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CHAPTER 9

STATEMENT OF CUSTODIAL ACTIVITY0901 FORMAT FOR THE STATEMENT OF CUSTODIAL ACTIVITY

★ Format for the Statement of Custodial Activity. The Department of Defense (DoD) Agency-wide financial statement is the only DoD reporting entity that shall report a Statement of Custodial Activity in its financial statements. The format presented below in Figure 9-1 shall be used for the Statement of Custodial Activity. The working versions of all statements (and notes) shall include line numbers as shown. All amounts shall be in dollars and cents in the working versions of the statement in order to improve communication among the preparers, the reviewers and the auditors during the financial statements preparation process; and, in addition, to minimize the additional time and workload required to round and reconcile dollar amounts. The published version of this statement shall be rounded to millions of dollars with one decimal point for the DoD Agency-wide report. The final published version in the DoD Agency-wide shall not include the line number references.

DEPARTMENT OF DEFENSE		
[REPORTING ENTITY]		
STATEMENT OF CUSTODIAL ACTIVITY		
Year Ended September 30		
(Amounts in millions)	[Current FY]	[Prior FY]
1. SOURCES OF COLLECTIONS:		
A. Deposits by Foreign Governments	\$ 777.8	\$ 888.9
B. Other Collections	444.4	222.2
C. Total Cash Collections	\$ 1,222.2	\$ 1,111.1
D. Accrual Adjustments (+/-)	\$ 222.2	\$ 111.1
E. Total Custodial Collections	\$ 1,444.4	\$ 1,222.2
2. DISPOSITION OF COLLECTIONS:		
A. Disbursed on Behalf of Foreign Governments and International Organizations	\$ 444.4	\$ 555.6
B. Increase (Decrease) in Amounts to be Transferred	333.4	222.2
C. Collections Used for Refunds and Other Payments	222.2	222.2
D. Retained by the Reporting Entity	444.4	222.2
E. Total Disposition of Collections	\$ 1,444.4	\$ 1,222.2
3. NET CUSTODIAL COLLECTION	\$ 0	\$ 0

Accompanying notes are an integral part of these financial statements. See notes 1 and 23.

Figure 9-1

0902 INSTRUCTIONS FOR THE PREPARATION OF THE STATEMENT OF CUSTODIAL ACTIVITY

090201. General Instructions. The Statement of Custodial Activity is required for entities that collect nonexchange revenue for the General Fund of the Treasury, a trust fund, or other recipient entities. The collecting entities do not recognize collections that have been or should be transferred to others as revenues. Rather, they shall account for sources and disposition of the collections as custodial activities on the Statement of Custodial Activity. Material disclosures pertinent to the Statement of Custodial Activity are provided at note 23. The format is displayed in Figure 9-1 using notional data to assist the user. All figures in this statement shall be based on preclosing balances.

★ 090202. Exception. An exception to requiring preparation of the Statement of Custodial Activity is made when collecting entities have custodial collections that are immaterial and incidental to their primary mission. In these cases, the sources and disposition of the collections may be disclosed in the notes to the Principal Statements.

090203. Line Item Instructions. In addition to the narrative below see the general ledger crosswalk in Appendix H of this volume for a description of the accounts and attributes applicable to each line item.

A. Sources of Collections – Lines 1.A through 1.E. Report in this section of the statement, cash collections using an identifier that describes the general source (i.e., other federal agency, foreign governments, or United States public). If any of these collections represent more than 10 percent of the value of total collections, then those collections should be disclosed separately under line 2. In note 23, provide information that describes the purpose for which the deposits were received. If refunds are material in relation to gross collections, then disclose the purpose(s) of the refunds in note 23. Funds provided in the context of Foreign Military Sales (FMS) are an example of applicable cash collections. A Statement of Custodial Activity shall be provided which reports the amounts of cash receipts and disbursement of the FMS Trust Fund during the year.

1. Sources of Collections: Deposits by Foreign Governments – Line 1.A. Include the deposits by foreign government during the period.

2. Sources of Collections: Other Collections – Line 1.B. Include collections made from sources other than deposits by foreign governments.

3. Total Cash Collections – Line 1.C. This line equals the sum of lines 1.A and 1.B.

4. Accrual Adjustments – Line 1.D. For the Department, this line normally is not applicable. The amount of advances not collected by the FMS billing date shall be identified in note 23.

5. Total Custodial Collections – Line 1.E. This line is the sum of lines 1.C and 1.D.

B. Disposition of Collections – Lines 2.A through 2.E. This section of the statement accounts for the disposition of the collections reported in the preceding section.

1. Disbursed on Behalf of Foreign Governments and International Organizations – Line 2.A. The net amount disbursed on behalf of foreign governments and international organizations is computed by subtracting refunds from gross amounts disbursed.

2. Increase (Decrease) in Amounts to be Transferred – Line 2.B. Report the change in liability for collections yet to be transferred. The liability may exist because it is a receivable, but has not yet been collected, or because collections already made have not yet been transferred to the entity for which collected as of the end of the reporting period.

3. Collections Used for Refunds and Other Payments – Line 2.C. Report the refunds and other payments made from collections on this line.

4. Retained by the Reporting Entity – Line 2.D. In some cases, collecting entities are permitted to retain a portion of amounts collected. Amounts retained shall be separately reported by the collecting entity.

5. Total Disposition of Collections – Line 2.E. This line is the sum of lines 2.A, 2.B, 2.C, and 2.D.

C. Net Custodial Collection Activity – Line 3. The total of the sources of collection section (total revenue) shall equal the total of the disposition of collections section (total disposition of revenue). Therefore, the net custodial activity shall always equal zero.