Exchange Stabilization Fund Changes

Proposed New USSGL Account 2017:

Account Title: Interest Collected From Foreign Securities and Special Drawing Rights (SDR)
Account Number: 426800
Normal Balance: Debit
Definition: The amount of interest collected during the fiscal year from foreign securities. The amount of the net change consisting of interest, charges and assessments related to SDR’s. Although the normal balance in this account is a debit, it is acceptable in certain instances for this account to have a credit balance when a loss is recognized. This USSGL account is to be used only by the Department of the Treasury.

Justification: The Exchange Stabilization Fund is now incurring negative interest in their foreign investments.

Attribute Table Changes for FY 2017:

<table>
<thead>
<tr>
<th>USSGL Acct.</th>
<th>USSGL Account Title</th>
<th>Anticipated</th>
<th>Budg/Prop</th>
<th>Norm Bal</th>
<th>Begin/End</th>
<th>Debit/Credit</th>
<th>Auth Type Code</th>
<th>Apport Cat</th>
<th>Apport Cat B</th>
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<td>B</td>
<td>D</td>
<td>E</td>
<td>D/C</td>
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<th>BEA Cat</th>
<th>Budgetary Impact Indicator</th>
<th>Cohort Yr</th>
<th>Cust/Noncust</th>
<th>Exch/Nonexch</th>
<th>Fed/NonFed</th>
<th>Trading Ptnr</th>
<th>Trading Pntr Main</th>
<th>PY Adj</th>
<th>Program Indicator</th>
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<th>Reimb Flag</th>
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<th>Reduction Type</th>
<th>Fund Type</th>
<th>Reporting Type Code</th>
<th>Financing Account Code</th>
<th>TAS Status</th>
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<tr>
<th>USSGL Account</th>
<th>SF 133</th>
<th>Schedule P</th>
<th>Bal Sheet</th>
<th>Stmt of Net Cost</th>
<th>Stmt of Changes in Net Pos</th>
<th>Stmt of Cust Activ</th>
<th>Stmt of Budg Res</th>
<th>Reclass Stmts</th>
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<tr>
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<td>Lines 1020 1800 4123</td>
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<td>N/A</td>
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<td>Lines 1890 4176 4187</td>
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</table>

Validation #53 that is for ESF will also be updated for 426800.
Changes to Existing ESF USSGL account 2017

Account Title: Other Gains for Accrued Special Drawing Right (SDR) Exchange Stabilization Fund (ESF) Accrued Interest and Charges
Account Number: 719100
Normal Balance: Credit
Definition: When SDR interest rate changes, accrued SDR interest/charges reflect a gain in the following circumstances: if interest rates increase, the gain is recorded in SDR interest; if interest rates decrease, then a gain is recorded in SDR charges. This USSGL account is to be used only by the Department of the Treasury.

When the Special Drawing Right (SDR) and foreign exchange rates change, accrued SDR interest/charges and accrued interest on foreign securities reflect a gain in the following circumstances: if the SDR-USD, Euro-USD, or Yen-USD exchange rate increases, a gain is recorded on SDR accrued interest and accrued interest on foreign securities as applicable; if the SDR-USD exchange rate decreases, a gain is recorded on accrued SDR charges. This USSGL account is to be used only by the Department of Treasury.

Justification: To expand on the definition.

Account Title: Other Losses for Accrued Special Drawing Right (SDR) Exchange Stabilization Fund (ESF) Accrued Interest and Charges
Account Number: 729100
Normal Balance: Debit
Definition: When SDR interest rates change, accrued interest/charges result in a loss in the following circumstances: if interest rates decrease, then a loss is recorded in SDR interest; if interest rates increase, then a loss is recorded in SDR charges. This USSGL account is to be used only by the Department of the Treasury.

When the Special Drawing Right (SDR) and foreign exchange rates change, accrued SDR interest/charges and accrued interest on foreign securities reflect a loss in the following circumstances: if the SDR-USD, Euro-USD, or Yen-USD exchange rate decreases, a loss is recorded on SDR accrued interest and accrued interest on foreign securities as applicable; if the SDR-USD exchange rate increases, a loss is recorded in SDR accrued charges. This USSGL account is to be used only by the Department of Treasury.

Justification: To expand on the definition.
There are changes to 16 Transaction Codes

B210 To record the payment of remuneration.

Comment: For the Department of Treasury use only. Due to the unique budgetary reporting by the Exchange Stabilization Fund, no outlay is reported.

Reference: Other Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund
Debit 490100 Delivered Orders - Obligations, Unpaid
Credit 426600 Other Actual Business Type Collections From Non-Federal Sources
Credit 426800 Interest Collected From Foreign Securities and Special Drawer Rights

Proprietary Entry
Debit 211000 Accounts Payable
Debit 633800 Remuneration Interest
Credit 161000 Investments in U.S. Treasury Securities Issued by the Bureau of the Fiscal Service

B446 To record the IMF Annual Assessment.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 490100 Delivered Orders - Obligations, Unpaid
Credit 426600 Other Actual Business Type Collections From Non-Federal Sources
Credit 426800 Interest Collected From Foreign Securities and Special Drawer Rights

Proprietary Entry
Debit 211000 Accounts Payable
Debit 679000 Other Expenses Not Requiring Budgetary Resources
Credit 119400 Exchange Stabilization Fund Assets - Holdings of Special Drawing Rights
Credit 610000 Operating Expenses/Program Costs
C113 To record receipt of coupon payment and interest collection on non-federal securities.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
    Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 120900 Uninvested Foreign Currency
Debit 167000 Foreign Investments
    Credit 134200 Interest Receivable – Investments

C115 To record interest payments received from ESF foreign currency investments for Time Deposits, Overnight Deposits, and Reverse Repurchase Agreements.

Comment: For the Department of the Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
    Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 120500 Foreign Currency Denominated Equivalent Assets
    Credit 138400 Interest Receivable - Foreign Currency Denominated Assets

C119 To record the receipt of remuneration.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
    Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 119400 Exchange Stabilization Fund Assets - Holdings of Special Drawing Rights
    Credit 579000 Other Financing Sources
C126 To record maturity and reversing interest accrual for Exchange Stabilization Fund investments.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 120900 Uninvested Foreign Currency
Credit 120500 Foreign Currency Denominated Equivalent Assets
Credit 134200 Interest Receivable - Investments
Credit 138400 Interest Receivable - Foreign Currency Denominated Assets
Credit 167000 Foreign Investments

C127 To record the maturity of non-federal Exchange Stabilization Fund securities (long-term bonds) sold at PAR and receive a coupon payment.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 120900 Uninvested Foreign Currency
Credit 134200 Interest Receivable - Investments
Credit 167000 Foreign Investments
C157 To record the capitalization of interest on Exchange Stabilization Fund foreign currency investments.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry

Debit 426600 Other Actual Business Type Collections From Non-Federal Sources

Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights

Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry

Debit 120500 Foreign Currency Denominated Equivalent Assets

Credit 138400 Interest Receivable - Foreign Currency Denominated Assets

C419 To record accrual of interest receivable on non-federal securities with a bond premium.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry

Debit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Credit 426600 Other Actual Business Type Collections From Non-Federal Sources

Credit 426800 Interest Collected From Foreign Securities and Special Drawer Rights

Proprietary Entry

Debit 134200 Interest Receivable - Investments

Credit 167200 Premium on Foreign Investments

Credit 531100 Interest Revenue – Investments
C423 To record accrual of interest receivable on non-federal securities with a bond discount.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources

Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 134200 Interest Receivable - Investments
Debit 167100 Discount on Foreign Investments
Credit 531100 Interest Revenue – Investments

C600 To record the sale of non-federal securities (long-term bonds) by the Exchange Stabilization Fund at a premium

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources

Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 120900 Uninvested Foreign Currency
Credit 134200 Interest Receivable - Investments
Credit 167000 Foreign Investments
Credit 167200 Premium on Foreign Investments
C601 To record the sale of non-federal securities (long-term bonds) by the Exchange Stabilization Fund at a discount.

Comment: For the Department of Treasury use only.
Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 120900 Uninvested Foreign Currency
Debit 167100 Discount on Foreign Investments
   Credit 134200 Interest Receivable - Investments
   Credit 167000 Foreign Investments

D610 To record the realized gain from the revaluation to US dollars for Special Drawing Right allocations.

Comment: For the Department of Treasury use only.
Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 490100 Delivered Orders – Obligations, Unpaid
Debit 497100 Downward Adjustments of Prior-Year Unpaid Delivered Orders - Obligations, Recoveries
Credit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 219300 Allocation of Special Drawing Rights (SDRs)
Credit 719000 Other Gains
D612 To record SDR interest and charges accrual with a net effect of an unrealized gain.
Comment: For the Department of Treasury use only.
Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund
Budgetary Entry
Debit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund
Credit 490100 Delivered Orders—Obligations, Unpaid
Credit 498100 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Unpaid
Proprietary Entry
Debit 134400 Interest Receivable on Special Drawing Rights
Debit 633000 Other Interest Expenses
Debit 729100 Other Losses for Accrued Special Drawing Right (SDR) Interest and Charges
Credit 214000 Accrued Interest Payable - Not Otherwise Classified
Credit 531100 Interest Revenue - Investments
Credit 719100 Other Gains for Accrued Special Drawing Right (SDR) Interest and Charges

D614 To record SDR interest and charges accrual with a net effect of an unrealized loss.
Comment: For the Department of Treasury use only.
Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund
Budgetary Entry
Debit 463500 Funds Not Available - Adjustments to the Exchange Stabilization Fund
Credit 490100 Delivered Orders—Obligations, Unpaid
Credit 498100 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Unpaid
Proprietary Entry
Debit 134400 Interest Receivable on Special Drawing Rights
Debit 633000 Other Interest Expenses
Debit 729100 Other Losses for Accrued Special Drawing Right (SDR) Interest and Charges
Credit 214000 Accrued Interest Payable - Not Otherwise Classified
Credit 531100 Interest Revenue – Investments
Credit 719100 Other Gains for Accrued Special Drawing Right (SDR) Interest and Charges
D616 To record the accrual of Special Drawing right interest and charges for the Quarter.

Comment: For the Department of Treasury use only.

Reference: Other USSGL Guidance: Accounting and Reporting Exchange Stabilization Fund

Budgetary Entry
Debit 426600 Other Actual Business-Type Collections From Non-Federal Sources
Debit 426800 Interest Collected From Foreign Securities and Special Drawer Rights
Debit 490100 Delivered Orders—Obligations, Unpaid
Debit 497100 Downward Adjustments of Prior-Year Unpaid Delivered Orders—Obligations, Recoveries

Credit 463500 Funds Not Available—Adjustments to the Exchange Stabilization Fund

Proprietary Entry
Debit 119400 Exchange Stabilization Fund Assets—Holdings of Special Drawing Rights
Debit 214000 Accrued Interest Payable—Not Otherwise Classified

Credit 134400 Interest Receivable on Special Drawing Rights