

# Description of Accounts Relating to Cash Operations

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The classes of accounts maintained in connection with the cash operation of the Federal Government, exclusive of public debt operations, include: (1) The accounts of fiscal officers or agents, collectively, who receive money for deposit in the U.S. Treasury or for the authorized disposition or who make expenditures by drawing checks on the Treasury of the United States or by effecting payments in some other manner; (2) the accounts of administrative agencies which classify receipt and outlay transactions according to the individual receipt, appropriation, or fund account; and (3) the accounts of the Treasury of the United States which office is responsible for the receipt and custody of money deposited by fiscal officers or agents, for the payment of checks drawn on the Treasury, and the payment of public debt securities redeemed. A set of central accounts is maintained in the Department of Treasury for the purpose of consolidating financial data reported periodically from these three sources in order to present the results of cash operations in central financial reports, for the Government as a whole, and as a means of internal control.

The central accounts relating to cash operations disclose monthly and fiscal year information on: (1) the Government's receipts by principle sources, and its outlays according to the different appropriations and other funds involved; and (2) the cash transactions, classified by types, together with certain directly related assets and liabilities which underlie such receipts and outlays. Accounting for receipts is on the basis of collections, accounting for outlays is on the basis of checks issued and cash payment made (cash basis). However, the interest on the public debt, public issues, is on the accrual basis while the interest on special issues is on the cash basis. The structure of the accounts provides for reconciliation, on a firm accounting basis, between the published reports of receipts and outlays for the Government as a whole and changes in the Treasury cash balances by means of such factors as checks outstanding, deposits in transit, and cash held outside the Treasury. Within the central accounts, receipt and outlay accounts are classified as described in the following paragraphs.

## Budget Receipt and Outlay Accounts

**General fund receipt accounts** are credited with all receipts, which are not earmarked by law for a specific purpose. General fund receipts consist principally of internal revenue collections, which include income taxes, excise taxes, estate, gift, and employment taxes. The remainder consists of customs duties and a large number of miscellaneous receipts, including fees for permits and licenses, fines, penalties, and forfeitures; interest and dividends; rentals; royalties; and sale of Government property.

**Special fund receipt accounts** are credited with receipts from specific sources which are earmarked by law for a specific purpose but which are not generated from a cycle of operations. The Congress may appropriate these receipts on an annual basis or for an indefinite period of time. Examples of special fund receipts are those arising from rents and royalties under the Mineral Leasing Act, the revenue from visitors to Yellowstone National Park, the proceeds of the sale of certain timber and reserve lands, and other receipts authorized to be credited to the reclamation fund.

**General fund expenditure accounts** are established to record amounts appropriated by Congress to be expended for the general support of the Government. Such accounts are classified according to the limitations that are established by the Congress with respect to the period of availability for obligation of the appropriation, as 1-year, multiple-year, or "no-year" (without a time limit), and with respect to the agency authorized to enter into obligations and approve outlays.

**Special fund expenditure accounts** are established to record appropriated amounts of special fund receipts to be expended for special programs in accordance with specific provisions of law. These accounts are generally available without time limit, but may also be subject to time limitations as in the case of general fund accounts.

**Revolving fund accounts** are funds authorized by specific provisions of law to finance a continuing cycle of operations in which outlays generate receipts, and the receipts are available for outlay without further action by Congress. They are classified as (a) public enterprise funds where receipts come primarily from sources outside the Government and (b) intragovernmental funds where receipts come primarily from other appropriations or funds. These accounts are usually designated as "no-year" accounts, i.e. they are without limitation as to period of availability for outlay. Examples of public enterprise revolving funds are the Tennessee Valley Authority and the Commodity Credit Corporation. Examples of intergovernmental revolving funds are the General Supply Fund administered by the General Services Administration and the Government Printing Office Revolving Fund.

**Consolidated working fund accounts** are established to receive (and subsequently disburse) advance payment from the agencies or bureaus pursuant to Section 601 of the Economy Act (31 U.S.C. 1535) or other provisions of law. Consolidated working funds may be credited with advances from more than one appropriation for the procurement of goods and services to be furnished by the performing agency with the use of its own facilities within the same fiscal year. Outlays recorded in these accounts are stated net of advances credited and are classified under the agencies administering the accounts. The accounts are subject to the fiscal year limitations of the appropriations or funds from which advanced.

**Management fund accounts** are working fund accounts authorized by law to facilitate accounting for and administration of intragovernmental activities (other than a continuing cycle of operations), which are financed by two or more appropriations. This classification is also often applied to the consolidated working funds for interagency activities described above.

**Trust fund accounts** are accounts maintained to record the receipt and outlay of monies held in trust by the Government for use in carrying out specific purposes or programs in accordance with the terms of a trust agreement or statute. The receipts of many trust funds, especially the major ones, not needed for current payments, are invested in public debt and Government Agency securities. Generally, trust fund accounts consist of separate receipt and outlay accounts, but when the trust corpus is established to perform a business-type operation, the fund is called a "trust revolving fund" and a combined receipt and outlay account is used. Some of the major trust fund accounts are the Federal Old Age and Survivors Insurance Trust Fund, Unemployment Trust Fund, Civil Service Retirement and Disability Trust Fund, The National Service Life Insurance Trust Fund, and the Highway Trust Fund.

**Allocation (formerly Transfer appropriation) accounts** are established to receive (and subsequently disburse) allocations which are treated as non-expenditure transactions at the time the allocation is made including certain transfers under Section 601 of the Economy Act (31 U.S.C. 1535), and similar provisions of law.