

## Accounting Scenarios for the Emergency Federal Employee Leave Fund

### Background

Section 4001 of the American Rescue Plan Act of 2021 (Public Law 117-2), enacted on March 11, 2021, established a new category of paid leave for selected Federal employees. Eligibility for the leave is based on certain COVID-19-related qualifying circumstances. This emergency paid leave (EPL) will be funded by a \$570 million Emergency Federal Employee Leave Fund (Fund) and administered by the Director of the Office of Personnel Management (OPM). Amounts in the Fund shall be available for reimbursement to an agency for the use of paid leave under this section by any covered employee of the agency who is unable to work because of certain COVID-19-related qualifying circumstances.

Each agency with covered employees using emergency paid leave must submit to OPM a request for reimbursement from the Fund. Agencies must inform employees that the granting of EPL to employees who meet the eligibility conditions is tentative and conditional upon monies being available in the Fund. When submitting a reimbursement claim to OPM, an authorized agency official must attest that, to the official's knowledge, the agency's established policies and procedures for implementing emergency paid leave are in compliance with section 4001 and OPM's supporting guidance.

Office of Management and Budget (OMB)/Treasury has established a unique Treasury Account Fund Symbol (TAFS) under OPM agency identification code (024-2021/2022-0806). Agencies should reference this TAFS with the reimbursements received from this Fund. OPM has received a definite mandatory appropriation of \$570 million. OMB has apportioned the budgetary resources into two category B projects - Emergency Federal Employee Leave Fund (EFELF) (\$565 million) and Administration EFELF (\$5 million).

**Important Note:** Even though OPM has two years to reimburse agencies, reimbursements will only be made to TAFS that paid for the emergency leave. Agencies **may not** consolidate multiple reimbursement requests into one TAFS. In other words, if your annual TAFS paid the leave in FY 2021, then the account reimbursed by OPM would be the FY 2021 TAFS. Similarly, if leave was paid from an agency's no-year TAFS, the account that would be reimbursed is the no-year TAFS.

## Purpose

To outline guidance on the accounting for the EPL reimbursement activity by OPM and the agencies seeking reimbursements from the Fund.

Agency's request for reimbursement should be based on disbursements to eligible employees. OPM reimbursements to requesting agencies for the paid EPL are considered expenditure transfers from OPM to the agencies. OPM is refunding to the agencies the wages paid to eligible employees for qualified EPL. The requesting agency has to record anticipated collections from federal sources and seek an apportionment of the budget authority from OMB.

The two scenarios below relate to the timing of the reimbursements affecting TAFSS. Scenario 1 addresses EPL **paid** (i.e., disbursement) by a requesting agency and reimbursed by OPM (from budgetary resources in TAFS 024-2021/2022-0806) to a requesting agency in FY 2021. Scenario 2 addresses EPL paid (i.e., disbursement) by a requesting agency in FY 2021 but reimbursed by OPM (from budgetary resources in TAFS 024-2021/2022-0806) to a requesting agency in FY 2022. All disbursements must be incurred during the allowable period specified in OPM's supporting guidance.

**Scenario 1** – Current year (FY 2021) activity, including agencies' reimbursement requests submitted, approved and paid for EPL disbursed in FY 2021. Eligible period covered by section 4001 is March 11, 2021 – September 30, 2021.

**Note 1:** OPM's reimbursement to the requesting agency does not entail the exchange of services or goods. There is no need for an InterAgency Agreement between OPM and the requesting agency. Section 4001 of Public Law 117-2 provides OPM with budget authority to reimburse or refund to agencies qualified paid EPL expense subject to fund availability.

**Note 2:** Reimbursement from the Fund is contingent on budgetary resources being available in the Fund. As a result, when the requesting agency prepares and submits a request for reimbursement, there is no receivable to set up by the requesting agency and no payable to be set up by OPM. After OPM approves the request, and processes an Intra-Governmental Payment and Collection (IPAC) transaction to reimburse the requesting agency, transaction 4 shows the recording of OPM's disbursement, and the requesting agency's receipt of the reimbursement.

**Note 3:** Reimbursements to agencies are conditional upon budgetary resources being available in the Fund. Accounting entries for situations where the Fund is depleted are not presented in this document. Agencies should refer to OPM's supporting guidance.

1. To record the enactment of FY 2021 appropriation and warrant received for EFELF (024-2021/2022-0806.)

| OPM (TAFS 24-2021/2022-0806)  | DR  | CR  | TP  | RC | TC   | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)                                  | DR | CR | TP | RC | TC |
|---|-----|-----|-----|----|------|--|----|----|----|----|----|
| <b>Budgetary Entry</b><br>411900 Other Appropriations Realized<br>445000 Unapportioned Authority<br><br><b>Proprietary Entry</b><br>101000 Fund Balance With Treasury<br>310100 Unexpended Appropriations - Appropriations Received | 570 | 570 | 024 |    | A104 | <b>Budgetary Entry</b><br><br>N/A<br><br><b>Proprietary Entry</b><br><br>N/A |    |    |    |    |    |

2. To record the payroll payment (Paid Leave) by the requesting agency against its own budgetary resources before any reimbursement by OPM. If agency used appropriated funding, it would include Transaction Code B134 or B234 to record appropriations used as appropriate.

| OPM (TAFS 24-2021/2022-0806)    | DR | CR | TP  | RC | TC | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)  | DR | CR | TP  | RC | TC   |
|---------------------------------|----|----|-----|----|----|--|----|----|-----|----|------|
| <b>Budgetary Entry</b><br>N/A   |    |    | 024 |    |    | <b>Budgetary Entry</b><br>461000 Allotments –<br>Realized Resources<br>490200 Delivered<br>Orders<br>- Obligations, Paid | 50 | 50 | XXX |    | B102 |
| <b>Proprietary Entry</b><br>N/A |    |    |     |    |    | <b>Proprietary Entry</b><br>610000 Operating<br>Expenses/Pro<br>gram Costs<br>101000 Fund Balance<br>With Treasury       | 50 | 50 |     |    |      |

3. To record anticipated collections including refunds from prior-year amounts that were obligated and outlayed in unexpired TAS after agency's request for an apportionment from OMB. Because apportionment rules vary widely depending on the TAFS in question, the requesting agency's budget office works with its OMB examiner to ensure all SF-132 rules related to EFELF are followed.

| OPM (TAFS 24-2021/2022-0806)    | DR | CR | TP  | RC | TC | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)  | DR | CR | TP  | RC | TC   |
|---------------------------------|----|----|-----|----|----|--|----|----|-----|----|------|
| <b>Budgetary Entry</b><br>N/A   |    |    | 024 |    |    | <b>Budgetary Entry</b><br>407000 Anticipated Collections From Federal Sources<br>445000 Unapportioned Authority  | 50 | 50 | XXX |    | A140 |
| <b>Proprietary Entry</b><br>N/A |    |    |     |    |    | 445000 Unapportioned Authority<br>459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment<br><br><b>Proprietary Entry</b><br>N/A | 50 | 50 |     |    | A118 |

4. To record a disbursement out of the Fund to reimburse agency XXX, as directed by section 4001. OPM reimburses the agency via IPAC. The requesting agency must have submitted a request for reimbursement to OPM and then records the receipt of previously anticipated collections with apportionment. If a requesting agency did not have an apportionment yet and received a reimbursement, they would still post the collection without TC A122, and it must remain unapportioned until the apportionment is received.

| OPM (TAFS 24-2021/2022-0806)  | DR | CR | TP  | RC | TC   | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)   | DR | CR | TP  | RC | TC   |
|---|----|----|-----|----|------|---|----|----|-----|----|------|
| <b>Budgetary Entry</b><br>461000 Allotments –<br>Realized Resources<br>490200 Delivered<br>Orders<br>- Obligations, Paid          | 50 | 50 | 024 |    | A514 | <b>Budgetary Entry</b><br>427700 Other Actual<br>Collections - Federal/Non-<br>Federal Exception Sources<br>407000 Anticipated<br>Collections From Federal<br>Sources | 50 | 50 | XXX |    | C109 |
|   |    |    |     |    |      | 459000 Apportionments -<br>Anticipated Resources -<br>Programs Subject to<br>Apportionment<br>461000 Allotments –<br>Realized Resources                               | 50 |    |     |    | A122 |
| <b>Proprietary Entry</b><br>576000 Expenditure<br>Financing Sources -<br>Transfers-Out<br>101000 Fund Balance<br>With<br>Treasury | 50 | 50 |     |    |      | <b>Proprietary Entry</b><br>101000 Fund Balance<br>With Treasury<br>575000<br>Expenditure<br>Financing Sources -<br>Transfers-In                                      | 50 | 50 |     |    |      |

5. To record appropriations used this fiscal year.

| OPM (TAFS 24-2021/2022-0806)                      | DR | CR | TP  | RC | TC   | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX) | DR | CR | TP | RC | TC |
|---|----|----|-----|----|------|---|----|----|----|----|----|
| <b>Budgetary Entry</b>                            |    |    | 024 |    | B234 | <b>Budgetary Entry</b>                      |    |    |    |    |    |
| N/A   |    |    |     |    |      | N/A   |    |    |    |    |    |
| <b>Proprietary Entry</b>                          |    |    |     |    |      | <b>Proprietary Entry</b>                    |    |    |    |    |    |
| 310710 Unexpended Appropriations – Used-Disbursed | 50 |    |     | 39 |      | N/A   |    |    |    |    |    |
| 570010 Expended Appropriations-Disbursed          |    | 50 |     | 38 |      |   |    |    |    |    |    |

**Scenario 2** – Subsequent year (FY 2022) activity, including agencies’ reimbursement requests submitted and/or approved in FY 2021 or FY 2022 but paid to the requesting agency for emergency paid leave disbursed in FY 2022. Eligible period covered by the Statute is March 11, 2021 – September 30, 2021. For example, an employee may use conditionally granted emergency paid leave through September 30, 2021, in the biweekly pay period covering September 18, 2021, through October 1, 2021, and the employee’s paycheck for that period (including leave disbursements) would be issued in October 2021. Also, an agency may be retroactively applying conditional emergency paid leave to an earlier biweekly pay period in FY 2021 as a retroactive correction processed (disbursed) in FY 2022. The requesting agency must record anticipated collections including refunds from prior-year amounts that were obligated and outlayed in unexpired TAS after agency’s request for an apportionment from OMB. If a requesting agency has single year authority that has expired in year two, the agency would not post an anticipated collections entry and any collections made would be unavailable for the agency to obligate. In this scenario, the agency should hit 465000 - Allotments - Expired Authority instead of 407000 below as shown below under Transaction #3.

1. To record a disbursement out of the Fund in FY 2022 to reimburse agency XXX, as directed by section 4001. OPM reimburses the agency via IPAC. The requesting agency must have incurred the disbursements during the allowable period and submitted a request for reimbursement to OPM. The requesting agency records the receipt of previously anticipated collections.

| OPM (TAFS 24-2021/2022-0806)  | DR | CR | TP  | RC | TC   | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)   | DR | CR | TP  | RC | TC   |
|---|----|----|-----|----|------|---|----|----|-----|----|------|
| <b>Budgetary Entry</b><br>461000 Allotments –<br>Realized Resources<br>490200 Delivered<br>Orders<br>- Obligations, Paid          | 50 | 50 | 024 |    | A514 | <b>Budgetary Entry</b><br>427700 Other Actual<br>Collections - Federal/Non-<br>Federal Exception Sources<br>407000 Anticipated<br>Collections From Federal<br>Sources | 50 | 50 | XXX |    | C109 |
| <b>Proprietary Entry</b><br>576000 Expenditure<br>Financing Sources -<br>Transfers-Out<br>101000 Fund Balance<br>With<br>Treasury | 50 | 50 |     |    |      | 459000 Apportionments -<br>Anticipated Resources -<br>Programs Subject to<br>Apportionment<br>461000 Allotments –<br>Realized Resources                               | 50 | 50 |     |    | A122 |
|   |    |    |     |    |      | <b>Proprietary Entry</b><br>101000 Fund Balance<br>With Treasury<br>575000 Expenditure<br>Financing Sources -<br>Transfers-In   | 50 | 50 |     |    |      |



2. To record appropriations used this fiscal year.

| OPM (TAFS 24-2021/2022-0806)  | DR | CR | TP  | RC | TC   | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)                                  | DR | CR | TP | RC | TC |
|---|----|----|-----|----|------|--|----|----|----|----|----|
| <b>Budgetary Entry</b><br><br>N/A<br><br><b>Proprietary Entry</b><br>310710 Unexpended<br>Appropriations –<br>Used-Disbursed<br>570010 Expended<br>Appropriations-<br>Disbursed |    |    | 024 |    | B234 | <b>Budgetary Entry</b><br><br>N/A<br><br><b>Proprietary Entry</b><br><br>N/A |    |    |    |    |    |
|   | 50 |    |     | 39 |      |  |    |    |    |    |    |
|   |    | 50 |     | 38 |      |  |    |    |    |    |    |

3. To record the IPAC collections in year two, if a requesting agency has single year authority that has expired in year two. The agency would not post an anticipated collections entry and any collections made would be available for the agency for upward adjustments of obligations only. The accounting entries for the requesting agency presented below is a modification of TC C109. The use of transaction code C109 with 465000 – Allotments – Expired Authority in place of 407000 is a modification of the original C109 – TC C109M.

| OPM (TAFS 24-2021/2022-0806)  | DR | CR | TP  | RC | TC   | Requesting Agency (TAFS XXX-XXXX/XXXX-XXXX)   | DR | CR | TP  | RC | TC    |
|---|----|----|-----|----|------|---|----|----|-----|----|-------|
| <b>Budgetary Entry</b><br>461000 Allotments – Realized Resources<br>490200 Delivered Orders - Obligations, Paid       | 50 | 50 | 024 |    | A514 | <b>Budgetary Entry</b><br>427700 Other Actual Collections - Federal/Non-Federal Exception Sources<br>465000 Allotment – Expired Authority | 50 | 50 | XXX |    | C109M |
| <b>Proprietary Entry</b><br>576000 Expenditure Financing Sources - Transfers-Out<br>101000 Fund Balance With Treasury | 50 | 50 |     |    |      | <b>Proprietary Entry</b><br>101000 Fund Balance With Treasury<br>575000 Expenditure Financing Sources - Transfers-In                      | 50 | 50 |     |    |       |
| 310710 Unexpended Appropriations – Used-Disbursed<br>570010 Expended Appropriations-Disbursed                         | 50 | 50 |     |    | B234 |   |    |    |     |    |       |

## Notes from OMB

1. For offsetting collections from Federal sources in an agency TAFS that is anticipating to be reimbursed by OPM's Emergency Paid Leave Fund, the agency should classify any spending authority from offsetting collections, the offsetting collections from which they are derived, and the associated obligations/outlays as mandatory or discretionary based on the activities for which the offsetting collections are spent (i.e., obligated/outlaid) in the receiving account. Refer to section 81.2 of OMB Circular No. A-11.

Additionally, the receiving TAFS identified should have an apportionment footnote (A footnote on line 6190 in the OMB action column):

*"Reimbursements received from OPM's Emergency Federal Employee Leave Fund (sec. 4001 of P.L. 117-2) are hereby automatically apportioned without further action by OMB. If such reimbursements are received to this TAFS in the expired phase, such funds are automatically apportioned but pursuant to 31 U.S.C. 1553 are only available for upward adjustments of obligations that were incurred in this TAFS prior to expiration."*

The footnote above is a generic footnote that will apply to all agency TAFSs seeking reimbursement from OPM's Emergency Paid Leave Fund. Please work with your OMB program examiner via your agency budget office to ensure it is included on the appropriate apportionment.

2. Disaster Emergency Fund Code for EPL

The transfer between OPM and the other agencies is an expenditure transfer. In this case, OPM will record the DEFC value V while the other agencies will record the offsetting collections with a DEFC value Q. Below is an example that should help everyone's understanding.

**For example**, if your agency (USDA) initially obligated FY 2021 budget authority that was coded with a DEFC value O (PL 117-2), then the offsetting collections will be coded with a DEFC value Q. Why?

### **Offsetting Collection Derived from OPM's Emergency Federal Employee Leave Fund (as covered in the attachment)**

- When the emergency paid leave was initially recorded against the budget authority provided in PL 117-2, the obligation/outlay was also recorded with DEFC value O.
- When your agency is anticipating the offsetting collections from OPM, the anticipated budgetary resource and anticipated status of budgetary resource USSGL accounts would be coded with a DEFC value Q.
- When your agency receives the offsetting collections from OPM, your agency will code the offsetting collections with a DEFC value Q and also classify them as direct.

### **Reclassification of Obligation/Outlay for Emergency Paid Leave**

- Your agency will reclassify the obligation/outlay recorded for the emergency paid leave from the original budgetary resource (coded with a DEFC value O) to the offsetting collections (coded with a DEFC value Q).
- Once the reclassification has occurred, your agency may incur new obligations and/or upward adjustments depending on the period of availability of your Treasury Appropriation Fund Symbol and whether it has been apportioned, if applicable.