SECTION 11 -- DEFINITIONS, CONCEPTS, AND TERMINOLOGY

Table of Contents

Summary of Changes

The section on investments has been clarified. (11.5)

The description of "payments from the public" has been clarified. (11.7)

Definitions of deposit funds and clearing accounts have been included. (11.13)

11.1 Major phases during budget execution.

The budget execution cycle lasts a minimum of six years. This section provides the definitions, concepts, and terminology used during this cycle. During budget execution, the authority to incur obligations and spend money generally passes through the following major phases:

- The various types of budgetary resources are made available for use.

- Budgetary resources may be reduced or proposed for reduction, for example, proposed for rescission or deferred.

- The amounts available for obligation are distributed by time, project, or activities via OMB apportionments.

- The amounts available for obligation, which can be allotted by the agency, are obligated by the agency.

- The ability to use budgetary resources changes over time, for example "expired" accounts may not incur new obligations, and canceled accounts may not make outlays.

11.2 Budgetary resources available for obligation.

Budgetary resources consist of budget authority, unobligated balances, transfers, spending authority from offsetting collections, and recoveries of prior year obligations. Budgetary resources are always net of amounts that are temporarily or permanently not available.

Budgetary resources are used to incur obligations that will result in outlays and expenditures.

11.3 Budget authority (BA).

Budget authority means the authority provided by Federal law to incur financial obligations that will result in outlays or expenditures. Specific forms of gross budget authority are appropriations, borrowing authority, contract authority, and spending authority from offsetting collections.

(a) *Appropriations in appropriations acts and other provisions of law.*

Appropriations in appropriations acts and other provisions of law provide authority to incur new obligations. Note: the following types of appropriations do not provide new authority to incur obligations, so they are not counted as BA:

- Appropriations to liquidate contract authority;
- Appropriations applied to the reduction of outstanding debt;
- Appropriations for refunds of receipts; and,
- Appropriations to liquidate deficiencies.

Appropriation means, for the purposes of the Antideficiency Act, appropriations, funds, and authority to incur obligations by contract in advance of appropriations or any other authority making funds available for obligation or expenditure.

(b) *Borrowing authority*

Borrowing authority means authority granted to a Federal entity to borrow (e.g., from Treasury or through the issuance of promissory notes or monetary credits), and to obligate and expend the borrowed funds.

(c) *Contract authority*

Contract authority means specific statutory authority to incur obligations in anticipation of either receipts or an appropriation of liquidating cash with which to pay the obligations.

(d) *Reappropriation*

Reappropriation means that a law extends the availability of unobligated budget authority that has expired or would otherwise expire. Reappropriation is counted as new budget authority in the year in which the authority becomes newly available.

11.4 Balances of budget authority.

Balances of budget authority means budgetary resources that have not been outlayed and/or spent.

1. Obligated balance is the cumulative amount of obligations incurred (as determined under 31 U.S.C. 1501) for which outlays have not yet been made. It includes undelivered orders and amounts received but not yet earned, less the following:

   - collectible reimbursements receivable from other Federal Government accounts;
   - collectible refunds receivable from other Federal Government accounts;
   - unfilled orders on hand from within the Federal Government that constitute valid obligations of the ordering account and for which reimbursements will be credited to the account being reported; and,
   - unfilled orders from outside the Federal Government for which an advance payment has been received and credited to the account being reported.

   A. Accounts receivable are amounts receivable by an account from another Federal Government account or the public (the latter only when a provision of law specifies that such orders may be used as budget authority) for goods furnished and services rendered.

   B. Unfilled customers' orders are the amount of orders received from other accounts within the Federal Government for goods and services to be furnished on a reimbursable basis. In the case of transactions with the public, report orders up to the amount collected (advances received) for which the account or fund has not yet performed the service or incurred its own obligations for the purpose.

   C. Undelivered orders are the amount of goods and services ordered by an account but not yet received, i.e., the amount of orders for goods and services outstanding for which the liability has not yet accrued. This amount includes any orders for goods or services for which delivery or performance has not yet occurred. For purposes of the Circular, small items of prepaid expense (e.g., subscriptions to periodicals) may be omitted from the reports on undelivered orders).

   D. Accounts payable are the amounts owed by an account on the basis of invoices or other evidence of receipt of goods and services, i.e., the amount of goods and services received but not yet paid.

2. Unobligated balance is the amount available for new obligation or adjustment to previous obligations remaining after deducting the cumulative obligations from the amount available for obligation.

3. Unexpended balance is the sum of the obligated and unobligated balances.

   Balances of budget authority brought forward on the first day of the following fiscal year are budgetary resources provided in previous years that have not been outlayed.

   Unapportioned balances of revolving funds. In order to preserve some of a revolving fund's capital so that it may continue to revolve, amounts are placed on line 10D, "Unobligated unavailable balances: Other", of the SF 133 and line 11, "Unapportioned balance", of the SF 132. Restrictive withholdings will not be reported on these lines. Restrictive withholdings will be reported on lines 10B or C of the SF 133, or on lines 9 or 10 of the SF 132, as appropriate.

11.5 Investments.

(a) Overview

Provisions of law may authorize funds to be invested in securities to earn interest income. Generally, the authorization is for investments in *U.S. securities*, which consist of public debt securities issued by the Treasury Department and securities issued by other Federal Government agencies. In exceptional cases, the authorization may be for investment in securities issued by a non-Federal entity, such as a private company or local government. Government-sponsored enterprises, such as Fannie Mae, are non-Federal entities.

(b) Treatment of investments in securities issued by non-Federal entities.

Investment in non-U.S. securities (equity or debt securities) are treated as a purchase of an asset. An obligation and an outlay must be recorded for the purchase in an amount equal to the purchase price. An obligation cannot be incurred unless a law has provided budget authority for the purpose.

Interest received on such investments is recorded as a collection when it is received in the amount received. For investments from an appropriation or revolving fund account (including a trust revolving fund account), record interest as a reimbursement on the SF 133. For investments from a special or trust fund account, record interest in a receipt account for interest from non-Federal sources. These receipts, in turn, affect the amount of receipts available for appropriation for those funds where the receipts are subject to annual appropriation, or the amount of budget authority becoming available in the year for those funds where receipts are permanently appropriated. Only the budget authority is reported on the SF 133. Record the proceeds from the sale or redemption of a non-U.S. security as a collection when received and in the amount received. As with interest, record the proceeds as an offsetting collection credited to the account or as a receipt, depending on the type of fund from which the investment is made. These investments may involve other transactions, such as premiums or discounts. Consult your OMB representative on the treatment of such transactions.

(c) Treatment of investments in U. S. securities.

Because U.S. securities are the equivalent of cash for budget purposes, investment in these securities is treated as a change in the mix of assets held, rather than as a purchase of assets. The following paragraphs describe specific transactions that need to be recorded in the SF 133. (Also refer to section 11.4.)

1. **Treatment of principal**. When funds are invested in a U.S. security, the principal transaction is treated as an exchange of assets, as follows:

A. No obligation or outlay is recorded.

II. The levels of unobligated and obligated balances of budgetary resources do not change as a result of the principal transaction.

C. Cash balances are reduced by the purchase price and holdings of U.S. securities are increased by the par (face or nominal) value of the security acquired.

D. Amounts invested are reported, without distinction, as part of the balances reported on apportionment and reporting forms.

When a U.S. security is sold or redeemed, the principal transaction is treated as follows:

A. No obligation or outlay is recorded.

B. The levels of unobligated and obligated balances of budgetary resources do not change.

C. Holdings of U.S. securities are decreased by the par (face or nominal) value of the security acquired and cash balances shall be increased by the par value of the security.

2. **Treatment of discounts, premiums, and interest**. Discounts, premiums, and interest determine the yield on principal invested in U.S. securities. In general, these transactions are recorded as revenue or adjustments to revenue.

   Interest, earned discounts, and premiums are recorded as increases and decreases, as appropriate, in the receipts of special and trust funds. These adjustments to receipts, in turn, affect the amount of receipts available for appropriation for those funds where the receipts are subject to annual appropriation, or the amount of budget authority becoming available in the year for those funds where the receipts are permanently appropriated. Only the budget authority is reported on the SF 133. Interest, earned discounts, and premiums are not directly recorded on the SF 133. (OMB Circular A-11 describes the recording of receipts for these transactions.)

   For revolving funds, these transactions are recorded as increases or decreases in earned reimbursements on the SF 133. (The instructions for revolving funds apply to trust revolving funds.) The specific method of recording each type of transaction is described below.

   Interest, earned discounts, and premiums will be combined and recorded on a net basis as interest on investments. Purchase discounts, which are not realized until a security matures or is sold, require the special treatment described below.

   A. *Purchase discount*. When a security is purchased for an amount less than the par value the difference is recorded as a negative adjustment to par value.

      For revolving funds, when a security is purchased for an amount less than the par value, the amount of the unrealized discount will be netted against the par value of the investment and included on line 9 of the SF 133. See Exhibit 11A. When that security is redeemed or sold, the negative adjustment to unobligated balances will be removed and the discount realized will be reported on line 3A1 of the SF 133 "Spending authority from offsetting collection: Earned: Collected." See Exhibit 11C.

For special and trust funds, when a security is purchased for an amount less than the par value, the net amount (i.e., minus the unrealized discount) will be shown as unobligated balances, end of year. When that security is redeemed or sold, the earned discounts will be recorded as a positive amount in the receipt account for interest in the year of the maturity or sale. If the realized discount is automatically appropriated, this will increase the amount of receipts that may be appropriated and recorded on line 1A of the SF 133. See Exhibit 11B.

B. Purchase premium. When a security is purchased for an amount greater than the par value, the difference is recorded as a negative adjustment to earnings.

For revolving funds, the amount greater than the par value will be recorded as a negative amount on line 3A1 of the SF 133 "Spending authority from offsetting collection: Earned: Collected". See Exhibit 11D.

For special and trust funds a purchase premium is recorded as a negative amount in the fund's interest receipt account at the time of purchase. This will decrease the amount of receipts that may be appropriated and recorded on line 1A of the SF 133.

C. Sales discount. When a security is sold for an amount less than the par value, the difference is recorded as a positive amount if it is a gain and a negative amount if it is a loss.

For revolving funds, a sales discount is recorded as a positive amount if the difference between the sales price and the purchase price is a gain and negative amount if it is a loss on line 3A1 of the SF 133, "Spending authority from offsetting collection: Earned: Collected."

For special and trust funds, a sales discount is recorded as a positive amount if the difference between the sales price and the purchase price is a gain and negative amount if it is a loss in the fund's interest receipt account at the time of sale. This affects the amount of receipts that may be appropriated and recorded on line 1A of the SF 133.

D. *Sales premium*. When a security is sold for an amount greater than the par value, the difference is recorded as a positive amount if it is a gain and a negative amount if it is a loss.

For revolving funds, a sales premium is recorded as a positive amount if the difference between the sales price and the purchase price is a gain and negative amount if it is a loss on line 3A1 of the SF 133, "Spending authority from offsetting collections: Earned: Collected."

For special and trust funds, a sales premium is recorded as a positive amount if the difference between the sales price and the purchase price is a gain and negative amount if it is a loss in the fund's interest receipt account at the time of sale. This affects the amount of receipts that may be appropriated and recorded on line 1A of the SF 133.

E. *Interest*. The nominal or stated amount of interest received or anticipated during the year will be recorded as a positive amount.

For revolving funds, the interest will be recorded as a positive adjustment and the net effect will be reported on the SF 133 on line 3A1 "Spending authority from offsetting collections: Earned: Collected."

For special and trust funds, the interest will be recorded as a positive amount in the receipt subaccount for "Interest and earnings on investments" of the fund. This increases the amount that may be appropriated and reported. When they are appropriated, these amounts will be reported on the SF 133 on line 1A.

F. Accrued interest purchase. When the former owner is paid for the amount of interest that has accrued to the owner but will be received by the fund, the amount will be recorded as a negative adjustment to earnings.

For revolving funds, the interest paid will be recorded as a negative adjustment and the net effect will be reported on the SF 133 on line 3A1, "Spending authority from offsetting collections: Earned: Collected."

For special and trust funds, the interest paid will be recorded as a negative amount in the receipt subaccount for "Interest and earnings on investments" of the fund.

11.6 Transfers between two Federal Government accounts.

Transfers between two Federal Government accounts move budgetary resources from one account to another account.

See Exhibit 11E for an overview of the types of transfers, the nature of the transfers, Treasury accounting treatment, and budget execution treatment. Transfers of any type are prohibited unless specifically authorized by law. This prohibition is found in 31 U.S.C. 1532. Amounts transferred are available for obligation only for the same period as the original appropriation, unless the language authorizing the transfer provides for a change. Transfers between two Federal Government accounts are of two general types: nonexpenditure and expenditure transfers.

(a) *Nonexpenditure transfers.*

Nonexpenditure transfers are transfers of authority in the form of increases and decreases of either new BA or balances. If the amounts are new BA, the amounts withdrawn and credited are reflected on line 1D of the SF 132 and 133. If the amounts are balances brought forward from prior years, the amounts withdrawn and credited are reflected on line 2B of the SF 132 and 133. No obligations, outlays, or expenditures are recorded in the transferring account and no spending authority from offsetting collections is recorded in the receiving account. Nonexpenditure transfers may be made directly between two existing accounts or using allocation accounts.

1. Direct transfers of obligational authority normally benefit the receiving account. The transactions included in this category are:

   - Reorganization transfers.--These are transfers resulting from reorganizations in which activities and the related funds are transferred to different departments, agencies, bureaus, or accounts.

- Changes in appropriation patterns.--These are transfers that result from consolidations or mergers of appropriations and funds.

- Redistribution of appropriations and balances.--These include the administrative exercise of general statutory authority, for example, authority provided to the head of an agency to transfer funds for a specific purpose such as fighting forest fires, to finance additional funding requirements such as pay, or within a fixed percentage or sum specified by law.

2. Allocation accounts normally benefit the parent account.--The establishment, availability, apportionment, and reporting are as follows:

   - Establishment.--The authority to obligate and spend funds made available to one agency may be delegated to another agency in law. Such funds shall be placed in a subsidiary allocation account (also known as a transfer appropriation account) within the original account. Allocation accounts carry the same symbol and title as the parent account with a 2-digit prefix for the organizational code of the receiving agency.

   - Availability.--Amounts in allocation accounts are available for obligation only for the same period as the parent account from which the amounts have been transferred.

   - Apportionment.–See section 30.3.

   - Reports on budget execution.–See section 41.11.

(b) *Expenditure transfers*.

Expenditure transfers are payments or repayments between two Federal Government accounts. The paying account will record obligations and outlays, and the receiving account will record spending authority from offsetting collections. The transactions included in this category may include:

1. Orders for goods, services or equipment placed with other agencies, where the payment is made after delivery takes place or where advance payment is made for services to be provided by the performing agency.

2. Payments between accounts to carry out the purposes of the transferring account, even though there are no specific orders involved; for example, where the law specifies that a particular amount will be paid from one appropriation or fund account to another in order to carry out the general purposes of the first appropriation or fund account.

3. Payments between fund groups (for example, a payment from a general or special fund in the Federal fund group to a trust fund and vice versa). In these cases, the transactions will be treated in the transferring account in the same manner as transactions with the public, i.e., an obligation will be reported in the transferring account when an order is placed. Then, when an appropriation or fund account accepts an order from another account, it will record the amount as an unfilled customer's order until the amount is earned, at which time it is recorded as an earned reimbursement. An outlay will be reported by the transferring account when payment is made. The change in unfilled customers' orders from the beginning of the fiscal year is recorded on line 3B of the SF 132 and SF 133.

4. Special and non-revolving trust fund accounts, as the receiving account, should record spending authority from offsetting collections only when being reimbursed from a Federal fund account under the Economy Act, or as authorized by law. Other expenditure transfers-in from Federal funds are to be recorded by the non-revolving trust fund account on line 1A. (for example, the transfer from an agency's general fund feeder account into the agency's trust fund account). Similarly, expenditure transfers-in to special funds from trust funds are to be recorded by the special fund account on line 1A.

   Expenditure transfers are a type of spending authority from offsetting collections described below.

11.7 Spending authority from offsetting collections.

Spending authority from offsetting collections are payments and repayments authorized by law to be credited to an appropriation or fund account. Payments and repayments consist of reimbursements, advances, refunds, and other income.

Payments from *Federal* sources are from another Federal government account; while those from *non-Federal* sources are from outside the Federal government, for example, a State, local, tribal, or foreign government.

(a) *Reimbursements for providing goods and services to others.*

Reimbursements for providing goods and services to others are required to be deposited to the credit of miscellaneous receipts by 31 U.S.C. 3302(b), unless they are specifically authorized by law to be credited to the expenditure account. The following are the major exceptions:

1. *Reimbursable work between Federal appropriations under the Economy Act.*--The Economy Act (31 U.S.C. 1535) authorizes the head of an agency or major organizational unit within an agency to place an order with a major organizational unit within the same agency or another agency for goods or services. Transactions authorized by the Economy Act are limited by the statutory requirement that the amount obligated by the ordering appropriation is required to be deobligated to the extent that the agency or unit filling the order has not incurred obligations, before the end of the period of availability of the ordering appropriation.

   Advance payments and repayments in the form of reimbursements from other Federal Government appropriations are available for obligation when the ordering appropriation records a valid obligation to cover the order.

   Annual and multi-year appropriations accounts ***performing*** *reimbursable work.*--When an order is anticipated but not yet received, whether or not an advance has been received, put the estimated amount on line 3C2, "Anticipated for rest of year: Without advance". Do not put any amount on line 3C1 because any cash advances received without orders are to be credited to a deposit fund, unless an exception has been specifically approved by OMB.

   If the order is received, move the amount of the order from line 3C to line 3B2, "Change in unfilled customer orders: Without advance" from Federal sources. If the order is accompanied by an advance payment, move the advance payment (up to the amount of the order) to line 3B1, "Change in unfilled customers' orders: Advance received".

When the order is filled, move the amounts earned and collected to line 3A1, "Earned: Collected". Move the amounts earned but not collected to line 3A2, "Earned: Receivable from Federal sources".

If the payment for a filled order is received after the period of obligational authority of the performing annual or multi-year appropriation has expired, the payment shall be credited to the expired appropriation, unless other procedures are expressly prescribed by statute.

If the period of disbursing authority of the performing annual or multi-year appropriations is canceled before the payment is received, the amounts are required to be sent to miscellaneous receipts in the Treasury.

For annual and multi-year appropriations ***ordering*** *reimbursable work*.**--**The period of time during which the ordering appropriation is available for obligation is fixed.

If the period of obligational authority of the performing annual or multi-year appropriation expires before the order is filled and the performing agency has not recorded a valid obligation against the order, the ordering agency should de-obligate funds for the order and record the corresponding adjustments. Use line 4A, "Recoveries of prior year obligations, actual", for obligations incurred in prior fiscal years. Net the amount against the appropriate line 8, "Obligations incurred", for obligations incurred in the current fiscal year. If a cash advance accompanied the order, then use line 3A1 when the refund is collected.

If the period of disbursement of the ordering appropriation is canceled before the reimbursement is made to the appropriation that performed the work, the repayment can only be paid from an unexpired appropriation that is available for the same purpose as the closed account.

2. *Revolving funds*.-- Statutes establishing revolving funds normally authorize payments to be credited to the revolving fund that performs the work. Revolving funds operate on a reimbursable basis when working capital (undisbursed cash) is available. Otherwise, advance payments must accompany orders. Revolving funds may not disburse into a negative cash position in anticipation of Federal or non-Federal reimbursements.

3. *Payments from the public*. **--** If an expenditure account is authorized by law to perform work for the public and to credit collections from the public as spending authority, then obligations incurred by the account may be covered by:

   - Advances collected up to the amount of accompanying orders. (Amounts greater than accompanying orders must be deposited in a deposit fund. The expenditure account may <u>not</u> incur obligations against amounts <u>greater than</u> the order.)

   - Working capital that is available for this purpose.

4. *Advances* **--** These are amounts of money prepaid to a Federal Government account for the later receipt of goods, services, or other assets, or as matching funds. Advances with orders should be deposited in the appropriate appropriation/fund or receipt account.

When an advance is required, the budgetary resource provided by the order is denominated by the cash accompanying the order. The advance, per se, is not available for obligation. If both the order and the advance were to be available for obligation, budgetary resources would be double-counted.

Advances from non-Federal sources that are not accompanied by an order will be placed in a deposit fund (6000-6999). Advances from another Federal that are not accompanied by an order will be placed in an intragovernmental clearing account (F3885).

5. *Refunds are the repayments of excess payments.* -- The amounts are directly related to previous obligations incurred and outlays made against the appropriation. Refunds are to be deposited to the credit of the appropriation or fund account charged with the original obligation and treated in the following manner.

   A. Refunds collected by unexpired annual and multi-year appropriations and uncanceled no-year appropriations.

      Refunds received in the same fiscal year in which the obligations are incurred are netted against obligations incurred (line 8) without further identification because these amounts have already been apportioned to the current year.

      Refunds of prior year obligations are shown on line 3A1 when collected. These amounts must be reapportioned before being reobligated.

      Refunds receivable from non-Federal sources are not budgetary resources available for obligation until the refund is collected.

   B. Refunds collected by expired annual and multi-year appropriations are available for upward adjustments of valid obligations incurred during the unexpired period but not recorded.

   C. Refunds to canceled annual, multi-year, or no-year appropriations are required to be deposited in miscellaneous receipts in the Treasury.

11.8 Recoveries of prior year obligations.

Recoveries of prior year obligations are cancellations or downward adjustments of obligations incurred in prior fiscal years that were not outlayed, i.e. not refunds. For no-year and unexpired multi-year accounts, apportioned recoveries of prior year obligations are available for new obligations. For expired accounts, recoveries of prior year obligations are available for upward adjustments of valid obligations incurred during the unexpired period but not recorded.

11.9 Reductions of budgetary resources.

The following terms are used to describe amounts not available for obligation on apportionments and budget execution reports:

(a) *Temporarily not available pursuant to public law.*

This includes any amounts *temporarily* not available for obligation pursuant to a specific provision in law. Do not include amounts not available pursuant to the Antideficiency Act (31 U.S.C. 1512) or the Impoundment Control Act.

(b) *Permanently not available.*

This includes any amounts *permanently* not available for obligation pursuant to a specific provision in law. Do not include amounts not available pursuant to the Antideficiency Act (31 U.S.C. 1512) or the Impoundment Control Act {2 U.S.C. 684(b)}.

(c) *Impoundment*.

Impoundment means any executive action or inaction that withholds, delays, or precludes the obligation or expenditure of budget authority.

1. Deferral.--Any executive action or inaction that temporarily withholds, delays, or effectively precludes the obligation or expenditure of budgetary resources. Deferrals are generally effected through the apportionment process. "Agency deferrals" are those initiated and effected by the agency itself, and not reflected in the apportionments. See section 38.2 for instructions on reports to Congress.

2. Rescission.--Enacted legislation canceling budget authority previously provided by law, prior to the time when the authority would otherwise expire. See section 38.1 for detailed instructions on rescission proposals by the President.

(d) *Reserves*.

Reserves are portions of budgetary resources set aside by OMB, under the Antideficiency Act and the Impoundment Control Act, (a) to provide for contingencies, (b) to effect savings made possible by or through changes in requirements or greater efficiency of operations, or (c) as specifically provided by law.

1. Reserves to provide for contingencies will be shown as "deferred" (on line 10 of the SF 132 and line 10B of the SF 133).

2. Reserves to effect savings will be shown as "withheld pending rescission" (on line 9 of the SF 132 and line 10C of the SF 133).

3. Reserves that are temporarily not available pursuant to a specific provision of law other than the Antideficiency or Impoundment Control Acts will be shown as "Temporarily not available pursuant to public law" (on line 5 of the SF 132 and 133).

4. Reserves that are permanently not available pursuant to a specific provision of law other than the Antideficiency or Impoundment Control Acts will be shown as "Permanently not available" (on line 6 of the SF 132 and 133).

11.10 Administrative division of funds.

Any division or subdivision of an appropriation or fund by an official having administrative control over such appropriation or fund. Specifically:

(a) *Apportionment*.

An apportionment is a distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, programs, activities, projects, objects, or combinations thereof. The apportioned amount limits the obligations that may be incurred.

(b) *Reapportionment*.

A reapportionment is a revision approved by OMB of a previous apportionment for an appropriation or fund account.

(c) *Agency limitation*.

For fund control purposes, an agency limitation is any administrative division or subdivision of funds made by agency officials that restricts the use of Federal Government funds.

1. *Allotment*.--An allotment is authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations within a specified amount, pursuant to OMB apportionment or reapportionment action or other statutory authority making funds available for obligation.

2. *Allocation*.--This term is used in two different ways:

    A. It is used restrictively to mean the amount of obligational authority transferred from one agency, bureau, or account that is set aside in a transfer appropriation account (also known as an allocation account) to carry out the purposes of the parent appropriation or fund.

    B. It is used broadly to include any subdivision below the suballotment level, such as subdivisions made by the agency financial plans or program operating plans, or other agency restrictions.

11.11 Obligations.

Obligations incurred include amounts of orders placed, contracts awarded, services received, and similar transactions that will require payments during the same or a future period. The legal requirement for recording obligations is 31 U.S.C. 1501. Certifications and records shall be kept in an agency in a form that makes audits and reconciliations easy (31 U.S.C. 1108).

For appropriated entitlements during the budget execution phase, the general rule is that the Federal Government is not obligated to pay until an appropriation is enacted. No obligation should be recorded until the appropriation is enacted.

The principles that are used in determining which fiscal year's appropriation is to be charged at the end of the fiscal year will also be used for determination of the obligations for any period within the fiscal year, unless otherwise specified.

The application of the concept of obligations to various types of transactions is outlined, as follows:

(a) *Personal services and benefits.*

As a general rule, include amounts earned, for example:

- Amounts earned by employees and others during the reporting period.

- Charges based on salaries and wages (such as living and quarters allowances, equalization allowances under 5 U.S.C. 3373, and the employer's share of contributions to the retirement fund, premiums for insurance, such as health and life insurance, and FICA taxes) are obligations at the time the salaries and wages are earned.

- Severance pay will be reported as an obligation of the pay period covered, on a pay period by pay period basis, as it is earned.

- Personnel benefits in the form of authorized reimbursable expenses estimated to be paid to employees for real estate, temporary subsistence, and other expenses incident to dislocation at the request of the Federal Government will be reported as an obligation at the time individual travel orders are approved. The reason is that the costs are a bona fide need of the agency at the time the travel order is approved and the Federal Government has a statutory duty to reimburse the employee. See section 11.5(b) for parallel treatment of travel and transportation expenses incident to dislocation at the request of the Federal Government.

- Other allowances (such as uniform allowances and incentive awards) will be reported as an obligation when they become payable to the employee.

- Annual leave is not generally funded and will not be reported as an obligation until it becomes due and payable as terminal leave or taken in lieu of a lump sum payment. However, some revolving funds are required to recover the cost of annual leave through fees. Therefore, when transfers are made between such revolving funds, budgetary resources in the amount of any funded annual leave must be transferred along with the people. Transfers of people from revolving funds to non-revolving funds must also be accompanied by transfers of budgetary resources in the amount of any funded annual leave but the resources must be credited to miscellaneous receipts.

- For unemployment compensation payments to the Department of Labor for former Federal employees, obligations should be reported when the agency receives the bills rendered by Labor.

(b) *Travel and transportation*.

As a general rule, include amounts for travel and transportation that are needed during the reporting period and (a) for which a valid contract for services has been made, or (b) for which travel and transportation expenses have been incurred. A valid contract for services is a binding agreement for specific services.

Transportation requisitions, Government bills of lading and shipping orders are not binding agreements for specific goods or services.

Travel and transportation expenses incident to dislocation at the request of the Federal Government will be reported as an obligation on the basis of individual travel orders. The same reasons, specified in section 11.5(a) for the treatment of personal benefits incident to dislocation at the request of the Federal Government, apply.

(c) *Rent, communications, and utilities.*

These include amounts for services received or amounts owed for the use of property during the reporting period. In those cases where bills are rendered for a period beginning in one month and ending in the following month, the services received subsequent to the latest billing date need not be included. However, if the accrued liability for communication and utility services performed for the portion of the month between the end of the billing period and the end of the month is material, provision should be made for recording it as an obligation. In the case of postage, include the cost of stamps purchased and the amount owed for metered or penalty mail dispatched during the reporting period. (Note: Penalty mail is Government mail that specifies that there will be a fine or penalty if used for personal purposes.)

Generally, for contracts involving recurring services (such as rent), the contract will cover only the period funded and obligations will be recorded for the full amount of the contract for these services. For example, the annual amount will be recorded as an obligation for a contract funded by an annual account and the full amount for a two-year contract when funded by a two-year appropriation. (NOTE: It is a violation of the Antideficiency Act (31 U.S.C. 1341(a)) to involve the Federal Government in a contract or obligation for payment of money before an appropriation is made, unless authorized by law.)

In the case of GSA rental space, include payments owed (both earned and advanced) on the basis of bills rendered by GSA pursuant to regulation.

For contracts with renewal options, include the amount required to cover the basic period and any penalty charges for failure to exercise options.

(d) *Printing and reproduction, other contractual services, supplies and materials, and equipment.*

These include orders placed and contracts awarded. Documentary evidence of binding agreements, orders, or other legal liabilities is required before an amount may be recorded and reported as an obligation (31 U.S.C. 1501).

In reporting orders for supplies and services, agencies should bear in mind that the long standing rule for lawfully obligating a fiscal year appropriation is that the supplies or services ordered are intended to meet a bona fide need of the fiscal year in which the need arises or to replace stock used in that fiscal year. This rule has been modified. The head of an executive agency may enter into a contract for severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. Severable services are services that are performed on a regular basis over a period of time, such as housekeeping and guard services.

Administrative commitments in the form of requisitions within an agency, invitations for bids, or any other action short of a binding contract, order, or other similar agreement (such as amounts identified for contemplated procurement), will not be included in the amounts reported as obligations.

With regard to specific types of contracts and orders, the following procedures will be observed:

- *Cost-plus-fee and other types of contracts without a fixed price*.--Include obligations on the basis of the total estimated costs of contracts (including the total fixed fee, if any). This figure will be reported for the month during which the contract is let, and subsequent adjustments upward or downward in the estimated cost (or the fixed fee, if any) will be reflected in subsequent reports. If a maximum price is stated, the maximum amount will be reported at the time the contract is let.

- *Fixed price contracts with escalation, price redeterminations, and incentive provisions*.--Report the fixed price stated in the contract or the target or billing price in the case of a contract with an incentive clause.

- *Continuing contracts subject to the availability of appropriations*.--Report as an obligation the Federal Government's total estimated legal liability, for example, the amount that the contractor has been notified is available for payment under the particular contract and any potential Federal Government cancellation and/or termination costs. The reported amount should be modified based on any subsequent agreements.

- *Letters of intent and letter contracts*.--Where such letters constitute binding agreements under which the contractor is authorized to proceed, obligations will cover the maximum liability indicated in the letters. If the letters merely indicate an intention on the part of the Federal Government to enter into a contractual relationship at a later date, then the amounts will not be treated as obligations. The maximum liability under a letter of intent or a letter contract shall be the amount necessary to cover expenses that the contractor is authorized to incur prior to the execution of a definitive contract.

- *Contracts for variable quantities*.--Where a contract mentions several quantities as alternatives, report only the amount for the quantity specified for delivery, exclusive of permitted variations. In the case of contracts that provide for delivery only when and if requested by the Federal Government, where the Government assumes no specific obligation, only orders for delivery will be reported.

- *Purchase orders*.--Include orders, under which the Federal Government assumes a specific obligation for material or services not reflected in the items described above.

- *Orders required by law to be placed with another Federal Government agency*.--When an agency is required by law or regulation to place certain orders with another Federal Government agency, such orders are recorded as obligations of the ordering agency at the time the order is 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.

- *Orders involving deliveries of stock from other appropriations or funds*.--The inclusion of an amount as an obligation where an order is placed for deliveries of stock from other appropriations or funds (other than those covered by paragraph (7) above) depends largely upon the capacity in which the supplying activity functions with respect to the particular transaction: (a) where an order involves common-use standard stock items that the supplying activity has on hand or on order for prompt delivery at published prices, the obligation is incurred at the time the order is placed by the requisitioning activity; (b) where an order involves stock items (other than those covered by (a) 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 (c) 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. Agencies may elect to record the obligations for such orders at the time the order is placed with the supplying activity. In such cases, however, adjustments must be made at the end of the year to conform with the application prescribed herein.

- *Other intragovernmental orders*.--Include orders placed and accepted under the project order law (41 U.S.C. 23), pursuant to the Economy Act (31 U.S.C. 1535), and similar legislation.

It should be noted that amounts obligated pursuant to orders under the Economy Act are available for obligation by the receiving agency only for the same period as the ordering account.

In addition, the Antideficiency Act prohibits overexpenditure of funds as well as overobligation. This means that obligations may be incurred against intragovernmental receivables but an agency may not disburse into a negative position. Such obligations are tolerated only where the agency's cash control system will prevent over-disbursement. Furthermore, it is the preferred practice for the ordering agency, whenever practicable, to advance cash to the performing agency at or before the time of ordering goods or services. This is extremely important in those cases where the performing agency does not have sufficient working capital to pay bills in anticipation of reimbursement.

(e) *Lands and structures*.

These include contracts entered into in procuring land and interest in land, buildings and other structures, additions to buildings, nonstructural improvements, and fixed equipment. In the case of condemnation proceedings, 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 escrow where there is a declaration of taking.

For lease-purchases and capital leases covered by the score keeping rules developed under the Budget Enforcement Act, obligations will be reported, as follows. When the Federal Government enters into the contract, obligations will be recorded in the amount of the present value of the lease payments discounted using the Treasury interest rate used in calculating the budget authority provided for the purchase. During the lease period, report obligations equal to the imputed interest costs (i.e., the financing costs Treasury would have incurred if it had issued the debt to acquire the asset).

(f) *Grants and taxes payable to State and local governments.*

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

1. For grants that involve no administrative determination and are automatically fixed by a statutory formula or specified by law, the obligation will be:

- The amount determined by the application of the formula or the amount appropriated, whichever is smaller.

- Reported at the time the amount so 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 the Congress is necessary to authorize payment. For revolving funds and other cases specifically authorized by law, taxes will be recorded as they accrue.

Obligations for grants administered through the letter-of-credit financing mechanism will be determined on the same basis as outlined above. Since drawdowns on letters of credit are not ordinarily coincident with the incurring of obligations, it is imperative that obligations be duly recorded prior to such drawdowns.

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 Federal 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.

(g) *Other grants, subsidies, and contributions.*

The amount of obligations for grants, subsidies, and contributions other than those referred to above, will be determined as follows:

1. Amounts based upon contracts or agreements will be recorded at the time the contract or agreement is entered into. For direct loan programs covered by the Federal Credit Reform Act of 1990, the subsidy cost will be obligated in the credit program account when the direct loan obligation is incurred in the credit financing account. For guaranteed loan programs, the subsidy cost will be obligated in the credit program account when the loan guarantee commitment is made.

2. Amounts to be paid in accordance with treaties will be recorded at the beginning of the period for which the money is appropriated.

3. All other grants, subsidies, and contributions will be recorded at the time the payment is made.

(h) *Pensions, annuities, insurance claims, refunds, awards, and indemnities*.

These include amounts determined administratively or judicially to be due and payable when no further action is required by law to authorize payment.

(i) *Interest and dividends*.

Interest and dividends include the amount of interest owed or dividends declared during the reporting period.

(j) *Investments*.

Investments are for securities issued by non-Federal entities and securities issued by Government-sponsored enterprises, include obligations and outlays when cash leaves the Federal Government, i.e., when the security is purchased. For U.S. Government securities, see section 11.2.b.4 for treatment because cash does not leave the Federal Government.

(k) Guarantees.

These include the amount of each valid claim at the time the claim is determined to be payable.

For further definitions instructions on obligations by object class, see Section 83 of OMB Circular No. A-11. This documented is located at: http://www.whitehouse.gov/OMB/circulars/a11/99toc.html.

11.12 Availability of budgetary resources -- the three dimensions.

The availability of budgetary resources for obligation and expenditure is limited by purpose, amount, and time.

(a) *Purpose*.

Funds may be obligated and expended only for the purposes authorized in appropriations acts or other laws.

(b) *Amount*.

Obligations and expenditures may not exceed the amounts established in law.

1. If the law itself specifies an amount of budget authority as available, the amount is classified as definite authority. This type of authority includes authority stated as "not to exceed" a specified amount.

2. If the law does not specify an amount of budget authority as available, rather the amount is determined by specified variable factors, the amount is classified as indefinite authority. Examples include an appropriation of all or part of the receipts from a certain source or an appropriation of such sums as are necessary.

(c) *Time*.

The period of time during which budgetary resources may incur new obligations (i.e., order new goods or services) is different from the period of time during which the budgetary resources may be used to incur expenditures (i.e., pay bills).

1. *Annual authority*. Budgetary resources that are available for incurring new obligations for one fiscal year or less are classified as annual authority.

   Budgetary resources that are provided in annual appropriations acts are classified as annual authority unless the language providing the authority specifies a longer period of availability for new obligations. This is because the enacting clause of each annual appropriations act specifies that the act is making appropriations for the fiscal year. In addition, a permanent law specifies that amounts made available in appropriations acts are available after the fiscal year covered by the law in which it appears only if the law expressly makes it available for a longer period of time {31 U.S.C. 1301(c)}. Moreover, appropriations acts (almost without exception) contain a general provision specifying that the appropriations provided in the act are not available beyond the current fiscal year unless expressly so provided.

   A. Unexpired account.--During the period that the budgetary resources are available for incurring new obligations the account into which the authority is placed is called the unexpired account.

   B. Expired account.--Unless otherwise specified by law, annual authority expires for incurring new obligation at the beginning of the subsequent fiscal year. The account into which the annual authority is placed is called the expired account. For five fiscal years, the expired account is available for expenditure to liquidate valid obligations incurred during the unexpired period. Adjustments are allowed to increase or decrease valid obligations incurred during the unexpired period but not previously reported. At the end of the fifth expired year, the expired account is canceled.

   C. Canceled account.--Legitimately incurred obligations that have not been paid at the time an account is canceled cannot be paid from the canceled account. After an account is canceled, any obligations or adjustments to obligations that would have been properly chargeable to that appropriation may be paid from an unexpired appropriation that is available for the same purpose as the closed account, provided that:

      - The obligation or adjustment is not already chargeable to another unexpired account.

      - Payment of obligations against canceled appropriations from unexpired appropriations is limited to one percent of an unexpired appropriation. No more than one percent of an unexpired appropriation may be used to pay any combination of canceled obligations. This is a single, cumulative limit. It applies to one percent of the annual appropriation (not total budgetary resources) for annual accounts and to unexpired appropriations for multi-year accounts.

2. *Multi-year authority*.--Budgetary resources that are available for new obligations for two or more fiscal years are referred to as multi-year authority.

A. Unexpired account.--During the period that the budgetary resources are available for incurring new obligations the account into which the authority is placed is called the unexpired account.

B. Expired account.--When multi-year authority expires for incurring new obligation authority is placed in an expired account, parallel to the treatment of annual authority. For five fiscal years, the expired account is available for expenditure to liquidate valid obligations previously incurred during the unexpired period. Adjustments are allowed to increase or decrease valid obligations previously incurred during the unexpired period but not previously reported. At the end of the fifth expired year, the expired account is canceled.

C. Canceled account.--Legitimately incurred obligations that have not been paid at the time an account is canceled cannot be paid from the canceled account. After an account is canceled, any obligations or adjustments to obligations that would have been properly chargeable to that appropriation may be paid from an unexpired appropriation that is available for the same purpose as the closed account, provided that:

- The obligation or adjustment is not already chargeable to another unexpired account.

- Payment of obligations against canceled appropriations from unexpired appropriations is limited to one percent of an unexpired appropriation. No more than one percent of an unexpired appropriation may be used to pay any combination of canceled obligations. This is a single, cumulative limit. It applies to one percent of the annual appropriation (not total budgetary resources) for annual accounts and to unexpired appropriations for multi-year accounts.

3. *No-year authority*.--Budgetary resources that are available for new obligations until the purposes for which they were provided are carried out are referred to as no-year authority. Unlike annual and multi-year authority, no-year authority does not expire. However, OMB or the agency head may cancel no-year authority provided that:

- The purposes for which the authority was provided have been carried out.
- There have been no disbursements against the authority for at least two fiscal years.

11.13 Treasury warrants and account identification codes.

Pursuant to law, the Secretary of the Treasury issues official documents, called "warrants", that establish the amount of moneys authorized to be withdrawn from the central accounts maintained by the Treasury. Each account established in the Treasury is identified by a code that consists of seven or more alphanumeric characters, for example:

Department or agency code	Period of availability	Basic account symbol
28	0	0230
28	0/1	5443
28	X	8002

The Treasury account identification code includes a department or agency code, codes that provide the period of availability of the appropriation or fund account, and a four digit basic account symbol.

(a) *Department or agency code*.

The first two digits identify the agency responsible for the account. It is assigned by the Department of the Treasury. The Treasury accounts are used to determine whether or not the Antideficiency Act has been violated. The accounts in the President's budget are usually aggregations of Treasury accounts. The printed budget uses the two digit Treasury agency code. For purposes of data input for budget formulation, see Appendix C of OMB Circular No. A-11 for a listing of the three digit department or agency code assigned by OMB and the Treasury codes.

(b) *Period of availability*.

The next group of digits represents the period of availability of the account for new obligations. These digits are used during the unexpired, expired, and canceled periods, except in very rare cases (e.g., where there is a reappropriation).

1. *Annual accounts*.--A single digit (0 through 9) represents the last digit of the fiscal year in which the account is available for new obligations. In the first example above, the year is 2000.

2. *Multiple-year accounts*.--Two digits separated by a slash (/) indicate a multiple-year appropriation. The digit preceding the slash represents the first fiscal year for which the account is authorized to incur new obligations and the digit following the slash represents the last digit of the final fiscal year for which the account is available for new obligations. In the second example above, the years are **2000 and 2001.**

3. *No-year accounts*.--An "X" is used to designate a no-year appropriation which is available until the purposes for which it was provided are carried out.

(c) *Treasury basic account symbol*.

The last four digits are known as the four digit appropriation or fund account symbols. The range of four digit Treasury basic account symbols for each subgroup of central accounts is provided in parentheses.

1. *Federal funds*.--This group comprises all of the expenditure, receipt, and fund accounts that are not designated by law as trust funds.

Fund Type	Treasury Account Symbol	Description
General fund expenditure accounts	(0000-3899)	Primarily record appropriations and expenditures of general fund receipts.
General fund receipt accounts	(0000-3899)	Record collections not earmarked by law for a specific purpose, e.g., income and corporate taxes, customs duties, and miscellaneous receipts.

Fund Type	Treasury Account Symbol	Description
Special fund expenditure accounts	(5000-5999)	Record appropriations and expenditures of special fund receipts.
Special fund receipt accounts	(5000-5999)	Record collections that are earmarked by law for a specific purpose and are not designated as trust fund receipts, e.g., the Land and Water Conservation Fund.
Public enterprise revolving fund accounts	(4500-4999)	Record the permanent appropriations and expenditures of collections, primarily from other agencies and accounts, that are earmarked to finance a continuing cycle of business-type operations, e.g., working capital funds, industrial funds, stock funds and supply funds.
Management fund accounts	(3900-3999)	Record the permanent appropriations and expenditures of collections from two or more appropriations to carry out a common purpose or project not involving a continuing cycle of business-type operations. These accounts facilitate the administration and accounting for intragovernmental activities.

2. Trust funds.--This group is comprised of all the expenditure, receipt, and fund accounts that are designated by law as trust funds.

Trust Fund Type	Treasury Account Symbol	Description
Trust fund expenditure accounts	(8000-8399 and 8500-8999)	Record appropriations and expenditures of trust fund receipts.
Trust fund receipt accounts	(8000-8399) and 8500-8999)	Record receipts earmarked for specific purposes in accordance with a statute that designates the funds as a trust fund, e.g., the Highway Trust Fund.
Trust revolving fund accounts	(8400-8499)	Record the permanent appropriation and expenditure of collections used to carry out a cycle of business-type operations in accordance with a statute that designates the fund as a trust fund, e.g., the Employees Health Benefits Fund.

3. Deposit Funds (6000-6999) are funds accounts established to record amounts held temporarily by the Government until ownership is determined (e.g., earnest money paid by bidders for mineral leases) or held by the Government as an agent for others (e.g., State and local income taxes withheld from Federal employees' salaries and not yet paid to the State or local government).

4. Clearing Accounts (3800-3899) are established to temporarily hold general, special, or trust collections pending clearance to the applicable receipt or expenditure account in the budget.

U.S. Government Security Purchased at a Discount
Special, Trust, and Revolving Funds

Illustration: An account with a cash balance of $1,500 invests in a $1,000 (par value) U.S. Government security at a 10% discount.

SF 133 REPORT ON BUDGET EXECUTION

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU: Bureau of Central Services	80X1309 Research and development		
BUDGETARY RESOURCES			
2. Unobligated balance			
A. Brought forward October 1........…………………………….	1,500		
7. Total budgetary resources…...................................…………	1,500		
STATUS OF BUDGETARY RESOURCES			
8. Obligations incurred:			
9. Unobligated balance:			
A. Apportioned:			
1. Balance, currently available.…........................…………	1,500		
11. Total status of budgetary resources.…..............................…..	1,500		
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS			
15. Outlays:			
A. Disbursements (+)………………………..…………………			
B. Collections (-)……………………………………………….			

The beginning balance is made up of $1,500 in cash.

No obligation is recorded because the principal transaction is treated as an exchange of assets.

As a result of the investment:
- Cash………………………... $600
- U.S. Government securities (at par)……………………… $1,000
- Unrealized discounts……… - $100

Net balances $1,500

No outlay is recorded because the pricipal transaction is treated as an exchange of assets.

(Authorized Officer) (Date)

(Preparer: Name) ____________

(Address) ____________

(Phone number) ____________

U.S. Government Security in Exhibit 11A Sold or Redeemed at Par Special or Trust Funds

Illustration: A special or trust fund sells the security at par value and receives cash, and the realized discount is automatically appropriated.

SF 133 REPORT ON BUDGET EXECUTION

Period ended 9/30/CY

AGENCY: Department of Government BUREAU: Bureau of Central Services	APPROPRIATION OR FUND TITLE AND SYMBOL 80X1309 Research and development	
BUDGETARY RESOURCES		
1. Budget Authority		
A. Appropriation… P.L. 99-456…………………………….	100	
2. Unobligated balance		
A. Brought forward October 1........…………………………….	1,500	
7. Total budgetary resources….................................…………	1,600	
STATUS OF BUDGETARY RESOURCES		
9. Unobligated balance:		
A. Apportioned:		
1. Balance, currently available.…........................…………	1,600	
11. Total status of budgetary resources.…...............................…..	1,600	
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS		

Include reference to law(s) providing budget authority.

When appropriated (together with other receipts) the discount realized is counted as budget authority on lines 1A and reflected in the balances on line 9C below.

As a result of the investment:

- Cash……………………….. $600
- U.S. Government securities (at par)……………………… $1,000
- Unrealized discounts……… - $100

Net balances $1,500

_________________ _______
(Authorized Officer) (Date)

(Preparer: Name) _________________________
(Address) ________________________________
(Phone number) ___________________________

U.S. Government Security in Exhibit 11A Sold or Redeemed at Par
Revolving Fund

Illustration: This is identical to the circumstances in Exhibit 11B except that a revolving fund is involved. This means that the discount realized is authorized to be credited and used without further appropriation action.

SF 133 REPORT ON BUDGET EXECUTION

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU: Bureau of Central Services	80X1309 Research and development		
BUDGETARY RESOURCES			
2. Unobligated balance			
A. Brought forward October 1..	1,500		
3. Spending authority from offsetting collections (gross			
A. Earned:			
1. Collected..	100		
7. Total budgetary resources..	1,600		
STATUS OF BUDGETARY RESOURCES			
9. Unobligated balance:			
A. Apportioned:			
1. Balance, currently available..	1,600		
11. Total status of budgetary resources..	1,600		
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS			
15. Outlays:			
A. Disbursements (+)..			
B. Collections (-)..	-100		

When the discount is realized it will be recorded on this line.

The amount will be recorded as an offset to outlays.

_______________ _______
(Authorized Officer) (Date)

(Preparer: Name) ___________________________
(Address) ___________________________
(Phone number) ___________________________

U.S. Government Security in Exhibit 11A Purchased at a Premium Revolving Fund

Illustration: A revolving fund with a $1,500 balance in cash invests and pays a $100 premium for a U.S. security with par value of $1,000.

SF 133 REPORT ON BUDGET EXECUTION

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Bureau of Central Services	80X1309 Research and development	
BUDGETARY RESOURCES		
1. Budget Authority		
A. Appropriation… P.L. 99-456…………………		
2. Unobligated balance		
A. Brought forward October 1........………………………….	1,500	
3. Spending authority from offsetting collections (gross)		
A. Earned:		
1. Collected....…...........…....................………………….	-100	
7. Total budgetary resources…...................................……….	1,400	
STATUS OF BUDGETARY RESOURCES		
9. Unobligated balance:		
A. Apportioned:		
1. Balance, currently available…........................………	1,400	
11. Total status of budgetary resources…..............................…	1,400	
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS		
15. Outlays:		
A. Disbursements (+)………………………...………………		
B. Collections (-)……………………………………………	100	

Include reference to law(s) providing budget authority.

Beginning balance consists of:
- Cash………………... $1,500

The amount greater than par will be recorded as a negative amount on line 3A.

The ending balance consists of $1,000 for the U.S. securities at par, and $400 in cash (the $1,500 on line 2A minus the $1,100 paid to purchase the security).

A positive collection is recorded because the premium is treated as an offset to interest collections (i.e. the absolute value of the negative amount on line 3A1). This is the only known use of a positive amount on line 15B.

______________ ______
(Authorized Officer) (Date)

(Preparer: Name) ________________
(Address) ________________
(Phone number) ________________

Transfers[1] of Budgetary Resources Among Federal Government Accounts

TYPE OF TRANSACTION	NATURE OF TRANSACTION	TREASURY ACCOUNTING TREATMENT	BUDGET TREATMENT
I. NONEXPENDITURE TRANSFERS			
A. TRANSFER OF AUTHORITY TO OBLIGATE	Transfers to carry out the purposes of the RECEIVING ACCOUNT, for example, to shift resources from one purpose to another or to reflect a reorganization.	TRANSFER via S.F. 1151	The TRANSFERRING ACCOUNT reports a transfer out of budget authority or balances. THE RECEIVING ACCOUNT reports a transfer in.
B. ALLOCATION OF AUTHORITY TO OBLIGATE i.e., transfers to transfer appropriation accounts	Transfers to carry out the purposes of the RECEIVING ACCOUNT, for example, to shift resources from one purpose to another or to reflect a reorganization.	TRANSFER via S.F. 1151	Obligations and outlays are reported by the PARENT ACCOUNT.
II. EXPENDITURE TRANSFERS			
A. PAYMENTS BETWEEN TWO FEDERAL FUNDS FOR BETWEEN TWO TRUST FUNDS	Payments to carry out the purposes of the PAYING ACCOUNT, such as payments in return for goods and services authorized under the Economy Act.	PAYMENTS via S.F. 224 or electronic funds transfer.	Obligations and outlays are reported by the PAYING account. Offsetting collections are reported by the RECEIVING account. The collections are (1) ADVANCES or (2) REPAYMENTS in the form of REIMBURSEMENTS or REFUNDS.
B. PAYMENTS BETWEEN FEDERAL AND TRUST FUNDS	All transfers between the two fund groups are expenditure transfers.	PAYMENTS via S.F. 224 or electronic funds transfer.	Same as above.

[1] A transfer is distinguished from a reprogramming in that a reprogramming is the shifting of budgetary resources within an account whereas a transfer is the shifting of budgetary resource between accounts.