

Proprietary USSGL Account Definition Modifications (Effective FY 2025)

1) Payment Certificates

Account Title: Participation and Payment Certificates

Account Number: 254000

Normal Balance: Credit

Definition: This account is used to record the amount of liability for a federal entity's share of participation certificates, and/or payment certificates issued by a federal entity for the assumption of defaulted guarantees backed by the U.S. government. This account does not close at year-end.

Justification: *This proposed SGL definition change does not alter the current reporting of Participation Certificates, but it expands the use of SGL 254000 to include the use of 'payment certificates.' Payment certificates issued in exchange for an obligor's defaulted note that are guaranteed by federal entities should be reported on the Balance Sheet as "Federal Debt and Interest Payable" rather than "Other Liabilities." This SGL crosswalks both participation certificates and payment certificates to "Federal Debt and Interest Payable" on the Balance Sheet.*