Bases of Tables

Figures in the tables that follow are shown on various bases, namely: (1) Daily Treasury statements, (2) receipts, warrants issued, (3) receipts as reported by collecting officers, (4) expenditures, checks issued, (5) expenditures, warrants issued, and (6) Public Debt accounts.

Daily Treasury statements

The figures in the *Daily Statement of the United States Treasury* are compiled from the latest daily reports received by the Treasurer of the United States from Government depositaries, Treasury disbursing offices, the Departments of the Army and Air Force, and other agencies. Many tables dealing with Federal fiscal affairs are now based upon, or reconciled with, financial data as reported in the daily Treasury statement. The statement has been generally accepted and used as the basic report of the Government's cash condition, and receipts and expenditures on a current basis, for the following reasons: (a) The promptness with which the information is made public, (b) it is the one existing means of currently reporting the financial operations of the Government as a whole, and (c) the close relationship between cash operations of the Government and financing needs. Because the statement presents the current budget surplus or deficit for a period, it is used as a basis for reflecting the results under the President's budget program as enacted by the Congress.

The reporting of transactions in the daily Treasury statements, for departments and agencies serviced by the Division of Disbursement, Treasury Department, is on the basis of checks issued, through the use of teletype facilities. A clearing account for outstanding checks, outstanding unpaid interest on the public debt, and telegraphic reports, is used to enable the Treasurer to classify expenditures immediately upon the receipt of advice concerning the issuance of checks by disbursing officers of the Treasury Department and certain other agencies, advice relating to interest on the public debt becoming due and payable; and also to enable the Treasurer to show transactions in cash assets on the basis of telegraphic reports received from Federal Reserve Banks. When the Bank transcripts are received, the items involved are cleared from this account. Transactions in this account are shown on page 3 of the daily Treasury statement.

A clearing account is used also for transactions of the Departments of the Air Force and Army; in this instance the transactions in the clearing account are included in the figures on page 2. The use of this clearing account for the Departments of the Air Force and Army is necessitated by the lapse of time in receipt of the teletype reports after payments; the teletype reports are received approximately fifteen days after the checks are issued and in most instances after pay-

ment has been made. Accordingly, the expenditures of the Departments of the Air Force and Army are shown on a checks paid-basis on page 2 of the daily Treasury statement. By use of teletype reports, however, it is possible to secure more current information on the distribution of the expenditures among classifications than was possible when such expenditures were distributed on the basis of warrants received, approximately forty-five days after the date the checks were issued. Transactions of other agencies not serviced by the Division of Disbursement also are reported on the basis of checks paid by the Treasurer of the United States. Included in this group are certain Government corporations and agencies conducting other business-type activities. Transactions of agencies which affect the Federal budget, including the net expenditures in corporate checking accounts are reported on page 2 of the daily Treasury statement. Checking account activity of wholly owned Government corporations and agencies resulting from net borrowing operations and net investments in public debt securities by these agencies are reported on page 3 of the daily Treasury statement.

Expenditures from appropriated funds are reported in the daily Treasury statements under the departments and agencies to which the appropriations were made by Congress. Thus, the expenditures from funds appropriated to carry out certain programs under the control of the President, are shown in a group under the classification "President of the United States." In the special mid-month issues of the daily Treasury statements (revised and issued quarterly, instead of monthly, from the beginning of the fiscal year 1954), this group is classified by type of funds and names of spending agencies.

Receipts, warrants issued

Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the public Treasury shall be valid. Section 115 of Public Law 784, 81st Congress, approved September 12, 1950, modified this law by authorizing the Secretary of the Treasury and the Comptroller General of the United States, under certain conditions, to issue joint regulations waiving the requirement for the issuance and countersignature of warrants for the receipt and disbursement of public money. Pursuant to this authority, joint regulations were issued during the fiscal year 1951 under which all collections representing repayments to appropriations are deposited directly in the accounts of disbursing officers without issuing covering warrants. Similar regulations were issued with respect to special fund and trust fund receipts which are immediately available in their entirety to the collecting agency as appropriations for expenditure without further action by the Congress. The special fund and trust fund receipts continued to be accounted for as receipts and as amounts appropriated. Accordingly, under current procedures, the types of receipts covered into the Treasury by warrant are primarily revenues and miscellaneous receipts.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which covering warrants are based, cannot reach the Treasury simultaneously, and for that reason all receipts for a fiscal year cannot be covered into the Treasury by warrants of the Secretary immediately upon the close of that fiscal year. It is necessary to have all certificates of deposit before a statement can be issued showing the total receipts for a particular fiscal year on a warrant basis. The figures thus compiled and contained in such a statement are on a warrants-issued basis. Table 2 for years prior to 1916 shows receipts on this basis.

Receipts as reported by collecting officers

Statements showing receipts on a collection basis are compiled from reports received by the various administrative offices from collecting officers in the field, such as collectors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers during the period specified. The collections are then deposited in a designated Government depositary to the credit of the Treasurer of the United States, and the depositary renders a report to the Treasurer.

Effective January 1, 1950, a revision was made in the accounting for deposits of income taxes withheld under the Withholding Tax Act of 1943 and social security taxes withheld under the Federal Insurance Contributions Act. This

revision provided for the covering into the Treasury of both types of withholdings so that the Treasury would benefit by the earlier deposit of social security taxes. These deposits, which are made directly with depositaries and not recorded by collectors of internal revenue until quarterly tax returns are filed, are included in statements of receipts on a collection basis, as receipts of the Secretary of the Treasury in the fiscal year in which deposited, and as receipts of the collectors in the fiscal year in which returns are filed. Public Law 734, 81st Congress, approved August 28, 1950, changes the basis of appropriation to the Federal old-age and survivors insurance trust fund. Effective January 1, 1951, social security employment taxes on employees and employers, together with withheld income taxes, are paid into the Treasury in combined amounts without separation as to type of tax. Appropriations by amounts equivalent to such taxes credited to the Federal old-age and survivors insurance trust fund are based initially on estimates by the Secretary of the Treasury and are later adjusted on the basis of wage records maintained by the Social Security Administration, as provided by law.

The reports of the collecting officers and the receipts on a covering warrant basis do not coincide because during the last few days of the fiscal year the collecting officers make collections which are not deposited until after the close of the fiscal year and because withheld taxes are deposited directly in depositaries in advance of receipts submitted with the returns to the collectors. The receipts are reported on a collection basis for statistical purposes and to furnish information as to detailed sources of revenue. Classification of such items on the basis of deposits has been found to be impracticable and uneconomical. Table 7 shows receipts on the basis of reports of collectors of internal revenue.

Expenditures, checks issued

This basis, as contrasted with the checks-paid basis or warrants-issued basis, reflects more currently the real expenditures of the Government. Expenditures for a given fiscal year on the basis of checks issued differ from the corresponding figures on the basis of warrants in that the former include expenditures made by disbursing officers from credits granted during the previous fiscal year, and exclude the amount of unexpended balances remaining to their credit at the end of the fiscal year.

Expenditures, warrants issued

The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law. Section 305 of the Revised Statutes requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury.

As stated in the section on "Receipts, warrants issued," Public Law 784, 81st Congress, approved September 12, 1950, modified the requirement with respect to the use of warrants for the disbursement of public money. During the fiscal year 1951 the Secretary of the Treasury and the Comptroller General of the United States issued joint regulations which authorize the full amount of appropriations, with few exceptions, to be advanced to disbursing officers of the Government simultaneously with the issuance of the appropriation warrants.

As far as the appropriation accounts are concerned, before the fiscal year 1916 Treasury reports of expenditures were based on the amount of warrants issued and charged to the appropriation accounts. Such expenditures necessarily included the balances of funds remaining unexpended to the credit of the disbursing officers at the close of the fiscal year.

Public Debt accounts

On account of the distance of some Treasury offices and depositaries from the Treasury, it is obvious that the reports from all offices covering a particular day's transactions cannot be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. In order to exhibit the actual public debt receipts and expenditures for any given fiscal year, it is necessary to take into consideration reports covering the transactions toward the end of the fiscal year concerned which have not been received in the Treasury until the succeeding fiscal year, and to eliminate public debt receipts and expenditures relating to the preceding fiscal year. After taking into consideration these reports the revised figures indicate the status of the public debt on the basis of actual transactions during the period under review as reflected

by the Public Debt accounts. Tables 20 and 26 are on the basis of Public Debt accounts.

Treasury Fund Structure

All receipts of the Government, with a few exceptions, are deposited to the credit of the general fund of the Treasury irrespective of their ultimate disposition or availability for expenditure. However, these receipts are recorded by the Treasury in accounts classified generally according to the source, and according to whether or not the receipts are earmarked in some degree for expenditure.

As was stated in the paragraph on expenditures, warrants issued, under the Constitution no money may be withdrawn from the Treasury unless appropriated by the Congress. All disbursements of the Government, with a few exceptions, are made from the general fund regardless of the source of funds or authority for such disbursements. These disbursements are further classified by accounts reflecting various types of authorizations or conditions under which they may be expended.

A brief description of these various classes of accounts follows:

Budget accounts

General receipt accounts.—The principal sources of general account receipts are income taxes, miscellaneous internal revenue, social security taxes, taxes upon carriers and their employees, and customs duties. In addition, a large number of miscellaneous receipts come under this head, including such items as proceeds of Government-owned securities (except those which are applicable to public debt retirement), sale of surplus and condemned property, Panama Canal tolls, fees (including consular and passport fees), fines, penalties, forfeitures, rentals, royalties, reimbursements, immigration head tax, sale of public land, seigniorage on coinage of subsidiary silver and minor coins, etc.

Special receipt accounts (earmarked moneys).—These are funds received generally under Federal projects pursuant to special authorizations of law, which may be expended only for the particular purpose specified. The Congress appropriates these receipts for the special purpose involved. Examples of some of the special fund receipts relate to the reclamation fund, the Mineral Leasing Act under the Department of the Interior, and the national forest funds under the Department of Agriculture. Although such receipts are not available for general purposes, these accounts frequently are not segregated in Treasury reports but are classified in summaries under miscellaneous receipts. The expenditures, along with expenditures made from general appropriations, are classified under the agency having jurisdiction. Like other general receipts and expenditures, these items are included in the totals of budget receipts and expenditures.

Expenditure (appropriation) accounts.—These accounts are established to record the amounts authorized by the Congress, and expenditures therefrom, for the general support of the Government. Such accounts are classified according to the period of availability (i. e., one-year, multiple-year, no-year), as to amount (definite or indefinite), or whether or not requiring annual appropriation action by the Congress, and are further classified by the agency having authority to enter into obligations and to make expenditures from the accounts.

Revolving and management fund accounts.—These are funds authorized by specific provisions of law to: (a) Finance a continuing cycle of operations with receipts derived from such operations available without further action by Congress; or, (b) facilitate accounting for and administration of intragovernmental operations. Inasmuch as the accounts contain both expenditures and reimbursements, Treasury reports generally show the net effect of operations in the accounts (excess of expenditures or reimbursements for the period) which affect the budget surplus or deficit. Similar treatment is accorded to these types of transactions in the President's Budget document. Examples of such accounts are the general supply fund of the General Services Administration, the working capital fund of the Public Buildings Administration, and corporate operations such as those under the Reconstruction Finance Corporation and the Commodity Credit Corporation.

Nonbudget accounts

Trust accounts.—These are appropriation accounts maintained to record the receipt and expenditure of moneys held in trust by the Government for the benefit of individuals, or classes of individuals, which may be expended only in accordance with the terms of a trust agreement or statute. Unlike the funds in general

BASES OF TABLES

Figures in the tables of this section of the report are shown on various bases, as follows: (1) daily Treasury statements; (2) monthly statements of receipts and expenditures; (3) receipts, warrants issued; (4) receipts, collection basis; (5) expenditures, warrants issued; and (6) Public Debt accounts.

Daily Treasury statements

The "Daily Statement of the United States Treasury" was revised effective February 17, 1954, from a statement of classified receipts and expenditures, based on daily reports of transactions, to a statement of cash deposits and withdrawals affecting the account of the Treasurer of the United States. The statement presents the Government's cash condition. Reporting of deposit transactions in the daily Treasury statement is on the basis of certificates of deposits and expenditure transactions are reported on the basis of checks paid, as shown in the account of the Treasurer of the United States. Significant financial transactions of interfund or intragovernmental nature are eliminated from figures in this statement. In order to classify transactions currently, certain figures are included in the statement on the basis of telegraphic reports from Federal Reserve Banks and mail reports from Treasury disbursing officers. Treasury balances on deposit in Federal Reserve Banks and in tax and loan accounts in commercial banks are also reported by telegraph. A clearing account for checks outstanding and telegraphic reports is used in connection with these transactions.

The reporting and classification of activities in budgetary and nonbudgetary categories, and the budget surplus or deficit for a period, formerly published in the daily Treasury statements, are now included in the "Monthly Statement of Receipts and Expenditures of the United States Government."

"Monthly Statement of Receipts and Expenditures of the United States Government"

The figures published in this statement are based upon reports received from all Government collecting and disbursing agencies and the Treasurer of the United States. Receipts of taxes and customs duties are reported on a collection basis, while other receipts are stated on a deposit basis, and expenditures are reported on the basis of checks issued or cash payments made by disbursing officers. This statement contains all receipts and expenditures of the Government, including those of agencies which maintain cash accounts outside the United States Treasury. It also includes trust and deposit accounts. In the interest of publishing timely data, the inclusion of certain data, such as overseas accounts, may be delayed in the monthly statements during the fiscal year. There are no such omissions, however, in the final statement published after the close of a fiscal year.

Starting with the issue for February 1954, this monthly statement is the medium for reporting budget results that heretofore were shown in the daily Treasury statement. The change in Treasury reporting, as explained in the announcement dated February 17, 1954 (see exhibit 70), did not affect the concept as to what is included in the administrative budget, but was a change to secure greater consistency in the manner of reporting.

Receipts, warrants issued

Information on a warrant-issue basis applies to figures prior to 1916. Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the public Treasury shall be valid.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which coverings were based, could not reach the Treasury simultaneously, and for that reason all receipts for a fiscal year were covered into the Treasury immediately upon the close of that fiscal year. It was necessary to have all certificates of deposit before a statement could be issued showing the total receipts for a particular fiscal year on a covered basis. The figures thus compiled and contained in such a statement were on a warrants-issued basis. Table 2 for years prior to 1916 shows receipts on this basis.

Section 115 of Public Law 784, 81st Congress, approved September 12, 1950, modified Section 305 of the Revised Statutes by authorizing the Secretary of the Treasury and the Comptroller General of the United States, under certain conditions, to issue joint regulations waiving the requirement for the issuance and countersignature of warrants for the receipt and disbursement of public money. Pursuant to this authority, joint regulations were issued during the fiscal year 1951 under which all collections representing repayments to appropriations are covered into the Treasury and credited directly to the accounts of disbursing officers without issuing covering warrants. Similar regulations were issued with respect to special fund and trust fund receipts which have been appropriated and are immediately available to the collecting agency.

Receipts, collection basis

Receipts published on a collection basis are compiled from reports received by the various administrative offices from collecting officers, such as directors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers or deposited directly by taxpayers to the credit of the Treasurer of the United States.

The reports of the collecting officers and the receipts on a covering basis do not coincide because during the last few days of the fiscal year the collecting officers make collections which are not deposited and therefore not covered until after the close of the fiscal year. The receipts are reported on a collection basis to show detailed sources of revenue. Table 10 shows receipts on the basis of reports of directors of internal revenue.

Expenditures, warrants issued

The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law. Section 305 of the Revised Statutes requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury.

As far as the appropriation accounts are concerned, before the fiscal year 1916 Treasury reports of expenditures were based on the amount of warrants issued and

charged to the appropriation accounts. Such expenditures necessarily included the balances of funds remaining unexpended to the credit of the disbursing officers at the close of the fiscal year.

As stated in the section on "Receipts, warrants issued," Public Law 784, 81st Congress, approved September 12, 1950, modified the requirement with respect to the use of warrants for the disbursement of public money. During the fiscal year 1951 the Secretary of the Treasury and the Comptroller General of the United States issued joint regulations which authorize the full amount of appropriations, with few exceptions, to be advanced to disbursing officers of the Government simultaneously with the issuance of the appropriation warrants.

Public Debt accounts

On account of the distance of some Treasury offices and depositaries from the Treasury, it is obvious that the reports from all offices covering a particular day's transactions cannot be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. In order to exhibit the actual public debt receipts and expenditures for any given fiscal year, it is necessary to take into consideration reports covering the transactions toward the end of the fiscal year concerned which have not been received in the Treasury until the succeeding fiscal year, and to eliminate public debt receipts and expenditures relating to the preceding fiscal year. After taking into consideration these reports the revised figures indicate the status of the public debt on the basis of actual transactions during the period under review as reflected by the Public Debt accounts. Some tables are partly or wholly on the basis of Public Debt accounts, such as tables 23 and 29.

TREASURY FUND STRUCTURE

All receipts of the Government, with a few exceptions, are deposited to the credit of the account of the Treasurer of the United States irrespective of their ultimate disposition or availability for expenditure. However, these receipts are recorded by the Treasury in accounts classified generally according to the source, and according to whether or not the receipts are earmarked in some degree for expenditure.

As was stated in the paragraph on "Expenditures, warrants issued," under the Constitution no money may be withdrawn from the Treasury unless appropriated by the Congress. All disbursements of the Government, with a few exceptions, are made from the general account of the Treasurer of the United States regardless of the source of funds or authority for such disbursements. These disbursements are further classified by accounts reflecting various types of authorizations or conditions under which they may be expended.

A brief description of these various classes of accounts follows:

Budget accounts

Receipts

General fund receipt accounts.--The principal source of general fund receipts is internal revenue collections, which include income taxes, excise taxes, estate, gift, and