

Announcement of Changes in Treasury Financial Reporting

The following is a joint statement issued on February 17, 1954, by the Secretary of the Treasury, the Director of the Budget, and the Comptroller General of the United States. The changes are reflected in this issue of the "Treasury Bulletin" which carries figures for the month of February.

After a year's study we have found that the Daily Treasury Statement of "Budget receipts and expenditures, and budget deficit and surplus," is inadequate in the following respects:

1. It is impossible, at any reasonable cost, to obtain complete and accurate daily reports of checks issued and payments made by all Federal agencies, some of which are engaged in world-wide activities.
2. Even where daily reporting is practicable, the figures are not on a uniform basis. For instance, some expenditures are reported on accrual basis; some are on a current checks-issued basis; others are reported on a delayed-checks-issued basis; and others are reported on a strictly cash payment (i.e., checks paid) basis.
3. Thus there has not been a common basis for comparing actual expenditures with detailed budgetary estimates.

In the interest of accurate and meaningful information, Treasury Department Circular 940, effective February 17, 1954, changes the basis of reporting in the Treasury Daily Statement, and provides for publication at approximately mid-month of a monthly statement on "Receipts and expenditures of the United States Government."

Daily Cash Statement

The new Daily Treasury Statement will be limited to a summary of Treasury assets and liabilities, cash receipts and withdrawals, and closing cash balances as they are recorded for the day in the account of the Treasurer of the United States. In addition, it will disclose the effect of the day's operations on the

public debt, but will not show budget surplus or deficit.

Monthly Budget Statement

The new monthly statement will be an accurate report on receipts and expenditures of the United States Government on a budgetary basis showing surplus or deficit. Monthly reporting on this basis will allow the necessary time for uniform reporting of budget results, including Government corporation and business-type agency transactions, refunds, and trust fund operations and investments, etc.

Budget receipts will be on a collection basis, i.e., when money is received by collecting officers.

Budget expenditures will be reported on a uniform basis of checks issued and payments made by disbursing officers. Thus both revenue collections and expenditures will tie to the accounting records of the various agencies, and to the President's budget.

These budget results will be reconciled with the cash balance in the Treasury and the outstanding public debt.

The new procedure, which is the result of a study made under the Joint Accounting Improvement Program by the Treasury Department, Bureau of the Budget, and General Accounting Office, is being adopted in the interest of better public understanding of Government operations and provides improved means for more effective budgetary control.

This change in reporting procedure does not involve any change in policy regarding the basis of the Government's budget. The administrative budget will continue to be the basis for determining the budget surplus or deficit.