Proprietary USSGL Account Definition Modifications (Effective FY 2027)

(Proposed Modifications Will Appear on USSGL Board Ballot in Winter 2027)

Account Title: Non-Production Costs
Account Number: 690000
Normal Balance: Debit
Definition: This account is used to record the costs incurred and recognized that a reporting entity's management determines to be ~~are~~ linked to events other than the production of goods and/or services. Examples of certain groups of non-production costs include, but are not limited to, acquisition of general property, plant, and equipment (PP&E); acquisition of land and heritage assets; ~~heritage PP&E; stewardship land;~~ reorganization costs; and nonrecurring cleanup costs resulting from facility abandonment that ~~is~~ are not accrued. It also includes other post-employment benefit (OPEB) payments directly related to an OPEB event. ~~other than~~ Benefit expenses unrelated to an OPEB event and Federal Employees' Compensation Act (FECA) expenses ~~and unemployment~~ for federal employees are more appropriately reported in USSGL account 640000, "Benefit Expense." Significant management judgement is needed to evaluate the context and nature of circumstances around costs and to determine if a connection be established between the costs and the production of outputs that may have benefited from those costs.

Justification: *Updates are needed to clarify that significant management judgement is needed to evaluate the context and nature of circumstances around costs. FASAB's SFFAS 4 refers to non-production costs as "costs that are linked to events other than the production of goods and services."*

Account Title: Benefit Expense
Account Number: 640000
Normal Balance: Debit
Definition: Provided below are separate definitions for "program" and "administering" activities included in this account. For "program" activities, record the employer's portion of the contributions to the following employee benefit programs administered by federal entities, and unrelated to an OPEB event: retirement, life insurance, health insurance, ~~Voluntary Separation Incentive Payment (VSIP)~~, Federal Employees' Compensation Act (FECA), unemployment for federal employees, Social Security (Old Age and Survivor's Insurance, Supplemental Security Income, Disability Insurance, Hospital Insurance (Hi-Medicare, Part A). Use Federal/Non-Federal Code attribute domain value "F" and Transaction Partner Agency Identifier (3-digit agency code) as defined in I TFM 2-4700. Note: Report in USSGL 690000, "Non-Production Costs", the costs that are linked to OPEB or events other than the production of goods and/or services and for which a reporting entity's management determines to be non-production. Report in USSGL account 610000, "Operating Expenses/Program Costs," the costs for benefits not specifically listed above and related to the production of goods/services. In the specific instance of employer contributions to the Thrift Savings Plan, record in USSGL account 610000 with Federal/Non-Federal Code attribute domain value "N." For "administering" activities, record the amount of expense incurred for benefit payments to non-federal entities using Federal/Non-Federal Code attribute domain value "N" for reporting. This includes (but is not limited to) costs for retirement, life insurance, health insurance, ~~VSIP,~~ FECA, unemployment, entitlements (as listed in the definition of USSGL account 216000, "Entitlement Benefits Due and Payable"), and insurance guarantees; for example, flood insurance, crop insurance, and deposit insurance.

Justification: *Updates are needed to clarify that significant management judgement is needed to evaluate the context and nature of circumstances around costs. FASAB's SFFAS 4 refers to non-production costs as "costs that are linked to events other than the production of goods and services."*

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Account Title: Refundable Tax Credits and Other Outlays
Account Number: 689100
Normal Balance: Debit
Definition: This account is used to record the amount of payments to a taxpayer for credits (such as an earned income tax credit) that are fully payable to the taxpayer even when the credit exceeds the taxpayer's tax liability. They are associated with the custodial tax revenue collected by IRS on behalf of the federal government. The President's Budget records payments to taxpayers for refundable tax credits that exceed a taxpayer's liability as outlays, while the portion offsetting a taxpayer's liability reduces budget revenues but is not explicitly reported in the budget. This account is also used for other outlays (i.e., interest on refunds, Trump Accounts, etc.) This USSGL account is included on the USSGL crosswalk for the Statement of Custodial Activity. This USSGL account can only be used by the Department of the Treasury.

Justification: *Updates are needed to clarify that certain other outlays related to tax credits and tax refunds should be recorded in this account.*

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