

GUIDE FOR BASIC ACCOUNTING AND REPORTING
Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

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Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Version Number	Date	Description of Change	Effective USSGL TFM	Effective Date
1.0	6/6/2011	Original Version	S2-11-01	FY 2012

Proprietary Attributes

USSGL Account		USSGL Account Attributes for FACTS I						USSGL Account Attributes Other than FACTS I			
No.	USSGL Account Title	Normal Bal. Ind.	Fed/ NonFed	Trading Partner	Exch/ Nonexch	Budget Subfunction	Cust/ Noncust	Entity/ NonEnt	Covered/ NotCov	Program Indicator	Budgetary Impact Ind
2400	Liability for Nonfiduciary Deposit Funds and Undeposited Collections	C	N						Y		
2410	Liability for Clearing Account	C	Y	Y					Y		

Crosswalk Impact

USSGL Account Number	Balance Sheet	Net Cost	Net Position	Custodial Activity	P&F/ SF133	SBR	2108	Reclassified Balance Sheet ¹	Reclassified Net Cost ¹	Reclassified Net Position ¹
2400	Line 27	N/A	N/A	N/A	N/A	N/A	N/A	Line 6.10	N/A	N/A
2410	Lines 19, 27	N/A	N/A	N/A	N/A	N/A	N/A	Lines 6.10, 7.10	N/A	N/A

¹ Fiscal 2012 reclassified statements are not yet available. It is possible for the line numbers on the reclassified crosswalk to change at that time.

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Background:

Currently USSGL account 2400, “Liability for Nonfiduciary Deposit Funds, Clearing Accounts, and Undeposited Collections,” is used to report both deposit fund and clearing account activities. Monies deposited into a clearing account belong to the Federal government, whereas deposit funds do not. We have considered establishing a new USSGL account for deposits made to the clearing account which will increase Federal Government’s net position. However, it became apparent that some of these collections were already accounted for as receivable and revenue in performing agency’s TAS. We have also acknowledged that there are clearing account collections that were not previously accrued nor recognized as revenue, which would result in understating the performing agencies’ net position if a liability account is used to offset the collections. After much discussion, the IRC determined to continue to recognize the offsetting liability for clearing account deposits. The two arguments for recognizing the offsetting liabilities for clearing account deposits are:

1) *Accrual Method of Accounting*

If agencies adhere to basic accounting principles of accrual method, then the performing agency should have recorded the revenue with corresponding receivable when the revenue was earned. We have determined that if a financing resource is recorded in a clearing account for this particular event, then it will result in double counting of revenue, therefore overstating the net position of the performing agency.

2) *Principle of Conservatism*

We recognize a clearing account may have many different types of collections and may require different accounting treatments. As a result, we have applied conservatism principle to the clearing account collections. Conservatism should be used when a degree of skepticism is warranted and where prudence in financial accounting and reporting is applied. If there are two reasonable alternatives, the more conservative option should be chosen to have an alternative that will result in less income or less asset value. Conservatism principle anticipates or discloses losses but gains do not have a similar treatment. For clearing account collections, a recognition of liability was chosen over a recognition of the financing source to prevent any possible double counting of revenue. This alternative will have a less impact on the net position of the performing entity.

Nonfiduciary Deposit Funds²

A deposit fund is an account created to capture and record monies that do not belong to the Federal government. Nonfiduciary deposit funds are deposit funds that do not meet the definition and characteristics of fiduciary activities in SFFAS 31. For example, deposit funds that are excluded from being reported as fiduciary activities in SFFAS 31, paragraphs 13-15 are nonfiduciary deposit funds.

² A deposit fund in this scenario only refers to nonfiduciary deposit fund, which is a deposit fund that does not meet the requirements of SFFAS No. 31, Accounting for Fiduciary Activities.

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According to SFFAS No 31, Accounting for Fiduciary Activities, paragraph 31. “. . . non-entity assets under an entity’s custody or management should be reported in the entity’s financial statements, except for non-entity assets meeting the definition of fiduciary assets, which should not be recognized on the balance sheet, but should be disclosed in accordance with the provisions of SFFAS 31, *Accounting for Fiduciary Activities*. Non-entity assets recognized on an entity’s balance sheet should be segregated from entity assets. An amount equal to non-entity assets recognized on the balance sheet should be recognized as a liability (due to Treasury or other entities).” It is acknowledged that deposit funds should only record non-entity asset and corresponding liability on the agencies balance sheet. If any flow accounts are recorded in a deposit fund then the agency’s net position will also be impacted resulting a distortion of the agency’s net position.

TFM, chapter 1500, DESCRIPTION OF ACCOUNTS RELATING TO FINANCIAL OPERATIONS

Section 1535—Deposit Fund Accounts are defined as:

FMS establishes deposit fund accounts to record monies that do not belong to the Federal Government. Deposit funds are a liability in the Government’s central summary general ledger since those assets do not belong to the Government. The deposit fund account (liability) classification is proper for any account that meets one of the following three criteria:

- Monies withheld from Government payments for goods and services received. Agencies may treat this transaction as a deposit fund liability only when they have charged a budget account and the Government is holding the funds pending payment (for example, payroll deductions for savings bonds or State income taxes).
- Monies the Government is holding awaiting distribution based on a legal determination or investigation. This category includes monies in dispute (between the Government and outside parties) where ownership is in doubt and there is no present basis for estimating ultimate distribution.
- Deposits received from outside sources for which the Government is acting solely as a banker, fiscal agent, or custodian. This includes certain cash and investments held outside of Treasury. Also, refer to TFM Volume I, Part 2, Chapter 3400 for additional information.

OMB Circular A11

20.12(f) *Deposit funds*.

You use deposit funds to account for monies that do not belong to the Government. This includes monies held temporarily by the Government until ownership is determined (such as earnest money paid by bidders for mineral leases) or held by the Government as an agent for others (such as State and local income taxes withheld from Federal employees' salaries and not yet paid to the State or local government). We exclude deposit fund transactions, as such, from the budget totals because the funds are not owned by the Government. Therefore, the budget records transactions between deposit funds and budgetary accounts as transactions with the public. For example, when the mineral leasing process has been completed, the winning bidder's earnest

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money is transferred from the deposit fund to the appropriate receipt account and the budget records a receipt. Similarly, outlays are recorded in an agency's salaries and expense account when a Federal employee is paid, even though some of the amount is transferred to a deposit fund for State and local income taxes withheld and paid later to the State and local government. Deposits and associated disbursements are recorded in the same account.

Clearing Accounts

Clearing accounts are amounts that are known to belong to the Federal government but held temporarily until additional information is collected to correctly identify the collections into appropriate receipt or expenditure accounts.

OMB Circular A11

20.12 What do I need to know about accounts and fund types?

(e) *Clearing accounts.*

You use clearing accounts to temporarily account for transactions that you know belong to the Government while you wait for information that will allow you to match the transaction to a specific receipt or expenditure account. For example:

- To temporarily credit unclassified transactions from the public when there is a reasonable presumption that the amounts belong to a Federal Government account other than miscellaneous receipts in the Treasury.
- To temporarily credit unclassified transactions between Federal agencies, including Intragovernmental Payment and Collection (IPAC) transactions.

You should not use clearing accounts to mask an over obligation or over expenditure of an expenditure account.

I TFM Part 2—Chapter 1500

DESCRIPTION OF ACCOUNTS RELATING TO FINANCIAL OPERATIONS

1520.25—Clearing Accounts

FMS establishes clearing accounts to temporarily hold unidentifiable general, special, or trust funds collections that belong to the Federal Government until they are classified to the proper receipt or expenditure account by the Federal entity. An “F” preceding the last four digits of the fund account symbol identifies these accounts. Clearing accounts consist of the “3800” series fund group preceded by the two-digit department regular code. Agencies should use the following:

- Budget clearing account (suspense), __F3875, to temporarily credit unclassified transactions from the public when there is a reasonable presumption that the amounts belong to their agencies.

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- Undistributed intergovernmental payments account, __F3885, to temporarily credit unclassified transactions between Federal agencies, including Intra-governmental Payment and Collection (IPAC) transactions.

Clearing accounts³ listed on the FAST Book

Clearing Account	Description	Comments
F3500	Collections and/or Payments Default	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3502	IPAC Default	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3810	Undistributed Proceeds from Sale of Foreign Currency	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3820	Unidentified Cash Collections, Federal Tax Deposits, Internal Revenue Service	(20A3040) Reported as receipts in MTS Table 4.
F3840	Real Property, General Services Administration	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3842	Broker Rebates, General Services Administration	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3844	Deposits of Litigations, Internal Revenue Service, Treasury	(20A3045) Reported as offsetting receipts in MTS Table 5.
F384	Proceeds of Sales, Personal Property	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3870	Undistributed Intragovernmental Payrolls, Health and Human Services	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3875	Budget Clearing Account (suspense)	(20A3045) Reported as offsetting receipts in MTS Table 5. Grossly misused in the past, all agencies other than those with waivers ⁴ should have a -0- balance.
F3880	Unavailable Check Cancellations and Overpayments (suspense)	(20A3045) Reported as offsetting receipts in MTS Table 5.
F3385	Undistributed Intragovernmental Payments	(20A3045) Reported as offsetting receipts in MTS Table 5. Grossly misused in the past, all agencies other than those with waivers ² should have a -0- balance

³ OMB Circular A11, Section 20.12, What do I need to know about accounts and fund types?

Characteristics of Fund Types and Their Accounts: Clearing accounts: What is the Purpose of the account? “Temporarily hold general, special, or trust fund Federal Government collections or disbursements to the applicable receipt or expenditure accounts. (Amounts in clearing accounts should not be used to make outlays or payments)”

⁴ TFM Volume I, Bulletin No. 2007-07, “Reporting agencies that have justifiable business needs for keeping a suspense account may submit a waiver to OMB and FMS to request the continued use of the F3875 and/or F3885 suspense accounts for specific business purposes. Agencies must submit a written waiver request to OMB and FMS (see paragraph 9) by January 31, 2008. . . .”

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Changes to Existing USSGL Accounts

Account Number: 2400

Old Account Title: Liability for Nonfiduciary Deposit Funds, ~~Clearing Accounts~~, and Undeposited Collections

New Account Title: Liability for Nonfiduciary Deposit Funds and Undeposited Collections

Normal Balance: Credit

Old Definition: Amounts offsetting undeposited collections and collections deposited in nonfiduciary deposit funds ~~and clearing accounts, including suspense accounts, awaiting disposition or reclassification.~~ This account does not close at yearend.

New Definition: Amounts offsetting undeposited collections and collections deposited in nonfiduciary deposit funds awaiting disposition. This account does not close at yearend.

Justification: Funds deposited into a clearing account belongs to the Federal Government therefore, a separate accounts was needed to separately identify clearing account transactions from a nonfiduciary deposit fund.

New USSGL Accounts

Account Title: Liability for Clearing Accounts

Account Number: 2410

Normal Balance: Credit

Definition: The amount that offsets collections deposited in clearing accounts awaiting disposition or reclassification. This account does not close at year-end.

Justification: To separately identify clearing account transactions from nonfiduciary deposit fund transactions.

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Listing of USSGL Accounts Used in This Scenario

Budgetary
4119 Other Appropriations Realized
4266 Other Actual Business-Type Collections From Non-Federal Sources
4450 Unapportioned Authority
4902 Delivered Orders - Obligations, Paid
Proprietary
1010 Fund Balance With Treasury
2400 Liability for Nonfiduciary Deposit Funds and Undeposited Collections
2410 Liability for Clearing Account
2530 Securities Issued by Federal Agencies Under General and Special Financing Authority
2531 Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority
2533 Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
3101 Unexpended Appropriations - Appropriations Received
3107 Unexpended Appropriations – Used
5325 Administrative Fees Revenue
5700 Expended Appropriations
5790 Other Financing Sources
6320 Interest Expenses on Securities

Section I. Nonfiduciary Deposit Funds with Investment Authority

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Year 1

A beginning trial balance is not applicable in this scenario

1. To record cash collection into non-fiduciary deposit fund.

Nonfiduciary Deposit Fund (Agency 40)	DR	CR	TC	BPD (Agency 20)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> 1010 Fund Balance with Treasury 2400(N) Liability for Deposit Funds	100,000	100,000	C108	<u>Proprietary</u> None			

2. To record investment of Treasury securities by non-fiduciary deposit fund. This should be done only if the deposit fund has the investment authority.

Nonfiduciary Deposit Fund (Agency 40)	DR	CR	TC	BPD (Agency 20)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> 1610(N) Investment in US securities issued by BPD ⁵ 1611(N) Discount on US Treasury Securities Issued by the BPD 1010 Fund Balance with Treasury	100,000	10,000 90,000	B166	<u>Proprietary</u> 1010 Fund Balance with Treasury 2531(N) Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority 2530(N) Securities Issued by Federal Agencies Under General and Special Financing Authority	90,000 10,000	100,000	B127

⁵ Agencies are instructed to reclassify their deposit fund GAS securities to "F99" in the GFRS closing package.

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

3. To record amortization of the discount on the BPD securities. (Interest revenue is not recorded in the deposit fund, since this is a non-entity activity it should not affect collecting entity's net position, see SFFAS No.1, paragraph 26)

Nonfiduciary Deposit Fund (Agency 40)	DR	CR	TC	BPD (Agency 20)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> 1613(N) Amortization of Discount and Premium on US Treasury securities Issued by the BPD 2400(N) Liability for Deposit Funds (Interest income)	400	400	E115	<u>Proprietary</u> 6320 (N) Interest Expense on Securities 2533(N) Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	400	400	E124

4. To record accrual of interest from BPD securities. (Interest revenue is not recorded in the deposit fund, since this is an non-entity activity it should not affect collecting entity's net position, see SFFAS No.1, paragraph 26)

Nonfiduciary Deposit Fund (Agency 40)	DR	CR	TC	BPD (Agency 20)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> 1342(N) Interest Receivable - Investments 2400(N) Liability for Deposit Funds (Interest income)	500	500	C417	<u>Proprietary</u> 6320 (N) Interest Expense on Securities 2141(N)Accrued Interest Payable – Debt	500	500	

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5. To record appropriation received for payment of interest.

Nonfiduciary Deposit Fund (Agency 40)	DR	CR	TC	BPD (Agency 20)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> 4119 Other Appropriations Realized	500		A104
				4620 Unobligated Funds Not Subject to Apportionment		500	
<u>Proprietary</u> None				<u>Proprietary</u> 1010 Fund Balance with Treasury	500		
				3101 Unexpended Appropriation Received		500	

6. To record GAS securities interest payment from BPD to the deposit fund.

Nonfiduciary Deposit Fund (Agency 40)	DR	CR	TC	BPD (Agency 20)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> 4620 Unobligated Funds Not Subject to Apportionment	500		
				4902 Delivered Orders – Obligations, Paid		500	
<u>Proprietary</u> 1010 Fund Balance with Treasury	500		C156	<u>Proprietary</u> 2141(N)Accrued Interest Payable – Debt	500		B112
1342(N) Interest Receivable - Investments		500		1010 Fund Balance with Treasury		500	
				3107 Unexpended Appropriation - Used	500		B134
				5700 Expended Appropriations		500	

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

7. To record administrative fees earned for administering the deposit fund.

Agency 40 - Nonfiduciary Deposit Fund	DR	CR	TC	Agency 40 - Operating TAS	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> None				<u>Proprietary</u> 1370(N) Administrative Fees Receivable – Not Otherwise Classified 5325(N) Administrative Fee Revenue	100	100	C420

Note: The Nonfiduciary deposit funds should only record assets and liabilities. Therefore when the money comes into the Agency 40 operating TAS, the administrative revenue should be recorded with the “N”. By coding it with domain value “N”, it will be picked up on FR.

8. To record payment of administrative fees to Agency 40’s operating TAS.

Agency 40 - Nonfiduciary Deposit Fund	DR	CR	TC	Agency 40 - Operating TAS	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> 4266 Other Actual Business Type Collections from Nonfederal Sources 4450 Unapportioned Authority	100		A140 + C109
<u>Proprietary</u> 2400(N) Liability for Deposit Funds 1010 Fund Balance with Treasury	100	100	D506	<u>Proprietary</u> 1010 Fund Balance with Treasury 1370(N) Administrative Fees Receivable – Not Otherwise Classified	100	100	

Note: The Nonfiduciary deposit funds should only record assets and liabilities. Therefore when the money comes into the Agency 40 operating TAS, the administrative revenue should be recorded with the “N”.

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

YEAR 1: Preclosing Trial Balance

USSGL Account	Agency 40 Deposit Fund		Agency 40 Operating Fund		Agency 40 Total	
	Debit	Credit	Debit	Credit	Debit	Credit
<u>Budgetary</u>						
4266 Other Actual Business-Type Collections From Non-Federal Sources	N/A	N/A	100		100	
4450 Unapportioned Authority	N/A	N/A		100		100
Total			100	100	100	100
<u>Proprietary</u>						
1010 Fund Balance With Treasury	10,400		100		10,500	
1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	100,000		0		100,000	
1611 Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt		10,000		0		10,000
1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	400		0		400	
2400 Liability for Nonfiduciary Deposit Funds, Clearing Accounts, and Undeposited Collections		100,800		0		100,800
5325 Administrative Fees Revenue				100		100
Total	110,800	110,800	100	100	110,900	110,900

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 BALANCE SHEET YEAR 1

Assets

Intragovernmental

1. Fund Balance with Treasury (1010E) 10,500

Assets with the Public

8. Investments (1610,1611, 1613) 90,400

15. Total Assets 100,900

Liabilities

27. Other (2400E) 100,800

Total Liabilities 100,800

Net Position

32. Cumulative Results of Operations – Other Funds (5325) 100

34. Total Net Position 100

35. Total Liabilities and Net Position 100,900

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 STATEMENT OF NET COST YEAR 1

Program Costs

Program A:

2. Less: Earned Income (5325E)

100

3. Net Program Costs

(100)

6. Costs Not Assigned to Programs

7. Less: Earned Revenues Not Attributable to Programs

8. Net Cost of Operations

(100)

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 STATEMENT OF CHANGES IN NET POSITION YEAR 1

Cumulative Results of Operations

1. Beginning Balance	0
2. Adjustments	
3. Beginning Balances, as Adjusted	0

Budgetary Financing Sources

4. Other Adjustments	
5. Appropriations Used (5700)	
6. Nonexchange Revenue	
7. Donations and Forfeitures	
8. Transfers in/out without reimbursements	
9. Other	

Other Financing Sources:

10. Donations and Forfeitures	
11. Transfers in/out without reimbursements	
12. Imputed Financing	
13. Other (5994)	
14. Total Financing Sources	
15. Net Cost of Operations	100
16. Net Change	
17. Cumulative Results of Operations	100

Unexpended Appropriations

20. Beginning Balance, as adjusted	0
Budgetary Financing Sources	
25. Total Budgetary Financing Sources	
26. Total Unexpended Appropriations	0
27. Net Position	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Closing Entries

C1. To record the consolidation of actual net-funded resources and reductions for withdrawn funds.

USSGL Account	Debit	Credit	TC
<i>Budgetary</i>			
4201 Total Actual Resources - Collected	100		F302
4266 Other Actual Business-Type Collections From Non-Federal Sources Appropriated Trust or Special Fund Receipts		100	
<i>Proprietary</i>			
None			

C2. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.

USSGL Account	Debit	Credit	TC
<i>Budgetary</i>			
None			
<i>Proprietary</i>			
5325 Administrative Fees Revenue	100		F336
3310 Cumulative Results of Operations		100	

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

YEAR 1: Post Closing Trial Balance	Agency 40 Total		
	USSGL Account	Debit	Credit
Budgetary			
4201 Total Actual Resources - Collected		100	
4450 Unapportioned Authority			100
Total		100	100
Proprietary			
1010 Fund Balance With Treasury		10,500	
1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt		100,000	
1611 Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt			10,000
1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt		400	
2400 Liability for Nonfiduciary Deposit Funds, Clearing Accounts, and Undeposited Collections			100,800
3310 Cumulative Results of Operations			100
Total		110,900	110,900

II. Clearing Account Guidance

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

I. Unidentified Nonfederal Collection

YEAR 1

1) To record revenue earned from nonfederal entity

Clearing/suspense account (Agency 40)	DR	CR	TC	Agency TAS (Agency 40)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> None				<u>Proprietary</u> 1310N Accounts receivable 5200N Revenue from Services Provided	100	100	C420

2) To record nonfederal collection deposited into a clearing account. The collection belongs to the Federal government but appropriate TAS is not yet identified.

Clearing/suspense account (Agency 40)	DR	CR	TC	Agency TAS (Agency 40)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> None			
<u>Proprietary</u> 1010 Fund Balance with Treasury 2410N Liability for Clearing Account	100	100	C111	<u>Proprietary</u> None			

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

PRE-CLOSING ADJUSTING TRIAL BALANCE YEAR 1

Agency 40	Clearing account		Operating TAS		Consolidated	
BUDGETARY	DR	CR	DR	CR	DR	CR
N/A						
PROPRIETARY						
1010 Fund Balance With Treasury	100		0		100	
1310N Accounts Receivable	0		100		100	
2410N Liability for Clearing Account		100		0		100
5200N Revenue from Services Provided		0		100		100
TOTALS	100	100	100	100	200	200

Note: Clearing account does not prepare SF133, P&F and 2108.

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

BALANCE SHEET YEAR 1

Assets

Intragovernmental

1. Fund Balance with Treasury (1010E) 100

Assets with Public

9. Accounts Receivable (1310E) 100

15. Total Assets 200

Liabilities

27. Other (2410N) 100

Total Liabilities 100

Net Position

31. Unexpended Appropriation – Other Funds (3100E) 0

33. Cumulative Results of Operations-Other Funds 100

34. Total Net Position 0

35. Total Liabilities and Net Position 200

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

STATEMENT OF NET COST YEAR 1

Program Costs

Program A:

1. Gross Cost :

2. Less: Earned Income(5200E) 100

3. Net Program Costs 100

6. Costs Not Assigned to Programs

7. Less: Earned Revenues Not Attributable to Programs

8. Net Cost of Operations 100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

STATEMENT OF CHANGES IN NET POSITION YEAR 1

Cumulative Results of Operations

3. Beginning Balances, as Adjusted 0

Budgetary Financing Sources

4. Other Adjustments

5. Appropriations Used (5700) 0

6. Nonexchange Revenue

7. Donations and Forfeitures

8. Transfers in/out without reimbursements

9. Other

Other Financing Sources:

10. Donations and Forfeitures

11. Transfers in/out without reimbursements

12. Imputed Financing

13. Other 0

14. Total Financing Sources 0

15. Net Cost of Operations 100

16. Net Change

17. Cumulative Results of Operations 100

Unexpended Appropriations

20. Beginning Balance, as adjusted 0

Budgetary Financing Sources

25. Total Budgetary Financing Sources 0

26. Total Unexpended Appropriations 0

27. Net Position 100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Closing entries for Year 1

C1. To record the closing of revenue to cumulative results of operations. Section III – Transaction F336.		
5200 Revenue from Services Provided	100	
3310 Cumulative Results of Operations		100

POST-CLOSING TRIAL BALANCE YEAR 1

Agency 40	Clearing account		Operating TAS		Combined	
BUDGETARY	DR	CR	DR	CR	DR	CR
N/A						
PROPRIETARY						
1010 Fund Balance With Treasury	100				100	
1310N Accounts Receivable			100		100	
2410N Liability for Clearing Account		100				100
3310 Cumulative Results of Operations				100		100
TOTALS	100	100	100	100	200	200

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

YEAR 2

BEGGINING TRIAL BALANCE

Agency 40	Clearing account		Operating TAS		Combined	
BUDGETARY	DR	CR	DR	CR	DR	CR
N/A						
PROPRIETARY						
1010 Fund Balance With Treasury	100		0		100	
1310N Accounts Receivable	0		100		100	
2410N Liability for Clearing Account		100		0		100
3310 Cumulative Results of Operations		0		100		100
TOTALS	100	100	100	100	200	200

1) To record anticipated collections from nonFederal entity.

Clearing/suspense account (Agency 40)	DR	CR	TC	Agency TAS (Agency 40)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> 4070 Anticipated Collection from Nonfederal Entity	100		A140
<u>Proprietary</u> None				4450 Unapportioned Authority		100	
				<u>Proprietary</u> None			

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

2. To record reclassification of collection from a clearing account once amounts are identified to appropriate TAS (reverse the original entry recorded in the clearing account).

Clearing/suspense account (Agency 40)	DR	CR	TC	Agency TAS (Agency 40)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> 4266 Other Actual Business Type Collections from Nonfederal Sources	100		C109
<u>Proprietary</u> 2410N Liability for Clearing Account 1010 Fund Balance with Treasury	100		D507	4070 Anticipated Collection from Nonfederal Entity		100	
		100		<u>Proprietary</u> 1010 Fund Balance with Treasury 1310N Accounts Receivable	100		
						100	

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 PRE-CLOSING TRIAL BALANCE YEAR 2

	Clearing account		Operating TAS		Consolidated	
	DR	CR	DR	CR	DR	CR
BUDGETARY						
4266 Other Actual Business Type Collections from Nonfederal Sources			100		100	
4450 Unapportioned Authority				100		100
TOTALS			100	100	100	100
PROPRIETARY						
1010 Fund Balance With Treasury	0		100		100	
1310N Accounts Receivable			0		0	
2410N Liability for Clearing Account	0					
3310 Cumulative Results of Operations		0		100		100
TOTALS	0	0	100	100	100	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40

SF133: REPORTING ON BUDGET EXECUTIONS AND BUDGETARY RESOURCES AND BUDGET PROGRAM & FINANCING (P&F) SCHEDULE YEAR 2

BUDGETARY RESOURCES	SF 133	P&F
Budget authority:		
Appropriations:		
Discretionary:		
1700 Spending authority from offsetting collections (4266E)	100	100
1910 Total budgetary resources (calc. line 1910)	100	N/A
1930 Total budgetary resources available (calc. line 1101)	N/A	100
MEMORANDUM (NON-ADD) ENTRIES		
1941 Unexpired unobligated balance carried forward, end of year (4450E)	N/A	100
STATUS OF BUDGETARY RESOURCES		
Obligation Incurred Direct:		
2001 Obligation Incurred, Direct (4901, 4902)	0	N/A
2004 Direct obligations (total)	0	N/A
Unobligated balance:		
2403 Other (4450)	100	N/A
2500 Total budgetary resources	100	N/A
CHANGE IN OBLIGATED BALANCE		
Changes in obligated balance during the year:		
3030 Obligations incurred, unexpired accounts (4902E)	0	0
3040 Outlays (gross) (-) (4902E)	(0)	(0)
3100 Obligated balance, end of year (calc. lines 3030 and 3040)	0	0
BUDGET AUTHORITY AND OUTLAYS, NET		
Discretionary:		
Gross budget authority and outlays:		
4000 Budget authority gross (calc. lines 1100 through 1152)	100	100
4010 Outlays from new discretionary authority	0	0
4020 Total outlays, gross (calc. line 4010)	0	0
4070 Budget authority, net (discretionary) (calc. line 4000)	100	100
4080 Outlays, net (discretionary) (calc. line 4010)	0	0

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Budget authority and outlays, net (total):		
4180 Budget authority, net (discretionary and mandatory) (calc. line 4070)	100	100
4190 Outlays, net (discretionary and mandatory) (calc. line 4080)	0	0

Agency 40
FMS 2108 Year-End Closing Statement
YEAR 2

Column 5 (1010E)	100
Column 10 (4901E)	<u>0</u>
Column 11 (calc)=(4450E)	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 BALANCE SHEET YEAR 2

Assets

Intragovernmental

1. Fund Balance with Treasury (1010E) 100

15. Total Assets 100

Liabilities

Total Liabilities 0

Net Position

31. Unexpended Appropriation – Other Funds (3100E) 0

33. Cumulative Results of Operations-Other Funds (3310E) 100

34. Total Net Position 100

35. Total Liabilities and Net Position 100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 STATEMENT OF NET COST YEAR 2

Program Costs

Program A:

1. Gross Cost :	
2. Less: Earned Income(5200E)	0
3. Net Program Costs	<u>(0)</u>
6. Costs Not Assigned to Programs	
7. Less: Earned Revenues Not Attributable to Programs	
8. Net Cost of Operations	<u>(0)</u>

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Agency 40 STATEMENT OF CHANGES IN NET POSITION YEAR 2

Cumulative Results of Operations

1. Beginning Balance	100
2. Adjustments	
3. Beginning Balances, as Adjusted	100

Budgetary Financing Sources

4. Other Adjustments	
5. Appropriations Used (5700)	0
6. Nonexchange Revenue	
7. Donations and Forfeitures	
8. Transfers in/out without reimbursements	
9. Other	

Other Financing Sources:

10. Donations and Forfeitures	
11. Transfers in/out without reimbursements	
12. Imputed Financing	
13. Other	0
14. Total Financing Sources	0
15. Net Cost of Operations	0
16. Net Change	<u>0</u>
17. Cumulative Results of Operations	0

Unexpended Appropriations

20. Beginning Balance, as adjusted	0
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Budgetary Financing Sources

25. Total Budgetary Financing Sources	
26. Total Unexpended Appropriations	0
27. Net Position	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

CLOSING ENTRIES FOR END OF YEAR 2

C1. To record the consolidation of actual net funded resources. Section III – Transaction F302.	
4201 Total Actual resources collected	100
4266 Other Actual Business Type Collections from Nonfederal Sources	100

POST-CLOSING TRIAL BALANCE YEAR 2

Agency 40	Clearing account		Operating TAS		Consolidated	
BUDGETARY	DR	CR	DR	CR	DR	CR
4201 Total Actual resources collected			100		100	
4450 Unapportioned Authority				100		100
			100	100	100	100
PROPRIETARY						
1010 Fund Balance With Treasury	0		100		100	
1310N Accounts Receivable	0		0		0	
2410N Liability for Clearing Account		0		0		0
3310 Cumulative Results of Operations		0		100		100
TOTALS	0	0	100	100	100	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

PRE-CLOSING TRIAL BALANCE YEAR 1

	Agency 30		Agency 40 Clearing Acct		Agency 40 Operating TAS		Agency 40 Consolidated	
	DR	CR	DR	CR	DR	CR	DR	CR
BUDGETARY								
4119 Other Appropriations Realized	100		N/A		0		0	
4251 Reimbursement and Other Income Earned – Receivable	0		N/A		100		100	
4450 Unapportionment		0		N/A		100		100
4902 Delivered Orders – Obligations, Paid		100		N/A		0		0
TOTALS	100	100	N/A	N/A	100	100	100	100
PROPRIETARY								
1010 Fund Balance With Treasury	0		100			0	100	
1310F(30) Accounts Receivable	0		0		100		100	
2410F(00) Liability for Clearing Account		0		100		0		100
3101 Unexpended Appropriation Received		100		0		0		0
3107 Unexpended Appropriation - Used	100		0		0		0	
3310 Cumulative Results of Operations		0		0		0		0
5200F(30) Revenue from Service Provide		0		0		100		100
5700 Expended Appropriations		100		0		0		0
6100F(40) Operating Expense	100		0		0		0	
TOTALS	200	200	100	100	100	100	200	200

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

SF133: REPORTING ON BUDGET EXECUTIONS AND BUDGETARY RESOURCES AND BUDGET PROGRAM & FINANCING (P&F) SCHEDULE YEAR 1

	Agency 30		Agency 40	
	SF 133	P&F	SF 133	P&F
BUDGETARY RESOURCES				
Budget authority:				
Appropriations:				
Discretionary:				
1100 Appropriations (4119E)	100	100	N/A	N/A
1701 Changes in Uncollected Customer Payments from Federal Source (4251E-B)			100	100
1910 Total budgetary resources (calc. line 1910)	100	N/A	N/A	N/A
1930 Total budgetary resources available (calc. line)	N/A	100	N/A	N/A
MEMORANDUM (NON-ADD) ENTRIES			N/A	N/A
1941 Unexpired unobligated balance carried forward, end of year (4450E)	N/A	100	N/A	N/A
STATUS OF BUDGETARY RESOURCES			N/A	N/A
Obligation Incurred Direct:			N/A	N/A
2001 Obligation Incurred, Direct (4901, 4902)	100	N/A		
2004 Direct obligations (total)	0	N/A	N/A	N/A
Unobligated balance:				
2403 Other (4450)	0	N/A	100	N/A
2500 Total budgetary resources	100	N/A	N/A	N/A
CHANGE IN OBLIGATED BALANCE			N/A	N/A
Changes in obligated balance during the year:			N/A	N/A
3030 Obligations incurred, unexpired accounts (4902E)	100	100	N/A	N/A
3040 Outlays (gross) (-) (4902E)	(100)	(100)	N/A	N/A
3100 Obligated balance, end of year (calc. lines 3030 and 3040)	0	0	N/A	N/A
BUDGET AUTHORITY AND OUTLAYS, NET			N/A	N/A
Discretionary:			N/A	N/A
Gross budget authority and outlays:				
4000 Budget authority gross (calc. lines 1100 through 1152)	200	200		
4010 Outlays from new discretionary authority (4902)	100	100	N/A	N/A
4020 Total outlays, gross (calc. line 4010)	100	100	N/A	N/A
4070 Budget authority, net (discretionary) (calc. line 4000)	200	200	N/A	N/A

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

4080 Outlays, net (discretionary) (calc. line 4010)	100	100	N/A	N/A
Budget authority and outlays, net (total):			N/A	N/A
4180 Budget authority, net (discretionary and mandatory) (calc. line 4070)	200	200		
4190 Outlays, net (discretionary and mandatory) (calc. line 4080)	100	100	N/A	N/A

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

FMS 2108 Year-End Closing Statement YEAR 1

	Agency 30	Agency 40
Column 5 (1010E)	0	N/A ⁶
Column 10 (4901E)	0	N/A
Column 11 (calc)=(4450E)	0	N/A

BALANCE SHEET YEAR 1

Assets

	<u>Agency 30</u>	<u>Agency 40</u>
Intragovernmental		
1. Fund Balance with Treasury (1010E)	0	100
3. Accounts Receivable (1310)	0	100
15. Total Assets	<u>0</u>	<u>200</u>

Liabilities

19 Other (2410)		100
Total Liabilities	<u>0</u>	<u>0</u>

Net Position

31. Unexpended Appropriation – Other Funds (3100E)	0	0
33. Cumulative Results of Operations-Other Funds (3310E)	<u>0</u>	<u>0</u>
34. Total Net Position	0	<u>100</u>
35. Total Liabilities and Net Position	<u>0</u>	<u>200</u>

⁶ Fund Balance is held in a clearing account.

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

STATEMENT OF NET COST YEAR 1

	Agency 30	Agency 40
Program Costs		
Program A:		
1. Gross Cost (6100E)	100	0
2. Less: Earned Income	0	100
3. Net Program Costs	100	(100)
6. Costs Not Assigned to Programs		0
7. Less: Earned Revenues Not Attributable to Programs		
8. Net Cost of Operations	100	(100)

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

STATEMENT OF CHANGES IN NET POSITION YEAR 1

	Agency 30	Agency 40
Cumulative Results of Operations		
3. Beginning Balances, as Adjusted	0	0
Budgetary Financing Sources		
4. Other Adjustments		
5. Appropriations Used (5700)	100	0
6. Nonexchange Revenue		
7. Donations and Forfeitures		
8. Transfers in/out without reimbursements		
9. Other		
Other Financing Sources:		
10. Donations and Forfeitures		
11. Transfers in/out without reimbursements		
12. Imputed Financing		
13. Other (5796)		0
14. Total Financing Sources	100	
15. Net Cost of Operations	<u>(100)</u>	100
16. Net Change	0	100
17. Cumulative Results of Operations	0	0
Unexpended Appropriations		
18. Beginning Balance	0	0
19. Adjustments		
20. Beginning Balance, as adjusted	0	0
Budgetary Financing Sources		
25. Total Budgetary Financing Sources		
26. Total Unexpended Appropriations (3101, 3107)	0	0
27. Net Position	<u>0</u>	<u>100</u>

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

CLOSING ENTRIES FOR END OF YEAR 1

C1. To record the consolidation of actual net funded resources. Section III – Transaction F302.		
Agency 30	Agency 40	
4201 Total Actual resources collected 100	N/A	
4119 Other Appropriation Realized 100		

C2. To record the closing of paid delivered orders to total actual resources. Section III – Transaction F314.		
Agency 30	Agency 40	
4902 Delivered Orders – Obligations, Paid 100	N/A	
4201 Total Actual resources collected 100		

C3. To record the closing of revenue, expense and other financing sources to cumulative results of operations. Section III – Transaction F336.		
Agency 30	Agency 40	
5700 Expended Appropriation 100	5200 Revenue from Service Provided 100	
3310 Cumulative Results of Operations 0	3310 Cumulative Results of Operations 100	
6100 Operating expense 100		

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

POST-CLOSING TRIAL BALANCE YEAR 1

	Agency 30		Agency 40 Clearing Acct		Agency 40 Operating TAS		Agency 40 Consolidated	
	DR	CR	DR	CR	DR	CR	DR	CR
BUDGETARY								
4201 Total Actual resources collected	0		N/A		0		0	
4251 Reimbursement and Other Income Earned – Receivable	0		N/A		100		100	
4450 Unapportionment		0		N/A		100		100
4902 Delivered Orders – Obligations, Paid		0		N/A		0		0
TOTALS	0	0	N/A	N/A	100	100	100	100
PROPRIETARY								
1010 Fund Balance With Treasury	0		100		0		100	
1310F(30) Accounts Receivable	0			0	100		100	
2410F(00) Liability for Clearing Account		0		100		0		100
3100 Unexpended Appropriation Received		0				0		0
3310 Cumulative Results of Operations		0		0		100		100
TOTALS	0	0	100	100	100	100	200	200

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

II. Unidentified Federal Collections YEAR 2 – Only illustrates Agency 40 activities

Beginning Trial Balance

	Agency 40 Clearing Account		Agency 40 Operating TAS		Agency 40 Consolidated	
	DR	CR	DR	CR	DR	CR
BUDGETARY						
4251 Reimbursement and Other Income Earned – Receivable			100		100	
4450 Unapportionment				100		100
TOTALS			100	100	100	100
PROPRIETARY						
1010 Fund Balance With Treasury	100				100	
1310F(30) Accounts Receivable	0		100		100	
2410F Liability for Clearing Account		100				100
3310 Cumulative Results of Operations		0		100		100
TOTALS	100	100	100	100	200	200

1) To record a classification of money from the clearing account to appropriate TAS (reverse the original entry recorded in the clearing account).

Clearing/suspense account (Agency 40)	DR	CR	TC	Agency operating TAS (Agency 40)	DR	CR	TC
<u>Budgetary</u> None				<u>Budgetary</u> 4252 Reimbursement and Other Income Earned – Collected	100		C186
<u>Proprietary</u> 2410F(30) Liability for Clearing Account	100			4251 Reimbursement and Other Income Earned – Receivable		100	
1010 Fund Balance with Treasury		100	D507	<u>Proprietary</u> 1010 Fund Balance with Treasury	100		
				1310(F30) Accounts Receivable		100	

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

PRE-CLOSING TRIAL BALANCE YEAR 2

	Agency 40 Clearing Account		Agency 40 Operating TAS		Agency 40 Consolidated	
	DR	CR	DR	CR	DR	CR
BUDGETARY						
4201 Total Actual resources collected	N/A	N/A				
4252 Reimbursement and Other Income Earned – Collected	N/A	N/A	100		100	
4450 Unapportioned Authority	N/A	N/A		100		100
TOTALS	0	0	100	100	100	100
PROPRIETARY						
1010 Fund Balance With Treasury	0		100		100	
1310(F30) Accounts Receivable			0		0	
2410F(30) Liability for Clearing Account		0				0
3310 Cumulative Results of Operations		0		100		100
TOTALS	100	100	100	100	100	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

SF133: REPORTING ON BUDGET EXECUTIONS AND BUDGETARY RESOURCES AND BUDGET PROGRAM & FINANCING (P&F) SCHEDULE YEAR 2

BUDGETARY RESOURCES	Agency 40	
	SF 133	P&F
Budget authority:		
Appropriations:		
Discretionary:		
1700 Spending authority from offsetting collections (4252E)	100	100
1910 Total budgetary resources (calc. line 1910)	100	N/A
1930 Total budgetary resources available (calc. line)	N/A	100
MEMORANDUM (NON-ADD) ENTRIES		
1941 Unexpired unobligated balance carried forward, end of year (4450E)	N/A	100
STATUS OF BUDGETARY RESOURCES		
Obligation Incurred Direct:		
2001 Obligation Incurred, Direct (4901, 4902)	0	N/A
2004 Direct obligations (total)	0	N/A
Unobligated balance:		
2403 Other (4450)	100	N/A
2500 Total budgetary resources	100	N/A
CHANGE IN OBLIGATED BALANCE		
Changes in obligated balance during the year:		
3030 Obligations incurred, unexpired accounts (4902E)	0	0
3040 Outlays (gross) (-) (4902E)	(0)	(0)
3100 Obligated balance, end of year (calc. lines 3030 and 3040)	0	0
BUDGET AUTHORITY AND OUTLAYS, NET		
Discretionary:		
Gross budget authority and outlays:		
4000 Budget authority gross (calc. lines 1700 through 1728)	100	100
4010 Outlays from new discretionary authority	0	0
4020 Total outlays, gross (calc. line 4010)	0	0
4070 Budget authority, net (discretionary) (calc. line 4000)	100	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

4080 Outlays, net (discretionary) (calc. line 4010)	0	0
Budget authority and outlays, net (total):		
4180 Budget authority, net (discretionary and mandatory) (calc. line 4070)	100	100
4190 Outlays, net (discretionary and mandatory) (calc. line 4080)	0	0

**Agency 40
FMS 2108 Year-End Closing Statement
YEAR 2**

	Agency 40, Operating TAS
Column 5 (1010E)	100
Column 10 (4901E)	0
Column 11 (calc)=(4450E)	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

BALANCE SHEET YEAR 2

Assets

Intragovernmental

1. Fund Balance with Treasury (1010E)

Agency 40

100

15. Total Assets

100

Liabilities

Total Liabilities

0

Net Position

31. Unexpended Appropriation – Other Funds (3100E)

0

33. Cumulative Results of Operations-Other Funds (3310E)

100

34. Total Net Position

100

35. Total Liabilities and Net Position

100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

STATEMENT OF NET COST YEAR 2

	Agency 40
Program Costs	
Program A:	
1. Gross Cost :	
2. Less: Earned Income	0
3. Net Program Costs	0
6. Costs Not Assigned to Programs	
7. Less: Earned Revenues Not Attributable to Programs	
8. Net Cost of Operations	0

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

STATEMENT OF CHANGES IN NET POSITION YEAR 2

	<u>Agency 40</u>
Cumulative Results of Operations	
1. Beginning Balance	100
3. Beginning Balances, as Adjusted	100
Budgetary Financing Sources	
4. Other Adjustments	
5. Appropriations Used (5700)	0
6. Nonexchange Revenue	
7. Donations and Forfeitures	
8. Transfers in/out without reimbursements	
9. Other	
Other Financing Sources:	
10. Donations and Forfeitures	
11. Transfers in/out without reimbursements	
12. Imputed Financing	
13. Other	0
14. Total Financing Sources	0
15. Net Cost of Operations	<u>0</u>
16. Net Change	0
17. Cumulative Results of Operations	100
Unexpended Appropriations	
20. Beginning Balance, as adjusted	0
Budgetary Financing Sources	
25. Total Budgetary Financing Sources	
26. Total Unexpended Appropriations	0
27. Net Position	<u>100</u>

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

CLOSING ENTRIES FOR END OF YEAR 2

C1. To record the consolidation of actual net funded resources. Section III – Transaction F302.	
4201 Total Actual resources collected	100
4252 Reimbursement and Other Income Earned – Collected	100

POST-CLOSING TRIAL BALANCE YEAR 2

	Agency 40 Clearing Account		Agency 40 Operating TAS		Agency 40 Consolidated	
	DR	CR	DR	CR	DR	CR
BUDGETARY						
4201 Total Actual resources collected			100		100	
4450 Unapportionment				100		100
TOTALS			100	100	100	100
PROPRIETARY						
1010 Fund Balance With Treasury	0		100		100	
3310 Cumulative Results of Operations		0		100		100
TOTALS	0	0	100	100	100	100

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

References:

1) FASAB, SFFAS No. 1, Selected Assets and Liabilities

Paragraph 26 Both entity assets and non-entity assets under an entity's custody or management should be reported in the entity's financial statements. Non-entity assets reported in an entity's financial statements should be segregated from entity assets. **An amount equal to non-entity assets should be recognized as a liability** (due to Treasury or other entities) in the entity's financial statements.

FASAB, SFFAS 31, Accounting for Fiduciary Activities

Paragraph 7. Numerous “fund groups” are used in reporting to the Treasury FMS and the OMB. For example, “**deposit funds**” may be used for monies that do not belong to the Federal Government. Regardless of how a fund group may be classified in reporting to the Treasury FMS or to the OMB, only those activities that meet the definition of fiduciary activity promulgated in this standard are subject to the reporting requirements of this standard. Activities that do not meet the definition of fiduciary activities promulgated in this standard are not subject to the reporting requirements of this standard. Deposit funds that do not meet the definition of fiduciary activities, and therefore are not disclosed in the fiduciary note disclosure, should be recognized in the principal financial statements.

Paragraph 31. This standard affects current standards for reporting non-entity assets. Paragraphs 26 and 29 of SFFAS 1, *Accounting for Selected Assets and Liabilities*, are amended as follows:

Paragraph [26] Both entity assets and non-entity assets under an entity’s custody or management should be reported in the entity’s financial statements, **except for non-entity assets meeting the definition of fiduciary assets, which should not be recognized on the balance sheet, but should be disclosed in accordance with the provisions of SFFAS 31, Accounting for Fiduciary Activities.** Non-entity assets ~~reported in~~ **recognized on** an entity’s ~~financial statements~~ **balance sheet** should be segregated from entity assets. An amount equal to non-entity assets **recognized on the balance sheet** should be recognized as a liability (due to Treasury or other entities) ~~in the entity’s financial statements.~~

Paragraph [29] **Non-entity cash.** Non-entity cash is cash that a federal entity collects and holds on behalf of the U.S. Government or other entities. In some circumstances, the entity deposits cash in its accounts in a ~~fiduciary-custodial~~ capacity for the U.S. Treasury or other **federal component** entities, **or in a fiduciary capacity for non-federal parties.**

(a) Non-entity cash **recognized on the balance sheet** should be reported separately from entity cash.

(b) **Non-entity cash meeting the definition of a fiduciary asset should not be recognized on the balance sheet, but should be disclosed in accordance with the provisions of SFFAS 31, Accounting for Fiduciary Activities.**

Paragraph 35. This standard also amends paragraphs 84 and 102 of SFFAC 2, *Entity and Display*, as follows:

Non-fiduciary Deposit Fund with Investment Authority and Clearing Account Guidance

Paragraph [102] Custodial collections do not include deposit funds, i.e., amounts held temporarily by the government (e.g., bidders' earnest money or guarantees for performance) or amounts held by the Government as an agent for others, (e.g., state income taxes withheld from Federal employees' salaries that are to be transferred to the states.). ~~Both of these types of collections can be considered assets and liabilities until they are returned to the depositor or forwarded to the organization entitled to the funds~~ **should be reported in accordance with the provisions of SFFAS 31, *Accounting for Fiduciary Activities*.**

- 2) According to Federal Intragovernmental Transactions Accounting Policy Guide, 2010

14.2 - BPD Investments

For Intragovernmental investments with the Bureau of the Public Debt (BPD), trading partner agencies and BPD will use the effective interest method for amortization on market-based notes, bonds, Treasury Inflation Protected Securities (TIPS) and zero-coupon bond securities; amortization begins the day of purchase. Market-based notes, bonds and TIPS purchased at premium will be amortized to the call date. Trading partner agencies will carry notes, bonds, TIPS, and zero coupon bond securities at amortized cost and will not reflect a market adjustment. In accordance with Intragovernmental Business Rules, BPD and the trading partner agencies will continue to use the straight-line method for market-based bills, in which amortization begins the day after purchase. Upon early redemption of securities, trading partner agencies may use the specific identification method (i.e., purchase dates/tax lots). If securities are not specifically identified, the First In – First Out (FIFO) method will be used to identify the security to be sold. **Government Account Series (GAS) securities purchased using deposit fund monies will be classified as public, not Intragovernmental. Trading partner agencies will ensure the BPD records these securities as public, not Intragovernmental, through their quarterly reconciliation process.**

- 3) TFM 2-4700 instructs agencies with GAS related activities with deposit money to reclassify what was originally reported in the deposit fund as “N” to “F” in the closing package.

4705.20e—Reporting of Government Account Series (GAS) Investments with the Bureau of the Public Debt Purchased by Agencies Using Deposit Fund Monies

Verifying agencies that invest deposit fund monies in GAS investments must adhere to the following three bullets for the portion of the investments that are not accounted for in the agencies' fiduciary note:

- Reclassify the deposit fund investments in GAS to the Closing Package Federal line titled, “Federal Investments” and identify the amount in the Federal Trading Partner Note (Module GF004) using trading partner code “9900.”
- Reclassify the liability with the public related to GAS investments by deposit funds to the Closing Package Federal line titled, “Other liabilities (without reciprocals)” and identify the amount in the Federal Trading Partner Note (Module GF004) using trading partner code “9900.”
- Reclassify the revenue from earnings on deposit fund investments in GAS that the Federal Government is authorized to keep to the Closing Package Federal line titled, “Federal securities interest revenue” and identify the amount in the Federal Trading Partner Note (Module GF004) using trading partner code “2000.”