FEDERAL CREDIT PROGRAM

**BASIC ACCOUNTING AND REPORTING GUIDE**

**FOR DIRECT LOAN AND LOAN GUARANTEE PROGRAMS WITHOUT COLLATERAL**

**(PRE-CREDIT REFORM)**

**PREPARED BY:**

**GENERAL LEDGER AND ADVISORY BRANCH**

**FISCAL ACCOUNTING OPERATIONS**

**BUREAU OF THE FISCAL SERVICE**

**U.S. DEPARTMENT OF THE TREASURY**

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| **Version Number** | **Date** | **Description of Change** | **Effective**  **USSGL TFM** |
| 1.0 | 7/2004 | Initial Version |  |
| 2.0 | 8/2017 | Updated to reflect current USSGL Guidance | Bulletin No. 2017-06 |

**Overview**

This guide is designed for those who:

* Formulate and execute Federal credit program budgets, including accounting for assets, liabilities, net position, income, expenses, and budgetary resources;
* Prepare agency financial statements;
* Audit the agency financial statements;
* Manage or provide service to participants in direct loan programs;
* Design and maintain computer systems for financial programs;
* Instruct others in basic accounting and reporting for direct loan programs.

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 pre-Credit Reform scenarios. Users may download the guide from the Bureau of the Fiscal Service (Fiscal Service) Web site at **www.fiscal.treasury.gov/fsreports/ref/ussgl/approved\_scenarios/approved\_scenarios.htm#creditreform.**

In order to understand and gain the most from this guide, the user should have a working knowledge of the following:

* Budgetary and proprietary accounting, related reporting, and terminology;
* The U. S. Standard General Ledger (USSGL) accounts for basic annual operating appropriations and revolving funds;
* The concepts of Federal credit program accounting and reporting, fund structures, and terminology;
* The Credit Reform Act and other requirements established by the Act.

This guide illustrates accounting and reporting for a Federal credit program with direct loans and loan guarantees obligated prior to October 1, 1991, funded by no-year authority from an appropriation carried forward from September 30, 1990, and offsetting collections. Accounting is based on net realizable value (for direct loans and loan assets) or net expected value (for loan guarantee liabilities).[[2]](#footnote-2)

The guide covers common transactions and reports with the focus on transactions unique to Federal credit program accounting. For example, the guide does not present undelivered orders with advances, because they are not unique to credit program accounting. It excludes transactions involving collateral and borrowing and repaying monies from Treasury, since they are covered in separate guides. Users may visit the Fiscal Service Web site at [**http://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html**](http://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html)to view other guides.

Transactions are presented over a 1-year period for a fictitious Federal agency with a single direct loan and loan guarantee program, which began operations prior to October 1, 1991.

The transactions covered are:

* Formulation, apportionment, and allotment of the budget;
* Payment of administrative expenses;[[3]](#footnote-3)
* Disbursement for new direct loans and commitment of new loan guarantees;
* Collection of guarantee fees;
* Collection of loan principal and interest on direct loans and defaulted guaranteed loans;
* Payment of interest supplements;
* Payment of default claims;
* Assuming defaulted guaranteed loans and interest for direct collection;
* Modification of direct loan and loan guarantee terms, with resulting transfer of the loans and guarantees to the financing fund;
* Accrual of interest from borrowers;
* Write off of bad debts without receiving collateral;
* Accrual of bad debts expense;
* Transfer of excess funds to Treasury; and
* Closing entries.

The guide illustrates the following yearend agency reports and notes:

* 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 & Schedule P Budget Program and Financing Schedule;
* Credit Program Footnote.

An SF 132: Apportionment and Reapportionment Schedule, is illustrated at the beginning of the year and is revised once during the year. In addition, Appendix 1 provides a listing of key references.

Except for the Request for Apportionment, which is not subject to Federal generally accepted accounting principles (FEDGAAP), these reports are in compliance with FEDGAAP, as promulgated by the Federal Accounting Standards Advisory Board (FASAB) and the U.S. Office of Management and Budget (OMB). Like the journal entries for the underlying transactions, the reports are illustrative. Agencies may have other ways of formatting their reports that meet the authoritative requirements. The SF 132, which is not required to be audited and published with the audited financial statements, is in compliance with OMB regulations. Agencies must prepare and format the SF 132 as illustrated in this guide, unless an agency has direction from or agreement with OMB to do otherwise.

Direct questions regarding this guide to the General Ledger and Advisory Branch at **https://www.fiscal.treasury.gov/fsreports/ref/ussgl/form-issues.htm**, using the USSGL Issue Form, or to:

Manager, General Ledger and Advisory Branch

Fiscal Accounting Operations

Bureau of the Fiscal Service

200 Third Street  
Parkersburg, WV 26106

The USSGL Web site also includes a list of USSGL representatives and their telephone numbers.

**CONCEPTUAL FRAMEWORK**

The guide uses USSGL account numbers and, generally, titles. When necessary, the guide expands USSGL account titles, using brackets, to capture specific information required for reporting. For example, brackets are used to capture information to separate administrative expense from interest supplement expense, both of which would be merged into account 610000 if no other designation were made. For administrative expense, “[Administrative Expense]” is included after the title for USSGL account 610000, “Operating Expenses/Program Costs.” In the same manner, for interest supplement expense, “[Interest Supplement Expense]” is included after the title for USSGL account 610000. The USSGL Supplement, Section II, contains definitions for USSGL accounts.



Entries are made in general journal form, using USSGL accounts, and are summarized in trial balances for each year. When necessary, the USSGL accounts are subdivided or otherwise supplemented with more detail to provide the illustrated reporting. 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 that accomplish the same result.

**ACCOUNT TABLES**

The following account tables identify the accounts used in the guide to record transactions and prepare reports, and the structure under which they fall. Because the transactions are not comprehensive, the tables do not contain all accounts that agencies may use in their actual agency program. The USSGL Supplement, Section I, contains the complete chart of USSGL accounts.

|  |  |
| --- | --- |
| Account Number | Account Title |
| Budgetary – Resources Anticipated | |
| 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 |
| Budgetary – Resources Realized | |
| 411900 | Other Appropriations Realized |
| 415100 | Actual Capital Transfers to the General Fund of the U.S. Government - Current-Year Authority |
| 420100 | Total Actual Resources - Collected |
| 426100 | Actual Collections of Business-Type Fees |
| 426200 | Actual Collections of Loan Principal |
| 426300 | Actual Collections of Loan Interest |
| 427600 | Actual Collections From Financing Fund |
| Budgetary – Status of Resources Unobligated | |
| 445000 | Unapportioned Authority |
| 451000 | Apportionments |
| 459000 | Apportionments - Anticipated Resources – Programs Subject to  Apportionment |
| 461000 | Allotments - Realized Resources |
| Budgetary – Status of Resources Obligated | |
| 480100 | Undelivered Orders – Obligations, Unpaid |
| 490100 | Delivered Orders – Obligations, Unpaid |
| 490200 | Delivered Orders – Obligations, Paid [Loans Made] |
| 490200 | Delivered Orders – Obligations, Paid [Other] |
| 490200 | Delivered Orders – Obligations, Paid [Defaults] |
| 490200 | Delivered Orders – Obligations, Paid [Transfer of Liabilities to Financing  Fund] |
| Proprietary - Assets[[4]](#footnote-4) | |
| 101000 | Fund Balance With Treasury |
| 134100 | Interest Receivable - Loans [Direct Loans] |
| 134100 | Interest Receivable - Loans [Defaulted Guaranteed Loans] |
| 134500 | Allowance for Loss on Interest Receivable - Loans [Direct Loans] |
| 134500 | Allowance for Loss on Interest Receivable – Loans [Defaulted Guaranteed Loans] |
| 135000 | Loans Receivable [Direct] |
| 135000 | Loans Receivable [Defaulted Guaranteed] |
| 135900 | Allowance for Loss on Loans Receivable [Direct] |
| 135900 | Allowance for Loss on Loans Receivable [Defaulted Guaranteed] |
| Proprietary - Liabilities | |
| 211000 | Accounts Payable |
| 218000 | Loan Guarantee Liability |
| Proprietary – Net Position | |
| 310000 | Unexpended Appropriations - Cumulative |
| 310700 | Unexpended Appropriations - Used |
| 331000 | Cumulative Results of Operations |
| Proprietary - Financing Sources (including gains) | |
| 520000 | Revenue From Services Provided |
| 531200 | Interest Revenue - Loans Receivable/Uninvested Funds [From Borrowers] |
| 570000 | Expended Appropriations |
| 576500 | Nonexpenditure Financing Sources - Transfers Out - Other |
| 719000 | Other Gains |
| Proprietary - Expenses (including loses) | |
| 610000 | Operating Expenses/Program Costs [Administrative Expense] |
| 610000 | Operating Expenses/Program Costs [Interest Supplement Expense] |
| 672000 | Bad Debt Expense |
| 721000 | Losses on Disposition of Assets - Other |

**SCENARIO**

This section presents transactions, including closing entries, along with interim and yearend trial balances for the fiscal year. Users should note the various caveats provided in prior sections of this guide when reviewing the information.

OMB authorized the agency, which operates under no-year authority, to make direct loans and to guarantee 100 percent of loans and interest for program participants prior to fiscal 1992. Loans and guarantees that were obligated before that date are accounted for in the agency’s liquidating fund, illustrated in this scenario. The agency will pay its costs from the unobligated balance of an existing no-year appropriation and new collections and will return monies in excess of the amount per an agreement with OMB. An authorized agency official will provide blanket allotment authority for all realized resources, as they are realized, up to the amount apportioned by OMB. The agency accounts for loans receivable on its books using net realizable value. It accounts for the loan guarantee liability using the net estimated amount payable. The agency does not use present value accounting. Present value accounting is illustrated in the direct loans, loan guarantee, and foreclosed property guides.

Budgetary and proprietary trial balances at the beginning of the year are shown below. Note that loans and interest receivable are divided into those relating to direct loans and those relating to loan guarantees, to facilitate the separate reporting required.[[5]](#footnote-5)

|  |  |  |  |
| --- | --- | --- | --- |
| **Beginning Trial Balances** | | | |
| ***Budgetary*** | | ***Debit*** | ***Credit*** |
| 420100 | Total Actual Resources – Collected |  | $4,000 |
| 445000 | Unapportioned Authority | $3,600 |  |
| 480100 | Undelivered Orders – Obligations, Unpaid | 300 |  |
| 490100 | Delivered Orders – Obligations, Unpaid | 100 |  |
|  |  | $4,000 | $4,000 |
| ***Proprietary*** | | ***Debit*** | ***Credit*** |
| 101000 (G) | Fund Balance With Treasury | $4,000 |  |
| 134100 (N) | Interest Receivable – Loans [Direct Loans] | 400 |  |
| 134100 (N) | Interest Receivable – Loans [Defaulted Guaranteed Loans] | 300 |  |
| 134500 (N) | Allowance for Loss on Interest Receivable - Loans [Direct Loans] |  | $100 |
| 134500 (N) | Allowance for Loss on Interest Receivable – Loans [Defaulted Guaranteed Loans] |  | 200 |
| 135000 (N) | Loans Receivable [Direct Loans] | 3,250 |  |
| 135000 (N) | Loans Receivable [Defaulted Guaranteed Loans] | 1,750 |  |
| 135900 (N) | Allowance for Loss on Loans Receivable [Direct Loans] |  | 2,500 |
| 135900 (N) | Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans] |  | 1,000 |
| 211000 (N) | Accounts Payable |  | 100 |
| 218000 (N) | Loan Guarantee Liability |  | 9,000 |
| 310000 | Unexpended Appropriations - Cumulative |  | 3,000 |
| 331000 | Cumulative Results of Operations[[6]](#footnote-6) | 6,200 |  |
|  |  | $15,900 | $15,900 |

During the year, the agency expected to receive collections as follows:

Principal on loans receivable $850

Interest on loans receivable 150

Ongoing guarantee fees from borrowers 50

$1,050

The agency expected to make the following disbursements:

Beginning undelivered orders $ 300

Beginning accounts payable 100

Administrative expenses 275

Interest supplements 25

Default claims 1,200

$1,900

Per agreement with OMB, the agency will return to Treasury all cash in excess of $3,030.[[7]](#footnote-7) The $120 expected to be returned at yearend, is computed as follows:

Beginning balance of cash $4,000

Anticipated cash receipts 1,050

Anticipated cash disbursements (1,900)

Expected cash balance at yearend $3,150

Cash reserve allowed (3,030)

Anticipated cash to be returned to Treasury $ 120 [[8]](#footnote-8)

**TRANSACTIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| 1. The agency prepared the budget formulation. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  406000 Anticipated Collections From Non-Federal Sources  404700 Anticipated Transfer to the General Fund of the  U.S. Government – Current-Year Authority  445000 Unapportioned Authority  **Proprietary Entry**  None | 1,050 | 120  930 | A140  A142 |

An SF-132: Apportionment and Reapportionment Schedule, for this transaction appears below.

**Direct Loan and Loan Guarantee Agency**

|  |  |  |
| --- | --- | --- |
| **SF-132 Apportionment and Reapportionment Schedule** | | |
|  | **BUDGETARY RESOURCES** |  |
|  |  |  |
|  | **Unobligated Balance:** |  |
| 1000 | Unobligated balance brought forward, Oct 1 | $3,600 |
|  | **Spending authority from offsetting collections, mandatory:** |  |
| 1840 | Anticipated collections, reimbursements, and other income | 1,050 |
| 1842 | Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-) | (120) |
| 1920 | Total budgetary resources | $4,530 |
|  |  |  |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |
|  |  |  |
|  | **Apportioned:** |  |
| 6011 | Apportioned Category B by project | $1,530 |
| 6182 | Unapportioned balance of revolving fund | 3,000 |
| 6190 | Total budgetary resources available | $4,530 |

|  |  |  |  |
| --- | --- | --- | --- |
| 2. OMB approved the agency request for apportionment without change, and the agency recorded the apportionment. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  445000 Unapportioned Authority  451000 Apportionments [of Realized Resources][[9]](#footnote-9)  459000 Apportionments - Anticipated Resources –  Programs Subject to Apportionment  **Proprietary Entry**  None | 1,530 | 600  930 | A116  A118 |

|  |  |  |  |
| --- | --- | --- | --- |
| 3. A properly designated agency official apportioned the full amount of realized resources and issued a blanket authorization to allot anticipated resources as they were realized, not to exceed the amount of the apportionment. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  None | 600 | 600 | A120 |

The agency received the following collections during the year:

Principal on direct loans receivable $550

Principal on defaulted guaranteed loans receivable 250

Interest on direct loans receivable 90

Interest on defaulted guaranteed loans receivable 70

Ongoing guarantee fees from borrowers 55

|  |  |  |  |
| --- | --- | --- | --- |
| 4. To record the collections. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  426100 Actual Collections of Business – Type Fees  426200 Actual Collections of Loan Principal  426300 Actual Collections of Loan Interest  406000 Anticipated Collections From Non-Federal Sources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134100 (N) Interest Receivable – Loans [Direct Loans]  134100 (N) Interest Receivable – Loans [Defaulted  Guaranteed Loans]  135000 (N) Loans Receivable [Direct]  135000 (N) Loans Receivable [Defaulted Guaranteed  Loans]  520000 (N) Revenue From Services Provided | 55  800  160  1,015 | 1,015  90  70  550  250  55 | C109 |

|  |  |  |  |
| --- | --- | --- | --- |
| 5. To allot the authority from the collections. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  459000 Apportionments – Anticipated Resources - Programs  Subject to Apportionment  461000 Allotments – Realized Resources[[10]](#footnote-10)  **Proprietary Entry**  None | 930 | 930 | A122 |

The agency made the following cash disbursements during the year:

Administrative expenses $ 485

Interest supplements 25

Direct loans 10

Accounts payable at beginning of year 100

Defaults 1,250

The amount paid for administrative expenses included the $300 of undelivered orders at the beginning of the year (bills for which totaled $300) plus an additional $185.

|  |  |  |  |
| --- | --- | --- | --- |
| 6. To record disbursements. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  480100 Undelivered Orders – Obligations, Unpaid  490100 Delivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid [Loans Made]  490200 Delivered Orders – Obligations, Paid [Other]  490200 Delivered Orders – Obligations, Paid [Defaults]  **Proprietary Entry**  135000 (N) Loans Receivable [Direct]  211000 (N) Accounts Payable  218000 (N) Loan Guarantee Liability  610000 (N) Operating Expenses/Program Costs  [Administrative Expense]  610000 (F) Operating Expenses/Program Costs [Interest  Supplement Expense]  101000 (G) Fund Balance With Treasury  310700 (G) Unexpended Appropriations – Used  570000 (G) Expended Appropriations | 1,470  300  100  10  100  1,250  485  25  1,870 | 10  610  1,250  1,870  1,870 | B104  B110  B134  C206 |

The agency acquired receivables on payment of the default claims in the preceding transaction. The agency’s practice is to separately record the interest and principal as shown below.[[11]](#footnote-11),[[12]](#footnote-12)

Loan principal - gross $800

Loan principal - realizable value 230

Loan interest - gross 450

Loan interest - realizable value 375

|  |  |  |  |
| --- | --- | --- | --- |
| 7. To record loans and interest receivable from Non-Federal sources for defaulted guaranteed loans. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134100 (N) Interest Receivable - Loans [Defaulted Guaranteed  Loans]  135000 (N) Loans Receivable [Defaulted Guaranteed]  134500 (N) Allowance for Loss on Interest Receivable -  Loans [Defaulted Guaranteed Loans]  135900 (N) Allowance for Loss on Loan Receivable  [Defaulted Guaranteed]  218000 (N) Loan Guaranteed Liabilities | 450  800 | 75  570  605 | C220  D852 |

The agency guaranteed the full amount of principal and interest on a $20 loan disbursed this year by the third-party lender involved. The guarantee had been committed prior to fiscal 1992. In accordance with the terms of the guarantee, the agency charged no guarantee fees. No entries are required.[[13]](#footnote-13)

|  |  |  |  |
| --- | --- | --- | --- |
| **Trial Balance (transactions 1 through 7)** | | | |
| ***Budgetary*** | | ***Debit*** | ***Credit*** |
| 404700 | Anticipated Transfers to the General Fund of the U.S. Government |  | $120 |
| 406000 | Anticipated Collections From Non-Federal Sources | $35 |  |
| 420100 | Total Actual Resources - Collected | 4,000 |  |
| 426100 | Actual Collections of Business-Type Fees | 55 |  |
| 426200 | Actual Collections of Loan Principal | 800 |  |
| 426300 | Actual Collections of Loan Interest | 160 |  |
| 445000 | Unapportioned Authority |  | 3,000 |
| 451000 | Apportionments [of Realized Resources] |  | -0- |
| 459000 | Apportionments – Anticipated Resources – Programs Subject to Apportionment |  | -0- |
| 461000 | Allotments – Realized Resources |  | 60 |
| 480100 | Undelivered Orders – Obligations, Unpaid |  | -0- |
| 490100 | Delivered Orders – Obligations, Unpaid |  | -0- |
| 490200 | Delivered Orders – Obligations, Paid [Loans Made] |  | 10 |
| 490200 | Delivered Orders – Obligations, Paid [Other] |  | 610 |
| 490200 | Delivered Orders – Obligations, Paid [Defaults] |  | 1,250 |
|  |  | $5,050 | $5,050 |
| ***Proprietary*** | | ***Debit*** | ***Credit*** |
| 101000 (G) | Fund Balance With Treasury | $3,145 |  |
| 134100 (N) | Interest Receivable – Loans [Direct Loans] | 310 |  |
| 134100 (N) | Interest Receivable – Loans [Defaulted Guaranteed Loans] | 680 |  |
| 134500 (N) | Allowance for Loss on Interest Receivable - Loans [Direct Loans] |  | $100 |
| 134500 (N) | Allowance for Loss on Interest Receivable –Loans [Defaulted Guaranteed Loans] |  | 275 |
| 135000 (N) | Loans Receivable [Direct Loans] | 2,710 |  |
| 135000 (N) | Loans Receivable [Defaulted Guaranteed Loans] | 2,300 |  |
| 135900 (N) | Allowance for Loss on Loans Receivable [Direct Loans] |  | 2,500 |
| 135900 (N) | Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans] |  | 1,570 |
| 211000 (N) | Accounts Payable |  | -0- |
| 218000 (N) | Loan Guarantee Liability |  | 8,355 |
| 310000 | Unexpended Appropriations - Cumulative |  | 3,000 |
| 310700 (G) | Unexpended Appropriations - Used | 1,870 |  |
| 331000 | Cumulative Results of Operations | 6,200 |  |
| 520000 (N) | Revenue from Services Provided |  | 55 |
| 570000 (G) | Expended Appropriations |  | 1,870 |
| 610000 (N) | Operating Expenses/Program Costs [Administrative Expense] | 485 |  |
| 610000 (F) | Operating Expenses/Program Costs [Interest Supplement Expense] | 25 |  |
|  |  | $17,725 | $17,725 |

**Information for Modifications**

The agency obtained approval from OMB to modify the terms of direct loans and loan guarantees. The information was as follows:

The agency modified the terms of $100 of direct loans. The net realizable value was $85, and the net present value was $75. The agency was to sell the loans to the financing fund. All interest on the loans had been paid to date.

The agency modified the terms for $275 of guaranteed loans. The expected value of the liability from guaranteeing the loans was $90, and the present value was $83. The agency transferred the guarantees to the financing fund.[[14]](#footnote-14)

The agency prepared a new SF-132, which is illustrated below.

**Direct Loan and Loan Guarantee Agency**

|  |  |  |
| --- | --- | --- |
| **SF-132 Apportionment and Reapportionment Schedule** | | |
|  | **BUDGETARY RESOURCES** |  |
|  |  |  |
|  | **Unobligated Balance:** |  |
| 1000 | Unobligated balance brought forward, Oct 1 | $600 |
|  | **Spending authority from offsetting collections, mandatory:** |  |
| 1800 | Collected | 1,015 |
| 1840 | Anticipated collections, reimbursements, and other income | 110 |
| 1842 | Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-) | (112) |
| 1920 | Total budgetary resources | $1,613 |
|  |  |  |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |
|  |  |  |
|  | **Apportioned:** |  |
| 6011 | Apportioned Category B by project | $1,583 |
| 6182 | Unapportioned balance of revolving fund | 30 |
| 6190 | Total budgetary resources available | $1,613 |

The agency compiled information for a new SF-132 as shown in the table below, with crosswalks shown in square brackets.

|  |
| --- |
| Line 1000 Remains at $600  Line 1800 $1,015 [426100, 426200, 426300]  Line 1840 $110 [account 406000, $35, + $75 to be received from the financing  fund]  Line 1842 $112\*[see note below]  Line 1920 $1,613 [lines 1000+1800+1840–1842]  Line 6011 $1,583 [$1,500 originally anticipated + $83 to be paid to the  financing fund]  Line 6182 Remains at $30  Line 6190 $1,613 [lines 6011 + 6182]    \*Computation of cash to be paid to Treasury:  Balance of cash after the previous transactions $145 [101000]  Anticipated additional receipts 110 [Line 1840]  Anticipated additional payments (113) [Line 1842 - 480100, 490100,  490200 ]  Anticipated ending balance of cash available $142  Amount needed to carry into the next year (30) [Line 6182]  Cash to be returned to Treasury $112 |

OMB approved the new SF-132 as requested.

|  |  |  |  |
| --- | --- | --- | --- |
| 8. The agency recorded the submission of the new SF-132. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  407000 Anticipated Collections From Federal Sources  404700 Anticipated Transfers to the General Fund of the  U.S. Government – Current Year Authority  445000 Unapportioned Authority  **Proprietary Entry**  None | 75  8 | 83 | A140  A142R |

|  |  |  |  |
| --- | --- | --- | --- |
| 9. The agency recorded OMB approval of the SF-132. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  445000 Unapportioned Authority  459000 Apportionments – Anticipated Resources –  Programs Subject to Apportionment  **Proprietary Entry**  None | 83 | 83 | A118 |

|  |  |  |  |
| --- | --- | --- | --- |
| 10. The agency transferred the direct loans to the financing fund, which paid the present value. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  427600 Actual Collections From Financing Fund  407000 Anticipated Collections From Federal Sources  459000 Apportionments – Anticipated Resources – Programs  Subject to Apportionment  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  135900 (N) Allowance for Loss on Loans Receivable  721000 (N) Losses on Disposition of Assets - Other  135000 (N) Loans Receivable | 75  75  75  15  10 | 75  75  100 | C109  D208  A122 |

|  |  |  |  |
| --- | --- | --- | --- |
| 11. The agency transferred the loan guarantees to the financing fund, along with payment of the present value. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  490200 Delivered Orders – Obligations, Paid [Transfer of  Liabilities to Financing Fund]  **Proprietary Entry**  218000 (N) Loan Guarantee Liability  101000 (G) Fund Balance with Treasury  719000 (N) Other Gains [on Disp. of Loan Guar. Liab.  Modified and Transferred]  310700 (G) Unexpended Appropriations - Used  570000 (G) Expended Appropriations | 83  90  83[[15]](#footnote-15) | 83  83  7  83 | B104  B134 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Trial Balance (transactions 1 through 11)** | | | |
| ***Budgetary*** | | ***Debit*** | ***Credit*** |
| 404700 | Anticipated Transfers to the General Fund of the U.S. Government |  | $112 |
| 406000 | Anticipated Collections From Non-Federal Sources | $35 |  |
| 407000 | Anticipated Collections From Federal Sources | -0- |  |
| 420100 | Total Actual Resources - Collected | 4,000 |  |
| 426100 | Actual Collections of Business-Type Fees | 55 |  |
| 426200 | Actual Collections of Loan Principal | 800 |  |
| 426300 | Actual Collections of Loan Interest | 160 |  |
| 427600 | Actual Collections From Financing Fund | 75 |  |
| 445000 | Unapportioned Authority |  | 3,000 |
| 451000 | Apportionments [of Realized Resources] |  | -0- |
| 459000 | Apportionments – Anticipated Resources – Programs Subject to Apportionment |  | 8 |
| 461000 | Allotments – Realized Resources |  | 52 |
| 480100 | Undelivered Orders – Obligations, Unpaid |  | -0- |
| 490100 | Delivered Orders – Obligations, Unpaid |  | -0- |
| 490200 | Delivered Orders – Obligations, Paid [Loans Made] |  | 10 |
| 490200 | Delivered Orders – Obligations, Paid [Other] |  | 610 |
| 490200 | Delivered Orders – Obligations, Paid [Defaults] |  | 1,250 |
| 490200 | Delivered Orders – Obligations, Paid [Transfer to Financing Fund]] |  | 83 |
|  |  | $5,125 | $5,125 |
|  |  |  |  |
| ***Proprietary*** | | ***Debit*** | ***Credit*** |
| 101000 (G) | Fund Balance With Treasury | $3,137 |  |
| 134100 (N) | Interest Receivable – Loans [Direct Loans] | 310 |  |
| 134100 (N) | Interest Receivable – Loans [Defaulted Guaranteed Loans] | 680 |  |
| 134500 (N) | Allowance for Loss on Interest Receivable –Loans [Direct Loans] |  | $100 |
| 134500 (N) | Allowance for Loss on Interest Receivable - Loans [Defaulted Guaranteed Loans] |  | 275 |
| 135000 (N) | Loans Receivable [Direct Loans] | 2,610 |  |
| 135000 (N) | Loans Receivable [Defaulted Guaranteed Loans] | 2,300 |  |
| 135900 (N) | Allowance for Loss on Loans Receivable [Direct Loans] |  | 2,485 |
| 135900 (N) | Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans] |  | 1,570 |
| 211000 (N) | Accounts Payable |  | -0- |
| 218000 (N) | Loan Guarantee Liability |  | 8,265 |
| 310000 | Unexpended Appropriations - Cumulative |  | 3,000 |
| 310700 (G) | Unexpended Appropriations - Used | 1,953 |  |
| 331000 | Cumulative Results of Operations | 6,200 |  |
| 520000 (N) | Revenue from Services Provided |  | 55 |
| 570000 (G) | Expended Appropriations |  | 1,953 |
| 610000 (N) | Operating Expenses/Program Costs [Administrative Expense] | 485 |  |
| 610000 (F) | Operating Expenses/Program Costs [Interest Supplement Expense] | 25 |  |
| 719000 (N) | Other Gains[Disposition of Loan Guarantee Liability] |  | 7 |
| 721000 (N) | Losses on Disposition of Assets – Other [Modification and Sale of Loans Receivable] | 10 |  |
|  |  | $17,710 | $17,710 |

|  |  |  |  |
| --- | --- | --- | --- |
| 12. The agency accrued $35 of interest on direct loans and $30 in defaulted guaranteed loans receivable at year end. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134100 (N) Interest Receivable – Loans [Direct Loans]  134100 (N) Interest Receivable – Loans [Defaulted Guaranteed  Loans]  531200 (N) Interest Revenue – Loans  Receivable/Uninvested Funds [Borrowers] | 35  30 | 65 | C216 |

|  |  |  |  |
| --- | --- | --- | --- |
| 13. The agency wrote off bad debts as follows: interest receivable on direct loans, $10; interest receivable on defaulted guaranteed loans, $40; direct loans receivable, $200; defaulted guaranteed loans receivable, $50. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134500 (N) Allowance for Loss on Interest Receivable - Loans  [Direct Loans]  134500 (N) Allowance for Loss on Interest Receivable – Loans  [Def. Guar. Loans]  135900 (N) Allowance for Loss on Loans Receivable [Direct]  135900 (N) Allowance for Loss on Loan Receivable  [Defaulted Guaranteed  134100 (N) Interest Receivable – Loans [Direct Loans]  134100 (N) Interest Receivable – Loans [Defaulted  Guaranteed Loans]  135000 (N) Loans Receivable [Direct]  135000 (N) Loans Receivable [Defaulted Guaranteed] | 10  40  200  50 | 10  40  200  50 | D208  D212 |

|  |  |  |  |
| --- | --- | --- | --- |
| 14. The agency accrued bad debts expense as follows: interest receivable on direct loans, $20; interest receivable on defaulted guaranteed loans, 70; direct loans receivable, $80; defaulted guaranteed loans receivable, $45; loan guarantee liability, $200. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  672000(N) Bad Debt Expense  134500 (N) Allowance for Loss on Interest Receivable –  Loans [Direct Loans]  134500 (N) Allowance for Loss on Interest Receivable-  Loans [Def. Guar. Loans]  135900 (N) Allowance for Loss on Loans Receivable  [Direct]  135900 (N) Allowance for Loss on Loans Receivable  [Defaulted Guaranteed]  218000 (N) Loan Guarantee Liability | 415 | 20  70  80  45  200 | D204 |

|  |  |  |  |
| --- | --- | --- | --- |
| 15. The agency transferred cash in excess of $3,030 to Treasury. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  404700 Anticipated Transfers to the General Fund of the  U.S. Government – Current –Year Authority  415100 Actual Capital Transfers to the General Fund of the  U.S. Government Current-Year Authority  **Proprietary Entry**  576500 (F) Nonexpenditure Financing Sources – Transfers  Out – Other[[16]](#footnote-16)  101000 (G) Fund Balance With Treasury | 107[[17]](#footnote-17)  107 | 107  107 | B136 |

|  |  |  |  |
| --- | --- | --- | --- |
| 16. The agency recorded closing of anticipated accounts.= | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  445000 Unapportioned Authority  404700 Anticipated Transfers to the General Fund of the  U.S. Government – Current –Year Authority  459000 Apportionments – Anticipated Resources – Programs  Subject to Apportionment  406000 Anticipated Collections From Non-Federal  Sources  **Proprietary Entry**  None | 22  5  8 | 35 | F112  F114 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Pre-Closing Trial Balances (transactions 1 through 13)** | | | |
| ***Budgetary*** | | ***Debit*** | ***Credit*** |
| 415100 | Actual Capital Transfers to the General Fund of the U.S. Government, Current – Year Authority |  | 107 |
| 420100 | Total Actual Resources - Collected | 4,000 |  |
| 426100 | Actual Collections of Business-Type Fees | 55 |  |
| 426200 | Actual Collections of Loan Principal | 800 |  |
| 426300 | Actual Collections of Loan Interest | 160 |  |
| 427600 | Actual Collections From Financing Fund | 75 |  |
| 445000 | Unapportioned Authority |  | 2,978 |
| 461000 | Allotments – Realized Resources |  | 52 |
| 490200 | Delivered Orders – Obligations, Paid [Loans Made] |  | 10 |
| 490200 | Delivered Orders – Obligations, Paid [Other] |  | 610 |
| 490200 | Delivered Orders – Obligations, Paid [Defaults] |  | 1,250 |
| 490200 | Delivered Orders – Obligations, Paid [Transfer to Financing Fund]] |  | 83 |
|  |  | $5,090 | $5,090 |
| ***Proprietary*** | | ***Debit*** | ***Credit*** |
| 101000 (G) | Fund Balance With Treasury | $3,030 |  |
| 134100 (N) | Interest Receivable – Loans [Direct Loans] | 335 |  |
| 134100 (N) | Interest Receivable – Loans [Defaulted Guaranteed Loans] | 670 |  |
| 134500 (N) | Allowance for Loss on Interest Receivable -Loans[Direct Loans] |  | $110 |
| 134500 (N) | Allowance for Loss on Interest Receivable - Loans[Defaulted Guaranteed Loans] |  | 305 |
| 135000 (N) | Loans Receivable [Direct Loans] | 2,410 |  |
| 135000 (N) | Loans Receivable [Defaulted Guaranteed Loans] | 2,250 |  |
| 135900 (N) | Allowance for Loss on Loans Receivable [Direct Loans] |  | 2,365 |
| 135900 (N) | Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans] |  | 1,565 |
| 218000 (N) | Loan Guarantee Liability |  | 8,465 |
| 310000 | Unexpended Appropriations - Cumulative |  | 3,000 |
| 310700 (G) | Unexpended Appropriations - Used | 1,953 |  |
| 331000 | Cumulative Results of Operations | 6,200 |  |
| 520000 (N) | Revenue from Services Provided |  | 55 |
| 531200 (N) | Interest Revenue – Loans Receivable/Uninvested Funds [Borrowers] |  | 65 |
| 570000 (G) | Expended Appropriations |  | 1,953 |
| 576500 (F) | Nonexpenditure Financing Sources - Transfers-Out | 107 |  |
| 610000 (N) | Operating Expenses/Program Costs [Administrative Expense] | 485 |  |
| 610000 (F) | Operating Expenses/Program Costs [Interest Supplement Expense] | 25 |  |
| 672000 (N) | Bad Debt Expense | 415 |  |
| 719000 (N) | Other Gains[Disposition of Loan Guarantee Liability] |  | 7 |
| 721000 (N) | Losses on Disposition of Assets – Other [Modification and Sale of Loans Receivable] | 10 |  |
|  |  | $17,890 | $17,890 |

|  |  |  |  |
| --- | --- | --- | --- |
| 17. The agency made budgetary closing entries. | | | |
| **TAFS** | **DR** | **CR** | **TC** |
| **Budgetary Entry**  490200 Delivered Orders – Obligations, Paid [Loans Made]  490200 Delivered Orders – Obligations, Paid [Other]  490200 Delivered Orders – Obligations, Paid [Defaults]  490200 Delivered Orders - Obligations, Paid [Transfers to  Financial Account]  415100 Actual Capital Transfers to the General Fund of the  U.S. Government, Current-Year Authority  420100 Total Actual Resources - Collected [Net]  426100 Actual Collections of Business-Type Fees  426200 Actual Collections of Loan Principal  426300 Actual Collections of Loan Interest  4276 Actual Collections From Financing Fund  461000 Allotments - Realized Resources  445000 Unapportioned Authority  **Proprietary Entry**  None | 10  610  1250  83  107  52 | 970  55  800  160  75  52 | F204  F214  F210 |

|  |  |  |  |
| --- | --- | --- | --- |
| 18. The agency made proprietary closing entries. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  520000 (N) Revenue From Services Provided  531200 (N) Interest Revenue – Loans Receivable/Uninvested  Funds  570000 (G) Expended Appropriations  719000 (N) Other Gains [Disp. of Loan Guar. Liab.  Modified/Transferred]  331000 Cumulative Results of Operations  576500 (F) Nonexpenditure Financing Sources – Transfers-  Out - Other  610000 (N) Operating Expenses/Program Costs  [Administrative Expense]  610000 (F) Operating Expenses/Program Costs [Interest  Supplement Expense]  672000 (N) Bad Debt Expense  721000 (N) Losses on Disposition of Assets – Other  [Modification/Sale of Loans Receivable]  310000 Unexpended Appropriations – Cumulative  310700 (G) Unexpended Appropriations - Used | 55  65  1953  7  1953 | 1038  107  485  25  415  10  1953 | F228  F230  F231  F233 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Post-Closing Trial Balances (transactions 1 through 18)** | | | |
| ***Budgetary*** | | ***Debit*** | ***Credit*** |
| 420100 | Total Actual Resources - Collected | 3,030 |  |
| 445000 | Unapportioned Authority |  | 3,030 |
|  |  | $3,030 | $3,030 |
| ***Proprietary*** | | ***Debit*** | ***Credit*** |
| 101000 (G) | Fund Balance With Treasury | $3,030 |  |
| 134100 (N) | Interest Receivable – Loans [Direct Loans] | 335 |  |
| 134100 (N) | Interest Receivable – Loans [Defaulted Guaranteed Loans] | 670 |  |
| 134500 (N) | Allowance for Loss on Interest Receivable - Loans [Direct Loans] |  | $110 |
| 134500 (N) | Allowance for Loss on Interest Receivable - Loans [Defaulted Guaranteed Loans] |  | 305 |
| 135000 (N) | Loans Receivable [Direct Loans] | 2,410 |  |
| 135000 (N) | Loans Receivable [Defaulted Guaranteed Loans] | 2,250 |  |
| 135900 (N) | Allowance for Loss on Loans Receivable [Direct Loans] |  | 2,365 |
| 135900 (N) | Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans] |  | 1,565 |
| 218000 (N) | Loan Guarantee Liability |  | 8,465 |
| 310000 | Unexpended Appropriations - Cumulative |  | 1,047 |
| 331000 | Cumulative Results of Operations | 5,162 |  |
|  |  | $13,857 | $13,857 |

**FINANCIAL STATEMENTS**

|  |  |  |
| --- | --- | --- |
| **Direct Loan and Loan Guarantee Agency**  **Balance Sheet**  **As of September 30, 20XX** | | |
|  | **Assets:** |  |
|  | Intragovernmental |  |
|  |  |  |
| 1. | Fund Balance with Treasury (101000) | $3,030 |
| 4. | Loans Receivable (134100E) (134500E) (135000E) (135900E) | 1,320 |
| 15. | Total assets | $4,350 |
|  |  |  |
|  | **Liabilities:** |  |
|  | Intragovernmental |  |
|  |  |  |
| 22. | Loan Guarantee Liability (218000E) | $8,465 |
|  |  |  |
|  | **Net Position:** |  |
|  |  |  |
| 30. | Unexpended Appropriations (310000E) | 1,047 |
| 32. | Cumulative results of operations – Funds From Dedicated  Collections (Deficit) (331000E) | (5,162) |
| 36. | Total Net Position –Funds From Dedicated Collections | (4,115) |
| 37. | Total liabilities and net position | $4,350 |

|  |  |  |
| --- | --- | --- |
| **Direct Loan and Loan Guarantee Agency**  **Statement of Net Cost**  **for Fiscal Year Ended September 30, 20XX** | | |
|  | **Program Costs** |  |
| 1. | Gross costs (610000E) (672000E) (721000E) | $935 |
| 2. | Less: earned revenue (520000E) (531200E) | 120 |
| 3. | Net program costs | $815 |
| 7. | Less: earned revenues not attributed to programs (719000E) | (7) |
| 8. | Net cost of operations | $808 |

|  |  |  |
| --- | --- | --- |
| **Direct Loan and Loan Guarantee Agency**  **Statement of Changes in Net Position**  **for Fiscal Year Ended September 30, 20XX** | | |
|  | **Cumulative Results from Operations:** |  |
|  |  |  |
|  | **Beginning Balances** |  |
| 1. | Cumulative Results of Operations (331000) | $(6,200) |
|  |  |  |
|  | **Budgetary Financing Sources:** |  |
| 5. | Appropriations used (570000E) | 1,953 |
| 8. | Transfers-in/out without reimbursement (+/-) (576500E) | (107) |
| 14. | Total Financing Sources (Sum lines 4 -13) | 1,846 |
|  |  |  |
| 15. | Net Cost of Operations (+/-) (From Stmt of Net Cost) | (808) |
|  |  |  |
| 16. | Net Change (Sum lines 14 -15) | 1,038 |
|  |  |  |
| 17. | Cumulative Results of Operations (Sum lines 3 and 16) | $(5,162) |
|  |  |  |
|  | **Unexpended Appropriations:** |  |
|  |  |  |
| 18. | Beginning Balance (310000E) | $ 3,000 |
|  |  |  |
| 20. | Beginning balance, as adjusted (Sum lines 18 and 19) | 3,000 |
|  |  |  |
|  | **Budgetary Financing Sources:** |  |
|  |  |  |
| 24. | Appropriations used (310700E) | (1,953) |
|  |  |  |
| 25. | Total Budgetary Financing Sources (Sum lines 21 -24) | (1,953) |
|  |  |  |
| 26. | Total Unexpended Appropriations (Sum lines 20 and 25) | 1,047 |
|  |  |  |
| 27. | Net Position (Sum lines 17 and 26) | $(4,115) |

|  |  |  |
| --- | --- | --- |
| **Direct Loan and Loan Guarantee Agency**  **Statement of Budgetary Resources**  **for Fiscal Year Ended September 30, FY-L** | | |
|  | **Budgetary resources:** |  |
| 1000 | Unobligated balance brought forward, Oct 1 (420100B, 480100B, 490100B) | $ 3,600 |
| 1890 | Spending authority from offsetting collections (discretionary and  mandatory) (415100E, 426100E, 426200E, 426300E, 427600E) | 983 |
| 1910 | Total budgetary resources (Sum lines 1000 and 1890) | $ 4,583 |
|  |  |  |
|  | **Status of Budgetary Resources:** |  |
| 2190 | New Obligations and upward adjustments (total) (Note 31)  (480100E-B, 490100E-B, 490200E) | 1,553 |
|  |  |  |
|  | Unobligated balance, end of year: |  |
| 2204 | Apportioned, unexpired account (461000E) | 52 |
| 2404 | Unapportioned, unexpired accounts (445000E) | 2,978 |
| 2490 | Unobligated balance, end of year (total) | $4,583 |
|  |  |  |
|  | Budget authority and outlays, net |  |
| 4185 | Outlays, gross (discretionary and mandatory) (490200) | $1,953 |
| 4187 | Actual offsetting collections (discretionary and mandatory) (-) (426100,426200,426300,427600) | 863 |
| 4190 | Outlays, net (total) (discretionary and mandatory) | $1,090 |
| 4210 | Agency outlays, net (discretionary and mandatory) (Sum of line 4190 minus 4200) | $1,090 |

**Direct Loan and Loan Guarantee Agency**

**SF 133: Report on Budget Execution and Budgetary Resources & Schedule P Budget Program and Financing Schedule**

**for Fiscal Year Ended September 30, FY-L**

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2140 Unobligated balance carried forward, start of year (420100B) (480100B) (490100B) $3,600

2440 Unobligated balance carried forward, end of year (445000E) (461000E) 3,030

NEW BUDGETARY AUTHORITY (GROSS), DETAIL

6800 Spending authority from offsetting collections (426100E) (426200E) (426300E) (427600E) 1,090

CHANGE IN OBLIGATED BALANCES

7240 Obligated balance, start of year (480100B) (490100B) 400

7320 Total outlays (gross) (-) (490200E) (1,953)

OUTLAYS (GROSS), DETAIL

8700 Total outlays (490200E) 1,953

**OFFSETS**

8800 Federal sources (427600E) (75)

8840 Non-Federal sources (426100E) (426200E) (426300E) (1,015)

8890 Total offsetting collections (cash) (-) (1,090)

NEW BUDGET AUTHORITY AND OUTLAYS

8900 Budget authority (net) (1,090)

9000 Outlays (net) 863

**Quantitative Dollar Information for Credit Program Footnote**

This section sets forth the pertinent detail available from the scenario for the required credit program footnote[[18]](#footnote-18) and characterizes the loan guarantee liability as being “pre-Credit Reform.”

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CREDIT PROGRAM FOOTNOTE | | | | |
| For loans and guarantees obligated before fiscal 1991: | | | | |
|  | Loans  Receivable | Interest  Receivable | Allowance for  Losses | Net  Receivables |
|  |  |  |  |  |
| Direct Loans | $2,410  (135000) | $335  (134100) | $2,475  (134500, 135900) | $270 |
|  |  |  |  |  |
| Defaulted Guaranteed Loans | 2,250  (135000) | 670  (134100) | 1,870  (134500, 135900) | 1,050 |
|  |  |  |  |  |
| Totals | $4,660 | $1,005 | $4,345 | $1,320 |
|  |  |  |  | [Must equal Balance Sheet Amount] |
|  |  |  |  |  |
| Loan Guarantee Liability for loans guaranteed before fiscal 1992: $8,465 [218000; Must = Bal. Sheet Amt.] | | | | |
|  |  |  |  |  |

**APPENDIX: REFERENCES**

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

**OFFICE OF MANAGEMENT AND BUDGET**

* OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*
* OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*
* OMB Credit Model

OMB Publications Office at 202-395-7332

Office of Federal Financial Management 202-395-3993

Web site: **www.whitehouse.gov/omb**

**FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD**

Statement of Federal Financial Accounting Standards (SFFAS)

SFFAS No. 1, *Accounting for* *Selected Assets and Liabilities*

SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*

SFFAS No. 3, *Accounting for* *Inventory and Related Property*

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources* (including related implementation guide)

SFFAS No. 18, *Amendments to Accounting Standards for Direct and Guaranteed Loans*

SFFAS No. 19, *Technical Amendments to Accounting Standards for Direct and Guaranteed Loans*

Statement of Federal Financial Accounting Concepts No. 2, *Entity and Display* (as amended by SFFAS No. 7)

Accounting and Auditing Policy Committee, Technical Release No. 3: *Preparing and Auditing Direct Loan and Loan Guarantee Subsidies Under the Federal Credit Reform Act*

FASAB Staff at 202-512-7350

Web site: **www.fasab.gov**

**TREASURY BUREAU OF THE FISCAL SERVICE**

* *U.S. Government Standard General Ledger* (codified in *Treasury Financial Manual*)
* *Budgetary Accounting in the Federal Government*
* Illustrative Scenarios in Accounting for Credit Programs (USSGL Division)
* Present Value Monograph

General Ledger and Advisory Branch (Bureau of the Fiscal Service, Treasury).

1. See OMB Bulletin No. 01-09, dated September 2001, §1.2, p.2. [↑](#footnote-ref-1)
2. Paragraph 40 of Statement of Federal Financial Accounting Standards (SFFAS) No. 2 provides that the accounting may be performed on a present value basis at the discretion of program agencies. Present value accounting is covered in the other three guides in this series. [↑](#footnote-ref-2)
3. The illustration is for payment of administrative expenses without prior obligation through undelivered orders or accounts payable. [↑](#footnote-ref-3)
4. Interest receivable and loans receivable are broken out by those related to direct loans and those related to loan guarantee programs to facilitate the separate reporting required. See OMB Bulletin No. 01-09, footnote 8. [↑](#footnote-ref-4)
5. See OMB Bulletin No. 01-09, instructions for footnote number 8. [↑](#footnote-ref-5)
6. Prior illustrative guidance provided for use of USSGL account 297000, “Resources Payable to Treasury,” to represent the difference between assets and the other liabilities. This was designated before the issuance of SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*, which prohibits accrual of unapportioned or unlegislated appropriations across years and mandates that appropriations used be computed in the same manner as in the Federal Budget (see paragraphs 72 and 217 of SFFAS No. 7). In the prior guidance, account 297000 took the place of USSGL accounts 310000, “Unexpended Appropriations – Cumulative” and 331000, “Cumulative Results of Operations,” and no appropriations used were recognized. A debit balance in account 297000 was, in effect, a receivable for appropriations. In addition, a procedure of closing expenses and revenues into account 297000 was illustrated. In compliance with SFFAS No. 7, and in recognition of the reality of the long ongoing life of many liquidating funds, the guidance in this guide illustrates the difference between assets and liabilities in accounts 310000 and 331000, and illustrates closing entries for income and expense made into account 331000. [↑](#footnote-ref-6)
7. The figure here is arbitrary. OMB Circular No. A-11, Section 185.3(k), provides that agencies must transfer unobligated balances of liquidating fund entities at fiscal yearend to the General Fund of the U.S. Government unless OMB approves otherwise (see Section 51.12). [↑](#footnote-ref-7)
8. If a cash deficit were projected instead, the agency may have made up the deficit with either appropriations or borrowing. Accounting for receipt and use of appropriations is covered in the direct loans and loan guarantees guide. Accounting for borrowing is covered in the direct loan guide. [↑](#footnote-ref-8)
9. This is a portion of the beginning balance of USSGL account 445000 “Unapportioned Authority.” [↑](#footnote-ref-9)
10. Note that the amount of the authority allotted is limited to the apportionment related to anticipated collections, as reflected by the balance of USSGL account 459000, “Apportionments - Anticipated Resources – Programs Subject to Apportionment.” [↑](#footnote-ref-10)
11. Some agencies will record both the principal and interest as a single amount in USSGL account 135000, “Loans Receivable [Defaulted Guaranteed].” This is appropriate if subsequent interest charges are based on the total amount of principal and interest receivable acquired by virtue of the default payment. [↑](#footnote-ref-11)
12. Though shown separately here for purposes of illustration, the agency could combine the entry for this transaction with the proprietary entry in transaction 5. [↑](#footnote-ref-12)
13. Under pre-Credit Reform accounting, the budget recognizes cash inflows and outflows related to loan guarantees when they occur, rather than when guarantees are made. Since there was no cash to or from the Government with this transaction, no budgetary entries are prepared. See OMB Circular No. A-11, Sec. 185.3(k), for further information. It would be possible to make a proprietary entry recognizing the estimated bad debts (default) expense related to the guarantee at this time, but the scenario restates bad debt expense via an adjusting entry at yearend instead. Either method is acceptable. [↑](#footnote-ref-13)
14. Note that this results in a modification of the loan guarantee liability relating to guaranteed loans that have not defaulted. Defaulted guaranteed loans receivable on the agency’s books are not affected by the modification. [↑](#footnote-ref-14)
15. See the note for this entry in transaction 5, which applies here. [↑](#footnote-ref-15)
16. This guide now illustrates revenues and expenses closing into USSGL 331000 Cumulative Results of Operations. This may result in the liquidating fund having a balance in USSGL 331000. If agencies deem it necessary to have a zero balance in USSGL 331000, then a pre-closing proprietary entry may be made in the liquidating fund to adjust the cumulative results of operations to zero and to create a liability to Treasury. Refer to the USSGL TFM Supplement. [↑](#footnote-ref-16)
17. Ending Fund Balance With Treasury, $3,137, - reserve allowed by OMB, $3,030, = $107. [↑](#footnote-ref-17)
18. See OMB Bulletin No. 01-09, footnote 8. [↑](#footnote-ref-18)