

American Society of Military Comptrollers

Professional Development Institute 2016

Workshop 53
Understanding the
US Standard General Ledger

**KEARNEY &
COMPANY**





- **Importance of the USSGL**
- **Focus on USSGL as it relates to DoD**
- **USSGL Framework**
- **Financial Audit and USSGL Compliance**

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What is the USSGL?

- What is it?
 - It is the framework (developed, issued and updated by Treasury-FMS) utilized by federal agencies to uniformly account for transactions with the ultimate objective of preparing complete, accurate and comprehensive financial reports.
 - Department of the Treasury, Financial Management Services (FMS)
 - DoD DCMO: Standard Financial Information Structure (SFIS)
- Why is this important?
 - Required by law (FFMIA 1996, OMB Circular A-127)
 - Aids consolidation
 - Facilitates uniformity
 - Saves time and effort
 - Provides a reference dictionary





Why is it Important to Have a US Standard General Ledger?

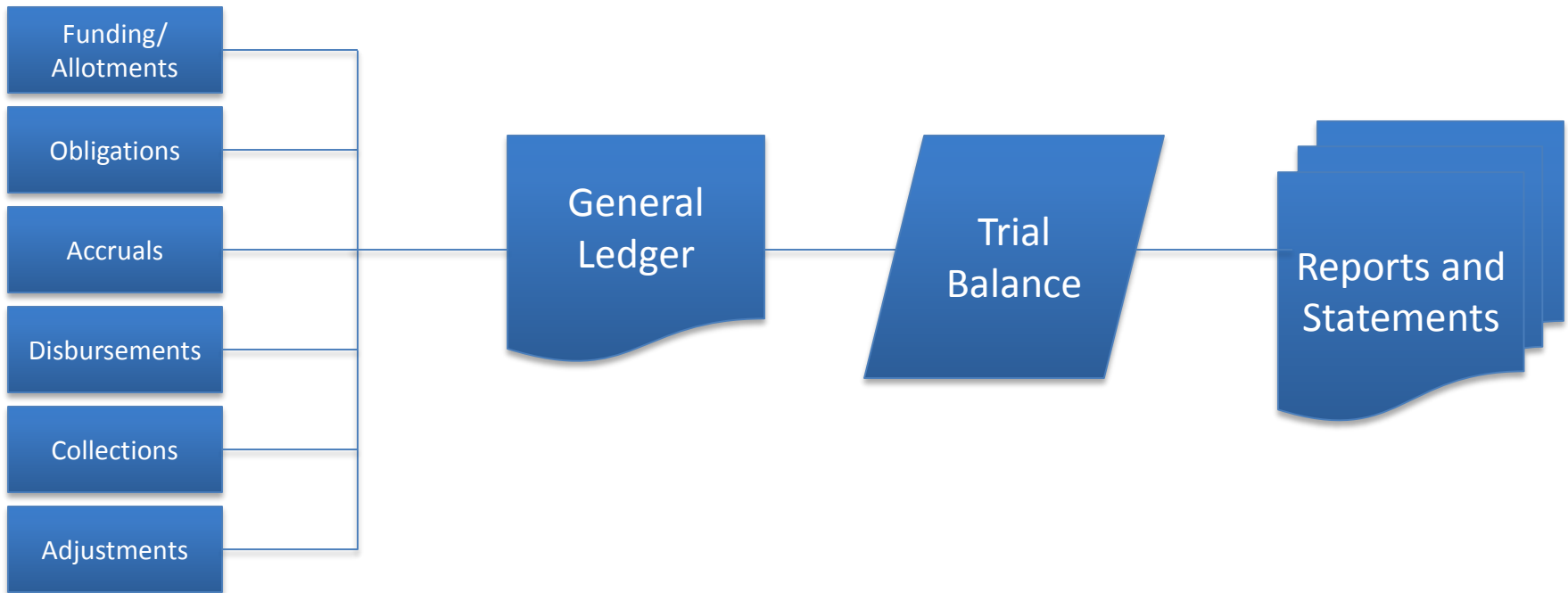
Provides an efficient means to audit entity-wide financial statements:

“...DoD financial management systems do not substantially comply with Federal financial management system requirements, U.S. GAAP, and The U.S. Standard General Ledger at the transaction level.”

TRANSACTION [GAG]”



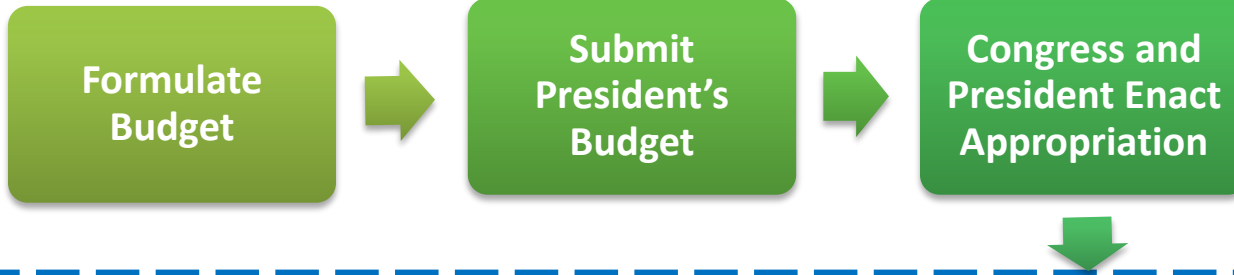
- Financial Transactions





Budget Cycle: Typical Transactions

High-level Budget Formulation Steps



Trial balance is used to formulate budgets



High-level Budget Execution Steps

Budget execution steps create trial balance

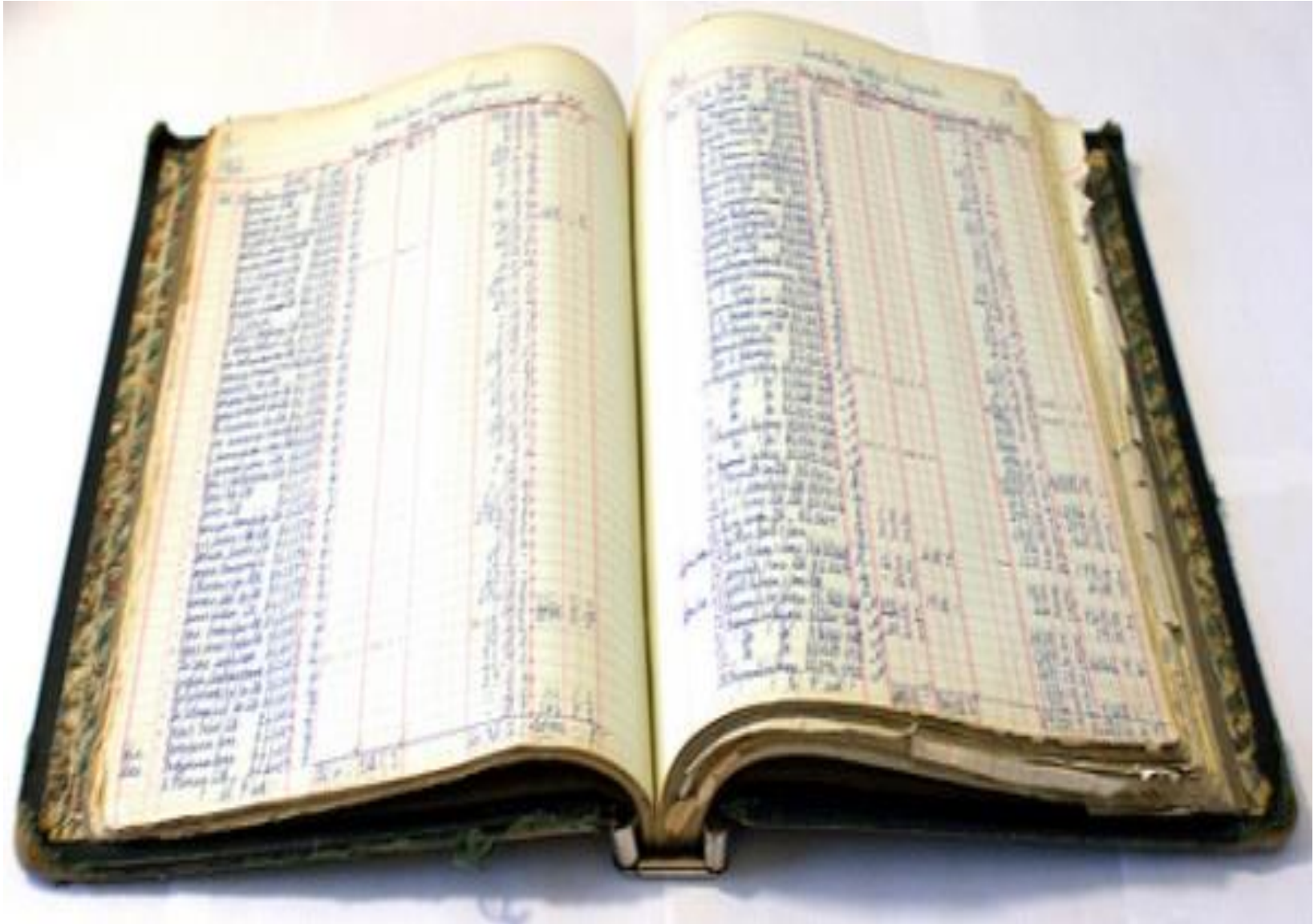


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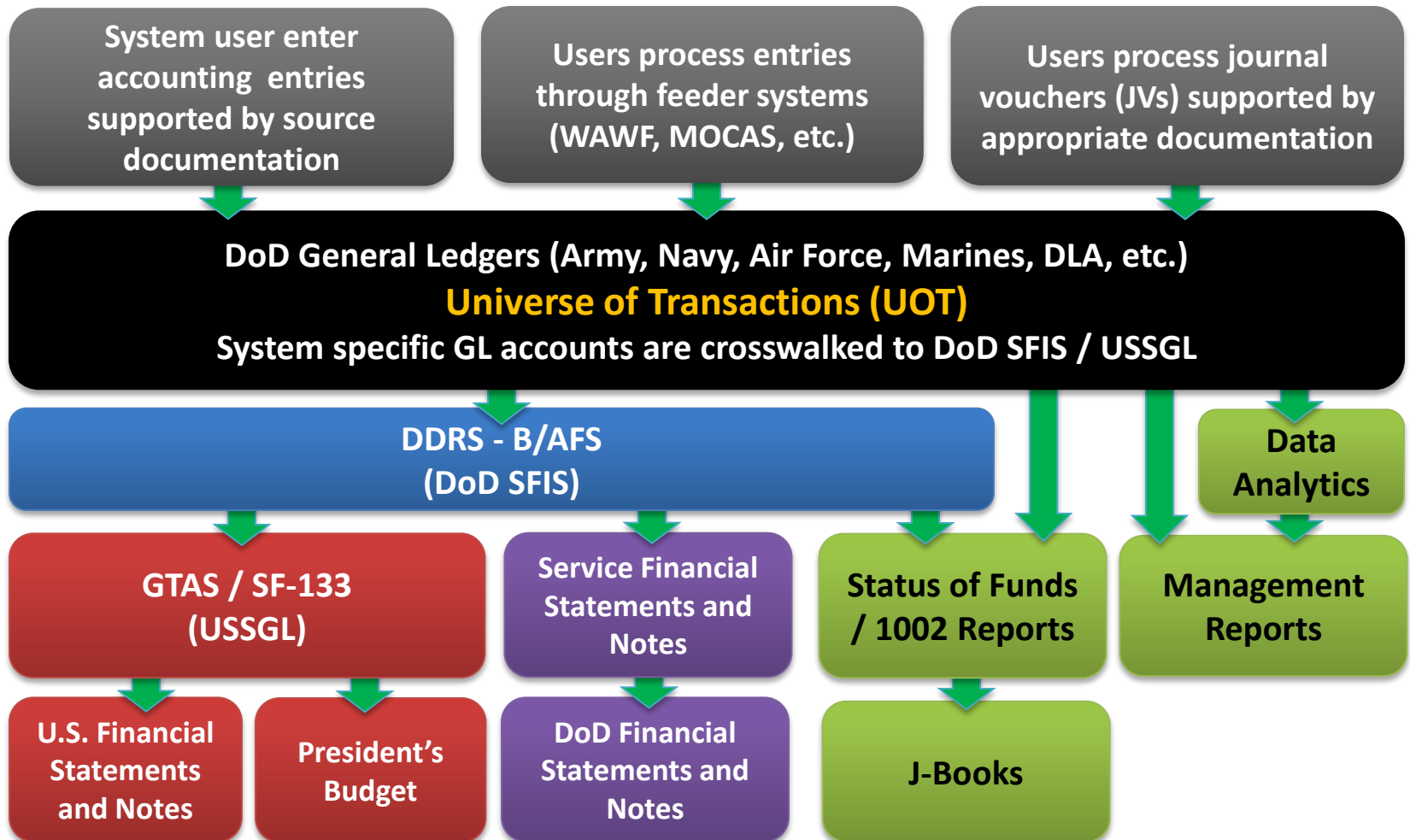
STANFINS General Ledger—1975





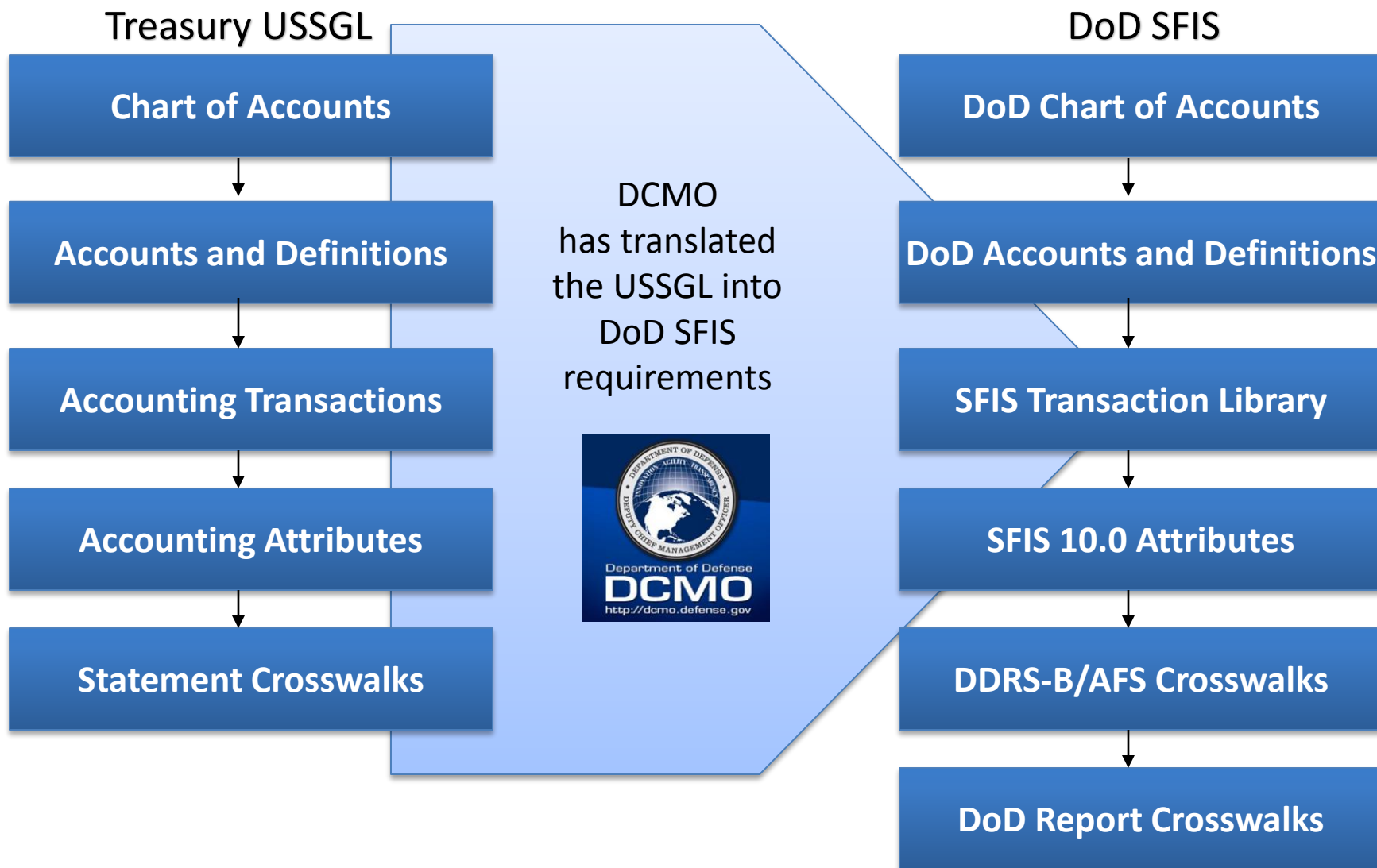
Why do I Care?

- System users enter transactions supported by the USSGL through different methods and impact various outputs based on USSGL logic





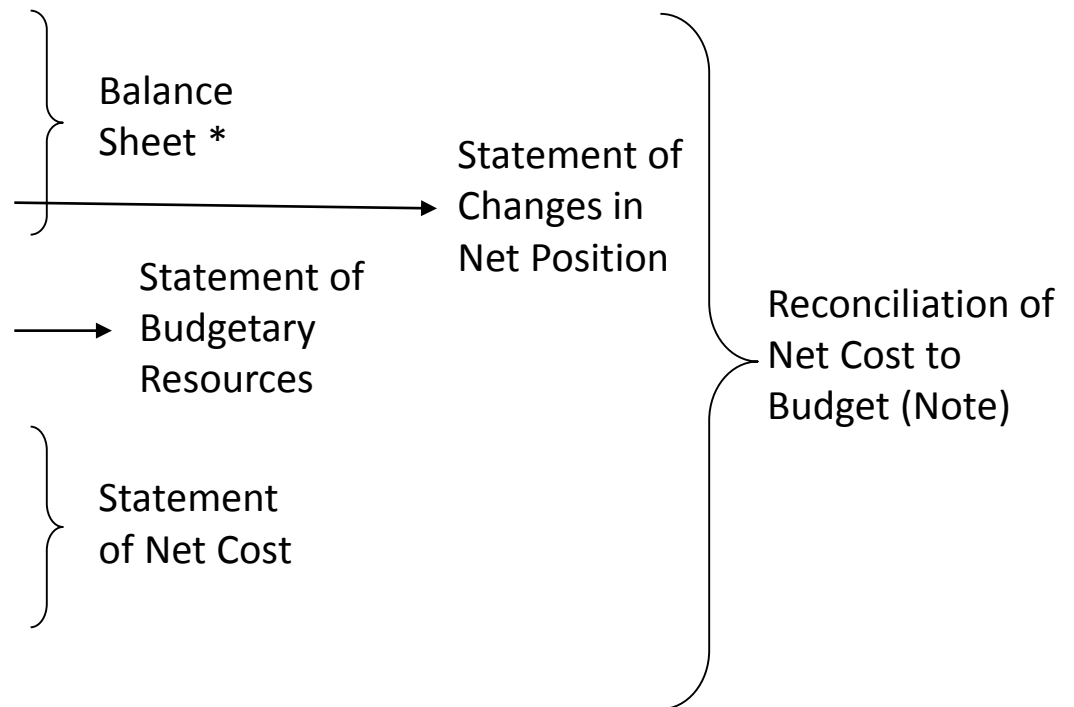
Components of USSGL to DoD SFIS





- USSGL account relationship between financial statements

Trial Balance	
USSGL Account Series	Account Type
100000	Asset
200000	Liability
300000	Equity
400000	Budgetary
500000	Revenue
600000	Expense
700000	Extraordinary Gain or Loss
800000	Memorandum Account



* Balance Sheet includes all USSGL accounts except budgetary and memo accounts



- **USSGL account definitions**

Account Title: Delivered Orders - Obligations, Paid

Account Number: 490200

Normal Balance: Credit

Definition: The amount paid/outlaid for: (1) services performed by employees, contractors, vendors, carriers, grantees, lessors, and other government funds; (2) goods and tangible property received; and (3) programs for which no current service performance is required such as annuities, insurance claims, benefit payments, loans, etc.

- **USSGL account transaction (posting logic)**

B107 To record payment and disbursement of funds not previously accrued.

Comment: If for an amount paid by a direct appropriation, also post USSGL TC-B134.

Budgetary Entry

Debit	451000	Apportionments
Debit	461000	Allotments - Realized Resources
Debit	462000	Unobligated Funds Exempt From Apportionment
Debit	480100	Undelivered Orders - Obligations, Unpaid
Credit	490200	Delivered Orders - Obligations, Paid

Proprietary Entry

Debit	610000	Operating Expenses/Program Costs
Credit	101000	Fund Balance With Treasury



- USSGL crosswalk (SBR)

Line No.	USSGL Acct.	USSGL Account Title	Debit/Credit	Begin/End	Auth Type Code	Fed/NonFed	TAS Status	Fund Type	Adtl. Info.
2190	Obligations incurred (Note 31)								
2190	480100	Undelivered Orders - Obligations, Unpaid	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	1
2190	480100	Undelivered Orders - Obligations, Unpaid	D/C	B			U/E	EC/EG/EM/EP/ER/ES/ET/TR	1
2190	480200	Undelivered Orders - Obligations, Prepaid/Advanced	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	1
2190	480200	Undelivered Orders - Obligations, Prepaid/Advanced	D/C	B			U/E	EC/EG/EM/EP/ER/ES/ET/TR	1
2190	488100	Upward Adjustments of Prior-Year Undelivered Orders - Obligations, Unpaid	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	
2190	488200	Upward Adjustments of Prior-Year Undelivered Orders - Obligations, Prepaid/Advanced	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	
2190	490100	Delivered Orders - Obligations, Unpaid	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	1
2190	490100	Delivered Orders - Obligations, Unpaid	D/C	B			U/E	EC/EG/EM/EP/ER/ES/ET/TR	1
2190	490200	Delivered Orders - Obligations, Paid	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	
2190	490800	Authority Outlayed Not Yet Disbursed	D/C	E			U	EG/ER	1
2190	490800	Authority Outlayed Not Yet Disbursed	D/C	B			U	EG/ER	1
2190	498100	Upward Adjustments of Prior-Year Delivered Orders - Obligations, Unpaid	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	
2190	498200	Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid	D/C	E			U/E	EC/EG/EM/EP/ER/ES/ET/TR	4

- USSGL account attributes

No.	USSGL Account Title	Anticipated	Budg/Prop	Norm Bal	Begin/End	Debit/Credit	Auth Type Code	Apport Cat	Apport Cat B	Avail Time	BEA Cat	Borrow Source	Budgetary Impact Indicator	Cohort Yr
490200	Delivered Orders - Obligations, Paid	N	B	C	E	D/C		A/B/E	####		D/M			1001, 1992-2017

No.	USSGL Account Title	Cust/Noncust	Exch/Nonexch	Fed/NonFed	Trading Ptrn	Trading Ptrn Main	PY Adj	Program Indicator	Program Rpt Cat	Reimb Flag	Year of BA	Reduction Type
490200	Delivered Orders - Obligations, Paid						B/P/X		##	D/R	BAL/NEW	



High-level USSGL Relationships in the Trial Balance

- Sum of all GL accounts = Zero
- Assets = Liabilities + net position + revenue – expenses
- Sum of all budgetary accounts = Zero
- Budgetary resources = Status of resources
- Status of resources = Un-obligated + obligated balances
- Fund resources = Fund equity
- Agency tie-points relationships
- DDRS-B trial balance checks
- Treasury GTAS edit checks



Reporting Entity
Balance Sheet
For the Period Ending Month/Day/Year

Assets:

Intragovernmental	\$	XXX
Public		<u>XXX</u>
Total Assets		<u>XXX</u>

WHAT WE OWN

Liabilities:

Intragovernmental	\$	XXX
Public		<u>XXX</u>
Total Liabilities	\$	<u>XXX</u>

WHAT WE OWE

Net Position		<u>XXX</u>
Total Liabilities and Net Position	\$	<u>XXX</u>

NET INVESTMENT OF THE TAXPAYER

Assets = Liabilities + Net Position



Statement of Budgetary Resources (SBR)

Reporting Entity
Statement of Budgetary Resources
For the Period Ending Month/Day/Year

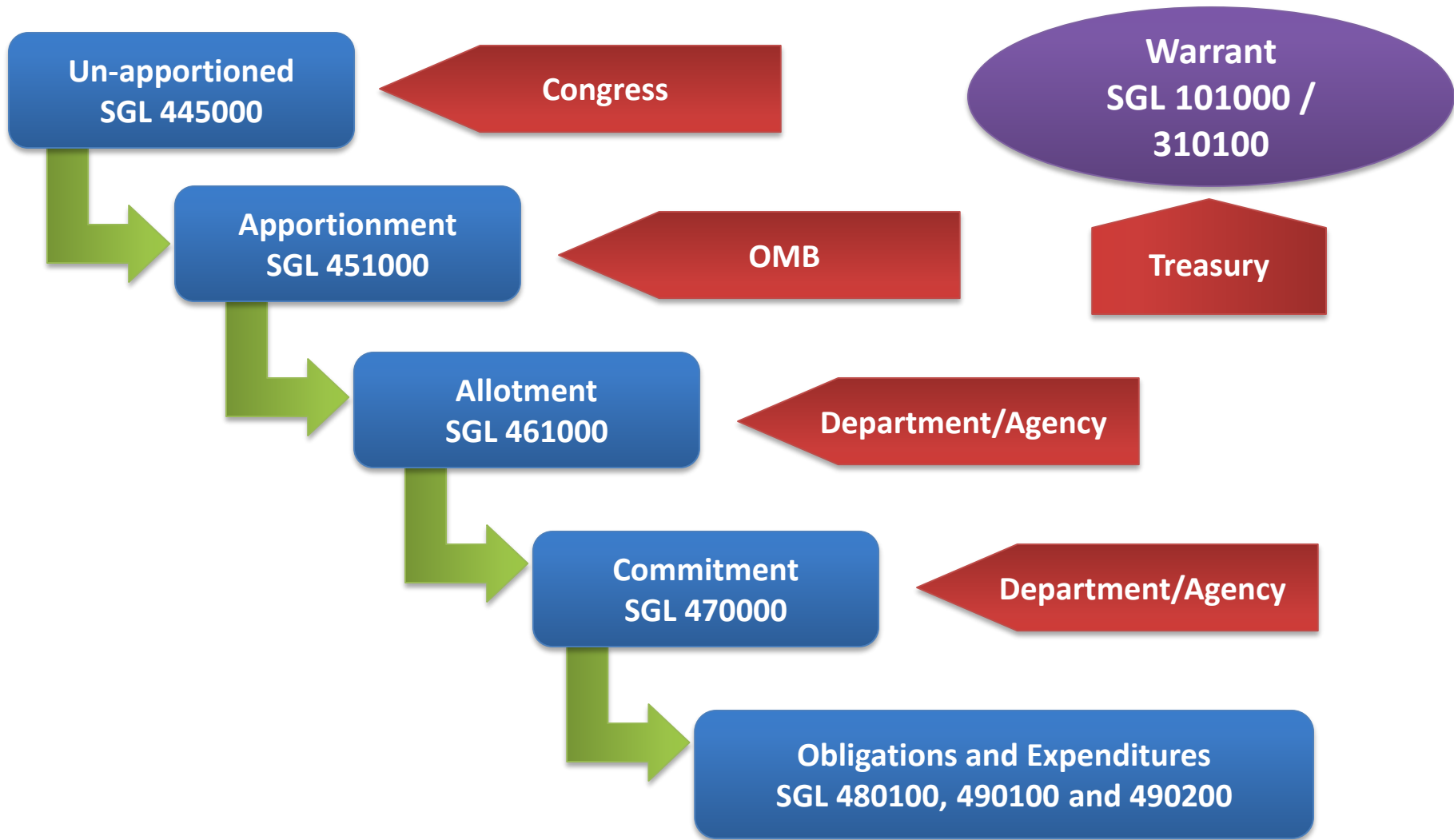
Budgetary Resources:		
Unobligated Balance, Brought Forward	\$	XXX
Recoveries of Prior Year Unpaid Obligations		XXX
Budget Authority		XXX
Nonexpenditure Transfers		XXX
Temporarily Not Available Pursuant of Public Law		XXX
Permanently Not Available		XXX
Total Budgetary Resources	\$	XXX
Status of Budgetary Resources:		
Obligated Incurred	\$	XXX
Unobligated Balance		XXX
Unobligated Balance Not Available		XXX
Total Status of Budgetary Resources	\$	XXX
Change in Obligated Balance:		
Obligated Balance, Net	\$	XXX
Obligation Incurred, Net		XXX
Less: Gross Outlays		XXX
Obligated Balance Transferred, Net		XXX
Less: Recoveries of Prior Year Unpaid		XXX
Changes in Uncollected Customer Payments		XXX
Obligated Balance, Net, End of Period		XXX
Net Outlays	\$	XXX

- Resources (Net)
 - Appropriations and other authority
 - Reimbursable
 - Rescissions and Withdrawals
- Status of Resources
 - CY Obligations Incurred
 - Un-obligated Available and Unavailable
- Change in Obligated Balance
 - Beginning obligated balance
 - Net Changes to Obligations during the year
 - Ending Obligated balances
- Outlays
 - Gross Outlays less Offsetting Collections and Receipts
- Budgetary Resources = Status of Budgetary Resources

The SBR presentation was aligned with the SF-133 and the President’s Budget



Budget Execution Cycle





- DoD IG, AAA, GAO, and FIAR IPA's looking at USSGL compliance
- Audits based on financial statements, trial balance, USSGL breakdowns
- Business process/internal controls sampling using USSGL – why were you chosen/how were you chosen
- Substantive testing of financial statement line item balances at the USSGL transaction level
- Verification of proper transaction recording using posting logic



- U.S. Department of the Treasury, Financial Management Service
 - https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm
- Department of Defense, Deputy Chief Management Officer
 - <http://dcmo.defense.gov/ProductsandServices/StandardFinancialInformationStructure.aspx>



And yes...there
is an APP for that!

- myUSSGL

<https://itunes.apple.com/us/app/myusssl/id484078577?mt=8>





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Questions?



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Additional Information



- High-level GL account series and normal balances

Series	Account Type	Normal Balance*
100000	Asset	Debits
200000	Liability	Credits
300000	Equity	Credits
400000	Budget	Debits and Credits
500000	Revenue	Credits
600000	Expense	Debits
700000	Extra Gain or Loss	Debits and Credits
800000	Memo Account	Debits and Credits

** There are exceptions to the normal balance indicators within each series based on the GL account description and use.*



- Assets

	GL Account Series	GL Account Series Description
1	100000 – 102000	Fund Balance With Treasury
2	110000 – 120000	Cash
3	130000 – 139900	Receivables and Allowances
4	140000 – 149900	Advances and Prepayments
5	150000 – 159900	Inventory and Related Property
6	160000 – 169900	Investments
7	170000 – 189900	Property, Plant and Equipment
8	190000 – 199000	Other Assets



- **Budgetary Resources**

	GL Account Series	GL Account Series Description
1	400000 – 407000	Anticipated resources
2	408000 – 408300	Transfers
3	410000 – 412900	Appropriations Realized
4	413000 – 413900	Contract Authority
5	414000 – 414900	Borrowing Authority
6	415000 – 429900	Other Budgetary Resources

- **Status of Resources**

	GL Account Series	GL Account Series Description
1	430000 – 439900	Budgetary Adjustments
2	440000 – 479900	Un-obligated Balances
3	480000 – 489900	Unexpended Obligations
4	490000 – 499900	Expended Authority



- Other GL Accounts Series

	GL Account Series	GL Account Series Description
1	500000 – 599900	Revenue and Financing Sources
2	600000 – 699900	Expenses
3	700000 – 799900	Gains / Losses
4	800000 – 899900	Memorandum Accounts



- **General Rules**
 - Performed at the Treasury symbol level
 - Depends on the life cycle stage of the Treasury symbol under consideration (unexpired/expired/cancelled)

- **Other rules**
 - Assets: Most asset accounts remain open
 - Liabilities: Most liability accounts remain open
 - Equity: Most equity accounts remain open. Sub accounts roll up into 3100
 - Budgetary : Most Resource accounts close into 4201 except contract/borrowing/unfilled customer orders and receivables
 - Obligations remain open (except disbursements) while un-obligated balances close to 4450 / 4650 depending on funds lifecycle
 - Revenue/Expenses: Close to SGL 3310