have not been obligated and that will be credited to a subsequent year's account will be excluded from this line. Such amounts will be reported in a **footnote**.

The amount on this line must be reduced at the end of the fiscal year by the amount of any orders from expiring accounts that are no longer valid obligations of ordering

- C. Anticipated for rest of year
Include the balances of the following accounts, as applicable

401 - Estimated Reimbursements-General ;
422 - Consolidated Working Fund Budget
423 - Revolving Fund Budget

The amount reported should be net of lines 3A and 3B.

(5-55 40 continued)

On the **September 30** report **there** should be no entry on line **3C**.

Line 4 Recoveries of prior year obligations:**A: Actual**

(1) Unexpired accounts: Include the amount of any current year cancellation or downward adjustment of prior year **obligations** whenever they are material. Such decreases will be reflected as a debit to account **465-Unliquidated Obligation**, and a credit to account **461.1-Unobligated Allotments**. The **net amount** applicable to the current reporting period **should** be shown in stub column.

Note: **Mechanized** accounting processes may **NOT** distinguish material adjustments from non-material adjustments (not defined in **OMB Circular A-34**). If there are **sizeable** and distinguishable **recovery** transactions for which **OMB** specifically requires apportionment, such transactions **must** be reported on line 4 of the SF-133. Otherwise, all adjustments **may** be included in line 8.

(2) Expired Accounts: Net any cancellations or downward adjustments against obligations reported on line **8**.

B. Anticipated for rest of year:

Enter the current estimate of additional *expected* adjustments--for unexpired accounts--for the remainder of the fiscal year. This line must be zero as of September 30.

Line 5 Portion not available pursuant to P.L. (-)
Report the **same** amount as on line 5 of the SF-132 and identify the P.L. in the stub column. **Note:** **Depending** on the specific **law**, **this** line may include **amounts that are not available for periods of less than** a year, or **for the entire year**.

Line 6 Restorations (+) and write-offs (-)
This line is **applicable** only to no-year accounts pursuant to 31 **USC 706**.

(S-55-40 continued)

Restorations (+). Enter amounts previously written off on a prior year TFS-2108 that have been restored to the account during the fiscal year, including those made on September 30. These restorations are credits to account 353.1 Capital-Transfers to the U.S. Treasury-Available for Restoration.

Write-offs (-). Include amounts actually written off during the fiscal year. These write-offs are debits to account 353.1 Capital-Transfers to the U.S. Treasury-Available for Restoration. If both restorations and write-offs are reportable during the fiscal year, report the net amount.

Note: For annual and expiring multiple-year accounts the unobligated balances as of September 30 (preliminary and final) should be shown on lines 9 or 10 even though they will be withdrawn from availability for obligation as of that date. Amounts withdrawn as of September 30 pursuant to 31. U.S.C. 701 should be identified in a footnote. Any restorations of amounts to expired accounts will be shown on line 10.

In the case of revolving funds, include estimates for the year of any dividends or repayments of the Governments investments in such-funds. Exclude repayments that are credits to the unused balance of authority to spend debit receipts or credits to feeder accounts.

The net amount (+ or -) applicable to the current reporting period should be shown in stub column.

Line 7 Total Budgetary Resources
Report the sum of lines 1 through 6.

STATUS OF BUDGETARY RESOURCES

Line 8 Obligations incurred
Unexpired accounts
Report the combined balances of accounts 465-Unliquidated Obligations, and 471-Expended Appropriations For accounts (multi-year and no year accounts) with carry-over balances, compute obligations as follows:

465-Unliquidated Obligations (ending balance) plus
471-Expended Appropriation less
465-Unliquidated Obligations (FY beginning balance)

(5-55-40 continued)

Include adjustment⁶ of prior obligations **except** where recoveries are material and reported on line 4. Show the **amount** applicable to the current reporting period in the **s** tub column.

The **amount** reported should agree with **the** total of **column** 3 of the SF-225 report except when line 8 contains adjustment⁶ of prior obligation⁶ of expired accounts.

Note: **OMB** may request that the report be footnoted to indicate the distribution of obligations between category A and category B apportionments, as appropriate.

Expired account⁶

Enter the net amount (**+** or **-**) of adjustment⁶ of obligation⁶ (not reported on line 4) previously reported by applying the same computation as cited above for unexpired accounts with **FY beginning** balances.

Line 9 Unobligated balance⁶ available:
Applicable only to unexpired **accounts**

A. Apportioned category A.
Report the balance⁶ of **accounts**

456.1 **-Unallotted** Funds-Current Quarters-
Category A Apportionments

461 -Unobligated **Allotments** (applicable
to Category A Apportionments)

B. Apportioned category B.
Report the balances of account⁶

456.2 -Unallotted Funds-Current Quarters-
Category B **Apportionments**

461 -Unobligated Allotments (applicable to
Category B Apportionments)

C. Other balances available
Include the unobligated balance⁶ of **amounts** warranted by Treasury under a continuing resolution and account⁶ that are not subject to apportionment (including **trust and** revolving funds) as recorded in account

451.9-Unapportioned Appropriations-Other

(5-55-40 continued)

In addition, also include unobligated amounts not subject to apportionment but which have been included in accounts 456 and 461 because of adverse limitations of the general ledger account structure.

Line 10 Unobligated balances not available:

Unexpired accounts

A. Apportioned for subsequent periods
Report the balance of account

455-Unallotted Funds-Subsequent Quarters

B. Withheld pending rescission
Report the amount from line 9 of the most recently approved SF-132. This must agree with all or a portion of account 451.1 Unapportioned **Appropriations-Reserved.**

C. Deferred
Report the amount from line 10 of the most recently approved SF-132. This must agree with all or a portion of account 451.1 Unapportioned Appropriations-Reserved.

D. Unapportioned balance of revolving fund
For public enterprise and intragovernmental revolving funds that are subject to apportionment, report the total amount from line 11 of the most recently approved SF-132. This must agree with all or a portion of account 451.9 Unapportioned Appropriations-Other.

E. Other balances not available
For unexpired accounts that are subject to apportionment, report the balance of account **451.9-Unapportioned Appropriations-Other--** that are not classified and included elsewhere. Also **include** any amount of **budgetary resources realized (line 3A) which exceeds apportioned reimbursements.**

Expired account6

Report the balances of accounts

451 - Unapportioned Appropriations
455 - Unallotted Funds-Subsequent Quarters
456 - Unallotted **Funds-Current** Quarters
461 - Unobligated Allotments less
353.1-Capital-Transfer to U.S. Treasury-
Available for Restoration

**REPORT ON BUDGET EXECUTION (SF-133)
REQUIRED UNDER OMB CIRCULAR A-34 (REV)**

(S-55-40 continued)

Note: On the final report the **unobligated** balances to **be withdrawn (pursuant to 31 USC 701)** on lines 9 and 10 for accounts **that** expire on or before September 30 of the current year should be identified in a footnote on the reverse side of the form **or** in an **attachment. These** unobligated balances **(less** amounts footnoted **as withdrawn)** should agree with column 11 of the **TFS 2108** Report.

Line 11 Total Budgetary Resources
Enter the **sum** of lines 8 through 10. This **amount** should agree **with** amount on **line 7**.

RELATION OF OBLIGATIONS TO OUTLAYS
AND ACCRUED EXPENDITURES

Line 12 Obligations incurred, net (8-3A-3B-4A)
Report net total of lines 8 less **3A, 3B,** and **(- or +) 4A. The amount should agree with net obligations** in **section III** of the **SF-225** **except when** line 12 contains **cancellations or ● djuetmenur of obligations of expired** accounts (that were included on line 8). The A-34 explanation of this line is: obligations incurred (see line 8 above) less reimbursements **earned (line 3A), changes** in unfilled customers' orders (line **3B**), and **(- or +) recoveries** of **prior year obligations (line 4A). If customers'** order6 is a decrease, add to obligations rather than deduct.

Line 13 Net unpaid obligations:
The A-34 explanation of "unpaid obligations" which is to-be **applied** in calculating line **13A-C** is: the amount(s) will equal the sum of **(a)** accounts payable and **(b)** undelivered orders, minus **(c)** accounts receivable and **(d)** unfilled customers' orders.

A. Obligated balance as of October 1
Report net the previous years post closing balances for the following accounts as reported on line **13C** of the final report.

(5-55-40 continued)

(a) Accounts Payable and Undelivered Orders

- 251 -Accounts Payable-Federal Agencies
 - 252 -Accounts Payable-Non Federal Agencies
 - 253 -Accrued Interest Payable-Federal Agencies
 - 254 -Accrued Interest Payable-Non Federal Agencies
 - 261 -Accrued Liabilities-Federal Agencies
 - 262 -Accrued Liabilities-Non-Federal Agencies
 - 263 -Accrued Annual? Leave **Liability**-Funded
 - 265 -Reserve for Other Leave **Systems**-Funded
 - 271.1-Advances** from Federal Agencies
 - 271.8-Advances** from Federal Agencies-All Other
 - 271.9-Advances** from Federal Agencies-Estimated Accruals
 - 272 -Advances from Non-Federal Agencies
 - 273** -Deferred Credits
 - 465** Unliquidated Obligations
- less:

(b) Accounts Receivable (net of allowance for losses and Unfilled customers orders)

- 110 -Accounts Receivable-Federal Agencies
- 111 -Accounts Receivable-Non-Federal Agencies
- 114 -Accrued Interest **Receivable**-Federal Agencies
- 115 -**Accrued** Interest Receivable-Non Federal Agencies
- 116 -Travel Advances **and Emergency** Salary Payments
- 120** -Advances to Federal Agencies (exclude 120.2 and 120.4)
- 121 -Advances to Non-Federal Agencies
- 155.1-Allowances** for Losses-Non Federal **Agencies-On** Accounts Receivable (for revolving funds)
- 155.3-Allowance** for Losses-Non Federal Agencies on Accrued Interest Receivable (for revolving funds)
- 426** -Unfilled Customers' **Orders**

(s-35-40 continued)

B. Obligation6 transferred, net (+ or -)

Enter the net amount of unpaid obligations (as computed with the **balances** of account6 **listed** in 13A) that were **transferred in (+)** or out **(-)** during the fiscal year a6 a result of change6 in appropriation structure or reorganization. However, if account6 receivable are in **excess** of outstanding obligation6 for transferred amounts, show **as transferred in (-) or out (+)**.

C. Obligated balance, end of period

Report the net of the balances of the account6 listed in 13A a6 of the end of the current reporting period. If receivables are in excess of outstanding obligations at the end of the period enter the excess a6 a **credit** amount. The amount should agree with that in Section V of the SF-225 report.

Note: On the year-end final report, the balance should **agree** with the **net** amount in **columns 9 and 10 less 7 and 8** on the **TFS-2108** report.

Line 14 Outlays

A-34 define6 "outlays" as the amount of check6 **issued** and cash payments or other payment6 **made** (including advances to others), net of refunds **and** reimbursements. The calculation for this line is the net total of lines **12+13A+13B-13C**. The result should agree with the cumulative **amounts** reported on SF-224s and the balance shown in TFS 6653 Undisbursed Appropriation Account. Except at year-end there may be a difference **between** the outlay6 reported on the SF-133 and the TFS 6653 when the latter contain6 **transactions which** are incorrect **or have** not yet reached the accounting office, e.g. foreign transactions.

Line 15 Net change in account6 payable

Accounts payable, net, is (a) the amount owed for good6 received **or services** performed but not yet paid (accounts payable and accrued liabilities) (b) income received but not yet earned (deferred income), less (c) the amount owed by other6 to the account (account6 receivable) and (d) advances made to other6 for which goods or services have not been received (advance6 receivable).

(S-55-40 continued)

- A. Accounts payable, net as of October 1
Calculate the net balances of **those** accounts
(carried forward) **listed** on line 13A **above**,
but exclude accounts 426 **and** 465.
- B. Accounts payable transferred net (+ or -)
Calculate the net amount of accounts payable
(**as** computed **with** the balances of accounts
applicable to **line 15A**) that were transferred
in (+) or out **(-)** during the fiscal year
as a result of changes **in** appropriation
structure **or reorganization**.
- C. Accounts payable net, end of period
Report the net of the balances of the
accounts applicable to line **15A**, as of
the end of the current **reporting** period.

No ta: On the year-end final report
the amount should agree with
the net amount in column 10
less column 7 of the TFS-
2108 report.

Line 16 Accrued expenditures
Enter the net total of **lines 14-15A-15B+15C**.
Include the **amount** applicable to the current
reporting period in the **stub** column.

5-55-50

SUBSIDIARY REPORTS

Subsidiary reports relating to budget execution (e.g.
reports on applied coats aid **accrued expenditures**)
may be requested by **OMB**. No definite format for these
reports **is prescribed** by **OMB** since the required data
will **vary** with **agencies and** accounts. **OMB will** utilize
the agency's internal reports to the greatest practicable
extent and any request for financial data below the
appropriation level **will** generally be consistent with
the **classification used in the** budget or in the **admin-**
istration of programs.

Statement Form 100
 (Revised July 1974)
 Office of Management and Budget
 Circular No. A-11

REPORT ON BUDGET EXECUTION

Sheet of
 Period ended:

SUBJECT
 APPROPRIATION OR FUND TITLE AND SYMBOL

Description

BUDGETARY RESOURCES

1. Budget authority:
 A. Appropriations realized
 B. Appropriations anticipated (including)
 C. Other new authority ()
 D. Net transfers (+ or -)

2. Unobligated balance:
 A. Brought forward (October 1)
 B. Net transfers (+ or -)

3. Reimbursements and other income:
 A. Earned (\$)
 B. Change in unfulfilled customers' orders (+ or -)
 C. Anticipated for rest of year

4. Recovery of prior year obligations:
 A. Actual (\$)
 B. Anticipated for rest of year

5. Portion not available pursuant to P.L. (-)
 6. Restorations (+) and write-offs (-) (\$)

7. **TOTAL BUDGETARY RESOURCES**
STATUS OF BUDGETARY RESOURCES

8. Obligations incurred (\$)
 9. Unobligated balance available:
 A. Appropriated, category A
 B. Appropriated, category B
 C. Other balance available

10. Unobligated balance not available:
 A. Appropriated for subsequent periods*
 B. Withheld pending resolution*
 C. Incurred*
 D. Unappropriated balance of revolving fund*
 E. Other balance not available

11. **TOTAL BUDGETARY RESOURCES**
RELATION OF OBLIGATIONS TO OUTLAYS AND ACCRUED EXPENDITURES

12. Obligations incurred, net (8 - 2A - 2B - 4A)
 13. Net unpaid obligations:
 A. Obligated balance, as of October 1
 B. Obligated balance transferred, net (+ or -)
 C. Obligated balance, end of period

14. Outlays (12 + 13A + 13B - 13C) (\$)
 15. Change in accounts payable, net:
 A. Accounts payable, net, as of October 1
 B. Accounts payable transferred, net (+ or -)
 C. Accounts payable, net, end of period

16. **Accrued expenditures (14 - 15A - 15B + 15C) (8)** (\$)

.....
 (Authorized officer) (Date)

Subject: INTERNATIONAL TRANSACTIONS OF **THE** FEDERAL GOVERNMENT

5-60-00	Purpose and Applicability
10	Report Submission Requirements
20	Content of Report
30	Data Collection
40	Special Instructions
50	Alternative Requirements

5-60-00 PURPOSE AND APPLICABILITY

This chapter supplements Directive No. 19, Report of the Department of Commerce on International Transactions. Although the directive was issued by the Department of Commerce, it is one of several Federal statistical activities maintained by the Office of Management and Budget. The directive and detailed procedures (which supersede previous procedures issued as OMB Circular A-65) contain instructions for the preparation of SF-13 International Transactions of the Federal Government, (Exhibit 5-60-A) and related supporting **documents**. This report provides data on **HHS** programs to the Department of Commerce for their studies on balance of payments, international investments, and foreign grants **and** credits.

The provisions of this chapter are applicable to all programs areas of **HHS** where it has been determined or if it is anticipated that one or more of the following conditions will prevail during the fiscal year.

- o reportable international transactions total **\$1,000,000** or more per year,
- o balances of foreign assets or liabilities total \$500,000 or more,
- o transactions involving foreign grants or credits total \$100,000 or more per year, or
- o balances of foreign credits total \$100,000 or more.

5-60-10 REPORT SUBMISSION REQUIREMENTS

- A. **Reporting Unit.** The head of each OPDIV/Agency/OS will designate the person responsible for collecting and compiling **data within the organization for** submission to the **Department of Commerce**. The name of **this person and those**

authorized to sign the SF-13 will be furnished to the Balance of Payments Division, Bureau of Economic Analysis, Department of Commerce.

Generally, separate reports should be established for each major program area which may represent a combination of appropriations and funds. As a minimum, programs involving grants and credits must be reported separately from other programs of the organization concerned. Reimbursable programs between Federal agencies are excluded.

- B. Reporting Period. Quarterly reports are required for each OPDIV/Agency/OS having world-wide international transactions of \$50,000 or more in any one quarter. Negative reports are required when transactions in the quarter are below \$50,000.
- C. Transmittal of Reports. An original and one copy of the report should be transmitted not later than 45 days after the close of the reporting period to:

Department of Commerce
Bureau of Economic Analysis
Balance of Payments Division
Routing Symbol BE-58
Washington, D.C. 20230

The original copy of the SF-13 should be signed by the duly authorized person together with his or her telephone number.

A copy of the report will also be furnished to:

Office of the Secretary
Office of Financial Policy
Hubert Humphrey Building, Room 705-D
200 Independence Avenue, S.W.
Washington, D.C. 20201

5-60-30 DATA COLLECTION

Data related to international transactions can be retrieved from OPDIV/Agency/OS financial systems if the organization requires the use of the Balance of Payments Code (Chapter 4-90) on basic payment and collection documents for input to the basic accounting record. Otherwise, OPDIV/Agency/OS persons should determine which internal management reports, together with an analysis of financial data (grants, contracts, loans, merchandise

sales, foreign currency transactions, etc.) identifiable to international entities, may be the most useful in manually compiling the SF-13 information.

5-60-30 CONTENT OF REPORT

Amounts will be reported in thousands of dollars (or dollar equivalents of foreign currencies) and transactions should cover all transfer of goods and services, whether or not cash transactions are involved. Report only those transactions that are applicable to the current reporting period, and not on a cumulative basis.

The following types of international transactions are reportable:

- (a) Expenditures from or reimbursements to appropriation and fund accounts (general, special, public enterprise, trust, and deposit funds).
- (b) Receipts deposited to miscellaneous receipts (general and special funds) or trust funds.
- (c) Expenditures or receipts of foreign currencies charged or credited to other than U.S. dollar to appropriations and fund accounts (e.g. "FT" accounts).
- (d) Nonappropriated fund activities such as commissaries, post exchanges, and officers' club.
- (e) U.S. dollar balances held in foreign banks.
- (f) Foreign currency balances held under dollar or other accountability (e.g. "FT" accounts).
- (g) Receipts or donations of commodities or services.

Include those international transactions which represent transfers of financial or other resources between agencies of the U.S. Government and foreign entities such as:

- (1) International and multinational organizations.
- (2) Foreign governments and foreign "official" institutions.
- (3) Foreign corporations (excluding U.S. located business offices for such corporations).
- (4) Foreign-incorporated subsidiaries and foreign business offices of U.S. corporations.

- (5) Individuals in foreign countries, including U.S. citizens, other than Government employees, known to be residents of a foreign country.
- (6) Certain transactions incidental to the employment of U.S. nationals and contracts with U.S. business organizations for services to be performed abroad,

5-60-40 SPECIAL INSTRUCTIONS

In addition to the individual SF reports by program area and a **summary** SF-13 certain schedules may also be required as follows:

- Exhibit A - Tabular listing by country and international organization for each item reported on the summary SF-13 may be substituted for individual SF-13s if this is more convenient.
- Exhibit B - Reconciliation of foreign loan transactions. This schedule is only required when an agency has reported foreign transactions required by TFRM 2-4500, pursuant to Treasury Department's Circular No. 1080. In those cases, a schedule should be prepared, (with differences identified by **country)m**, to reconcile TFS forms data with lines A1.52, A2.4 and **A2.5**. A copy of the **OPDIV/Agency/OS** reports to Treasury should be attached to this Exhibit.
- Exhibit C - Private Exports Under Government Contracts and Agreements - Prepare a schedule for each country whenever an amount is shown on line **A2.22**.
- Exhibit D - Merchandise Transactions - Prepare a schedule for each country for merchandise transactions reported on line A1.1 or A2.1.
- Exhibit E - Government Grants and Credits - Prepare a schedule on a world-wide basis whenever an amount is reported on line A1.5.
- Exhibit **F** - Changes in Government Financial Assets and Liabilities Abroad - Prepare a schedule on a world-wide basis and an additional one for **each** country in which the agency has financial assets and/or liabilities abroad. Data from lines A1.5, **A1.8**, A2.4, A2.8, A3.3, A3.4 should be incorporated in this schedule as applicable,

5-60-50 ALTERNATIVE REQUIREMENTS

Alternative requirements to those specified may be approved by the Bureau of Economic Analysis upon request of the reporting organization or upon its own initiative. This may include additional information to be provided on a continuing basis, or by substitution of other reports in lieu of those prescribed by the Directive No. 19.

**INTERNATIONAL TRANSACTIONS
 OF THE FEDERAL GOVERNMENT**

Country
Quarter ending

Agency	Reporting unit
Submitted by	Date

		(In thousands of dollars or dollar equivalents)
A1	Expenses and other debits	
Al.1	Merchandise imports (line D1)	
Al.2	Service imports	
Al.21	Payments to foreign entities....	
Al.22	Payments to U.S. contractors for work abroad-	
A1.22M	Estimated expenditures by U.S. contractors in the United States (-) (MEMORANDUM)	
Al.23	Reimbursements or net advances to personnel traveling abroad but not stationed abroad.	
Al.24	Net payments to U.S. Government personnel and their dependents stationed abroad.	
A1.25	Cash collections from (-) or payments to personnel	
A1.25M	Estimated net effect of private flow of funds to (-) or from the United States (MEMORANDUM)	
Al.26	Expenditures ashore by personnel of afloat activities	
Al.27	Interest paid	
Al.28	Purchase of land and leaseholds	
Al.8	Membership payments to international organizations.. . . .	
Al.4	Pensions and other transfers.	
Al.6	Government grants and credits (line E1)	
Al.51	Grants	
Al.62	Loans and other credits	
A1.6	Investments in international institutions	
Al.7	Other investments	
Al.8	Repayment of U.S. borrowing (line F2.13).	
Al.9	Other payments	

		(In thousands of dollars or dollar equivalents)
A2	Receipts and other credits	
A2.1	Merchandise exports and transfers from Government-owned stocks abroad (line D2)	
A2.2	Transfers of services	
A2.21	Transfers to foreigner 6.....	
A2.211	Transportation services	
A2912	Other services	
A2.22	Private exports under Government contracts and agreements (lines C1.2 + C1.3 + C2.2 + C2.3)	
A2.3	Transfers of other properties and rights	
A2.4	Principal repayments on loans and other formal credits	
A2.41	Prepayments ahead of scheduled date 8.....	
A2.42	Other repayments by borrower	
A2.43	Sales of loans to third parties	
A2.431	Sales abroad	
A2.432	Sales in the United States	
A2.5	Income on Government investments abroad , ..	
A2.6	Claims, reparations, and other transfers	
A2.7	Reverse grants	
A2.8	Borrowing by the United States (line F2.12)	
A2.9	Other receipts	
A3	Financing (line A2 minus line A1)	
A3.1	Dollar disbursements (-)	
A3.2	Dollar receipts 8.....	
A3.3	Foreign currency disbursements (-) (line F1.27)	
A3.4	Foreign currency receipts (line F1.22)	
A3.5	Increase or decrease (-) in accounts receivable (line F1.32 minus line F1.33)	
A3.6	Increase (-) or decrease in accounts payable and other liabilities (line F2.23-line F2.22)	

Subject: STANDARD FORM 132, APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

5-65-00	Authority
5-65-10	Reporting Standards
5-65-20	Timing of Reports
Exhibit 5-65-A	Standard Form 132 and Crosswalk
Exhibit 5-65-B	Conceptual Budgetary Framework
Exhibit 5-65-C	Proforma SF 132 Scenario
Exhibit 5-65-D	Scenario Transactions
Exhibit 5-65-E	Scenario Preclosing Trial Balance
Exhibit 5-65-F	Scenario Standard Form 132

5-65-00 **AUTHORITY**

As specified in 31 U.S.C. 3512, the head of each agency shall establish and maintain systems of accounting and internal controls that provide reliable accounting and internal controls for the activities of the agencies. These systems will provide the basis for preparing and supporting the budget requests of the agency; for providing financial information the President requires in formulating the budget; and for executing the budget.

31 U.S.C. 1514 requires the head of each agency, subject to approval of the President, to prescribe by regulation a system of administrative control of funds. The approval of fund control regulations has been delegated to the Director of OMB. OMB approval is intended to ensure that the objective of financial plans are met. HHS guidance on "Administration Control of Funds and Budget Execution Policy" is contained in Chapter 2-10 of this manual.

An integral part of the control of funds is the Standard Form 132 used to request apportionment or reapportionment of each appropriation or fund account subject to apportionment.

This chapter does not cover Loans or Trust Funds. There will be separate chapters on these issues. HHS does not have Borrowing or Contract Authority so these topics are not illustrated in this chapter.

5-65-10 REPORTING STANDARDS

This chapter supplements the instruction in OMB Circular No. A-34 Sec. No. 34, Apportionment and Reapportionments Procedures. OMB Circular A-34 Sec. No. 34 contains guidance on: the coverage, adjustments not requiring submission, supporting data, number of copies, authorizing officer and a line by line explanation of the SF-132. This chapter also contains the crosswalk of HHS Standard General Ledger (SGL) accounts to the SF-132 Apportionment and Reapportionment Schedule.

Lines 1 through 7 on the SF 132 mirror lines 1 through 7 on the SF 133. The remaining lines are related, but different. In addition, the SF 132 contains four columns, Description, Amount of latest SF 132, Agency Request, and Action by OMB. For a detailed explanation of these columns and line entries, see OMB Circular A-34 Section 35.1 and Exhibits 35 and 36.

Exhibit 5-65-A shows the crosswalk of the accounts and transactions to the SF 132 and Exhibit 5-65-B displays the conceptual budgetary framework. Exhibits 5-65-C, 5-65-D, 5-65-E and 5-65-F give an example of a proforma SF 132 scenario showing the transactions, **preclosing** trial balance and related SF 132.

5-65-20 TIMING OF REPORTS

Initial Apportionments

The SF 132 is used both for the initial apportionments and for subsequent reapportionment. For initial apportionments where any part of the budgetary resources for the account does not result from current action of Congress, the initial apportionment will be submitted to OMB by August 21. For initial apportionment from current action of Congress the SF 132 will be submitted to OMB within 10 calendar days after the approval of the appropriation or by August 21, whichever is later.

Reapportionments

Reapportionment requests will be submitted to OMB as soon as a change in an apportionment previously made becomes necessary due to changes in amounts available, program requirements, or cost factors (except as specified in section 34.5 of OMB Circular A-34). Such requests will be submitted so as to allow time for action by OMB before revised amounts are needed for obligation. Where emergencies, such as those

involving the safety of human life or the protection of property, require immediate action, agency requests for reapportionment and OMB approval may be accomplished by telephone. As soon thereafter as practicable, agencies will submit appportionment schedules reflecting such action.

A reapportionment request will be submitted within 10 calendar days after approval of an appropriation or substantive act providing budget authority, where such authority is enacted after the initial appropriation for the year has been made.

STANDARD FORM 132 AND CROSSWALK

Note 1	=	Transaction executed by SF 132 data input and used to update accounting records.
Note 2	=	Transaction executed by accounting system and used to update the SF 132.
Note 3	=	Transaction executed by accounting system after Treasury accomplished transaction.
Note 4	=	Transaction generated by Operations Branch through daily activity.
Note 5		Applicable only to multi and no-year accounts
Note 6		All account balances are ending balances unless noted otherwise

Line Number	Title	Account No. (Trans. No.) Note 6	Comments
BUDGETARY RESOURCES			
1	Budget authority:		
1A	Appropriations	4119 (00B), 4119 (00R), 4119 (003), 4119 (00C), 4150 (00V), 4112 (00A)	Note 1 Transaction Code depends on the type of appropriation (appropriation, deficiency appropriation, indefinite appropriation, reappropriation, etc.)
1B	Borrowing authority		Not used in HHS
1C	Contract authority		Not used in HHS
1D	Net transfers, current year authority realized (+ or -)	4170 (005)	Note 3 (executed with an SF 1151)
1E	Other (e.g. anticipated indefinite appropriations, anticipated transfers of new budget authority)	4160 (00M), 4120 (002 and 007 OC 99.01)	Note 1

Line Number	Title	Account No. (Trans. No.) Note 6	Comments
2 Unobligated balance			
2A	Brought forward, October 1	4395, 4450, 4620, 4650 should equal 4201, 4221, 4222, 4225, 4251, 42-83, 4287, 4801, 4802, 4901	Note 2 & Note 5 (until actual amounts are known, this is input through the SF 132.)
2B	Net transfers, prior year balance, actual (+ or -)	4190 (00G)	Note 3 (Executed with an SF 1151)
2C	Anticipated transfers, prior year balance (+ or -)	4180 (00N and 007, OC 99.01)	Note 1
3 Spending authority form offsetting collections (gross)			
3A Earned			
3A1	Collected	4252, 4261, 4264, 4265, 4266, 4273, 4277, 4872, 4972	Note 4
3A2	Receivable from Federal sources	4251 (E-B), 4283 (E-B), 4287 (E-B)	Note 4
3B Change in Unfilled customers' orders (+ or -)			
3B1	Advance received	4222 (E-B)	Note 4
3B2	Without advance from Federal sources	4221 (E-B)	Note 4
3c Anticipated for rest of year			
3C1	Advance for anticipated orders		Only use with prior OMB approval
3C2	Without advance	4210 (006 and 007 OC 99.01)	Note 1
3D Transfers from trust funds			
3D1	Collected	4255	Note 3
3D2	Anticipated	4215	No TC exists at this time
4 Recoveries of prior year obligations			
4A	Actual	4871, 4971	Note 4

Line Number	Title	Account No. (Trans. No.) Note 6	Comments
4B	Anticipated	4310 (OOE and 007, oc 99.01)	Note i
5	Temporarily not available pursuant to P L. _____(-)	4395 (00Q)	Note 1 Temporarily withheld amounts only
6	Permanently not available		
6A	Cancellations of expired and no-year accounts	4350	Note 2
6B	Enacted rescissions (-)	4393 (00L), 4392 (00K)	Note 1
6C	Capital transfers and reemption of debt (-)	4147	Note 3
6D	Other authority withdrawn (-)		Not used in HHS
6E	Pursuant to P.L. _____	4396 (00H)	Note 1
6F	Anticipated for rest of year (+ or -)		Not used in HHS
7	Total Budgetary Resources		Must equal line 12
8	Apportioned:		
	Category A:		
8	(1) First quarter Note: Apportionments recorded as available for distribution to subsequent quarters (4512) and allo- cated by quarters (4511)	4511 4590 transaction 007 followed by 013	Note 1
8	(2) Second quarter	4511 (013)	Note 1
8	(3) Third quarter	4511 (013)	Note 1
8	(4) Fourth quarter	4511 (013)	Note 1
	Category B:		
8	Subcategory A...N	4511 (013)	Note 1
9	Withheld pending rescission	4420 (00J)	Note 1
10	Deferred	4430 (009)	Note 1
11	Unapportioned balance revolving fund	SGL Not Assigned	Requesting USSGL to assign account number(s)
12	Total Budgetary Resources		must equal line 7

Conceptual Budgetary Framework

Budgetary Resources

Status of Budgetary Resources
 (Application of Budgetary Resources)

<p>4047 Anticipated Payments to Treasury 4060 Anticipated Collection from Non-Federal Sources 4070 Anticipated Collections from Federal Sources 4112 Deficiency Appropriations 4114 Appropriations Realized But Withdrawn 4119 Other Appropriations Realized 4120 Appropriations Anticipated ▪ Indefinite 4147 Actual Transfers to Treasury 4150 Reappropriations 4 160 Anticipated Transfers ▪ Current-Year Authority 4170 Transfers ▪ Current-Year Authority 4175 Allocation Transfers of Current-Year Authority 4176 Allocation Transfer ▪ Prior-Year Balances 4180 Anticipated Transfers ▪ Prior-Year Authority 4190 Transfers ▪ Prior-Year Balances 4201 Total Actual Resources ▪ Collected 4210 Anticipated Reimbursements and Other Income 422 1 Unfilled Customer Orders Without Advances 4222 Unfilled Customer Orders With Advance 425 1 Reimbursements and Other Income Earned ▪ Receivable 4252 Reimbursements and Other Income Earned ▪ Collected 4261 Actual Collection of Fees 4264 Actual Collection of Rent 4265 Proceeds From Collateral 4266 Other Actual Collections ▪ Non-Federal 4273 Interest Collected From Treasury 4277 Other Actual Collections -Federal 4283 Interest Receivable form Treasury 4287 Other Federal Receivable 4393 Rescissions ▪ Prior-Year 4395 Authority Unavailable Pursuant to Public Law 4396 Authority Permanently Not Available Pursuant to Public Law 4392 Rescissions 4395 Authority Unavailable Pursuant to Public Law ▪ Temporary 4396 Authority Permanently Not Available Pursuant to Public Law 4871 Downward Adjustments of Prior-Year Unpaid Unexpended Obligations 4971 Downward Adjustment of Prior-Year Unpaid Expended Authority 4972 Downward Adjustment of Prior-Year Paid Expended Authority Refunds Collected</p>	<p>43 10 Anticipated Recoveries of Prior-Year Obligations 4350 Cancelled Authority 4420 Unapportioned Authority ▪ Pending Rescission 4430 Unapportioned Authority ▪ OMB Deferral 4450 Unapportioned Authority ▪ Available 45 11 Apportionment Available for Distribution ▪ Current Quarter 45 12 Apportionment Available for Distribution ▪ Subsequent Quarters 4590 Apportionment Unavailable 46 10 Allotments ▪ Realized Resources 4620 Other Funds Available for Commitment / Obligation 4630 Funds Not Available for Commitment / Obligation 4650 Allotments ▪ Expired Authority 4700 Commitments 4801 Unexpended Obligations - Unpaid 4802 Unexpended Obligations ▪ Prepaid / Advanced 4870 Downward Adjustments of Prior-Year Undelivered Orders 4880 Upward Adjustments of Prior-Year Undelivered Orders 488 1 Upward Adjustments of Prior-Year Unpaid Unexpended Obligations 4882 Upward Adjustments of Prior-Year Prepaid / Advanced Unexpended Obligations 4901 Expended Authority ▪ Unpaid 4902 Expended Authority ▪ Paid 498 1 Upward adjustments of Prior-year Unpaid Expended Authority 4982 Upward Adjustments of Prior-Year Expended Authority</p>
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PROFORMA SF 132 SCENARIO

For the purposes of presentation, assume the following:

1. Definite no-year appropriation of 1,000
2. Anticipated indefinite appropriation of 800
3. Show the 800 of anticipated indefinite appropriation as unavailable
4. Anticipated non-expenditure transfer from prior year FY appropriation of 700
5. Estimate anticipated reimbursement of 450
6. Show the 450 anticipated reimbursement as unavailable
7. Amount of anticipated recoveries of prior year obligations of 10
8. Show the 10 anticipated recoveries of prior year obligations as unavailable
9. Amount temporarily unavailable pursuant to public law of 300
10. Amount of enacted rescissions of prior year balances of 0
11. Amount permanently unavailable pursuant to public law of 200
12. Amount apportioned by OMB and available for allotment 1875
13. Amount that was available in subsequent quarter and now changed to available in current quarter 50
13. Amount of budgetary resources pending rescission by Congress 25
14. Amount of budgetary authority deferred from apportionments by OMB 40

SCENARIO TRANSACTIONS

Description of the Transaction	HHS Transaction No.	Dr and Cr for Both the Budgetary and Proprietary Accounts
<p>1. (SF 132 Line 1A) To record the realization of a definite appropriation of 1,000. (Please note transaction 00 1 is outside the SF 132 process but must precede the process.)</p>	<p>001 00B</p>	<p>Proprietary DR. 1011 Authority 1,000 CR. 3 100 Appropriated Capital 1,000</p> <p>Budgetary DR. 4119 Other Appropriations Realized 1,000 CR. 4450 Unapportioned Authority - Available 1,000</p>
<p>2. (SF 132 Line 1E) To record anticipated indefinite appropriation.</p> <p>To show the anticipated amount as unavailable. (Any time you anticipate funds, you immediately show them as unavailable)</p> <p>Note: If funds are immediately available for Apportionment use Object Class (OC) 99.00. If funds are not immediately available use OC 99.01. For example anticipated funds are recorded in 4590 (OC 99.01) then when the anticipation is realized funds are moved from 4590 to 45 12 (Transaction 005).</p>	<p>002 007</p>	<p>Proprietary None</p> <p>Budgetary DR. 4 120 Appropriations Anticipated - Indefinite 800 CR. 4450 Unapportioned Authority - Available. 800</p> <p>Budgetary DR. 4450 Unapportioned Authority 800 CR. 4590 Apportionments Unavailable - Anticipated Resources 800</p>

Description of the Transaction	HHS Transaction No.	Dr and Cr for Both the Budgetary and Proprietary Accounts
<p>5. (SF 132 Line 4B) To record estimated recoveries of Prior Obligation.</p> <p>To show estimated recoveries of Prior-Year Obligations as unavailable. (Any time you anticipate funds, you immediately show them as unavailable)</p> <p>Note: If funds are immediately available for Apportionment use Object Class (OC) 99.00. If funds are not immediately available use OC 99.0 1. For example anticipated funds are recorded in 4590 (OC 99.01) then when the anticipation is realized funds are moved from 4590 to 45 12 (Transaction 005).</p>	<p>OOE</p> <p>007</p>	<p>Proprietary None</p> <p>Budgetary DR. 43 10 Anticipated Recoveries of Prior-Year Obligations 10 CR. 4450 Unapportioned Authority - Available 10</p> <p>DR. 4450 Unapportioned Authority 10 CR. 4590 Apportionments Unavailable - Anticipated Resources 10</p>
<p>6. (SF 132 Line 5) To record authority temporarily unavailable pursuant to public law.</p>	<p>00Q</p>	<p>Proprietary</p> <p>Budgetary DR. 4450 Unapportioned Authority - Available 400 CR, 4395 Authority Unavailable Pursuant to Public Law - Temporary 400</p>

Description of the Transaction	HHS Transaction No.	Dr and Cr for Both the Budgetary and Proprietary Accounts
7. (SF 132 Line 6B) To record the enacted rescissions of prior year balances of 0.	00L	<p>Proprietary None</p> <p>Budgetary DR. 4420 Unapportioned Authority * Pending Rescission 0 CR. 4393 Rescissions - Prior-Year 0</p>
8. (SF 132 Line 6E) Record authority made permanently unavailable pursuant to public law.	001 00H	<p>Proprietary DR. 3 100 Unexpended Appropriation 200 CR. 1011 Authority 200</p> <p>Budgetary DR. 4450 Unapportioned Authority - Available 200 CR. 4396 Authority Permanently Not Available Pursuant to Public Law 200</p>
9. (SF 132 Line 8) To record budgetary authority apportioned by OMB and available for allotment.	013	<p>Proprietary None</p> <p>Budgetary DR. 45 11 Apportionment Available for Distribution - Current Quarter 335 CR. 45 12 Apportionment Available for Distribution - Subsequent Quarter 335</p>

Description of the Transaction	HHS Transaction No.	Dr and Cr for Both the Budgetary and Proprietary Accounts
10. (SF 132 Line 8) Record a change in the availability of Apportionment at the Beginning of the period	013	Proprietary None Budgetary DR. 45 12 Apportionment Available for Distribution - Subsequent Quarter 50 CR. 45 11 Apportionment Available for Distribution - Current Quarter 50
11. (SF 132 Line 9) To record budgetary resources pending rescission by Congress.	00J	Proprietary None Budgetary DR. 4450 Unapportioned Authority - Available 25 CR. 4420 Unapportioned Authority - Pending Rescission 25
12. (SF 132 Line 10) Record budgetary authority deferred by OMB.	009	Proprietary None Budgetary DR.4450 Unapportioned Authority - Available 40 CR. 4430 Unapportioned Authority - OMB Deferral 40

SCENARIO PRECLOSING TRIAL BALANCE

Proprietary

	<u>Debit</u>	<u>Credit</u>
1011 Authority	1500	
3100 Appropriated Capital		1500
Total	<u>1500</u>	<u>1500</u>

Budgetary

	<u>Debit</u>	<u>Credit</u>
4119 Other Appropriations Realized	1000	
4120 Appropriations Anticipated - Indefinite	800	
4180 Anticipated Transfers - Prior-Year Authority	700	
4210 Anticipated Reimbursements and Other Income	450	
4310 Anticipated Recoveries of Prior-Year Obligations	10	
4393 Rescissions - Prior-Year	0	
4395 Authority Unavailable Pursuant to Public Law - Temporary		400
4396 Authority Permanently Not Available Pursuant to Public Law		200
4420 Unapportioned Authority - Pending Rescission		25
4430 Unapportioned Authority - OMB Deferral		40
4450 Unapportioned Authority - Available		0
4511 Apportionment Available for Distribution - Current Quarter		385
4512 Apportionment Available for Distribution - Subsequent Quarters		650
4590 Apportionment Unavailable		1260
Total	<u>2960</u>	<u>2960</u>

SCENARIO STANDARD FORM 132

Line Number	Title	Account Number	Amount
BUDGETARY RESOURCES			
1	Budget authority:		
1A	Appropriations	4119	1,000
1B	Borrowing authority		
1C	Contract authority		
1D	Net transfers, current year authority realized (+ or -)		
1E	Other	4120	800
2	Unobligated balance		
2A	Brought forward, October 1		
2B	Net transfers, prior year balance, actual (+ or -)		
2c	Anticipated transfers, prior year balance (+ or -)	4180	700
3	Spending authority from offsetting collections (gross)		
3A	Earned		
3A1	Collected		
3A2	Receivable from Federal sources		

Line Number	Title	Account Number	Amount
3B	Change in Unfilled customers' orders (+ or -)		
3B1	Advance received		
3B2	Without advance from Federal sources		
3c	Anticipated for rest of year		
3C1	Advance for anticipated orders		
3C2	Without advance	4210	450
3D	Transfers from trust funds		
3D1	Collected		
3D2	Anticipated	4310	10
4	Recoveries of prior year obligations		
4A	Actual		
4B	Anticipated		
5	Temporarily not available pursuant to P L. _____ (-)	4395	- 400
6	Permanently not available		
6A	Cancellations of expired and no-year accounts		
6B	Enacted rescissions of prior year balances (-)		
6C	Capital transfers and redemption of debt (-)		
6D	Other authority withdrawn (-)		

Line Number	Title	Account Number	Amount
6E	Pursuant to P.L. _____ (-)	4396	- 200
6F	Anticipated for rest of year (+ or -)		
7	Total Budgetary Resources		2,360
8	Apportioned:		
	Category A:		
8	(1) First quarter	4511, 4590	1,645
8	(2) Second quarter	4512	650
8	(3) Third quarter		
8	(4) Fourth quarter		
	Category B:		
8	(1) Subcategory 1		
8	(2) Subcategory 2		
8	(3) Subcategory 3		
8	(4) Subcategory 4		
9	Withheld pending rescission	4420	25
10	Deferred	4430	40
11	Unapportioned balance revolving fund		
12	Total Budgetary Resources		2,360

DHHS/PSC/AOS/RB

BRUCE BOURNE

5600 FISHERS LANE • **PARKLAWN** BLDG.

ROOM **1A-34**

ROCKVILLE, MD 20857

Subject: TFS-2108 YEAR-END CLOSING STATEMENT

5-70-00	PURPOSE AND APPLICABILITY
10	REPORT SUBMISSION REQUIREMENTS
20	CONTENT OF REPORT
30	SPECIAL INSTRUCTIONS

5-70-00 PURPOSE AND APPLICABILITY

This chapter supplements Part 2 Chapter 4200 of the Treasury's Fiscal Requirements Manual (TFRM) which prescribes instructions for the preparation of the TFS-2108 Year-End Closing Statement (Exhibit 5-70-A).

The data submitted on these reports provides the source for the Treasury's annual "Combined Statement of Receipts, Expenditures and Balances of the United States Government" to Congress and to fulfill the requirements in OMB Circular A-11.

This chapter is applicable to all Principal Operating Components/agencies of HHS. Headquarters parent organizations are responsible for incorporating regional data and preparing a consolidated report at the appropriation or fund account level. Therefore, timely year end cut-off dates should be established for the regions to insure that the parent agencies are able to comply with Treasury's due dates.

5-70-10 REPORT SUBMISSION REQUIREMENTS

Specific instructions for this report are contained in a schedule of reporting dates provided each year in a Treasury Fiscal Requirements Manual (TFRM) bulletin. The Division of Financial Planning and Analysis (DFPA) will serve as the focal point in the Department for the submission of this report to Treasury on a consolidated basis. Upon receipt of the annual TFRM bulletin, agencies will be notified by memorandum as to the due date reports will be required by DFPA.

Certain steps should be followed:

1. Reports (original and two copies) must be certified by a duly authorized officer of the agency. The language of the **certification** should read- "I hereby certify that the amounts shown in this report are correct. All known **transactions** meeting the criteria of 31 **U.S.C. 200(a)** have been obligated and are so reported".

2. Treasury **affixes** the **certification** and space for the signature, preparer, and telephone number on each page of the TFS-2108; therefore **each page** must have the spaces filled in with the appropriate information.
3. No accounts should be crossed through or deleted without **first** contacting DFPA for approval.
4. **Headings** on the forms should not be altered.
5. All columns should be subtotaled and totaled.
6. Subtotals should be ruled with a **single** line and the totals should be **double** ruled.
7. All questions concerning the **TFS-2108** should be directed to DFPA not Treasury.

The reports should be **submitted** to:

The Deputy **Assistant** Secretary, **Finance, HHS**
Division of **Financial** Planning and Analysis
Room **745-D**, Hubert **H. Humphrey** **Building**
200 Independence Ave., S. Y.
Washington, D. C. 20201

DFPA **will review** all data **submitted** and coordinate with the **POCs/agencies** regarding any changes **that** are **required**. The original and one copy of the consolidated report **is** sent to Treasury.

The TFS-2108 for accounts transferred in **from other** Departments and transfers between HHS agencies must be prepared **and certified** by the agency receiving the transfer and should be submitted by the due date prescribed by the parent agency.

5-70-20 CONTENT OF REPORT.

Reports must be typed and amounts reported in dollars and **cents**. Totals should be provided, in each applicable column, by four digit account, and by agency. Use minus signs for negative amounts; do not use asterisks or parentheses.

Column (1) APPROPRIATION OR FUND SYMBOL

Treasury **will provide** an original and three copies of **TFS-Form 2108** **reflecting** all agency account symbols except for **deposit** funds and budget clearing accounts.

Column (2) PRECLOSING UNEXPENDED BALANCE

Treasury will insert the unexpended balance for each account symbol listed in column (1). These balances should agree with the amount reported in column 5 of the "preliminary" September 30 TFS-6653, Undisbursed Appropriation Account, and should not be changed without prior approval. This should be the balance of the following general ledger account.

101 • Disbursing Funds

Column (3) OBLIGATED BALANCE TRANSFERRED TO "M" ACCOUNT

Section 701(a), title 31 of the United States Code requires that on **September** 30 of the second full fiscal year following the fiscal year or years (for multi-year accounts) for which the appropriation is available for obligation, the unpaid obligations shall be transferred to the successor "M" account for subsequent liquidation. The amount transferred should include unpaid obligations (undelivered orders plus accounts payable, and accrued liabilities) less receivables (**reimbursements** earned, refunds, and unfilled customers orders). See columns 7 thru 10 below for specific accounts. The net amount should be reported in this column as a minus(-) for the transferring account and a plus(+) to the appropriate "M" account.

When the balance of unpaid obligations is negative it must not be transferred to the "M" account. Integrity of such accounts will be maintained until collection of receivables is sufficient to eliminate the negative unexpended balance. When sufficient collections occur the transfer to the "M" account will be made on the next year-end report.

Column (4) UNOBLIGATED BALANCE WITHDRAWN (-) OR RESTORED (+)

The unobligated balances of accounts subject to withdrawal (-) or restoration (+) should be reported in this column.

(a) Withdrawn (-)

~~Generally, there~~ will be no entry in this column in the case of unexpired accounts. In the case of accounts that are no longer available for obligation, the unobligated balances (unexpended balance in column 2) of the following accounts should be withdrawn:

- 451 • **Unapportioned** Appropriations
- 455 • Unallotted Funds-Subsequent Quarters
- 456 • Unallotted Funds-Current Quarters
- 461 • Unobligated Allotments

However, when receivables exceed unpaid obligations (column 7 and 8 exceed 9 and 10) the amount to be **entered in** column 4 must be the same as is in column 2 (preclosing unexpended balance). The excess of receivables over unpaid obligations must be shown in column (11) and footnoted "excess of receivables over gross unpaid obligations".

Any amount withdrawn that will be available for reappropriation in the next fiscal year must be footnoted as such and **cite the statute** that approved the reappropriation.

(b) Restoration (+)

Restored funds are **posted** in this column when it is determined necessary that a portion of the unobligated balance previously withdrawn is required to pay obligations and effect adjustments. The amount restored is limited to the following:

- (1) It must not **exceed the** difference between the undisbursed balance and the net obligated in the **account to** which restoration is made.
- (2) The restoration must not exceed the difference between cumulative withdrawals from and cumulative restorations to the account.

Restorations may be made during the fiscal year; however it is preferable that restoration be made at the end of the fiscal year. During the fiscal year it will not be necessary for an agency to withhold **payments** on obligations because the unexpended balance is not sufficient to cover these payments, so long as there are adequate funds available for restoration to ensure the deficiency **does not** exceed the limitation imposed by law. The amount available should be reflected in the balance of account **353.1-Capital-Transfers** To U. S. Treasury-Available for Restoration.

For each applicable appropriation, the agency will be responsible for maintaining a record of cumulative Withdrawals and restorations. When, pursuant to law, expired appropriations have been grouped together in the successor "M" accounts the record of cumulative withdrawals and restorations should be identified with the successor accounts. i.e. keep a record of the account transactions transferred to the "M" account. Under exceptional circumstances an agency may be required to report certain appropriations, and adjustments in this column. In such cases the amounts must be accompanied by a detailed footnote.

NOTE: Column (4) plus column (11) will equal to the sum of lines (6) (restoration), 9 and 10 of the Final SF-133, Report on Budget Execution. However, accounts that have the authority to borrow funds from the subsequent year to be used for current obligations will not conform to lines mentioned above on the SF-133.

Further, amounts in column (4) for expired accounts, in most cases will cause column (11) to be zero.

Column (5) POSTCLOSING UNEXPENDED BALANCE

Report the net amounts from column (2), and (+ or -) columns (3) and (4). The total amount reported on this line should agree with line 1a of SF-220 "Statement of Financial Condition", adjusted for transfers to and from other agencies, for the final year-end reports.

Column (6) OTHER AUTHORIZATIONS

Repeat in this column the identical amounts reported in column (2) for unfunded contract authority, borrowing authority, and investments held (at par). In those cases where a single account has balances for more than one of the authorizations listed above, such balances should be netted and reported on one line in columns (7) through (11).

RECEIVABLES

Column (7) Reimbursements Earned and Refunds

Report on this line the year-end balances of the following accounts:

(a) Reimbursements Earned

- 110** - Accounts Receivable-Federal Agencies
- 111 - Accounts Receivable-Non-Federal Agencies
- 114 - Accrued Interest Receivable-Federal Agencies
- 115 - **Accrued** Interest Receivable-Non-Federal Agencies
- less**
- 155 - Allowance for Losses-Non-Federal Agencies
(excluding 115.2)
- 156 - Audit Disallowances-Under Appeal and Pending
Collection

Also include certain anticipated collections under special authority of law, and exclude deferred charges and long-term receivables such as loans receivable and receivables from credit sales.

(b) Refunds

- 116 - Travel** Advances and Emergency Salary Payments
- 120 - Advances** to Federal Agencies (exclude 120.2, portions of 120.8 applicable to advances to consolidated working funds, and portions of 120.9 for accruals pertaining to advances in account 120.2 and for advances to consolidated working funds)
- 121 - Advances to Non-Federal Agencies

Included are all or a portion of such advances made to revolving or management funds to the extent specified by applicable statutory requirements. However, note that advances to consolidated working funds should be excluded.

Column (8) UNFILLED CUSTOMER ORDERS

Report the year-end balance of account **426-Unfilled** Customer Orders.

UNPAID OBLIGATIONS

Column (9) Undelivered Orders and Contracts

Report the year-end balance of account **465-Undelivered** Orders. The amount reported must represent valid **obligations** supported by documentary evidence in conformity with Section 1311 of Public Law 83-663 (68 **Stat. 830**).

The amount reported in this column should agree with line **19b** of SF-220, Statement of Financial Condition, adjusted for transfers to and from other agencies.

Column (10) ACCOUNTS PAYABLE AND OTHER LIABILITIES

Report the year-end balances of the following accounts:

- 251 • Accounts Payable-Federal Agencies
- 252 • Accounts Payable-Non-Federal Agencies
- 253 • Accrued Interest Payable-Federal Agencies
- 254 • Accrued Interest Payable-Non-Federal Agencies
- 261 • Accrued Liabilities-Federal Agencies
- 262 • Accrued Liabilities-Non-Federal Agencies
- 263 • Accrued Annual Leave Liability-Funded
- 265 • Reserve for Other Leave Systems-Funded
- 271 • Advances from Federal Agencies-(excluding 271.2)
- 272 • Advances from Non-Federal Agencies
- 273 • Deferred Credits

The net of **columns (9)** and (10) less columns (7) and (8) should be the amount reported on line **13c** of the year-end final SF-133 Report on Budget Execution and carried forward to line **13a** in the subsequent year. This amount should also be equal to section V of SF-225 Report on Obligations.

Column (11) UNOBLIGATED BALANCE AVAILABLE FOR OBLIGATION

Unexpired Accounts

Report the year-end balances of the following accounts:

- 451 • Unapportioned Appropriations
- 456 • Unallotted Funds-Current Quarters
- 461 • Unobligated Allotments

The amount reported in this column should also be reported on line **9** of the year end final SF-133 report, and carried forward on line 2a in the subsequent year.

Expired Accounts:

This column is *not* normally **applicable** to expired **accounts**; however any-excess of receivables **in columns (7) and (8)** over unpaid obligations in (9) and (10) should be reported in this column and foot-noted "Excess of Receivables Over Gross Unpaid Obligations" (see column (4)). This amount should not be carried forward on line 2a of the SF-133 in the subsequent **year**.

Proof Formula:

Step I • Treasury Trial Balance and Transfers and Withdrawals

Column (2) (+ or -) Columns (3) and (4) • Column (5) or (6).

Step II • Fund Resources • Fund Equities

Column (5) or (6) + Columns (7) and (8) • Column (9) + Columns (10) and (11).

S-70-30 SPECIAL INSTRUCTIONS

Agreement of Figures:

In accordance with OMB Circular A-11, the agencies are required to make their budget **submissions** agree **with** data to be **published** in the Treasury Department's Combined Statement to Congress. Therefore, the agencies' budget and finance offices should ensure that budget documents agree **with** the TFS-2108. The various budget schedules that are covered by **this** requirement are cited in OMB Circular A-11 Section 21.1; 21.2; 22.3; 32.8; 37.3; and **38.2**. OMB Circular A-34 contains an **exhibit** that **identifies** and shows relationships among data in the final SF-133, A-11 program and financing schedules, and the Treasury Combined Statement.

SIBAC Transactions

No erroneous charge-backs to the SIBAC agency's clearing account will be reported on a supplemental (13th month) Statement of Transaction. Therefore, the agencies should include these erroneous charges in their regular **appropriation or** fund accounts and, at the same time, **establish** an accounts receivable for year-end reporting as a refund on the **TFS-2108**. These erroneous charges do not constitute **over-obligations** or **over-expenditures with** respect to 31 U.S.C. 665 Anti-Deficiency Act.

Unobligated Funds Advanced From **Succeeding** Fiscal Year Appropriation

Certain programs have the authority to make payments in the current year **using** the **succeeding** fiscal year appropriation. Check the account **appropriation** language to see if such authority is available.

Unobligated funds in these accounts should be posted in column 4. Treasury will deappropriate these unobligated balances left at the end of the fiscal year and then **reappropriate** the funds in the new **fiscal** year.

**SUMMARY INSTRUCTIONS FOR PREPARATION OF
YEAREND CLOSING STATEMENT**

Page 1

TREASURY FINAL BALANCE				TRANSFERS AND WITHDRAWALS (31 U.S.C. 701)		FUND RESOURCES				STATUS OF RESOURCES			
APPROPRIATION OR FUND SYMBOL				Pending Unexpended Balance	Obligated Balance Transferred to "M" Accounts	Unobligated Balance Withdrawn (-) or Restored (+)	Pending Unexpended Subject	Other Authorizations	RECEIVABLES		UNPAID OBLIGATIONS		Unobligated Balance Available for Obligation
DEPT NO.	FB NO.	REVENUE	INTL NUMBER						Subsidiary Fund and Subfund	Unfilled Customer Orders	Unfilled Orders and Contracts	Accounts Payable and Other Liabilities	
(1)	(2)	(3)	(4)	(5)	(6)	(7) (Code 77)	(8) (Code 78)	(9) (Code 81)	(10) (Code 82)	(11) (Code 83)			
<p>The Treasury Department will insert the account symbol or other applicable identification. The order of listing for each bureau will be as nearly as possible the same as in the Combined Statement.</p>				<p>The balances will be inserted by Treasury, and will include final accounts as submitted by collectors, disbursing and administrative officers, and other transaction or adjustments. This amount should equal column (5) of the "Preliminary" September 30 TFS-663.</p>	<p>Report as decreases (-) for the fiscal year accounts the amounts of obligated balances required to be transferred to "M" accounts and like amounts as additions (+) for the related "M" accounts.</p>	<p>When the amounts collectible exceed the unpaid obligations, (a) the exact amount of unexpended balance in the unobligated amount to be shown in this column, and (b) the remainder (i.e., the excess of the collectibles over the unpaid obligations) is to be carried forward into the following year and is posted in column (11) with an appropriate footnote. In exit cases when column (7+8) column (4) will equal column (2) and column (11) will equal the amount of receivables over obligations. Generally column (4) plus column (11) will equal to the sum of lines 6 (restrictions) 9 and 10 of the final SF-133, Report on Budget Execution.</p>	<p>The unexpended balance for each appropriation account reported in this column should agree with the unexpended balance to be reported in the Combined Statement i.e., column (2) (+) or (-) column (3) and (4). This amount should equal line 1A of SF-220, adjusted for transfers to and from other agencies.</p>	<p>Report the unfunded contract authorizations and unused authorization to expend from public debt receipts, which should be in agreement with the amounts reported in column (2).</p>	<p>Report the amounts to be collected and credited directly to the appropriation or fund as reimbursements or refunds if earned (both billed for accomplishment of performance as of September 30. Overpayment refund receivables, travel advances and other advances which did not liquidate specific obligations, e.g., advances to GSA supply funds, shall be included.</p>	<p>For those appropriations using an authority to obligate anticipated reimbursements, the amount of undelivered customers' orders should be reported here to the extent that they represent valid obligations recorded by the ordering agency. Amounts for annual appropriations shall cover only those orders for which valid obligations were incurred under such annual accounts of orders for common-use items to be delivered from stock.</p>	<p>Report in this column the amount of orders for goods and services remaining undelivered as of September 30, representing valid obligations supported by documentary evidence, for which the liability has not yet accrued. The amount reported in this column should agree with line 19b of SF-220, Statement of Financial Condition, adjusted for transfers to and from other agencies.</p>	<p>Report in this column the liabilities for goods and services received and other liabilities incurred not involving the furnishing of goods or services as of September 30, representing valid obligations supported by documentary evidence.</p>	<p>Report the unobligated balances of no-year and multiple-year accounts which are unexpired for obligation. Any amount of anticipated reimbursements shown for the ensuing fiscal year appropriation account in column (8) should be included here as available to be carried forward into that account. The unobligated balances of annual and "M" accounts carried forward into the new fiscal year representing the excess of amounts collectible over unpaid obligations should be footnoted as "excess of receivables over obligations" (see column 4). This amount should equal line 9 and 10 of the year-end final SF-133.</p>

FOOTNOTES

COLUMNS (5) THROUGH (8) REFLECT FUND RESOURCES, THE TOTAL OF WHICH MUST BE DISTRIBUTED BETWEEN COLUMNS (9) THROUGH (11). THEREFORE, THE SUM OF COLUMNS (5) THROUGH (8) MUST EQUAL THE SUM OF COLUMNS (9) THROUGH (11).

SSS Exhibit 9-70-
Departmental Accounting Manual
ISS Transmittal 6.1 (5/15/81)

SUBJECT: FINANCIAL ASSISTANCE REPORTING

5-80-00	Purpose and Applicability
10	Background
20	Reporting Requirements
30	Responsibilities
40	Source of Data
50	Input of Financial Data
60	Reconciliation
70	Schedules
80	Output of FARS/FAADS

5-80-00 PURPOSE AND **APPLICABILITY**

This chapter has a three-fold purpose:

- To describe the DHHS Financial Assistance Reporting System (FARS) to provide needed financial data for management purposes,
- To provide information and instruction for implementing the requirements of the Consolidated Federal Funds Report Act of 1982, and
- To provide information and instruction for carrying out the requirements of **OMB** memo of April 8, 1980 which established the Federal Assistance Award Data System (**FAADS**).

5-80-10 BACKGROUND

The FARS system is for the purpose of gathering financial data concerning the Department's programs in order to report obligations geographically and to compile data by program. All data are related to the recipient of the financial assistance, and geographically to the levels of state, county, city and congressional district. These data, input quarterly, are the basis for quarterly "Financial Assistance Reports" which are distributed to the regional offices, DHHS management, interested units of the Department, State and local government offices, and other selected groups outside the Department, including the Congress.

5-80-20 REPORTING REQUIREMENTS

The requirements for reporting discussed in this chapter come from three sources:

A. Consolidated Federal Funds Report Act of 1982.

1. Requires reporting of total Federal outlays (defined as "obligations") by geographic location (state, county, and incorporated cities) separately for various categories of outlays.
2. Requires reporting by appropriation or fund and on a "financial assistance" program basis, by geography.
3. Requires reconciliation of reported obligation data with total obligation data shown on Report on Budget Execution (SF 133).
4. Requires statistical geographical distribution of obligations where distribution by county and city is not readily available.
5. Requires "hard copy" reporting of the following information:
 - a. Appropriation Description • Form 176 (see Exhibit **5-80-A**).
 - b. Program Data Definition • Form 178 (see Exhibit 5-80-B).
6. Requires the Director of the Office of Management and Budget to prepare an annual report consolidating the available data on the geographic distribution of Federal funds utilizing the FAADS

C. FAADS.

1. **FAADS** is an **OMB** initiative in response to the Federal Program Information Act of 1977 (P. L. **95-220**) and the Consolidated Federal Funds Report (CFFR) Act of 1982 (P. L. 97-326).
2. FAADS is a computer-based, central collection of selected, uniform information on federal financial assistance award transactions. Typical information includes the name and location of the recipient, amount of federal funding (generally on an obligation basis), project description, and the federal program under which funding has been awarded. These data provide an action-by-action record of federal funds going to a particular recipient. Transfer payments to individuals, as well as several other large volume assistance programs, are summarized on a county aggregate basis rather than reported on an action-by-action basis.

3. Data *are submitted to* **OMB** quarterly. These data are compiled on a government-wide basis by OMB and are furnished quarterly to State governments and the U.S. Congress through the Senate Committee on Rules and Administration/Technical Services and the House **Committee** on Administration/Information Systems staff for handling Member and **Committee** inquiries. FAADS is the source from which the annual Office of Management and Budget Consolidated Federal Funds Report is generated.
 4. This report contains current quarter data only, not cumulative as **is** FARS.
- C. **FARS.** This system incorporates all of the data required by the **Consolidated** Federal Funds Report Act of 1982 and FAADS. In addition, certain additional information **is** needed so that the output of the system will provide a workable basis for management analysis and internal departmental reporting. Data added by input or library lookup are:
1. Data identified with all cities.
 2. **Name and** code for **recipients** of "financial assistance" program awards..
 3. Congressional **District** Code.
 4. Identification of "within Federal Government" transactions.

5-80-30 RESPONSIBILITIES

Responsibilities under the combined CFFR Act of **1982** and FARS are assigned to the following organizations:

- A. Office of the Deputy Assistance Secretary, Finance, Division of **Financial** Policy and Operatfons, Financial Operations Branch.
 1. Identify, with the assistance of the **OPDIVs** and the Regions obligations to the programs defined **in** the Catalog of Federal Domestic **Assistance** (CFDA) and to other programs and non-program categories. "Other programs" are those valid programs which are not listed in the CFDA. Construct a library of valid program and appropriation codes and publish an Appropriation/Program Library. Program titles are assigned the CFDA three dfgit numeric codes. Non-program obligation titles are assigned code **"000"**. Standardized

Standardized program and non-program titles and codes will be uniformly used in the Departmental accounting systems and FARS.

2. Distribute copies of the Appropriation/Program Library to all OPDIVs and the Regions for their use in coding the input data.
3. Receive data from **OPDIVs** and the Regions. Edit, thru the **automated** computer system, incoming data transactions against departmental libraries, returning invalid transactions to submitting organizations for corrections.
4. Process all data input to the automated computer system and create and maintain the data base; generate (a) magnetic tapes in the format prescribed by the CFFR Act of 1982; and (b) output reports for FARS and FAADS.
5. Reconcile, on an appropriation basis, and where practical on a program basis, data reported to FARS and FAADS with the status of each appropriation as shown on the corresponding Report on Budget Execution (SF **133**), and available budgetary tables and other schedules.
6. **Using** Form 177, Data Transmittal Information, transmit magnetic tapes; hard copy appropriation and "financial assistance program" data; and individual appropriation reconciliations to **OMB** each year.
7. Prepare the **"DHHS Financial Assistance by Geographic Area"** publication and distribute to **OPDIVs/STAFFDIVs**, Regions and other interested units of the Department, State, and local government offices and other selected groups.
8. Act as the Department's point of contact for inquiry, coordinating and expediting of all matters pertaining to the reporting covered in this chapter.
9. Upon request arrange to provide copies of the libraries on magnetic tapes, and/or hard copy (i.e., DHHS Geographic Location Code File and CRS data base).

B. Heads of **OPDIVs** and the Deputy Assistant Secretary, Finance for the **Office** of the Secretary.

1. Each head of an **OPDIV/STAFFDIV** and the Deputy Assistant Secretary, Finance should designate an official to coordinate the preparation of the forms and reports covered in this chapter. These forms and reports should be signed by the designated official. The name of the designated official should be forwarded in writing to the Director, Division of Financial Policy and Operations.
2. Prepare Form 176, and Form 178. These forms are submitted whenever a change occurs. The mailing address is in section **5-80-70**.
 - a. Complete Form 176, Appropriation Description for all **appropriations** and funds administered by the Department. Indicate the 13 digit identification code, defined in OMB **Circular A-11**, for **appropriations** and funds administered by the **OPDIVs**. The reverse of the form provides additional instructions.
 - b. Form 178, Program Data Definition. Each **OPDIV/STAFFDIV** administering financial assistance programs, regardless of whether they are listed in the **CFDA**, will **review** each program, groups of programs, or parts of programs to determine the appropriate data to be reported. Each OPDIV will prepare a Form 178 for each of the programs for which **it** is responsible. Most of the information can be extracted from the standard program descriptions and the titles and codes in the CFDA. The remaining data are available **within** the OPDIV. Non-program obligation titles are assigned FARS code "**000**".
 - (1) Blocks 1, 2 and 3. Self-explanatory.
 - (2) Block 4. Indicate the 3 digit program **identification number**. This code is created by using the last 3 digits of the CFDA code assigned to DHHS programs. Codes for programs transferred in from other Federal Agencies will be assigned by the Division of Financial Policy and Operations.
 - (3) Block 5. Indicate the 5 digit program identification **number as** shown in the CFDA.

- (4) Block 6. Indicate the type of assistance supplied by **the program.** In cases where a program may be identified to more than one type of assistance the most predominate type will be shown. The following describes each type of assistance:

Formula Grants. Allocated funds to States or their subdivisions, in **accordance** with distribution formulas prescribed by law or administrative regulation, for activities of a continuing nature not confined to a specific project. **Includes** Block Grants which *can be* used for a variety of activities within a broad functional area.

Project Grants. Obligations related to Federal Assistance ~~for fixed or known~~ periods, or specific projects without liability for damages for failure to **perform.** Project grants can include fellowships, scholarships, research grants, training grants, evaluation grants, planning grants, technical assistance grants, survey grants, construction grants, and unsolicited contractual-agreements.

All Other Grants. Grant actions that are not covered by Formula or Project grant classification. That is, all grants not reported under type of assistance codes 1 (Formula) or 2 (Project) are to be reported under this type of assistance.

Direct Payments with Unrestricted Use. Financial **assistance** from the Federal Government **provided directly** to beneficiaries who satisfy Federal eligibility **requirements** with no restrictions being imposed on the recipient as to how the money is spent. Included are payments under **retirement, pension,** and compensation programs.

Direct Loans. Financial assistance provided through the lending of Federal monies for a specific period of time, with a reasonable expectation of repayment. Such loans may or may not require the payment of interest.

Insurance. Financial assistance provided to assure reimbursement for losses sustained under specific conditions. -Coverage may be provided directly by the Federal **Government** or through private carriers and may or may not involve the payment of **premiums**.

Contractual Procurement. Obligations for payment of contracts solicited by the Federal Government for the procurement of goods and services directly benefiting the Federal Government.

Salaries and Expenses. Obligations for salaries and expenses of Federal employees and establishments.

Direct Payments for Specified Use. Financial assistance from the Federal Government provided directly to **individuals**, private firms, and other private institutions to encourage or subsidize a particular activity by conditioning the receipt of the assistance on a particular performance by the recipient. This does not include solicited contracts for the procurement of goods and services for the Federal Government.

Guaranteed/Insured Loans. Face value of loans or Federal contingent liability for loans for **which** the Federal Government makes an arrangement to indemnify a lender against part or all of any defaults by those responsible for repayment of loans. This type of **assistance** is also classified as 'influence activity.'

- (5) Block 7. This field contains a one digit code to identify **the single** most significant purpose for which the obligation was made:

<u>Type of Assistance</u>	<u>Code</u>
Formula Grants	1
Project Grants	2
All Other Grants	3
Direct Payments with Unrestricted Use	4
Direct Loans	5
Insurance	6
Contractual Procurement	7
Salaries & Expenses	8
Direct Payments for Specified Use	9
Guaranteed/Insured Loans	0

- c. Coordinate adjustment of programs and the establishment of new programs with the Division of **Financial** Policy and Operations. This should be accomplished prior to the input of data so the additional data can be added to the libraries. Input data which differ from the libraries will be returned to the appropriate organizations for research and correction. These corrections will be accomplished and returned within five (5) work days.

d. Distribute Forms 176 and 178 as follows:

- | | |
|-------------------|--|
| Original and Copy | • Deputy Assistant Secretary,
Finance, Division of Financial
Policy and Operations. |
| Copy | • Retained by the Originating
Office. |

3. **Input data** into the automated system in accordance with the instructions contained in paragraph **5-80-50**.

4. Prepare Statement of Reconciliation for each appropriation and fund included in *each* report as set forth in paragraph **5-80-60**.

C. Regional Administrative Support Centers (RASC).

1. The RASC is to be responsible for recording in the Regional Accounting System (RAS) all program obligations and **administrative** expenses on a timely basis. From a timing standpoint all regional obligation transactions must be posted (and all outstanding obligation errors must be corrected) by the **cut** off day of the last month of the quarter. Adherence to this schedule will insure that the data are available within the time specified in paragraphs **5-80-60** and **5-80-70**, and that this information will agree with that furnished to the **OPDIVs**.

2. The RAS staff will act as the agent of the RASC in providing required data to the DHHS Financial Assistance Reporting System. These data will be provided by the **RAS** staff who will also schedule and balance the computer routines to produce the required magnetic tapes and report listings. On a quarterly basis the RAS staff will provide regional program obligations and administrative expenses data:

- a. Magnetic tape containing records formatted as shown in paragraph 5-80-50.
- b. A summary report of data by appropriation, OMB catalog code, and Region to support the obligations recorded on the magnetic tape provided to **FARS**.

D. Definitions:

1. Influence Activity. **Influence** activity is defined as Federal assistance which does not entail direct expenditures or transfer or loan of funds, but which may have an economic influence on a geographic area. Types of Assistance Codes "9" and "0" represent influence activities in the Federal Outlays Report, and are identified and listed separately in each Report.
2. Program. The term "program" has a number of meanings within the Federal **Government**. In some cases, a program is the activity funded by a single Congressional appropriation. In order to avoid misunderstanding, the following restrictive definition for "program" will be used for the purposes of this reporting system:

'A program is a single activity established through unique legislation and operated via grant, contract or loan for which one or more grantee types are eligible.'

Programs described under this definition will not necessarily coincide with the line items within the Federal budget. For example, a line item in the budget may break down into several programs.

5-80-40 SOURCE OF DATA

Financial and identifying data should be extracted **from** the **OPDIVs** accounting data base. Transaction data keyed to a recipient entity number will be expanded through the use of the CRS data base to include the recipient name and geopolitical location. The following explains the procedures needed to maintain the entity files:

- A. Each accounting system must use entity identification codes to identify recipients of "financial assistance" program funds and contracts. The Division of Financial Policy and Operations maintains and operates the consolidated CRS data base of all recipients with whom the Department conducts business. This data base contains the entity name and address,

the standard entity number, geopolitical codes, and other entity identifying information. This central data base enables the OPDIVs to input financial data by the CRS number **only**, except for administrative expenses and program funds not identified to a single recipient which must be identified to the appropriate geopolitical area according to the distribution of funds (see paragraph 5-80-50-B).

- B. A recipient entity is the individual or the organization to whom the program award is made, the receiver or beneficiary of an award, contract or agreement. For purposes of these reports, the recipient to be reported is the entity for whom funds were obligated, not the payee which may be another identifiable entity.
- C. Recipients identified **"collectively"** for programs such as: survivors, retired beneficiaries or dependents; disabled beneficiaries and/or dependents; enrollee or suppliers **of** services; providers of services or intermediaries; disabled miners and/or dependents; etc., and entities receiving administrative expenses need not be maintained in the CRS data base. OPDIVs can identify the funds going to these recipients by the accounting classification as well as by the program code. For these reports, transaction data need not be identified by an entity number. Standard names to identify the "collective" recipients will be added by the Division of Financial Policy and Operations during the processing and merging of data. Therefore, the OPDIVs are required to advise the Division of Financial Policy and Operations of the standard name to be used to identify the "collective" recipients.
- D. To gather the information needed to establish new entities in the CRS data base, OPDIVs and Regions must comply with Chapter **10-51**.

5-80-50 INPUT OF FINANCIAL DATA

A. General Requirements.

1. Data will be input to the **FARS** on a quarterly basis and the obligations will be reported cumulatively, year-to-date, i.e., October 1 of the current fiscal year to the end of the quarter being reported. These obligations will be "obligations incurred" during during the current fiscal year as determined on the same basis reported on the SF 133. The input will be on a summarized transaction basis, i.e.,

the accounting transactions will be aggregated for each recipient entity at the appropriation/program and geographic location level. The base for geographic distribution is the county or city of the recipient of the obligation. The obligations shall be prepared for independent cities, for other cities/places, and for counties by state: **In** cases where distribution by county and city is not readily available, statistical methods will be used. These methods shall be documented within each **OPDIV** and submitted to the Division of Financial Policy and Operations. For the purpose of this report, non-program costs will include salary and related items, travel, equipment, supplies, auditing, service contracts, etc. These obligations should be aggregated for each geographic location. The FANS program code "**000**" will be used to identify the non-program costs.

2. Input of data will be a magnetic tape in the specified record format (see Exhibit **5-80-C**). A "hard copy" listing with appropriation and program totals must accompany the magnetic tape submissions. This listing will show the number of records contained within the report in addition to the total dollars reported (see Exhibit 5-80-D).
3. To facilitate the processing of these data the magnetic tape(s) will be created in the **IBM** 370 mode with standard labels, 9 track, 6250 **BPI** density, and blocked by 10. Only one tape should be submitted (consolidated tape) where practical.
 - a. Blocking Factor. The data portion of the file will contain 80 characters **fixed-length** records not to exceed 10 records per block.
 - b. Internal Tape Labels. The file header label should be standard for IBM 370 series.
 - c. External Tape Labels. Indicate Volume Serial Number and Data Set Name (DSN) on the outside surface of the tape reel.
4. The basic level of reporting for each appropriation or fund is **the program**, for it is through the program that the true impact **of the** Federal effect on community life is best identified. Every effort should therefore be made to provide information by program.

B. Required Report on Rationale for Proration Techniques.

A portion of the Federal funds pass through State and local government or some other intermediary before reaching the intended recipient, and feedback on final geographic distribution is not often adequate. In such cases the **OPDIVs** are to make every effort to have intermediaries improve their reporting capabilities in order that timely and accurate data can be included in the report. In cases where timely feedback is not available or actual reporting is not practicable, reasonable statistical proration will be used to distribute obligations geographically. However, assurances must be made that the techniques used conform to the best statistical practices; and appropriate controls must be applied to avoid indicating an obligation in a city or county when, in fact, there was no such obligation in the location. Therefore, a description of the proration techniques used for each program or appropriation included in the report will be submitted in the following format:

1. Rationale.

- a. Give the reason(s) why proration or estimation is necessary.
- b. Explain what efforts are underway to get actual data or to improve the distribution.

2. Methodology.

- a. **Give** the basis for proration (e.g. number of school children).
- b. Give the geographic level at which proration is made (e.g. State, city).

Reports reflecting changes in statistical methodology are to be submitted with the submission of the program obligation data.

C. Codes for Data Input. The following codes related to the input format shown in Exhibit 5-80-C:

1. Basic Appropriation Symbol (cc: 1-4). The basic 4 digits of the appropriation or fund symbol must appear on the tape record with each input to the system. These codes are to be extracted from the Internal Machine Number (**IMN**) lookup table associated with the **Common** Accounting Number (CAN). Use the I.D. Number portion of the appropriation symbol. These codes will be validated against those published in the Appropriation/Program Library.

2. Program Identification Codes (cc: S-7). This 3 digit code identifies the substantive programs and the "non-programs" discussed in paragraph S-80-30-8. Extract these codes from the **IMN** lookup table associated with the CAR. Use the FARS 3 digit code. These codes will be validated against those published in the Appropriation/Program Library. The code assigned to non-program obligations is **"000."**
3. Document Identification (cc: 8-22). A 15 digit field has been **provided for a** number that will adequately identify the document. **The arrangement** and sequence of the number may be at the discretion of the **OPDIVs**. **It** shall have no effect on the summarized transaction during the preparation of the report covered in paragraph **5-80-50-A.1**.
4. Entity Number (cc: 23-34). As discussed in paragraph S-80-40, this number will be used to identify all individual and organization recipients receiving program funds. The standard entity number is a 12 position number composed of three elements: Identification Code Designator (**ICD**), Entity Identification Number (**EIN**) and (**SS#**), and the **Suffix**. The ICD for an organization is **"1"** and for **an individual is "2"**, being nine (9) positions. There is no suffix for ICD **"2"**; the **last** two (2) positions should be left blank.
5. Common Accounting Number (CAN) (cc: 35-42). An 8 digit field has been provided for a code that will adequately identify the FY CAN related to the transaction reported. It shall not have an effect on the **summarized** transaction during the preparation of the report covered in paragraph **5-80-50-A.1**.
6. Blank (cc: 43-46).
7. geopolitical Codes (cc: 47-58). This multiple field will be used only for obligations going to entities identified collectively through the program title and entities receiving administrative expenses (obligations to individual recipients will be distributed centrally through use of the CRS data base). Obligations to the collective recipients receiving program funds will be identified to their physical location and codes can be extracted from the DHHS Locator file or other type of lookup table containing applicable geographic codes. Obligations of administrative expenses will be identified to the physical location of the Federal facility where the obligations were incurred, and geographical codes may be extracted from the **IMN** lookup table associated with the CAN. These codes will be validated against those published in the DHHS Geographical Location Code book. They will be placed **in** the field as follows:

- a. Continents of the World; and States and Outlying Areas of the U.S. (cc: 47-48).
- b. Countries, Dependencies and Areas of Special Sovereignty; and Countries and County Equivalents of the **U.S.** (cc: **49-51**).
- c. Cities of the State or Country (cc: 52-55).
- d. Congressional Districts of the U.S. (cc: 56-58).
8. Blank (cc: 59).
9. Federal/Non-Federal Code (cc: 60). This one digit code distinguishes **between** transactions with Federal and Non-Federal entities. The numeric **"1"** is used for Non-Federal entities and the numeric **"2"** is used for Federal entities.
10. Obligations (cc: **61-71**). This field will show the dollar amount (rounded to the nearest dollar) of obligations determined on the same basis as reported to **OMB** on Standard Form 133, Report on Budget Execution. Cents will be omitted. Negative obligations will not be reported in **this** field, but will be used in preparing the reconciliation reports.
11. Award **Starting** Date Month/Year (cc: 72-75).
12. Award Ending Date Month/Year (cc: 76-79).
13. Operating Division Code (cc: 80). This is a code assigned to each OPDIV and the Office of the Secretary. It identifies the reporting component and is developed from the first digit of the Organization Code contained in the **IMN** (see Chapter **4-30**).

Office of the Secretary	1
Health Resources and Services Administration	3
Social Security Administration	4
Health Care Financing Administration	5
Food and Drug Administration	6

National Institutes of Health	8
Center for Disease Control	9
Office of the Assistant Secretary for Health	A
Alcohol, Drug Abuse and Mental Health Administration	C

D. Quality Control. To assure the accuracy of data elements included in **the input data s** should be processed through edit routines prior to submission to the Division of Financial Policy and Operations; The appropriation/program codes, recipient identification numbers, and the geographic location codes are considered critical elements within this reporting system. Libraries that may be utilized to validate these data elements and the edit routines that are used within the FARS are available upon request. Use of these libraries and edit routines will facilitate the creation of the DHHS Financial Data Bank and the preparation of the reports discussed in paragraph **5-80-80.**

5-80-60 RECONCILIATION

A. General.

1. The total of obligations by county and city reported shall be reconciled to "Obligations Incurred" as defined in OMB Circulars A-11 and A-34, and as shown in line 8 of Standard **Form** 133. This reconciliation is separately required for each appropriation and fund and shall be included in hard copy form with each quarterly submission. The reconciliation must be signed by the official designated to coordinate the preparation of the forms and reports covered in this chapter (see paragraph 5-80-8.1). This reconciliation shall be in the format shown in Exhibit 5-80-E.
2. The principal **reconciling** items are negative obligations and **transactions** within the **Government.** Negative obligations are not to be included in the reported data. Transactions within the Government will be recognized by input of a **"2"** in the Federal/ Non Federal field. **In** order to maintain compatibility between reporting requirements, "within Government transactions" will be treated in the same manner as for the Treasury Department report, Report on Obligations, Standard Form 225.

B. Responsibilities.

1. Operating Divisions and Division of -Accounting Operations, DASF.

The designated officials authorized to coordinate the preparation of the forms and reports covered in this chapter shall be responsible for the preparation of the Statement of Reconciliation (see Exhibit 5-80-E) for all obligations financed from monies appropriated to DHHS activities including obligations financed by funds transferred in from other Federal agencies. A separate statement shall be prepared for each appropriation as set forth in paragraph C below.

2. Regional Accounting System Staff. The **RAS** staff shall provide to each OPDIV by the 6th workday after the end of the quarter a statement identifying the amounts reported to FARS broken out by appropriation, **OMB** Catalog Number and Region. This statement will be accompanied by a certification of any difference between the amounts reported by RAS for FARS and data previously provided by RAS to the OPDIVs. The **OPDIVs** shall include the amounts reported by RAS on their Statement of Reconciliation in line IC, "By **Others**".

C. Statement of Reconciliation.

Appropriation/Fund. Each appropriation and fund will be identified by the 13 digit code that is defined in **OMB** Circular **A-11**. This code with **its related** title is shown in the Federal budget and in Form 176, Appropriation Description (see paragraph **5-80-30-B**).

Line 1. Total Reported by geographic Location. These **amounts** represent **the** total obligations for the report and shall be identified as follows:

Line 1A. For Self. The amount reported in this line is based on obligations financed from monies appropriated to DHHS activities. This will also include obligations financed by funds transferred-in from other Federal-agencies (i. e., Labor, **Commerce** and others). Obligations financed by funds transferred-out will be reported by the activity receiving such funds.

Line 1B. For Others. The **amount** reported in this line will represent obligations based on funds transferred-in from another DHHS activity. Obligations based on funds transferred-in from another Federal agency is not included in this line.

Line 1C. By Others. The amount reported in this line will represent obligations based on funds transferred-out to another DHHS **activity**. This amount should be in agreement with the "For Others" amounts shown in the statements received from the DHHS activities to whom such funds were transferred. This line will also include the obligations reported for FARS by RAS as indicated in paragraph **5-80-60-B.2** above.

Line 2. Obligations Incurred. Enter *Obligations Incurred" as shown in line **8 of the SI 13**. (RAS staff shall show the obligations that **have been financed by the** allowances issued by the DHHS activities to the **DHHS** Regions).

Line 3. Variance. The amount in this line should be the difference between lines 1 and 2.

Line 4. Adjustments. The amount in this line should equal line 3. **The** adjustments may require separate identification of transactions within the Government (to other Federal agencies), exclusive of negative obligations and other necessary reconciling factors.

Line 5. Reconciled **Amount**. The amount in this line should equal **line 2**.

Line 6. Remarks. This section should be used to identify the DHHS activities and dollar amounts that make up the obligations shown in lines **1B** and **1C**. If necessary, this section could also be used to further explain the adjustments shown in line 4.

D. Submission of Reports.

1. The Statement of Reconciliation should be prepared in original and three (3) copies.
 - a. Original and one copy should be submitted with the reports.
 - b. A copy should be forwarded to the DHHS activities from whom appropriated funds were received.
 - c. A copy for the originator's file.

5-80-70 SCHEDULES

All input required from the combined systems will be forwarded to:

Department of Health and Human Services
Division of Financial Policy and Operations
Financial Operations Branch
Humphrey Building, Room **745-D.1**
200 Independence Avenue S.W.
Washington, D. C. 20201

Due dates are as follows:

<u>Nature of Input</u>	<u>Due Dates</u>
Form 176, Appropriation Descriptions; Form 178, Program Data Definition.	Changes are submitted as they occur.
Magnetic Tapes and hard copy print-outs containing summarization of obligation data.	No later than 10 work days after the end of the quarterly reporting period, on a year-to-date basis.

The year-end reports will be submitted to the Division of Financial Policy and Operations on or before first work day of **November.**

5-80-80 OUTPUT of FARS/FAADS

Output of the data input to the automated system will be:

- A. Magnetic tape in the format prescribed by the Consolidated Federal Funds Report Act of 1982 and FAADS. This tape will be forwarded to OMB for inclusion in a **Government-wide** report of Federal Obligations by geography. This tape will be generated on a quarterly basis. OMB will publish annually a Federal report entitled Consolidated Federal Funds. ~~This~~ report is derived from the quarterly FAADS tapes.
- B. Reports of FARS. The reports that are created from this system will be geared to the needs of DHHS management. The basic reports that will be prepared and distributed to the **OPDIVs**, Regional Directors, and DHHS management officials are as follows:

1. Financial Assistance by Geographic Area (see Exhibit 5-80-F). This annual report published in ten **volumes**, one for each of the Department's ten Regions, provides Region and headquarters data on all of the Departmental domestic assistance programs. It identifies the recipient and the recipient's geographical location.
2. Microfiche Reports. These reports are prepared quarterly (subject to availability of funds) and distributed to the Regions to provide them the capability to retrieve data in response to inquiries received from the State and local government staffs within their respective areas.
 - a. Regional Comparisons by Program (FAR MIC 2). This report shows regional **summaries** of each program with a national **summary** (see Exhibit S-804).
 - b. DHHS Recipients within Programs by State (FAR MIC 8). This report *shows* the recipient of the Department's funds by program within the State (see Exhibit 5-80-H).
 - c. Congressional District Report (FAR MIC 9). This report shows recipients of the Department's funds within Congressional Districts of the U.S. (see Exhibit 5-80-I).
 - d. DHHS Programs by Location (FAR MIC 10). This report **lists** the programs distributed within the State at city/county level (see Exhibit 5-80-J).
 - e. Grantees of DHHS Funds by State (FAR MIC 11). This report lists the recipients **in** alphabetical **order** within State. It further identifies the program funds received (see Exhibit **5-80-K**).
- C. Others. This report is prepared for central use and is available upon written request.
 1. Summary of State within Program. This report is prepared in hard copy format. It provides summarized totals for each State within a program. The **OMB** Catalog code and the program titles are shown (see Exhibit 5-80-t).

CONSOLIDATED FEDERAL FUNDS REPORT ACT OF 1982
 PROGRAM DATA DEFINITION

1. NAME OF AGENCY

2. SUB-ORGANIZATION RESPONSIBLE

12. IDENTIFICATION CODE (Appropriation)					4. PROG. ID	5. CATALOG PAGE NO.	6. TYPE OF ASSISTANCE	7. ASSIST. CODE	8. CATEGORY OF PROG.	9. CATEGORY CODE
AGENCY CODE	ACCOUNT SYMBOL	SCHEDULE	TYPE	FUNCTION						

Do Not Use

10. PROGRAM TITLE (Limit 65 characters)

11. UNIT OF MEASURE DESCRIPTION (Limit 21 characters)

12. NARRATIVE INFORMATION (65 characters per line - 6 lines)

A. TOTAL PROGRAM SIZE

PROGRAM

B. BENEFICIARIES OR BENEFITS

13. REMARKS

14. PREPARED BY

15. DATE

FARS RECORD LAYOUT

File Name: FARS BASIC DATA

Record Name: _____

Field Number	Record Position	Field Length	Field Name	Mode	Remarks
1	1-4	4	Appropriation Symbol	N	
2	s-7	3	Program Code	N	
3	8-27	20	Grant I.D. Code	A/N	Grant Award. PMS Award: Oblig. Doc #
4	28-39	12	Recipient Code	A/N	EIN
5	40-43	4	Fiscal Year	N	
6	44-50	7	Common Accounting Number	A/N	
7	51	1	Blank		Unassigned
8	52-53	2	State Code	N	
9	54-56	3	County Code	N	
10	57-60	4	City Code	N	
11	61-63	3	Congressional District	N	
12	64	1	Blank		Unassigned
13	65	1	Government/Non-Government	A	
14	66-80	15	Obligation Amount	N	*
15	81-88	8	Award Start Date	N	YYYY/MM/DD
16	89-96	8	Award Ending Date	N	YYYY/MM/DD
17	97	1	OPDIV Code	A/N	
18	98-100	3	Blank		Unassigned

* This field will show the dollar amount (rounded to the nearest **dollar**) of obligations determined on the same basis as reported to OMB on Standard Form 133, Report on Budget Execution. Cents **will** be omitted. Negative obligations will not be reported in this field, but will be used in preparing the reconciliation reports. The field length is 15 positions to allow for future expansion.

SUMMARY OBLIGATIONS

SUMMARY OF OBLIGATIONS AS OF 30, 1974
 BY APPROPRIATION AND PROGRAM

	<u>APPROPRIATION</u>	<u>PROGRAM</u>	<u>OUTLAYS (OBLIGATIONS) FISCAL YEAR TO DATE</u>
	0608	746	\$650,000,000
	0628	753	\$ 30,851,495
TOTAL	0608		\$680,851,495
	0676	748	\$ 90,000,000
	0676		\$ 90,000,000
	0681	707	\$ 47,421,415
	0681	714	\$6,874,993,887
	0681	724	47,486,253
	0681	754	\$1,520,840,873
TOTAL	0681	761	\$4,881,825,202
	8007	600	\$844,968
TOTAL	8007	747	\$69,713,174
	8007		\$70,558,142
GRAND TOTAL			\$13,213,977,267
TOTAL NUMBER OF RECORDS		13,697	

 (Name and Title)

 (Date)

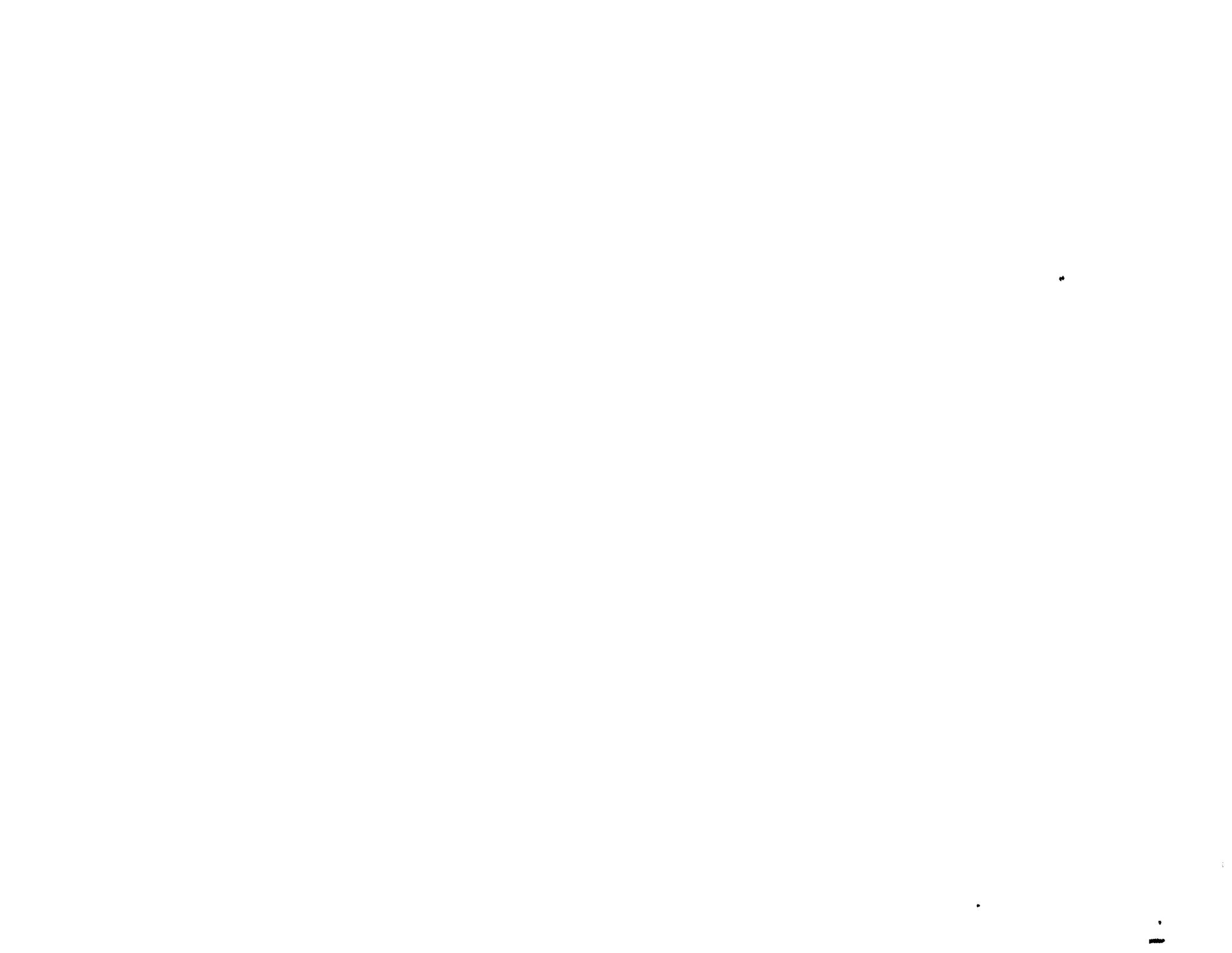
STATEMENT OF RECONCILIATION

<u>Appropriation/Fund</u>	<u>(13 Digit Code)</u>	<u>(Title)</u>
1. Total Reported by Geographic Location		
A. For Self:	\$ _____	
B. For Others:	\$ _____	
C. By Others:	\$ _____	\$ _____
2. Total "Obligations Incurred" (As reported on the Report on Budget Execution, SF 133, to the Office of Management and Budget for the Appropriation and reporting period.)		
		\$ _____
3. Variance		
		\$ _____
4. Adjustments - Plus or Minus (Specify)		
	\$ _____	
	\$ _____	
	\$ _____	\$ _____
5. Reconciled Amount		
		\$ _____
6. Remarks: (If required, attach additional pages.)		

Period Covered by this Report: _____

(Name and Title)

(Date)





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TABLE B

→ Appropriation Number
 → Catalog (FAR) Code

Program Total
 Appropriation Total

HHS RECIPIENTS WITHIN PROGRAMS WITHIN STATE THRU 6TH QTR FY81				CI-401	REGION 01 PAGE 1
CONNECTICUT	0043066	MESLEMAN UNIVERSITY			
MESLEMAN UNIVERSITY			8105,266	RIDDLINGTON	
VALE UNIVERSITY			8969,196	NEW HAVEN	
000 TOTAL	81,408,656				
0043 TOTAL	81,408,656				
0044	13.064	NATL INST CHILD HEALTH & W DEVELOPMENT			
004		POPULATION RESEARCH			
UNIVERSITY OF CONNECTICUT, GRANTS & CONTRACTS			870,011	STORRS	
UNIVERSITY OF CONNECTICUT, HEALTH CENTER			8198,915	FARMINGTON	
VALE UNIVERSITY			8878,337	NEW HAVEN	
004 TOTAL	81,953,283				
005		RESEARCH FOR MOTHERS AND CHILDREN			
MASKINS LABORATORIES			8438,343	NEW HAVEN	
UNIVERSITY OF CONNECTICUT, GRANTS & CONTRACTS			8395,761	STORRS	
UNIVERSITY OF CONNECTICUT, HEALTH CENTER			888,408	FARMINGTON	
WOLLE OR ROBERT			845,000	FARMINGTON	
WILLIAMS OR ROBLEY			840,014	NEW HAVEN	
VALE UNIVERSITY			82,468,136	NEW HAVEN	
VALE UNIVERSITY, SCHOOL OF MEDICINE			822,840	NEW HAVEN	
005 TOTAL	83,697,902				
0044 TOTAL	84,851,185				
0048	13.306	RESEARCH RESOURCES			
306		LABORATORY ANIMAL SCIENCES & PRIMATE RESCH			
UNIVERSITY OF CONNECTICUT, GRANTS & CONTRACTS			88,950	STORRS	
VALE UNIVERSITY			8370,691	NEW HAVEN	
306 TOTAL	8370,351				
333		CLINICAL RESEARCH			
VALE UNIVERSITY			81,459,049	NEW HAVEN	
333 TOTAL	81,459,049				
337		BIOLOGICAL RESEARCH SUPPORT			
MASKINS LABORATORIES			847,283	NEW HAVEN	
JOHN B PIERCE FOUNDATION OF CONNECTICUT, INC			861,853	NEW HAVEN	
UNIVERSITY OF CONNECTICUT, GRANTS & CONTRACTS			8159,989	STORRS	
UNIVERSITY OF CONNECTICUT, HEALTH CENTER			8306,641	FARMINGTON	
MESLEMAN UNIVERSITY			859,889	RIDDLINGTON	
VALE UNIVERSITY			8470,790	NEW HAVEN	
VALE UNIVERSITY, SCHOOL OF MEDICINE			84,500	NEW HAVEN	
337 TOTAL	81,110,925				
0048 TOTAL	82,049,325				
0049	13.393	NATIONAL CANCER INSTITUTE			
III		CANCER CAUSE & PREVENTION RESEARCH			
UNIVERSITY OF CONNECTICUT, GRANTS & CONTRACTS			8342,008	STORRS	
NOTE: *		INDICATES BASIC SYMBOL NUMBER FROM PRESIDENT'S BUDGET			
**		INDICATES INDEPENDENT CITY OUTLAY			
***		INDICATES COUNTY LEVEL OUTLAY			

TABLE 10

HHS PROGRAMS BY LOCATION THRU 6TH QTR FY81		BY 804	
STATE: KENTUCKY		COONE	DOLLAR AMOUNT
13.816	LOW INCOME ENERGY ASSISTANCE		8173,449
13.716	MEDICAL ASSISTANCE PROGRAM		8943,288
13.773	MEDICARE HOSPITAL INSURANCE		82,152,288
13.774	MEDICARE SUPPLEMENTARY MEDICAL INS		8739,522
13.808	PUBLIC ASSISTANCE-MAINTENANCE ASSISTANCE		8513,937
13.802	SOCIAL SECURITY-DISABILITY INSURANCE		83,633,342
13.803	SOCIAL SECURITY-RETIREMENT INSURANCE		818,872,258
13.805	SOCIAL SECURITY-SURVIVORS INSURANCE		85,846,794
13.806	SPECIAL BENEFITS FOR DISABLED COAL MINERS		8177,228
13.777	STATE HLTH CARE PROVIDERS SURVEY CERTIFICTN		83,889
13.807	SUPPLEMENTAL SECURITY INCOME		8428,852
PROGRAMS TOTAL			825,258,295
COUNTY: BOYD			
13.810	ASSISTANCE PAYMENTS-STATE & LOCAL TRAINING		84,312
13.819	CHILD SUPPORT ENFORCEMENT		833,135
13.816	LOW INCOME ENERGY ASSISTANCE		8384,378
13.716	MEDICAL ASSISTANCE PROGRAM		83,897,233
13.773	MEDICARE HOSPITAL INSURANCE		84,182,137
13.774	MEDICARE SUPPLEMENTARY MEDICAL INS		82,826,315
13.808	PUBLIC ASSISTANCE-MAINTENANCE ASSISTANCE		81,219,854
13.802	SOCIAL SECURITY-DISABILITY INSURANCE		81,248,813
13.803	SOCIAL SECURITY-RETIREMENT INSURANCE		83,877,588
13.805	SOCIAL SECURITY-SURVIVORS INSURANCE		82,143,717
13.806	SPECIAL BENEFITS FOR DISABLED COAL MINERS		8327,917
13.777	STATE HLTH CARE PROVIDERS SURVEY CERTIFICTN		87,187
13.807	SUPPLEMENTAL SECURITY INCOME		81,848,841
PROGRAMS TOTAL			821,424,247
STATE: KENTUCKY		ASHLAND	DOLLAR AMOUNT
CITY: ASHLAND		COUNTY: BOYD	
13.752	ALCOHOLISM TREATMENT AND REHAB PROGRAMS		8177,847
13.004	APPALACHIAN HEALTH PROGRAMS		8147,332
13.600	CHILD DEVELOPMENT-HEAD START		8130,523
13.795	CNTY HLTH CRTS/COMPREHENSIVE SVC SPT		8183,691
13.844	NURSING STUDENT LOANS		83,889
13.802	SOCIAL SECURITY-DISABILITY INSURANCE		84,284,575
13.803	SOCIAL SECURITY-RETIREMENT INSURANCE		817,916,138
13.805	SOCIAL SECURITY-SURVIVORS INSURANCE		86,808,051
13.806	SPECIAL BENEFITS FOR DISABLED COAL MINERS		8737,202
13.807	SUPPLEMENTAL SECURITY INCOME		81,518,887
PROGRAMS TOTAL			833,920,335

→ EXAMPLE ONLY---SEQUENCE IS ALL COUNTIES FOLLOWED BY CITIES

TABLE 11

		UNITS IN \$
GRANTEES OF HHS FUNDS BY STATE FROM 6TH		6TH FY01
		CPA 003
PENNSYLVANIA		
CONSUMER VALLEY MEMORIAL HOSPITAL		
CONSUMER VALLEY MEMORIAL HOSPITAL	1006 FRANKLIN STREET	
00A HEALTH PROFESSIONS-START-UP ASSISTANCE	00,007	JOHNSTOWN
ADAM CITY HNTL HLTH CTES/COMPREHENSIVE SVC SPT	0009,377	JOHNSTOWN
00H MEDICAL LIBRARY ASSISTANCE	004,047	JOHNSTOWN
	RECIPIENT TOTAL DOLLARS	0012,311
CONGRESO DE LATINOS UNIDOS, INC		
ADAM ALCOHOLISM TREATMENT AND REHAB PROGRAMS	0129,270	PHILADELPHIA
COORDINATING OFFICE FOR DRUG & ALCOHOL ABUSE PROGRAMS	1405 LOCUST STREET	
ADAM DRUG ABUSE EDUCATION PROGRAMS	0129,110	PHILADELPHIA
COUNCIL FOR LABOR & INDUSTRY	ONE EAST PENN SQUARE	
00A STATE HLTH CARE PROVIDERS SURVEY CERTIFICATI	0210,000	PHILADELPHIA
COUNCIL OF THREE RIVERS AMERICAN INDIAN CENTER INC	003 HINEMOOD AVENUE	
00 NATIVE AMERICAN PROGRAMS	0122,401	PITTSBURGH
GOVERNMENT MILKRE HEALTH SERVICES	251 EAST BRIDGESTREET	
00A COMMUNITY HEALTH CENTERS	0290,140	PHILADELPHIA
CROZER-CHESTER MEDICAL CENTER	UPLAND AVENUE AT 15TH STREET	
ADAM ALCOHOLISM TREATMENT AND REHAB PROGRAMS	0371,212	CHESTER
ADAM CITY HNTL HLTH CTES/COMPREHENSIVE SVC SPT	0300,323	CHESTER
	RECIPIENT TOTAL DOLLARS	0720,725
DANVILLE AREA SCHOOL DISTRICT		
00 CHILD DEVELOPMENT-HEAD START	SENIOR HIGH SCHOOL BUILDING	
	0123,205	DANVILLE
DAY CARE SERVICES, INC	PO BOX 231, RT 322 EAST	
00 CHILD DEVELOPMENT-HEAD START	0302,323	FRANKLIN

..

2

STATE SUMMARIES WITHIN PROGRAMS THRU 4TH QTR FY

APPROPRIATION TITLE: NATIONAL CANCER INSTITUTE

PRESIDENTS BUDGET CODE: 0930 0849 01657

PROGRAM: 13.311 CANCER-CLINICAL TRAINING

STATE	***STATE TOTAL ***
CALIFORNIA	\$495,124
DIST OF COLUMBIA	\$179,289
FLORIDA	\$101,488
GEORGIA	\$166,429
ILLINOIS	\$141,338
INDIANA	\$ 32,253
IOWA	\$ 17,162
KANSAS	\$ 67,477
KENTUCKY	\$117,313
LOUISIANA	\$ 25,249
MARYLAND	\$129,071
MASSACHUSETTS	\$ 38,472
MICHIGAN	\$124,295
MINNESOTA	\$ 78,943
MISSISSIPPI	\$ 77,725
MISSOURI	\$206,823
NEBRASKA	\$ 72,997
NEW JERSEY	\$ 37,645
NEW YORK	\$626,209
NORTH CAROLINA	\$287,388
OHIO	\$ 86,795
OKLAHOMA	\$ 24,160
OUTLYING AREA U.S.	\$165,561
PENNSYLVANIA	\$309,481
TENNESSEE	\$348,226
TEXAS	\$249,276
UTAH	\$ 91,387
VERMONT	\$ 60,784
VIRGINIA	\$120,283
WASHINGTON	\$ 87,296
WEST VIRGINIA	\$ 37,458

PROGRAM TOTAL: \$4,606,397

REGION TOTALS

REGION I:	\$ 399,256
REGION II:	\$ 832,415
REGION III:	\$ 775,582
REGION IV:	\$1,098,369
REGION V:	\$ 463,624
REGION VI:	\$ 296,665
REGION VII:	\$ 364,459
REGION VIII:	\$ 91,387
REGION IX:	\$ 495,124
REGION X:	\$ 87,296



Subject: **PAYROLL ACCOUNTING INTERFACE**

7-10-00	Purpose and Scope
10	Objectives
20	Governing Statutes and Regulations
30	Responsibilities
40	HHS Centralized Payroll System
50	Accounting For Pay System

7-10-00 **PURPOSE AND SCOPE**

This Chapter gives an overview of the payroll functions in **HHS** and the interface between the payroll system and the **OPDIV/** Regional accounting systems. It also provides reference to other documentary materials which more fully describe the payroll functions.

The **HHS** payroll system is a centralized Department-wide automatic data processing system that is part of the **HHS** financial management system. The system is responsible for financial data related to the payment of salaries and wages to civilian employees and commissioned officers of the Department.

The Accounting For Pay System (AFPS) translates the data related to employee (civilian and commissioned officers) **pay** and benefits into a series of pre-defined accounting transactions with appropriate accounting classifications. Data is provided each pay period (bi-weekly for civilians and monthly for commissioned officers), in the form of accounting transactions to the OPDIV/ Regional accounting systems so that pay and benefit costs can be recorded.

7-10-10 **OBJECTIVES**

The objectives of the HHS payroll system are as follows:

- A. Prompt payment, in the proper amount, to all persons entitled to be paid, in accordance with applicable laws and regulations.
- B. Proper disposition of authorized deductions from gross pay.
- C. Integration of the payroll system with the primary accounting system, including properly accounting for funds disbursed from the various trust/deposit accounts.

- D. Support of management needs and the different agency budget processes through accurate and timely reporting.
- E. Effective communication between employer and employees, through their timekeepers and payroll liaison personnel, on payroll matters.
- F. Proper coordination of civilian payroll operations with personnel functions and other related activities.

7-10-20 GOVERNING STATUTES AND REGULATIONS

The development, maintenance and operation of the **HHS** payroll system is governed by a variety of Federal statutes and regulations issued by various Federal entities. The primary statutes and regulations are as follows:

- A. United States Code -- Title 5, Government Organization and Employees, codifies the general and permanent laws relating to Federal employees, organization and power of Federal agencies, and administrative procedures. Part III (5 USC 2101) - Employees, forms the basis for rules and regulations on entitlement to compensation, benefits, leave and payroll services.
- B. Comptroller General of the United States -- Issues guidelines on development, installation, and operation of the part of the financial management system concerned with compensation, benefits and leave of Federal employees as prescribed in Title 6, Leave and Allowances - General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies. The Comptroller General also decides legal questions involving compensation, benefits, and leave of Federal employees.
- C. Office of Management and Budget (OMB) -- Performs various administrative and budget functions for the executive branch of the government and issues policy guidance on matters involving Federal employees. This guidance is promulgated through issuance of OMB Circulars.
- D. Treasury Department -- Issues regulations concerning **payroll deductions** and withholding, including instructions pertaining to Federal, State and City income taxes, FICA taxes, purchase of U.S. Savings Bonds through payroll deductions, allotments, and assignments of pay. This fulfills the statutory requirement that Treasury maintain accounts and make reports on all receipts and disbursements of the Federal government. These instructions are published

in the Treasury Financial Manual (TFM) for Guidance to Federal Agencies.

- E. **Office of Personnel Management (OPM)** -- Issues regulations, based on statutory authority, containing policy statements and related material on the Federal Civilian Personnel Program. These regulations are published in the Federal Personnel Manual (FPM), FPM Supplements, FPM **letters** and OPM Bulletins. They form the primary **regulatory** basis for establishing Federal employees' entitlement to compensation, benefits and leave. BBS personnel regulations and directives contain supplemental instructions.
- F. **State Department** -- Prescribes rules of entitlement and administrative procedures for overseas allowances to Federal employees. These rules are contained in the State Department's Standardized Regulations (Government Civilians, Foreign Areas).
- G. **Health and Human Services (HHS)** -- Exercises overall executive responsibility through issuance of implementing policies and procedures concerning administration of compensation, benefits and leave of Federal employees of **HHS**. The policies, principles, standards and procedures for the BBS payroll system are set forth in the BBS Personnel Manual, Time and Leave Accounting Manual, Guide to Timekeepers, and the Payroll Procedures Manual.

J-10-30 **RESPONSIBILITIES**

- A. **HHS Central Payroll Office** -- The Central Payroll Office has the following responsibilities:
 - o Provides standard pay services to BBS civilian employees.
 - o Creates/maintains a standard civilian pay, leave and retirement data base.
 - o Provides a pay data record for each employee, each pay period to the AFPS.
- B. **OPDIVS/Regions** -- The OPDIVS/Regions have the following responsibilities:
 - o Provides time and attendance (T and A) data to the BBS Personnel/Payroll Office.
 - o Expeditiously posts payroll accounting transactions provided by the AFPS into their accounting systems.

- o Initiates corrective payroll **accounting transactions** for an employee for one or more past pay periods.
- C. Division of **Financial Systems Integrity (DFSI)** -- The DFSI is located in the OS/Office of Finance and has the following responsibilities regarding the AFPS:
 - o Serves as a liaison between **OPDIVs/Regions** and the Central **Payroll** Office.
 - o Develops financial systems requirements and policy regarding financial systems standards, data structures and interface techniques necessary to communicate between OPDIV/Regional financial systems and Departmental systems.
 - o Monitors and coordinates the Departmental and **OPDIV/Regional** activities.

7-10-40 HHS CENTRALIZED PAYROLL SYSTEM

- A. General -- The **HHS** centralized payroll system encompasses procedures for computation of compensation and benefits, maintenance of leave and retirement **records**, payroll services and related record keeping for U.S. civilian **employees**. It is implemented worldwide wherever **U.S.** civilians are employed by **HHS**. The major **HHS** organizational components involved with this system and their responsibilities are as follows:

- o Personnel and **Pay Systems** Division (**PPSD**) -- The PPSD is responsible for administering the **HHS** centralized payroll system. This includes the propriety of civilian payroll records for approximately 120,000 employees. The Division is also responsible for managing and conducting payroll accounting, reconciliation, pay adjustment processing, and producing payroll reports.

In addition, the Division processes all actions relative to separated employees, including SF-2806 (Individual Retirement Record), lump-sum annual leave payments, and completing unemployment compensation forms.

- o **Systems** Enaineerina and Maintenance Division (**SEMD**) -- The SEMD is responsible for maintaining the **HHS** automated personnel/payroll system and subsystems. In carrying out its mission and functions, SEMD uses the,

automated data processing facilities and support of the Division of Computer Research and Technology (DCRT), National Institutes of Health (NIX).

- o **Systems Integrity Division (SID)** -- The SID is responsible for validation and user acceptance of all automated products, services, and information produced by and for the HHS automated personnel/payroll system and subsystems.

Accordingly, SID is responsible for the quality assurance of new system/subsystems, major enhancements, and changes made to the automated systems that are controlled by the Office of Human Resources Information Management (OHRIM), as well as conducting acceptance testing of application software and developing procedures for use by the HHS automated personnel/payroll system and subsystems.

- o **Systems Network Division (SND)** -- The SND is responsible for product distribution via the available networks as well as monitoring and maintaining the networks' products, services and information produced by and for the HHS automated personnel/payroll system and subsystems.

B. **Processina Functions** -- The HHS payroll system **consist** Of the following functional areas:

- o **Maintenance Activity** -- Maintains current and historical pay, leave, T and A and retirement data for each employee. To accomplish this the system:
 1. Accepts edited payroll data in accordance with Title 5 and other related regulatory guidelines.
 2. Updates employee records (including salary rate, leave accrual, and expense records) based on each personnel action transaction.
 3. Updates employee records to reflect **across** the broad entitlement and/or deduction changes.
 4. Calculates projected annual leave balances.
 5. Stores lump sum leave hours to be paid separating employees.

6. Updates a time history data base each pay period to include detail, pay period, quarter-to date, and year-to-date pay data for each employee.
 7. Updates retirement data including name, service history, and fiscal history for each employee.
 8. Updates leave data to reflect leave wages and balances for each employee.
 9. Maintains historical data by pay period.
- o T and A Processing -- Collects T and A and labor-related data and edits these against the master employee record and reference tables on a daily! weekly, and/or biweekly basis. Refer to the Guide For Timekeepers for detailed instructions on these functions. The T and A processing functions:
1. Support the collection of T and A data.
 2. Support the collection of work hours, leave hours, and all other pay related hours.
 3. Support the collection of labor distribution hours by the classification code structure.
 4. Provide for the collection of T and A data on a daily, weekly, and/or biweekly basis.
 5. Calculate and adjust weekly hours based on Fair Labor Standards Act (FLSA) requirements,
 6. Support the correction of current and prior pay period T and A records.
- o Leave Processing -- Processes and controls leave advances, accruals, conversions, transfers, usages, and forfeitures for each employee. To accomplish this the payroll system:
1. Accrues each type of leave which can be accrued.
 2. Generates detail audit trails and controls data to ensure that all reported leave hours are processed accurately.
 3. Records leave accruals for employees.

4. Processes both current and prior period **leave** transactions on an effective pay period basis.
- o **Pay Process**- -- Calculates gross **pay** and allowances, deductions, employer contributions, and net pay for each employee. The **pay** processing functions:
1. Process both current and prior period adjustments.
 2. Compute **pay** according to the time worked and/or **leave taken, based on approved data.**
 3. Compute pay of various types, e.g., special **pay**, retention **pay** for commissioned officers, awards for SES, merit pay, and cash awards.
 4. Calculate overtime based on FLSA and Title 5 requirements.
 5. Calculate premiums and differentials as a percentage of base pay, and set dollar amounts.
 6. Record gross pay, deductions, and net pay, generating information to update other functions **and** other systems **as** appropriate, including the primary accounting systems.
- o **Report Processing and Reconciliation** -- Accesses, manipulates and formats data to satisfy accounting, regulatory, and managerial information requirements, including required reporting to OPM. Provides payroll data for comparison and reconciliation with accounting systems to ensure accuracy and completeness. The report processing functions:
1. Produce reports required by Treasury, IRS, Social Security Administration, the Labor Department, OPM and **OMB**, as well **as** reports for state and local taxing authorities at required intervals.
 2. Produce all reports and vouchers **necessary to** recognize payroll expenses, establish related receivables (e.g., administrative debts) **and** disburse all related payments.
 3. Generate required reports for separating or transferring employees: SF 1150, Record of Leave Data; SF 2806, Individual Retirement Record; and SF 2807, Register of Separations and Transfers.

4. Provide for tax deduction reporting, reconciling, and correction processing for each taxing authority.

C. System Interface -- The **HHS** payroll system (civilian and commissioned officers) generates a feeder record for every execution of a computerized payroll run. It consists of an extract of information about each employee, such as basic accounting classification data and dollar amounts for every pay, benefit, allowance, deduction, leave and collection field. This feeder record is provided to the AFPS which serves as the link between the centralized **payroll** system and the decentralized accounting activities. A listing of feeder record information is contained in Exhibit 7-10-A.

7-10-50 **ACCOUNTING FOR PAY SYSTEM (AFPS)**

A. General Overview

The AFPS acts as the interface between the BBS payroll system and the OPDIV/Regional accounting systems. This interface is facilitated by a feeder record (see listing in Exhibit 7-10-A). The AFPS translates the data related to civilian employee and commissioned officers pay and benefits into a series of accounting transactions by the required accounting classifications and also compiles payroll data by appropriation for the Payroll SF-224, *Statement of Transactions*. Exhibit 7-10-B provides an AFPS systems flow chart as well as showing linkage to the **HHS** payroll system and the primary accounting systems of the OPDIVs/Regions. Exhibit 7-10-C provides a narrative explanation of items 1 through 20 on the flow chart.

B. Processing Functions

0 Accounting Transactions -- These are transactions generated that **reflect** payroll data summarized at the Common Accounting Number (CAN) and Object Class (OC) level. These transactions are provided to the **OPDIVs/Regions** to update their accounting systems and reflect all charges and credits to the OPDIV/Regional appropriations. They are formatted in the standard **HHS** 160 character record format described in Chapter **3-20** of this manual. The following transaction codes described in Chapter **4-40** are used in payroll accounting:

Payroll Generated Transaction Codes

- 052 Estimated Obligations and Accrued
(Projected) Unpaid Personal Services
Costs and Related Benefits
- 096 Accrued Leave Earned/Liability to Pay
- 097 Transfer of Leave Balances In (+)
or Out (-)
- 183 Disbursements - Payrolls Not Previously
Obligated or Accrued

Receivables/Collections Transaction Codes

- 236 Collections - Billed
- 237 Collections - **Unbilled**
- 242 Collection of Unused Travel Advance and
Emergency Employee Payments
- 330 Accounts Receivable - Refunds

- o **Payroll Disbursements** -- These are disbursement transactions provided for each specific type of pay by OC codes as defined in Chapter 4-50. The different codes are based on various combinations of pay plan, permanent/temporary position code, and tour hours. These transactions are generated when the regular, mini, and supplemental payrolls are produced. The payroll disbursements include the payroll expenses for both civilian and commissioned officers.
- o **Monthly Payroll Accruals** -- These transactions accrue the salaries and wages earned during a given month. Transactions are provided for both civilian and commissioned officer payrolls and are based on the number of work days earned in a given month, but not paid during that same month. The civilian accrual is **equal** to the number of work days left in the month times ten percent of the amount of the current bi-weekly gross pay. Normally the commissioned officers are paid on the first day of the month following the month pay was earned. When this occurs, the accrual for the current month will be one hundred percent times the pay for the previous month. There is no accrual made in months that commissioned officers receive their pay on the last day of the month. These accruals are

included in the accounting transactions provided to the **OPDIVs/Regions**. Reverse transactions are also provided for all accruals when the actual **pay** is recorded.

- 0 **Leave Accruals** -- Accounting transactions are provided for leave **earned, leave used, leave transferred to HHS, leave transferred out of HHS** and leave transferred between **HHS** agencies. The **transactions** for each pay **period** reflect the current pay period leave activity and include adjustments for pay rate changes,

OMB requires that the leave for employees be funded either at the time leave is used, or at the time leave is earned, when specifically **authorized by law**.

The pay system does not have the information to determine which transactions to provide to meet the above requirement. Therefore, the OPDIV/Regional accounting systems must make this distinction through information in their systems which identifies the type of appropriation. Accordingly, leave earned and used is classified by OC codes in the 50 series (Unfunded Items and Adjustments), since the major portion of **all** leave applies to unfunded activity. When OPDIV/Regional accounting systems process leave data, they must provide for converting the leave data applicable to funded appropriations to the corresponding OC codes **11.8E** through **11.8M**. This procedure is described in detail in Chapter **4-50-10C**.

- 0 **Adjustments to Accounting Transactions/CAN Corrections** -- The capability to correct the accounting for prior **pay** periods pay and benefits costs, generate corrected accounting transactions and reflect all associated changes on **the** Payroll SF-224 is provided. This process allows the OPDIVs/Regions to access the pay and benefit database using an on-line, formatted screen as illustrated in Section 2.11 of the Accounting for Pay Systems User Manual.

The system generates adjusting accounting transactions to reverse the charges for incorrect CAN(s) and to charge the correct CAN(s) for one or several **past** pay periods at one time.

A CAR correction process is also provided which allows the OPDIVs/Regions to make individual and mass CAN changes to the personnel system.

- 0 **Labor Distribution** -- This process provides the ability to distribute pay and benefits costs to **one or more CANs** other than the CAN residing in the employee's personnel file. Under this **process**, labor distribution data can be captured by the T and A system or by labor **distri-bution** tables. When labor distribution data is integrated with the T and A data collection **process**, the distribution data is provided on a separate record. The T and A data is provided to the personnel/payroll **system for processing**.

A formatted screen is provided for entering labor distribution **data to the tables**. **The tables can** distribute costs on either a one time or recurring basis for both civilian and commissioned officers.

Pay and benefit costs can be distributed in various ways. Some of the **ways are**:

1. A percentage of gross pay and total benefit cost.
2. A percentage of a specific benefit cost.
3. A percentage **or** number of hours by pay type.
4. **A percentage** of a payroll **CAN/OC** to be distributed to other CANs.

A feeder record (see **7-10-50A** and Exhibit 7-10-A) from the **HHS** Payroll System is used **along** with labor distribution data to generate accounting transactions for each CAR identified on the labor distribution file.

- 0 **Employee Accounts Receivable and Related Collections** -- The capability to request the Payroll Accounting Group to offset the salary of employees who owe for debts such as delinquent travel advances, telephone charges, etc, is provided. The OPDIVs/Regions may enter the request by using an on-line formatted screen. The Payroll Accounting Group computes and manages the collection of the receivables based upon established policy **and** procedures (see Chapter 10-41-120). The funds recovered by offset are deposited to the OPDIV/Regional appropriations on the Payroll SF-224 and collection accounting transactions are generated to the accounting system.

- o **Split Payroll** -- Special processing for payrolls that cross fiscal years is provided so that the **correct** portion of the payroll is recorded in the respective fiscal year.

A feeder record (Exhibit 7-10-A) is provided for each payroll cycle in the pay period. The payroll is split based upon the number of work days in each fiscal year and accounting transactions generated to the **OPDIVs/Regions** for both the old and new fiscal year CANs.

- o **SF-224 Process** -- The SF-224 process summarizes **voucher payments** (SF-1166), collections/canceled checks, and other payment schedules by appropriations.

In the SF-224 process, an appropriation is assigned to payroll records based on the CAR. A CAR/appropriation table is used to validate the CAR. Any CAN which is **not** on the table is charged to a suspense CAR designated by each agency. Payroll charges not identified to a CAN are assigned to a specified appropriation in the Office of the Secretary pending resolution.

The CAR/appropriation table can be updated by the OPDIVs/Regions on-line or through a batch process.

An SF-224 report file to be transmitted to Treasury monthly is provided. This file is also available to the OPDIVs/Regions for downloading.

- o **Pay and Benefits Database** -- A pay and benefits database is maintained which contains detailed historical pay **and** benefit data for each employee by pay period. The database is available to **OPDIVs/Regions** for on-line query, report generation, and downloading.

C. **Reporting i o n s .**

- o **OPDIV/Regional Reports** -- Standard reports are provided to the OPDIVs/Regions (e.g. name listing and **CAN/OC** report) and a method for users to produce ad hoc reports. On-line query of the pay and benefits database is provided and the OPDIVs/Regions have the capability to do on-line **queries** for an individual or for a group of individuals.

The AFPS produces reports that are used by the OPDIVS and Regions. Listed below are the standard reports generated from the Civilian and Commissioned Officers **pay**.

1. SF 224 Report - Statement of Transactions (OPDIVS and Regions)
2. Data **Flowback** Name Listing (**OPDIVS**)
3. Agency CAN/Object Class Summary Report (OPDIVS)
4. RAS Data **Flowback** CAN and Object Class Summary (Regions)

- o **Payroll Accounting Reports** -- A number of **Department-** level reports are generated on the total value of each payroll feeder record (Exhibit 7-10-A) to be used by the Payroll Accounting Group of the HHS Personnel and Pay System Division. The "**gross** expenditure" (pay plus allowances plus employer contributions minus refunds/collections) is generated and all the totals (in detail) are reported to the Payroll Accounting Group. Other audit-type reports contain deduction information (i.e., taxes, retirement, health benefits). These reports are compared, during the reconciliation process, to run statistics provided by the "Payroll Compute **Pay**" sub-system and form the basis for the net pay certifications sent the U.S. Treasury. The comparison of these reports (reconciliation) ensures that all reported expenditures **equal** computed costs. The official amounts needed to control the Department's various trust, deposit and suspense accounts is provided to the Payroll Accounting Group. In addition, the system provides appropriation data used by the Payroll Accounting Group to prepare the monthly SF-224.

The AFPS produces reports that are used by the Payroll Accounting Group. Listed below are the standard reports generated from the Civilian and Commissioned Officers pay.

1. Appropriation Summary Report
2. Appropriation Summary Report by Agency and Accounting Point
3. HHS Feeder Audit
4. Gross Expenditures to Net Pay Preliminary Control Totals
5. DCP report Data **Flowback** CAN and Object Class for Reconciliation
6. A-93 Summary HQ-Only
7. Class I Deduction Report
8. PLUG program Run Statistics Report

9. SF-224 Report - Statement of Transactions
10. FICA Exception Report
11. Retirement Report
12. City Tax Report
13. Cost Summary Report
14. Commissioned Officers Payroll Feeder Audit Report
15. Commissioned Officers Payroll Detail Report
16. Commissioned Officers A-93 Report
17. Data **Flowback** CAR and Object Class Summary
18. Commissioned Officers Report

LISTING OF FEEDER RECORD INFORMATION

Charge CAN Number
Social Security Number
Pay Period Number
Timekeeper Number
Name of the Employee
Pay-Plan
Grade and Step
Hourly Rate
Organization Code
Appropriation Code
Home CAN Number
Address Data
Tax Codes
EFT Data
Leave Category
Annual Leave Balance
Sick Leave Balance
Admin Leave Balance
Leave Earned in Each Category
Leave Used in Each Category
Dollar Amounts for:

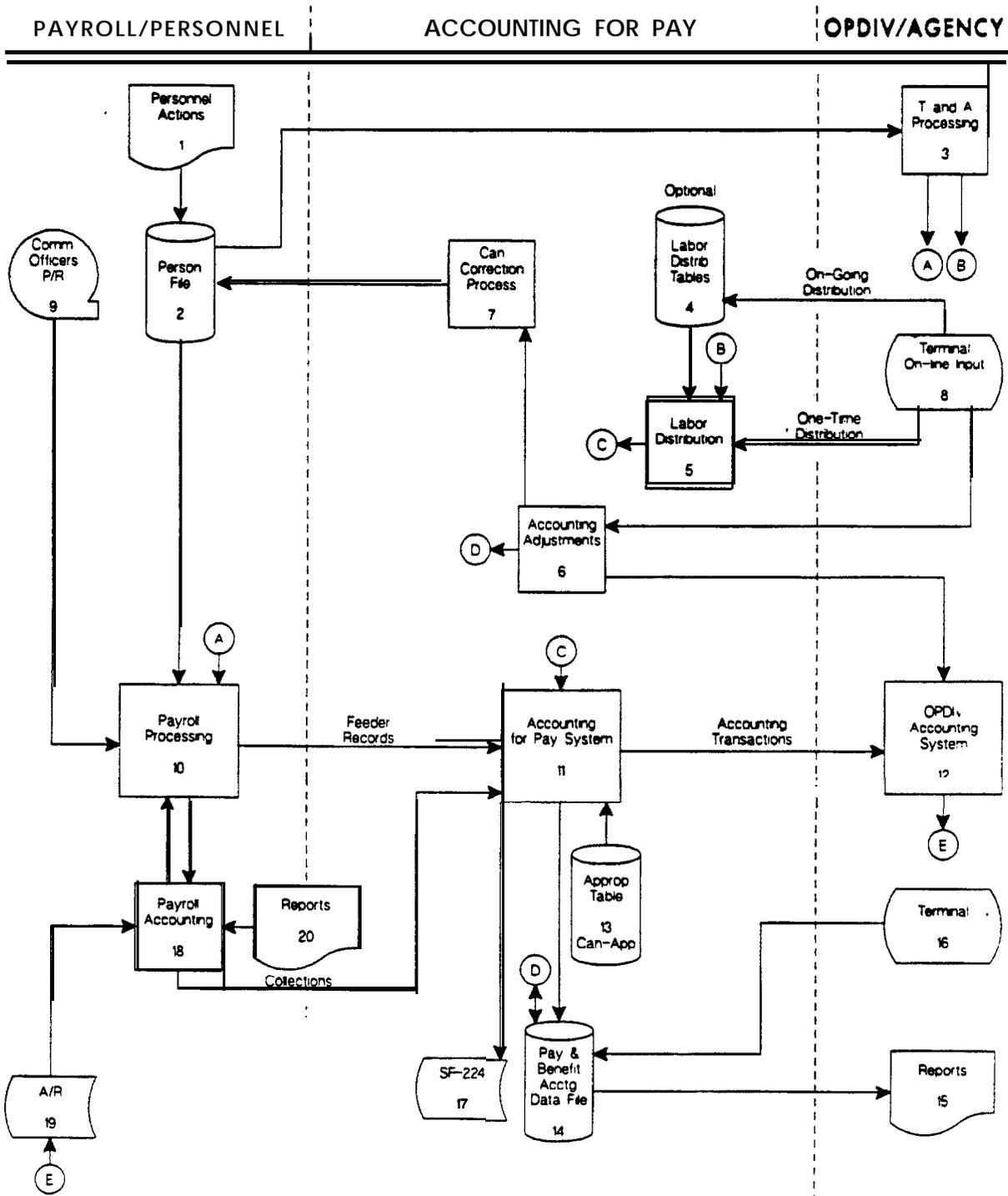
Base Pay
Overtime
Night Differential Pay
Holiday Pay
Sunday Pay
Lump Sum Leave Pay
Incentive Pay
Post Differential Pay
Employee Awards Pay

Uniform Allowance
Cost of Living Allowance
Other Benefits
Training Allowance
CSRA Contribution
FICA Contribution
FEGLI Contribution
FEHBA Contribution

Federal Tax Deduction
State Tax Deduction
FEGLI Deduction
Bond Deduction
FICA Deduction
CSRA Deduction
FEHBA Deduction
Levy Deduction
Quarters Deduction
Subsistence Deduction
Laundry Deduction
Refund Deduction
Other Deductions

Annuity Pay
Earned Income Pay
PCA Pay
MEDICARE
MILITARY COLA
FERS Deduction (Emp/GVT)
Federal Thrift Savings Plan

**ACCOUNTING FOR PAY SYSTEM INTERFACE (AFPS)
 SYSTEMS FLOW CHART**



ACCOUNTING FOR PAY SYSTEM INTERFACE (AFPS)
(Explanation of **Exhibit 7-10-B** Items 1 through **20**)

1. Personnel Actiong

Personnel actions are initiated through the use of SF-52, Request for Personnel Action. Data from these forms are entered into the personnel file.

2. Personnel File

The personnel file is a repository of personnel and pay data.

3. T and A Processing

Timekeepers report employee time and attendance (T and A) data in accordance with Departmental procedures outlined in the **HHS** Guide for Timekeepers Manual published by The Technical and Program Services Group of The Personnel and Pay **Systems** Division.

4. Labor Distribution Tables

Labor distribution tables are an optional feature of the Accounting for Pay System (AFPS), for use at the discretion of **each** of the OPDIVs/Regions. The system provides the capability to distribute pay and benefits costs based upon a pre-determined formula.

5. Labor Distributioq

The labor distribution system provides for pay and benefits to be charged to one or more **CANs** other than an employee's usual CAN. Based on data generated from the T and A process or data obtained from the labor distribution table(s), this system computes distributions of pay and benefits costs. This data is integrated with the pay period payroll records for subsequent building of accounting transactions.

6. Accounting Adjustments

The accounting adjustment process provides on-line access to correct accounting transactions for past pay periods, distribute pay and benefits costs retroactively and correct/adjust labor distributions for past pay periods.

7. CAN Corrections Process

The CAN correction process provides for on-line CAN corrections to the personnel file. It also provides for batch updates to accommodate mass CAR changes. Changes, in batch form, are generated from the accounting adjustment process.

8. On-line Terminal Input

This is a formatted screen for entering labor distribution data, making CAR corrections and accounting adjustments.

9. Commissioned Officers Pavroll

The commissioned officers payroll is processed on a monthly basis through the HHS centralized payroll system to the AFPS.

The labor distribution system is available for use in the commissioned officers payroll.

10. Pavroll Processing

The HHS centralized payroll system computes civilian employee pay and benefits and is also used to process commissioned officer payroll data. This system generates 1) **feeder** records for civilian employee and commissioned officer payroll accounting; 2) maintains calendar year data by employee for certain personnel and **IRS** requirements; 3) generates SF-1166, Schedule of Payment, and other payment schedule data to the Payroll Accounting Group for use in reconciling SF-224 Reports; and 4) processes employee accounts receivable collections and salary offsets.

11. Accountins for Pav Svstem

Feeder records from the payroll system include detail pay data for each employee. These records are used in the **AFPS**. This system performs the following functions:

- 0 Creates payroll accounting transactions in the HHS 160 character record format for interfacing to the **OPDIV/Regional** accounting systems.
- 0 Generates data records to the **OPDIV/Regional** pay and benefits accounting data file.
- 0 Assigns appropriation numbers to incoming feeder records based on data in the appropriation table.

- 0 Accepts data records for employee accounts receivable and collections via input from the Payroll Accounting Group.
- 0 Splits payrolls that cross fiscal years so that the correct portion of the payroll is recorded in the respective fiscal year.
- 0 Compiles payroll data by appropriation for SF-224 to include labor distributions.

The data records are made available to the OPDIVs/Regions via on-line data retrieval.

12. OPDIV Accounting System

Accounting transactions are generated to the **OPDIV/Regional** accounting systems from the AFPS to reflect the appropriations charged on the payroll SF-224 report. Adjusting accounting transactions are generated by the accounting adjustment process. The accounting transactions are at the **FY/CAN/OC** level in the standard HHS format.

13. Appropriation Table/CAR Table

This is the table maintenance process for inputting data into the **central** appropriation/CAR tables. Data may be input on-line via a formatted screen process or in batch mode from the **OPDIVs/Regions**.

14. Pay and Benefits Accounting Data File

This file/database contains detail pay data for each employee by pay period.

15. Reports

These are standard reports e.g., name listing and **CAN/OC** reports. See **7-10-50C** for a listing of all standard reports produced by the **AFPS**.

16. Terminal

A terminal is used by the OPDIVs/Regions for on-line access to the pay and benefits accounting data file via a terminal.

17. SF-224

The SF-224, Statement of Transactions, is prepared by the Payroll Accounting Group for submission to Treasury.

18. Payroll Accounting

The Payroll Accounting Group reconciles payment and collection data by appropriation and is responsible for the issuance of the SF-224's. It also records and collects employee accounts receivable to be collected by salary offset.

19. A/R

As a part of the AFPS, there is an automated method for the OPDIVs/Regions to transmit accounts receivable (A/R) data to the Payroll Accounting Group to initiate collections by salary offset.

20. Reports (Payroll Accounting)

The AFPS generates a number of Department-level reports to be used by the Payroll Accounting Group. See page 13-14 for a listing of these reports. Reports are compared during the reconciliation process and are used to form the basis for the net pay certifications to Treasury. These reports also ensure that all reported expenditures equal computed costs.

CHAPTER 10-10

ACCOUNTING FOR PURCHASES FROM
GSA UNDER THE FEDSTRIP SYSTEM

10-10-00	Purpose, Applicability, and Authority
10	Background
20	Instructional Material
30	Obligation Procedure
40	Receipt of Material and Payment of Vouchers
50	Assigning Fund Codes
60	Effective Date

10-10-00 PURPOSE. APPLICABILITY AND AUTHORITY

This instruction contains procedure for recording obligations, receipt of materials, and payment of bills for orders submitted to General Services Administration for items carried in the GSA Store Stock Catalog. It does not apply at present to purchases from GSA schedules or to special purchase arrangements with GSA. It is not to substitute for the internal requisition and issue processes of an operating activity of the Department. The FEDSTRIP system was prescribed for use by civil agencies by the Administrator of General Services Administration in Federal Property Management Regulations, Subpart 101-26.2.

10-10-10 BACKGROUND

The term FEDSTRIP is an abbreviation for "Federal Standard Requisitioning and Issue Procedure."

In September 1961, the Department of Defense prescribed the Military Standard Requisitioning and Issue Procedure (MILSTRIP). On the basis of the successful use of MILSTRIP, similar policies and procedures have been prescribed by GSA under the abbreviated title of FEDSTRIP for the 70 separate civil agencies which presently use approximately 300 different requisitioning procedures. FEDSTRIP is based on the use by GSA of automatic data processing equipment which receives information from punched cards and transmits data both in punched card and in printed form. Each punched card, using a common coded language represents an order for a single type of item.

Address codes, assigned by GSA, shown on each requisition are used to identify for GSA the ordering office, the ship to office, and the bill to office. In addition, a two digit alpha-numeric fund code assigned by DHEW is shown on each requisition which identifies for each voucher payment office the distinctive group of agency internal account codes to be charged for the requisition.

10-10-20 INSTRUCTIONAL MATERIAL

The following GSA publications have been distributed throughout the Department by the Division of General Services, OA-OS and they are described in the DREW Procurement Manual, Subpart 3-52.1:

FEDSTRIP Operating Guide
Understanding FEDSTRIP
FEDSTRIP Supervisor's Training Guide.

10-10-30 OBLIGATION PROCEDURE

Requisitioning offices, 8 prescribed in Procurement Manual Subpart 3-52.1 will continue the internal requisition and issue procedures now in use. It is essential that all pertinent accounting codes be shown on the requisition to enable the procurement clerk to enter the correct FEDSTRIP fund code. Upon receipt of requisitions in the procurement offices the data from the internal requisitions will be converted to a prescribed FEDSTRIP coded document in the form of a punched card GSA Form 1348m; a manually coded card GSA Form 1348 (6 part); or a manually coded multiline requisition, GSA Form 1348-4, depending upon the volume of requisitioning activity, the degree of automation available to the procurement offices, and the type of action being initiated. The procurement office clerks will convert the agency internal accounting codes and the addresses of the "ordering", "ship to", and "bill to" offices shown on the internal requisition to the FEDSTRIP fund code and address codes which will be inserted on the GSA FEDSTRIP order form.

The original FEDSTRIP order will be released directly to GSA. Concomitant with this release, 8 copy of the FEDSTRIP order(s) with a copy of the internal agency requisition(s) or 8 machine listing of the FEDSTRIP orders and agency accounting codes, if punched cards are used, will be forwarded to the appropriate agency fiscal office for establishing an obligation in the official accounting records.

If a copy of the internal requisition or the summary machine listing, either of which contains the complete internal agency accounting codes, is not available, the procurement office clerks are to transcribe the accounting codes onto the fiscal office copy of the FEDSTRIP order before forwarding to the appropriate agency fiscal office.

If sufficient funds are not available to cover the obligation, the procurement office must be notified immediately to process a cancellation action to GSA. The likelihood of such occurrence happening is very remote since an informal determination of available funds is generally made prior to release of an internal requisition to the procurement office. Much paper handling will be eliminated. The obligation should be recorded against the accounting codes shown on the internal requisition, the machine listing, or the manually coded card to the FEDSTRIP order, or the coder transcribed on the FEDSTRIP order. There should be no need to contact the FEDSTRIP fund coder at the time of recording the obligation.

(10-10-30 continued)

A. Problems to be considered in assigning obligation numbers

The last eight numbers of the FEDSTRIP document number may be used as the obligation number for the punched card GSA Form 1348m, or the manually coded card GSA Form 1348 (6 part). The FEDSTRIP document number on GSA Form 1348-4, "Multiline Requisition," will involve the julian date (4 digits) and a series of serial numbers (4 digits each), one for each line item. The obligation number preferably should show the 12 digit number (julian date and beginning 4 digit serial number and the last 4 digit serial number of the requisition). However, some of the automated accounting systems cannot accommodate more than 6 digits for the obligation number. In these cases, an internal obligation number must be assigned, in which event it will be necessary to maintain a cross reference file between the FEDSTRIP document numbers and the internal obligation numbers. Perhaps only the 4 digit julian date will be sufficient as an obligation number. However, if this is done, particularly in an automated system, and there is a large volume of orders under a single fund code in any one day, all transactions would be merged by the computer so as to appear as a single obligation.

10-10-40 RECEIPT OF MATERIAL AND PAYMENT OF VOUCHERS**A. Receipt of Material**

GSA will submit copies of Single Line Item Release/Receipt Document, GSA Form 1348-1, for each line item of merchandise shipped. This form when properly signed as to receipt of goods constitutes the basis for recording an accrued expenditure in the official accounts and also provides the back up or support for payment of the GSA bill. If the GSA bill has already been paid this form will complete the documentation of the transaction or give rise to an adjustment for an overpayment. In this regard receiving reports signed by the appropriate personnel in property and supply operations, as well as representative of the requisitioning or using organization will be forwarded to the fiscal accounting office.

The procedures to be followed by property and supply operation for distributing copies of receiving reports and copies of requisitions, or copies of machine listings produced from punched card requisitions are described in Part 3-52, the HEW Procurement Manual.

Those accounting offices maintaining theft accounts on an accrual basis will record the receipt of the capital items of property in the fixed asset accounts and the noncapitalized items will be expenses and all will be credited to accounts payable.

(10-10-40 continued)

B. Payment of Voucher

Departmental instructions concerning the codes and ddterr codes are set forth in four code books.

1. Code Books Oriented for Procurement Activities

Two code books were oriented for the procurement activities in that the "ordering," "ship to," and "bill to" offices are identified by name and address together with the related ddr88 code. Following each "bill to" office ddr88, code \$8 a listing of the internal agency code is given in numeric sequence each of which is followed by the related FEDSTRIP fund code. The fund codes are specific to the particular "bill to" office. FEDSTRIP fund codes should NOT be used from another "bill to" office. This arrangement was selected to facilitate the task of the procurement clerk converting the agency addresses and internal accounting codes to the FEDSTRIP code and fund code. In addition, most Departmental procurement activities are restricted to procurement actions for a particular agency. However, the regional offices and the Department's headquarters procurement offices procure for most of the agencies of the Department. Hence, two versions of the book were issued.

The geographic version listed all activities by GSA Region, by State, city, and ddr88, and then by agency primarily for use of the regional and Departmental headquarters procurement officer. The agency version listed all activities for an agency by GSA Region, State, city and address for use of the agency procurement officer.

2. Code Book Oriented for Voucher Payment Activities

Two code books were likewise oriented for the voucher payment activities. These versions are identical to the two described above except that only the ddr88 of the "bill to" offices are included and the FEDSTRIP fund codes are arrayed in alpha-numeric sequence followed by their related internal agency accounting codes. This arrangement was selected to facilitate the task of the voucher payment officer converting the FEDSTRIP fund codes on the GSA billing document to the internal agency accounting codes.

The titles of the two code books for use by voucher payments are:

(10-10-40 continued)

**FEDSTRIP FUND CODES and ACCOUNTING CODES
for VOUCHER PAYMENT OFFICES (Agency Listing)**

and

**FEDSTRIP FUND CODES and ACCOUNTING CODES
for VOUCHER PAYMENT OFFICE (Geographic Listing)**

Upon receipt of the GSA billing document, GSA Form 952, Single Line Item Billing Register, the voucher payment office must convert the two digit alpha-numeric PBDSTRIP FUND CODE recorded for each line item to the accounting codes they represent. This conversion or account coding will be entered in the "remarks" column of the billing register for each item billed. A distribution of charges by account 6 16 then prepared 66 for any other multiple account invoice 6 vouchered for payment. Additional information concerning payment of GSA invoices is contained in paragraph 4-90-60-D 6 of the DHEW Voucher Audit Manual.

10-10-50 ASSIGNING FUND CODES

The Chief Financial Management Officer, or his designee, in each agency or bureau within the DHEW will make Fund Code assignments and reassignments, for Accounting Points and Voucher Payment Offices directly under his control. The maintenance of code books and other records incident to the orderly administration and operation of the Fund Code System within each agency or bureau is also the responsibility of the Chief Financial Management Officer in each agency. In the Office of Comptroller, C/S these functions are the responsibility of the Director of Accounting Operations. With respect to Regional Office Accounting Points these functions will be performed by the Office of Field Coordination, C/S in order to prevent duplication in fund code assignments within each of these billing addresses.

Fund code assignments, changes and corrections will be disseminated promptly to fiscal and procurement offices pending revision of the code books. Code books will be revised and reprinted at the discretion of the Financial Management Officer in each agency.

Such revisions will be undertaken only in accordance with the volume of changes recorded and other related aspects which demonstrate a positive need for issuance of a revised publication in each agency.

Fedstrip address codes are obtained in accordance with instructions in Part 3-52 of the Procurement Manual.

Subject: CHARGES AND CREDITS BETWEEN APPROPRIATION ACCOUNTS
(EXPENDITURE AND NONEXPENDITURE TRANSFERS)

10-20-00 Purpose and Scope
10-20-10 Definitions
10-20-20 Discussion of Nonexpenditure and Expenditure Transfer Transactions
10-20-30 Distribution of Nonexpenditure and Expenditure Forms

10-20-00 PURPOSE AND SCOPE

This chapter supplements and fulfills Part VI "Instructions For Special Types of Transactions" of OMB Circular No. A-34, section 21.2(e) of OMB Circular No. A-11 and the Treasury Fiscal Requirements Manual Chapters I-TFRM 2-2000 Nonexpenditure Transactions and I-TFRM 2-2500 Expenditure Transactions Between Appropriation, Fund, and Receipt Accounts.

The purpose of this chapter is to discuss the two general principles which govern the treatment of charges and credits between appropriation accounts for apportionment and reporting purposes and to make the distinction between expenditure and nonexpenditure transfers. Further, there are explanations of various accounting and budgetary terminology and procedures that have an impact on charges and credits between appropriation accounts.

The first principle concerns transfers and payments to other Federal accounts made to carry out the purpose of a parent account. These involve allocation accounts (which arise from nonexpenditure transfer) and direct payments made to other accounts (expenditure transfer).

The second principle involves withdrawals from one account for credit to another (nonexpenditure transfer) that are in the nature of adjustments to obligational authority rather than as payments.

10-20-10 DEFINITIONS

Payment

~~Advances~~ are those amounts of money prepaid pursuant to statutory authority in contemplation of the later receipt of goods, services, or other assets. Advances received from other accounts or funds are recorded as current liabilities, while advances to other accounts or funds are recorded as current assets. Although an advance payment is an outlay of cash, it is not a liquidation of an obligation.

(10-20-10 continued)

Appropriation Refund

The return of excess payments that must be directly related to and reduction of a previously recorded outlay. It is a form of collection or return of an advance, or the recovery of an erroneous or excess disbursement. It is also the return of excess collections deposited in receipt accounts that are treated as a reduction of receipts.

Appropriation Reimbursement

Sums received by the Government for commodities sold or services furnished either to the public or to another Government account in which the agency making the payment sustains an obligation and the party who performs the activity sustains a reimbursement. Such transactions by a Federal agency must be authorized by law.

Anticipated Reimbursement

Estimate of reimbursement orders that is either anticipated or orders received but are not yet fulfilled or collected:

Expenditure Transfer

This terminology **is** sometimes confused with non-expenditure transfer (a transfer of budget authority). An expenditure transfer is a payment from one Federal account to another, usually for services or products--it results in a payment (i.e., an outlay, a disbursement, an expenditure) from one account to another. Expenditures are obligations/outlays of the transferring account and reimbursements/receipts of the receiving account. (The term expenditure also applies when payments are made to other than another Federal account, for example, to the public, but such application does not apply to expenditure transfer.) Expenditure transfers are generally for the benefit of the paying agency. Standard Forms 1081, "Voucher and Schedule of Withdrawal and Credits", and 1166, "Voucher Schedule of Payments" are frequently used for expenditure transfers but other documents are also used.

Inter-Office Transfer Voucher (IOTV)

This document fulfills the same purpose as a nonexpenditure transfer except that no legal authority is needed and no transfer of cash is actually made. The procedure is only available for use within the Department. The parent of the account being transferred is ultimately responsible for maintaining the accounting record. The effect of the **IOTV** is a delegation of funding authority and the recipient is **responsible** for monitoring, controlling, obligating, and expending the funds as well as reporting to the parent as to the use of the funds. The transfer is accomplished on Departmental form HHS 330 - "Inter-Office Transfer Voucher" (IOTV).

(10-20-10 continued)

Nonexpenditure Transfer (and "merge")

This type of transfer must be authorized by law and is referred to as an appropriation adjustment. It constitutes a transfer of budget authority and warranted cash from one appropriation to another. After the funds are merged into the authorized appropriation(s) these funds lose their identity with the initial appropriation. The receiving agency must apportion these funds under the merged account.

This kind of transfer is a transaction between an appropriation or fund account and is not recorded or reported as an obligation, expenditure, or reimbursement, and serves solely to adjust the amount available in the account for a subsequent expenditure. This type of transfer consists of appropriation adjustments and allocations. More precisely, the transfer is a transaction in which both the withdrawal and the credit are between accounts within the budget, e.g., general, revolving, management, special, and trust fund accounts, or between accounts outside the budget, e.g., deposit fund accounts. However, transactions between the two groups (inside versus outside) are expenditure transactions. Nonexpenditure transfers are accomplished on Treasury's SF-1151 - Nonexpenditure Transfer Authorization. They do not appear on Treasury reports nor in budget documents as receipts or expenditures since they are fund authorization transfers and do not affect the budget surplus or deficit for any year. However, SF-1151 transactions will appear on Treasury's monthly TFS 6653, Undisbursed Appropriation Account report.

Transfer Appropriation Account ("allocation account")

This transfer is an amount of obliqational authority transmitted from one agency/bureau account to a transfer appropriation account that is established in another agency/bureau to carry out the purposes of the parent appropriation/fund. All associated costs, obligations and outlays are reflected in the budget schedules of the parent account and the parent must apportion the funds. The receiving agency/bureau must control the funds received and provide data or reports as required by the parent. This account is used in connection with certain transfers that retain the same symbol and title as the parent account except that the Treasury symbol includes a prefix of the agency code of the receiving agency. For example, a portion of a Department of Education appropriation account, 91X0100, allocated to HHS would become 75-91X0100. The account may carry a parenthetical numeric suffix identifying the sub-organization to which the transfer is made,

10-20-20

DISCUSSION OF NONEXPENDITURE AND EXPENDITURE TRANSFER TRANSACTIONS

The following is a summary of the procedures and variations that concern transfers of the types defined above, with most of the discussion given to nonexpenditure transfers. Nonexpenditure transfer discussion **covers** the more formal transfer which is accomplished through Treasury using **the** SF-1151 and the informal, within-the-Department transfer, the inter-office transfer. An inter-office transfer may be made under the general authority of the Secretary. All other transfers must be specifically authorized by law. Further, in all cases, the participating organizations must be *in* agreement as to the terms of the relationships including fund amounts, products or services to be delivered, reporting requirements, any fund limitations, etc.

A. Nonexpenditure Transfers

Six types of nonexpenditure transfers are discussed below. Generally, these are thought of as transactions which result in movement of funds or budget authority from one agency or account to another. The transactions are not recorded as obligations, expenditures, or collections. The more **commonly** known transfers are those movements of obligational authority between accounts in conjunction with allocations to other agencies, reorganizations, and changes to appropriation accounts resulting from budget structure changes. Nonexpenditure transfers (both withdrawal and credit) may be made between accounts that are within the budget or between accounts outside the budget, but not between the two groups (the latter is an expenditure transfer). Nonexpenditure transfers involving the receipt of funds that are available for obligation, except for certain unappropriated Trust Fund accounts, must be administratively controlled by allotments and allowances before funds are used.

There are two variations of procedures for reporting of nonexpenditure transfers. Generally, except for real transfers (transfer without benefit to the transferring account), external reports to **OMB**, Treasury, etc. are prepared by the parent/surviving agency. Also, for allocation transfers, there must be *an* agreement between the parent and recipient agency as to the type of data needed by the parent for reports. The parent is responsible for preparing the SF-133 Report on Budget Execution, and the TFS-2108 Year-End Closing Statement. However, the receiving agency must transmit an "internal" SF-133, and TFS-2108 to the parent for incorporation into the parent's reports. For the allocation transfer, the receiving agency must include such data in the SF-220 Statement of **Financial** Condition and Related Schedules, SF-221 Statement of Income and Retained Earnings and SF-225 Report on Obligations. For other reports not discussed, refer to the appropriate governing regulation.

(10-20-20 continued)

The six types of nonexpenditure transfer transactions are as follows:

1. Transfer Without Benefit to the Transferring Account (Appropriation Adjustments-also better known as "Real Transfer). The transaction is an adjustment to budget authority (i.e., the budget authority is reduced in the account to which the authority was originally appropriated and increased or merged in the account that received the transfer). This would be reflected on the SF-133 line 1D and on line 2B as a negative amount for the receiving account.

- Examples:
- o Reorganization Transfers - transferring of functions and related funds to different departments, agencies, or bureaus. Funds that are transferred and made available to carry out the purpose for which the funds were initially authorized. A "Determination Order" for the transfer balances must be approved by the President (OMB). Balances transferred shall be credited to, and merged with any applicable existing appropriation account or accounts, or to any new account or accounts which are authorized (by OMB) to be established and thereafter accounted for as one.
 - o Appropriation Structure Changes - merging of appropriations/funds as a result of modification of the number of appropriations, functions, etc. These changes are frequently planned ahead and displayed in the President's Budget Appendix or may be found in appropriation acts.
 - o Redistribution of Appropriations or Balances - distributing or interchanging of funds between appropriations where 1) merger of funds is permitted; 2) transfer authority is granted by law through the administrative or legislative exercise; such as: a) emergency funds distributed by the agency head to constituent units, b) a transfer, under statutory authorization, increases one appropriation by decreasing another within a fixed percentage or amount and c) transfer authority is given in lieu of a supplemental appropriation for such purposes as pay increases. Such authority may be found in existing laws and frequently in new appropriations acts.

(10-20-20 continued)

- o **Reappropriations and Merger of Balances** - two types of transfers; 1) period of availability for obligation of a part or the whole of an appropriation is extended legislatively, and 2) merger of obligated balances with another appropriation or fund (except "M" account mergers). These changes are usually found in appropriation acts.
- 2. Transfers for Establishment of Transfer Appropriation Accounts for the Benefit of the Advancing Accounts. {See definition of allocation). These types of transfers do not affect the SF-133 for the **parent** or the recipient.
- 3. Borrowings from Treasury Under Loan Authorization. **These** transfers include amounts advanced by Treasury under loan authorizations and amounts returned on principal. Interest payments are excluded since they are expenditure transactions.
- 4. Capital Transfers. Capital investment of United States or earnings from revolving funds (**4000-** series expenditure accounts) are transferred for credit to designated capital transfer miscellaneous receipt accounts consisting of: a) Treasury's 2813 - 2814 series (realization upon loans and investments) and b) for distribution of earnings, Treasury's 1610 - 1617 series (dividend and earnings).
- 5. Transfers to Successor "M" Accounts
The transfers occur at fiscal year-end on JFS-2108 Year-End Closing Statement (see Departmental Accounting Manual Chapter 5-70, section 20).
- 6. Borrowing from Other Funds

Examples: o amounts advanced by the Federal Financing Bank to agencies which are authorized to issue, sell, or guarantee their obligation, in lieu of borrowing from Treasury or issuing securities to the public.

o amounts returned on principal; as in borrowing from Treasury (interest payments are excluded since they are expenditure transactions).

(10-20-20 continued)

B. SF-1151 Nonexpenditure Transfers Procedures

Except for "M" account transfers all nonexpenditure transfers are **accomplished** by using Treasury's SF-1151 and should generally be reflected in Treasury monthly transaction report TFS-6653 Undisbursed Appropriation Accounts (an increase for the recipient and a decrease for the parent). See Exhibits X10-20-1 and X10-20-3.

C. Preparation and Requirements of SF-1151

1. There must be legal authority to perform the transfer; the citation of the authority must be quoted on the form, including United States Code (U.S.C.) reference if applicable. If no U.S.C. is available, the reference to the Statutes at Large should include the volume and page number (example: '42 U.S.C. 11041; 91 Stat. 436).

2. Generally, only one nonexpenditure transaction will be documented on each SF-1151. However, if the legal authority is the same, more than one nonexpenditure can be accomplished on the form.

3. Nonexpenditure transfers are processed directly into the central accounts of Treasury; therefore, these transactions should not be reported on the "Statement of Transactions", SF-224.

4. The parent accounting office (except as noted below) is responsible for preparing the nonexpenditure transfer SF-1151 and it will be approved only by a duly designated representative of the agency. See authorities contained in Chapter 8-100 of the Department's General Administration Manual.

Except in certain instances as noted below a coordinated effort between the parent's accounting and budget officers is necessary in order for the process to flow smoothly and correctly. As part of this coordinated effort the accounting official is responsible to obtain any required budget or other clearance.

5. Generally, in cases of Transfers Without Benefit to the Transferring Account for (1) reorganizations; (2) change in appropriation patterns, or (3) reappropriation, the receiving agency will initiate the appropriate documentation to implement SF-1151 transactions on a/c's from the agency administering the parent account. In some instances it is logical for the parent to perform the transaction such as when only part of the funds in the parent appropriation is transferred as a result of a reorganization.

(10-20-20 continued)

In preparing an SF-1151 for merger of funds without benefit to the transferring account the unobligated and the obligated balances being transferred will be segregated.

6. Generally, in cases of Transfer Appropriation Accounts for the Benefit of the Advancing Account, the parent, advancing agency, initiates the SF-1151. Also there must be a written agreement with the receiving agency as to the purpose and conditions of the transfer. This should be so noted in the authority section of SF-1151.
7. If any portions of the amounts transferred are returned to the parent account, the administering agency is required to prepare the SF-1151 as a reversal of the original transaction and should be so noted on the form.
8. Any adjustment or correction of nonexpenditure transfers must be accomplished on a SF-1151.

D. Inter-Office Transfers

This form of authorization from one organization to another that is accomplished within HHS is an **inter-office** transfer. It is transacted on internal form HHS **330-Inter-Office** Transfer Voucher (**IOTV**) (See Exhibit X10-20-2). In essence, it is an authorization for one operating or staff division to "**direct** charge" the appropriation of another operating or staff division.

This informal allocation transfer "direct charging" is used when another HHS operating component has the expertise to provide a **service** or product. The IOTV is a mechanism that may be used to cover an agreement between the two organizations and also can be used to handle internal reorganizations.

E. IOTV Process and Procedures

Although one operating division administers a certain appropriation apportioned **by OMB**, a-portion of the funds from the parent appropriation may be authorized by an IOTV to another operating component (recipient) within HHS who will administer the program. Unlike the SF-1151 process, there is no document processed through Treasury (or OMB) to evidence this allocation of authority.

The recipient budget office must allot and allow these funds in a routine manner for the purpose of controlling and administering the funds.

F. IOTV Fund Control

Funds authorized by IOTV are controlled and accounted for through the fund control/accounting system of the recipient by the assignment of **CANS** as prescribed in Chapter **4-30**. Accordingly, all obligations and disbursements to the parent operating component's appropriation will be recorded in the normal manner.

(10-20-20 continued)

G. Preparation and Distribution of HHS 330-IOTV

Initially, program offices of both the parent and recipient **operating divisions** must discuss the inter-office transfer to take place. As a result of this discussion a "memorandum of understanding" should be prepared. This agreement should describe the work to be done by the recipient operating component as well as the reporting of data to the parent.

A copy of the "memorandum of understanding" should be sent by the parent program office to its budget office which in turn informs and transmits a copy of the "memorandum of understanding" to its accounting office to prepare the HHS 330 - IOTV.

The parent accounting office will prepare the HHS 330 (See Exhibit X10-20-2) as follows:

1. Complete the address (issuing station block) including the name of operating component, and address of the accounting office.
2. Complete the administering agency's name and address (receiving station block) including the operating component, and the address of the accounting office.
3. Assign a transfer voucher number that allows ready identification such as operating division symbol and organization symbol (if appropriate) followed by a voucher number in consecutive order. (Examples: PHS-HRSA-1, PHS-HRSA-2, PHS-NIH-1, SSA-1, SSA-2, OS-HDS-1 etc.).
4. In the appropriate block complete the month in which the transfer is being recorded.
5. In the appropriate block complete the issuing date. The issuing date is the day that the parent transmits and records the transfer transaction.
6. Briefly describe, from the "memorandum of understanding" the purpose and important points of the transfer.

(10-20-20 continued)

7. Complete the appropriation account number.
8. The accounting entries used by the parent accounting office depends on whether the funds have been allotted. If the funds from the parent are being transferred from allotted funds, general ledger 461 will be debited and 500 will be credited. If funds were not allotted, entries will be to accounts 456 and 500 (See Exhibit X10-20-3).
9. The parent financial management officer must sign the IOTV.
10. Two copies of the HHS 330-IOTV should be sent to the administering operating component accounting office for signature by the administering financial management officer or designee.
11. The administering accounting officer will return a signed copy to the parent accounting office as well as making distribution to its budget and program offices.

After receipt of the signed IOTV, the parent accounting office insures distribution of copies to its budget and program offices. (See exhibit X10-20-2).

Subsequently, the administering agency budget office must insure that allotments and allowances are issued.

If funds remain after the project is completed the administering accounting officer must reverse the IOTV documentation to return the unused budget authority back to the parent. If there are unobligated balances in an annual account at year-end these funds must be returned by the recipient. If additional recoveries of funds arise in subsequent years, these too must be returned via the HHS 330.

H. Reports

As of the end of each month the recipient operating component finance office will provide a status report of obligations and disbursements to the parent of the funds, in the form of an internal SF-133 and be so noted (see Chapter 5-55) along with other data required by the parent for external reports as well as internal management purposes. Data such as copies of SF-224s should be sent to aid in reconciling the TFS-6653s and to assure that all of the outlays are being reported. The parent must prepare the consolidated SF-133 and other required reports.

(10-20-20 continued)

The parent will not show a fund transfer to the administering agency's **operating component** on any external reports since an IOTV transfer (internal HHS process) is **an informal** allocation of budget authority.

I. Expenditure Transfers

Expenditure transfers are transactions that benefit the transferring account, (see section 10-20-10 - Definition).

There are various types and forms of expenditure transfers. Some examples are as follows:

- (1) Reimbursement - are payments, either in advance or after the fact, that consist of: (a) amounts earned for which payments are required to be credited to **an** appropriation or fund account for commodities, work, or services furnished to another account of the Federal Government; (b) orders accepted from another account of the Government for which an obligation is reportable by that account, and the collection creditable to an appropriation or fund; and (c) amounts advanced or collected from the public that are not yet earned by the account or fund.

Advance payments along with reimbursements are made under authority of Section 601 of the Economy Act 31 U.S.C. 1535 and 1536 or other provisions of law where the merger of funds in an appropriation or revolving fund is authorized even though there are no specific law involved.

- (2) Check Transfer is used for transactions where the paying or receiving agency is not in the Treasury disbursing area (i.e., agencies that do not submit SF-224s). The form used for billing is SF-1080 "Voucher for Transfers Between Appropriations and/or Funds" (see TFRM Chapter 2-2500 for the preparation and distribution process).
- (3) Non Check Transfer is another method of "paper transfer" that is an alternative to the check payment system in connection with federal interagency transactions. This is transacted with:
- (a) Treasury's SF-1081 "Voucher and Schedule of Withdrawals and Credit. This form is limited to transactions between agencies for which the Treasury disburses. It is used as a combined billing and payment document (See TFRM Chapter 2-2500 for the preparation and distribution process).

(10-20-20 continued)

- (b) Journal Voucher (used for transactions between two appropriations when accounted for by the same fiscal station).
- (c) Treasury's SF-224 "Statement of Transactions" (when agreed to by two agencies or organizations and supported by an SF-1081 and/or Journal Voucher).
- (d) **SIBAC** - Simplified Intragovernmental Billing and Collection System is used by billing agencies with a high volume of interagency transactions for certain **types** of transactions. GSA uses such a form of expenditure for billing and collection of **rents**, leases, etc (see TFRM 6-5000 for the procedure and process).

10-20-30 DISTRIBUTION OF NONEXPENDITURE AND EXPENDITURE FORMS

- A. SF-1151
~~SF-1151~~ will be prepared in an original and sufficient copies so that the office preparing the form may retain a copy and for local distribution needs such as the budget and program offices. Treasury should receive the original and four copies (five copies if nonexpenditure transfer is for borrowing and repayments from Treasury under loan authorization (I-TFRM 2-2060.30)).

Send Treasury copies to:

Manager, Appropriations and Investment Branch
Bureau of Government Financial Operations
Department of the Treasury, Annex No.1
Washington, D. C. 20226

Treasury will retain the original and distribute accomplished copies to the parent's and administering agency's finance office for recording the transaction.

- B. HHS 330-IOTV
This document is distributed between the "parent" and "administering" operating components. (See section 10-20-20 Inter-Office Transfer for distribution).
- C. Expenditure transfers
See Treasury's Fiscal Requirement Manual chapters I-TFRM 2-2500 (SF-1081 and SF-1080) and I-TFRM 2-3300 (SF-224).

SF 1151

Standard Form 1181 Revised December 1978 Department of the Treasury ITFM 1-3000	DOCUMENT NO. <u>80-11</u>		
NONEXPENDITURE TRANSFER AUTHORIZATION			
To _____ <div style="text-align: center; margin-top: 10px;"> APPROPRIATION AND INVESTMENT BRANCH <small>Division of Government Accounts and Reports Bureau of Government Financial Operations Department of the Treasury Treasury Annex No. 1 Washington, DC 20226</small> </div>			
You are hereby authorized to effect the transfer indicated below.			
TRANSFER FROM Dept. of Health, and Human Services Bureau _____ Address _____	TRANSFER TO Dept. of Education Bureau _____ Address _____		
ACCOUNT SYMBOL	AMOUNT	ACCOUNT SYMBOL	AMOUNT
75X0280 obligated	\$300,000.00	91X0102	\$300,000.00
75X0280 unobligated	100,000.00	91X0102	100,000.00
PLEASE PROCESS THIS DOCUMENT MAY 4, 198X			
AUTHORITY			
20 USC 3501, 3504			
The above transfer is proper under the <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> cited.			
<u>5/4/8X</u> <small>(Date)</small>		<u>JOHN DOE</u> <small>(Approving Official)</small>	

INTER-OFFICE TRANSFER VOUCHER

TYPE OF TRANSFER	TRANSFER VOUCHER NO.
RECEIVING STATION	ISSUING ACCOUNTING POINT NO.
ISSUING STATION	RECORD OUR ING MONTH OF
	RECEIVING ACCOUNTING POINT NO.
	DATE ISSUED
DETAILS OF TRANSFER OR LISTING OF ATTACHED DOCUMENTS	

APPROPRIATION SYMBOL <i>(Follow with allotment and obligation detail, if necessary)</i>	ISSUING OFFICE				RECEIVING OFFICE				
	DEBIT ACCT. NO.	CREDIT ACCT. NO.	✓	AMOUNT	✓	DEBIT ACCT. NO.	CREDIT ACCT. NO.	✓	AMOUNT
	TYPE NAME OF FINANCIAL MANAGEMENT OFFICER				TYPE NAME OF FINANCIAL MANAGEMENT OFFICER				
	SIGNATURE OF FINANCIAL MANAGEMENT OFFICER				SIGNATURE OF FINANCIAL MANAGEMENT OFFICER				

This exhibit illustrates the transactions discussed in this chapter in the form of transactions codes and general ledger accounts affected. Since these are illustrations not all variations are included.

Illustration of an Inter-Office Transfer. This illustrates the IOTV process. There are two appropriations and usually two finance offices **involved**, the "parent" or transferring office and the administering office. Initially the parent office would incur transaction codes 001, **007** and 013, i.e., warrant and apportionment. The IOTV transaction would then occur:

<u>Parent Office</u>	<u>General Ledger Accounts Affected</u>	<u>Explanation</u>
TC 270	Dr. 456.1 Unallotted Funds - Current Quarter Cr. 500 Inter-Agency Control	Transfer out of Category A apportioned funds by parent " " "
<u>Receiving Office</u>		
TC 271	Dr. 500 Inter-Agency Control Cr. 456.1 Unallotted Funds - Current Quarter	Transfer-in of Category A apportioned funds by recipient " " "

The transactions that occur beyond this point are similar to those of other obligations, accruals, and payment transactions such as transaction codes numbered **030, 031, 040, 050** and 191. Note that unobligated funds are returned to the parent by a reversal of the transactions above for the amount of unused funds.

Illustration of a Transfer Appropriation Account ("allocation account") - SF-1151
 This illustrates the non-expenditure (SF-1151) transfers (except certain unappropriated Trust accounts) to another Government agency to carry out the purposes of the parent appropriation/fund. After the parent office has incurred transaction codes 001 and 007 the non-expenditure transfer would then occur:

<u>Transaction</u>	<u>General Ledger Accounts Affected</u>	<u>Explanation</u>
TC 011	Dr. (A) 120.2 Advances to Federal Agencies - By Transfer (Non-Expenditure) Cr 101.1 Disbursing Funds also Dr. (B) 455 Unallotted Funds - Subsequent Qtr. Cr. 459 Apportionments Transferred to Other Agencies	Transfer out " "
TC 399-8	Debit value of goods or service acquired such as GL 137.1, 140.1 etc. Credit 120.2 Advances to Federal Agencies	" "

<u>Transaction</u>	<u>General Ledger Accounts Affected</u>	<u>Explanation</u>
TC 399-9	Dr. 459 Apportionment Transferred to Other Agencies	Transfer out
	Cr. 472 Expended Appropriation Reported Against Transfers to Other Agencies	"
TC 010	Dr. 101.1 Disbursing Funds Authority	Transfer in
	Cr. 271.2 Advances From Federal Agencies	"
	also	
	Dr. 421 Apportionments Transferred From Other Agencies	"
	Cr. 455 Unallotted Funds - Subsequent Qtrs.	"

The transactions that occur beyond this point for a transfer-in are similar to those of other obligations,

Expenditure Transfer

There are no illustrations shown for an expenditure transfer since these transactions follow the normal obligation/expenditure process.