

Advance Funding Scenario

Advance funding is the appropriation of budget authority provided in an appropriation act to be used, if necessary, to cover obligations incurred late in the fiscal year for benefit payments in excess of the amount specifically, appropriated in act for that year, where budget authority is charged to appropriation for the program for the fiscal year following the fiscal year for which the appropriation act is passed. When such budget authority is used, the budget records an increase in the budget authority for the fiscal year in which it is used and a reduction in the budget authority for the following fiscal year.¹

For example, advance funding authority was requested in the 2002 (Year 1) Budget to cover the following benefit payments: special benefits, federal unemployment benefits and allowances, veterans insurance and indemnities, compensation and pensions and re-adjustment benefits.

1. To record the enactment of an appropriation and receipt of warrant.

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4119 Other Appropriations Realized	1,000		A104
CR 4450 Unapportioned Authority		1,000	
<u>Proprietary Entry</u>			
DR 1010 Fund Balance with Treasury	1,000		
CR 3101 Unexpended Appropriations – Appropriations Received		1,000	

2. To record budgetary authority apportioned by OMB and available for allotment.

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4450 Unapportioned Authority	1,000		A116
CR 4510 Apportionments		1,000	

3. To record allotment of authority.

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4510 Apportionments	1,000		A120
CR 4610 Allotments – Realized Resources		1,000	

4. Purchase request for \$250, was approved. (Commitment)

YEAR 1			
<u>Budgetary Entry</u>			TC
DR 4610 Allotments – Realized Resources	250		B202
CR 4700 Commitments		250	

¹ OMB Circular A-11, Section 20.4

Advance Funding Scenario

5. To record current-year undelivered orders without an advance.

YEAR 1			
<u>Budgetary Entry</u>			TC B204
DR 4700 Commitments	250		
CR 4801 Undelivered Orders Obligations – Unpaid	250		

June, Year 1

Determined that the amount appropriated for federal unemployment benefit and allowance expenses will exceed obligations incurred by \$1,500. An advancement of funding is necessary to cover excess obligations.

6. To record the receipt of a warrant for advance funding to cover excess obligations.

YEAR 1			
<u>Budgetary Entry</u>			TC A104
DR 4119 Other Appropriations Realized (Advance Flag ~ F) ²	1,500		
CR 4450 Unapportioned Authority	1,500		
<u>Proprietary Entry</u>			
DR 1010 Fund Balance With Treasury	1,500		
CR 3101 Unexpended Appropriations – Appropriations Received	1,500		

7. To record budgetary authority apportioned by OMB and available for allotment.

YEAR 1			
<u>Budgetary Entry</u>			TC A116
DR 4450 Unapportioned Authority	1,500		
CR 4510 Apportionments	1,500		

8. To record allotment of authority.

YEAR 1			
<u>Budgetary Entry</u>			TC A120
DR 4510 Apportionments	1,500		
CR 4610 Allotments – Realized Resources	1,500		

² F ~ Advance from future year

Advance Funding Scenario

9. To record the accrued benefit at the end of the accounting period for unpaid estimated costs incurred (employer agency).

YEAR 1			
Budgetary Entry			TC
DR 4610 Allotments – Realized Resources	2,000		D404
CR 4901 Delivered Orders – Obligations, Unpaid		2,000	
Proprietary Entry			
DR 6400 Benefit Expense	2,000		
CR 2213 Employer Contributions and Payroll Taxes Payable		2,000	
DR 3107 Unexpended Appropriations – Used	2,000		B134
CR 5700 Expended Appropriations		2,000	

10. Payment schedule certified and confirmed for benefit expense.

YEAR 1			
Budgetary Entry			TC
DR 4901 Delivered Orders – Obligations – Unpaid	2,000		B110
CR 4902 Delivered Orders- Obligations, Paid.		2,000	
Proprietary Entry			
DR 2213 Employer Contributions and Payroll Taxes Payable	2,000		
CR 1010 Fund Balance with Treasury		2,000	

11. To record the delivery of goods and accrue a liability (related to #5).

YEAR 1			
Budgetary Entry			TC
DR 4801 Undelivered Orders Obligations – Unpaid	250		B302
CR 4901 Delivered Orders – Obligations, Unpaid		250	
Proprietary Entry			
DR 6100 Operating Expenses	250		
CR 2110 Accounts Payable		250	
DR 3107 Unexpended Appropriations Used	250		B134
CR 5700 Expended Appropriations		250	

12. Payment schedule certified and confirmed.

YEAR 1			
Budgetary Entry			TC
DR 4901 Delivered Orders – Obligations – Unpaid	250		B110
CR 4902 Delivered Orders- Obligations, Paid.		250	
Proprietary Entry			
DR 2110 Accounts Payable	250		
CR 1010 Fund Balance with Treasury		250	

Advance Funding Scenario

Pre - Closing Trial Balance YEAR 1

YEAR 1	Debit	Credit
Budgetary		
4119	2,500	
4610		250
4902	<u>0</u>	<u>2,250</u>
Total	<u>2,500</u>	<u>2,500</u>
Proprietary		
1010	250	
3101		2,500
3107	2,250	
5700		2,250
6100	250	
6400	<u>2,000</u>	<u>0</u>
Total	<u>4,750</u>	<u>4,750</u>

Closing Entry

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

<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
DR 3310 Cumulative Results of Operations	2,250		TC F228
CR 6100 Operating Expense		250	
CR 6400 Benefit Expense		2,000	
DR 5700 Expended Appropriations	2,250		
CR 3310 Cumulative Results of Operations		2,250	

- To record the consolidation of actual net-funded resources.

<u>Budgetary Entry</u>			
DR 4201 Total Actual Resources Collected	2,500		TC F204
CR 4119 Other Appropriations Realized		2,500	

Advance Funding Scenario

3. To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>		TC
DR 4902 Delivered Orders – Obligations, Paid	2,250	F214
CR 4201 Total Actual Resources Collected	2,250	

4. To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>		TC
None		F233
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations Received	2,500	
CR 3100 Unexpended Appropriations Cumulative	250	
CR 3107 Unexpended Appropriations Used	2,250	

5. To record closing of unobligated balances to expiring authority.

<u>Budgetary Entry</u>		TC
DR 4610 Allotments – Realized Resources	250	F212
CR 4650 Expired Authority	250	
<u>Proprietary Entry</u>		
None		

Post – Closing Trial Balance YEAR 1

YEAR 2	Debit	Credit
Budgetary		
4201	250	
4650	<u>0</u>	<u>250</u>
Total	<u>250</u>	<u>250</u>
Proprietary		
1010	250	
3100	<u>0</u>	<u>250</u>
Total	<u>250</u>	<u>250</u>

Advance Funding Scenario

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES
(YEAR-END)
YEAR 1**

BUDGETARY RESOURCES

1. Budget Authority	
a. Appropriations received (4119E)	<u>2,500</u>
7. Total, Budgetary Resources	<u><u>2,500</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred:	
a. Direct (4902E)	2,250
9. Unobligated Balance:	
a. Apportioned (4610E)	<u>250</u>
11. Total, Status of Budgetary Resources	<u><u>2,500</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

15. Outlays	
a. Disbursements (4902E)	2,250

**FMS 2108 Year-end Closing Statement
YEAR 1**

Column 5 (1010E)	250dr
Column 11 (4610E)	<u>250cr</u>
Total	<u> 0</u>

Advance Funding Scenario

**Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, Year 1
(in dollars/thousands/millions)**

Assets (Note 2)

Intragovernmental:	
1. Fund Balance with Treasury (Note 3) (1010)	<u>250</u>
6. Total Intragovernmental	<u>250</u>
15. Total Assets	<u>250</u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
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Net position:

28. Unexpended appropriations (Note 20) (3100)	250
29. Cumulative Results of Operations (3310)	<u>0</u>
31. Total net position	<u>250</u>
32. Total liabilities and net position	<u>250</u>

**Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF NET COST
For the year ended September 30, Year 1
(in dollars/thousands/millions)**

Program Costs:

Program A:	
1. Intragovernmental gross costs (6100 & 6400)	<u>2,250</u>
3. Intragovernmental net costs	<u>2,250</u>
7. Total net costs	<u>2,250</u>
8. Net Cost of Operations	<u>2,250</u>

Advance Funding Scenario

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, Year 1
(in dollars/thousands/millions)

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
Budgetary Financing Sources:		
4. Appropriations Received (3101E)		2,500
7. Appropriations Used (3107/5700E)	2,250	(2,250)
Other Financing Sources:		
16. Total Financing Sources	2,250	250
17. Net Cost of Operations	<u>2,250</u>	<u>0</u>
18. Ending Balances	<u>0</u>	<u>250</u>

Advance Funding Scenario

**Department/Agency/Reporting Entity
COMBINED STATEMENT OF FINANCING
For the year ended September 30, Year 1
(in dollars/thousands/millions)**

**Resources Used to Finance Activities:
Budgetary Resources Obligated**

1. Obligations incurred (4902 E)	<u>2,250</u>
5. Net Obligations (1..4)	<u>2,250</u>
11. Total Resources Used to Finance Activities (5+10)	<u>2,250</u>

Resources Used to Finance Items not Part of the Net Cost of Operations

17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>2,250</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u>2,250</u>

Advance Funding Scenario

BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR ACTUAL COLUMN FOR YEAR 1 REPORTING

OBLIGATIONS BY PROGRAM ACTIVITY

1000 Total New Obligations (4902E)	2,250
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BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2200 New Budget Authority, (gross)	2,500
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2395 Total new obligations	2,250
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2398 Unobligated balance expiring or withdrawn (4610E)	250
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NEW BUDGET AUTHORITY (GROSS), DETAIL

4000 Appropriation (4119E)	1,000
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4028 Appropriation available from subsequent year (4119E) (Advance Flag ~ F) ³	1,500
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4300 Appropriation (total discretionary)	2,500
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7000 Total New Budget Authority (Gross)	2,500
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CHANGE IN OBLIGATED BALANCES

7310 Total new obligations	2,250
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7320 Total Outlays (gross) (4902E)	2,250
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OUTLAYS (GROSS), DETAIL

8690 Outlays from new discretionary authority (4902E)	2,250
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NET BUDGET AUTHORITY AND OUTLAYS

8900 Budget Authority (net)	2,500
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9000 Outlays (net)	2,250
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³ F ~ Advance from future year

Advance Funding Scenario

Beginning Trial Balance YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4201	250	
4650	<u>0</u>	250
Total	<u>250</u>	<u>250</u>
Proprietary		
1010	250	
3100	<u>0</u>	250
Total	<u>250</u>	<u>250</u>

- To record a reduction in authority for advance funding made available in the previous year (new transaction).

YEAR 2		
Budgetary Entry		
DR 4450 Unapportioned Authority	1,500	TC A125 (new)
CR 4119 Other Appropriations Realized (Advance Flag ~ P) ⁴	1,500	

- To record the enactment of an appropriation and receipt of warrant.

YEAR 2		
Budgetary Entry		
DR 4119 Other Appropriations Realized	2,000	TC A104
CR 4450 Unapportioned Authority	2,000	
Proprietary Entry		
DR 1010 Fund Balance with Treasury	500	
CR 3101 Unexpended Appropriations – Appropriations Received	500	

- To record budgetary authority apportioned by OMB and available for allotment.

YEAR 2		
Budgetary Entry		
DR 4450 Unapportioned Authority	500	TC A116
CR 4510 Apportionments	500	

⁴P ~ Advance in prior year

Advance Funding Scenario

4. To record allotment of authority.

YEAR 2		
Budgetary Entry		TC
DR 4510 Apportionments	500	A120
CR 4610 Allotments – Realized Resources	500	

5. Purchase request for \$500, was approved. (Commitment)

YEAR 2		
Budgetary Entry		TC
DR 4610 Allotments – Realized Resources	500	B202
CR 4700 Commitments	500	

6. To record current-year undelivered orders without an advance.

YEAR 2		
Budgetary Entry		TC
DR 4700 Commitments	500	B204
CR 4801 Undelivered Orders Obligations – Unpaid	500	

7. To record the delivery of goods and accrue a liability.

YEAR 2		
Budgetary Entry		TC
DR 4801 Undelivered Orders Obligations – Unpaid	500	B302
CR 4901 Delivered Orders – Obligations, Unpaid	500	
Proprietary Entry		
DR 6100 Operating Expenses	500	
CR 2110 Accounts Payable	500	
DR 3107 Unexpended Appropriations Used	500	B134
CR 5700 Expended Appropriations	500	

8. Payment schedule certified and confirmed.

YEAR 2		
Budgetary Entry		TC
DR 4901 Delivered Orders – Obligations – Unpaid	500	B110
CR 4902 Delivered Orders- Obligations, Paid.	500	
Proprietary Entry		
DR 2110 Accounts Payable	500	
CR 1010 Fund Balance with Treasury	500	

Advance Funding Scenario

Pre - Closing Trial Balance YEAR 2

YEAR 2	Debit	Credit
Budgetary		
4119	500	
4201	250	
4650		250
4902	<u>0</u>	<u>500</u>
Total	<u>750</u>	<u>750</u>
Proprietary		
1010	250	
3100		250
3101		500
3107	500	
5700		500
6100	<u>500</u>	<u>0</u>
Total	<u>1,250</u>	<u>1,250</u>

Closing Entry

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

<u>Proprietary Entry</u>			TC
DR 3310 Cumulative Results of Operations	500		F228
CR 6100 Operating Expenses		500	
DR 5700 Expended Appropriations	500		
CR 3310 Cumulative Results of Operations		500	

- To record the consolidation of actual net-funded resources.

<u>Budgetary Entry</u>			TC
DR 4201 Total Actual Resources Collected	500		F204
CR 4119 Other Appropriations Realized		500	

- To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>			TC
DR 4902 Delivered Orders – Obligations, Paid	500		F214
CR 4201 Total Actual Resources Collected		500	

Advance Funding Scenario

4. To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
DR 3101 Unexpended Appropriations – Appropriations Received	500		
CR 3107 Unexpended Appropriations Used		500	
			TC F233

**Post - Closing Trial Balance
YEAR 2**

YEAR 2	Debit	Credit
Budgetary		
4201	250	
4650	<u>0</u>	<u>250</u>
	<u>250</u>	<u>250</u>
Proprietary		
1010	250	
3100	<u>0</u>	<u>250</u>
	<u>250</u>	<u>250</u>

Advance Funding Scenario

**SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES
(YEAR-END)
YEAR 2**

BUDGETARY RESOURCES

1. Budget Authority	
a. Appropriations received (4119E)	500
2. Unobligated Balance	
a. Brought Forward, Oct. 1 (4201B)	<u>250</u>
7. Total, Budgetary Resources	<u><u>750</u></u>

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred:	
a. Direct (4902E)	500
10. Unobligated Balance (Not Available) (4650E)	<u>250</u>
11. Total, Status of Budgetary Resources	<u><u>750</u></u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

15. Outlays	
a. Disbursements (4902E)	500

**FMS 2108 Year-end Closing Statement
YEAR 2**

Column 5 (1010E)	250dr
Column 11 (4650E)	<u>250cr</u>
Total	<u> 0</u>

Advance Funding Scenario

**Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, Year 2
(in dollars/thousands/millions)**

Assets (Note 2)

Intragovernmental:

1. Fund Balance with Treasury	<u>250</u>
15. Total Assets	<u>250</u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
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Net position:

28. Unexpended appropriations (Note 20) (3100)	250
31. Total net position	<u>250</u>
32. Total liabilities and net position	<u>250</u>

Advance Funding Scenario

**Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF NET COST
For the year ended September 30, Year 2
(in dollars/thousands/millions)**

Program Costs:

Program A:	
1. Intragovernmental (6100E)	<u>500</u>
3. Total program costs	<u>500</u>
4. Less: Earned Revenue	<u>0</u>
5. Net program costs	<u>500</u>
6. Net Cost of Operations	<u>500</u>

**Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, Year 2
(in dollars/thousands/millions)**

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
1. Beginning Balances (3100 B)		250
2. Prior Period Adjustments		
3. Beginning Balances, As Adjusted		
Budgetary Financing Sources:		
4. Appropriations Received (3101 E)		500
7. Appropriations Used (3107/5700E)	500	(500)
Other Financing Sources:		
16. Total Financing Sources	500	250
17. Net Cost of Operations	<u>500</u>	<u>0</u>
18. Ending Balances	<u>0</u>	<u>250</u>

Advance Funding Scenario

**Department/Agency/Reporting Entity
COMBINED STATEMENT OF FINANCING
For the year ended September 30, Year 2
(in dollars/thousands/millions)**

**Resources Used to Finance Activities:
Budgetary Resources Obligated**

1. Obligations incurred (4902 E)	<u>500</u>
5. Net Obligations (1..4)	<u>500</u>
11. Total Resources Used to Finance Activities (5+10)	<u>500</u>

Resources Used to Finance Items not Part of the Net Cost of Operations

15. Resources that Finance the Acquisition of Assets or Liquidation of Liabilities	<u>0</u>
17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>500</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u><u>500</u></u>

Advance Funding Scenario

**BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR
ACTUAL COLUMN FOR YEAR 2 REPORTING**

OBLIGATIONS BY PROGRAM ACTIVITY

1000 Total New Obligations (4902E) 500

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2200 New Budget Authority, (gross) 500

2395 Total New Obligations 500

NEW BUDGET AUTHORITY (GROSS), DETAIL

4000 Appropriation(4119E) 2,000

4029 Appropriation available in prior year (4119E) (Advance Flag ~ P)⁵ (1,500)

4300 Appropriation (total discretionary) 500

7000 Total New Budget Authority (Gross) 500

CHANGE IN OBLIGATED BALANCES

7310 Total new obligations 500

7320 Total Outlays (gross) (4902E) 500

OUTLAYS (GROSS), DETAIL

8690 Outlays from new discretionary authority (4902E) 500

NET BUDGET AUTHORITY AND OUTLAYS

8900 Budget Authority (net) 500

9000 Outlays (net) 500

⁵P ~ Advance in prior year