



Bulletin: OCFO 24-05

Date: June 21, 2024

To: All Agencies

Subject: Canceling-Year Transactions

PURPOSE

This bulletin establishes policies and procedures for clearing canceling-year funds transactions in accordance with 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 more efficient operations and greater cost effectiveness 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.

Any remaining unexpended balances are returned to the general fund of the Treasury and are therefore no longer available for any purpose. *Exception:* Congress can enact laws that exempt appropriations from these rules (see U.S.C. & 1557).

Open Balance – Refers to 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 still contained open balances, such as, receivables, accrued liabilities, unliquidated obligations, advances, and sales orders. This condition has hindered USDA from executing a timely annual close process due to the significant research and analysis required to close out open balances.

Additionally, because Agencies are not timely closing unexpended and uncollected balances, resources required to confirm the validity and accuracy of financial data for non-canceling accounts are being consumed. At yearend, the Agency and USDA staff offices should be focused on assuring the validity, accuracy, and proper presentation of the financial transactions, which reflect the status of funds and/or USDA's account balances.

RESPONSIBILITIES

Financial Management Services (FMS) will monitor and provide outstanding items to Departmental Offices and Agencies during monthly beginning in December.

Departmental Officers and the CFO for each Agency are responsible for ensuring (1) reports are accessed and monitored; and (2) canceling-year balances are closed within established timeframes.

POLICY

All open balances in canceling annual and multiyear Treasury account symbols shall be closed no later than the date as stated in **PROCEDURES**.

PROCEDURES

Receivables

Employee-Related Indebtedness

The Treasury account symbol for employee related indebtedness shall be changed 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

The Treasury account symbol for non-employee related indebtedness shall be changed 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 (Collections 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: advances to employees for temporary duty (TDY) and permanent change of station (i.e. Relocation) travel, and advances to vendors. Agencies shall liquidate all advances by June 30.

Accrued Liabilities

Any accrued liability manually entered by an Agency shall be reversed no later than the 20th of the following month. Accrued liabilities more than 30 days old, regardless of whether they are manually entered in FMFI or interfaced/integrated from the feeder (e.g., Integrated Acquisition System), shall be reversed or invoiced and paid immediately. All invoices shall be sent to Treasury within enough time to be confirmed in the fiscal year the Treasury Account Symbol is cancelled.

Unliquidated Obligations

As stated, section of 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. Obligations shall be de-obligated unless there is a documented, bona-fide purpose for the obligation to remain open. 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

Generally, all billings should have occurred within 6 months past the year of availability (i.e., March of the following fiscal year).

1. Liquidate associated obligations by April 30.
2. Ensure all open invoices are paid or reversed by May 3. If reversed, refer to number 1.
3. Recognize all earned unbilled revenue by May 31.
4. Ensure all open receivables are collected, reversed, or transferred 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

Any questions concerning this bulletin should be directed 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/

Lance Raymond
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