Proposed Proprietary Transaction Code Revisions (FY 2027)

Non-Production Costs

1) B436 To record the funded portion of cleanup costs that was previously estimated.

Comment: If the cleanup cost is part of an ongoing operation, then the liability associated with the cleanup should be reported as accounts payable. Also post USSGL TC-B134 for appropriations used. While it is acceptable to debit USSGL account 461000 in this situation, it is never acceptable for the balance in USSGL account 461000 to be a debit. Per SFFAS 4, Non-Production costs may include nonrecurring cleanup costs resulting from facility abandonments that are not accrued. Entity management should apply professional judgement to determine if the costs are related to the production of goods and services or linked to other events.

Reference: ~~Environmental~~ Clean-up Costs ~~2001~~ & Environmental Disposal Liabilities 2026

Budgetary Entry
Debit 461000 Allotments - Realized Resources
Debit 480100 Undelivered Orders - Obligations, Unpaid
    Credit 490100 Delivered Orders - Obligations, Unpaid

Proprietary Entry
Debit 299500 Estimated Cleanup Cost Liability
Debit 610000 Operating Expenses/Program Costs
Debit 690000 Non-Production Costs
    Credit 211000 Accounts Payable
    Credit 680000 Future Funded Expenses

2) E104 To record the accrued benefit at the end of the accounting period for unpaid estimated costs incurred. This entry is recorded by the employer agency.

Comment: If funded by a direct appropriation, also post USSGL TC-B134. Reverse accruals at the beginning of the next accounting period. While it is acceptable to debit USSGL accounts 461000 and 462000 in this situation, it is never acceptable for the balance in either of these accounts to be a debit. Management should apply judgement to determine if Other Post-Employment Benefit (OPEB) payments directly related to an OPEB event but unrelated to the production of outputs should be reported as Non-Production Costs.

Budgetary Entry
Debit 461000 Allotments - Realized Resources
Debit 462000 Unobligated Funds Exempt From Apportionment
Debit 480100 Undelivered Orders - Obligations, Unpaid
    Credit 490100 Delivered Orders - Obligations, Unpaid

Proprietary Entry
Debit 610000 Operating Expenses/Program Costs
Debit 640000 Benefit Expense
Debit 690000 Non-Production Costs
    Credit 221300 Employer Contributions and Payroll Taxes Payable

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3) E106 To record the accrued benefits at the end of the accounting period for unpaid estimated costs incurred. This entry is recorded by the benefit administering agency.

Comment: If funded by a direct appropriation, also post USSGL TC B134. Reverse accruals at the beginning of the next accounting period. While it is acceptable to debit USSGL accounts 461000 and 462000 in this situation, it is never acceptable for the balance in either of these accounts to be a debit. Refer to the USSGL 640000 "Benefit Expense" Account Definition to ensure correct SGL usage of all benefit expenses. In addition, management should apply judgement to determine if Other Post-Employment Benefit (OPEB) payments directly related to an OPEB event but unrelated to the production of outputs should be reported as Non-Production Costs.

Budgetary Entry
Debit 461000 Allotments - Realized Resources
Debit 462000 Unobligated Funds Exempt From Apportionment
Debit 480100 Undelivered Orders - Obligations, Unpaid
    Credit 490100 Delivered Orders - Obligations, Unpaid

Proprietary Entry
Debit 261000 Actuarial Pension Liability
Debit 610000 Operating Expenses/Program Costs
Debit 640000 Benefit Expense
Debit 690000 Non-Production Costs
    Credit 216000 Entitlement Benefits Due and Payable
    Credit 221500 Other Post Employment Benefits Due and Payable
    Credit 221600 Pension Benefits Due and Payable to Beneficiaries
    Credit 221700 Benefit Premiums Payable to Carriers
    Credit 221800 Life Insurance Benefits Due and Payable to Beneficiaries

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