



Bulletin: OCFO 24-02

Date: July 16, 2024

To: All Agencies

Subject: Canceling-Year Transactions

PURPOSE

This bulletin establishes policies and procedures for clearing canceling-year funds transactions in accordance with 31 United States Code (U.S.C.) § 1551-1557, and Office of Management and Budget Circular A-11, Section 20.4.

Agency compliance with this policy will result in efficient and effective operation for agencies and USDA.

DEFINITIONS

Canceling Appropriation – Per 31 U.S.C. § 1552, on September 30th of the 5th fiscal year after the period of availability for obligation of a fixed appropriation account ends, the account shall be closed and any remaining balance (whether obligated or unobligated) in the account shall be canceled and thereafter shall not be available for obligation or expenditure for any purpose. Agencies will return unexpended balances to the general fund of the Treasury.

Exception: Congress can enact laws that exempt appropriations from these rules (see 31 USC § 1557).

Open Balance – The remaining unexpended or uncollected balances in an annual or multi-year Treasury account symbol.

BACKGROUND

Historically, prior to the close of the fiscal year, agencies' trial balances contained open balances, such as receivables, accrued liabilities, unliquidated obligations, advances, and sales orders. This has hindered USDA from executing a timely annual close out due to the significant research and analysis required to close out open balances.

Agencies are not timely closing unexpended and uncollected balances. Agency staff must confirm the validity and accuracy of financial data for non-canceling accounts. At yearend, the Agency and USDA staff offices should be focused on assuring the validity, accuracy, and proper presentation of the financial transactions.

RESPONSIBILITIES

Financial Management Services (FMS) will monitor and provide a list of outstanding items to Departmental Staff Offices and agencies monthly beginning each December.

Departmental Officers and the CFO for each agency are responsible for ensuring the appropriate staff are accessing and monitoring reports and closing canceling-year balances within established timeframes.

POLICY

Agencies will close all open balances in canceling annual and multiyear Treasury account symbols no later than the date established in **PROCEDURES**.

PROCEDURES

Receivables

Employee-Related Indebtedness

Agencies will change the Treasury account symbol for employee related indebtedness if the debt is not paid by September 30. Agencies will provide a shorthand code tied to Treasury's miscellaneous account symbol 123200 (collections for cancelled authority) to FMS' Financial Reporting Branch (FRB) no later than June 30 of the canceling year.

FRB will provide the shorthand code to the Government Employees Services Division, Debt Management Services Branch, to convert receivable balance(s) after the last full paid pay period of the fiscal year (typically pay period 18 or 19).

Non-Employee-Related Indebtedness

Agencies will change the Treasury account symbol for non-employee related indebtedness if the debt is not paid by September 30. Agencies are responsible for transferring non-employee receivable balances to Treasury's miscellaneous receipt account 123200 (Collection of Receivables from Canceled Accounts). Agencies should convert balances to the new accounting by pay period 16, but no later than pay period 18.

Advances

There are two types of advances to others: (1) advances to employees for temporary duty (TDY) and permanent change of station (i.e. Relocation) travel and (2) advances to vendors. Agencies shall liquidate all advances by June 30.

Accrued Liabilities

By the 20th of the following month, agencies will reverse any accrued liability manually entered using general ledger posting modules using document types SA and DN. Accrued liabilities more than 30 days old, whether directly entered for goods receipts into the Financial Management Modernization Initiative (FMMI) system or interfaced/integrated from the feeder (e.g., Integrated Acquisition System), will be reversed or invoiced and paid immediately by agencies. Agencies must process all invoices to ensure vendor payments are recorded within the fiscal year.

Unliquidated Obligations (ULOs)

As stated in the USDA [Departmental Regulation 2230-001](#), *Reviews of Unliquidated Obligations*, dated October 28, 2020, reviews and certification of ULOs shall be made by each agency and staff office. ULOs found to be unnecessary will be promptly adjusted. All adjusting transactions shall be properly documented and all documentation will be retained for audit purposes. Agencies and staff offices are required to certify quarterly that reviews and corrective actions related to ULOs inactive for at least 12 months were performed. Certifications are due 30 days after the end of the quarter.

Sales Orders

All billings should occur within six months past the year of availability (i.e., March of the following fiscal year). Agencies will:

1. Liquidate associated obligations by April 30.
2. Pay or reverse all open invoices by May 3. If reversed, refer to number 1.
3. Recognize all earned unbilled revenue by May 31.
4. Collect, reverse, or transfer all open receivables to Treasury's miscellaneous receipt account 123200 (collections for cancelled authority) by June 30.
5. Refund customers for over-collections by July 31.
6. Write-down sales orders to billed amounts by August 31.

INQUIRIES

Direct any questions concerning this bulletin to the [Financial Management Services Help Desk](#) or (877) 243-3072.

EFFECTIVE DATE

This bulletin supersedes OCFO Bulletin 15-04, Canceling-Year Transactions, dated December 15, 2015, and is effective immediately.

/s/

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