

**FEDERAL CREDIT PROGRAM
BASIC ACCOUNTING AND REPORTING GUIDE
FOR DIRECT LOAN AND LOAN GUARANTEE
PROGRAMS WITHOUT COLLATERAL
(PRE-CREDIT REFORM)**

PREPARED BY:

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Version Number	Date	Description of Change	Effective USSGL TFM
1.0	7/2004	Initial Version	
2.0	8/2017	Updated to reflect current USSGL Guidance	Bulletin No. 2017-06

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Overview

This guide is designed for those who:

- Formulate and execute Federal credit program budgets, including accounting for assets, liabilities, net position, income, expenses, and budgetary resources;
- Prepare agency financial statements;
- Audit the agency financial statements;
- Manage or provide service to participants in direct loan programs;
- Design and maintain computer systems for financial programs;
- Instruct others in basic accounting and reporting for direct loan programs.

The guide is illustrative, rather than authoritative, and is categorized as “other accounting literature” in the hierarchy of accounting principles for Federal entities.¹ It supersedes the original and subsequent pre-Credit Reform scenarios. Users may download the guide from the Bureau of the Fiscal Service (Fiscal Service) Web site at www.fiscal.treasury.gov/fsreports/ref/ussgl/approved_scenarios/approved_scenarios.htm#creditreform.

In order to understand and gain the most from this guide, the user should have a working knowledge of the following:

- Budgetary and proprietary accounting, related reporting, and terminology;
- The U. S. Standard General Ledger (USSGL) accounts for basic annual operating appropriations and revolving funds;
- The concepts of Federal credit program accounting and reporting, fund structures, and terminology;
- The Credit Reform Act and other requirements established by the Act.

This guide illustrates accounting and reporting for a Federal credit program with direct loans and loan guarantees obligated prior to October 1, 1991, funded by no-year authority from an appropriation carried forward from September 30, 1990, and offsetting collections. Accounting is based on net realizable value (for direct loans and loan assets) or net expected value (for loan guarantee liabilities).²

The guide covers common transactions and reports with the focus on transactions unique to Federal credit program accounting. For example, the guide does not present undelivered orders with advances, because they are not unique to credit program accounting. It excludes transactions

¹See OMB Bulletin No. 01-09, dated September 2001, §1.2, p.2.

²Paragraph 40 of Statement of Federal Financial Accounting Standards (SFFAS) No. 2 provides that the accounting may be performed on a present value basis at the discretion of program agencies. Present value accounting is covered in the other three guides in this series.

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involving collateral and borrowing and repaying monies from Treasury, since they are covered in separate guides. Users may visit the Fiscal Service Web site at <http://fm.fiscal.treasury.gov/v1/supplements/ussgl.html> to view other guides.

Transactions are presented over a 1-year period for a fictitious Federal agency with a single direct loan and loan guarantee program, which began operations prior to October 1, 1991. The transactions covered are:

- Formulation, apportionment, and allotment of the budget;
- Payment of administrative expenses;³
- Disbursement for new direct loans and commitment of new loan guarantees;
- Collection of guarantee fees;
- Collection of loan principal and interest on direct loans and defaulted guaranteed loans;
- Payment of interest supplements;
- Payment of default claims;
- Assuming defaulted guaranteed loans and interest for direct collection;
- Modification of direct loan and loan guarantee terms, with resulting transfer of the loans and guarantees to the financing fund;
- Accrual of interest from borrowers;
- Write off of bad debts without receiving collateral;
- Accrual of bad debts expense;
- Transfer of excess funds to Treasury; and
- Closing entries.

The guide illustrates the following yearend agency reports and notes:

- Balance Sheet;
- Statement of Net Cost;
- Statement of Changes in Net Position;
- Statement of Budgetary Resources;
- SF 133: Report on Budget Execution and Budgetary Resources & Schedule P Budget Program and Financing Schedule;
- Credit Program Footnote.

An SF 132: Apportionment and Reapportionment Schedule, is illustrated at the beginning of the year and is revised once during the year. In addition, Appendix 1 provides a listing of key references.

Except for the Request for Apportionment, which is not subject to Federal generally accepted accounting principles (FEDGAAP), these reports are in compliance with FEDGAAP, as promulgated by the Federal Accounting Standards Advisory Board (FASAB) and the U.S. Office

³The illustration is for payment of administrative expenses without prior obligation through undelivered orders or accounts payable.

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of Management and Budget (OMB). Like the journal entries for the underlying transactions, the reports are illustrative. Agencies may have other ways of formatting their reports that meet the authoritative requirements. The SF 132, which is not required to be audited and published with the audited financial statements, is in compliance with OMB regulations. Agencies must prepare and format the SF 132 as illustrated in this guide, unless an agency has direction from or agreement with OMB to do otherwise.

Direct questions regarding this guide to the General Ledger and Advisory Branch at <https://www.fiscal.treasury.gov/fsreports/ref/ussgl/form-issues.htm>, using the USSGL Issue Form, or to:

Manager, General Ledger and Advisory Branch
Fiscal Accounting Operations
Bureau of the Fiscal Service
200 Third Street
Parkersburg, WV 26106

The USSGL Web site also includes a list of USSGL representatives and their telephone numbers.

CONCEPTUAL FRAMEWORK

The guide uses USSGL account numbers and, generally, titles. When necessary, the guide expands USSGL account titles, using brackets, to capture specific information required for reporting. For example, brackets are used to capture information to separate administrative expense from interest supplement expense, both of which would be merged into account 610000 if no other designation were made. For administrative expense, “[Administrative Expense]” is included after the title for USSGL account 610000, “Operating Expenses/Program Costs.” In the same manner, for interest supplement expense, “[Interest Supplement Expense]” is included after the title for USSGL account 610000. The USSGL Supplement, Section II, contains definitions for USSGL accounts.

Entries are made in general journal form, using USSGL accounts, and are summarized in trial balances for each year. When necessary, the USSGL accounts are subdivided or otherwise supplemented with more detail to provide the illustrated reporting. The entries made and the method chosen to illustrate the detail provide only one way of accounting. Agencies may have other ways of structuring their ledgers and making journal entries that accomplish the same result.

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ACCOUNT TABLES

The following account tables identify the accounts used in the guide to record transactions and prepare reports, and the structure under which they fall. Because the transactions are not comprehensive, the tables do not contain all accounts that agencies may use in their actual agency program. The USSGL Supplement, Section I, contains the complete chart of USSGL accounts.

Account Number	Account Title
<u>Budgetary – Resources Anticipated</u>	
404700	Anticipated Transfers to the General Fund of the U.S. Government – Current-Year Authority
406000	Anticipated Collections From Non-Federal Sources
407000	Anticipated Collections From Federal Sources
<u>Budgetary – Resources Realized</u>	
411900	Other Appropriations Realized
415100	Actual Capital Transfers to the General Fund of the U.S. Government - Current-Year Authority
420100	Total Actual Resources - Collected
426100	Actual Collections of Business-Type Fees
426200	Actual Collections of Loan Principal
426300	Actual Collections of Loan Interest
427600	Actual Collections From Financing Fund
<u>Budgetary – Status of Resources Unobligated</u>	
445000	Unapportioned Authority
451000	Apportionments
459000	Apportionments - Anticipated Resources – Programs Subject to Apportionment
461000	Allotments - Realized Resources
<u>Budgetary – Status of Resources Obligated</u>	
480100	Undelivered Orders – Obligations, Unpaid
490100	Delivered Orders – Obligations, Unpaid
490200	Delivered Orders – Obligations, Paid [Loans Made]
490200	Delivered Orders – Obligations, Paid [Other]
490200	Delivered Orders – Obligations, Paid [Defaults]
490200	Delivered Orders – Obligations, Paid [Transfer of Liabilities to Financing Fund]

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Proprietary - Assets ⁴	
101000	Fund Balance With Treasury
134100	Interest Receivable - Loans [Direct Loans]
134100	Interest Receivable - Loans [Defaulted Guaranteed Loans]
134500	Allowance for Loss on Interest Receivable - Loans [Direct Loans]
134500	Allowance for Loss on Interest Receivable – Loans [Defaulted Guaranteed Loans]
135000	Loans Receivable [Direct]
135000	Loans Receivable [Defaulted Guaranteed]
135900	Allowance for Loss on Loans Receivable [Direct]
135900	Allowance for Loss on Loans Receivable [Defaulted Guaranteed]
Proprietary - Liabilities	
211000	Accounts Payable
218000	Loan Guarantee Liability
Proprietary – Net Position	
310000	Unexpended Appropriations - Cumulative
310700	Unexpended Appropriations - Used
331000	Cumulative Results of Operations
Proprietary - Financing Sources (including gains)	
520000	Revenue From Services Provided
531200	Interest Revenue - Loans Receivable/Uninvested Funds [From Borrowers]
570000	Expended Appropriations
576500	Nonexpenditure Financing Sources - Transfers Out - Other
719000	Other Gains
Proprietary - Expenses (including losses)	
610000	Operating Expenses/Program Costs [Administrative Expense]
610000	Operating Expenses/Program Costs [Interest Supplement Expense]
672000	Bad Debt Expense
721000	Losses on Disposition of Assets - Other

⁴ Interest receivable and loans receivable are broken out by those related to direct loans and those related to loan guarantee programs to facilitate the separate reporting required. See OMB Bulletin No. 01-09, footnote 8.

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SCENARIO

This section presents transactions, including closing entries, along with interim and yearend trial balances for the fiscal year. Users should note the various caveats provided in prior sections of this guide when reviewing the information.

OMB authorized the agency, which operates under no-year authority, to make direct loans and to guarantee 100 percent of loans and interest for program participants prior to fiscal 1992. Loans and guarantees that were obligated before that date are accounted for in the agency's liquidating fund, illustrated in this scenario. The agency will pay its costs from the unobligated balance of an existing no-year appropriation and new collections and will return monies in excess of the amount per an agreement with OMB. An authorized agency official will provide blanket allotment authority for all realized resources, as they are realized, up to the amount apportioned by OMB. The agency accounts for loans receivable on its books using net realizable value. It accounts for the loan guarantee liability using the net estimated amount payable. The agency does not use present value accounting. Present value accounting is illustrated in the direct loans, loan guarantee, and foreclosed property guides.

Budgetary and proprietary trial balances at the beginning of the year are shown below. Note that loans and interest receivable are divided into those relating to direct loans and those relating to loan guarantees, to facilitate the separate reporting required.⁵

Beginning Trial Balances			
<i>Budgetary</i>		<i>Debit</i>	<i>Credit</i>
420100	Total Actual Resources – Collected		\$4,000
445000	Unapportioned Authority	\$3,600	
480100	Undelivered Orders – Obligations, Unpaid	300	
490100	Delivered Orders – Obligations, Unpaid	100	
		<u>\$4,000</u>	<u>\$4,000</u>
<i>Proprietary</i>		<i>Debit</i>	<i>Credit</i>
101000 (G)	Fund Balance With Treasury	\$4,000	
134100 (N)	Interest Receivable – Loans [Direct Loans]	400	
134100 (N)	Interest Receivable – Loans [Defaulted Guaranteed Loans]	300	
134500 (N)	Allowance for Loss on Interest Receivable - Loans [Direct Loans]		\$100
134500 (N)	Allowance for Loss on Interest Receivable – Loans [Defaulted Guaranteed Loans]		200
135000 (N)	Loans Receivable [Direct Loans]	3,250	

⁵See OMB Bulletin No. 01-09, instructions for footnote number 8.

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135000 (N)	Loans Receivable [Defaulted Guaranteed Loans]	1,750	
135900 (N)	Allowance for Loss on Loans Receivable [Direct Loans]		2,500
135900 (N)	Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans]		1,000
211000 (N)	Accounts Payable		100
218000 (N)	Loan Guarantee Liability		9,000
310000	Unexpended Appropriations - Cumulative		3,000
331000	Cumulative Results of Operations ⁶	6,200	
		<u>\$15,900</u>	<u>\$15,900</u>

⁶Prior illustrative guidance provided for use of USSGL account 297000, “Resources Payable to Treasury,” to represent the difference between assets and the other liabilities. This was designated before the issuance of SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*, which prohibits accrual of unapportioned or unlegislated appropriations across years and mandates that appropriations used be computed in the same manner as in the Federal Budget (see paragraphs 72 and 217 of SFFAS No. 7). In the prior guidance, account 297000 took the place of USSGL accounts 310000, “Unexpended Appropriations – Cumulative” and 331000, “Cumulative Results of Operations,” and no appropriations used were recognized. A debit balance in account 297000 was, in effect, a receivable for appropriations. In addition, a procedure of closing expenses and revenues into account 297000 was illustrated. In compliance with SFFAS No. 7, and in recognition of the reality of the long ongoing life of many liquidating funds, the guidance in this guide illustrates the difference between assets and liabilities in accounts 310000 and 331000, and illustrates closing entries for income and expense made into account 331000.

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During the year, the agency expected to receive collections as follows:

Principal on loans receivable	\$850
Interest on loans receivable	150
Ongoing guarantee fees from borrowers	<u>50</u>
	<u>\$1,050</u>

The agency expected to make the following disbursements:

Beginning undelivered orders	\$ 300
Beginning accounts payable	100
Administrative expenses	275
Interest supplements	25
Default claims	<u>1,200</u>
	<u>\$1,900</u>

Per agreement with OMB, the agency will return to Treasury all cash in excess of \$3,030.⁷ The \$120 expected to be returned at yearend, is computed as follows:

Beginning balance of cash	\$4,000
Anticipated cash receipts	1,050
Anticipated cash disbursements	<u>(1,900)</u>
Expected cash balance at yearend	\$3,150
Cash reserve allowed	<u>(3,030)</u>
Anticipated cash to be returned to Treasury	<u>\$ 120</u> ⁸

⁷The figure here is arbitrary. OMB Circular No. A-11, Section 185.3(k), provides that agencies must transfer unobligated balances of liquidating fund entities at fiscal yearend to the General Fund of the U.S. Government unless OMB approves otherwise (see Section 51.12).

⁸If a cash deficit were projected instead, the agency may have made up the deficit with either appropriations or borrowing. Accounting for receipt and use of appropriations is covered in the direct loans and loan guarantees guide. Accounting for borrowing is covered in the direct loan guide.

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TRANSACTIONS

1. The agency prepared the budget formulation.			
	DR	CR	TC
<u>Budgetary Entry</u>			
406000 Anticipated Collections From Non-Federal Sources	1,050		
404700 Anticipated Transfer to the General Fund of the U.S. Government – Current-Year Authority		120	A140
445000 Unapportioned Authority		930	A142
<u>Proprietary Entry</u>			
None			

An SF-132: Apportionment and Reapportionment Schedule, for this transaction appears below.

Direct Loan and Loan Guarantee Agency

SF-132 Apportionment and Reapportionment Schedule		
BUDGETARY RESOURCES		
Unobligated Balance:		
1000	Unobligated balance brought forward, Oct 1	\$3,600
Spending authority from offsetting collections, mandatory:		
1840	Anticipated collections, reimbursements, and other income	1,050
1842	Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)	(120)
1920	Total budgetary resources	\$4,530
APPLICATION OF BUDGETARY RESOURCES		
Apportioned:		
6011	Apportioned Category B by project	\$1,530
6182	Unapportioned balance of revolving fund	3,000
6190	Total budgetary resources available	\$4,530

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2. OMB approved the agency request for apportionment without change, and the agency recorded the apportionment.			
	DR	CR	TC
<u>Budgetary Entry</u>			
445000 Unapportioned Authority	1,530		
451000 Apportionments [of Realized Resources] ⁹		600	A116
459000 Apportionments - Anticipated Resources – Programs Subject to Apportionment		930	A118
<u>Proprietary Entry</u>			
None			

3. A properly designated agency official apportioned the full amount of realized resources and issued a blanket authorization to allot anticipated resources as they were realized, not to exceed the amount of the apportionment.			
	DR	CR	TC
<u>Budgetary Entry</u>			
451000 Apportionments	600		
461000 Allotments – Realized Resources		600	A120
<u>Proprietary Entry</u>			
None			

The agency received the following collections during the year:

Principal on direct loans receivable	\$550
Principal on defaulted guaranteed loans receivable	250
Interest on direct loans receivable	90
Interest on defaulted guaranteed loans receivable	70
Ongoing guarantee fees from borrowers	55

⁹ This is a portion of the beginning balance of USSGL account 445000 “Unapportioned Authority.”

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4. To record the collections.			
	DR	CR	TC
<u>Budgetary Entry</u>			
426100 Actual Collections of Business – Type Fees	55		
426200 Actual Collections of Loan Principal	800		
426300 Actual Collections of Loan Interest	160		
406000 Anticipated Collections From Non-Federal Sources		1,015	
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	1,015		C109
134100 (N) Interest Receivable – Loans [Direct Loans]		90	
134100 (N) Interest Receivable – Loans [Defaulted Guaranteed Loans]		70	
135000 (N) Loans Receivable [Direct]		550	
135000 (N) Loans Receivable [Defaulted Guaranteed Loans]		250	
520000 (N) Revenue From Services Provided		55	

5. To allot the authority from the collections.			
	DR	CR	TC
<u>Budgetary Entry</u>			
459000 Apportionments – Anticipated Resources - Programs Subject to Apportionment	930		A122
461000 Allotments – Realized Resources ¹⁰		930	
<u>Proprietary Entry</u>			
None			

The agency made the following cash disbursements during the year:

Administrative expenses	\$ 485
Interest supplements	25
Direct loans	10
Accounts payable at beginning of year	100
Defaults	1,250

The amount paid for administrative expenses included the \$300 of undelivered orders at the beginning of the year (bills for which totaled \$300) plus an additional \$185.

¹⁰ Note that the amount of the authority allotted is limited to the apportionment related to anticipated collections, as reflected by the balance of USSGL account 459000, “Apportionments - Anticipated Resources – Programs Subject to Apportionment.”

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6. To record disbursements.			
	DR	CR	TC
<u>Budgetary Entry</u>			
461000 Allotments – Realized Resources	1,470		
480100 Undelivered Orders – Obligations, Unpaid	300		
490100 Delivered Orders – Obligations, Unpaid	100		
490200 Delivered Orders – Obligations, Paid [Loans Made]		10	
490200 Delivered Orders – Obligations, Paid [Other]		610	
490200 Delivered Orders – Obligations, Paid [Defaults]		1,250	
<u>Proprietary Entry</u>			
135000 (N) Loans Receivable [Direct]	10		B104
211000 (N) Accounts Payable	100		B110
218000 (N) Loan Guarantee Liability	1,250		B134
610000 (N) Operating Expenses/Program Costs [Administrative Expense]	485		C206
610000 (F) Operating Expenses/Program Costs [Interest Supplement Expense]	25		
101000 (G) Fund Balance With Treasury		1,870	
310700 (G) Unexpended Appropriations – Used	1,870		
570000 (G) Expended Appropriations		1,870	

The agency acquired receivables on payment of the default claims in the preceding transaction. The agency’s practice is to separately record the interest and principal as shown below.^{11,12}

Loan principal - gross	\$800
Loan principal - realizable value	230
Loan interest - gross	450
Loan interest - realizable value	375

¹¹Some agencies will record both the principal and interest as a single amount in USSGL account 135000, “Loans Receivable [Defaulted Guaranteed].” This is appropriate if subsequent interest charges are based on the total amount of principal and interest receivable acquired by virtue of the default payment.

¹²Though shown separately here for purposes of illustration, the agency could combine the entry for this transaction with the proprietary entry in transaction 5.

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7. To record loans and interest receivable from Non-Federal sources for defaulted guaranteed loans.			
	DR	CR	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
134100 (N) Interest Receivable - Loans [Defaulted Guaranteed Loans]	450		C220 D852
135000 (N) Loans Receivable [Defaulted Guaranteed]	800		
134500 (N) Allowance for Loss on Interest Receivable - Loans [Defaulted Guaranteed Loans]		75	
135900 (N) Allowance for Loss on Loan Receivable [Defaulted Guaranteed]		570	
218000 (N) Loan Guaranteed Liabilities		605	

The agency guaranteed the full amount of principal and interest on a \$20 loan disbursed this year by the third-party lender involved. The guarantee had been committed prior to fiscal 1992. In accordance with the terms of the guarantee, the agency charged no guarantee fees. No entries are required.¹³

Trial Balance (transactions 1 through 7)			
<i>Budgetary</i>		<i>Debit</i>	<i>Credit</i>
404700	Anticipated Transfers to the General Fund of the U.S. Government		\$120
406000	Anticipated Collections From Non-Federal Sources	\$35	
420100	Total Actual Resources - Collected	4,000	
426100	Actual Collections of Business-Type Fees	55	
426200	Actual Collections of Loan Principal	800	
426300	Actual Collections of Loan Interest	160	
445000	Unapportioned Authority		3,000
451000	Apportionments [of Realized Resources]		-0-
459000	Apportionments – Anticipated Resources – Programs Subject to Apportionment		-0-
461000	Allotments – Realized Resources		60
480100	Undelivered Orders – Obligations, Unpaid		-0-
490100	Delivered Orders – Obligations, Unpaid		-0-
490200	Delivered Orders – Obligations, Paid [Loans Made]		10
490200	Delivered Orders – Obligations, Paid [Other]		610
490200	Delivered Orders – Obligations, Paid [Defaults]		1,250

¹³Under pre-Credit Reform accounting, the budget recognizes cash inflows and outflows related to loan guarantees when they occur, rather than when guarantees are made. Since there was no cash to or from the Government with this transaction, no budgetary entries are prepared. See OMB Circular No. A-11, Sec. 185.3(k), for further information. It would be possible to make a proprietary entry recognizing the estimated bad debts (default) expense related to the guarantee at this time, but the scenario restates bad debt expense via an adjusting entry at yearend instead. Either method is acceptable.

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		<u>\$5,050</u>	<u>\$5,050</u>
Proprietary		Debit	Credit
101000 (G)	Fund Balance With Treasury	\$3,145	
134100 (N)	Interest Receivable – Loans [Direct Loans]	310	
134100 (N)	Interest Receivable – Loans [Defaulted Guaranteed Loans]	680	
134500 (N)	Allowance for Loss on Interest Receivable - Loans [Direct Loans]		\$100
134500 (N)	Allowance for Loss on Interest Receivable –Loans [Defaulted Guaranteed Loans]		275
135000 (N)	Loans Receivable [Direct Loans]	2,710	
135000 (N)	Loans Receivable [Defaulted Guaranteed Loans]	2,300	
135900 (N)	Allowance for Loss on Loans Receivable [Direct Loans]		2,500
135900 (N)	Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans]		1,570
211000 (N)	Accounts Payable		-0-
218000 (N)	Loan Guarantee Liability		8,355
310000	Unexpended Appropriations - Cumulative		3,000
310700 (G)	Unexpended Appropriations - Used	1,870	
331000	Cumulative Results of Operations	6,200	
520000 (N)	Revenue from Services Provided		55
570000 (G)	Expended Appropriations		1,870
610000 (N)	Operating Expenses/Program Costs [Administrative Expense]	485	
610000 (F)	Operating Expenses/Program Costs [Interest Supplement Expense]	25	
		<u>\$17,725</u>	<u>\$17,725</u>

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Information for Modifications

The agency obtained approval from OMB to modify the terms of direct loans and loan guarantees. The information was as follows:

The agency modified the terms of \$100 of direct loans. The net realizable value was \$85, and the net present value was \$75. The agency was to sell the loans to the financing fund. All interest on the loans had been paid to date.

The agency modified the terms for \$275 of guaranteed loans. The expected value of the liability from guaranteeing the loans was \$90, and the present value was \$83. The agency transferred the guarantees to the financing fund.¹⁴

The agency prepared a new SF-132, which is illustrated below.

Direct Loan and Loan Guarantee Agency

SF-132 Apportionment and Reapportionment Schedule		
	BUDGETARY RESOURCES	
	Unobligated Balance:	
1000	Unobligated balance brought forward, Oct 1	\$600
	Spending authority from offsetting collections, mandatory:	
1800	Collected	1,015
1840	Anticipated collections, reimbursements, and other income	110
1842	Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)	(112)
1920	Total budgetary resources	\$1,613
	APPLICATION OF BUDGETARY RESOURCES	
	Apportioned:	
6011	Apportioned Category B by project	\$1,583
6182	Unapportioned balance of revolving fund	30
6190	Total budgetary resources available	\$1,613

¹⁴Note that this results in a modification of the loan guarantee liability relating to guaranteed loans that have not defaulted. Defaulted guaranteed loans receivable on the agency's books are not affected by the modification.

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The agency compiled information for a new SF-132 as shown in the table below, with crosswalks shown in square brackets.

	Line 1000	Remains at \$600
	Line 1800	\$1,015 [426100, 426200, 426300]
	Line 1840	\$110 [account 406000, \$35, + \$75 to be received from the financing fund]
	Line 1842	\$112*[see note below]
	Line 1920	\$1,613 [lines 1000+1800+1840-1842]
	Line 6011	\$1,583 [\$1,500 originally anticipated + \$83 to be paid to the financing fund]
	Line 6182	Remains at \$30
	Line 6190	\$1,613 [lines 6011 + 6182]
*Computation of cash to be paid to Treasury:		
	Balance of cash after the previous transactions	\$145 [101000]
	Anticipated additional receipts	110 [Line 1840]
	Anticipated additional payments	<u>(113)</u> [Line 1842 - 480100, 490100, 490200]
	Anticipated ending balance of cash available	\$142
	Amount needed to carry into the next year	<u>(30)</u> [Line 6182]
	Cash to be returned to Treasury	<u>\$112</u>

OMB approved the new SF-132 as requested.

8. The agency recorded the submission of the new SF-132.			
	DR	CR	TC
<u>Budgetary Entry</u>			
407000 Anticipated Collections From Federal Sources	75		A140
404700 Anticipated Transfers to the General Fund of the U.S. Government – Current Year Authority	8		A142R
445000 Unapportioned Authority		83	
<u>Proprietary Entry</u>			
None			

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9. The agency recorded OMB approval of the SF-132.			
	DR	CR	TC
<u>Budgetary Entry</u>			
445000 Unapportioned Authority	83		
459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		83	A118
<u>Proprietary Entry</u>			
None			

10. The agency transferred the direct loans to the financing fund, which paid the present value.			
	DR	CR	TC
<u>Budgetary Entry</u>			
427600 Actual Collections From Financing Fund	75		
407000 Anticipated Collections From Federal Sources		75	
459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment	75		
461000 Allotments – Realized Resources		75	C109 D208 A122
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	75		
135900 (N) Allowance for Loss on Loans Receivable	15		
721000 (N) Losses on Disposition of Assets - Other	10		
135000 (N) Loans Receivable		100	

11. The agency transferred the loan guarantees to the financing fund, along with payment of the present value.			
	DR	CR	TC
<u>Budgetary Entry</u>			
461000 Allotments – Realized Resources	83		
490200 Delivered Orders – Obligations, Paid [Transfer of Liabilities to Financing Fund]		83	
<u>Proprietary Entry</u>			
218000 (N) Loan Guarantee Liability			B104 B134
101000 (G) Fund Balance with Treasury	90		
719000 (N) Other Gains [on Disp. of Loan Guar. Liab. Modified and Transferred]		83	
		7	
310700 (G) Unexpended Appropriations - Used	83 ¹⁵		
570000 (G) Expended Appropriations		83	

¹⁵ See the note for this entry in transaction 5, which applies here.

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Trial Balance (transactions 1 through 11)			
<i>Budgetary</i>		<i>Debit</i>	<i>Credit</i>
404700	Anticipated Transfers to the General Fund of the U.S. Government		\$112
406000	Anticipated Collections From Non-Federal Sources	\$35	
407000	Anticipated Collections From Federal Sources	-0-	
420100	Total Actual Resources - Collected	4,000	
426100	Actual Collections of Business-Type Fees	55	
426200	Actual Collections of Loan Principal	800	
426300	Actual Collections of Loan Interest	160	
427600	Actual Collections From Financing Fund	75	
445000	Unapportioned Authority		3,000
451000	Apportionments [of Realized Resources]		-0-
459000	Apportionments – Anticipated Resources – Programs Subject to Apportionment		8
461000	Allotments – Realized Resources		52
480100	Undelivered Orders – Obligations, Unpaid		-0-
490100	Delivered Orders – Obligations, Unpaid		-0-
490200	Delivered Orders – Obligations, Paid [Loans Made]		10
490200	Delivered Orders – Obligations, Paid [Other]		610
490200	Delivered Orders – Obligations, Paid [Defaults]		1,250
490200	Delivered Orders – Obligations, Paid [Transfer to Financing Fund]]		83
		<u>\$5,125</u>	<u>\$5,125</u>
<i>Proprietary</i>		<i>Debit</i>	<i>Credit</i>
101000 (G)	Fund Balance With Treasury	\$3,137	
134100 (N)	Interest Receivable – Loans [Direct Loans]	310	
134100 (N)	Interest Receivable – Loans [Defaulted Guaranteed Loans]	680	
134500 (N)	Allowance for Loss on Interest Receivable – Loans [Direct Loans]		\$100
134500 (N)	Allowance for Loss on Interest Receivable - Loans [Defaulted Guaranteed Loans]		275
135000 (N)	Loans Receivable [Direct Loans]	2,610	
135000 (N)	Loans Receivable [Defaulted Guaranteed Loans]	2,300	
135900 (N)	Allowance for Loss on Loans Receivable [Direct Loans]		2,485
135900 (N)	Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans]		1,570
211000 (N)	Accounts Payable		-0-
218000 (N)	Loan Guarantee Liability		8,265
310000	Unexpended Appropriations - Cumulative		3,000

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310700 (G)	Unexpended Appropriations - Used	1,953	
331000	Cumulative Results of Operations	6,200	
520000 (N)	Revenue from Services Provided		55
570000 (G)	Expended Appropriations		1,953
610000 (N)	Operating Expenses/Program Costs [Administrative Expense]	485	
610000 (F)	Operating Expenses/Program Costs [Interest Supplement Expense]	25	
719000 (N)	Other Gains[Disposition of Loan Guarantee Liability]		7
721000 (N)	Losses on Disposition of Assets – Other [Modification and Sale of Loans Receivable]	10	
		<u>\$17,710</u>	<u>\$17,710</u>

12. The agency accrued \$35 of interest on direct loans and \$30 in defaulted guaranteed loans receivable at year end.			
	DR	CR	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
134100 (N) Interest Receivable – Loans [Direct Loans]	35		
134100 (N) Interest Receivable – Loans [Defaulted Guaranteed Loans]	30		C216
531200 (N) Interest Revenue – Loans Receivable/Uninvested Funds [Borrowers]		65	

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13. The agency wrote off bad debts as follows: interest receivable on direct loans, \$10; interest receivable on defaulted guaranteed loans, \$40; direct loans receivable, \$200; defaulted guaranteed loans receivable, \$50.			
	DR	CR	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
134500 (N) Allowance for Loss on Interest Receivable - Loans [Direct Loans]	10		
134500 (N) Allowance for Loss on Interest Receivable – Loans [Def. Guar. Loans]	40		D208
135900 (N) Allowance for Loss on Loans Receivable [Direct]	200		D212
135900 (N) Allowance for Loss on Loan Receivable [Defaulted Guaranteed]	50		
134100 (N) Interest Receivable – Loans [Direct Loans]		10	
134100 (N) Interest Receivable – Loans [Defaulted Guaranteed Loans]		40	
135000 (N) Loans Receivable [Direct]		200	
135000 (N) Loans Receivable [Defaulted Guaranteed]		50	

14. The agency accrued bad debts expense as follows: interest receivable on direct loans, \$20; interest receivable on defaulted guaranteed loans, 70; direct loans receivable, \$80; defaulted guaranteed loans receivable, \$45; loan guarantee liability, \$200.			
	DR	CR	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
672000(N) Bad Debt Expense	415		
134500 (N) Allowance for Loss on Interest Receivable – Loans [Direct Loans]		20	D204
134500 (N) Allowance for Loss on Interest Receivable- Loans [Def. Guar. Loans]		70	
135900 (N) Allowance for Loss on Loans Receivable [Direct]		80	
135900 (N) Allowance for Loss on Loans Receivable [Defaulted Guaranteed]		45	
218000 (N) Loan Guarantee Liability		200	

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15. The agency transferred cash in excess of \$3,030 to Treasury.			
	DR	CR	TC
<u>Budgetary Entry</u>			
404700 Anticipated Transfers to the General Fund of the U.S. Government – Current –Year Authority	107 ¹⁷		
415100 Actual Capital Transfers to the General Fund of the U.S. Government Current-Year Authority		107	
			B136
<u>Proprietary Entry</u>			
576500 (F) Nonexpenditure Financing Sources – Transfers Out – Other ¹⁶	107		
101000 (G) Fund Balance With Treasury		107	

16. The agency recorded closing of anticipated accounts.=			
	DR	CR	TC
<u>Budgetary Entry</u>			
445000 Unapportioned Authority	22		
404700 Anticipated Transfers to the General Fund of the U.S. Government – Current –Year Authority	5		
459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment	8		
406000 Anticipated Collections From Non-Federal Sources		35	
			F112 F114
<u>Proprietary Entry</u>			
None			

¹⁶ This guide now illustrates revenues and expenses closing into USSGL 331000 Cumulative Results of Operations. This may result in the liquidating fund having a balance in USSGL 331000. If agencies deem it necessary to have a zero balance in USSGL 331000, then a pre-closing proprietary entry may be made in the liquidating fund to adjust the cumulative results of operations to zero and to create a liability to Treasury. Refer to the USSGL TFM Supplement.

¹⁷ Ending Fund Balance With Treasury, \$3,137, - reserve allowed by OMB, \$3,030, = \$107.

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Pre-Closing Trial Balances (transactions 1 through 13)			
Budgetary		Debit	Credit
415100	Actual Capital Transfers to the General Fund of the U.S. Government, Current – Year Authority		107
420100	Total Actual Resources - Collected	4,000	
426100	Actual Collections of Business-Type Fees	55	
426200	Actual Collections of Loan Principal	800	
426300	Actual Collections of Loan Interest	160	
427600	Actual Collections From Financing Fund	75	
445000	Unapportioned Authority		2,978
461000	Allotments – Realized Resources		52
490200	Delivered Orders – Obligations, Paid [Loans Made]		10
490200	Delivered Orders – Obligations, Paid [Other]		610
490200	Delivered Orders – Obligations, Paid [Defaults]		1,250
490200	Delivered Orders – Obligations, Paid [Transfer to Financing Fund]]		83
		<u>\$5,090</u>	<u>\$5,090</u>
Proprietary		Debit	Credit
101000 (G)	Fund Balance With Treasury	\$3,030	
134100 (N)	Interest Receivable – Loans [Direct Loans]	335	
134100 (N)	Interest Receivable – Loans [Defaulted Guaranteed Loans]	670	
134500 (N)	Allowance for Loss on Interest Receivable - Loans[Direct Loans]		\$110
134500 (N)	Allowance for Loss on Interest Receivable - Loans[Defaulted Guaranteed Loans]		305
135000 (N)	Loans Receivable [Direct Loans]	2,410	
135000 (N)	Loans Receivable [Defaulted Guaranteed Loans]	2,250	
135900 (N)	Allowance for Loss on Loans Receivable [Direct Loans]		2,365
135900 (N)	Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans]		1,565
218000 (N)	Loan Guarantee Liability		8,465
310000	Unexpended Appropriations - Cumulative		3,000
310700 (G)	Unexpended Appropriations - Used	1,953	
331000	Cumulative Results of Operations	6,200	
520000 (N)	Revenue from Services Provided		55
531200 (N)	Interest Revenue – Loans Receivable/Uninvested Funds [Borrowers]		65
570000 (G)	Expended Appropriations		1,953
576500 (F)	Nonexpenditure Financing Sources - Transfers-Out	107	
610000 (N)	Operating Expenses/Program Costs [Administrative Expense]	485	

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610000 (F)	Operating Expenses/Program Costs [Interest Supplement Expense]	25	
672000 (N)	Bad Debt Expense	415	
719000 (N)	Other Gains[Disposition of Loan Guarantee Liability]		7
721000 (N)	Losses on Disposition of Assets – Other [Modification and Sale of Loans Receivable]	10	
		<u>\$17,890</u>	<u>\$17,890</u>

17. The agency made budgetary closing entries.

TAFS	DR	CR	TC
<u>Budgetary Entry</u>			
490200 Delivered Orders – Obligations, Paid [Loans Made]	10		
490200 Delivered Orders – Obligations, Paid [Other]	610		
490200 Delivered Orders – Obligations, Paid [Defaults]	1250		
490200 Delivered Orders - Obligations, Paid [Transfers to Financial Account]	83		
415100 Actual Capital Transfers to the General Fund of the U.S. Government, Current-Year Authority	107		F204
420100 Total Actual Resources - Collected [Net]		970	F214
426100 Actual Collections of Business-Type Fees		55	F210
426200 Actual Collections of Loan Principal		800	
426300 Actual Collections of Loan Interest		160	
4276 Actual Collections From Financing Fund		75	
461000 Allotments - Realized Resources	52		
445000 Unapportioned Authority		52	
<u>Proprietary Entry</u>			
None			

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18. The agency made proprietary closing entries.			
	DR	CR	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
520000 (N) Revenue From Services Provided	55		
531200 (N) Interest Revenue – Loans Receivable/Uninvested Funds	65		
570000 (G) Expended Appropriations	1953		
719000 (N) Other Gains [Disp. of Loan Guar. Liab. Modified/Transferred]	7		F228
331000 Cumulative Results of Operations		1038	F230
576500 (F) Nonexpenditure Financing Sources – Transfers-Out - Other		107	F231
610000 (N) Operating Expenses/Program Costs [Administrative Expense]		485	F233
610000 (F) Operating Expenses/Program Costs [Interest Supplement Expense]		25	
672000 (N) Bad Debt Expense		415	
721000 (N) Losses on Disposition of Assets – Other [Modification/Sale of Loans Receivable]		10	
310000 Unexpended Appropriations – Cumulative	1953		
310700 (G) Unexpended Appropriations - Used		1953	

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Post-Closing Trial Balances (transactions 1 through 18)			
<i>Budgetary</i>		<i>Debit</i>	<i>Credit</i>
420100	Total Actual Resources - Collected	3,030	
445000	Unapportioned Authority		3,030
		<u>\$3,030</u>	<u>\$3,030</u>
<i>Proprietary</i>		<i>Debit</i>	<i>Credit</i>
101000 (G)	Fund Balance With Treasury	\$3,030	
134100 (N)	Interest Receivable – Loans [Direct Loans]	335	
134100 (N)	Interest Receivable – Loans [Defaulted Guaranteed Loans]	670	
134500 (N)	Allowance for Loss on Interest Receivable - Loans [Direct Loans]		\$110
134500 (N)	Allowance for Loss on Interest Receivable - Loans [Defaulted Guaranteed Loans]		305
135000 (N)	Loans Receivable [Direct Loans]	2,410	
135000 (N)	Loans Receivable [Defaulted Guaranteed Loans]	2,250	
135900 (N)	Allowance for Loss on Loans Receivable [Direct Loans]		2,365
135900 (N)	Allowance for Loss on Loans Receivable [Defaulted Guaranteed Loans]		1,565
218000 (N)	Loan Guarantee Liability		8,465
310000	Unexpended Appropriations - Cumulative		1,047
331000	Cumulative Results of Operations	5,162	
		<u>\$13,857</u>	<u>\$13,857</u>

FINANCIAL STATEMENTS

**FEDERAL CREDIT PROGRAM BASIC ACCOUNTING AND REPORTING GUIDE
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Direct Loan and Loan Guarantee Agency Balance Sheet As of September 30, 20XX		
	Assets:	
	Intragovernmental	
1.	Fund Balance with Treasury (101000)	\$3,030
4.	Loans Receivable (134100E) (134500E) (135000E) (135900E)	1,320
15.	Total assets	<u>\$4,350</u>
	Liabilities:	
	Intragovernmental	
22.	Loan Guarantee Liability (218000E)	\$8,465
	Net Position:	
30.	Unexpended Appropriations (310000E)	1,047
32.	Cumulative results of operations – Funds From Dedicated Collections (Deficit) (331000E)	(5,162)
36.	Total Net Position –Funds From Dedicated Collections	(4,115)
37.	Total liabilities and net position	<u>\$4,350</u>

Direct Loan and Loan Guarantee Agency Statement of Net Cost for Fiscal Year Ended September 30, 20XX		
	Program Costs	
1.	Gross costs (610000E) (672000E) (721000E)	\$935
2.	Less: earned revenue (520000E) (531200E)	120
3.	Net program costs	\$815
7.	Less: earned revenues not attributed to programs (719000E)	(7)
8.	Net cost of operations	<u>\$808</u>

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Direct Loan and Loan Guarantee Agency Statement of Changes in Net Position for Fiscal Year Ended September 30, 20XX		
	Cumulative Results from Operations:	
	Beginning Balances	
1.	Cumulative Results of Operations (331000)	\$(6,200)
	Budgetary Financing Sources:	
5.	Appropriations used (570000E)	1,953
8.	Transfers-in/out without reimbursement (+/-) (576500E)	(107)
14.	Total Financing Sources (Sum lines 4 -13)	1,846
15.	Net Cost of Operations (+/-) (From Stmt of Net Cost)	(808)
16.	Net Change (Sum lines 14 -15)	1,038
17.	Cumulative Results of Operations (Sum lines 3 and 16)	\$(5,162)
	Unexpended Appropriations:	
18.	Beginning Balance (310000E)	\$ 3,000
20.	Beginning balance, as adjusted (Sum lines 18 and 19)	3,000
	Budgetary Financing Sources:	
24.	Appropriations used (310700E)	(1,953)
25.	Total Budgetary Financing Sources (Sum lines 21 -24)	(1,953)
26.	Total Unexpended Appropriations (Sum lines 20 and 25)	1,047
27.	Net Position (Sum lines 17 and 26)	\$(4,115)

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Direct Loan and Loan Guarantee Agency Statement of Budgetary Resources for Fiscal Year Ended September 30, FY-L		
	Budgetary resources:	
	Unobligated balance brought forward, Oct 1 (420100B, 480100B, 490100B)	\$ 3,600
	Spending authority from offsetting collections (discretionary and mandatory) (415100E, 426100E, 426200E, 426300E, 427600E)	983
	Total budgetary resources (Sum lines 1000 and 1890)	\$ 4,583
	New Obligations and upward adjustments (total) (Note 31) (480100E-B, 490100E-B, 490200E)	1,553
	Unobligated balance, end of year:	
	Apportioned, unexpired account (461000E)	52
	Unapportioned, unexpired accounts (445000E)	2,978
		\$4,583
	(490200)	
	(426100,426200,426300,427600)	

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**Direct Loan and Loan Guarantee Agency
SF 133: Report on Budget Execution and Budgetary Resources & Schedule P Budget
Program and Financing Schedule
for Fiscal Year Ended September 30, FY-L**

BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2140 Unobligated balance carried forward, start of year (420100B) (480100B) (490100B)	\$3,600
2440 Unobligated balance carried forward, end of year (445000E) (461000E)	3,030

NEW BUDGETARY AUTHORITY (GROSS), DETAIL

6800 Spending authority from offsetting collections (426100E) (426200E) (426300E) (427600E)	1,090
---	-------

CHANGE IN OBLIGATED BALANCES

7240 Obligated balance, start of year (480100B) (490100B)	400
7320 Total outlays (gross) (-) (490200E)	(1,953)

OUTLAYS (GROSS), DETAIL

8700 Total outlays (490200E)	1,953
------------------------------	-------

OFFSETS

8800 Federal sources (427600E)	(75)
8840 Non-Federal sources (426100E) (426200E) (426300E)	(1,015)
8890 Total offsetting collections (cash) (-)	(1,090)

NEW BUDGET AUTHORITY AND OUTLAYS

8900 Budget authority (net)	(1,090)
9000 Outlays (net)	863

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(PRE-CREDIT REFORM)**

Quantitative Dollar Information for Credit Program Footnote

This section sets forth the pertinent detail available from the scenario for the required credit program footnote¹⁸ and characterizes the loan guarantee liability as being “pre-Credit Reform.”

CREDIT PROGRAM FOOTNOTE

For loans and guarantees obligated before fiscal 1991:

	Loans Receivable	Interest Receivable	Allowance for Losses	Net Receivables
Direct Loans	\$2,410 (135000)	\$335 (134100)	\$2,475 (134500, 135900)	\$270
Defaulted Guaranteed Loans	2,250 (135000)	670 (134100)	1,870 (134500, 135900)	1,050
Totals	\$4,660	\$1,005	\$4,345	\$1,320 [Must equal Balance Sheet Amount]

Loan Guarantee Liability for loans guaranteed before fiscal 1992: \$8,465 [218000; Must = Bal. Sheet Amt.]

¹⁸See OMB Bulletin No. 01-09, footnote 8.

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APPENDIX: REFERENCES

This appendix lists some key references and Web sites for users who want to obtain additional information.

OFFICE OF MANAGEMENT AND BUDGET

- OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*
- OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*
- OMB Credit Model

OMB Publications Office at 202-395-7332

Office of Federal Financial Management 202-395-3993

Web site: www.whitehouse.gov/omb

FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

Statement of Federal Financial Accounting Standards (SFFAS)

SFFAS No. 1, *Accounting for Selected Assets and Liabilities*

SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*

SFFAS No. 3, *Accounting for Inventory and Related Property*

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources* (including related implementation guide)

SFFAS No. 18, *Amendments to Accounting Standards for Direct and Guaranteed Loans*

SFFAS No. 19, *Technical Amendments to Accounting Standards for Direct and Guaranteed Loans*

Statement of Federal Financial Accounting Concepts No. 2, *Entity and Display* (as amended by SFFAS No. 7)

Accounting and Auditing Policy Committee, Technical Release No. 3: *Preparing and Auditing Direct Loan and Loan Guarantee Subsidies Under the Federal Credit Reform Act*

FASAB Staff at 202-512-7350

Web site: www.fasab.gov

**FEDERAL CREDIT PROGRAM BASIC ACCOUNTING AND REPORTING GUIDE
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TREASURY BUREAU OF THE FISCAL SERVICE

- *U.S. Government Standard General Ledger* (codified in *Treasury Financial Manual*)
- *Budgetary Accounting in the Federal Government*
- Illustrative Scenarios in Accounting for Credit Programs (USSGL Division)
- Present Value Monograph

General Ledger and Advisory Branch (Bureau of the Fiscal Service, Treasury).