**GUIDE FOR BASIC ACCOUNTING AND REPORTING FOR DIRECT LOAN PROGRAMS**

**WITHOUT COLLATERAL**

**IN FEDERAL CREDIT PROGRAM EFFECTIVE FISCAL YEAR 2017**

**PREPARED BY:**

**CREDIT REFORM SUBCOMMITTEE AND**

**GENERAL LEDGER AND ADVISORY BRANCH**

**FISCAL ACCOUNTING**

**BUREAU OF THE FISCAL SERVICE**

**U.S. DEPARTMENT OF TREASURY**

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**Version History**

|  |  |  |
| --- | --- | --- |
| **Version Number** | **Date** | **Description of Change** |
| 1.0 | 12/03/2007 | Updated account titles and transaction codes. Added transaction 1-21. Modified Appendix 1. Deleted Appendix 2. |
| 2.0 | 08/31/2010 | Updated account titles and numbers and crosswalks based on USSGL TFM Supplement T/L S2-10-02. Modified Modification and added Modification Adjustment Transfer transaction. Added transaction for cancellation of unused borrowing authority. Added Appendix 2, Accounting for Downward Re-estimates in discretionary and mandatory direct loan programs. Added Appendix 3, Negative Subsidy. |
| 3.0 | 2017 | Updated account tiles and numbers and crosswalks based on Bulletin No. 2017-07. Updated Appendices 1-4. Deleted Appendix 5.  |
| 3.1 | 2022 | Updates for clarification on MAT’s on pages 36 and 37.  |

# OVERVIEW

This guide is designed for those who:

* Formulate and execute Federal credit program budgets, including accounting for assets, liabilities, net position, income, and expenses, and budgetary resources;
* Prepare agency financial statements;
* Audit the agency financial statements;
* Manage or provide service to participants in loan guarantee programs;
* Design and maintain computer systems for financial programs;
* Instruct others in basic accounting and reporting for direct loan programs without collateral.

The guide is illustrative, rather than authoritative, and is categorized as “other accounting literature” in the hierarchy of accounting principles for Federal entities.[[1]](#footnote-1) It supersedes the original and subsequent direct loan scenarios. Users may download the guide from the Bureau of the Fiscal Service (Fiscal Service) Web site at https://fiscal.treasury.gov/ussgl/resources-implementation.html.

In order to understand and gain the most from the guide, users must have a working knowledge of the following:

* Budgetary and proprietary accounting, reporting, and terminology;
* The United States Standard General Ledger (USSGL) accounts for basic annual operating appropriations and revolving funds;
* The Federal Accounting Standards Advisory Board Standards and Technical Releases related to credit reform accounting;
* The Credit Reform Act and other requirements established by the Act; and
* The Concepts and Standards of Federal credit program accounting and reporting, fund structures, and terminology.

This guide is a study in accounting and reporting for a discretionary direct loan program under the Federal Credit Reform Act of 1990, as amended, for direct loans obligated after September 30, 1991. Direct loans are disbursements of funds by the Government to a non-federal borrower under a contract that requires repayment

of such funds with or without interest.[[2]](#footnote-2)

Transactions are presented over a 1-year period (fiscal year 1) for a fictitious Federal agency with a single direct loan program with no risk categories. Transactions for fiscal year 2 show the disposition of the re-estimated subsidy accrued in fiscal year 1. Common transactions and reports are covered in addition to transactions unique to Federal credit program accounting. However, since accounting for accruals and undelivered orders with advances are not unique to credit reform accounting, they are not presented. In addition, transactions involving collateral are excluded, since they are covered in a separate guide. Entries are made in general journal form, using USSGL accounts, and are summarized in trial balances for each year.

The transactions shown are:

* + Formulation, apportionment, and allotment of the budget;
	+ Receipt of subsidy and administrative expense appropriations;
	+ Transfer of subsidy from the program to the financing fund;
	+ Borrowing from Treasury and repayment of loans and interest;
	+ Disbursement of loans to program participants and collection of principal and interest from them;
	+ Disbursement of administrative expenses; [[3]](#footnote-3)
	+ Modification of loan terms, with resulting adjustment to program levels and return of excess borrowing from Treasury and reduction of borrowing authority;
	+ Accrual and receipt or disbursement of subsidy re-estimates and related interest;
	+ Accrual of collectible and uncollectible interest from borrowers;
	+ Amortization of allowance for subsidy;

* + Write-off of bad debts without receiving collateral;
	+ Capitalization of accrued interest paid; and
	+ Closing entries.

The yearend agency reports presented are listed below:

* + - Balance Sheet;
		- Statement of Net Cost;
		- Statement of Changes in Net Position;
		- Statement of Budgetary Resources;
		- SF 133: Report on Budget Execution and Budgetary Resources and Budget

Program and Financing Schedule (Schedule P); and

* + - Credit Program Footnote (including the Schedule of Changes in the Allowance for Subsidy).

A SF 132: Apportionment and Reapportionment Schedule report is furnished at the beginning of each year.

This guide includes five appendices. Appendix 1 discusses basic differences encountered in mandatory programs. Appendix 2 provides the recording and reporting for downward reestimates of subsidy for both a discretionary and a mandatory program. Appendix 3 provides the recording and reporting of negative subsidy. Appendix 4 provides a listing of key references related to credit program accounting. If the references change, this document will be updated accordingly and published on the Fiscal Service Web site at https://[www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl\_home.htm.](http://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm)

Users may send questions to the Fiscal Service Web site at

https:[//www.fiscal.treasury.gov/ ussgl/report-an-issue.html](http://www.fiscal.treasury.gov/ussgl/report-an-issue.html)

 [by us](http://www.fiscal.treasury.gov/ussgl/report-an-issue.html)ing the online USSGL Issue Form. This Web site also provides a list of the USSGL representatives and their telephone numbers. Users may contact the Manager, General Ledger and Advisory Branch, Fiscal Service, via e-mail.

# CONCEPTUAL FRAMEWORK

This guide uses numbers and titles for USSGL accounts. When necessary, titles for USSGL accounts are expanded by using brackets to capture, clarify, or add specific information, for illustrative purposes only. For example, administrative expense, “[Administrative Expense]” is included after the title for USSGL 610000 account, “Operating Expenses/Program Costs.” In the same manner, for interest supplement expense, “[Interest Supplement],” is included after the title for the USSGL 610000 account. The USSGL Supplement, Section II, contains definitions for USSGL accounts.

Entries are in general journal form, using USSGL accounts, and are summarized in trial balances for each year. Note that the financing fund is used only in the transactions for Post-Credit Reform scenarios, and the liquidating fund is used only in the transactions for Pre-Credit Reform scenarios.

USSGL accounts that, by themselves, do not directly provide the reporting that is illustrated, are supplemented with additional detail. The entries made and the method chosen to illustrate the detail provide only one-way of accounting. Agencies may have other ways of structuring their ledgers and making journal entries to accomplish the same result.

# ACCOUNT TABLES

The following tables identify the accounts used in the guide to record transactions and prepare reports. Since the transactions are not comprehensive, the tables do not contain all accounts that agencies may use in day-to- day activities.

**PROGRAM FUND BUDGETARY ACCOUNTS USED**

**RESOURCES**

Anticipated

412000 Anticipated Indefinite Appropriations

Realized

411500 Loan Subsidy Appropriation

411700 Loan Administrative Expense Appropriation

411800 Re-estimated Loan Subsidy Appropriation

420100 Total Actual Resources - Collected

**STATUS OF RESOURCES**

Unobligated

445000 Unapportioned Authority

451000 Apportionments

459000 Apportionments - Anticipated Resources - Program Subject to Apportionment 461000 Allotments - Realized Resources

46500 Allotments - Expired Authority

Obligated

 480100 Undelivered Orders – Obligations Unpaid

 490200 Delivered Orders – Obligations, Paid [Re-estimated Subsidy and Interest]

 490200 Delivered Orders – Obligations, Paid [Other]

**PROGRAM FUND PROPRIETARY ACCOUNTS USED**

**ASSETS**

101000 Fund Balance With Treasury

**LIABILITIES**

217000 Subsidy Payable to Financing Account

**NET POSITION**

310000 Unexpended Appropriations - Cumulative

310100 Unexpended Appropriations - Appropriations Received 310700 Unexpended Appropriations - Used

331000 Cumulative Results of Operations

**FINANCING SOURCES**

570000 Expended Appropriations

579100 Adjustment to Financing Sources – Credit Reform

**EXPENSES**

610000 Operating Expenses/Program Costs [Administrative Expense] 610000 Operating Expenses/Program Costs [Basic and Modified Subsidy] 619900 Adjustment to Subsidy Expense

680000 Future Funded Expenses [Subsidy Re-estimate]

|  |
| --- |
| **FINANCING FUND BUDGETARY ACCOUNTS USED****RESOURCES**Anticipated406000 Anticipated Collections from Non-Federal Sources 407000 Anticipated Collections from Federal SourcesRealized414100 Current-Year Borrowing Authority Realized 420100 Total Actual Resources - Collected422100 Unfilled Customer Orders Without Advance 426100 Actual Collections of Business-Type Fees 426200 Actual Collections of Loan Principal 426300 Actual Collections of Loan Interest427100 Actual Program Fund Subsidy Collected 427300 Interest Collected from TreasuryAnticipated Contra Resources404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year AuthorityRealized Contra Resources414200 Actual Repayment of Borrowing Authority Converted to Cash414300 Current-Year Decreases to Indefinite Borrowing Authority Realized 414600Actual Repayments of Debt, Current-Year AuthorityOther414500 Borrowing Authority Converted to Cash 414800 Resources Realized from Borrowing Authority 414900 Borrowing Authority Carried Forward |
| **STATUS OF RESOURCES**Unobligated445000 Unapportioned Authority451000 Apportionments459000 Apportionments - Anticipated Resources - Program Subject to Apportionment 461000 Allotments - Realized ResourcesObligated480100 Undelivered Orders – Obligations Unpaid490200 Delivered Orders – Obligations, Paid [Loans Made] 490200 Delivered Orders – Obligations, Paid [Other] |

**FINANCING FUND PROPRIETARY ACCOUNTS USED**

**ASSETS**

101000 Fund Balance With Treasury

131000 Accounts Receivable [Subsidy Receivable from Program Account] 134100 Interest Receivable - Loans

135000 Loans Receivable 139900 Allowance for Subsidy

**LIABILITIES**

219000 Other Accrued Liabilities with related Budgetary Obligations [Downward Re-estimate Payable to Misc. Receipt Account]

251000 Principal Payable to the Bureau of the Fiscal Service 299000 Other Liabilities Without Related Budgetary Obligations

**NET POSITION**

331000 Cumulative Results of Operations[[4]](#footnote-4)

**FINANCING SOURCES**

531200 Interest Revenue – Loans Receivable/Uninvested Funds [Borrowers] 531200 Interest Revenue - Loans Receivable/Uninvested Funds [Treasury] 531300 Interest Revenue **–** Subsidy Amortization

577500 Nonbudgetary Financing Sources Transferred In 577600 Nonbudgetary Financing Sources Transferred Out 579100 Adjustment to Financing Sources - Credit Reform

**EXPENSES**

631000 Interest Expenses on Borrowing from the Bureau of the Fiscal Service and/or the Federal Financing Bank

680000 Future Funded Expenses [Subsidy Re-estimate]

**GENERAL FUND RECEIPT ACCOUNTS PROPRIETARY ACCOUNTS USED**

**ASSETS**

101000 Fund Balance With Treasury

131000 Accounts Receivable

**LIABILITIES**

298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity

**FINANCING SOURCES**

 599300 Offset to Non-Entity Collections - Statement of Changes in Net Position

 599400 Offset to Non-Entity Accrued Collections - Statement of Changes in Net Position

**DIRECT LOANS** **YEAR 1**

The Direct Loan Agency has been authorized to make loans beginning in fiscal year 1. The agency has a single, discretionary direct loan program with no risk categories.[[5]](#footnote-5) The Congress has authorized annual appropriations[[6]](#footnote-6) for basic subsidy, modified subsidy, and administrative expenses; permanent indefinite appropriations for

upward re-estimates of subsidy, with related interest; and permanent indefinite borrowing authority for the unsubsidized portion of loans made. The agency’s authorizing legislation makes it subject to the Credit Reform Act of 1990, as amended. An authorized agency official provides blanket allotment authority for all realized resources, as they are realized, up to the amount apportioned by OMB.

The agency borrows the full amount it expects to need at the beginning of the year, and gives back the amount it has not obligated at the end of the year. All collections are used to repay principal and interest on its Treasury loans.[[7]](#footnote-7)

The agency has authority to obligate $120,000 in loans in fiscal year 1, for which the subsidy model shows a

* 1. percent subsidy rate, comprised of:
		+ Defaults, 20 percent; 20.0
		+ Interest differential,[[8]](#footnote-8) 2 percent; and 2.0
		+ Fees, (.5) percent. (.5)
* Administrative expenses for Year 1 have been authorized in the amount of $5,000, and loans are to be funded with (1) monies received from the appropriation subsidy and (2) borrowing from Treasury for the remainder.
* It is expected that $11,000 of loan principal, $500 of loan interest and $500 in fees will be received in Year 1, and that Fiscal Service principal of $11,300 will be repaid, plus interest of $700 (total $12,000).

* Current, definite appropriations, permanent indefinite borrowing authority, and authorization for the appropriate collections are authorized in the legislation.

The agency prepared the following request for apportionment (SF 132):

|  |
| --- |
| **SF 132 Apportionment/Reapportionment Schedule** |
|  | **BUDGETARY RESOURCES** | **Program Fund** | **Financing Fund** |
|  | **Budget authority:** |  |  |
|  | **Appropriations, discretionary:** |  |  |
| 1100 | Appropriation | 30,800 |  |
| 1400 | Borrowing authority |  | 94,200 |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |
| 1840 [[9]](#footnote-9) | Anticipated Collections, Reimbursements, and Other Income |  | 37,800 |
| 1842 | Anticipated Capital Transfers and Repayments of Debt |  | (11,300) |
| 1920 | Total Budgetary Resources | 30,800 | 120,700 |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |
|  | **Category B (by project)** |  |  |
| 6011 | Direct Loan Subsidy | 25,800 | 120,000 |
| 6013 | Administrative Expense | 5,000 |  |
| 6014 | Interest to Treasury |  | 700 |
| 6190 | Total Budgetary Resources Available | 30,800 | 120,700 |

**TRANSACTIONS - YEAR 1**

**1-1 To record the enactment of appropriations.**[[10]](#footnote-10)

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A104 |
| 411500 Loan Subsidy Appropriation | 25,800 |  |
| 411700 Loan Administrative Expense Appropriation | 5,000 |  |
|  445000 Unapportioned Authority |  | 30,800 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 30,800 |  |
| 310100 (G) Unexpended Appropriations – Appropriations Received |  | 30,800 |

.

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 12,00025,80094,200 | 11,300120,700 | A140 A142 A152 |
| 406000 Anticipated Collections from Non-Federal Source 407000 Anticipated Collections from Federal Sources 414100 Current Year Borrowing Authority Realized404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority445000 Unapportioned Authority**Proprietary Entry** |
| None |

**1-2. The agency’s requests for apportionment were approved by OMB without change, and the apportionment was recorded.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 30,800 | 30,800 | A116 |
| 445000 Unapportioned Authority451000 Apportionments**Proprietary Entry** |
| None |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**445000 Unapportioned Authority451000 Apportionments459000 Apportionments - Anticipated Resources- Program Subject to Apportionment**Proprietary Entry**None | 120,700 | 94,20026,500 | A116 A118 |

**1-3 Issued a blanket authorization to allot anticipated resources as they were realized, not to exceed the amount of the apportionment.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**451000 Apportionments461000 Allotments - Realized Resources**Proprietary Entry**None | 30,800 | 30,800 | A120 |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 94,200 | 94,200 | A120 |
| 451000 Apportionments461000 Allotments - Realized Resources**Proprietary Entry** |
| None |

**1-4. Borrowed from the Bureau of the Fiscal Service (Fiscal Service) the amount required to make $118,000 in loans.** [[11]](#footnote-11)

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A156 |
| 414800 Resources Realized from Borrowing Authority | 92,630 |  |
| 414500 Borrowing Authority Converted to Cash |  | 92,630 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 92,630 |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | 92,630 |

**1-5. Paid administrative expenses of $4,950. $4,000 was for employees and $950 to GSA. No undelivered orders were placed or accruals made before payment.[[12]](#footnote-12)**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources | 4,950 |  |  |
| 490200 Delivered Orders - Obligations, Paid [Other] |  | 4,950 | B106 |
| **Proprietary Entry** |  |  |  |
| 610000 (N) Operating Expenses/Program Cost [Administrative Expenses]610000 (F) Operating Expenses/Program Cost [Administrative Expenses] | 4,000950 |  |  |
| 101000 (G) Fund Balance With Treasury310700 (G) Unexpended Appropriations - Appropriations Used 570000 (G) Financing Sources from Appropriations | 4,950 | 4,9504,950 | B134 |

**1-6. Agreed to make $90,000 of loans, subject to the loan applicants meeting conditions placed on them**.

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 19,350[[13]](#footnote-13) | 19,350 | B306 |
| 461000 Allotments - Realized Resources 480100 Undelivered Orders - Unpaid |
| **Proprietary Entry** |
| None |

**To recognize the subsidy to be transferred from the program fund.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 19,350[[14]](#footnote-14) | 19,350 | C101 |
| 422100 Unfilled Customer Orders without Advance 407000 Anticipated Collections from Federal Sources |
| **Proprietary Entry** |
| None |

.

|  |  |  |  |
| --- | --- | --- | --- |
| **To record allotment and obligations.** [[15]](#footnote-15) | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 19,35090,000 | 19,35090,000[[16]](#footnote-16) | A122B306 |
| 459000 Apportionments - Anticipated Resources - Program Subject to Apportionment461000 Allotments - Realized Resources461000 Allotments - Realized Resource 480100 Undelivered Orders - Unpaid |
| **Proprietary Entry** |
| None |

**1-7. Applicants for $87,000 of the $90,000 of loan commitments met the conditions for making the loans. Subsidy was transferred from the program fund to the financing fund, and the loans were disbursed to the applicants.**[[17]](#footnote-17) **Applicants for the remaining $3,000 of loans have not yet met the conditions.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
| **To disburse the loans.** | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 480100 Undelivered Orders - Unpaid490200 Delivered Orders - Obligations, Paid [Other] | 18,705[[18]](#footnote-18) | 18,705[[19]](#footnote-19) | A146 |
| **Proprietary Entry** |  |  |  |
| 610000 (N) Operating Expenses/Program Costs [Basic & Modified Subsidy Expense]101000 (G) Fund Balance With Treasury | 18,705 | 18,705 |  |
| 310700 (G) Unexpended Appropriations - Appropriations Used 570000 (G) Financing Sources from Appropriations | 18,705 | 18,705 | B134 |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
| **To collect the subsidy** | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C103 |
| 427100 Actual Program Fund Subsidy Collected | 18,705 |  |
| 422100 Unfilled Customer Orders Without Advance |  | 18,705[[20]](#footnote-20) |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 18,705 |  |
| 139900 (N) Allowance for Subsidy |  | 18,705[[21]](#footnote-21) |

|  |  |  |  |
| --- | --- | --- | --- |
| **To disburse the loans.** | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C408 |
| 480100 Undelivered Orders - Unpaid | 87,000 |  |
| 490200 Delivered Orders - Paid [Loans Made] |  | 87,000 |
| **Proprietary Entry** |  |  |
| 135000 (N) Loans Receivable | 87,000 |  |
| 101000 (G) Fund Balance With Treasury |  | 87,000 |

**Collections from borrowers during the year were as follows:**

* **Application fees, $480**[[22]](#footnote-22)
* **Loan principal, $10,000**
* **Loan interest, $500**

**1-8a. To record unearned fees collected in the financing fund. $80.00 in fees are unearned.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
| **To disburse the loans.** | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C116 |
| 426100 Actual Collection of Business-Type Fees | 80 |  |
| 406000 Anticipated Collections from Non-Federal Sources |  | 80 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 80 |  |
| 232000 (N) Other Deferred Revenue |  | 80 |

**1-8b. To record the receipt of previously anticipated collections.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C109 |
| 426100 Actual Collection of Business-Type Fees 426200 Actual Collection of Loan Principal 426300 Actual Collection of Loan Interest | 40010,000500 |  |
| 406000 Anticipated Collections from Non-Federal Sources |  | 10,900 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 10,900 |  |
| 139900 (N) Allowance for Subsidy 135000 (N) Loans Receivable531200[[23]](#footnote-23) (N) Interest Revenue – Loans Receivable/ Uninvested Funds [Borrowers] |  | 40010,000500 |

**1-8c. To record anticipated resources as realized.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 700 | 700 | A122 |
| 459000 Apportionments - Anticipated Resources - Program Subject to Apportionment461000 Allotments - Realized Resources |
| **Proprietary Entry** |
| None |

* 1. **d To record fees as earned.[[24]](#footnote-24)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 80 | 80 | C118 |
| None |
| **Proprietary Entry** |
| 232000 (N) Other Deferred Revenue 139900 (N) Allowance for Subsidy |

**1-9. The collections received were paid to Fiscal Service. $700 was for interest on the agency loan from Fiscal Service, and $10,280 was for principal.[[25]](#footnote-25)**

* + - *OMB Circular A-11, Section 185.20, Capital transfers and redemption of debt (line 1842) are not obligations and therefore do not need to be apportioned on lines 6001-6173. However, you do need to plan for repayments and show your estimated debt repayments as a negative on line 1842 when you submit your SF 132.*
		- *OMB Circular A-11, Section 185.19, for financing accounts, additional interest payment amounts to Treasury (i.e. amounts exceeding your estimate on the most recent approved apportionment) are automatically apportioned.*

##### 1-9a To record principal repayments to the Fiscal Service.

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B120 |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority | 10,280 |  |
| 414600[[26]](#footnote-26) Actual Repayments of Debt, Current-Year Authority |  | 10,280 |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service | 10,280 |  |
| 101000 (G) Fund Balance With Treasury |  | 10,280 |

##### 1-9b To record payment of interest not previously accrued.[[27]](#footnote-27)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B109 |
| 461000 Allotments - Realized Resources490200 Delivered Orders - Obligations, Paid [Other] | 700 | 700 |
| **Proprietary Entry** |  |  |
| 631000 (F) Interest Expenses on Borrowing From theBureau of the Fiscal Service and/or the Federal FinancingBank | 700 |  |
| 101000 (G) Fund Balance With Treasury |  | 700 |

**1-10 After consultation and agreement with OMB, the agency decided to modify the terms of loans for some borrowers. Following the modification guidance provided in OMB’s circular A-11, Section 185, to determine the cost or savings of the modification action, this modification resulted in a decrease to the net present value cash flows, a cost in the amount of $1,000.**[[28]](#footnote-28)

**This $1,000 is recorded as an obligation and increase of subsidy cost against the current fiscal year appropriated budgetary authority in the program fund. Modifications may be made only to the extent that budgetary authority for the additional cost has been provided**

**in advance and is available in the program account.**

**Because this $1,000 had originally been apportioned for use in making new loans and was part of the calculation of available loan levels and required borrowing authority, the agency submitted a revised request for apportionment to reduce apportioned loan levels**

**and increase the anticipated repayment of Treasury Debt. The authorized loan level was reduced from $120,000 to $115,349**.[[29]](#footnote-29) **In addition, the adjusted loan levels required only**

**$90,549[[30]](#footnote-30)** **in borrowing authority. Based on the original estimates, $92,630 of the original**

**$94,200 was executed and converted to cash.**

**In addition to calculating the cost or savings of any modifying action, the Agency must also calculate the Modification Adjustment Transfer (MAT). The MAT is designed to account for the disconnect between the discount rate used to calculate the cost of the modification and the interest rate at which the cohort pays or earns interest. The MAT corrects a resource imbalance in the financing account that would occur if only the change in subsidy cost was reflected in the transfer between the financing account and the general fund. The MAT can either be negative or positive. A negative MAT results in a transfer from the financing account to the general fund. A positive MAT results in a transfer from the general fund to the financing account in the form of a permanent appropriation. Using the modification adjustment transfer guidance in OMB Circular A-11 Section 185, the agency has determined the above modification has resulted in an upward modification adjustment transfer in the amount of $5.**

|  |  |
| --- | --- |
| **SF 132 Apportionment/Reapportionment Schedule** |  |
|  | **PROGRAM FUND** | **Original** | **Revised** | **Difference** |
|  | **BUDGETARY RESOURCES** |  |  |  |
|  | **Budget authority:** |  |  |  |
|  | **Appropriations, discretionary:** |  |  |  |
| 1100 | Appropriation | 30,800 | 30,800 |  |
| 1920 | Total Budgetary Resources | 30,800 | 30,800 |  |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |  |
|  | **Category B (by project)** |  |  |  |
| 6011 | Direct Loan Subsidy | 25,800 | 24,800 | (1,000) |
| 6012 | Modification Subsidy Cost |  | 1,000 | 1,000 |
| 6013 | Administrative Expense | 5,000 | 5,000 |  |
| 6190 | Total Budgetary Resources Available | 30,800 | 30,800 |  |
|  | **FINANCING FUND** |  |  |  |
|  | **BUDGETARY RESOURCES** |  |  |  |
|  | **Budget authority:** |  |  |  |
|  | **Appropriations, mandatory:** |  |  |  |
| 1250 | Anticipated Appropriation |  | 5 | 5 |
|  | **Borrowing authority** |  |  |  |
| 1400 | Borrowing authority | 94,200 | 90,549 | (3,651) |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |  |
| 1800 | Collected |  | 29,685 |  29,685 |
| 1801 | Change in uncollected payments, Federal sources |  | 645 | 645 645645  |
| 1825 | Actual capital transfers and redemption of debt |  | (10,280) |  (10,280) |
| 1840 | Offsetting Collections – Anticipated | 37,800 | 7,470 | (30,330) |
| 1842 | Anticipated capital transfers and redemption of debt | (11,300) | (2,025) | 9,275 |
| 1920 | Total Budgetary Resources |  120,700 | 116,049 | 4,651 |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |  |
|  | **Category B (by project)** |  |  |  |
| 6011 | Direct Loans | 120,000 | 115,349 | (4,651) |
| 6014 | Interest to Treasury | 700 | 700 |  |
| 6190 | Total Budgetary Resources Available | 120,700 | 116,049 | (4,651) |

The resulting revised request for apportionment, which OMB approved, is illustrated following the entries below**.**[[31]](#footnote-31) When a direct loan is modified, the offsetting collection for the modification cost is used to reduce the debt owed to Treasury.

##### Financing Fund

##### 1-10a To deallot and deapportion borrowing authority for new SF132 (original borrowing authority $94,200 less new borrowing authority $90,549).[[32]](#footnote-32)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 3,6513,651 | 3,6513,651 | A120RA116R |
|  461000 Allotments – Realized Resources  451000 Current-Year Decreases to Indefinite Borrowing Authority Realized 451000 Current-Year Decreases to Indefinite Borrowing Authority Realized |
| 445000Unapportioned Authority**Proprietary Entry** |
|  None |

##### 1-10b To unapportion anticipated subsidy (being used for repayment).

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,000 | 1,000 | A118R |
| 459000 Apportionments – Anticipated Resources Program Subject to Apportionment 445000 Unapportioned Authority - |
| **Proprietary Entry** |
| None |

#####

##### 1-10c To record anticipated indefinite appropriation MAT.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A102 |
|  412000 Unapportioned Authority  445000 Unapportioned Authority | 5 | 5 |
| **Proprietary Entry** |  |  |
| None |  |  |
|  |  |  |

##### 1-10d To record anticipated repayments of debt using modification and MAT.[[33]](#footnote-33)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A142 |
| 445000 Unapportioned Authority 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority | 1,005 |  |
|  |  | 1,005 |
| **Proprietary Entry** |  |  |
| None |  |  |
|  |  |  |

##### 1-10e To record the return of excess borrowing to Fiscal Service (as a result of the modification).[[34]](#footnote-34)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B120 |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority | 2,081 |  |
| 414200 Actual Repayment of Borrowing Authority Converted to Cash |  | 2,081[[35]](#footnote-35) |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to Treasury | 2,081 |  |
| 101000 (G) Fund Balance With Treasury |  | 2,081 |

 **1-10f To remove remaining borrowing authority.**[[36]](#footnote-36)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,570 | 1,570 | F113 |
| 44500000 Unapportioned Authority 414300 Current-Year Decreases to Indefinite Borrowing Authority Realized |
| **Proprietary Entry** |
| None |

**1-11 The agency modified the terms of the loans, as discussed in the previous transaction. The present value of these modifications decreased the present value of the loans by**

**$1,000, requiring additional subsidy from the program fund, which was transferred to the financing fund.**

##### 1-11a To record the payment of subsidy to financing fund. Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources | 1,000 |  |  |
| 490200 Delivered Orders - Obligations, Paid [Other] |  | 1,000 | B106 |
| **Proprietary Entry** |  |  |  |
| 610000 (N) Operating Expenses/Program Cost [Basic and Modified Subsidy Expense] | 1,000 |  |  |
| 101000 (G) Fund Balance With Treasury310700 (G) Unexpended Appropriations - Appropriations Used 570000 (G) Financing Sources from Appropriations | 1,000 | 1,0001,000 | B134 |

##### 1-11b To record the collection of subsidy for loan modification costs in the financing fund.

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C103 |
| 427100 Actual Program Fund Subsidy Collected of the Treasury – Current Year Authority | 1,000 |  |
| 407000 Anticipated Collections from Federal Sources |  | 1,000 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance with Treasury | 1,000 |  |
| 139900 (N) Allowance for Subsidy |  | 1,000[[37]](#footnote-37) |

**The $1,000 of collections for the subsidy modifications will be used to repay principal on the debt to Fiscal Service.**

***1-11c* The modification approved and executed in previous transactions was deemed to require a positive modification adjustment transfer. The MAT is designed to account for the disconnect between the discount rate used to calculate the cost of the modification and the interest rate at which the cohort pays or earns interest. If the MAT is negative, the amount should be transferred from the financing account to the general fund. A negative MAT (not reflected below) would result in a capital transfer. In the Program Account, a debit to USSGL account 579100 Adjustments to Financing Sources and a credit to USSGL account 719000 Other Gains would be recorded.**

**In the Financing Account, the following entries would be recorded: Debit 139900 Allowance for Subsidy and credit 579100, debit 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority and credit 415100 Actual Capital Transfers to the General Fund of the U.S. Government – Current-Year Authority, debit 576600 Non Expenditure Financing Sources – Transfers-Out – Capital Transfers and credit 101000 Fund Balance With Treasury.**

 **In the General Fund Receipt Account, the following would be recorded: Debit 101000 and credit 575600 Non-Expenditure Financing Sources – Transfers-In – Capital Transfers, debit 599300 Offsets to Non-Entity Collections – Statement of Changes in Net Position and credit 298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Actibity.** **If the MAT is positive then the amount would be recorded as a permanent appropriation from the General Fund for the amount of the modification (as reflected in this example).**

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 5 | 5 | A206 |
| **None** |
| **Proprietary Entry** |
| 729000 (N) Other Losses |
| 579100 (F) Adjustment to Financing Sources – Credit Reform |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 412500 Loan Modification Adjustment Transfer Appropriation | 5 |  |  |
| 412000 Anticipated Indefinite Appropriations |  | 5 | A202 |
| **Proprietary Entry** |  |  |  |
| 101000 (G) Fund Balance With Treasury | 5 |  |  |
| 310100 (G) Unexpended Appropriations 310700 (G) Unexpended Appropriations Used570000 (G) Expended Appropriations579100 (F) Adjustment to Financing Sources – Credit Reform 139900(N) Allowance for Subsidy | 55 | 555 | B134A204 |

* 1. **To record principal repayments to Fiscal Service and the via nonexpenditure transfers that was previously anticipated.**[[38]](#footnote-38)

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B120 |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government- Current-Year Authority | 1,005 |  |
| 414600 Actual Repayments of Debt, Current-Year |  | 1,005 |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service | 1,005 |  |
| 101000 (G) Fund Balance With Treasury |  | 1,005 |

*Note: Although separated for ease of illustration in the case, transactions 1-10 through 1-12 should occur simultaneously*

* 1. **Treasury credited $15 to the financing fund for interest the fund earned on its unused Fund Balance with Treasury during the year.**

**To record receipt of previously anticipated collections.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C109 |
| 427300 Actual Interest Collected from Treasury | 15 |  |
| 4070000 Anticipated Collections from Federal Sources |  | 15 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 15 |  |
| 531200 (F) Interest Revenue - Loans Receivable/Uninvested Funds [Treasury] |  | 15 |

* 1. **The interest collected from Fiscal Service was used to pay principal on the agency’s loan from Fiscal Service.**

**To record principal repayment to the Fiscal Service via nonexpenditure transfers that was previously anticipated.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B120 |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority | 15 |  |
| 414600 Actual Repayments of Debt, Current-Year Authority |  | 15 |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service | 15 |  |
| 101000 (G) Fund Balance With Treasury |  | 15 |

**1-15. Interest of $55 was accrued as receivable on the loans. Of that, $5 was related to loans, which were still performing.**[[39]](#footnote-39)

##### Financing Fund [[40]](#footnote-40)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 55 | 55 | C420 |
| **None** |
| **Proprietary Entry** |
| 134100 (N) Interest Receivable – Loans [Accrued] |
| 531200 (N) Interest Revenue – Loans Receivable/ Uninvested Funds [Borrowers] |

.

**1-16. The allowance for subsidy was amortized.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 130[[41]](#footnote-41) | 130 | E118 |
| **None** |
| **Proprietary Entry** |
| 139900 (N) Allowance for Subsidy |
| 531300 (N) Interest Revenue **–** Subsidy Amortization |

**1-17. As no further loans were disbursed during the year, the unneeded monies borrowed from Treasury were returned.**[[42]](#footnote-42)

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 19,89919,899 | 19,89919,899 | A120RA116R |
| 461000 Allotments – Realized Resources 451000 Current-Year Decreases to Indefinite Borrowing Authority Realized451000 Current-Year Decreases to Indefinite Borrowing Authority Realized |
| 445000Unapportioned Authority**Proprietary Entry** |
| None |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B121 |
| 445000 Unapportioned Authority414200 Actual Repayment of Borrowing Authority Converted to Cash | 19,899 | 19,899 |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service | 19,899 |  |
| 101000 (G) Fund Balance With Treasury |  | 19,899 |

**1-18. The agency determined that $10 of loan principal and $20 of loan interest could not be collected, and wrote the receivables off.** [[43]](#footnote-43)

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 30 |  | D414 |
| **None** |  |
| **Proprietary Entry** |  |
| 139900 (N) Allowance for Subsidy 134100 (N) Interest Receivable - Loans | 20 |
| 135000 (N) Loans Receivable | 10 |

**1-19. Subsidy analysis at year-end indicated that an additional subsidy of $440 was needed. The “technical” re-estimate (including interest on the re-estimate) was $435, and the interest rate re-estimate was $5.**[[44]](#footnote-44)

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | B420 |
| **None** |
| **Proprietary Entry** |
| 680000 (N) Future Funded Expenses [Re-estimated Subsidy Expense] |
| 217000 (F) Subsidy Payable to Financing Account |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | C438 |
| **None** |
| **Proprietary Entry** |
| 131000 (N) Accounts Receivable |
| 139900 (N) Allowance for Subsidy |

* 1. **Accrued interest of $30 was capitalized (converted to principal) on outstanding loans**.

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 30 | 30 | C409 |
| **None** |
| **Proprietary Entry** |
| 135000 (N) Loans Receivable |
| 134100 (N) Interest Receivable - Loans |

**PRECLOSING ENTRIES**

##### Financing Fund

To close anticipated resources.

|  |  |  |  |
| --- | --- | --- | --- |
| To record adjustments for anticipated resources not realized. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,0055,450 |  | F112 |
| 445000 Unapportioned Authority459000 Apportionments – Anticipated Resources Program Subject to Apportionment406000 Anticipated Collections from Non-Federal Sources | 1,020 |
| 407000 Anticipated Collections from Federal Sources  | 5,435 |
| **Proprietary Entry** |  |
| None |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To record adjustments for anticipated reductions not realized. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,005 | 1,005 | F114 |
| 404700 Anticipated Transfers to the General Fund of theU.S. Government – Current-Year 445000 Unapportioned Authority |
| **Proprietary Entry** |
| None |

|  |
| --- |
| **Preclosing Adjusted Trial Balance** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 404700 Anticipated Transfers to the General Fund of the Treasury U.S. Government – Current- Year Authority |  |  |
|  406000 Anticipated Collections from Non-Federal Sources |  |  |
| 407000 Anticipated Collections from Federal Sources |  |  |
| 411500 Loan Subsidy Appropriation | 25,800 |  |
| 411700 Loan Administrative Expense Appropriation | 5,000 |  |
| 412500 Loan Modification Adjustment Transfer Appropriation |  | 5 |
| 414100 Current-Year Borrowing Authority Realized |  | 94,200 |
| 414200 Actual Repayment of Borrowing Authority Converted to Cash |  | (21,980) |
| 414300 Current-Year Decreases to Indefinite Borrowing Authority Realized |  | (1,570) |
| 414500 Borrowing Authority Converted to Cash |  | (92,630) |
| 414600 Actual Repayments of Debt, Current-Year Authority |  | (11,300) |
| 414800 Resources Realized From Borrowing Authority |  | 92,630 |
| 422100 Unfilled Customer Orders Without Advance |  | 645 |
| 426100 Actual Collections of Business-Type Fees |  | 480 |
| 426200 Actual Collections of Loan Principal |  | 10,000 |
| 426300 Actual Collections of Loan Interest |  | 500 |
| 427100 Actual Program Fund Subsidy Collected |  | 19,705 |
| 427300 Interest Collected From Treasury |  | 15 |
| 445000 Unapportioned Authority |  | - |
| 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment |  |  |
| 461000 Allotments - Realized Resources | (5,500) | - |
| 480100 Undelivered Orders - Obligations, Unpaid | (645) | (3,000) |
| 490200 Delivered Orders – Obligations, Paid [Loans Made] |  | (87,000) |
| 490200 Delivered Orders – Obligations, Paid [Re-est. Sub and Int] |  |  |
| 490200 Delivered Orders – Obligations, Paid [Other] | (24,655) | (700) |
| **Total** | **0** | **0** |
|  |  |  |

|  |
| --- |
| **Preclosing Adjusted Trial Balance (Continued)** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Proprietary** |  |  |
| 101000 (G) Fund Balance With Treasury | 6,145 | 2,355 |
| 131000 (N) Accounts Receivable (Subsidy Recv.) |  | 440 |
| 134100 (N) Interest Receivable – Loans |  | 5 |
| 135000 (N) Loans Receivable |  | 77,020 |
| 139900 (N) Allowance for Subsidy |  | (20,470) |
| 217000 (F) Subsidy Payable to the Financing Account | (440) |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | ( 59,350) |
| 310100 (G) Unexpended Appropriations - Appropriations Received | (30,800) | (5) |
| 310700 (G) Unexpended Appropriations - Used | 24,655 | 5 |
| 531200 (N) Interest Revenue - Loans Receivable/Uninvested Funds (Borrowers) |  | (555) |
| 531200 (F) Interest Revenue - Loans Receivable/Uninvested Funds (Treasury) |  | (15) |
| 531300 (N) Interest Revenue - Subsidy Amortization (Int. on PV Assets) |  | (130) |
| 570000 (G) Expended Appropriations | (24,655) | (5 ) |
| 579100 (F**)** Adjustment to Financing Resources – Credit Reform. | (5) | 5 |
| 610000 (N) Operating Expenses/Program Costs (Admin.) | 4,000 |  |
| 610000 (F) Operating Expenses/Program Costs (Admin.) | 950 |  |
| 610000 (N) Operating Expenses/Program Costs (Subsidy) | 19,705 |  |
| 631000 (F) Interest Expenses on Borrowing from the Bureau of the Fiscal Service and/or the Federal Financing Bank |  | 700 |
| 680000 (N) Future Funded Expenses (Subs. Reest.) | 440 |  |
| 729000 (N) Other Losses | 5 |  |
| **Total** | **0** | **0** |

**FINANCIAL STATEMENTS**[[45]](#footnote-45)

**Direct Loan Agency Balance Sheet September 30, FY-1**

|  |  |
| --- | --- |
|  | **BALANCE SHEET** |
|  |  | **Program Fund** |  | **Financing Fund** | **Elim** | **Total** |
|  | **Assets:** |  |  |  |  |  |
|  | Intragovernmental |  |  |  |  |  |
| 1. | Fund Balance With Treasury (101000E) | 6,145 |  | 2,355 |  | 8,500 |
| 3. | Accounts Receivable (131000E) |  |  | 440 | (440) |  |
| 6. | Total Intragovernmental (calc.) | 6,145 |  | 2,795 | (440) | 8,500 |
| 11. | Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E) |  |  | 56,555 |  | 56,555 |
| 15. | Total Assets (calc.) | 6,145 |  | 59,350 | (440) | 65,055 |
|  | **Liabilities:** |  |  |  |  |  |
| 17. | Accounts Payable (217000E) | 440 |  |  | (440) |  |
| 18. | Debt (251000E) |  |  | 59,350 |  | 59,350 |
| 20. | Total Intragovernmental | 440 |  |  | (440) |  |
| 28. | Total Liabilities (calc.) | 440 |  | 59,350 | (440) | 59,350 |
|  | **Net Position:** |  |  |  |  |  |
| 31. | Unexpended Appropriations – All Other Funds (310100E, 310700E) | 6,145 |  |  |  | 6,145 |
| 33. | Cumulative Results of Operations - All Other Funds (531200E, 531300E, 570000E, 579100E, 610000E, 631000E, 680000E, 729000E) | (440) |  |  |  | (440) |
| 35. | Total Net Position – All Other Funds (calc.) | 5,705 |  |  |  | 5,705 |
| 36. | Total Net Position (calc.) | 5,705 |  |  |  | 5,705 |
| 37. | Total Liabilities and Net Position (calc.) | **6,145** |  |  **59,350** | **(440)** | **65,055** |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY-1**

|  |
| --- |
| **STATEMENT OF NET COST** |
|  | **Program Fund** | **Financing Fund** | **Total** |
| **Gross Program Costs:** |  |  |  |
| 1 Gross costs (610000E, 631000E, 680000E, 729000E) | 25,100 | 700 | 25,800 |
| 2 Less: Earned Revenues (531200E, 531300E) |  | 700 | 700 |
| 3 Net program costs (calc. 1-2) | 25,100 | - | 25,100 |
| 8 Net cost of operations (calc. 5+6-7) | 25,100 | **-** | 25,100 |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY-1**

|  |
| --- |
| **STATEMENT OF CHANGES IN NET POSITION** |
|  |  | **Program Fund** | **Financing Fund**[[46]](#footnote-46) | **Total** |
|  |  | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations |
|  | **Cumulative Results of Operations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 5. | Appropriations Used (570000E) | 24,655 |  | 5 |  | 24,660 |  |
| 13. | Other (+/-) (579100E) | 5 |  | (5) |  |  |  |
| 14. | Total Financing Sources | 24,660 |  |  |  | 24,660 |  |
| 15. | Net Cost of Operations (+/-) | 25,100 |  |  |  | 25,100 |  |
| 16. | Net Change (calc. 14-15) |  (440) |  |  |  |  (440) |  |
| 17. | **Cumulative Results of Operations (calc. 3+16)** |  (440) |  |  |  |  (440) |  |
|  | **Unexpended Appropriations:** |  |  |  |  |  |  |
|  | **Budgetary** |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Financing Sources:** |  |  |  |  |  |  |
| 21. | Appropriations Received (310100E) |  | 30,800 |  | 5 |  | 30,805 |
| 24. | Appropriations Used (310700E) |  | (24,655) |  | (5) |  | (24,660) |
| 25. | Total Budgetary Financing Sources (calc. 21..24) |  | 6,145 |  |  |  | 6,145 |
| 26. | Total Unexpended Appropriations (calc. 20 + 25) |  | 6,145 |  |  |  | 6,145 |
| 27. | **Net Position****(calc. 17 + 26)** |  |  |  |  | (440) | 6,145 |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY-1**

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  |  | **Budgetary** | **Non-Budgetary Financing Account** | **Total** |
|  | **Budgetary Resources:** |  |  |  |
| 1290 | Appropriations (discretionary and mandatory) (411500E, 411700E, 4125000E, 414600E[[47]](#footnote-47) Authority Type P) ) | 30,800 | - | 30,800 |
| 1490 | Borrowing Authority (discretionary and mandatory) (414100E, 414200E, 414300E) |  | 70,650 | 70,650 |
| 1890 | Spending authority from offsetting collections (discretionary and mandatory) ((414600E Authority Type S, 426100E,426200E, 426300E,427100,427300,422100E-422100B)) |  | 20,050 | 20,050 |
| 1910 | Total budgetary resources | $30,800 | $90,700 | $121,500 |
|  |  |  |  |  |
|  | **Status of Budgetary Resources:** |  |  |  |
| 2190 | New obligations and upward adjustments (total) (480100E-480100B, 490200E) | 25,300 | 90,700 | 116,000 |
|  |  |  |  |  |

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  | **Unobligated balance, end of year:** |  |  |  |
| 2204 | Apportioned, unexpired account (461000E) | 5,500 |  | 5,500 |
| 2500 | Total budgetary resources | $30,800 | $ 90,700 | $ 121,500 |
|  |  |  |  |  |
|  | **Change in obligated balance** |  |  |  |
| 3012 | New obligations and upward adjustments(total) (480100E-480100B, 490200E) | 25,300 | 90,700 | 116,000 |
| 3020 | Outlays (gross) (-) (490200E) | (24,655) | (87,700) | (112,355) |
| 3050 | Unpaid obligations, end of year (480100E)  | 645 | 3,000 | 3,645 |
| 3072 | Change in uncollected pymts, Fed Sources (422100E - 422100B) |  | (645) | (645) |
| 3090 | Uncollected pymts, Fed sources, end of year (-) (422100E) |  | (645) | (645) |
|  |  |  |  |  |

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  | **Memorandum (non add) entries** |  |  |  |
| 3200 | Obligated balance, end of year (+ or -) | 645 | 2,355 | 3,000 |
|  |  |  |  |  |
|  | **Budget Authority and Outlays, Net:** |  |  |  |
| 4175 | Budget authority, gross (discretionary and mandatory) | 30,800 | 90,700 | 121,500 |
| 4176 | Actual offsetting collections (426100E, 426200E, 426300E, 427100E,427300E) |  | (30,700) | (30,700) |
| 4177 | Change in uncollected, pymts, Fed sources (discretionary and mandatory) (+ or -) (422100E – 422100B) |  | (645) | (645) |
| 4180 | Budget authority, net (total) (discretionary and mandatory) | 30,800 |  59,355 | 90,155 |
| 4185 | Outlays, gross (discretionary and mandatory) | 24,655 | 87,700 | 112,355 |
| 4187 | Actual offsetting collections (discretionary and mandatory) (-) |  | (30,700) | (30,700) |
| 4190 | Outlays, net (total) (discretionary and mandatory) | 24,655 | 57,000 | 81,655 |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY-1**

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 1 REPORTING** |
|  | **Program Fund** | **Financing Fund** |
| **SF133****Line** | **Sch P Line** | **SF133****Line** | **Sch P Line** |
| **BUDGETARY RESOURCES** |  |  |  |  |
| **All accounts:** |  |  |  |  |
| 0701 Direct Loan Subsidy |  | 19,350 |  |  |
| 0703 Direct Loan Modification Subsidy Costs |  | 1,000 |  |  |
| 0709 Administrative Expenses |  | 4,950 |  |  |
| 0710 Direct Loan Obligations |  |  |  | 90,000 |
| 0713 Payments of Interest to Treasury |  |  |  | 700 |
| 0900 Total new obligations (480100E, 490200E) |  | 25,300 |  | 90,700 |
|  |  |  |  |  |
| **Unobligated balance:** |  |  |  |  |
| 1000 Unobligated balance brought forward, October 1 |  |  | - | - |
|  |  |  |  |  |
| **Budget Authority:** |  |  |  |  |
| **Appropriations:** |  |  |  |  |
| **Discretionary:** |  |  |  |  |
| 1100 Appropriation Discretionary (411500E, 411700E) | 30,800 | 30,800 |  |  |
| 1160 Appropriation – Discretionary (total) | 30,800 | 30,800 |  |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 1 REPORTING** |
| **Mandatory:** |  |  |  |  |
| 1200 Appropriation (412500E) |  |  | 5 | 5 |
| 1236 Appropriations applied to repay debt (-) (414600E Authority Type P) |  |  | (5) | (5) |
| 1260 Appropriation – Mandatory (total) |  |  | - | - |
| **Borrowing authority** |  |  |  |  |
| 1400 Borrowing authority (414100E, 414300E**)** |  |  | 92,630 | 92,630 |
| 1422 Borrowing authority applied to repay debt (mand.) (414200E) |  |  | (21,980) | (21,980) |
| 1440 Borrowing authority total |  |  | 70,650 | 70,650 |
| **Spending Authority from Offsetting Collections:** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| 1800 Collected (426100E,426200E,426300E,427100E,427300E) |  |  | 30,700 | 30,700 |
| 1801 Change in uncollected payments, Federal sources (+ or -) (422100E) |  |  | 645 | 645 |
| 1825 Appropriation applied to repay debt (-) (414600E Authority Type S) |  |  | (11,295) | (11,295) |
| 1850 Spending authority from offsetting collections, mandatory (total) |  |  | 20,050 | 20,050 |
| 1900 Budget authority total (disc. and mandatory) | 30,800 | 30,800 | 90,700 | 90,700 |
| 1910 Total budgetary resources discretionary and mandatory) | 30,800 |  | 90,700 |  |
| 1930 Total budgetary resources available |  | 30,800 |  | 90,700 |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| **Unobligated Balance** |  |  |  |  |
|  |  |  |  |  |
| 1941 Unexpired unobligated balance, end of year (461000E) |  | 5,500 |  |  |
| **STATUS OF BUDGETARY RESOURCES** |  |  |  |  |
| **Obligations incurred:** |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Direct:** |  |  |  |  |
| **2002 Category B (by project) (480100E, 490200E)** | 25,300 |  | 90,700 |  |
| **2004 Direct obligations (total)** | 25,300 |  | 90,700 |  |
| **Unobligated balance** |  |  |  |  |
| **Apportioned** |  |  |  |  |
| 2201 Available in current period (461000E) | 5,500 |  |  |  |
| 2500 Total budgetary resources. This line is calculated. Equal sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources. | 30,800 |  | 90,700 |  |
| **CHANGE IN OBLIGATED BALANCE** |  |  |  |  |
| **Unpaid obligations:** |  |  |  |  |
| 3000 Unpaid obligations, brought forward, Oct 1 |  |  | - | - |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 1 REPORTING** |
| 3010 New Obligations, unexpired accounts (480100E – 480100B, 490200E) | 25,300 | 25,300 | 90,700 | 90,700 |
| 3020 Outlays (gross) (-) (490200E) | (24,655) | (24,655) | (87,700) | (87,700) |
| 3050 Unpaid obligations, end of year (480100E) | 645 | 645 | 3,000 | 3,000 |
| 3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or -) (422100E – 422100B) |  |  | (645) | (645) |
| 3090 Uncollected pymts, Fed sources, end of year (-) (422100E) |  |  | (645) | (645) |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| 3200 Obligated balance, end of year (+ or -) This line is calculated. Equals the sum of detailed obligated balance lines 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, 3041, 3060, 3061, 3070, 3071, 3080,and 3081. Also equals sum of lines 3050 and 3090. (422100E) | 645 | 645 | 2,355 | 2,355 |
|  |  |  |  |  |
| **BUDGET AUTHORITY AND OUTLAYS, NET** |  |  |  |  |
| **Discretionary:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4000 Budget authority, gross (411500E, 411700E) | 30,800 | 30,800 |  |  |
| 4010 Outlays from new discretionary authority (490200E) | 24,655 | 24,655 |  |  |
| 4020 Outlays, gross (total) | 24,655 | 24,655 |  |  |
| 4070 Budget authority, net (discretionary) | 30,800 | 30,800 |  |  |
| 4080 Outlays, net (discretionary) | 24,655 | 24,655 |  |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 1 REPORTING** |
| **Mandatory:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270through 1276, 1400 through 1430, 1600 through 1631, and 1800through 1842 (SF 133). Lines 1200 through 1239, 1270 through1275, 1400 through 1423, 1600 through 1622, and 1800 through1827 (Sch P)].) |  |  | 90,700 | 90,700 |
| 4110 Total outlays, gross (480200E) |  |  | 87,700 | 87,700 |
|  |  |  |  |  |
| 4120 Federal sources (-) (427100E) |  |  | (19,705) | (19,705) |
| 4122 Interest on uninvested funds (-) (427300E) |  |  | (15) | (15) |
| 4123 Non-Federal sources (-) (426100E, 426200E, 426300E) |  |  | (10,980) | (10,980) |
| 4130 Offsets against gross budget authority and outlays (total) (-) |  |  | (30,700) | (30,700) |
| 4140 Change in uncollected pymts, Fed sources, unexpired accounts(+/-) (422100E) |  |  | (645) | (645) |
| 4150 Additional offsets against budget authority only (total) |  |  | (645) | (645) |
| 4160 Budget authority, net (mandatory) (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141 and4143, 4144, and 4145 (SF 133). Line 4090 plus the amounts on lines4120 through 4124 and on lines 4140 and 4143 (Sch P).) |  |  | 59,355 | 59,355 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.) |  |  | 57,000 | 57,000 |
|  |  |  |  |  |
| 4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.) | 30,800 | 30,800 | 59,355 | 59,355 |
| 4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.) | 24,655 | 24,655 | 57,000 | 57,000 |

**Direct Loan Agency September 30, FY-1**

|  |
| --- |
| **Note 8: Credit Program Note[[48]](#footnote-48)** |
| **C. Direct Loans Obligated After FY 1991** |  |
| Loans Receivable, Gross (135000E) | 77,020 |
| Interest Receivable (134100E) | 5 |
| Allowance for Subsidy Cost (Present Value) (139900E) | (20,470) |
| Value of Assets Related to Direct Loans, Net |  56,555 |
| **D. Total Amount of Direct Loans Disbursed (Post-1991)** (490200E for loans) | $87,000 |
| **E1. Subsidy Expense for New Direct Loans Disbursed** |  |
| *Basic Subsidy:* |  |
| Interest Differential |  1,740 |
| Defaults | 17,400 |
| Fees and Other Collections |  (435) |
| Total | $18,705 |
| **E2. Modifications and Reestimates** |  |
| Total Modifications |  1,000 |
| Interest Rate Reestimates |  5 |
| Technical Reestimates |  435 |
|  Total Resstimates |  440 |
| **E3.Total Direct Loan Subsidy Expense** | $20,145 |
| **F. Composition of Subsidy Rate[[49]](#footnote-49)** |  |
| Component | Percent |
| Interest Differential | 2.0 |
| Defaults | 20.0 |
| Fees and Other Collections | (0.5) |

|  |  |
| --- | --- |
| Total | 21.5 |
| Interest rate differential,2%;defaults, 20%; fees -5%; total 21.5% (all from budget model) |  |
| **G. Schedule for Reconciling Subsidy Cost Allowance Balances (Post -1991 Direct Loans)**[[50]](#footnote-50) |  |
| Beginning balance of the subsidy cost allowance | $0 |
| Basic Subsidy Expense (Section E) | 18,705 |
| Adjustments: |  |
| Loan modifications (Section E) |  1,000 |
| Fees received |  480 |
| Loans written off | (30) |
| Subsidy allowance amortization | (130) |
| Other |  5 |
| Total |  1,325 |
| Ending balance of subsidy cost allowance before reestimates | 20,030 |
| Subsidy reestimates (Section E) | 440 |
| Ending balance of subsidy cost allowance | $20,470 |
| **O. Admin. Exp., Direct Loan Programs, (610000E Admin)** | $4,950[[51]](#footnote-51) |

**CLOSING ENTRIES**

* 1. **Closing entries were made.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To record the consolidation of actual net-funded resources and reductions for withdrawn funds. | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 420100 Total Actual Resources – Collected | 30,800 |  |  |
| 411500 Loan Subsidy Appropriation |  | 25,800 |  |
| 411700 Loan Administrative Expense Appropriation |  | 5,000 | F302 |
| **Proprietary Entry** |  |  |  |
| None |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To record the closing of paid delivered orders to total actual resources. | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 490200 Delivered Orders - Obligations, Paid [Other] | 24,655 |  |  |
|  420100 Total Actual Resources – Collected |  | 24,655 | F314 |
|  |  |  |  |
| **Proprietary Entry** |  |  |  |
| None |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To close the unobligated authority. | **DR** | **CR** | **TC** |
| **Budgetary Entry**461000 Allotments - Realized Resources 465000 Allotments - Expired Authority**Proprietary Entry**None | 5,500 | 5,500 | F312 |

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To close financing sources and expenses. | **DR** | **CR** | **TC** |
| **Budgetary Entry None****Proprietary Entry**570000 (G) Financing Sources from Appropriations Used 579100 Adjustment to Financing Sources – Credit Reform331000 Cumulative Results of Operations610000 (N) Operating Expense/Program Costs [Administrative Expenses]610000 (F) Operating Expense/Program Costs [Administrative Expenses]610000 (N) Operating Expense/Program Costs [Basic and Modified Subsidy Expense]680000 (N) Future Funded Expenses [Re-estimated Subsidy Expense729000 Other Losses | 24,655 |  |  |
|  5 |  |  |
|  440 | 4,000 |  |
|  | 950 |  |
|  |  | F336 |
|  | 19,705 |  F340 |
|  | 4405 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate unexpended appropriations. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 30,800 |  | F342 |
| **None** |  |
| **Proprietary Entry** |  |
| 310100 (G) Unexpended Appropriations - Appropriations Received310000 (G) Unexpended Appropriations – Cumulative | 6,145 |
| 310700 (G) Unexpended Appropriations - Appropriations Used | 24,655 |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate obligated borrowing authority carried forward.[[52]](#footnote-52) | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,57092,630 | 94,200 | F306 |
| 414300 Current-Year Decreases to Indefinite Borrowing Authority414500 Borrowing Authority Converted to Cash 414100 Current-Year Borrowing Authority Realized  |
| **Proprietary Entry** |
| None |

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate net cash resources. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 87,000 70021,98011,300 2,355 |  | F302 F314 |
| 490200 Delivered Orders - Paid [Loans Made] 490200 Delivered Orders - Obligations, Paid [Other]414200 Actual Repayment of Borrowing Authority Converted to Cash414600 Actual Repayments of Debt, Current-Year Authority 420100 Total Actual Resources – Collected412500 Loan Modification Adjustment Transfer Appropriation | 5 |
| 414800 Resources Realized from Borrowing Authority 426100 Actual Collection of Fees | 92,630480 |
| 426200 Actual Collection of Loan Principal 426300 Actual Collection of Loan Interest 427100 Actual Program Fund Subsidy Collected 427300 Actual Interest Collected from Treasury | 10,00050019,70515 |
| **Proprietary Entry** |  |
| None |  |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To close financing sources and expenses.[[53]](#footnote-53) | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  | 5700 | F336 |
| **None** |  |
| **Proprietary Entry** |  |
| 531200 (N) Interest Revenue – Loans Receivable/Uninvested Funds [Borrowers]531200 (F) Interest Revenue – Loans Receivable/Uninvested Funds [Treasury] | 555 15 |
| 531300 (N) Interest Revenue - Subsidy Amortization [Administrative Expense]570000 Expended Appropriations579100 (F) Adjustment to Financing Sources – Credit Reform631000 (F) Interest Expenses on Borrowing from the Bureau of the Fiscal Service and/or the Federal Financing Bank | 130 5 |

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate unexpended appropriations. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 5 |  | F342 |
| **None** |  |
| **Proprietary Entry** |  |
| 310100 (G) Unexpended Appropriations - Appropriations Received 310700 (G) Unexpended Appropriations - Appropriations Used | 5 |
|  |  |

|  |
| --- |
| **Post-Closing Adjusted Trial Balance** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority |  |  |
|  406000 Anticipated Collections from Non-Federal Sources |  |  |
| 407000 Anticipated Collections from Federal Sources |  |  |
| 411500 Loan Subsidy Appropriation |  |  |
| 411700 Loan Administrative Expense Appropriation |  |  |
| 411800 Re-estimated Loan Subsidy Appropriation |  |  |
| 412500 Loan Modification Adjustment Transfer Appropriation |  |  |
| 414100 Current-Year Borrowing Authority Realized |  |  |
| 414200 Actual Repayment of Borrowing Authority Converted to Cash |  |  |
| 414300 Current-Year Decreases to Indefinite Borrowing Authority Realized |  |  |
| 414500 Borrowing Authority Converted to Cash |  |  |
| 414600 Actual Repayments of Debt, Current-Year Authority |  |  |
| 414800 Resources Realized From Borrowing Authority |  |  |
| 420100 Total Actual Resources - Collected | 6,145 | 2,355 |
| 422100 Unfilled Customer Orders Without Advance |  | 645 |
| 426100 Actual Collections of Business-Type Fees |  |  |
| 426200 Actual Collections of Loan Principal |  |  |
| 426300 Actual Collections of Loan Interest |  |  |
| 427100 Actual Program Fund Subsidy Collected |  |  |
| 427300 Interest Collected From Treasury |  |  |
| 445000 Unapportioned Authority |  |  |
| 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment |  | - |
| 461000 Allotments - Realized Resources |  |  |
| 465000 Allotments - Expired Authority | (5,500) |  |
| 480100 Undelivered Orders - Obligations, Unpaid | (645) | (3,000) |
| 490200 Delivered Orders – Obligations, Paid [Loans Made] |  |  |
| 490200 Delivered Orders – Obligations, Paid [Re-est. Sub and Int] |  |  |
| 490200 Delivered Orders – Obligations, Paid [Other] |  |  |
| **Total** | **0** | **0** |
|  |  |  |
|  |  |  |
| **Post-Closing Adjusted Trial Balance (Continued)** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Proprietary** |  |  |
| 101000 (G) Fund Balance With Treasury | 6,145 | 2,355 |
| 131000 (N) Accounts Receivable (Subsidy Recv.) |  | 440 |
| 134100 (N) Interest Receivable – Loans |  | 5 |
| 135000 (N) Loans Receivable |  | 77,020 |
| 139900 (N) Allowance for Subsidy |  | (20,470) |
| 217000 (F) Subsidy Payable to the Financing Account | (440) |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | (59,350) |
| 310000 Unexpended Appropriations - Cumulative | (6,145) |  |
| 310100 (G) Unexpended Appropriations - Appropriations Received |  |  |
| 310700 (G) Unexpended Appropriations - Used |  |  |
| 331000 Cumulative Results of Operations | 440 |  |
| 531200 (N) Interest Revenue - Loans Receivable/Uninvested Funds (Borrowers) |  |  |
| 531200 (F) Interest Revenue - Loans Receivable/Uninvested Funds (Treasury) |  |  |
| 531300 Interest Revenue - Subsidy Amortization (Int. on PV Assets) |  |  |
| 570000 (G) Expended Appropriations |  |  |
| 610000 (N) Operating Expenses/Program Costs (Admin.) |  |  |
| 610000 (F) Operating Expenses/Program Costs (Admin.) |  |  |
| 610000 Operating Expenses/Program Costs (Basic and Mod. Subsidy) |  |  |
| 631000 (F) Interest Expenses on Borrowing from the Bureau of the Fiscal Service and/or the Federal Financing Bank |  |  |
| 680000 (N) Future Funded Expenses (Subs. Reest.) |  |  |
| **Total** | **0** | **0** |

**YEAR 2**

In fiscal year 1, an upward adjustment of subsidy expense was accrued, in accordance with the requirements of SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*. Although the expense was recognized in fiscal year 1, the year to which it applies, the Credit Reform Act specifies that budgetary resources to fund it are not provided until the following year--fiscal year 2. This section provides journal entries to obtain and apply those budgetary resources in fiscal year 2, and the related reporting at year-end

During fiscal year 2, there would be transactions for a new cohort of loans, and accounting would need to be separated between the two. However, the basic transactions would be the same for the second cohort as was already illustrated for fiscal year 1 for the first cohort. Transactions for cohort 1 would be similar, except that no new loans would be made. Rather, loans obligated, but not disbursed at the end of fiscal year 1 would be disbursed, and transactions subsequent to disbursement would be basically the same as already illustrated for fiscal year 1. The transactions illustrated for this year are limited to those relating to the disposition of the upward subsidy re-estimate accrued at the end of the preceding year.

# TRANSACTIONS – YEAR 2

**2-1. A request for apportionment was prepared for $440 of appropriations in the program fund to be transferred to the financing fund, which will use it to repay principal on the debt to Treasury. Another request was prepared for the financing fund. The SF- 132's constituting the request is shown on the next page.**

**Direct Loan Agency Fiscal Year 2**

|  |
| --- |
| **SF 132 Apportionment/Reapportionment Schedule** |
|  | **BUDGETARY RESOURCES** | **Program Fund** | **Financing Fund** |
|  | **Budget authority:** |  |  |
|  | **Appropriations, discretionary:** |  |  |
| 1100 | Appropriation | 440 |  |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |
| 1840 | Anticipated Collections, Reimbursements, and Other Income |  | - |
| 1920 | Total Budgetary Resources | 440 | - |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |
|  | **Category B (by project)** |  |  |
| 6011 | Direct Loan Subsidy | 440 | - |
| 6190 | Total Budgetary Resources Available | 440 | - |

##### 2-1a To record an anticipated appropriation. Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A102 |
| 412000 Anticipated Indefinite Appropriations 445000 Unapportioned Authority |
| **Proprietary Entry** |
| None |

##### 2-1b To record anticipated resources apportioned but not available for use until they are realized. Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A118 |
| 445000 Unapportioned Authority459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment |
| **Proprietary Entry** |
| None |

##### c To record anticipated collections and anticipated non-expenditure payments to Treasury. Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440440 | 440440 | A140 A142 |
| 407000 Anticipated Collections from Federal Sources 445000 Unapportioned Authority445000 Unapportioned Authority 404700 Anticipated Transfers to the General Fund of theU.S. Government – Current-Year**Proprietary Entry** |
| None |

* 1. ***To record the enactment of the appropriations.***

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A104 |
| 411800[[54]](#footnote-54) Re-est. Loan Subsidy Approp. - Indefinite - Permanent | 440 |  |
| 412000 Anticipated Indefinite Appropriations |  | 440 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 440 |  |
| 310100 (G) Unexpended Appropriations – Appropriations Received |  | 440 |

##### Financing Fund

No entry

##### 2-3 To record the realization of previously anticipated and apportioned programs subject to apportionment.

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A122 |
| 459000 Apportionments - Anticipated Resources- Program Subject to Apportionment 451000 Apportionments**Proprietary Entry** |
| None |

##### Financing Fund

No entry[[55]](#footnote-55)

**2-4. Agency recorded allotment of authority.**

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A120 |
| 451000 Apportionments461000 Allotments - Realized Resources**Proprietary Entry** |
| None |

**Financing Fund**

**No entry**[[56]](#footnote-56)

**2-5. The re-estimated subsidy was transferred from the program fund to the financing fund.**

##### 2-5a To record the re-estimated subsidy payable in the program account. Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | B306 |
| 461000 Allotments - Realized Resources 480100 Undelivered Orders - Unpaid |
| **Proprietary Entry** |
| None |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | C101 |
| 422100 Unfilled Customer Orders Without Advance 407000 Anticipated Collections from Federal Sources |
| **Proprietary Entry** |
| None |

##### 2-5b To record the disbursement of reestimate from the program fund to the financing fund. Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 480100 Undelivered Orders - Unpaid | 440 |  |  |
| 490200 Delivered Orders – Obligations, Paid [Re-estimated Subsidy and Interest] |  | 440 | B105 |
| **Proprietary Entry** |  |  |  |
| 217000 (F) Subsidy Payable to the Financing Account | 440 |  |  |
| 101000 (G) Fund Balance With Treasury Subsidy Expense]310700 (G) Unexpended Appropriations - Appropriations Used 570000 (G) Financing Sources From Appropriations Used | 440 | 440440 | B134 |

|  |  |  |  |
| --- | --- | --- | --- |
| **To record the reclassification of unfunded expenses.** | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | B105 |
| **None** |
| **Proprietary Entry** |
| 610000 (N) Operating Expenses/Program Costs |
| 680000 (N) Future Funded Expenses [Re-estimated Subsidy Expense] |

* 1. ***c To record collection of subsidy for an upward re-estimate in the financing account.***

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C106 |
| 427100 Actual Program Fund Subsidy Collected | 440 |  |
| 407000 Anticipated Collections from Federal Sources |  | 440 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 440 |  |
| 131000 (F) Accounts Receivable[Subsidy Receivable from Program Account] |  | 440 |

* 1. **The financing fund used the subsidy collected to repay principal on its loan from Fiscal Service.**

##### To record principal repayments to the Fiscal Service via non-expenditure transfers that was previously anticipated.

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B120 |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority | 440 |  |
| 414600 Actual Repayments of Debt, Current-Year Authority |  | 440 |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service 101000 (G) Fund Balance With Treasury | 440 | 440 |

**PRECLOSING ENTRIES**

**Financing Fund**

To close anticipated resources.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | F116 |
| 407000 Anticipated Collections From Federal Resources |
| 445000 Unapportioned Authority |
| **Proprietary Entry** |
| None |

|  |
| --- |
| **Preclosing Adjusted Trial Balance** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government - Current-Year Authority |  | - |
| 406000 Anticipated Collections from Non-Federal Sources |  | - |
| 407000 Anticipated Collections from Federal Sources |  |  |
| 411500 Loan Subsidy Appropriation | - |  |
| 411700 Loan Administrative Expense Appropriation | - |  |
| 411800 Re-estimated Loan Subsidy Appropriation | 440 |  |
| 412000 Anticipated Indefinite Appropriations |  |  |
| 414100 Current-Year Borrowing Authority Realized |  | - |
| 414300 Current-Year Decreases to Indefinite Borrowing Authority Realized |  | - |
| 414500 Borrowing Authority Converted to Cash |  | - |
| 414600 Actual Repayments of Debt, Current-Year Authority |  | (440) |
| 414800 Resources Realized From Borrowing Authority |  | - |
| 420100 Total Actual Resources - Collected | 6,145 | 2,355 |
| 414900 Borrowing Authority Carried Forward |  |  |
| 422100 Unfilled Customer Orders Without Advance |  | 1,085 |
| 426100 Actual Collections of Business-Type Fees |  | - |
| 426200 Actual Collections of Loan Principal |  | - |
| 426300 Actual Collections of Loan Interest |  | - |
| 427100 Actual Program Fund Subsidy Collected |  | 440 |
| 427300 Interest Collected From Treasury |  |  |
| 445000 Unapportioned Authority | - | (440) |
| 451000 Apportionments |  |  |
| 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment |  | - |
| 461000 Allotments - Realized Resources |  |  |
| 465000 Allotments - Expired Authority | (5,500) |  |
| 480100 Undelivered Orders - Obligations, Unpaid | (645) | (3,000) |
| 490200 Delivered Orders – Obligations, Paid [Re-est. Sub] | (440) |  |
| 490200 Delivered Orders – Obligations, Paid [Other] | - | - |
| **Total** | **0** | **0** |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **Preclosing Adjusted Trial Balance (Continued)** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Proprietary** |  |  |
| 101000 (G) Fund Balance With Treasury | 6,145 | 2,355 |
| 131000 (N) Accounts Receivable (Subsidy Recv.) |  |  |
| 134100 (N) Interest Receivable – Loans |  | 5 |
| 135000 (N) Loans Receivable |  | 77,020 |
| 139900 (N) Allowance for Subsidy |  | (20,470) |
| 217000 (F) Subsidy Payable to the Financing Account |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | (58,910) |
| 310000 Unexpended Appropriations - Cumulative | (6,145) |  |
| 310100 (G) Unexpended Appropriations - Appropriations Received | (440) |  |
| 310700 (G) Unexpended Appropriations - Used | 440 |  |
| 331000 Cumulative Results of Operations | 440 | - |
| 531200 (N) Interest Revenue - Loans Receivable/Uninvested Funds (Borrowers) |  | - |
| 531200 (F) Interest Revenue - Loans Receivable/Uninvested Funds (Treasury) |  | - |
| 531300 (N) Interest Revenue - Subsidy Amortization (Int. on PV Assets) |  | - |
| 570000 (G) Expended Appropriations | (440) |  |
| 610000 (N) Operating Expenses/Program Costs (Admin.) | - |  |
| 610000 (F) Operating Expenses/Program Costs (Admin.) |  |  |
| 610000 (N) Operating Expenses/Program Costs (Basic +Subsidy) | 440 |  |
| 631000 (F) Interest Expenses on Borrowing from the Bureau of the Fiscal Service and/or the Federal Financing Bank |  |  |
| 680000 (N) Future Funded Expenses (Subs. Reest.) | (440) | - |
| **Total** | **0** | **0** |

**CLOSING ENTRIES**

**2-6. Closing entries were made.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To record the closing of expended authority paid and record the consolidation of actual net—funded resources for withdrawn funds. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 |  |
| 420100 Total Actual Resources - Collected  411800 Reestimated Loan Subsidy Appropriation | F302 |
| **Proprietary Entry** |  |
| None |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To record the closing of paid delivered orders to total actual resources. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 |  |
| 490200 Delivered Orders Paid [Re-est. Subsidy and Interest] 420100 Total Actual Resources - Collected  | F314 |
| **Proprietary Entry** |  |
| None |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To record the closing of revenue, expenses, and other financing sources accounts to cumulative results of operations. | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  | 440440 | F336 |
| **None** |  |
| **Proprietary Entry** |  |
| 680000 (N) Future Funded Expenses | 440 |
| 570000 (G) Financing Sources from Appropriations 331000 Cumulative Results of Operations  610000 (N) Operating Expenses/Program Costs | 440 |

|  |  |  |  |
| --- | --- | --- | --- |
| To record closing of fiscal-year activity to unexpended appropriations. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | F342 |
| **None** |
| **Proprietary Entry** |
| 310100 (G) Unexpended Appropriations - Appropriations Received |
| 310700 (G) Unexpended Appropriations - Appropriations Used |

##### Financing Fund [[57]](#footnote-57)

|  |  |  |  |
| --- | --- | --- | --- |
| To record the consolidation of actual net funded resources and reductions for withdrawal of funds. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | F302 |
| 414600 Actual Repayments of Debt, Current-Year Authority 427100 Actual Program Fund Subsidy Collected |
| **Proprietary Entry** |
| None |

|  |  |  |  |
| --- | --- | --- | --- |
| To record the closing of unobligated balances to expiring authority. | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | F312 |
| 445000 Unapportioned Authority465000 Expired Authority |
| **Proprietary Entry** |
| None |

|  |
| --- |
| **Post-Closing Adjusted Trial Balance** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government - Current-Year Authority |  | - |
| 406000 Anticipated Collections from Non-Federal Sources |  | - |
| 407000 Anticipated Collections from Federal Sources |  | - |
| 411500 Loan Subsidy Appropriation | - |  |
| 411700 Loan Administrative Expense Appropriation | - |  |
| 411800 Re-estimated Loan Subsidy Appropriation | - |  |
| 412000 Anticipated Indefinite Appropriations | - |  |
| 414100 Current-Year Borrowing Authority Realized |  | - |
| 414300 Current-Year Decreases to Indefinite Borrowing Authority Realized |  | - |
| 414500 Borrowing Authority Converted to Cash |  | - |
| 414600 Actual Repayments of Debt, Current-Year Authority |  | - |
| 414800 Resources Realized From Borrowing Authority |  | - |
| 420100 Total Actual Resources - Collected | 6,145 | 2,355 |
| 422100 Unfilled Customer Orders Without Advance |  | 1,085 |
| 426100 Actual Collections of Business-Type Fees |  | - |
| 426200 Actual Collections of Loan Principal |  | - |
| 426300 Actual Collections of Loan Interest |  | - |
| 427100 Actual Program Fund Subsidy Collected |  | - |
| 427300 Interest Collected From Treasury |  | - |
| 445000 Unapportioned Authority |  | - |
| 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment |  | - |
| 461000 Allotments - Realized Resources | - |  |
| 465000 Allotments - Expired Authority | (5,500) | (440) |
| 480100 Undelivered Orders - Obligations, Unpaid | (645) | (3,000) |

|  |  |  |
| --- | --- | --- |
| 490200 Delivered Orders – Obligations, Paid [Loans Made] |  | - |
| 490200 Delivered Orders – Obligations, Paid [Re-est. Sub and Int] | - | - |
| 490200 Delivered Orders – Obligations, Paid [Other] | - | - |
| **Total** | **0** | **0** |
|  |  |  |
| **Post-Closing Adjusted Trial Balance (Continued)** |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** |
| **Proprietary** |  |  |
| 101000 (G) Fund Balance With Treasury | 6,145 | 2,355 |
| 131000 (N) Accounts Receivable (Subsidy Recv.) |  |  |
| 134100 (N) Interest Receivable – Loans |  | 5 |
| 135000 (N) Loans Receivable |  | 77,020 |
| 139900 (N) Allowance for Subsidy |  | (20,470) |
| 217000 (F) Subsidy Payable to the Financing Account |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | (58,910) |
| 310000 Unexpended Appropriations - Cumulative | (6,145) |  |
| 310100 (G) Unexpended Appropriations - Appropriations Received | - |  |
| 310700 (G) Unexpended Appropriations - Used | - | - |
| 331000 Cumulative Results of Operations |  | - |
| 531200 (N) Interest Revenue - Loans Receivable/Uninvested Funds (Borrowers) |  | - |
| 531200 (F) Interest Revenue - Loans Receivable/Uninvested Funds (Treasury) |  | - |
| 531300 (N) Interest Revenue - Subsidy Amortization (Int. on PV Assets) |  | - |
| 570000 (G) Expended Appropriations | - |  |
| 610000 (N) Operating Expenses/Program Costs (Admin.) | - |  |
| 610000 (F) Operating Expenses/Program Costs (Admin.) |  |  |
| 610000 (N) Operating Expenses/Program Costs (Basic Subsidy) | - |  |
| 631000 (F) Interest Expenses on Borrowing from the Bureau of the Fiscal Service and/or the Federal Financing Bank |  |  |
| 680000 (N) Future Funded Expenses (Subs. Recv.) | - | - |
| **Total** | **0** | **0** |

**FINANCIAL STATEMENTS**[[58]](#footnote-58)

**Direct Loan Agency September 30, FY-2**

|  |
| --- |
| **BALANCE SHEET** |
|  |  | **Program Fund** | **Elim** | **Financing Fund** | **Total** |
|  | **Assets:** |  |  |  |  |
|  | Intragovernmental |  |  |  |  |
| 1. | Fund Balance With Treasury (101000E) | 6,145 |  | 2,355 | 8,500 |
| 3. | Accounts Receivable (131000E) |  |  |  |  |
| 6. | Total Intragovernmental (calc.) | 6,145 |  | 2,355 | 8,500 |
| 11. | Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E) |  |  | 56,555 | 56,555 |
| 15. | Total Assets (calc.) | 6,145 | - | 58,910 | 65,055 |
|  |  |  |  |  |  |
|  | **Liabilities:** |  |  |  |  |
| 18. | Debt (251000E) |  |  | 58,910 | 58,910 |
| 20. | Total Intragovernmental | - | - | 58,910 | 58,910 |
| 28. | Total Liabilities (calc.) | - | - | 58,910 | 58,910 |
|  | **Net Position:** |  |  |  |  |
| 31. | Unexpended Appropriations – All Other Funds (310000E, 310100E, 310700E) | 6,145 |  |  | 6,145 |
| 33. | Cumulative Results of Operations - All Other Funds (331000E, 570000, 610000E, 680000E) | - |  |  | - |
| 35. | Total Net Position – All Other Funds (calc.) | 6,145 |  |  | 6,145 |
| 36. | Total Net Position (calc.) | 6,145 |  |  | 6,145 |
| 37. | Total Liabilities and Net Position (calc.) | **6,145** | **-** | **58,910** | **65,055** |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY-2**

|  |
| --- |
| **STATEMENT OF CHANGES IN NET POSITION** |
|  |  | **Program Fund** | **Financing Fund[[59]](#footnote-59)** | **Total** |
|  |  | CumulativeResults of Operations | UnexpendedAppropriations | CumulativeResults of Operations | UnexpendedAppropriations | CumulativeResults of Operations | UnexpendedAppropriations |
|  | **Cumulative Results of Operations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 1. | Beginning Balance | (440) |  |  |  | (440) |  |
| 3. | Beginning Balance, Adjusted | (440) |  |  |  | (440) |  |
| 5. | Appropriations Used (570000E) | 440 |  |  |  | 440 |  |
| 14. | Total Financing Sources | 440 |  |  |  | 440 |  |
| 15. | Net Cost of Operations (+/-) | - |  |  |  | - |  |
| 16. | Net Change (calc. 14-15) |  440 |  |  |  |  (440) |  |
| 17. | **Cumulative Results of Operations (calc. 3+16)** |  - |  |  |  |  - |  |
|  | **Unexpended** |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Appropriations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 18. | Beginning Balance |  | 6,145 |  |  |  | 6,145 |
| 20. | Beginning Balance, Adjusted |  | 6,145 |  |  |  | 6,145 |
| 21. | Appropriations Received (310100E) |  | 440 |  |  |  | 440 |
| 24. | Appropriations Used (310700E) |  | (440) |  |  |  | (440) |
| 25. | Total Budgetary Financing Sources (calc. 21..24) |  |  - |  |  |  | - |
| 26. | Total Unexpended Appropriations (calc. 20 + 25) |  | 6,145 |  |  |  | 6,145 |
| 27. | **Net Position****(calc. 17 + 26)** |  | 6,145 |  |  |  | 6,145 |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY2**

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  |  | **Budgetary** | **Non-Budgetary Financing Account** | **Total** |
|  | **Budgetary Resources:** |  |  |  |
| 1000 | Unobligated Balance brought forward, Oct 1 | 5,500 |  | 5,500 |
| 1290 | Appropriations (discretionary and mandatory) (411500E, 411700E, 4125000E) | 440 |  | 440 |
| 1490 | Borrowing Authority (discretionary and mandatory) (414600E) |  | (440) | (440) |
| 1890 | Spending authority from offsetting collections (discretionary and mandatory) ((426100E,426200E, 426300E,427100,427300,422100E-422100B)) |  | - | 440 |
| 1910 | Total budgetary resources | $5,940 | - | $5,940 |
|  |  |  |  |  |
|  | **Status of Budgetary Resources:** |  |  |  |
| 2190 | New obligations and upward adjustments (total) (480100E-480100B, 490200E) | 440 |  | 440 |
|  | **Unobligated balance, end of year:** |  |  |  |
| 2404 | Unapportioned, unexpired accounts (445000E, 465000E) | 5,500 | (440) | 5,500 |
| 2500 | Total budgetary resources | $5,940 | (440) | $5,940 |
|  |  |  |  |  |
|  | **Change in obligated balance** |  |  |  |
| 3012 | New obligations and upward adjustments(total) (480100E-480100B, 490200E) | 440 |  | 440 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 3020 | Outlays (gross) (-) (490200E) | (440) |  | (440) |
| 3050 | Unpaid obligations, end of year (480100E- 480100B) |  | 3,000 | 3,000 |
| 3072 | Change in uncollected pymts, Fed Sources (422100E - 422100B) |  | 440 | 440 |
| 3090 | Uncollected pymts, Fed sources, end of year (-) (422100E) |  | (1,085) | (1,085) |
|  |  |  |  |  |

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  | **Memorandum (non add) entries** |  |  |  |
| 3200 | Obligated balance, end of year (+ or -) | - | 2,355 | 2,355 |
|  |  |  |  |  |
|  | **Budget Authority and Outlays, Net:** |  |  |  |
| 4175 | Budget authority, gross (discretionary and mandatory) | 440 | - | 440 |
| 4177 | Change in uncollected, pymts, Fed sources (discretionary and mandatory) (+ or -) |  | (440) | (440) |
| 4180 | Budget authority, net (total) (discretionary and mandatory) | 440 | (440) | - |
| 4185 | Outlays, gross (discretionary and mandatory) | 440 |  | 440 |
| 4187 | Actual offsetting collections (discretionary and mandatory) (-) |  | 440 | 440 |
| 4190 | Outlays, net (total) (discretionary and mandatory) | 440 | (440) |  |

**Direct Loan Agency**

**For Fiscal Year Ended September 30, FY2**

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 2 REPORTING** |
|  | **Program Fund** | **Financing Fund** |
| **SF133****Line** | **Sch P Line** | **SF133****Line** | **Sch P Line** |
| **BUDGETARY RESOURCES** |  |  |  |  |
| **All accounts:** |  |  |  |  |
| 0703 Direct Loan Subsidy |  | 19,350 |  |  |
| 0705Direct Loan Modification Subsidy Costs |  | 1,000 |  |  |
| 0709 Administrative Expenses |  | 4,950 |  |  |
| 0711 Default Claim Payments on Principal |  |  |  | 3,500 |
| 0715 Interest Supplement |  |  |  | 1,940 |
| 0900 Total new obligations (490200E) |  | 25,300 |  | 5,440 |
|  |  |  |  |  |
| **Unobligated balance:** |  |  |  |  |
| 1000 Unobligated balance brought forward, October 1 | 1,200 |  | - | - |
| 1051 Unobligated balance from prior year budget authority, net | 1,200 |  |  |  |
| **Budget Authority:** |  |  |  |  |
| **Appropriations:** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| 1200 Appropriation (411800E) | 440 | 440 |  |  |
| 1260 Appropriation – Mandatory (total) | 440 | 440 |  |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 2 REPORTING** |
| **Borrowing authority** |  |  |  |  |
| **1400 Borrowing authority (414100E, 414300E)** |  |  | - | - |
| **1440 Borrowing authority total** |  |  | - | - |
| **Spending Authority from Offsetting Collections:** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| 1800 Collected (426100E,426200E,426300E,427100E,427300E) |  |  | 440 | 440 |
| 1801 Change in uncollected payments, Federal sources (+ or -) (422100E) |  |  | - | - |
| 1825 Appropriation applied to repay debt (-) (414600E) |  |  | (440) | (440) |
| 1850 Spending authority from offsetting collections, mandatory (total) |  |  | - | - |
| 1900 Budget authority total (disc. and mandatory) | 1,640 | 1,640 | - | - |
| 1910 Total budgetary resources discretionary and mandatory) | 1,640 |  | - | - |
| 1930 Total budgetary resources available |  | 1.640 |  | - |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| **Unobligated Balance** |  |  |  |  |
| 1940 Unobligated balance expiring (-) (465000E) |  | 1,200 |  |  |
| 1941 Unexpired unobligated balance, end of year (445000E, 461000E) |  |  |  | (440) |
| **STATUS OF BUDGETARY RESOURCES** |  |  |  |  |
| **Obligations incurred:** |  |  |  |  |
| **Direct:** |  |  |  |  |
| **2002 Category B (by project) (480100E, 490200E)** | 440 |  | - |  |
| **2004 Direct obligations (total)** | 440 |  | - |  |
| **Unobligated balance** |  |  |  |  |
| **Apportioned** |  |  |  |  |
| 2201 Available in current period (461000E) | - |  | - |  |
| 2403 Other (445000E, 465000E) | 1,200 |  | (440) |  |
| 2500 Total budgetary resources. This line is calculated. Equal sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources. | 1,640 |  |  (440) |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 2 REPORTING** |
| **CHANGE IN OBLIGATED BALANCE** |  |  |  |  |
| **Unpaid obligations:** |  |  |  |  |
| 3000 Unpaid obligations, brought forward, Oct 1 (480100) | 645 |  | 3,000 | - |
| 3001 Adjustment to unpaid obligations, brought forward, Oct 1 (+ or-) (480100E) | (645) | (645) | (3,000) | (3,000) |
| 3010 New Obligations, unexpired accounts (480100E – 480100B, 490200E) |  |  | (645) |  |
| 3020 Outlays (gross) (-) (490200E) | 645 |  | 2,355 |  |
| 3050 Unpaid obligations, end of year (480100E) | 645 | 645 | 3,000 | 3,000 |
| 3061 Adjustment to uncollected pymts, Fed sources, brought forward, Oct 1 (+ or -) (422100E) |  |  | (1,085) | (1,085) |
| 3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or -) (422100E – 422100B) |  |  | (440) | (440) |
| 3090 Uncollected pymts, Fed sources, end of year (-) (422100E) |  |  | (1,085) | (1,085) |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| 3100 Obligated balance, start of year (+ or -) This line is calculated. Equals the sum of lines 3000, 3001, 3060, and 3061. | 645 | 645 | 2,355 | 2,355 |
| 3200 Obligated balance, end of year (+ or -) This line is calculated. Equals the sum of detailed obligated balance lines 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, 3041, 3060, 3061, 3070, 3071, 3080,and 3081. Also equals sum of lines 3050 and 3090. (422100E) | 645 | 645 | 2,355 | 2,355 |
|  |  |  |  |  |
| **BUDGET AUTHORITY AND OUTLAYS, NET** |  |  |  |  |
| **Discretionary:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4000 Budget authority, gross (411500E, 411700E) | 30,800 | 30,800 |  |  |
| 4010 Outlays from new discretionary authority (480200E) | 24,655 | 24,655 |  |  |
| 4020 Outlays, gross (total) | 24,655 | 24,655 |  |  |
| 4070 Budget authority, net (discretionary) | 30,800 | 30,800 |  |  |
| 4080 Outlays, net (discretionary) | 24,655 | 24,655 |  |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 2 REPORTING** |
| **Mandatory:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270through 1276, 1400 through 1430, 1600 through 1631, and 1800through 1842 (SF 133). Lines 1200 through 1239, 1270 through1275, 1400 through 1423, 1600 through 1622, and 1800 through1827 (Sch P)].) | 440 | 440 | - | - |
| 4110 Total outlays, gross (480200E) | 440 | 440 | - | - |
| 4120 Federal sources (-) (427100E) |  |  | (440) | (440) |
| 4130 Offsets against gross budget authority and outlays (total) (-) |  |  | (440) | (440) |
| 4140 Change in uncollected pymts, Fed sources, unexpired accounts(+/-) (422100E) |  |  | (440) | (440) |
| 4150 Additional offsets against budget authority only (total) |  |  | (440) | (440) |
| 4160 Budget authority, net (mandatory) (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141 and4143, 4144, and 4145 (SF 133). Line 4090 plus the amounts on lines4120 through 4124 and on lines 4140 and 4143 (Sch P).) | 440 | 440 | (440) | (440) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.) | 440 | 440 | (440) | (440) |
|  |  |  |  |  |
| 4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.) | 440 | 440 | (440) | (440) |
| 4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.) | 440 | 440 | (440) | (440) |

# APPENDIX 1: ACCOUNTING FOR MANDATORY DIRECT LOAN PROGRAMS

**INTRODUCTION**

The case presented in the body of this document was for common transactions undertaken by a discretionary direct loan program. This appendix discusses basic differences between discretionary and mandatory direct loan programs, and shows how the prior entries in this guide would differ for a mandatory program with typical funding characteristics.

**BASIC DIFFERENCES BETWEEN DISCRETIONARY AND MANDATORY PROGRAMS**

In a discretionary program, Congress sets a funding level, and program agencies make loans up to the amount that can be supported from subsidy in their program fund. Program fund subsidy is usually provided by annual or multi-year appropriations, although no-year (permanent indefinite) appropriations can be given by the Congress should they choose to do so.

Annual appropriation authority expires at the end of the fiscal year that it funds, and multi-year appropriations expire at the end of the last year of their period of availability. For example, appropriations good for three years expire at the end of the third year funded. No new obligations may be placed against expired authority, and agencies generally have five years after the date of expiration to fill obligations and pay liabilities before both the obligated and unobligated authority is canceled and cannot be used for any purposes. Congress sometimes

provides for different periods of expiration.[[60]](#footnote-60)

The government also operates mandatory (entitlement) direct loan programs, in which Congress usually authorizes permanent indefinite appropriations for subsidy. If there are a sufficient number of applicants who meet criteria established by Congress for the program that the subsidy is insufficient to support the loans, additional subsidy monies are normally provided by drawing additional appropriations. The Congress may set rules in which it must concur with the additional funding, or it may place a cap on the total funding. These no- year appropriations do not have a date of expiration, and unobligated subsidy appropriation authority may be used as long as the programs they fund remain authorized by the Congress.

Congress may provide appropriations for administrative expenses that have annual, multi-year, or

no-year expiration. It is probably most common for both discretionary and mandatory direct loan programs to have annual administrative expense appropriations. Thus, no differences in accounting for administrative expenses will be presented. However, multi-year administrative expense appropriations in other than the last year covered, and no-year administrative expense appropriations, would be accounted for in the same manner as will be shown for no-year appropriations of subsidy authority.

Another difference between discretionary and mandatory direct loan programs is that when downward adjustments to subsidy are called for during the subsidy re-estimation process to properly value direct loans at the estimated value of their cash flows, discretionary programs must generally return the excess money in their financing fund to the Treasury by transferring it to a designated miscellaneous receipt account. Mandatory programs generally may recycle this excess by transferring it back to their program account. While these are the typical situations, Congress may provide for recycling of downward re-estimates for a discretionary program, or may provide that downward re-estimates in a mandatory program cannot be recycled, and must be returned to Treasury. Recording and reporting downward re-estimates of subsidy for both a discretionary and a mandatory program is discussed in Appendix 2 to this document (recall that the agency in the body of this document illustrated accrual and disposition of an upward adjustment).

Both discretionary and mandatory direct loan programs generally have the same transactions. In both types of programs:

* Budgetary resources must be formulated, apportioned by OMB, and allotted by the agency;
* Loans are made based on a combination of program fund subsidy and financing fund borrowing from Treasury;
* Collections from federal and non-federal sources are made and used to repay principal and interest on the loan from Treasury;
* The subsidy cost allowance is re-estimated each year taking into account all factors that may have affected the estimated cash flows. Any adjustment resulting from the re-estimate is recognized as a subsidy expense (or a reduction in subsidy expense).

Where there are differences in the type of subsidy appropriations provided and disposition of downward re- estimates, the journal entries to record the same transaction will usually differ as well. The next section discusses those differences.

**DIFFERENCES IN JOURNAL ENTRIES FOR MANDATORY PROGRAMS**

The transactions illustrated for the discretionary direct loan program in the body of this document are virtually the same as those that would be undertaken in a mandatory program. However, four of the journal entries would be different. The transactions involved, and the budgetary and proprietary entries a mandatory program with no-year subsidy authority, but with the same amount of funding and other parameters as the discretionary

program, would make, are set forth below.[[61]](#footnote-61) Note that only certain entries in fiscal year 1 are affected. There

would be no change from the discretionary program entries in fiscal year 2.

Changes from entries illustrated for the discretionary program are highlighted in bold type. For each transaction presented, only the fund entities for which there is a change are presented. If a fund entity present for a transaction in the discretionary program guide were not present in the transactions illustrated below, a mandatory program would make the same entries for those fund entities. A discussion of changes follows the revised entries for each transaction.

**1-1. To record enactment of appropriations.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A102A104 |
| 412000 Anticipated Indefinite Appropriations | 25,800 |  |
| 411700 Loan Administrative Expense Appropriation 445000 Unapportioned Authority | 5,000 | 30,800 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 5,000 |  |
| 310100 (G) Unexpended Appropriation Received |  | 5,000 |

**Explanation of difference**

Because the program fund has permanent indefinite authority for its subsidy, formulation of the budget calls for the amount of the appropriations to be received to first be anticipated. The appropriations will normally not be realized until OMB has approved the amount. Accordingly, two changes must be made in the program fund entry. First, the account for anticipated appropriations, 412000, is used instead of the account for realized subsidy appropriations, 411500. Second, because the subsidy money is not realized at this point, the amount of Fund Balance with Treasury recorded is only the amount of the administrative expense appropriation, which is an annual appropriation. Note that there is no change for the financing fund.

**1-2a. To record the enactment of appropriations.**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  A104 |
| 411500 Loan Subsidy Appropriations | 25,800 |  |
| 412000 Anticipated – Indefinite Appropriations |  | 25,800 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 25,800 |  |
| 310100 (G) Unexpended Appropriation- Appropriations Received |  | 25,800 |

**1-2b. To record budgetary authority apportioned by the Office of Management and Budget and available for allotment.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A116 |
| 445000 Unapportioned Authority451000 Apportionments | 30,800 | 30,800 |
| **Proprietary Entry** |  |  |
| None |  |  |
|  |  |  |

##### Explanation of Difference

There are two differences here. First, because the subsidy appropriation was first anticipated and not realized until OMB concurred in the amount, an entry to realize the appropriation is made. Second, along with the realization, the related fund balance with Treasury must be recorded. Note that the combination of entries 1-1 and 1-2a and 1-2b yields the same account balances for both the discretionary and mandatory programs.

**1-10. After consultation and agreement with OMB, the agency decided to modify the terms of loans for some borrowers, reducing the present value of those loans by $1,000.**

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,000 | 1,000 | A148 |
| 461000 Allotments – Realized Resources404700 Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority |
| **Proprietary Entry** |
| None |

##### Explanation of Difference

The basic transaction is the same, the agency is making modifications to loan terms which cost the government

$1,000. However, some of the related procedures are different. In the discretionary program, the loan level had to be reduced, and the related borrowing authority had to be reduced as well. This was because since the subsidy appropriation was annual, having to use subsidy to modify loans meant that the subsidy was not available to use in making loans (recall that an agency can only make the amount of loans which its subsidy monies can support).

In a mandatory program, in which additional monies can, with OMB approval, be drawn from a permanent indefinite appropriation, there is no need to reduce the program level. The $1,000 of subsidy could be recovered by drawing an additional $1,000 from the appropriation subsidy. The drawing of it is not made here, because in this case, we know from the discretionary program case that the full amount of subsidy, even reduced by the $1,000 used for modifications, was not used to make loans.

Note that the $1,000 of additional subsidy to be collected would need to be paid on the Treasury loan, and hence the allotments, which would otherwise have been used to make loans, must be decreased, and the amount of anticipated payments on the loan must be increased, by the amount.

If the mandatory agency were to replenish its subsidy, it would first make the request of OMB and, if OMB concurred, would realize additional appropriation authority and receive monies from Treasury.[[62]](#footnote-62) Such request would probably be made later in the year if the demand for loans was greater than the subsidy would support, which is not the situation in the case.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,000 | 1,000 | A102 |
| 412000 Anticipated - Indefinite Appropriations 445000 Unapportioned Authority |
| **Proprietary Entry** |
| None |

Then, when OMB approved the request, the agency would make these entries to record the apportionment:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A104 |
| 411500 Loan Subsidy Appropriations | 1,000 |  |
| 412000 Anticipated – Indefinite Appropriations |  | 1,000 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 1,000 |  |
| 310100 (G) Unexpended Appropriation- Appropriations Received |  | 1,000 |

A related SF-132 would be prepared for the financing fund to increase its anticipated federal collections by $1,000. The financing fund entries relating to anticipated federal collections in entries 1-1 and 1-2 would be made to request and receive the apportionment, respectively.

*Explanation of Difference*

In conjunction with the change to entry 1-10, this entry would not be made–indeed; the transaction would not be undertaken–because there would be no need to reduce borrowing authority. If, later in the year, the demand for loans was such that more subsidy was needed to make loans than was available in the program fund, the program fund would obtain additional subsidy from its permanent indefinite appropriation and use it, in conjunction with the existing borrowing authority, to make additional loans. If the borrowing authority was also insufficient, additional authority would be realized, since it, too, is permanent indefinite authority.[[63]](#footnote-63)

**1-17. As no further loans were disbursed during the year, the unneeded monies borrowed from Treasury were returned.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 23,55023,550 | 23,55023,550 | A120RA116R |
| 461000 Allotments – Realized Resources 451000 Current-Year Decreases to Indefinite Borrowing Authority Realized451000 Current-Year Decreases to Indefinite Borrowing Authority Realized |
| 445000Unapportioned Authority**Proprietary Entry** |
| None |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | B121 |
| 445000 Unapportioned Authority414200 Actual Repayment of Borrowing Authority Converted to Cash | 23,550 | 23,550 |
| **Proprietary Entry** |  |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service | 23,550 |  |
| 101000 (G) Fund Balance With Treasury |  | 23,550 |

*Explanation of Differences*

The modification which reduced the borrowing authority by $3,651(from $94,200 to $90,549) would not have been needed with mandatory program (therefore increasing the repayment in mandatory program from $19,899 to $23,550).

**Trial Balances and Financial Statements**

Pre- and post-closing trial balances, financial statements, and the quantitative portion of the credit program note for the mandatory program would be the same as for the discretionary program for both fiscal years. Narrative descriptions about funding and about loan levels authorized would be different, but are not illustrated for either program. (The narrative about program level and nature of subsidy funding would be different, because the program loan level was reduced in the discretionary program but not in the mandatory program, and the subsidy appropriation in the mandatory program was no-year authority, as opposed to annual authority in the discretionary case).

# APPENDIX 2: ACCOUNTING FOR DOWNWARD RE-ESTIMATES IN DISCRETIONARY AND MANDATORY DIRECT LOAN PROGRAMS

**INTRODUCTION**

The nature of downward subsidy re-estimates for loans and interest receivable is the same for both discretionary and mandatory direct loan programs. In both cases, the present value of the receivables is understated at year- end, meaning that more subsidy money was collected than is necessary to fund future net cash outflows; the value of the receivables must be adjusted accordingly; and the financing fund must relinquish the excess

subsidy amount. A SF-132 Apportionment and Reapportionment Schedule has to be done.[[64]](#footnote-64) And like the

upward subsidy re-estimates, an accrual for the adjustment to subsidy expense must be made at year-end, in the program fund, with an accrued receivable in the General Funds Receipt account. The financing fund must transfer the excess subsidy amount, with interest, to the General Funds Receipt account in the following year.

The following sections illustrate accounting and reporting for a downward subsidy re-estimate in the amount of

$440 (which includes a technical re-estimate (including interest on the re-estimate) and an interest rate re- estimate).For purposes of the illustration, the same figures are used as were used for the upward re-estimate in the case, except that the re-estimate will be considered to be downward. Hence, the re-estimate components will be: downward technical re-estimate (including interest on the re-estimate) of $435; and downward interest

rate re-estimate, $5.[[65]](#footnote-65)

The entries to accrue the downward re-estimate described in the preceding section are shown below. The entries are reflected in the Financing Fund, Program Fund, and General Fund Receipt Account.

Fiscal Year 1

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | D146 |
| **None** |
| **Proprietary Entry** |
| 579100[[66]](#footnote-66) (F) Adjustment to Financing Sources – Credit Reform |
| 680000 (N) Future Funded Expenses [Subsidy Re-estimate] |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  | 440440 | D147D148 |
| **None** |  |
| **Proprietary Entry** |  |
| 139900 (N) Allowance for Subsidy | 440 |
| 579100[[67]](#footnote-67) (F) Adjustment to Financing Sources – Credit Reform577600 (F) Nonbudgetary Financing Sources Transferred Out 299000 (F) Other Liabilities - Without Related Budgetary Obligations | 440 |

##### General Fund Receipt Account

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  | 440440 | C420C405 |
| **None** |  |
| **Proprietary Entry** |  |
| 131000 (F) Accounts Receivable | 440 |
| 577500 (F) Nonbudgetary Financing Sources Transferred In599400 (G) Offset to Non-Entity Accrued Collections - Statement of Changes in Net Position298500 (G) Liability for Non-Entity Assets Not on Statement of Custodial Activity | 440 |

The first entry in the financing fund increases the present value of the receivables, and the second entry accrues the transfer-out to the general fund receipt account. As with upward adjustments, the budget rules are that the actual cash transfer will not take place until the following year. The negative expense accrual is reflected in the program fund.

The General Fund Receipt Account does not belong to the agency; however, it is maintained by the agency and must be reported in the agency financial statements as Non-Entity. The agency performs the elimination between the credit agency payable (299000 in financing fund) and the general fund receipt account receivable (131000) for purposes of compiling its agency-wide financial statements and for the government-wide financial statements.

*Financial Statement Effects*

The effect of the proprietary entries on the financial statements and credit program note is as follows:

* The debit to account 139900 would reduce that account in the credit program note, and would increase the value of credit program assets on the balance sheet.
* The credit to account 680000 [subsidy Re-estimate] in the program fund would reduce subsidy expense and the net cost of operations, yielding, a net cost of operations of -$440.
* The statement of budgetary resources would not be affected, because there are no budgetary entries made for the accrual of downward re-estimates.
* The General Fund Receipt Account entry to GL 599400 affects the Statement of Changes in Net Position, while the GL 579100 entries in the program and financing funds offset one another. The net effect would be to book an accrued financing source against the net cost (contra cost, downward re- estimate).

**Direct Loan Agency**

**(Resulting from Downward Re-estimate Transactions in Year )**

|  |  |
| --- | --- |
|  | **STATEMENT OF CHANGES IN NET POSITION** |
|  |  | **Program Fund** | **Financing Fund** | **General Fund Receipt Account** | **Total** |
|  |  | CumulativeResults of Operations | UnexpendedAppropriations | CumulativeResults of Operations | UnexpendedAppropriations |  | CumulativeResults of Operations | UnexpendedAppropriations |
|  | **Cumulative Results of Operations:** |  |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |  |
| 1. | Beginning Balance | - |  | - |  |  | - |  |
| 3. | Beginning Balance, Adjusted | - |  | - |  |  | - |  |
| 11. | Tranfers-In/Out Without Reimburseme nt(577500E, 577600E) |  |  | 440 |  | (440) | 440 |  |
| 13. | Other (+/-) (579100E, 599400E) | 440 |  | (440) |  | 440 | 440 |  |
| 14. | Total Financing Sources | 440 |  | - |  | - | 440 |  |
| 15. | Net Cost of Operations (+/-) | (440) |  | - |  | - | (440) |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. | Net Change (calc. 14-15) |  440 |  |  |  |  |  (440) |  |
| 17. | **Cumulative Results of Operations (calc. 3+16)** |  - |  |  |  |  |  - |  |
|  | **Unexpended Appropriatio ns:** |  |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |  |
| 18. | Beginning Balance |  | - |  |  |  |  | - |
| 20. | Beginning Balance, Adjusted |  | - |  |  |  |  | - |
| 21. | Appropriation s Received (310100E) |  | (440) |  |  |  |  | (440) |
| 24. | Appropriation s Used (310700E) |  | 440 |  |  |  |  | 440 |
| 25. | Total Budgetary Financing Sources (calc. 21..24) |  | - |  |  |  |  | - |
| 26. | Total Unexpended Appropriation s (calc. 20 + 25) |  | - |  |  |  |  | - |
| 27. | **Net Position****(calc. 17 +****26)** |  | - |  |  |  |  | - |

*GTAS*

When a credit agency with a downward subsidy re-estimate payable to the general fund receipt account reports its trial balance of proprietary accounts to Treasury via the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS for the proprietary accounts), it will include the accounts detailed above, including the entries for the General Fund Receipt Account. The agency will perform the elimination between the credit agency payable (299000 in financing fund) and the general fund receipt account receivable (131000) for purposes of compiling its agency-wide financial statements and for the government-wide financial statements. The agency should reflect the miscellaneous receipt fund as non-entity.

Please refer to the General Fund Receipt Account Guide for information on these transactions involving the general fund.

**FISCAL YEAR 2**

In Year 2, the cash to satisfy the liability to the miscellaneous receipt fund would be transferred to that fund from the credit agency’s financing fund. The following entries would be required.

1. **To record indefinite or definite authority.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A152 |
| 414100 Current Year Borrowing Authority Realized 445000 Unapportioned Authority |
| **Proprietary Entry** |
| None |

1. **To obtain an apportionment.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A116 |
| 445000 Unapportioned Authority451000 Apportionments |
| **Proprietary Entry** |
| None |

1. **To allot the apportionment.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | A120 |
| 451000 Apportionments461000 Allotments – Realized Resources |
| **Proprietary Entry** |
| None |

1. **Borrowed from the Fiscal Service the full amount required to transfer the downward re-estimate.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A156 |
| 414800 Resources Relaized from Borrowing Authority Converted to Cash | 440 |  |
| 414500 Borrowing Authority Converted to Cash |  | 440 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 440 |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | 440 |

1. **To transfer the money.**

**Program Fund**

To record the reclassification of unfunded expenses.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | D113 |
| **None** |
| **Proprietary Entry** |
| 680000 (N) Future Funded Expenses [Subsidy Re- estimate] |
| 619900 (N) Adjustments to Subsidy Expense |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments – Realized Resources | 440 |  |  |
| 490200 Delivered Orders – Paid [Re-estimate Subsidy and Interest] |  | 440 | B106 D112 |
| **Proprietary Entry** |  |  |  |
| 299000 (G) Other Liabilities Without Related Budgetary Obligations219000 (F) Other Liabilities With Related Budgetary Obligations219000 (F) Other Liabilities With Related Budgetary Obligations | 440440 | 440 |  |
| 101000 (G) Fund Balance With Treasury |  | 440 | A141 |

**General Fund Receipt Account**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  | 440440 | C146D585 |
| **None** |  |
| **Proprietary Entry** |  |
| 101000 (G) Fund Balance With Treasury | 440 |
| 131000 (F) Accounts Receivable599300 (G) Offset to Non-Entity Collections, Statement of Changes in Net Position599400 (G) Offset to Non-Entity Accrued Collections, Statement of Changes in Net Position | 440 |

##### Financial Statement Effects

Although the money is transferred from the Financing Fund to the General Fund Receipt Account, there would be no effect on either the Balance Sheet, the Statement of Net Cost, or the Changes in Net Position because the cash (SGL 101000-from year 2) and the liability (SGL 298500-from year one) remaining in the General Fund Receipt Account remain on the agency books/statements (General Fund Receipt Account is included on the agency’s financial statements, see year one above).

Please note that in this example the transfer of the downward reestimate in Year 2 was for the same amount as was accrued. However, if there was a difference in the amount of the downward reestimate in Year 2, the difference would be treated similarly to negative subsidy (please see appendix III). If the executed/funded downward reestimate was for an additional amount it would reflect a debit to USSGL account 579100 and credit to 619900 in the Program Fund; debits to USSGL accounts 139900, 577600, 461000 and credits to USSGL accounts 579100, 101000, 490200 in the Financing Fund; and debits to USSGL accounts 101000, 599300 and credits to USSGL accounts 577500, 298500 in the General Fund Receipt Account (the signs would be reversed if the amount was lower).

1. **To record the Preclosing of General Fund Receipt Account associated with fund balance at yearend.**

**General Fund Receipt Account**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 440 | 440 | F124 |
| **None** |
| **Proprietary Entry** |
| 298500 (G) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity |
| 101000 (G) Fund Balance With Treasury |

There are no budgetary entries. The financial statement effects are to transfer the funds to Fiscal Service and reduce the liability on the Balance Sheet. Funds are swept by U.S. Treasury via CARS.

The statements of budgetary resources would appear as shown below (for these transactions only):

**DISCRETIONARY PROGRAM**

**(Resulting from Downward Re-estimate Transactions in Year 2)**

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  |  | **Budgetary** | **Non- Budgetary Financing Account** | **Total** |
|  | **Budgetary Resources:** |  |  |  |
| 1490 | Borrowing Authority (discretionary and mandatory) (414100E) | - | 440 | 440 |
| 1910 | Total budgetary resources | $- | $440 | $440 |
|  | **Status of Budgetary Resources:** |  |  |  |
| 2190 | New obligations and upward adjustments (490200E) | - | 440 |  |
| 2500 | Total budgetary resources This line is calculated. Equal sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources. | $- | $440 |  |
|  | **Change in Obligated Balance** |  |  |  |
| 3012 | New obligations and upward adjustments (total) ( 490200E) | - | 440 |  |
| 3020 | Outlays (gross) (-) (490200E) | - | 440 |  |
| 3200 | Obligated balance, end of year (+ or -) This line is calculated. Equals the sum of detailed obligated balance lines 3000, 3001, 3010,3011, 3020, 3030, 3031, 3040, 3041, 3060,3061, 3070, 3071, 3080, and 3081. Alsoequals sum of lines 3050 and 3090. | - | 440 |  |
| 4175 | Budget authority, gross (discretionary and mandatory) This line is calculated. Equals sum of SBR lines 1290, 1490, 1690 and 1890. | - | 440 |  |
| 4180 | Budget authority, net (total) (discretionary and mandatory) | - | 440 |  |
| 4185 | Outlays, gross (discretionary and mandatory) | - | 440 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 4187 | Actual offsetting collections (discretionary and mandatory) (-) | - | (440)[[68]](#footnote-68)  |  |
| 4190 | Outlays, net (total) (discretionary and mandatory) | - | - |  |

# APPENDIX 3: NEGATIVE SUBSIDY

1. **To record authority after law is passed.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,080 | 1,080 | A152 |
| 414100 Current-Year Borrowing Authority Realized 445000 Unapportioned Authority |
| **Proprietary Entry** |
| None |

1. **To record apportionment.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,080 |  | A116 |
| 44500 Unapportioned Authority451000 Apportionments [Loans] | 1,000 |
| 451000 Apportionments [Neg Subs] | 80 |
| **Proprietary Entry** |  |
| None |  |

1. **To record allotment.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,000480 | 1,000480 | A120 |
| 451000 Apportionments [Loans] 451000 Apportionments [Neg Subs] |
| 461000 Allotments – Realized Resources [Loans] 461000 Allotments – Realized Resources [Neg Subs] |
| **Proprietary Entry** |
| None |

1. **The agency obligates a $1,000 loan with a negative 8% subsidy rate (80).**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 1,00080 | 1,00080 | B306 |
| 461000 Allotments – Realized Resources [Loans] 461000 Allotments – Realized Resources [Neg Subs] |
| 480100 Undelivered Orders – Obligations, Unpaid [Loans]480100 Undelivered Orders – Obligations, Unpaid [Neg Subs] |
| **Proprietary Entry** |
| None |

**Transaction 5A and 5B should be done simultaneously.**

**5A. To borrow funds from Treasury**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | A156 |
| 414800 Resources Realized From Borrowing Authority | 540 |  |
| 414500 Borrowing Authority Converted to Cash |  | 540 |
| **Proprietary Entry** |  |  |
| 101000 (G) Fund Balance With Treasury | 540 |  |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | 540 |

**5B. To record disbursements to borrower $500.**

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  | C408 |
| 480100 Undelivered Orders – Obligations, Unpaid [Loans] | 500 |  |
| 490200 Delivered Orders – Obligations, Paid [Loans] |  | 500 |
| **Proprietary Entry** |  |  |
| 135000 (N) Loans Receivable | 500 |  |
| 101000 (G) Fund Balance With Treasury |  | 500 |

**5C. To record negative subsidy disbursement (New TCs).**

##### Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 40 | 40 | D150 |
| **None** |
| **Proprietary Entry** |
| 579100[[69]](#footnote-69) (F) Adjustment to Financing Sources – Credit Reform |
| 619900(N) Adjustment to Subsidy Expense |

##### Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 480100 Undelivered Orders – Obligations, Unpaid [Neg Subs] | 40 |  |  |
| 490200 Delivered Orders – Obligations, Paid [Neg Subs] |  | 40 | D149 |
| **Proprietary Entry** |  |  |  |
| 139900 (N) Allowance for Subsidy | 40 |  |  |
| 579100[[70]](#footnote-70) (F) Adjustment to Financing Sources – Credit Reform577600 (F) Nonbudgetary Financing Sources Transferred Out101000 (G) Fund Balance With Treasury |  | 40 | E509 |

##### General Fund Receipt Account

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  | 4040 | C155C147 |
| **None** |  |
| **Proprietary Entry** |  |
| 101000 (G) Fund Balance With Treasury | 40 |
| 577500 (F) Nonbudgetary Financing Sources Transferred In599300 (G) Offset to Non-Entity Collections Statement of Changes in Net Position298500 (G) Liability for Non-Entity Assets Not Reported on Statement of Custodial Activity | 40 |

**Preclosing Entry**

**6. To record the closing of General Fund receipt accounts associated with fund balance at yearend**

##### General Fund Receipt Account

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 40 | 40 | F124 |
| **None** |
| **Proprietary Entry** |
| 298500 (G) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity |
| 101000 (G) Fund Balance With Treasury |

**YEAR 1**

|  |  |  |  |
| --- | --- | --- | --- |
| **Preclosing Adjusted Trial Balance** |  |  |  |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** | **GFR** | **Eliminations** | **Consolidated** |
| **Accounts** |  |  |  |  |  |
| **Budgetary** |  |  |  |  |  |
| 414100 Current-Year Borrowing Authority Realized |  | 1,080 |  |  | 1,080 |
| 414500 Borrowing Authority Converted to Cash |  | (540) |  |  | (540) |
| 414800 Resources Realized From Borrowing Authority |  | 540 |  |  | 540 |
| 480100 Undelivered Orders - Obligations, Unpaid |  | (500) |  |  | (500) |
| 480100 Undelivered Orders - Obligations, Unpaid |  | (40) |  |  | (40) |
| 490200 Delivered Orders – Obligations, Paid [Re-est.Sub] |  | (500) |  |  | (500) |
| 490200 Delivered Orders – Obligations, Paid [Other] |  | (40) |  |  | (40) |
|  |  |  |  |  |  |
| **Preclosing Adjusted Trial****Balance (Continued)** |  |  |  |
| **Proprietary** |  |  |  |  |  |
| 101000 (G) Fund Balance With Treasury |  |  |  |  |  |
| 135000 (N) LoansReceivable |  | 500 |  |  | 500 |
| 139900 (N) Allowance for Subsidy |  | 40 |  |  | 40 |
| 251000 (F) Principal Payable to the Bureau of the Fiscal Service |  | (540) |  |  | (540) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 298500 (G) Liability for Non-Entity Assets Not on Statement of Custodial Activity |  |  |  |  |  |
| 577500 (G) Nonbudgetary Financing Sources Transferred In |  |  | (40) | 40 | - |
| 577600 (G) Nonbudgetary Financing Sources Transferred Out |  | (40) |  | (40) | - |
| 579100 (F) Adjustment to Financing Sources – Credit Reform | 40 | (40) |  |  | - |
| 599300 (G) Offset to Non- Entity Collections - Statement of Changes in Net Position |  |  | 40 |  | 40 |
| 619900 (N) Adjustment to Subsidy Expense |  | (40) |  |  | (40) |
| **Total** | **0** | **0** |  |  |  |

**APPENDIX 3**

**For the 1st Quarter ended September 30, Year 1**

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  |  | **Budgetary** | **Non-Budgetary Financing Account** | **Total** |
|  | **Budgetary Resources:** |  |  |  |
| 1000 | Unobligated balance, brought forward, October 1 |  | - | - |
| 1051 | Unobligated balance from prior year budget authority, net This line is calculated. Equals sum of SBR lines 1000, 1020, 1021, and1043. |  | - | - |
| 1490 | Borrowing Authority (discretionary and mandatory) (414100E) |  | 1,080 | 1,080 |
| 1910 | Total budgetary resources |  | $1,080 | $1,080 |
|  |  |  |  |  |
|  | **Status of Budgetary Resources:** |  |  |  |
| 2190 | New obligations and upward adjustments (total) (480100E-480100B, 490200E) |  | 1,080 | 1,080 |
|  | **Unobligated balance, end of year:** |  | - | - |
| 2204 | Apportioned, unexpired account (461000E) |  | - | - |
| 2500 | Total status of budgetary resources |  | 1,080 | 1,080 |

**APPENDIX 3**

|  |
| --- |
| **STATEMENT OF BUDGETARY RESOURCES** |
|  | **Change in obligated balance** |  |  |  |
| 3012 | New obligations and upward adjustments(total) (480100E-480100B, 490200E) |  | 1,080 | 1,080 |
| 3020 | Outlays (gross) (-) (490200E) |  | (540) | (540) |
| 3050 | Unpaid obligations, end of year (480100E- 480100B) |  | 540 | 540 |
|  | **Memorandum (non add) entries** |  |  |  |
| 3200 | Obligated balance, end of year (+ or -) |  | 1,080 | 1,080 |
|  | **Budget Authority and Outlays, Net:** |  |  |  |
| 4175 | Budget authority, gross (discretionary and mandatory) |  | 1,080 | 1,080 |
| 4180 | Budget authority, net (total) (discretionary and mandatory) |  | 1,080 | 1,080 |
| 4185 | Outlays, gross (discretionary and mandatory) |  | 540 | 540 |
| 4190 | Outlays, net (total) (discretionary and mandatory) |  | 540 | 540 |

**APPENDIX 3**

**As of 1st Quarter September 30, Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **BALANCE SHEET** | **Program Fund** | **Financing Fund** |
|  | **Assets:** |  |  |
|  | Intragovernmental |  |  |
| 1. | Fund Balance With Treasury (101000E) |  | - |
| 6. | Total Intragovernmental (calc.) |  | - |
| 11. | Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E) |  | 540 |
| 15. | Total Assets (calc.) |  | 540 |
|  |  |  |  |
|  | **Liabilities:** |  |  |
| 18. | Debt (251000E) |  | 540 |
| 19. | Other (299000E) |  | - |
| 20. | Total Intragovernmental |  | 540 |
| 28. | Total Liabilities (calc.) |  | 540 |
|  | **Net Position:** |  |  |
| 33. | Cumulative Results of Operations - All Other Funds (579100E, 599300E, 619900E) |  | - |
| 35. | Total Net Position – All Other Funds (calc.) |  | - |
| 36. | Total Net Position (calc.) |  | - |
| 37. | Total Liabilities and Net Position (calc.) |  | **540** |

**APPENDIX 3**

**For the 1st Quarter ended September 30, Year 1**

|  |
| --- |
| **STATEMENT OF NET COST** |
|  | **Program Fund** | **Financing Fund** | **Total** |
| **Gross Program Costs:** |  |  |  |
| 1. Gross costs (619900E) |  | (40) | (40) |
| 3. Net program costs (calc. 1-2) |  | (40) | (40) |
| 6. Costs not assigned to programs |  |  |  |
| 7. Less: earned revenues not attributed to programs |  |  |  |
| 8. Net cost of operations (calc. 5+6-7) | (40) | **(40)** | **(40)** |

**APPENDIX 3**

**For Fiscal Year Ended September 30, FY-1**

|  |
| --- |
| **STATEMENT OF CHANGES IN NET POSITION** |
|  |  | **Program Fund** | **Financing Fund**[[71]](#footnote-71) | **Total** |
|  |  | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations |
|  | **Cumulative Results of Operations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 1. | Beginning Balance |  |  |  |  |  |  |
| 3. | Beginning Balance, as adjusted |  |  |  |  |  |  |
| 5. | Appropriations Used (570000E) |  |  |  |  |  |  |
| 13. | Other (579100E, 599300E) |  |  | 40 |  | 40 |  |
| 14. | Total Financing Sources |  |  | 40 |  | 40 |  |
| 15. | Net Cost of Operations (+/-) |  |  | (40) |  | 40 |  |
| 16. | Net Change (calc. 14-15) |  |  | - |  |  - |  |
| 17. | **Cumulative Results of Operations (calc. 3+16)** |  |  | **-** |  |  - |  |

**APPENDIX 3**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unexpended Appropriations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 18. | Beginning Balance |  |  |  |  |  |  |
| 20. | Beginning Balance, as adjusted |  |  |  |  |  |  |
| 21. | Appropriations Received (310100E) |  |  |  |  |  |  |
| 24. | Appropriations Used (310700E) |  |  |  |  |  |  |
| 25. | Total Budgetary Financing Sources (calc. 21..24) |  |  |  |  |  |  |
| 26. | Total Unexpended Appropriations (calc. 20 + 25) |  |  |  |  |  |  |
| 27. | **Net Position****(calc. 17 + 26)** |  |  |  |  |  |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 1 REPORTING** |
|  | **Program Fund** | **Financing Fund** |
| **SF133****Line** | **Sch P Line** | **SF133****Line** | **Sch P Line** |
| **BUDGETARY RESOURCES** |  |  |  |  |
| **All accounts:** |  |  |  |  |
| 0900 Total new obligations (490200E) |  |  |  | 540 |
|  |  |  |  |  |
| **Unobligated balance:** |  |  |  |  |
| 1000 Unobligated balance brought forward, October 1 |  |  | - | - |
|  |  |  |  |  |
| **Budget Authority:** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
|  **Borrowing authority** |  |  |  |  |
| **1400 Borrowing authority (414100E)** |  |  | 1,080 | 1,080 |
| **1440 Borrowing authority total** |  |  | 1,080 | 1,080 |
| **1900 Budget authority total (disc. and mandatory)** |  |  | 1,080 | 1,080 |
| **1910 Total budgetary resources discretionary and mandatory)** |  |  | 1,080 | 1,080 |
| **1930 Total budgetary resources available** |  |  | 1,080 | 1,080 |
|  |  |  |  |  |
| **STATUS OF BUDGETARY RESOURCES** |  |  |  |  |
| **Obligations incurred:** |  |  |  |  |
| **Direct:** |  |  |  |  |
| **2002 Category B (by project) (480100E, 490200E)** |  |  | 1.080 | 1,080 |
| **2004 Direct obligations (total)** |  |  | 1,080 | 1,080 |
| **Unobligated balance** |  |  |  |  |
| **Apportioned** |  |  |  |  |
| **2201 Available in current period (461000E)** |  |  | - | - |
| **2500 Total budgetary resources. This line is calculated. Equal sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources.** |  |  | 1,080 | 1,080 |
| **CHANGE IN OBLIGATED BALANCE** |  |  |  |  |

|  |
| --- |
| **SF 133: Report on Budget Execution and Budgetary Resources & Budget Program and Financing Schedule (Schedule P)****ACTUAL COLUMN FOR YEAR 1 REPORTING** |
| **Unpaid obligations:** |  |  |  |  |
| 3001 Adjustment to unpaid obligations, brought forward, Oct 1 (+ or-) (480100E) |  |  | (540) | (540) |
| 3010 New Obligations, unexpired accounts (480100E – 480100B, 490200E) |  |  | (1,080) | (1,080) |
| 3020 Outlays (gross) (-) (490200E) |  |  | 540 | 540 |
| 3050 Unpaid obligations, end of year (480100E) |  |  | 540 | 540 |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| 3100 Obligated balance, start of year (+ or -) This line is calculated. Equals the sum of lines 3000, 3001, 3060, and 3061. |  |  | (540) | (540) |
| 3200 Obligated balance, end of year (+ or -) This line is calculated. Equals the sum of detailed obligated balance lines 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, 3041, 3060, 3061, 3070, 3071, 3080,and 3081. Also equals sum of lines 3050 and 3090. |  |  | 540 | 540 |
|  |  |  |  |  |
| **BUDGET AUTHORITY AND OUTLAYS, NET** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270through 1273, 1400 through 1430, 1600 through 1631, and 1800through 1842 (SF 133). Lines 1200 through 1239, 1270 through(414100E) |  |  | 1,080 | 1,080 |
| 4100 Outlays from new mandatory authority (490200E) |  |  | 540 | 540 |
| 4110 Outlays, gross (total) (490200E) |  |  | 540 | 540 |
| 4160 Budget authority, net (mandatory) (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141 and4143 (SF 133). Line 4090 plus the amounts on lines 4120 through4124 and on lines 4140 and 4142 (Sch P).) |  |  | 1,080 | 1,080 |
| 4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.) |  |  | 540 | 540 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.) |  |  | 1,080 | 1,080 |
| 4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.) |  |  | 540 | 540 |

**Closing Entries**

1. **To record consolidation of actual resources.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**420100 Total Actual Resources - Collected414800 Resources Realized from Borrowing Authority**Proprietary Entry**None | 540 | 540 | F302 |

1. **To record paid delivered orders to total actual resources.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 540 | 540 | F314 |
| 490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources - Collected**Proprietary Entry** |
| None |

1. **To record the closing of borrowing authority.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 5401,080 | 1,080540 | F306 |
| 414500 Borrowing Authority Converted to Cash 414900 Borrowing Authority Carried Forward414100 Current Year Borrowing Authority Realized 414900 Borrowing Authority Carried Forward**Proprietary Entry** |
| None |

1. **To record the closing of revenue, expense, and other financing source accounts to cumulative results of operations.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** | 8040 | 40404040 | F336 |
| None |
| **Proprietary Entry**331000 Cumulative Results of Operations577600 (F) Nonbudgetary Financing Sources Transferred Out 579100 (F) Adjustment to Financing Sources - Credit Reform577500 (F) Nonbudgetary Financing Sources Transferred In 619900 (N) Adjustment to Subsidy Expense331000 Cumulative Results of Operations |

**YEAR 1-**

|  |  |  |  |
| --- | --- | --- | --- |
| **POST-CLOSING TRIAL BALANCE** |  |  |  |
|  | **Program Fund Debit/Credit** | **Financing Fund Debit/Credit** | **GFR** | **Eliminations** | **Consolidated** |
| **Accounts** |  |  |  |  |  |
| **Budgetary** |  |  |  |  |  |
| 414900 Borrowing Authority Carried Forward |  | 540 |  |  | 540 |
| 480100 Undelivered Orders - Obligations, Unpaid |  | (500) |  |  | (500) |
| 480100 Undelivered Orders - Obligations, Unpaid |  | (40) |  |  | (40) |
| **TOTAL** |  | **0** |  |  | **0** |
| **Proprietary** |  |  |  |  |  |
| 101000 (N) Fund Balance With Treasury |  |  |  |  |  |
| 135000 (N) Loans Receivable |  | 500 |  |  | 500 |
| 139900 (N) Allowance for Subsidy |  | 40 |  |  | 40 |
| 251000 (F0) Principal Payable to the Bureau of the Fiscal Service |  | (540) |  |  | (540) |
| **Total** | **0** | **0** |  | **0** | **0** |

# APPENDIX 4: REFERENCES

This appendix lists some key references and web sites for readers who want to obtain additional information.

**OFFICE OF MANAGEMENT AND BUDGET**

* OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables Accounting and Auditing Policy Committee Technical Release
* OMB Circular A-136, *Financial Reporting Requirements*
* OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*
* OMB Credit Model

 Office of Federal Financial Management (202) 395-3993

 Website: [www.whitehouse.gov/omb](http://www.whitehouse.gov/omb)

**FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD**

Statement of Federal Financial Accounting Standards (SFFAS) No. 1, *Selected Assets and Liabilities*

* SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*
* SFFAS No. 18, *Amendments to Accounting Standards for Direct Loans and Loan Guarantees*
* SFFAS No. 19, *Technical Amendments to Accounting Standards for Direct Loans and Loan Guarantees*
* Technical Release No. 3: *Preparing and Auditing Direct Loan and Loan Guarantee Subsidies Under the Federal Credit Reform Act*
* Technical Release No. 6: *Preparing Estimates for Direct Loan and Loan Guarantee Subsidies Under the Federal Credit Reform Act*

 FASAB Staff at (202) 512-7350

* + Website: [www.fasab.gov](http://www.fasab.gov/)

**TREASURY BUREAU OF THE FISCAL SERVICE**

* *U.S. Standard General Ledger* (codified in *Treasury Financial Manual*)

 General Ledger and Advisory Branch Staff at (202) 874-7418

* + Website: https://www.fiscal.treasury.gov /ussgl/
* TFM Chapter 2-4600 Treasury Reporting Instructions for Credit Reform Legislation

**TREASURY BUREAU OF THE FISCAL SERVICE**

* Federal Investment Borrowings Branch; (304) 480-7488
* Website: [www.treasurydirect.gov](http://www.treasurydirect.gov/)

1. See §142, p.28, Financial Reporting Requirements*,* OMB Circular A-136, dated October 7, 2016. [↑](#footnote-ref-1)
2. OMB Circular A-11 (Revised – July 1, 2016), Section 185.3(d) [↑](#footnote-ref-2)
3. The illustration is for payment of administrative expenses without prior obligation through undelivered orders or accounts payable. Though administrative expenses will usually be obligated before payment, there is nothing about the transactions unique to credit program accounting, and hence, prior obligations are not shown. [↑](#footnote-ref-3)
4. This account must be zero after closing. OMB Circular A-11, Section 185, Exhibit E, the financing is designed to break even and thus have a zero results of operations. If the subsidy money is too great, a payable to transfer it to a designated miscellaneous receipt fund is accrued. If it is too little, a receivable from the program fund is accrued for the deficiency. The accounting is such that financing sources must equal expenses, and assets must equal liabilities. [↑](#footnote-ref-4)
5. Programs, which have risk categories, must maintain separate financing fund accounting for each risk category.

 [↑](#footnote-ref-5)
6. While annual appropriations for basic and modified subsidy, which are common in discretionary direct loan programs, are illustrated in the case, some programs may have multi-year or permanent indefinite appropriations provided for these purposes in their underlying legislation. Accounting for these types of appropriations is essentially the same as it would be for basic operating appropriations or revolving funds, which had them. [↑](#footnote-ref-6)
7. Although the guide indicates that the full amount of the borrowing occurs at the beginning of the year, it (borrowing) can occur throughout the year. [↑](#footnote-ref-7)
8. This is the difference between interest charged borrowers and interest the agency must pay to Treasury on loans to make the borrowing. [↑](#footnote-ref-8)
9. The SF132 line 1840 should be split between Federal and Non-Federal. [↑](#footnote-ref-9)
10. This footnote corresponds to TC A104, A140, A142, and A152. Annual appropriations are considered realized based on the underlying legislation. Agencies that have multi-year appropriations in other than their final year, or permanent indefinite appropriations, would normally need to anticipate their appropriations prior to realizing them.

If under a continuing resolution, refer to the Appropriations Provided by a Continuing Resolution scenario at <https://fiscal.treasury.gov/ussgl/resources-implementation.html>

The Proprietary Entry may be done at a separate time when the warrant is received. [↑](#footnote-ref-10)
11. ($118,000 loans\*subsidy rate 21.5% = subsidy to be transferred from Program Fund to Financing Fund = $25, 370. This amount is reduced from the $118,000, which would leave an amount to borrow of $92, 630). [↑](#footnote-ref-11)
12. This footnote corresponds to TC B106 and B134. Typically in standard federal accounting, undelivered orders (4800xx) would be placed with vendors to acquire the goods, and the invoices would be accrued as payable (490100) before they were paid: however, in credit programs those particular accounting events may not exist. As a result, we will not illustrate those particular transactions in the case study because they are not necessary. [↑](#footnote-ref-12)
13. $90,000 in loan commitments/obligations x 21.5 percent subsidy = $19,350. [↑](#footnote-ref-13)
14. OMB Circular A-11, Section 185.25, states that for direct loan financing account include the subsidy cost payment obligated in the program account but not yet paid on line 1801, Spending authority from offsetting collections, Change in unfilled customer orders, Without advance from Federal sources. [↑](#footnote-ref-14)
15. Note that the unfilled customer order from the program fund constitutes a realized resource (OMB Circular A-11, Section 185.11). [↑](#footnote-ref-15)
16. The $90,000 is the amount of the loans agreed upon, but not yet finalized. It represents a combination of the $19,350 subsidy plus $70,650 ($90,000 x the unsubsidized rate of 78.5 percent) of borrowing authority. [↑](#footnote-ref-16)
17. Although separate procedures would be involved to transfer the monies and to disburse the loans, they both should be performed simultaneously. [↑](#footnote-ref-17)
18. $87,000 in loans made x 21.5 percent subsidy = $18,705. [↑](#footnote-ref-18)
19. Per OMB Circular A-11, section 185.26, Just before a loan is disbursed from the financing account, pay the financing account and include the subsidy cost payment, Disbursements and reduce the amount of loans payable, Obligated balance, Undelivered orders, of the SF 133, Report on Budget Execution. [↑](#footnote-ref-19)
20. Per OMB Circular A-11, section 185.26. When subsidy cost payment is received from the program account, reduce line 1801, Without advance from Federal sources, and increase line 1800, Collected. [↑](#footnote-ref-20)
21. This allowance for “subsidized costs” reduces the gross loans receivable of $87,000 to its present value of $68,295 ($87,000 x the 78.5 percent unsubsidized cost rate). [↑](#footnote-ref-21)
22. Though all collections from federal sources are recorded together for purposes of the case, the application fees would probably be collected in conjunction with making the loans. They would normally be one of the conditions that applicants would have to meet. Some programs may collect fees from borrowers each year, in addition to principal and interest. [↑](#footnote-ref-22)
23. USSGL account 134100 would be hit if previously accrued. [↑](#footnote-ref-23)
24. This footnote corresponds to TC C118. Each agency may have a different way of recognizing when fees are earned. For example, some agencies may adjust at predetermined intervals such as the end of a month or other accounting period. [↑](#footnote-ref-24)
25. In a direct loan financing fund, offsetting collections other than basic subsidy from the program fund, which is used to make loans, is normally paid to Fiscal Service for interest and to reduce the loan principal. Exceptions are made when monies are needed for other purposes, such as to repair or maintain foreclosed property on defaulted loans, or Federal Financing Bank funded direct loans , which is not included in this guide.

Note that it is an OMB requirement that the repayment of principal to Treasury is a non-expenditure transaction (i.e. it does not count as obligations or outlays), whereas payment of interest on debt to Treasury is an expenditure transaction (it does count). Section 20.6, indicates that agencies should not record outlays for the repayment of debt principal, because borrowings and the repayment of debt principal are treated as a means of financing. [↑](#footnote-ref-25)
26. If prior year authority was available, USSGL account 414700, Actual Repayments of Debt, Prior-Year Balances, would be used. In addition use USSGL account 404800, Anticipated Transfers to the General Fund of the U.S. Government – Prior-Year if you use USSGL account 414700, Actual Repayments of Debt, Prior-Year Balances. [↑](#footnote-ref-26)
27. “The example for illustrative purposes simplifies the transactions reflecting only the year-end payment without an accrual. However, it is standard government practice that agencies do accrue interest expense monthly, and the Federal Borrowings Branch (FBB) of the Dept. of Treasury records the corresponding interest revenue. The interest revenue accrual and the interest collected by the FBB in the Miscellaneous Receipt Fund are recorded by the FBB and not reflected on the agencies books and financial statements.” [↑](#footnote-ref-27)
28. Before making the modifications, the agency must be certain that it has sufficient unobligated resources for subsidy in the program fund. In this case, the amount of unobligated resources, as represented by allotments related to the subsidy, amounted to $6,450, ($25,800 less $19,350 from transaction 1-6). [↑](#footnote-ref-28)
29. The subsidy rate for Year 1 is 21.5%. The original subsidy authorized to support $120,000 in loans was $25,800. The remaining subsidy, after the modification, was $24,800. This $24,800 will support the making of only $115,349 in new loans ($24,800/. 215). [↑](#footnote-ref-29)
30. The loan level of $115,349 is provided via subsidy of 21.5 percent (see previous footnote) and borrowing of 78.5 percent. The borrowing authority required to support $115,349 of loans is $90,549 (computed as $115,349 x .785, or as $115,349 less the subsidy, computed in the preceding note, of , of

$24,800). [↑](#footnote-ref-30)
31. Note that the form is also updated for actual transactions, which have occurred, such that actual offsetting collections are shown on line 1800 and actual payments to the Bureau of the Fiscal Service are shown on line 1825. [↑](#footnote-ref-31)
32. Note that the decrease in indefinite borrowing authority is not included in the modification entry. The decrease in indefinite borrowing authority is for year 1 in total. Original borrowing authority $94,200 less new borrowing authority $90,549 = $3,651. [↑](#footnote-ref-32)
33. USSGL account 404800, Anticipated Transfers to the General Fund of the U.S. Government – Prior-Year may also be needed/used. [↑](#footnote-ref-33)
34. Amount of Borrowing Realized in excess of Borrowing required based upon reduced lending authority. Amount borrowed $92, 630 less allowed borrowing authority $90,549 = $2,081. [↑](#footnote-ref-34)
35. If prior year authority was available, USSGL account 414700, Actual Repayments of Debt, Prior-Year Balances, would be used. [↑](#footnote-ref-35)
36. Note that the decrease in indefinite borrowing authority is not included in the modification entry. The decrease in indefinite borrowing authority is for year 1 in total. Based on the original estimates, $92,630 of the original $94,200 was executed and converted to cash. $94, 200 – $92,630 = $1,570. [↑](#footnote-ref-36)
37. Note that the effect of this is to decrease the present value of the loans receivable by $1,000. [↑](#footnote-ref-37)
38. Offsetting Collection from Modification. [↑](#footnote-ref-38)
39. This footnote corresponds to TC C420. Agencies establish their own criteria for when notes are not “performing”–i.e., when borrowers are considered to no longer be paying on their loan principal and interest, at which point the loans may be sent to Treasury or the Justice Department for collection. [↑](#footnote-ref-39)
40. Note that there is no budgetary entry here. This is because receivables from the public are generally not recognized in the Federal Budget until they are collected. [↑](#footnote-ref-40)
41. Interest expense, $700, less interest income, $570, = amount to amortize, $130. This entry can be either debited or credited based upon the interest income or interest expense. [↑](#footnote-ref-41)
42. This footnote corresponds to TC B120. This entry would not be applicable, if an agency does not borrow all of its authority at the beginning of the year. Instead the agency would post a debit to 445000, Unapportioned Authority and a credit to 414300, Current-Year Decreases to Indefinite Borrowing Authority Realized. (A148) [↑](#footnote-ref-42)
43. This footnote corresponds to TC D414. This determination of uncollectibility would be made only after attempting to collect the receivables under provisions of the Federal Debt Collection Act. [↑](#footnote-ref-43)
44. This footnote corresponds to TC B420 and C438. The concepts underlying these re-estimates are discussed in SFFAS No. 18, *Amendments to Accounting Standards for Direct Loans and Loan Guarantees in SFFAS No. 2.* Note that there are no budgetary entries made, because, in accordance with the Federal Credit Reform Act, the budget will not recognize this transaction until Year 2. Per OMB Circular A-11, Section 185. 2, Interest rate reestimates adjust for the effect on the subsidy of differences between actual interest rates and the discount rates assumed when estimates were made for budget formulation and obligation. These eestimates must be made when the cohort is at least 90 percent disbursed. Technical reestimates adjust for revised assumptions about loan performances, such as differences between assumed and actual default rates or new projections of prepayments. See Appendix 2 for downward reestimates. [↑](#footnote-ref-44)
45. Statements updated as of USSGL TFM Bulletin No. 2017-07. [↑](#footnote-ref-45)
46. Note that the column for unexpended appropriations would normally not be applicable, because the financing fund does not have appropriations. However, positive modification adjustment transfers are indefinite appropriated funding. [↑](#footnote-ref-46)
47. USSGL account 414600 would have an Authority Type of S and P since it came from collections and appropriations. [↑](#footnote-ref-47)
48. The information presented here is for the applicable sections of note 8 in OMB’s Circular A-136, *Financial Reporting Requirements,* for direct loan programs, which can be quantified. Narrative information, which is also required, is not presented. The information is displayed as simple as possible for ease of reading. Agencies can format the information with more elaborate template if they wish. [↑](#footnote-ref-48)
49. This information would be obtained from the subsidy model rather than from account balances. [↑](#footnote-ref-49)
50. The information called for contains a repeat of the detail in Section E. The illustration provided here summarizes the information rather than repeating the detail. Agencies may repeat the detail if they wish, using the crosswalks for related parts of Section E. [↑](#footnote-ref-50)
51. Since the agency operates only a direct loan program, and the administrative expense is already set forth in the statement of net cost, Section O could be omitted in this case. [↑](#footnote-ref-51)
52. Note that there is no borrowing authority carried forward, because the entire amount of net borrowing authority (account 414100, $78,000, less account 414300, $7,850, or $70,650) was used to borrow money from Treasury, as shown by account 414500, which is $70,650. [↑](#footnote-ref-52)
53. Note that cumulative results of operations from this activity are zero. The financing fund cannot have a net position after closing. Assets must equal liabilities. [↑](#footnote-ref-53)
54. Note that this is a permanent indefinite appropriation, as opposed to the annual appropriation for basic and modified subsidy that was seen in Year 1. Under OMB budget rules, a permanent indefinite appropriation is anticipated and only realized when OMB authorizes it use, at which time the fund balance with Treasury is also recognized. Hence there is no entry to fund balance with Treasury recorded in the entry to request the apportionment. [↑](#footnote-ref-54)
55. Note that there is no apportionment of resources, since the $440 expected to be collected is going to be returned to Treasury. Hence, there is no apportionment to record. The approved SF-132 will nonetheless be kept to evidence OMB’s approval of the collection and payment to Treasury. [↑](#footnote-ref-55)
56. Because there is no apportionment of resources (see previous footnote), there is no allotment of them. [↑](#footnote-ref-56)
57. Note that there are no closing entries required for the financing fund, because there were no transactions involving financing sources or expenses. [↑](#footnote-ref-57)
58. Statements updated as of USSGL TFM Bulletin No. 2017-07. [↑](#footnote-ref-58)
59. Note that the column for unexpended appropriations would normally not be applicable, because the financing fund does not have appropriations. However, positive modification adjustment transfers are indefinite appropriated funding. [↑](#footnote-ref-59)
60. The legislation providing for this is P.L. 101-510, which is a separate part of the Defense Appropriation Act of 1990, applying more broadly to most federal agencies. The U.S. USSGL Board has published a document entitled *Budgetary Accounting in the Federal Government* which is available through its website at https://[www.fiscal.treasury.gov/ussgl/resources-implementation.html.](http://www.fiscal.treasury.gov/ussgl/resources-implementation.html) [↑](#footnote-ref-60)
61. It is important to note these assumptions, because they form the basis for changes to be discussed. It is possible that variations, even within the assumptions, could exist, and that entries could differ still further. For example, OMB might decide on a lesser amount of subsidy funding than the agency anticipated in its request, and, if needed, increase the amount later (see transactions 1-1 and 1-2). The more specific assumption in this appendix is that the nature of transactions and amounts between the discretionary and mandatory programs is the same. [↑](#footnote-ref-61)
62. To make the request to replenish the subsidy now of OMB, the agency would prepare this entry in its program fund and submit an SF-132 to OMB: [↑](#footnote-ref-62)
63. The borrowing authority in a discretionary direct loan program is also permanent indefinite, but if the subsidy money was annual authority, which could not be augmented without additional action by the Congress, borrowing authority could not be increased to make more loans. Even if a discretionary program had unobligated borrowing authority, if the amount of unobligated subsidy money was (say) zero, none of the borrowing authority could be used to fund new loans unless Congress authorized additional subsidy appropriations. [↑](#footnote-ref-63)
64. OMB Circular A-11, Section 185.18 Do amounts for a downward reestimate (and the interest on the reestimate) need to be apportioned. [↑](#footnote-ref-64)
65. Per OMB Circular A-11, Section 185. 2, Interest rate reestimates adjust for the effect on the subsidy of differences between actual interest rates and the discount rates assumed when estimates were made for budget formulation and obligation. These reestimates must be made when the cohort is at least 90 percent disbursed. Technical reestimates adjust for revised assumptions about loan performances, such as differences between assumed and actual default rates or new projections of prepayments. [↑](#footnote-ref-65)
66. When using USSGL account 579100, Adjustment to Financing Sources – Credit Reform, use Federal Non-Federal attribute domain value “F”. [↑](#footnote-ref-66)
67. When using USSGL account 579100, Adjustment to Financing Sources – Credit Reform, use Federal Non-Federal attribute domain value “F”. [↑](#footnote-ref-67)
68. Although the deposit is to the miscellaneous receipt fund, the crosswalk is to a financing fund account. This is because the miscellaneous receipt fund is a Treasury entity, even though it is associated with the credit agency in the Federal Budget and the credit agency does not make budgetary entries to the fund. Accordingly, the account crosswalked, which the credit agency would have available in its budgetary trial balance for the financing fund, is 490200 in that fund. Note that this represents the obligation that resulted in the deposit being made to the miscellaneous receipt fund. [↑](#footnote-ref-68)
69. When using USSGL account 579100, Adjustment to Financing Sources – Credit Reform, use Federal Non-Federal attribute domain value “F”. [↑](#footnote-ref-69)
70. When using USSGL account 579100, Adjustment to Financing Sources – Credit Reform, use Federal Non-Federal attribute domain value “F”. [↑](#footnote-ref-70)
71. Note that the column for unexpended appropriations would normally not be applicable, because the financing fund does not have appropriations. However, positive modification adjustment transfers are indefinite appropriated funding. [↑](#footnote-ref-71)