

SECTION 135—PROCEDURES FOR MONITORING FEDERAL OUTLAYS

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Summary of Changes

Contains information previously included in section 80 of A-34.

Updates requirements for investment account reporting (section 135.5).

135.1 What is the purpose for these procedures?

Cabinet departments and certain agencies submit reports on Federal outlays to assist in the monitoring of spending and to improve Treasury Department forecasts of the Government's daily cash operating balances, borrowing requirements, and debt subject to legal limits, including trust and special fund investment activity. Realistic estimates, particularly for the immediate six-month period, enable Treasury to borrow only amounts needed to finance Government activities, thus reducing interest costs and overall cash balances maintained in the Treasury.

OMB needs reports on Federal outlays to monitor the deficit/surplus and to assess the reliability of each agency's financial management system. Reports are also used by Treasury for its monthly review of "Statement of Transactions" (SF 224 and SF 1220) reporting, prior to publication of the *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and for periodic evaluations of the accuracy of the reports. These plans must be as accurate as possible—an inability to forecast spending with reasonable accuracy can be a weakness in program and financial management. Problems of this nature need the attention of OMB and the agencies alike.

135.2 Who is required to submit a plan?

If your department or agency is listed in exhibit [135A](#), prepare a monthly outlay plan for each new fiscal year and submit periodic reports on and revisions to that plan. Coverage of the reports should be identical to the coverage in the annual budget documents and should include outlay information for all

appropriations and funds administered by your department or agency. OMB and/or Treasury may require a forecast of deposit fund activity for specific agencies and will notify you of this requirement.

135.3 What are the general reporting requirements?

Base estimates on your best current judgment of the amount to be spent by month in the period(s) covered by the report. Use the President's most recent annual budget or Mid-Session Review estimates as a base, but update those estimates to reflect subsequent actions of the Congress, including both completed actions and those that are almost certain to be completed. Also reflect recent trends and expected events on a realistic basis.

Budget and Mid-Session Review estimates serve as reference points only, not as targeted fiscal year totals. Do not force estimated monthly totals to conform to the Budget or Mid-Session totals, but reflect your best information at the time the forecast is prepared. The format for agency reports (Exhibits [135B](#), [135C](#), [135D](#), and [135E](#)) includes columns for "OMB estimates" and "Differences" that will highlight changes from the most recent official estimates.

Between submission dates, you should provide updated plans to OMB and Treasury whenever there are significant changes in outlay totals, large transactions, or patterns (such as those that may be associated with an unanticipated increase in claims for an entitlement program or a change in the timing or amount of upward or downward re-estimates between on-budget subsidy and non-budgetary financing accounts). You should also cooperate with OMB and Treasury by providing additional details as requested.

You must submit a brief summary with each outlay report explaining the assumptions used in developing the outlay plan and any unusual or special circumstances affecting the plan. The summary will, for example, enumerate expected Congressional actions that will raise or lower estimates, discuss any other events that have caused or are expected to cause significant fluctuations in the normal outlay pattern, and specify whether they have been included or excluded from the plan.

135.4 What are the reporting requirements for large transactions?

You must identify large (\$50 million or more) *cash* and *non-cash* payment and deposit transactions. "Large transaction" refers to a single payment or deposit or a *group* of payments or deposits of a similar nature that occur, *typically*, on one day. Large transactions may be recurring, i.e., monthly, quarterly, semi-annual, or annual. Cash transactions result in a decrease or increase in Treasury's operating cash balance. Non-cash transactions are typically transfers between general fund and trust fund, deposit fund, or financing accounts.

List large transactions under the memorandum section of the agency report or footnote the transaction in the investment account or financing account report. Exhibit [135B](#) provides examples of how the following information should be presented:

- Description of payment or deposit;
- Appropriation account symbol;
- MTS line code;
- Dollar amount(s);
- Assumed date of transaction;
- Agency contact;
- Telephone number; and
- E-mail address.

The point of contact for a large transaction should be the individual who is responsible for ensuring that Treasury is informed *between submission dates* of revisions to dollar amount, transaction date, or any special circumstances related to the transaction. This individual is typically in your program and/or finance office.

All agency financial officers are required by Volume I of the *Treasury Financial Manual (TFM)*, Part 6, Chapter 8500 to provide short-run advance notification to Treasury for large cash deposits and payments. Deadlines currently vary from two to five business days prior to the transaction date, depending on the amount of the transaction. Agency budget and program offices should be cognizant of these requirements and provide whatever advance information is needed by finance offices in a timely manner. For further information regarding *TFM* Chapter 8500, contact the Funds Control Division, Financial Management Service, Department of the Treasury, (202) 874-9790.

Selected examples of large transactions:

- Agency for International Development:
 - ▶ Economic support fund payments
 - ▶ Economic assistance loans, repayments
- Agriculture:
 - ▶ Federal Crop Insurance Corporation Fund—Premium collections
 - ▶ Forest Service—Payments to States
- Defense Security Cooperation Agency:
 - ▶ Foreign military financing program
- Interior:
 - ▶ Bureau of Land Management—
 - Oregon and California Grant Lands payments
 - Payments in lieu of taxes
- Treasury:
 - ▶ Presidential Election Campaign Fund disbursements
 - ▶ Comptroller of the Currency—Assessment collections
 - ▶ Office of Thrift Supervision—Assessment collections

135.5 What are the requirements for investment account reporting?

Departments that administer major investment accounts are required to submit reports of investment account income and outgo in the format of Exhibit [135C](#). Reports are required for the following investment accounts:

- Health and Human Services:
 - ▶ Federal hospital insurance trust fund
 - ▶ Federal supplementary medical insurance trust fund
- Housing and Urban Development:
 - ▶ Mutual mortgage and cooperative housing insurance fund liquidating account
- Labor:
 - ▶ Unemployment trust fund

- ▶ Pension Benefit Guaranty Corporation fund
- State:
 - ▶ Foreign Service retirement and disability fund
- Transportation:
 - ▶ Highway trust fund
 - ▶ Airport and airway trust fund
- Environmental Protection Agency:
 - ▶ Hazardous substance superfund
- Other Defense Civil Programs:
 - ▶ Military retirement fund
 - ▶ Uniformed services retiree health care fund
- Office of Personnel Management:
 - ▶ Civil Service retirement and disability fund
 - ▶ Federal employees health insurance fund
 - ▶ Federal employees life insurance fund
- Social Security Administration:
 - ▶ Federal old-age and survivors insurance trust fund
 - ▶ Federal disability insurance trust fund
- Railroad Retirement Board:
 - ▶ Railroad retirement accounts—
 - Rail industry pension fund
 - National railroad retirement investment trust
 - Supplemental annuity pension fund
 - Railroad Social Security equivalent benefit account

135.6 What are the requirements for financing account reporting?

All departments and agencies that administer financing accounts are required to report estimated and actual monthly net disbursements for all accounts as addendum items in the format of exhibit [135B](#).

The following agencies also are required to submit detailed financing account reports in the format of exhibit [135D](#) for the specified accounts:

- Education:
 - ▶ Direct student loans
 - ▶ Federal family education loans
- Export-Import Bank:
 - ▶ Direct loan financing account
 - ▶ Guaranteed loan financing account
- Federal Communications Commission:
 - ▶ Spectrum auction direct loan financing account

- Housing and Urban Development:
 - ▶ FHA – General and special risk guaranteed loan financing account
 - ▶ FHA – Mutual mortgage insurance guaranteed loan financing account
- Small Business Administration:
 - ▶ Business guaranteed loan financing account
 - ▶ Business direct loan financing account
 - ▶ Disaster direct loan financing account
- Veterans Affairs:
 - ▶ Direct loan financing account
 - ▶ Guaranteed loan financing account

Include significant activities as shown in the Budget *Appendix* Program and financing schedules in your detailed financing account reports.

Estimate monthly totals for non-Federal transactions such as:

- Cash loan disbursements
- Cash collections for loan repayments
- Net cash proceeds of asset sales

Forecast all non-cash transactions between:

- Financing accounts
- Liquidating, subsidy, governmental receipt, and Treasury interest accounts

Specify whether the timing for such transactions is monthly, quarterly, semiannual, or annual. Include the best available estimate of the dollar amount in the month or months during which you expect the transaction to be processed.

Actual data for financing accounts.—As discussed in section [135.9](#) below, the *Monthly Treasury Statement (MTS)* is the source of actual data for outlay plans. However, the *MTS* and the SF 224 reports may not provide the activity detail necessary for detailed financing account forecasting. Agency budget and accounting areas are expected to develop internal agency procedures that will produce the detail required for the plans.

Sales of loans.—In general, cash proceeds from sales of loans are now being credited to non-budgetary financing accounts instead of to on-budget liquidating accounts. Exhibit [135D](#) reflects the financing account presentation for loan sale proceeds. Detailed reporting for individual asset sales is required by Treasury offices under *asset sale reporting* (section [135.7](#)) below.

Reporting format.—Show both financing accounts and corresponding liquidating and/or subsidy (program) accounts on the report.

You must show activities as shown in the Budget *Appendix* (see section [185.10](#) for a description of the requirements for program accounts and section [185.11](#) for a description of the requirements for financing accounts) in order to:

- Improve Treasury's cash forecasting by identifying non-cash transactions and ensuring consistent treatment on "both sides" of the transaction, i.e., the same amount and timing for both budgetary and non-budgetary credit account entries.

- Ensure the integrity of the *MTS*, the Federal Government's monthly budget report. Treasury will use financing account reports to review and monitor the agency Statement of Transactions (SF 224) reports, prior to publication of the *MTS*.

Forecasting methodology.—If you prepare financing account reports:

- Non-cash transactions between financing and (1) liquidating or subsidy accounts, or (2) Treasury interest accounts must reflect the best available dollar amount estimate, and timing must be based on actual due dates or past experience with the timing of the payments.
- If actual experience supports the method, you may estimate monthly amounts for some categories, such as loan disbursements and repayments, by pro-rating the estimated fiscal year total, based on recent monthly patterns.

135.7 What are the requirements for asset sale reporting?

Departments and agencies that conduct sales of assets are required to submit forecast reports in the format of exhibit [135E](#). A report must be submitted for each sale included in the agency report on outlays (exhibit [135B](#)) or financing account report (exhibit [135D](#)). Asset sale reporting is also required by Volume I of the *Treasury Financial Manual (TFM)*, Part 6, Chapter 8500. Asset sales are typically large dollar transactions (\$50 million or more), for which advance notification must be provided to Treasury. The same reporting form, exhibit [135E](#), is to be used for both outlay plans and large dollar reporting to Treasury.

Between submissions, the original report for each individual sale is to be updated by the agency and provided to Treasury offices as soon as new estimated and/or actual information is available, until the sale has been completed. Agency and OMB estimates provided for Treasury's budget, cash, and debt forecasting purposes are considered highly confidential and for internal Treasury use only. If unusual circumstances call for disclosure of additional detail, the estimates are characterized as Treasury Department estimates and not attributed to OMB or the agency.

Departments and agencies that currently must submit detailed asset sale reports are listed below:

- Federal Communications Commission
- Federal Housing Administration (HUD)
- Minerals Management Service (Interior)
- Small Business Administration
- Veterans Affairs

Other departments or agencies should be prepared to provide asset sale reports and timely, on-going updates if asset sale transactions are assumed in their official OMB estimates.

135.8 What are the responsibilities of OMB and the Treasury Department?

Both OMB and Treasury will review the agency outlay plans for reasonableness in the light of experience, consistency with the President's policies and objectives, enacted appropriations and other legislation, and other factors. When circumstances warrant, OMB and/or Treasury may require you to make revisions in the outlay plans.

135.9 When do I submit reports?

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Submit the initial report for the budget year to OMB and simultaneously to the Treasury (Office of the Fiscal Assistant Secretary) as specified by OMB, based on the timing of the transmittal of the Budget in the format of exhibits [135B](#), [135C](#), and [135D](#), as applicable. The report provides monthly outlay estimates for the budget year. Updated reports are due throughout the current year, with coverage expanded to include estimates for the subsequent budget year as shown below.

Use the Monthly Treasury Statement of Receipts and Outlays of the United States Government (*MTS*), as the source of actual data reported. However, be aware that the published *MTS* is subject to prior-month revisions due to back-dated transactions. Such revisions will affect both a prior month (or months) and the published "Current Fiscal Year to Date" amounts shown in *MTS* Table 5. Agency budget and SF 224 and SF 1220 reporting offices should work with Treasury's Budget Reports Division to develop procedures for ensuring that actual monthly data submitted in outlay reports includes any revisions that may have occurred after the publication of the *MTS*. It is imperative that actual data reflect amounts reported by the agency and recorded in the *MTS*. The actual data should be followed by updated monthly outlay estimates for the balance of the period(s). Reports are due to OMB and to Treasury (as an Excel e-mail attachment) as follows:

Reports due by	Monthly outlay actual required for the period	Monthly outlays estimates required for the period
October 1st (current year). (Explain differences from latest public estimate.) *	—	October through September (current year).
One week following transmittal of the budget. (Explain differences from the current year amounts contained in the budget.)	October through December (current year).	January through September (current year). October through September (budget year).
Early May, to be specified by OMB. (Explain differences from the current year amounts contained in the budget.)	October through March (current year).	April through September (current year). October through September (budget year).
As specified by OMB, based on the timing of the Mid-Session Review of the budget update (current year). (Explain differences from current year amounts contained in the Mid-Session Review.)	October through May (current year).	June through September (current year). October through September (budget year).

* Normally, the latest public estimate will be that in the most recent Mid-Session Review of the President's budget. Reconcile significant differences between previously reported estimated outlays and revised estimates or actual outlays and explain these changes in the accompanying statements. Additional updated reports may be requested at other times.

EXHIBIT 135A

EXHIBIT 135A -- Continued

EXHIBIT 135B

EXHIBIT 135C

EXHIBIT 135D

EXHIBIT 135E