

U.S. Government Standard General Ledger (USSGL)

Issues Resolution Committee (IRC) Meeting Minutes

February 5, 2015

HANDOUTS:

- Draft Summary of Changes Bulletin 2015
- Draft Part 2 Section IV for Fiscal 2015 USSGL Attributes to Account Report
- Draft Part 2 Section V for Fiscal 2015 Statement of Budgetary Resources
- Draft Part 2 Section V for Fiscal 2015 SF 133 Report on Budget Execution and Budgetary Resources
- Draft Part 2 Section V for Fiscal 2015 Budget Program and Financing Schedule
- Draft Part 2 Section VI for Fiscal 2015 Reclassified Balance Sheet
- Draft Part 2 Section VI for Fiscal 2015 Reclassified Statement of Net Cost
- Draft Part 2 Section VII for Fiscal 2015 Validations Summary
- Draft Part 2 Section VII for Fiscal 2015 Validations Detail
- Draft Part 2 Section VII for Fiscal 2015 Closing Edit Details
- Draft Part 2 Section VII for Fiscal 2015 Edits Detail
- Draft Transaction Code (TC) for Contingent Liability
- Draft Treasury Forfeiture Fund Scenario

GENERAL ITEMS:

The meeting was called to order at approximately 9:36 AM in Conference Rooms 6N201 and 6N202 at the Metropolitan Square Building, 655 15th Street, NW, Washington, D.C.

Michele Crosco (Fiscal Service) welcomed everyone in attendance and opened the meeting by asking IRC members present in the room to introduce themselves. She then asked the participants on the phone to announce themselves.

AGENDA ITEMS:

Michele presented the changes to the Part 2 2015 Section IV Attribute Table. She indicated that there is a typo on the Summary of Changes. It should read USSGL account 463500 instead of 436500.

Lisa Smith (Fiscal Service) presented the changes to the Part 2 2015 Section V Statement of Budgetary Resources (SBR), Report on Budget Execution & Budgetary Resources (SF133), and Program & Financing (P&F) Schedule. **Teresa Tancre (OMB)** stated that although there are permutations on the crosswalk, it doesn't mean that it is valid for every account. She is working with Financial Reports Division (FRD) and USSGL to have validations and exceptions to those validations, to ensure that only the appropriate Treasury accounts are using these permutations. **Lisa** also indicated that she had an additional period 05 change come in that will impact the SF 133, P&F, and SBR for USSGL account 463500. **Michele** indicated that this change will only affect the Sinking Fund. **Teresa** confirmed with **Luke Sheppard (Fiscal Service)** that this will be a validation with an exception.

Jeff Taberner (Fiscal Service) presented changes to the Part 2 2015 Section VI Reclassified Balance Sheet.

Tia Harley (Fiscal Service) presented changes to the Part 2 2015 Section VI Reclassified Statement of Net Cost.

Michele asked the members to let the USSGL staff know if they discover something doesn't crosswalk on their reclassified statements to a reciprocal category and they are expecting it to. She also informed the members that there is a gap between the ATB bulk file upload and the IGT material difference upload. Requests can be made to upload a bulk file, but only to make changes within proprietary accounts. After the window closes, if something doesn't crosswalk, bulk files cannot be uploaded again. Reclassified statements can be printed out of GTAS but there are some issues with the lines.

Luke presented changes to the Part 2 2015 Section VII Validations and Edits. He indicated that these changes resulted from working with Teresa to ensure that invalid permutations from the attribute table are restricted. **Luke** informed everyone that validations have a number like 21 but if there is an "E" added to the end (21E) then it is an exception to the validation. **Marilyn Evans (Treasury)** questioned the addition of USSGL account 463500 to edit 19 because it does not close at the end of the year. It will have a beginning balance and should not be treated the same as 463000. She also questioned validation 53 addition of USSGL account 463500. Validation 53 needs to be made available for the sinking fund as well as ESF. **Luke** said he would be able to modify the validation to allow the sinking fund to use

463500. **Teresa** questioned if this was related to TAS 20X0503 account, and **Daniel Adams (Fiscal Service)** explained that it was not related

Michele proceeded with the proposed contingent liability transaction code (TC). She indicated that DOD was asking for guidance on contingent liabilities. She has been talking to OMB and it was determined that when you book your contingent liability you should also record budgetary. She has conducted some research and determined that those who are recording a contingent liability have been following the current TC and not booking budgetary. She illustrated a proposed TC to correct the missing budgetary USSGL accounts. Michele will work with IRC members to determine when to move forward with the new TC. She added the budgetary accounts and took out USSGL account 679000 because it is for other expenses not requiring budgetary resources. She then said you cannot hit USSGL account 679000 anymore when you are booking your contingent liability. **Cindy Scharf (Library of Congress)** indicated that at year end 470000 closes. This is an issue because you cannot submit a beginning balance in USSGL account 470000 but the proprietary liability stays on the books. **Gerald Davenport (Department of Defense)** explained that his discussion included other liabilities with USSGL account 292000. **Cindy** pointed out that the TC description addresses the Treasury Judgment Fund liability and there are other reasons for contingent liability. **Michele** clarified that USSGL account 679000 would have to come out of the transaction. **Rich Lannin (Railroad Retirement Board)** has contingent liability in a no year Trust Fund and believes the liability should stay open for the next fiscal year for budgetary. **Teresa** indicated that the problem with that is the accounts are apportioned. USSGL account 470000 is part of unobligated balances and not an obligation. It needs to be reapportioned in the next fiscal year. It cannot be obligated until it is reapportioned. **Rich** suggested the possibility of a new USSGL account in the 4700 series. **Teresa** indicated that she is not opposed to having 470000 USSGL account roll forward but the mechanism needs to be figured out to ensure that the amount is apportioned. **Kim (Department of Interior)** has contingent liabilities that the Judgment Fund pays on their behalf and they have to reimburse. Sometimes the liabilities are sizeable to where Interior does not have the budget to fund the reimbursements. It's not until the liabilities are paid that Interior submits a request to budget to fund the claim. There may be a situation where Interior cannot put on a commitment when it is in the contingent status due to lack of funding. **Michele** asked those with contingent liabilities to submit their thoughts/comments regarding the TC via email to her or submit an issue form. **Cindy** asked why we are asking for the contingent liability to be taken out of the budget when it is something that is contingent/potential but not a liability yet. **Michele** read the definition of a contingent liability which she received from Bing Bradshaw (OMB Retired). If it is probable and likely that the contingent liability is going to be paid out it should be recorded against the budgetary and not when it gets paid out. **Kim** thought that was the reason for the Judgment Fund. **Michele** tabled the conversation so that OMB could go back and do more research and indicated we would bring back up at the next IRC.

Marilyn presented the Treasury Forfeiture Fund scenario. When she sat down with the bureaus they had some changes they wanted to the scenario. The first thing they wanted was a Part 2, so she added a second year because they wanted to see downward adjustments. She also added SF 132s to the presentation at the request of their budgetary counterparts on the team. She then added comments to add clarity on the operational side. The way the forfeiture fund works is you have to send the bill first

before you can do any IPAC. You can't IPAC them directly, they have to go in and approve it. She also added the main accounts to be GTAS compliant. In year 2, she shows the refunds coming back and shows the 439200 downward adjustment. **Michele** questioned the use of USSGL account 576000 in step 20. It was determined that if the refund occurred in the same year, you would reverse the original entry. However, if it is in a subsequent year you would use USSGL account 575000 for transfer out and 576000 for transfer in.

Round Table Discussion Items:

Michele opened up round table to Gerald to discuss unfunded liabilities. **Gerald** proceeded with explaining that unfunded liabilities are typically on the books for years before DOD gets the funding to pay out. The largest piece is their environmental liabilities. When DOD went to GTAS they raised the concern about putting them in current year because it is not a given that it will get paid out in the next 3 to 4 years. DOD didn't feel it was right to put it in the "C" TAS because it is for cancelled TAS. They are recording it into their current year TAS so it can at least be reported in GTAS. However, long term they are wanting a more permanent solution so that they are not distorting the condition of their current year TAS. DOD generally run anywhere from 55 to 65 billion in environmental liabilities. It maybe 10 years down the road before the liabilities get paid out. They have the same situation with some capital lease liabilities and the contingent liabilities. **Teresa** asked if he is recording any budgetary at the time it is recognized. He is not, just strictly proprietary. **Bethany Joseph (Department of Energy)** indicated that Department of Energy has these, but they use no year accounts. She also indicated that they do not record budgetary with them. **Cindy** asked if the amount of the liability gets re-evaluated. **Gerald** indicated that it does and typically will change. They do an update at the end of the year to reflect the current balance. They post the liability in the current year TAS and reverse it in the following year. In the new fiscal year they record again to the new current year TAS. The consensus of the IRC was to keep it in the current year and move it at the beginning of each fiscal year to the new current year in absence of a no year TAS. **Michele** offered to provide Gerald something in writing with the consensus.

Teresa announced that Bing Bradshaw from OMB retired on January 3, 2015. She thanked all the agency accountants that helped the budget shop get changes in the revision window to be consistent with what was reported in the prior year 2014 column. There are 3 agencies that failed to get everything in and there were some other agencies that their budgeteers made changes in the PY column and had worked with OMB to get prior year adjustments in GTAS and documented. Teresa will be contacting the agencies with outstanding PY adjustments. HHS has 2 accounts, Department of State has 2 accounts, and Denali has 1 account. These are situations where the budgeteer changed the information in the PY column after the revision window closed and OMB is looking at having PY adjustments to support them. She will be reaching out to those agencies to get this accomplished.

Cindy asked if we ever closed the loop on buyer/seller issue with same accounts. **Luke** indicated that they are working on accommodating it and hope to have it in by 2nd quarter. **Luke** explained that if there is a TAS with 019 011 0100 and there is another TAS with 019 0100. 019 011 0100 is on State's books. Someone wants to say they are trading with 011 0100. However, this example does not exist on

the SMAF so they can't use it. **Luke** is trying to add in a combination where 011 0100 would be a valid combination and go to FR entity 1900 because the 1900 is on State's books. 011 0100 is the ATA.

Teresa asked if that is also for the budgetary USSGL accounts like 417000 and 419000 where we are asking for the direct transfer agency/account. **Luke** believed that it would be the same in GTAS because they are derived from trading partner id and trading partner main account. **Teresa** asked how budget would know if someone is showing a direct agency transfer if it is an allocation agency or parent. **Luke** said you would not know. **Luke** also indicated that they were considering this approach to use as valid combinations for their intergovernmental eliminations because of the way GTAS assigns FR entities.

Marilyn indicated that Treasury has a lot of parent child relationships and that this is a problem. **Cindy** said her vendor will not change anything until she can get guidance from Treasury (011 vs. 019). **Cindy** indicated that they manually changed to 019 because they could not get 011 thru. **Marilyn** asked **Luke** if he could run the FR entity for all the child accounts and suggested using the FR entity. **Luke** indicated that it would require a new bulk file attribute but technically there isn't any reason GTAS couldn't do that. **Cindy** indicated that the interagency agreements will need to include the new attribute and all agreed that a year for implementation would be needed.

Marilyn brought up the 1499 receipt accounts. They were originally created to track each agency's borrowings with credit reform. Starting in FY 16 it will be all reported in 20 1499. **Luke** will be doing a webinar to explain the FR entity. Treasury will be reporting in GTAS FR entity 2000 in FY15. **Luke** indicated that 1499 TAS have been assigned to new users erroneously. **Valeria Spinner (Fiscal Service)** indicated that each agency will have to come to Treasury and request the discontinuance for the account and guidance will be coming out. **Marilyn** let DOJ know that they are looking at the excise tax.

Marilyn asked Michele about the IMF scenario deadline. She needs a new BETC and USSGL accounts. The USSGL timeline is May. **Marilyn** would follow up with the BETC timeline.

Valeria let the members know that we would no longer have access to the building because Treasury is moving out. She asked if the members have a conference room available so that we can start shifting our meetings to other locations. If not, we will have to hold the meetings in Hyattsville. **Teresa** indicated that the White House conference center is no longer available.

Valeria also indicated that the OMB Circular No. A-11 guidance regarding the object class is available, but Treasury is not ready to update their guidance to incorporate it. Discussions are still being made between Treasury and OMB on how to handle it. We will make note in a transmittal letter that we are acknowledging that guidance in OMB Circular No. A-11 regarding object class exist, but at this time there has been no final decision on how we are going to move forward with implementation.

Attendees:

- Michele Crosco, Fiscal Service
- Lisa Smith, Fiscal Service

- Jeff Taberner, Fiscal Service
- Marlana White, Fiscal Service
- Cindy Scharf, Library of Congress
- Bethany Joseph, Department of Energy
- Kim Klein, Department of Energy
- Dion Carte, USDA
- Steve Cotter, Treasury
- Andre Small, Treasury
- Edwin Walker, FHA-HUD
- Letitia Bing, DOJ
- Mark Sanfriei, Education
- Valarie Smithen, Treasury
- Webster Coleman, DOL
- Melanie White, Fiscal Service
- Rebecca Shoustal, SBA
- Sam Idahosa, Treasury
- Tia Harley, Fiscal Service
- Kathy Wages, Fiscal Service
- Alexandria Kindle, USDA
- Michael Ward, GSA
- Teresa Tancre, OMB
- Gerald Davenport, DOD
- Drena McDaniel, DOT
- Julio Rios, FCC
- Luke Sheppard, Fiscal Service
- Daniel Adams, Fiscal Service
- David Surti, DHS
- Sandra Bumgarner, Fiscal Service
- Vickie Massey, FCC

- Janice Alexander, NSF
- Robert Bell, DOE
- Marilyn Evans, Treasury
- Kim, DOI
- Kent Linscott, Fiscal Service
- Rich Lannin, RRB
- Valeria Spinner, Fiscal Service