

U.S. Standard General Ledger (USSGL)

Issues Resolution Committee (IRC) Meeting Minutes

August 23, 2023

LOCATION: Call in only

TIME: 9:30 a.m. to 11:30 a.m.

HANDOUTS:

- Summary of Changes
- Funds Held Outside Treasury (FHOT) Guidance and Year-End Updates
- BAAS Update
- OMB Updates
- Part 1 & 2, Section III, Fiscal Year (FY) 2023 & 2024: Budgetary Transaction Codes
- Part 2, Section III, FY 2024: Proprietary Transaction Codes
- Voting Ballot
- Part 1 & 2, Section V, FY 2023 & 2024, SF133 & Schedule P Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule
- Part 1 & 2, Section V, FY 2023 & 2024: Statement of Budgetary Resources
- Part 1 & 2, Section VII, FY 2023 & 2024: Validations Summary, Validations Detail, Edits Detail, Edits Summary, and Edits Closing
- Credit Reform Business Event Type Codes (BETC) GTAS Edits
- Scenario Overview

All handouts can be found at <https://fiscal.treasury.gov/ussgl/resources-meeting.html>

GENERAL ITEMS:

Steve Riley (Fiscal Service) welcomed everyone to the IRC Meeting and asked everyone to cite their attendance in the meeting chat.

AGENDA ITEMS:

Chad Morris (Fiscal) presented *FHOT Guidance and Year-End Updates*. **Chad** reported that there are different BETCs for Cash and Investments Held Outside Treasury (CIHOT) and Funds Held Outside Treasury (FHOT). There is a presentation attached to the handouts with a lot of good information that will be a good reference. With Year-End (YE) approaching, we wanted everyone to be aware; watch your CTA transactions and keep the pending queue clear. Once the YE module opens up, the YE module will not allow any transactions to be performed if there are any other pending transactions. You can reach out to the team with any questions at CAB.CARD.FA@fkiscal.treasury.gov

Teresa Tancre (OMB) stated that for agencies that have non-federal investments, OMB would like to have that coordinated because those will affect our budget presentation.

Stephanose Mitiku (Fiscal) presented *BAAS Updates*. **Stephanose** said that “account rollover” is now called “account establishment.” We request federal programs to review and approve or disapprove the establishment of their FY 2024 accounts which will be used effective October 1, 2023. There will be a spreadsheet attachment on the

email regarding this, and we request confirmation within 48 hours after the email is received that the person who received the email is the POC for account establishment, and if they are not, we ask that they direct the email to the right POC and copy us. If they still do not know the POC, please let us know that as well. The email also includes a due date for submission, which is September 1, 2023, by 5:00pm. The handout provided has background and guidance information. The email has a spreadsheet with more details for you to review and respond to. If you have not received an email yet, please reach out to the BAAS group, and if there are any questions, please reach out to BAASGroup@fiscal.treasury.gov

Teresa presented *OMB Updates*. **Teresa** specified that the slides for this IRC meeting will start on slide 48. So far, we are at 80% reduction in abnormal balances as far as SGLs in the first batch went. We are at 54% reduced. OMB wants to thank all the agencies for putting the work in to get the abnormal balances reduced. The next deadline is period 8 of 2024. Based on looking at the particulars of these SGLs, we have decided that we will not be addressing these through validation 122. USSGL account **480100** “Undelivered Orders - Obligations, Unpaid” should not be abnormal unless you are reclassifying to USSGL account **490200** “Delivered Orders - Obligations, Paid” or USSGL account **480200** “Undelivered Orders - Obligations, Prepaid/Advanced”. There is currently not an edit, but it will come. Two new grant SGLs will be added in 2024. If you believe that your agency should have access to these, please coordinate before using them so that we can be sure edits and validations are in place.

OMB Circular No. A-11 has been updated to include statements related to accruals of liabilities for financial statement purposes. It is in appendix F section 4. Page 53 of the handout and starts the listing of edits that will be fatal starting next year. Someone reached out saying that it could potentially go past object class 41; when we made our case to our legal counsel, we restricted it to object class 41. If there is an agency that stated they have a situation outside of object class 41, we will have to work through our legal council with you to be sure that they agree.

It was asked in the chat whether the blue highlights on the handout are proposed edits and the red highlights fatal?

Teresa answered yes.

Aramis Anglero (HHS) asked whether there have been any discussions about a working group. There is some concern for some of the edits and validations becoming fatal next FY and we would like to get some guidance from OMB and Treasury.

Teresa replied that she does not look at a government wide working group for those edits and validations; she is open to having meetings with specific agencies, but system issues are not a justification. OMB is looking for progress. As long as you are making progress, I will allow some flexibility. I will leave it up to Josh as far as if his group can help assist with issues as long as they are not system issues.

Aramis answered that he will reach out to Josh to see whether we can get something scheduled.

Teresa indicated that there are edits and validations that OMB is responsible for to provide concurrence. Fiscal Service also has some. There are few that overlap. For anything budgetary, it will be OMB making the decision.

Teresa also specified that an agency should have one voice in the meetings. If there are multiple bureaus that have multiple perspectives, please work together to get one perspective before getting OMB and Fiscal involved.

Bob Smalskas (GSA) stated that it seems like we are capturing a lot of information through GTAS, and better information is good, but there are always follow on questions that come with it. Is OMB moving in the direction of reconciling budgetary IGT information between agencies--meaning unfilled customer orders for the seller and obligations for the buyer?

Teresa replied that long-term yes, but until we get our abnormal balances in check and better progress on this project, it would remain as is. Intragovernmental transactions among agencies is a big issue for the financial statement. **Teresa** said; “I am not sure if auditors are looking at proprietary intragovernmental or budgetary side. I understand that it is an issue. It is on the list, though.”

Kevin Majane (Energy) stated that reimbursable authority does not cover the warrant. **Kevin** said, “We know that DOE has a lot of negative cash in the reimbursable accounts. Is OMB going to issue guidance on a global authority we could use to request advances from other agencies.”

Teresa affirmed that OMB Circular No. A-11 has always stated in section 20 that an unfilled customer order is only good to obligate against and not to disperse against for one without advance. The Economy Act allows an advance or a reimbursable process to go on. Based on the Economy Act which most agencies perform their reimbursable activity on, there is an option. **Teresa** added, “The question becomes what legal authority are you using. If you are using the Economy Act, there will be a process of educating the legal staff that it allows an advance or reimbursable. Other than that, I do not know any agency specific laws and would recommend working with your attorneys to determine if you can get a cash advance under that legal authority and work with your counterparts to provide the clarification. Section 130 talks about looking for periods of availability which sometimes requires the performing agency to go to Fiscal Service and provide a new TAS.”

Heather Six (Fiscal) presented *New Budgetary USSGLs*. **Heather** stated that all the new Budgetary USSGLs can be found on the handout.

Kent Linscott (Fiscal) presented *Non-Expenditure Transfer Related Updates*. **Kent** said, “This updated scenario has multiple sections. We have sent the first section out already and appreciate the agencies’ feedback. The second set will be sent out soon, so please look for that. We would like to thank OMB for their help on this. During updating this scenario there were some TCs and accounts that needed to be updated.” For a full list of those, please refer to the handout.

Regina Epperly (Fiscal) presented *Part I & II, Sec III, Budgetary Transaction Codes*. **Regina** stated that all of the updates are posted on the handouts.

Brian presented *Part II, Sec III, Proprietary Transaction Codes*. **Brian** asked agencies to please take a look at the handouts for a list of all the changes.

Josh Hudkins (Fiscal) presented *Voting Ballot 23-03*. **Josh** announced that the voting ballot would go out on August 23rd and are due by August 30th at Noon. If there is an agency that is going to vote no on something, please reach out first for discussion in case it is an agency-specific change.

Teresa asserted one SGL needs to be incorporated into edit 20 to have it continue to stay balanced. A number of these SGLs are agency-specific, and we have met with those agencies and worked through what is needed. Please consider that even if you do not understand.

Bruce Henshel (Commerce) mentioned that proposed USSGL account 479010 seems to be a budgetary account with proprietary language like accruals.

Teresa confirmed that this is language similar to the definitions that were previously approved for USSGL accounts 480110 and 490110. This is just an anticipated version of that.

Regina presented *Part I & II Section V: SF-133 & Schedule P Report of Budget Execution and Budgetary Resources & Budget Program and Financing Schedule changes*. **Regina** noted that there are a lot of changes, so please refer to the handouts and feel free to reach out with any questions.

Heather presented *Part I & II, Sec V Statement of Budgetary Resources*. **Heather** stated that there are a lot of changes in these, as well, so please refer to the handouts and feel free to reach out with any questions.

Dan Adams (Fiscal Service) presented *Parts I & II, Section VII: Edits and Validations*. **Dan** mentioned that there are a lot of changes, so please refer to the SOC and the individual handouts.

Michael Boone (Fiscal) presented *Credit Reform BETC GTAS Edit*. **Michael** specified GTAS edits 125 to 132 are going to become fatal starting November 2025 GTAS reporting window. If you are one of the 18 agencies that have reported this activity in their financing funds, these new loan BETCs and the associated GTAS edits were established back in FY 2020. Since that time, we have been working with agencies to help provide guidance along the way so that they can use these BETCs for their Credit Reform activity. In FY 22, we started an in-depth analysis on a quarterly basis to look at agencies' progress on implementing these BETCs and passing these GTAS edits. If you review the handout that was provided, there are statistics as well as a graph showing the progress that's been made over the past couple years. Please reach out with any questions that you might have to generalfund@fiscal.treasury.gov.

Alex Abshire (Fiscal) presented *GTAS Access Reminder prior to Year-End*. **Alex** stated that earlier this year there was a user authentication system that was mandated from Treasury, so as we get closer to year-end, we want to be sure that agencies are going in and verifying their access, so that when we get into period 12 there are no time crunch issues trying to get GTAS access. There is a 120-day policy stating that, if there is no access for 120 days, your access will be cut off and you will have to go through the establishment process with the Treasury support system. The main recommendation is to log in monthly, like the first and/or last of the month, so that your access does not get cut off. Late May was when the system has switched, so September 18th is when the cutoff begins; please log in before that.

Josh presented *Scenario Updates*. **Josh** briefly touched on every scenario and agencies can get a better understanding of where each is at when looking at the handout.

Bob asked about the NETs (Non-Expenditure Transfers) to trust funds and non-trust funds and whether that could be talked about in the scenarios and guidance.

Teresa replied that we can add this to the background information at the beginning of the scenario that when you cross the line between federal to trust or vice versa, it is required to be a federal transfer; otherwise, it will be non-expenditure transfers.

Josh continued with the leases:

We are getting close to where SFAS 54 becomes effective, and last week the FASAB board voted to move forward with the transitional accommodation for embedded leases or contracts with both lease and non-lease components. Under SFAS 62, agencies may elect not to assess and break out whether contracts meeting criteria of embedded leases contain lease or non-lease components and account for them as non-lease contracts. The board agreed that reporting entities should have flexibility to begin recognizing lease assets and liabilities for lease components for new or modified contracts meeting eligibility criteria starting in 2027. Agencies will want to review SFAS 62 in its entirety, especially language around lease modifications after the accommodation period.

On April 5th, scenarios were released. There were some minor updates for the short-term and intragovernmental scenarios. On page 11 of intragovernmental scenario, there were significant questions regarding the nature of expenses of what should be included in agency disclosures. For intragovernmental leases, technical release 20, paragraph 17 states, "...expenses incurred during FY in accordance with SFAS 54 paragraph should be disclosed as intragovernmental annual lease expense." Fiscal Service submitted a technical inquiry to the FASAB staff about this to better help agencies with their questions. There has not been a written response and they are currently working on

an issue paper to the board. Like embedded leases, the gears are still moving on this, and the staff suggested an amendment might be needed. Originally, we suggested short-term and intragovernmental lease expenses to **633000** "Other Interest Expenses". This was to help facilitate agency disclosure. With an issue paper forthcoming from FASAB staff on insurance and taxes and other amendments coming to technical release 20, we are advising agencies to record lease expense to **693000** "Lessee Lease Expense" or continue recording in **610000** "Operating Expenses/Program Costs" and use what is most efficient to them. Both will transition to the same lines in the Statement of Net Cost and have same data attributes. We added a reference to paragraph 72-73 of SFAS 54 to address the classification of expenses while also keeping paragraph 27-28 to address expense timing. In transaction 12, we changed the SGL to **610000** operating expenses for the lessee and for the revenue side **520000** "Revenue from Services Provided". There is also a modified note and an added note at the bottom of page 11.

Short-term leases, page 11, has a similar footnote to show that we are trying to provide flexibility to capture lease expenses. We wanted to be sure our scenarios are not restricting agencies from having the flexibility needed to record lease expenses and revenue like it is needed. In the next couple of days, we will be uploading the new scenarios to our site.

Bruce asked whether there were plans for Fiscal Lease working group to develop BAR reconciling items for SFAS 54

Josh replied that there is an internal BAR working group, and some of those questions have come up and there are some discussions around it. As far as the Lease working group being involved, we are not sure yet, but more information is going to come.

MEETING ROUNDTABLE:

Meeting Wrap-Up:

Steve concluded the meeting.

Agencies via Conference Call:

AOC

ATF

Commerce

DHS

DOD

DOJ

DOL

DOT

Education

Energy

EPA

FASAB

FCSIC

FERC

Fiscal
FSU
GSA
HHS
HUD
Interior
Judiciary
MCC
NASA
NCUA
NLRB
NRC
NSF
OPM
Patent and Trademark Office
PBGC
RRB
SEC
Smithsonian
SSA
State
Treasury
USACE
USAGM
USDA
USPS
VA