

Federal Intragovernmental Transactions Accounting Policies Guide

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**Department of the Treasury
Financial Management Service
Financial Reports Division**

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**FINANCIAL MANAGEMENT SERVICE
Federal Intragovernmental Transactions
Accounting Policy Guide**

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Section 1 -Summary of Changes to the Guide

The following table summarizes the changes updated from the Federal Intragovernmental Transactions Accounting Policies guide, dated August 18, 2006.

Section Reference	Page	Change
Throughout the Guide		Updated USSGL accounts and titles for fiscal year 2007.
Section 2- Purpose and Scope		Updated the fiscal year.
Section 3- Acronyms		Updated
Section 4- Resources		Deleted IRRI website http://www.fms.treas.gov/irri
Section 5- Definitions		Updated
Section 7- Agencies' Responsibilities		Updated
Section 9 - Reporting Requirements Authority		Updated the fiscal year and revised for FY 2007.
Section 11.1 - Quarterly "F" Data File Submission- Description and Formats		Updated the fiscal year.
Section 11.3- Other Required Information to Accompany Agency Submission		Deleted Appendix J and replaced with Appendix I
Section 11.4- Processing Notes		Revised
Section 11.8- FMS Intragovernmental Quarterly Activity Reports		Updated the fiscal year
Section 11.9 – Quarterly Status of Disposition Certification		Updated
Section 11.10- Detailed Quarterly Status of Disposition Certification Instructions		Deleted Lena Lewis as the IFCS Administrator, deleted Appendix I and replaced with appendix H, changed I TFM 2-4700 section 4703 30f to I TFM 2-4700 section 4706 30f, updated
Section 11.11 Intragovernmental Fiduciary Confirmation System		Deleted http://fms.treas.gov/irri/index.html and updated section
Section 11.12- Third Quarter CFO Instructions and IG Agreed Upon Procedures for		New Section added

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Intragovernmental Activity and Balances		
Section 12 - Yearend Intragovernmental Reconciliation Process Related to Closing Package Reporting		Updated
Section 12.1- CFO Representations for Federal Intragovernmental Activity and Balances		Changed TFM 2-4700 Section 4706.20 to TFM 2-4700 Section 4705.75, updated.
Section 13.5- Trading Partner Code “99” Reporting for the Treasury General Fund		Updated, changed (e.g., USSGL accounts 1325F to USSGL accounts 1360F)
Section 13.8- Trust Fund Receipts		Updated
Section 13.9 – OMB Memorandum 03-01, Business Rules for Intragovernmental Transactions		Changed the title of the section to OMB Memorandum M -07- 03, Business Rules for Intragovernmental Transactions, and section revised
Section 14.1 General Guidance		Deleted Intragovernmental Fiduciary Confirmation System, updated fiscal year
Section 14.2 BPD Investments		Updated
Section 14.3 BPD and FFB Borrowings		Updated
Section 14.4 OPM Employment Benefits		Deleted “The Office of Personnel Management”, and section revised
Section 14.5 Department of Labor FECA Transactions		Updated
Section- 15- Non-Fiduciary Transactions		Updated OMB Memorandum
Section 17.3.2 Borrowing from Treasury (BPD)		Updated
Section 17.5 Reconciliation Differences		Deleted appendix I and replaced with appendix H, in “unknown differences” deleted appendix H and replaced with appendix G,
Section 20.1 Reconciliation of Reciprocal Account Categories		Reciprocal Categories revised
Section 21.1.2- Purchases at a Discount		Deleted “Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt

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Section 21.1.3- Purchased at a Premium		Deleted "Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt.
Section 21.1.4- Purchased at Par Value		Deleted "Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt.
Section 21.1.5- Purchase of Interest with a Security Purchased at Par Value		Transaction code revised
Section 21.1.6 – Interest Income		Transaction code revised
Section 21.1.7- Interest Accruals		Transaction code revised
Section 21.1.8- Amortization of Premium or Discount		Revised
Section 21.1.9- Amortization of Premium		Transaction code revised
Section 21.1.10- Amortization of Discount		Transaction code revised
Section 21.1.12- Sale of a Security (with no Gain or Loss) with Unamortized Discount		Transaction code revised
Section 21.1.13- Sale of an Investment with a Gain		Transaction code revised
Section 21.1.14- Sale of an Investment with a Loss and Unamortized Premium		Transaction code revised
Section 21.2.2- Interest Accruals		Transaction code revised
Section 21.2.3- Interest Payments		Transaction code revised
Section 21.3.1- Proceeds from Borrowing		Transaction code revised
Section 21.3.3- Interest Accruals		Transaction code revised
Section 21.3.4- Principal Payments		Transaction code revised
Section 21.4 Transactions with the DOL Relating to the FECA		Revised
Section 21.4.1- FECA Liability and FECA Actuarial Liability Transactions- Example		Transactions revised

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Section 21.4.2- Actuarial FECA Liability		Transaction code revised
Section 21.5.3- Entries to record DOJ's receipt of bill for quarter ending 09/30/05 and payment to DOL during quarter ending 12/31/05		Transaction code revised
Section 21.5.5- The entries to adjust the accrual from the previous quarter of unfunded revenues and expenses at 12/31/05 are as follows:		Transaction code revised
Section 21.5.6- Entries to record DOJ's receipt of bills and payments to DOL for all four UI Chargeback quarter bills included in the fiscal year		Transaction codes revised
Section 21.5.8- The entries to record the unfunded revenue and expense for the entire fiscal year are as follows:		Transaction code revised
Section 21.6 – Note to clarify agency reporting of Thrift Savings Plan		<i>(Note: Agencies' contributions to the Thrift Savings Plan should be coded as non-Federal Transactions)</i>
Section 21.6.2 Agency (Employer) Contributions (Yearend Accrual)		Changed the amount from 11,050 to 5,850, transaction code revised
Section 21.6.3- Imputed Costs		Transaction code revised
Section 21.7- Services Provided		Transaction codes revised
Section 21.8.1- Goods Recorded as Expenses by Receiving Agency		Transaction codes revised
Section 21.8.2- Goods Recorded as Assets by the Receiving Agency		Transaction codes revised
Section 21.8.3- Goods Recorded as Supplies Inventory by the Receiving Agency		Transaction codes revised

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Section 21.8.4- Sale of Inventory (Cost of Goods Sold)		Transaction codes revised
Section 21.9.1- Advance		Transaction codes revised
Section 21.9.2- No Advance		Transaction codes revised
Section 21.10.1- Accounting for Gains/Losses in Future Years		Transaction codes revised
Section 21.10.3- Sale of Equipment with a Gain		Transaction codes revised
Section 21.10.4- Sale of Equipment with a Loss		Transaction codes revised
Section 21.11- Transfers		Revised
Section 21.11.2- Nonexpenditure Transfers (NETs) Affecting Reciprocal Category 08		Updated, and transaction codes revised
Section 22- Yearend Cut-Off Procedures		Updated, and transaction codes revised
Section 23-Reconciliation Procedures		Dates updated, ALC Code Billed, and transaction code revised
Appendix C- Material Differences/ Status of Disposition Certification		Form updated and revised
Appendix E- FY 2007 CFO Representations for Federal Intragovernmental Activity and Balances		Revised and updated for FY 2007.
Appendix F- Intragovernmental Key Dates		Updated the fiscal year and due dates
Appendix G- Additional Explanations FY 2006- 4 th Quarter		Updated the fiscal year

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Section 2 - Purpose and Scope

This guide provides Governmentwide policies for federal program agencies to account for and reconcile transactions occurring within and between each other (referred to collectively as intragovernmental transactions). The policies in this guide do not apply to transactions occurring between federal agencies and non-federal entities, states, localities or other entities.

This guide is designed to provide agencies with the Governmentwide accounting policies relative to intragovernmental transactions, tools to facilitate the reconciliation process, and examples of: accounting and reporting various types of transactions, year-end cut-off procedures and reconciliation procedures.

The policies and examples in this guide provide a foundation and framework for accounting for intragovernmental transactions, reconciling and determining the accuracy of balances, and a basis for the elimination of intragovernmental balances both at the agency and Governmentwide levels.

Implementation of policies in this guide will enhance the process of recording intragovernmental transactions and facilitate the reconciliation and reporting of these activities and balances for all agencies. These policies will also standardize the business practice across the Federal government and improve the quality of agency reporting. The accounting policies and procedures are based on the accounts available in the fiscal year 2007 USSGL. The USSGL transaction codes (TCs) listed throughout this document reference USSGL TFM T/L S2 07-01 (Part 1 Fiscal Year 2007 Reporting).

This guide includes policies for the following intragovernmental transactions:

Transaction	Examples of Transactions
Services provided and reimbursables	Legal, consulting, investigative, financial management, grants management, technology, administrative costs, and other similar services.
Cost of products sold	Supplies, manufactured items, inventory, office space, and equipment/vehicle rentals.
Transfers, appropriations used and collections for others, and unusual assets and liabilities related to appropriations	Transfers between agencies based on agreements or legislative authority, expended appropriations, taxes and fees collected, collections for others, receivables from appropriations, transfers payable, and custodial revenue.
Investments with Treasury (BPD)	Investments, interest accruals, interest income and expense, and amortization of premiums and discounts.
Borrowings from Treasury (BPD and FFB)	Borrowings, interest income and expense.

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Transaction	Examples of Transactions
Transactions with the DOL relating to the Federal Employees' Compensation Act (FECA)	Recording of FECA expenses and liabilities, including the accrual of actuarial liabilities.
Transactions with the DOL relating to Unemployment Insurance	To record unemployment insurance expenses and liabilities.
Transactions with the OPM relating to the Federal Employees' Retirement System, the Civil Service Employees' Retirement System, Federal Employees' Life Insurance Program and Health Benefits Programs.	Recording of expenses, liabilities and imputed financing.

This guide does not include detailed examples of the budgetary accounting and some of the proprietary accounting related to these intragovernmental transactions. Policy guidance for budgetary accounting transactions can be found at the FMS website (<http://www.fms.treas.gov/ussgl>).

This guide replaces and supersedes the previously issued guide, *Federal Intragovernmental Transactions Accounting Policies Guide*, issued on August 18, 2006.

Section 3 -Acronyms

AGR	Agency Generated Reports
ALC	Agency Location Code
BPD	Bureau of the Public Debt
DOL	Department of Labor
DPCI	Duplicate Partner Code Identifier
FACTS I	Federal Agencies' Centralized Trial-Balance System
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance With Treasury
FCSIC	Farm Credit System Insurance Corporation
FECA	Federal Employment Compensation Act
FFB	Federal Financing Bank
FMS	Financial Management Service (Department of the Treasury)
FPA	Federal Program Agencies
FR	Financial Report of the United States Government
GAO	Government Accountability Office
GFRS	Governmentwide Financial Report System
GMRA	Government Management Reform Act
GOALS	Government On-Line Accounting Link System
IFCS	Intragovernmental Fiduciary Confirmation System
IG AUP	Inspector General Agreed Upon Procedures
IPA	Independent Public Accountant

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IPAC	Intragovernmental Payment and Collection System
IRAS	Intragovernmental Reporting and Analysis System
MTS	Monthly Treasury Statement
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PBGC	Pension Benefit Guaranty Corporation
PCIE	President's Council on Integrity and Efficiency
SFFAS	Statement of Federal Financial Accounting Standards
I TFM	
2-4700	Volume I, Treasury Financial Manual, Part 2, Chapter 4700
UCAD	Use of Central Accounting Data
USSGL	United States Standard General Ledger

Section 4 -Resources

FMS Website: <http://www.fms.treas.gov>

GFRS/FACTS I/IFCS Website: <http://fmsapps.treas.gov/ias>

FMS USSGL Website: <http://www.fms.treas.gov/ussgl>

OMB Website: <http://www.whitehouse.gov/omb>

GAO Website: <http://www.gao.gov>

FASAB Website: <http://www.fasab.gov>

Treasury Managed Accounts Website: <http://fms.treas.gov/tma/>

BPD Federal Investments Website: <http://federalinvestments.gov/>

BPD Federal Borrowings Website: <http://www.publicdebt.treas.gov/bor/>

Unemployment Insurance and FECA Liability Information Website:
<http://www.dol.gov/ocfo/publications/html>

Section 5-Definitions

The following definitions are used in this guide:

Business Rules—A standard set of regulations which provides Federal entities official guidance with recording and reconciling fiduciary transactions and intragovernmental exchange activity. This is an effort to standardize the business practice across the Federal government.

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Buy/Sell—Intragovernmental exchange transactions related to goods and services rendered, accounts receivable/payable and other liabilities, advances, prepayments from/to and deferred credits.

Closing Package—A methodology designed to link agencies' comparative, audited consolidated, department-level financial statements to the Financial Report of the United States Government (FR). It is the data submitted by each verifying and non-verifying agency for inclusion in the FR.

Duplicate Partner Code Identifier (DPCI) – A single-digit code applied to a reporting trading partner agency sharing a 2-digit agency code with another agency (i.e. PBGC, FCSIC, and Smithsonian).

Exchange—Activity arising when a Federal entity provides goods and services to the public or to another Federal entity for a price.

Fiduciary—Intragovernmental transactions that consist of BPD investments and borrowings; FFB borrowings; DOL FECA transactions, and OPM employee benefit transactions.

Intradepartmental Balance—This USSGL account balance results from a transaction between trading partners in the same department.

Intragovernmental Activity/Balances—Revenue/expense transactions, asset/liability transactions, and transfers resulting from business activities conducted by Federal entities.

Intragovernmental Fiduciary Confirmation System (IFCS)—An internet-based application for confirming and reconciling fiduciary balances (quarterly and year-end). This is the official confirmation system for Federal agencies and departments that engage in fiduciary intragovernmental transactions. Agencies and departments must use the IFCS to confirm and reconcile activity and balances activity for investments, borrowings, FECA transactions, and employee benefits transactions.

Intragovernmental Reporting and Analysis System (IRAS)—An internal database in FMS used to conduct in-depth analysis and to synthesize/provide quarterly and year-end Closing Package reporting, as well as IFCS reporting, of all intragovernmental transactions to Federal entities.

Intragovernmental Transactions—Business activities occurring within or between Federal agencies.

Non-Exchange—Refers to revenue arising primarily from the exercise of the Government's power to demand payments from the public (i.e. taxes, duties, fines, and penalties). This also includes donations.

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Non-Fiduciary—Consist of intragovernmental buy/sell (exchange) transactions, transfers, and non-Treasury investment transactions.

Out-of-Balance Condition—The net difference between the reporting agency’s activity and its trading partner’s activity for a particular reciprocal category.

Performance Measures— A method to measure agency reporting performance for closing package and intragovernmental activity and balances each fiscal year (for verifying reporting agencies only).

Providing Agency—The Federal agency (includes bureaus, departments and/or programs within agencies) that provides services, products, goods, transfer funds, investments, debt and/or incurring the reimbursable costs. The providing agency is considered as the seller for exchange transactions and the transferring out entity when appropriations are transferred.

Receiving Agency—The Federal agency (includes bureaus, departments and/or programs within agencies) that receives services, products, goods, transfer funds, purchasing investments and/or borrowing from Treasury (or other agency). The receiving agency is the purchaser for exchange transactions and the transferring in entity when appropriations are transferred.

Reciprocal Category (RC)—Pairings of related USSGL accounts that should be used by providing and receiving agencies to reconcile like intragovernmental activity/balances. It is also a pair of Closing Package financial statement Federal line items that will be used to perform eliminations at the Governmentwide level.

Reporting Agency (RA)—A Federal entity that reports intragovernmental amounts against its trading partner for a reciprocal category.

Trading Partner (TP)—An agency, department, bureau, or other Federal entity that is the party to intragovernmental transactions with another Federal agency.

Trading Partner Code—The attribute used to identify the trading partner agency.

Section 6 -General Instructions

Use of 2-digit trading partner codes: Agencies must use 2-digit trading partner codes for all intragovernmental transactions, when submitting quarterly data file extracts to FMS.

Use of 4-digit trading partner codes: Agencies must use 4-digit trading partner codes, established in the Governmentwide Financial Report System (GFRS), for yearend reporting of all intragovernmental transactions.

Appropriation Transfers: When agencies report “appropriation transfers” within their departments, they should use their 2-digit trading partner code rather than “00.” Trading partner

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code “00” is limited to the House, Senate, classified transactions, or any truly unidentifiable activity/balances.

Buy/Sell Transactions: Agencies that have buy/sell relations, in which a capitalized asset is purchased versus incurring expenses, should use USSGL Account 8802 (Purchases of Property, Plant and Equipment), USSGL Account 8803 (Purchases of Inventory and Related Property), USSGL Account 8804 (Purchases of Assets – Other) and USSGL 8801 (Offset for Purchases of Assets), as well as the appropriate USSGL asset account.

Additional information on the above general intragovernmental instructions is available throughout this document.

Section 7-Agencies' Responsibilities

Each agency is responsible for:

- Establishing and maintaining a structure for its intragovernmental transactions (initiating, executing, recording, reconciling and reporting procedures).
- Documenting and supporting the information recorded in its accounting records related to intragovernmental transactions.
- Recording activity between Federal entities at the transaction level. Do not net accounting activity or intragovernmental balances, even if the activity is in the same reciprocal category.
- Providing intragovernmental balances (“F” transactions) for all proprietary USSGL accounts to FMS each quarter.
- Reconciling the intragovernmental data in its accounting records to the supporting documentation based on FMS IRAS Reports.
- Submitting intragovernmental Closing Package data by Federal line item to FMS at yearend.
- Ensuring that the reconciled and confirmed balances for intragovernmental transactions agree to agency audited financial statements and Closing Package reporting.
- Completing the CFO Representations for Federal Intragovernmental Activity and Balances (i.e. Section I, Section II and Additional Explanations Sheet), and providing the information to FMS, and GAO.
- Performing new CFO requirements for 3rd quarter IG AUP, if your agency meets the criteria for AUPs. (See Section 11.12)

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- Representing that all intragovernmental balances have been reconciled and that those balances are presented in the agency's audited financial statements as instructed by OMB Circular A-136, Financial Reporting Requirements, dated June 29, 2007 .
- Establishing a consistent relationship with their trading partners in order to identify and resolve differences.

Section 8-Effective Dates

The policies and procedures in this guide are effective immediately and apply to all intragovernmental transactions related to asset, liability, expense and revenue accounts.

Section 9-Reporting Requirements Authority

The intragovernmental transactions reconciliation requirements are stated in OMB Circular No. A-136, revised, OMB Memorandum M-07-03 Business Rules for Intragovernmental Transactions, and TFM Volume I, Bulletin No. 2007-03, Intragovernmental Business Rules. Agencies may obtain copies of those documents from the OMB Web site at <http://www.whitehouse.gov/omb>.

Section 10-Reconciliation Assurance Level

For fiscal 2007, a reconciliation assurance level will be systematically established in IRAS using four functions:

- (1) Obtaining sufficient explanation of out-of-balance condition.
- (2) Obtaining assurance that agencies are performing quarterly intragovernmental reconciliation in accordance with OMB Circular A-136, Financial Reporting Requirements, dated June 29, 2007.
- (3) Ensuring agencies are mutually completing "Status of Disposition Certification" for the same trading partner/reciprocal category material difference instances.
- (4) Minimizing the number of differences subject to certification through a sampling process.

Section 11-Quarterly Intragovernmental Reconciliation Process

The quarterly reconciliation process will facilitate elimination of intragovernmental differences for year-end financial reporting.

The OMB Circular A-136, Financial Reporting Requirements, dated June 29, 2007, requires Federal Chief Financial Officers (CFO) Act and non-CFO Act entities identified by Treasury in the Treasury Financial Manual, TFM 2007, Vol. I, Part 2-Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government dated May 30, 2007, to perform quarterly reconciliation of intragovernmental activity/balances.

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In support of the quarterly reconciliation process, reporting agencies are required to submit intragovernmental balances (only transactions with the “F” attribute) for all proprietary USSGL accounts to FMS no later than July 24, 2007 for the third (3rd) quarter and October 19, 2007 for the fourth (4th) quarter. Agencies should derive the submitted intragovernmental balances directly from departmental trial balances that were used as the basis for constructing quarterly unaudited financial statements for OMB.

An example of the format appears in the section entitled “Quarterly “F” Data File Submission – Description and Formats.”

11.1-Quarterly “F” Data File Submission - Description and Formats

In an effort to streamline FMS quarterly intragovernmental reporting while granting agencies flexibility, FMS will accept either of two formats for submission of quarterly intragovernmental data.

These two formats are:

- Text file format: Submissions in this format are usually downloads from agency’s automated accounting systems. All text files should be sent using the Windows Notepad application, with a “.txt” filename extension.
- Excel file format: Excel submissions are more convenient for some agencies that need to modify particular records.

Regardless of which format is used, all of the elements in the table below entitled, “Quarterly ‘F’ Data File Submission – File Format (Input)” **must** be included except where indicated. In addition, all columns or fields should be labeled either in the heading or in a separate accompanying file with the column position numbers.

The following table is an example of an agency’s data file layout. The table outlines ten required columns for Text files and nine required columns for Excel files.

11.2-Quarterly “F” Data File Submission – File Format (Input)

Field Name	Length	Type	Choices	Description
<u>Department Code</u>	2	Text		Treasury Department Code associated with the adjusted trial balance fund group and consistent with the MAF ATB Code
<u>Bureau Code</u>	2	Text		Bureau Code associated with the adjusted trial balance fund group and consistent with the MAF ATB Code . Use “00” if the agency does not have any subdivisions.
<u>Fund Group</u>	4	Text		MAF Fund Group

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Field Name	Length	Type	Choices	Description
<u>USSGL Account</u>	4	Text		USSGL Account Number
<u>Federal/Non-Federal Attribute</u>	1	Text	F	Federal/Non-Federal Indicator (use only "F")
<u>Federal Trading Partner</u>	2	Text		Treasury Department Code of Federal Trading Partner
<u>Sign Indicator</u> (Required Only for Text Files)	1	Text	"-" or "D" & "C"	Standard letter/symbol to indicate debit or credit. Note: for Excel files, a negative sign is considered part of the Amount field.
<u>Dollar Amount</u> Agencies must indicate in the e-mail whether amounts are presented as Normal or Standard balances – see Notes on Dollar Amounts, below	17	Numeric	Numeric	Text files: Leading zeroes required. Last two positions assumed decimal. Excel Files: Amounts must be presented in a numeric or currency format without leading zeroes and with the negative sign as applicable. If no decimal point is displayed the amount is considered to be rounded to the nearest dollar.
	(Length requirement for Text files only)			
<u>Exchange/Nonexchange Attribute</u>	1	Text	X or T (where applicable)	Exchange/Nonexchange Attribute
<u>Duplicate Partner Code Identifier (DPCI)</u>	1	Text	"R" (where applicable)	Attribute for certain reporting entities, which use duplicate 2-digit Department Codes.

11.3 - Other Required Information to Accompany Agency Submission

Regardless of which file format is used to send agency submission, all files must have column/field heading titles. In the case of text – based submissions, the titles must indicate the starting and ending column position (this should be provided in a separate file or in the body of the e-mail).

Agencies must also complete the Agency Quarterly Intragovernmental Data File Submission Checklist (Appendix I), which addresses the following:

- File completeness
- File format
- Whether the amounts are provided as Normal or Standard balances.
- Certain other characteristics of the Agency’s file submission
- Agency point of Contact for any technical problem with the data file.
- Record Count

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The agency's checklist must be submitted with the "F" data file, to their FMS' respective intragovernmental review accountant.

11.4 - Processing Notes

Federal agencies use a variety of accounting systems and database applications. The following guidelines will assist agencies in developing the database structure. Unlike the previous FACTS I process, agencies will not upload bulk files via GOALS II or any other FMS on-line systems. Rather, the verifying agencies must use standard e-mail for sending the quarterly data files. The Intragovernmental Reporting and Analysis System (IRAS) will then upload each agency's individual data file.

- The data file can contain multiple departments, bureaus, and fund groups.
- The text or excel file format is defined based upon currently designated attributes. Additional attributes may be added at a future date. For agencies that submit text files, they may wish to add filler at the end of the record and increase the record length to provide for future attributes. FMS can accept files with longer records if the defined fields conform exactly to the specified format.
- Decentralized agencies should consolidate all submissions from sub-agencies departments, or bureaus. Also, the resulting consolidated file format and data layout must be consistent.
- Descriptions and definitions of fiscal year 2007 USSGL account attributes and the domain values of the attributes are published in USSGL TFM S2 07-01 (Part 1, Fiscal Year 2007 Reporting) (available to readers on the Internet Web site at <http://fms.treas.gov/ussgl/current.html>).
- Edits for duplicate and illogical records are conducted based on a key consisting of department code, bureau code, fund group, USSGL account, Federal/Non-Federal attribute, Federal trading partner, and exchange/nonexchange attribute. Additional validations also are conducted. FMS will return any exceptions via e-mail to the agency for correction. **The agency must return corrected entries within 1 business day.**

11.5 - Notes on Dollar Amounts

Verifying agencies must indicate whether the dollar amounts are presented as "Normal" or "Standard" balances. Also, leading zeroes are required for text files but are not to be used for Excel files. For text files, both the **sign** and **amount** fields are combined when considering Normal and Standard balances. These terms are defined as follows:

- Normal balance: All amounts which are reported as their normal balance are to be shown with a **positive** sign. All abnormal balances are to be shown with a **negative** sign. The only exceptions are for accounts which do not have a normal balance, such as amortization of discount and premium.

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- Standard balance: (previously referred to as “trial-balance”) all balances, whether normal or abnormal, are shown with their respective sign, similar to how they would appear in a standard trial-balance report.

Verifying agencies must also indicate whether the last two positions of the amount field are cents.

The following table demonstrates several examples between the two methods. Note: in the examples the **sign** and **amount** fields are combined.

USSGL Account	Normal or Abnormal	Amount	IRAS Presentation	
			Normal Method	Standard Method
2110 (Accounts Payable)	Normal	\$100	\$100	-\$100
2110 (Accounts Payable)	Abnormal	\$100	-\$100	\$100
1310 (Accounts Receivable)	Normal	\$100	\$100	\$100
1310 (Accounts Receivable)	Abnormal	\$100	-\$100	-\$100
5310 (Interest Revenue)	Normal	\$100	\$100	-\$100
5310 (Interest Revenue)	Abnormal	\$100	-\$100	\$100
6100 (Expense)	Normal	\$100	\$100	\$100
1613 (Amortization)	Normal	\$100	\$100	\$100
1613 (Amortization)	Abnormal	\$100	-\$100	\$100
1319 (Allowance for loss on Receivables)	Normal	\$100	\$100	-\$100

11.6 - Notes for Excel File Submissions:

Data formatting: All data, with the exception of the “Amount” column, must be in “Text” format. For example, without Text formatting, Fund code “0990” will appear as “990.” To achieve Text formatting, perform the following procedure **before** entering data in the Excel worksheet:

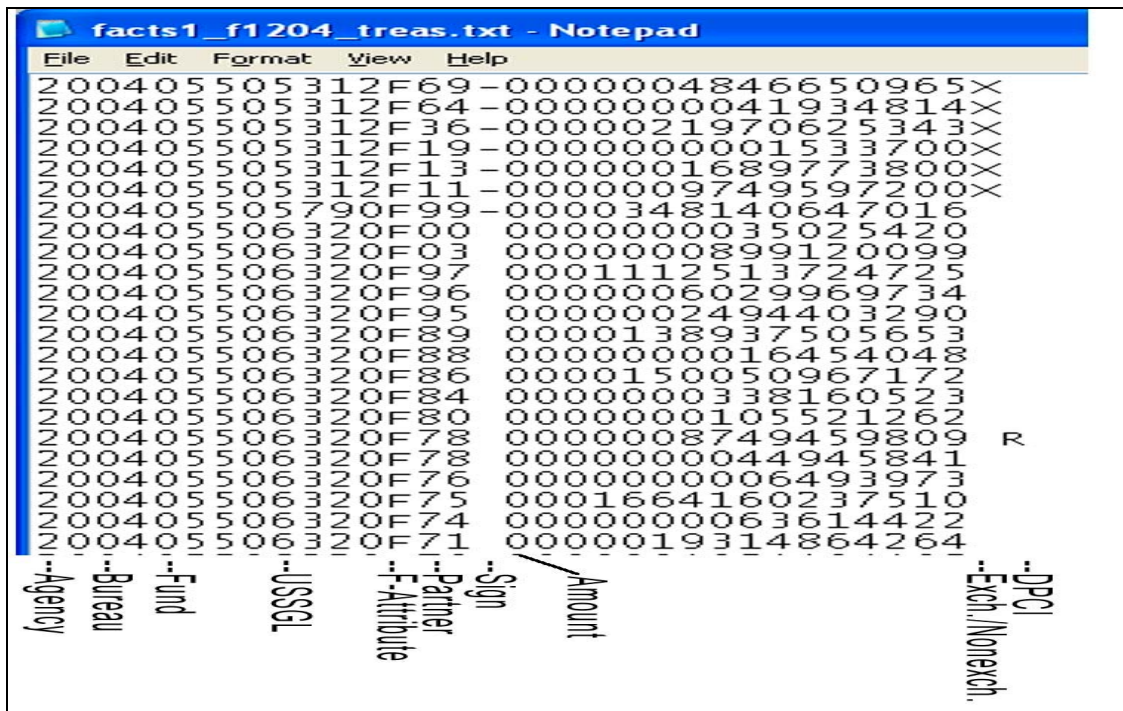
1. Select the entire column(s) with the mouse (for example, column “F” or columns “A-G”)
2. Click “Format” from the menu bar.
3. Select “Cells” from the “Format” sub-menu.
4. Under “Category” select “Text”.
5. Click “OK”.

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Homogeneous rows: An Excel file submission must be in the form of a data table. Therefore, all rows, after the header row, must contain the same type of information with no breaks (that is, no empty rows). For example, there should be no totals, subtotals or subheadings in the data file. Additionally, after the last row of data and after the last column of data in each record, there should not be any entries in the Excel worksheet. See Illustration 2, below for an example of a properly prepared Excel file submission.

Illustration 1: Example of a Text File Submission

(Headings would appear in a separate attachment. see Section 11.3 above)



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Illustration 2: Example of an Excel File Submission

4	Agency Code	Bureau Code	Fund Group	SGL Account	"F"Attribute	Partner Code	SGL Amount	Exch or Nonexch	DPCI
5	27	00	0100	1310	F	13	339932		
6	27	00	0100	1310	F	24	3814		
7	27	00	0100	2213	F	24	894711		
8	27	00	0100	2213	F	99	269300		
9	27	00	0100	2225	F	16	447844		
10	27	00	0100	5200	F	11	1000	X	
11	27	00	0100	5200	F	13	358465	X	
12	27	00	0100	5200	F	15	150000	X	
13	27	00	0100	5200	F	20	14119	X	
14	27	00	0100	5200	F	24	3814	X	
15	27	00	0100	5200	F	70	352428	X	
16	27	00	0100	5200	F	95	221000	X	
17	27	00	0100	5200	F	97	550000	X	
18	27	00	0100	5780	F	24	14547364		
19	27	00	0100	6100	F	03	-8715		
20	27	00	0100	6100	F	04	1529387		
21	27	00	0100	6100	F	10	1999		
22	27	00	0100	6100	F	12	232245		
23	27	00	0100	6100	F	13	102693		
24	27	00	0100	6100	F	14	4131386		
25	27	00	0100	6100	F	15	42488		
26	27	00	0100	6100	F	16	11031		
27	27	00	0100	6100	F	18	257596		
28	27	00	0100	6100	F	19	5774		
29	27	00	0100	6100	F	20	146374		
30	27	00	0100	6100	F	24	1305077		
31	27	00	0100	6100	F	45	3165		
32	27	00	0100	6100	F	47	41253487		
33	27	00	0100	6100	F	69	164552		
34	27	00	0100	6100	F	70	46913		
35	27	00	0100	6100	F	75	51306		
36	27	00	0100	6100	F	78	138		
37	27	00	0100	6100	F	95	1000		
38	27	00	0100	6100	F	97	103310		
39	27	00	0100	6400	F	16	226976		

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11.7 - Duplicate Partner Code Identifier (DPCI)

The DPCI is a single-digit code to be applied only to a reporting trading partner agency sharing a 2-digit agency code with another agency. The DPCI field is blank for all other trading partner agencies. The rules for using the DPCI identifier are contained in the following:

If the Trading Partner Agency is...	Then Apply Partner Code...	DPCI Code is	Notes
Pension Benefit Guaranty Corporation (PBG – Agency Code 1602)	16	R	Leave DPCI field blank for Department of Labor (16).
Smithsonian Institution (Agency Code 33)	33	R	Leave DPCI field blank for all other Agency “33” entities, such as the JFK Performing Arts Center.
Farm Credit System Insurance Corporation (FCSIC) (Agency Code 7802)	78	R	Leave DPCI field blank for Farm Credit Administration (78).
Any other future reporting agency sharing a 2-digit agency code with a non-reporting agency	[2-digit partner code]	R	Leave DPCI field blank for the non-reporting agency.
<u>Note:</u> “R” indicates that partner codes 16, 33, and 78 refer to the Pension Benefit Guaranty Corporation, the Smithsonian Institution, and the Farm Credit System Insurance Corporation, respectively (as opposed to other Federal entities that share the same 2-digit agency codes).			

11.8 – FMS Intragovernmental Quarterly Activity Reports

Beginning with the third quarter FY 2007, FMS will discontinue emailing agencies the following seven quarterly financial reports generated from the Intragovernmental Reporting and Analysis System (IRAS) tool:

- Intragovernmental Activity Detail Report by Trading Partner
- Intragovernmental Activity Summary Report by Trading Partner
- Intragovernmental Reciprocal Category Summary Report
- Intragovernmental Reciprocal Category Detail Report
- Fiduciary Quarterly Data vs. IFCS Agency Benefits Report
- Fiduciary Quarterly Data vs. IFCS Agency Comparison Report
- Intragovernmental Material Difference/Status of Disposition Certification Report
- Intragovernmental General Fund Detail Report

FMS will consolidate agency quarterly financial data within four (4) business days of the agencies’ submissions of the quarterly “F”: transaction data files. After the completion of the consolidation process, reporting agencies are required to generate the eight reports via the Discoverer query through GFRS.

The appearance of the intragovernmental reports from the Discoverer query will be similar to what agencies have received in the past. In the query tool, users have the option to view or download the report to/from Excel and/or Adobe Acrobat. Therefore, based on the user’s application selection, the look and feel of the report may be different but the content remains the same.

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11.9 - Quarterly Status of Disposition Certification

Each verifying agency will generate a *Material Differences/Status of Disposition Certification Report* from the Discoverer application in GFRS containing reporting between the agency and its trading partners by reciprocal category. FMS will provide a blank form that agencies will use to explain in detail their reporting on records showing material differences. FMS will post this form on the FACTS I Web site at <http://www.fms.treas.gov/factsi/reports.html>.

The *Material Differences/Status of Disposition Certification Report* will allow agencies to identify differences with trading partners excluding “00” and “99” by reciprocal categories (excluding RC 25, imputed costs/imputed financing sources and RC 29, non-reciprocating USSGL accounts) that are greater than or equal to a respective reconciliation assurance level.

Verifying agencies should provide an explanation of their reporting on the Additional Explanation form (Appendix G). Agencies should obtain a signature from the CFO or designee certifying that the data on the Status of Disposition Certification form (Appendix C) is consistent with the agencies’ supporting documentation. Lastly, agencies should send the certification form to the respective FMS intragovernmental contact person via fax to 202-874-9907. This report is due no later than August 7, 2007, for the third quarter fiscal year 2007. For the fourth quarter fiscal year 2007, the Status of Disposition Certification form will be sent to verifying agencies for informational purposes. However, agencies will not be required to certify the fourth quarter fiscal year 2007 Status of Disposition Report.

Note: Agencies that have recurring differences with a trading partner will continue to receive a *Material Differences Report* that must be explained and certified.

11.10 - Detailed Quarterly Status of Disposition Certification Instructions

For fiscal year 2007, verifying agencies are required to provide an explanation of their reporting based on each identified difference in terms of the following categories: (1) Confirmed Reporting, (2) Accounting Methodology Difference, (3) Accounting/Reporting Error (4) Timing Difference – CY, (5) Timing Difference – PY, or (6) Unknown. Documented support must be included in detail for each explanation on the supplemental attachment. (Refer to Appendix H).

FMS will provide agencies with the *Comparative Status of Disposition Report*. This report will compare amounts reported between each reporting agency and its trading partner. FMS will generate and send this report to agencies no later than, August 9, 2007, for the third quarter fiscal year 2007. Since the certification process is not required during the fourth quarter fiscal year 2007, the *Comparative Status of Disposition Report* is not applicable. (Refer to Appendix D for a list of scenarios).

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The category “confirmed reporting” is intended to indicate that an agency has verified the reported amounts and that the agency’s documents are in agreement with its quarterly source documentation. However, both the trading partner and reporting agency should not indicate confirmed reporting for the same difference. This implies that the reporting agency and its trading partner have not reconciled. When this occurs, both the reporting agency and its trading partner will be required to provide FMS a plan of action to address the unresolved confirmed reporting difference, for the third quarter fiscal year 2007. These unresolved confirmed reporting differences will be based on an established threshold to be determined by FMS. See I TFM 2-4700 section 4706.30f for specific requirements.

In addition, for fiscal 2007, agencies will be required to provide a basis for their “unknown reporting” explanation. Material differences that were explained as “unknown” by the reporting agency must be resolved by the next reporting period. If the reporting differences cannot be validated or resolved by the end of the third quarter fiscal 2007, the CFOs from each respective agency will be required to provide FMS a “plan of action” to address unresolved material “unknown reporting” differences.

11.11 - Intragovernmental Fiduciary Confirmation System

The Intragovernmental Fiduciary Confirmation System (IFCS) is an internet-based system for reconciling fiduciary transactions. OMB designates the IFCS as the system of record for reconciling and confirming fiduciary balances between trading partners and central fiduciary agencies (BPD, FFB, OPM and DOL).

Agencies must use the IFCS to reconcile and confirm balances and activity with their trading partners on a quarterly basis. Agencies must ensure that amounts entered into the IFCS agree to their quarterly submission, annual Closing Package reporting, and the agency’s audited financial statements before submitting yearend data to FMS.

In order to facilitate reconciliation, FMS will provide agencies with the following reports:

- (1) Fiduciary Quarterly Data vs. IFCS Agency Benefits*
- (2) Fiduciary Quarterly Data vs. IFCS Agency Comparison Report*

To access and confirm fiduciary balances in the IFCS, agency users should access the Internet Web site at <http://www.fmsapps.treas.gov/ias>.

To gain access to the IFCS, all agency users and back up personnel must submit an External GOALS II Enterprise System Access Request Form (ESAAS) by fax to the Financial Reports Division, Attention: IFCS Administrator at 202-874-9907. The ESAAS form is located on the FMS Web site at <http://fms.treas.gov/factsi/forms.html>. All agencies must designate agency user backups for all roles.

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After the ESAAS form is processed, the IFCS administrator will make the agency assignment. The agency department administrator will then assign the designee to his or her specific agency fund symbols for the borrowings and investment categories and agency code for OPM and DOL categories. The designee will receive their User ID and password by mail.

All users of the IFCS application must re-certify their role annually and attest to FMS' IT Security Rules of Behavior Standards. Re-certification focuses on re-verifying each user's need for access and that level of access to FMS' IT resources, as required by the Federal Information Security Management Act of 2002 (FISMA). The supervisor of each IFCS user will receive a form to complete and sign for the re-certification process. Each system user must also complete a Security Awareness Agreement in conjunction with their supervisor's recertification for continued system access.

Section 11.12- Third Quarter CFO Instructions and IG Agreed Upon Procedures for Intragovernmental Activity and Balances

This section provides CFO instructions for the third quarter IG AUP*. OMB will contact the applicable agencies, and their respective IG, that have material third quarter intragovernmental differences meeting the stated criteria, no later than August 15, 2007. The respective CFOs will be required to perform the following actions on those identified differences:

- (1) Receive notification from OMB, identifying certain material (greater than \$200 million) intragovernmental third quarter 2007 differences by reciprocal category and trading partner.
- (2) FMS, the applicable CFOs and OIGs will meet to formulate the actual AUPs no later than August 14, 2007.
- (3) Prepare reconciliation schedules for the IG/IPA to use in the AUPs as it applies to items identified in Step 1. Work with the other agency's CFO and document efforts to reconcile the balance differences identified into specific transactions or groups of transactions. The reconciliation must include sufficient supporting detail to enable tracing back to source documentation.
- (4) Deliver the reconciliation schedules prepared in Step 3 to the agency IG/IPA no later than August 16, 2007.
- (5) Deliver the agency's policies and procedures that describe the agency's activities to record, process, summarize, reconcile, and report intragovernmental activity/balances by trading partner to the agency IG/IPA no later than August 16, 2007.
- (6) Deliver the Intragovernmental Business Rules (TFM Bulletin No. 2007-03) to the agency IG/IPA no later than August 16, 2007.
- (7) Deliver schedules of items recorded after third quarter 2007 that impact the differences identified in Step 1 to the agency IG/IPA no later than August 16, 2007.

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**Note: For fiscal 2007, the agency IG/IPA will perform audit procedures as prescribed in OMB Bulletin No. 06-03, Audit Requirements for Federal Financial Statements, as amended.*

Section 12 - Yearend Intragovernmental Reconciliation Process Related to Closing Package Reporting

FMS will use the closing package intragovernmental data (submitted by verifying agencies as part of their closing package) to consolidate agency data for year-end reporting. On November 21, 2007, agencies will generate the following Intragovernmental Reporting and Analysis System (IRAS) reports using the Discoverer application in GFRS. These reports show agencies their reciprocal balances, as reported in the closing package, for each of their trading partner agencies:

- *Intragovernmental Closing Package Activity Detail Report;*
- *Intragovernmental Closing Package Activity Summary Report;*
- *Intragovernmental Closing Package Reciprocal Category Detail Report;*
- *Intragovernmental Closing Package Reciprocal Category Summary Report;*
- *Intragovernmental Closing Package Material Differences/ Status of Disposition Certification Report;*
- *Intragovernmental General Fund Detail Report.*

FMS will inform the verifying agencies, by email, to generate these reports from the Discoverer-viewer application via GFRS. Agencies should use these reports to work with their trading partners to reconcile reciprocal closing package differences. Any significant changes that are reconciled should form the basis for adjusting journal entries affecting intragovernmental activity and balances at the FR level.

On November 29, 2007, FMS will distribute the IRAS-generated *Intragovernmental Comparative Closing Package Explanations of Differences Report* to the reporting agencies and their IGs.

12.1 - CFO Representations for Federal Intragovernmental Activity and Balances

Verifying agencies are required to represent that they have properly and completely reconciled their intragovernmental activity and balances with their trading partners, using the closing package submission and agency audited financial statements. This requirement is outlined in I TFM 2-4700 Section 4705.75.

For fiscal year 2007, FMS will provide a standard form that agencies will use to complete the CFO representations. FMS will post this form on the FMS website, (<http://www.fms.treas.gov/factsi/index.html>) for download in a Microsoft Excel format. The CFO Representations form is also included at the end of this document as **Appendix E**. The representations relating to whether the reconciliation was completed for items from Section I (General Intragovernmental Reporting Results) and Section II (Explanation of Closing Package Differences) must be completed in its entirety.

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Section 13 -Policies

13.1 - Accounting

Intragovernmental transactions should be accounted for consistently, in accordance with FASAB by both the providing and receiving agencies. Agencies should maintain transaction logs or detailed records of transactions as a part of their accounting systems to provide a means of identifying the postings to USSGL accounts and to facilitate the reconciliation process. The transaction logs (or detail) should include enough information to enable easy identification and location of the supporting documentation.

13.2 - USSGL Account Attributes

The Federal (“F”) and Non-Federal (“N”) attributes used in conjunction with a USSGL account in the Closing Package submission provides information that enables FMS to prepare elimination entries for the FR. The attribute is used to identify the nature of the account balances and to identify intragovernmental transactions. When the Federal attribute “F” is used with a USSGL account, a 2-digit trading partner must be designated for each transaction posted to the account.

13.3 - Asset Accounts

Asset accounts related to inventory, property, and equipment are submitted to FMS with a Non-Federal (“N”) attribute. This attribute is being used as a mechanism to communicate that these particular asset accounts of individual agencies are also assets of the Federal government as a whole, regardless of whether the assets were purchased from the public or another Federal agency. These assets are not eliminated in the consolidation process.

Related USSGL memorandum accounts 8801, 8802, 8803, and 8804 were established to record capitalized purchases and to be used in the elimination process (trading partner identification is associated with these accounts.)

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13.4 - Trading Partner Codes

In order for proper eliminations to occur, it is essential that accurate trading partner data is captured for intragovernmental activity and balances. Each quarter, agencies are required to use the 2-digit department code of the trading partner when reporting USSGL account balances that relate to transactions with another Federal agency (“F”) attribute. For example, 1610F (20) Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt indicates that this Federal entity is posting a transaction occurring with Treasury, 20 (BPD). BPD records 2530F (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, indicating a transaction with Federal entity XX. For yearend reporting to GFRS, agencies must use the 4-digit department codes that are established in the GFRS. For quarterly reporting via the extract of “F” transactions file, agencies must use the 2-digit FACTS I department codes. (See **Appendix B** for a list of trading partner codes).

Agencies should comply with the transaction posting models consistent with USSGL guidance and policies when recording and classifying transactions. Agencies should identify trading partners for all intragovernmental transactions and accumulate detail and summary information for each activity by trading partner from their accounting records.

Agencies can employ a number of methods to identify trading partners including:

- Incorporating the trading partner code as part of the account coding classification.
- Incorporating the trading partner code into data captured when transactions are entered into accounting systems.
- Communicating with the trading partner of a transaction to ensure the proper trading partner code is used.

NOTE: The U.S. Department of Agriculture’s Graduate School should be classified as a Non-Federal “N” transaction; therefore, a trading partner code is not required.

13.5 - Trading Partner Code “99” Reporting for the Treasury General Fund

Trading partner code “99” should be applied for recording transactions with the Treasury General Fund, as follows:

- Custodial activity, such as tax revenue, and miscellaneous revenue that is collected or accrued on behalf of the Treasury General Fund. USSGL accounts applicable to this activity include: 2980F, 5800F, 5801F, 5990F and 5991F.
- Nonexchange revenue that is not material enough to be reported in a separate Statement of Custodial Revenue (refer to the General Fund Receipt Account Guide issued by the USSGL Division of FMS)

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- Employer FICA contributions that are collected by the Internal Revenue Service.
- Transfers out and distributions of income (e.g., USSGL account 7500F) that are returned to the General Fund.
- Governmentwide entity/custodial accounts (USSGL account 5790F) only for Treasury Bureaus: FMS and BPD.
- Fees collected for services provided and subsequently transferred to the General Fund.
- Treasury-managed Trust Funds – expenditure and non-expenditure transfers receivable/payable.
- Liquidating fund assets in excess of liabilities that are transferred to the General Fund.
- Receivable from appropriations (USSGL account 1921F, Treasury only).
- Rescissions where the authority in a TAFS is permanently canceled by law and Fund Balance with Treasury (FBWT) is returned to the General Fund.
- Other asset/liability activities associated with the Treasury General Fund (e.g., USSGL accounts 1360F and 2400F).

13.6 - Use of Trading Partner “20” Instead of Trading Partner “99”

Trading partner “20” should be used instead of trading partner “99” under the following circumstances:

- Judgment Fund Transactions
- Transfers with Treasury Program Organizations
- Investment in Public Debt Securities
- Borrowings from BPD/FFB
- Reimbursable Activity with Treasury Program Organizations

There is a website available for Treasury Managed Accounts which can be located at <http://fms.treas.gov/tma/>. There, Federal program agencies can access links to reconcile activity related to:

- Contract Disputes

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- No Fear Act
- Judgment Fund
- Interest on Uninvested Funds

13.7 - FBWT (USSGL 1010) and Trading Partner “99”

USSGL account 1010 is defined as the aggregate amount of funds on deposit with the Treasury, excluding seized cash deposited. FBWT is increased by (1) receiving appropriations, reappropriations, continuing resolutions, appropriation restorations, and allocations; and (2) receiving transfers and reimbursements from other agencies. It is also increased by amounts borrowed from the BPD, the FFB, or other entities, amounts collected and credited to appropriation or fund accounts, and interest revenue collected from FPAs and other entities. FBWT is reduced by (1) disbursements made to pay liabilities or to purchase assets, goods, and services; (2) investments in U.S. securities (securities issued by the BPD or other FPA); (3) cancellation of expired appropriations; (4) transfers and reimbursements to other entities or to the general fund of the treasury; (5) sequestration or rescission of appropriations; (6) repayments on borrowings from FFB, BPD and other entities; (7) redemptions of investments with BPD and other entities; and (8) interest paid to BPD, FFB and other entities. Under a continuing resolution, do not increase FBWT until FMS issues a warrant. Not increasing FBWT under a continuing resolution may result in a negative balance, which is acceptable by OMB and FMS.

By association, USSGL account 1010 (FBWT) is Federal in nature. However, USSGL 1010 does not have a trading partner associated with it and it does not have an offset for reconciliation purposes. Therefore, USSGL 1010 **should not** be reported with trading partner 99 or any other trading partner code.

13.8 – Trust Fund Receipts

Taxes and receipts transferred from a Treasury General Fund Receipt Account (as defined in TFM Vol. 1, A-2007-03 : Fast Book) to any and all trust funds are to be classified as “Federal” by the receiving entity. Also, these same taxes and receipts are to be classified as “Federal” by the receiving entity on the closing package line items in the Governmentwide Financial Reports System (GFRS). Any further classification of the original source of the taxes and receipts (i.e. earmarked, general receipts, interest) is not relevant for the purposes of the classification of “Federal “ or “Non-Federal”.

These taxes and receipts, collected directly from the public, are to be classified as “Non-Federal” in the treasury General Fund Receipt Account, reported on Treasury’s Statement of Custodial Activity, and the closing package line items in GFRS.

As an example, some employment taxes are submitted to and collected by the Internal Revenue Service and ultimately transferred to the Social Security trust funds. These taxes are to be classified by Treasury “Non-Federal” and the Social Security as “Federal” in GFRS.

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13.9 – OMB Memorandum M-07-03, Business Rules for Intragovernmental Transactions

The Intragovernmental Business Rules reference fiduciary and non-fiduciary transactions and are intended to address major elements of the intragovernmental material weaknesses, as identified by GAO, during the audit of the FR. The Business Rules provide Federal Program Agencies with guidance for recording and reconciling intragovernmental exchange transactions, fiduciary transactions, and transfers between agencies. Since these Rules apply to all intragovernmental business, they are applicable to all accounting systems. OMB's Memorandum M-07-03, Business Rules for Intragovernmental Transactions, supersedes OMB Memoranda M-03-01 and M-06-09. The Intragovernmental Business Rules are currently in effect.

Section 14 - Fiduciary Transactions

14.1 - General Guidance

- The system of record for confirming and reconciling fiduciary balances between trading partners and central fiduciary agencies is the IFCS.
- Agencies are required to confirm intragovernmental balances (enter and provide explanation for differences) with central fiduciary agencies in the IFCS for all five fiduciary categories. These categories are the Bureau of the Public Debt Investments and Borrowings, Federal Financing Bank Borrowings, and DOL and OPM Employee Benefits.

14.2 - BPD Investments

- For intragovernmental investments with the Bureau of the Public Debt (BPD), BPD and trading partner agencies will use the effective interest method for amortization on market-based notes, bonds, Treasury Inflation Protected Securities (TIPS) and zero-coupon bond securities. Market-based notes, bonds and TIPS purchased at premium will be amortized to the call date. Trading partner agencies may recognize market adjustments on notes, bonds, TIPS, and zero coupon bonds classified as available for sale. In accordance with TFM Bulletin 2007-03, Intragovernmental Business Rules, BPD and the trading partner agencies will continue to use the straight-line method for market-based bills. Upon early redemption of securities, trading partner agencies may use the specific identification method (i.e., purchase dates/tax lots). If securities are not specifically identified, the First In – First Out (FIFO) method will be used to identify the security to be sold. Government Account Series (GAS) securities purchased using deposit fund monies will be classified as public, not intragovernmental. Trading partner agencies will ensure the BPD records these securities as public, not intragovernmental, through their quarterly reconciliation process.

14.3 - BPD and FFB Borrowings

- For borrowings from the BPD and borrowings from the FFB, agencies will report amounts consistent with those reported by these central fiduciary agencies. BPD and FFB will

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provide FMS data for input into the IFCS no later than 5 calendar days after the end of each quarter.

14.4 - OPM Employment Benefits

- OPM provides "cost factors" for the Federal civilian benefit programs. Trading partner agencies will use these cost factors to calculate their imputed costs relating to the Civil Service Retirement System (CSRS), Federal Employees Retirement System (FERS), Federal Employees Health Benefit (FEHB) and the Federal Employees Group Life Insurance (FEGLI) programs. The "pension" and life insurance cost factors are provided as percentages of basic pay, whereas the health benefits cost factor is stated as a dollar amount per FEHB enrollee. The cost factors are provided by the 16th day before the end of each quarter and will be posted on OPM's website at <http://www.opm.gov>.

OPM Employment Benefits are classified into three distinct components:

1. Employer contributions – This is intragovernmental activity and must be classified to "USSGL 6400 and reported with an "F.24" attribute; the IFCS confirmations are based on this activity.
2. Employee contributions – This is non-federal activity and must be reported with an "N" attribute. This activity is normally included in gross pay and classified to USSGL 6100.
3. Imputed costs – This activity is classified as both an imputed cost (USSGL 6730) and an imputed financing source (USSGL 5780) by the reporting agency. The imputed cost and imputed financing source must be reported in equal amounts with "F.24" attributes.

OPM will provide the FMS employee benefit data for input into the IFCS no later than noon, 6 calendar days after the end of each quarter.

14.5 - Department of Labor FECA Transactions

- DOL will provide FMS quarterly estimates for unbilled FECA current liabilities and billed but unpaid current liabilities, by trading partner, for input into the IFCS. DOL will provide the data by close of business 6 calendar days after the end of each quarter. Trading partner agencies will reconcile billed but unpaid current liabilities with DOL in the IFCS, and the confirmed amounts must be included in the agency's trial balance and financial statements.

Section 15 - Non-Fiduciary Transactions

- OMB Memorandum 07-03, Business Rules for Intragovernmental Transactions require all Government agencies that engage in buying or selling of goods or services to other federal agencies to register in the Federal Agency Registration database (FedReg), which is a part of GSA's Business Partner Network (BPN). A BPN number is required for both buyer and seller. For civilian agencies, this is generally the Dun and Bradstreet Universal Number

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(DUNS). For military agencies, this is the buyer Department of Defense Activity Address Code (DoDAAC) preceded by the letters ‘DoD’.

- The Business Rules for non-fiduciary transactions are effective for all intragovernmental purchases of goods and services at the established threshold level with the exception of (1) purchase card acquisitions, (2) national emergencies, and (3) national security considerations.
- Refer to OMB Business Rules for Intragovernmental Exchange Transactions for further information regarding advances for reimbursable orders, billing documentation, unbilled accounts receivable, and general buy/sell business practices.

Section 16 -Yearend Procedures

At the end of each fiscal year (September 30), all transactions and activity related to the fiscal year should be recorded in each agency's general ledger. Agencies should correspond with their trading partners to ensure consistency in recording intragovernmental transactions. Agencies will need to work together to identify the transactions and amounts in determining the estimated accruals to record.

16.1 - Transactions Related to Revenues Earned/Expenses Incurred as of September 30 that Occurred Subsequent to Yearend

Transactions that are incurred as of September 30 and not billed should be recorded as accruals in both agencies' records. These transactions may have been billed subsequent to year-end or remain unbilled at the time of accrual. Providing agencies should identify these transactions and should work with the receiving agencies to provide detailed information supporting the transactions and the amounts incurred as of the cut-off date (September 30) and not yet billed. The providing agency should record these transactions as receivables/revenues as of September 30. The receiving agency should record these transactions as payables/expenses or assets as of September 30.

Agencies should work together to calculate and estimate accruals and to record corresponding entries in each set of records so they are in agreement or that long term accounting policy differences can be easily identified. The providing agency is typically responsible for estimating the accrual and communicating this information to the buying agency. Both agencies are responsible for recording the information.

The following are the cut-off procedures to be performed by the providing and receiving agencies for September 30 (year-end).

Procedure	Responsible Party	Comments
Identify the types of transactions requiring cut-off procedures.	Providing/receiving agency	Together, agencies should make a list of the transactions to be recorded and agree on the agency to

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Procedure	Responsible Party	Comments
		be responsible for accumulating the data and calculating estimates (if any) at year-end.
Determine and agree on the methodology to be used for estimates.	Providing/receiving agency	Together, agencies should agree on the methodology used to calculate the estimate.
Provide a listing (with amounts and relevant information necessary to record the transactions) of transactions to be recorded as of September 30.	Providing agency	An example is included in this guide. See Yearend Cut-Off Procedures Section.
Provide a listing of transactions representing estimates with supporting documentation and amounts and relevant information necessary to record the transactions as of September 30.	Providing agency	
Ensure amounts agree in both sets of records (reconciliation process).	Providing/receiving agency	Accrued amounts should be included in the reconciliations.

Section 17 - Reconciliation

The integrity of the data reported in each agency's financial records and reports as well as the data reported in agency's audited financial statements and in the Closing Package are dependent on timely and accurate reconciliations of intragovernmental activity and resulting account balances.

The responsibility for the reconciliation of an agency's activity and balances is with the agency, regardless of the trading partner's involvement in the transactions. Responsibility for the individual account reconciliation within an agency is based on the agency's organizational structure and delegation of responsibilities. Reconciliations should be reviewed and approved by the appropriate agency designated personnel.

Agencies are required to use the IFCS to confirm and reconcile fiduciary transactions with their trading partners. Agencies should investigate and record adjustments for any discrepancies between their intragovernmental account balances and the reciprocal account balances of their trading partner(s). Discrepancies due to errors should be adjusted in the agency's records and corrected prior to the preparation of financial statements and the Closing Package submission.

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17.1 - Reconciliation Requirements

Agencies should reconcile and confirm intragovernmental activity and balances with their trading partners before submitting year-end data to FMS and reporting it in the agency's audited financial statements.

Specifically, OMB requires reporting agencies to reconcile/confirm activity and balances for intragovernmental fiduciary transactions quarterly with central fiduciary agencies in the following reciprocal grouping, through the IFCS.

- Investments—Includes interest accruals, interest income and expense and amortization of premiums and discounts with the Bureau of the Public Debt.
- Borrowings—Includes loans receivable, interest receivable, and interest revenue from the Bureau of the Public Debt and Federal Financing Bank.
- Federal Employees' Compensation Act transactions with DOL - Includes routine payments and accruals for actuarial liabilities.
- Employee Benefit Program transactions with OPM—Includes routine payments and post-retirement benefits related to the Federal Employees' Retirement System (FERS), the Civil Service Employees' Retirement System (CSRS), the Federal Employees' Life Insurance Program, and the Federal Employees' Health Benefits Program.

17.2 - Reconciliation Process

The suggested methodology for reconciliation is as follows:

Determine the reconciliations required by OMB Circular A-136, Financial Reporting Requirements, dated June 29, 2007, as amended and FMS' I TFM 2-4700.

1. The receiving agency compares its balances to the appropriate reciprocal category balances of the providing agency. This can be facilitated through the Discoverer generated IRAS Reports.
2. The receiving and providing agencies identify differences and reconcile their intragovernmental accounts balances.
3. For fiduciary transactions, the fiduciary entities (BPD, FFB, DOL and OPM) will make account balance information and other details available through the IFCS for the receiving agencies to reconcile amounts to their records. Specific procedures for these reconciliations are discussed below.

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4. For other intragovernmental transactions, agencies should work together to establish the data needs and availability to facilitate the reconciliations.¹

17.3 - Fiduciary Transaction Reconciliation Procedures

An authorized agency official should review the agency's reconciliation documents. Agencies should also have written standard operating procedures to direct and document the reconciliation process. Agencies are responsible for ensuring that the reconciled and agreed upon confirmed balances are reported in the IFCS, the Closing Package, and in the agency's audited financial statements. If adjustments are made subsequent to the completion of the confirmations (during the audit process), agencies should revise reconciliations and confirmations and submit the updated data to FMS before November 15.

The following are fiduciary transaction procedures:

17.3.1 - Investments in Treasury Securities with BPD

During October, BPD account balances as of September 30 will be available in the IFCS for all agencies investing in Government Account Series securities to reconcile and confirm. This confirmation will include accrual data and will be used to reconcile agency USSGL account balances and activity with BPD reporting. The Federal Investments Account Statements and other related information are available on BPD's website at <http://www.treasurydirect.gov/govt/reports/reports.htm>. BPD personnel will be available at (304) 480-5151 for questions regarding this reporting. Questions regarding FACTS I and agency reporting should continue to be directed to FMS.

17.3.2 - Borrowing from Treasury (BPD)

Reconciliation of Loan Balances reported on the MTS – Table 6, Schedule C:

At the end of each month, BPD reconciles its summary general ledger system and detailed subsidiary system with the Government's central accounting and reporting system. FMS forwards a copy of the Borrowings Query (STAR generated) report with the month end loan balances to the BPD. The Borrowings Query report is used by BPD to reconcile ending loan balances with information maintained by FMS. BPD reconciles the SF1151 (Nonexpenditure Transfer Authorization) transactions entered in its detailed subsidiary system and the balances in the summary general ledger system to FMS's generated Borrowings Query to ensure accuracy and completeness of information. Differences identified by this reconciliation are resolved by BPD. The Borrowings Query results are used to report on the MTS – Table 6, Schedule C.

Reconciliation of Account Balances (receivables, payables, revenue, and expense) reported in IFCS:

¹ Agencies should be sensitive about transmitting intragovernmental classified data.

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At the end of each quarter, BPD submits a data file of the quarter end intragovernmental balances for loans receivable, interest receivable, and interest revenue to FMS from BPD's summary general ledger system. FMS uploads the data file in IFCS and the information is available at the beginning of the following quarter for all agencies to reconcile and confirm balances.

The borrowing agencies must reconcile and confirm each quarter in IFCS its USSGL account balances (2510 – Principal Payable, 2140 - Interest Payable, and 6310 - Interest Expense) with BPD's reciprocal USSGL account balances (1350 - Loans Receivable, 1340 - Interest Receivable, and 5312 - Interest Revenue) within the designated timeframe (refer to <http://fmsapps.treas.gov/ias> for IFCS's open and close verification dates). If the agency's records do not agree to the BPD reported totals in IFCS, the agency is required to provide an explanation of its reporting based on each identified difference, i.e. accounting methodology difference, timing difference, accounting/reporting error, etc. Documented explanation and reconciliation should be sent, as applicable, for the differences to borrowings@bpd.treas.gov.

To assist agencies in the reconciling process, agencies are able to view the detail transaction and summary reports published each month to the Borrowings website:
<http://www.publicdebt.treas.gov/bor/>. Agencies that identify a difference in the account balances need to contact a BPD representative at (304) 480-7488 or borrowings@bpd.treas.gov.

The USSGL account balances to be reported in the agency's audited financial statements and in the Closing Package must also be submitted. This information will assist FMS in properly eliminating intragovernmental balances. Agencies must ensure that the balances confirmed using IFCS agree to the Closing Package reporting and agency's financial statements before submitting yearend data to FMS. In addition, agencies must comply with these reconciliation requirements before attempting Closing Package submissions or verifications.

Reconciliation of Interest (Due and Credits/Earnings/Income):

Agencies that borrow from Treasury are required to calculate its interest income and expense. The BPD maintains the transactions and receives the interest payment to Treasury for both non-credit reform and credit reform programs and the interest credit portion for non-credit reform programs. The borrowing agencies are charged with providing the BPD with information detailing its calculation of interest expense for the fiscal period. The borrowing agencies compute interest and BPD verifies any discrepancies. These calculations will be used to substantiate the amounts reported in IPAC, which will in turn be used to post the interest received.

For credit reform programs, Financial Management Service (FMS) – Credit Accounting Branch oversees the interest income portion. Agencies electronically submit each fiscal year end (September 30th), a transaction in IPAC charging 20X1880 (Credit Reform Interest on Uninvested Funds) to receive the interest on uninvested funds. If the transaction is greater than \$100,000, the agency must notify the Credit Accounting Branch in advance via e-mail: credit.accounting@fms.treas.gov. The IPAC is used to transfer funds from the agency's account

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20X1880 to the billing agency's financing 4000 account series. Each IPAC should include a certification statement, "I certify that the items listed herein are correct and proper for payment from and to the appropriation(s) designated." The document must be received no later than the closing of the last workday at the end of the fiscal year.

17.3.3 - Borrowings from Treasury (FFB)

Reconciliation of amounts borrowed:

In reconciling with FMS, FFB will confirm outstanding loans receivable balances as of September 30, with partner agencies. FFB account balances as of September 30 will be available in the IFCS in October for all agencies to reconcile and confirm borrowings from FFB.

Reconciliation of interest paid and accrued: For borrowings with FFB, the FFB calculates interest due on federal agency borrowings (agencies may verify interest computations on the borrowings.) The program agencies are charged with providing the lending agency with information detailing their calculation of interest expense for the fiscal period. These calculations will be used to substantiate the amounts reported on the SF1081 (Voucher and Schedule of Withdrawals and Payments), which will in turn be used to post the interest received. Borrowing and lending agencies should confirm and reconcile interest amounts at the end of each fiscal year.

Reconciliation of principal and interest between FFB and the borrowers: The borrowing agency must confirm each FFB USSGL account balance with the borrower's reciprocal USSGL account balance in the IFCS. Agencies that identify a difference in the account balances should contact the FFB representative. If the agency records do not agree to the FFB report, the agency should provide an explanation or reconciliation, as applicable, for the differences. It is critical that the account balances reported on the confirmation are the same amounts reported in the agency's audited financial statements and in the Closing Package submission to FMS. This information will assist FMS in properly eliminating intragovernmental balances.

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17.3.4 - FECA Transactions with DOL

The liability amounts (including year-end accruals) for the fiscal year ended September 30 will be available in the IFCS during October. Agencies should provide the balances in the following Intragovernmental accounts in the IFCS:

6400F Benefit Expense
6850F Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority
2225F Unfunded FECA Liability
2215F Other Post-Employment Benefits Due and Payable

For the above accounts, it is critical that only those balances associated with the Federal Employees' Compensation Act are reported in the IFCS. You should exclude amounts relating to unemployment compensation. USSGL accounts 2650N and 7600N are not reported in the IFCS.

DOL will compare the amount your agency reports for accounts 6400F and 6850F to the amount recorded for your agency in DOL account 5400F - Benefit Program Revenue. The balance reported for your agency accounts 2225F and 2215F will be compared to the amount recorded for your agency in DOL account 1320F – Employment Benefit Contributions Receivable. If this comparison reveals material differences, DOL will contact the departmental contact to resolve the difference(s). Agencies will be expected to provide information to explain and reconcile any differences.

It is critical that the account balances reported on the confirmation equal the amounts reported in the agency's audited financial statements and in the Closing Package submission to FMS.

Annually, during the month of September, the Department of Labor's Chief Financial Officer sends a memorandum (with attachments) to the Chief Financial Officers of Executive Departments and Agencies subject to the CFO Act of 1990, GMRA Act of 1994 and the Accountability of Tax Dollars Act of 2002, which transmits the unaudited estimated FECA actuarial liability for the fiscal year ending September 30. For comparative purposes, the amounts for the preceding fiscal year are also presented. In addition, the Department's Office of the Inspector General issues the results of their audit of the Federal Workers' Compensation (FWC) liability during the month of October for the preceding fiscal year ending September 30. The audit report contains a schedule of actuarial liability by federal agency. Agencies are to report the FECA actuarial liability and changes in FECA actuarial liability in USSGL accounts 2650N and 7600N, respectively. DOL does not have corresponding accounts for agency accounts 2650N and 7600N.

17.3.5 - Employee Benefits Transactions with OPM

Employee Benefit Program transactions are separated into three categories - health, retirement, and life – and should be reconciled individually. The Employment Benefit Contribution Receivable and Benefit Program revenue figures for the fiscal year ended September 30 will be

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available in the IFCS in October. Agencies are required to provide the balances in the following intragovernmental accounts on the “Confirmation of Intragovernmental Account Balances” in the IFCS.

2213F Employer Contributions and Payroll Taxes Payable
6400F Benefit Expense

For account 2213F, agencies should only report balances related to the Federal civilian benefit programs (i.e. government contributions for Retirement, Health Benefits, and Life Insurance transactions) in IFCS.

OPM will compare the agency reported account 2213F balance to the amount recorded for the agency in OPM account 1320F Employment Benefit Contributions Receivable. The balance reported for agency account 6400F will be compared to the revenue recorded for each agency in OPM account 5400F - Benefit Program Revenue. If this comparison reveals material differences of \$250,000.00 or more, OPM will notify the departmental contact to resolve the difference(s). Agencies will be asked to provide information to explain and reconcile any differences.

17.4 - Non-Fiduciary Transaction Reconciliation Procedures

OMB requires verifying agencies to reconcile/confirm intragovernmental activity and balances quarterly with trading partners, resulting from non-fiduciary transactions, for the following reciprocal groupings (examples are not all inclusive).

- Assets—includes accounts receivable, advances to others, other assets.
- Liabilities—includes accounts payable, advances from others, other liabilities.
- Revenue—includes services, products, and goods provided to others.
- Expenses—includes operating expenses and future funded expenses.

17.5 - Reconciliation Differences

Even when both verifying agencies’ accounting records are accurate and current, there may be identifiable differences between the two records (the reconciliation should show that both set of records equal each other). Analyzing and determining the nature of the differences will require agencies to work together to exchange detailed information and other accounting records. It will also require agencies to understand each other's accounting procedures for identifying and recording transactions related to the activity. Differences identified during the quarterly reconciliation process should be adjusted in the subsequent period for accounting errors and current year timing differences. During the fourth quarter reconciliation process, Federal program agencies should make all adjustments before financial statements are issued. If

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adjustments are identified after financial statements are issued, Federal program agencies should notify Treasury (FMS). In turn, FMS will determine the impact of these adjustments to the Governmentwide financial statements. Business rules for intragovernmental transactions have been determined for Federal program agencies to observe when engaging in intragovernmental exchange activity. Refer to TFM Bulletin 2007-03, Intragovernmental Business Rules.

The following are the different types of explanations for reconciliation differences. Recommended approaches to resolve the differences are also below. For guidance, refer to Appendix H, *Explanation of Differences*.

Confirmed Reporting Differences

The category “confirmed reporting” is intended to indicate that an agency has verified the reported amounts and that the agency’s documents are in agreement with its quarterly source documentation. However, both the trading partner and reporting agency should not indicate confirmed reporting for the same difference. This implies that the agency and trading partner have not reconciled. When this occurs, both the reporting agency and its trading partner will be required to provide FMS a plan of action to address the unresolved confirmed reporting difference. These confirmed reporting differences will be based on an established threshold to be determined by FMS. The requirements for the plan of action (including its due date) are included in the I TFM 2-4700, section 4706.30f; paragraph “Reporting Agency’s Explanation of Reporting”.

Timing Difference- Prior Year (Beginning Balances Differences)

These differences will be in the beginning balances of balance sheet accounts. The materiality of the differences should be evaluated by each agency’s CFO and IG relative to its financial statements. If the amounts are not material for either agency, the agencies should agree on adjustments to be made to correct the asset and/or liability balances. These adjustments could result in differences in revenue/expense accounts for the reconciliation period. If differences are material, the agencies should analyze the historical data and try to identify the transactions causing the differences. Once identified, the proper adjustments should be made by the appropriate agency.

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Timing Difference- Current / Prior Year (Timing of Recording Accruals)

In some cases, when a providing agency generates bills for services or when IPAC transactions are batch processed subsequent to the end of the period, there may be differences in activity and balances due to the timing of the receiving agency recording the transactions. Timing differences can also be caused by a receiving agency delay in reclassifying IPAC transactions into the proper accounts. IPAC reports and bills subsequent to the accounting period should be identified and reviewed, and the appropriate adjustments should be made in the proper accounting period. Adjustments should be made to accounts receivable/accounts payable for bills received after the end of the period that applies to the period. Agencies should communicate with each other to identify these timing differences.

Accounting Methodology Difference (Estimated Accruals)

In some cases, either the providing or receiving agency, or both, records an estimated accrual (receivable or payable) at the end of the period. If only one agency involved in a transaction has recorded the accrual, the other agency will need to record a corresponding amount in its records if the goods/services were received. If the accruals were calculated separately and differently, the agencies should work together to determine a methodology for both to use to ensure the same amount is recorded on both sets of records.

In cases where goods/services were not received (by the receiving agency) and the providing agency recorded unbilled revenue, these amounts should be identified as reconciling differences.

Accounting /Reporting Error (Unrecorded Transactions)

Other causes of differences may be due to unrecorded transactions. Agencies should exchange detailed records and work together to analyze the data and identify differences attributable to unrecorded transactions. Agencies should also review IPAC reports and determine whether any transactions were not reclassified into the proper accounts. All differences should be identified and adjustments should be made in the appropriate agency's records.

Accounting /Reporting Error (Other Differences)

There can be differences between receivables and payables between verifying agencies due to disputes, misunderstandings, or other issues. Verifying agencies should work together to resolve these types of issues. Adjusting entries should be recorded in the accounting records so amounts are in agreement. If verifying agencies cannot resolve the issues, there will be a

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difference. This should be clearly identified and explained on the reconciliation.

Timing Difference- Prior Year (Accounting Policy Differences)

There may be circumstances where differences cannot be resolved in the current accounting period. In these circumstances, verifying agencies should work together to understand and document the reasons for the differences. Where possible, verifying agencies should use consistent accounting treatments in these circumstances to eliminate any differences. Any differences that remain should be clearly explained on the final reconciliation/confirmation and quantified to the extent possible. The following are examples:

- **Differences In Accounting Standard Requirements:** (Accounting Methodology)
- Certain differences may be due to different accounting methods allowed by accounting standards. An example of this is the amortization of discounts and premiums. If one trading partner amortizes discounts/premiums using the interest method and the other trading partner uses the straight-line method, there will be an accounting policy difference.
- **Basis Of Accounting:** (Accounting Methodology) - Certain differences may arise due to agencies using a different basis of accounting for reciprocal transactions. An example of this would be with the accounting for inventory. If a receiving agency inventories supplies and materials at average cost, there may be difficulty reconciling to the amount reported as sales by the providing agency.

Another example is sales under a long-term contract (greater than a fiscal year). If a providing agency uses the completed contract method to recognize sales on manufactured goods (and does interim shipments of goods as completed) and the receiving agency recognizes the expense (or assets) as received, there would be a difference between the sales recorded by the providing agency (deferred credits should be recorded) and the expenses recorded by the receiving agency.

Unknown Differences

Agencies should only use the unknown difference explanation as a last alternative. Whenever an agency cannot verify an amount related to a difference, the unknown category is appropriate. When the final reconciliation is completed, it should contain explanations for all the differences. Verifying agencies should make adjustments to their accounting records for all resolvable differences in the subsequent period. Refer to Appendix G- *Additional Explanations* for a sample of the supplemental attachment.

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For purchases/sales of goods and services, buyers and sellers should reconcile intragovernmental activity and balances by processes that result in:

- Seller revenue and deferred revenue amounts (and other amounts in the sellers balance sheet) reconciling with
- Buyer cost and prepaid amounts (and other amounts in the buyer's balance sheet)

Section 18 - Consolidation/Elimination

The primary focus of this guide is on transactions occurring between and within Federal verifying agencies. Verifying agencies prepare department wide consolidated financial statements and will prepare elimination entries for intradepartmental transactions within the verifying agencies based on this financial information. This guide does not include examples for elimination entries within verifying agencies. Agencies should develop procedures providing for the accurate and complete elimination of transactions occurring within the agency in their consolidated financial statements.

Section 19 – Financial Reporting

Financial reports should be prepared in accordance with OMB Circular A-136, Financial Reporting Requirements, and dated June 29, 2007. All transactions should be recorded and reported in the proper USSGL accounts. All USSGL accounts should be reported in accordance with the financial statement crosswalk(s) provided in this guide and the USSGL guidance on the FMS website.

As indicated in the Federal Accounting Standards Advisory Board (FASAB) Implementation Guide to Statement of Financing in Statement of Federal Financial Accounting Standards 7, agencies are to recognize and reflect costs associated with exchange revenue on the Statement of Net Cost and to recognize and reflect cost associated with non-exchange revenue on the Statement of Changes in Net Position. To facilitate proper reporting, agencies are required to designate the portion of expense captured as pertaining to exchange, or non-exchange revenue, on the appropriate financial statements in the Closing Package for yearend reporting.

Section 20 - Reciprocal Accounts Categories

Each agency should be able to account for Intragovernmental transactions and accumulate related activity and balances in the appropriate USSGL accounts. The reciprocal account categories delineated in this section are to be used by agencies to account for the intragovernmental transactions. Use of these reciprocal accounts will facilitate the Quarterly Intragovernmental Transactions Reconciliation process and reconciliation as of the financial

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statement preparation or final reconciliation date. The trading partner activity, between two agencies, within the reciprocal accounts, should reconcile. Agencies are encouraged to work with their trading partners to determine the accounts to be used to record accounting transactions for each type of activity transpiring between the agencies.

The “Reconciliation Reciprocal Account Categories Listing” is intended to provide category descriptions for Fiduciary and Non-Fiduciary transactions. For additional guidance, refer to the *Federal Intragovernmental Transactions Categories of Reciprocal U.S. Government Standard General Ledger Proprietary Accounts* table, Appendix A.

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20.1 - Reconciliation of Reciprocal Account Categories

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Fiduciary Transactions:	Non-Fiduciary Transactions:
<p>RC 01: <u>Federal Investments/Debt</u> — (i.e., assets/liabilities related to principal, discount, premium and amortized debt).</p>	<p>RC 07: <u>Appropriation of unavailable trust or special fund receipts in/Appropriation of unavailable trust or special fund receipts out</u> - (i.e., appropriated earmarked receipts).</p>
<p>RC 02: <u>Interest Receivable/Interest Payable</u> - (i.e., assets/ liabilities related to interest receivable/payable).</p>	<p>RC 08: <u>Non-expenditure transfers-in of unexpended appropriations and financing sources-</u> (i.e., unexpended appropriations and nonexpenditruue financing sources).</p>
<p>RC 03: <u>Federal Securities Interest Expense/Federal Securities Interest Revenue</u> —(i.e., interest revenue/expense resulting from both exchange and nonexchange transactions.)</p>	<p>RC 09: <u>Expenditure transfers-in of financing sources</u> – (i.e., expenditure financing sources and expenditure transfers payable/ receivable).</p>
<p>RC 05: <u>Borrowings and Other Interest Expense/Interest Revenue</u> – (i.e., interest expense/revenue related to BPD & FFB borrowings)</p>	<p>RC 18: <u>Transferred In/Out Without Reimbursement</u> — (i.e., financing source transferred in/out without reimbursement).</p>
<p>RC 06: <u>Borrowings Losses/Gains</u> – (i.e., gains/losses on disposition of borrowings)</p>	<p>RC 22: <u>Accounts Receivable - Accounts Payable</u> — (i.e., assets/liabilities related to accounts receivable/payable, and other liabilities).</p>
<p>RC 17: <u>Loans Receivable/Payable</u>— (i.e., assets /liabilities related to BPD/FFB loans receivable/payable.)</p>	<p>RC 23: <u>Advances to Others and Prepayments/Advances From Others and Deferred Credits</u> — (i.e., assets/liabilities related to advances, prepayments, and deferred credits).</p>
<p>RC 21: <u>Benefit Program Contributions Receivables and Payables</u> — (i.e., assets/liabilities related to employee benefits receivable/payable).</p>	<p>RC 24: <u>Buy/Sell Costs/Revenue</u>—(i.e., revenue/expense related to goods sold and services rendered).</p>
<p>RC 26: <u>Benefit Program Costs/Revenues</u>— (i.e. exchange and nonexchange revenue/expense related to employee benefits)</p>	<p>RC 25: <u>Imputed Costs/Imputed Financing Sources</u></p>
	<p>RC 27: <u>Transfers Receivable/Payable</u>— (i.e., assets/liabilities related to transfer expenditure receivable/payable).</p>

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Note: RC 29 consists of USSGL accounts that do not eliminate against each other.

Section 21 - Examples of Accounting for and Reporting Transactions

Following are examples of the proprietary accounting entries and reporting requirements for various types of Intragovernmental transactions. Budgetary information will also need to be captured and recorded at the same time, as applicable, when the proprietary accounting entries are made. The transactions in this guide do not represent the complete accounting cycle for proprietary transactions related to the particular accounting event. (Complete scenarios of accounting events are at <http://www.fms.treas.gov/ussgl>). This guide only includes the parts of transactions that occur on both partner agencies' records. The guide does not include any budgetary transactions. *The examples are for illustrative purposes only and do not represent actual transactions.*

Currently, there are no reporting requirements for intragovernmental transactions involving "N" accounts to be recorded with a trading partner code (xx). However, agencies need a mechanism in place to reconcile their transaction. Agencies will need to report capitalized acquisitions from Government agencies in USSGL accounts 8801F, 8802F, 8803F and 8804F.

In the applicable examples, goods recorded as assets by the receiving agency, goods recorded as supplies inventory by the receiving agency, sale of equipment, and transfers is demonstrated with the trading partner code (xx). Each example is accompanied with a USSGL account crosswalk to the financial statement presentation. In addition, credit amounts/balances are in parenthesis (-). These transactions should be reported based on the USSGL account with the corresponding trading partner code identified in accordance with USSGL Documents and Agency Reporting Requirements for the FR.

21.1 - Investments in Federal Securities Issued by the Treasury Department, BPD

Federal trust fund receipts and cash balances are invested in Treasury securities through the Bureau of the Public Debt (BPD). BPD also issues federal debt securities to the public and accounts for the public debt. BPD reports this activity (in summary) to the public and other interested users in the Monthly Statement of Public Debt. Note: Treasury securities purchased by agencies through non-governmental sources, such as private brokerage firms, should be reported as federal (i.e. with an "F" attribute). BPD accounts for these securities as investments held by a federal agency when reporting to FACTS/GFRS, IFCS, and IRAS.

Treasury- managed trust funds: Federal trust funds are created by and maintained in accordance with the various Acts and Public Laws as enacted by Congress. BPD manages certain trust funds for program agencies. The Division of Federal Investments of BPD provides accounting, investment, and financial reporting services for the trust funds. This includes managing the investments, maintaining related accounting records and supporting documentation, and preparing activity statements.

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BPD is responsible for administering and monitoring the daily activities of the managed trust funds including receipts, investment and redemption activity, and calculation of interest. The trust fund program agencies are responsible for determining the nature, extent, and timing of disbursements to satisfy the objectives of the programs financed by the trust funds. The trust fund program agencies are also responsible for reporting to FMS.

Federal agency managed funds: Many program agencies are responsible for trust, revolving and other funds, and manage the purchase and sale of securities from Treasury through BPD. These program agencies are responsible for determining amounts to be invested and the terms of the investments. These agencies are responsible for reconciling periodic interest income from information provided by BPD.

The transactions illustrated in the following sections apply to all intragovernmental investments.

21.1.1 - Purchase of Investments from BPD

The purchase of an investment should be recorded at acquisition cost. The investment account should be charged with par value and a premium or discount recorded for the difference between acquisition cost and par value.

21.1.2 - Purchased at a Discount

Bureau of the Public Debt (trading partner code 20) issues a Treasury Security to the DOL Unemployment Trust Fund (trading partner code 16), a Treasury security with a par value of \$20,000. DOL purchases the security at discount for \$19,100.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Labor, Unemployment Trust Fund		
TC B127			TC B128		
1010	Fund Balance With Treasury	19,100	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000
2531F (16)	Discount on Securities Issued by Federal Agencies Under	900	1611F (20)	Discount on U.S. Treasury Securities Issued by the	900

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Providing agency Bureau of the Public Debt			Receiving agency Department of Labor, Unemployment Trust Fund		
2530F(16)	General and Special Financing Authority Securities Issued by Federal Agencies Under General and Special Financing Authority	20,000	1010	Bureau of the Public Debt Fund Balance With Treasury	19,100

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	19,100
Balance Sheet	2531F (16)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	900
Balance Sheet	2530F(16)	Securities Issued by Federal Agencies Under General and Special financing Authority	(20,000)

Department of Labor Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(19,100)
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000
Balance Sheet	1611F (20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(900)

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Department of Labor	Amount	Difference
2531F(16)- Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	900	1611F(20)- Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(900)	0
2530F(16)- Securities Issued by Federal Agencies Under General and Special financing Authority	(20,000)	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000	0
TOTAL	(19,100)	TOTAL	19,100	0

21.1.3 - Purchased at a Premium

The Highway Trust Fund of the Department of Transportation (trading partner code 69) purchased an interest-bearing note for \$20,200 with a par value of \$20,000 and a premium of \$200.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Transportation		
TC B125			TC B126		
1010	Fund Balance With Treasury	20,200	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000
2530F (69)	Securities Issued by Federal Agencies under General and	20,000	1612F (20)	Premium on U.S. Treasury Securities Issued by the	200

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Providing agency Bureau of the Public Debt		Receiving agency Department of Transportation	
2532F(69)	Special Financing Authority Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority 200	1010	Bureau of the Public Debt Fund Balance With Treasury 20,200

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	20,200
Balance Sheet	2530F(69)	Securities Issued by Federal Agencies Under General and Special Financing Authority	(20,000)
Balance Sheet	2532F(69)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(200)

Department of Transportation Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(20,200)
Balance Sheet	1610F(20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000
Balance Sheet	1612F(20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	200

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Department of Transportation	Amount	Difference
2532F(69)- Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(200)	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	200	0
2530F(69)- Securities Issued by Federal Agencies Under General and Special financing Authority	(20,000)	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000	0
TOTAL	(20,200)	TOTAL	20,200	0

21.1.4 - Purchased at Par Value

The Federal Highway Trust Fund, DOT (trading partner code 69) purchased a Treasury security at a par value of \$10,000.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Transportation		
TC B123			TC B124		
1010	Fund Balance With Treasury	10,000	1610F (20)	Investments in U.S. Treasury Securities Issued by Public Debt	10,000
2530F (69)	Securities Issued by Federal Agencies under General and Special Financing Authority	10,000	1010	Fund Balance With Treasury	10,000

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The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	10,000
Balance Sheet	2530F (69)	Securities Issued by Federal Agencies Under General and Special Financing Authority	(10,000)

Department of Transportation Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(10,000)
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	10,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Department of Transportation	Amount	Difference
2530F(69)- Securities Issued by Federal Agencies Under General and Special Financing Authority	(10,000)	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	10,000	0
TOTAL	(10,000)	TOTAL	10,000	0

21.1.5 - Purchase of Interest with a Security Purchased at Par Value

When a note or bond, bearing a stated semi-annual interest rate, is purchased on a date other than an interest payment date, the investing entity must purchase interest back to the last interest payment date. On the next interest payment date, the entity will receive an interest payment for the full six-month interest period. The Department of Transportation, Federal Highway Trust Fund (trading partner code 69), purchased a Treasury security at a par value of \$10,000 plus interest purchased of \$500.

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The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Transportation		
TC B123			TC B124		
TC B109R			TC C109R		
1010	Fund Balance With Treasury	10,500	5311F (20)	Interest Revenue- Investment	500
6320F (69)	Interest Expense on Securities	500	1610F (20)	Investments in U.S. Treasury Securities Issued by Public Debt	10,000
2530F (69)	Securities Issued by Federal Agencies under General and Special Financing Authority	10,000	1010	Fund Balance With Treasury	10,500

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	10,500
Statement of Net Cost	6320F (69)	Interest Expense on Securities	(500)
Balance Sheet	2530F (69)	Securities Issued by Federal Agencies Under General and Special Financing Authority	(10,000)

Department of Transportation Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(10,500)
Statement of Net Cost	5311F (20)	Interest Revenue-Investments	500
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	10,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Department of Transportation	Amount	Difference
2530F(69)- Securities Issued by Federal Agencies Under General and Special Financing Authority	(10,000)	1610 F (20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	10,000	0
TOTAL	(10,000)	TOTAL	10,000	0

RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue

Bureau of the Public Debt	Amount	Department of Transportation	Amount	Difference
6320F(69)-Interest Expense on Securities	(500)	5311F(20)- Interest Revenue- Investments	500	0
TOTAL	(500)	TOTAL	500	0

21.1.6 - Interest Income

Periodic interest payments are made to trust, revolving or other funds based on the terms of the securities. Most notes and bonds pay interest semi-annually. The following entries are to record the periodic interest paid by the Bureau of the Public Debt on a Treasury Security. The Civil Service Retirement and Disability Fund managed by OPM (trading partner code 24) received a semi-annual interest payment of \$5,000 on a Treasury security (trading partner code 20).

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Office of Personnel Management		
TC B112			TC C109		
2140F (24)	Accrued Interest Payable	5,000	1010	Fund Balance With Treasury	5,000
1010	Fund Balance		1340F	Interest	

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Providing agency Bureau of the Public Debt		Receiving agency Office of Personnel Management		
with Treasury	5,000	(20)	Receivable	5,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(5,000)
Balance Sheet	2140F (24)	Accrued Interest Payable	5,000

Office of Personnel Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	5,000
Balance Sheet	1340F (20)	Interest Receivable	(5,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 02: Interest Receivable/Interest Payable

Bureau of the Public Debt	Amount	Office of Personnel Management	Amount	Difference
2140F(24)-Accrued Interest Payable	5,000	1340F(20)-Interest Receivable	(5,000)	0
TOTAL	5,000	TOTAL	(5,000)	0

21.1.7 - Interest Accruals

Refer to OMB Memorandum M-07-03 Business Rules for Intragovernmental Transactions at <http://www.whitehouse.gov/omb>.

Interest accruals should be calculated and recorded periodically in accordance with the investing agency's accounting policies and procedures. Interest should be accrued for amounts earned and unpaid at the cut-off date. Interest accrued on September 30 must be verified by the agencies with BPD records and any material differences resolved before submission of the Closing Package.² The following are the entries to record accrued interest on investments at September

² The Guide includes illustrative entries for the receipt and payment of interest and recognition of accrued interest receivable and payable. These entries illustrate the accounting that would be required, on a stand-alone basis, if the entity had not previously recognized any accrued interest.

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30. The Centers for Medicare and Medicaid Services (trading partner code 75) has a Treasury bond purchased from the Bureau of the Public Debt (trading partner code 20) with a par value of \$10,000 and an interest rate of 10% payable on June 30 and December 31. As of September 30, accrued interest would be calculated as follows: $3 \text{ months} = 92 \text{ days}/184 \text{ days} \times (\$10,000 \times 10\%)/2 = \250 .

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Centers for Medicare and Medicaid Services		
TC B418			TC C418		
6320F(75)	Interest	250	1340F (20)	Interest Receivable	250
	Expenses on Securities				
2140F(75)	Accrued Interest Payable	250	5311F (20)	Interest Revenue – Investments	250

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2140F (75)	Accrued Interest Payable	(250)
Statement of Net Cost	6320F (75)	Interest Expenses on Securities	250

Centers for Medicare and Medicaid Services Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1340F (20)	Interest Receivable	250
Statement of Net Cost	5311F (20)	Interest Revenue – Investments	(250)

For example, an investing entity credits USSGL A/C 5311 (F), Interest Income for \$5,000 on receipt of a semi-annual interest payment. This entry assumes that no portion of the semi-annual interest payment had previously been accrued as earned. However, if the investing entity had previously accrued \$4,000 of interest earned on this investment prior to receipt of the \$5,000 semi-annual interest payment, the required entry would include a debit to accrued interest receivable for \$1,000 and a credit to interest income for \$1,000, then debit cash and credit interest receivable for \$5,000.

Agency practices for the accrual of interest and accounting for interest received or paid may vary. The illustrative entries contained in the Guide should be considered in the context of agency practice and modified if necessary. In all cases, in accounting for interest, agencies should consider the methodology they use to account for interest earned, as well as accrued interest receivable and payable balances.

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 02: Interest Receivable/Interest Payable

Bureau of the Public Debt	Amount	Centers for Medicare and Medicaid Services	Amount	Difference
2140F(75)-Accrued Interest Payable	(250)	1340F(20)-Interest Receivable	250	0
TOTAL	(250)	TOTAL	250	0

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue

Bureau of the Public Debt	Amount	Centers for Medicare and Medicaid Services	Amount	Difference
6320F(75)-Interest Expense on Securities	250	5311F(20)-Interest Revenue-Investments	(250)	0
TOTAL	250	TOTAL	(250)	0

21.1.8 - Amortization of Premium or Discount

Refer to OMB Memorandum M-07-03 Business Rules for Intragovernmental Transactions at <http://www.whitehouse.gov/omb>.

The agencies' amortized premiums and discounts should be calculated using the effective interest method (as outlined in SFFAS No. 1, Accounting for Select Assets and Liabilities) for Treasury notes and bonds. The straight-line method is used for Treasury Bills. Federal program agencies (FPA) are responsible for reconciling their totals with BPD's amount and BPD will assist in that reconciliation effort.

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21.1.9 – Amortization of Premium

The Social Security Administration Federal Disability Insurance Trust Fund (trading partner code 28) purchased a Treasury security at a premium. The amortization of the premium for the current fiscal year is \$8,000.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Social Security Administration		
No TC entry			TC E117R		
2533F(28)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	8,000	5311F (20)	Interest Revenue- Investments	8,000
6320F(28)	Interest Expense on Securities	8,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	8,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2533F	Amortization of Discount and	8,000

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Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
	(28)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	
Statement of Net Cost	6320F (28)	Interest Expense on Securities	(8,000)

Social Security Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(8,000)
Statement of Net Cost	5311F (20)	Interest Revenue - Interest	8,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Social Security Administration	Amount	Difference
2533F(28)- Amortization of Discount and Premium on securities issued by Federal Agencies Under General and Special Financing Authority	8,000	1613F(20)- Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(8,000)	0
TOTAL	8,000	TOTAL	(8,000)	0

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue

Bureau of the Public Debt	Amount	Social Security Administration	Amount	Difference
6320F(28)– Interest Expense on Securities	(8,000)	5311F(20)- Interest Revenue- Investments	8,000	0
TOTAL	(8,000)	TOTAL	8,000	0

21.1.10 - Amortization of Discount

The Department of Commerce (trading partner code 13) purchased a Treasury security at a discount of \$10,000. The amortization for the fiscal year ended September 30 is \$5,000.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Commerce		
No TC Entry			TC E117		
6320F (13)	Interest Expenses on Securities	5,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000
2533F (13)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	5,000	5311F (20)	Interest Revenue – Investments	5,000

The crosswalk for financial statement reporting of these accounts is as follows:

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Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2533F (13)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(5,000)
Statement of Net Cost	6320F (13)	Interest Expenses on Securities	5,000

Department of Commerce Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000
Statement of Net Cost	5311F (20)	Interest Revenue - Investments	(5,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Department of Commerce	Amount	Difference
2533F(13)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(5,000)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000	0
TOTAL	(5,000)	TOTAL	5,000	0

RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue

Bureau of the Public Debt	Amount	Social Security Administration	Amount	Difference
6320F(13)-Interest Expense on	5,000	5311F(20)- Interest	(5,000)	0

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Securities		Revenue- Investments		
TOTAL	5,000	TOTAL	(5,000)	0

21.1.11 - Sale of an Investment (at Book Value) with Unamortized Premium

The Highway Trust Fund, DOT (trading partner code 69) has a Treasury security with a par value of \$2,000 purchased with a premium of \$200. The security was redeemed for \$2,100 on September 30. \$100 was not amortized at the end of the period.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Transportation		
No TC Entry			TC C122		
2530F(69)	Securities Issued by Federal Agencies under General and Special Financing Authority, Net	2,000	1010	Fund Balance With Treasury	2,100
2532F(69)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	200	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	100
2533F(69)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under	100	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	2,000

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Providing agency Bureau of the Public Debt			Receiving agency Department of Transportation		
1010	General and Special Financing Authority Fund Balance With Treasury	2,100	1612F (20)	Premium on U.S. Securities Issued by the Bureau of the Public Debt	200

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(2,100)
Balance Sheet	2530F(69)	Securities Issued by Federal Agencies Under General and Special Financing Authority	2,000
Balance Sheet	2532F(69)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	200
Balance Sheet	2533F(69)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(100)

Department of Transportation Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	2,100
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(2,000)
Balance Sheet	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(200)

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Department of Transportation Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1613F(20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	100

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Department of Transportation	Amount	Difference
2530F(69)- Securities Issued by Federal Agencies Under General and Special Financing Authority	2,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(2,000)	0
2532F(69)-Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	200	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(200)	0
2533F(69)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(100)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	100	0
TOTAL	2,100	TOTAL	(2,100)	0

21.1.12 - Sale of a Security (with no Gain or Loss) with Unamortized Discount

Centers for Medicare and Medicaid Services (trading partner code 75) sold a Treasury security issued with a par value of \$5,000, original issue discount of \$600, and unamortized discount of \$300 for \$4,700.

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The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Centers for Medicare and Medicaid Services		
No TC entry			TC C124		
2530F (75)	Securities Issued by Federal Agencies under General and Special Financing Authority	5,000	1010	Fund Balance With Treasury	4,700
2533F(75)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	300	1611F (20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	600
2531F(75)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	600	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	300
1010	Fund Balance With Treasury	4,700	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000

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The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(4,700)
Balance Sheet	2530F(75)	Securities Issued by Federal Agencies Under General and Special Financing Authority	5,000
Balance Sheet	2531F(75)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	(600)
Balance Sheet	2533F(75)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	300

Centers for Medicare and Medicaid Services Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	4,700
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(5,000)
Balance Sheet	1611F (20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	600
Balance Sheet	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(300)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Centers for Medicare and Medicaid Services	Amount	Difference
2530F(75)- Securities Issued by Federal Agencies Under General and Special Financing Authority	5,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(5,000)	0
2531F(75)- Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	(600)	1611F(20)- Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	600	0
2533F(75)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	300	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(300)	0
TOTAL	4,700	TOTAL	(4,700)	0

21.1.13 - Sale of an Investment with a Gain

The Employees' Life Insurance Fund managed by OPM (trading partner code 24) sells a Treasury security with a par value of \$50,000. The security was purchased with a premium of \$6,000. The security was sold for \$56,000. The unamortized premium balance was \$4,000 at the time of the sale.

The following entries should be recorded:

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Providing agency Bureau of the Public Debt			Receiving agency Employees' Life Insurance Fund		
No TC Entry			TC C602		
2530F (24)	Securities Issued by Federal Agencies under General and Special Financing Authority	50,000	1010	Fund Balance With Treasury	56,000
2532F(24)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	6,000
6320F(24)	Interest Expense on Securities	4,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	4,000
2533F(24)	Amortization of Discount and Premium on Securities Issued by	4,000	1610F (20)	Investments in U.S. Treasury Securities Issued by	50,000

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Providing agency Bureau of the Public Debt			Receiving agency Employees' Life Insurance Fund		
	Federal Agencies Under General and Special Financing Authority			the Bureau of the Public Debt	
1010	Fund Balance With Treasury	56,000	7111F (20)	Gains on Disposition of Investments	4,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(56,000)
Balance Sheet	2530F (24)	Securities Issued by Federal Agencies Under General and Special Financing Authority	50,000
Statement of Net Cost	6320F (24)	Interest Expense on Securities	4,000
Balance Sheet	2532F (24)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000
Balance Sheet	2533F (24)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(4,000)

Employees' Life Insurance Fund Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	56,000
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(50,000)
Balance Sheet	1612F	Premium on U.S. Treasury	(6,000)

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Employees' Life Insurance Fund Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
	(20)	Securities Issued by the Bureau of the Public Debt	
Balance Sheet	1613F(20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	4,000
Statement of Net Cost	7111F(20)	Gains on Disposition of Investments	(4,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Employees' Life Insurance Fund	Amount	Difference
2530F(24)- Securities Issued by Federal Agencies Under General and Special Financing Authority	50,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(50,000)	0
2532F(24)- Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(6,000)	0
2533F(24)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(4,000)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	4,000	0
TOTAL	52,000	TOTAL	(52,000)	0

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RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue

Bureau of the Public Debt	Amount	Employees' Life Insurance Fund	Amount	Difference
6320F(24)- Interest Expense on Securities	4,000	7111F(20)- Gains on Disposition of Investments	(4,000)	0
TOTAL	4,000	TOTAL	(4,000)	0

21.1.14 - Sale of an Investment with a Loss and Unamortized Premium

The Employees' Life Insurance Fund managed by OPM (trading partner code 24) sells a Treasury security with a par value of \$50,000 that was purchased with a premium of \$6,000. The security is sold for \$48,000 and the unamortized premium balance was \$3,000.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Employees' Life Insurance Fund		
No TC Entry			TC C604		
2530F (24)	Securities Issued by Federal Agencies under General and Special Financing Authority	50,000	1010	Fund Balance With Treasury	48,000
2532F (24)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	3,000

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Providing agency Bureau of the Public Debt			Receiving agency Employees' Life Insurance Fund		
2533F (24)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	3,000	7211F (20)	Losses on Disposition of Investments	5,000
6320F (24)	Interest Expense on Securities	5,000	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	50,000
1010	Fund Balance With Treasury	48,000	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	6,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(48,000)
Balance Sheet	2530F (24)	Securities Issued by Federal Agencies Under General and Special Financing Authority	50,000
Statement of Net Cost	6320F (24)	Interest Expense on Securities	(5,000)
Balance Sheet	2532F	Premium on Securities Issued	6,000

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Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
	(24)	by Federal Agencies Under General and Special Financing Authority	
Balance Sheet	2533F (24)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(3,000)

Employees' Life Insurance Fund Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	48,000
Balance Sheet	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(50,000)
Balance Sheet	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(6,000)
Balance Sheet	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	3,000
Statement of Net Cost	7211F (20)	Losses on Disposition of Investments	5,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 01: Federal Investments/Debt

Bureau of the Public Debt	Amount	Employees' Life Insurance Fund	Amount	Difference
2530F(24)- Securities Issued by Federal Agencies Under General and	50,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the	(50,000)	0

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Special Financing Authority		Bureau of the Public Debt		
2532F(24)- Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(6,000)	0
2533F(24)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(3,000)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	3,000	0
TOTAL	53,000	TOTAL	(53,000)	0

RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue

Bureau of the Public Debt	Amount	Employees' Life Insurance Fund	Amount	Difference
6320F(24)- Interest Expense on Securities	(5,000)	7211F(20)- Losses on Disposition of Investments	5,000	0
TOTAL	(5,000)	TOTAL	5,000	0

21.2 - Borrowings from Treasury (BPD)

Federal agencies that have legal authority, granted by Congress through legislative borrowing authority, may borrow funds from the Department of Treasury for use as outlined in the legislation, i.e. student loans, flood insurance, etc. The Bureau of the Public Debt's borrowings program represents the Department of the Treasury's role in the federal loan program. The Bureau of the Public Debt maintains the accounts and detail records for the loan transactions and the related interest receivable and revenue between the Department of the Treasury and other federal agencies.

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21.2.1 – Proceeds from Borrowing

The Department of Education (trading partner code 91) has borrowing authority to borrow from the Department of Treasury. The agency initiates a borrowing for \$200,000 in GWA to finance student loans. The Bureau of the Public Debt approves the transaction in GWA to authorize the funds transfer.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Department of Education		
No TC Entry			TC A156		
1350F(91)	Loans Receivable	200,000	1010	Fund Balance with Treasury	200,000
2980F(99)	Custodial Liability	200,000	2510F(20)	Principal Payable to the Bureau of the Public Debt	200,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1350F(91)	Loans Receivable	200,000
Balance Sheet	2980F(99)	Custodial Liability	(200,000)

Department of Education Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance with Treasury	200,000
Balance Sheet	2510F(20)	Principal Payable to the Bureau of the Public Debt	(200,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 17: Loans Receivable/Payable

Bureau of the Public Debt	Amount	Department of Education	Amount	Difference
1350F(91)-Loans Receivable	200,000	2510F(20)-Principal Payable to the Bureau of the Public Debt	(200,000)	0
TOTAL	200,000	TOTAL	(200,000)	0

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21.2.2 - Interest Accruals

The Small Business Administration (trading partner code 73) accrues interest of \$80,000 on its borrowings from the Bureau of the Public Debt under the Credit Reform Act.

The following entries should be recorded:

Providing agency Bureau of the Public Debt			Receiving agency Small Business Administration		
TC C416			TC B418		
1340F(73)	Interest Receivable	80,000	6310F(20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000
5312F(73)	Interest Revenue – Loans Receivable/Uninvested Funds	80,000	2140F(20)	Accrued Interest Payable	80,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1340F(73)	Interest Receivable	80,000
Statement of Net Cost	5312F(73)	Interest Revenue – Loans Receivable/Uninvested Funds	(80,000)

Small Business Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2140F(20)	Accrued Interest Payable	(80,000)
Statement of Net Cost	6310F(20)	Interest Expenses on	80,000

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Small Business Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
		Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 02: Interest Receivable/Interest Payable

Bureau of the Public Debt	Amount	Small Business Administration	Amount	Difference
1340F(73)-Interest Receivable	80,000	2140F(20)-Accrued Interest Payable	(80,000)	0
TOTAL	80,000	TOTAL	(80,000)	0

RC 05: Borrowings and Other Interest Expense/Interest Revenue

Bureau of the Public Debt	Amount	Small Business Administration	Amount	Difference
5312F(73)-Interest Revenue-Loans Receivable/Uninvested Funds	(80,000)	6310F(20)-Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000	0
TOTAL	(80,000)	TOTAL	80,000	0

21.2.3 - Interest Payments

The Department of Agriculture, Rural Development Program, (trading partner code 12) pays a periodic interest payment of \$60,000 to the Bureau of the Public Debt that was previously accrued. The agency enters the payment transaction in the IPAC system.

The following entries should be recorded:

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Providing agency Bureau of the Public Debt			Receiving agency Department of Agriculture		
No TC Entry			TC B112		
2980F(99)	Custodial Liability	60,000	2140F(20)	Accrued Interest Payable	60,000
1340F(12)	Interest Receivable	60,000	1010	Fund Balance with Treasury	60,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1340F(12)	Interest Receivable	(60,000)
Balance Sheet	2980F(99)	Custodial Liability	60,000

Department of Agriculture Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance with Treasury	(60,000)
Balance Sheet	2140F(20)	Accrued Interest Payable	60,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 05: Borrowings and Other Interest Expense/Interest Revenue

Bureau of the Public Debt	Amount	Department of Agriculture	Amount	Difference
1340F(12)-Interest Revenue-Loans Receivable/Uninvested Funds	(60,000)	2140F(20)-Interest Expenses on Borrowings from Bureau of the Public Debt	60,000	0
TOTAL	(60,000)	TOTAL	60,000	0

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21.2.4 - Principal Payments

The Department of Education (trading partner code 91) borrowed \$200,000 from the Bureau of the Public Debt to finance student loans and is presently repaying \$10,000 of the borrowing at the end of the first fiscal year. The agency initiates the repayment transaction in GWA and the Bureau of the Public Debt approves the transaction to transfer the funds.

The following entries should be recorded:

Providing agency Bureau of the Public Debt				Receiving agency Department of Education			
No TC Entry				TC B121			
2980F(99)	Custodial Liability	10,000		2510F(20)	Principal Payable to the Bureau of the Public Debt Treasury	10,000	
1350F(91)	Loans Receivable		10,000	1010	Fund Balance with Treasury		10,000

The crosswalk for financial statement reporting of these accounts is as follows:

Bureau of the Public Debt Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1350F(91)	Loans Receivable	(10,000)
Balance Sheet	2980F(99)	Custodial Liability	10,000

Department of Education Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance with Treasury	(10,000)
Balance Sheet	2510F(20)	Principal Payable to the Bureau of the Public Debt	10,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 17: Loans Receivable/Payable

Bureau of the Public Debt	Amount	Department of Education	Amount	Difference
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1350F(91)-Loans Receivable	(10,000)	2510F(20)-Principal Payable to the Bureau of the Public Debt	10,000	0
TOTAL	(10,000)	TOTAL	10,000	0

21.3 - Borrowings from Treasury (FFB)

The Federal Financing Bank was established by Congress in order “to assure coordination of federal and federally assisted borrowing programs with the overall economic and fiscal policies of the U.S. Government, to reduce the cost of federal and federally assisted borrowing from the public, and to assure that such borrowings are financed in a manner least disruptive of private financial markets and institutions.” The Bank was given broad statutory authority to finance obligations issued, sold, or guaranteed by federal agencies so that the Bank could meet these debt management objectives. The Federal Finance Bank has legislative authority to borrow from the Department of the Treasury to engage in lending to various federal entities through the purchase of agency financial assets, the acquisition of agency debt securities and by providing direct loans on behalf of the agency. The same methodology for recording, tracking and reporting proceeds from borrowing, interest payments, interest accruals and repayments for federal intragovernmental loans should be used for Department of the Treasury, BPD and FFB loans. However, FFB recognizes gains and losses on loans, in addition to recording a liability instead of a custodial account for its lending program.

21.3.1 - Proceeds from Borrowing

The Department of Education (trading partner code 91) borrows \$200,000 from the Federal Financing Bank to finance student loans.

The following entries should be recorded:

Providing agency Federal Financing Bank			Receiving agency Department of Education		
TC C408			TC A156		
1350F (91)	Loans Receivable	200,000	1010	Fund Balance With Treasury	200,000
1010	Fund Balance With Treasury	200,000	2520F(20)	Principal Payable to the Federal Financing Bank	200,000

The crosswalk for financial statement reporting of these accounts is as follows:

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Federal Financing Bank Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1350F (91)	Loans Receivable	200,000
Balance Sheet	1010	Fund Balance With Treasury	(200,000)

Department of Education	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	200,000
Balance Sheet	2520F (20)	Principal Payable to the Federal Financing Bank	(200,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 17: Loans Receivable/Payable

Federal Financing Bank	Amount	Department of Education	Amount	Difference
1350F(91)-Loans Receivable	200,000	2520F(20)-Principal Payable to the Federal Financing Bank	(200,000)	0
TOTAL	200,000	TOTAL	(200,000)	0

21.3.2 - Interest Payments

The Department of Agriculture, Rural Development Program, (trading partner code 12) pays a periodic interest payment of \$60,000 to FFB that was not previously accrued.

The following entries should be recorded:

Providing agency Federal Financing Bank		Receiving agency Department of Agriculture	
TC C109		TC B109	
Fund Balance With	60,000	6310F Interest	
1010 Treasury		(20) Expenses on	60,000

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Providing agency Federal Financing Bank			Receiving agency Department of Agriculture		
5312	Interest Revenue –			Borrowing	
F (12)	Loans	60,000	1010	From the	
	Receivable/Uninvested Funds			Bureau of	
				the Public	
				Debt and/or	
				the Federal	
				Financing	
				Bank	
				Fund	
				Balance	60,000
				With	
				Treasury	

The crosswalk for financial statement reporting of these accounts is as follows:

Federal Financing Bank Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	60,000
Statement of Net Cost	5312F (12)	Interest Revenue – Loans Receivable/Uninvested Funds	(60,000)

Department of Agriculture Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(60,000)
Statement of Net Cost	6310F (20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	60,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 05: Borrowings and Other Interest Expense/Interest Revenue

Federal Financing Bank	Amount	Department of Agriculture	Amount	Difference
5312F(12)-Interest Revenue-Loans Receivable/Uninvested Funds	(60,000)	6310F(20)-Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	60,000	0
TOTAL	(60,000)	TOTAL	60,000	0

21.3.3 - Interest Accruals

The Small Business Administration (trading partner code 73) accrues interest of \$80,000 on its borrowings from the Federal Financing Bank..

The following entries should be recorded:

Providing agency Federal Financing Bank			Receiving agency Small Business Administration		
TC C416			TC B418		
1340F (73)	Interest Receivable	80,000	6310F (20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000
5312F (73)	Interest Revenue – Loans Receivable/Uninvested Funds	80,000	2140F (20)	Accrued Interest Payable	80,000

The crosswalk for financial statement reporting of these accounts is as follows:

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Federal Financing Bank Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1340F(73)	Interest Receivable	80,000
Statement of Net Cost	5312F(73)	Interest Revenue – Loans Receivable/Uninvested Funs	(80,000)

Small Business Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2140F(20)	Accrued Interest Payable	(80,000)
Statement of Net Cost	6310F(20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 02: Interest Receivable/Interest Payable

Federal Financing Bank	Amount	Small Business Administration	Amount	Difference
1340F(73)-Interest Receivable	80,000	2140F(20)-Accrued Interest Payable	(80,000)	0
TOTAL	80,000	TOTAL	(80,000)	0

RC 05: Borrowings and Other Interest Expense/Interest Revenue

Federal Financing Bank	Amount	Small Business Administration	Amount	Difference
5312F(73)-Interest Revenue-Loans Receivable/Uninvested Funds	(80,000)	6310F(20)-Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000	0

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TOTAL	(80,000)	TOTAL	80,000	0
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21.3.4 - Principal Payments

The Department of Education (trading partner code 91) borrows \$200,000 from the Federal Financing Bank to finance student loans and repays \$10,000 at the end of the first fiscal year.

The following entries should be recorded:

Providing agency Federal Financing Bank			Receiving agency Department of Education		
TC C408R			TC A156R		
1010	Fund Balance with Treasury	10,000	2520F (20)	Principal Payable to Federal Finance Bank	10,000
1350F (91)	Loans Receivable	10,000	1010	Fund Balance With Treasury	10,000

The crosswalk for financial statement reporting of these accounts is as follows:

Federal Financing Bank Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1350F(91)	Loans Receivable	(10,000)
Balance Sheet	1010	Fund Balance	10,000

Department of Education Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(10,000)
Balance Sheet	2520F(20)	Principal Payable to the Federal Finance Bank	10,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 17: Loans Receivable/Payable

Federal Financing	Amount	Department of	Amount	Difference
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Bank		Education		
1350F(91)-Loans Receivable	(10,000)	2520F(20)-Principal Payable to the Federal Finance Bank	10,000	0
TOTAL	(10,000)	TOTAL	10,000	0

21.3.5 - Gains on the Disposition of FFB Loans

The Department of Agriculture (trading partner code 12) prepays (early disposition) a \$50,000 FFB loan for \$48,000 cash (gain of \$2,000).

The following entries should be recorded:

Providing agency Federal Financing Bank			Receiving agency Department of Agriculture		
No TC entry			No TC entry		
1010	Fund Balance With Treasury	48,000	2520F(20)	Principal Payable to the Federal Financing Bank	50,000
7212F(12)	Losses on Disposition of Borrowings	2,000	1010	Fund Balance With Treasury	48,000
1350F(12)	Loans Receivable	50,000	7112F(20)	Gains on Disposition of Borrowings	2,000

The crosswalk for financial statement reporting of these accounts is as follows:

Federal Financing Bank Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	48,000
Balance Sheet	1350F(12)	Loans Receivable	(50,000)
Statement of Net Cost	7212F(12)	Losses on Disposition of Borrowings	2,000

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Department of Agriculture Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(48,000)
Balance Sheet	2520F(20)	Principal Payable to the Federal Financing Bank	50,000
Statement of Net Cost	7112F(20)	Gains on Disposition of Borrowings	(2,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 17: Loans Receivable/Payable

Federal Financing Bank	Amount	Department of Agriculture	Amount	Difference
1350F(12)-Loans Receivable	(50,000)	2520F(20)-Principal Payable to the Federal Financing Bank	50,000	0
TOTAL	(50,000)	TOTAL	50,000	0

RC 06: Borrowings-Losses/Gains

Federal Financing Bank	Amount	Department of Agriculture	Amount	Difference
7212F(12)-Losses on Disposition of Borrowings	2,000	7112F(20)-Gains on Disposition of Borrowings	(2,000)	0
TOTAL	2,000	TOTAL	(2,000)	0

21.3.6 - Losses on the Disposition of FFB Loans

The Department of Agriculture (trading partner code 12) prepays a \$50,000 FFB loan for \$54,000 (loss of \$4,000).

The following entries should be recorded:

Providing agency Federal Financing Bank	Receiving agency Department of Agriculture
No TC entry	No TC entry

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Providing agency Federal Financing Bank			Receiving agency Department of Agriculture		
1010	Fund Balance With Treasury	54,000	2520F(20)	Principal Payable to the Federal Financing Bank	50,000
1350F(12)	Loans Receivable	50,000	7212F(20)	Losses on Disposition of Borrowings	4,000
7112F(12)	Gains on Disposition of Borrowings	4,000	1010	Fund Balance With Treasury	54,000

The crosswalk for financial statement reporting of these accounts is as follows:

Federal Financing Bank	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	54,000
Balance Sheet	1350F(12)	Loans Receivable	(50,000)
Statement of Net Cost	7112F(12)	Gains on Disposition of Borrowings	(4,000)

Department of Agriculture Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(54,000)
Balance Sheet	2520F(20)	Principal Payable to the Federal Financing Bank	50,000
Statement of Net Cost	7212F(20)	Losses on Disposition of Borrowings	4,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 17: Loans Receivable/Payable

Federal Financing Bank	Amount	Department of Agriculture	Amount	Difference
1350F(12)-Loans	(50,000)	2520F(20)-	50,000	0

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Receivable		Principal Payable to the Federal Financing Bank		
TOTAL	(50,000)	TOTAL	50,000	0

RC 06: Borrowings-Losses/Gains

Federal Financing Bank	Amount	Department of Agriculture	Amount	Difference
7112F(12)-Gains on Disposition of Borrowings	(4,000)	7212F(20)-Losses on Disposition of Borrowings	4,000	0
TOTAL	(4,000)	TOTAL	4,000	0

21.4 - Transactions with the DOL Relating to the FECA

The Federal Employees' Compensation Special Benefit Fund was established under the authority of the Federal Employees' Compensation Act (FECA). The FECA Special Benefits Fund pays for income lost and medical costs for Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease.

The FECA Special Benefits Fund pays benefits on behalf of Federal entities as costs are incurred and bills (charges back) the entity annually (August 15) for the costs incurred during the previous 12-month period ended June 30 (July 1 – June 30). Federal entities fund the FECA payments through appropriations or operating revenues. For appropriated funds, the payment is due at the beginning of the second fiscal year after receipt of the bill (approximately 15 months). These liabilities due to the FECA Special Benefits Fund are recorded by the entities as unfunded (if annual appropriations are used) at the time of receipt of the bill. The liability amounts (including accruals) are provided by the DOL (on its website) by the 5th business day following the end of the preceding quarter.

“Government Corporations” are billed an administrative fee – fair share. The fair share fee is recorded as an operating expense in the fiscal year billed.

Federal entities with annual appropriations should recognize the unfunded liability for the charge backs at the time of receipt of the bill. The amount recorded should equal the amount billed by DOL. Generally, entities with no-year appropriations should recognize a funded liability and the funding availability at the time of the receipt of the chargeback from DOL. Generally entities with no-year appropriations should recognize a funded liability and the funding availability at the time of the receipt of the chargeback from DOL.

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On or before August 15 of each year, DOL submits a yearly billing (chargeback) report to Federal entities. The report is entitled *Notification of Workers' Compensation Cost Incurred on Your Behalf* (annual chargeback report) and covers the preceding 12-month period ended June 30 (July 1 through June 30). Additionally, each entity receives a quarterly Detailed Chargeback Report. The quarterly report provides a detailed listing of amounts paid by the FECA fund from the beginning of the current program year through the end of the quarter. The current year FECA expense and total liability will be calculated using information contained in these reports.

In general, the FECA expense and liability is calculated as follows:

Accrued FECA Liability:

The amount of accrued FECA liability (unfunded) for the year ended September 30, 2005 should equal:

- Add: Annual FECA Chargeback Report for the period July 1, 2003 through June 30, 2004.
- Add: Annual FECA Chargeback Report for the period July 1, 2004 through June 30, 2005.
- Add: Quarterly FECA Chargeback Report for the quarter ended September 30, 2005*.

FECA Expense:

The current year expense should equal:

- Add: Annual FECA Chargeback Report for the period July 1, 2004 through June 30, 2005.
- Add: Quarterly FECA Chargeback Report for the quarter ended September 30, 2005*
- Less: Quarterly FECA Chargeback Report for the quarter ended September 30, 2004

When the agencies receive budget authority to pay DOL for the accrued FECA costs, the unfunded FECA liability should be reclassified to funded liability. The funded liability will be reduced when the payment of the chargeback is made to DOL-FECA. Federal entities with no year appropriations should record a funded liability upon receipt of the billing from DOL. Annually, Federal entities are allocated the portion of the long term FECA actuarial liability attributable to the entity. The liability is calculated to estimate the expected liability for death, disability, medical and miscellaneous costs for approved compensation cases. The liability amounts and the calculation methodologies are provided by DOL to the entities by September 15. However, the actuarial liability is not part of the intragovernmental elimination process or the IFCS.

Each entity should record its portion of the FECA actuarial liability based on amounts provided by DOL. Each year, entities should record the change in the actuarial liability. The entity's actuarial liability balance should equal the amounts provided by DOL. The expense incurred for

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the year should equal the difference between the current year's liability and the liability for the previous year.

21.4.1 - FECA Liability and FECA Actuarial Liability Transactions - Example

The Department of Justice (trading partner code 15) received the following reports/information from the Department of Labor (trading partner code 16):

I.	Quarterly FECA Chargeback Report:	
	July 1, 2002 - September 30, 2002	\$4,000
	July 1, 2003 - September 30, 2003*	\$3,000
II.	Notification of Workers Compensation Cost Incurred on Your Behalf by DOL Employment Standard Administration Report (Annual FECA Chargeback Report):	
	July 1, 2000– June 30, 2001	\$15,000
	July 1, 2001 – June 30, 2002	\$18,000
	July 1, 2002– June 30, 2003	\$20,000
III.	Additional Accrual Information:	
	(From FY 2002 DOL web page)	
	Allocation of Accrued Benefits – September 30, 2002	\$1,000
	Allocation of Overpayment Receivables – September 30, 2002	(\$600)
	(From FY 2003 DOL web page)	
	Allocation of Accrued Benefits – September 30, 2003	\$1,350
	Allocation of Overpayment Receivables – September 30, 2003	(\$800)
IV.	Fair Share (Administrative Fee) – Due in FY 2004	\$5,000
V.	DOL Estimates of Total FECA Future Liabilities Report:	
	Fiscal year 2002	\$140,000
	Fiscal year 2003	\$160,000
VI.	Accrued FECA liability for fiscal year 2003 (prior year trial balance)	\$37,400

The following sections provide the fiscal year 2002 beginning trial balance, accounting entries, pre-closing trial balance and financial statements for DOJ (partner code 15) and DOL (partner code 16) based on the above information.

1. Accrued FECA Liability and Expense: Federal entities receive FECA chargeback reports from DOL and record accruals for the unfunded FECA liability and expense incurred during the

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current fiscal year. (If the entity has no year appropriations, the FECA liability would be funded). DOL publishes FECA liability information including amounts for the allocation of accrued benefits and allocation of overpayment receivables for all agencies on the DOL/OCFO website: <http://www.dol.gov/ocfo/publications.html>

Department of Justice Example:

DOJ unfunded FECA liability and FECA expense for fiscal year 200 3 is calculated as follows:

Annual FECA Chargeback for 7/1/01 - 6/30/02	18,000.00
Annual FECA Chargeback for 7/1/02- 6/30/03	20,000.00
Quarterly FECA Chargeback for 7/1/03- 9/30/03*	3,000.00
Unfunded FECA Liability for fiscal year 2003 (before Allocations)	41,000.00
Allocation of Accrued Benefits as of 9/30/03	1,350.00
Allocation of Overpayment Receivables as of 9/30/03	(800.00)
Unfunded FECA Liability for fiscal year 2003	41,550.00
Unfunded FECA Liability for fiscal year 2002(before Allocations)	37,000.00
Allocation of Accrued Benefits as of 9/30/02	1,000.00
Allocation of Overpayment Receivables as of 9/30/02	(600.00)
Unfunded FECA Liability for fiscal year 2002	37,400.00
FY 2003 Unfunded FECA benefit expense	4,150.00
Annual FECA Chargeback for 7/1/02 - 6/30/03	20,000.00
Quarterly FECA Chargeback for 7/1/02 - 9/30/02	(4,000.00)
Quarterly FECA Chargeback for 7/1/03 - 9/30/03	3,000.00
Net Allocation of Accrued Ben/Overpayment Rec. as of 9/30/03	550.00
Net Allocation of Accrued Ben/Overpayment Rec. as of 9/30/02	400.00
Fiscal Year 2003 total FECA expense	19,550.00

Beginning Balances - 10/1/02:

Department of Labor	Account #	USSGL Account Title	Amount
Balance Sheet	1010	Fund Balance With Treasury	8,000
Balance Sheet	1320F (15)	Employment Benefit Contributions Receivable	37,400
Balance Sheet	3310	Cumulative Results of Operations	(45,400)

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Department of Justice	Account #	USSGL Account Title	Amount
Balance Sheet	2225F (16)	Unfunded FECA Liability	(37,400)
Balance Sheet	3310	Cumulative Results of Operations	37,400

Proprietary entry to appropriate the Annual FECA Chargeback
7/1/ 00 – 6/30/ 01:

Providing agency Department of Labor	Receiving agency Department of Justice
No Entry	TC A104
	1010 Fund Balance 15,000 With Treasury
	3101 Unexpended Appropriations 15,000 – Appropriations Received

Entry to reclassify unfunded accrued FECA liability and expense to funded accrued FECA liability and expense for the Annual FECA Chargeback 7/1/ 00 – 6/30/ 01:

Providing agency Department of Labor	Receiving agency Department of Justice
TC C416	TC B422R
1320F Employment 15,000 (15) Benefit Contributions Receivable (funded)*	2225F Unfunded 15,000 (16) FECA Liability
	6850F Employer 15,000 (20) Contributions to Employee Benefit Programs Not Requiring Current Year Budget Authority
1320F Employment 15,000 (15) Benefit Contributions Receivable	TC E106
	2215F Other Post - 15,000 (16) Employment

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Providing agency Department of Labor			Receiving agency Department of Justice		
(unfunded)*			Benefits Due and Payable		
5400F (15)	Benefit Program Revenue (unfunded)	15,000	6400F (16) TC B134 3107	Benefits Expense Unexpended Appropriations - Used	15,000 15,000
5400F (15)	Benefit Program Revenue (funded)	15,000	5700	Expended Appropriations	15,000

* This is only for the Department of Labor.

Entry to record DOJ payment to DOL for Annual FECA Chargeback 7/1/ 00 – 6/30/ 01

Providing agency Department of Labor			Receiving agency Department of Justice		
TC A195			TC B110		
1010	Fund Balance With Treasury	15,000	2215F (16)	Other Post-Employment Benefits Due and Payable	15,000
1320F (15)	Employment Benefit Contributions Receivable	15,000	1010	Fund Balance With Treasury	15,000

The crosswalk for financial statement reporting of these accounts is as follows:

Department of Labor	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	15,000
Balance Sheet	1320F	Employment Benefit	(15,000)

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Department of Labor	Account #	USSGL Account Title	Amount (based on the above transaction)
	(15)	Contributions Receivable	

Department of Justice	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2215F (16)	Other Post-Employment Benefits Due and Payable	15,000
Balance Sheet	1010	Fund Balance With Treasury	(15,000)

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 21: Benefit Program Contributions Receivables and Payables

Department of Labor	Amount	Department of Justice	Amount	Difference
1320F(15)- Employment Benefit Contributions Receivables	(15,000)	2225F(16)- Unfunded FECA Liability	15,000	0
1320F(15)- Employment Benefit Contributions Receivables (funded)*	15,000	2215F(16)- Other Post Employment	(15,000)	0
TOTAL	0	TOTAL	0	0

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RC 26: Benefit Program Costs/Revenues

Department of Labor	Amount	Department of Justice	Amount	Difference
5400F(15)- Benefit Program (unfunded)	15,000	6850F(16)- Employer contributions to Employee Benefit Programs not Requiring Current Year Budget Authority	(15,000)	0
5400F(15)- Benefit Program Revenue (funded)	(15,000)	6400F(16)- Benefits Expense	15,000	0
TOTAL	0	TOTAL	0	0

Entry to record DOL payment of FECA claims on behalf of DOJ

Providing agency Department of Labor	Receiving agency Department of Justice
No TC Entry	No Entry
6400N Benefits Expense 19,150 1010 Fund Balance With Treasury 19,150	

Entry to record DOJ accrued FECA expense for fiscal year 2003

Providing agency Department of Labor	Receiving agency Department of Justice
TC C422	TC B422
1320F Employment 19,150 (15) Benefit	6850F Employer 19,150 (16) Contributions to

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Providing agency Department of Labor			Receiving agency Department of Justice		
	Contributions Receivable (unfunded)			Employee Benefit Programs Not Requiring Current -Year Budget Authority	
5400F (15)	Benefit Program Revenue (unfunded)	19,150	2225F (16)	Unfunded FECA Liability	19,150

The pre-closing trial balance crosswalk of these accounts is as follows:

Department of Labor	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	3,850
Balance Sheet	1320F (15)	Employment Benefit Contributions Receivable (unfunded)	41,550
Balance Sheet	3310	Cumulative Results of Operations	(45,400)
Statement of Net Cost	5400F (15)	Benefit Program Revenue (funded)	(15,000)
Statement of Net Cost	5400F (15)	Benefit Program Revenue (unfunded)	(4,150)
Statement of Net Cost	6400N (15)	Operating Expenses/Program Costs	19,150

Department of Justice	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2225F (16)	Unfunded FECA Liability	(41,550)
Balance Sheet	3310	Cumulative Results of Operation	37,400
Statement of Net Cost	5700	Expended Appropriations	(15,000)
Statement of Net Cost	6400N (16)	Benefit Expense	15,000
Statement of Net Cost	6850F	Employer Contributions to	4,150

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Department of Justice	Account #	USSGL Account Title	Amount (based on the above transaction)
	(16)	Employee Benefit Programs Not Requiring Current -Year Budget Authority	

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 21: Benefit Program Contributions Receivables and Payables

Department of Labor	Amount	Department of Justice	Amount	Difference
1320F(15)-Employment Benefit Contributions Receivable (unfunded)	19,150	2225F(16)-Unfunded FECA Liability	(19,150)	0
TOTAL	19,150	TOTAL	(19,150)	0

RC 26: Benefit Program Costs/Revenues

Department of Labor	Amount	Department of Justice	Amount	Difference
5400F(15)-Benefit Program Revenue (Unfunded)	(19,150)	6850F(16)-Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority	19,150	0
TOTAL	(19,150)	TOTAL	19,150	0

21.4.2 - Actuarial FECA Liability

Agencies record the change in the FECA actuarial liability to adjust the liability to equal the amount provided by DOL on the Estimates of Total FECA Future Liabilities Report. Actuarial liabilities for future benefits should be recorded in Federal entity records as “N” transactions. DOL does not record a corresponding entry. Additionally, budgetary accounting is not required when recording transactions related to the actuarial liability.

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Military personnel similar to those provided by State unemployment insurance laws to workers in private industry. States, through agreement with the Secretary of Labor, act as agents in administering this program.

Benefits are provided to unemployed Federal civilian and Ex Military Personnel workers in the same amount, on the same terms, and subject to the same conditions as the compensation which would be payable under the Unemployment Compensation (UC) law of the State if their Federal service and Federal wages had been included as employment and wages under that State law.

The account's major source of funding is reimbursements from each employing agency. These reimbursements are made quarterly.

21.5.1 - FEC Chargeback System

The Federal Employment Compensation (FEC) chargeback system was established to track unemployment payments made on behalf of each employing agency and billed for reimbursement. The FEC chargeback system retains a database of bill and receipt information. The bill information contains a reference number, the chargeback quarter date, the date the chargeback was run, an agency identification number and the dollar amount. The receipt information contains a reference number, the chargeback quarter date, the posting date to the system and the collection date, as well as agency identification number and dollar amount of the receipt.

The receivable from other Federal agencies consists of receivables providing and receivables not providing budgetary resources, recorded to USSGL 1320. At year end receivables providing budgetary resources consists of the funded liability and includes all billings through the third quarter of the fiscal year and all collections through year end. The receivables not providing budgetary resources consists of an estimate of the 09/30 chargeback bill based on the previous bill, a receivable for accrued benefits and a receivable for future payments under current existing claims. These amounts are allocated by agency based on the fourth quarter bill estimate.

Accruals are recorded for benefit payments for days compensable prior to fiscal year-end that were paid subsequent to fiscal year-end, based on estimates provided by DOL's Employment and Training Administration. These accruals are referred to as accrued benefits.

An accrual is also recorded for future payments under current existing claims. The existing claims are already filed and a portion on those claims would be paid in the next fiscal year. These accruals are referred to as existing claim accruals.

Unemployment Insurance (UI) liability information can be found on the DOL/OCFO website as follows:

<http://www.dol.gov/ocfo/publications/html>

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21.5.2 - Agency's liability for Unemployment Compensation for Federal Employees.

DOL bills Federal agencies for chargeable UCFE & UCX benefit payments made during the quarter. DOL submits a certified billing document to each Federal agency no later than the 20th of the second month following the end of the reported quarter.

In general, the UI expense and liability are calculated as follows:

The liability for each agency at year end consists of a funded and unfunded portion. The funded portion should agree with DOL's accounts receivable providing budgetary resources. The unfunded portion should agree with DOL's accounts receivable not providing budgetary resources.

Scenario:

The Department of Justice (DOJ) is current with all bills and payments therefore their funded liability is zero. The unfunded liability at 09/30/2005 consists of the following items:

Add: Quarterly Estimated UI chargeback for 07/01/05-09/30/05	20,000
Add: Allocation of Accrued Benefits	200
Add: Allocation of Accrued benefits for existing claims	<u>400</u>
Liability as on 09/30/05	<u><u>20,600</u></u>

The beginning balance at 09/30/2005 for both agencies under this scenario is as follows:

Department of Labor

	Account #	USSGL Account Title	Amount
Balance Sheet	1320F	Employment Benefit Contributions Receivable	20,600
Balance Sheet	3310	Cumulative Results of Operations	(20,600)

Department of Justice

	Account #	USSGL Account Title	Amount
Balance Sheet	2215F	Other Post-Employment Benefits	0
Balance Sheet	2290F	Other Unfunded Employment Related Liability	(20,600)
Balance Sheet	3310	Cumulative Results of Operations	20,600

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During Fiscal Year 2006 DOJ receives bills from DOL for quarter ending 09/30/05, 12/31/05, 03/31/2006 & 06/30/06. The total of these bills represents funded expense for DOJ for the year.

	Quarter Ending	Billed on	Amount
Quarterly Estimated UI Chargeback	09/30/05	11/20/05	19,000
Quarterly Estimated UI Chargeback	12/31/05	02/20/06	21,000
Quarterly Estimated UI Chargeback	03/31/06	05/20/06	22,000
Quarterly Estimated UI Chargeback	06/30/06	08/20/06	<u>20,000</u>

Fiscal year 2006 funded expense for unemployment compensation 82,000

It could possibly be interpreted that since some of the unfunded liability for 09/30/2005 will be paid in FY 2006, it should be moved to a funded liability at October 1, 2006. Although some of the unfunded liability in each of the interim quarters will be paid during the fiscal year, the estimates will never be paid. Since the unfunded liability is comprised entirely of estimates we have separated the recording of the estimates from the recording of the actual bills. We are treating all estimates as unfunded at any given point in time and the actual bills as funded without regard to when they occur during the fiscal year. This scenario does not record an obligation until the actual bill is received. It produces the correct results for year end.

Scenario to record entries for quarter ending 12/31/2005 is shown below:

21.5.3 - Entries to record DOJ's receipt of bill for quarter ending 09/30/05 and payment to DOL during quarter ending 12/31/05

Department of Labor

TC C422

1320F Employment Benefit
Contributions
Receivable 19,000

5400F Benefit Program Revenue
Revenue 19,000

TC A195

1010 Fund Balance with
Treasury 19,000

Department of Justice

TC E106

6400F Benefits Expense 19,000

2215F Other Post-
Employment
Benefits Due
& Payable 19,000

TC B134

3107 Unexpended
Appropriations-
Used 19,000

5700 Expended
Appropriations 19,000

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			TC B110	
1320F	Employment Benefit Contributions Receivable	19,000	2215F	Other Post Employment Benefits Due & Payable
				19,000
			1010	Fund Balance Treasury
				19,000

Since DOJ is current with their payments their funded liability at 12/31/05 is zero.

21.5.4 - The unfunded liability at 12/31/05 consists of the following items:

Add: Quarterly Estimated UI chargeback for 10/01/05-12/31/05	19,000
Add: Allocation of Accrued Benefits	250
Add: Allocation of Accrued benefits for existing claims	<u>350</u>
Liability as on 12/31/05	<u><u>19,600</u></u>

The amount for charge back quarter 09/30/05 is used as the estimate for the next quarter. The unfunded liability has decreased during the quarter by \$1,000.

21.5.5 - The entries to adjust the accrual from the previous quarter of unfunded revenues and expenses at 12/31/05 are as follows:

DOL		DOJ	
TC C422R		TC B422R	
1320F	Employment Benefit Contributions Receivables	6850F	Employer Contributions to Employee Benefit Programs (Unobligated)
	1,000		1,000
5400F	Benefit Program Revenue	2290F	Other Unfunded Employment Related Liability
	1,000		1,000

The total expenses for UI are \$18,000 (The sum of USSGL 6400, \$19,000 less the debit of \$1,000 to USSGL 6850). The journal entries for future quarters would be similar to the first quarter.

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Scenario to record journal entries for the whole year is shown below. These adjustments are the total of all entries made during the fiscal year for each quarter:

21.5.6 - Entries to record DOJ's receipt of bills and payments to DOL for all four UI Chargeback quarter bills included in the fiscal year

Department of Labor		Department of Justice	
TC C422		TC E106	
1320F Employment Benefit Contributions Receivable	82,000	6400F Benefits expense	82,000
5400F Benefit Program Revenue	82,000	2215F Other Post-Employment Benefits Due & Payable	82,000
TC A195		TC B134	
1010 Fund Balance with Treasury	82,000	3107 Unexpended Appropriations-Used	82,000
1320F Employment Benefit Contributions Receivable	82,000	5700 Expended Appropriations	82,000
		TC B110	
		2215F Other Post-Employment Benefits Due & Payable	82,000
		1010 Fund Balance With Treasury	82,000

The funded expense of \$82,000 represents the actual bills received and paid during fiscal year 2006.

DOJ is current with their payments at the end of the fiscal year. Their funded liability at 09/30/06 is zero.

21.5.7 - The unfunded liability at 09/30/06 consists of the following items:

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Add: Quarterly Estimated UI chargeback for 07/01/06-09/30/06	20,000
Add: Allocation of Accrued Benefits	300
Add: Allocation of Accrued benefits for existing claims	<u>500</u>
Liability as on 09/30/06	<u><u>20,800</u></u>

The actual chargeback amount for the quarter ending 06/30/2006 is used as an estimate for the quarter ending 09/30/2006. The unfunded liability increased from \$20,600 at 09/30/2005 to \$20,800 at 09/30/2006. The unfunded expense for the year is \$200.

21.5.8 - The entries to record the unfunded revenue and expense for the entire fiscal year are as follows:

DOL		DOJ	
TC C422		TC B422	
1320F Employment		6850F Employer	
Benefit Contributions		Contributions	
Receivables	200	to Employee	
		Benefit Programs	
		(Unobligated)	200
5400F Benefit Program		2290F Other Unfunded	
Revenue	200	Employment	
		Related	
		Liability	200

21.5.9 - Total expense for Fiscal Year 2006 is as follows:

The current year expense should equal:

Add: Funded expense for the fiscal year 2006	82,000
Add: Unfunded expense for the fiscal Year 2006	<u>200</u>
Total expense for the fiscal year 2006	<u><u>82,200</u></u>

21.5.10 - The pre-closing trial balance crosswalk of these accounts at 09/30/2006 is as follows:

DOL	Account #	USSGL Account Title	Amount
Balance Sheet	1010	Fund Balance with Treasury	82,000
Balance Sheet	1320F	Employment Benefit Contributions	20,800

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Balance Sheet	3310	Receivable	
Statement of		Cumulative Results of Operations	(20,600)
Net Cost	5400F	Benefit Program Revenue	(82,200)
DOJ	Account #	USSGL Account Title	Amount
Balance Sheet	1010	Fund Balance with Treasury	(82,000)
Balance Sheet	2290F	Other Unfunded Employment Related Liability	(20,800)
Balance Sheet	3107	Unexpended Appropriations-Used	82,000
Balance Sheet	3310	Cumulative Results of Operations	20,600
Statement of Net Cost	6400F	Benefit Program Expense	82,200

21.6 - Transactions with the OPM Relating to Employee Benefit Programs

OPM administers three earned benefit programs for civilian Federal employees: the Retirement Program - comprised of the Civil Service Retirement System and the Federal Employees' Retirement System, the Federal Employees Health Benefits Program, and the Federal Employees Group Life Insurance Program. *(Note: Agencies' contributions to the Thrift Savings Plan should be coded as non-Federal Transactions)*

Retirement Program: OPM administers a retirement program that includes two components of defined benefits: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). CSRS is a stand-alone plan covering most Federal employees hired before 1984, and is closed to new members. Using Social Security as a base, FERS provides a defined benefit and a thrift savings plan to employees who first entered a covered position on or after January 1, 1984. OPM administers the defined benefit portion of the FERS. For CSRS, the law fixes the contributions by and for most participants at a combined percent of basic pay. Since the cost to provide a future benefit to most CSRS employees is higher than the contributions, the combined contributions by and for most participants do not cover the cost of CSRS. The service cost of providing future benefits to FERS employees is fully covered by the combined employee and employer contributions.

Since total contributions by and for covered employees fall short of the service cost of the program, SFFAS No. 5 requires that employing agencies recognize their share of this "shortfall" as an imputed cost. By September 15, OPM will provide the cost factors to agencies needed to calculate and record imputed cost.

Health Benefits Program: The Federal Employees Health Benefits Program (FEHBP) provides health benefits for covered employees and annuitants. FEHBP is contributory, with the cost shared by the covered participant and his/her employer, based upon a formula in law. For covered annuitants, the employer contribution is paid from an OPM appropriation. Since there is

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no provision in law to cover the cost of providing health benefits to current employees after they retire, SFFAS No. 5 requires employing agencies to recognize their share of that cost as an imputed cost. OPM will provide to employing agencies, by September 15, the cost factors needed to calculate and record imputed cost.

Life Insurance Program: The Federal Employees Group Life Insurance (FEGLI) is contributory, with the full cost of premiums for basic coverage shared by the covered participant and his/her employer. For covered annuitants, the employer contribution to basic coverage derives from an OPM appropriation. (The cost for the optional coverage is borne entirely by the covered individual). Based upon a formula in law, participants contribute approximately two-thirds of the cost of premiums, with the applicable employing agency contributing the remainder. Since there is no provision in law to cover the cost of providing life insurance benefits to current employees after they retire, SFFAS No. 5 requires employing agencies to recognize their share of that cost as an imputed cost. OPM will provide to employing agencies, by September 15, the cost factors needed to calculate and record imputed cost.

Payroll Cross-Servicing Arrangements: Agencies using cross-servicing agencies (the USDA National Finance Center, the Department of Interior and the General Services Administration) are responsible for reconciling their payroll data to the OPM information (the cross-servicers are not responsible).

The following are contacts for payroll information:

<u>Cross-servicer</u>	<u>Contact</u>	<u>Phone</u>
National Finance Center	Patrick Foret	504-255-4110
Department of the Interior	Sandy Gregory	303-969-7739
General Services Administration	John Shields	816-926-6639

21.6.1 - Agency (Employer) Contributions (Cash Basis)

The Department of Housing and Urban Development (trading partner code 86) makes employer contributions for Retirement (\$8,500), Health Benefits (\$2,500) and Life Insurance (\$2,000). The total contribution of \$13,000 is remitted to OPM when the payroll is paid.

Providing agency Office of Personnel Management			Receiving agency Department of Housing and Urban Development		
TC C109			No TC entry		
1010	Fund Balance	13,000	6400F	Benefit Expense	13,000
	With Treasury		(24)		
5400F	Benefit Program		1010	Fund Balance	
(86)	Revenue	13,000		With Treasury	13,000

The crosswalk for financial statement reporting of these accounts is as follows:

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Office of Personnel Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	13,000
Statement of Net Cost	5400F(86)	Benefit Program Revenue	(13,000)

Department of Housing and Urban Development Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(13,000)
Statement of Net Cost	6400F(24)	Benefit Expense	13,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 26: Benefit Program Costs/Revenue

Office of Personnel Management	Amount	Department of Housing and Urban Development	Amount	Difference
5400F(86)-Benefit Program Revenue	(13,000)	6400F(24)-Benefit Expense	13,000	0
TOTAL	(13,000)	TOTAL	13,000	0

21.6.2 - Agency (Employer) Contributions (Yearend Accrual)

There is one pay period that will affect the computation of the FY 2004 year-end accrual:

1. The pay period in question is the one that "straddles" September 30, 2004. For example, the pay period begins on September 19, 2004 and ends on October 2, 2004 with a payroll paid date of October 13, 2004. In this case, 90% of employer contributions would be included in the year-end accrual. Agencies should use the ratio of the number of workdays in the prior fiscal year divided by the total number of workdays in the "straddling" pay period to compute this portion of the accrual.

The Department of Housing and Urban Development payroll was \$50,000 for the pay period ended on and October 4 (Saturdays for this example). Employer contributions are \$6,500 for the pay period. The straddle period is nine working days out of ten working days.

The following entries should be recorded:

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Providing agency Office of Personnel Management	Receiving agency Department of Housing and Urban Development
Pay period ended October 13	Pay period ended October 13
TC C416	TC E104
1320F Employment 5,850 (86) Benefit Contributions Receivable	6400F(24) Benefit 5,850 Program Expense
5400F Benefit Program (86) Revenue 5,850	2213F Employment (24) Benefit 5,850 Contributions Payable

The entry would also apply to Voluntary Separation Incentive Payments.

The crosswalk for financial statement reporting of these accounts is as follows:

Office of Personnel Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1320F (86)	Employment Benefit Contributions Receivable	5,850
Statement of Net Cost	5400F (86)	Benefit Program Revenue	(5,850)

Department of Housing and Urban Development Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2213F (24)	Employer Contributions and Payroll Taxes Payable	(5,850)
Statement of Net Cost	6400F (24)	Benefit Expense	5,850

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 26: Benefit Program Costs/Revenue

Office of Personnel Management	Amount	Department of Housing and Urban Development	Amount	Difference
5400F(86)-Benefit Program Revenue	(5,850)	6400F(24)-Benefit Program Expense	5,850	0
TOTAL	(5,850)	TOTAL	5,850	0

RC 21: Benefit Program Contributions Receivables and Payables

Office of Personnel Management	Amount	Department of Housing and Urban Development	Amount	Difference
1320F(86)-Employment Benefit Contributions Receivables	5,850	2213F(24)-Employment Benefit Contributions Payable	(5,850)	0
TOTAL	5,850	TOTAL	(5,850)	0

21.6.3 - Imputed Costs

The Department of Interior computes its imputed costs as \$109,950 [Retirement - \$8,690, Health Benefits - \$101,160 and Life - \$100].

The following entry should be recorded:

Providing agency Office of Personnel Management	Receiving agency Department of Interior
No entry	TC E402 6730F (24) Imputed Costs 109,950 5780F (24) Imputed Financing Sources 109,950

The crosswalk for financial statement reporting of these accounts is as follows:

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Department of Interior	Account #	USSGL Account Title	Amount (based on the above transaction)
Statement of Changes in Net Position	5780F (24)	Imputed Financing Sources	(109,950)
Statement of Net Cost	6730F (24)	Imputed Costs	109,950

There is no intragovernmental reciprocal category eliminations entry between OPM and Interior.

21.7 - Services Provided

Services provided between agencies can include administrative support, financial accounting and grants management, disbursement of funds, consulting, telecommunication, child care and other functions where the providing agency incurs costs to provide services and bills the receiving agency fees for the services.

The General Services Administration (trading partner code 47) provided \$120,000 of engineering services for the Department of Transportation (trading partner code 69). The General Services Administration records the transaction through IPAC when the services are completed (General Services Administration does not bill the transactions before collecting since the collection occurs on the day the amounts would be billable). The Department of Transportation records the entry when the transaction is posted through IPAC (in the same accounting period).

The following entries should be recorded:

Providing Agency General Services Administration			Receiving Agency Department of Transportation		
TC A714			TC B402		
1310F (69)	Accounts Receivable	120,000	6100F (47)	Operating Expenses/ Program Costs	120,000
5200F (69)	Revenue from Services Provided	120,000	2110F (47)	Accounts Payable	120,000

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The crosswalk for financial statement reporting of these accounts is as follows:

General Services Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F(69)	Accounts Receivable	120,000
Statement of Net Cost	5200F(69)	Revenue from Services Provided	(120,000)

Department of Transportation Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2110F(47)	Accounts Payable	(120,000)
Statement of Net Cost	6100F(47)	Operating Expenses/Program Costs	120,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable/Accounts Payable

General Services Administration Statement	Amount	Department of Transportation	Amount	Difference
1310F(69)- Accounts Receivable	(120,000)	2110F(47)-Accounts Payable	120,000	0
TOTAL	(120,000)		120,000	0

RC 24: Buy/Sell Costs/Revenues

General Services Administration Statement	Amount	Department of Transportation	Amount	Difference
5200F(69)- Revenue from Services Provided	(120,000)	6100F(47)- Operating Expenses/ Program Costs	120,000	0
TOTAL	(120,000)	TOTAL	120,000	0

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Providing Agency General Services Administration			Receiving Agency Department of Transportation		
TC C106			TC B110		
1010	Fund Balance With Treasury	120,000	2110F (47)	Accounts Payable	120,000
1310F (69)	Accounts Receivable	120,000	1010	Fund Balance With Treasury	120,000

The crosswalk for financial statement reporting of these accounts is as follows:

General Services Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	120,000
Balance Sheet	1310F(69)	Accounts Receivable	(120,000)

Department of Transportation	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(120,000)
Balance Sheet	2110F(47)	Accounts Payable	120,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable/Accounts Payable

General Services Administration Statement	Amount	Department of Transportation	Amount	Difference
1310F(69)- Accounts Receivable	(120,000)	2110F(47)-Accounts Payable	120,000	0
TOTAL	(120,000)		120,000	0

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21.8 - Goods/Products

Goods/products sold or leased between agencies include cars, equipment, manufactured goods, office space, supplies and other similar transactions where the providing agency manufactures, distributes, or owns the assets which are sold or leased to the receiving agency. The following examples demonstrate three transactions: (1) the receiving agency records the items as expenses, (2) the receiving agency records the items as fixed assets and (3) the receiving agency records the items as inventory. These entries are for agencies that routinely provide goods/products to other agencies. Agencies who periodically sell agency owned and used assets to other agencies should use the transactions in the *Sale of Equipment* (below) as a basis for recording entries. Agencies should classify fixed assets and inventory into the appropriate USSGL accounts based on the items purchased.

21.8.1 - Goods Recorded as Expenses by Receiving Agency

Federal Prison Industries, Inc. (Department of Justice trading partner code 15) sold \$45,000 of small office furniture to the Department of Health and Human Services. The small office furniture was delivered to the Department of Health and Human Services (trading partner code 75) on September 15. The IPAC transaction occurred on October 15. The Department of Health and Human Services recorded the small office furniture as expenditures.

The following entries should be recorded as of September 15:

Providing agency Federal Prison Industries, Inc.			Receiving agency Health and Human Services		
TC A714			TC B402		
1310F (75)	Accounts Receivable	45,000	6100F (15)	Operating Expenses/Program Costs	45,000
5100F (75)	Revenues from Goods Sold	45,000	2110F (15)	Accounts Payable	45,000

The crosswalk for financial statement reporting of these accounts is as follows:

Federal Prison Industries, Inc. Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F (75)	Accounts Receivable	45,000
Statement of Net Cost	5100F (75)	Revenue from Goods Sold	(45,000)

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Health and Human Services Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2110F (15)	Accounts Payable	(45,000)
Statement of Net Cost	6100F (15)	Operating Expenses/Program Cost	45,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable-Accounts Payable

Federal Prison Industries	Amount	Health and Human Services	Amount	Difference
1310F(75)- Accounts Receivable	45,000	2110F(15)- Accounts Payable	(45,000)	0
TOTAL	45,000	TOTAL	(45,000)	0

RC24: Buy/Sell Costs/Revenues

Federal Prison Industries	Amount	Health and Human Services	Amount	Difference
5100F(75)- Revenues from Goods Sold	(45,000)	6100F(15)- Operating Expenses/Program Costs	45,000	0
TOTAL	(45,000)	TOTAL	45,000	0

21.8.2 - Goods Recorded as Assets by the Receiving Agency

Federal Prison Industries, Inc. (Department of Justice trading partner code 15) sold \$475,000 of systems furniture to the Department of Health and Human Services. The systems furniture was delivered to the Department of Health and Human Services (trading partner code 75) on September 15. The IPAC transaction occurred on October 15. The Department of Health and Human Services recorded the systems furniture as assets (capitalized) in the September accounting period.

For these “N” accounts, a mechanism was established to identify and summarize the transactions as intragovernmental purchases that are recorded as property, plant and equipment. This is demonstrated with the application of memorandum account 8802, Purchases of Property, Plant and Equipment, with trading partner code (xx) below.

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The following entries should be recorded as of September 15. The “N” accounts are listed to demonstrate the reciprocal relationships:

Providing agency Federal Prison Industries, Inc.			Receiving agency Health and Human Services		
TC A714			TC B402		
1310F (75)	Accounts Receivable	475,000	1750N	Equipment	475,000
5100F (75)	Revenues from Goods Sold	475,000	2110F (15)	Accounts Payable	475,000
			TC G120		
			8802F (15)	Purchases of Property, Plant and Equipment	475,000
			8801F (15)	Offset for Purchases of Assets	475,000

The future depreciation of the assets has no affect on the intragovernmental activity and should be recorded as an “N” account transaction within the Department of Health and Human Services general ledger. Depreciation should be calculated in accordance with the Department of Health and Human Services policies and procedures.

The crosswalk for financial statement reporting of these accounts is as follows:

Federal Prison Industries, Inc. Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F (75)	Accounts Receivable	475,000
Statement of Net Cost	5100F (75)	Revenue from Goods Sold	(475,000)

Health and Human Services Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet *	1750N	Equipment	475,000
Balance Sheet	2110F (15)	Accounts Payable	(475,000)

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- The increase in General Property, Plant and Equipment, Net for Federal purchases is reflected in USSGL account 8802. USSGL 8802F (15) is closed out to USSGL account 8801F (15), Offset for Purchases of Assets.

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable-Accounts Payable

Federal Prison Industries	Amount	Health and Human Services	Amount	Difference
1310F(75)- Accounts Receivable	475,000	2110F(15)- Accounts Payable	(475,000)	0
TOTAL	475,000	TOTAL	(475,000)	0

RC 24: Buy/Sell Costs/Revenues

Federal Prison Industries	Amount	Health and Human Services	Amount	Difference
5100F(75)- Revenues from Goods Sold	(475,000)	8802F(15)- Purchases of Property, Plant and Equipment	475,000	0
TOTAL	(475,000)	TOTAL	475,000	0

NOTE: USSGL 8801 does not reciprocate.

21.8.3 - Goods Recorded as Supplies Inventory by the Receiving Agency

The General Services Administration (trading partner code 47) sold \$25,000 of supplies to the Department of Health and Human Services. The supplies were delivered to the Department of Health and Human Services (trading partner code 75) on September 15. The IPAC transaction occurred on October 15. The Department of Health and Human Services recorded the supplies as inventory in the September accounting period. This entry is recorded regardless of when the Department of Health and Human Services uses and/or issues the inventory for use.

For these “N” accounts, a mechanism was established to identify and summarize the transactions as Intragovernmental purchases that are recorded as inventory. This is demonstrated with the application of memorandum account 8803, Purchases of Inventory and Related Property, with trading partner code (xx) below.

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The following entries should be recorded as of September 15, 2003:

Providing agency General Services Administration			Receiving agency Health and Human Services		
TC A714			TC B402		
1310F (75)	Accounts Receivable	25,000	1511N	Operating Materials and Supplies Held for Use	25,000
5100F (75)	Revenues from Goods Sold	25,000	2110F (47)	Accounts Payable	25,000
			TC G122		
			8803F (47)	Purchases of Inventory and Related Property	25,000
			8801F (47)	Offset for Purchases of Assets	25,000

The crosswalk for financial statement reporting of these accounts is as follows:

General Services Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F (75)	Accounts Receivable	25,000
Statement of Net Cost	5100F (75)	Revenue from Goods Sold	(25,000)

Health and Human Services Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet *	1511N	Operating Materials and Supplies Held for Use	25,000
Balance Sheet	2110F (47)	Accounts Payable	(25,000)

* The increase in inventory for Federal purchases is reflected in USSGL account 8803. USSGL 8803F (47) is closed out to USSGL account 8801F (47), Offset for Purchases of Assets.

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable-Accounts Payable

General Services Administration	Amount	Health and Human Services	Amount	Difference
1310F(75)-Accounts Receivable	25,000	2110F(47)-Accounts Payable	(25,000)	0
TOTAL	25,000	TOTAL	(25,000)	0

RC24: Buy/Sell Costs/Revenues

General Services Administration	Amount	Health and Human Services	Amount	Difference
5100F(75)-Revenues from Goods Sold	(25,000)	8803F(47)-Purchases of Inventory and Related Property	25,000	0
TOTAL	(25,000)	TOTAL	25,000	0

NOTE: USSGL 8801 does not reciprocate.

21.8.4 - Sale of Inventory (Cost of Goods Sold)

Sale of inventory can occur between agencies (Cash Basis). The General Services Administration (GSA) (trading partner code 47) bought \$5,000 of inventory for resale from a Non-Federal vendor. GSA sold \$1,000 of the inventory to Department of Justice (DOJ) (trading partner code 15) who classified it as inventory. DOJ then sold \$300 of its inventory to Department of the Treasury (trading partner code 20), who expensed the items.

Inventory accounts are classified as “N” for the Federal/Non-Federal attribute. A mechanism was established to identify and summarize the transactions as intragovernmental purchases that are recorded as inventory or other capitalized assets.

This is demonstrated with the application of the memorandum account 8803 Purchases of Inventory and Related Property with trading partner code (xx) below:

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The entries are as follows:

General Services Administration (47)		
To record the delivery of goods and activity for current-year purchases of assets.		
TC B402		
1521N	Inventory Purchased For Resale	5,000
2110N	Accounts Payable	5,000
TC G122		
8803N	Purchases of Inventory and Related Property	5,000
8801N	Offset for Purchases of Assets	5,000

General Services Administration (47)	Department of Justice (15)
To record the cash sale of inventory to Department of Justice	To record the delivery of goods and activity for current-year purchases of assets
TC C646	No TC entry
1010 Fund Balance 1,000 with Treasury	1521N Inventory Purchased 1,000 for Resale
5100F(15) Revenue from 1,000 Goods Sold	1010 Fund Balance 1,000 With Treasury
TC E408	TC G122
6500N Cost of Goods Sold 1,000	8803F(47) Purchases of 1,000 Inventory and Related Property
1521N Inventory Purchased 1,000 For Resale	8801N Offset for 1,000 Purchases of Assets

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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RC 24: Buy/Sell Costs/Revenues

General Services Administration	Amount	Department of Justice	Amount	Difference
5100F(15)- Revenues from Goods Sold	(1,000)	8803F(47)- Purchases of Inventory and Related Property	1,000	0
TOTAL	(1,000)	TOTAL	1,000	0

Department of Justice (15)			Department of the Treasury (20)		
To record the cash sale of inventory to Department of the Treasury			To record the delivery of goods		
TC C646			TC B107		
1010	Fund Balance with Treasury	300	6100F(15) Operating Exp./Program Costs	300	
5100F (20)	Revenue from Goods Sold	300	1010	Fund Balance with Treasury	300
TC E408					
6500N	Cost of Goods Sold	300			
1521N	Inventory Purchased for Resale	300			

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC24: Buy/Sell Costs/Revenues

Department of Justice	Amount	Department of the Treasury	Amount	Difference
5100F(20)- Revenues from Goods Sold	(300)	6100F(15)- Operating Expenses/Program Costs	300	0
TOTAL	(300)	TOTAL	300	0

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21.9 - Reimbursables

Reimbursables are similar to services, except the amounts billed to the receiving agency by the providing agency are based on actual costs incurred (instead of on a fee basis). Many times these transactions occur within agencies when an administrative group provides services for bureaus throughout the agency. The providing agency should have policies, procedures, systems and documentation for cost accumulation supporting amounts billed to receiving agencies. The following are examples of transactions with an advance provided to the providing agency and transactions without an advance. Please note: Federal program agencies recording advances should provide liquidation reports to partners on a quarterly basis. In addition to the following, please refer to the USSGL reimbursable activity scenarios on FMS' website.

The Department of Veterans Affairs, Facilities Management Field Service, provides technical consulting services, project management, real property administration (including leases, site acquisition and disposal activities directly supporting projects) for other components of the Department of Veterans Affairs on a reimbursable basis. The following are the entries to reflect the activity with an advance and without an advance.

21.9.1 - Advance

The Department of Veterans Affairs, Veterans Health Administration, issues a delivery order for \$150,000 of services and provides an advance in the same amount.

The following entries should be recorded:

Providing agency VA Facilities Management Service			Receiving agency VA Health Administration		
TC C182			TC B308		
1010	Fund Balance With Treasury	150,000	1410F (36)	Advances to Others	150,000
2310F (36)	Advances from Others	150,000	1010	Fund Balance With Treasury	150,000

The crosswalk for financial statement reporting of these accounts is as follows:

VA Facilities Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	150,000
Balance Sheet	2310F (36)	Advances from Others	(150,000)

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VA Health Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(150,000)
Balance Sheet	1410F (36)	Advances to Others	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 23: Advances to Others and Prepayments/Advances from Others and Deferred Credits

VA Facilities Management Services	Amount	Health and Human Services	Amount	Difference
2310F(36)- Advances From Others	(150,000)	1410F(36)- Advances To Others	150,000	0
TOTAL	(150,000)	TOTAL	150,000	0

The VA Facilities Management Service incurs \$150,000 of reimbursable expenses.

The following entry should be recorded:

Providing agency VA Facilities Management Service		Receiving agency VA Health Administration	
TC B107	150,000	No transaction.	
6100N	Operating Expenses/Program Costs		
1010	Fund Balance With Treasury	150,000	

The VA Facilities Management Service completed services and recognizes the advance received as revenues. The VA Health Administration recognizes the advance paid as expenses.

The following entries should be recorded:

Providing agency VA Facilities Management Service			Receiving agency VA Health Administration		
TC A710			TC B604		
2310F (36)	Advances from Others	150,000	6100F (36)	Operating Expenses/Program Costs	150,000
5200F	Revenue from	150,000	1410F	Advances to	150,000

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Providing agency VA Facilities Management Service		Receiving agency VA Health Administration	
(36)	Services Provided	(36)	Others

The crosswalk for financial statement reporting of these accounts is as follows:

VA Facilities Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Statement of Net Cost	5200F (36)	Revenue from Services Provided	(150,000)
Statement of Net Cost	6100N	Operating Expenses/Program Cost	150,000

VA Health Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Statement of Net Cost	6100F (36)	Operating Expenses/Program Cost	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 23: Advances to Others and Prepayments/Advances from Others and Deferred Credits

VA Facilities Management Service	Amount	VA Health Administration	Amount	Difference
2310F(36)- Advances from Others	150,000	1410F(36)- Advances to Others	(150,000)	0
TOTAL	150,000	TOTAL	(150,000)	0

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 24: Buy/Sell Costs/Revenues

VA Facilities Management Service	Amount	VA Health Administration	Amount	Difference
5200F(24)- Revenues from	(150,000)	6100F(36)- Operating	150,000	0

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Services Provided		Expenses/Program Costs		
TOTAL	(150,000)	TOTAL	150,000	0

21.9.2 - No Advance³

The Department of Veterans Affairs, Facilities Management Service, completed services (or cut-off cost accumulation for a period) and billed \$150,000 to the Department of Veterans Affairs Health Administration.

The VA Facilities Management Service incurs \$150,000 of reimbursable expenses.

The following entries should be recorded:

Providing agency VA Facilities Management Service		Receiving agency VA Health Administration	
TC B107	150,000	No transaction.	
6100N	Operating Expenses/Program Costs		
1010	Fund Balance With Treasury	150,000	

Providing agency VA Facilities Management Service		Receiving agency VA Health Administration	
TC A708	150,000	TC B107	150,000
1010	Fund Balance With Treasury	6100F (36)	Operating Expenses/Program Costs
5200F (36)	Revenue from Services Provided	1010	Fund Balance With Treasury
	150,000		150,000

The crosswalk for financial statement reporting of these accounts is as follows:

VA Facilities Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	0

³ Accounting for Treasury managed funds (collections/disbursements by Treasury on behalf of other agencies would be accounted for in a similar manner as no advance reimbursables).

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VA Facilities Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Statement of Net Cost	5200F (36)	Revenue from Services Provided	(150,000)
Statement of Net Cost	6100N	Operating Expenses/Program Cost	150,000

VA Health Administration Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(150,000)
Statement of Net Cost	6100F (36)	Operating Expenses/Program Cost	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

RC24: Buy/Sell Costs/Revenues

VA Facilities Management	Amount	VA Health Administration	Amount	Difference
5200F(36)- Revenues from Services Provided	(150,000)	6100F(36)- Operating Expenses/Program Costs	150,000	0
TOTAL	(150,000)	TOTAL	150,000	0

If there was a cut-off billing at year-end (rather than a cash transaction), the following entries should be recorded as of September 30:

Providing agency VA Facilities Management			Receiving agency VA Health Administration		
TC A714			TC B402		
1310F (36)	Accounts Receivable	150,000	6100F (36)	Operating Expenses/Program Costs	150,000
5200F (36)	Revenues from Services Provided	150,000	2110F (36)	Accounts Payable	150,000

The crosswalk for financial statement reporting of these accounts is as follows:

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VA Facilities Management Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F (36)	Accounts Receivable	150,000
Statement of Net Cost	5200F (36)	Revenue from Services Provided	(150,000)

VA Health Administration Statement	Line #	Acct. #	Financial Statement Line Title	Amount (based on the above transaction)
Balance Sheet		2110F (36)	Accounts Payable	(150,000)
Statement of Net Cost		6100F (36)	Operating Expenses/Program Cost	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

RC22: Accounts Receivable/Accounts Payable

VA Facilities Management	Amount	VA Health Administration	Amount	Difference
1310F(36)- Accounts Receivable	150,000	2100F(36)- Accounts Payable	(150,000)	0
TOTAL	150,000	TOTAL	(150,000)	0

RC24: Buy/Sell Costs/Revenues

VA Facilities Management	Amount	VA Health Administration	Amount	Difference
5200F(36)- Revenues from Services Provided	(150,000)	6100F(36)- Operating Expenses/Program Costs	150,000	0
TOTAL	(150,000)	TOTAL	150,000	0

21.10 - Sale of Equipment

Sales of equipment can occur between agencies at book value or with a gain or loss to the providing (selling) agency.

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21.10.1 - Accounting for Gains/Losses in Future Years

Gains/losses on intragovernmental equipment sales will need to be tracked by the receiving agency on a separate schedule, to be provided to FMS, with the Closing Package data submission. This information is necessary for preparation of the consolidated financial statements. If the gain/loss is material to the receiving agency, the following information should be provided to FMS:

- Amount of gain/loss.
- Date of the transaction.
- Amount of gain/loss depreciated by year, for each year commencing with the transaction.

The following are examples of each scenario:

21.10.2 - Sale of Equipment at Net Book Value

The Department of Energy (trading partner code 89) sold \$650,000 of equipment to the Department of Commerce (trading partner code 13). The book value of the equipment was \$650,000 (cost \$750,000 and accumulated depreciation \$100,000). The Department of Commerce should record the equipment for the amount paid (\$650,000) without any accumulated depreciation.

For these “N” accounts, a mechanism was established effective beginning FY 2003 to identify and summarize the transactions as Intragovernmental purchases that are recorded as inventory, property, or other capitalized assets. This is demonstrated with the application of memorandum account 8802, Purchases of Property, Plant and Equipment, with trading partner code (xx) below.

The following entries should be recorded:

Providing agency Department of Energy			Receiving agency Department of Commerce		
TC C610			No TC Entry		
1010	Fund Balance With Treasury	650,000	1750N	Equipment	650,000
1750N	Equipment	750,000	1010	Fund Balance With Treasury	650,000
1759N	Accumulated Depreciation	100,000	TC G120		
			8802F (89)	Purchase of Property, Plant	650,000

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Providing agency Department of Energy	Receiving agency Department of Commerce and Equipment		
	8801F (89)	Offset for Purchases of Assets	650,000

The future depreciation of the assets has no affect on the intragovernmental activity and should be recorded as an “N” account transaction within the Department of Commerce general ledger. Depreciation should be calculated in accordance with the Department of Commerce policies and procedures.

The crosswalk for financial statement reporting of these accounts is as follows:

Department of Energy Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	650,000
Balance Sheet	1750N	Equipment	(750,000)
Balance Sheet	1759N	Accumulated Depreciation on Equipment	100,000

Department of Commerce Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(650,000)
Balance Sheet*	1750N (89)	Equipment	650,000

- The increase in Equipment is reflected in USSGL account 8802. USSGL 8802F (89) is closed out to USSGL account 8801F (89), Offset for Purchases of Assets.

21.10.3 - Sale of Equipment with a Gain

The Department of Energy (trading partner code 89) sold \$650,000 of equipment to the Department of Commerce (trading partner code 13). The book value of the equipment was \$550,000 (cost \$550,000, accumulated depreciation \$0).

The mechanism to identify and summarize the transactions as an intragovernmental purchase and sale, and the associated gain, is demonstrated below.

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The following entries should be recorded:

Providing agency Department of Energy			Receiving agency Department of Commerce		
TC C610			No TC Entry		
1010	Fund Balance With Treasury	650,000	1750N	Equipment	650,000
1750N	Equipment	550,000	1010	Fund Balance With Treasury	650,000
7110N	Gains on Disposition of Assets - Other	100,000	TCG120		
			8802F (89)	Purchases of Property, Plant and Equipment	650,000
			8801F (89)	Offset for Purchases of Assets	650,000

The crosswalk for financial statement reporting of these accounts is as follows:

Department of Energy Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	650,000
Balance Sheet	1750N	Equipment	(550,000)
Statement of Net Cost	7110N	Gains on Disposition of Assets - Other	(100,000)

Department of Commerce Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(650,000)
Balance Sheet	1750N	Equipment*	650,000

- * The increase in Equipment is reflected in USSGL account 8802. USSGL 8802F (89) is closed out to USSGL account 8801F (89), Offset for Purchases of Assets.

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21.10.4 - Sale of Equipment with a Loss

The Department of Energy (trading partner code 89) sold \$650,000 of equipment to the Department of Commerce (trading partner code 13). The book value of the equipment was \$700,000 (cost \$700,000, accumulated depreciation \$0).

The mechanism to identify and summarize the transactions as an intragovernmental purchase and sale, and the associated loss, is demonstrated below.

The following entries should be recorded:

Providing agency Department of Energy			Receiving agency Department of Commerce		
TC C610			No TC Entry		
1010	Fund Balance With Treasury	650,000		Equipment	650,000
1750N	Equipment	700,000	1750N 1010	Fund Balance With Treasury	650,000
7210N	Losses on Disposition of Assets - Other	50,000	TC E202		
			8802F (89)	Purchases of Property, Plant and Equipment	650,000
			8801F (89)	Offset for Purchases of Assets	650,000

The crosswalk for financial statement reporting of these accounts is as follows:

Department of Energy Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	650,000
Balance Sheet	1750N	Equipment	(700,000)
Statement of Net Cost	7210N	Losses on Disposition of Assets - Other	50,000

Department of Commerce Statement	Account #	USSGL Account Title	Amount (based on the above transaction)

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Department of Commerce Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1010	Fund Balance With Treasury	(650,000)
Balance Sheet	1750N (89)	Equipment	650,000

- * The increase in Equipment is reflected in USSGL account 8802. USSGL 8802F (13) is closed out to USSGL account 8801F (13), Offset for Purchases of Assets.

21.11 – Transfers: Appropriation of Unavailable Trust or Special Fund Receipts, Non-Expenditure Transfers of Unexpended Appropriations and Financing Sources, and Expenditure Transfers of Financing Sources

Funding may be transferred from one agency to another or within an agency between fund accounts/symbols. The providing agency/fund transfers the funds to the receiving agency/fund. Funds are transferred based on an agreement between the agencies or through Treasury warrant. The funding is transferred based on the terms of the agreement/Treasury warrant and can occur at the time the agreement commences or as expenditures are incurred.

Note: The examples presented are intended to be illustrative, not comprehensive. Therefore the budgetary transactions are not shown. For additional guidance on transfers to/from, consult FMS’ USSGL Division’s web link at:

http://www.fms.treas.gov/ussgl/approved_scenarios/index.html

21.11.1 Appropriation of Unavailable Trust or Special Fund Receipts – Reciprocal Category 07

An agency collects and deposits funds in a special fund receipt account that has been deemed “unavailable”. A Treasury warrant must be processed in order to move the funds to the corresponding special or trust fund expenditure account.

The following entries should be recorded:

Department of the Treasury (Receipt Account)			Department of the Treasury (Expenditure Account)		
TC A183			TC A184		
5745F (20)	Appropriated Earmarked Receipts Transferred Out	725,000	1010	Fund Balance With Treasury	725,000
1010	Fund Balance With Treasury	725,000	5740F (20)	Appropriated Earmarked Receipts	725,000

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Department of the Treasury (Receipt Account)	Department of the Treasury (Expenditure Account)
	Transferred In

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

RC07: Appropriation of Unavailable Trust or Special Fund Receipts

Department of the Treasury	Amount	Department of the Treasury	Amount	Difference
5740F(20)- Appropriated Earmarked Receipts Transferred In	725,000	5745F(20)- Appropriated Earmarked Receipts Transferred Out	(725,000)	0
TOTAL	725,000	TOTAL	(725,000)	0

21.11.2 - Nonexpenditure Transfers (NETs) Affecting Reciprocal Category 08

Before processing nonexpenditure transfers between Treasury Appropriation Fund symbols (TAFS), first determine the original source of the balances being transferred. The “Transfer From” entity will determine the source of funds being transferred and record a proprietary USSGL account that designates the funding as being derived from either:

- Unexpended appropriations from General Fund resources not earmarked by law for a specific purpose – USSGL 3103 Unexpended Appropriations – Transfers-Out, or
- Financing Sources that impact cumulative results of operations – USSGL 5765 Nonexpenditure Financing Sources – Transfers-Out

The “Transfer To” entity must use the proprietary USSGL account that corresponds to the proprietary USSGL account used by the “Transfer From” entity. USSGL 3102 Unexpended Appropriations – Transfers-In corresponds with USSGL 3103. USSGL 5755 Nonexpenditure Financing Sources – Transfers-In corresponds with USSGL 5765.

It is not uncommon for the net position of any TAFS to be comprised of a mix of unexpended appropriations derived from General Fund resources not earmarked by law for a specific purpose and financing sources that impact cumulative results of operations.

Any nonexpenditure transfer (NET) transactions that are reported in the GWA NET application should have the appropriate USSGL account number in the comment field. This will aid in the elimination of transfers at the government wide level. FMS will analyze agency NET activity

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from its central accounting system (STAR) to ensure proper reporting of transfers, in addition to other types of activity.

Failure of both entities to record the matching proprietary USSGL accounts category (3102/3103) or (5755/5765) will result in agency-wide and/or government-wide elimination discrepancies.

Example

DOL (trading partner code 16) receives an appropriation transfer from the Environmental Protection Agency (EPA) (trading partner code 68) of \$550,000. EPA sends all of the funds to DOL when the agreement commences. EPA designates USSGL account 3103 Unexpended Appropriations – Transfers-Out in the comment field of the NET transaction. Trading partner codes must be used to facilitate both financial reporting and the reconciliation process when funds are transferred between agencies.

The following entries should be recorded for the nonexpenditure transfer of unexpended appropriations:

Nonexpenditure Transfer of Unexpended Appropriations

Providing agency Environmental Protection Agency			Receiving agency Department of Labor		
TC A484			TC A480		
3103F (16)	Unexpended Appropriations – Transfers-Out	550,000	1010	Fund Balance With Treasury	550,000
1010	Fund Balance With Treasury	550,000	3102F (68)	Unexpended Appropriations – Transfers-In	550,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

**RC08: Nonexpenditure Transfers of Unexpended Appropriations and
Financing Sources**

Environmental Protection Agency	Amount	Department of Labor	Amount	Difference
3103F(16)- Unexpended Appropriations- Transfers-Out	550,000	3102F(68)- Unexpended Appropriations- Transfers-In	(550,000)	0
TOTAL	550,000	TOTAL	(550,000)	0

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Department of Transportation (DOT) (trading partner code 69) receives an appropriation transfer from the Environmental Protection Agency (EPA) (trading partner code 68) of \$14,000. EPA sends all of the funds to DOT when the agreement commences. EPA designates USSGL account 5765 Nonexpenditure Financing Sources – Transfers-Out in the comment field of the NET transaction. Trading partner codes must be used to facilitate both financial reporting and the reconciliation process when funds are transferred between agencies.

The following entries should be recorded for the nonexpenditure transfer of financing sources:

Nonexpenditure Transfer of Financing Sources

Transfer-Out Agency (EPA)		Transfer-In Agency (DOT)	
TC A486		TC A482	
Dr 5765 – Nonexpenditure Financing Sources – Transfers-Out	14,000	Dr 1010 – Fund Balance w/Treasury	14,000
Cr 1010 – Fund Balance w/Treasury	14,000	Cr 5755 – Nonexpenditure Financing Sources – Transfers-In	14,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 08: Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources

Transfer Out Agency	Amount	Transfer-In Agency (DHS)	Amount	Difference
5765F(69)- Nonexpenditure Financing Sources- Transfers-Out	14,000	5755F(68)- Nonexpenditure Financing Sources- Transfers-In	(14,000)	0
TOTAL	14,000	TOTAL	(14,000)	0

21.11.3 – Expenditure Transfers of Financing Sources – Reciprocal Category 09

DOL (trading partner code 16) receives an expenditure transfer from the Environmental Protection Agency (EPA) (trading partner code 68) of \$550,000. EPA provides funding to DOL as it incurs costs. The first entry is to record the receivables and payables.

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Receivables/payables for the amount in the agreement are established if the transfer is funded based on cash needs of the receiving agency. Subsequent cash transfers are recorded as deductions of the receivables/payables. A transfer is recorded without receivables/payables if all of the fund balance is transferred at the commencement of the agreement.

The following entries should be recorded:

Providing agency Environmental Protection Agency			Receiving agency Department of Labor		
TC A500			TC A498		
5760F (16)	Expenditure Financing Sources – Transfers-Out	550,000	1335F ⁴ (68)	Expenditure Transfers Receivable	550,000
2155F (16)	Expenditure Transfers Payable	550,000	5750F (68)	Expenditure Financing Sources- Transfers-In	550,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

RC 09: Expenditure Transfers of Financing Sources

Environmental Protection Agency	Amount	Department of Labor	Amount	Difference
5760F(16)- Expenditure Financing Sources- Transfers-Out	550,000	5750F(68)- Expenditure Financing Sources- Transfers-In	(550,000)	0
TOTAL	550,000	TOTAL	(550,000)	0

RC 27: Transfers Receivable/Payable

Environmental Protection Agency	Amount	Department of Labor	Amount	Difference
2155F(16)- Expenditure Transfers Payable	(550,000)	1335F(68)- Expenditure Transfers Receivables	550,000	0

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TOTAL	(550,000)	TOTAL	550,000	0
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DOL incurs \$150,000 of expenses related to the receivable/payable established in the entry above (entries to record the expenses in the DOL records are not shown - see reimbursables for an example of recording expenses). Therefore, the following entry is recorded to transfer the fund balance from EPA to DOL and reduce the previously established receivable/payable.

The following entries should be recorded:

Providing agency Environmental Protection Agency			Receiving agency Department of Labor		
TC A504			TC A502		
2155F (16)	Expenditure Transfers Payable	150,000	1010	Fund Balance With Treasury	150,000
1010	Fund Balance With Treasury	150,000	1335F (68)	Expenditure Transfers Receivable	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 27: Transfers Receivable/Payable

Environmental Protection Agency	Amount	Department of Labor	Amount	Difference
2155F(16)- Expenditure Transfers Payable	150,000	1335F(68)- Expenditure Transfers Receivable	(150,000)	0
TOTAL	150,000	TOTAL	(150,000)	0

21.11.4 – Transfer In and Out Without Reimbursement - Reciprocal Category 18

RC 18 Transfers In/Out Without Reimbursement

Transfer-Out Agency	Transfer-In Agency (DHS)
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TC E510	TC E606
Dr 1759N – Accumulated Depreciation on Equipment 4,000	Dr 1750N – Equipment 8,000
Dr 5730F (70) – Financing Sources Transferred-out Without Reimbursement 4,000	
Cr 1750N – Equipment 8,000	Cr 1759N – Accumulated Depreciation on Equipment 4,000
	Cr 5720F (XX) – Financing Sources Transferred-in Without Reimbursement 4,000
To record transfer-out of assets.	To record transfer-in of assets.

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 18: Transfers In/Out Without Reimbursement

Transfer –Out Agency	Amount	Department of Homeland Security	Amount	Difference
5730F(70)- Financing Sources Transferred-Out Without Reimbursement	4,000	5720F(XX)- Financing Sources Transferred-In Without Reimbursement	(4,000)	0
TOTAL	4,000	TOTAL	(4,000)	0

For further information regarding trust fund transfers, refer to the Federal Trust Fund Accounting Guide located on the FMS-USSGL website.

21.12 - Other Transactions

There are other intragovernmental transactions occurring between agencies not specifically referred to in this guide. FMS suggests that agencies establish accounting procedures for these

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transactions in conjunction with their partners to provide for easy identification and reconciliation of the activities and balances.

22 - Yearend Cut-off Procedures

The following is an example of how year-end cut-off activity can be communicated and recorded by trading partners. For purposes of the example, the following transactions occurred in October:

Transaction 1 - 10/15/02 - The providing agency billed (through IPAC) for services provided through September 15 - \$40,000.

Transaction 2 - 10/30/02 - The providing agency estimated amounts billable as of September 15 under a separate service agreement - \$10,000.

Transaction 3 - The receiving agency borrowed funds from the providing agency. A semi-annual interest payment of \$180,000 is due on 12/31/02. The providing agency calculated the amount to be accrued as of September 30 [$\$180,000 \times (3\text{months}/6\text{ months}) = \$90,000$].

These transactions should be reported based on the USSGL account with the corresponding trading partner code identified in accordance with USSGL Documents and Agency Reporting Requirements in the I TFM 2-4700. The following is an example of a format providing agencies can use for informing receiving agencies of cut-off activity:

Year end cut-off activity				
Providing agency preparer/name/phone/e-mail: Agency preparer name, 202-000-0000, name@email.address				
Providing agency trading partner code: xx				
Receiving agency trading partner code: xx				
Fiscal year: 2001				
Date prepared: October 30, 2001				
Date	Agreement Number/Customer PO	Brief Description of Services/Goods Provided	Amount of Transaction	ALC Code Billed
10/15/02	6785332	Billing for services provided through September 15 (<i>Transaction 1</i>)	\$40,000	06665588
10/30/02	48998773	Amount earned as of September 15 - not billed for services provided as of October 30 (bill date is November 30) (<i>Transaction 2</i>)	\$10,000	06658555
10/15/02	N/A	Amount representing interest earnings	\$90,000	05655568

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Year end cut-off activity			
Providing agency preparer/name/phone/e-mail: Agency preparer name, 202-000-0000, name@email.address			
Providing agency trading partner code: xx			
Receiving agency trading partner code: xx			
Fiscal year: 2001			
Date prepared: October 30, 2001			
		as of September 30 (<i>Transaction 3</i>)	

The following entries should be recorded as of September 15 for *transaction 1*:

Providing agency			Receiving agency		
TC C422			TC B402		
1310F (XX)	Accounts Receivable	40,000	6100F (XX)	Operating Expenses/Program Costs	40,000
5200F (XX)	Revenues from Services Provided	40,000	2110F (XX)	Accounts Payable	40,000

The crosswalk for financial statement reporting of these accounts is as follows:

Providing Agency Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F (XX)	Accounts Receivable	40,000
Statement of Net Cost	5200F (XX)	Revenue from Services Provided	(40,000)

Receiving Agency Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2110F (XX)	Accounts Payable	(40,000)
Statement of Net Cost	6100F (XX)	Operating Expenses/Program Cost	40,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable/Accounts Payable

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Providing Agency	Amount	Receiving Agency	Amount	Difference
1310F(XX)- Accounts Receivable	40,000	2110F(XX)- Accounts Payable	(40,000)	0
TOTAL	40,000	TOTAL	(40,000)	0

RC 24: Buy/Sell Costs/Revenues

Providing Agency	Amount	Receiving Agency	Amount	Difference
5200F(XX)- Revenues from Services Provided	(40,000)	6100F(XX)- Operating Expenses/Program Costs	40,000	0
TOTAL	(40,000)	TOTAL	40,000	0

The following entries should be recorded as of September 15 for *transaction 2*:

Providing agency			Receiving agency		
TC C422			TC B402	Operating	10,000
1310F	Accounts	10,000	6100F	Expenses/Progr	
(XX)	Receivable		(XX)	am Costs	
5200F	Revenues from		2110F	Accounts	
(XX)	Services	10,000	(XX)	Payable	10,000
	Provided				

The crosswalk for financial statement reporting of these accounts is as follows:

Providing Agency Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1310F (XX)	Accounts Receivable	10,000
Statement of Net Cost	5200F (XX)	Revenue from Services Provided	(10,000)

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Receiving Agency Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2110F (XX)	Accounts Payable	(10,000)
Statement of Net Cost	6100F (XX)	Operating Expenses/Program Cost	10,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 22: Accounts Receivable/Accounts Payable

Providing Agency	Amount	Receiving Agency	Amount	Difference
1310F(XX)- Accounts Receivable	10,000	2110F(XX)- Accounts Payable	(10,000)	0
TOTAL	10,000	TOTAL	(10,000)	0

RC 24: Buy/Sell Costs/Revenues

Providing Agency	Amount	Receiving Agency	Amount	Difference
5200F(XX)- Revenues from Services Provided	(10,000)	6100F(XX)- Operating Expenses/Program Costs	10,000	0
TOTAL	(10,000)	TOTAL	10,000	0

The following entries should be recorded as of September 30 for *transaction 3*:

Providing agency			Receiving agency		
TC C422			TC B418		
1340F (XX)	Interest Receivable	90,000	6310F (XX)	Other Interest Expenses	90,000
5312F (FX)	Interest Revenue	90,000	2140F (XX)	Accrued Interest Payable	90,000

The crosswalk for financial statement reporting of these accounts is as follows:

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Providing Agency Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	1340F (XX)	Interest Receivable	90,000
Statement of Net Cost	5312F (FX)	Interest Revenue	(90,000)
Receiving Agency Statement	Account #	USSGL Account Title	Amount (based on the above transaction)
Balance Sheet	2140F (XX)	Accrued Interest Payable	(90,000)
Statement of Net Cost	6310F (XX)	Interest Expenses	90,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

RC 02: Interest Receivable/Interest Payable

Providing Agency	Amount	Receiving Agency	Amount	Difference
1340F(XX)-Interest Receivable	90,000	2140F(XX)-Accrued Interest Payable	(90,000)	0
TOTAL	90,000	TOTAL	(90,000)	0

RC 05: Borrowings and Other Interest Expense/Interest Revenue

Providing Agency	Amount	Receiving Agency	Amount	Difference
5312F(FX)-Interest Revenue	(90,000)	6310F-Other Interest Expenses	90,000	0
TOTAL	(90,000)	TOTAL	90,000	0

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23 - Reconciliation Procedures

The Department of Defense (trading partner code 97) provides the Department of Agriculture (trading partner code 12) with engineering services under an ongoing contract. The Department of Defense also sells the Department of Agriculture unused furniture and equipment and transfers appropriations to it.

The following is the detailed information relating to the example:

Providing agency: Department of Defense (DoD) trading partner code 97

Receiving agency: Department of Agriculture (USDA) trading partner code 12

Transactions:

<u>DATE</u>	<u>AMOUNT</u>
Services provided for USDA (in dollars):	
09/00	\$10,000
10/00	8,000
11/00	9,000
12/00	6,000
01/01	8,000
02/01	7,000
03/01	7,000
04/01	9,000
05/01	6,000
06/01	5,000
07/01	9,000
08/01	3,000
09/01	6,000
Goods sold to USDA:	
12/00 Trucks (not capitalized)	4,000
01/001 Desks (not capitalized)	8,000
04/01 Supplies	6,000
09/01 Supplies	7,000
Funds transferred to USDA:	
07/01	50,000
09/01	30,000

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Balances in DoD records:

1310F (12) Accounts Receivable at 10/1/00 \$10,500

Fiscal Year 2001:

5100F (12)	Revenue from Goods Sold	\$25,000
5200F (12)	Revenue from Services Provided	\$83,000
1310F (12)	Accounts Receivable	\$ 6,500
3103 (12)	Unexpended Appropriations (Transfers-Out)	\$80,000

Balances in USDA records:

Accounts Payable at 10/1/00: \$10,000

Fiscal year 2001:

6100F (97)	Services Purchased from DoD	\$77,000
6100F (97)	Goods Purchased from DoD	\$25,000
2110F (97)	Accounts Payable	\$0
3102 (97)	Unexpended Appropriations (Transfers-In)	\$80,000

DoD bills USDA for services provided 15 days following each month end. USDA reclassifies transactions for services provided based on IPAC reports received in the following month. USDA uses purchase orders to procure the goods purchased from DoD.

The following is an example of data provided to USDA by DoD. It represents the information necessary for reconciliation (this information was agreed upon by both agencies).

TRANSACTION DETAILS				
Providing agency preparer/name/phone/e-mail: Department of Defense, John Jones 703-300-3000				
Providing agency trading partner code: 97 Receiving agency trading partner code: 12				
Dates covered: Fiscal Year 2001		Date prepared: October 3, 2001		
Date	Agreement number/Customer PO	Brief Description of Services/Goods Provided	Amount of Transaction	ALC Code Billed
10/00	2560	Technical support contract	8,000	60060066
11/00	2560	Technical support contract	9,000	60060066
12/00	2560	Technical support contract	6,000	60060066
1/01	2560	Technical support contract	8,000	60060066
2/01	2560	Technical support contract	7,000	60060066
3/01	2560	Technical support contract	7,000	60060066
4/01	2560	Technical support contract	9,000	60060066
5/01	2560	Technical support contract	6,000	60060066
6/01	2560	Technical support contract	5,000	60060066

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TRANSACTION DETAILS				
Providing agency preparer/name/phone/e-mail: Department of Defense, John Jones 703-300-3000				
Providing agency trading partner code: 97 Receiving agency trading partner code: 12				
Dates covered: Fiscal Year 2001			Date prepared: October 3, 2001	
Date	Agreement number/ Customer PO	Brief Description of Services/Goods Provided	Amount of Transaction	ALC Code Billed
7/01	2560	Technical support contract	9,000	60060066
8/01	2560	Technical support contract	3,000	60060066
9/01	2560	Technical support contract	6,000	60060066
		Total billed for the contract posted to USSGL 5200F (12)	83,000	
10/1/00		Accounts Receivable	10,500	
FY 2001	From 5200G above	Amounts Billed	83,000	
10/00	2560	Technical support contract payment	(10,000)	
11/00	2560	Technical support contract payment	(8,000)	60060066
12/00	2560	Technical support contract payment	(9,000)	60060066
1/01	2560	Technical support contract payment	(6,000)	60060066
2/01	2560	Technical support contract payment	(8,000)	60060066
3/01	2560	Technical support contract payment	(7,000)	60060066
4/01	2560	Technical support contract payment	(7,000)	60060066
5/01	2560	Technical support contract payment	(9,000)	60060066
6/01	2560	Technical support contract payment	(6,000)	60060066
7/01	2560	Technical support contract payment	(5,000)	60060066
8/01	2560	Technical support contract payment	(9,000)	60060066
9/01	2560	Technical support contract payment	(3,000)	60060066
			(87,000)	
9/30/01		Balance posted to USSGL 1310F (12)	6,500	
12/00	PO62514	Trucks	4,000	60070006
01/01	PO45699	Desks	8,000	60080006
04/01	PO74856	Supplies	6,000	60090006
09/01	PO43987	Supplies	7,000	60090006
		Total posted to USSGL 5100F (12)	25,000	
7/01	458527	Transfer allocation	50,000	
9/01	458528	Transfer allocation	30,000	
		Total posted to account 3103 (12)	80,000	

The following is an example of the initial reconciliation performed by USDA:

Initial Reconciliation – Intragovernmental Activities and Balances
Agency preparing reconciliation: Department of Agriculture (12)

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Providing agency: DoD Contact: Someone Phone/e-mail: 703-000-000			Receiving agency: USDA Contact: Someone Phone/e-mail: 202-000-0000			Enter as of date for reconciliati on
Trading partner code: 97			Trading partner code: 12			
Appropriation symbol:			Appropriation symbol:			
USSGL A/C	Title	Balance	USSGL A/C	Title	Balance	Difference
<i>CATEGORY: 22-Accounts Receivable, Accounts Payable, and Other Liabilities</i>						
1310F (12)	Accounts Receivable	6,500	2110F (97)	Accounts Payable	0	6,500
<i>CATEGORY: 23-Federal Advances/Federal Advances from Others and Federal Prepayments/Federal Deferred Credits</i>						
2310F (12)	Advances from Others		1410F (97)	Advances to Others		
2320F (12)	Deferred Credits		1450F (97)	Prepayments		
<i>CATEGORY: -24-Intra-governmental buy/sell costs/revenues</i>						
5100F (12)	Revenues from Goods Sold	25,000	6100F (97)	Operating Expenses/ Program Costs	25,000	0
5200F (12)	Revenues from Services Provided	83,000	6100F (97)	Operating Expenses/ Program Costs	77,000	6,000
5900F (12)	Other Revenues		6100F (97)	Operating Expenses/ Program Costs		
5100F (12)	Revenues from Goods Sold		1511N*	Operating Materials and Supplies Held for Use		
5100F (12)	Revenues from Goods Sold		1521N*	Inventory Purchased for Resale		
5100F (12)	Revenues from Goods Sold		1525N*	Inventory - Raw Materials		
5100F (12)	Revenues from Goods Sold		1750N*	Equipment		
5100F (12)	Revenues from Goods Sold		1890N*	Other General Property, Plant and		

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Initial Reconciliation – Intragovernmental Activities and Balances						
Agency preparing reconciliation: Department of Agriculture (12)						
Providing agency: DoD Contact: Someone Phone/e-mail: 703-000-000			Receiving agency: USDA Contact: Someone Phone/e-mail: 202-000-0000			Enter as of date for reconciliation
Trading partner code: 97			Trading partner code: 12			
Appropriation symbol:			Appropriation symbol:			
USSGL A/C	Title	Balance	USSGL A/C	Title	Balance	Difference
<i>CATEGORY: 22-Accounts Receivable, Accounts Payable, and Other Liabilities</i>						
				Equipment		
5100F (12)	Revenues from Goods Sold		1990N*	Other Assets		
<i>CATEGORY:- 28-Unexpended Appropriations-Transferred-In/Out</i>						
3103F (12)	Unexpended Appropriations (Transfers Out)	80,000	3102F(97)	Unexpended Appropriations (Transfers In)	80,000	0
Prepared by/date:						
Reviewed by/date: Someone at USDA October 15						
Final phase reconciliation prepared on (attach): October 20						

* For reconciliation of FY 2003 Intragovernmental balances, USSGL account 8802F (97) would be used instead of the individual asset USSGL accounts. The receiving agency (in this example) would need to perform an internal reconciliation between USSGL 8802 and the asset USSGL accounts.

USDA used the Agency Data Request Form to identify the causes of the differences.

USDA and DoD worked together to determine the appropriate adjustments to be made, in order to agree with the account activity and balances. The following differences were identified in the initial reconciliation.

1. USDA did not record the bill for September 30 until October (\$6,000).
2. DoD did not make an adjustment for an accounting event from the prior year (\$500).

The adjusting entries to correct the differences would be as follows.

Entry 1: USDA records the accrual for September services provided by DoD.

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APPENDICES

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Appendix A - Federal Intragovernmental Transactions Categories of Reciprocal U.S. Government Standard General Ledger Proprietary Accounts

**Federal Intragovernmental Transactions Categories
of Reciprocal U.S. Government Standard General Ledger Proprietary Accounts**

Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
01	Federal Investments/Debt	1610F(20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	2530F(XX)	Securities Issued by Federal Agencies Under General and Special Financing Authority
		1611F(20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	2531F(XX)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority
		1612F(20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	2532F(XX)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
		1613F(20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	2533F(XX)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
		1618F(20)	Market Adjustment – Investments		

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
		1620F(XX)	Investments in Securities Other Than the Bureau of the Public Debt Securities	2540F(XX)	Participation Certificates
01 (Cont'd)	Federal Investments/Debt	1621F(XX)	Discount on Securities Other Than the Bureau of the Public Debt Securities		
		1622F(XX)	Premium on Securities Other Than the Bureau of the Public Debt Securities		
		1623F(XX)	Amortization of Discount and Premium on Securities Other Than the Bureau of the Public Debt Securities		
		1630F(20)	Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		
		1631F(20)	Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
		1633F(20)	Amortization of Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		
01 (Cont'd)	Federal Investments/Debt	1638F(20)	Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds		
		1639F(20)	Contra Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds		
		1690F(XX)	Other Investments		
02	Interest Receivable/ Interest Payable	2140F(XX)	Accrued Interest Payable	1340F(XX) 1349F(XX)	Interest Receivable Allowance for Loss on Interest Receivable
03	Federal Securities Interest Expense/ Federal Securities Interest Revenue	5311FX(XX)	Interest Revenue - Investments (Exchange)	6320F(XX)	Interest Expense on Securities

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
		5311FT(XX)	Interest Revenue – Investments (Nonexchange)		
		5318FX(XX)	Contra Revenue for Interest Revenue – Investments (Exchange)		
		5318FT(XX)	Contra Revenue for Interest Revenue – Investments (Nonexchange)		
03 (Cont'd)	Federal Securities Interest Expense/ Interest Revenue	7111FX(XX)	Gains on Disposition of Investments (Exchange)	7211FX(XX)	Losses on Disposition of Investments (Exchange)
		7111FT(XX)	Gains on Disposition of Investments (Nonexchange)	7211FT(XX)	Losses on Disposition of Investments (Nonexchange)
		7180FX(XX)	Unrealized Gains (Exchange)	7280FX(XX)	Unrealized Losses (Exchange)
		7180FT(XX)	Unrealized Gains (Nonexchange)	7280FT(XX)	Unrealized Losses (Nonexchange)

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
05	Borrowings and Other Interest Expense/Interest Revenue	6310F(20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	5310FX(XX)	Interest Revenue – Other (Exchange)
				5310FT(XX)	Interest Revenue – Other (Nonexchange)
				5312FX(20)	Interest Revenue – Loans Receivable/ Uninvested Funds (Exchange)
				5312FT(20)	Interest Revenue-Loans Receivable/ Uninvested Funds (Nonexchange)
05 (Cont'd)	Borrowings and Other Interest Expense/Interest Revenue	6330F(XX)	Other Interest Expenses	5317FX(XX)	Contra Revenue for Interest Revenue – Loans Receivable (Exchange)
				5317FT(XX)	Contra Revenue for Interest Revenue – Loans Receivable (Nonexchange)
				5319FX(XX)	Contra Revenue for Interest Revenue – Other (Exchange)
				5319FT(XX)	Contra Revenue for Interest Revenue – Other (Nonexchange)

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
06	Borrowings-Losses/Gains	7212FX(XX)	Losses on Disposition of Borrowings (Exchange)	7112FX(XX)	Gains on Disposition of Borrowings (Exchange)
		7290FX(XX)	Other Losses (Exchange)	7190FX(XX)	Other Gains (Exchange)
07	Appropriation of Unavailable Trust or Special Fund Receipts	5740F(XX)	Appropriated Earmarked Receipts Transferred In	5745F(XX)	Appropriated Earmarked Receipts Transferred Out
08	Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources	3102F(XX)	Unexpended Appropriations-Transfers-In	3103F(XX)	Unexpended Appropriations-Transfers-Out
		5755F(XX)	Nonexpenditure Finance Sources-Transfers-In	5765F(XX)	Nonexpenditure Financing Sources-Transfers-Out
09	Expenditure Transfers of Financing Sources	5750F(XX)	Expenditure Financing Sources –Transfers-In	5760F (XX)	Expenditure Financing Sources – Transfers-Out
		5997F (XX)	Financing Sources Transferred In From Custodial Statement Collections	5998F (XX)	Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund of the Treasury
17	Loans Receivable/Payable	2510F(XX)	Principal Payable to the Bureau of the Public Debt	1350F(XX)	Loans Receivable
	Loans Receivable/Payable	2520F(XX)	Principal Payable to the Federal Financing Bank	1359F(XX)	Allowance for Loss on Loans Receivable

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
		2590F(XX)	Other Debt		
18	Transferred In/Out Without Reimbursement	5720F(XX)	Financing Sources Transferred In Without Reimbursement	5730F(XX)	Financing Sources Transferred Out Without Reimbursement
21	Benefit Program Contributions Receivables and Payables	2213F(XX)	Employer Contributions and Payroll Taxes Payable	1320F(XX)	Employment Benefit Contributions Receivable
		2215F(XX)	Other Post Employment Benefits Due and Payable		
21 (Cont'd)	Benefit Program Contributions Receivables and Payables	2225F(XX)	Unfunded FECA Liability		
		2290F(XX)	Other Unfunded Employment Related Liability		

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
22	Accounts Receivable/ Accounts Payable	2110F(XX)	Accounts Payable	1310F(XX)	Accounts Receivable
		2120F(XX)	Disbursements in Transit	1319F(XX)	Allowance for Loss on Accounts Receivable
		2130F(XX)	Contract Holdbacks		
		2170F(XX)	Subsidy Payable to the Financing Account	1990 (XX)	Other Assets
		2179F(XX)	Contra Liability for Subsidy Payable to the Financing Account		
		2190F(XX)	Other Liabilities With Related Budgetary Obligations		
		2950F(XX)	Liability for Subsidy Related to Undisbursed Loans		
		2990F(XX)	Other Liabilities Without Related Budgetary Obligations		
23	Advances to Others and Prepayments/ Advances From Others and Deferred Credits	1410F(XX)	Advances and Prepayments	2310F(XX)	Liability for Advances and Prepayments
				2320F(XX)	Other Deferred Revenue

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
24	Buy/Sell Costs/Revenues	6100F(XX)	Operating Expenses/Program Costs	5100FX(XX)	Revenue From Goods Sold
		6190F(XX)	Contra Bad Debt Expense – Incurred for Others	5109FX(XX)	Contra Revenue for Goods Sold
		6720F(XX)	Bad Debt Expense		
		6790F(XX)	Other Expenses Not Requiring Budgetary Resources	5200FX(XX)	Revenue From Services Provided
				5209FX(XX)	Contra Revenue for Services Provided
		6800F(XX)	Future Funded Expenses	5900FX(XX)	Other Revenue (Exchange)
		6900F(XX)	Nonproduction Costs	5909FX(XX)	Contra Revenue for Other Revenue (Exchange)
	Buy/Sell Costs/Revenues	8802F(XX)	Purchases of Property, Plant, and Equipment		
		8803F(XX)	Purchases of Inventory and Related Property		
		8804F(XX)	Purchase of Assets - Other		
25	Imputed Costs/ Imputed Financing Sources	5780F(XX)	Imputed Financing Sources	6730F(XX)	Imputed Costs

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
26	Benefit Program Costs/Revenues	6400F(XX)	Benefit Expense	5400FX(XX)	Benefit Program Revenue (Exchange)
		6850F(XX)	Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)	5400FT(XX)	Benefit Program Revenue (Nonexchange)
				5409FX(XX)	Contra Revenue for Benefit Program Revenue (Exchange)
				5409FT(XX)	Contra Revenue for Benefit Program Revenue (Nonexchange)
27	Transfers Receivable/Payable	1330F(XX)	Receivable for Transfers of Currently Invested Balances	2150F(XX)	Payable for Transfers of Currently Invested Balances
		1335F(XX)	Expenditure Transfers Receivable	2155F(XX)	Expenditure Transfers Payable

Category 29 – Non-Reciprocating USSGL Accounts

The USSGL accounts indicated in RC29 do not eliminate against another USSGL account.

1360 Penalties, Fines, and Administrative Fees Receivable

1369 Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable

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1921	Receivable From Appropriations
2400	Liability for Deposit Funds, Clearing Accounts, and Undeposited Collections
2920	Contingent Liabilities
2940	Capital Lease Liability
2960	Accounts Payable From Canceled Appropriations
2970	Resources Payable to Treasury
2980	Custodial Liability
5320 X/T	Penalties, Fines, and Administrative Fees Revenue
5329 X/T	Contra Revenue for Penalties, Fines, and Administrative Fees
5790 X/T	Other Financing Sources
5800 T	Tax Revenue Collected
5801 T	Tax Revenue Accrual Adjustment
5809 T	Contra Revenue for Taxes
5890 T	Tax Revenue Refunds
5990 X/T	Collections for Others
5991 X/T	Accrued Collections for Others
7300	Extraordinary Items
7400	Prior-Period Adjustments Due to Corrections of Errors
7401	Prior-Period Adjustments Due to Changes in Accounting Principles
7500 X/T	Distribution of Income – Dividend
8801*	Offset for Purchases of Assets

*USSGL Accounts 8801 through 8804 are Memorandum accounts that are not incorporated into the FR, but are used in interim IRAS reporting in order to reconcile intragovernmental buy-sell activity.

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Appendix B - Federal Trading Partner Department Codes for GFRS and FACTS I

The following crosswalk provides Federal trading partner codes that are required for the Governmentwide Financial Reporting System (GFRS) and Federal Agencies Centralized Trial Balance System I (FACTS I). These codes are used to facilitate the preparation of the *Financial Report of the United States* (FR). The identification number shown below under GFRS Codes is unique to GFRS. In most instances, the 2-digit department code used in FACTS I has two zeros added to the end for the purpose of GFRS (that is Department of the Treasury, FACTS I Codes 20, GFRS Codes 2000). The Department of Defense (DOD) trading partner code DE00 will include the Department of the Air Force, the Department of the Army, and the Department of the Navy, the Defense Agencies, and the U.S. Corps of Engineers. The Trading Partner Code 9500 will include independent and other agencies. The FACTS I Trading Partner Codes did not change.

GFRS Codes	FACTS I Codes	Department or Agency
1200	12	Department of Agriculture
1300	13	Department of Commerce
1400	14	Department of Interior
1500	15	Department of Justice
1601	16	Department of Labor
1602	16	Pension Benefit Guaranty Corporation
1800	18	U.S. Postal Service
1900	19	Department of State
2000	20	Department of Treasury
2400	24	Office of Personnel Management
2500	25	National Credit Union Administration
2700	27	Federal Communications Commission
2800	28	Social Security Administration
3100	31	U.S. Nuclear Regulatory Commission
3300	33	Smithsonian Institution
3600	36	Department of Veterans Affairs
4700	47	General Services Administration
4900	49	National Science Foundation
5000	50	Securities and Exchange Commission
5100	51	Federal Deposit Insurance Corporation
6000	60	Railroad Retirement Board
6400	64	Tennessee Valley Authority
6800	68	Environmental Protection Agency
6900	69	Department of Transportation
7000	70	Department of Homeland Security
7200	72	Agency for International Development
7300	73	Small Business Administration
7500	75	Department of Health and Human Service
7802	78	Farm Credit System Insurance Corporation

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8000	80	National Aeronautics and Space Administration
8300	83	Export-Import Bank of the United States
8600	86	Department of Housing and Urban Development
8900	89	Department of Energy
9100	91	Department of Education
DE00		
	17	Department of the Navy
	21	Department of the Army
	57	Department of the Air Force
	96	U.S. Army Corps of Engineers
	97	Office of the Secretary of Defense - Defense Agencies
9900	99	Treasury General Fund

Independent Agencies:

9500 is the consolidated code for all independent agencies in the GFRS; therefore, all agencies must use "9500" as Trading Partner code, if applies.

0100	01	Architect of the Capitol
0200	02	U.S. Capitol Police
0300	03	Library of Congress
0400	04	Government Printing Office
0500	05	Government Accountability Office
0800	08	Congressional Budget Office
0900	09	Other Legislative Branch Agencies
1000	10	The Judiciary
1100	11	Executive Office of the President
2300	23	U.S. Tax Court
2600	26	Federal Retirement Thrift Investment Board
1800	29	Federal Trade Commission
3301	33	JFK Center for Performing Arts
3302	33	National Gallery of Art
3303	33	Woodrow Wilson International Center for Scholars
3400	34	International Trade Commission
4100	41	Merit Systems Protection Board
4500	45	U.S. Equal Employment Opportunity Commission
4600	46	Appalachian Regional Commission
4800	48	Temporary Commissions
5400	54	Federal Labor Relations Authority
5600	56	Central Intelligence Agency
5900	59	National Foundation on the Arts and the Humanities
6002	60	National Railroad Retirement Investment Trust
6100	61	Consumer Product Safety Commission
6200	62	Office of Special Counsel
6300	63	National Labor Relations Board
6500	65	Federal Maritime Commission
6903	69	St. Lawrence Seaway Development Corporation
7100	71	Overseas Private Investment Corporation
7400	74	American Battle Monuments Commission

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7601	76	Historical and Memorial Commissions
7801	78	Farm Credit Administration
8400	84	Armed Forces Retirement Home
8800	88	National Archives and Records Administration
9000	90	Selective Service System
9108	91	Appalachian Regional Development Test
9300	93	Federal Mediation and Conciliation Service
9500	95	Independent Agencies
9999	00	Unidentified

Appendix C – Material Differences/Status of Disposition Certification

Intragovernmental Reporting and Analysis System

MATERIAL DIFFERENCES REPORT Fiscal Year : '2007' , Quarter : '1' Agency Contact/Ph/Email: _____

Agency: _____ Agy Code: _____

TP	RC	P_OR_S	Amount - Reporting Agency	Amount - Partner	Amount - Difference	1. Confirmed Rptg	2. Acctg Meth Difference	3. Acctg/Rptg Error	4. Timing Diff - CY	5. Unknown	6. Timing Diff - PY

CERTIFICATION

I have reviewed the Material Differences Report generated by FMS' IRAS from intragovernmental data submitted by our agency and associated trading partner(s). The data provided by this agency is consistent with its supporting records and is derivative of unaudited financial statement data submitted to OMB, as indicated from the disposition of agency reporting by 'X' in columns: 1-confirm reporting, 2-accounting method difference, or 6-prior year timing difference. In the event of accounting/reporting error or current year timing difference, the agency is expected to correct reporting in the subsequent period.

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Appendix D – Scenarios for Comparative Status of Disposition Explanation of Material Difference

Scenario	Reported Explanation of Material Difference		Expected Corrective Action (Agencies and/or FMS)
	Agency A	Agency B	
1	Confirmed Reporting	Confirmed Reporting	CFO plan of action is required for unresolved confirmed reporting differences for the third quarter FY 2007.
2	Confirmed Reporting	Accounting Methodology	The Confirmed Reporting agency (A) shall report 'Accounting Methodology' explanation and basis of accounting in subsequent reporting period.
3	Confirmed Reporting	Current Year Timing Difference	Agency B is expected to account for activity in subsequent reporting period.
4	Confirmed Reporting	Prior Year Timing Difference	FMS is aware that the Material Difference will be a recurring difference.
5	Confirmed Reporting	Unknown	Agency B is expected to further research accounting treatment.
6	Confirmed Reporting	Accounting Error	Agency B is expected to correct reporting in subsequent period.
7	Accounting Methodology	Accounting Methodology	Both Agency A and B shall provide basis of accounting treatment; if the same treatment is used FMS deem it to be inconsistent; otherwise FMS is aware that the Material Difference will be a recurring difference.
8	Accounting Methodology	Accounting Error	Agency B shall correct explanation in subsequent reporting period to indicate 'Accounting Methodology' and provide basis; ultimately FMS is aware that the Material Difference will be a recurring difference.
9	Accounting Methodology	Current Year Timing Difference	Refer to scenario 8
10	Accounting Methodology	Prior Year Timing Difference	Refer to scenario 8
11	Accounting Methodology	Unknown	Refer to scenario 8
12	Accounting Error	Accounting Error	Both Agency A and B are expected to correct reporting in subsequent for the amount impacting its own agency.

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Scenario	Reported Explanation of Material Difference		Expected Corrective Action (Agencies and/or FMS)
	Agency A	Agency B	
13	Unknown ¹	Unknown ¹	Both Agency A and B are expected to further research accounting treatment; FMS will provide report to OMB and an Unreconciled Activity report to GAO.
14	Unknown ¹	Accounting Error	Agency A is expected to further research accounting treatment; while Agency B is expected to correct reporting in subsequent period to the extent of the accounting error made.
15	Unknown ¹	Current Year Timing Difference	The Agency (A) reporting 'Unknown' explanation shall correct explanation in subsequent period to 'Current Year Timing Difference'; while the corresponding agency (B) is expected to record activity in a subsequent reporting period.
16	Unknown	Prior Year Timing Difference	The Agency (A) reporting 'Unknown' explanation shall correct explanation in subsequent period to 'Prior Year Timing Difference'; FMS is aware that the Material Difference will be a recurring difference.
17	Prior Year Timing Difference	Prior Year Timing Difference	FMS is aware that the Material Difference will be a recurring difference.
18	Current Year Timing Difference	Current Year Timing Difference	Whichever Agency (A or B) that requires future accounting treatment is expected to record activity in a subsequent accounting period.

¹ CFO plan of action is required for unresolved "unknown" reporting differences for the third quarter FY2007.
Note: When agency A and B explanations are reversed the corrective action is applied also in reverse.

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Appendix E – FY 2007 CFO Representations for Federal Intragovernmental Activity and Balances

Fiscal 2007 CFO Representations for Federal Intragovernmental Activity and Balances			
Mark in Green Areas Only			
Agency Name			
4-Digit Agency Code			
<p>INSTRUCTIONS: Next to each category enter "Yes," "No," or "N/A" to indicate whether criteria has been met. Briefly describe reasons for exceptions. Provide an electronic file copy of the CFO Representations for Federal Intragovernmental Activity and Balances along with the completed <i>Intragovernmental Closing Package Material Differences/Status of Disposition Certification Report</i> to the agency's IG, FMS, and GAO by November 26, 2007.</p> <p>Note: For all responses to the intragovernmental issues below, describe the area and the extent of any noncompliance with the requirements in a written response on the standard form described above, or an attachment if necessary.</p> <p>(Refer to the requirements stated in subsection 4705.75, <i>CFO Procedures for Intragovernmental Activity/Balances</i>.)</p>		"Yes" or No" or "N/A"	Reason for Exceptions
Section I. General Intragovernmental Reporting Results			
A. Is consistency maintained between the agency intragovernmental reporting entered in the Governmentwide Financial Report System (GFRS) Module GF004 (by line item and trading partner) and the agency source documents? If "no," provide an explanation. (Refer to the <i>Intragovernmental Closing Package Line Item Reports</i> and the <i>Trading Partner Identification Reports</i> from GFRS Module GF004.)			
B. Does the agency have policies/procedures to record, process, summarize, and report intragovernmental activity/balances by trading partner? If "yes" identify those policies/procedures. Describe the basis of accounting used/policy followed for buy/sell related (for example, accrual), fiduciary (for example, straight-line, TFM), and transfer (for example, OMB Circular No. A-136) intragovernmental transactions.			
C. Review the agency's activity reported under trading partner "00". Does this activity relate to business conducted with highly classified agencies, the U.S. Senate, or the Congress? If "yes" indicate the dollar amount or percentage of this activity.			
D. Did all trading partners report intragovernmental Closing Package activity/balances? If "no," list those Federal program agencies that did not report Closing Package intragovernmental activity/balances. (Refer to the Discoverer-generated Closing Package <i>Intragovernmental Activity Summary Report</i> .)			
E. Review the Discoverer-generated <i>Intragovernmental Closing Package Material Differences/Status of Disposition Certification Report</i> . Were all Federal program agencies contacted or pursued concerning material differences? If "no," list those agencies that were not contacted or pursued and provide an explanation.			
F. Did the independent auditors propose any adjustments related to intragovernmental balances reported in the Closing Package? If "yes," list the auditor's intragovernmental adjustments waived by management.			

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Fiscal 2007 CFO Representations for Federal Intragovernmental Activity and Balances <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 10px;"> <i>Mark in Green Areas Only</i> </div>		
Section II. Explanation of Closing Package Differences		
Attach the completed and signed <i>Intragovernmental Closing Package Material Differences/Status of Disposition Certification Report</i> .		

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Appendix F -Intragovernmental Key Dates

Action No.	Required Action	Responsible Organization	*Due Date
1	IFCS opens for 3rd Quarter/2007	FPA	7/09/07
2	IFCS closes for 3 rd Quarter 2007 (last day for agency fiduciary confirmations)	FPA	7/24/07
3	Intragovernmental (“F” transactions) 3 rd Quarter 2007 agency data file due to FMS	FPA/CFO	7/24/07
4	Agencies generate 3 rd Quarter 2007 Intragovernmental Activity Reporting Data (from Discoverer-viewer via GFRS)	FMS	7/31/07
5	Agencies submit 3 rd Quarter 2007 Status of Disposition Certification to FMS	FPA/CFO	8/7/07
6	FMS provides 3 rd quarter 2007 Comparative Status of Disposition to agencies	FMS	8/09/07
7	IFCS opens for 4 th quarter 2007	FPA	10/9/07
8	Intragovernmental (“F” transactions) 4 th Quarter 2007 agency data file due to FMS	FPA/CFO	10/19/07
9	IFCS closes for 4 th Quarter 2007 (Final)	FPA	10/19/07
10	Agencies generate 4th Quarter 2007 Intragovernmental Activity Reporting Data (from Discoverer-viewer via GFRS)	FMS	10/25/07
11	Agencies generate Closing Package Intragovernmental Activity Reporting Data (from Discoverer-viewer via GFRS)	FMS	11/21/07
12	CFO Representations for Federal Intragovernmental Activity and Balance and the completed Intragovernmental Closing Package Material Differences/Status of Disposition Certification report due to FMS, Agency IGs and GAO	FPA/CFO	11/26/07
13	FMS provides Intragovernmental Comparative Closing Package Explanations of Differences Report	FMS	11/29/07

Note: *All above dates are “no later than”

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Appendix H–Explanation of Differences

**Status of Disposition Certification
For
Quarterly and Closing Package Differences
(Verifying Agencies)**

Explanation of Differences *	
Confirmed Reporting	When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is in agreement with the agency’s source documentation, an “X” is placed in the confirmed reporting column. Confirmed reporting needs no amount entered. When the confirmed reporting column is selected, there should be no other column marked.
Accounting Methodology Difference	When an agency verified/ reviewed/ agreed the amount reported to IRAS/GFRS is accurate, yet the difference in the agency’s reporting and their partner reporting is due to different accounting methods used, an “X” is placed in the “Accounting Methodology Difference” column. Additional explanations for Accounting Methodology Differences should be provided in the bottom section of the Status of Disposition Report. When providing explanations, first indicate the method your agency is using. Additional explanations of the basis of accounting must be provided on the “Additional Explanations” attachment
Accounting/Reporting Error	When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is not accurate, possibly due to non-reporting (reporting error) or incorrect reporting (accounting error), the amount of the error(s) is placed in the “Acctg/Rptg Error” column. When an agency has indicated an amount as a reporting or accounting error, this will be used to increase or decrease their original reporting. Only place the amount of adjustment (positive or negative) in this column. If the amount of the agency’s adjustment is a portion of original

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	<p>difference, IRAS will label the excess amount as unknown. Remember: All accounting/reporting errors, once identified, should be corrected in the following quarter.</p> <p>Additional explanations for Accounting/Reporting errors must be provided on the “Additional Explanations” attachment.</p>
Timing Difference - Current Year	<p>When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is accurate, yet the difference in the agency’s reporting and their partner reporting is due to reporting an amount in a different quarter within the same fiscal year, the amount of the error(s) is placed in the “Timing Difference – CY” column. When an agency has indicated an amount as a timing difference, this amount will be used to increase or decrease their original reporting. Only place the amount of adjustment (positive or negative) in this column. If the amount of the agency’s adjustment is a portion of original difference, IRAS will label the excess amount as unknown.</p> <p>Remember: All current year timing differences, once identified, should be corrected in the following quarter. Additional explanations for Timing Difference – CY must be provided on the “Additional Explanations” attachment.</p>
Unknown	<p>When an agency cannot verify the accuracy of the amount reported to IRAS/GFRS, an “X” is placed in the “Unknown” column. When agencies submit unverified data, further explanation must be provided on the “Additional Explanations” attachment describing the circumstances regarding data submission. “Unknown” explanations are expected to be researched further and identified for future reporting.</p>
Timing Difference - Prior Year	<p>When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is accurate, yet the difference in the agency’s</p>

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	reporting and their partner reporting is due to reporting an amount in a prior fiscal year, an “X” is placed in the “Timing Difference –PY” column. Prior year timing differences need no amounts entered. Additional explanations for Timing Difference – PY must be provided on the “Additional Explanations” attachment.
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* All Explanations are from YOUR agency’s perspective.

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**APPENDIX I
Agency Quarterly Intragovernmental
Data File Submission Checklist**

Agency: _____

The Financial Reports Division at FMS has created this Agency Data File “F” Submission Checklist to allow flexibility within the required reporting parameters and to identify the manner in which the quarterly files are received.

Please check (i.e., click with your mouse) the appropriate responses for the category formats indicated below and submit this checklist along with the data file. All checkmarks and text entries must be made only in the shaded areas of the form.

Part I: Checklist for Required Fields and Information to Include

	YES	NO
<u>Field Descriptions Provided</u>⁵ Either first row or separate attachment (Y/N)	<input type="checkbox"/>	<input type="checkbox"/>
<u>Agency Code</u> 2 digit Agency Code provided Y/N	<input type="checkbox"/>	<input type="checkbox"/>
<u>Bureau Code</u> 2 digit Bureau Code provided Y/N	<input type="checkbox"/>	<input type="checkbox"/>
<u>Fund Group</u> Are you reporting at the Fund Group Level Y/N	<input type="checkbox"/>	<input type="checkbox"/>
<u>USSGL Account</u> 4 digit USSGL account provided Y/N	<input type="checkbox"/>	<input type="checkbox"/>
<u>Attribute Designation</u> (“F” must be used for Federal Transactions) “F” Attribute provided Y/N	<input type="checkbox"/>	<input type="checkbox"/>
<u>Trading Partner Code</u> 2 digit TP code provided Y/N	<input type="checkbox"/>	<input type="checkbox"/>

⁵ Please note: A field name/indicator must be used to identify each data element provided.

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	YES	NO
<u>Exchange/Non-Exchange</u> (these attributes apply only to revenue, gains and losses) Indicate “X” or “T”	<input type="checkbox"/>	<input type="checkbox"/>

<u>Duplicate Partner Code Identifier (DPCI)</u> provided Y/N (“R” where applicable) – Attribute for certain reporting entities which use duplicate 2-digit Department Codes DPCI provided Y/N (note: DPCI field should be included in EXCEL Spreadsheet submission)	<input type="checkbox"/>	<input type="checkbox"/>

Part II: Characteristics of your Data File

1a. File Type: Check One

<input type="checkbox"/> Flat File Format (e.g., FACTS I ATB Bulk File format)	<input type="checkbox"/> EXCEL Spreadsheet
--	--

1b. Record Count:

Indicate the number of data records contained in your file_____
--

2. USSGL Amounts

How are these balances represented? Check One

<input type="checkbox"/> Normal Balances method (i.e., All USSGL amounts with “Normal” Balances are shown as positive numbers, while those with abnormal balances are shown as negative numbers)	<input type="checkbox"/> Standard Balance (previously referred to as Trial Balance) (i.e., All debits are displayed as positive amounts and all credits are displayed with negative amounts, without consideration of “normal” or “abnormal” balances
--	---

2a. (Answer Only if Applicable)

If your agency used a separate field for the Debit/Credit indicator, type, in the space provided the symbols used for both debits and credits, and also explain any deviations from Item 2, above.

- i. Credit Symbol: “ ”
- ii. Debit Symbol: “ ”
- iii. Enter below any deviations from the box you checked in item 2:

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2b. Decimal Position? Check One

<input type="checkbox"/> Final 2 digits in amounts are decimal (i.e., cents)	<input type="checkbox"/> Amounts are provided/rounded to the nearest dollar
--	---

Agency Name: _____ **Phone:** _____

Preparer Name: _____ **Date:** _____