

Receipts Versus Collections Versus Deposits

Terms that are used as synonyms in everyday speech can have disparate meanings in a specialized field. For the Financial Management Service (FMS) of Treasury and the Office of Management and Budget (OMB), the terms deposits, receipts, and collections mean very different things.

Deposits consist of cash or checks deposited at a bank or by Fedwire, less any checks returned (see Treasury Financial Manual part 2, section 3300). It does not include deposits made by interagency transfer (OPAC/IPAC) or nonexpenditure transfers. Deposits by month are reported in section III of the SF-224 Statement of Activity, whereas any electronic deposits are reported by month in section II as disbursement credits. A deposit can be a negative disbursement, collection, or receipt.

Negative Disbursements are refunds of current-year expenditures. They are reported along with regular disbursement activity on lines 8 and 15A of the SF-133 Report on Budget Execution and the Statement of Budgetary Resources.

Collections affect appropriated funds and Standard General Ledger (SGL) budgetary accounts. They include the collection of reimbursements or fees into an expenditure fund, as well as expenditure refunds related to a previous year's expenditure. Collections are reported on lines 3A1 and 15B of the SF-133 and the Statement of Budgetary Resources. They are recorded in SGL budgetary accounts 4252, 4260-4277, 4872, and 4972. OMB often refers to these as offsetting collections (see Circular A-11 section 20.7).

Receipts go into a special receipt or trust fund, and hence are not reported on the SF-133. Receipts are classified as governmental or offsetting. Governmental receipts are donations and those imposed by sovereign authority, such as taxes and fines. They may be deposited in the general fund or in a special earmarked fund. Governmental receipts are usually reported in the Statement of Custodial Activity. They are also reported in the President's Budget separately from outlays, whereas offsetting receipts and collections are netted against outlays.

Offsetting receipts are either distributed or undistributed. Distributed receipts are recorded in a fund assigned to the agency in question, whereas undistributed receipts are recorded in one of Treasury's general funds. Only distributed receipts are reported in the President's Budget under the agency who collected them. If distributed receipts are for exchange revenue (fees for services or goods provided), then they are included in the Statement of Net Cost; otherwise, the agency reports them in the Custodial Statement.

In order to correlate the net outlays reported on the Statement of Budgetary Resources with that of the President's Budget, FMS has added line 16 for offsetting receipts (and line 17 for outlays net of offsetting receipts) to the end of the Statement of Budgetary Resources starting in FY2002.

Summary

Receipts and collections are mutually exclusive—either budgetary accounts were affected (collections), or they were not (receipts). Receipts, collections, or negative disbursements can be physically deposited in a bank (deposits) or they can be made electronically.

Comments, suggestions, and critiques are welcome. Send them to Simcha.Kuritzky@ams.com, and not to the AGA.