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INTRA-GOVERNMENTAL TRANSACTIONS (IGT) TRANSFERS

Section 1—Transfer Transactions

Transfers discussed in this section are limited to non-exchange transactions. Transfers transactions include appropriation of unavailable special or trust fund receipts transfers-in/out, non-expenditure transfers-in/out, expenditure transfers-in/out, non-expenditure transfers-in/out – capital transfers, accounts receivable/payable – capital transfers, transfers-in/out without reimbursement, and transfers receivable/payable. Exchange transactions, which include reimbursable payments for goods and services such as assisted acquisitions or reimbursements under the Economy Act/Revolving Fund statutory authority, are Buy/Sell transactions and can be found in [Appendix 8](#). To execute a transfer means to reduce resources (budgetary and proprietary) in one Treasury Account Symbol (TAS) and increase them in one or more other TAS by the total cumulative amount.

Every transfer must be authorized by law. Authorizations of transfers can be found in permanent law, appropriation, and authorization acts (for example, a statute establishing a special fund), and in other statutes. The transfer authority may be general (for example, authority to transfer funds between appropriations within a department within specific limits); specific to a particular transfer (for example, transfer of a specified program and associated resources from one federal entity to another); or conditioned on certain criteria (for example, transfer of collections over a specific amount in a FY to the General Fund). Most often, once resources are transferred, they are available for the authorized purposes of the receiving TAS. However, this is not always true, and a close reading of the authorizing statutes is essential to understanding what restrictions, if any, remain associated with transferred resources. Federal entities must ensure that any transfer undertaken is consistent with all aspects of their statutory authority.

In general, there are three types of intra-governmental transfers:

- Expenditure transfers result in an outlay of funds. That is, if the transfer represents a payment to liquidate an obligation, it is an expenditure transfer. In addition, by definition, transfers between TAS in the federal funds group and TAS in the trust funds group are recorded as expenditure transfers. The federal funds group includes general funds, special funds, and revolving funds. The trust funds group includes trust funds and trust revolving funds. Expenditure transfers are executed via Intra-governmental Payments and Collections (IPAC).
- Non-expenditure transfers record the movement of fund balance and authority between TAS. The transfer is completed by doing an SF 1151 in CARS.
- Other transfers are executed by means other than the SF 1151. These transfers may involve General Fund Receipt Accounts, may transfer authority between TAS without affecting the FBWT, or simply may transfer assets.

Table 1 presents the transfer distinctions discussed above.

Table 1: Transfer Distinctions

Description	Non-expenditure (SF 1151)	Expenditure	Other Transfers (Non-SF 1151)
Makes adjustments to amounts available in TAS	<input checked="" type="checkbox"/>		
Transfer between Federal Fund Group and Trust Fund Group		<input checked="" type="checkbox"/>	
Results in an Outlay		<input checked="" type="checkbox"/>	
Not Executed via SF 1151		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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Transfer transactions affect budgetary and proprietary accounts. Federal entities must ensure that any transfer undertaken reflects the appropriate budgetary accounting treatment, as well as the appropriate proprietary accounting treatment. This section only addresses the proprietary accounting treatment. To determine the appropriate budgetary treatment, federal entities should consult their statutory authority, [OMB Circular No. A-11](#), and United States Standard General Ledger (USSGL) guidance. If a federal entity has a question on the proper budgetary accounting, it should consult with its OMB and Fiscal Service contacts.

Note that many transfers may involve a receivable/payable relationship, especially when the transferring TAS has investment authority. The receivable/payable relationship is established before execution of the associated funds transfer. Establishing a receivable/payable relationship will adjust budget authority between TAS but will not affect the FBWT.

1.1—Transaction Types and Trading Partner

In 2014, a tool was created to assist financial management professionals with the identification of the correct IGT treatment for transfers transactions. The accounting treatment and technical content is based on guidance issued in this guide. The IGT Transfers environment is large and complex with over 3,000 unique transfer types and corresponding accounting treatments. To facilitate consistent identification and reporting, Fiscal Service, in partnership with OMB, developed a [Transfers Logic Model \(TLM\)](#) to facilitate timely identification of transfers.

Transfers can be non-expenditure, expenditure, or other/non-exchange. Table 2 describes the types of transfers and their subsections.

Table 2: Transfer Transaction Types

Transaction Type	Nature of Transaction
Non-expenditure Transfers	
Appropriation Transfers	Transfers of current-year authority.
Balance Transfers	Transfers of prior-year authority.
Reappropriation Transfers	Transfer of unobligated balances of budget authority that have expired to new budget authority available for obligation.
Expenditure Transfers	
Non-exchange Transfers Between TAS in the Same Fund Group Recorded as Outlays	These transfers are uncommon and may represent special financing relationships established by statute. They do not represent payments for goods and services.
Non-exchange Transfers Between TAS in Different Fund Groups Recorded as Outlays	These transactions include any authorized relationship that would be considered a non-expenditure transfer if it occurred between TAS in the same funds group, as well as any special financing relationships established by statute. They do not represent payments for goods and services.
Other Transfers (Non-SF 1151)	
Transfers of Property, Other Assets, and Liabilities	Transfers property, other assets, and prepaid undelivered orders from one TAS to another.

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Non-expenditure Transfers

Non-expenditure transfers are non-exchange transfers executed via a SF 1151. They affect the FBWT. Transfers of budget authority without associated funding (for example, establishing a receivable/payable relationship instead of transferring funds) do not affect the FBWT and are not executed via a SF 1151.

The accounting treatment of non-expenditure transfers varies depending on a number of factors. These transfers generally involve the movement of current-year authority and prior-year balances that may be unobligated or obligated. In addition, these transfers may involve invested balances. Unless indicated otherwise, the transferring TAS reports a transfer out and the receiving TAS reports a transfer in of the total cumulative amount. There are four types of non-expenditure transfers: appropriation transfers, balance transfers, transfers to the General Fund Receipt Accounts, and reappropriation transfers. Additional guidance on transfers to General Fund Receipt Accounts can be found in [Appendix 11](#). This section will discuss appropriation transfers, balance transfers, and reappropriation transfers.

Appropriation transfers and balance transfers may include allocation transactions. An allocation represents the amount of budget authority transferred from one federal entity, bureau, or account that is set aside in a transfer appropriation account to carry out the purposes of the parent appropriation or fund. The allocation arrangement is established by statute. Under these conditions, the transferring TAS is considered the "parent" account, and the receiving TAS is considered the "child" account. When a delegation of authority is established, Fiscal Service will establish a subsidiary account called a "transfer appropriation account." These accounts carry symbols identified with the original appropriation from which monies were transferred. A transfer appropriation account is symbolized by adding the receiving entity's two-digit trading partner agency identifier to the original appropriation or fund account symbol. The transfer is referred to as an allocation transfer. Obligations and outlays are incurred for authorized purposes of the transferring TAS. In general, all financial activity associated with the allocated authority is reported on the financial statements of the parent account.

From a proprietary accounting perspective, transfers may involve movement of unexpended appropriations—appropriations derived from General Fund resources not earmarked by law for a specific purpose—or financing sources that affect cumulative results of operations. Such financing sources may include appropriated receipts from a special or non-revolving trust fund, as well as spending authority from offsetting collections.

For transfers involving unexpended appropriations, the transferring TAS will record the transfer in USSGL account 310300, "Unexpended Appropriations—Transfers-Out," and the receiving TAS will record the Transfer in the reciprocal USSGL account 310200, "Unexpended Appropriations—Transfers-In." Unless otherwise indicated, for financing sources that affect cumulative results of operations, the transferring TAS will record the transfer in USSGL account 576500, "Non-Expenditure Financing Sources—Transfers-Out—Other." The receiving TAS will use reciprocal USSGL account 575500, "Non-Expenditure Financing Sources—Transfers-In—Other." Both federal entities must record the matching USSGL proprietary accounts to avoid elimination discrepancies.

In situations where the funds to be transferred are invested, a receivable/payable relationship may be established to transfer the budget authority initially. The actual funds will be transferred later once the funds become available. In establishing the receivable/payable, the transferring TAS will record the anticipated transfer amount in USSGL account 215000, "Payable for Transfers of Currently Invested Balances." The receiving TAS must record the same amount in USSGL account 133000, "Receivable for Transfers of Currently Invested Balances."

Appropriation Transfers

Appropriation transfers move current-year budget authority and associated balances from one TAS to another. These transfers use authority that authorizes transfer of current-year budget authority. Appropriation transfers usually involve appropriated authority or spending authority from offsetting collections. Table 3 presents the different types of transactions within the appropriation transfers group.

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Table 3: Appropriation Transfers

Transfer Type	Nature of Transfer
Transfers of Budget Authority Appropriated from a Specific Invested TAS (non-allocation)	<p>These transfer types are associated with special and non-revolving trust fund expenditure accounts with related investment authority.</p> <p>Liquidate receivable: Using current-year or prior-year transfer authority that established the receivable, federal entities with invested funds can transfer budget authority to a specific entity expenditure account. The amounts are reflected as an appropriation rather than as a transfer on the SF 133 and Program and Financing (P&F) Schedule.</p> <p>Transfer without receivable: Using authority in the federal entity appropriation or authorization act, entities may transfer funds from a specific invested TAS without establishing a receivable.</p>
Transfers of Invested Balances (non-allocation)	<p>These transfer types are associated with special and non-revolving trust fund expenditure accounts with related investment authority.</p> <p>Liquidate receivable: Using the current-year or prior-year transfer authority that previously established the receivable or payable, federal entities with invested funds can transfer budget authority to other funds. The amounts are reflected as transfer rather than appropriation.</p>
Allocation of Budget Authority with Invested Balances	Using the current-year or prior-year transfer authority, federal entities with the parent TAS and investment authority can transfer budget authority to/from an allocation TAS. This transfer type is normally only associated with special and non-revolving trust fund expenditure accounts where the parent has investment authority.
Allocation of Budget Authority with Non-invested Balances	Using general transfer authority, federal entities can transfer budget authority from a parent TAS to an allocation TAS. This same accounting treatment is used for returning of unobligated, unexpired authority and balances to the parent account.
Transfers of Current-Year Budget Authority with Non-invested Balances (non-allocation)	Using general or specific transfer authority, a federal entity can transfer budget authority from one TAS to another.

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Balance Transfers

Balance transfers move prior-year budget authority and associated balances from one TAS to another. All types of budget authority may be involved in balance transfers. Table 4 presents the different types of balance transfers.

Table 4: Balance Transfers

Transfer Type	Nature of Transfer
Allocation of Unobligated Budget Authority with Non-invested Balances	Using general transfer authority, federal entities can transfer unobligated prior-year balances to/from a parent TAS without investment authority to/from an allocation TAS.
Transfer of Unexpired, Unobligated Prior-Year Balances (non-allocation)	Using the transfer authority that was enacted before the current-year, federal entities can transfer unobligated prior-year balances from unexpired multi-year and “X” year TAS. These transfers do not extend availability for new obligations.
Transfer of Unobligated Balances—Legislative Change of Purpose	Entities use this transfer type to transfer unobligated prior-year balances between unexpired TAS, resulting from legislation that changes the purpose for which funds were originally appropriated. This transfer is displayed as a budget authority transfer on the SF 133/P&F Schedule.
Transfer of Canceled Authority (Invested Balance)	Used to cancel unobligated prior-year balances in a special or non-revolving trust fund expenditure account and to return those funds to the originating invested special or non-revolving trust fund expenditure account from which the amount was originally derived.
Transfer of Unobligated Balances from an Expired TAS to an Expired TAS	Entities use this transfer type to transfer unobligated balances from one expired TAS to another expired TAS via a SF 1151. An example is when an expired recipient TAS must return unobligated authority back to the originating TAS, which also is expired. This transaction is accomplished via a SF 1151.
Transfer of Unobligated Balances from an Expired TAS to an Unexpired TAS	Using transfer authority that was enacted before the current-year, federal entities can transfer unobligated prior-year balances from an expired TAS to an unexpired TAS.
Transfer of Unobligated Balances from an Unexpired TAS to an Expired TAS	Entities use this transfer type to transfer amounts of unobligated prior-year balances transferred from an unexpired TAS to an expired TAS pursuant to specific statutory authority (for example, foreign currency valuations in an expired TAS).
Transfers of Obligations—Transfer of Unpaid, Undelivered Orders	Used to transfer the amount of goods/services ordered and obligated from one TAS that have not been received and not prepaid or advanced at the time of the transfer. These transfers are not common. Federal entities may want to confer with an OMB representative.

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Transfer Type	Nature of Transfer
Transfers of Obligations–Transfer of Unpaid, Delivered Orders	Entities use this transfer type to transfer the amount accrued or due for: services performed by employees, contractors, vendors, carriers, grantees, lessors, and other government funds; goods and tangible property received; and programs for which no current service performance is required, such as annuities, insurance claims, benefit payments, or loans. These transfers may occur as part of federal entity reorganization. Federal entities may want to confer with their OMB representatives when proposing this transfer type.
Transfer of Obligations–Unpaid, Unfilled Customer Orders	Entities use this transfer type to transfer the amount of unfilled customer orders from one TAS to another. Do not use this transfer type if orders were prepaid or advanced at the time of the transfer. These transfers may occur as part of federal entity reorganization. Federal entities may want to confer with their OMB representatives when proposing this transfer type.

Reappropriation Transfers

Reappropriation transfers move unobligated balances of budget authority that have expired to new budget authority available for obligation. If the transfer authority is enacted after the law that provided the budget authority and the transfer occurs in the year the transfer authority is enacted, then the extension of availability for expired funds is treated as a reappropriation. The transferring TAS will record this transfer using USSGL account 310600, "Unexpended Appropriations–Adjustments."

Expenditure Transfers

As noted previously, two groups of non-exchange expenditure transfers are addressed in this section. Expenditure transfers, which are always executed using IPAC, result in an obligation and disbursement by the ordering entity and a collection by the performing entity. A payment to liquidate an obligation to another federal entity (or a different component of an entity) is considered an expenditure transfer. Expenditure transfers may be recorded as an obligation on the SF 133. Payment of interest on capital investment to the Treasury General Fund is also an expenditure transfer. For non-exchange transfers between TAS in the same or different fund group, the receiver will record USSGL 575000, "Expenditure Financing Sources-Transfers-In" and the transferor will record USSGL 576000, "Expenditure Financing Sources-Transfers-Out."

As with non-expenditure transfers, a receivable/payable relationship may be established to transfer the budget authority initially. The actual funds will be transferred later once they become available. In establishing the receivable/payable, the transferring TAS will record the anticipated transfer amount in USSGL account 215500, "Expenditure Transfers Payable." The receiving TAS must record the same amount in USSGL account 133500, "Expenditure Transfers Receivable."

Non-exchange Transfers Between TAS in the Same Fund Group

When authorized by legislation, non-exchange transfers between TAS in the same fund group may be treated as expenditure transfers (see Table 5). Such transfers represent a special financial relationship between the TAS. These transfers may involve invested or non-invested balances. The transfers are recorded as outlays with movement of expenditure financing sources.

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Table 5: Non-exchange Transfers between TAS in the Same Fund Group

Transfer Type	Nature of Transfer
Non-exchange Transfer of Non-invested Balances Between TAS in the Same Fund Group	Based on current or prior statutory authorization, a TAS in one fund group may execute a non-exchange transfer of budgetary resources to another TAS in the same fund group.
Non-exchange Transfer of Invested Balances Between TAS in the Same Fund Group	When invested balances are involved in the transfer, the funds remain invested, consistent with cash management principles, until needed to liquidate obligations by the receiving TAS. These transfers involve establishing a receivable/payable relationship that is liquidated by a subsequent funds transfer.

Non-exchange Transfers Between TAS in Different Fund Groups

All transfers between a TAS in the federal fund group and the trust fund group are defined as expenditure transfers (see Table 6). Non-exchange transactions between fund groups may represent a special financing relationship between TAS. They also include any other authorized transaction that would be considered a non-expenditure transfer, if it occurred between TAS in the same fund group. These transfers may involve invested or non-invested balances. The transfers are recorded as delivered orders with movement of expenditure financing sources.

Table 6: Non-exchange Transfers between TAS in Different Fund Groups

Transfer Type	Nature of Transfer
Non-exchange Transfer of Non-invested Balances Between a Federal Fund and a Trust Fund	Based on current or prior statutory authorization, a non-exchange transfer of budgetary resources may be executed between a TAS in the trust fund group and a TAS in the federal fund group.
Non-exchange Transfer of Invested Balances Between a Trust Fund and a Federal Fund	When invested balances are involved in the transfer, the funds remain invested, consistent with cash management principles, until needed to liquidate obligations by the receiving TAS. These transfers involve establishing a receivable/payable relationship that is liquidated by a subsequent funds transfer. If the expenditure transfer receivable is not obligated before its expiration, the unobligated balance will be returned to the transferring TAS. This return is not executed via a non-expenditure transfer.

Other/Non-exchange Transfers (Non-SF 1151)

As noted in the overview of transfer transactions, there are instances when a non-exchange transfer is not classified as expenditure or non-expenditure. These transfers do not result in outlays, are not transfers between TAS in the federal funds group and TAS in the trust funds group and are not executed via an SF 1151. Examples of these transactions involve assets, non-budgetary fund balances, and transfers of the amount of goods or services ordered and obligated in one TAS, which have not been actually or constructively received but have been prepaid or advanced at the time of transfer, to another TAS. Table 7 presents the different types of other transfers (non-SF 1151).

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Table 7: Other Transfers (Non-SF 1151)

Transfer Type	Nature of Transfer
Transfer of Appropriated Receipts from an Unavailable Trust or Special Fund Receipt Account	This transfer reflects the movement of appropriated receipts from an unavailable receipt account to an expenditure account. This is accomplished via a Treasury warrant. The transferring TAS records the transfer in USSGL account 574500, "Appropriated Dedicated Collections Transferred Out," and the receiving TAS records the transfer in USSGL account 574000, "Appropriated Dedicated Collections Transferred In."
Transfers of Obligations–Prepaid, Advanced, Undelivered Orders	Entities use this transfer type to transfer the amount of goods or services ordered and obligated in one TAS, which have not been actually or constructively received but have been prepaid or advanced at the time of transfer, to or from another TAS. This includes amounts specified in other contracts or agreements such as grants, program subsidies, undisbursed loans, and claims, for which an advance or prepayment has occurred. The transferring TAS will record this transfer in USSGL account 573000, "Financing Sources Transferred Out Without Reimbursement," and the receiving TAS will use USSGL account 572000, "Financing Sources Transferred In Without Reimbursement."
Transfers of Non-budgetary Fund Balances and Non-budgetary or Non-federal Receivables	This transfer type includes the transfer of non-budgetary fund balances without reimbursement. Transfers of non-budgetary or non-federal receivables to another federal entity or TAS without reimbursement covers accounts receivable, receivables for transfers of currently invested balances, and expenditure transfers receivable. For these transfers, the transferring entity or TAS will record the transfer to USSGL account 577600, "Non-Budgetary Financing Sources Transferred Out." The receiving TAS will record the transfer to USSGL account 577500, "Non-Budgetary Financing Sources Transferred In."
Inventory and General Property, Plant, and Equipment (PP&E)	Entities use this transfer type for transfer of inventory items and general PP&E to other federal entities without reimbursement. Adjustments are made to associated USSGL asset accounts. These transfers use USSGL accounts 573000/572000.
Commodity	Entities use this transfer type for transfer of a commodity to another federal entity. The carrying amount of the commodity held for other purposes is reported as an expense and removed from the commodity's asset account. These transfers use USSGL accounts 573000/572000.
Investments	Entities use this transfer type for the transfer of investments to other federal entities without reimbursement. Adjustments are made to associated USSGL asset accounts. These transfers use USSGL accounts 573000/572000.

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1.2—Roles and Responsibilities

The transferring entity (or TAS) initiates the transfer of resources and the receiving entity (or TAS) receives the resources. Unlike authoritative transactions, these transactions do not have an authoritative source or specific entities that determine proper balances and accounting methods: therefore, trading partners must determine transaction types, establish appropriate accounting data, and communicate with each other to confirm proper account postings and eliminations. The transferring entity must confirm that the transfer is consistent with statutory authority, identify the proper accounting treatment, and communicate with the receiving entity with respect to these matters. The receiving entity must promptly confirm acceptance of the proposed accounting treatment and must clearly communicate disagreements or issues with the proposed treatment. Prompt communication will ensure consistent accounting treatment by both trading partners, to the extent possible, and the efficient posting of transactions within the same accounting period. Federal entities must be sure to use their own entity identifier when recording transactions. In addition, the transferring entity and the receiving entity must confirm that a reciprocal transaction is recorded for all transfer-out and transfer-in activity. Table 8 presents the specific responsibilities of trading partners with respect to transfers.

Table 8: Transfer Responsibilities

Federal Entity	Responsibility
Transferring Entity	Analyzes statutory authority for transfer. Selects transfer type consistent with statutory authority. Defines appropriate accounting treatment of the transfer for both trading partners. Identifies eliminating USSGL account entries. Communicates, identifies, and resolves disagreements or issues over accounting treatment and period for posting. Provides quarterly IGT data. Documents differences with trading partners and creates a corrective action plan for recurring differences or submits them for dispute resolution, as appropriate.
Receiving Entity	Communicates, identifies, and resolves disagreements or issues over accounting treatment and period for posting. Monitors transfer differences with trading partners. Facilitates remediation, where necessary. Provides quarterly IGT data. Documents differences with trading partners and creates a corrective action plan for recurring differences or submits them for dispute resolution, as appropriate.

1.3—Business Rules for Transfers

The following key laws and policy sources govern the financial management of IGT Transfers:

- [TFM Volume I, Part 2, Chapter 2000](#), “*Warrant And Non-Expenditure Transfer (NET) Transactions*,” describes the forms and procedures used to record warrant transactions and contains information about using CARS (formerly the Government-wide Accounting System) to process non-expenditure transfers and retrieve processed warrant transactions.
- [OMB Circular No. A-11](#), “*Preparation, Submission, and Execution of the Budget*,” provides guidance

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- on the apportionment, reapportionment, rescission, and cancellation of funds.
- [OMB Circular No. A-136](#), “*Financial Reporting Requirements*,” establishes a central point of reference for all federal financial reporting guidance for executive branch departments, federal entities, federal entities required to submit audited financial statements, interim financial statements, and Performance and Accountability Reports.
- Fiscal Service [USSGL Implementation Guidance](#).
- [TFM bulletin](#)¹, Year-end Closing, provides federal entities with the procedures for preparing year-end closing reports and other financial reports.
- [USSGL](#), “*U.S. Standard General Ledger (USSGL)*,” as updated, provides a uniform Chart of Accounts and technical guidance to be used in standardizing federal entity accounting.

Rules for Non-expenditure Transfers

The transferring TAS must record a non-expenditure transfer as a decrease in budget authority, unobligated balances, or unpaid obligated balances. The gaining TAS must record the non-expenditure transfer as an increase in budgetary authority, unobligated balances, or unpaid obligated balances. For non-expenditure transfers to the General Fund Receipt Accounts, there is no budgetary effect on the General Fund Receipt Accounts. A federal entity must not record a non-expenditure transfer as an obligation, an outlay, an offsetting collection, or an offsetting receipt. Whether or not the non-expenditure transfer is recorded as a change in budget authority or unobligated balances depends on the circumstances.

Federal entities must use the CARS application to process non-expenditure transfers. CARS provides a mechanism for entities to submit and retrieve non-expenditure authorization documents. Non-expenditure transfers are governed by statutory authority and initiated by the transfer-from TAS. The transfer-from TAS must define the nature of the transfer based on its statutory authority, must include a reference to the legislation that governs the transfer, and must communicate with the transfer-to TAS to confirm consistent reporting in USSGL accounts. The transfer-from TAS must determine the source of funds being transferred and must include the USSGL proprietary account in the non-expenditure transfer request. Note that not all non-expenditure transfers move balances from one federal entity to another. Also, in the case of capital transfers, balances move from a federal entity TAS to a General Fund Receipt Account with the same entity identifier.

The transfer-from TAS must establish procedures to confirm that transfers are acknowledged and recorded by the transfer-to TAS within the same accounting month. The transfer-to TAS must record a USSGL proprietary account that corresponds to the account used by the transfer-from TAS. Trading partners must resolve intra-governmental differences as delineated in [Appendix 5](#).

Rules for Expenditure Transfers

The transferring TAS must record an expenditure transfer as an obligation against new budget authority or unobligated balances and as an outlay. The receiving TAS must record an expenditure transfer as an offsetting collection or offsetting receipt. If the receiving TAS is a General Fund appropriation account or a revolving fund account (including a trust revolving fund), the federal entity credits the amount as an offsetting collection to the appropriation or revolving fund account. If the receiving TAS is a special fund or trust fund account, the federal entity credits the amount as an offsetting receipt to a receipt account of the fund. Federal entities must use IPAC to process expenditure transfers.

IPAC enables federal entities to exchange accounting information and to transfer funds for various interagency transaction types (Buy/Sell, Investments, Borrowings, Benefits, and other miscellaneous payment and collection transactions). The use of IPAC is addressed in [Appendix 8](#).

It is critical that the account balances reported in the confirmation process equal the amounts reported in the federal entity’s audited financial statements and Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) submission to Fiscal Service.

Eliminating USSGL Accounts

TFM Volume I, Part 2, Chapter 4700, [Appendix 3](#), presents the USSGL accounts that trading partners must use for proper elimination of financial transactions during reporting. For transfers, the trading partners are defined as:

¹ Refer to the current fiscal year TFM Bulletin Year-end Closing procedures.

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- **Transferring Entity or TAS (Transferor).** This federal entity or TAS acts as the authoritative source, meaning that the amounts posted by the Transferee in the eliminating accounts must equal those balances posted by the Transferor.
- **Receiving Entity or TAS (Transferee).** This federal entity or TAS receives a transfer from the Transferor. Balances posted by this entity or TAS in the eliminating accounts must equal those balances posted by the Transferor.

Common Errors for Transfer Transactions

Table 9 presents the common errors trading partners may make when posting the accounting treatment for transfer transactions and the solutions federal entities can use to correct the errors.

Table 9: Common Errors for Transfer Transactions

Error Type	Description	Solution
Entity Accounting Error	Improper use of trading partner entity identifier 099, General Fund, for capital transfers. The error results in accounting differences. Each department has a miscellaneous receipts account. Capital transfers are to be made to the departmental account. The departmental account is cleared as part of the year-end closing process.	Entities must use their entity identifier for capital transfers to prevent accounting errors. Do not use trading partner entity identifier 099.
Timing Difference	Entities do not always record offsetting transactions within the same FY. For example, the transferring TAS records the transfer-out transaction in fiscal 2015 and the receiving TAS records the transfer-in transaction in fiscal 2016.	The transferring TAS and the receiving TAS must confirm consistent accounting treatment for each transaction and, to the extent possible, must record transactions within the same accounting period. They must communicate disagreements and issues with the accounting treatment and must reconcile them within the same FY.
Non-reporters	Legislative and judicial branch entities do not report their transfer activity to Fiscal Service. Federal entities that report transfers using trading partner entity identifiers for these federal entities will always produce differences.	Entities should provide supporting documentation to Fiscal Service for the transaction to support Fiscal Service posting of a top-level journal voucher for non-reporting trading partners.

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Transfer Reconciliation Procedures

Differences may occur between trading partners in reporting the same transfer transaction. These differences may be due to clerical error, miscommunication, or other factors. The differences that result may adversely affect the government-wide financial report and must be reconciled and resolved promptly.

In addition to the IGT reconciliation procedures, trading partners must define and perform specific reconciliations for transfer transactions. They should document these reconciliations and incorporate them into management's existing, [OMB Circular No. A-123](#), "*Management's Responsibility for Internal Control*," Appendix A, procedures. Both the transferring entity and the receiving entity must review available reports on differences, communicate with their trading partner to identify the cause of the difference, and agree on the appropriate resolution. If trading partners cannot agree, they must promptly create a corrective action plan for recurring differences or pursue dispute resolution. Once a final decision is reached on the appropriate resolution, the trading partners must update their financial records as needed to reflect the decision.

As part of the reconciliation process, federal entities must utilize GTAS. The Super Master Account File (SMAF) report provides entities with information related to transaction activity at each TAS level. Federal entities must use the SMAF Report to reconcile and validate their data.