



Treasury Financial Manual

Transmittal Letter No. 645

Volume I

To: Heads of Government Departments, Agencies, and Others Concerned

1. Purpose

This transmittal letter releases revisions to I TFM 2-4600: Treasury Reporting Instructions for Credit Reform Legislation. This chapter prescribes the Department of the Treasury's (Treasury's) reporting instructions for Federal credit program agencies. These instructions apply to all direct loan and loan guarantee programs, except those specifically excluded by the Federal Credit Reform Act of 1990, Sections 502 and 506. The Bureau of the Public Debt performs the borrowings from Treasury.

2. Page Changes

Remove

Table of Contents for Part 2 (T/L 644)

I TFM 2-4600 (T/L 612)

Insert

Table of Contents for Part 2

I TFM 2-4600

3. Effective Date

This transmittal letter is effective immediately.

4. Inquiries

Direct questions concerning this transmittal letter to:

Federal Borrowings Branch
Office of Public Debt Accounting
Bureau of the Public Debt
200 3rd Street HB-113
P.O. Box 396
Parkersburg, WV 26106-0396
Telephone: 304-480-7488
Fax: 304-480-5176
E-mail: borrowings@bpd.treas.gov
Web site: <http://www.treasurydirect.gov/govt/apps/tbp/tbp.htm>

Date: June 26, 2008

Judith R. Tillman
Commissioner

Part 2—Chapter 4600**TREASURY REPORTING INSTRUCTIONS FOR
CREDIT REFORM LEGISLATION**

This chapter prescribes Treasury reporting instructions for Federal credit program agencies. These instructions apply to all direct loan and loan guarantee programs, except those specifically excluded by the Federal Credit Reform Act of 1990, Sections 502 and 506.

Section 4610—Authority

According to the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 3513a), Section 114:

- The Secretary of the Treasury must prepare reports on the financial operations of the U.S. Government;

AND

- Each executive agency must furnish the Secretary of the Treasury with information relating to the agency's financial condition and operations as the Secretary may require.

Section 4615—Definition of Terms

Refer to Office of Management and Budget (OMB) Circular No. A-11 for a detailed explanation of terminology and budget instructions. OMB Circular No. A-11 is available at http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_toc.html.

Section 4620—Credit Account Symbols**4620.10—Establishing Account Symbols**

For new credit programs, the agency must send the Financial Management Service (FMS) a written request to establish Treasury Account Symbols (TAS) for loan financing accounts and general fund receipt accounts, or special fund receipt accounts mandated by the Federal Credit Reform Act of 1990 (see the Contacts page). In addition, OMB approval is required before establishing TAS for special fund receipt accounts. All written requests submitted to FMS must include a program name, direct or guaranteed loan specification, the legislative authority for establishing a TAS, and any TAS previously recorded by OMB. For general information on Federal Account Symbols and Titles (FAST), refer to the FAST Book supplement (<http://www.fms.treas.gov/fastbook>) to Volume I of the Treasury Financial Manual (TFM).

4620.20—Program Accounts

FMS automatically establishes program accounts when a law enacts appropriations for credit subsidy costs and administrative expenses. These

accounts are usually general fund Treasury Appropriation Fund Symbols (TAFS) from the series 0000-3899 funded by annual-year appropriations.

4620.30—Financing Accounts

All credit programs require financing accounts. Direct loans and loan guarantees require separate financing accounts even if a single program account receives the appropriation for the subsidy costs of both. FMS usually establishes financing TAFS as revolving funds in the public enterprise fund group series 4000-4499.

4620.40—General Fund Receipt Accounts

These accounts collect either negative subsidy receipts or downward reestimates for direct and guaranteed loan programs. These receipt TAS are in the series 27XX.001 for negative subsidy receipts, and series 27XX.003 for downward reestimates. A two-digit agency code (AC) that is unique for each agency's programs precedes both TAS (for instance, AC-27XX.001 and AC-27XX.003).

4620.50—Special Fund Receipt Accounts

These accounts collect negative subsidy receipts and downward

reestimates for certain loan programs. FMS classifies these receipts in the special fund receipt TAS series 53XX.001 for negative subsidy receipts, and series 53XX.003 for downward reestimates of the subsidy. A two-digit agency code precedes both TAS (for instance, AC-53XX.001 and AC-53XX.003).

Most loan programs use general fund receipt TAS. Agencies should contact OMB to determine whether the program should use a special fund or general fund receipt TAS.

4620.60—Miscellaneous Receipt Accounts

Agencies make interest payments to Treasury using miscellaneous receipt TAS 1499 preceded by each agency's two-digit agency code (for instance, AC-1499). FMS automatically establishes these miscellaneous receipt accounts.

Section 4625—Accounts With Subclass Codes

FMS establishes accounts with subclass codes when an agency sends FMS a written request (see the Contacts page) to establish direct and guaranteed loan financing accounts.

Subclass codes must precede agencies' TAS for certain transactions [for instance, (95) ACX4200, (85) ACX4200, and (65) ACX4200]. Agencies must use TAS with subclass codes as follows:

- In the GWA System, use (95) when borrowing funds from Treasury and use (85) when repaying to Treasury amounts previously borrowed.
- On an FMS 224: Statement of Transactions, use (65) to record payment of subsidy appropriations from the program account to the financing account.

Section 4630—Interest Rates

4630.10—Actual Annual Interest Rates

The interest rates for credit reform subsidy calculations, budget execution, borrowings, uninvested funds, and working capital balances are available through the OMB contact with primary responsibility for the account. OMB distributes the actual annual interest rates approximately 10 business days before fiscal yearend, September 30.

Each cohort has its own specific interest rate used to earn or pay interest, referred to as a cohort interest rate.

For cohorts dated between 1992-2000, agencies must calculate a weighted average interest rate, based on:

- The proportion of disbursements in each fiscal year;

AND

- The interest rate for each of those fiscal years.

For 2001 and subsequent cohorts, agencies must calculate a single effective rate based on:

- The proportion of disbursements in each fiscal year;
- The Treasury yield curve for zero coupon securities applicable in each year of disbursement;

AND

- The proportion of cashflows occurring in each year over the life of the loans being made or guaranteed.

The OMB Credit Subsidy Calculator 2 (CSC2) calculates the cohort interest rate.

Most agencies will recalculate the weighted average interest rate or single effective rate only after 90 percent of the dollar volume of direct or guaranteed loans has been disbursed. However, the

agency may recalculate the weighted average interest rate or single effective rate at the end of any fiscal year during which disbursements were made.

Agencies must use the disbursement-weighted average interest rate or single effective rate for subsidy and reestimate calculations, borrowings, and interest on uninvested funds. For further detail on interest payments to Treasury and interest on uninvested funds, refer to subsection 4635.20 and Section 4640, respectively. Direct inquiries concerning this subsection to OMB (see the Contacts page).

Section 4635—Borrowings From Treasury (Bureau of the Public Debt, BPD)

4635.10—Borrowings From and Repayments to Treasury

The Federal Credit Reform Act of 1990 provides financing accounts with indefinite authority to borrow from Treasury. BPD's Federal Borrowings Branch (FBB) administers the Federal borrowings program (see the Contacts page). Annually, agencies do the following:

- Borrow from Treasury an amount that reflects estimated yearly requirements (based on figures used to calculate the subsidy appropriation, unless better estimates are available).
- Initiate another borrowing (during the fiscal year) for an additional amount, if necessary.

If an agency has insufficient funds to make an annual interest payment to Treasury at yearend, it should initiate an additional borrowing on the last business day of the fiscal year, which alleviates the recalculation of the interest payment due to Treasury and the amount of interest on uninvested funds.

Balances of borrowed but undisbursed funds earn interest. Treasury uses the same rate for both the interest paid on borrowed funds and the interest earned on uninvested funds (refer to subsection 4630.10).

Agencies may carry forward amounts of borrowed but undisbursed funds exceeding working capital requirements being held in financing accounts to the next fiscal year only if they are disbursing loans from the cohort. When the cohort interest rate is reset (generally once per cohort after the cohort is 90 percent or more disbursed), agencies must reset the interest rate on any amount carried forward to equal the interest rate applicable to the next fiscal year. Agencies may use these balances in future years (subsequent to the year of the original obligation) only to partially finance the disbursement of loans in the same cohort for which the borrowing was originally made.

After the agency has disbursed all the loans in the cohort, it must repay Treasury to reduce any balance held in the financing account exceeding working capital needs on the last business day of the fiscal year. However, if excess funds exist at any time, the agency may make an early repayment of principal.

The maturity date for the borrowing from Treasury is based on the time period used in the subsidy calculation, not the contractual term of the agency's or private lender's loan to the borrower. The period of time used for the subsidy calculation normally exceeds the contractual term of the loan to the borrower. Borrowings from Treasury mature on September 30 of the estimated final year of the cohort. If the estimated final date of the cohort is other than September 30, the associated borrowing from Treasury matures on the following September 30.

When a cohort has finished borrowing to make disbursements, an agency may consolidate all the borrowings from Treasury related to that cohort to obtain a single maturity date. All borrowings from Treasury should

mature on the final year of the cohort; however, if a cohort contains borrowings with multiple maturity dates, the agency can request a consolidation. The agency should send a letter requesting the consolidation to BPD's Federal Borrowings Branch (FBB) by the last business day of the fiscal year when the cohort finished disbursing its loans. The letter must include the balances and maturity dates to be consolidated and the new maturity date for the related borrowings. The new maturity date must remain within the original maturity interval established for the cohort. An agency may prepay all or part of a borrowing from Treasury without penalty.

4635.10a—Recording Principal Transactions in GWA

Agencies report transactions to FBB through the GWA System for both borrowings from and repayments of principal to Treasury. By October 20 of the current fiscal year, agencies should submit an initial borrowing transaction through the GWA System with their current fiscal year borrowing estimate. They should submit any additional borrowings by the last business day of the month in which they need the funds.

All borrowings from Treasury are effective on October 1 of the current fiscal year, regardless of when the agency actually borrowed the funds, except for funds borrowed at the end of the fiscal year to make an annual interest payment. Borrowings for annual interest payments are effective September 30. For repayments, the effective date equals the date of repayment.

Borrowings from Treasury and repayments to Treasury are processed as nonexpenditure transfers (NETs). All transactions must be "agency certified" by 3 p.m. eastern standard time to be processed the same day.

When submitting a transaction, the agency must include the following on the Supplemental Worksheet:

- Maturity date;

- Cohort year;
- Subcohort (if applicable);

AND

- Amount for each transaction detail item.

The agency also should prepare a consolidated transaction for a single TAS.

For information regarding access requests and passwords, visit the GWA Web site at <http://www.fms.treas.gov/gwa>.

4635.10b—FBB Approval

Once the requesting agency has certified a borrowing or repayment transaction, the transaction becomes available for FBB review. FBB reviews the transaction and approves or rejects it based on the accuracy of the data. If the transaction is approved, the transaction will be posted to STAR (FMS's central accounting system) and its status updated. If the transaction is rejected, it is returned to the agency for correction.

4635.20—Interest Payments to Treasury

Agencies must use the most current version of tools available through the OMB examiner with primary responsibility for the account to calculate interest paid to Treasury. Agencies must e-mail the supporting interest payment calculations to FBB (see the Contacts page) on or before the day the interest payment is paid via the Intra-governmental Payment and Collection (IPAC) System.

Annually, by the last business day of the fiscal year, Treasury requires payment of interest for each financing account through IPAC using Agency Location Code 20-55-0865. Agencies also are required to enter TAS and Business Event Type Code (BETC) information when submitting IPAC interest payments to FBB for interest on borrowings. Refer to TFM Volume I,

Part 6, Chapter 4000, for additional IPAC guidance.

On the paying agency's FMS 224, report the TAFS from which the money is being withdrawn. The amount of this transaction must equal the amount that was transmitted through IPAC. Since BPD's Federal Borrowings Branch (FBB) is a GWA Reporter, the amount received via IPAC will be reported automatically to the receipt account on FBB's FMS 224 based on the TAS and BETCs.

Agencies must audit their accounts and maintain adequate records to support any loan transactions and accrued interest computations submitted to FBB for payment. They should have these records readily available for internal auditors, Treasury, and Government Accountability Office (GAO) auditors, if necessary.

Section 4640—Interest on Uninvested Funds (FMS)

Uninvested funds in the financing account consist of Fund Balance With Treasury from borrowings and/or offsetting collections that have not been disbursed. Because agencies earn and pay interest on the fund balance at the same interest rate, there is zero net effect for borrowing early and on an estimated basis. Agencies should not net the interest earned on uninvested funds against interest expense at yearend. Agencies must report the interest revenue and expense separately. For further detail on interest income and expense, refer to OMB Circular No. A-11 (<http://www.whitehouse.gov/omb>).

A loan guarantee financing account accumulates uninvested funds as offsetting collections for the following reasons:

- Subsidy payments, upfront fees and other fees, interest, and other payments to the Government;

OR

- Borrowings from Treasury.

A direct loan financing account accumulates uninvested funds as offsetting collections primarily for two reasons:

- Interest and principal not yet paid to Treasury at the scheduled dates;

AND

- Borrowings from Treasury that are not immediately disbursed.

Agencies must use the most current version of tools available through the OMB contact with primary responsibility for the account to calculate interest earned on uninvested funds.

To receive interest on uninvested funds, agencies do the following:

- Submit an interest transaction via IPAC to FMS's Credit Accounting Branch (CAB) by the last business day of the fiscal year.
- Provide CAB supporting documentation for the balance reported on the agency's IPAC submission by the last business day of the fiscal year. The agency's documentation must include computations to calculate the interest amount due from Treasury.
- Certify that they computed the interest amount per applicable guidance.
- Notify CAB in advance of transactions in the amount of \$100,000 or greater via e-mail to credit.accounting@fms.treas.gov.
- Report interest in Section I, column 2, of the FMS 224. FMS reports Treasury's interest charges to TAFS 20X1880, Credit Reform: Interest Paid on Uninvested Funds.

Section 4645—Appropriations

4645.10—Definite Appropriations

Treasury processes warrants for definite appropriations of subsidy and administrative expenses enacted by the Congress.

4645.20—Indefinite Appropriations

The Federal Credit Reform Act of 1990 authorizes two different indefinite appropriations. First, the program accounts have indefinite authority to cover subsidy reestimates. Second, liquidating accounts have indefinite authority for payment of outstanding obligations that cannot be funded by another source. Agencies must submit a written request to FMS (see the Contacts page) to obtain funds authorized by these indefinite authorities. An OMB-approved SF 132: Apportionment and Reapportionment Schedule, must accompany each request. After reviewing the requisite materials, FMS processes a warrant for the requested amount.

Section 4650—Credit Account Transactions and Reporting Procedures

The following subsections describe collections and disbursements of each credit account TAS; however, only sample transactions, as recorded on Section I of the FMS 224, are provided. Agencies must submit a balanced FMS 224 document to Treasury with Sections II and III completed. Refer to TFM Volume I, Part 2, Chapter 3300, for guidance.

4650.10—Program Account

The program account receives either a current definite, current indefinite, or permanent indefinite appropriation by warrant that provides budget authority to pay administrative expenses and subsidy costs. When a direct loan or guaranteed loan is disbursed, or executes a positive

subsidy modification or upward reestimate, the program account pays a subsidy to that financing account.

4650.10a—Administrative Expenses

The program account may pay administrative expenses directly or may pay them to another TAFS (such as, salaries and expenses) on a reimbursable basis. For example, if the program account TAFS (ACFY1234) directly pays administrative expenses of \$3,000, the agency uses column 3 of the FMS 224 to record the disbursement. However, if administrative expenses in the program account TAFS are paid on a reimbursable basis, the transaction appears as an expenditure transfer from the program account TAFS to the receiving account TAFS. The agency then uses column 3 of the FMS 224 to record the outlay from the program account TAFS (ACFY1234), and it uses column 2 to record the offsetting collection in the receiving account TAFS (ACFY0100) (see Appendix 1).

Agencies may not pay any administrative expenses from the financing account.

4650.10b—Subsidy

See examples of subsidy payments in the financing account transactions subsections below.

4650.20—Financing Account – Direct Loans

The direct loan financing account records all cashflows associated with direct loan obligations. See the following subsections for examples of these transactions.

4650.20a—Subsidy From the Program Account

The program account TAFS pays the subsidy amount to the financing account TAFS for the following:

- Post-1991 direct loans;
- Upward reestimates and interest on the reestimates;

OR

- Modifications of any direct loans.

For example, if the financing account TAFS (ACX4200) receives subsidy from the program account TAFS (ACFY1234) of \$2,000, the agency records on the FMS 224:

- A collection for the financing account TAFS in column 2;

AND

- A disbursement from the program account TAFS in column 3.

Note: The subclass code “65” precedes the financing account TAFS for this transaction on the FMS 224 (see Appendix 2).

4650.20b—Borrowings From Treasury

The financing account borrows to finance the unsubsidized balance of the loan disbursement to non-Federal borrowers. Agencies may borrow funds in advance of expected collections for the negative subsidy amount. They process the borrowing from Treasury through the GWA System.

4650.20c—Collections From Non-Federal Sources

The collections from non-Federal sources by the financing account TAFS consist of:

- Repayments of principal and interest from non-Federal borrowers;
- Fees;
- Proceeds from the liquidation of capital assets;

- Proceeds from the sale of loans or collateral;

AND

- Other miscellaneous receipts related to a loan.

These offsetting collections include inflows from non-Federal sources only; they do not include inflows from Federal sources. For example, if the financing account TAFS (ACX4200) receives fees, principal, and interest from the public, and other miscellaneous receipts of \$4,000, the agency records collections in column 2 of the FMS 224 (see Appendix 2).

4650.20d—Interest Earnings

The agency must calculate interest earnings, and FMS must verify the interest calculations. The agency reports interest earnings to FMS’s Credit Accounting Branch through IPAC. FMS reports the earnings on Treasury’s FMS 224.

4650.20e—Repayment of Borrowings and Payment of Interest to Treasury

Agencies process the repayment of principal borrowed through the GWA System. They process interest payments through IPAC and record the amount on the FMS 224. For example, if the financing account TAFS (ACX4200) pays interest on borrowings of \$2,000, the agency records the payment of interest in column 3 of the FMS 224. Since BPD’s Federal Borrowings Branch (FBB) is a GWA Reporter, the amount received via IPAC will be reported automatically to the receipt account on FBB’s FMS 224 based on the TAS and BETCs. The agency’s two-digit agency code precedes the Treasury receipt TAS 1499 (see Appendix 2).

4650.20f—Direct Loan Disbursement

After the agency makes a valid contract with a non-Federal borrower, it

disburses the loan from the direct loan financing account TAFS. For example, an agency disburses a \$3,000 loan from the financing account TAFS (ACX4200) to a non-Federal borrower. It records the loan disbursement in column 3 of the FMS 224 (see Appendix 2).

4650.20g—Loan Modifications for Pre-1992 Direct Loans

When the Government modifies a pre-1992 direct loan, the direct loan becomes subject to credit reform accounting. The agency transfers the direct loan asset from the liquidating account TAFS to the direct loan financing account TAFS and makes a one-time adjusting payment between the TAFS. The agency records all subsequent cashflows related to the loan in the financing account TAFS.

For example, if an agency transfers a pre-1992 direct loan with a net present value of \$2,000 from a liquidating account TAFS (ACX4203) to the financing account TAFS (ACX4200), it makes a one-time adjusting payment of \$2,000 from the financing account to the liquidating account. The agency records on the FMS 224 (see Appendix 2):

- A collection for the liquidating account TAFS in column 2;

AND

- A disbursement from the financing account TAFS in column 3.

For modifications of post-1991 loans, see OMB Circular No. A-11.

4650.20h—Negative Subsidy and Downward Reestimates

If the estimated subsidy is negative, the agency pays an amount equal to the negative subsidy from the financing account TAFS to a general fund receipt TAS (AC27XX.001) for that program when the direct loan is disbursed. If a subsidy reestimate for a cohort is downward, the agency records the amount of the reestimate and interest on

the reestimate and pays an amount equal to the downward reestimate and interest on the reestimate to a different general fund receipt TAS (AC27XX.003).

For example, if the agency pays an amount equal to the negative subsidy of \$3,000 from the financing account TAFS (ACX4200) to a Treasury general fund receipt TAS (AC27XX.001), the agency records on the FMS 224 (see Appendix 2):

- A collection for the general fund receipt TAS in column 2;

AND

- A disbursement from the financing account TAFS in column 3.

4650.30—Financing Account – Loan Guarantees

Agencies record all cashflows associated with loan guarantee commitments in the guaranteed loan financing account TAFS. This TAFS provides a reserve to pay default claims on loan guarantees (and in some cases to pay interest supplements).

4650.30a—Subsidy From the Program Account

The agency pays the subsidy amount from the program account TAFS into the financing account TAFS for the following:

- Post-1991 loan guarantees;
- Upward reestimates and interest on the reestimates;

OR

- Modifications of any loan guarantees.

For example, if the financing account TAFS (ACX4201) receives subsidy from the program account TAFS (ACFY1234) of \$2,000, the agency records on the FMS 224:

- A collection for the financing account TAFS in column 2;

AND

- A disbursement from the program account TAFS in column 3.

Note: The subclass code “65” precedes the financing account TAFS for this transaction on the FMS 224 (see Appendix 3).

4650.30b—Borrowing From Treasury

Agencies may borrow funds to meet default claims in excess of the loan guarantee financing account’s cash balance, negative subsidy in advance of expected collections from the public, or downward subsidy reestimates. Agencies process the borrowing from Treasury through the GWA System.

4650.30c—Collections From Non-Federal Sources

Agencies record collections from non-Federal sources in the financing account TAFS of the following:

- Loan origination fees;
- Proceeds from the liquidation of capital assets;

AND

- Other miscellaneous receipts related to the loan guarantee process.

These collections are inflows from non-Federal sources only; they do not include inflows from Federal sources. For example, if an agency collects \$4,000 in loan origination and other fees associated with loan guarantees in the financing account TAFS (ACX4201), it records the collections in column 2 of the FMS 224 (see Appendix 3).

4650.30d—Interest Earnings

The agency must calculate interest on uninvested funds, and FMS must verify the interest calculations. The agency reports the interest earnings to FMS’s

Credit Accounting Branch through IPAC. FMS reports the earnings on Treasury's FMS 224.

4650.30e—Repayment of Borrowings From Treasury and Payment of Interest

Agencies process a repayment of principal borrowed through the GWA System. They process the interest payment through IPAC and record the payment on the FMS 224. For example, if the financing account pays \$2,000 interest on borrowings from Treasury, record the interest payment from the financing account TAFS (ACX4201) in column 3 of the FMS 224. Since BPD's Federal Borrowings Branch (FBB) is a GWA Reporter, the amount received via IPAC will be reported automatically to the receipt account on FBB's FMS 224 based on the TAS and BETCs. The Treasury receipt TAS is 1499 preceded by the agency's two-digit agency code (see Appendix 3).

4650.30f—Loan Guarantee Claims

If a loan guarantee is in default, the agency pays the defaulted loan claim of the non-Federal lender from the financing account. For example, if the agency disburses \$2,000 from the financing account TAFS (ACX4201) to the non-Federal lender for defaulted loans, it records the loan claim payment in column 3 of the FMS 224 (see Appendix 3).

4650.30g—Interest Supplements

As part of the loan guarantee contract, the non-Federal lender may require that the agency provide an interest supplement. The agency records these interest supplement payments in the financing account and disburses them to non-Federal lenders. For example, if an agency pays \$2,000 in interest supplements from the financing account TAFS (ACX4201) to the non-Federal

lender, it records the disbursement in column 3 of the FMS 224 (see Appendix 3).

4650.30h—Loan Modification for Pre-1992 Loan Guarantees

When the Government modifies a pre-1992 loan guarantee, the loan guarantee becomes subject to credit reform accounting. The agency transfers the guarantee liability from the liquidating account to the financing account. It makes a one-time adjusting payment from the liquidating account TAFS to the financing account TAFS to acquire the guarantee liability. The agency records all subsequent cashflows related to the loan guarantee in the financing account TAFS.

For example, if an agency transfers a pre-1992 loan guarantee with a pre-modification net present value of \$2,000 from the liquidating account to the financing account, it makes a one-time adjusting payment of \$2,000 from the liquidating account TAFS (ACX4203) to the financing account TAFS (ACX4201). The agency records on the FMS 224 (see Appendix 3):

- A collection for the financing account TAFS in column 2;

AND

- A disbursement from the liquidating account TAFS in column 3.

For modifications of post-1991 loan guarantees, see OMB Circular No. A-11.

4650.30i—Negative Subsidy and Downward Reestimates

If the estimated subsidy is negative, the agency pays an amount equal to the negative subsidy from the financing account TAFS to a general fund receipt TAS (AC27XX.001) for that program when the non-Federal lender disburses the guaranteed loan. If a subsidy

reestimate for a cohort is downward, the agency records the amount of the reestimate and interest on the reestimate and pays an amount equal to the downward reestimate and interest on the reestimate to a different general fund receipt TAS (AC27XX.003).

For example, if the agency pays an amount equal to the negative subsidy of \$3,000 from the financing account TAFS (ACX4200) to a Treasury general fund receipt TAS (AC27XX.001), the agency records on the FMS 224 (see Appendix 3):

- A collection by the general fund receipt TAS in column 2;

AND

- A disbursement by the financing account in column 3.

4650.40—Liquidating Account

An agency records disbursements and collections resulting from pre-1992 direct loan obligations and loan guarantee commitments in the liquidating account TAFS. Credit Reform did not change the treatment of transactions for pre-1992 direct loans and loan guarantees. If there are excess collections in this account, see subsection 4650.40a.

4650.40a—Excess Collections

If the liquidating account TAFS receives collections exceeding the account obligations during each fiscal year, the agency returns the excess collections to Treasury through the GWA NET application as a capital transfer as soon as practical after the close of the fiscal year. It returns the excess collections to the miscellaneous receipt TAS 2814 preceded by the agency's two-digit agency code.

CONTACTS

Contact the offices below concerning inquiries or written requests.

For borrowings from Treasury, repayments to Treasury, and interest payments to Treasury:

Federal Borrowings Branch
 Office of Public Debt Accounting
 Bureau of the Public Debt
 200 3rd Street HB-113
 P.O. Box 396
 Parkersburg, WV 26106-0396
 Telephone: 304-480-7488
 Fax: 304-480-5176
 E-mail: borrowings@bpd.treas.gov
 Web site: <http://www.treasurydirect.gov/govt/apps/tbp/tbp.htm>

For credit account transactions and accounts with subclass codes:

Budget Reports Division
 Financial and Budget Reports Directorate
 Governmentwide Accounting
 Financial Management Service
 Department of the Treasury
 Prince George's Metro Center II, Room 518D
 3700 East-West Highway
 Hyattsville, MD 20782
 Telephone: 202-874-9880

For credit account symbols and appropriations:

Budget Control Team
 Budget Reports Division
 Financial and Budget Reports Directorate
 Governmentwide Accounting
 Financial Management Service
 Department of the Treasury
 Prince George's Metro Center II, Room 5D07
 3700 East-West Highway
 Hyattsville, MD 20782
 Telephone: 202-874-9950

For interest on uninvested funds:

Credit Accounting Branch
Comptroller Directorate
Management
Financial Management Service
Department of the Treasury
Prince George's Metro Center II, Room 6D51
3700 East-West Highway
Hyattsville, MD 20782
Telephone: 202-874-8740
E-mail: credit.accounting@fms.treas.gov

For actual annual interest rates:

Budget Analysis Branch
Budget Analysis and Systems Division
Office of Management and Budget
NEOB, Room 6002
725 17th Street, NW.
Washington, DC 20503
Telephone: 202-395-3945

Appendices Listing

Appendix No.	Form	Title
1	FMS 224	Statement of Transactions - Program Account
2	FMS 224	Statement of Transactions - Financing Account-Direct Loans
3	FMS 224	Statement of Transactions - Financing Account-Guaranteed Loans

**PROGRAM ACCOUNT
NOT AUTHORIZED FOR REPRODUCTION**

<p>FMS Form 224 Created 10/96 DEPARTMENT of the TREASURY Financial Management Service</p>		
<p>STATEMENT OF TRANSACTIONS (Classified According to Appropriation, Fund and Receipt Account; and Related Control Totals)</p>		
DEPARTMENT OR AGENCY	LOCATION – MAIL ADDRESS OF REPORTING OFFICE	AGENCY LOCATION CODE (ALC)
BUREAU OR OFFICE		ACCOUNTING PERIOD ENDED
<p align="center">Section I – Classification of Disbursements and Collections by Appropriations, Fund and Receipt Account</p>		
<p>APPROPRIATION, FUND OR RECEIPT ACCOUNT (1)</p>	<p>RECEIPTS AND COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS (2)</p>	<p>GROSS DISBURSEMENTS (3)</p>
<p>PROGRAM ACCOUNT</p>		
<p>Administrative Expenses – Direct Payment: ACFY1234</p>	<p>3,000</p>	<p>3,000</p>
<p>Administrative Expenses – Transfer: ACFY1234 ACFY0100</p>	<p>3,000</p>	<p>3,000</p>
<p>Subsidy Payment – See Direct Loan or Guaranteed Loan Subsidy Transactions</p>		

**FINANCING ACCOUNT – DIRECT LOANS
NOT AUTHORIZED FOR REPRODUCTION**

<p>FMS Form 224 Created 10/96 DEPARTMENT of the TREASURY Financial Management Service</p>		
<p>STATEMENT OF TRANSACTIONS (Classified According to Appropriation, Fund and Receipt Account; and Related Control Totals)</p>		
DEPARTMENT OR AGENCY	LOCATION – MAIL ADDRESS OF REPORTING OFFICE	AGENCY LOCATION CODE (ALC)
BUREAU OR OFFICE		ACCOUNTING PERIOD ENDED
<p align="center">Section I – Classification of Disbursements and Collections by Appropriations, Fund and Receipt Account</p>		
APPROPRIATION, FUND OR RECEIPT ACCOUNT (1)	RECEIPTS AND COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS (2)	GROSS DISBURSEMENTS (3)
<p>FINANCING ACCOUNT – DIRECT LOANS</p>		
Subsidy from the Program Account:		
(65)ACX4200 ACFY1234	2,000	2,000
Collections:		
ACX4200	4,000	
Payment of Interest on Treasury Borrowings:		
ACX4200		2,000
Direct Loan Disbursement:		
ACX4200		3,000
Loan Modifications:		
ACX4200 ACX4203	2,000	2,000
Negative Subsidy:		
ACX4200 AC27XX.001	3,000	3,000

**FINANCING ACCOUNT – GUARANTEED LOANS
NOT AUTHORIZED FOR REPRODUCTION**

<p>FMS Form 224 Created 10/96 DEPARTMENT of the TREASURY Financial Management Service</p>		
<p>STATEMENT OF TRANSACTIONS (Classified According to Appropriation, Fund and Receipt Account; and Related Control Totals)</p>		
DEPARTMENT OR AGENCY	LOCATION – MAIL ADDRESS OF REPORTING OFFICE	AGENCY LOCATION CODE (ALC)
BUREAU OR OFFICE		ACCOUNTING PERIOD ENDED
<p>Section I – Classification of Disbursements and Collections by Appropriations, Fund and Receipt Account</p>		
<p>APPROPRIATION, FUND OR RECEIPT ACCOUNT (1)</p>	<p>RECEIPTS AND COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS (2)</p>	<p>GROSS DISBURSEMENTS (3)</p>
<p>FINANCING ACCOUNT – GUARANTEED LOANS</p>		
<p>Subsidy from the Program Account:</p> <p>(65)ACX4201 ACFY1234</p>	<p>2,000</p>	<p>2,000</p>
<p>Collections:</p> <p>ACX4201</p>	<p>4,000</p>	
<p>Payment of Interest on Treasury Borrowings:</p> <p>ACX4201</p>		<p>3,000</p>
<p>Guaranteed Loan Claims:</p> <p>ACX4201</p>		<p>2,000</p>
<p>Interest Supplement Payments:</p> <p>ACX4201</p>		<p>2,000</p>
<p>Loan Modifications:</p> <p>ACX4201 ACX4203</p>	<p>2,000</p>	<p>2,000</p>
<p>Negative Subsidy:</p> <p>ACX4201 AC27XX.001</p>	<p>3,000</p>	<p>3,000</p>

PART 2 - CENTRAL ACCOUNTING AND REPORTING

Table of Contents

Chapter	Section	Title
1000		INTRODUCTION
	1010	Authority
	1015	Principles and Features of the System of Central Accounts
	1020	Standard and Prescribed Forms Contacts
1500		DESCRIPTION OF ACCOUNTS RELATING TO FINANCIAL OPERATIONS
	1510	Authority
	1515	Federal Account Symbols and Titles and Subclassified Accounts
	1520	Receipt, Appropriation (Expenditure), and Fund Account Descriptions
	1525	Receipt Account Classification
	1530	Expenditure Account Classification
	1535	Deposit Fund Accounts Contacts
2000		WARRANT AND NONEXPENDITURE TRANSFER (NET) TRANSACTIONS
	2010	Scope and Applicability
	2015	Authority
	2020	Definition of Terms
	2025	Warrant Transactions
	2030	NET Transactions Using the GWA System
	2035	Borrowings Contacts
		Appendices
		1. Form 6200: Department of the Treasury Appropriation Warrant Form 6201: Department of the Treasury Appropriation Warrant (Continuation Sheet)
		2. Form 6202: Department of the Treasury Surplus Warrant Form 6203: Department of the Treasury Surplus Warrant (Continuation Sheet)
		3. GWA System NET Application Guide
2500		EXPENDITURE TRANSACTIONS BETWEEN APPROPRIATION, FUND, AND RECEIPT ACCOUNTS
	2510	Introduction
	2515	Types of Expenditure Transactions Addressed in This Chapter
	2520	Payments to General Services Administration (GSA)
	2525	Expenditure Transactions Not Requiring Payment by Check
	2530	Expenditure Transactions Requiring Payment by Check
	2535	SF 1081: Certification Contacts

Chapter	Section	Title
---------	---------	-------

		Appendices
--	--	------------

- | | | |
|--|--|--|
| | | <ol style="list-style-type: none"> GSA Form 789: Statement, Voucher and Schedule of Withdrawals and Credits
Optional Form 1017-G: Journal Voucher
SF 1080: Voucher for Transfers Between Appropriations and/or Funds
SF 1080-EDP: Print Layout (SF 1080-EDP)
Print Format Requirements (SF 1080 and SF 1081)
SF 1081: Voucher and Schedule of Withdrawals and Credits
SF 1081-EDP: Print Layout (SF 1081-EDP) FMS Form 5908: Journal Voucher Batch Transmittal |
|--|--|--|

3100

INSTRUCTIONS FOR DISBURSING OFFICERS' REPORTS

3110	Scope
3115	Authority
3120	Accounting Forms Used by Disbursing Officers and Agencies
3125	General Information on Central Accounting Reports
3130	Use of Accounting Forms (SFs 1218 and 1221 and FMS Form 1219 and 1220)
3135	Use and Assignment of the 3- and 4-Digit Agency Location Code (ALC)
3140	Preparing and Submitting SF 1218 and SF 1221
3145	Preparing and Submitting FMS Form 1219 and FMS Form 1220
3150	Classification of Special Transactions Reported on FMS Form 1220
3155	Supplemental Reporting on FMS Forms 1219 and 1220
3160	Reporting for Accounting Periods When No Transactions Occur
3165	Submitting Final Accountability Reports
3170	Fiscal Yearend Reporting and Cutoff Schedule of Reporting Deadlines
3175	Integrating Accounting Results
3180	Deposits in Transit System
3185	Undistributed Audit
3190	Statement of Differences
	Contacts

Appendices

- | | |
|--|---|
| | <ol style="list-style-type: none"> SF 1218: Statement of Accountability (Foreign Service Account) and Instructions SF 1221: Statement of Transactions According to Appropriations, Funds, and Receipt Accounts (Foreign Service Account) and Instructions FMS 1219: Statement of Accountability and Instructions FMS 1220: Statement of Transactions According to Appropriations, Funds, and Receipt Accounts and Instructions FMS 6601: Advice Regarding Agency Location Codes (3, 4 or 8 Digits) and Instructions Listing of Subclasses and Titles FMS 6652: Statement of Differences of Deposit Transactions (as generated by GOALS) Agency Detail Transactions--Deposit Tickets/Debit Vouchers (on microfiche) FMS 6652: Statement of Differences of Disbursing Office Transactions (as generated by GOALS) Monthly Register of OPAC Transactions by D.O. Symbol (as generated by GOALS) FMS 5901: Adjustment of Agency Deposits/Debit Vouchers (as generated by GOALS) FMS 5901: Adjustment of Agency Undistributed Differences (FMS 5901 as generated by GOALS) |
|--|---|

Chapter**Section****Title****3200****FOREIGN CURRENCY ACCOUNTING AND REPORTING**

3210	Authority
3215	Definitions
3220	Reporting Requirements
3225	Administration of Foreign Exchange
3230	Translating Foreign Currencies To U.S. Dollar Equivalents
3235	Foreign Currency Abbreviations and Conversions
3240	Foreign Currency Fund Account Symbols and Titles
3245	Nature, and Purpose of Foreign Currency Fund Accounts
3250	Preparation and Distribution of FS Form 488 and DD Form 1363

Contacts

Appendices

1. Report of Estimated Foreign Currency Collections and Expenditures
Explanation of Items to be Reported on “Report of Estimated Foreign Currency Collections and Expenditures”
2. Annual Report on Unfunded Foreign Currency Reservation Accounts
Explanation of Items to be Reported on “Annual Report on Unfunded Currency Reservation Accounts”
3. FMS Form 6911: Foreign Currency Conversion and Transfer Voucher
FS Form 488: Foreign Currency Statement of Transactions and Account Current
DD Form 1363: Statement of Transactions and Accountability (FT Accounts)

3300**STATEMENT OF TRANSACTIONS (FMS 224) REPORTING BY AGENCIES FOR WHICH THE TREASURY DISBURSES**

3310	Scope and Applicability
3315	Authority
3320	Using and Assigning 8-Digit Agency Location Codes (ALCs)
3325	Monthly Reporting Requirements
3330	Preparing FMS 224s
3335	Reconciling FMS 224, Section II
3340	Reconciling FMS 224, Section III
3345	Submitting the FMS 224
3350	Reporting Supplemental FMS 224s
3355	Reporting Fiscal Yearend FMS 224s
3360	Integrating the Accounting Results
3365	Partial FMS 224

Contacts

Appendices

1. FMS 224: Statement of Transactions
Explanation of Items To Be Reported on FMS 224: Statement of Transactions
2. FMS 6601: Advice Regarding Agency Location Codes (3, 4, or 8 Digits)
Instructions for Preparing FMS 6601: Advice Regarding Agency Location Codes (ALC) (3, 4, and 8 Digits)
3. FMS 6652: Statement of Differences Disbursing Office Transactions
Explanation of Statement of Differences, Disbursing Office Transactions
Monthly RFC/Agency Support Listing
Explanation of Agency Confirmation Report Listing

Chapter	Section	Title
		IPAC Support Listing Explanation of IPAC Support Listing
	4.	FMS 6652: Statement of Differences Deposit Transactions Explanation of Statement of Differences, Deposit Transactions Support List: Financial Management Service Agency Detail Transactions Deposit Tickets/Debit Vouchers Monthly Deposit Ticket/Debit Explanation of Deposit Ticket/Debit Voucher Support List
3400		ACCOUNTING FOR AND REPORTING ON CASH AND INVESTMENTS HELD OUTSIDE OF THE U.S. TREASURY
	3410	Background
	3415	Authority
	3420	Definition of Terms
	3425	Description of Cash and Investments Held Outside of the U.S. Treasury Categories
	3430	Treasury's Policies on Agencies' Requirements
	3435	Agencies' Reporting Responsibilities and Requirements
	3440	Reconciling Cash and Investments Held Outside of the U.S. Treasury
	3445	Preparing and Submitting Prescribed Forms and Reports Contacts
		Appendices
		1. Subclass Descriptions, Cash and Investments Held Outside of the U.S. Treasury
		2. Cash and Investments Held Outside of the U.S. Treasury Transaction Guide— Statements of Transactions/Accountability Reporting
3500		DAILY TRANSMITTAL FOR INTERNAL REVENUE SERVICE
	3510	Authority
	3515	Background and Concepts
	3520	Reporting Requirements
	3525	Federal Tax Deposit Transmittal Format Contacts
		Appendix
		1. Sample IRS Federal Tax Deposit Transmittal IRS Transmittal Line Item Descriptions
3900		INTEGRATION OF ACCOUNTING RESULTS
	3910	Authority
	3915	Monthly Integration of Agency - Financial Management Service Data
	3920	Verification of Check Data
	3925	Verification of Deposit Data Contacts

Chapter	Section	Title
		Appendices
		1. FMS Form 6652: Statement of Differences Disbursing Office Transactions FRB Letter of Credit Transactions Deposit Transactions FMS Form 6653: Undisbursed Appropriation Account Ledger FMS Form 6654: Undisbursed Appropriation Accounts - Trial Balance FMS Form 6655: Receipt Account Ledger Receipt Account Trial Balance Report of Unavailable Receipt Transactions Unappropriated Receipt Account Ledger Unappropriated Receipt Account Trial Balance
4100		DEBT MANAGEMENT REPORTS
	4110	Scope and Applicability
	4115	Authority
	4120	Reporting Requirements Contacts
4200		AGENCY REPORTING ON UNEXPENDED BALANCES OF APPROPRIATIONS AND FUNDS (FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM II FMS 2108: YEAR-END CLOSING STATEMENT)
	4210	Scope and Applicability
	4215	Authority
	4220	Definition of Terms
	4225	Explanation of Items Presented on the FACTS II Generated FMS 2108 and Reporting Requirements
	4230	Reporting Requirements for Extended Authority To Liquidate Obligations
	4235	Cashier Fund Balances, Negative Balance Accounts, and Unamortized Premiums and Discounts
	4240	Investments in Treasury Securities or Agency Securities and Unrealized Discount
	4245	Closed Accounts
	4250	Reporting Requirements
	4255	Accessing FACTS II
	4260	Instructions for Reporting Yearend Closing Data Via FACTS II Contacts
		Appendices
		1. Sample FACTS II Generated FMS 2108s 2. USSGL Guide to Cancellations 3. FMS 2108 Proof Formula for Individual Line Items

Chapter	Section	Title
4300		REPORTING INSTRUCTIONS FOR ACCOUNTS INVESTED IN DEPARTMENT OF THE TREASURY SECURITIES
	4310	Scope and Applicability
	4315	Authority
	4320	Definitions
	4325	Availability of Funds
	4330	Categories of Securities
	4335	Reporting Requirements for Investments in Government Account Series Securities
	4340	Reporting Requirements for Investments in Marketable Securities
	4345	Marketable Security Reporting Requirements to the Intragovernmental Fiduciary Confirmation System (IFCS)
		Contacts
		Appendices
		1. Government Account Series - Revolving, Trust Revolving, and Deposit Funds
		2. Government Account Series - Special and Trust Funds
		3. Marketable Securities - Revolving, Trust Revolving, and Deposit Funds
		4. Marketable Securities - Special and Trust Funds
4500		GRANTS, LOANS, CREDITS, AND CONTINGENT LIABILITIES INVOLVING FOREIGNERS
	4510	Authority
	4515	Scope and Applicability
	4520	Definitions
	4525	Quarterly Reports
	4530	Entering Data
	4535	FCRS Edits
	4540	Filenames
		Contacts
		Appendices
		1. Data Formats and Instructions
		2. Federal Information Processing Standards (FIPS) Country Codes
		3. Program Codes
		4. Purpose Codes
4600		TREASURY REPORTING INSTRUCTIONS FOR CREDIT REFORM LEGISLATION
	4610	Authority
	4615	Definition of Terms
	4620	Credit Account Symbols
	4625	Accounts With Subclass Codes
	4630	Interest Rates
	4635	Borrowings From Treasury (Bureau of the Public Debt, BPD)
	4640	Interest on Uninvested Funds (FMS)
	4645	Appropriations
	4650	Credit Account Transactions and Reporting Procedures
		Contacts

Chapter	Section	Title
---------	---------	-------

		Appendices
--	--	------------

- | | | |
|--|--|--|
| | | 1. FMS 224: Statement of Transactions - Program Account |
| | | 2. FMS 224: Statement of Transactions - Financing Account - Direct Loans |
| | | 3. FMS 224: Statement of Transactions - Financing Account - Guaranteed Loans |

4700		AGENCY REPORTING REQUIREMENTS FOR THE FINANCIAL REPORT OF THE UNITED STATES GOVERNMENT
-------------	--	---

		4701 Scope and Applicability
		4702 Authority
		4703 Definition of Terms
		4704 FR Processing Key Dates
		4705 Closing Package Requirements
		4706 Intragovernmental Requirements
		4707 FACTS I Requirements
		Contacts
		Appendices
		1. Reclassified Financial Statement and Line Item Descriptions
		2. Sample Agency A Reclassification Entry Summary
		3. Financial Report (FR) Notes and Instructions
		4. Other Financial Report (FR) Notes Data and Instructions
		5. Federal Trading Partner Department Codes for Governmentwide Financial Report System (GFRS) and Federal Agencies' Centralized Trial Balance System I (FACTS I)
		6. Reciprocal Categories Crosswalk to Financial Statements
		7. Federal Intragovernmental Transactions Categories of Reciprocal U.S. Standard General Ledger Proprietary Accounts
		8. Fiscal 2008 CFO Representations for Federal Intragovernmental Activity and Balances
		9. Budget Subfunction (BSF) Codes
		10. Quarterly "F" Data File Submission - Description and Formats
		11. Fiscal 2008 USSGL Account Attributes Required for FACTS I Reporting
5000		ACCOUNTING AND REPORTING ON MONETARY ASSETS (NON OPERATING CASH ITEMS) HELD BY U.S. TREASURY OFFICES
		5010 Authority
		5015 Background and Purpose
		5020 Definition of Terms
		5025 Reporting Entities
		5030 Prescribed Forms and Reports
		5035 Monetary Asset Account Symbols and Titles
		5040 Reporting Requirements
		Contacts
		Appendices
		1. FMS Form 5693: Statement of Assets and Liabilities
		2. SF 224: Statement of Transactions
		3. SF 1220: Statement of Transactions
		4. SF 1219: Statement of Accountability
		5. Instructions for Preparing FMS 62

Chapter	Section	Title
		6. SF 5515: Debit Voucher
		7. SF 215: Deposit Ticket
		8. FMS 2075: Outstanding Currency in Circulation by Classes and Denominations Held by the Office of Currency Standards
		9. TUS 4133: Monthly Report of Paper Currency on Hand
		10. Advice of Gold Transaction

5100**RECONCILING FUND BALANCE WITH TREASURY ACCOUNTS**

5110	Applicability
5115	Authority
5120	Definition of Terms
5125	Background
5130	Reconciliation of Agency SGL Fund Balances with Treasury Accounts
5135	Treasury's Central Reconciliation Processes
5140	Reconciling Small Differences for Deposits
5145	Reconciling Budget Clearing Account (BCA) Differences
5150	Available Reconciliation Tools
5155	Agency Operating Procedures and Certifications
	Contacts
	Appendices
	1. Fund Balance with Treasury Reconciliation Contact List
	2. Common Problems and Solutions for Reconciling Fund Balance with Treasury Accounts