

Note 9. Advances and Prepayments

Advances and Prepayments as of September 30, 2025, and 2024

(In billions of dollars)	2025	2024
Department of the Treasury	39.0	116.3
Department of Defense	9.8	6.2
Department of Labor	9.7	12.6
All other	11.5	11.3
Total advances and prepayments	<u>70.0</u>	<u>146.4</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 will be recorded as assets. Any amounts that are subject to a refund at the time of completion will be transferred to accounts receivable.

Treasury had a large decrease in advances and prepayments due to advance liquidations based on recipient reported expenditures in the Coronavirus Relief Fund and Emergency Rental Assistance. As these programs mature, the participants' expenditures result in the liquidation of the advances with no offsetting additions to advance balance from new disbursements; given the program lifecycle.

Additional information related to advances and prepayments can be obtained from the financial statements of DOD and DOL.