

**CHAPTER 1****APPENDIX 4****ACCOUNTING TRANSACTIONS**A. General

The United States Standard General Ledger (USSGL) shall be used by National Aeronautics and Space Administration (NASA) Working Capital Fund (WCF) business entities to record budgetary and proprietary accounting transactions on a double-entry basis. The Department of the Treasury, Financial Management Services provides guidance on the use of the USSGL. The internet link is: <http://www.fms.treas.gov/ussgl/index.html>

B. Accounting For Accrued Annual Leave

1. Accounting for Accrued Annual Leave of Current Employees. As an example, assume that at the end of a pay period both an appropriated fund activity and a WCF business entity have an accrued payroll of \$100,000 and a \$10,000 accrued annual leave increment for that pay period.

a. An appropriated fund activity would record the following:

Budgetary Entry

Debit	4610 Allotments-Realized Resources	\$100,000
	Credit 4901 Delivered Orders-Obligations, Unpaid	\$100,000

Proprietary Entry

Debit	6100 Operating Expenses/Program Costs	\$100,000
	Credit 2210 Accrued Funded Payroll and Leave	\$100,000
	and	
Debit	6800 Future Funded Expenses	\$10,000
	Credit 2220 Unfunded Leave	\$10,000

b. A WCF business entity would record the following:

Budgetary Entry

Debit	4610 Allotments-Realized Resources	\$100,000
	Credit 4901 Delivered Orders-Obligations, Unpaid	\$100,000

Note: The budgetary entry for a WCF business entity is the same as that for an appropriated fund activity. An obligation for annual leave is necessary only when it becomes due and payable as terminal leave.

Proprietary Entry

Debit	6100 Operating Expenses	\$100,000
	Credit 2210 Accrued Funded Payroll (Salaries)	\$100,000
	and, the same entry for the funded annual leave	
Debit	6100 Operating Expenses	\$10,000
	Credit 2210 Accrued Funded Payroll (Annual Leave)	\$10,000

2. Accounting for Accrued Annual Leave of Terminated Employees. The accounting entries to record the obligations to pay accrued annual leave to terminated employees are as follows:

Budgetary Entry

Debit	4610 Allotments-Realized Resources	\$10,000
	Credit 4901 Delivered Orders-Obligations, Unpaid	\$10,000

Proprietary Entry

Debit	2210 Accrued Funded Payroll	\$10,000
	Credit 2110 Accounts Payable	\$10,000

3. Accounting for Accrued Annual Leave of Transferred Employees. The following details the accounting treatment under various conditions. For illustration purpose, an assumption is that the employees are transferred with \$25,000 of accrued salaries and wages and \$175,000 of accrued annual leave liability.

a. Personnel Transferred with Funding. The WCF business entity should post the following entries to record initial liabilities when a transfer of \$100,000 in cash and \$25,000 in equivalent assets accompanies the liability transfer:

Budgetary Entry

Debit	4190 Transfers - Prior Year Resources	\$100,000
	Credit 4620 Unobligated Funds not Subject to Apportionment	\$100,000

Proprietary Entry

Debit	1010 Fund Balance with Treasury	\$100,000
Debit	1750 Equipment	\$ 30,000
Debit	5720 Financing Sources Transferred In Without Reimbursement	\$ 70,000
	Credit 2210 Accrued Funded Payroll (salaries)	\$ 25,000
	Credit 2210 Accrued Funded Leave (annual leave)	\$175,000

b. Personnel Transferred Without Funding. The WCF business entity should post the following entries to record initial liabilities when the liability is transferred without accompanying resources:

Budgetary Entry

None

Proprietary Entry

Debit	5720 Financing Sources Transferred In	
	Without Reimbursement	\$200,000
Credit	2210 Accrued Funded Payroll and	
	Leave (salaries)	\$ 25,000
Credit	2220 Unfunded Leave (annual leave)	\$175,000

4. Amortization of Unfunded Annual Leave. The entries to amortize unfunded leave are as follows:

Budgetary Entry

There is no budgetary entry specific for leave amortization. The budgetary resources necessary for the amortization are imbedded within the budgetary entries recorded for customer order advances and payments. It is imbedded within that amount because the customer order rate includes a factor for amortization of annual leave.

Proprietary Entry

Debit	2220 Unfunded Leave	\$35,000
	Credit 2210 Accrued Funded Leave	\$35,000

C. Accounting for Reimbursements and Revenue Recognition

1. Anticipated Reimbursements. The United States Standard General Ledger Board of the Treasury Department publishes a full [description of accounting for anticipated reimbursements](#). The accounting entries to record the annual anticipated reimbursements is as follows:

Budgetary Entry

Debit	4210 Anticipated Reimbursements and Other Income
	Credit 4450 Unapportioned Authority

Proprietary Entry

None.

2. Acceptance of Customer Orders. The following details the accounting entries when a NASA WCF business entity receives a customer order.

a. Customer orders received with an accompanying advance shall be recorded as follows:

Budgetary Entry

Debit	4222 Unfilled Customer Orders With Advance
	Credit 4210 Anticipated Reimbursements and Other Income

Proprietary Entry

Debit 1010 Cash  
Credit 2310 Advances from Others

b. Customer orders received without an accompanying advance shall be recorded as follows:

Budgetary Entry

Debit 4221 Unfilled Customer Orders Without Advance  
Credit 4210 Anticipated Reimbursements and Other Income

Proprietary Entry

None

3. Revenue Recognition. A NASA WCF business entity shall bill its customers and recognize revenue at least monthly. These are the accounting entries to be made by a NASA WCF business entity to recognize revenue.

a. Recognize revenue upon partial or final completion of work performed on a customer order received with an advance:

Budgetary Entry

Debit 4252 Reimbursements and Other Income Earned - Collected  
Credit 4222 Unfilled Customer Orders With Advance

Proprietary Entry

Debit 2310 Advances from Others  
Credit 5200 Revenue from Services Provided

b. Recognize revenue upon partial or final completion of work performed on a customer order received without an advance:

Budgetary Entry

Debit 4251 Reimbursements and Other Income Earned - Receivable  
Credit 4221 Unfilled Customer Orders Without Advance

Proprietary Entry

Debit 1310 Accounts Receivable  
Credit 5200 Revenue from Services Provided

c. Collection of the reimbursement for work performed on customer order without an advance:

Budgetary Entry

Debit 4252 Reimbursements and Other Income Earned - Collected  
Credit 4251 Reimbursements and Other Income Earned - Receivable

Proprietary Entry

Debit 1010 Cash  
Credit 1310 Accounts Receivable

D. Accounting for Capital Assets1. Purchase and Depreciation of Capital Asset

a. Order Placed for Capital Asset. The accounting entry to record an obligation for the purchase of a capital asset is as follows:

Budgetary Entry

Debit 4610 Allotments-Realized Resources  
Credit 4801 Undelivered Orders-Obligations, Unpaid

Proprietary Entry

None

b. Capital Asset Received. The accounting entries to record the receipt and recognize the accounts payable for a capital asset is as follows:

Budgetary Entry

Debit 4801 Undelivered Orders-Obligations, Unpaid  
Credit 4901 Delivered Orders-Obligations, Unpaid

Proprietary Entry

Debit 1750 Equipment  
Credit 2110 Accounts Payable

c. Payment for Capital Asset. The accounting entries to record the payment for the purchase of a capital asset is as follows:

Budgetary Entry

Debit 4901 Delivered Orders-Obligations, Unpaid  
Credit 4902 Delivered Orders-Obligations, Paid

Proprietary Entry

Debit 2110 Accounts Payable  
Credit 1010 Fund Balance With Treasury

d. Depreciation of Capital Asset. The accounting entries to record depreciation of a capital asset is as follows:

Budgetary Entry

None

Proprietary Entry

Debit 6710 Depreciation, Amortization, and Depletion  
Credit 1759 Accumulated Depreciation on Equipment

2. Transfers of Capital Asset

a. Transfer In of Capital Asset Without Reimbursement. The accounting entries to record the transfer in of a capital asset without reimbursement is as follows:

Budgetary Entry

None

Proprietary Entry

Debit 1750 Equipment  
Credit 1759 Accumulated Depreciation on Equipment  
Credit 5720 Financing Sources Transferred In Without Reimbursement

b. Transfer Out of Capital Asset Without Reimbursement. The accounting entries to record the transfer out of a capital asset without reimbursement is as follows:

Budgetary Entry

None

Proprietary Entry

Debit 5730 Financing Sources Transferred Out Without Reimbursement  
Debit 1759 Accumulated Depreciation on Equipment  
Credit 1750 Equipment

c. Transfer Out of Capital Asset For Disposal. Capital assets that are disposed of shall be removed from the asset accounts, along with its associated accumulated depreciation. Any difference between the recorded value of the asset and its accumulated depreciation shall be recognized as a loss. The accounting entries to record the transfer out of a capital asset for disposal is as follows:

Budgetary Entry

None

Proprietary Entry

Debit 7210 Losses on Disposition of Assets  
Debit 1759 Accumulated Depreciation on Equipment  
Credit 1750 Equipment