



Subject: TFS-2108 YEAR-END CLOSING STATEMENT

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5-70-00 PURPOSE AND APPLICABILITY

This chapter supplements Part 2 Chapter 4200 of the Treasury's Fiscal Requirements Manual (TFRM) which prescribes instructions' for the preparation of the TFS-2108 Year-End Closing Statement (Exhibit 5-70-A).

The data submitted on these reports provides the source for the Treasury's annual "Combined Statement of Receipts, Expenditures and Balances of the United States Government" to Congress and to fulfill the requirements in OMB Circular A-11.

This chapter is applicable to all Principal Operating Components/agencies of HHS. Headquarters parent organizations are responsible for incorporating regional data and preparing a consolidated report at the appropriation or fund account level. Therefore, timely year end cut-off dates should be established for the regions to insure that the parent agencies are able to comply with Treasury's due dates.

5-70-10 REPORT SUBMISSION REQUIREMENTS

Specific instructions for this report are contained in a schedule of reporting dates provided each year in a Treasury Fiscal Requirements Manual (TFRM) bulletin. The Division of Financial Planning and Analysis (DFPA)'will serve as the focal point in the Department for the submission of this report to Treasury on a consolidated basis. Upon receipt of the annual TFRM bulletin, agencies will be notified by memorandum as to the due date reports will be required by DFPA.

Certain steps should be followed:

1. Reports (original and two copies) must be certified by a duly authorized officer of the agency. The language of the certification should read "I hereby certify that the amounts shown in this report are correct. All known transactions meeting the criteria of 31 U.S.C. 200(a) have been obligated and are so reported".

2. Treasury affixes the certification and space for the signature, preparer, and telephone number on each page of the TFS-2108; therefore each page must have the spaces filled in with the appropriate information.
3. No accounts should be crossed through or deleted without first contacting DFPA for approval.
4. Headings on the forms should not be altered.
5. All columns should be subtotaled and totaled.
6. Subtotals should be ruled with a single line and the totals should be double ruled.
7. All questions concerning the TFS-2108 should be directed to DFPA not Treasury.

The reports should be submitted to:

The Deputy Assistant Secretary, Finance
HHS Division of Financial Planning and Analysis
Room 745-D, Hubert H. Humphrey Building
200 Independence Ave., SW
Washington, D. C. 20201

DFPA will review all data submitted and coordinate with the POCs/agencies regarding any changes that are required. The original and one copy of the consolidated report is sent to Treasury.

The TFS-2108 for accounts transferred in from-other Departments and transfers between HHS agencies must be prepared and certified by the agency receiving the transfer and should be submitted by the due date prescribed by the parent agency.

5-70-20 CONTENT OF REPORT

Reports must be typed and amounts reported in dollars and cents. Totals should be provided, in each applicable column, by four digit account, and by agency. Use minus signs for negative amounts; do not use asterisks or parentheses.

Column (1) APPROPRIATION OR FUND SYMBOL

Treasury will provide an original and three copies of TFS-Form 2108 reflecting all agency account symbols except for deposit funds and budget clearing accounts.

Column (2) PRECLOSING UNEXPENDED BALANCE

Treasury will insert the unexpended balance for each account symbol listed in column (1). These balances should agree with the amount reported in column 5 of the "preliminary" September 30 TFS-6653, Undisbursed Appropriation Account, and should not be changed without prior approval. This should be the balance of the following general ledger account.

101 - Disbursing Funds

Column (3) OBLIGATED BALANCE TRANSFERRED TO "M" ACCOUNT

Section 701(a), title 31 of the United States Code requires that on September 30 of the second full fiscal year following the fiscal year or years (for multi-year accounts) for which the appropriation is available for obligation, the unpaid obligations shall be transferred to the successor "M" account for subsequent liquidation. The amount transferred should include unpaid obligations (undelivered orders plus accounts payable, and accrued liabilities) less receivables (reimbursements earned, refunds, and unfilled customer's orders). See columns 7 thru 10 below for specific accounts. The net amount should be reported in this column as a minus(-) for the transferring account and a plus(+) to the appropriate "M" account.

When the balance of unpaid obligations is negative it must not be transferred to the "M" account. Integrity of such accounts will be maintained until collection of receivables is sufficient to eliminate the negative unexpended balance. When sufficient collections occur the transfer to the "M" account will be made on the next year-end report.

Column (4) UNOBLIGATED BALANCE WITHDRAWN (-) OR RESTORED (+)

The unobligated balances of accounts subject to withdrawal or restoration (+) should be reported in this column.

(b) Withdrawn (-)

Generally there will be no entry in this column in the case of unexpired accounts. In the case of accounts that are no longer available for obligation, the unobligated balances (unexpended balance in column 2) of the following accounts should be withdrawn:

- 451 - Unapportioned Appropriations
- 455 - Unallotted Funds-Subsequent Quarters
- 456 - Unallotted Funds-Current Quarters
- 461 - Unobligated Allotments

However, when receivables exceed unpaid obligations (column 7 and 8 exceed 9 and 10) the amount to be entered in column 4 must be the same as is in column 2 (preclosing unexpended balance). The excess of receivables over unpaid obligations must be shown in column (11) and footnoted "excess of receivables over gross unpaid obligations".

Any amount withdrawn that will be available for reappropriation in the next fiscal year must be footnoted as such and cite the statute that approved the reappropriation.

(b) Restoration (+)

Restored funds are posted in this column when it is determined necessary that a portion of the unobligated balance previously withdrawn is required to pay obligations and effect adjustments. The amount restored is limited to the following:

- (1) It must not exceed the difference between the undisbursed balance and the net obligated in the account to which restoration is made.
- (2) The restoration must not exceed the difference between cumulative withdrawals from and cumulative restorations to the account.

Restorations may be made during the fiscal year; however it is preferable that restoration be made at the end of the fiscal year. During the fiscal year it will not be necessary for an agency to withhold payments on obligations because the unexpended balance is not sufficient to cover these payments, so long as there are adequate funds available for restoration to ensure the deficiency does not exceed the limitation imposed by law. The amount available should be reflected in the balance of account 353.1-Capital-Transfers To U.S. Treasury-Available for Restoration.

For each applicable appropriation, the agency will be responsible for maintaining a record of cumulative Withdrawals and restorations. When, pursuant to law, expired appropriations have been grouped together in the successor "M" accounts the record of cumulative withdrawals and restorations should be identified with the successor accounts. i.e. keep a record of the account transactions transferred to the "M" account. Under exceptional circumstances an agency may be required to report certain appropriations, and adjustments in this column. In such cases the amounts must be accompanied by a detailed footnote.

NOTE: Column (4) plus column (11) will equal to the sum of lines (6) (restoration), 9 and 10 of the Final SF-133, Report on Budget Execution. However, accounts that have the authority to borrow funds from the subsequent year to be used for current obligations will not conform to lines mentioned above on the SF-133.

Further, amounts in column (4) for expired accounts, in most cases will cause column (11) to be zero.

Column (5) POSTCLOSING UNEXPENDED BALANCE

Report the net amounts from column (2), and (+ or -) columns (3) and (4). The total amount reported on this line should agree with line 1a of SF-220 "Statement of Financial Condition", adjusted for transfers to and from other agencies, for the final year-end reports.

Column (6) OTHER AUTHORIZATIONS

Repeat in this column the identical amounts reported in column (2) for unfunded contract authority, borrowing authority, and investments held (at par). In those cases where a single account has balances for more than one of the authorizations listed above, such balances should be netted and reported on one line in columns (7) through (11).

RECEIVABLES

Column (7) Reimbursements Earned and Refunds

Report on this line the year-end balances of the following accounts:

(a) Reimbursements Earned

110	-	Accounts Receivable-Federal Agencies
111	-	Accounts Receivable-Non-Federal Agencies
114	-	Accrued Interest Receivable-Federal Agencies
115	-	Accrued Interest Receivable-Non-Federal Agencies
		less
155	-	Allowance for Losses-Non-Federal Agencies (excluding 115.2)
156	-	Audit Disallowances-Under Appeal and Pending Collection

Also include certain anticipated collections under special authority of law, and exclude deferred charges and long-term receivables such as loans receivable and receivables from credit sales.

(b) Refunds

- 116 - Travel Advances and Emergency Salary Payments
- 120 - Advances to Federal Agencies (exclude 120.2, portions of 120.8 applicable to advances to consolidated working funds, and portions of 120.9 for accruals pertaining to advances in account 120.2 and for advances to consolidated working funds)
- 121 - Advances to Non-Federal Agencies

Included are all or a portion of such advances made to revolving or management funds to the extent specified by applicable statutory requirements. However, note that advances to consolidated working funds should be excluded.

Column (8) UNFILLED CUSTOMER ORDERS

Report the year-end balance of account 426-Unfilled Customer Orders.

UNPAID OBLIGATIONS

Column (9) Undelivered Orders and Contracts

Report the year-end balance of account 465-Undelivered Orders. The amount reported must represent valid obligations supported by documentary evidence in conformity with Section 1311 of Public Law 83-663 (68 Stat.830).

The amount reported in this column should agree with line 19b of SF-220, Statement of Financial Condition, adjusted for transfers to and from other agencies.

Column (10) ACCOUNTS PAYABLE AND OTHER LIABILITIES

Report the year-end balances of the following accounts:

- 251 - Accounts Payable-Federal Agencies
- 252 - Accounts Payable-Non-Federal Agencies
- 253 - Accrued Interest Payable-Federal Agencies
- 254 - Accrued Interest Payable-Non-Federal Agencies
- 261 - Accrued Liabilities-Federal Agencies
- 262 - Accrued Liabilities-Non-Federal Agencies
- 263 - Accrued Annual Leave Liability-Funded
- 265 - Reserve for Other Leave Systems-Funded
- 271 - Advances from Federal Agencies-(excluding 271.2)
- 272 - Advances from Non-Federal Agencies
- 273 - Deferred Credits

The net of columns (9) and (10) less columns (7) and (8) should be the amount reported on line 13c of the year-end final SF-133 Report on Budget Execution and carried forward to line 13a in the subsequent year. This amount should also be equal to section V of SF-225 Report on Obligations.

Column (11) UNOBLIGATED BALANCE AVAILABLE FOR OBLIGATION

Unexpired Accounts

Report the year-end balances of the following accounts:

451	-	Unapportioned Appropriations
456	-	Unallotted Funds-Current Quarters
461	-	Unobligated Allotments

The amount reported in this column should also be reported on line 9 of the year end final SF-133 report, and carried forward on line 2a in the subsequent year.

Expired Accounts:

This column is not normally applicable to expired accounts; however any excess of receivables in columns (7) and (8) over unpaid obligations in (9) and (10) should be reported in this column and foot-noted "Excess of Receivables Over Gross Unpaid Obligations" (see column (4)). This amount should not be carried forward on line 2a of the SF-133 in the subsequent year.

Proof Formula:

Step I	-	<u>Treasury Trial Balance and Transfers and Withdrawals</u>
		Column (2) (+ or -) Columns (3) and (4) = Column (5) or (6).
Step II	-	<u>Fund Resources = Fund Equities</u>
		Column (5) or (6) + columns (7) and (8) = Column (9) + Columns (10) and (11).

5-70-30 SPECIAL INSTRUCTIONS

Agreement of Figures:

In accordance with OMB Circular A-11, the agencies are required to make their budget submissions agree with data to be published in the Treasury Department's Combined Statement to Congress. Therefore, the agencies' budget and finance offices should ensure that budget documents agree with the TFS-2108. The various budget schedules that are covered by this requirement are cited in OMB Circular A-11 Section 21.1; 21.2; 22.3; 32.8; 37.3; and 38.2. OMB Circular A-34 contains an exhibit that identifies and shows relationships among data in the final SF-133, A-11 program and financing schedules, and the Treasury-Combined Statement.

SIBAC Transactions

No erroneous charge-backs to the SIBAC agency's clearing account will be reported on a supplemental (13th month) Statement of Transaction. Therefore, the agencies should include these erroneous charges in their regular appropriation or fund accounts and, at the same time, establish an accounts receivable for year-end reporting as a refund on the TFS-2108. These erroneous charges do not constitute over-obligations or over-expenditures with respect to 31 U.S.C. 665 Anti-Deficiency Act.

Unobligated Funds Advanced From Succeeding Fiscal Year Appropriation

Certain programs have the authority to make payments in the current-year using the succeeding fiscal year appropriation. Check the account appropriation language to see if such authority is available.

Unobligated funds in these accounts should be posted in column 4. Treasury will deappropriate these unobligated balances left at the end of the fiscal year and then reappropriate the funds in the new fiscal year.

**SUMMARY INSTRUCTIONS FOR PREPARATION OF
TFS FORM 2108, YEAR-END CLOSING STATEMENT**

TREASURY FUND BALANCE

- Column 1** Appropriation or Fund Symbol - The Treasury Department will insert the account symbols or other applicable identification. The order of listing for each bureau will be as nearly as possible the same as in the Combined Statement.
- Column 2** Preclosing Unexpended Balance - The balances will be inserted by Treasury and will include final accounts as submitted by collecting, disbursing and administrative officers, and other transactions or adjustments. This amount should equal column (5) of the "Preliminary" September 30 TFS 6653.

TRANSFERS AND WITHDRAWALS

- Column 3** Obligated Balance Transferred to "M" Accounts - Report as decreases (-) for the fiscal year accounts the amounts of obligated balances required to be transferred to "M" accounts and like amounts additions (+) for the related "M" accounts.
- Column 4** Unobligated Balances Withdrawn (=) or Restored (+) - When the amounts collectible exceed the unpaid obligations, (a) the exact amount of unexpended balance is the unobligated amount to be shown in this column, and (b) the remainder (i.e., the excess of the collectibles over the unpaid obligations) is to be carried forward into the following year and is posted in column (11) with an appropriate footnote. In most cases when columns (7+8) > (9& 10) column (4) will equal column (2) and column (11) will equal the excess of receivables over obligations. Generally column (4) plus Column (11) will be equal to the sum of line 6 (restorations), 9 and 10 of the Final SF-133 Report on Budget Execution

FUND RESOURCES

- Column 5** Postclosing Unexpended Balance - The unexpended balance for each approp account reported in this column should agree with the unexpended balance to be reported in the Combined Statement i.e., columns (2) (+) or (-) columns (3) and (4). This amt should equal line 1A of SF-220, adjusted for transfers to and from other agencies.
- Column 6** Other Authorizations - Report the unfunded contract authorizations and unused authorization to expend from public debt receipts, which should be in agreement with the amounts reported in column (2).
- Column 7** Receivables - Reimbursements Earned and Refunds - Report the amounts to be collected and credited direct to the appropriation or fund as reimbursements or refunds if earned (both billed for accomplished delivery or performance) as of September 30. Overpayment refund receivables, travel advance and other advances which did not liquidate specific obligations, e.g., advances to GSA supply funds, shall be included.
- Column 8** Receivables - Unfilled Customer Orders - For those appropriations using an authority to obligate anticipated reimbursements, the amount of undelivered customers' orders should be reported here to the extent that they represent valid obligations recorded by the ordering agency. Amounts for annual appropriations shall cover only those orders for which valid obligations were incurred under such annual accounts of orders for common use items to be delivered from stock.

STATUS OF RESOURCES

- Column 9** Unpaid Obligations - Undelivered Orders and Contracts - Report in this column the amount of orders for goods and services remaining undelivered as of September 30, representing valid obligations supported by documentary evidence, for which the liability has not yet accrued. The amount reported in this column should agree with line 19b of SF-220, Statement of Financial Condition, adjusted for transfers to and from other agencies.
- Column 10** Unpaid Obligations - Accounts Payable and Other Liabilities - Report in this column the liabilities for goods and services received and other liabilities incurred not involving the furnishing of goods or services as of September 30, representing valid obligations supported by documentary evidence.
- Column 11** Unobligated Balance Available for Obligation - Report the unobligated balances of no-year and multiple-year accounts which are unexpired for obligation. Any amount of anticipated reimbursements shown for the ensuing fiscal year appropriation account in column (8) should be included here as available to be carried forward into that account. The unobligated balances of annual and "M" accounts carried forward into the new fiscal year representing the excess of amounts collectible over unpaid obligations (see column 4). This amount should equal line 9 and 10 of the year-end final SF-133.

PROOF FORMULA Columns (5) through (8) reflect fund resources, the total of which must be distributed between columns (9) through (11). Therefore the sum of columns (5) through (8) must equal the sum of columns (9) through (11).