

Scenario III

Trust Fund Receipts Available for Investment but not Obligation

Scenario III illustrates the accounting and reporting procedures for trust fund receipts available for investment, but not immediately available for obligation. Examples include receipts collected in one year that are not available for obligation until the following year, or receipts only available for obligation subject to an annual appropriation act. In both cases, the amounts *are* available for investment, and therefore the unobligated balances should be reflected on the FMS 2108. OMB, however, classifies these receipts as unavailable, or unappropriated, and requires the amounts to be excluded from the SF 133 until the required conditions are met. An example would be the Aquatic Resources Trust Fund.

As indicated in Treasury's FAST Book, most Federal trust funds are designated as available, indicating that receipts collected are immediately available for investment. Therefore, in Treasury's central accounting system, when receipts are deposited into an available trust fund receipt account, they are automatically credited to the corresponding expenditure account, with no further action required by Congress. Once in the expenditure account, the funds may be invested, based upon terms stipulated in legislation or a trust agreement. Regardless of whether a trust fund is designated as available in Treasury's system, the receipts of that trust fund may or may not be available to the agency for obligation. Obligational authority is also determined in the legislation governing the trust fund. If a fund symbol is available for both investment and obligation, then follow accounting guidance illustrated in Scenario I, Basic Trust Fund Accounting. However, if a fund symbol is designated as available for investment but not available for obligation, then observe the guidance provided in Scenario III.

This scenario illustrates the use of USSGL account 4394 Receipts Not Available for Obligation Upon Collection. This account was established to provide the mechanism for properly including balances on the FMS 2108 and excluding balances on the SF 133. Since there are more special funds than trust funds that employ this type of activity, a more detailed scenario was developed by the USSGL Special Fund Subcommittee, in conjunction with the USSGL Trust Fund Subcommittee. For additional background and presentation of this USSGL account, visit the USSGL Web site.

Scenario III

Trust Fund Receipts Available for Investment but not Obligation

Year 1

- To record the collection of excise taxes from the public into an available trust fund receipt account. Because the trust fund is designated as available, the receipts are automatically credited to the corresponding expenditure account, so that they may be invested.¹ Assume that the legislation for this trust fund states that receipts are not available for obligation until the next fiscal year. (TC A188)**

Budgetary

4114	Appropriated Trust or Special Fund Receipts	10,000	
4394	Receipts Not Available for Obligation Upon Collection		10,000

Proprietary

1010	Fund Balance With Treasury	10,000	
5800	Tax Revenue Collected		10,000

- The receipts are immediately invested in a U.S. Treasury Security issued by the Bureau of Public Debt. The security has a par value of \$10,000 and was purchased at a discount of \$2,000.² (TC B128)**

Budgetary

None

Proprietary

1610	Investments in U.S. Treasury Securities Issued by Public Debt	10,000	
1611	Discount on U.S. Treasury Securities Issued by Public Debt		2,000
1010	Fund Balance With Treasury		8,000

¹ The transactions in this scenario combine the activity of the receipt and expenditure accounts into one. The receipt-expenditure account relationship is described in more detail in the Introduction of the Guide.

² This is a basic transaction to illustrate that the receipts collected are immediately invested. Investment transactions are kept to a minimum in this scenario in order to focus attention on the accounting for receipts that are available for investment but not obligation. Refer to Scenario IV, Trust Fund Investments, as well as Section III - Accounting Transactions of TFM S2-01-02 (as updated) for more detailed guidance on trust fund investments.

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1

- 3. To record interest receivable on the Treasury security. This is not a budgetary resource until collected. (TC C215)**

Budgetary

None

Proprietary

1340	Interest Receivable	1,000	
	5310 Interest Revenue		1,000

- 4. To record the amortization of the discount on the Treasury security. (TC D510)**

Budgetary

None

Proprietary

1613	Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	500	
	5310 Interest Revenue		500

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1

Budgetary Pre-Closing Adjusted Trial Balance (FACTS II ATB):

4114	10,000	
4394		10,000
	10,000	10,000

Budgetary Closing Entry:

C1. To record the consolidation of actual net-funded resources. (TC F204)

	4201 Total Actual Resources - Collected	10,000
	4114 Appropriated Trust or Special Fund Receipts	10,000

Budgetary Post-closing Trial Balance:

4201	10,000	
4394		10,000
	10,000	10,000

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1

Proprietary Pre-Closing Trial Balance (FACTS I Trial Balance):

1010	2,000	
1340	1,000	
1610	10,000	
1611		2,000
1613	500	
5310		1,500
5800		10,000
	13,500	13,500

Proprietary Closing Entry:

C1. To record the closing of revenues to cumulative results of operations. (TC F228)

5310	Interest Revenue		1,500
5800	Tax Revenue Collected	10,000	
	3310 Cumulative Results of Operations		11,500

Proprietary Post-Closing Trial Balance:

1010	2,000	
1340	1,000	
1610	10,000	
1611		2,000
1613	500	
3310		11,500
	13,500	13,500

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1

SF 133: Report on Budget Execution and Budgetary Resources (Quarter 4):

1A	Appropriations (4114E)	10,000
	(4394E-B)	(10,000)
2A	Unobligated Balance Brought Forward	0
7	Total Budgetary Resources	0
11	Total Status of Budgetary Resources	0

FMS 2108: Year-end Closing Statement:

Column 5	Post-Closing Unexpended Balance (1010E)	2,000
Column 6	Other Authorizations (1610E)	10,000
	1611E	(2,000)
Column 11	Unobligated Balance (4394E)	10,000

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1

Program and Financing Schedule (P&F):

Obligations by Program Activity

1000	Total new obligations	0
------	-----------------------	---

Budgetary Resources Available for Obligation

2140	Unobligated balance available, start of year	0
------	--	---

2200	New budget authority(gross) (sum 4000 to 6990)	0
------	--	---

2395	Total new obligations (-) (from line 1000)	0
------	--	---

2499	Unobligated balance carried forward, end of year	0
------	--	---

New Budgetary Authority (Gross), Detail

4026	Appropriation (trust fund, definite) (4114E + 4394E-B)	0
------	--	---

7000	Total new budget authority (gross) (4114E + 4394E-B)	0
------	--	---

Memorandum Entries

9201	Total investments, start of year (par) (1610B)	0
------	--	---

9202	Total investments, end of year (par) (1610E)	10,000
------	--	--------

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1

OMB Form and Content Statements

Balance Sheet		
ASSETS		
1A1	Fund Balance With Treasury (1010E)	2,000
1A4	Investments (1340E, 1610E, 1611E, 1613E)	9,500
LIABILITIES and NET POSITION		
6B	Cumulative Results of Operations (3310E)	11,500
Statement of Net Cost		
1	Program Costs	0
1D	Less Earned Revenue	0 ³
4	Net Cost of Operations (calculation)	0
Statement of Changes in Net Position		
1	Net Cost of Operations	0
2B	Taxes (and other nonexchange revenue) (5310E, 5800E)	11,500
9	Net Position - End of Period (calculation)	11,500

3 For most trust funds, invested balances are derived predominantly from earmarked taxes and other non-exchange revenue. Accordingly, the interest earned is classified as non-exchange, thus **not** deducted from the gross cost of operations. For those trust funds, however, where the main source of balances consist of exchange revenue (e.g. Civil Service Retirement and Disability fund), the interest shall be classified as exchange, and thus deducted from the gross cost of operations. (See SFFAS #7, ¶306-308).

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 1 **OMB Form and Content Statements (continued)**

Statement of Budgetary Resources		
1A	Budget Authority - Appropriations (4114E, 4394E-B)	0
5	Total Budgetary Resources	0
6	Obligations Incurred	0
7B	Unobligated - Exempt from Apportionment (4620E)	0
9	Total Status of Budgetary Resources	0
10	Obligations Incurred (4902E)	0
Statement of Financing		
1	Obligations and Nonbudgetary Resources	0
2	Resources That Do Not Fund Net Cost of Operations	0
3	Components of Costs of Operations That Do Not Require or Generate Resources	0
4	Financing Sources Yet to be Provided	0
5	Net Cost of Operations	0

Scenario III

Trust Fund Receipts Available for Investment but not Obligation

Year 2

- To record the collection of excise taxes from the public into an available trust fund receipt account. Because the trust fund is designated as available, the receipts are automatically credited to the corresponding expenditure account, so that they may be invested. Assume that the legislation for this trust fund states that receipts are not available for obligation until the next fiscal year. (TC A188)**

Budgetary

4114	Appropriated Trust or Special Fund Receipts	7,000
4394	Receipts Not Available for Obligation Upon Collection	7,000

Proprietary

1010	Fund Balance With Treasury	7,000
5800	Tax Revenue Collected	7,000

- The receipts are immediately invested in a U.S. Treasury Security issued by the Bureau of Public Debt. The security has a par value of \$7,000 and was purchased at a premium of \$500. (OMB Circular A-34 requires that purchased premiums are to be recorded as a reduction of receipts.) (TC B126)**

Budgetary

4394	Receipts Not Available for Obligation Upon Collection	500
4114	Appropriated Trust or Special Fund Receipts	500

Proprietary

1610	Investments in U.S. Treasury Securities Issued by Public Debt	7,000
1612	Premium on U.S. Treasury Securities Issued by Public Debt	500
1010	Fund Balance With Treasury	7,500

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

- 3. To record collection of interest on a prior year investment. The legislation states that interest on investments is not available for obligation.⁴ (TC A196)**

Budgetary

4114	Appropriated Trust or Special Fund Receipts	1,000	
4394	Receipts Not Available for Obligation Upon Collection	1,000	

Proprietary

1010	Fund Balance With Treasury	1,000	
1340	Interest Receivable		1,000

- 4. To record the portion of the prior-year's receipts that become available for obligation, based upon conditions met in the legislation. Assume that this trust fund is not subject to apportionment.⁵ (TC A190)**

Budgetary

4394	Receipts Not Available for Obligation Upon Collection	2,000	
4620	Unobligated Funds Not Subject to Apportionment		2,000

Proprietary

None

- 5. To record the amortization of the discount and premium on the Treasury securities. (TC D510)**

Budgetary

None

Proprietary

1613	Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	300	
5310	Interest Revenue		300
5310	Interest Revenue	200	
1613	Amortization of Discount and Premium on U.S. Treasury		

4 If the legislation defines investment interest as available, credit the appropriate USSGL status account (e.g. 4450, 4620) instead of 4394.

5 For trust funds subject to apportionment, refer to Section III - Accounting Transactions of TFM S2-01-02 (as updated) for additional transactions.

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Securities Issued by Public Debt

200

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

Budgetary Pre-Closing Adjusted Trial Balance (FACTS II ATB):

4114	7,500	
4201	10,000	
4394		15,500
4620		2,000
	17,500	17,500

Budgetary Closing Entry:

C1. To record the consolidation of actual net-funded resources. (TC F204)

4201	Total Actual Resources - Collected	7,500
4114	Appropriated Trust or Special Fund Receipts	7,500

Budgetary Post-closing Trial Balance:

4201	17,500	
4620		2,000
4394		15,500
	17,500	17,500

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

Proprietary Pre-Closing Trial Balance (FACTS I Trial Balance):

1010	2,500	
1610	17,000	
1611		2,000
1612	500	
1613	600	
3310		11,500
5310		100
5800		7,000
	20,600	20,600

Proprietary Closing Entry:

C1. To record the closing of revenues to cumulative results of operations. (TC F228)

5310	Interest Revenue		100
5800	Tax Revenue Collected	7,000	
	3310 Cumulative Results of Operations		7,100

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

Proprietary Post-Closing Trial Balance:

1010	2,500	
1610	17,000	
1611		2,000
1612	500	
1613	600	
3310		18,600
	20,600	20,600

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

SF 133: Report on Budget Execution and Budgetary Resources (Quarter 4):

1A	Appropriations (4114E)	7,500
	(4394E-B)	(5,500)
2A	Unobligated Balance Brought Forward (4201B)	10,000
	(4394B)	(10,000)
7	Total Budgetary Resources	2,000
9.	Unobligated Balances Available (4620E)	2,000
11	Total Status of Budgetary Resources	2,000

FMS 2108: Year-end Closing Statement:

Column 5	Post-Closing Unexpended Balance (1010E)	2,500
Column 6	Other Authorizations (1610E)	17,000
	(1611E)	(2,000)
Column 11	Unobligated Balance (4620E)	2,000
	(4394E)	15,500

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

Program and Financing Schedule (P&F):

Obligations by Program Activity

1000	Total new obligations (4902E)	0
------	-------------------------------	---

Budgetary Resources Available for Obligation

2140	Unobligated balance available, start of year	0
2200	New budget authority(gross) (sum 4000 to 6990)	2,000
2395	Total new obligations (-) (from line 1000)	0
2499	Unobligated balance carried forward, end of year	2,000

New Budgetary Authority (Gross), Detail

4026	Appropriation (trust fund, definite) (4114E + 4394E-B)	2,000
7000	Total new budget authority (gross) (4114E + 4394E-B)	2,000

Memorandum Entries

9201	Total investments, start of year (par) (1610B)	10,000
9202	Total investments, end of year (par) (1610E)	17,000

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2

OMB Form and Content Statements

Balance Sheet		
ASSETS		
1A1	Fund Balance With Treasury (1010E)	2,500
1A4	Investments (1610E, 1611E, 1612E, 1613E)	16,100
LIABILITIES and NET POSITION		
6B	Cumulative Results of Operations (3310E)	18,600
Statement of Net Cost		
1	Program Costs	0
1D	Less Earned Revenue	0 ⁶
4	Net Cost of Operations (calculation)	0
Statement of Changes in Net Position		
1	Net Cost of Operations	0
2B	Taxes (and other nonexchange revenue) (5310E, 5800E)	7,100
7	Net Position - Beginning of Period (3310B)	11,500
9	Net Position - End of Period (calculation)	18,600

6 For most trust funds, invested balances are derived predominantly from earmarked taxes and other non-exchange revenue. Accordingly, the interest earned is classified as non-exchange, thus **not** deducted from the gross cost of operations. For those trust funds, however, where the main source of balances consist of exchange revenue (e.g. Civil Service Retirement and Disability fund), the interest shall be classified as exchange, and thus deducted from the gross cost of operations. (See SFFAS #7, ¶306-308).

Scenario III
Trust Fund Receipts Available for Investment but not Obligation

Year 2 **OMB Form and Content Statements (continued)**

Statement of Budgetary Resources		
1A	Budget Authority - Appropriations (4114E, 4394E-B)	2,000
5	Total Budgetary Resources	2,000
6	Obligations Incurred	0
7B	Unobligated - Exempt from Apportionment (4620E)	2,000
9	Total Status of Budgetary Resources	2,000
10	Obligations Incurred (4902E)	0
Statement of Financing		
5	Obligations and Nonbudgetary Resources	0
6	Resources That Do Not Fund Net Cost of Operations	0
3	Components of Costs of Operations That Do Not Require or Generate Resources	0
7	Financing Sources Yet to be Provided	0
5	Net Cost of Operations	0