

Note 9. Advances and Prepayments

Advances and Prepayments as of September 30, 2024, and 2023		
(In billions of dollars)	2024	2023
Department of the Treasury	116.3	171.9
Department of Labor	12.6	10.8
Department of Health and Human Services	-	45.1
All other	17.5	24.9
Total advances and prepayments	<u>146.4</u>	<u>252.7</u>

Advances and prepayments are assets that represent funds disbursed in contemplation of the future performance of services, receipt of goods, the incurrence of expenditures, or the receipt of other assets. These include advances to contractors, grantees, Medicare providers, and state, local, territorial, and tribal governments; travel advances; and prepayments for items such as rents, taxes, insurance, royalties, commissions, and supplies.

Until such time as the goods or services are received, contract terms are met or progress has been made, or prepaid expenses expired these should be recorded as assets. Any amounts that are subject to a refund at the time of completion should be transferred to accounts receivable.

Treasury had a large decrease to advances and prepayments due to advance liquidations related to the Coronavirus State and Local Fiscal Recovery Funds and the Community Development Financial Institutions Rapid Response and Equitable Recovery Programs Fund.

HHS experienced a decrease to advances and prepayments due to the Prescription Drug and Medicare Advantage benefit payments originally scheduled for October 1, 2023, being made on September 29, 2023.