MONTHLY TREASURY STATEMENT

# WHAT IS THE MTS?

The Monthly Treasury Statement summarizes the financial activities of the federal government and off-budget federal entities and conforms to the Budget of the U.S. Government.

The MTS presents a summary of:

* Receipts and outlays
* Surplus or deficit
* Means of financing on a modified cash basis

The data in the MTS is provided by federal entities, disbursing officers, and Federal Reserve Banks.

# AUDIENCE OF MTS

The MTS is published to meet the needs of those responsible for or interested in the cash position of the Treasury, those who are responsible or interested in the Government's budget results; and individuals and businesses whose operations depend upon or are related to the Government's financial operations.

# MODIFIED CASH BASIS FOR MTS MEANS…

receipts are accounted for on the basis of collections; refunds of receipts are treated as deductions from gross receipts;

revolving and management fund receipts, reimbursements and refunds of monies previously expended are treated as deductions from gross outlays; and interest on the public debt (public issues) is recognized on the accrual basis.

# TRIAD OF PUBLICATIONS

The **MTS** is part of a triad of Treasury financial reports. The **Daily Treasury Statement** is published each working day of the Federal Government. It provides data on the cash and debt operations of the Treasury based upon reporting of the Treasury account balances by Federal Reserve banks. *The MTS is a report of Government receipts and outlays, based on agency reporting.* **The Combined Statement of Receipts, Outlays, and Balances of the United States Government** is the **official publication** of the detailed receipts and outlays of the Government. It is published **annually** in accordance with legislative mandates given to the Secretary of the Treasury.

# SOURCES

Major information sources include accounting data reported by Federal entities, disbursing officers, and Federal Reserve banks. But the thing above notes the MTS is based on agency reporting.

The Monthly Treasury Statement (MTS) is assembled from data in the central accounting system (CARS). The major sources of data include monthly accounting reports by Federal entities and disbursing officers, and daily reports from the Federal Reserve banks.

IN-DEPTH EXPLANATORY NOTES

# Source

MTS from Sept 2016. Sept 2015 looked similar.

# Notes on Receipts

Receipts included in the report are classified into the following major categories: (1) budget receipts and (2) offsetting collections (also called applicable receipts). Budget receipts are collections from the public that result from the exercise of the Government's sovereign or governmental powers, excluding receipts offset against outlays. These collections, also called governmental receipts, consist mainly of tax receipts (including social insurance taxes), receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Refunds of receipts are treated as deductions from gross receipts.

Offsetting collections are from other Government accounts or the public that are of a business-type or market-oriented nature. They are classified into two major categories: (1) offsetting collections credited to appropriations or fund accounts, and (2) offsetting receipts (i.e., amounts deposited in receipt accounts). Collections credited to appropriation or fund accounts normally can be used without appropriation action by Congress. These occur in two instances :(1) when authorized by law, amounts collected for materials or services are treated as reimbursements to appropriations and (2) in the three types of revolving funds (public enterprise, intra governmental, and trust); collections are netted against spending, and outlays are reported as the net amount.

Offsetting receipts in receipt accounts cannot be used without being appropriated. They are subdivided into two categories: (1) proprietary receipts - these collections are from the public and they are offset against outlays by agency and by function, and (2) intra governmental funds - these are payments into receipt accounts from Governmental appropriation or fund accounts. The transactions may be intrabudgetary when the payment and receipt both occur within the budget or from receipts from off-budget Federal entities in those cases where payment is made by a Federal entity whose budget authority and outlays are excluded from the budget totals.

Intrabudgetary transactions are subdivided into three categories: (1) interfund transactions, where the payments are from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) Federal intrafund transactions, where the payments and receipts both occur within the Federal fund group; and (3) trust intrafund transactions, where the payments and receipts both occur within the trust fund group.

Offsetting receipts are generally deducted from budget authority and outlays by function, by subfunction, or by agency. There are four types of receipts, however, that are deducted from budget totals as undistributed offsetting receipts. They are: (1) agencies' payments (including payments by off-budget Federal entities) as employers into employees retirement funds, (2)interest received by trust funds, (3) rents and royalties on the Outer Continental Shelf lands, and(4) other interest (i.e., interest collected on Outer Continental Shelf money in deposit funds when such money is transferred into the budget).

# Notes on Outlays

Outlays are generally accounted for on the basis of checks issued, electronic funds transferred, or cash payments made. Certain outlays do not require issuance of cash or checks. An example is charges made against appropriations for that part of employees' salaries withheld for taxes or savings bond allotments - these are counted as payments to the employee and credits for whatever purpose the money was withheld. Outlays are stated net of offsetting collections (including receipts of revolving and management funds) and of refunds. Interest on the public debt (public issues) is recognized on the accrual basis. Federal credit programs subject to the Federal Credit Reform Act of1990 use the cash basis of accounting and are divided into two components. The portion of the credit activities that involve a cost to the Government (mainly subsidies) is included within the budget program accounts. The remaining portion of the credit activities are in non-budget financing accounts. Outlays of off-budget Federal entities are excluded by law from budget totals. However, they are shown separately and combined with the onbudget outlays to display total Federal outlays.

# Processing

The data on payments and collections are reported by account symbol into the central accounting system. In turn, the data are extracted from this system for use in the preparation of the MTS.

There are two major checks which are conducted to assure consistency of the data reported:

1. Verification of payment data. The monthly payment activity reported by Federal entities on the Statements of Transactions is compared to the payment activity of Federal entities as reported by disbursing officers.

2. Verification of collection data. Reported collections appearing on Statements of Transactions are compared to deposits as reported by Federal Reserve Banks.

# Other Sources of Information About Federal Government Financial Activities

o A Glossary of Terms Used in the Federal Budget Process, January 1995 (Available fromthe U.S. Government Accounting Office, at http://www.gao.gov/new.items/do5734sp, or by calling202-512-6000. This glossary provides a basic reference document of standardized definitions of terms used by the Federal Government in the budget making process.

o Daily Treasury Statement (Available on the internet at http://www.fms.treas.gov/dts). The Daily Treasury Statement is published each working day of the Federal Government and provides data on the cash and debt operations of the Treasury.

o Monthly Statement of the Public Debt of the United States (Available on the internet at http://www.treasurydirect.gov/govt/reports/pd/mspd/mspd.htm). This publication provides detailed information concerning the public debt.

o Treasury Bulletin (Available from GPO, Washington, D.C. 20401 on a subscription or single copy and on the internet at http://www.fiscal.treasury.gov/fsreports/rpt/treasBulletin/treasBulletin\_home.htm). Quarterly, contains a mix of narrative, tables, and charts on Treasury issues, Federal financial operations, international statistics, and special reports.

o Budget of the United States Government, Fiscal Year 20\_\_ (Available from GPO, Washington, D.C. 20401 on a subscription basis only and on the internet at http://www.access.gpo.gov/usbudget). This publication is a single volume which provides budgetinformation and contains:

Appendix, The Budget of the United States Government, FY 20\_\_

The United States Budget in Brief, FY 20\_\_

Analytical Perspectives

Historical Tables

o Combined Statement of Receipts, Outlays, and Balances of the United States Government (Available from Bureau of the Fiscal Service, U.S. Department of Treasury, Washington, D.C. 20227 and on the internet at http://www.fiscal.treasury.gov/fsreports/rpt/combStmt/combStmt\_home.htm). This report includes budgetaryresults at the summary level and presents individualreceipt and appropriation accounts at the detail level.