



Treasury Financial Manual

Transmittal Letter No. 583

Volume I

To: Heads of Government Departments, Agencies and Others Concerned

1. Purpose

This transmittal letter releases I TFM 2-2000, Nonexpenditure Transactions. It prescribes the forms and procedures used to record nonexpenditure transactions. It also provides guidance on closing no-year (X) accounts.

2. Page Changes

Remove

I TFM 2-2000

Insert

I TFM 2-2000

3. Effective Date

Upon receipt.

4. Inquiries

Questions concerning this transmittal letter should be directed to:

Finance Management Branch
Reports Management Division
Financial Management Service
Department of the Treasury
3700 East-West Highway
Hyattsville, MD 20782
Telephone: 202-874-9780

Date: February 25, 1999

Richard L. Gregg
Commissioner

NONEXPENDITURE TRANSACTIONS

This chapter prescribes the forms and procedures used to record nonexpenditure transactions. It also contains information and guidance regarding closing no-year (X) accounts.

Section 2010 - Scope and Applicability

All Federal agencies and U.S. Government corporations are governed by the procedures in this chapter for:

- Establishing appropriated amounts in accounts.
- Making nonexpenditure transfers between appropriation and other accounts.
- Removing unobligated appropriation balances from the Government's books.

Section 2015 - Authority

According to 31 U.S.C. 3513:

- The Secretary of the Treasury (Treasury) must prepare reports on the financial operations of the U.S. Government.
- Each executive agency must furnish Treasury with reports and information about its financial condition and operations as the Secretary of the Treasury may require.

Section 2020 - Definition of Terms

Appropriation - An act of Congress that provides an agency with budget authority. This allows the agency to incur obligations and to make payments out of the Treasury for specific purposes.

Appropriation Warrant - An official document that establishes, by appropriation symbol, the individual amounts appropriated by Congress. (See Section 2030.10.)

Capital Transfers - Revolving fund transactions that transfer capital investments of the United States or earnings for credit to designated capital transfer accounts. (See Section 2035.40.)

Continuing Resolution - An act of Congress that provides funds to maintain Government operations until regular appropriations are enacted. (See Section 2030.20.)

Nonexpenditure Transactions - Transactions that do not represent payments for goods and services, but serve only to adjust amounts available in accounts. Nonexpenditure transactions include:

- Transfers of appropriations (based on appropriation warrants). These transfers increase or decrease appropriation amounts between appropriation and fund accounts as a result of legislation.
- Borrowings from Treasury and repayments of those borrowings.
- Credits to miscellaneous receipts. These credits repay the Government's investment in, or distribute the earnings of, a revolving fund.

Nonexpenditure transactions do not appear in Treasury reports or in the budget document as receipts or expenditures. These transactions do

not affect the budget surplus or deficit.

Surplus Warrant - A warrant document that withdraws unobligated balances of an appropriation after the period of availability has expired. A surplus occurs when receipts exceed outlays. (See Section 2030.30.)

Section 2025 - Prescribed Forms

The Appendix lists the forms prescribed for nonexpenditure transactions.

Section 2030 - Warrant Transactions

This section prescribes forms and procedures for:

- Establishing appropriation amounts in accounts. This includes special procedures to establish amounts under continuing resolutions.
- Adjusting and withdrawing appropriation balances.
- Appropriating special and trust fund receipts. This includes definite or indefinite appropriation amounts.

2030.10 - FMS Form 6200: Appropriation Warrant

A Treasury representative prepares and signs appropriation warrants on behalf of the Secretary of the

Treasury. Instead of a countersignature by a representative of the General Accounting Office on behalf of the Comptroller General of the United States, the following statement will appear on the warrant: "Countersignature not required pursuant to Treasury General Accounting Office Joint Regulation No. 5 or No. 7."

Treasury uses appropriation warrants to record appropriations on its books. Treasury furnishes an authenticated copy of each appropriation warrant to the agency. The agency should then record the information in its administrative accounts for the same accounting period recorded in Treasury's central accounts (as noted in the "Accounting Month" on the warrant).

Treasury also issues appropriation warrants to:

- Reduce amounts previously appropriated.
- Adjust certain general, special and trust fund appropriations.
- Reappropriate previously withdrawn unobligated amounts.

2030.20 - Appropriation Warrants under a Continuing Resolution

When Congress has not enacted appropriations by the beginning of the fiscal year (FY), it often passes a continuing resolution. A continuing resolution allows agencies and/or specific activities to continue operations by providing budget authority until Congress enacts regular appropriations.

Congress usually enacts a continuing resolution to cover a limited period of time, such as a month or a calendar quarter. The continuing resolution usually specifies that appropriated amounts will cease to be available:

- If the activity is later funded by a regular appropriation,
- If Congress intends to end the activity by enacting an applicable appro-

priation act without providing for the activity,

- As of the fixed cutoff date of the continuing resolution, or
- Whichever occurs first.

Unlike regular appropriation acts, continuing resolutions usually do not appropriate specified sums of money. Amounts usually are based on annual operations and cover only the amount necessary to continue the project or activity for a short time period. Congress often appropriates an amount at a specific rate, such as: current rate, House-passed level, Senate-passed level, Conference-passed level or budget estimate.

Agencies must request a warrant from Treasury for the annualized level of an amount appropriated by a continuing resolution. Submit these requests as early as possible to cover obligations incurred under authority of the continuing resolution. When submitting a letter of request (see Contacts page), include:

- Legislative authority for the request (Public Law number).
- Account symbols for the current FY and the amount requested for each account.
- Amounts appropriated for the account in the prior FY.
- Amounts of formal budget requests for the current FY (as transmitted in the President's budget and subsequent amendments).
- The continuing resolution number, status of the pending legislation and amounts allowed by the related appropriation bills.
- Amounts of unobligated balances carried over into the previous and/or current FY.
- An approved apportionment (SF 132) from the Office of Management and Budget (OMB), if applicable.
- A contact person for additional information.
- Appropriate official's signature.

Upon receipt, Treasury will issue a warrant for the annualized level of amounts appropriated. If a subsequent continuing resolution for the FY is enacted, Treasury will not revise the warrant unless the annualized level of the amount appropriated differs from the previous level.

If a subsequent continuing resolution does change the annualized level, agencies must submit new warrant requests. Treasury then will issue new warrants adjusting the previous amounts. When Congress enacts the regular appropriation bill, Treasury will make any necessary adjustments to those amounts. Generally, this requires no action by the agency and normal procedures for warranting regular appropriations apply.

Treasury will handle programs exempted from the normal provisions of a continuing resolution individually. For example: a specific amount appropriated separately or the appropriation of an amount not based on the specified rate. Amounts provided under continuing resolutions are subject to apportionment. (See Office of Management and Budget (OMB) related instructions and OMB Circular No. A-34.)

2030.30 - FMS Form 6202: Surplus Warrant

Treasury initiates surplus warrants at the request of the House of Representatives or the Senate. These warrants withdraw unobligated balances of appropriations after the period of availability expires.

A surplus warrant shows withdrawals for:

- Accounts relating to unappropriated receipts for special funds.
- Miscellaneous trust funds.
- Closing no-year (X) accounts with definite authority.

Treasury will furnish authenticated copies of surplus warrants to the agency.

2030.40 - Closing Accounts

Public Law 101-510 (November 5, 1990) of the National Defense Authorization Act requires that agencies close appropriation accounts available for obligation during a definite period on September 30th of the fifth FY after the account's availability ends. Agencies must cancel remaining account balances on FMS Form 2108: Yearend Closing Statement.

Close no-year (X) accounts only if both of the following conditions apply:

- The head of the agency or the President determines the purposes for which the appropriation was made have been carried out.
- No disbursement has been made against the appropriation for 2 consecutive FYs.

Definite No-Year (X) Accounts. Do not use FMS Form 2108 to withdraw or cancel funds. Instead, agencies must submit a written request to Treasury (see Contacts page). Agency requests for withdrawal or cancellation of funds should result in a zero balance after processing. Treasury issues a warrant to withdraw and cancel funds for no-year (X) accounts.

Indefinite No-Year (X) Accounts. Agencies should continue to report increases and decreases for indefinite authority on FMS Form 2108. To close accounts with indefinite authority, submit a written request to Treasury (see Contacts page).

Section 2035 - Nonexpenditure Transfers

Use nonexpenditure transfers to make increases and decreases between appropriations, fund and other accounts. These transfers must be authorized by law and are accomplished using "nonexpenditure transactions."

Nonexpenditure transfers are limited to transactions in which both the withdrawal and the credit occur in the same account group. The groups are:

- Accounts within the budget, except trust funds. For example, nonexpenditure transfers can be accomplished between general, revolving, management or special accounts within the budget.
- Accounts outside the budget, such as deposit fund accounts.

Without exception, a withdrawal and credit transaction between accounts in different groups is classified as an expenditure transaction. Withdrawals and credits that affect borrowings from Treasury under authorizations to expend from public debt receipts are always nonexpenditure transactions.

Nonexpenditure transactions are reported as obligations, expenditures or reimbursements. Withdrawals and credits of the following general types constitute all of the transactions presently classed in this category:

- Transfers without benefit to the transferring account. (See 2035.10.)
- Transfers to establish transfer appropriation accounts for the benefit of the advancing account. (See 2035.20.)
- Borrowings from Treasury under loan authorizations. (See 2035.30.)
- Capital transfers. (See 2035.40.)
- Borrowings from other funds. (See 2035.50.)

2035.10 - Transfers without Benefit to the Transferring Account

These transfers either redistribute funds or redelegate authority so that the agency may expend the funds under another appropriation or fund symbol.

In effect, these transactions decrease the funds available for obligation or expenditure under one account and increase the amount

available under the other. In these cases, the amounts transferred do not represent any benefit to the account from which they are transferred. Instead, they represent a redistribution, as authorized by law. Included in this category are:

- **Reorganization Transfers** - Transfers resulting from reorganizations in which functions and related funds are transferred to different departments, agencies or bureaus.
- **Merger of Balances** - Transfers that merge obligated balances with other appropriations or funds.
- **Redistribution of Appropriations or Balances** - Transfers representing transfer authority granted by law and used to move funds from one appropriation to other appropriations where a merger of funds is permitted. Examples include: (1) emergency funds distributed to constituent units, (2) interchanges under statutory authorization that increase one appropriation by decreasing another within a fixed percentage or amount, and (3) pay increases using transfer authority instead of a supplemental appropriation.
- **Reappropriations** - Transfers when the legislature extends the period of availability of part or all of an appropriation. (To reverse a reappropriation, contact Treasury for further instructions.)

2035.20 - Transfers to Establish Transfer Appropriation Accounts for the Benefit of the Advancing Accounts

This section discusses whole or partial transfers of an appropriation or fund between agencies, where the receiving agency establishes the amount transferred in a transfer appropriation account. Use the same symbol and title of this account as the original appropriation. The sending agency should affix the appropriate prefix to indicate the receiving agency. Expenditures from such trans-

fer appropriation accounts are for the benefit of, and are associated with, the original account.

2035.30 - Borrowings from Treasury under Loan Authorizations

These borrowings are amounts Treasury advanced under loan authorizations and amounts repaid as principal. Interest payments on such loans represent expenditure transactions and are not in this category.

2035.40 - Capital Transfers

These are revolving fund transactions (4000 series expenditure accounts) that transfer capital investments (series 2813-2814) of the United States or earnings for credit to designated capital transfer accounts (series 1610-1614).

2035.50 - Borrowings from Other Funds

These include amounts loaned by the Federal Financing Bank (FFB) to agencies authorized to issue, sell or guarantee their obligations. The agencies borrow from FFB rather than from Treasury and rather than issuing securities to the public. Interest payments on such loans represent expenditure transactions and are not in this category.

2035.60 - Preparing and Distributing SF 1151: Nonexpenditure Transfer Authorization

Federal agencies and Government corporations use the SF 1151 to process nonexpenditure transactions. Generally, agencies should document only one nonexpenditure transaction on each SF 1151. Use the SF 1151 to docu-

ment more than one nonexpenditure transaction only if all of the transfers are based on the same legal authority. The form must contain a citation of the legal authority for the transfer. Also include the reference, wherever possible, to the United States Code (example: 42 U.S.C. 1104). If citing the United States Code is not possible, refer to the Statutes at Large and include both volume and page number (Example: 91 Stat. 436). A designated representative of the agency should approve the SF 1151. Certifying officers can be designated to approve transfer actions.

Agencies should initiate the appropriate documentation for their part of an appropriation when they transfer accounts from appropriations subject to reorganizations and reappropriations. When possible, take action based on advice from the agency administering the parent account.

To document a transfer and merge funds that provide no benefit to the transfer account, separate the unobligated and obligated balances on the SF 1151. Further separate the amounts of current year appropriations and balances of prior year appropriations for unexpired multi- and no-year appropriations. Unless there is another specific basis for making the determination, agencies use the first-in first-out method to separate these balances. Always preface each amount on the SF 1151 with an account symbol.

When a portion of an amount advanced or transferred as a "nonexpenditure transaction" is returned to the original account, the agency to which the amount was originally transferred should initiate and process the SF 1151 to reverse the transaction. Note that a return of a specific advance or transfer is being effected on the SF 1151. Make an

adjustment or correction of an SF 1151 on an SF 1151.

Prepare an SF 1151 and retain a copy. The number of SF 1151 copies the agency sends to Treasury is determined by the type of transaction being documented. For example:

- **Borrowing and repayments from Treasury under loan authorizations** - The original and five copies.
- **All other nonexpenditure transfers** - The original and four copies.

Treasury will retain the original. After processing the transaction(s), Treasury will distribute copies to the proper agencies. Agencies should record the transaction in the same month as processed by Treasury. Initiate the SF 1151 transfers as early in the month as possible to ensure that each agency involved in the transaction can record the document during the same accounting period.

Instead of mailing, agencies may transmit a facsimile of the SF 1151 to the Finance Management Branch. (See Contacts page.) The SF 1151 must have an original signature; a stamped signature is not acceptable. Also, to avoid duplicating transactions, agencies should **not** follow up facsimile transmissions with a mailing of the original and copies. To request that Treasury return the facsimile of an SF 1151, provide a facsimile number and a contact person.

2035.70 - Processing Nonexpenditure Transfers

Treasury processes SF 1151 data directly into its central accounts. Agencies should not report these transactions on their SF 224: Statement of Transactions. However, agencies should record such documents in their own administrative accounts.

Contacts

Direct inquiries concerning this chapter and the preparation and distribution of the SF 1151 to:

Department of the Treasury
Financial Management Service
Reports Management Division
Finance Management Branch
3700 East-West Highway, Room 6F06
Hyattsville, MD 20782
Telephone: 202-874-9780
Fax: 202-874-9944

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Appendix Listing

Form	Title
FMS Form 6200	Department of the Treasury Appropriation Warrant
FMS Form 6201	Department of the Treasury Appropriation Warrant (Continuation Sheet)
FMS Form 6202	Department of the Treasury Surplus Warrant
FMS Form 6203	Department of the Treasury Surplus Warrant (Continuation Sheet)
SF 1151	Nonexpenditure Transfer Authorization

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DEPARTMENT OF THE TREASURY APPROPRIATION WARRANT

Warrant No. _____

Accounting Date _____

The Congress having, by the Acts hereon stated, made the appropriations hereunder specified. The amounts thereof are directed to be established in the general and detailed appropriation accounts, totaling in all \$ _____ and for so doing this shall be the warrant

The Secretary of the Treasury

Comptroller General of the United States

By _____

By _____

(Date Signed)

(Date Countersigned)

APPROPRIATION SYMBOL	AMOUNT
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FMS FORM 7-89 6200 FORMERLY TFS FORM (4-87) MAY BE USED
ITFM 2-2000

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

DEPARTMENT OF THE TREASURY APPROPRIATION WARRANT
(CONTINUATION SHEET)

Warrant No. _____

Accounting Date _____

Bureau or Office _____

APPROPRIATION SYMBOL

AMOUNT

FMS FORM 10-83 6201 EDITION OF 1-79, MAY BE USED
I TFM 2-2000

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

DEPARTMENT OF THE TREASURY SURPLUS WARRANT

(TFM Volume 1, Part II, Cha

Warrant No. _____

FMS FORM 6202 FORMERLY TREASURY FORM 524
12-76 (2-70) WHICH MAY BE USED

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

DEPARTMENT OF THE TREASURY SURPLUS WARRANT

(TFM Volume 1, Part II, Chapter 2000)

Warrant No. _____

Accounting Date _____

Bureau or Office _____

(Continuation Sheet)

APPROPRIATION		
SYMBOL	TITLE	AMOUNT

FMS FORM 12-76 6203 FORMERLY TREASURY FORM 524A, 2-70, WHICH MAY BE USED

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

Standard Form 1151
Revised January 1992
Department of the Treasury
ITFM 2-2000

DOCUMENT NO. _____

NONEXPENDITURE TRANSFER AUTHORIZATION

To

Finance Management Branch
Funds Management Division
Financial Management Service
Department of the Treasury
3700 East-West Highway, Room 6F06
Hyattsville, MD 20782

You are hereby authorized to effect the transfer indicated below.

TRANSFER FROM		TRANSFER TO	
Dept. Bureau Address		Dept. Bureau Address	
ACCOUNT SYMBOL	AMOUNT	ACCOUNT SYMBOL	AMOUNT

AUTHORITY

The above transfer is proper under the authority cited.

(Date)

(Approving Officer)