



United States Department of the Interior

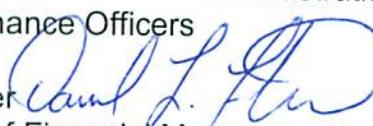
OFFICE OF THE SECRETARY
Washington, DC 20240



SEP 28 2009

FINANCIAL MANAGEMENT MEMORANDA 2009 - 090 (Vol. II.B)

To: Bureau Assistant Directors for Administration
Bureau Chief Finance Officers

From: Daniel L. Fletcher 
Director, Office of Financial Management

Subject: Vehicles Obtained from the General Services Administration Utilizing
American Recovery and Reinvestment Act Funds

On September 10, 2009, the U.S. General Services Administration (GSA) issued supplementary information related to the exchange of fleet vehicles between GSA and other agencies under the provisions of the American Recovery and Reinvestment ACT (ARRA).

There is no requirement for Interior or any of its bureaus to reimburse GSA for these vehicles.

The new attachments are:

1. A letter from Kathleen Turco, Chief Financial Officer for GSA;
2. A 9-page document with suggested accounting treatments for vehicles purchased with the Recovery Act Funds; and,
3. A sample letter to agency contacts regarding the transfer of vehicles.

Each bureau must ensure that GSA is provided with a letter regarding the information on the vehicle being transferred to GSA to ensure that all property records are updated properly.

If you have any questions regarding the treatment of ARRA vehicles, please contact Parker Hill on 202-513-0850.

Attachments

cc: Financial Statement Guidance Team
Finance Officers Partnership

Cancelled FMMs:

Additional FMMs on the Subject: 2009-082



GSA Office of the Chief Financial Officer

SEP 10 2009

GSA Fleet Customers:

Within the President's American Recovery and Reinvestment Act (ARRA) is a provision for the exchange of fleet vehicles between GSA and other agencies. GSA provides newer vehicles with better gas mileage in exchange for older vehicles shipped to GSA auction sites. This type of activity is outside the normal course of intra-governmental business and is not directly contemplated in Federal accounting guidance. Therefore, to ensure there is consistent accounting treatment throughout the Federal government on how this type of activity is recorded, I am sending you a suggested accounting treatment for vehicles you ship to GSA as well as the vehicles you receive from GSA as a result of ARRA. In addition, I am attaching the draft communication template your accounting departments will be receiving for vehicles exchanged between our agencies.

These procedures are under review by the Office of Management and Budget (OMB) and the U.S. Standard General Ledger (USSGL) Division of the Financial Management Services of the U.S. Department of the Treasury. These procedures are not formally approved yet, but based on our conversations with OMB and the USSGL Division, we do not anticipate significant changes. Therefore, in order to give you time to digest and implement this guidance before year-end, I am sending it to you now. If you have any questions, please contact Douglas Glenn, Deputy CFO for Financial Policy and Operations, at 202-501-0562 or Douglas.Glenn@GSA.gov.

Enclosure

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen M. Turco".

Kathleen M. Turco
Chief Financial Officer

U.S. General Services Administration
1800 F Street, NW
Washington DC 20405-0002
www.gsa.gov

Dear Agency Contact,

Attached you will find a listing of all American Recovery and Reinvestment Act (ARRA) motor vehicle transfers completed between GSA and your Agency for Month 2009. The total transferred to your Agency during FY09 is XX.

For new vehicles transferred to your agency, GSA recorded a transfer entry debiting 5730, Financing Sources Transferred Out without Reimbursement. Please record a transfer entry crediting 5720, Financing Sources Transferred In without reimbursement for the same amount.

For old vehicles GSA receives from your agency, GSA will provide a file monthly which indicates the date the exchanged vehicles were sold and the net amount of the vehicle sale. This file includes:

OLD VEHICLE	NEW VEHICLE
Agency	VIN
Bureau	Make
Federal Tag No.	Model
Additional Tag No.	Model Year
Equipment No.	Contract No/RPN
VIN	Acquisition Cost
Make	Delivery Location
Model	
Model Year	
Net Proceeds	

Once the old vehicle is sold, your agency should record the disposal (i.e., remove the vehicle from your asset accounts) if it was capitalized. If the old vehicle was not capitalized, no entry is required. In addition, if the old vehicle was not capitalized by your agency, please contact Angela Watkins at 202-501-4499 or Angela.Watkins@gsa.gov to let her know that no entry is required on GSA's books.

Thank you for your participation in the ARRA motor vehicle replacement program. If you have any questions, please contact Angela Watkins at the information provided above.

Suggested Accounting Treatment Vehicles Purchased with Recovery Act Funds

Background

On February 17, 2009, the President signed Public Law 111-5, the American Reinvestment and Recovery Act of 2009. The Recovery Act provided GSA with an appropriation of \$300 million to procure fuel-efficient motor vehicles for the federal fleet. These funds will allow federal agencies across the federal government to replace as many as 17,000 aging motor vehicles with more fuel-efficient alternatives. Ultimately, the new vehicles will improve fuel efficiency by at least 10 percent compared to the replaced vehicles and federal carbon emissions will decrease by 26 million pounds per year. This draft describes the accounting transactions that will be recorded by GSA and its partner agencies to track the purchase of the new vehicles as well as the transfer and sale of the vehicles that will be replaced.

USSGL Accounts Used in Scenario

Budgetary	Equipment
4119 Other Appropriations Realized	1010 Fund Balance with Treasury
4201 Total Actual Resources - Collected	1750 Equipment
4266 Other Actual Business-Type Collections from Non-Federal Sources	1759 Accumulated Depreciation - Equipment
4450 Unapportioned Authority	1990 Other Assets
4510 Apportionments	2110 Accounts Payable
4610 Allotments - Realized Resources	3100 Unexpended Appropriations - Cumulative
4801 Undelivered Orders - Obligations, Unpaid	3101 Unexpended Appropriations - Appropriations Received
4901 Delivered Orders - Obligations, Unpaid	3107 Unexpended Appropriations - Used
4902 Delivered Orders - Obligations, Paid	3310 Cumulative Results of Operations
	5700 Expended Appropriations
	5720 Financing Sources Transferred In without Reimbursement
	5730 Financing Sources Transferred Out without Reimbursement
	6710 Depreciation, Amortization, and Depletion
	6790 Other Expenses Not Requiring Budgetary Resources
	7110 Gains on Disposition of Assets - Other
	7210 Losses on Disposition of Assets - Other
	8801 Offset for Purchases of Assets (Memorandum)
	8803 Purchases of Inventory and Related Property (Memorandum)

**Suggested Accounting Treatment
Vehicles Purchased with Recovery Act Funds**

General Services Administration	Customer Agency												
<p>6. To record a confirmed disbursement schedule previously accrued. (TC B110)</p> <p><u>Budgetary Entry</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">4901 Delivered Orders, Obligations – Unpaid</td> <td style="text-align: right;">25,000,000</td> </tr> <tr> <td>4902 Delivered Orders, Obligations – Paid</td> <td style="text-align: right;">25,000,000</td> </tr> </table> <p><u>Proprietary Entry</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">2110 Accounts Payable</td> <td style="text-align: right;">25,000,000</td> </tr> <tr> <td>1010 Fund Balance with Treasury</td> <td style="text-align: right;">25,000,000</td> </tr> </table>	4901 Delivered Orders, Obligations – Unpaid	25,000,000	4902 Delivered Orders, Obligations – Paid	25,000,000	2110 Accounts Payable	25,000,000	1010 Fund Balance with Treasury	25,000,000					
4901 Delivered Orders, Obligations – Unpaid	25,000,000												
4902 Delivered Orders, Obligations – Paid	25,000,000												
2110 Accounts Payable	25,000,000												
1010 Fund Balance with Treasury	25,000,000												
<p>7. To record the transfer out of new vehicle inventory items and general property, plant, and equipment to other federal entities without reimbursement. GSA will record the transfer out of the new vehicle to Customer Agency. (TC E510)</p> <p><u>Budgetary Entry</u></p> <p>None</p> <p><u>Proprietary Entry</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">5730 Financing Sources Transferred Out without Reimbursement</td> <td style="text-align: right;">23,000,000</td> </tr> <tr> <td>1990 Other Assets</td> <td style="text-align: right;">23,000,000</td> </tr> </table>	5730 Financing Sources Transferred Out without Reimbursement	23,000,000	1990 Other Assets	23,000,000	<p>7. To record the transfer in of new vehicle inventory items and general property, plant, and equipment from other federal entities without reimbursement. Customer Agency will record the transfer in of the new vehicle from GSA. (TC E606)</p> <p><u>Budgetary Entry</u></p> <p>None</p> <p><u>Proprietary Entry (if capitalized)</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">1750 Equipment</td> <td style="text-align: right;">23,000,000</td> </tr> <tr> <td>5720 Financing Sources Transferred In Without Reimbursement</td> <td style="text-align: right;">23,000,000</td> </tr> </table> <p><u>Proprietary Entry (if expensed)</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">6790 Other Expenses Not Requiring Budgetary Resources</td> <td style="text-align: right;">23,000,000</td> </tr> <tr> <td>5720 Financing Sources Transferred In Without Reimbursement</td> <td style="text-align: right;">23,000,000</td> </tr> </table>	1750 Equipment	23,000,000	5720 Financing Sources Transferred In Without Reimbursement	23,000,000	6790 Other Expenses Not Requiring Budgetary Resources	23,000,000	5720 Financing Sources Transferred In Without Reimbursement	23,000,000
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5720 Financing Sources Transferred In Without Reimbursement	23,000,000												

Suggested Accounting Treatment Vehicles Purchased with Recovery Act Funds

General Services Administration	Customer Agency
<p>8. To record depreciation, amortization, and depletion expense on assets other than investments. (TC E120)</p> <p><u><i>Budgetary Entry</i></u> None</p> <p><u><i>Proprietary Entry</i></u> 6710 Depreciation, Amortization, and Depletion 5,000,000 1759 Accumulated Depreciation on Equipment 5,000,000</p>	<p>9. To record the transfer in of old vehicles without reimbursement. GSA will record the transfer in of the old vehicle being replaced using Customer Agency's net book value. GSA will use fair market value if net book value is not available and will communicate fair value to customer agency. (TC E606)</p> <p><u><i>Budgetary Entry</i></u> None</p> <p><u><i>Proprietary Entry</i></u> 1990 Other Assets 6,000,000 5720 Financing Sources Transferred In Without Reimbursement 6,000,000</p>
<p>9. To record the transfer out of old vehicles to GSA without reimbursement. Customer Agency will record the transfer out of the old vehicle based on net book value or GSA's estimate for fair market value if net book value is not available. (TC E510)</p> <p><u><i>Budgetary Entry</i></u> None</p> <p><u><i>Proprietary Entry</i></u> 1759 Accumulated Depreciation on Equipment 4,000,000 5730 Financing Sources Transferred Out Without Reimbursement 6,000,000 1750 Equipment 10,000,000</p>	<p>10. To record the sale or disposition of old vehicles (Gain Scenario). (TC C646)</p> <p><u><i>Budgetary Entry</i></u> 4266 Other Actual Business-Type Collections from Non-Federal Sources 4,000,000 4450 Unapportioned Authority 4,000,000</p> <p><u><i>Proprietary Entry</i></u> 1010 Fund Balance With Treasury 4,000,000 1990 Other Assets 3,000,000 7110 Gains on Disposition of Assets -- Other 1,000,000</p>
<p>* Assets are non-entity because Customer Agency retains title. ** If asset was expensed by Customer Agency then no accounting entry will be recorded.</p>	<p>** If asset was previously expensed (no book value) then no accounting entry will be recorded.</p>

**Suggested Accounting Treatment
Vehicles Purchased with Recovery Act Funds**

GENERAL SERVICES ADMINISTRATION PRE-CLOSING ADJUSTED FUND BALANCE		
	DR	CR
BUDGETARY		
4019	300,000,000	
4266	6,000,000	
4450		6,000,000
4510		0
4610		15,000,000
4801		205,000,000
4901		55,000,000
4902		25,000,000
Totals	306,000,000	306,000,000
PROPRIETARY		
1010	281,000,000	
1750	0	
1759		0
1990	57,000,000	
2110		55,000,000
3101		300,000,000
3107	80,000,000	
5700		80,000,000
5720		6,000,000
5730	23,000,000	
6710	0	
7110		1,000,000
7210	1,000,000	
7310	1,000,000	
7910	22,000,000	
Totals	422,000,000	422,000,000

CUSTOMER AGENCY PRE-CLOSING ADJUSTED FUND BALANCE		
	DR	CR
BUDGETARY		
4119	0	
4266	0	
4450	0	
4510	0	
4610	0	
4801		0
4901		0
4902		0
Totals	0	0
PROPRIETARY		
1010	0	
1750	13,000,000	
1759		1,000,000
1990	0	
2110	0	0
3101		0
3107	0	
5700		0
5720		23,000,000
5730	6,000,000	
6710	3,000,000	
7110		0
7210	0	
7310	0	
7910	22,000,000	
Totals	22,000,000	22,000,000

**Suggested Accounting Treatment
Vehicles Purchased with Recovery Act Funds**

Closing Entries - General Services Administration	Closing Entries - Clatsop Agency																								
<p>C1. To record the consolidation of actual net funded resources. (TC F204)</p> <p><u><i>Budgetary Entry</i></u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">4201 Total Actual Resources – Collected</td> <td style="text-align: right;">306,000,000</td> </tr> <tr> <td style="padding-left: 40px;">4119 Other Appropriations Realized</td> <td style="text-align: right;">300,000,000</td> </tr> <tr> <td style="padding-left: 40px;">4266 Other Actual Business-Type Collections From Non-Federal Sources</td> <td style="text-align: right; vertical-align: bottom;">6,000,000</td> </tr> </table> <p><u><i>Proprietary Entry</i></u></p> <p>None</p>	4201 Total Actual Resources – Collected	306,000,000	4119 Other Appropriations Realized	300,000,000	4266 Other Actual Business-Type Collections From Non-Federal Sources	6,000,000																			
4201 Total Actual Resources – Collected	306,000,000																								
4119 Other Appropriations Realized	300,000,000																								
4266 Other Actual Business-Type Collections From Non-Federal Sources	6,000,000																								
<p>C2. To record the closing of paid delivered orders to unexpended appropriations. (TC F214)</p> <p><u><i>Budgetary Entry</i></u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">4902 Delivered Orders – Obligations, Paid</td> <td style="text-align: right;">25,000,000</td> </tr> <tr> <td style="padding-left: 40px;">4201 Total Actual Resources – Collected</td> <td style="text-align: right;">25,000,000</td> </tr> </table> <p><u><i>Proprietary Entry</i></u></p> <p>None</p>	4902 Delivered Orders – Obligations, Paid	25,000,000	4201 Total Actual Resources – Collected	25,000,000																					
4902 Delivered Orders – Obligations, Paid	25,000,000																								
4201 Total Actual Resources – Collected	25,000,000																								
<p>C3. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. (TC F228) To record the closing of unobligated balances in programs subject to apportionment to unapportioned authority. (TC F308)</p> <p><u><i>Budgetary Entry</i></u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">4610 Allotments – Realized Resources</td> <td style="text-align: right;">15,000,000</td> </tr> <tr> <td style="padding-left: 20px;">4450 Unapportioned Authority</td> <td style="text-align: right;">15,000,000</td> </tr> </table> <p><u><i>Proprietary Entry</i></u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">7110 Gains on Disposition of Assets – Other</td> <td style="text-align: right;">1,000,000</td> </tr> <tr> <td style="padding-left: 20px;">5700 Expended Appropriations</td> <td style="text-align: right;">80,000,000</td> </tr> <tr> <td style="padding-left: 20px;">5720 Financing Sources Transferred In Without Reimbursement</td> <td style="text-align: right; vertical-align: bottom;">6,000,000</td> </tr> <tr> <td style="padding-left: 40px;">5730 Financing Sources Transferred Out Without Reimbursement</td> <td style="text-align: right; vertical-align: bottom;">23,000,000</td> </tr> <tr> <td style="padding-left: 20px;">3310 Cumulative Results of Operations</td> <td style="text-align: right;">63,000,000</td> </tr> <tr> <td style="padding-left: 20px;">7210 Losses on Disposition of Assets - Other</td> <td style="text-align: right;">1,000,000</td> </tr> </table>	4610 Allotments – Realized Resources	15,000,000	4450 Unapportioned Authority	15,000,000	7110 Gains on Disposition of Assets – Other	1,000,000	5700 Expended Appropriations	80,000,000	5720 Financing Sources Transferred In Without Reimbursement	6,000,000	5730 Financing Sources Transferred Out Without Reimbursement	23,000,000	3310 Cumulative Results of Operations	63,000,000	7210 Losses on Disposition of Assets - Other	1,000,000	<p>C3. To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations. (TC F228)</p> <p><u><i>Budgetary Entry</i></u></p> <p>None</p> <p><u><i>Proprietary Entry</i></u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">5720 Financing Sources Transferred In Without Reimbursement</td> <td style="text-align: right; vertical-align: bottom;">23,000,000</td> </tr> <tr> <td style="padding-left: 40px;">5730 Financing Sources Transferred Out Without Reimbursement</td> <td style="text-align: right; vertical-align: bottom;">6,000,000</td> </tr> <tr> <td style="padding-left: 20px;">3310 Cumulative Results of Operations</td> <td style="text-align: right;">12,000,000</td> </tr> <tr> <td style="padding-left: 20px;">6710 Depreciation, Amortization, and Depletion</td> <td style="text-align: right;">5,000,000</td> </tr> </table> <p>*** Closing entry scenario assumes asset was capitalized; otherwise, 6790 is closed into 3310 as well.</p>	5720 Financing Sources Transferred In Without Reimbursement	23,000,000	5730 Financing Sources Transferred Out Without Reimbursement	6,000,000	3310 Cumulative Results of Operations	12,000,000	6710 Depreciation, Amortization, and Depletion	5,000,000
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Suggested Accounting Treatment Vehicles Purchased with Recovery Act Funds

Closing Entries - General Services Administration	Closing Entries - Customer Agency
C4. To record the closing of fiscal-year activity to unexpended appropriations. (TC F233)	
<u>Budgetary Entry</u> None	
<u>Proprietary Entry</u>	
3101 Unexpended Appropriations - Appropriations Received	300,000,000
3100 Unexpended Appropriations - Cumulative	220,000,000
3107 Unexpended Appropriations - Used	80,000,000

GENERAL SERVICES ADMINISTRATION POST-CLOSING ADJUSTED TRIAL BALANCE		
	DR	CR
BUDGETARY		
4201	281,000,000	
4450		21,000,000
4801		205,000,000
4901	0	55,000,000
Totals	281,000,000	281,000,000
PROPRIETARY		
1010	281,000,000	
1750	0	
1759		0
1990	57,000,000	
2110		55,000,000
3100		220,000,000
3210	0	63,000,000
Totals	338,000,000	338,000,000

CUSTOMER AGENCY POST-CLOSING ADJUSTED TRIAL BALANCE		
	DR	CR
BUDGETARY		
4201	0	
4450		0
4801		0
4901	0	0
Totals	0	0
PROPRIETARY		
1010	0	
1750	13,000,000	
1759		1,000,000
1990	0	
2110		0
3100		0
3210	0	12,000,000
Totals	13,000,000	13,000,000