SECTION 122—INVESTMENT TRANSACTIONS FOR BUDGET EXECUTION

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Summary of Changes				
Contains information previously included in section 23 of A–34.				

122.1 Where should I go for a broader understanding of investment transactions.

This section is limited to how you report investment transactions on the Report on Budget Execution and Budgetary Resources (SF 133). For the treatment of investment transactions in general, including the definition of terms and explanation of investment concepts, see section 20.12.

122.2 How do I treat an investment in a Federal security on an SF 133?

If you purchase a Federal security *at a discount*, the total balances on the SF 133 should not change. See exhibit 122A for all accounts.

If you purchase a Federal security at a premium:

- For a general fund appropriation account or a revolving fund (including a trust revolving fund), you reduce the collections on line 3.A by the premium, i.e., the amount greater than par. See exhibit 122B.
- For a special or trust fund account (excluding a trust revolving fund), there will be no change on the SF 133 because the reduction will be in the special or trust fund receipt account.

122.3 How do I treat the redemption of a Federal security on an SF 133?

If the purchase was at a *discount* and if the redemption is at *par*:

• For a general fund appropriation account or a revolving fund (including a trust revolving fund), you show the discount realized on line 3A. See exhibit 122C.

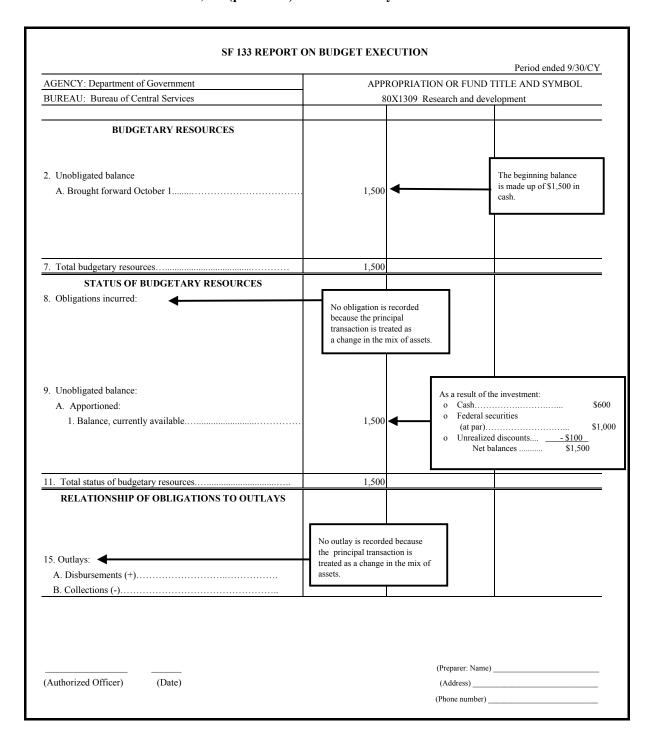
• For a special or trust fund account, you will show the discount realized when the amount is appropriated out of the special or trust fund receipt account. See exhibit 122D.

122.4 How do I treat investments in securities issued by non-Federal entities on an SF 133?

Treat investment in non-Federal securities (equity or debt securities) as the purchase of an asset. You must record an obligation and an outlay for the purchase in an amount equal to the purchase price

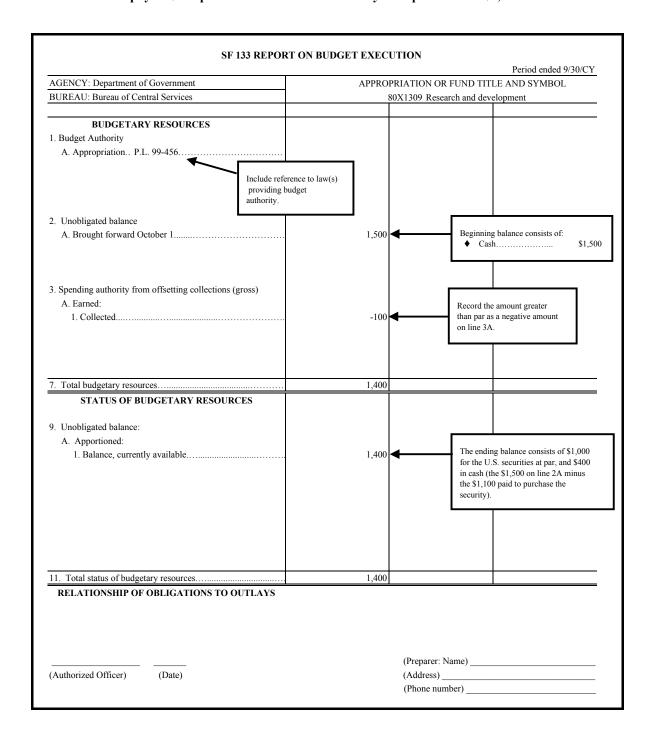
Investment in Federal Securities at a Discount All Accounts

Illustration: An account with a cash balance of \$1,500 invests in a \$1,000 (par value) Federal security at a 10% discount.



Investment in Federal Securities at a Premium General Fund Appropriation or Revolving Fund Accounts

Illustration: An account with a \$1,500 balance in cash invests and pays a \$100 premium for a Federal security with par value of \$1,000.



Federal Security Purchased at a Discount and Sold or Redeemed at Par General Fund Appropriation or Revolving Fund Accounts

Illustration: This account redeems the security at par value and receives cash.

This means that the discount realized is authorized to be credited and used without further appropriation action.

CD 444 DEPOSIT ON DUE STITE THE STITE OF					
SF 133 REPORT ON BUDGET EXECUTION Period ended 9/30/CY					
AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Bureau of Central Services		80X1309 Research and development			
BUDGETARY RESOURCES					
Unobligated balance A. Brought forward October 1	1,500				
3. Spending authority from offsetting collections (gross A. Earned: 1. Collected	100	•	When the cash for the discount is collected, record it on this line.		
7. Total budgetary resources.	1,600				
STATUS OF BUDGETARY RESOURCES					
9. Unobligated balance: A. Apportioned: 1. Balance, currently available	1,600				
11. Total status of budgetary resources	1,600				
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS	7				
15. Outlays: A. Disbursements (+) B. Collections (-)	-100	Record th an offset t	e amount as o outlays.		
(Authorized Officer) (Date)		(Preparer: Name) (Address) (Phone number)			

Federal Security Purchased at a Discount and Sold or Redeemed at Par Special or Trust Fund Accounts (excluding Trust Revolving Funds)

Illustration: This is identical to the circumstances in Exhibit 122C, except the account is a special or trust fund and the realized discount is automatically appropriated.

