

20.10 What do I need to know about advances?

Advances are amounts of money prepaid to a Federal Government account for the later receipt of goods, services, or other assets, or as matching funds.

When an advance is required, the budgetary resource provided by the order is equal to the cash accompanying the order. The advance, per se, is not available for obligation. If both the order and the advance were available for obligation, budgetary resources would be double-counted.

Deposit advances with orders in the appropriate appropriation/fund or receipt account.

Deposit advances without orders as follows:

If the advance is from...	Deposit the advance in...
A non-Federal source	Deposit fund account (6500)
A Federal source	An intragovernmental clearing account (F3885)

When a reimbursable agreement with another Federal account is accompanied by a cash advance, you may disburse to pay obligations associated with that advance. However, if you are authorized to incur obligations against customer orders from other Federal accounts without an advance, the order establishes obligational authority only and you may not disburse the account into a negative position (see section [145.2](#) on Antideficiency Act violations).

If you return a cash advance or other offsetting collection or special or trust fund receipts received in a prior fiscal year, you must record an obligation and an outlay in the current fiscal year.

20.11 What do I need to know about accounts and fund types?**(a) Accounts**

The term account may refer to a receipt or expenditure account. Governmental receipts and offsetting receipts are deposited into receipt accounts (see section [20.7](#)). Receipt accounts are not available for incurring obligations or making outlays. Expenditure accounts are provided with budget authority (e.g., appropriations or offsetting collections) and are used to incur obligations and make outlays. Receipt and expenditure accounts are further classified into fund types (e.g., general funds and special funds). Fund types are discussed in subsections 20.12(b) through 20.12(f) below.

The term account may also refer to Treasury accounts and budget accounts. When the Congress provides budget authority for a particular purpose or under a particular title, it also provides a specific period of time for which the budget authority is available for obligation. This time period of availability (POA) may be annual, multi-year, or no-year.

Treasury establishes expenditure accounts based on the POA of the resources in the account. That is, Treasury establishes separate accounts with separate Treasury appropriation fund symbols (TAFS) for each POA, i.e., annual, multi-year, or no-year amount. For budget execution, which is governed largely by the Antideficiency Act, you must report data for each of the TAFS expenditure accounts established by Treasury (see section [130](#)).

A budget account generally covers an organized set of activities, programs, or services directed toward a common purpose or goal. For budget formulation, the appropriations and other budget authority provided to TAFS accounts with the same appropriation title for the years covered by the budget are combined and presented as a single account under a single title, e.g., "Salaries and expenses." As an illustration, the FY 2017 column of the program and financing schedule for a "Salaries and expenses" account in the 2019 Appendix would include, as appropriate, outlays made in FY 2017 from the FY 2017 appropriation, the FY 2015–2017 multi-year appropriation, the no-year appropriation, and the five expired annual appropriations (FY 2012 through FY 2016).

For receipt accounts, the budget and Treasury accounts are usually the same.

For information on account identification codes, see section [79.2](#).

(b) Overview of fund types

Agency activities are financed through general funds, special funds, and revolving funds (public enterprise revolving funds, intragovernmental revolving funds, credit financing accounts), which constitute the Federal funds group, and trust funds and trust revolving funds, which constitute the trust funds group. General, special, and trust fund collections and disbursements may be held temporarily in clearing accounts pending clearance to the applicable account. Agencies account for amounts that are not Government funds in deposit funds. The following table summarizes the characteristics of these funds. The text following the table discusses the types of funds in more depth.

CHARACTERISTICS OF FUND TYPES AND THEIR ACCOUNTS

Fund Type/Account	What is the purpose of the account?	Are receipt accounts and expenditure accounts linked?	Are these funds included in the budget?
Federal funds:			
General fund receipt accounts (0000–3899)	Record unearmarked receipts.	No.	Yes.
General fund expenditure accounts (0000–3599)	Record budget authority, obligations, and outlays of general fund receipts and borrowing. Record offsetting collections authorized by law, such as the Economy Act, and associated budget authority, obligations, and outlays.	No, general fund appropriations draw from general fund receipts collectively.	Yes.
Special fund receipt accounts (5000–5999)	Record receipts earmarked by law for a specific purpose (other than business-like activity).	Yes.	Yes.
Special fund expenditure accounts (5000–5999)	Record budget authority, obligations, and outlays of special fund receipts. Record offsetting collections authorized by law, such as the Economy Act, and associated budget authority, obligations, and outlays	Yes.	Yes.
Public enterprise revolving funds (4000–4499)	Record offsetting collections earmarked by law for a specific purpose and associated budget authority, obligations, and outlays for a business-like activity conducted primarily with the public.	Not applicable. Collections are credited to the expenditure account.	Yes. ¹
Intragovernmental revolving funds (including working capital funds) (4500–4999)	Record offsetting collections earmarked by law for a specific purpose and associated budget authority, obligations, and outlays for a business-like activity conducted primarily within the Government.	Not applicable. Collections credited to the expenditure account.	Yes.
Management funds (3900–3999)	Record the permanent appropriations and expenditures of collections from two or more appropriations to carry out a common purpose or project not involving a continuing cycle of business-type operations. These funds facilitate the administration	Not applicable. Collections credited to the expenditure account.	Yes.

SECTION 20—TERMS AND CONCEPTS

Fund Type/Account	What is the purpose of the account?	Are receipt accounts and expenditure accounts linked?	Are these funds included in the budget?
Treasury Account Symbol			
	and accounting for intragovernmental activities.		
Trust funds:			
Trust fund receipt accounts (8000–8399 and 8500–8999)	Record receipts earmarked by law for a specific purpose (other than a business-like activity).	Yes.	Yes. ¹
Trust fund expenditure accounts (8000–8399 and 8500–8999)	Record budget authority, obligations, and outlays of trust fund receipts. Record offsetting collections authorized by law, such as the Economy Act, and associated budget authority, obligations, and outlays.	Yes.	Yes. ¹
Trust revolving funds (8400–8499)	Record offsetting collections earmarked by law for a specific purpose and associated budget authority, obligations, and outlays for a business-like activity conducted primarily with the public.	Not applicable. Collections credited to the expenditure account.	Yes.
Other: (non-budgetary)			
Clearing accounts (F3800–F3885)	Temporarily hold general, special, or trust fund Federal Government collections or disbursements pending clearance to the applicable receipt or expenditure accounts. (Amounts in clearing accounts should not be used to make outlays or payments.)	Not applicable. Deposits and disbursements are recorded in the same account.	Yes, once they are posted to either a receipt or expenditure account.
Custodial Clearing accounts (3600–3699)	Record custodial collections that have no net effect on the budget.	No.	No.
Deposit funds (6000–6999)	Record deposits and disbursements of monies not owned by the Government or not donated to the Government (amounts donated to the Government are deposited in a special or trust fund account).	Not applicable. Deposits and disbursements are recorded in the same account.	No.

¹ By law, the budget authority and the outlays (net of offsetting collections) of the Postal Service Fund (a revolving fund), and the receipts, budget authority, and outlays of the two social security trust funds (the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund) are excluded from the on-budget totals.

The budget documents present these amounts as "off-budget" and adds them to the budget totals to show totals for the Federal Government (sometimes called unified budget totals).

(c) Federal funds

Federal funds comprise several types of accounts or funds. A general fund receipt account records receipts not earmarked by law for a specific purpose, such as individual income tax receipts. A general fund expenditure account records appropriations from the general fund and the associated transactions, such as obligations and outlays. General fund appropriations draw from general fund receipts collectively and, therefore, are not specifically linked to receipt accounts.

The Federal funds group also includes special funds and revolving funds, both of which earmark collections for spending on specific purposes. We establish a special fund where the law requires us to earmark collections from a specified source to finance a particular program, and the law neither authorizes the fund to conduct a cycle of business-type operations (making it a revolving fund) nor designates it as a trust fund. For example, a law established the Land and water conservation fund, earmarking a portion of rents and royalties from Outer Continental Shelf lands and other receipts to be used for land acquisition, conservation, and recreation programs. The receipts earmarked to a fund are recorded in one or more special fund receipt accounts. More than one receipt account may be necessary to distinguish different types of receipts (governmental, proprietary, etc.) and receipts from significantly different types of transactions (registration fees vs. fines and penalties, for example). The fund's appropriations and associated transactions are recorded in a special fund expenditure account. Most funds have only one expenditure account, even if they have multiple receipt accounts. However, a large fund, especially one with appropriations to more than one agency (such as the Land and water conservation fund), may have more than one expenditure account. The majority of special fund collections are derived from the Government's power to impose taxes, fines, and other compulsory payments, and they must be appropriated before they can be obligated and spent.

Revolving funds conduct continuing cycles of business-like activity. They charge for the sale of products or services and use the proceeds to finance their spending. Instead of recording the collections in receipt accounts (as offsetting receipts), the budget records the collections and the outlays of revolving funds in the same account. The laws that establish revolving funds authorize the collections to be obligated and outlaid for the purposes of the fund without further appropriation. The law of supply and demand is expected to regulate such funds. However, in some cases, the Congress enacts obligation limitations on the funds in appropriations acts as a way of controlling their expenditures (for example, a limitation on administrative expenses). There are two types of revolving funds in the Federal funds group. Public enterprise funds, such as the Postal Service Fund, conduct business-like operations mainly with the public. Intragovernmental funds, such as the Federal Buildings Fund, conduct business-like operations mainly within and between Government agencies.

(d) Trust funds

Trust funds account for the receipt and expenditure of monies by the Government for carrying out specific purposes and programs in accordance with the terms of a statute that designates the fund as a trust fund (such as the Highway Trust Fund) or for carrying out the stipulations of a trust agreement where the Nation is the beneficiary (such as any of several trust funds for gifts and donations for specific purposes). Like special funds and revolving funds, trust funds earmark collections for spending on specific purposes. Many of the larger trust funds finance social insurance payments for individuals, such as Social Security, Medicare, and unemployment compensation. Other major trust funds finance military and Federal civilian employees' retirement, highway and mass transit construction, and airport and airway development.

A trust fund normally consists of one or more receipt accounts to record receipts and an expenditure account to record the appropriation of the receipts and associated transactions. Some trust funds have multiple receipt accounts for the same reasons that special funds have them. Also, like special funds, large trust funds (such as the Highway Trust Fund) may have multiple expenditure accounts. A few trust funds, such as the Veterans Special Life Insurance fund and the Employees Life Insurance Fund, are established by law as revolving funds. These funds operate the same way as revolving funds in the Federal funds group, and we call them trust revolving funds. They conduct a cycle of business-type operations. The collections are credited to the expenditure account as offsetting collections and their outlays are displayed net of collections in a single expenditure account.

The Federal budget meaning of the term "trust", as applied to trust fund accounts, differs significantly from its private sector usage. In the private sector, the beneficiary of a trust usually owns the trust's assets, which are managed by a trustee who must follow the stipulations of the trust. In contrast, the Federal Government owns the assets of most Federal trust funds, and it can raise or lower future trust fund collections and payments, or change the purposes for which the collections are used, by changing existing laws. There is no substantive difference between these trust funds and special funds or between trust revolving funds and public enterprise revolving funds. Whether a particular fund is designated in law as a trust fund is, in many cases, arbitrary. For example, the National Service Life Insurance Fund is a trust fund, but the Servicemen's Group Life Insurance Fund is a Federal fund, even though both are financed by earmarked fees paid by veterans and both provide life insurance payments to veterans' beneficiaries. There are a few Federal trust funds that are managed pursuant to a trust agreement. These are identified in the budget as "gift funds". In addition, the Government does act as a true trustee on behalf of some entities outside of the Government where it makes no decisions about the amount of these deposits or how they are spent. For example, it maintains accounts on behalf of individual Federal employees in the Thrift Savings Fund, investing them as directed by the individual employee. The Government accounts for such funds in deposit funds (see the section after next).

In cases where the law provides an appropriation from the General Fund of the U.S. Treasury to a trust fund, a general fund expenditure account and an associated trust fund receipt account are used to record the financial transaction that moves resources between fund types.

(e) Clearing accounts

You use clearing accounts to temporarily account for transactions that you know belong to the Government while you wait for information that will allow you to match the transaction to a specific receipt or expenditure account. For example:

- To temporarily credit unclassified transactions from the public when there is a reasonable presumption that the amounts belong to a Federal Government account other than miscellaneous receipts in the Treasury.
- To temporarily credit unclassified transactions between Federal agencies, including Intragovernmental Payment and Collection (IPAC) transactions.

You should not use clearing accounts to mask an overobligation or overexpenditure of an expenditure account.

(f) Deposit funds

You use deposit funds to account for monies that do not belong to the Government. This includes monies held temporarily by the Government until ownership is determined (such as earnest money paid by bidders for mineral leases) or held by the Government as an agent for others (such as State and local income taxes

withheld from Federal employees' salaries and not yet paid to the State or local government). We exclude deposit fund transactions, as such, from the budget totals because the funds are not owned by the Government. Therefore, the budget records transactions between deposit funds and budgetary accounts as transactions with the public. For example, when the mineral leasing process has been completed, the winning bidder's earnest money is transferred from the deposit fund to the appropriate receipt account and the budget records a receipt. Similarly, outlays are recorded in an agency's salaries and expense account when a Federal employee is paid, even though some of the amount is transferred to a deposit fund for State and local income taxes withheld and paid later to the State and local government. Deposits and associated disbursements are recorded in the same account.