

REVOLVING FUND

EFFECTIVE FISCAL 2023

PREPARED BY:

GENERAL LEDGER AND ADVISORY BRANCH

FISCAL ACCOUNTING OPERATIONS

BUREAU OF THE FISCAL SERVICE

U.S. DEPARTMENT OF THE TREASURY

Version Control

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| 1.0 | 9/2002 | N/A | N/A |  |
| 2.0 | 3/29/2020 | Kyle Moore |  | Updated with new Branch SOP format and scenario formatting details. Updated USSGL Accounts and Transactions |

# Background

The Office of Management and Budget (OMB) defines the term revolving fund as a fund that conducts continuing cycles of business-like activity, in which the fund charges for the sale of products or services and uses the proceeds to finance its spending, usually without requirement for annual appropriations.[[1]](#footnote-1) There are three types of revolving funds: Public enterprise funds, intragovernmental revolving funds, and trust revolving funds.

* Public enterprise funds – business-like activity with the public.
* Intragovernmental revolving funds – business-like activity with other Government entities.
* Trust revolving funds – business-like activity primarily with the public but also designated as a trust fund by law.

It is important to remember that revolving funds operate on a reimbursable basis when working capital (undisbursed cash) is available and cannot be disbursed into a negative cash position in anticipation of Federal or non-Federal reimbursements due to the Antideficiency Act.[[2]](#footnote-2)

This scenario portrays the transactions both with other Government entities and with the public. There are four federal funds referenced in this document. The agency no-year general fund TAFS represents the Performing Agency whereas the Ordering Agency will represent the buying entity of IAA’s with the intragovernmental revolving fund. The scenario also references a clearing account and a deposit fund to be used in certain collection activities.

Section 20.10 of OMB Circular No. A-11 (A-11) addresses the obligational authority and liquidation derived from reimbursable authority from Federal resources. The OMB Circular No. A-11 can be found at:

[Circulars | The White House](https://www.whitehouse.gov/omb/information-for-agencies/circulars/#budget)

This scenario portrays transactions in a revolving fund. Transactions highlight the following points:

* Start-up capital appropriated to a revolving fund from the general fund of the Treasury.
* Budget authority provided through offsetting collections.
* Cash shortfalls when budget authority remains unobligated.
* Appropriation transfers from an appropriated agency general fund.
* Availability of funds as applied to reimbursable agreements between ordering and performing entities.
* Posting of advances without orders.
* Purchasing and selling inventory held for resale.
* Adjusting entry to write an unfilled customer order from a federal source down to obligations against the order due to an expiring appropriation of the ordering entity.
* At several points in the presentation, it mentions “invoice cannot be submitted for payment at this time…” but this does not mean that the scenario recommends being non-compliant with the Prompt Payment Act.[[3]](#footnote-3) If the invoice is required to be submitted for payment, refer to OMB Circular A-11, section 145.

The following accounts will be used in this scenario. Refer to the U.S. Government Standard General Ledger for accounts, account descriptions, accounting transactions and crosswalks reports ( [The U.S. Standard General Ledger (treasury.gov)](https://www.fiscal.treasury.gov/ussgl/). In addition, each transaction in the scenario is coded with transaction numbers identified in Section III of the USSGL.

Listing of USSGL Accounts Used in This Scenario

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| Account | Account Description |
| Budgetary |  |
| 411900 | Other Appropriations Realized |
| 419100 | Balance Transferred – Extension of Availability Other Than Reappropriations |
| 420100 | Total Actual Resources - Collected |
| 421000 | Anticipated Reimbursements |
| 422100 | Unfilled Customer Orders Without Advance |
| 422200 | Unfilled Customer Orders With Advance |
| 425100 | Reimbursements Earned - Receivable |
| 425200 | Reimbursements Earned - Collected From Federal/Non-Federal Exception Sources |
| 425400 | Reimbursements Earned – Collected From Non-Federal Sources |
| 445000 | Unapportioned – Unexpired Authority |
| 449000 | Anticipated Resources – Unapportioned Authority |
| 451000 | Apportionments |
| 459000 | Apportionments - Anticipated Resources - Programs Subject to Apportionment |
| 461000 | Allotments - Realized Resources |
| 480100 | Undelivered Orders - Obligations, Unpaid |
| 490100 | Delivered Orders - Obligations, Unpaid |
| 490200 | Delivered Orders - Obligations, Paid |
|  |  |
| Proprietary |  |
| 101000 | Fund Balance With Treasury |
| 131000 | Accounts Receivable |
| 151600 | Operating Materials and Supplies in Development |
| 152100 | Inventory Purchased for Resale |
| 175000 | Equipment |
| 175900 | Accumulated Depreciation on Equipment |
| 211000 | Accounts Payable |
| 231000 | Liability for Advances and Prepayments |
| 240000 | Liability for Non-Fiduciary Deposit Funds and Undeposited Collections |
| 310100 | Unexpended Appropriations - Appropriations Received |
| 310200 | Unexpended Appropriations - Transfers-In |
| 310700 | Unexpended Appropriations - Used - Accrued |
| 310710 | Unexpended Appropriations – Used - Disbursed |
| 510000 | Revenue From Goods Sold |
| 520000 | Revenue From Services Provided |
| 570000 | Expended Appropriations – Used - Accrued |
| 570010 | Expended Appropriations - Disbursed |
| 610000 | Operating Expenses/Program Costs |
| 660000 | Applied Overhead |
| 650000 | Cost of Goods Sold |
| 671000 | Depreciation, Amortization, and Depletion |
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| Memorandum |  |
| 880100 | Offset for Purchases of Assets |
| 880200 | Purchases of Property, Plant, and Equipment |
| 880300 | Purchases of Inventory and Related Property |

Illustrative Transactions

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| 1. While an agency’s revolving fund establishment was provided through an authorization act, the agency’s annual appropriations act subsequently provided an appropriation of $100,000 is provided as initial start-up capital, no specific restrictions are made on the use of the appropriated funds. A warrant for $100,000 is issued to the revolving fund. |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry411900 (D) Other Appropriations Realized 445000 (D) Unapportioned AuthorityProprietary Entry101000 Fund Balance With Treasury 310100 Unexpended Appropriations - Appropriations Received | 100,000100,000 | 100,000100,000 | A104 |

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| 2. The revolving fund anticipates $170,000 from spending authority from offsetting collections.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry421000 (R) Anticipated Reimbursements 449000 (R) Anticipated Resources – Unapportioned AuthorityProprietary EntryNone. | 170,000 | 170,000 | A702 |

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| 3. Agency submits apportionment and OMB approves ($100,000 general fund appropriation + $170,000 anticipated from spending authority from offsetting collections. |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry445000 (D) Unapportioned – Unexpired Authority 451000 (D) Apportionments449000 (R) Anticipated Resources – Unapportioned Authority 459000 (R) Apportionments – Anticipated Resources – Programs Subject to ApportionmentProprietary EntryNone. | 100,000170,000 | 100,000170,000 | A116A118 |

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| 4. The agency head allots the available apportionment and approves automatic allotment of authority. (i.e., direct) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry451000 (D) Apportionments 461000 (D) Allotments – Realized ResourcesProprietary EntryNone. | 100,000 | 100,000 | A120 |

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| 5. The revolving fund incurs and pays for general operating expenses. Unrestricted appropriated funds used to cover obligation. (Note: In practice, a cost accounting system would apply these expenses to customer billings through a charge for overhead) (i.e., direct) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry461000 (D) Allotments – Realized Resources 490200 (D) Delivered Orders – Obligations, PaidProprietary Entry610000 Operating Expenses/Program Costs 101000 Fund Balance With Treasury310710 Unexpended Appropriations – Used - Disbursed 570010 Expended Appropriations - Disbursed | 25,00025,00025,000 | 25,00025,00025,000 | B107B234 |

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| 6. The revolving fund recorded a requisition to purchase equipment. Unrestricted appropriated funds used. |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry461000 (D) Allotments – Realized Resources 470000 (D) Commitments – Programs Subject to ApportionmentProprietary EntryNone | 70,000 | 70,000 | B302 |

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| 7. To record the revolving fund receiving a purchase order for the equipment. (i.e., direct) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry470000 (D) Commitments - Programs Subject to Apportionment 480100 (D) Undelivered Orders - Obligations, UnpaidProprietary EntryNone | 70,000 | 70,000 | B306 |

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| 8. To record the equipment and an invoice that has been received by the revolving fund. The equipment is determined to have a 4-year useful life and no salvage value. (i.e., direct) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry480100 (D) Undelivered Orders - Obligations, Unpaid 490100 (D) Delivered Orders - Obligations, UnpaidProprietary Entry175000 Equipment 211000 Accounts Payable310700 Unexpended Appropriations – Used - Accrued 570000 Expended Appropriations – Used - AccruedMemorandum Entry880200 Purchases of Property, Plant, and Equipment 880100 Offset for Purchases of Assets | 70,00070,00070,00070,000 | 70,00070,00070,00070,000 | B402B134G120 |

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| 9. The revolving fund paid the invoice for equipment in full. Unrestricted appropriated funds were used. |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNot Applicable |  |  |  | Budgetary Entry490100 (D) Delivered Orders - Obligations, Unpaid  490200 (D) Delivered Orders - Obligations, PaidProprietary Entry211000 Accounts Payable 101000 Fund Balance With Treasury310710 Unexpended Appropriations – Used - Disbursed570000Expended Appropriations – Used Accrued 310700 Unexpended Appropriations – Used - Accrued 570010 Expended Appropriations - Disbursed | 70,00070,00070,00070,000 | 70,00070,00070,00070,000 | B110B235 |

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| 10. The revolving fund accepts order #1. A $74,000 order for equipment from another federal entity’s annual TAFS without an advance. Allotment of anticipated resources realized. (reimbursable) |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary Entry461000 Allotments – Realized Resources 480100 Undelivered Orders – Obligations, Unpaid | 74,000 | 74,000 | B306 | Budgetary Entry422100 (R) Unfilled Customer Orders w/o Advance 421000 (R) Anticipated Reimbursement459000 (R) Apportionments – Anticipated Resources – Programs Subject to Apportionment 461000 (R) Allotments – Realized ResourcesProprietary EntryNone. | 74,00074,000 | 74,00074,000 | A706A123 |

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| 11. The revolving fund incurs obligations against order #1 for the purchase of Inventory to fill that order. The order is placed to purchase the inventory from a Non Federal agency. The revolving fund receives an invoice, but the invoice cannot be submitted for payment unless the current fund balance is sufficient to cover the payment. (i.e., reimbursable) Although the invoice cannot be submitted for payment at this time, it is important to note that Prompt Payment Act laws must be abided by. If the invoice is required to be submitted for payment, refer to OMB Circular A-11, section 145. |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNone. |  |  |  | Budgetary Entry461000 (R) Allotments – Realized Resources 480100 (R) Undelivered Orders – Obligations, UnpaidProprietary EntryNone. | 53,000 | 53,000 | B306 |

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| 12. The revolving fund receives inventory from order #1. Since there are no restrictions on use, the revolving fund chooses to use remaining budget authority provided by general fund appropriation to cover part of the obligation. Spending authority from offsetting collections, which is not recorded as 310100, is used to cover the balance of the obligation. The invoice cannot be submitted for payment because the current fund balance of $5,000 is not sufficient to cover the payment. (i.e., reimbursable) Although the invoice cannot be submitted for payment at this time, it is important to note that Prompt Payment Act laws must be abided by. If the invoice is required to be submitted for payment, refer to OMB Circular A-11, section 145. |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNone. |  |  |  | Budgetary Entry480100 (R) Undelivered Orders – Obligations, Unpaid 490100 (R) Delivered Orders – Obligation, UnpaidProprietary Entry152100 Inventory Purchased for Resale 211000 Accounts Payable310700 Unexpended Appropriations – Used - Accrued 570000 Expended Appropriations – Used - AccruedMemorandum Entry880300 Purchases of Inventory and Related Property 880100 Offset for Purchases of Capital Assets | 53,00053,0005,00053,000 | 53,00053,0005,00053,000 | B402B134G122 |

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| 13. The revolving fund accepts order #2. A $48,000 order for services from a non-federal entity – advance of $48,000 required and received. Allotment of anticipated resources realized. OMB Circular A-11 Section 20.12(a). |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable |  |  |  | Budgetary Entry422200 (R) Unfilled Customer Orders With Advance 421000 (R) Anticipated Reimbursement459000 (R) Apportionments – Anticipated Resources – Programs Subject to Apportionment 451000 (R) ApportionmentsProprietary Entry101000 Fund Balance With Treasury 231000 Liability for Advances and Prepayments | 48,00048,00048,000 | 48,00048,00048,000 | C182A123 |

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| 14. To record the allotment of authority. |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNot Applicable |  |  |  | Budgetary Entry451000 (R) Apportionments 461000 (R) Allotments – Realized ResourcesProprietary EntryNone. | 48,000 | 48,000 | A120 |

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| 15. The revolving fund incurs obligations against order #2 to purchase supplies to be utilized to fulfill the terms of the order agreement. The supplies are ordered through a Non-Federal agency. (i.e., reimbursable) |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNot Applicable |  |  |  | Budgetary Entry461000 (R) Allotments – Realized Resources 480100 (R) Undelivered Orders – Obligations, UnpaidProprietary EntryNone. | 48,000 | 48,000 | B306 |

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| 16. The revolving fund receives supplies from order #2. Spending authority from offsetting collections will be used to cover this obligation. |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNot Applicable |  |  |  | Budgetary Entry480100 (R) Undelivered Orders – Obligations, Unpaid 490100 (R) Delivered Orders – Obligations, UnpaidProprietary Entry610000 Operating Expenses/Program Costs 211000 Accounts Payable | 48,00048,000 | 48,00048,000 | B402 |

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| 17. The performing fund agency receives an advance in anticipation of an order for $13,000 from a non-federal source (e.g., without an order). OMB Circular A-11 Section 20.10.  |
| DEPOSIT FUND XX 6500 | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary Entry101000 Fund Balance With Treasury 240000 Liability for Deposit Funds, Clearing Accounts, and Undeposited Collections | 13,000 | 13,000 | C108 | Budgetary EntryNo entry.Proprietary Entry |  |  |  |

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| 18. The revolving fund receives an advance of $20,000 from a federal source in anticipation of an order (e.g., without an order) OMB Circular A-11 Section 20.11(b). |
| ORDERING FUND | Debit | Credit | TC | CLEARING ACCOUNT XX F3885 | Debit | Credit | TC |
| Budgetary Entry461000 Allotments – Realized Resources 480200 Undelivered Orders – Obligations, Prepaid/Advanced Proprietary Entry141000 Advances and Prepayments  101000 Fund Balance With Treasury | 20,00020,000 | 20,00020,000 | B308 | Budgetary EntryNo entry.Proprietary Entry101000 Fund Balance With Treasury 240000 Liability for Non-Fiduciary Deposit Funds and Undeposited Collections | 20,000 | 20,000 | C108 |

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| 19. The revolving fund delivers equipment as specified in order #1 and submits an invoice for cost of equipment and overhead for $63,600. Overhead costs were calculated to be $10,600 and will factor into the ordering fund’s cost of the equipment. Please note that the performing fund purchased inventory for resale, completed internal processes to further develop the inventory to complete order #1. After delivery, the ordering fund now recognizes equipment, rather than what as previously recognized as inventory purchased for resale.  |
| ORDERING FUND  | Debit | Credit | TC | REVOLVING/PERFORMING FUND  | Debit | Credit | TC |
| Budgetary Entry480100 Undelivered Orders – Obligations, Unpaid 490100 Delivered Orders – Obligations, UnpaidProprietary Entry175000 Equipment 211000 Accounts Payable 310700 Unexpended Appropriations – Used - Accrued 570000 Expended Appropriations – Used - AccruedMemorandum Entry880200 Purchases of Capitalized Assets  880100 Offset for Purchases of Capital Assets | 63,60063,60063,60063,600 | 63,60063,60063,60063,600 | B402B134G120 | Budgetary Entry425100 (R) Reimbursements Earned – Receivable 422100 (R) Unfilled Customer Orders w/o AdvanceProprietary Entry131000 Accounts Receivable  510000 Revenue From Goods Sold 650000 Cost of Goods Sold  152100 Inventory Purchased for Resale151600 Operating Material and Supplies in Development 660000 Applied Overhead650000 Cost of Goods Sold 151600 Operating Material and Supplies in Development | 63,60063,60053,00010,60010,600 | 63,60063,60053,00010,60010,600 | A714E408D514C646 |

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| 20. The revolving fund receives payment for order #1 |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary Entry490100 Delivered Orders – Obligations, Unpaid 490200 Delivered Orders – Obligations, PaidProprietary Entry211000 Accounts Payable 101000 Fund Balance With Treasury310710 Unexpended Appropriations - Used - Disbursed570000 Expended Appropriations – Used - Accrued 310700 Unexpended Appropriations – Used - Accrued 570010 Expended Appropriations - Disbursed | 63,60063,60063,60063,600 | 63,60063,60063,60063,600 | B110B235 | B Budgetary Entry425200 (R) Reimbursements Earned - Collected From Federal/Non-Federal Exception Sources 425100 (R) Reimbursement Earned –ReceivableProprietary Entry101000 Fund Balance With Treasury 131000 Accounts Receivable | 63,60063,600 | 63,60063,600 | C186 |

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| 21. The revolving fund pays invoice received in transaction #12. Please note that the time span between transaction #12 and transaction #21 is likely to be several days and not months due to the need to abide by the Prompt Payment Act.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry490100 (R) Delivered Orders – Obligations, Unpaid 490200 (R) Delivered Orders – Obligations, PaidProprietary Entry211000 Accounts Payable 101000 Fund Balance With Treasury310710 Unexpended Appropriations – Used - Disbursed570000Expended Appropriations – Used Accrued 310700 Unexpended Appropriations – Used - Accrued 570010 Expended Appropriations - Disbursed | 53,00053,0005,0005,000 | 53,00053,0005,0005,000 | B110B235 |

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| 22. The revolving fund incurs and pays for general operating expenses. (Note: In practice, a cost accounting system would apply these expenses to customer billings through a charge for overhead) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry461000 (D) Allotments – Realized Resources 490200 (D) Delivered Orders – Obligations, PaidProprietary Entry610000 Operating Expenses/Program Costs 101000 Fund Balance With Treasury310710 Unexpended Appropriations – Used - Disbursed 570010 Expended Appropriations - Disbursed | 5,0005,0005,000 | 5,0005,0005,000 | B102B234 |

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| 23. The revolving fund provides services as stipulated to non-federal ordering entity for order #2 and applies advance of $48,000. (Includes charge for general and administrative expenses.) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable |  |  |  | Budgetary Entry425400 (R) Reimbursements Earned - Collected From Non-Federal Sources 422200 (R) Unfilled Customer Orders with AdvanceProprietary Entry231000 Advances from Others  520000 Revenue From Services Provided | 48,00048,000 | 48,00048,000 | A7101 |

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| 24. The revolving fund identifies the $13,000 advance from a non-federal source from transaction #17 and establishes order #3. |
| DEPOSIT FUND XX 6500 | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary Entry240000 Liability for Non-Fiduciary Deposit Funds and Undeposited Collections 101000 Fund Balance With Treasury | 13,000 | 13,000 | D506 | Budgetary Entry422200 (R) Unfilled Customer Orders with Advance  421000 (R) Anticipated Reimbursement459000 (R) Apportionments – Anticipated Resources – Programs Subject to Apportionment 461000 (R) Allotments – Realized ResourcesProprietary Entry101000 Fund Balance With Treasury 231000 Advances from Others. | 13,00013,00013,000 | 13,00013,00013,000 | C182A123 |

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| 25. The revolving fund identifies the $20,000 advance from a federal source from transaction #18 and establishes order #4. The ordering account is a no-year TAFS. Cash advance is reclassified from clearing account to TAFS. Refer to OMB Circular A-11, section 20.10. |
| CLEARING ACCOUNT XX F3885 | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary Entry240000 Liability for Deposit Funds, Clearing Accounts, and Undeposited Collections 101000 Fund Balance With Treasury | 20,000 | 20,000 | D506 | Budgetary Entry422200 (R) Unfilled Customer Orders with Advance 421000 (R) Anticipated Reimbursement459000 (R) Apportionments – Anticipated Resources – Programs Subject to Apportionment 461000 (R) Allotments – Realized ResourcesProprietary Entry101000 Fund Balance With Treasury 231000 Advances from Others. | 20,00020,00020,000 | 20,00020,00020,000 | C182A122 |

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| 26. The revolving fund records depreciation on equipment.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary EntryNo entry.Proprietary Entry671000 Depreciation, amortization and depletion 175900 Accumulated Depreciation Equipment | 17,500 | 17,500 | E120 |

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| 27. The revolving fund has legal authority to receive amounts canceling from expiring TAFSs. Revolving fund use of funds is unrestricted. The agency requests a non-expenditure balance transfer using an SF-1151 that is approved and processed by Treasury. The source of the transfer is derived from unexpended appropriations. |
| AGENCY NO-YEAR GENERAL FUND TAFS | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
|  Budgetary Entry465000 Allotments-Expired Authority 419100 Balance Transferred – Extension of Availability Other Than ReappropriationsProprietary Entry310300 Unexpended Appropriations-Transfer Out 101000 Fund Balance With Treasury | 30,00030,000 | 30,00030,000 | A464 | Budgetary Entry419100 (D) Balance Transferred – Extension of Availability Other Than Reappropriations 445000 (D) Unapportioned – Unexpired AuthorityProprietary Entry101000 Fund Balance With Treasury 310200 Unexpended Appropriations -Transfer In | 30,00030,000 | 30,00030,000 | A460 |

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| 28. Agency submits apportionment and OMB approves ($30,000 from Expiring TAFS). |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry445000 (D) Unapportioned – Unexpired Authority 451000 (D) ApportionmentsProprietary EntryNone. | 30,000 | 30,000 | A116 |

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| 29. The agency head allots the available apportionment and approves automatic allotment of authority. (i.e., direct) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry451000 (D) Apportionments 461000 (D) Allotments – Realized ResourcesProprietary EntryNone. | 30,000 | 30,000 | A120 |

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| 30. The revolving fund incurs and pays for general operating expenses. Unrestricted appropriated funds used to cover obligation. (Note: In practice, a cost accounting system would apply these expenses to customer billings through a charge for overhead, which would make it reimbursable. For the purposes of this example the direct appropriation is used.) |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Not Applicable. |  |  |  | Budgetary Entry461000 (D) Allotments – Realized Resources 490200 (D) Delivered Orders – Obligations, PaidProprietary Entry610000 Operating Expenses/Program Costs 101000 Fund Balance With Treasury310710 Unexpended Appropriations – Used - Disbursed 570010 Expended Appropriations - Disbursed | 20,00020,00020,000 | 20,00020,00020,000 | B107B234 |

PRE-CLOSING ADJUSTING ENTRIES

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| 31. The revolving fund reviews outstanding orders at year-end. Order #1 from an expiring federal annual TAFS has not been fully obligated by the revolving fund. The revolving fund must write orders down to obligations against that order in accordance with OMB Circular A-11, section 20. The ordering fund must also write down the order. |
| ORDERING FUND | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary Entry480100 Undelivered Orders – Obligations, Unpaid 461000 Allotments – Realized ResourcesProprietary EntryNo entry. | 10,400 | 10,400 | B404 | Budgetary Entry461000 (R) Allotments – Realized Resources 422100 (R) Unfilled Customer Orders Without AdvanceProprietary EntryNo entry. | 10,400 | 10,400 | F109 |

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| 32. The revolving fund adjusts anticipated orders not realized and apportionments unavailable to zero.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary Entry459000 (R) Apportionments – Anticipated Resources – Programs Subject to Apportionment 421000 (R) Anticipated ReimbursementProprietary EntryNo entry. | 15,000 | 15,000 | F112 |

Revolving Fund

Pre-Closing Trial Balance

 Year 1

|  |  |  |  |
| --- | --- | --- | --- |
| Account | Account Description | Debit | Credit |
| Budgetary |  |  |  |
| 411900D | Other Appropriations Realized | 100,000 | - |
| 419100D | Balance Transferred – Extension of Availability Other Than Reappropriations | 30,000 | - |
| 422200R | Unfilled Customer Orders with Advance | 33,000 | - |
| 425200R | Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources | 63,600 | - |
| 425400R | Reimbursements Earned – Collected from Non-Federal Sources | 48,000 | - |
| 461000D | Allotments – Realized Resources |  | 10,000 |
| 461000R | Allotments – Realized Resources | - | 43,600 |
| 490100R | Delivered Orders – Obligations, Unpaid |  | 48,000 |
| 490200D | Delivered Orders – Obligations Paid | - | 120,000 |
| 490200R | Delivered Orders – Obligations Paid |  | 53,000 |
| Total |  | 274,600 | 274,600 |
|  |  |  |  |
| Proprietary |  |  |  |
| 101000 | Fund Balance With Treasury | 101,600 | - |
| 175000 | Equipment | 70,000 | - |
| 175900 | Accumulated Depreciation – Equipment | - | 17,500 |
| 211000 | Accounts Payable |  | 48,000 |
| 231000 | Advances from Others | - | 33,000 |
| 310100 | Unexpended Appropriations – Appropriations Received | - | 100,000 |
| 310200 | Unexpended Appropriations – Transfers In | - | 30,000 |
| 310710 | Unexpended Appropriations – Used - Disbursed | 125,000 | - |
| 510000 | Revenue from Goods Sold | - | 63,600 |
| 520000 | Revenue from Services Provided | - | 48,000 |
| 570010 | Expended Appropriations - Disbursed | - | 125,000 |
| 610000 | Operating Expenses/Program Costs | 98,000 | - |
| 650000 | Costs of Goods Sold | 63,600 | - |
| 660000 | Applied Overhead |  | 10,600 |
| 671000 | Depreciation, Amortization, and Depletion | 17,500 | - |
| Total |  | 475,700 | 475,700 |
|  |  |  |  |
| Memorandum |  |  |  |
| 880100 | Offset for Purchases of Capital Assets | - | 123,000 |
| 880200 | Purchase of Capitalized Assets | 70,000 | - |
| 880300 | Purchases of Inventory and Related Property | 53,000 |  |
| Total |  | 123,000 | 123,000 |

Financial Statements Year 1:

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| BALANCE SHEET |
| Line No. |  |  |
|  | Assets (Note 2) |  |
|  | Intra-governmental |  |
| 1. | Fund Balance with Treasury (Note 3) (101000E) | 101,600 |
| 7. | Total Intra-governmental | 101,600 |
|  | With the public |  |
| 12. | General property, plant, and equipment, net (Note 10) (175000E, 175900E) | 52,500 |
| 18. | Total other than intra-governmental/with the public | 52,500 |
| 19. | Total assets | 154,100 |
|  |  |  |
| 25. | Advances from others and deferred revenue | 20,000 |
| 27. | Total Intra-governmental | 20,000 |
| 28. | Accounts Payable | 48,000 |
| 36. | Advances from others and deferred revenue | 13,000 |
| 38. | Total other than intra-governmental | 61,000 |
| 39. | Total liabilities | 81,000 |
|  |  |  |
|  |  |  |
|  | Net position: |  |
| 41.2 | Unexpended appropriations – Funds From Other Than Dedicated Collections (310100E, 310200, 310700E, 310710E) | 5,000 |
| 42.2 | Cumulative results of operations – Funds from Other Than Dedicated Collections (510000, 520000E, 570000E, 570010E, 610000E, 650000E, 671000, 880100E, 880200E) | 68,100 |
| 43 | Total net position (Calculated sum lines 41 and 42) | 73,100 |
| 44. | Total liabilities and net position (Calculated sum Lines 39 and 43) | 154,100 |

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| STATEMENT OF NET COST |
| Line No. |  |  |
|  | Gross Program Costs (Note 22): |  |
|  | Program A: |  |
| 1. | Gross costs (610000E, 650000E, 671000E) | 168,500 |
| 2. | Less: earned revenue  | 111,600 |
| 3. | Net program costs |  |
| 5. | Net program costs including Assumption Changes: | 56,900 |
| 8. | Net cost of operations | 56,900 |

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| STATEMENT OF CHANGES IN NET POSITION  |
| Line No. |  |  |
|  | Unexpended Appropriations: |  |
| 4. | Appropriations Received (310100E) | 100,000 |
| 5. | Appropriations transferred in/out – Transfers-In (310200E) | 30,000 |
| 7. | Appropriations used (310700, 310710E) | (125,000) |
| 8. | Net Change in Unexpended Appropriations | 5,000 |
| 9. | Total Unexpended Appropriations - Ending | 5,000 |
|  |  |  |
|  | Budgetary Financing Sources: |  |
| 14. | Appropriations used (570000 and 570010E) | 125,000 |
|  |  |  |
| 21. | Net Cost of Operations (+/-) | 56,900 |
| 22. | Net Change | 68,100 |
| 23. | Cumulative Results of Operations | 68,100 |
| 24. | Net Position | 73,100 |

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| STATEMENT OF BUDGETARY RESOURCES |
| Line No. |  |  |
|  | Budgetary resources: |  |
| 1071 | Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 26) (419100E) | 30,000 |
| 1290 | Appropriations (discretionary and mandatory) (411900E) | 100,000 |
| 1890 | Spending authority from offsetting collections (discretionary and mandatory) (422200E, 425200E, 425400E) | 144,600 |
| 1910 | Total budgetary resources  | 274,600 |
|  |  |  |
|  | Status of Budgetary Resources: |  |
| 2190 | New obligations and upward adjustments (total) (490100E, 490200E) | 221,000 |
|  |  |  |
|  | Unobligated balance, end of year: |  |
| 2204 | Apportioned, unexpired account (461000E) | 53,600 |
| 2412 | Unexpired unobligated balance, end of year | 53,600 |
| 2490 | Unobligated balance, end of year (total)  | 53,600 |
| 2500 | Total budgetary resources  | 274,600 |
|  |  |  |
|  | Outlays, Net and Disbursements, Net: |  |
| 4190 | Outlays, net (total) (discretionary and mandatory) (422200E, 425200E, 425400E, 490200E) | 28,400 |

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| SF 133 AND SCHEDULE P: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES AND BUDGET PROGRAM AND FINANCING SCHEDULE  |
| Line No. |  | SF 133 | Schedule P |
|  | BUDGETARY RESOURCES |  |  |
|  | All accounts: |  |  |
| 0900 | Total new obligations, unexpired accounts (490100, 490200E) | - | 221,000 |
| 1012 | Unobligated balance transfers between expired and unexpired accounts (+ or -) (419100E) | 30,000 | 30,000 |
| 1070 | Unobligated balance (total) | 30,000 | 30,000 |
|  | Budget authority: |  |  |
|  | Appropriations: |  |  |
|  | Discretionary: |  |  |
| 1100 | Appropriation (411900E) | 100,000 | 100,000 |
| 1160 | Appropriation, discretionary (total) | 100,000 | 100,000 |
| 1700 | Collected (422200E, 425200E, 425400E) | 144,600 | 144,600 |
| 1750 | Spending authority from offsetting collections, discretionary (total) | 144,600 | 144,600 |
| 1900 | Budget authority (total) | 244,600 | 244,600 |
| 1910 | Total budgetary resources | 274,600 | - |
| 1930 | Total budgetary resources available | - | 274,600 |
|  | Memorandum (non-add) entries: |  |  |
|  | All accounts: |  |  |
| 1941 | Unexpired unobligated balance, end of year (461000E) | - | 53,600 |
|  |  |  |  |
|  | STATUS OF BUDGETARY RESOURCES |  |  |
|  | New obligations and upward adjustments: |  |  |
|  | Direct: |  |  |
| 2002 | Category B (by project) (490200E) | 120,000 |  |
| 2004 | Direct obligations (total) | 120,000 |  |
|  | Reimbursable: |  |  |
| 2102 | Category B (by project) (490100E, 490200E) | 101,000 | - |
| 2104 | Reimbursable obligations (total) | 101,000 | - |
| 2170 | New obligations, unexpired accounts (490100E, 490200E) | 221,000 | - |
| 2190 | New obligations and upward adjustments (total) | 221,000 | - |
|  |  |  |  |
|  | Apportioned, unexpired accounts: |  |  |
| 2201 | Available in the current period (461000E) | 53,600 | - |
| 2412 | Unexpired unobligated balance: end of year | 53,600 | - |
| 2490 | Unobligated balance, end of year (total) | 53,600 | - |
| 2500 | Total budgetary resources  | 274,600 | - |
| SF 133 AND SCHEDULE P: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES AND BUDGET PROGRAM AND FINANCING SCHEDULE |
| Line No. |  | SF 133 | Schedule P |
|  | Memorandum (non-add) entries: |  |  |
| 2501 | Subject to apportionment unobligated balance, end of year (461000) | 53,600 |  |
|  |  |  |  |
|  | CHANGE IN OBLIGATED BALANCE |  |  |
|  | Unpaid obligations: |  |  |
| 3010 | New obligations, unexpired accounts (490100E, 490200E) | 221,000 | 221,000 |
| 3020 | Outlays (gross) (-) (490200E) | (173,000) | (173,000) |
|  | Memorandum (non-add) entries: |  |  |
| 3050 | Unpaid obligations, end of year (490100E) | 48,000 | 48,000 |
| 3200 | Obligated balance, end of year (+ or -) | 48,000- | 48,000- |
|  |  |  |  |
|  | BUDGET AUTHORITY AND OUTLAYS, NET |  |  |
|  | Discretionary: |  |  |
|  | Gross budget authority and outlays: |  |  |
| 4000 | Budget authority, gross | 244,600 | 244,600 |
|  |  |  |  |
|  | Outlays, gross |  |  |
| 4010 | Outlays from new discretionary authority (490200E) | 173,000 | 173,000 |
| 4020 | Outlays, gross (total) | 173,000 | 173,000 |
| 4030 | Federal sources (-) (422200E, 425200E) | (83,600) | (83,600) |
| 4033 | Non-Federal sources (-) (422200E, 425400E) | (61,000) | (61,000) |
| 4040 | Offsets against gross budget authority and outlays (total) (-) | (144,600) | (144,600) |
| 4070 | Budget authority net (discretionary) | 100,000 | 100,000 |
| 4080 | Outlays, net (discretionary) | 28,400 | 28,400 |
|  |  |  |  |
|  | Budget authority and outlays, net (total) |  |  |
| 4180 | Budget authority, net (total) | 100,000 | 100,000 |
| 4190 | Outlays, net (total) | 28,400 | 28,400 |
|  |  |  |  |
|  | Unexpended balances:  |  |  |
| 5321 | Direct unobligated balance, end of year (461000E) | 10,000 | 10,000 |
| 5322 | Reimbursable unobligated balance, end of year (461000E) | 43,600 | 43,600 |
| 5323 | Discretionary unobligated balance, end of year (461000E) | 53,600 | 53,600 |
| 5342 | Reimbursable obligated balance, end of year (490100E) | 48,000 | 48,000 |
| 5343 | Discretionary obligated balance, end of year (490100E) | 48,000 | 48,000 |

Revolving Fund Reclassified Financial Statements – Year 1:

Note: Effective FY 2021, the Reclassified Balance Sheet is the same as the Balance Sheet. Therefore, the Reclassified Balance Sheet is not presented in this scenario.

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| RECLASSIFIED STATEMENT OF NET COST |
| Line No. |  |  |
|  | Gross Program Costs (Note 22): |  |
| 2. | Non-federal gross cost (610000E, 671000E) | 65,500 |
| 6. | Total non-federal gross cost | 65,500 |
|  | Program A: |  |
| 7. | Federal gross cost |  |
| 7.3 | Buy/sell cost (RC24)-Footnote 2 (610000E, 650000E) | 103,000 |
| 7.4 | Purchase of assets (RC 24) – Footnote 2 (880200E, 880300E) | 123,000 |
| 8. | Total federal gross cost | 226,000 |
| 9. | Department total gross cut | 291,500 |
|  |  |  |
| 12. | Federal earned revenue |  |
| 12.2 | Buy/sell revenue (exchange) (RC 24) – Footnote 2 (510000E, 520000E) | 111,600 |
| 12.3 | Purchase of assets offset (880100E) | 123,000 |
| 13. | Total federal earned revenue | 234,600 |
| 14. | Department total earned revenue | 234,600 |
| 15. | Net cost of operation | 56,900 |

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| --- |
| RECLASSIFIED STATEMENT OF CHANGES IN NET POSITION  |
| Line No. |  |  |
|  |  |  |
| 7. | Financing sources: |  |
| 7.1 | Appropriations received in adjusted (rescissions and other adjustments) (RC 41) (310100E) | 100,000 |
| 7.2 | Appropriations used (RC 39) (310700E, 310710E) | 125,000 |
| 7.3 | Appropriations expended (RC 38) (570000E, 570010E) | 125,000 |
| 7.6 | Non-expenditure transfers-in of unexpended appropriations and financing sources (RC 08) – Footnote 1 (310200E) | 30,000 |
| 7.30 | Total financing sources | 130,000 |
| 8.00 | Net cost of operations (+/-) | 56,900 |
| 9 | Net position, end of period | 73,100 |

Closing Entries

|  |
| --- |
| 32. To record, in the revolving fund, the consolidation of actual net-funded resources.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary Entry420100 (D)Total Actual Resources - Collected 411900 (D) Other Appropriations Realized 419100 (D) Balance Transferred – Extension of Availability Other Than Reappropriations420100 (R) Total Actual Resources - Collected 425200 (R) Reimbursements Earned - Collected From Federal/Non-Federal Exception Sources 425400 (R) Reimbursements Earned – Collected From Non-Federal SourcesProprietary EntryNo entry. | 130,000111,600 | 100,00030,00063,60048,000 | F302 |

|  |
| --- |
| 33. To record the closing of unobligated authority for unexpired no-year revolving fund.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary Entry461000 (R)Allotments – Realized Resources 445000 (R) Unapportioned Authority461000 (D) Allotments – Realized Resources 445000 (D) Unapportioned AuthorityProprietary EntryNo entry. | 43,60010,000 | 43,60010,000 | F308 |

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| --- |
| 34. To record, in the revolving fund, the closing of Expended Authority-Paid.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary Entry490200 (D) Delivered Orders – Obligations, Paid 420100 (D) Total Actual Resources – Collected490200 (R) Delivered Orders – Obligations, Paid 420100 (R) Total Actual Resources – CollectedProprietary EntryNo entry. | 120,00053,000 | 120,00053,000 | F314 |

|  |
| --- |
| 35. To record, in the revolving fund, the closing of revenue and expense to cumulative results of operations.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary EntryNo entry.Proprietary Entry510000 Revenue from Goods Sold520000 Revenue from Services Provided570010 Expended Appropriations - Disbursed 331000 Cumulative Results of Operations331000 Cumulative Results of Operations 610000 Operating Expenses 650000 Cost of Goods Sold 660000 Applied Overhead 671000 Depreciation, Amortization & Depletion  | 63,60048,000125,000168,50010,600 | 236,60098,00063,60017,500 | F336 |

|  |
| --- |
| 36. To record, in the revolving fund, the closing of fiscal year activity to unexpended appropriations.  |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary EntryNo entry.Proprietary Entry310100 Unexpended Appropriations – Appropriations Received310200 Unexpended Appropriations – Transfers-In 310710 Unexpended Appropriations – Used – Disbursed 310000 Unexpended Appropriations - Cumulative | 100,00030,000 | 125,0005,000 | F342 |

|  |
| --- |
| 37. To record, in the revolving fund, the closing of memorandum capitalized asset flow accounts. |
| NOT APPLICABLE | Debit | Credit | TC | REVOLVING/PERFORMING FUND | Debit | Credit | TC |
| Budgetary EntryNo entry.Proprietary EntryNo entry. |  |  |  | Budgetary EntryNo entry.Proprietary EntryNo entry.Memorandum Entry880100 Offset for Purchases of Capital Assets 880200 Purchases of Capitalized Assets 880300 Purchases of Inventory and Related Property | 123,000 | 70,000 53,000 | F370 |

Revolving Fund

Post-Closing Trial Balance

|  |  |  |  |
| --- | --- | --- | --- |
|  Account | Account Description | Debit | Credit |
| Budgetary |  |  |  |
| 420100 | Total Actual Resources - Collected | 68,600 | - |
| 422200 | Unfilled Customer Orders with Advance | 33,000 | - |
| 445000 | Unapportioned Authority |  | 53,600 |
| 490100 | Delivered Orders – Obligations, Unpaid |  | 48,000 |
| Total |  | 101,600 | 101,600 |
| Proprietary |  |  |  |
| 101000 | Fund Balance With Treasury | 101,600 | - |
| 175000 | Equipment | 70,000 | - |
| 175900 | Accumulated Depreciation on Equipment | - | 17,500 |
| 211000 | Accounts Payable | - | 48,000 |
| 231000 | Advances from Orders | - | 33,000 |
| 310000 | Unexpended Appropriations - Cumulative | - | 5,000 |
| 331000 | Cumulative Results of Operations | - | 68,100 |
| Total |  | 171,600 | 171,600 |

1. OMB Circular A-11, Section 20.3, *“What special terms must I know?”* [↑](#footnote-ref-1)
2. OMB Circular A-11, Section 20.12, *“What do I need to know about reimbursable work?”* [↑](#footnote-ref-2)
3. 31 U.S.C. Section 3901 [↑](#footnote-ref-3)