DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 5, 2001

Accounting Policy Memorandum – APM-OAIC-01-03

MEMORANDUM FOR BUREAU CHIEF FINANCIAL OFFICERS
DEPUTY CHIEF FINANCIAL OFFICERS

FROM: Jack Blair (signed)
Acting Director
Office of Accounting and Internal Control

SUBJECT: Intra-Departmental Transaction Policy Guidance

Attached for your information and reference is the **FY 2001 draft revision** of the accounting policy guidance entitled ***"Departmental Guidelines for Reconciling and Reporting Intra-Departmental Transactions."*** These guidelines will be used for the June 30, 2001 "dry run" and to prepare elimination data for the Fiscal Year 2001 Department-wide consolidated financial statements.

The Office of Accounting and Internal Control (AIC) would appreciate any suggestions for improvement of the elimination process or any other comments regarding this document by August 31, 2001.

If you have any questions or wish to discuss these matters, please contact
Dan Waugh (202) 622-0936 or Joe McAndrew (202) 622-0807.

Attachment

cc: William Pugh

Department of the Treasury

Departmental Guidelines for Reconciling and Reporting Intra-Departmental Transactions

July 2001 Revision
(Draft)

Prepared by the Office of the Deputy Chief Financial Officer,
Office of Accounting and Internal Control

Departmental Guidelines for Reconciling and Reporting Intra-Departmental Transactions

July 2001

Background

This updated guidance replaces the accounting policy guidelines for reconciling and reporting intra-Departmental transactions that the Department last issued in October 2000. The purpose of this guidance is to facilitate elimination of intra-Departmental balances during the preparation of the **Departmentwide consolidated financial statements (DCFS**) required by Office of Management and Budget (OMB) Bulletin Number 97-01 entitled *Form and Content of Agency Financial Statements (*including amendments) and the related Statements of Federal Financial Accounting Standards (SFFAS). OMB issued draft technical amendments to Bulletin 97-01 dated May 11, 2001. OMB anticipates that draft form and content guidance will be finalized in early/mid summer.

Each Treasury component entity must advise other component entities of the standard general ledger (SGL) balances in their accounting records resulting from intra-Departmental transactions. **This notification process will be accomplished through FY 2001 TIER submissions.** SGL balance pairings must be compared and reconciled. The reconciliation of differences must be performed in accordance with Departmental timeframes referenced in this document. Elimination entries will be prepared for the DCFS using reconciled final TIER Period 14 SGL balances. Accordingly, the information in the TIER Period 14 BURELI Report (SGL Elimination Pairs) must accurately reflect the SGL balances resulting from the year-end reconciliation. A discussion of BURELI reports and the reconciliation of Departmental elimination balances are provided in the **Methodology and Key Reconciliation Requirements/Instructions** sections of this guidance.

Applicability

The intra-Departmental reconciliation and reporting guidelines apply to five SGL account groups. They include Assets (1000 Series), Liabilities (2000 Series), Revenues (5000 Series), Expenses (6000 Series), and Gains, Losses, etc. (7000 Series). The Office of Accounting and Internal Control should be contacted for specific guidance regarding any transactions in the 7000 Series (gains/losses/extraordinary items/prior period adjustments, etc.) that are not related to investment/loan activity with the Bureau of Public Debt. It is expected that there will be minimal activity in the 7000 Series. These SGL accounts cover the total universe of elimination entries for the FY 2001 DCFS.

The authority to prepare a combined Statement of Budgetary Resources and a combined Statement of Financing exists through FY 2001. Accordingly, the Department will present these statements on a combined basis for FY 2001. The Office of Accounting and Internal Control will issue elimination guidance for these statements when OMB requires a consolidated presentation.

SGL account numbers are referenced because line items in the financial statements are crosswalked to SGL accounts. In addition, compliance with SGL requirements has been mandatory since 1987.

This guidance also incorporates the requirements for reconciliations and eliminations related to the **Governmentwide** consolidated financial statements. The Financial Management Service (FMS - Financial Standards and Reporting Division – FACTS I) issued a "Final Guide" for FY 2000 reporting on September 29, 2000. Please visit the FMS FACTS homepage at http://www.fms.treas.gov/cfs/dev/index.html for additional information.

The Governmentwide document provides guidelines regarding procedures for confirming balances and reconciling transactions with partner agencies relative to general transactions, investments in Federal securities, borrowings from Treasury and the Federal Financing Bank, Department of Labor (DOL) transactions relating to the Federal Employees' Compensation Act, and Office of Personnel Management (OPM) transactions relating to employee benefits. **The transaction examples are also applicable to intra-Treasury activity.**

FMS plans to issue a new publication in September 2001 entitled the "Federal Intragovernmental Transactions Accounting Policies Guide." This policy document will consolidate and enhance two previously issued guidelines: The Federal Intragovernmental Transactions Accounting Policies and Procedures Guide (September 29, 2000) and the Intragovernmental Fiduciary Transactions Accounting Guide (September 9, 1999.) The FY 2001 publication focuses on policy guidance rather than specified requirements. Other new enhancements include detailed reconciliation procedures, edit provisions to ensure that Department of Labor, Office of Personnel Management and Bureau of Public Debt information is consistently presented in accordance with other subject-matter guidance, and new guidelines regarding fixed assets and entity gains and losses. The Department will notify you when FMS' publication is finalized.

FMS has also established the Intra-Governmental Fiduciary Transactions Confirmation System (IFTCS) for FY 2001 reporting. The new system is an Internet application that will replace the manual confirmations. The Office of Accounting and Internal Control will enter all confirmations (DOL, OPM, BPD, etc) for the Department based on SGL balances that bureaus enter into and confirm in TIER. If individuals at your bureau would like to have "READ ONLY" access to this system please contact Joe McAndrew, Contact Administrator for Treasury (Joseph.McAndrew@do.treas.gov).

Please note that the Departmental confirmation submission date is December 14, 2001. It is extremely important that the Department properly record balances related to these transactions in the correct SGL accounts for FY 2001. In prior years, we have noted **deviations from the SGLs** listed in the guidance **for DOL and OPM**. Please ensure that your bureau is recording these transactions in **strict compliance with the FMS guidance**. Specifically note that **SGL Account 6850 –** Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unoblibated) is **a new SGL account for FY 2001**. It should be used, as applicable, in conjunction **with FECA transactions instead of previously used SGL Account 6800.**

Federal entities are required to identify inter-entity transactions for the FACTS I transmission (ref. Volume I, Treasury Financial Manual 2-4000 - Federal Agencies Centralized Trial-Balance System – FACTS I). Treasury entities are expected to comply with the Governmentwide guidance. AIC will provide assistance in facilitating and coordinating reconciliations with other Federal agencies. However, because records reside at the Treasury reporting entity level, it is incumbent upon each entity to individually comply with the Governmentwide guidance. **There is some overlap between the Governmentwide guidance and the Departmental requirements related to intra-Treasury balances. It is addressed later in this document**.

It is critical that "F" balances reported in TIER Period 14 final submissions match confirmations. The balances displayed on the TIER Period 14 FEDELI must be identical to the confirmations.

Definition of Terms

The following definitions shall apply within the context of this document. These terms, as defined, are consistent with the Federal Accounting Standards Advisory Board's recommended explanations.

Accounts Receivable -- Amounts due from others when the right to receive funds accrues, which may result from the performance of services or the delivery of goods.

Accounts Payable -- Amounts owed to another Federal or non-Federal entity for goods and other property ordered and received, progress in contract performance, and for services rendered by other than employees.

Advance -- Advance payments for the cost of goods and services the entity acquires.

<u>Prepayment</u> -- A payment made by a bureau entity to cover certain periodic expenses before those expenses are incurred (usually differentiated from advances by their recurring nature - e.g. rent).

<u>Exchange Revenue</u> -- An inflow of resources that the entity has earned. Exchange revenue earned from other Treasury suborganizations is subject to elimination for the consolidated Statement of Net Cost.

<u>Expense</u> -- An outflow or other using up of assets or the incurrence of liabilities (or a combination of both) during a period of providing goods, rendering services, or carrying out activities related to an entity program and mission, the benefits from which do not extend beyond the present operating period.

<u>Reporting Entity</u> -- The basic unit upon which accounting and/or financial activities are reported. It is usually distinguished from a larger more inclusive economic unit (e.g., a bureau vs the Department, the Department vs the Federal Government).

<u>Intra-Entity</u> -- A term meaning <u>within</u> a reporting entity. In the context of eliminations for the consolidated Departmentwide financial statements (intra-Departmental), it refers to activities or transactions within the Department.

<u>Reconciliation</u> -- An accounting verification or audit process which identifies differences in two or more balances, determines which balance is correct and reflects necessary adjustments.

<u>Fiscal Year-End Cutoff Date</u> -- Thirty-one calendar days after September 30 **(October 31).** The purpose of the cutoff date is to provide for period consistency in the recording of intra-Departmental transactions (i.e. recording intra-Departmental transactions in the same period). For example, if a providing entity has not billed a recipient entity, as of the cutoff date, for revenue which it has earned prior to September 30, the revenue will be recognized as earned after September 30 **(see exceptions under section titled "Cutoff Dates.")**

The cutoff date for the June 30 Adry run@ reconciliation is **July 30**. The July 30 cutoff date is not defined the same as the fiscal year-end cutoff date **(see section titled "Cutoff Dates.")**

<u>Cutoff Errors</u> -- Errors which result from not recording transactions in accordance with the cutoff date.

Methodology

The Department will use the Governmentwide Audited Financial Statements Elimination Entries Task Force AInterim Method@ (as defined in inter-and intra-agency transaction draft correspondence dated October 10, 1996) for intra-Departmental reconciliations. This methodology establishes reconciliation thresholds based on the materiality of the agreement and on reconciliation differences. Component reporting entities will not be required to reconcile intra-Departmental discrepancies below the established threshold. **Discrepancies which are less than $200,000 can be ignored for reconciliation purposes. However, the related balances are still subject to elimination and entities are encouraged to resolve the differences below the $200,000 threshold. When the providing (provider of goods and/or services) and receiving entity (recipient of goods and/or services) cannot reach agreement on the amount subject to elimination the entities should contact AIC. It is generally assumed that the balances recorded by the performing entity are the most accurate.**

The TIER BURELI report will be the primary source of information to reconcile intra-Departmental transactions. This report provides transaction elimination information by partner and by reciprocal SGL balance pairings (e.g., Departmental Offices/U.S. Customs Service accounts receivable/accounts payable data.) The BURELI information includes pairing differences. If a pairing difference is greater than $200,000, it must be reconciled. The BURELI report also provides elimination data account series totals (asset vs. liability and revenue vs. expense), providing and receiving entity balances and accompanying differences. The BURELI report can be run for an individual bureau or all Treasury entities. Please notify AIC if you believe that the logic of an SGL pairing needs to be changed. A summary of FY 2001 BURELI report features are provided in the section titled Elimination Reports.

The reconciliation of differences will basically remain unchanged. Entities will be required to follow Departmental reconciliation requirements included in this guidance.

For the June 30 dry run reconciliation, each entity will be required to provide AIC with explanations for differences greater than $200,000 that are reflected in their TIER Period 9 BURELI report. They will also inform AIC of the actions will be taken to correct errors so that they resolved prior to September 30.

For the year-end reconciliation, the appropriate Accounting Officer or comparable official will be required to provide AIC with a certification stating that their final Period 14 BURELI report accurately reflects their reconciled intra-Treasury SGL balances and that there are no differences that exceed the allowable $200,000 threshold. Period 14 BURELI reports will be the starting point for the reconciliation (TIER Period 14 data that is submitted in November). Period 14 should be accessed for information exchange. The revised draft TIER Period 14 is required to be submitted by November 8. **It should include all FY 2001 intra-Treasury accruals and charges including transactions with the WCF**

and BPD. If Period 14 is unavailable for a particular partner, contact AIC for instructions.

A standard method of communicating information between component entities is critical to the timely preparation of elimination entries. Accordingly, each bureau/component entity has designated a **point of contact** to handle elimination issues **(Exhibit A)**. This listing was updated in FY 2001 to reflect personnel changes. Periodic communication is strongly encouraged to minimize year-end reconciliation problems. This methodology will help to ensure that suborganizations provide account balance information to partner bureaus in a timely fashion.

Cutoff Dates

All suborganizations must comply with the established transaction cut-off dates. This practice will minimize reconciling items resulting from timing differences (i.e suborganizations recording corresponding reciprocal SGL balances in different fiscal years.) Cutoff errors identified during the reconciliation procedure shall be investigated and corrected. The suborganization that did not record the transaction in accordance with the cutoff date must make an adjusting journal entry to correct the error. The idea of a cutoff date carries with it the likelihood of omission from the current year's transactions of items properly belonging there but relegated to the succeeding period (a situation tolerated even under rigorous methods of accounting). The effect on the financial statements should be minor because of the existence of a similar situation at the close of the preceding period.

Certain cost/revenue allocations and accruals may not be available by the cutoff date. Please note that the materiality concept applies to the providing and the receiving entity**. These items will be treated as exceptions to the cutoff date**. If the information is not available at the exchange date **(see section titled "Key Reconciliation Requirements/Instructions" below)**, **the billing entity must notify both AIC and the transaction partner(s), at the exchange date,** that these unbilled amounts will be recorded as transactions occurring **before** September 30. As soon as the information is available (prior to the due date for submission of Period 14 to the Department), the providing (billing) suborganization will immediately notify the receiving suborganization(s), so that both entities record the transaction(s) in the same reporting period. Otherwise, unbilled intra-Departmental amounts that were not recorded as of the cutoff date will be recorded as transactions that occurred after September 30 (Note: unbilled amounts will only be treated as an explained discrepancy for the **June 30** reconciliation. The providing entity only needs to inform the receiving entity of the related balances. No further action is required by either party.) . **The Departmental Office's Working Capital Fund plans to issue the Transactions by Fund and Vendor Report by October 25, so that all trading partners will have the September 30 information for the TIER Period 14 submission that is due on November 8.**

This policy, however, does not preclude audit adjustments (proposed for correction of errors, accruals, subsequent events, etc.) related to intra-Departmental SGL balances after the cutoff date. The suborganization that initiates the adjusting journal entry must immediately notify AIC and all effected transaction partner(s) so that they can make corresponding adjustments for the same period. All affected entities will be required to resubmit Period 14.

The **cutoff date for the June 30 Adry run@ reconciliation** is not the same as the fiscal year-end cutoff date in the sense that June 30 transaction partners are not striving to ensure that both sides are reporting transactions in the same fiscal year. Its only purpose is to allow for a stopping point so that the dry run process can be completed by September 1. Partners do not need to agree that both parties are consistently recording their transactions as of June 30. **The goal of the dry run is to expedite the fiscal year-end reconciliation.**

Calendar Year Suborganizations

The DCFS will be prepared for fiscal years ending September 30. However, some Treasury component entities use a calendar year accounting period. Therefore, calendar year entities must have September 30 fiscal year-end SGL account balance totals available for the September 30 Departmentwide reconciliation.

Quarterly Financial Statements

The Department will use the Financial Reporting and Analysis System (FARS) to generate quarterly FY 2001 principal financial statements (unaudited.) At this time a reconciliation of intra-Departmental balances will **not** be required for these statements. However, bureaus are strongly encouraged to analyze quarterly intra-Departmental balances and to report information to their partners in a timely fashion to ensure financial statement accuracy. This in turn will help to minimize dry run and year-end reconciliation issues.

Key Reconciliation Requirements/Instructions

Reconciliations will be performed every fiscal year for the periods ending June 30 (dry run) and September 30 -- (reconciliation dates.) **Please note that a reconciliation of budgetary SGL balances is not required.** The objective of the reconcilations is to reach agreement regarding SGL balances, which must be eliminated, in preparing the DCFS. Therefore, communication and teamwork are necessary throughout this process. The following are key reconciliation requirements/instructions:

Note: A summary of key reconciliation dates is provided at Exhibit B.

- **Transactions Subject to Elimination - All intra-Departmental SGL balances** within the defined reporting entity shall be identified and eliminated from the DCFS. This includes

Treasury entity investments and related interest in Bureau of Public Debt securities. Historically, **most** of the balances have been **related to reimbursable transactions.** Note: transactions with employees are not considered to be intra-Departmental e.g., income tax payments, travel advances, etc.

- **BURELI Report - Timeline - Information Exchange Dates –** The BURELI report is prepared using bureau TIER data. Accordingly, Treasury entities will be required to submit TIER Period 9 (June 30) and Period 14 (September 30 – year-end period) information in accordance with Departmental timelines (deadlines for submission will be the information exchange dates). The current Departmental deadline date for submitting monthly TIER data is the 20th business day after the prior months close. However, the Secretary has established a Departmental goal of submitting TIER data within three business days after the prior months close. This three-day closing provision will be effective on June 30, 2002. Accordingly, the FY 2001 TIER submission date for the June 30 dry run and year-end reconciliation will be the 20th business day after the prior months close. Therefore, the Period 9 transmission must be submitted to TIER by July 30. **There are four TIER submission due dates associated with Period 14 (INTIAL Draft Submission – October 23: REVISED Draft Submission – November 8: INTIAL Final Submission – 12/12/01: REVISED Final Submission – January 2). The second, third and fourth submissions are on an as needed basis.** See also "Confirmations" below. Compliance with these dates is necessary to ensure that BURELI dry run and year-end elimination balances are available to complete timely reconciliations.

- **Reconciliations –** Start by running the appropriate TIER BURELI Report (Period 9 or 13). Reconcile discrepancies, greater than $200,000, by contacting your partners and exchanging relevant information. **"No TIER Data"** will be displayed in the summary section of the BURELI if a partner has not entered data into TIER **(contact AIC for instructions regarding entities that have not submitted TIER data)**. AIC has developed **elimination entry worksheets** (Initial and Final) for use by Treasury entities to summarize and reconcile elimination activity **(Exhibit C).** Accordingly, **these formats must be used** to document reconciliations. It is important that all requested information be provided (BURELI pairing number, applicable SGL accounts, partner, explanations/corrective actions, etc. **Upon completion, please forward worksheets and Elimination SGL Balance Confirmations to AIC before December 14, 2001.** The SGL Elimination Balance Confirmation Sheet is provided at **Exhibit D**.

- No intra-Departmental **<u>elimination entries</u>** will be required on bureau books. Year-end elimination (I) SGL balances will automatically be processed for financial statements and notes prepared by CFOV. Bureaus should only make entries to their systems and revised submissions to TIER for errors, reclassifications and omissions.

- **Threshold** - Suborganizations **are not required** to reconcile intra-Departmental discrepancies (composed of individual transaction totals) between SGL account balances for amounts below the established **threshold of $200,000.**

- **Transactions Recorded in Different Years** - If transaction partners are out of balance (greater than the preset tolerance) at year-end, because entries related to the same intra-Departmental event were recorded in different fiscal years, **adjustments are required to be made to the records of the entity that did not comply with the year-end intra-Departmental cutoff date.** Adjustments are accounting transactions that give effect to the correction of an error, a writeoff, a provision for bad debts or depreciation, or the like. The adjusting journal entries in this circumstance would be related to the correction of an error. The effect of the adjustment would be to reverse the entry made in the Awrong@ fiscal year and record it in the Acorrect@ fiscal year. (Note: The cutoff date does not preclude audit adjustments. However, transaction partners must be notified of audit adjustments involving intra-Departmental transactions that would cause an out of balance condition greater than the preset tolerance.)

- **Certain Transactions with EOAF and Law Enforcement Bureaus** – The Office of Accounting and Internal Control in conjunction with law enforcement bureaus and the OIG developed accounting policy guidance for Treasury Forfeiture Fund (TFF) revenue and related intra-Departmental transactions. TFF will continue to recognize revenue from the forfeiture of assets from the public as non exchange revenue for both its own financial statements and for the Government-wide consolidated financial statements. The distributions of funds to Treasury bureaus from the Super Surplus or Secretary's Enforcement Fund will be recognized as transfers in by Treasury bureaus (proprietary accounting.) The Forfeiture Fund will recognize the transactions as transfers out. Treasury bureaus will record the transactions as reimbursements (budgetary accounting.) The Forfeiture Fund will record transactions as expended authority. The Forfeiture Fund will also provide bureaus with details of amounts that should be recognized. The TFF will recognize cost of services provided by other Treasury bureaus as expenses. Treasury bureaus that provide services to the Forfeiture Fund will recognize the corresponding revenue as exchange revenue.

- **Final Resolution** - After all reasonable reconciliation activities have been performed and a reconciliation difference still exists (greater than $200,000) the balances, AIC will make a determination to resolve the issue. Both component entities will make any adjustments to their accounts (and to their financial statement line items) which are determined to be necessary. These adjustments should be reflected in the data submitted for TIER Period 14. If an adjustment cannot be made to TIER Period 14 because of an "eleventh hour" adjustment, it can be made at the summary level (a "top side adjustment.") Bureaus must in notify AIC and provide documentation for proposed top side adjustments. Adjustments, which will be corrected in the next year by the normal flow of transactions, should be reversed. No adjustments need to be made after the point where the two partners agree within the preset tolerance ($200,000).

- **Confirmations (Exhibit D) –** Confirmations are only required for year-end reporting. Upon completion of reconciliations and submission of the INITIAL Final TIER Period 14 Adjusted Trial Balance on or before December 12, 2001, Bureau Accounting Officers (or a comparable entity officials) must confirm to AIC that the resulting BURELI and FEDELI (listing of SGL balances with other Federal entities) reports accurately reflect reconciled information. The worksheets and confirmations must be received by AIC on or before December 14, 2001. **Confirmations are not required for the June 30 reconciliation. However, worksheets and explanations for differences must be submitted to AIC.**

- **Audit** - Documentation such as **reconciliation worksheets** should be retained which adequately supports the reconciled balances and be available for audit examination.

FY 2001 Departmental Elimination Entities

The following list identifies Treasury TIER entities. This information will help to ensure that Treasury bureaus accurately identify trading partners. For instance, **the Financial Management Service (FMS) has established three entities, which potentially have reconciliation and elimination activity: FMS Salaries and Expenses, FMS Miscellaneous and Expenses and FMS OASIA. IRR relates to tax collection not administrative activity (IRS S&E). Accurate trading partner identification is critical to elimination reporting and streamlines the reconciliation process.**

The following information is also available in TIER. Access Ref Reports – BurRef

Treasury Entity	**TIER Entity Code**
Alcohol, Tobacco and Firearms	ATF – 2010
Comptroller of the Currency	OCC – 2017
Community Development Financial Institutions Fund	CDF – 2085
U.S. Customs Service	CS – 2006
D.C. Pensions Fund	DCP – 2081
Departmental Offices	DO – 2001
Exchange Stabilization Fund	ESF - 2041
Engraving and Printing	BEP – 2013
Federal Financing Bank	FFB – 2002
Federal Law Enforcement Training Center	FLE – 2003
Financial Crimes Enforcement Network	FIN – 2046

Financial Management Service	
• FMS – S&E	**FMS – 2018**
• FMS – Miscellaneous	**FMD – 2020**
• FMS – OASIA	**OAS – 2098**
Internal Revenue Service • **IRS – Revenue (tax collections)**	**IRR – 2049**
• **IRS – S&E (partner for reimbursable activity)**	**IRS – 2009**
U.S. Mint	MNT – 2016
Office of Inspector General	OIG -- 2082
Public Debt	
• **BPD – S&E**	**BPA – 2005**
• **BPD – Debt (partner for GAS securities & loans)**	**BPD – 2004**
• **BPD – Franchise Fund (All Balances)**	**BPF – 2045**
Secret Service	SS – 2014
Office of Thrift Supervision	OTS – 2019
Treasury Inspector General for Tax Administration	TIG – 2089
Treasury Forfeiture Fund (EOAF)	TFF – 2086

The following definitions are provided to clearly define select Treasury entities.

Treasury Entity	Definition
FMS – Miscellaneous 20	**Custodial (e.g., Judgment Fund Payments)**
IRS - IRR – Revenue 49	**Non-Exchange Revenue (e.g., Individual Income/FICA Taxes)**
BPD – Debt 04	**Federal Debt Activity (e.g., SGL accounts 1610 – 1613) as opposed to Public Debt Administrative functions.**
BPD – Franchise Accounts 45	**All Treasury Franchise Fund activity**

Balances related to transactions with the General Fund of the Treasury should be coded in TIER as 9900F. F attributes are not acceptable with Treasury entities and will result in a TIER fatal error.

If you are unsure of the proper trading partner identification, please contact your transaction partner or the Office of Accounting and Internal Control. An updated listing of transaction partner contacts is provided (Exhibit A).

TIER Elimination Reports

The Treasury Information Executive Repository **(TIER)** system provides users several reports to help reconcile intra and inter-agency transactions. These reports include the Bureau Intra-Agency Balances by Reciprocal Accounts **(BURELI)** report, the Bureau Inter-Agency Balances **(FEDELI)** report, the Intra-Bureau Balances report **(SELFELI)**, the SGL TBD Eliminations Report **(SGLTBD_ELIM)** and the Abnormal SGL Account Balances **(SGLCON)** Report.

BURELI - provides key reconciliation information for the identified Treasury entity and the accompanying Departmental partner. More specifically, Treasury entity information includes the intra-Treasury (I) SGL balances that you have entered into TIER vs. reciprocal SGL balances entered by Departmental partners. **Differences** in SGL reciprocal pairing balances are also provided. **Unrequited balances** represent balances that partners have reported and for which your entity did not report any complimentary reciprocal SGL balances (100% difference**). No Match** pairings are listed for those SGLs that will not have a partner reciprocal balance. They must be fully explained. .

FEDELI - provides a listing of inter-agency SGL balances reported to TIER. They represent SGL balances **related to transactions with Federal agencies outside of the Treasury reporting entity**. It must be consistent with the SGL balance confirmations provided to other agencies.

SELFELI - provides information related to intra-bureau balances (those "I" balances in TIER that are coded with your own bureau as the partner). **The balances must net to zero. If the balances do not net to zero then they must be investigated and necessary corrective action must be taken. Failure to net to zero will hinder both the preparation of the Departmentwide financial statements and FACTS reporting. Please note that a TIER fatal error will occur (periods 14 & 00) if these balances do not equal zero.**

SGL TBD ELIM - provides a detailed listing of standard general ledger Federal "F", intra-Departmental "I", and Non Federal "N" balances. This report is particularly useful because it identifies SGL balances with specific intragovernmental trading partners (both F and I attributes).

SGLCON- provides SGL abnormal balance information. This report is particularly helpful in the reconciliation process because Federal, Intra-Departmental and Non-Federal abnormal balances are individually listed. The balances listed in the report are not necessarily incorrect. However, they are inconsistent with the U.S. Government Standard General Ledger Chart of Accounts. Therefore, they should be reviewed for propriety. AIC reviewed the Departmental SGLCON report for the period ending May 2001. We noted that several bureaus have abnormal account balances requiring resolution. The proper classification of SGL balances (debits/credits) is important to ensure financial statement accuracy and integrity.

Miscellaneous

Treasury Judgement Fund Transactions

OMB has identified (ref. April 6, 1998 Memorandum from G. Edward DeSeve, former OMB Controller and draft technical amendments to Bulletin 97-01 dated May 11, 2001) certain inter-entity (between Federal agencies) transactions. It is important to note that recognizing Treasury Judgment Fund inter-entity imputed costs applies to FY 2001 financial statements. The applicable imputed financing TIER SGL Account is 5780. An imputed financing source is recognized to the extent that reimbursement is less than full cost. Imputed costs are recorded in TIER SGL Account 6730. The partner code used for both these SGL accounts should be FMS – Miscellaneous 2020. **These transactions should be coded with an "I" attribute.** Note that SGL Accounts 5780 and 6730 should only have "F" or "I" balances) **Your entity must ensure that the balances in these accounts for partner code 2020I FMD agree with the amounts recorded by FMD as actual costs.**

FMS is the primary source of information for Treasury Judgment Fund transactions. Accordingly, the **FMS Judgment Fund Website (http://www.fms.treas.gov/judgefund/)** will notify agencies of aggregate claims approved for final payment from this fund. Bureaus are encouraged to review amounts paid on their behalf on a regular (monthly) basis.

BURELI No Matches

Certain SGL accounts have been designated in the BURELI Report as No Matches. This is because the transaction partner will not have a corresponding reciprocal SGL account balance. Examples include SGL Account 2400 – Liability for Deposit Funds, Clearing Accounts and Undeposited Collections. No match SGL balances must be fully explained.

Interest Paid on Uninvested Funds, Treasury

Direct loans and loan guarantee financing accounts receive various payments, fees and make payments on defaults. When cash receipts exceed outlays or when an agency does not disburse all of its borrowings, these balances are held in Treasury and earn interest. The interest earned on the balances by Treasury entities (e.g., FFB, CDFI) must be eliminated because the Financial Management Service records an expense. Therefore, SGL balances related to these transactions must be covered in the reconciliation. They should also be coded in TIER as "I" balances by both FMS and the entity that earned the interest. **The entity that earned the interest should use FMS – Miscellaneous 2020 as the partner code.**

Government Account Series Investments, Bureau of Public Debt Loans and Governmentwide Reconciliations

There are balances resulting from transactions between activities that Treasury performs on behalf of the federal government and activities associated with operation of the Department. These activities include transactions in government account series investments vs. activities associated with the reporting of the federal debt. It also includes related borrowing activity of Treasury=s Federal Financing Bank and Community Development Financial Institutions vs loan activity managed on behalf of the federal government.

The Office of Management and Budget (OMB) researched transactions involving all of Treasury's activities and the related balances reported on the Department's financial statements. OMB's examination focused on whether these transactions should be eliminated in preparing Treasury's Department-wide consolidated financial statements. In a memorandum dated August 11, 1999, OMB concluded that certain additional balances that were not previously eliminated from Treasury's Department-wide financial statements should be eliminated. Accordingly, Treasury entities are required to provide Department-wide elimination balances for these activities when submitting annual financial statements.

Since reconciliation of these activities is covered in the Governmentwide guidance issued by FMS, reconciliation of those transactions should follow its **requirements (except that the reconciliations must be treated the same as any other intra-Departmental balances. The dates in Exhibit B are applicable rather than the dates listed in the FMS guidance)**. The related balances should be included for elimination on the Department's financial statements (entered on the spreadsheets, if applicable, and transmitted to TIER as "I" balances). **Worksheets and confirmations must be submitted to the Office of Accounting and Internal Control. Note that these balances are also included in the BURELI Reports.**

It extremely important that every Treasury entity follow the FMS guidance and record fiduciary transactions with the Department of Labor (DOL) and the Office of Personnel Management (OPM) in the correct SGL Accounts. Please visit the FACTS I website at http://www.fms.treas.gov/cfs/dev/index.html to obtain the latest guidance.

Balances Related to Transactions with the General Fund of the Treasury

Balances related to transactions with the General Fund of the Treasury are not considered to be intra-Treasury. These SGL balances (e.g., SGLs 1921, 2970, 2980, 5990, 5991, etc.) should be coded as F9900 (preferred code) as the transaction partner for **FY 2001 TIER Period 14**. **However, for FY 2001 submissions only F9900 will be accepted. F attributes are not acceptable with Treasury entities (Partner Code 20) and will result in a TIER fatal error.**

Note: Payables and expenses related to the employer share of Federal Insurance Contribution Act Taxes **(FICA)** should be coded as **F9900** rather than F2800 Social Security Administration.

Updates

The Office of Accounting and Internal Control will periodically update this document.

DEPARTMENT OF THE TREASURY
DEPARTMENTAL ELIMINATION ENTRY POINTS OF CONTACT

The following individuals are designated points of contact regarding FY 2001 intra-Departmental transactions and elimination entries. Please note that FAX numbers and e-mail addresses are provided to enhance the exchange of information.

Bureau	Contact	Phone #	FAX #	E-Mail
ATF	Dennis Willard	(202) 927-7855	(202) 927-5992	DFWillard@atfhq.atf.treas.gov
BEP	Matt Gurrola	(202) 874-3408	(202) 874-3397	Matt.Gurrola@bep.treas.gov
BPD – Investments	Federal Investments Division	(304) 480-5151	(304) 480-5112	
BPD –Admin	Mike Spence	(304) 480-7067	(304) 480-7077	Micheal.Spence@bpd.treas.gov
BPD –Loans	Borrowings Team – Tom Sears	(304) 480-5118	(304) 480-5176	TSears@bpd.Treas.gov
BPF (Franchise)	Brian Huffman	(304) 480-7059	(304) 480-7076	BHuffman@bpd.treas.gov
CDFI	Dana Morr Peggy Grygiel	(304) 480-7071 (304) 480-7068	(304) 480-7076 Same	DMorr@bpd.treas.gov Peggy.Grygiel@bpd.treas.gov
CS	Darryl Halajian	(317) 298-1200 X3255	(317) 290-3258	Darryl.D.Halajian@customs.treas.gov
DCP	Dana Morr Peggy Grygiel	(304) 480-7071 (304) 480-7068	(304) 480-7076 Same	DMorr@bpd.treas.gov Peggy.Grygiel@bpd.treas.gov
DO	David Legge	(202) 622-1167	(202) 622-2768	David.Legge@do.treas.gov
FFB	Denise Woodruff	(202) 622-2470	(202) 622-2539	Denise.Woodruff@do.treas.gov
FinCen	Darryl Halajian	(317) 298-1200 X3255	(317) 290-3258	Darryl.D.Halajian@customs.treas.gov
FLETC	Jessie Bellapianta	(912) 267-2235	(912) 267-2217	JBellapi@fletc.treas.gov
FMS S&E	Mike Spence	(304) 480-7067	(304)480-7077	Michael.Spence@bpd.treas.gov
FMS –OASIA	Teresa Casswell	(202) 874-7487	(202) 874-8372	Teresa.Casswell@fms.treas.gov
FMS. Misc.	Jennifer Fitzmaurice	(202) 874-8257	(202) 874-7900	Jennifer.Fitzmaurice@fms.treas.gov
FMS. Misc.	Teresa Casswell **(Backup)**	(202) 874-7487	(202) 874-8372	Teresa.Casswell@fms.treas.gov
IRS S&E	Ruby Le Vally	(513) 684-3833	(513) 684-2045	Ruby.V.Levally@irs.gov
MNT	Jerry Laffey	(202) 354-7896	(202) 756-6055	Jerry.Laffey@usmint.treas.gov
OCC	Patricia Wolz	(202) 874-4541	(202) 874-5171	Patricia.Wolz@occ.treas.gov
OIG	Barbara Campbell	(303) 969-7780 X2409	(303) 969-7075	BarbJCampbell@NBC.gov
OTS	Christos Passakos	(202) 906-7288	(202) 906-6303	Christos.Passakos@ots.treas.gov
TFF Forfeiture	Sonia Pratt	(202) 622-8351	(202) 622-9610	Sonia.Pratt @teoaf.treas.gov
TIGTA	Marty Greiner	(202) 622-7586	(202) 622-5624	Marty.Greiner@TIGTA.treas.gov
USSS	Marilyn Evans	(202) 406-5482	(202) 406-5005	MEvans@usss.treas.gov

EXHIBIT A

SUMMARY OF KEY DATES	
Transaction Cutoff Dates	
--Dry Run Reconciliation	July 30, 2001 (Deadline date for TIER Period 9 Submissions)
--Year-End Reconciliation	November 1, 2001
Information Exchange Dates	
--Dry Run Reconciliation	August 1, 2001 – Begin Reconciliation by running a BURELI Report for TIER Period 9 (7 days after the required TIER deadline date for TIER Period 9 Submissions)
--Year-End Reconciliation	November 9 – Begin Reconciliation by running a BURELI Report for TIER Period 14 (REVISED PERIOD 14 is due by November 8)
Dry Run Reconciliation – Submission of Supporting Documentation (Explanations)	August 31, 2001
Worksheets and Confirmations to AIC	December 14 - See Exhibit D.

EXHIBIT B

Reconciliation Worksheet Example – Based on Period 14 BURELI (November Submission)
(or PERIOD 9 BURELI- Dry Run)

Include Pairings Related to
BPD Investments and Loans

Worksheet Reflects Agreed Upon Corrections/Adjustments with Partners

At Year-End Corrections Must be Made to TIER Period 14
and reflected on Excel Spreadsheets (If Applicable)

This Format is Required

DEPARTMENT OF THE TREASURY
RECONCILIATION OF BURELI
DEPARTMENTAL OFFICES

FOR THE PERIOD ENDING 09/30/2001

	------ DEPARTMENTAL OFFICES -------			------PARNER-----			
	SGL	BURELI			SGL	BURELI		
BURELI PAIRING No.	ACCOUNT(S)	BALANCE (S)	PARTNER	ACCOUNT(S)	BALANCE (S)	NOTE	DIFFERENCE
01	1310	5,000,000.00	TFF	2110	(4,000,000.00)	1	1,000,000.00
01	Unrequited		ATF	2110	(600,000.00)	2	(600,000.00)
01	Unrequited		FFB	2110	(300,000.00)	3	(300,000)
02							

Examples of Explanations – Cross-referenced to the Worksheets

This Format is Required

Note	Explanation for Period 13 Difference and Corrective Action Taken for Period 14
1	Partner Balance was incorrect. Partner will correct for Final Period 14 Submission
2	DO did not record balance in November Period 14 Submission. DO will record in December Period 14 Submission.
3	Partner incorrectly coded DO. Correct partner will be coded in December Period 14 Submission.

EXHIBIT C

(Please run Final Period 14 BURELI and FEDELI Reports before Completing this Confirmation to ensure that TIER Period 14 is Consistent with the Confirmation)

Confirmation - Elimination SGL Balances

We have completed a reconciliation of Intra-Departmental transactions with all Treasury entities for the fiscal year ended September 30, 20 ___in accordance with Departmental ***Guidelines for Reconciling and Reporting Intra-Departmental Transactions***. Based on that reconciliation, it is our intention to eliminate the balances from the financial statements, which we are submitting to the Department for consolidation in the Departmentwide financial statements. These balances are reflected in our Period 14 TIER submission. **Our Final TIER Period 14 submission (BURELI Report) will document the following:**

1. That all SGL balances which should be eliminated have been properly coded with an “I” attribute.
2. That only balances which should be eliminated have been coded with the “I” attribute.
3. That the proper trading partner code is reflected for each SGL balance.
4. That there are no SGL pairing/unrequited balances differences greater than $200,000 (excluding differences, which are allowed in the Government-wide elimination guidance).
5. That the SGL balances are the amounts agreed to with our trading partners to reconcile differences greater than $200,000.
6. Imputed SGL balances in SGLs 5780 and 6730 related to the Treasury Judgment Fund transactions are in agreement with the actual costs incurred by FMS.
7. Explanations are attached for all “No Match” SGL balances.
8. SGL balances related to transactions with the General Fund have been properly coded with an “F” attribute and partner code 9900.

Our TIER Period 14 submission will also verify that the balances in TIER reflect 1 through 3 (above) for “F” SGL balances and that such balances are in compliance with Government-wide elimination guidance related to FACTS I including Fiduciary transactions related to OPM and DOL

If we adjust these balances in any way after the above dates we will notify AIC and all affected trading partners.

Chief Accounting Officer or comparable official:

Name: ___________________________________ **Bureau/Entity:**

Title:
Date:

FAX completed Confirmation and Supporting Worksheets to AIC at (202) 622-2318.
Attn: Dan Waugh/Joe McAndrew.

EXHIBIT D