

**GUIDE FOR BASIC ACCOUNTING AND REPORTING  
FOR LOAN GUARANTEE PROGRAMS  
WITHOUT COLLATERAL  
IN FEDERAL CREDIT PROGRAM**

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U.S. DEPARTMENT OF THE TREASURY**

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<b>Version Number</b>	<b>Date</b>	<b>Description of Change</b>	<b>Effective USSGL TFM</b>
1.0	07/2004	Original Version	S2-04-01
2.0	09/2012	Updated case study (account numbers and titles, Transaction Codes, crosswalks) in accordance with T/L S2-12-03. Added MAT, cohorts, changed disbursement schedule. Added new Appendix 2.	S2-12-01
3.0	08/2017	Updated Transaction Codes, financial statements and appendices.	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, and expenses, and budgetary resources;

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- 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 loan guarantee 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.<sup>1</sup> It supersedes the original and subsequent loan guarantee scenarios. Users may download the guide from the Bureau of the Fiscal Service (FS) Web site at [www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl/ussgl\\_htm](http://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl/ussgl_htm).

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; and
- The Federal Credit Reform Act and other requirements established by the Act;
- The concepts of Federal credit program accounting and reporting, fund structures, and terminology.

This guide is a study in accounting and reporting for a discretionary loan guarantee program under the Federal Credit Reform Act of 1990, as amended, for loan guarantees obligated after September 30, 1991. Loan guarantees are any guarantee, insurance, or other pledge for the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, except for the insurance of deposits, shares, or other withdrawals in financial institutions. Loans that are financed by the Federal Financing Bank pursuant to agency loan guarantee authority are treated as direct loans rather than loan guarantees.<sup>2</sup>

Transactions are presented over a 3-year period for a fictitious Federal agency with a single annual loan guarantee program with no risk categories. Transactions for fiscal year 2 show the disposition of the upward re-estimated subsidy accrued in fiscal year 1, as well

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<sup>1</sup>See §II.4, *Instructions for Annual Financial Statements*, OMB Circular A-136.

<sup>2</sup>OMB Circular No. A-11, Section 185.3(e)

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as additional transactions to demonstrate the use of cohorts, borrowing authority, negative subsidy rates, and interest accruals in relation to inter-governmental eliminations and downward re-estimates. Transactions for fiscal year 3 show the disposition of the downward re-estimated subsidy accrued in fiscal year 2 and repayment of debt. Common transactions and reports are covered in addition to transactions unique to Federal credit program accounting. However, since accounting for certain 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 covered are:

- Formulation, apportionment, and allotment of the budget;
- Receipt of subsidy and administrative expense appropriations;
- Payment of administrative expenses;<sup>3</sup>
- Commitment to make loan guarantees;
- Transfer of subsidy from the program to the financing fund;
- Transfer of negative subsidy from the financing fund to the general fund
- Collection of guarantee fees;
- Payment of interest supplements;
- Payment of default claims;
- Assuming defaulted guaranteed loans and interest for direct collection
- Collection of loan principal and interest on defaulted guaranteed loans;
- Modification of guarantee terms, with resulting adjustment to program level;
- Collection of interest from Treasury;
- Accrual of interest from borrowers;
- Accrual of inter-governmental interest;
- Write-off of bad debts without receiving collateral;

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<sup>3</sup>The illustration is for the 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 they are not shown.

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- Recording the interest accumulation factor on the loan guarantee liability and loan assets;
- Recording of data on guaranteed loans supplied by third-party lenders;
- Accrual, receipt and disbursement of upward and downward subsidy re-estimates and related interest; and
- Closing entries.

While financing funds may borrow money if there is not enough Fund Balance With Treasury to meet requirements for disbursements, in general, financing funds obtain money for disbursements primarily from:

- Offsetting collections, including those from the program fund (for basic and upward re-estimated subsidy);
- Treasury (for interest); and
- Non-Federal sources (such as guarantee fees from program participants or collections of defaulted guaranteed loan principal and interest from borrowers).

The yearend agency reports are listed below:

- Balance Sheet;
- Statement of Net Cost;
- Statement of Changes in Net Position;
- Statement of Budgetary Resources;
- Financing Footnote
- Fund Balance with Treasury Footnote
- Program and Financing Schedule (Schedule P); and
- Credit Program Footnote (including the Schedule of Changes in the Allowance for Subsidy).

An SF 132: Apportionment and Reapportionment Schedule report is furnished at the beginning of each year. These SF132s represent single year funding of subsidy.

This guide includes two appendices. Appendix 1 discusses basic differences encountered in mandatory programs. Appendix 2

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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 USSGL Website at <https://www.fiscal.treasury.gov/fsreports/ref/ussgl/creditreform/casestud.htm>

Users may send questions to the USSGL Website at [www.fiscal.treasury.gov/fsreports/ref/ussgl/form-issues.htm](http://www.fiscal.treasury.gov/fsreports/ref/ussgl/form-issues.htm) by using the online USSGL Issue Form. This Website also provides a list of the General Ledger and Advisory Branch representatives and their telephone numbers.

**Listing of USSGL Accounts Used in This Scenario**

**Program Fund**

<b>Account Number</b>	<b>Account Title</b>
<b><u>Budgetary</u></b>	
411500	Loan Subsidy Appropriation
411700	Loan Administrative Expense Appropriation
411800	Reestimated Loan Subsidy Appropriation
412000	Anticipated Indefinite Appropriations
420100	Total Actual Resources-Collected
445000	Unapportioned Authority
451000	Apportionments
459000	Apportionments - Anticipated Resources - Programs Subject to Apportionments
461000	Allotments - Realized Resources
465000	Allotments - Expired Authority
480100	Undelivered Orders – Obligations, Unpaid

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487100	Downward Adjustments of Prior Year Unpaid Undelivered Orders- Obligations, Recoveries
490200	Delivered Orders – Obligations, Paid [Re-estimated Subsidy and Interest]
490200	Delivered Orders – Obligations, Paid [Other]
<b><u>Proprietary</u></b>	
101000	Fund Balance With Treasury
131000	Accounts Receivable [Subsidy Receivable From Financing Fund]
217000	Subsidy Payable to Financing Account
310000	Unexpended Appropriations – Cumulative
310100	Unexpended Appropriations – Appropriations Received
310700	Unexpended Appropriations – Used
331000	Cumulative Results of Operations
570000	Expended Appropriations
579100	Adjustment to Financing Sources – Credit Reform
610000	Operating Expenses/Program Costs [Administrative Expense]
610000	Operating Expenses/Program Costs [Basic and Modified Subsidy]
619900	Adjustment to Subsidy Expense <sup>4</sup>
680000	Future Funded Expenses [Subsidy Re-estimate – Technical] <sup>5</sup>
680000	Future Funded Expenses [Subsidy Re-estimate - Interest Rate]
719000	Other Gains
729000	Other Losses

**Financing Fund**

<sup>4</sup>This relates to downward re-estimates and negative subsidies.

<sup>5</sup>This relates to upward and downward re-estimates.

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<b>Account Number</b>	<b>Account Title</b>
<b><u>Budgetary</u></b>	
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
412000	Anticipated Indefinite Appropriations
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
414800	Resources Realized from Borrowing Authority
415100	Actual Capital Transfers to the General Fund of The U.S. Government, Current Year
420100	Total Actual Resources – Collected
422100	Unfilled Customer Orders Without Advance
426100	Actual Collection of Business-Type Fees
426200	Actual Collection of Loan Principal
426300	Actual Collection of Loan Interest
427100	Actual Program Fund Subsidy Collected
427300	Interest Collected From Treasury
428300	Interest Receivable from Treasury
445000	Unapportioned Authority
451000	Apportionments
459000	Apportionments - Anticipated Resources - Programs Subject to Apportionments



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461000	Allotments - Realized Resources
480100	Undelivered Orders – Obligations, Unpaid
490200	Delivered Orders – Obligations, Paid [Other]
<b><u>Proprietary</u></b>	
101000	Fund Balance With Treasury
131000	Accounts Receivable [Subsidy Receivable From Program Fund]
134100	Interest Receivable - Loans [Defaulted Guaranteed Loans]
135000	Loans Receivable [Defaulted Guaranteed Loans]
139900	Allowance for Subsidy [Defaulted Guaranteed Loans]
214100	Accrued Interest Payable – Loans
218000	Loan Guarantee Liability
251000	Principal Payable to the Bureau of the Fiscal Service
299000	Other Liabilities without Related Budgetary Obligations [Re-estimate payables]
310100	Unexpended Appropriations – Appropriations Received
310700	Unexpended Appropriations – Used
331000	Cumulative Results of Operations <sup>6</sup>
531200	Interest Revenue – Loans Receivable/Uninvested Funds [Treasury] and Non-Federal [Borrower]
531300	Interest Revenue – Subsidy Amortization [Defaulted Guarantee Loans]
570000	Expended Appropriations
576600	Nonexpenditure Financing Sources – Transfers Out – Capital Transfers
577600	Nonbudgetary Financing Sources Transferred Out

<sup>6</sup>Cumulative Results of Operations must be zero after closing because the financing fund cannot have a net cost of operations or net position. Under FCR the net cost is captured in the program fund, so cumulative results of operations is always zero. OMB A-11, Section 185, Exhibit E illustrates that the financing fund is designed to break even and thus have a zero results of operations.

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579100	Adjustment to Financing Sources – Credit Reform
631000	Interest Expenses on Borrowing From Bureau of the Fiscal Service and/or Federal Financing Bank
634000	Interest Expense Accrued on the Liability for Loan Guarantees
801000	Guaranteed Loan Level
801500	Guaranteed Loan Level - Unapportioned
802000	Guaranteed Loan Level - Apportioned
804000	Guaranteed Loan Level - Used Authority
804500	Guaranteed Loan Level - Unused Authority
805000	Guaranteed Loan Principal Outstanding
805300	Guaranteed Loan New Disbursement by Lender
806500	Guaranteed Loan Collections, Defaults and Adjustments
807000	Guaranteed Loan Cumulative Disbursements by Lenders

**Conceptual Framework**

Pre-closing equation:  $801000 = 801500 + 802000 + 804000 + 804500$

$805000 = 805300 - 8065000$

Post-closing equation:  $801000 = 804000 + 804500$

$805000 = 807000$

**Miscellaneous Receipt Account**

<b><u>Account Number</u></b>	<b><u>Account Title</u></b>
<b><u>Budgetary</u></b>	
No Entries	

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<b><u>Proprietary</u></b>	
101000	Fund Balance With Treasury
131000	Accounts Receivable [Subsidy Receivable From Financing Fund]
298500	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity
575600	Nonexpenditure Financing Sources – Transfers In – Capital Transfers
577500	Nonbudgetary Financing Sources Transferred In
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

**Scenario Assumptions**

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 TFM 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.

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## **USSGL Scenario**

### **Loan Guarantee Program**

#### **Fiscal Year 1**

The loan guarantee Agency has been authorized to guarantee loans beginning in fiscal year 1. It has authority to guarantee 80 percent of the principal and related interest of \$100,000 in loans. The agency has a single, discretionary loan guarantee program with no risk categories.<sup>7</sup> For fiscal year 1, Congress has authorized annual appropriations for basic subsidy, modified subsidy, and administrative expenses and provided that the program is subject to the Federal Credit Reform Act of 1990, as amended.

#### **Transactions To Be Recorded in the Program and Financing Fund**

1. The agency's subsidy model indicated that, for the \$100,000 of loan guarantees, a 21.5 percent subsidy was indicated as follows:
  - Present value of expected defaults is 20 percent, or \$20,000;
  - Present value of guarantee fees to be collected is (.5) percent or \$500 (all anticipated this year), and

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<sup>7</sup>Programs that have risk categories must maintain separate financing fund accounting for each risk category. While annual appropriations for basic and modified subsidy, which are common in discretionary loan guarantee programs, are illustrated, some programs may have multi-year or no-year authority 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 fund. See Appendix 2 for examples

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- Present value of interest supplements to be paid to third-party lenders as loans are guaranteed, to buy down interest rates, is 2 percent or \$2,000.
2. The agency has appropriated administrative expenses for fiscal year 1 in the amount of \$5,000.
  3. The agency estimates the following financing fund collections for the year:
    - \$21,500 of subsidy from the program fund;
    - \$1,200 of interest from Treasury on unused balances in the financing fund;
    - \$510<sup>8</sup> for program participants for guarantee fees; and
    - \$50 for principal and \$200 for interest on defaulted guaranteed loans.
  4. The agency expects to use financing fund resources as follows:
    - \$3,500 for payment of default claims (80% Guarantee of \$4,375 Default); and
    - \$2,000 for payment of interest supplements.Based on the above information the agency has prepared the following requests for apportionment:

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<sup>8</sup>Note that this is higher than the \$500 of fees in the subsidy model, because \$500 is the present value of the fees, and \$510 is the actual amount of fees expected to be collected.

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Loan Guarantee Agency  
Fiscal Year 1<sup>9</sup>

<b>SF 132 Apportionment/Reapportionment Schedule</b>			
	<b>BUDGETARY RESOURCES</b>	<b>Program Fund</b>	<b>Financing Fund</b>
	<b>Budget authority:</b>		
	<b>Appropriations, discretionary:</b>		
1100	Appropriation	26,500	
	<b>Spending authority from offsetting collections, mandatory:</b>		
1840	Anticipated Collections, Reimbursements, and Other Income		<u>23,460</u>
1920	Total Budgetary Resources	<u>26,500</u>	<u>23,460</u>
<b>APPLICATION OF BUDGETARY RESOURCES</b>			
<b>Category B (by project)</b>			
6011	Direct Loan Subsidy	21,500	
6012	Default		3,500
6013	Administrative Expense	5,000	
6014	Interest Supplements		2,000
6182	Unapportioned Balance of Revolving Fund		<u>17,960</u>
<b>SF 132 Apportionment/Reapportionment Schedule</b>			
6190	Total Budgetary Resources Available	<u>26,500</u>	<u>23,460</u>
<b>GUARANTEED LOAN LEVELS AND APPLICATIONS</b>			
8100	Program Level, Current Year		<u>100,000</u>
8211	Guarantee Loan Program		<u>100,000</u>

<sup>9</sup>OMB Circular A-11 Exhibits 185N through 185U shows examples of various SF132s

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**Illustrative Transactions for Year 1**

1-1 To record the enactment of appropriations.

**Program Fund<sup>10</sup>**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
411500 Loan Subsidy Appropriation	21,500		
411700 Loan Administrative Expense Appropriation	5,000		
445000 Unapportioned Authority		26,500	A104
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	26,500		
310100 Unexpended Appropriations – Appropriations Received		26,500	

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<sup>10</sup>Note that these entries maybe done as two separate steps as warrant and signing of appropriations bill do not always coincide.

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**Financing Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
406000 Anticipated Collections from Non-Federal Sources	760		
407000 Anticipated Collections from Federal Sources	22,700		
445000 Unapportioned Authority		23,460	A140
<b><u>Proprietary Entry</u></b>			
None			



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**Memorandum Accounts - Loan Guarantee Level<sup>11</sup>**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 801000 Guaranteed Loan Level 801500 Guaranteed Loan Level – Unapportioned	100,000	100,000	G102

1-2 OMB approved the agency’s request for apportionment, and the agency recorded the apportionment.

**Program Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> 445000 Unapportioned Authority 451000 Apportionments	26,500	26,500	A116
<b><u>Proprietary Entry</u></b> None			

<sup>11</sup>Although the agency is guaranteeing 80 percent of the loans made by third-party lenders, Federal budget rules provide that the 100 percent figure would still be used as the loan level even if the guarantee was for less than 100 percent. The figure also would be 100 percent of principal only even if defaulted interest was guaranteed as well. See OMB Circular A-11, Preparation, Submission and Execution of the Budget (June 2003), §185.11(c).

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**Financing Fund<sup>12</sup>**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
445000 Unapportioned Authority	5,500		
459000 Apportionments - Anticipated Resources-Programs Subject to Apportionment		5,500	A118R
<b><u>Proprietary Entry</u></b>			
None			

**Memorandum Accounts - Loan Guarantee Level**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
None			
<b><u>Memorandum Entry</u></b>			
801500 Guaranteed Loan Level - Unapportioned	100,000		
802000 Guaranteed Loan Level – Apportioned		100,000	G104

<sup>12</sup>\$5,500 needed to pay defaults and interest supplements, \$3,500 and \$2,000 is apportioned.

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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
<b><u>Budgetary Entry</u></b> 451000 Apportionments 461000 Allotments - Realized Resources	26,500	26,500	A120
<b><u>Proprietary Entry</u></b> None			

**Financing Fund**<sup>13</sup>

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			

<sup>13</sup>Note that in accordance with §145.6 of OMB Circular A-11, only realized resources may be obligated.

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1-4. The agency paid administrative expenses of \$4,000 for salaries and \$950 for rent to GSA. It placed no undelivered orders nor made accruals before payment.

**Program Fund**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	4,950		
490200 Delivered Orders – Obligations, Paid [Other]		4,950	B106
<b><u>Proprietary Entry</u></b> <sup>14</sup>			
610000 (NF) Operating Expenses/Program Costs [Administrative Expenses]	4,000		
101000 Fund Balance With Treasury		4,000	
310700 Unexpended Appropriations – Used	4,000		
570000 Expended Appropriations		4,000	B134
610000 (F) (TP 47-Main-XXXX) Operating Expenses/Program Costs	950		
570000 Expended Appropriations		950	

<sup>14</sup> This transaction can vary depending upon Agency treatment of Administrative Expenses.

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1-5 The agency agreed to make \$90,000 in guarantees, subject to the third-party lenders and their borrowers meeting conditions placed on them.

**Program Fund**<sup>15</sup>

Obligated subsidy to be transferred to financing fund.	DR	CR	TC
<b><u>Budgetary Entry</u></b> 461000 Allotments - Realized Resources 480100 Undelivered Orders – Obligations, Unpaid	19,350	19,350	B306
<b><u>Proprietary Entry</u></b> None			

<sup>15</sup>\$90,000 in loan commitments x 21.5 percent subsidy = \$19,350.

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**Financing Fund**

To recognize the subsidy to be transferred from the program fund.			
	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> 422100 Unfilled Customer Orders Without Advance 407000 Anticipated Collections From Federal Sources	19,350	19,350	C101
<b><u>Proprietary Entry</u></b> None			

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**Financing Fund**

To record allotment of realized subsidy. <sup>16</sup>			
	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
459000 Apportionments - Anticipated Resources - Programs Subject to Apportionments	5,500		
461000 Allotments - Realized Resources		5,500	A122
<b><u>Proprietary Entry</u></b>			
None			

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<sup>16</sup>Note that the unfilled customer order from the program fund constitutes a realized resource. Only the \$5,500 apportioned in transaction 1-2 can be allotted. Also note that there is no cash related to this authority at this time. If a disbursement needed to be made prior to the cash being received, borrowing authority would need to be used to make the disbursement. See year 2 for an example.

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**Memorandum Accounts - Loan Guarantee Level**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> <sup>17</sup> 802000 Guaranteed Loan Level – Apportioned 804000 Guaranteed Loan Level – Used Authority	90,000	90,000	G106

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<sup>17</sup> Some Agencies add an allotment step in the memorandum entry. The end result for all Agencies should be for USSGL Account 804000 to be increased to reflect the use of existing authority.



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1-6. Third-party lenders disbursed \$87,000 of the guaranteed loans, and the agency transferred subsidy from the program to the financing fund.

**Program Fund**<sup>18</sup>

To record payment of subsidy to financing fund.			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
480100 Undelivered Orders – Obligations, Unpaid	18,705		
490200 Delivered Orders – Obligations, Paid [Other]		18,705	A146
<b><u>Proprietary Entry</u></b>			
610000 Operating Expenses/Program Costs [Basic and Modified Subsidy Expense]	18,705		
101000 Fund Balance With Treasury		18,705	
310700 Unexpended Appropriations - Used	18,705		
570000 Expended Appropriations		18,705	B134

<sup>18</sup>\$87,000 in guaranteed loans disbursed x the 21.5 percent subsidy rate = \$18,705.

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**Financing Fund<sup>19</sup>**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> 427100 Actual Program Fund Subsidy Collected 422100 Unfilled Customer Orders Without Advance	18,705	18,705	
<b><u>Proprietary Entry</u></b> 101000 Fund Balance With Treasury 218000 Loan Guarantee Liability	18,705	18,705	C103

**Memorandum Accounts - Loans Disbursed**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 805000 Guaranteed Loan Principal Outstanding 805300 Guaranteed Loan New Loan Disbursements by Lender	87,000	87,000	G108

<sup>19</sup>Note that no additional allotment is made, because the full \$5,500 that OMB apportioned was allotted in transaction 1-5.

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1-7. The agency collected fees of \$480 from the program participants as a condition of making the guarantees<sup>20</sup>.

**Financing Fund**

To record collection of fees.			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
426100 Actual Collection of Business-Type Fees	480		
406000 Anticipated Collections from Non-Federal Sources		480	
			C117
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	480		
218000 Loan Guarantee Liability		480	

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20 Some fees may be collected and deferred before earned/ loan disbursed. To record collection of fees before earned, debit USSGL Account 426100 and credit USSGL Account 406000 for the budgetary entry and debit USSGL account 101000 and credit USSGL Account 232000 (C116) for the proprietary entry. Once loan is disbursed or fees are earned, debit USSGL Account 232000 and credit USSGL Account 218000(C118).

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1-8. The agency paid interest supplements of \$1,940 to the third party-lenders. It had made no previous accrual.

**Financing Fund**

To record interest supplements			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	1,940		
4902000 Delivered Orders – Obligations, Paid [Other]		1,940	
<b><u>Proprietary Entry</u></b>			
218000 Loan Guarantee Liability	1,940		
101000 Fund Balance With Treasury		1,940	B104

**\*\*\*\*\*Though separated here for purposes of illustration, agencies would normally record transactions 1-6 - 1-8 simultaneously.\*\*\*\*\***

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1-9. The agency paid third-party lender claims of \$3,500 to honor 80% guarantee of \$4,375 of defaulted loan principal.

**Financing Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	3,500		
4902000 Delivered Orders – Obligations, Paid [Other]		3,500	
<b><u>Proprietary Entry</u></b>			B104
218000 Loan Guarantee Liability	3,500		
101000 Fund Balance With Treasury		3,500	

**Memorandum Accounts - Loans Disbursed**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
None			
<b><u>Memorandum Entry</u></b>			
806500 Guaranteed Loan Collections, Defaults, and Adjustments	4,375		
805000 Guaranteed Loan Principal Outstanding		4,375	G110

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1-10. The agency acquired receivables for loans of \$3,500 and interest of \$1,250 in conjunction with the defaults. The agency will attempt to collect this money directly from the borrowers. The present value of cash flows related to the loans is estimated to be \$3,000.<sup>21</sup>

**Financing Fund**

To establish accounts receivable for defaulted loan.			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
134100 (N) Interest Receivable -Loans [Defaulted Guaranteed Loans]	1,250		C428
135000 (N) Loans Receivable [Defaulted Guaranteed Loans]	3,500		
139900 (N) Allow. for Subs. [Defaulted Guaranteed Loans]		1,750	
218000 (N) Loan Guarantee Liability		3,000	

**\*\*\*\*\* Though separated here for illustrative purposes, agencies would normally record transactions 1-9 and 1-10 simultaneously. \*\*\*\*\***

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<sup>21</sup>The present value of defaulted guaranteed loans and remaining guaranteed loans must be split. This can be done on agency determined schedule but at a minimum, year end.

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1-11. The agency collected principal of \$40 and interest of \$200 on the loans acquired in transaction 1-10.

**Financing Fund**<sup>22</sup>

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
426200 Actual Collection of Loan Principal	40		
426300 Actual Collection of Loan Interest	200		
406000 Anticipated Collections From Non-Federal Sources		240	
			C109
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	240		
134100 Interest Receivable - Loans [Defaulted Guaranteed Loans]		200	
135000 Loans Receivable [Defaulted Guaranteed]		40	

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<sup>22</sup>If interest receivable at the time of default had been recorded as part of loans receivable, the entire \$240 would be credited to 135000. See transaction 1-10.  
Note – the principal and interest breakdown are for illustration purposes only. According to the Debt Collection Improvement Act (DCIA), unless there is some other contractual agreement, the payments must be applied to penalties, administrative costs, additional interest, financing interest and finally principal. If DCIA was applied in this example, no principal would be paid as there is a balance \$1,250 in interest.

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1-12. After consultation and agreement with OMB, the agency decided to exercise a clause in the program's legislation allowing it to modify the terms of the guarantees because of economic downtrends. (OMB Circular A-11 185.7) In this example a positive subsidy between the calculation of the NPV of the remaining pre-modification (\$21,500) cash flows and the calculation of the NPV of remaining post-modification cash flows (\$20,500) resulted in the Government incurring an additional \$1,000 subsidy cost due to the modification. The agency also calculated a modification adjustment transfer of \$10.

The agency submitted a new request for apportionment (SF-132) for the financing fund, showing the reduced loan guarantee level, and OMB approved it. Since the agency had already apportioned subsidy monies in the program fund, a new request for apportionment of program fund resources may not be required.<sup>23</sup>

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<sup>23</sup> A new request for apportionment of program fund resources is normally not required, but in some instances it should be done in order to comply with the Data Act and the change in Category B items.



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Loan Guarantee Agency  
Fiscal Year 1

SF 132 Apportionment/Reapportionment Schedule			
	BUDGETARY RESOURCES	Financing Fund	Program Fund
	<b>Budget authority:</b>		
	<b>Appropriations, discretionary:</b>		
1100	<b>Appropriation</b>		26,500
	<b>Appropriations, mandatory:</b>		
1250	Anticipated Appropriation	10	
	<b>Spending authority from offsetting collections, mandatory:</b>		
1800	Collected	19,425	
1801	Change in Uncollected Payments, Federal Sources	645	
1840	Anticipated Collections, Reimbursements, and Other Income	3,390	
1920	Total Budgetary Resources	23,470	
	<b>APPLICATION OF BUDGETARY RESOURCES</b>		
	<b>Category B (by project)</b>		
6011	Direct Loan Subsidy		20,500
6012	Default	3,500	
6013	Admin Expense		5,000
6014	Interest Supplements	2,000	
6015	Modifications		1,000
6182	Unapportioned Balance of Revolving Fund	17,970	
6190	Total Budgetary Resources Available	23,470	
	<b>GUARANTEED LOAN LEVELS AND APPLICATIONS</b>		
8100	Program Level, Current Year <sup>24</sup>	95,349	
8211	Guarantee Loan Program	95,349	

<sup>24</sup> 20,000/ 21.5%= 95,349

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1-12. Transactions for 1–12 are following:

**Program Fund**

To transfer funds to financing funds for modification			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	1,000		
490200 Delivered Orders – Obligations, Paid [Other]		1,000	B106
<b><u>Proprietary Entry</u></b>			
610000 (N) Operating Expenses/Program Costs	1,000		
[Basic and Modified Subsidy Expense]		1,000	
101000 Fund Balance With Treasury			
310700 Unexpended Appropriations - Used	1,000		B134
570000 Expended Appropriations		1,000	

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**Financing Fund**

To record collection from program fund.			
	DR	CR	TC
<b><u>Budgetary Entry</u></b> 427100 Actual Program Fund Subsidy Collected 407000 Anticipated Collections From Federal Sources	1,000	1,000	
<b><u>Proprietary Entry</u></b> 101000 Fund Balance With Treasury 218000 Loan Guarantee Liability	1,000	1,000	C103

**Financing Fund**

To record new SF132 entry			
	DR	CR	TC
<b><u>Budgetary Entry</u></b> 412000 Anticipated Indefinite Appropriation 445000 Unapportioned Authority	10	10	A102
<b><u>Proprietary Entry</u></b> None			

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**Program Fund**

To record warrant received for modification adjustment transfer			
	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 729000 (N) Other Losses 579100 Adjustment to Financing Sources – Credit Reform	10	10	A206

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**Financing Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> <sup>25</sup>			
412500 Loan Modification Adjustment Transfer <sup>26</sup>	10		
412000 Anticipated Indefinite Appropriation		10	A202
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance with Treasury <sup>27</sup>	10		
310100 Unexpended Appropriations - Received		10	A104
579100 Adjustment to Financing Sources – Credit Reform	10		
218000 Loan Guarantee Liability		10	D147R
310700 Unexpended Appropriations – Used	10		
570000 Expended Appropriations		10	B134

<sup>25</sup> This warrant must be specifically requested by an agency in order to be processed by Treasury.

<sup>26</sup> The use of USSGL Account 412500 is required per OMB Circular A-11 Section 185.7 (b) for the Financing Fund.

<sup>27</sup> For FY 2012 – use 579000 for 310100 and do not do the 310700/570000 entry. The correction for FY 2013 is needed to properly reflect warrants in the intergovernmental elimination process.

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**Memorandum Accounts - Loan Guarantee Level<sup>28</sup>**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 802000 Loan Guarantee Level - Apportioned 801000 Guaranteed Loan Level	4,651	4,651	G102R G104R

<sup>28</sup>Original loan level, \$100,000, less revised loan level, \$95,349 = \$4,651.

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1-13. Treasury credited \$1,160 to the financing fund for interest the fund earned on its unused Fund Balance With Treasury during the year.

**Financing Fund**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
427300 Interest Collected From Treasury	1,160		
407000 Anticipated Collections from Federal Sources		1,160	C109
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	1,160		
531200 (F) TP 020 Main 1880 Interest Revenue – Loans Receivable / Uninvested Funds		1,160	C420

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1-14. The agency accrued loan interest of \$5 on the defaulted guaranteed loan principal.

**Financing Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 134100 (NF) Interest Receivable- Loans [Defaulted Guaranteed Loans] 531200(NF) Interest Revenue – Loans Receivable / Uninvested Funds	5	5	C420

1-15. The agency determined that it could not collect \$10 of loan principal and \$20 of loan interest and wrote off the receivables<sup>29</sup>

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<sup>29</sup>This determination of uncollectibility would be made only after attempting to collect the receivables under provisions of the DCIA.



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**Financing Fund**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 139900 (NF) Allow. for Subsidy [Defaulted Guar. Loan Assets	30		
134100 (NF) Interest Receivable -Loans		20	
135000 (NF) Loans Receivable [Defaulted Guaranteed]		10	D414

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1-16. The agency accrued interest of \$1,160 on its loan guarantee liability and \$5 on the subsidy amortization present value calculated at reestimate of its loans. *Note: The interest accumulation factor<sup>30</sup> must equal the amount of interest income received from Treasury—\$1,160 (see transaction 1-13).*

**Financing Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 531300 (NF) Interest Revenue – Subsidy Amortization	5		
139900 (NF) Allowance for Subs. [Defaulted Guar. Loan Assets]		5	E118
634000(NF) Interest Exp Accrual on Liability for Loan Guarantee	1,160		
218000(NF) Loan Guarantee Liability		1,160	E122

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<sup>30</sup>The FCRA requires that the rates for discounting cashflows, financing account borrowing, and financing account interest earnings be identical and based on the Treasury rate in effect during the period of loan disbursement. If your loans disburse in segments over several years, several interest rates will be applicable to an individual loan or group of loans. The correct interest rates are provided for you in the OMB Credit Subsidy Calculator available from your OMB representative. For loan guarantee financing accounts, the interest rate for cash accumulations relate to each loan guarantee is determined by the date that the commercial lender disburses the loan being guaranteed. Because commercial lenders may not report to your in a timely manner, you can use an estimated fourth quarter amount for disbursements and collections when you report to Treasury at the end of the fiscal year, adjusting this estimate as actual lender data is accumulated.

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1-17. Third-party lenders reported that they had collected \$10,000 on guaranteed loans in the cohort.

**Financing Fund**

**Memorandum Accounts for Loans Disbursed**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 806500 Guaranteed Loan Collections, Defaults, and Adjustments 805000 Guaranteed Loan Principal Outstanding	10,000	10,000	G110

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1-18. At year-end the agency determined that an upward subsidy expense re-estimate related to the loan guarantee of \$23 was required. Since the loans were over 90% disbursed an interest rate re-estimate is required as well as a technical re-estimate. The breakdown was as follows:

Interest Rate Reestimate	(13)
Technical Reestimate	33
Interest on Technical Reestimate	3
Total Reestimate	23

**Program Fund**<sup>31</sup>

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
680000 (NF) Future Funded Expenses			
[Subsidy Expense - Re-estimates – Technical]	36		B420
217000 (F) (Agency Main gtd) Subsidy Payable to Financing Account <sup>32</sup>		23	
680000 (NF) Future Funded Expenses		13	
[Subsidy Expense – Re-estimates – Interest Rate]			B420

<sup>31</sup>The interest rate re-estimate is a reporting requirement for the credit supplement of the President’s budget and the credit footnote of the agencies statements. Agencies may have other ways of tracking the breakdown than what is presented here.

<sup>32</sup> The Trading Partner should be the agency and the Trading Partner Main should be the Guarantee Financing Fund when the re-estimate is due. For example, Department of Energy would use Trading Partner 089 and Trading Partner Main 4486.

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**Financing Fund**<sup>33</sup>

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
131000 (F) (TP Agency Main) Accounts Receivable [Subsidy Receivable from Program Fund] <sup>34</sup>	23		
139900 (NF) Allow. for Subs. [Defaulted Guar. Loans Rec.]	7		
218000 (NF) Loan Guarantee Liability		30	C438

In requesting SF132 and in President’s budget the Interest Rate Re-estimate and Technical Re-estimate are added together. If this amount is positive in total, it is an upward re-estimate. The interest is looked at by itself and includes any financing account adjustments. If this amount is positive in total, it is an upward re-estimate. If either of the pieces are negative, that piece is a downward re-estimate (See year 2 for downward re-estimate entries)

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<sup>33</sup>The agency must determine the present value breakdown between the defaulted guarantee loan and the remaining guarantees outstanding as only a total re-estimate is calculated and approved by OMB.

<sup>34</sup> Use appropriate Trading Partner. For example, Department of Energy would use Trading Partner 089 and Trading Partner Main 0209.

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**Pre-Closing Entries**

**1-19**

**Financing Fund**

To close anticipated resources			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
445000 Unapportioned Authority	1,230		
406000 Anticipated Collections from Non-Federal Sources		40	
407000 Anticipated Collections from Federal Sources		1,190	F112
<b><u>Proprietary Entry</u></b>			
None			

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**Year 1**

<b>Pre-Closing Adjusted Trial Balance</b>		
	<b>Program Fund Debit/(Credit)</b>	<b>Financing Fund Debit/(Credit)</b>
<b>Accounts</b>		
<b>Budgetary</b>		
411500 Loan Subsidy Appropriation	21,500	
411700 Loan Administrative Expense Appropriation	5,000	
412500 Loan Modification Adjustment Transfer Appropriation		10
422100 Unfilled Customer Orders Without Advance		645
426100 Actual Collections of Business-Type Fees		480
426200 Actual Collections of Loan Principal		40
426300 Actual Collections of Loan Interest		200
427100 Actual Program Fund Subsidy Collected		19,705
427300 Interest Collected From Treasury		1,160
445000 Unapportioned Authority		(16,740)
459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment		-
461000 Allotments - Realized Resources	(1,200)	(60)
480100 Undelivered Orders - Obligations, Unpaid	(645)	
490200 Delivered Orders – Obligations, Paid [Other]	(24,655)	(5,440)
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Proprietary</b>		
101000 Fund Balance With Treasury	1,845	16,155
131000 (F TP Main) Accounts Receivable (Subsidy Recv.)		23
134100 (NF) Interest Receivable – Loans		1,035
135000 (NF) Loans Receivable		3,450

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<b>Pre-Closing Adjusted Trial Balance (Continued)</b>		
139900 (NF) Allowance for Subsidy		(1,718)
217000 (F TP Main) Subsidy Payable to the Financing Account	(23)	
218000 (NF) Loan Guarantee Liability		(18,945)
310100 Unexpended Appropriations - Appropriations Received	(26,500)	(10)
310700 Unexpended Appropriations - Used	24,655	10
531200 (F TP 020 Main 1880) Interest Revenue - Loans Receivable/Uninvested Funds (Treasury)		(1,160)
531200 (NF) Interest Revenue- Loans Receivable/Uninvested Funds		(5)
531300 Interest Revenue - Subsidy Amortization (Int. on PV Assets)		(5)
570000 Expended Appropriations	(24,655)	(10)
579100 Adjustment to Financing Sources - Credit Reform	(10)	10
610000 (NF) Operating Expenses/Program Costs (Admin.)	4,000	
610000 (F TP 047 Main XXXX) Operating Expenses/ Program Costs (Admin.)	950	
610000 Operating Expenses/Program Costs (Subsidy)	19,705	
634000 Interest Expense Accrued on the Liability for Loan Guarantees (Int. on PV of LGL)		1,160
680000 Future Funded Expenses (Subs. Reest. Tech.)	36	
680000 Future Funded Expenses (Subs. Reest. Int.)	(13)	
729000 Other Losses	10	
<b>Total</b>	<b>0</b>	<b>0</b>



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<b>Pre-Closing Adjusted Trial Balance (Continued)</b>		
	<b>Debit(Credit)</b>	
<b><u>Loan Guarantee Level</u></b>		
<b><u>Memorandum Accounts</u></b>		
801000 Guaranteed Loan Level	95,349	
801500 Guaranteed Loan Level - Unapportioned		
802000 Guaranteed Loan Level - Apportioned	(5,349)	
804000 Guaranteed Loan Level - Used Authority	(90,000)	
804500 Guaranteed Loan Level - Unused Authority		
<b>Total</b>	<b>0</b>	
<b><u>Loans Disbursed</u></b>		
<b><u>Memorandum Accounts</u></b>		
805000 Guaranteed Loan Principal Outstanding	72,625	
805300 Guaranteed Loan New Disbursements by Lender	(87,000)	
806500 Guaranteed Loan Collections, Defaults, and Adjustments	14,375	
807000 Guaranteed Loan Cumulative Disbursements by Lenders		
<b>Total</b>	<b>0</b>	

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1-20 The agency made closing entries.

**Program Fund**

To consolidate net cash resources			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
490200 Delivered Orders – Obligations, Paid	24,655		
420100 Total Actual Resources – Collected	1,845		F302
411500 Loan Subsidy Appropriation		21,500	
411700 Loan Administrative Expense Appropriation		5,000	
<b><u>Proprietary Entry</u></b>			
None			

To close unobligated authority			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	1,200		
465000 Allotments - Expired Authority		1,200	F312
<b><u>Proprietary Entry</u></b>			
None			

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To close financing sources and expenses			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
570000 Expended Appropriations	24,655		
579100 Adjustments to Financing Sources	10		
331000 Cumulative Results of Operations	23		
680000 Future Funded Expenses			
[Re-estimated Subsidy Expense - Interest Rate]	13		F336
610000 Operating Expenses/Program Costs			
[Administrative Expenses]		4,950	
610000 Operating Expenses/Program Costs			
[Basic and Modified Subsidy Expense]		19,705	
680000 Future Funded Expenses			
[Re-estimated Subsidy Expense – Technical]		36	
729000 Other Losses		10	

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To consolidate unexpended appropriations			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
310100 Unexpended Appropriations – App. Received	26,500		
310000 Unexpended Appropriations - Cumulative		1,845	
310700 Unexpended Appropriations - Used		24,655	F342

<b><u>Financing Fund</u></b>			
To consolidate net cash resources			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
490200 Delivered Orders – Obligations, Paid	5,440		
420100 Total Actual Resources – Collected	16,155		
426100 Actual Collection of Business-Type Fees		480	F302
426200 Actual Collection of Loan Principal		40	
426300 Actual Collection of Loan Interest		200	
427100 Actual Program Fund Subsidy Collected		19,705	F314
427300 Interest Collected From Treasury		1,160	
412500 Loan Modification Adjustment Transfer Appropriation		10	
<b><u>Proprietary Entry</u></b>			
None			

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<u>To close unobligated authority</u>			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	60		
445000 Unapportioned Authority		60	F308
<b><u>Proprietary Entry</u></b>			
None			

<u>To close financing sources and expenses</u> <sup>35</sup>			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
531200 Interest Revenue – Loans Receivable/Uninvested Funds [Treasury]	1,160		
531300 Interest Revenue – Subsidy Amortization	20		F336
570000 Expended Appropriations	10		
634000 Interest Exp Accrual on Liability for Loan Guarantee [Interest Accumulation Factor on PV of LGL]		1,160	
579100 Adjustments to Financing Sources		10	

<sup>35</sup>Note that the cumulative results of operations from this activity are zero. The financing fund cannot have a net position after closing. Assets must equal liabilities.

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<u>To consolidate unexpended appropriations</u>			
	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 310100 Unexpended Appropriations – Appropriations Received 310700 Unexpended Appropriations – Used	10	10	F342

**Memorandum Accounts**

Loan Guarantee Level			
	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 802000 Guaranteed Loan Level – Apportioned 804500 Guaranteed Loan Level - Unused Authority	5,349	5,349	F346
804500 Guaranteed Loan Level – Unused Authority <sup>36</sup> 801000 Guaranteed Loan Level	5,349	5,349	F352

<sup>36</sup>Since loan authority was available only for one year, there are no unused amounts to carry forward

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Loans Disbursed			
	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 805300 Guaranteed Loans New Disbursements by Lenders	87,000		
807000 Guaranteed Loan Cumulative. Disbursements by Lenders		87,000	F348
807000 Guaranteed Loan Cumulative. Disbursements by Lenders	14,375		
806500 Guaranteed Loans Collections, Defaults, and Adjustments		14,375	F350

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**Year 1**

<b>Post-Closing Trial Balance</b>		
	<b>Program Fund Debit/(Credit)</b>	<b>Financing Fund Debit/(Credit)</b>
<b>Accounts</b>		
<b><u>Budgetary</u></b>		
411500 Loan Subsidy Appropriation		-
420100 Total Actual Resources – Collected	1,845	16,155
422100 Unfilled Customer Orders Without Advance		645
445000 Unapportioned Authority		(16,800)
465000 Allotments - Expired Authority	(1,200)	
480100 Undelivered Orders - Obligations, Unpaid	(645)	
<b>Total</b>	<b>0</b>	<b>0</b>
<b><u>Proprietary</u></b>		
101000 Fund Balance With Treasury	1,845	16,155
131000 (F TP Main) Accounts Receivable (Subs. Recv.)		23
134100 (NF) Interest Receivable – Loans		1,035
135000 (NF) Loans Receivable		3,450
139900 (NF) Allowance for Subsidy		(1,718)
217000 (F TP Main) Subsidy Payable to the Financing Account	(23) <sup>37</sup>	
<b>Post-Closing Trial Balance (Continued)</b>		
218000 Loan Guarantee Liability		(18,945)
310000 Unexpended Appropriations - Cumulative	(1,845)	
331000 Cumulative Results of Operations	23	
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>37</sup> This amount will eliminate on the Balance Sheet.



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<b>Post-Closing Trial Balance (Financing Fund Only)</b>		
	<b>Debit</b>	<b>Credit</b>
<b><u>Loan Guarantee Level</u></b>		
<b><u>Memorandum Accounts</u></b>		
801000 Guaranteed Loan Level	90,000	
801500 Guaranteed Loan Level - Unapportioned		-
802000 Guaranteed Loan Level - Apportioned		-
804000 Guaranteed Loan Level - Used Authority		90,000
804500 Guaranteed Loan Level - Unused Authority		-
<b>Total</b>	<b>0</b>	<b>0</b>

<b><u>Loans Disbursed</u></b>		
805000 Guaranteed Loan Principal Outstanding	72,625	
805300 Guaranteed Loan New Disbursements by Lender		-
806500 Guaranteed Loan Collections, Defaults, and Adjustments		-
807000 Guaranteed Loan Cumulative Disbursements by Lenders		72,625
<b>Total</b>	<b>0</b>	<b>0</b>

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<b>BALANCE SHEET</b>					
		<b>Program Fund</b>	<b>Elim</b>	<b>Financing Fund</b>	<b>Total</b>
	<b>Assets:</b>				
	Intragovernmental				
1.	Fund Balance with Treasury (101000E)	1,845		16,155	18,000
3.	Accounts Receivable (131000E)		(23)	23	
6.	Total Intragovernmental (calc.)	1,845	(23)	16,178	18,000
11.	Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E)			2,767	2,767
15.	Total Assets (calc.)	1,845	(23)	18,945	20,767
	<b>Liabilities:</b>				
17.	Accounts Payable (2170000E)	23	(23)		
20.	Total Intragovernmental	23	(23)		
22.	Loan Guarantee Liability (218000E)			18,945	18,945
28.	Total Liabilities (calc.)	23	(23)	18,945	18,945
	<b>Net Position:</b>				
31.	Unexpended Appropriations – All Other Funds (310100E, 310700E)	1,845			1,845
33.	Cumulative Results of Operations - All Other Funds (531200E, 570000, 579100, 610000E, 634000E, 680000E, 729000E)	(23)			(23)
35.	Total Net Position – All Other Funds (calc.)	1,822			1,822
36.	Total Net Position (calc.)	1,822			1,822
37.	Total Liabilities and Net Position (calc.)	<b><u>1,845</u></b>		<b><u>18,965</u></b>	<b><u>20,787</u></b>

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<b>STATEMENT OF NET COST</b>			
	<b>Program Fund</b>	<b>Financing Fund</b>	<b>Total</b>
<b>Gross Program Costs:</b>			
1. Gross costs (610000E, 634000E, 680000E, 729000E)	24,688	1,180	25,868
2. Less: Earned Revenues (531200E, 531300E)		1,180	1,180
3. Net program costs (calc. 1-2)	24,688		
8. Net cost of operations (calc. 5+6-7)	24,688		24,688

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STATEMENT OF CHANGES IN NET POSITION							
		Program Fund		Financing Fund <sup>38</sup>		Total	
		Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
	<b>Cumulative Results of Operations:</b>						
	<b>Budgetary Financing Sources:</b>						
5.	Appropriations Used (570000E)	24,655		10		24,665	
13.	Other (579100E)	10		(10)			
14.	Total Financing Sources	24,665				24,665	
15.	Net Cost of Operations (+/-)	24,688				24,688	
16.	Net Change (calc. 14-15)	<u>(23)</u>				<u>(23)</u>	
17.	<b>Cumulative Results of Operations (calc. 3+16)</b>	<u>(23)</u>				<u>(23)</u>	
	<b>Unexpended Appropriations:</b>						
	<b>Budgetary Financing Sources:</b>						
21.	Appropriations Received (310100E)		26,500		10		26,510
24.	Appropriations Used (310700E)		<u>(24,655)</u>		<u>(10)</u>		<u>(24,665)</u>

<sup>38</sup>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.

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STATEMENT OF CHANGES IN NET POSITION							
25.	Total Budgetary Financing Sources (calc. 21..24)		<u>1,845</u>				<u>1,845</u>
26.	Total Unexpended Appropriations (calc. 20 + 25)		<u>1,845</u>				<u>1,845</u>
27.	<b>Net Position (calc. 17 + 26)</b>	<u>(23)</u>	<u>1,845</u>			<u>(23)</u>	<u>1,845</u>

**Loan Guarantee Agency  
for Fiscal Year Ended September 30, FY-1<sup>39</sup>**

STATEMENT OF BUDGETARY RESOURCES				
		Budgetary	Non-Budgetary Financing Account	Total
	<b>Budgetary Resources:</b>			
1290	Appropriations (discretionary and mandatory) (411500E, 411700E, 4125000E)	26,500	10	26,510
1890	Spending authority from offsetting collections (discretionary and mandatory) ((426100,426200, 426300,427100,427300,422100E-422100B))		22,230	22,230
1910	Total budgetary resources	<u>\$26,500</u>	<u>\$22,240</u>	<u>\$48,740</u>

<sup>39</sup>Statement of Budgetary Resources is a combined report. Inter-entity eliminations are not allowed.

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<b>STATEMENT OF BUDGETARY RESOURCES</b>				
	<b>Status of Budgetary Resources:</b>			
2190	New obligations and upward adjustments (total) (480100E-480100B, 490100E-490100B, 490200E)	25,300	5,440	30,740
	<b>Unobligated balance, end of year:</b>			
2204	Apportioned, unexpired account (461000E)	1,200	60	1,260
2404	Unapportioned, unexpired accounts (445000E)		<u>16,740</u>	<u>16,740</u>
2500	Total budgetary resources	<u>\$26,500</u>	<u>\$22,240</u>	<u>\$48,740</u>
	<b>Change in obligated balance</b>			
3012	New obligations and upward adjustments	25,300	5,440	30,740
3020	Outlays (gross) (-) (490200E)	24,655	5,440	30,095
3050	Unpaid obligations, end of year	<u>645</u>	0	645
3072	Change in uncollected pymts, Fed sources (+ or-) (422100E-422100B)		(645)	(645)
3090	Uncollected pymts, Fed sources, end of year (-)		(645)	(645)

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<b>STATEMENT OF BUDGETARY RESOURCES</b>				
	<b>Memorandum (non add) entries</b>			
3200	Obligated balance, end of year (+ or -)	645	(645)	
	<b>Budget Authority and Outlays, Net:</b>			
4175	Budget authority, gross (discretionary and mandatory)	26,500	22,240	48,740
4177	Change in uncollected, pymts, Fed sources (discretionary and mandatory) (+ or -)		(21,585)	(21,585)
4178	Recoveries of prior year paid obligations (discretionary and mandatory)		<u>(645)</u>	<u>(645)</u>
4180	Budget authority, net (total) (discretionary and mandatory)	26,500	<u>10</u>	<u>26,510</u>
4185	Outlays, gross (discretionary and mandatory)	24,655	5440	30,095
4187	Actual offsetting collections (discretionary and mandatory) (-)		<u>(21,585)</u>	<u>(21,585)</u>
4190	Outlays, net (total) (discretionary and mandatory)	24,655	(16,145)	8,510

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<b>FUND BALANCE WITH TREASURY FOOTNOTE</b>			
	<b>Program Fund</b>	<b>Financing Fund</b>	<b>Total</b>
<b>A. Fund Balance</b>			
3. Revolving Funds		16,155	16,155
4. General Funds	1,845		1,845
Total	1,845	16,155	18,000
<b>B. Status of Fund Balance</b>			
1. Unobligated Balances			
(a) Available (461000)	1,200	60	1,260
(b) Unavailable (445000)		16,740	16,740
2. Obligated Balances not yet disbursed			
(a) Unpaid Obligations (480100)	645		645
(b) Uncollected customer payments from federal sources (422100)		(645)	(645)
Total	1,845	16,155	18,000

<sup>40</sup>Note: Footnotes are not supported by the USSGL crosswalks.



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<b>Note 8: Credit Program Note</b>	
<b>I. Defaulted Guaranteed Loans from Post – 1991 Guarantees:</b>	
Defaulted Guaranteed Loans Receivable, Gross (135000)	3,450
Interest Receivable (134100)	1,035
Less Allowance for Subsidy Cost (139900)	(1,718)
Value of Assets Related to Defaulted Guaranteed Loan Receivables, Net	<u>\$2,767</u>
<b>J. Guaranteed Loans Outstanding:</b>	
<b>J1. Guaranteed Loans Outstanding:</b>	
Outstanding Principal of Guaranteed Loans, Face Value (805000)	<u>\$72,625</u>
Amount of Outstanding Principle Guaranteed (805000* gtd %)	<u>\$58,100</u>
<b>J2. New Guaranteed Loans Disbursed (Current reporting year):</b>	
Principle of Guaranteed Loans, Face Value (805300)	<u>\$87,000</u>
Amount of Principle Guaranteed (805300 * gtd %)	<u>\$69,600</u>
<b>K. Liability for Loan Guarantees:</b>	
<b>K1. Liability for Loan Guarantees</b>	
Liabilities for Post-1991 Guarantees, Present Value (218000)	<u>\$18,945</u>
<b>L Subsidy Expense for Loan Guarantees by Program and Component<sup>41</sup>:</b>	
<b>L1. Subsidy Expense for New Loan Guarantees</b>	
Interest Supplements	1,740
Defaults	17,400
Fees and Other Collections	(435)
Total	<u>\$18,705</u>

<sup>41</sup>The components of some of the disclosure in the Credit Program note cannot be derived from the standard USSGL accounts.

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<b>Note 8: Credit Program Note</b>	
<b>L2. Modifications and Reestimates (Current reporting year):</b>	
Total Modifications	1,000
Interest Rate Reestimates (680000)	(13)
Technical Reestimates (680000)	36
Total Reestimates	1,023
<b>L3. Total Loan Guarantee Subsidy Expense:</b>	
<b>(equals 610000 + 680000 for subsidy &amp; modification)</b>	<b><u>\$19,728</u></b>
<b>M. Subsidy Rates for Loan Guarantees by Program and Component<sup>42</sup></b>	
<b>Budget Subsidy Rates for Loan Guarantees for the Current Years Cohorts:</b> <span style="float: right;"><i>Percent</i></span>	
Defaults	20.0
Interest supplements	2.0
Fees and Other Collections	<u>(0.5)</u>
Total	<u>21.5</u>
<b>N. Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees)<sup>43</sup>:</b>	
a. Interest supplement costs	1,740
b. Default costs (net of recoveries)	17,400
c. Fees and other collections	<u>(435)</u>
Total of the above subsidy expense components	\$18,705
<b>Adjustments:</b>	
a. Loan guarantee modifications	1,000
b. Fees received (426100)	480
c. Interest supplements used	(1,940)

<sup>42</sup>This information is obtained from the subsidy model.

<sup>43</sup> The information presented here is for the applicable sections of note 8 Direct Loans and Loan Guarantees, Non-Federal Borrowers in OMB's Circular A-136, Financial Reporting Requirements . A reconciliation of subsidy cost allowance for guaranteed defaults is not required in A-136 so it is not presented; however, some organizations present it for consistency with the presentation of direct loans.

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<b>Note 8: Credit Program Note</b>	
d. Foreclosed property and loans acquired	3,000
e. Claim payment to lenders	(3,500)
f. Interest accumulation on liability balance (634000)	1,160
g. Other (412500)	10
Ending balance of the loan guarantee liability before reestimates	<u>18,915</u>
Add or subtract subsidy reestimates by component:	
a. Interest rate reestimate (prorated based 1399 & 2180 pieces)	(17)
b. Technical/default reestimate (prorated based 1399 & 2180 pieces)	<u>47</u>
Total of the above reestimate components	<u>30</u>
Ending balance of the loan guarantee liability before reestimates (218000)	<u>\$18,945</u>
<b>O. Administrative Expense<sup>44</sup></b>	
Loan guarantee programs (610000)	<u>\$4,950</u>

<sup>44</sup>Since the agency operates only a loan guarantee program, and the administrative expense is already set forth in the Statement of Net Cost, Section O could be omitted in the guide per OMB Circular A-136. It is provided here for illustrative purposes only.

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
	<b>Program Fund</b>		<b>Financing Fund</b>	
	<b>SF133 Line</b>	<b>Sch P Line</b>	<b>SF133 Line</b>	<b>Sch P Line</b>
<b>BUDGETARY RESOURCES</b>				
<b>All accounts:</b>				
0702 Loan Guarantee Subsidy		19,350		
0704 Loan Guarantee Modification		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
<b>Unobligated balance:</b>				
1000 Unobligated balance brought forward, October 1			-	-
<b>Budget Authority:</b>				
<b>Appropriations:</b>				
<b>Discretionary:</b>				
1100 Appropriation Discretionary (411500E, 411700E)	26,500	26,500		
1160 Appropriation – Discretionary (total)	26,500	26,500		
<b>Mandatory:</b>				
1200 Appropriation (412500E)			10	10
1260 Appropriation – Mandatory (total)			10	10

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
<b>Spending Authority from Offsetting Collections:</b>				
<b>Mandatory:</b>				
1800 Collected (426100E,426200E,426300E,427100E,427300E)			21,585	21,585
1801 Change in uncollected payments, Federal sources (+ or -) (422100E)			645	645
1850 Spending authority from offsetting collections, mandatory (total)			22,230	22,230
1930 Total budgetary resources available		26,500	2,240	22,240
<b>Memorandum (non-add) entries:</b>				
<b>Unobligated Balance</b>				
1940 Unobligated balance expiring (-) (465000E)		1,200		
1941 Unexpired unobligated balance, end of year (445000E, 461000E)				16,800
<b>CHANGE IN OBLIGATED BALANCE</b>				
<b>Unpaid obligations:</b>				
3000 Unpaid obligations, brought forward, Oct 1				
3010 New Obligations, unexpired accounts (480100E, 480200E)	25,300	25,300	5,440	5,440
3020 Outlays (gross) (-) (480200E)	(24,655)	(24,655)	(5,440)	(5,440)
3050 Unpaid obligations, end of year (480100E)	645	645		
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 (-)			-	-
3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or -) (422100E)			(645)	(645)
3090 Uncollected pymts, Fed sources, end of year (-) (422100E)			(645)	(645)
<b>Memorandum (non-add) entries:</b>				

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
3100 Obligated balance, start of year (+ or -)			-	-
3200 Obligated balance, end of year (+ or -) (422100E)	645	645		
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>				
<b>Discretionary:</b>				
<b>Gross budget authority and outlays:</b>				
4000 Budget authority, gross (411500E, 411700E)	26,500	26,500		
4010 Outlays from new discretionary authority (480200E)	24,655	24,655		
4020 Outlays, gross (total)	24,655	24,655		
4070 Budget authority, net (discretionary)	26,500	26,500		
4080 Outlays, net (discretionary)	24,655	24,655		
<b>Mandatory:</b>				
<b>Gross budget authority and outlays:</b>				
4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (Sch P)].)			22,240	22,240
4110 Total outlays, gross (480200E) <sup>45</sup>			5,440	5,440
4120 Federal sources (-) (427100E)			(19,705)	(19,705)
4122 Interest on uninvested funds (-) (427300E)			(1,160)	(1,160)
4123 Non-Federal sources (-) (426100E, 426200E, 426300E)			(720)	(720)
4130 Offsets against gross budget authority and outlays (total) (-)			(21,585)	(21,585)

<sup>45</sup>Financing funds are not required to breakdown outlays by New and Balance authority

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
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 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (Sch P).)			10	10
4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.)			(16,145)	(16,145)
4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.)	26,500	26,500	10	10
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.)	24,655	24,655	(16,145)	(16,145)

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## **FISCAL YEAR 2**

In fiscal year 1, the agency accrued an upward adjustment of subsidy expense. Although the expense was recognized in fiscal year 1, budgetary resources to fund it were not provided until the following year, fiscal year 2. The examples of transactions for the second year dispose of the upward subsidy re-estimate accrued at the end of the preceding year. Additionally, in order to provide a more realistic understanding of the complexities of accounting for guaranteed loans, new transactions for negative subsidy are introduced and borrowing authority issues are presented. At the end of year 2 a downward reestimate will be included.

By adding new authority in year two the concept of Cohorts is introduced. See A-11 for additional insights into the implications of Cohorts.

Other transactions included in year one would recur in year 2 and subsequent years. These transactions have not been included because they provide limited additional value to the case study.

## **TRANSACTIONS YEAR 2**

The agency received one year legislative authority to guarantee 75 percent of the principal and related interest of \$100,000 of loans. The transactions for these loans will be related to Cohort 2. The previous year's loans will be Cohort 1.

1. The agency's subsidy model indicated that, for the \$100,000 of loan guarantees, a (5.0) percent subsidy was indicated as follows (all cohort 2):
  - Present value of expected defaults is 3.46 percent, or \$3,460
  - Present value of guarantee fees to be collected is (8.46) percent or \$8,460 (to be collected during life of loan)
  - No interest supplements as interest rates are low
2. The agency has appropriated administrative expenses for fiscal year 2 in the amount of \$10,000. (There are no cohorts in the program fund.)



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3. The agency receives approval for upward re-estimates by OMB for \$25. This is an increase of \$2 from what was estimated at the end of the fiscal year (all cohort 1)
  
4. The agency estimates the following financing fund transactions for the year:
  - \$1,000 for guarantee fees (cohort 2)
  - \$5,000 in negative subsidy (cohort 2)
  - \$45,000 in defaults (cohort 1)
  - \$25 in upward re-estimate collections (cohort 1)
  - \$500 in interest expense on debt (cohort 1)
  - \$115 in interest expense on debt (cohort 2)
  - \$250 in interest income on uninvested cash (cohort 1)
  - \$60 in interest income on uninvested cash (cohort 2)

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<b>SF 132 Apportionment/Reapportionment Schedule</b>			
	<b>BUDGETARY RESOURCES</b>	<b>Program Fund</b>	<b>Financing Fund</b>
	<b>Budget authority:</b>		
	<b>Unobligated balance:</b>		
1000	Unobligated balance brought forward, Oct 1		16,800
	<b>Appropriations, discretionary:</b>		
1100	Appropriation	10,000	
	<b>Appropriations, mandatory:</b>		
	<b>Spending authority from offsetting collections, mandatory:</b>		
1250	Anticipated appropriation (+ or -)	25	
	<b>Borrowing authority, mandatory:</b>		
1400	Borrowing authority (414100)		32,790
	<b>Spending authority from offsetting collections, mandatory:</b>		
1840	Anticipated Collections, Reimbursements, and Other Income (406000 & 407000)		<u>1,335</u>
1920	Total Budgetary Resources	<u>10,025</u>	<u>50,925</u>
	<b>APPLICATION OF BUDGETARY RESOURCES</b>		
	<b>Category B (by project)</b>		
6012	Administrative Expense	10,000	
6013	Reestimate	25	
6014	Negative Subsidy		5,000
6015	Default Claims		45,000

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<b>SF 132 Apportionment/Reapportionment Schedule</b>			
6016	Treasury Interest <sup>46</sup>		615
6182	Unapportioned Balance of Revolving Fund <sup>47</sup>		310
6190	Total Budgetary Resources Available	<u>10,025</u>	<u>50,925</u>
	<b>GUARANTEED LOAN LEVELS AND APPLICATIONS</b>		
	<b>Guaranteed loan limitation</b>		
8100	Loan Guarantee Program Level, Current Year	100,000	
8211	Guarantee Loan Program		100,000

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<sup>46</sup>OMB Circular No. 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.

<sup>47</sup>There should be no unobligated balances remaining if borrowing authority for a cohort is being used unless there is a timing issue where the authority/cash is received after the obligation/disbursement needs to be made. As is the case with the interest on uninvested cash.-

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**2-1 OMB approved and authorized both requests for apportionment. To record SF 132. <sup>48</sup>**

**Program Fund-Year 2**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
411700 Loan Administrative Expense Appropriation	10,000		
412000 Anticipated Indefinite Appropriations	25		
445000 Unapportioned Authority		10,025	A104
445000 Unapportioned Authority	10,025		
451000 Apportionments		10,000	A116
459000 Apportionments – Anticipated		25	A118
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	10,000		A110
310100 Unexpended Appropriations – Appropriation Received		10,000	

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<sup>48</sup>Indefinite appropriations are not available until warrant is processed. Per §2025.10, of the TFM, the requirement to request appropriations by letter includes Indefinite appropriations—Appropriations of an unspecified amount of money.

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**Financing Fund-Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
407000 Anticipated Collections from Federal Sources	275		
414100 Current-Year Borrowing Authority Realized	28,735		
445000 Unapportioned Authority		29,010	A140
445000 Unapportioned Authority <sup>49</sup>	45,500		
451000 Apportionments		45,225	
459000 Apportionments – Anticipated		275	F112R

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<sup>49</sup>Unobligated balance carryforward and borrowing authority are available for apportionment.

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**Financing Fund -Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
406000 Anticipated Collections from Non-Federal Sources	1,000		A140
407000 Anticipated Collections from Federal Sources	60		
414100 Current-Year Borrowing Authority Realized	4,055		
445000 Unapportioned Authority		5,115	A152
445000 Unapportioned Authority <sup>50</sup>	5,115		
451000 Apportionments		4,055	A116
459000 Apportionments – Anticipated		1,060	A118
<b><u>Memorandum Entry</u></b>			
801000 Guaranteed Loan Level	100,000		
801500 Guaranteed Loan Level – Unapportioned		100,000	G102
801500 Guaranteed Loan Level – Unapportioned	100,000		
802000 Guaranteed Loan Level – Apportioned		100,000	G104

<sup>50</sup>Borrowing authority is available for apportionment.

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2-2 To record warrants received for re-estimate.

**Program Fund - Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
411800 Re-estimated Loan Subsidy Appropriation	25		
412000 Unapportioned Authority		25	A104
459000 Apportionments – Anticipated	25		
451000 Apportionments		25	
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	25		A122
310100 Unexpended Appropriations - Received		25	

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2-3. To record allotment of authority.

**Program Fund- Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
451000 Apportionments	10,025		
461000 Allotments - Realized Resource		10,025	A120
<b><u>Proprietary Entry</u></b>			
None			

**Financing Fund – Cohort Year 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
451000 Apportionments	45,225		
461000 Allotments - Realized Resources		45,225	A120
<b><u>Proprietary Entry</u></b>			
None			



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**Financing Fund – Cohort Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
451000 Apportionments	4,055		
461000 Allotments - Realized Resources		4,055	A120
<b><u>Proprietary Entry</u></b>			
None			

2-4. The agency transferred the re-estimated subsidy from the program fund to the financing fund. The reestimate for the prior year was for \$23. Since the reestimate for the President’s Budget increased it by \$2, the incremental amount was recorded in the current year as an adjustment to the Guarantee Liability. The unfunded expense of \$23 was reversed from the Program Fund for Year 1 and the actual funded expense of \$25 is recorded in the unexpired program fund which funds the reestimate from current reestimate appropriation.

**Program Fund - Year 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
680000 Future Funded Expenses [Subsidy Expense – Re-estimates – Interest Rate]	13		
217000 Subsidy Payable to Financing Account	23		
680000 Future Funded Expense [Subsidy Expense – Re-estimates –Technical]		36	B420R

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**Program Fund - Year 2**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	25		
490200 Delivered Orders – Obligations, Paid [Re-est. Subsidy and Interest]		25	A512
<b><u>Proprietary Entry</u></b>			
610000 Operating Expense/Program Costs[Re-estimated Subsidy]	25		A146
101000 Fund Balance With Treasury		25	
310700 Unexpended Appropriations – Used	25		B134
570000 Expended Appropriations		25	

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**Financing Fund - Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
427100 Actual Program Fund Subsidy Collected	25		
407000 Anticipated Collections from Federal Sources		25	C103
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	25		
131000 Accounts Receivable		23	
[Subsidy Receivable from Program Fund]			
21800 Loan Guarantee Liability		2	
459000 Apportionments - Anticipated Resources			
- Programs Subject to Apportionment	25		A122
461000 Allotments		25	

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2-5. The agency makes an expenditure transfer of administrative expense reimbursement to its S&E fund

**Program Fund – Year 2**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	10,000		
490200 Delivered Orders - Obligations, Paid <sup>51</sup>		10,000	B107
<b><u>Proprietary Entry</u></b>			
610000 Operating Expenses/Program Costs (Admin)	10,000		
101000 Fund Balance With Treasury		10,000	A146
310700 Unexpended Appropriations – Used	10,000		
570000 Expended Appropriations		10,000	B107

<sup>51</sup> Depending upon Agency treatment as described in Footnote 20, Agencies may use either USSGL Accounts 480200 or 490200.

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2-6 Agency converts \$28,735 of borrowing authority to cash<sup>52</sup>

**Financing Fund - Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
414800 Resources Realized From Borrowing Authority	28,735		
414500 Borrowing Authority Converted to Cash		28,735	
<b><u>Proprietary Entry</u></b>			A156
101000 Fund Balance With Treasury	28,735		
251000 Principal Payable to the Bureau of the Public Debt		28,735	

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<sup>52</sup>Agencies may borrow an estimated amount or on as needed basis

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2-7 Agency pays 35,000 to honor 80% guarantee of 43,750 of defaulted principal funded by borrowing authority.

**Financing Fund - Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments - Realized Resources	35,000		
490200 Delivered Orders - Obligations, Paid [Default Guarantee]		35,000	
<b><u>Proprietary Entry</u></b>			B104
218000 Loan Guarantee Liability	35,000		
101000 Fund Balance With Treasury		35,000	

**Memorandum Accounts - Loans Disbursed**

	DR	CR	TC
<b><u>Memorandum Entry</u></b>			
806500 Guaranteed Loan Collections, Defaults, and Adjustments	43,750		
805000 Guaranteed Loan Principal Outstanding		43,750	G110

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2-8. The agency acquired receivables for loans of \$35,000 and interest of \$1,250 in conjunction with the defaults. The agency will attempt to collect this money directly from the borrowers. The present value of cash flows related to the loans is estimated to be \$30,000.

**Financing Fund – Cohort 1**

To establish accounts receivable for defaulted loan.			
	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
134100 Interest Receivable -Loans [Defaulted Guaranteed Loans]	1,250		
135000 Loans Receivable [Defaulted Guaranteed Loans]	35,000		
139900 Allow. for Subs. [Defaulted Guaranteed Loans]		6,250	
218000 Loan Guarantee Liability		30,000	D150

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2-9 Agency makes a commitment for loan guarantees of \$80,000 with a negative subsidy of \$4,000. The agency is guaranteeing 75% of the loan. Negative Subsidy is funded with borrowing authority. Collection of guarantee fee also made at this time.

**Financing Fund - Cohort 2**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
426100 Collection of fees	800		
406000 Anticipated Collections – Non-Federal		800	C117
459000 Apportionments – Anticipated	800		
461000 Allotments – Realized Resources		800	A122
461000 Allotments – Realized Resources	4,000		
480100 Undelivered Orders – Negative Subsidy		4,000	B306
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	800		
218000 Loan Guarantee Liability		800	C117
<b><u>Memorandum Entry</u></b>			
802000 Guaranteed Loan Level Apportioned	80,000		
804000 Guaranteed Loan Level – Used Authority		80,000	G106



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2-10 Third party lenders notified agency of disbursing \$2,000 of Cohort 1 loans and \$60,000 of Cohort 2 loans.<sup>53</sup>

**Program Fund – Year 1**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
480100 Undelivered Orders – Unpaid	430		
490200 Delivered Orders – Paid		430	
<b><u>Proprietary Entry</u></b>			
610000 Program Expense – Subsidy	430		A146
101000 Fund Balance With Treasury		430	
310700 Unexpended Appropriations – Used	430		
570000 Expended Appropriations		430	B134

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<sup>53</sup>Original subsidy rate for each cohort must be used in calculating subsidy transfer amount – Cohort 1 2,000 x 21.5% = 430. Cohort 2 60,000 x (5%) = 3,000.  
Note – Since one cohort cannot pay for another cohort’s obligation, there is not enough cash in Cohort 2 to cover the negative subsidy payment. Only cash is \$800 in fees collected. Therefore, the borrowing authority must be converted to cash.

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**Program Fund – Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 579100 Adjustment to Financing Sources 619900 Adjustment to Subsidy Expense	3,000	3,000	D150

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> 427100 Actual Subsidy Collections 422100 Unfilled Customer Order	430	430	
<b><u>Proprietary Entry</u></b> 101000 Fund Balance with Treasury 218000 Loan Guarantee Liability	430	430	C103
<b><u>Memorandum Entry</u></b> 805000 Guaranteed Loan Principal Outstanding 805300 Guaranteed Loan New Disbursements	2000	2000	G108

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**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
414800 Resources Realized from Borrowing Authority	2,200		
414500 Borrowing Authority Converted to Cash		2,200	A156
480100 Undelivered Orders – Negative Subsidy	3,000		
490200 Delivered Orders – Negative Subsidy		3,000	A146
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance with Treasury	2,200		A156
251000 Debt Outstanding		2,200	
218000 Loan Guarantee Liability	3,000		
579100 Adjustments to Financing Sources		3,000	D147
577600 Non-budgetary Financing Sources Trans Out	3,000		
101000 Fund Balance with Treasury		3,000	E509
<b><u>Memorandum Entry</u></b>			
805000 Guaranteed Loan Principal Outstanding	60,000		
805300 Guaranteed Loan New Disbursements		60,000	G108

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**Miscellaneous Receipt Account (negative subsidy TAFS)**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	3,000		
577500 Non-budgetary Financing Sources Trans In		3,000	C155
599300 Offset to Non-Entity Collections Stmt of Changes in Net Position <sup>54</sup>	3,000		
298500 Liability for Non-Entity Assets <sup>47</sup>		3,000	C147

<sup>54</sup>These SGLs are always Federal with trading partner 099

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2-11 Agency accrues interest on Fund Balance with Treasury for November reporting period. Therefore, there will only be an accrual for cohort 1. Other methodologies are acceptable per OMB approval.

**Financing Fund – Cohort 1**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
428300 Interest Receivable from Treasury	193		
407000 Anticipated Collections from Federal Sources		193	C416
459000 Apportionments – Anticipated	193		
461000 Allotments – Realized Resources		193	A122
<b><u>Proprietary Entry</u></b>			
134000 Interest Receivable – Uninvested Cash	193		
531200 Interest Revenue – Loans/Uninvested		193	C402

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2-12 Agency accrues interest on debt outstanding from The Bureau of the Fiscal Service (FS) for November using FS reports. There will be an accrual for both cohorts and interest rates can be different.

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments – Resources Realized	83		
490100 Delivered Orders – Unpaid		83	
			B418
<b><u>Proprietary Entry</u></b>			
631000 Interest Expense	83		
214100 Interest Payable		83	

**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments – Resources Realized	10		
490100 Delivered Orders – Unpaid		10	
			B418
<b><u>Proprietary Entry</u></b>			
631000 Interest Expense	10		
214100 Interest Payable		10	

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2-13 Agency is notified by cohort 1 borrowers that the remaining amounts of the loan are no longer needed. Agency cancels remaining commitment and deobligates remaining subsidy<sup>55</sup>

**Program Fund – Year 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
487100 Downward Adjustment Prior Year Undelivered	215		
465000 Expired Authority		215	D120
<b><u>Proprietary Entry</u></b>			
None			

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments – Realized Resources <sup>56</sup>	215		
422100 Unfilled Customer Order		215	F109
<b><u>Proprietary Entry</u></b>			
None			
<b><u>Memorandum Entry</u></b>			
804000 Guaranteed Loan Level- Used Authority	1,000		
801000 Guaranteed Loan Level		1,000	F344

<sup>55</sup>The original subsidy rate is used in determining the amount of subsidy to de-obligate with the commitment cancellation.

<sup>56</sup>Amount of unfilled order cancellation could have been anticipated in the SF132 in which case the amount would debit 407000.

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2-14 After consultation and agreement with OMB, the agency decided to exercise a clause in the program’s legislation allowing it to modify the terms of cohort 1 guarantees. The modification caused a savings for the program of \$1,000 and a modification adjustment transfer of \$30.

The agency submitted a new request for apportionment (SF-132) for the financing fund.

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<b>SF 132 Apportionment/Reapportionment Schedule</b>		
	<b>BUDGETARY RESOURCES</b>	<b>Financing Fund</b>
	<b>Budget authority:</b>	
	<b>Unobligated balance:</b>	
1000	Unobligated balance brought forward, Oct 1	16,800
	<b>Borrowing authority, mandatory:</b>	
1400	Borrowing authority (414100)	32,790
	<b>Spending authority from offsetting collections, mandatory:</b>	
1800	Collected	1,255
1801	Change in Uncollected Payments, Federal Sources	(237)
1840	Anticipated Collections, Reimbursements, and Other Income (406000 & 407000)	<u>317</u>
1842	Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-) <sup>57</sup>	(30)
1920	Total Budgetary Resources	<u>50,895</u>
	<b>APPLICATION OF BUDGETARY RESOURCES</b>	
	<b>Category B (by project)</b>	
6014	Negative Subsidy	5,000

<sup>57</sup>Amounts could come from prior year balances if there is enough remaining to cover. In that instance the amounts would be shown on line 1042.



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<b>SF 132 Apportionment/Reapportionment Schedule</b>		
6015	Default Claims	40,000
6016	Treasury Interest	615
6017	Modification	1,000
6182	Unapportioned Balance of Revolving Fund	4,280
6190	Total Budgetary Resources Available	<u>50,895</u>
<b>GUARANTEED LOAN LEVELS AND APPLICATIONS</b>		
<b>Guaranteed loan limitation</b>		
8100	Loan Guarantee Program Level, Current Year	100,000
8211	Guarantee Loan Program	100,000

**SF132 entries**

**Financing Fund – Cohort 1**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
461000 Allotments <sup>58</sup>	4,000		
445000 Unapportioned Authority		4,000	F308
445000 Unapportioned Authority	30		
404700 Anticipated Transfers to General Fund of the U.S. Government- Current Year Authority <sup>59</sup>		30	A142

<sup>58</sup>Reduce allotments \$5,000 for reduction in estimated defaults and increase \$1,000 for modification. Net reduction of \$4,000

<sup>59</sup>Use 404800 if funds are anticipated from prior year authority

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After approved SF132 is received, SF1151 request transferring modification adjustment transfer from financing fund to treasury general fund (TAS xxx2814, where xxx is agency id) at the same time payment is made to the general fund (agency's negative subsidy account).

**Modification Savings**

**Program Fund – Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 579100 Adjustments to Financing Sources 619900 Adjustments to Subsidy Expense	1,000	1,000	D150

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> 461000 Allotments 49020000 Delivered Orders-Paid [Modification]	1,000	1,000	A512
<b><u>Proprietary Entry</u></b> 218000 Loan Guarantee Liability 101000 Fund Balance With Treasury	1,000	1,000	B104
577600 Nonbudgetary Financing Sources Transfers Out 579100 Adjustments to Financing Sources	1,000	1,000	F336R

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**Miscellaneous Receipt Account (negative subsidy TAS)**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 101000 Fund Balance With Treasury 577500 Nonbudgetary Financing Sources Transfers In	1,000	1,000	C155
599300 Offset to Non-Entity Collections 298500 Liability for Non-Entity Assets not report on SOC	1,000	1,000	C147

**Modification Adjustment Transfer**

**Program Fund – Year 2**

To record negative modifications for subsidy cost and adjustment transfers related to Direct Loans and Loan Guarantee liabilities in the program account.

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 579100 Adjustments to Financing Sources 719000 Other Gains	30	30	A208

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**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
404700 Anticipated Transfers to General Fund of The U.S. Government- Current Year Authority	30		
415100 Actual Capital Transfers to General Fund of The U.S. Government- Current Year <sup>60</sup>		30	B119
<b><u>Proprietary Entry</u></b>			
218000 Loan Guarantee Liability	30		
101000 Fund Balance With Treasury		30	B104
576600 Nonexpenditure Financing Sources -Transfers Out –Capital	30		
579100 Adjustments to Financing Sources		30	F336R

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<sup>60</sup>Use 404800/415200 if funds paid from prior year authority

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**Miscellaneous Receipt Account (xxx2814 TAS)**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
1010000 Fund Balance With Treasury	30		
575600 Nonexpenditure Financing Sources Transfers In Capital Transfer		30	C196
599300 Offset to Non-Entity Collections	30		
298500 Liability for Non-Entity Assets not report on SOC		30	C147

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2-15 Year-end interest earned on Cash and interest expense to BPD calculated using Financing Account Interest Calculator (FAIC) as follows. Cohort 1 earned \$323 and expense \$500; Cohort 2 earned \$62 and expense \$85.

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
427300 Interest Collected From Treasury	323		
428300 Interest Receivable From Treasury		193	
407000 Anticipated Federal Collections		130	
459000 Anticipated Apportionments	57		
461000 Allotments		57	A122
461000 Allotments	417		
490100 Delivered Orders – Unpaid	83		
490200 Delivered Orders – Paid		500	
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	323		
134000 Interest Receivable		193	C109
531200 Interest Income		130	
214100 Interest Payable	83		B109 B112
631000 Interest Expense	417		
101000 Fund Balance with Treasury		500	

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**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
459000 Anticipated Apportionments	62		
461000 Allotments		62	A122
427300 Interest Collected From Treasury	62		
407000 Anticipated Federal Collections		62	
461000 Allotments	52		
490100 Delivered Orders – Unpaid	10		
490200 Delivered Orders – Paid		85	
<b><u>Proprietary Entry</u></b>			
1010000 Fund Balance With Treasury	62		
531200 Interest Income		62	C109
214100 Interest Payable	10		
631000 Interest Expense	52		
101000 Fund Balance with Treasury		62	B109 B112

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2-16 Agency determines that there will no further obligations. Agency returns borrowing converted to cash and not obligated for cohort 1 and reduces borrowing authority for cohort 2 as required in A-11. Calculations below are based on timing.

**Financing Fund – Cohort 1**

Cash beginning of year	16,155		
Upward reestimate	25		
Default payment	(35,000)		
Subsidy collected		430	
Modification & adjustment		(1,030)	
Interest Income			323
Interest Expense			(500)
Borrowings needed for payment	18,820	600	177
Total Borrowings used	19,597		
Total Borrowings converted	28,735		

Return 9,138 excess borrowings converted to cash

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments – Realized Resources	4,785		
445000 Unapportioned Authority	4,353		
414200 Actual Repayments of Borrowing Authority Converted		9,138	
<b><u>Proprietary Entry</u></b>	9,138		
251000 Principal Payable to the Bureau of the Public Debt		9,138	B120
101000 Fund Balance With Treasury			



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**Financing Fund – Cohort 2**

Negative Subsidy Obligations	4,000	
Less: Fees collected	(800)	
Interest Income	85	
Interest Expense	(62)	
Borrowing Authority needed	3,200	(23)
Total Borrowing Authority needed	3,177	
Borrowing Authority provided	4,055	

Withdraw 878 of borrowing authority

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
461000 Allotments – Realized Resources	878		
414300 Current year decreases to borrowing authority		878	A148
<b><u>Proprietary Entry</u></b>			
None			

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2-17 The modeling team reestimated the cost for Cohort year 1 and 2. There was a technical downward reestimate for year 2 of 50 and technical upward for year one of 20. There was no interest reestimate. Cohorts are accounted for separately in the financing funds. Budgetary information is reported in GTAS by Cohort in fourth quarter (required for fourth, but can be more often). Cohort 1(Cohort only exists in Financing Fund)

**Program Fund Year 2**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 680000 Future Funded Expenses [Subsidy Expense - Re-estimates – Technical] 217000 Subsidy Payable to Financing Account	20	20	B420

**Financing Fund Cohort 1**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 131000 Accounts Receivable [Subsidy Receivable from Program Fund] 218000 Loan Guarantee Liability	20	20	C438

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Cohort 2 (Cohort only exists in Financing Fund)

**Program Fund - Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 579100 Adjustment to Financing Sources – Downward Reestimate or Negative Subsidy 680000 Future Funded Expenses [Subsidy Expense - Re-estimates – Technical]	50	50	D146

**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 218000 Loan Guarantee Liability 579100 Adjustment to Financing Sources – Downward Reestimate or Negative Subsidy	50	50	D147
577600 Nonbudgetary Financing Sources Transferred Out 299000 Other Liabilities Without Budgetary Obligations	50	50	D148

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**Miscellaneous Receipts Fund (Downward Reestimate TAS)**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 131000 Accounts Receivable 577500 Nonbudgetary Financing Sources Transferred In	50	50	C420
599400 Offset to Non-entity Collections 298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	50	50	C405

2-18 The agency accrued interest on its loan guarantee liability and on the present value of its loans.

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 139900 Allowance for Subs. [Defaulted Guar. Loan Assets] 531300 Interest Revenue – Subsidy Amortization	293	293	E118
634000 Interest Exp Accrual on Liability for Loan Guarantee 218000 Loan Guarantee Liability	116	116	E122

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**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 634000 Interest Exp Accrual on Liability for Loan Guarantee 218000 Loan Guarantee Liability	23	23	E122

**Pre-Closing Entries**

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> 407000 Anticipated Federal Collections 445000 Unapportioned Authority	73	73	A140
<b><u>Proprietary Entry</u></b> None			

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**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
407000 Anticipated Federal Collections	25		
459000 Anticipated Apportionments	175		
406000 Anticipated Non-Federal Collections		200	A140
<b><u>Proprietary Entry</u></b>			
None			

**Miscellaneous Receipts Fund Downward Reestimate**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	4,000		
101000 Fund Balance w Treasury		4,000	F124

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**Miscellaneous Receipts Fund Other Repayments of Investments and Recoveries (xxx2814)**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity 101000 Fund Balance w Treasury	30	30	F124

**Year 2**

**Pre-Closing Adjusted Trial Balance  
Program Fund**

<b><u>Accounts</u></b>	<b>Year 1 (Expired) Debit/(Credit)</b>	<b>Year 2 (Unexpired during Year 2) Debit/(Credit)</b>	<b>Total Debit/(Credit)</b>
<b><u>Budgetary</u></b>			
411700 Loan Administrative Expense Appropriation		10,000	10,000
411800 Reestimated Loan Subsidy Appropriation		25	25
420100 Total Actual Resources – Collected	1,845		1,845
465000 Allotments – Expired Authority	(1,415)		(1,415)
480100 Undelivered Orders - Obligations, Unpaid	(215)		(215)
487100 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries	215		215
490200 Delivered Orders - Obligations, Paid (Admin)		(10,000)	(10,000)
490200 Delivered Orders - Obligations, Paid (Subsidy)	(430)		(430)
490200 Delivered Orders - Obligations, Paid (Reestimate)		(25)	(25)

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<b>Pre-Closing Adjusted Trial Balance (Continued)</b>			
<b><u>Accounts</u></b>	<b>Year 1 (Expired) Debit/(Credit)</b>	<b>Year 2 (Unexpired during Year 2) Debit/(Credit)</b>	<b>Total Debit/(Credit)</b>
<b><u>Proprietary</u></b>			
101000 Fund Balance With Treasury	1,415		1,415
217000 Subsidy Payable to the Financing Account		(20)	(20)
310000 Unexpended Appropriations - Cumulative	(1,845)		(1,845)
310100 Unexpended Appropriations – Appropriations Received		(10,025)	(10,025)
310700 Unexpended Appropriations - Used	430	10,025	10,445
331000 Cumulative Results of Operations	23		23
570000 Expended Appropriations	(430)	(10,025)	(10,445)
579100 Adjustment to Financing Sources – Credit Reform		4,080	4,080
610000 Operating Expenses/Program Costs (Admin)		10,000	10,000
610000 Operating Expenses/Program Costs (Subsidy)	430	25	455
619900 Adjustment to Subsidy Expense		(4,000)	(4,000)
680000 Future Funded Expenses (Technical)	(36)	(30)	(66)
680000 Future Funded Expenses (Interest)	13		13
719000 Other Gains		(30)	(30)



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<b>Pre-Closing Adjusted Trial Balance Financing Fund</b>			
<b><u>Accounts</u></b>	<b>Year 1 Cohort Debit/(Credit)</b>	<b>Year 2 Cohort Debit/(Credit)</b>	<b>Total Debit/(Credit)</b>
<b><u>Budgetary</u></b>			
414100 Current-Year Borrowing Authority Realized	28,735	4,055	32,790
414200 Actual Repayment of Borrowing Authority Converted To Cash	(9,138)		(9,138)
414300 Current –Year Decreases to Indefinite Borrowing Authority Realized		(878)	(878)
414500 Borrowing Authority Converted to Cash	(28,735)	(2,200)	(30,935)
414800 Resources Realized From Borrowing Authority	28,735	2,200	30,935
415100 Actual Capital Transfers to the General Fund of the U.S. Government, Current-Year Authority	(30)		(30)
420100 Total Actual Resources – Collected	16,155	800	16,155
426100 Actual Collections of Business-Type Fees		800	800
427100 Actual Program Fund Subsidy Collected	455		455
427300 Interest Collected From Treasury	323	85	408
480100 Undelivered Orders - Obligations, Unpaid (Negative Subsidy)		(1,000)	(1,000)
490200 Delivered Orders – Obligations, Paid (Defaulted Gty)	(35,000)		(35,000)
490200 Delivered Orders - Obligations, Paid (Treas. Interest)	(500)	(62)	(562)
490200 Delivered Orders – Obligations, Paid (Modification)	(1,000)		(1,000)
490200 Delivered Orders - Obligations, Paid (Negative Subsidy)		(3,000)	(3,000)
<b><u>Proprietary</u></b>			
101000 Fund Balance With Treasury		23	23

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<b>Pre-Closing Adjusted Trial Balance (Continued)</b>			
131000 Accounts Receivable	20		20
134100 Interest Receivable – Loans	2,285		2,285
135000 Loans Receivable	38,450		38,450
139900 Allowance for Subsidy	(7,655)		(7,655)
218000 Loan Guarantee Liability	(13,503)	2,227	(11,276)
251000 Principal Payable to the Bureau of the Fiscal Service	(19,597)	(2,200)	(21,797)
299000 Other Liabilities Without Related Budgetary Obligations		(50)	(50)
531200 Interest Revenue – Loans Receivable / Uninvested Funds	(323)	(85)	(408)
531300 Interest Revenue – Subsidy Amortization	(293)		(293)
576600 Nonexpenditure Financing Sources – Transfers-Out-Capital Transfers	30		30
577600 Nonbudgetary Financing Sources Transferred Out	1,000	3,050	4,050
579100 Adjustment to Financing Sources – Credit Reform	(1,030)	(3,050)	(4,080)
631000 Interest Expenses on Borrowing From the Bureau of the Fiscal Service and/or the Federal Financing Bank	500	62	562
634000 Interest Expense Accrued on the Liability for Loan Guarantees	116	23	139

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<b>Preclosing Trial Balance (Miscellaneous Receipt Account)</b>	
	<b>Debit/(Credit)</b>
<b><u>Accounts</u></b>	
131000 Accounts Receivable	50
298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	(50)
575600 Nonexpenditure Financing Sources - Transfers-In - Capital Transfers	(30)
577500 Nonbudgetary Financing Sources Transferred In	(4,050)
599300 Offset to Non-Entity Collections - Statement of Changes in Net Position	4,030
599400 Offset to Non-Entity Accrued Collections - Statement of Changes in Net Position	50
<b>Total</b>	<b>0</b>

<b>Pre-Closing Adjusted Trial Balance (Financing Fund Only)</b>			
	<b>Cohort 1 Debit/(Credit)</b>	<b>Cohort 2 Debit/(Credit)</b>	<b>Total Debit/(Credit)</b>
<b><u>Loan Guarantee Level</u></b>			
<b><u>Memorandum Accounts</u></b>			
801000 Guaranteed Loan Level	89,000	100,000	189,000
802000 Guaranteed Loan Level – Apportioned		(20,000)	(20,000)
804000 Guaranteed Loan Level – Used Authority	(89,000)	(80,000)	(169,000)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Loans Disbursed</u></b>			
<b><u>Memorandum Accounts</u></b>			
805000 Guaranteed Loan Principal Outstanding	30,875	60,000	90,875
805300 Guaranteed Loan New Disbursements by Lender	(2,000)	(60,000)	(62,000)
806500 Guaranteed Loan Collections, Defaults, and Adjustments	43,750		43,750
807000 Guaranteed Loan Cumulative Disbursements by Lenders	(72,625)		(72,625)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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2-19. The agency made closing entries.

**Program Fund - Year 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
490200 Delivered Orders	430		
420100 Total Resources		430	F314
480100 Undelivered Orders	215		
487100 Downward Adjustment of Undelivered Orders		215	F332
<b><u>Proprietary Entry</u></b>			
310000 Unexpended Appropriations	430		
310700 Unexpended Appropriations – Used		430	F342
570000 Expended Appropriations	430		
610000 Operating Expenses/Program./Costs		430	F336
680000 Future Funded Expenses	23		
331000 Cumulative Results of Operations		23	

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**Program Fund - Year 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
490200 Delivered Orders	10,025		
411700 Loan Administrative Appropriation		10,000	
411800 Reestimated Appropriation		25	
<b><u>Proprietary Entry</u></b>			
310100 Unexpended Appropriations – Approp. Received	10,025		F342
310700 Unexpended Appropriations – Used		10,025	
570000 Expended Appropriations	10,025		F336
610000 Operating Expenses/Program./Costs		10,025	
680000 Future Funded Expenses	30		
331000 Cumulative Results of Operations	20		
619900 Adjustments to Subsidy Expense	4,000		
719000 Other Gains	30		
579100 Adjustments to Financing Sources		4,080	

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<b><u>Financing Fund – Cohort 1</u></b>	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
414500 Borrowing Authority Converted to Cash	28,735		
414100 Borrowing Authority		28,735	F306
414200 Actual Repayment of Borrowing Auth Convert	9,138		
415100 Actual Capital Transfers	30		
490200 Delivered Orders	36,500		F302
414800 Resources Realized from Borrowing Auth		28,735	
420100 Total Actual Resources - Collected		16,155	
427100 Actual Program Fund Subsidy Collected		455	
427300 Interest Collected from Treasury		323	
<b><u>Proprietary Entry</u></b>			
531200 Interest Revenue – Loans	323		
531300 Interest Revenue –Subsidy Amortization	293		
579100 Adjustments to Financing Sources-Credit Reform	1030		
576600 Nonbudgetary Transfers Out-Capital Transfers		30	
577600 Nonbudgetary Transfers Out		1000	F336
631000 Interest Expense – Debt		500	
634000 Interest Expense – Gtd Liability		116	
<b><u>Memorandum Entry</u></b>			
805300 Guaranteed Loan New Disbursements	2,000		
807000 Guaranteed Loan Cumulative	41,750		F348
806500 Guaranteed Loan Collections, Defaults, Adjustments			F350
		43,750	

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**Financing Fund – Cohort 2**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
414300 Current-Year Decreases of Indef Borrow Auth	878		
414500 Borrowing Authority Converted to Cash	2,200		
414900 Borrowing Authority Carried Forward	977		
414100 Borrowing Authority		4,055	F306
420100 Total Actual Resources - Collected	23		
490200 Delivered Orders	3,062		
414800 Resources Realized from Borrowing Auth		2,200	
426100 Actual Collection of Business Type Fees		800	
427300 Interest Collected from Treasury		85	F302
<b><u>Proprietary Entry</u></b>			
531200 Interest Revenue – Loans	85		
579100 Adjustments to Financing Sources-Credit Reform	3,050		
577600 Nonbudgetary Transfers Out		3,050	
631000 Interest Expense – Debt		62	F336
634000 Interest Expense – Gtd Liability		23	
<b><u>Memorandum Entry</u></b>			
802000 Guaranteed Loan Level – Apportioned	20,000		
804500 Guaranteed Loan Level – Unused Authority		20,000	F346
805300 Guaranteed Loan New Disbursements	60,000		
807000 Guaranteed Loan Cumulative		60,000	F348

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**Miscellaneous Receipt Accounts**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 575600 Nonexpenditure Financing Sources - Transfers In - Capital Transfers	30		
577500 Nonbudgetary Financing Sources Transferred In	4,050		
599300 Offset to Non-Entity Collections – Statement of Changes in Net Position		4,080	F336

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 577500 Nonbudgetary Financing Sources Transferred In	50		
599400 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position		50	F336



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**Year 2**

<b>Post-Closing Trial Balance</b>		
	<b>Program Fund</b>	<b>Financing Fund</b>
	<b>Debit/(Credit)</b>	<b>Debit/(Credit)</b>
<b>Accounts</b>		
<b>Budgetary</b>		
414900 Borrowing Authority Carried Forward		977
420100 Total Actual Resources - Collected	1,415	23
465000 Allotments - Expired Authority	(1,415)	
480100 Undelivered Orders - Obligations, Unpaid		(1,000)
<b>Total</b>	<b>0</b>	<b>0</b>

<b>Post-Closing Trial Balance (Continued)</b>			
	<b>Program Fund</b>	<b>Financing Fund</b>	<b>Miscellaneous Receipt</b>
	<b>Debit/(Credit)</b>	<b>Debit/(Credit)</b>	<b>Debit/(Credit)</b>
<b>Accounts</b>			
<b>Proprietary</b>			
101000 Fund Balance With Treasury	1,415	23	
131000 Accounts Receivable		20	50
134100 Interest Receivable-Loans		2,285	
135000 Loans Receivable		38,450	
139900 Allowance for Subsidy		(7,655)	
217000 Subsidy Payable to the Financing Account	(20)		
218000 Loan Guarantee Liability		(11,276)	
251000 Principal Payable to the Bureau of the Fiscal Service		(21,797)	
298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity			(50)

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299900 Other Liabilities Without Related Budgetary Obligations		(50)	
310000 Unexpended Appropriations - Cumulative	(1,415)		
331000 Cumulative Results of Operations	20		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Post-Closing Trial Balance (Financing Fund Only)</b>		
	<b>Debit</b>	<b>Credit</b>
<b><u>Loan Guarantee Level</u></b>		
<b><u>Memorandum Accounts</u></b>		
801000 Guaranteed Loan Level	189,000	
804000 Guaranteed Loan Level - Used Authority		(169,000)
804500 Guaranteed Loan Level - Unused Authority		(20,000)
<b>Total</b>	<b>0</b>	<b>0</b>

<b><u>Loans Disbursed</u></b>		
<b><u>Memorandum Accounts</u></b>		
805000 Guaranteed Loan Principal Outstanding	90,875	
807000 Guaranteed Loan Cumulative Disbursements by Lenders		(90,875)
<b>Total</b>	<b>0</b>	<b>0</b>

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Loan Guarantee Agency  
September 30, FY-2

BALANCE SHEET						
		Program Fund	Elim	Financing Fund	Misc. Receipt	Total
	<b>Assets:</b>					
	Intragovernmental					
1.	Fund Balance with Treasury (101000E)	1,415		23		1,438
3.	Accounts Receivable (131000E)		(70)	20		
6.	Total Intragovernmental (calc.)	1,415	(70)	43	50	1,438
11.	Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E)			33,080		33,080
15.	Total Assets (calc.)	1,415	(70)	33,123	50	34,518
	<b>Liabilities:</b>					
17.	Accounts Payable (2170000E)	20	(70)	50	50	50
18.	Debt (251000)			<u>11,276</u>		<u>11,276</u>
20.	Total Intragovernmental	20	<u>(70)</u>	<u>11,326</u>	<u>50</u>	<u>11,326</u>
22.	Loan Guarantee Liability (218000E)			<u>21,797</u>		<u>21,797</u>
28.	Total Liabilities (calc.)	20	-70	33,123		33,123
	<b>Net Position:</b>					
31.	Unexpended Appropriations – All Other Funds (310100E, 310700E)	1,415				1,415

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BALANCE SHEET						
33.	Cumulative Results of Operations - All Other Funds (531200E, 570000E, 579100E, 610000E, 634000E, 680000E, 729000E)	(20)				(20)
35.	Total Net Position – All Other Funds (calc.)					
36.	Total Net Position (calc.)	<u>1,395</u>				<u>1,395</u>
37.	Total Liabilities and Net Position (calc.)	<u>1,415</u>	-70	<u>33,123</u>	<u>50</u>	<u>34,518</u>

**Loan Guarantee Agency  
for Fiscal Year Ended September 30, FY-2**

STATEMENT OF NET COST			
	Program Fund	Financing Fund	Total
<b>Gross Program Costs:</b>			
1. Gross costs (610000E, 631000E, 634000E, 680000E)	6,402	701	7,103
2. Less: Earned Revenues (531200E, 531300E, 719000E)	30	701	731
3. Net program costs (calc. 1-2)	<u>6,372</u>		<u>6,372</u>
8. Net cost of operations (calc. 5+6-7)	<u>6,372</u>		<u>6,372</u>

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**Loan Guarantee Agency  
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<b>STATEMENT OF CHANGES IN NET POSITION</b>									
		<b>Program Fund</b>		<b>Financing Fund</b>		<b>Misc. Receipt</b>		<b>Total</b>	
		Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
	<b>Cumulative Results of Operations:</b>								
	<b>Beginning Balances</b>								
1.	Cumulative Results of Operations (331000B)	(23)	1,845					(23)	1,845
3.	<b>Beginning Balances, as Adjusted</b>	(23)	1,845					(23)	1,845
	<b>Budgetary Financing Sources:</b>								
5.	Appropriations Used (570000E)	10,455						10,455	
8.	Transfers-In/Out Without Reimbursement (576600E)			(30)				(30)	
	<b>Other Financing Sources (Non Exchange):</b>								
11.	Transfers In/Out w/out Reimbursement (575600E, 577500E, 577600E)			(4,050)		4,080		30	

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STATEMENT OF CHANGES IN NET POSITION									
13.	Other (579100E, 599300E)	(4,080)		(4,080)		(4,080)			
14.	Total Financing Sources	6,375				6,375			
15.	Net Cost of Operations (+/-)	<u>6,372</u>				<u>6,372</u>			
16.	Net Change (calc. 14-15)	<u>(20)</u>				<u>(20)</u>			
17.	<b>Cumulative Results of Operations (calc. 3+16)</b>								
	<b>Unexpended Appropriations:</b>								
	<b>Budgetary Financing Sources:</b>								
21.	Appropriations Received (310100E)		10,025						10,025
24.	Appropriations Used (310700E)		(10,455)						
25.	Total Budgetary Financing Sources (calc. 21..24)		(430)						(430)
26.	Total Unexpended Appropriations (calc. 20 + 25)		(430)						(430)
27.	<b>Net Position (calc. 17 + 26)</b>	(20)		(20)	1415				

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<b>STATEMENT OF BUDGETARY RESOURCES</b>				
		<b>Budgetary</b>	<b>Non-Budgetary Financing Account</b>	<b>Total</b>
	<b>Budgetary Resources:</b>			
1000	Unobligated balance brought forward ((420100B, 422100B, 480100B)	1,200	16,800	<u>18,000</u>
1021	Recoveries of prior year unpaid obligations (487100E)	215		215
1290	Appropriations (discretionary and mandatory) (411700E, 4118000E)	10,025		10,025
1490	Borrowing authority (discretionary and mandatory) (414100E, 414200E, 414300E)		22,774	22,774
1890	Spending authority from offsetting collections (discretionary and mandatory) (415100E, 426100E, 4271E, 427300E, 422100E)		988	988
1910	Total budgetary resources	<u>\$11,440</u>	<u>\$40,562</u>	<u>\$52,002</u>
	<b>Status of Budgetary Resources:</b>			
2190	Obligations incurred- Direct (480100E-B, 490200B)	10,025	40,562	50,587
	<b>Unobligated balance, end of year:</b>			
2413	Expired unobligated balance, end of year (465000E, 445000E)	1,415		1,415
2500	Total budgetary resources	<u>\$11,440</u>	<u>\$40,562</u>	<u>\$52,002</u>

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<b>STATEMENT OF BUDGETARY RESOURCES</b>				
	<b>Change in obligated balance</b>			
3000	Unpaid obligations, brought forward, Oct 1 (480100B)	645		645
3012	New obligations and upward adjustments	10,025	40,562	50,587
3020	Outlays (gross) (-)	(10,455)	(39,562)	(50,017)
3042	Recoveries of prior year unpaid obligations (-)	215		215
3072	Change in uncollected pymts, Fed sources (+ or-)		645	645
3200	Obligated balance, end of year (+ or -)		1,000	1,000
	<b>Budget authority and outlays, net:</b>			
4175	Budget authority, gross (discretionary and mandatory)	10,025	23,762	33,787
4177	Change in uncollected pymts, Fed sources (discretionary and mandatory) (+ or -)		(1,663)	(1,663)

<b>STATEMENT OF BUDGETARY RESOURCES</b>				
4180	Budget authority, net (total) (discretionary and mandatory)	10,025	22,744	32,769
4185	Outlays, gross (discretionary and mandatory)	10,455	39,562	50,017
4187	Actual offsetting collections (discretionary and mandatory) (-)		(1,663)	(1,663)
4190	Outlays, net (total) (discretionary and mandatory)	10,455	37,899	48,354
4200	Distributed offsetting receipts (-)	(4,030)		(4,030)
4210	Agency outlays, net (discretionary and mandatory)	6,425	37,899	44,324
4178	Recoveries of prior year paid obligations (discretionary and mandatory)		645	645



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<b>FUND BALANCE WITH TREASURY FOOTNOTE</b>			
	<b>Program Fund</b>	<b>Financing Fund</b>	<b>Total</b>
<b>A. Fund Balance</b>			
3. Revolving Funds		23	23
4. General Funds	1,415		1,415
Total	1,415	23	1,438
<b>B. Status of Fund Balance</b>			
1. Unobligated Balances			
(a) Available (461000E)			
(b) Unavailable (445000E, 465000E)			
2. Obligated Balances not yet disbursed			
(a) Unpaid Obligations (480100E)			
(b) Borrowing authority not converted to cash (414900E)			
Total	1,415	23	1,438

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<b>Note 8: Credit Program Note</b>	
<b>I. Defaulted Guaranteed Loans from Post – 1991 Guarantees:</b>	
Defaulted Loans Receivable, Gross (135000E)	38,450
Interest receivable (134100E)	<u>2,285</u>
Less Allowance for Subsidy Cost (139900E)	<u>(7,655)</u>
Value of Assets Related to Defaulted Guaranteed Loan Receivables, Net	<u>\$33,080</u>
<b>J. Guaranteed Loans Outstanding:</b>	
<b>J1. Guaranteed Loans Outstanding:</b>	
Outstanding Principle of Guaranteed Loans, Face Value (805000E)	<u>\$90,875</u>
Amount of Outstanding Principle Guaranteed (805000* gtd %) <sup>61</sup>	<u>\$69,700</u>
<b>J2. New Guaranteed Loans Disbursed(current reporting year):</b>	
Principle of Guaranteed Loans, Face Value (805300)	<u>\$62,000</u>
Amount of Principle Guaranteed (805300 * gtd %) <sup>62</sup>	<u>\$46,600</u>
<b>K. Liability for Loan Guarantees:</b>	
<b>K1. Liability for Loan Guarantees</b>	<u>\$11,276</u>
<b>(Present Value Method for Pre-1992 Guarantees):</b>	
Liabilities for Post -1991 Guarantees, Present Value (218000)	
<b>L Subsidy Expense for Loan Guarantees by Program and Component:</b>	
<b>L1. Subsidy Expense for New Loan Guarantees (current reporting year)</b>	
Interest Supplements	40
Defaults	2,476

<sup>61</sup>Cohort 1 – 30,875 x 80% = 24,700 Cohort 2 – 60,000 x 75% = 45,000

<sup>62</sup>Cohort 1 – 2,000 x 80% = 1,600 Cohort 2 – 60,000 x 75% = 45,000

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<b>Note 8: Credit Program Note</b>	
Fees and Other Collections	<u>(5,086)</u>
Total	<u>(2,570)</u>
<b>L2. Modifications and Reestimates (current reporting year):</b>	
Total Modifications	(1,000)
Technical Reestimates (680000, 610000)	(28)
Total Re-estimates	(1,028)
<b>L3. Total Loan Guarantee Subsidy Expense (equals 610000 + 680000 for subsidy &amp; modification)</b>	
	<u>(3,598)</u>
<b>M. Subsidy Rates for Loan Guarantees by Program and Component:</b>	
<b>Budget Subsidy Rates for Loan Guarantees for the Current Year's Cohorts:</b>	<i>Percent</i>
Defaults	3.46
Fees and Other Collections	<u>(8.46)</u>
Total	(5.00)
<b>N. Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees):</b>	
Beginning balance of the loan guarantee liability, October 1	\$ 18,965
Add: subsidy expense for guaranteed loans disbursed during the reporting years by component:	
a. Interest supplement costs	40
b. Default costs (net of recoveries)	2,476
c. Fees and other collections	(5,086)
Total of the above subsidy expense components	(2,570)
Adjustments:	
a. Loan guarantee modifications	(1,000)
b. Fees received (426100)	800
c. Interest supplements used	
d. Foreclosed property and loans acquired	30,000
e. Claim payment to lenders (490200)	(35,000)

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<b>Note 8: Credit Program Note</b>	
f. Interest accumulation on liability balance (634000)	139
g. Other (modification adjustment transfer	(30)
Ending balance of the loan guarantee liability before reestimates	11,304
Add or subtract subsidy reestimates by component:	
b. Technical/default reestimate	(28)
Total of the above reestimate components	(28)
Ending balance of the loan guarantee liability (218000)	\$11,276
O. Administrative Expense	
Loan guarantee programs (610000)	\$10,000

<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING<sup>63</sup></b>				
	<b>Program Fund</b>		<b>Financing Fund</b>	
	<b>SF133 Line</b>	<b>Sch P Line</b>	<b>SF133 Line</b>	<b>Sch P Line</b>
<b>BUDGETARY RESOURCES</b>				
<b>All accounts:</b>				
0900 Total new obligations (490200E)		10,025		40,562
<b>Unobligated balance:</b>				
1000 Unobligated balance brought forward, October 1 (445000E, 461000E)			16,800	16,800
<b>Budget Authority:</b>				

<sup>63</sup>For the program fund only the unexpired fund is reported on lines 0700 to 1941

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
<b>Appropriations:</b>				
<b>Discretionary:</b>				
1100 Appropriation Discretionary (411700E)	10,000	10,000		
1160 Appropriation – Discretionary (total)	10,000	10,000		
<b>Mandatory:</b>				
1200 Appropriation (412500E)	25	25	10	10
1260 Appropriation – Mandatory (total)	25	25	10	10
<b>Mandatory:</b>				
<b>Borrowing Authority:</b>				
1400 Borrowing Authority (414100E, 414300E)			31,912	31,912
1422 Borrowing applied to repay debt (-) (414200E)			(9,138)	(9,138)
1440 Borrowing authority, mandatory (total)			22,774	22,774
<b>Spending Authority from Offsetting Collections:</b>				
<b>Mandatory:</b>				
1800 Collected (426100E, 427100E, 427300E)			1,663	1,663
1801 Change in uncollected payments, Federal sources (+ or -) (422100E)			(645)	(645)
1850 Spending authority from offsetting collections, mandatory (total)			988	988
1900 Budget Authority (total)	10,025	10,025	23,762	23,762
1930 Total budgetary resources available		10,025		40,562
<b>Memorandum (non-add) entries:</b>				

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
<b>Unobligated Balance</b>				
1940 Unobligated balance expiring (-)				
1941 Unexpired unobligated balance, end of year				-
<b>CHANGE IN OBLIGATED BALANCE</b>				
<b>Unpaid obligations:</b>				
3000 Unpaid obligations, brought forward, Oct 1 (422100E)				645
3010 New Obligations, unexpired accounts (480100E, 490200E)	10,025	10,025	40,562	40,562
3020 Outlays (gross) (-) (490200E)	(10,455)	(10,455)	(39,562)	(39,562)
3041 Recoveries of prior year unpaid obligations, expired accounts (-) (487100E)	215	215		
3050 Unpaid obligations, end of year (480100E)			1,000	1,000
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 (-) (422100E)			(645)	(645)
3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or -) (422100E)			(645)	(645)
3090 Uncollected pymts, Fed sources, end of year (-)				
<b>Memorandum (non-add) entries:</b>				
3100 Obligated balance, start of year (+ or -)				
3200 Obligated balance, end of year (+ or -) (480100E)	645	645		
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>				

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
<b>Discretionary:</b>				
<b>Gross budget authority and outlays:</b>				
4000 Budget authority, gross	10,000	10,000		
4010 Outlays from new discretionary authority	10,000	10,000		
4011 Outlays from discretionary balances	430	430		
4020 Outlays, gross (total)	10,430	10,430		
4070 Budget authority, net (discretionary)	10,000	10,000		
4080 Outlays, net (discretionary)	10,430	10,430		
<b>Mandatory:</b>				
<b>Gross budget authority and outlays:</b>				
4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (Sch P)].)	25	25	23,762	23,762
4100 Outlays from new mandatory authority <sup>64</sup> (490200E)	25	25		
4110 Total outlays, gross (490200E)	25	25	39,562	39,562
4120 Federal sources (-) (427100E)			(455)	(455)
4122 Interest on uninvested funds (-) (427300E)			(408)	(408)
4123 Non-Federal sources (-) (426100E)			(800)	(800)
4130 Offsets against gross budget authority and outlays (total) (-)			(1,663)	(1,663)

<sup>64</sup>Financing funds are not required to breakdown outlays by New and Balance authority

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<b>SF 133: Report on Budget Execution and Budgetary Resources &amp; Budget Program and Financing Schedule (Schedule P) ACTUAL COLUMN FOR YEAR 1 REPORTING</b>				
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 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (Sch P).)			22,744	22,744
4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.)			37,899	37,899
4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.)	10,025	10,025	22,744	22,744
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.)	10,455	10,455	37,899	37,899

**FISCAL YEAR 3**

This fiscal year will only deal with the liquidating of the downward re-estimates and repayment of debt. All other items have been addressed in previous fiscal years. No financial statements or footnotes will be prepared for this fiscal year.

OMB approved the downward re-estimate of \$50 on cohort 2. Since there is no carry forward authority, the cohort will need to borrow to pay the downward re-estimate. The loan on cohort 1 is expected to repay \$10,000.



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Fiscal Year 3

<b>SF 132 Apportionment/Reapportionment Schedule</b>		
	<b>BUDGETARY RESOURCES</b>	<b>Financing Fund</b>
	<b>Budget authority:</b>	
	<b>Unobligated balance:</b>	
1000	Unobligated balance brought forward, Oct 1	-
	<b>Borrowing authority, mandatory:</b>	
1400	Borrowing authority (414100)	50
	<b>Spending authority from offsetting collections, mandatory:</b>	
1840	Anticipated Collections, Reimbursements, and Other Income	<u>1,000</u>
1842	Anticipated Redemption of Debt	<u>(2,000)</u>
1920	Total Budgetary Resources	8,050
	<b>APPLICATION OF BUDGETARY RESOURCES</b>	
	<b>Category B (by project)</b>	
6012	Payment to Receipt Account	50
6013	Treasury Interest	340
6182	Unapportioned Balance	<u>7,660</u>
6190	Total Budgetary Resources Available	<u>80,050</u>

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3-1 Agency receives approved SF132 reflecting downward re-estimate amounts. Along with the budgetary authority, the agency allots, obligates and pays the downward re-estimate to the miscellaneous receipt account.

**Financing Fund – Cohort 2**

To record borrowing authority and obligate (See previous entries for apportionment and allotment entries) <sup>65</sup>			
	DR	CR	TC
<b><u>Budgetary Entry</u></b> 414100 Current Year Borrowing Authority Realized 480100 Undelivered Orders - Obligations, Unpaid	50	50	A152 B316
<b><u>Proprietary Entry</u></b> None			

See year 2 for borrowing entries as they are the same no matter what the agency is borrowing for.

**Financing Fund – Cohort 2**

To pay downward re-estimate			
	DR	CR	TC
<b><u>Budgetary Entry</u></b> 480100 Undelivered Orders – Obligations, Unpaid 490200 Delivered Orders- Obligations, Paid	50	50	A146
<b><u>Proprietary Entry</u></b> 299000 Other Liabilities Without Related Budgetary Obligations 101000 Fund Balance With Treasury	50	50	A141

<sup>65</sup> This transaction shows the net effect of USSGL account 480100.

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**Program Fund**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b> <sup>66</sup>			
680000 Future Funded Expenses (Subsidy Expense –Re-estimates – Technical)	50		
579100 Adjustment to Fianancing Sources – Downward Reestimate or Negative Subsidy		50	D146R
579100 Adjustment to Fianancing Sources – Downward Reestimate or Negative Subsidy	50		
619900 Adjustment to Subsidy Expense		50	D150

**Miscellaneous Receipt**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
None			
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	50		
131000 Accounts Receivable		50	A195
599400 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position	50		
599300 Offset to Non-Entity Collections – Statement of Changes in Net Position		50	D585R

<sup>66</sup> Reverse Year 2 transaction 680000/579100 then record Year 3 579100/619900.

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3-2 Agency receives SF132 showing anticipated repayments of debt. *Note: SF132 is not required to show repayments of debt, but A-11 suggests including if known.*

**Financing Fund – Cohort 1**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
445000 Unapportioned Authority	2,000		
404700 Anticipated Transfers to the General Fund of the U.S. Government- Current Year Authority		2,000	A142
<b><u>Proprietary Entry</u></b>			
None			

See year 1 for anticipated collections and actual collection entries and year 2 for interest payments on debt.

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3-3 At year end agency determines that it has excess cash of \$1,000. This amount will not be needed for future defaults and the agency repays treasury debt.

**Financing Fund – Cohort 1**

	DR	CR	TC
<b><u>Budgetary Entry</u></b>			
404700 Anticipated Transfers to the General Fund of the U.S. Government– Current Year Authority	1,000		
414600 Actual Repayments of Debt, Current -Year Authority		1,000	
			B120
<b><u>Proprietary Entry</u></b>			
251000 Principal Payable to the Bureau of the Fiscal Service	1,000		
101000 Fund Balance With Treasury		1,000	

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## **APPENDIX 1: ACCOUNTING FOR MANDATORY LOAN GUARANTEE PROGRAMS**

### **INTRODUCTION**

The scenarios presented in this guide were for common transactions undertaken by a discretionary loan guarantee program. This appendix discusses two key differences between discretionary and mandatory loan guarantee programs, and shows how the entries in the 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. Usually, annual or multi-year appropriations provide program fund subsidy, although Congress can give no-year (permanent indefinite) appropriations should it 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. Agencies cannot place any new obligations against expired authority, generally, they 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.<sup>67</sup>

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<sup>67</sup>The legislation providing for this is Public Law 101-510, a separate part of the Defense Appropriation Act of 1990, applying more broadly to most Federal agencies. The USSGL Board has published a document entitled Budgetary Accounting in the Federal Government that is available through its Web site at [www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl/ussgl\\_htm](http://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl/ussgl_htm)

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The government also operates mandatory (entitlement) loan guarantee programs, in which Congress usually authorizes permanent indefinite appropriations for subsidy. If the amount of subsidy requested by qualified loan applicants, who meet the program criteria established by Congress, exceeds the subsidy monies by drawing additional appropriations. Congress may mandate that the agency concur with the additional funding or may place a cap on the total funding. These no-year appropriations do not have a date of expiration, and agencies may use unobligated subsidy appropriation authority as long funded as the programs remain authorized by the Congress.

Congress may provide appropriations for administrative expenses that have annual, multi-year, or no-year expiration. Most commonly, both discretionary and mandatory loan guarantee programs 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 loan guarantee programs is that when downward adjustments to subsidy are called for during the subsidy re-estimation process to properly value loan guarantees at the estimated value of their cash-flows, discretionary programs must generally return the excess money in their financing fund to 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 also provide do the following:

- Provide for recycling of downward reestimates for a discretionary program; or
- Provide that agencies cannot recycle downward re-estimates in a mandatory program and must return them to Treasury.

Recording and reporting downward reestimates of subsidy for both a discretionary and a mandatory program is discussed in Appendix 2 (recall that the agency in the guide illustrated accrual and disposition of an upward adjustment).

Both discretionary and mandatory loan guarantee programs generally have the same transactions. Agencies must formulate budgetary resources, apportioned by OMB, and allot and account for them as follows:

- Making loans based on a combination of program fund subsidy and financing fund borrowing from Treasury;

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- Making collections from Federal and non-Federal sources and using the collections to repay the principal and interest on the loan from Treasury;
- Reestimating to determine the present value of the loans and interest receivable and adjusting the accounts as required;
- Closing the books at yearend; and so forth.

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 usually will differ as well. The next section discusses those differences.

### **DIFFERENCES IN JOURNAL ENTRIES FOR MANDATORY PROGRAMS**

The transactions illustrated for the discretionary loan guarantee program guide are virtually the same as those are 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.<sup>68</sup> 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 (including memorandum accounts) for which there is a change are presented. If a fund entity (including memorandum accounts) present for a transaction in the discretionary program guide is 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.

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<sup>68</sup>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.



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1-1. The agency prepares the budget formulation.

**Program Fund**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
412000 Anticipated Indefinite Appropriations	21,500		
411700 Loan Administrative Expense Appropriation	5,000		
445000 Unapportioned Authority		26,500	A102
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	5,000		
310100 Unexpended Appropriations - Received		5,000	A104

***Explanation of difference***

Because the program fund has permanent indefinite authority for its subsidy, agencies must anticipate the amount of the appropriations they will receive in order to prepare the budget formulation. The agency normally will not realize the appropriations until OMB has approved the amount. Accordingly, the agency must make two changes in the program fund entry. First, it uses the account for anticipated appropriations, 412000, instead of the account for realized subsidy appropriations, 411500. Second, because the subsidy money is not realized at this point, it records only the amount of the administrative expense appropriation, which is an annual appropriation, as the amount of Fund Balance With Treasury. Note that there is no change for the financing fund or memorandum account entries.

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1-2. OMB approved the agency's requests for apportionment without change, and the agency recorded the apportionment.

**Program Fund**

	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b>			
411500 Loan subsidy Appropriation	21,500		
412000 Anticipated Indefinite Appropriations		21,500	A104
445000 Unapportioned Authority	26,000		
451000 Apportionments		26,500	A116
<b><u>Proprietary Entry</u></b>			
101000 Fund Balance With Treasury	21,500		
310100 Unexpended Appropriations - Received		21,500	

***Explanation of Difference***

There are two differences here. First, because the subsidy appropriation was anticipated and not realized until OMB concurred with the amount, the agency makes an entry to realize the appropriation. Second, along with the realization, the agency must record the related Fund Balance With Treasury. Note that the combination of entries 1-1 and 1-2 yields the same account balances for both the discretionary and mandatory programs.

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1-12. After consultation and agreement with OMB, the agency decided to exercise a clause in the program's legislation allowing it to modify the terms of some of the guarantees because of economic downtrends. This reduced the present value of those guarantees by \$1,000.<sup>69</sup> The agency transferred the \$1,000 from the program fund to the financing fund.

### ***Explanation of Difference***

Here the basic transaction is the same—the agency is making modifications to loan guarantee terms that cost the government \$1,000. However, some of the related procedures are different. In the discretionary program, the agency had to reduce the loan guarantee level. This was because the subsidy appropriation was annual, so the agency had to use subsidy to modify loan guarantees and could not use the subsidy to making new guarantees (recall that an agency can only make the amount of loan guarantees that its subsidy monies can support).

In a mandatory program in which an agency can draw additional monies, with OMB approval, from a permanent indefinite appropriation, there is no need to reduce the program level. The agency can recover the \$1,000 subsidy by drawing an additional \$1,000 from the appropriation subsidy. This is not illustrated because, we know from the discretionary program guide, the agency did not use the full amount of subsidy, even reduced by the \$1,000 used for modifications, to make loans. However, the agency would not make the entry to reduce the loan level, unless OMB directed the agency to reduce it.

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<sup>69</sup> Before making the modifications, the agency must be certain that it has sufficient unobligated resources for subsidy in the program fund. In this guide, the amount of unobligated resources, as represented by allotments related to the subsidy, amounted to \$2,150 (\$21,500 from transaction 1-3 less \$19,350 from transaction 1-5).

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**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, with the exception that the guaranteed loan level probably would remain at \$100,000 instead of having been reduced to \$95,349. The pre-closing trial balance of memorandum accounts for the loan guarantee level would thus be:

<b>Pre-Closing Adjusted Trial Balance (Financing Fund Only)</b>	
	<b>Total Debit/(Credit)</b>
<b><u>Loan Guarantee Level</u></b>	
<b><u>Memorandum Accounts</u></b>	
801000 Guaranteed Loan Level	100,000
801500 Guaranteed Loan Level - Unapportioned	0
802000 Guaranteed Loan Level - Apportioned	(10,000)
804000 Guaranteed Loan Level - Used Authority	(90,000)
804500 Guaranteed Loan Level - Unused Authority	0
<b>Total</b>	<b>0</b>

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1-19 The agency made the following closing entries.

**Memorandum Accounts - Loan Guarantee Level**

	DR	CR	TC
<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> None			
<b><u>Memorandum Entry</u></b> 802000 Guaranteed Loan Level – Apportioned 804500 Guaranteed Loan Level - Unused Authority	10,000	10,000	F346

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<b>Pre-Closing Adjusted Trial Balance (Financing Fund Only)</b>	
	<b>Total Debit/(Credit)</b>
<b><u>Loan Guarantee Level</u></b>	
<b><u>Memorandum Accounts</u></b>	
801000 Guaranteed Loan Level	100,000
801500 Guaranteed Loan Level - Unapportioned	0
802000 Guaranteed Loan Level - Apportioned	0
804000 Guaranteed Loan Level - Used Authority	(90,000)
804500 Guaranteed Loan Level - Unused Authority	(10,000)
<b>Total</b>	<b>0</b>

Narrative descriptions about funding and 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.)

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**APPENDIX 2: REFERENCES**

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

**OFFICE OF MANAGEMENT AND BUDGET**

- OMB Bulletin 01-09, *Form and Content of Agency Financial Statements for Audit*
- OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*
- OMB Circular A-136, *Financial Reporting Requirements- Revised*
- OMB Credit Model
  - Office of Federal Financial Management (202) 395-3993
  - Web site: [www.whitehouse.gov/omb](http://www.whitehouse.gov/omb)

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**FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD**

Statement of Federal Financial Accounting Standards (SFFAS)

- SFFAS No. 1, *Selected Assets and Liabilities*
- SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*
- SFFAS No. 3, *Inventory and Related Property*
- SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and concepts for Reconciling Budgetary Financial Accounting*
- 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* in SFFAS No. 2
- 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](http://www.fasab.gov)
- **Bureau of the Fiscal Service U.S.** *Standard General Ledger* (codified in *Treasury Financial Manual*)
- *Budgetary Accounting in the Federal Government*
- Illustrative Cases in Accounting for Credit Programs (Financial Reports and Advisory Division)



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- Present Value Monograph
- General Ledger and Advisory Branch (Bureau of the Fiscal Service, Treasury)
- *OMB Circular No. A-11, (July 2016 ) Section 185.20, Capital transfer, including transfers of unobligated balances in liquidating accounts to the general fund (i.e., liquidating account sweeps), and redemption of debt are not obligations and therefore do not need to be apportioned on lines 6001-6173.*

*OMB Circular No. A-11, July 2016) Section 185.19, for financing and liquidating accounts, additional amounts for interest payments to Treasury (i.e., amounts exceeding your estimate on the most recent approved apportionment) are automatically apportioned.*

- The permutations to credit reform accounting for loan guarantees are endless. In future iterations of the case study, additional years and transactions could be added to build upon what is presented here.