**GUIDE FOR BASIC ACCOUNTING AND REPORTING**

**FOR LOAN GUARANTEE PROGRAMS**

**WITHOUT COLLATERAL**

**IN FEDERAL CREDIT PROGRAM**

**PREPARED BY:**

**CREDIT REFORM SUBCOMMITEE AND**

**GENERAL LEDGER AND ADVISORY BRANCH**

**FISCAL ACCOUNTING OPERATIONS**

**BUREAU OF THE FISCAL SERVICE**

**U.S. DEPARTMENT OF THE TREASURY**

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| **Version Number** | **Date** | **Description of Change** | **Effective**  **USSGL TFM** |
| 1.0 | 07/2004 | Original Version | S2-04-01 |
| 2.0 | 09/2012 | Updated case study (account numbers and titles, Transaction Codes, crosswalks) in accordance with T/L S2-12-03. Added MAT, cohorts, changed disbursement schedule. Added new Appendix 2. | S2-12-01 |
| 3.0 | 08/2017 | Updated Transaction Codes, financial statements and appendices. | 2017-06 |

**Overview**

This guide is designed for those who:

* Formulate and execute Federal credit program budgets, including accounting for assets, liabilities, net position, income, and expenses, and budgetary resources;
* Prepare agency financial statements;
* Audit the agency financial statements;
* Manage or provide service to participants in loan guarantee programs;
* Design and maintain computer systems for financial programs;
* Instruct others in basic accounting and reporting for loan guarantee programs without collateral.

The guide is illustrative, rather than authoritative, and is categorized as “other accounting literature” in the hierarchy of accounting principles for Federal entities.[[1]](#footnote-1) It supersedes the original and subsequent loan guarantee scenarios. Users may download the guide from the Bureau of the Fiscal Service (FS) Web site at www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl/ussgl\_htm.

In order to understand and gain the most from the guide, users must have a working knowledge of the following:

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

This guide is a study in accounting and reporting for a discretionary loan guarantee program under the Federal Credit Reform Act of 1990, as amended, for loan guarantees obligated after September 30, 1991. Loan guarantees are any guarantee, insurance, or other pledge for the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, except for the insurance of deposits, shares, or other withdrawals in financial institutions. Loans that are financed by the Federal Financing Bank pursuant to agency loan guarantee authority are treated as direct loans rather than loan guarantees.[[2]](#footnote-2)

Transactions are presented over a 3-year period for a fictitious Federal agency with a single annual loan guarantee program with no risk categories. Transactions for fiscal year 2 show the disposition of the upward re-estimated subsidy accrued in fiscal year 1, as well as additional transactions to demonstrate the use of cohorts, borrowing authority, negative subsidy rates, and interest accruals in relation to inter-governmental eliminations and downward re-estimates. Transactions for fiscal year 3 show the disposition of the downward re-estimated subsidy accrued in fiscal year 2 and repayment of debt. Common transactions and reports are covered in addition to transactions unique to Federal credit program accounting. However, since accounting for certain accruals and undelivered orders with advances are not unique to credit reform accounting, they are not presented. In addition, transactions involving collateral are excluded, since they are covered in a separate guide. Entries are made in general journal form, using USSGL accounts, and are summarized in trial balances for each year.

The transactions covered are:

* Formulation, apportionment, and allotment of the budget;
* Receipt of subsidy and administrative expense appropriations;
* Payment of administrative expenses;[[3]](#footnote-3)
* Commitment to make loan guarantees;
* Transfer of subsidy from the program to the financing fund;
* Transfer of negative subsidy from the financing fund to the general fund
* Collection of guarantee fees;
* Payment of interest supplements;
* Payment of default claims;
* Assuming defaulted guaranteed loans and interest for direct collection
* Collection of loan principal and interest on defaulted guaranteed loans;
* Modification of guarantee terms, with resulting adjustment to program level;
* Collection of interest from Treasury;
* Accrual of interest from borrowers;
* Accrual of inter-governmental interest;
* Write-off of bad debts without receiving collateral;
* Recording the interest accumulation factor on the loan guarantee liability and loan assets;
* Recording of data on guaranteed loans supplied by third-party lenders;
* Accrual, receipt and disbursement of upward and downward subsidy re-estimates and related interest; and
* Closing entries.

While financing funds may borrow money if there is not enough Fund Balance With Treasury to meet requirements for disbursements, in general, financing funds obtain money for disbursements primarily from:

* Offsetting collections, including those from the program fund (for basic and upward re-estimated subsidy);
* Treasury (for interest); and
* Non-Federal sources (such as guarantee fees from program participants or collections of defaulted guaranteed loan principal and interest from borrowers).

The yearend agency reports are listed below:

* Balance Sheet;
* Statement of Net Cost;
* Statement of Changes in Net Position;
* Statement of Budgetary Resources;
* Financing Footnote
* Fund Balance with Treasury Footnote
* Program and Financing Schedule (Schedule P); and
* Credit Program Footnote (including the Schedule of Changes in the Allowance for Subsidy).

An SF 132: Apportionment and Reapportionment Schedule report is furnished at the beginning of each year. These SF132s represent single year funding of subsidy.

This guide includes two appendices. Appendix 1 discusses basic differences encountered in mandatory programs. Appendix 2 provides a listing of key references related to credit program accounting. If the references change, this document will be updated accordingly and published on the USSGL Website at https://www.fiscal.treasury.gov/fsreports/ref/ussgl/creditreform/casestud.htm

Users may send questions to the USSGL Website at www.fiscal.treasury.gov/fsreports/ref/ussgl/form-issues.htm by using the online USSGL Issue Form. This Website also provides a list of the General Ledger and Advisory Branch representatives and their telephone numbers.

**Listing of USSGL Accounts Used in This Scenario**

**Program Fund**

|  |  |
| --- | --- |
| **Account Number** | **Account Title** |
| **Budgetary** |  |
| 411500 | Loan Subsidy Appropriation |
| 411700 | Loan Administrative Expense Appropriation |
| 411800 | Reestimated Loan Subsidy Appropriation |
| 412000 | Anticipated Indefinite Appropriations |
| 420100 | Total Actual Resources-Collected |
| 445000 | Unapportioned Authority |
| 451000 | Apportionments |
| 459000 | Apportionments - Anticipated Resources - Programs Subject to Apportionments |
| 461000 | Allotments - Realized Resources |
| 465000 | Allotments - Expired Authority |
| 480100 | Undelivered Orders – Obligations, Unpaid |
| 487100 | Downward Adjustments of Prior Year Unpaid Undelivered Orders- Obligations, Recoveries |
| 490200 | Delivered Orders – Obligations, Paid [Re-estimated Subsidy and Interest] |
| 490200 | Delivered Orders – Obligations, Paid [Other] |
|  |  |
| **Proprietary** |  |
| 101000 | Fund Balance With Treasury |
| 131000 | Accounts Receivable [Subsidy Receivable From Financing Fund] |
| 217000 | Subsidy Payable to Financing Account |
| 310000 | Unexpended Appropriations – Cumulative |
| 310100 | Unexpended Appropriations – Appropriations Received |
| 310700 | Unexpended Appropriations – Used |
| 331000 | Cumulative Results of Operations |
| 570000 | Expended Appropriations |
| 579100 | Adjustment to Financing Sources – Credit Reform |
| 610000 | Operating Expenses/Program Costs [Administrative Expense] |
| 610000 | Operating Expenses/Program Costs [Basic and Modified Subsidy] |
| 619900 | Adjustment to Subsidy Expense [[4]](#footnote-4) |
| 680000 | Future Funded Expenses [Subsidy Re-estimate – Technical][[5]](#footnote-5) |
| 680000 | Future Funded Expenses [Subsidy Re-estimate - Interest Rate] |
| 719000 | Other Gains |
| 729000 | Other Losses |

**Financing Fund**

|  |  |
| --- | --- |
| **Account Number** | **Account Title** |
| **Budgetary** |  |
| 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 |
| 412000 | Anticipated Indefinite Appropriations |
| 412500 | Loan Modification Adjustment Transfer Appropriation |
| 414100 | Current Year Borrowing Authority Realized |
| 414200 | Actual Repayment of Borrowing Authority Converted to Cash |
| 414300 | Current Year Decreases to Indefinite Borrowing Authority Realized |
| 414500 | Borrowing Authority Converted to Cash |
| 414800 | Resources Realized from Borrowing Authority |
| 415100 | Actual Capital Transfers to the General Fund of The U.S. Government, Current Year |
| 420100 | Total Actual Resources – Collected |
| 422100 | Unfilled Customer Orders Without Advance |
| 426100 | Actual Collection of Business-Type Fees |
| 426200 | Actual Collection of Loan Principal |
| 426300 | Actual Collection of Loan Interest |
| 427100 | Actual Program Fund Subsidy Collected |
| 427300 | Interest Collected From Treasury |
| 428300 | Interest Receivable from Treasury |
| 445000 | Unapportioned Authority |
| 451000 | Apportionments |
| 459000 | Apportionments - Anticipated Resources - Programs Subject to Apportionments |
| 461000 | Allotments - Realized Resources |
| 480100 | Undelivered Orders – Obligations, Unpaid |
| 490200 | Delivered Orders – Obligations, Paid [Other] |
|  |  |
| **Proprietary** |  |
| 101000 | Fund Balance With Treasury |
| 131000 | Accounts Receivable [Subsidy Receivable From Program Fund] |
| 134100 | Interest Receivable - Loans [Defaulted Guaranteed Loans] |
| 135000 | Loans Receivable [Defaulted Guaranteed Loans] |
| 139900 | Allowance for Subsidy [Defaulted Guaranteed Loans] |
| 214100 | Accrued Interest Payable – Loans |
| 218000 | Loan Guarantee Liability |
| 251000 | Principal Payable to the Bureau of the Fiscal Service |
| 299000 | Other Liabilities without Related Budgetary Obligations [Re-estimate payables] |
| 310100 | Unexpended Appropriations – Appropriations Received |
| 310700 | Unexpended Appropriations – Used |
| 331000 | Cumulative Results of Operations[[6]](#footnote-6) |
| 531200 | Interest Revenue – Loans Receivable/Uninvested Funds [Treasury] and Non-Federal [Borrower] |
| 531300 | Interest Revenue – Subsidy Amortization [Defaulted Guarantee Loans] |
| 570000 | Expended Appropriations |
| 576600 | Nonexpenditure Financing Sources – Transfers Out – Capital Transfers |
| 577600 | Nonbudgetary Financing Sources Transferred Out |
| 579100 | Adjustment to Financing Sources – Credit Reform |
| 631000 | Interest Expenses on Borrowing From Bureau of the Fiscal Service and/or Federal Financing Bank |
| 634000 | Interest Expense Accrued on the Liability for Loan Guarantees |
| 801000 | Guaranteed Loan Level |
| 801500 | Guaranteed Loan Level - Unapportioned |
| 802000 | Guaranteed Loan Level - Apportioned |
| 804000 | Guaranteed Loan Level - Used Authority |
| 804500 | Guaranteed Loan Level - Unused Authority |
| 805000 | Guaranteed Loan Principal Outstanding |
| 805300 | Guaranteed Loan New Disbursement by Lender |
| 806500 | Guaranteed Loan Collections, Defaults and Adjustments |
| 807000 | Guaranteed Loan Cumulative Disbursements by Lenders |

**Conceptual Framework**

Pre-closing equation: 801000 = 801500 + 802000 + 804000 + 804500

805000 = 805300 - 8065000

Post-closing equation: 801000 = 804000 + 804500

805000 = 807000

**Miscellaneous Receipt Account**

|  |  |
| --- | --- |
| **Account Number** | **Account Title** |
| **Budgetary** |  |
| No Entries |  |
|  |  |
| **Proprietary** |  |
| 101000 | Fund Balance With Treasury |
| 131000 | Accounts Receivable [Subsidy Receivable From Financing Fund] |
| 298500 | Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity |
| 575600 | Nonexpenditure Financing Sources – Transfers In – Capital Transfers |
| 577500 | Nonbudgetary Financing Sources Transferred In |
| 599300 | Offset to Non-Entity Collections – Statement of Changes in Net Position |
| 599400 | Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position |

**Scenario Assumptions**

This guide uses numbers and titles for USSGL accounts. When necessary, titles for USSGL accounts are expanded by using brackets to capture, clarify, or add specific information, for illustrative purposes only. For example, administrative expense, “[Administrative Expense]” is included after the title for USSGL 610000 account, “Operating Expenses/Program Costs.” In the same manner, for interest supplement expense, “[Interest Supplement],” is included after the title for the USSGL 610000 account. The USSGL TFM Supplement, Section II, contains definitions for USSGL accounts.

Entries are in general journal form, using USSGL accounts, and are summarized in trial balances for each year. Note that the financing fund is used only in the transactions for Post-Credit Reform scenarios, and the liquidating fund is used only in the transactions for Pre-Credit Reform scenarios.

USSGL accounts that, by themselves, do not directly provide the reporting that is illustrated, are supplemented with additional detail. 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 to accomplish the same result.

**USSGL Scenario**

**Loan Guarantee Program**

**Fiscal Year 1**

The loan guarantee Agency has been authorized to guarantee loans beginning in fiscal year 1. It has authority to guarantee 80 percent of the principal and related interest of $100,000 in loans. The agency has a single, discretionary loan guarantee program with no risk categories.[[7]](#footnote-7) For fiscal year 1, Congress has authorized annual appropriations for basic subsidy, modified subsidy, and administrative expenses and provided that the program is subject to the Federal Credit Reform Act of 1990, as amended.

**Transactions To Be Recorded in the Program and Financing Fund**

1. The agency’s subsidy model indicated that, for the $100,000 of loan guarantees, a 21.5

percent subsidy was indicated as follows:

• Present value of expected defaults is 20 percent, or $20,000;

• Present value of guarantee fees to be collected is (.5) percent or $500 (all anticipated this year), and

• Present value of interest supplements to be paid to third-party lenders as loans are guaranteed, to buy down interest rates, is 2 percent or $2,000.

1. The agency has appropriated administrative expenses for fiscal year 1 in the amount of $5,000.
2. The agency estimates the following financing fund collections for the year:

• $21,500 of subsidy from the program fund;

• $1,200 of interest from Treasury on unused balances in the financing fund;

• $510[[8]](#footnote-8) for program participants for guarantee fees; and

• $50 for principal and $200 for interest on defaulted guaranteed loans.

1. The agency expects to use financing fund resources as follows:

• $3,500 for payment of default claims (80% Guarantee of $4,375 Default); and

• $2,000 for payment of interest supplements.

Based on the above information the agency has prepared the following requests for apportionment:

**Loan Guarantee Agency**

**Fiscal Year 1[[9]](#footnote-9)**

|  |  |  |  |
| --- | --- | --- | --- |
| **SF 132 Apportionment/Reapportionment Schedule** | | | |
|  | **BUDGETARY RESOURCES** | **Program Fund** | **Financing Fund** |
|  | **Budget authority:** |  |  |
|  | **Appropriations, discretionary:** |  |  |
| 1100 | Appropriation | 26,500 |  |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |
| 1840 | Anticipated Collections, Reimbursements, and Other Income |  | 23,460 |
| 1920 | Total Budgetary Resources | 26,500 | 23,460 |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |
|  | **Category B (by project)** |  |  |
| 6011 | Direct Loan Subsidy | 21,500 |  |
| 6012 | Default |  | 3,500 |
| 6013 | Administrative Expense | 5,000 |  |
| 6014 | Interest Supplements |  | 2,000 |
| 6182 | Unapportioned Balance of Revolving Fund |  | 17,960 |
| **SF 132 Apportionment/Reapportionment Schedule** | | | |
| 6190 | Total Budgetary Resources Available | 26,500 | 23,460 |
|  | **GUARANTEED LOAN LEVELS AND APPLICATIONS** |  |  |
| 8100 | Program Level, Current Year |  | 100,000 |
| 8211 | Guarantee Loan Program |  | 100,000 |

**Illustrative Transactions for Year 1**

1-1 To record the enactment of appropriations.

**Program Fund[[10]](#footnote-10)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 411500 Loan Subsidy Appropriation | 21,500 |  |  |
| 411700 Loan Administrative Expense Appropriation | 5,000 |  |  |
| 445000 Unapportioned Authority |  | 26,500 |  |
| **Proprietary Entry** |  |  | A104 |
| 101000 Fund Balance With Treasury | 26,500 |  |  |
| 310100 Unexpended Appropriations – Appropriations Received |  | 26,500 |  |

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 406000 Anticipated Collections from Non-Federal Sources  407000 Anticipated Collections from Federal Sources  445000 Unapportioned Authority  **Proprietary Entry**  None | 760  22,700 | 23,460 | A140 |
|  |  |  |  |

**Memorandum Accounts - Loan Guarantee Level[[11]](#footnote-11)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  None  **Memorandum Entry**  801000 Guaranteed Loan Level | 100,000 |  |  |
| 801500 Guaranteed Loan Level – Unapportioned |  | 100,000 | G102 |

1-2 OMB approved the agency’s request for apportionment, and the agency recorded the apportionment.

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 445000 Unapportioned Authority | 26,500 |  |  |
| 451000 Apportionments |  | 26,500 | A116 |
| **Proprietary Entry**  None |  |  |  |

**Financing Fund[[12]](#footnote-12)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 445000 Unapportioned Authority | 5,500 |  |  |
| 459000 Apportionments - Anticipated Resources-Programs Subject to  Apportionment |  | 5,500 | A118R |
| **Proprietary Entry**  None |  |  |  |

**Memorandum Accounts - Loan Guarantee Level**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None |  |  |  |
|  |  |  |  |
| **Proprietary Entry**  None  **Memorandum Entry**  801500 Guaranteed Loan Level - Unapportioned  802000 Guaranteed Loan Level – Apportioned | 100,000 | 100,000 | G104 |

1-3 Issued a blanket authorization to allot anticipated resources as they were realized, not to exceed the amount of the apportionment.

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 451000 Apportionments | 26,500 |  |  |
| 461000 Allotments - Realized Resources |  | 26,500 | A120 |
| **Proprietary Entry**  None |  |  |  |

**Financing Fund**[[13]](#footnote-13)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None |  |  |  |
|  |  |  |  |
| **Proprietary Entry**  None |  |  |  |

1-4. The agency paid administrative expenses of $4,000 for salaries and $950 for rent to GSA. It placed no undelivered orders nor made accruals before payment.

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources | 4,950 |  |  |
| 490200 Delivered Orders – Obligations, Paid [Other] |  | 4,950 | B106 |
| **Proprietary Entry [[14]](#footnote-14)**  610000 (NF) Operating Expenses/Program Costs [Administrative Expenses]  101000 Fund Balance With Treasury  310700 Unexpended Appropriations – Used  570000 Expended Appropriations610000 (F) (TP 47-Main-XXXX) Operating Expenses/Program Costs  570000 Expended Appropriations | 4,000  4,000  950 | 4,000  4,000  950 | B134 |

1-5 The agency agreed to make $90,000 in guarantees, subject to the third-party lenders and their borrowers meeting conditions placed on them.

**Program Fund[[15]](#footnote-15)**

|  |  |  |  |
| --- | --- | --- | --- |
| Obligated subsidy to be transferred to financing fund. |  |  |  |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources  480100 Undelivered Orders – Obligations, Unpaid | 19,350 |  |  |
|  |  | 19,350 | B306 |
| **Proprietary Entry**  None |  |  |  |

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To recognize the subsidy to be transferred from the program fund. |  |  |  |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 422100 Unfilled Customer Orders Without Advance | 19,350 |  |  |
| 407000 Anticipated Collections From Federal Sources  **Proprietary Entry**  None |  | 19,350 | C101 |

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To record allotment of realized subsidy.[[16]](#footnote-16) |  |  |  |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 459000 Apportionments - Anticipated Resources   - Programs Subject to Apportionments  461000 Allotments - Realized Resources  **Proprietary Entry**  None | 5,500 | 5,500 | A122 |

**Memorandum Accounts - Loan Guarantee Level**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  None  **Memorandum Entry[[17]](#footnote-17)** |  |  |  |
| 802000 Guaranteed Loan Level – Apportioned  804000 Guaranteed Loan Level – Used Authority | 90,000 | 90,000 | G106 |

1-6. Third-party lenders disbursed $87,000 of the guaranteed loans, and the agency transferred subsidy from the program to the financing fund.

**Program Fund[[18]](#footnote-18)**

|  |  |  |  |
| --- | --- | --- | --- |
| To record payment of subsidy to financing fund. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid [Other] | 18,705 | 18,705 | A146 |
|  |  |  |  |
|  |  |  |  |
| **Proprietary Entry** |  |  |  |
| 610000 Operating Expenses/Program Costs  [Basic and Modified Subsidy Expense]  101000 Fund Balance With Treasury    310700 Unexpended Appropriations - Used  570000 Expended Appropriations | 18,705  18,705 | 18,705  18,705 | B134 |
|  |  |  |  |

**Financing Fund[[19]](#footnote-19)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 427100 Actual Program Fund Subsidy Collected  422100 Unfilled Customer Orders Without Advance | 18,705 | 18,705 |  |
|  |  |  |  |
|  |  |  |  |
| **Proprietary Entry** |  |  |  |
| 101000 Fund Balance With Treasury  218000 Loan Guarantee Liability | 18,705 | 18,705 | C103 |
|  |  |  |  |

**Memorandum Accounts - Loans Disbursed**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  None  **Memorandum Entry** |  |  |  |
| 805000 Guaranteed Loan Principal Outstanding  805300 Guaranteed Loan New Loan Disbursements by Lender | 87,000 | 87,000 | G108 |

1-7. The agency collected fees of $480 from the program participants as a condition of making the guarantees[[20]](#footnote-20).

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To record collection of fees. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 426100 Actual Collection of Business-Type Fees  406000 Anticipated Collections from Non-Federal Sources  **Proprietary Entry**  101000 Fund Balance With Treasury  218000 Loan Guarantee Liability 480 | 480  480 | 480  480 | C117 |
|  |  |  |  |

1-8. The agency paid interest supplements of $1,940 to the third party-lenders. It had made no previous accrual.

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To record interest supplements | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources  490200 4902000 Delivered Orders – Obligations, Paid [Other]  **Proprietary Entry**  218000 Loan Guarantee Liability  101000 Fund Balance With Treasury  490200 Delivered Orders – Obligations, Paid [Other] 480 | 1,940  1,940 | 1,940    1,940 | B104 |

**\*\*\*\*\*Though separated here for purposes of illustration, agencies would normally record transactions 1-6 - 1-8 simultaneously.\*\*\*\*\*\***

1-9. The agency paid third-party lender claims of $3,500 to honor 80% guarantee of $4,375 of defaulted loan principal.

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources  490200 4902000 Delivered Orders – Obligations, Paid [Other]  **Proprietary Entry**  218000 Loan Guarantee Liability  101000 Fund Balance With Treasury  490200 Delivered Orders – Obligations, Paid [Other] 480 | 3,500    3,500 | 3,500    3,500 | B104 |

**Memorandum Accounts - Loans Disbursed**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  None  **Memorandum Entry**  806500 Guaranteed Loan Collections, Defaults, and Adjustments  805000 Guaranteed Loan Principal Outstanding | 4,375 | 4,375 | G110 |

1-10. The agency acquired receivables for loans of $3,500 and interest of $1,250 in conjunction with the defaults. The agency will attempt to collect this money directly from the borrowers. The present value of cash flows related to the loans is estimated to be $3,000.[[21]](#footnote-21)

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To establish accounts receivable for defaulted loan. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry** |  |  |  |
| 134100 (N) Interest Receivable -Loans [Defaulted Guaranteed Loans]  135000 (N) Loans Receivable [Defaulted Guaranteed Loans]  139900 (N) Allow. for Subs. [Defaulted Guaranteed Loans]  218000 (N) Loan Guarantee Liability 1,750  3,000 | 1,250  3,500 | 1,750  3,000 | C428 |

**\* \* \* \* \* Though separated here for illustrative purposes, agencies would normally record transactions 1-9 and 1-10 simultaneously. \* \* \* \* \***

1-11. The agency collected principal of $40 and interest of $200 on the loans acquired in transaction 1-10.

**Financing Fund[[22]](#footnote-22)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 426200 Actual Collection of Loan Principal  426300 Actual Collection of Loan Interest  406000 Anticipated Collections From Non-Federal Sources  **Proprietary Entry**  101000 Fund Balance With Treasury  134100 Interest Receivable - Loans [Defaulted Guaranteed Loans]  135000 Loans Receivable [Defaulted Guaranteed]  40 48 | 40  200  240 | 240    200  40 | C109 |

1-12. After consultation and agreement with OMB, the agency decided to exercise a clause in the program’s legislation allowing it to modify the terms of the guarantees because of economic downtrends. (OMB Circular A-11 185.7) In this example a positive subsidy between the calculation of the NPV of the remaining pre-modification ($21,500) cash flows and the calculation of the NPV of remaining post-modification cash flows ($20,500) resulted in the Government incurring an additional $1,000 subsidy cost due to the modification. The agency also calculated a modification adjustment transfer of $10.

The agency submitted a new request for apportionment (SF-132) for the financing fund, showing the reduced loan guarantee level, and OMB approved it., Since the agency had already apportioned subsidy monies in the program fund, a new request for apportionment of program fund resources may not be required.[[23]](#footnote-23)

**Loan Guarantee Agency**

**Fiscal Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
| **SF 132 Apportionment/Reapportionment Schedule** | | |  |
|  | **BUDGETARY RESOURCES** | **Financing Fund** | **Program Fund** |
|  | **Budget authority:** |  |  |
|  | **Appropriations, discretionary:** |  |  |
| 1100 | **Appropriation** |  | 26,500 |
|  | **Appropriations, mandatory:** |  |  |
| 1250 | Anticipated Appropriation | 10 |  |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |
| 1800 | Collected | 19,425 |  |
| 1801 | Change in Uncollected Payments, Federal Sources | 645 |  |
| 1840 | Anticipated Collections, Reimbursements, and Other Income | 3,390 |  |
| 1920 | Total Budgetary Resources | 23,470 |  |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |
|  | **Category B (by project)** |  |  |
| 6011 | Direct Loan Subsidy |  | 20,500 |
| 6012 | Default | 3,500 |  |
| 6013 | Admin Expense |  | 5,000 |
| 6014 | Interest Supplements | 2,000 |  |
| 6015 | Modifications |  | 1,000 |
| 6182 | Unapportioned Balance of Revolving Fund | 17,970 |  |
| 6190 | Total Budgetary Resources Available | 23,470 |  |
|  | **GUARANTEED LOAN LEVELS AND APPLICATIONS** |  |  |
| 8100 | Program Level, Current Year[[24]](#footnote-24) | 95,349 |  |
| 8211 | Guarantee Loan Program | 95,349 |  |

1-12. Transactions for 1–12 are following:

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To transfer funds to financing funds for modification | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources  490200 Delivered Orders – Obligations, Paid [Other] 1,000  **Proprietary Entry**  610000 (N) Operating Expenses/Program Costs  [Basic and Modified Subsidy Expense] 1,000  101000 Fund Balance With Treasury 1,000    310700 Unexpended Appropriations - Used  570000 Expended Appropriations 1,000 | 1,000  1,000  1,000 | 1,000      1,000  1,000 | B106    B134 |

Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To record collection from program fund. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 427100 Actual Program Fund Subsidy Collected  407000 Anticipated Collections From Federal Sources  Proprietary Entry  101000 Fund Balance With Treasury  218000 Loan Guarantee Liability 1,000 | 1,000  1,000 | 1,000    1,000 | C103 |

Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To record new SF132 entry | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 412000 Anticipated Indefinite Appropriation  445000 Unapportioned Authority  Proprietary Entry  None | 10 | 10 | A102 |

Program Fund

|  |  |  |  |
| --- | --- | --- | --- |
| To record warrant received for modification adjustment transfer | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  Proprietary Entry  729000 (N) Other Losses  579100 Adjustment to Financing Sources – Credit Reform | 10 | 10 | A206 |

Financing Fund

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**[[25]](#footnote-25) |  |  |  |
| 412500 Loan Modification Adjustment Transfer[[26]](#footnote-26)  412000 Anticipated Indefinite Appropriation  Proprietary Entry  101000 Fund Balance with Treasury[[27]](#footnote-27)  310100 Unexpended Appropriations - Received  579100 Adjustment to Financing Sources – Credit Reform  218000 Loan Guarantee Liability  310700 Unexpended Appropriations – Used  570000 Expended Appropriations | 10  10  10  10 | 10    10  10  10 | A202  A104  D147R  B134 |

**Memorandum Accounts - Loan Guarantee Level[[28]](#footnote-28)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  None  **Memorandum Entry** |  |  |  |
| 802000 Loan Guarantee Level - Apportioned | 4,651 |  | G102R |
| 801000 Guaranteed Loan Level |  | 4,651 | G104R |

1-13. Treasury credited $1,160 to the financing fund for interest the fund earned on its unused Fund Balance With Treasury during the year.

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 427300 Interest Collected From Treasury  407000 Anticipated Collections from Federal Sources  Proprietary Entry  101000 Fund Balance With Treasury  531200 (F) TP 020 Main 1880 Interest Revenue – Loans Receivable /  Uninvested Funds | 1,160  1,160 | 1,160  1,160 | C109  C420 |

1-14. The agency accrued loan interest of $5 on the defaulted guaranteed loan principal*.*

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  134100 (NF) Interest Receivable- Loans [Defaulted Guaranteed Loans]  531200(NF) Interest Revenue – Loans Receivable / Uninvested Funds | 5 | 5 | C420 |

1-15. The agency determined that it could not collect $10 of loan principal and $20 of loan interest and wrote off the receivables.[[29]](#footnote-29)

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  139900 (NF) Allow. for Subsidy [Defaulted Guar. Loan Assets  134100 (NF) Interest Receivable -Loans  135000 (NF) Loans Receivable [Defaulted Guaranteed] | 30 | 20  10 | D414 |

1-16. The agency accrued interest of $1,160 on its loan guarantee liability and $5 on the subsidy amortization present value calculated at reestimate of its loans. *Note: The interest accumulation factor[[30]](#footnote-30) must equal the amount of interest income received from Treasury–$1,160* (see transaction 1-13).

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  531300 (NF) Interest Revenue – Subsidy Amortization  139900 (NF) Allowance for Subs. [Defaulted Guar. Loan Assets]    634000(NF) Interest Exp Accrual on Liability for Loan Guarantee  218000(NF) Loan Guarantee Liability | 5  1,160 | 5      1,160 | E118      E122 |

1-17. Third-party lenders reported that they had collected $10,000 on guaranteed loans in the cohort.

**Financing Fund**

**Memorandum Accounts for Loans Disbursed**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  None  **Memorandum Entry** |  |  |  |
| 806500 Guaranteed Loan Collections, Defaults, and Adjustments  805000 Guaranteed Loan Principal Outstanding | 10,000 | 10,000 | G110 |
|  |  |  |  |

1-18. At year-end the agency determined that an upward subsidy expense re-estimate related to the loan guarantee of $23 was required. Since the loans were over 90% disbursed an interest rate re-estimate is required as well as a technical re-estimate. The breakdown was as follows:

Interest Rate Reestimate (13)

Technical Reestimate 33

Interest on Technical Reestimate 3

Total Reestimate 23

**Program Fund[[31]](#footnote-31)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  680000 (NF) Future Funded Expenses  [Subsidy Expense - Re-estimates – Technical]  217000 (F) (Agency Main gtd) Subsidy Payable to Financing Account[[32]](#footnote-32) | 36 | 23 | B420 |
| 680000 (NF) Future Funded Expenses  [Subsidy Expense – Re-estimates – Interest Rate] |  | 13 | B420 |

**Financing Fund[[33]](#footnote-33)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  131000 (F) (TP Agency Main) Accounts Receivable  [Subsidy Receivable from Program Fund][[34]](#footnote-34) | 23 |  |  |
| 139900 (NF) Allow. for Subs. [Defaulted Guar. Loans Rec.]  218000 (NF) Loan Guarantee Liability | 7 | 30 | C438 |

In requesting SF132 and in President’s budget the Interest Rate Re-estimate and Technical Re-estimate are added together. If this amount is positive in total, it is an upward re-estimate. The interest is looked at by itself and includes any financing account adjustments. If this amount is positive in total, it is an upward re-estimate. If either of the pieces are negative, that piece is a downward re-estimate (See year 2 for downward re-estimate entries)

**Pre-Closing Entries**

**1-19**

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To close anticipated resources | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 445000 Unapportioned Authority  406000 Anticipated Collections from Non-Federal Sources  407000 Anticipated Collections from Federal Sources | 1,230 | 40  1,190 | F112 |
| **Proprietary Entry**  None |  |  |  |
|  |  |  |  |

**Year 1**

|  |  |  |
| --- | --- | --- |
| **Pre-Closing Adjusted Trial Balance** | | |
|  | **Program Fund**  **Debit/(Credit)** | **Financing Fund**  **Debit/(Credit)** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 411500 Loan Subsidy Appropriation | 21,500 |  |
| 411700 Loan Administrative Expense Appropriation | 5,000 |  |
| 412500 Loan Modification Adjustment Transfer Appropriation |  | 10 |
| 422100 Unfilled Customer Orders Without Advance |  | 645 |
| 426100 Actual Collections of Business-Type Fees |  | 480 |
| 426200 Actual Collections of Loan Principal |  | 40 |
| 426300 Actual Collections of Loan Interest |  | 200 |
| 427100 Actual Program Fund Subsidy Collected |  | 19,705 |
| 427300 Interest Collected From Treasury |  | 1,160 |
| 445000 Unapportioned Authority |  | (16,740) |
| 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment |  | - |
| 461000 Allotments - Realized Resources | (1,200) | (60) |
| 480100 Undelivered Orders - Obligations, Unpaid | (645) |  |
| 490200 Delivered Orders – Obligations, Paid [Other] | (24,655) | (5,440) |
| **Total** | **0** | **0** |
|  |  |  |
| **Proprietary** |  |  |
| 101000 Fund Balance With Treasury | 1,845 | 16,155 |
| 131000 (F TP Main) Accounts Receivable (Subsidy Recv.) |  | 23 |
| 134100 (NF) Interest Receivable – Loans |  | 1,035 |
| 135000 (NF) Loans Receivable |  | 3,450 |
| **Pre-Closing Adjusted Trial Balance (Continued)** | | |
| 139900 (NF) Allowance for Subsidy |  | (1,718) |
| 217000 (F TP Main) Subsidy Payable to the Financing Account | (23) |  |
| 218000 (NF) Loan Guarantee Liability |  | (18,945) |
| 310100 Unexpended Appropriations - Appropriations Received | (26,500) | (10) |
| 310700 Unexpended Appropriations - Used | 24,655 | 10 |
| 531200 (F TP 020 Main 1880) Interest Revenue - Loans Receivable/Uninvested Funds (Treasury) |  | (1,160) |
| 531200 (NF) Interest Revenue- Loans Receivable/Uninvested Funds |  | (5) |
| 531300 Interest Revenue - Subsidy Amortization (Int. on PV Assets) |  | (5) |
| 570000 Expended Appropriations | (24,655) | (10) |
| 579100 Adjustment to Financing Sources - Credit Reform | (10) | 10 |
| 610000 (NF) Operating Expenses/Program Costs (Admin.) | 4,000 |  |
| 610000 (F TP 047 Main XXXX) Operating Expenses/ Program Costs (Admin.) | 950 |  |
| 610000 Operating Expenses/Program Costs (Subsidy) | 19,705 |  |
| 634000 Interest Expense Accrued on the Liability for Loan Guarantees (Int. on PV of LGL) |  | 1,160 |
| 680000 Future Funded Expenses (Subs. Reest. Tech.) | 36 |  |
| 680000 Future Funded Expenses (Subs. Reest. Int.) | (13) |  |
| 729000 Other Losses | 10 |  |
| **Total** | **0** | **0** |

|  |  |  |
| --- | --- | --- |
| **Pre-Closing Adjusted Trial Balance (Continued)** | | |
|  |  | |
| **Debit(Credit)** |  |
| **Loan Guarantee Level** |  |  |
| **Memorandum Accounts** |  |  |
| 801000 Guaranteed Loan Level | 95,349 |  |
| 801500 Guaranteed Loan Level - Unapportioned |  |  |
| 802000 Guaranteed Loan Level - Apportioned | (5,349) |  |
| 804000 Guaranteed Loan Level - Used Authority | (90,000) |  |
| 804500 Guaranteed Loan Level - Unused Authority |  |  |
| **Total** | **0** |  |

|  |  |  |
| --- | --- | --- |
| **Loans Disbursed** |  |  |
| **Memorandum Accounts** |  |  |
| 805000 Guaranteed Loan Principal Outstanding | 72,625 |  |
| 805300 Guaranteed Loan New Disbursements by Lender | (87,000) |  |
| 806500 Guaranteed Loan Collections, Defaults, and Adjustments | 14,375 |  |
| 807000 Guaranteed Loan Cumulative Disbursements by Lenders |  |  |
| **Total** | **0** |  |

1-20 The agency made closing entries.

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate net cash resources | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 490200 Delivered Orders – Obligations, Paid  420100 Total Actual Resources – Collected | 24,655  1,845 |  | F302 |
| 411500 Loan Subsidy Appropriation  411700 Loan Administrative Expense Appropriation  **Proprietary Entry**  None |  | 21,500  5,000 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| To close unobligated authority | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources  465000 Allotments - Expired Authority  **Proprietary Entry**  None | 1,200 | 1,200 | F312 |

|  |  |  |  |
| --- | --- | --- | --- |
| To close financing sources and expenses | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry** |  |  |  |
| 570000 Expended Appropriations  579100 Adjustments to Financing Sources  331000 Cumulative Results of Operations  680000 Future Funded Expenses  [Re-estimated Subsidy Expense - Interest Rate]  610000 Operating Expenses/Program Costs  [Administrative Expenses]  610000 Operating Expenses/Program Costs  [Basic and Modified Subsidy Expense]  680000 Future Funded Expenses  [Re-estimated Subsidy Expense – Technical]  729000 Other Losses | 24,655  10  23  13 | 4,950  19,705  36  10 | F336 |

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate unexpended appropriations | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry** |  |  |  |
| 310100 Unexpended Appropriations – App. Received  310000 Unexpended Appropriations - Cumulative  310700 Unexpended Appropriations - Used | 26,500 | 1,845  24,655 | F342 |

**Financing Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate net cash resources | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 490200 Delivered Orders – Obligations, Paid  420100 Total Actual Resources – Collected  426100 Actual Collection of Business-Type Fees  426200 Actual Collection of Loan Principal  426300 Actual Collection of Loan Interest  427100 Actual Program Fund Subsidy Collected  427300 Interest Collected From Treasury  412500 Loan Modification Adjustment Transfer Appropriation  **Proprietary Entry**  None | 5,440  16,155 | 480  40  200  19,705  1,160  10 | F302    F314 |

|  |  |  |  |
| --- | --- | --- | --- |
| To close unobligated authority | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 461000 Allotments - Realized Resources  445000 Unapportioned Authority  **Proprietary Entry**  None | 60 | 60 | F308 |

|  |  |  |  |
| --- | --- | --- | --- |
| To close financing sources and expenses[[35]](#footnote-35) | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry** |  |  |  |
| 531200 Interest Revenue –  Loans Receivable/Uninvested Funds [Treasury]  531300 Interest Revenue – Subsidy Amortization  570000 Expended Appropriations  634000 Interest Exp Accrual on Liability for Loan Guarantee  [Interest Accumulation Factor on PV of LGL]  579100 Adjustments to Financing Sources | 1,160  20  10 | 1,160  10 | F336 |

|  |  |  |  |
| --- | --- | --- | --- |
| To consolidate unexpended appropriations | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  310100 Unexpended Appropriations – Appropriations Received  310700 Unexpended Appropriations – Used | 10 | 10 | F342 |

**Memorandum Accounts**

|  |  |  |  |
| --- | --- | --- | --- |
| Loan Guarantee Level | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  None  **Memorandum Entry** |  |  |  |
| 802000 Guaranteed Loan Level – Apportioned  804500 Guaranteed Loan Level - Unused Authority  804500 Guaranteed Loan Level – Unused Authority [[36]](#footnote-36)  801000 Guaranteed Loan Level | 5,349  5,349 | 5,349    5,349 | F346    F352 |

|  |  |  |  |
| --- | --- | --- | --- |
| Loans Disbursed | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  None  **Memorandum Entry** |  |  |  |
| 805300 Guaranteed Loans New Disbursements by Lenders  807000 Guaranteed Loan Cumulative. Disbursements by Lenders  807000 Guaranteed Loan Cumulative. Disbursements by Lenders  806500 Guaranteed Loans Collections, Defaults, and Adjustments | 87,000  14,375 | 87,000    14,375 | F348    F350 |

**Year 1**

|  |  |  |
| --- | --- | --- |
| **Post-Closing Trial Balance** | | |
|  | **Program Fund**  **Debit/(Credit)** | **Financing Fund**  **Debit/(Credit)** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 411500 Loan Subsidy Appropriation |  | - |
| 420100 Total Actual Resources – Collected | 1,845 | 16,155 |
| 422100 Unfilled Customer Orders Without Advance |  | 645 |
| 445000 Unapportioned Authority |  | (16,800) |
| 465000 Allotments - Expired Authority | (1,200) |  |
| 480100 Undelivered Orders - Obligations, Unpaid | (645) |  |
| **Total** | **0** | **0** |
|  |  |  |
| **Proprietary** |  |  |
| 101000 Fund Balance With Treasury | 1,845 | 16,155 |
| 131000 (F TP Main) Accounts Receivable (Subs. Recv.) |  | 23 |
| 134100 (NF) Interest Receivable – Loans |  | 1,035 |
| 135000 (NF) Loans Receivable |  | 3,450 |
| 139900 (NF) Allowance for Subsidy |  | (1,718) |
| 217000 (F TP Main) Subsidy Payable to the Financing Account | (23)[[37]](#footnote-37) |  |
| **Post-Closing Trial Balance (Continued)** | | |
| 218000 Loan Guarantee Liability |  | (18,945) |
| 310000 Unexpended Appropriations - Cumulative | (1,845) |  |
| 331000 Cumulative Results of Operations | 23 |  |
| **Total** | **0** | **0** |

|  |  |  |
| --- | --- | --- |
| **Post-Closing Trial Balance (Financing Fund Only)** | | |
|  | **Debit** | **Credit** |
| **Loan Guarantee Level** |  |  |
| **Memorandum Accounts** |  |  |
| 801000 Guaranteed Loan Level | 90,000 |  |
| 801500 Guaranteed Loan Level - Unapportioned |  | - |
| 802000 Guaranteed Loan Level - Apportioned |  | - |
| 804000 Guaranteed Loan Level - Used Authority |  | 90,000 |
| 804500 Guaranteed Loan Level - Unused Authority |  | - |
| **Total** | **0** | **0** |

|  |  |  |
| --- | --- | --- |
| **Loans Disbursed** | | |
| 805000 Guaranteed Loan Principal Outstanding | 72,625 |  |
| 805300 Guaranteed Loan New Disbursements by Lender |  | - |
| 806500 Guaranteed Loan Collections, Defaults, and Adjustments |  | - |
| 807000 Guaranteed Loan Cumulative Disbursements by Lenders |  | 72,625 |
| **Total** | **0** | **0** |

**Loan Guarantee Agency**

**September 30, FY-1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **BALANCE SHEET** | | | | | |
|  |  | **Program Fund** | **Elim** | **Financing Fund** | **Total** |
|  | **Assets:** |  |  |  |  |
|  | Intragovernmental |  |  |  |  |
| 1. | Fund Balance with Treasury (101000E) | 1,845 |  | 16,155 | 18,000 |
| 3. | Accounts Receivable (131000E) |  | (23) | 23 |  |
| 6. | Total Intragovernmental (calc.) | 1,845 | (23) | 16,178 | 18,000 |
| 11. | Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E) |  |  | 2,767 | 2,767 |
| 15. | Total Assets (calc.) | 1,845 | (23) | 18,945 | 20,767 |
|  |  |  |  |  |  |
|  | **Liabilities:** |  |  |  |  |
| 17. | Accounts Payable (2170000E) | 23 | (23) |  |  |
| 20. | Total Intragovernmental | 23 | (23) |  |  |
| 22. | Loan Guarantee Liability (218000E) |  |  | 18,945 | 18,945 |
| 28. | Total Liabilities (calc.) | 23 | (23) | 18,945 | 18,945 |
|  | **Net Position:** |  |  |  |  |
| 31. | Unexpended Appropriations – All Other Funds (310100E, 310700E) | 1,845 |  |  | 1,845 |
| 33. | Cumulative Results of Operations - All Other Funds (531200E, 570000, 579100, 610000E, 634000E, 680000E, 729000E) | (23) |  |  | (23) |
| 35. | Total Net Position – All Other Funds (calc.) | 1,822 |  |  | 1,822 |
| 36. | Total Net Position (calc.) | 1,822 |  |  | 1,822 |
| 37. | Total Liabilities and Net Position (calc.) | **1,845** |  | **18,965** | **20,787** |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-1**

|  |  |  |  |
| --- | --- | --- | --- |
| **STATEMENT OF NET COST** | | | |
|  | **Program Fund** | **Financing Fund** | **Total** |
| **Gross Program Costs:** |  |  |  |
| 1. Gross costs (610000E, 634000E, 680000E, 729000E) | 24,688 | 1,180 | 25,868 |
| 2. Less: Earned Revenues (531200E, 531300E) |  | 1,180 | 1,180 |
| 3. Net program costs (calc. 1-2) | 24,688 |  |  |
| 8. Net cost of operations (calc. 5+6-7) | 24,688 |  | 24,688 |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-1**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **STATEMENT OF CHANGES IN NET POSITION** | | | | | | | |
|  |  | **Program Fund** | | **Financing Fund[[38]](#footnote-38)** | | **Total** | |
|  |  | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations |
|  | **Cumulative Results of Operations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 5. | Appropriations Used (570000E) | 24,655 |  | 10 |  | 24,665 |  |
| 13. | Other (579100E) | 10 |  | (10) |  |  |  |
| 14. | Total Financing Sources | 24,665 |  |  |  | 24,665 |  |
| 15. | Net Cost of Operations (+/-) | 24,688 |  |  |  | 24,688 |  |
| 16. | Net Change (calc. 14-15) | (23) |  |  |  | (23) |  |
| 17. | **Cumulative Results of Operations (calc. 3+16)** | (23) |  |  |  | (23) |  |
|  | **Unexpended Appropriations:** |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |
| 21. | Appropriations Received (310100E) |  | 26,500 |  | 10 |  | 26,510 |
| 24. | Appropriations Used (310700E) |  | (24,655) |  | (10) |  | (24,665) |
| **STATEMENT OF CHANGES IN NET POSITION** | | | | | | | |
| 25. | Total Budgetary Financing Sources (calc. 21..24) |  | 1,845 |  |  |  | 1,845 |
| 26. | Total Unexpended Appropriations (calc. 20 + 25) |  | 1,845 |  |  |  | 1,845 |
| 27. | **Net Position (calc. 17 + 26)** | (23) | 1,845 |  |  | (23) | 1,845 |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-1[[39]](#footnote-39)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STATEMENT OF BUDGETARY RESOURCES** | | | | |
|  |  | **Budgetary** | **Non-Budgetary Financing Account** | **Total** |
|  | **Budgetary Resources:** |  |  |  |
| 1290 | Appropriations (discretionary and mandatory) (411500E, 411700E, 4125000E) | 26,500 | 10 | 26,510 |
| 1890 | Spending authority from offsetting collections (discretionary and mandatory) ((426100,426200, 426300,427100,427300,422100E-422100B)) |  | 22,230 | 22,230 |
| 1910 | Total budgetary resources | $26,500 | $22,240 | $48,740 |
|  |  |  |  |  |
| **STATEMENT OF BUDGETARY RESOURCES** | | | | |
|  | **Status of Budgetary Resources:** |  |  |  |
| 2190 | New obligations and upward adjustments (total) (480100E-480100B,  490100E-490100B, 490200E) | 25,300 | 5,440 | 30,740 |
|  |  |  |  |  |
|  | **Unobligated balance, end of year:** |  |  |  |
| 2204 | Apportioned, unexpired account (461000E) | 1,200 | 60 | 1,260 |
| 2404 | Unapportioned, unexpired accounts (445000E) |  | 16,740 | 16,740 |
| 2500 | Total budgetary resources | $26,500 | $22,240 | $48,740 |
|  |  |  |  |  |
|  | **Change in obligated balance** |  |  |  |
| 3012 | New obligations and upward adjustments | 25,300 | 5,440 | 30,740 |
| 3020 | Outlays (gross) (-) (490200E) | 24,655 | 5,440 | 30,095 |
| 3050 | Unpaid obligations, end of year | 645 | 0 | 645 |
| 3072 | Change in uncollected pymts, Fed sources (+ or-) (422100E-  422100B) |  | (645) | (645) |
| 3090 | Uncollected pymts, Fed sources, end of year (-) |  | (645) | (645) |
|  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STATEMENT OF BUDGETARY RESOURCES** | | | | |
|  | **Memorandum (non add) entries** |  |  |  |
| 3200 | Obligated balance, end of year (+ or -) | 645 | (645) |  |
|  |  |  |  |  |
|  | **Budget Authority and Outlays, Net:** |  |  |  |
| 4175 | Budget authority, gross (discretionary and mandatory) | 26,500 | 22,240 | 48,740 |
| 4177 | Change in uncollected, pymts, Fed sources (discretionary and mandatory) (+ or -) |  | (21,585) | (21,585) |
| 4178 | Recoveries of prior year paid obligations (discretionary and mandatory) |  | (645) | (645) |
| 4180 | Budget authority, net (total) (discretionary and mandatory) | 26,500 | 10 | 26,510 |
| 4185 | Outlays, gross (discretionary and mandatory) | 24,655 | 5440 | 30,095 |
| 4187 | Actual offsetting collections (discretionary and mandatory) (-) |  | (21,585) | (21,585) |
| 4190 | Outlays, net (total) (discretionary and mandatory) | 24,655 | (16,145) | 8,510 |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-1[[40]](#footnote-40)**

|  |  |  |  |
| --- | --- | --- | --- |
| **FUND BALANCE WITH TREASURY FOOTNOTE** | | | |
|  | **Program**  **Fund** | **Financing Fund** | **Total** |
| **A. Fund Balance** |  |  |  |
| 3. Revolving Funds |  | 16,155 | 16,155 |
| 4. General Funds | 1,845 |  | 1,845 |
| Total | 1,845 | 16,155 | 18,000 |
| **B. Status of Fund Balance** |  |  |  |
| 1. Unobligated Balances |  |  |  |
| (a) Available (461000) | 1,200 | 60 | 1,260 |
| (b) Unavailable (445000) |  | 16,740 | 16,740 |
| 2. Obligated Balances not yet disbursed |  |  |  |
| (a) Unpaid Obligations (480100) | 645 |  | 645 |
| (b) Uncollected customer payments from federal sources  (422100) |  | (645) | (645) |
| Total | 1,845 | 16,155 | 18,000 |

**Loan Guarantee Agency**

**September 30, FY-1**

|  |  |  |
| --- | --- | --- |
| **Note 8: Credit Program Note** | | |
| **I. Defaulted Guaranteed Loans from Post – 1991 Guarantees:** | |  |
| Defaulted Guaranteed Loans Receivable, Gross (135000) | | 3,450 |
| Interest Receivable (134100) | | 1,035 |
| Less Allowance for Subsidy Cost (139900) | | (1,718) |
| Value of Assets Related to Defaulted Guaranteed Loan Receivables, Net | | $2,767 |
| **J. Guaranteed Loans Outstanding:** | |  |
| **J1. Guaranteed Loans Outstanding:** | |  |
| Outstanding Principal of Guaranteed Loans, Face Value (805000) | | $72,625 |
| Amount of Outstanding Principle Guaranteed (805000\* gtd %) | | $58,100 |
| **J2. New Guaranteed Loans Disbursed (Current reporting year):** | |  |
| Principle of Guaranteed Loans, Face Value (805300) | | $87,000 |
| Amount of Principle Guaranteed (805300 \* gtd %) | | $69,600 |
| **K. Liability for Loan Guarantees:** | |  |
| **K1. Liability for Loan Guarantees** | |  |
| Liabilities for Post-1991 Guarantees, Present Value (218000) | | $18,945 |
| **L Subsidy Expense for Loan Guarantees by Program and Component[[41]](#footnote-41):** | |  |
| **L1. Subsidy Expense for New Loan Guarantees** | |  |
| Interest Supplements | | 1,740 |
| Defaults | | 17,400 |
| Fees and Other Collections | | (435) |
| Total | | $18,705 |
| **Note 8: Credit Program Note** | | |
| **L2. Modifications and Reestimates (Current reporting year):** | |  |
| Total Modifications | | 1,000 |
| Interest Rate Reestimates (680000) | | (13) |
| Technical Reestimates (680000) | | 36 |
| Total Reestimates | | 1,023 |
| **L3. Total Loan Guarantee Subsidy Expense:** | |  |
| **(equals 610000 + 680000 for subsidy & modification)** | | $19,728 |
| **M. Subsidy Rates for Loan Guarantees by Program and Component[[42]](#footnote-42)** | |  |
| **Budget Subsidy Rates for Loan Guarantees for the Current Years Cohorts:** | | *Percent* |
| Defaults | | 20.0 |
| Interest supplements | | 2.0 |
| Fees and Other Collections | | (0.5) |
| Total | 21.5 | | |
| **N. Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees)[[43]](#footnote-43):** |  | | |
| 1. Interest supplement costs | 1,740 | | |
| 1. Default costs (net of recoveries) | 17,400 | | |
| 1. Fees and other collections | (435) | | |
| Total of the above subsidy expense components | $18,705 | | |
| Adjustments: |  | | |
| a. Loan guarantee modifications | 1,000 | | |
| b. Fees received (426100) | 480 | | |
| c. Interest supplements used | (1,940) | | |
| **Note 8: Credit Program Note** | | | |
| d. Foreclosed property and loans acquired | 3,000 | | |
| e. Claim payment to lenders | (3,500) | | |
| f. Interest accumulation on liability balance (634000) | 1,160 | | |
| g. Other (412500) | 10 | | |
| Ending balance of the loan guarantee liability before reestimates | 18,915 | | |
| Add or subtract subsidy reestimates by component: |  | | |
| a. Interest rate reestimate (prorated based 1399 & 2180 pieces) | (17) | | |
| b. Technical/default reestimate (prorated based 1399 & 2180 pieces) | 47 | | |
| Total of the above reestimate components | 30 | | |
| Ending balance of the loan guarantee liability before reestimates (218000) | $18,945 | | |
| **O. Administrative Expense[[44]](#footnote-44)** |  | | |
| Loan guarantee programs (610000) | $4,950 | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
|  | **Program Fund** | | **Financing Fund** | |
| **SF133 Line** | **Sch P Line** | **SF133 Line** | **Sch P Line** |
| **BUDGETARY RESOURCES** |  |  |  |  |
| **All accounts:** |  |  |  |  |
| 0702 Loan Guarantee Subsidy |  | 19,350 |  |  |
| 0704 Loan Guarantee Modification |  | 1,000 |  |  |
| 0709 Administrative Expenses |  | 4,950 |  |  |
| 0711 Default Claim Payments on Principal |  |  |  | 3,500 |
| 0715 Interest Supplement |  |  |  | 1,940 |
| 0900 Total new obligations (490200E) |  | 25,300 |  | 5,440 |
|  |  |  |  |  |
| **Unobligated balance:** |  |  |  |  |
| 1000 Unobligated balance brought forward, October 1 |  |  | - | - |
|  |  |  |  |  |
| **Budget Authority:** |  |  |  |  |
| **Appropriations:** |  |  |  |  |
| **Discretionary:** |  |  |  |  |
| 1100 Appropriation Discretionary (411500E, 411700E) | 26,500 | 26,500 |  |  |
| 1160 Appropriation – Discretionary (total) | 26,500 | 26,500 |  |  |
| **Mandatory:** |  |  |  |  |
| 1200 Appropriation (412500E) |  |  | 10 | 10 |
| 1260 Appropriation – Mandatory (total) |  |  | 10 | 10 |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| **Spending Authority from Offsetting Collections:** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| 1800 Collected (426100E,426200E,426300E,427100E,427300E) |  |  | 21,585 | 21,585 |
| 1801 Change in uncollected payments, Federal sources (+ or -) (422100E) |  |  | 645 | 645 |
| 1850 Spending authority from offsetting collections, mandatory  (total) |  |  | 22,230 | 22,230 |
| 1930 Total budgetary resources available |  | 26,500 | 2,240 | 22,240 |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| **Unobligated Balance** |  |  |  |  |
| 1940 Unobligated balance expiring (-) (465000E) |  | 1,200 |  |  |
| 1941 Unexpired unobligated balance, end of year (445000E, 461000E) |  |  |  | 16,800 |
|  |  |  |  |  |
| **CHANGE IN OBLIGATED BALANCE** |  |  |  |  |
| **Unpaid obligations:** |  |  |  |  |
| 3000 Unpaid obligations, brought forward, Oct 1 |  |  |  |  |
| 3010 New Obligations, unexpired accounts (480100E, 480200E) | 25,300 | 25,300 | 5,440 | 5,440 |
| 3020 Outlays (gross) (-) (480200E) | (24,655) | (24,655) | (5,440) | (5,440) |
| 3050 Unpaid obligations, end of year (480100E) | 645 | 645 |  |  |
| 3060 Uncollected pymts, Fed sources, brought forward, Oct 1 (-) |  |  | - | - |
| 3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or -) (422100E) |  |  | (645) | (645) |
| 3090 Uncollected pymts, Fed sources, end of year (-) (422100E) |  |  | (645) | (645) |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| 3100 Obligated balance, start of year (+ or -) |  |  | - | - |
| 3200 Obligated balance, end of year (+ or -) (422100E) | 645 | 645 |  |  |
|  |  |  |  |  |
| **BUDGET AUTHORITY AND OUTLAYS, NET** |  |  |  |  |
| **Discretionary:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4000 Budget authority, gross (411500E, 411700E) | 26,500 | 26,500 |  |  |
| 4010 Outlays from new discretionary authority (480200E) | 24,655 | 24,655 |  |  |
| 4020 Outlays, gross (total) | 24,655 | 24,655 |  |  |
| 4070 Budget authority, net (discretionary) | 26,500 | 26,500 |  |  |
| 4080 Outlays, net (discretionary) | 24,655 | 24,655 |  |  |
|  |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (Sch P)].) |  |  | 22,240 | 22,240 |
| 4110 Total outlays, gross (480200E) [[45]](#footnote-45) |  |  | 5,440 | 5,440 |
| 4120 Federal sources (-) (427100E) |  |  | (19,705) | (19,705) |
| 4122 Interest on uninvested funds (-) (427300E) |  |  | (1,160) | (1,160) |
| 4123 Non-Federal sources (-) (426100E, 426200E, 426300E) |  |  | (720) | (720) |
| 4130 Offsets against gross budget authority and outlays (total) (-) |  |  | (21,585) | (21,585) |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| 4140 Change in uncollected pymts, Fed sources, unexpired  accounts(+/-) (422100E) |  |  | (645) | (645) |
| 4150Additional offsets against budget authority only (total) |  |  | (645) | (645) |
| 4160 Budget authority, net (mandatory) (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (Sch P).) |  |  | 10 | 10 |
| 4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.) |  |  | (16,145) | (16,145) |
| 4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.) | 26,500 | 26,500 | 10 | 10 |
| 4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.) | 24,655 | 24,655 | (16,145) | (16,145) |

**FISCAL YEAR 2**

In fiscal year 1, the agency accrued an upward adjustment of subsidy expense. Although the expense was recognized in fiscal year 1, budgetary resources to fund it were not provided until the following year, fiscal year 2. The examples of transactions for the second year dispose of the upward subsidy re-estimate accrued at the end of the preceding year. Additionally, in order to provide a more realistic understanding of the complexities of accounting for guaranteed loans, new transactions for negative subsidy are introduced and borrowing authority issues are presented. At the end of year 2 a downward reestimate will be included.

By adding new authority in year two the concept of Cohorts is introduced. See A-11 for additional insights into the implications of Cohorts.

Other transactions included in year one would recur in year 2 and subsequent years. These transactions have not been included because they provide limited additional value to the case study.

**TRANSACTIONS YEAR 2**

The agency received one year legislative authority to guarantee 75 percent of the principal and related interest of $100,000 of loans. The transactions for these loans will be related to Cohort 2. The previous year’s loans will be Cohort 1.

1. The agency’s subsidy model indicated that, for the $100,000 of loan guarantees, a (5.0) percent subsidy was indicated as follows (all cohort 2):

* Present value of expected defaults is 3.46 percent, or $3,460
* Present value of guarantee fees to be collected is (8.46) percent or $8,460 (to be collected during life of loan)
* No interest supplements as interest rates are low

2. The agency has appropriated administrative expenses for fiscal year 2 in the amount of $10,000. (There are no cohorts in the program fund.)

3. The agency receives approval for upward re-estimates by OMB for $25. This is an increase of $2 from what was estimated at the end of the fiscal year (all cohort 1)

4. The agency estimates the following financing fund transactions for the year:

* $1,000 for guarantee fees (cohort 2)
* $5,000 in negative subsidy (cohort 2)
* $45,000 in defaults (cohort 1)
* $25 in upward re-estimate collections (cohort 1)
* $500 in interest expense on debt (cohort 1)
* $115 in interest expense on debt (cohort 2)
* $250 in interest income on uninvested cash (cohort 1)
* $60 in interest income on uninvested cash (cohort 2)

Loan Guarantee Agency

**Fiscal Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
| **SF 132 Apportionment/Reapportionment Schedule** | | | |
|  | **BUDGETARY RESOURCES** | **Program**  **Fund** | **Financing**  **Fund** |
|  | **Budget authority:** |  |  |
|  | **Unobligated balance:** |  |  |
| 1000 | Unobligated balance brought forward, Oct 1 |  | 16,800 |
|  | **Appropriations, discretionary:** |  |  |
| 1100 | Appropriation | 10,000 |  |
|  | **Appropriations, mandatory:** |  |  |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |
| 1250 | Anticipated appropriation (+ or -) | 25 |  |
|  | **Borrowing authority, mandatory:** |  |  |
| 1400 | Borrowing authority (414100) |  | 32,790 |
|  | **Spending authority from offsetting collections, mandatory:** |  |  |
| 1840 | Anticipated Collections, Reimbursements, and Other Income (406000 & 407000) |  | 1,335 |
| 1920 | Total Budgetary Resources | 10.025 | 50,925 |
|  |  |  |  |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |  |
|  | **Category B (by project)** |  |  |
| 6012 | Administrative Expense | 10,000 |  |
| 6013 | Reestimate | 25 |  |
| 6014 | Negative Subsidy |  | 5,000 |
| 6015 | Default Claims |  | 45,000 |
| **SF 132 Apportionment/Reapportionment Schedule** | | | |
| 6016 | Treasury Interest[[46]](#footnote-46) |  | 615 |
| 6182 | Unapportioned Balance of Revolving Fund[[47]](#footnote-47) |  | 310 |
| 6190 | Total Budgetary Resources Available | 10,025 | 50,925 |
|  | **GUARANTEED LOAN LEVELS AND APPLICATIONS** |  |  |
|  | **Guaranteed loan limitation** |  |  |
| 8100 | Loan Guarantee Program Level, Current Year | 100,000 |  |
| 8211 | Guarantee Loan Program |  | 100,000 |

**2-1 OMB approved and authorized both requests for apportionment. To record SF 132. [[48]](#footnote-48)**

**Program Fund-Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 411700 Loan Administrative Expense Appropriation | 10,000 |  |  |
| 412000 Anticipated Indefinite Appropriations  445000 Unapportioned Authority  445000 Unapportioned Authority  451000 Apportionments  459000 Apportionments – Anticipated  **Proprietary Entry**  101000 Fund Balance With Treasury  310100 Unexpended Appropriations – Appropriation Received | 25  10,025    10,000 | 10,025  10,000  25  10,000 | A104  A116  A118  A110 |
|  |  |  |  |

**Financing Fund-Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 407000 Anticipated Collections from Federal Sources  414100 Current-Year Borrowing Authority Realized  445000 Unapportioned Authority  445000 Unapportioned Authority[[49]](#footnote-49)  451000 Apportionments  459000 Apportionments – Anticipated | 275  28,735  45,500 | 29,010  45,225  275 | A140  F112R |

**Financing Fund -Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 406000 Anticipated Collections from Non-Federal Sources  407000 Anticipated Collections from Federal Sources  414100 Current-Year Borrowing Authority Realized  445000 Unapportioned Authority  445000 Unapportioned Authority[[50]](#footnote-50)  451000 Apportionments  459000 Apportionments – Anticipated  **Memorandum Entry**  801000 Guaranteed Loan Level  801500 Guaranteed Loan Level – Unapportioned  801500 Guaranteed Loan Level – Unapportioned  802000 Guaranteed Loan Level – Apportioned | 1,000  60  4,055  5,115  100,000  100,000 | 5,115  4,055  1,060  100,000    100,000 | A140      A152  A116  A118  G102  G104 |

2-2 To record warrants received for re-estimate.

**Program Fund - Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 411800 Re-estimated Loan Subsidy Appropriation  412000 Unapportioned Authority  459000 Apportionments – Anticipated  451000 Apportionments  **Proprietary Entry**  101000 Fund Balance With Treasury  310100 Unexpended Appropriations - Received | 25  25  25 | 25  25  25 | A104    A122 |

2-3. To record allotment of authority.

**Program Fund- Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 451000 Apportionments  461000 Allotments - Realized Resource  **Proprietary Entry**  None | 10,025 | 10,025 | A120 |

**Financing Fund – Cohort Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 451000 Apportionments  461000 Allotments - Realized Resources  **Proprietary Entry**  None | 45,225 | 45,225 | A120 |

**Financing Fund – Cohort Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 451000 Apportionments  461000 Allotments - Realized Resources  **Proprietary Entry**  None | 4,055 | 4,055 | A120 |

2-4. The agency transferred the re-estimated subsidy from the program fund to the financing fund. The reestimate for the prior year was for $23. Since the reestimate for the President’s Budget increased it by $2, the incremental amount was recorded in the current year as an adjustment to the Guarantee Liability. The unfunded expense of $23 was reversed from the Program Fund for Year 1 and the actual funded expense of $25 is recorded in the unexpired program fund which funds the reestimate from current reestimate appropriation.

**Program Fund - Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  680000 Future Funded Expenses [Subsidy Expense – Re-estimates – Interest  Rate]  217000 Subsidy Payable to Financing Account  680000 Future Funded Expense [Subsidy Expense – Re-estimates –Technical] | 13  23 | 36 | B420R |

**Program Fund - Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments - Realized Resources  490200 Delivered Orders – Obligations,  Paid [Re-est. Subsidy and Interest]  **Proprietary Entry**  610000 Operating Expense/Program Costs[Re-estimated Subsidy]  101000 Fund Balance With Treasury  310700 Unexpended Appropriations – Used  570000 Expended Appropriations | 25  25  25 | 25  25  25 | A512  A146  B134 |

**Financing Fund - Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  427100 Actual Program Fund Subsidy Collected  407000 Anticipated Collections from Federal Sources  **Proprietary Entry**  101000 Fund Balance With Treasury  131000 Accounts Receivable  [Subsidy Receivable from Program Fund]  21800 Loan Guarantee Liability  459000 Apportionments - Anticipated Resources  - Programs Subject to Apportionment  461000 Allotments | 25  25  25 | 25  23  2  25 | C103    A122 |

2-5. The agency makes an expenditure transfer of administrative expense reimbursement to its S&E fund

**Program Fund – Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments - Realized Resources  490200 Delivered Orders - Obligations, Paid[[51]](#footnote-51)  **Proprietary Entry**  610000 Operating Expenses/Program Costs (Admin)  101000 Fund Balance With Treasury  310700 Unexpended Appropriations – Used  570000 Expended Appropriations | 10,000  10,000  10,000 | 10,000  10,000  10,000 | B107    A146  B107 |

2-6 Agency converts $28,735 of borrowing authority to cash.[[52]](#footnote-52)

**Financing Fund - Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  414800 Resources Realized From Borrowing Authority  414500 Borrowing Authority Converted to Cash  **Proprietary Entry**  101000 Fund Balance With Treasury  251000 Principal Payable to the Bureau of the Public Debt | 28,735  28,735 | 28,735  28,735 | A156 |
|  |  |  |  |

2-7 Agency pays 35,000 to honor 80% guarantee of 43,750 of defaulted principal funded by borrowing authority.

**Financing Fund - Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments - Realized Resources  490200 Delivered Orders - Obligations, Paid [Default Guarantee]  **Proprietary Entry**  218000 Loan Guarantee Liability  101000 Fund Balance With Treasury | 35,000  35,000 | 35,000  35,000 | B104 |
|  |  |  |  |

**Memorandum Accounts - Loans Disbursed**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Memorandum Entry**  806500 Guaranteed Loan Collections, Defaults, and Adjustments | 43,750 |  |  |
| 805000 Guaranteed Loan Principal Outstanding |  | 43,750 | G110 |

2-8. The agency acquired receivables for loans of $35,000 and interest of $1,250 in conjunction with the defaults. The agency will attempt to collect this money directly from the borrowers. The present value of cash flows related to the loans is estimated to be $30,000.

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
| To establish accounts receivable for defaulted loan. | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry** |  |  |  |
| 134100 Interest Receivable -Loans [Defaulted Guaranteed Loans]  135000 Loans Receivable [Defaulted Guaranteed Loans]  139900 Allow. for Subs. [Defaulted Guaranteed Loans]  218000 Loan Guarantee Liability | 1,250  35,000 | 6,250  30,000 | D150 |

2-9 Agency makes a commitment for loan guarantees of $80,000 with a negative subsidy of $4,000. The agency is guaranteeing 75% of the loan. Negative Subsidy is funded with borrowing authority. Collection of guarantee fee also made at this time.

**Financing Fund - Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  426100 Collection of fees  406000 Anticipated Collections – Non-Federal  459000 Apportionments – Anticipated  461000 Allotments – Realized Resources  461000 Allotments – Realized Resources  480100 Undelivered Orders – Negative Subsidy  **Proprietary Entry** | 800  800  4,000 | 800  800  4,000 | C117  A122  B306 |
| 101000 Fund Balance With Treasury  218000 Loan Guarantee Liability  **Memorandum Entry**  802000 Guaranteed Loan Level Apportioned  804000 Guaranteed Loan Level – Used Authority | 800  80,000 | 800    80,000 | C117    G106 |

2-10 Third party lenders notified agency of disbursing $2,000 of Cohort 1 loans and $60,000 of Cohort 2 loans.[[53]](#footnote-53)

**Program Fund – Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Unpaid  490200 Delivered Orders – Paid  **Proprietary Entry** | 430 | 430 | A146 |
| 610000 Program Expense – Subsidy  101000 Fund Balance With Treasury  310700 Unexpended Appropriations – Used  570000 Expended Appropriations | 430  430 | 430  430 | B134 |

**Program Fund – Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  579100 Adjustment to Financing Sources | 3,000 |  |  |
| 619900 Adjustment to Subsidy Expense |  | 3,000 | D150 |

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  427100 Actual Subsidy Collections  422100 Unfilled Customer Order  **Proprietary Entry** | 430 | 430 | C103 |
| 101000 Fund Balance with Treasury  218000 Loan Guarantee Liability  **Memorandum Entry**  805000 Guaranteed Loan Principal Outstanding  805300 Guaranteed Loan New Disbursements | 430    2000 | 430    2000 | G108 |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  414800 Resources Realized from Borrowing Authority  414500 Borrowing Authority Converted to Cash  480100 Undelivered Orders – Negative Subsidy  490200 Delivered Orders – Negative Subsidy  **Proprietary Entry** | 2,200  3,000 | 2,200  3,000 | A156    A146 |
| 101000 Fund Balance with Treasury  251000 Debt Outstanding  218000 Loan Guarantee Liability  579100 Adjustments to Financing Sources  577600 Non-budgetary Financing Sources Trans Out  101000 Fund Balance with Treasury  **Memorandum Entry**  805000 Guaranteed Loan Principal Outstanding  805300 Guaranteed Loan New Disbursements | 2,200  3,000  3,000    60,000 | 2,200  3,000    3,000    60,000 | A156    D147  E509      G108 |

**Miscellaneous Receipt Account (negative subsidy TAFS)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  101000 Fund Balance With Treasury | 3,000 |  |  |
| 577500 Non-budgetary Financing Sources Trans In  599300 Offset to Non-Entity Collections Stmt of Changes in Net Position[[54]](#footnote-54)  298500 Liability for Non-Entity Assets47 | 3,000 | 3,000      3,000 | C155    C147 |

2-11 Agency accrues interest on Fund Balance with Treasury for November reporting period. Therefore, there will only be an accrual for cohort 1. Other methodologies are acceptable per OMB approval.

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  428300 Interest Receiviable from Treasury  407000 Anticipated Collections from Federal Sources  459000 Apportionments – Anticipated  461000 Allotments – Realized Resources  **Proprietary Entry**  134000 Interest Receivable – Uninvested Cash  531200 Interest Revenue – Loans/Uninvested | 193    193  193 | 193      193  193 | C416    A122  C402 |
|  |  |  |  |

2-12 Agency accrues interest on debt outstanding from The Bureau of the Fiscal Service (FS) for November using FS reports. There will be an accrual for both cohorts and interest rates can be different.

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Resources Realized  490100 Delivered Orders – Unpaid  **Proprietary Entry** | 83 | 83 | B418 |
| 631000 Interest Expense  214100 Interest Payable | 83 | 83 |  |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Resources Realized  490100 Delivered Orders – Unpaid  **Proprietary Entry** | 10 | 10 | B418 |
| 631000 Interest Expense  214100 Interest Payable | 10 | 10 |  |

2-13 Agency is notified by cohort 1 borrowers that the remaining amounts of the loan are no longer needed. Agency cancels remaining commitment and deobligates remaining subsidy[[55]](#footnote-55)

**Program Fund – Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  487100 Downward Adjustment Prior Year Undelivered | 215 |  |  |
| 465000 Expired Authority  **Proprietary Entry**  None |  | 215 | D120 |

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources[[56]](#footnote-56) | 215 |  |  |
| 422100 Unfilled Customer Order  **Proprietary Entry**  None  **Memorandum Entry**  804000 Guaranteed Loan Level- Used Authority  801000 Guaranteed Loan Level | 1,000 | 215      1,000 | F109    F344 |

2-14 After consultation and agreement with OMB, the agency decided to exercise a clause in the program’s legislation allowing it to modify the terms of cohort 1 guarantees. The modification caused a savings for the program of $1,000 and a modification adjustment transfer of $30.

The agency submitted a new request for apportionment (SF-132) for the financing fund.

**Loan Guarantee Agency**

**Fiscal Year 2**

|  |  |  |
| --- | --- | --- |
| **SF 132 Apportionment/Reapportionment Schedule** | | |
|  | **BUDGETARY RESOURCES** | **Financing Fund** |
|  | **Budget authority:** |  |
|  | **Unobligated balance:** |  |
| 1000 | Unobligated balance brought forward, Oct 1 | 16,800 |
|  | **Borrowing authority, mandatory:** |  |
| 1400 | Borrowing authority (414100) | 32,790 |
|  | **Spending authority from offsetting collections, mandatory:** |  |
| 1800 | Collected | 1,255 |
| 1801 | Change in Uncollected Payments, Federal Sources | (237) |
| 1840 | Anticipated Collections, Reimbursements, and Other Income (406000 & 407000) | 317 |
| 1842 | Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)[[57]](#footnote-57) | (30) |
| 1920 | Total Budgetary Resources | 50,895 |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |
|  | **Category B (by project)** |  |
| 6014 | Negative Subsidy | 5,000 |
| **SF 132 Apportionment/Reapportionment Schedule** | | |
| 6015 | Default Claims | 40,000 |
| 6016 | Treasury Interest | 615 |
| 6017 | Modification | 1,000 |
| 6182 | Unapportioned Balance of Revolving Fund | 4,280 |
| 6190 | Total Budgetary Resources Available | 50,895 |
|  | **GUARANTEED LOAN LEVELS AND APPLICATIONS** |  |
|  | **Guaranteed loan limitation** |  |
| 8100 | Loan Guarantee Program Level, Current Year | 100,000 |
| 8211 | Guarantee Loan Program | 100,000 |

**SF132 entries**

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments[[58]](#footnote-58) | 4,000 |  |  |
| 445000 Unapportioned Authority  445000 Unapportioned Authority  404700 Anticipated Transfers to General Fund of the U.S. Government-  Current Year Authority[[59]](#footnote-59) | 30 | 4,000    30 | F308  A142 |

After approved SF132 is received, SF1151 request transferring modification adjustment transfer from financing fund to treasury general fund (TAS xxx2814, where xxx is agency id) at the same time payment is made to the general fund (agency’s negative subsidy account).

**Modification Savings**

**Program Fund – Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  579100 Adjustments to Financing Sources  619900 Adjustments to Subsidy Expense | 1,000 | 1,000 | D150 |

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments | 1,000 |  |  |
| 49020000 Delivered Orders-Paid [Modification]  **Proprietary Entry**  218000 Loan Guarantee Liability  101000 Fund Balance With Treasury  577600 Nonbudgetary Financing Sources Transfers Out  579100 Adjustments to Financing Sources | 1,000  1,000 | 1,000      1,000  1,000 | A512    B104  F336R |

**Miscellaneous Receipt Account (negative subsidy TAS)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  101000 Fund Balance With Treasury  577500 Nonbudgetary Financing Sources Transfers In  599300 Offset to Non-Entity Collections  298500 Liability for Non-Entity Assets not report on SOC | 1,000  1,000 | 1,000  1,000 | C155  C147 |

**Modification Adjustment Transfer**

**Program Fund – Year 2**

To record negative modifications for subsidy cost and adjustment transfers related to Direct Loans and Loan Guarantee liabilities in the program account.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  579100 Adjustments to Financing Sources  719000 Other Gains | 30 | 30 | A208 |

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  404700 Anticipated Transfers to General Fund of The U.S. Government- Current  Year Authority  415100 Actual Capital Transfers to General Fund of The U.S. Government-  Current Year [[60]](#footnote-60) | 30 |  |  |
| **Proprietary Entry**  218000 Loan Guarantee Liability  101000 Fund Balance With Treasury  576600 Nonexpenditure Financing Sources -Transfers Out –Capital  579100 Adjustments to Financing Sources | 30  30 | 30    30  30 | B119  B104  F336R |

**Miscellaneous Receipt Account (xxx2814 TAS)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  1010000 Fund Balance With Treasury  575600 Nonexpenditure Financing Sources Transfers In Capital Transfer  599300 Offset to Non-Entity Collections  298500 Liability for Non-Entity Assets not report on SOC | 30  30 | 30  30 | C196  C147 |

2-15 Year-end interest earned on Cash and interest expense to BPD calculated using Financing Account Interest Calculator (FAIC) as follows. Cohort 1 earned $323 and expense $500; Cohort 2 earned $62 and expense $85.

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  427300 Interest Collected From Treasury  428300 Interest Receivable From Treasury  407000 Anticipated Federal Collections | 323 | 193  130 |  |
| 459000 Anticipated Apportionments  461000 Allotments  461000 Allotments  490100 Delivered Orders – Unpaid  490200 Delivered Orders – Paid  **Proprietary Entry**  101000 Fund Balance With Treasury  134000 Interest Receivable  531200 Interest Income  214100 Interest Payable  631000 Interest Expense  101000 Fund Balance with Treasury | 57    417  83  323    83  417 | 57    500    193  130    500 | A122      C109  B109  B112 |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  459000 Anticipated Apportionments  461000 Allotments | 62 | 62 | A122 |
| 427300 Interest Collected From Treasury  407000 Anticipated Federal Collections  461000 Allotments  490100 Delivered Orders – Unpaid  490200 Delivered Orders – Paid  **Proprietary Entry**  1010000 Fund Balance With Treasury  531200 Interest Income  214100 Interest Payable  631000 Interest Expense  101000 Fund Balance with Treasury | 62    52  10      62      10  52 | 62    85    62    62 | C109  B109  B112 |

2-16 Agency determines that there will no further obligations. Agency returns borrowing converted to cash and not obligated for cohort 1 and reduces borrowing authority for cohort 2 as required in A-11. Calculations below are based on timing.

**Financing Fund – Cohort 1**

Cash beginning of year 16,155

Upward reestimate 25

Default payment (35,000)

Subsidy collected 430

Modification & adjustment (1,030)

Interest Income 323

Interest Expense (500)

Borrowings needed for payment 18,820 600 177

Total Borrowings used 19,597

Total Borrowings converted 28,735

Return 9,138 excess borrowings converted to cash

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  445000 Unapportioned Authority | 4,785  4,353 |  |  |
| 414200 Actual Repayments of Borrowing Authority Converted  **Proprietary Entry**  251000 Principal Payable to the Bureau of the Public Debt  101000 Fund Balance With Treasury | 9,138 | 9,138    9,138 | B120 |

**Financing Fund – Cohort 2**

Negative Subsidy Obligations 4,000

Less: Fees collected (800)

Interest Income 85

Interest Expense (62)

Borrowing Authority needed 3,200 (23)

Total Borrowing Authority needed 3,177

Borrowing Authority provided 4,055

Withdraw 878 of borrowing authority

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  414300 Current year decreases to borrowing authority | 878 | 878 | A148 |
| **Proprietary Entry**  None |  |  |  |

2-17 The modeling team reestimated the cost for Cohort year 1 and 2. There was a technical downward reestimate for year 2 of 50 and technical upward for year one of 20. There was no interest reestimate. Cohorts are accounted for separately in the financing funds. Budgetary information is reported in GTAS by Cohort in fourth quarter (required for fourth, but can be more often).

Cohort 1(Cohort only exists in Financing Fund)

**Program Fund Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  680000 Future Funded Expenses  [Subsidy Expense - Re-estimates – Technical]  217000 Subsidy Payable to Financing Account | 20 | 20 | B420 |

**Financing Fund Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  131000 Accounts Receivable  [Subsidy Receivable from Program Fund]  218000 Loan Guarantee Liability | 20 | 20 | C438 |

Cohort 2 (Cohort only exists in Financing Fund)

**Program Fund - Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  579100 Adjustment to Financing Sources  – Downward Reestimate or Negative Subsidy  680000 Future Funded Expenses  [Subsidy Expense - Re-estimates – Technical] | 50 | 50 | D146 |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  218000 Loan Guarantee Liability  579100 Adjustment to Financing Sources  – Downward Reestimate or Negative Subsidy  577600 Nonbudgetary Financing Sources Transferred Out  299000 Other Liabilities Without Budgetary Obligations | 50    50 | 50  50 | D147  D148 |

**Miscellaneous Receipts Fund (Downward Reestimate TAS)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  131000 Accounts Receivable  577500 Nonbudgetary Financing Sources Transferred In  599400 Offset to Non-entity Collections  298500 Liability for Non-Entity Assets Not  Reported on the Statement of Custodial Activity | 50    50 | 50  50 | C420  C405 |

2-18 The agency accrued interest on its loan guarantee liability and on the present value of its loans.

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  139900 Allowance for Subs. [Defaulted Guar. Loan Assets]  531300 Interest Revenue – Subsidy Amortization  634000 Interest Exp Accrual on Liability for Loan Guarantee  218000 Loan Guarantee Liability | 293    116 | 293  116 | E118  E122 |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  634000 Interest Exp Accrual on Liability for Loan Guarantee  218000 Loan Guarantee Liability | 23 | 23 | E122 |

**Pre-Closing Entries**

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  407000 Anticipated Federal Collections  445000 Unapportioned Authority | 73 | 73 | A140 |
| **Proprietary Entry**  None |  |  |  |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  407000 Anticipated Federal Collections  459000 Anticipated Apportionments | 25  175 |  |  |
| 406000 Anticipated Non-Federal Collections  **Proprietary Entry**  None |  | 200 | A140 |

**Miscellaneous Receipts Fund Downward Reestimate**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  298500 Liability for Non-Entity Assets Not  Reported on the Statement of Custodial Activity  101000 Fund Balance w Treasury | 4,000 | 4,000 | F124 |

**Miscellaneous Receipts Fund Other Repayments of Investments and Recoveries (xxx2814)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  298500 Liability for Non-Entity Assets Not  Reported on the Statement of Custodial Activity  101000 Fund Balance w Treasury | 30 | 30 | F124 |

**Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pre-Closing Adjusted Trial Balance**  **Program Fund** | | | |
| **Accounts** | **Year 1 (Expired)**  **Debit/(Credit)** | **Year 2 (Unexpired during Year 2)**  **Debit/(Credit)** | **Total**  **Debit/(Credit)** |
| **Budgetary** |  |  |  |
| 411700 Loan Administrative Expense Appropriation |  | 10,000 | 10,000 |
| 411800 Reestimated Loan Subsidy Appropriation |  | 25 | 25 |
| 420100 Total Actual Resources – Collected | 1,845 |  | 1,845 |
| 465000 Allotments – Expired Authority | (1,415) |  | (1,415) |
| 480100 Undelivered Orders - Obligations, Unpaid | (215) |  | (215) |
| 487100 Downward Adjustments of Prior-Year Unpaid Undelivered  Orders - Obligations, Recoveries | 215 |  | 215 |
| 490200 Delivered Orders - Obligations, Paid (Admin) |  | (10,000) | (10,000) |
| 490200 Delivered Orders - Obligations, Paid (Subsidy) | (430) |  | (430) |
| 490200 Delivered Orders - Obligations, Paid (Reestimate) |  | (25) | (25) |
| **Pre-Closing Adjusted Trial Balance (Continued)** | | | |
| **Accounts** | **Year 1 (Expired)**  **Debit/(Credit)** | **Year 2 (Unexpired during Year 2)**  **Debit/(Credit)** | **Total**  **Debit/(Credit)** |
| **Proprietary** |  |  |  |
| 101000 Fund Balance With Treasury | 1,415 |  | 1,415 |
| 217000 Subsidy Payable to the Financing Account |  | (20) | (20) |
| 310000 Unexpended Appropriations - Cumulative | (1,845) |  | (1,845) |
| 310100 Unexpended Appropriations – Appropriations Received |  | (10,025) | (10,025) |
| 310700 Unexpended Appropriations - Used | 430 | 10,025 | 10,445 |
| 331000 Cumulative Results of Operations | 23 |  | 23 |
| 570000 Expended Appropriations | (430) | (10,025) | (10,445) |
| 579100 Adjustment to Financing Sources – Credit Reform |  | 4,080 | 4,080 |
| 610000 Operating Expenses/Program Costs (Admin) |  | 10,000 | 10,000 |
| 610000 Operating Expenses/Program Costs (Subsidy) | 430 | 25 | 455 |
| 619900 Adjustment to Subsidy Expense |  | (4,000) | (4,000) |
| 680000 Future Funded Expenses (Technical) | (36) | (30) | (66) |
| 680000 Future Funded Expenses (Interest) | 13 |  | 13 |
| 719000 Other Gains |  | (30) | (30) |

|  |  |  |  |
| --- | --- | --- | --- |
| **Pre-Closing Adjusted Trial Balance**  **Financing Fund** | | | |
| **Accounts** | **Year 1 Cohort**  **Debit/(Credit)** | **Year 2 Cohort**  **Debit/(Credit)** | **Total**  **Debit/(Credit)** |
| **Budgetary** |  |  |  |
| 414100 Current-Year Borrowing Authority Realized | 28,735 | 4,055 | 32,790 |
| 414200 Actual Repayment of Borrowing Authority Converted  To Cash | (9,138) |  | (9,138) |
| 414300 Current –Year Decreases to Indefinite Borrowing  Authority Realized |  | (878) | (878) |
| 414500 Borrowing Authority Converted to Cash | (28,735) | (2,200) | (30,935) |
| 414800 Resources Realized From Borrowing Authority | 28,735 | 2,200 | 30,935 |
| 415100 Actual Capital Transfers to the General Fund of the  U.S. Government, Current-Year Authority | (30) |  | (30) |
| 420100 Total Actual Resources – Collected | 16,155 | 800 | 16,155 |
| 426100 Actual Collections of Business-Type Fees |  | 800 | 800 |
| 427100 Actual Program Fund Subsidy Collected | 455 |  | 455 |
| 427300 Interest Collected From Treasury | 323 | 85 | 408 |
| 480100 Undelivered Orders - Obligations, Unpaid (Negative  Subsidy) |  | (1,000) | (1,000) |
| 490200 Delivered Orders – Obligations, Paid (Defaulted Gty) | (35,000) |  | (35,000) |
| 490200 Delivered Orders - Obligations, Paid (Treas. Interest) | (500) | (62) | (562) |
| 490200 Delivered Orders – Obligations, Paid (Modification) | (1,000) |  | (1,000) |
| 490200 Delivered Orders - Obligations, Paid (Negative  Subsidy) |  | (3,000) | (3,000) |
|  |  |  |  |
| **Proprietary** |  |  |  |
| 101000 Fund Balance With Treasury |  | 23 | 23 |
| **Pre-Closing Adjusted Trial Balance (Continued)** | | | |
| 131000 Accounts Receivable | 20 |  | 20 |
| 134100 Interest Receivable – Loans | 2,285 |  | 2,285 |
| 135000 Loans Receivable | 38,450 |  | 38,450 |
| 139900 Allowance for Subsidy | (7,655) |  | (7,655) |
| 218000 Loan Guarantee Liability | (13,503) | 2,227 | (11,276) |
| 251000 Principal Payable to the Bureau of the Fiscal Service | (19,597) | (2,200) | (21,797) |
| 299000 Other Liabilities Without Related Budgetary  Obligations |  | (50) | (50) |
| 531200 Interest Revenue – Loans Receivable / Uninvested  Funds | (323) | (85) | (408) |
| 531300 Interest Revenue – Subsidy Amortization | (293) |  | (293) |
| 576600 Nonexpenditure Financing Sources – Transfers-Out-  Capital Transfers | 30 |  | 30 |
| 577600 Nonbudgetary Financing Sources Transferred Out | 1,000 | 3,050 | 4,050 |
| 579100 Adjustment to Financing Sources – Credit Reform | (1,030) | (3,050) | (4,080) |
| 631000 Interest Expenses on Borrowing From the Bureau of  the Fiscal Service and/or the Federal Financing Bank | 500 | 62 | 562 |
| 634000 Interest Expense Accrued on the Liability for Loan  Guarantees | 116 | 23 | 139 |

|  |  |
| --- | --- |
| **Preclosing Trial Balance (Miscellaneous Receipt Account)** | |
|  | **Debit/(Credit)** |
| **Accounts** |  |
| 131000 Accounts Receivable | 50 |
| 298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity | (50) |
| 575600 Nonexpenditure Financing Sources - Transfers-In - Capital Transfers | (30) |
| 577500 Nonbudgetary Financing Sources Transferred In | (4,050) |
| 599300 Offset to Non-Entity Collections - Statement of Changes in Net Position | 4,030 |
| 599400 Offset to Non-Entity Accrued Collections - Statement of Changes in Net Position | 50 |
| **Total** | **0** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Pre-Closing Adjusted Trial Balance (Financing Fund Only)** | | | |
|  | **Cohort 1**  **Debit/(Credit)** | **Cohort 2**  **Debit/(Credit)** | **Total**  **Debit/(Credit)** |
| **Loan Guarantee Level** |  |  |  |
| **Memorandum Accounts** |  |  |  |
| 801000 Guaranteed Loan Level | 89,000 | 100,000 | 189,000 |
| 802000 Guaranteed Loan Level – Apportioned |  | (20,000) | (20,000) |
| 804000 Guaranteed Loan Level – Used Authority | (89,000) | (80,000) | (169,000) |
| **Total** | **0** | **0** | **0** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Loans Disbursed** |  |  |  |
| **Memorandum Accounts** |  |  |  |
| 805000 Guaranteed Loan Principal Outstanding | 30,875 | 60,000 | 90,875 |
| 805300 Guaranteed Loan New Disbursements by Lender | (2,000) | (60,000) | (62,000) |
| 806500 Guaranteed Loan Collections, Defaults, and Adjustments | 43,750 |  | 43,750 |
| 807000 Guaranteed Loan Cumulative Disbursements by Lenders | (72,625) |  | (72,625) |
| **Total** | **0** | **0** | **0** |

2-19. The agency made closing entries.

**Program Fund - Year 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  490200 Delivered Orders  420100 Total Resources  480100 Undelivered Orders | 430  215 | 430 | F314 |
| 487100 Downward Adjustment of Undelivered Orders  **Proprietary Entry**  310000 Unexpended Appropriations  310700 Unexpended Appropriations – Used  570000 Expended Appropriations  610000 Operating Expenses/Program./Costs  680000 Future Funded Expenses  331000 Cumulative Results of Operations | 430    430  23 | 215      430    430  23 | F332      F342    F336 |

**Program Fund - Year 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  490200 Delivered Orders  411700 Loan Administrative Appropriation  411800 Reestimated Appropriation | 10,025 | 10,000  25 |  |
| **Proprietary Entry**  310100 Unexpended Appropriations – Approp. Received  310700 Unexpended Appropriations – Used  570000 Expended Appropriations  610000 Operating Expenses/Program./Costs  680000 Future Funded Expenses  331000 Cumulative Results of Operations  619900 Adjustments to Subsidy Expense  719000 Other Gains  579100 Adjustments to Financing Sources | 10,025    10,025    30  20  4,000  30 | 10,025    10,025  4,080 | F342    F336 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Financing Fund – Cohort 1** | **DR** | **CR** | **TC** |
| **Budgetary Entry**  414500 Borrowing Authority Converted to Cash  414100 Borrowing Authority | 28,735 | 28,735 | F306 |
| 414200 Actual Repayment of Borrowing Auth Convert  415100 Actual Capital Transfers  490200 Delivered Orders  414800 Resources Realized from Borrowing Auth  420100 Total Actual Resources - Collected  427100 Actual Program Fund Subsidy Collected  427300 Interest Collected from Treasury  **Proprietary Entry**  531200 Interest Revenue – Loans  531300 Interest Revenue –Subsidy Amortization  579100 Adjustments to Financing Sources-Credit Reform  576600 Nonbudgetary Transfers Out-Capital Transfers  577600 Nonbudgetary Transfers Out  631000 Interest Expense – Debt  634000 Interest Expense – Gtd Liability  **Memorandum Entry**  805300 Guaranteed Loan New Disbursements  807000 Guaranteed Loan Cumulative  806500 Guaranteed Loan Collections, Defaults, Adjustments | 9,138  30  36,500          323  293  1030  2,000  41,750 | 28,735  16,155  455  323  30  1000  500  116  43,750 | F302            F336  F348  F350 |

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  414300 Current-Year Decreases of Indef Borrow Auth  414500 Borrowing Authority Converted to Cash  414900 Borrowing Authority Carried Forward  414100 Borrowing Authority | 878  2,200  977 | 4,055 | F306 |
| 420100 Total Actual Resources - Collected  490200 Delivered Orders  414800 Resources Realized from Borrowing Auth  426100 Actual Collection of Business Type Fees  427300 Interest Collected from Treasury  **Proprietary Entry**  531200 Interest Revenue – Loans  579100 Adjustments to Financing Sources-Credit Reform  577600 Nonbudgetary Transfers Out  631000 Interest Expense – Debt  634000 Interest Expense – Gtd Liability  **Memorandum Entry**  802000 Guaranteed Loan Level – Apportioned  804500 Guaranteed Loan Level – Unused Authority  805300 Guaranteed Loan New Disbursements  807000 Guaranteed Loan Cumulative | 23  3,062            85  3,050    20,000    60,000 | 2,200  800  85      3,050  62  23  20,000    60,000 | F302        F336      F346    F348 |
|  |  |  |  |

**Miscellaneous Receipt Accounts**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  575600 Nonexpenditure Financing Sources - Transfers In - Capital Transfers  577500 Nonbudgetary Financing Sources Transferred In  599300 Offset to Non-Entity Collections – Statement of Changes in Net  Position | 30  4,050 | 4,080 | F336 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry**  None |  |  |  |
| **Proprietary Entry**  577500Nonbudgetary Financing Sources Transferred In  599400 Offset to Non-Entity Accrued Collections – Statement of Changes in  Net Position | 50 | 50 | F336 |

**Year 2**

|  |  |  |
| --- | --- | --- |
| **Post-Closing Trial Balance** | | |
|  | **Program Fund** | **Financing Fund** |
| **Debit/(Credit)** | **Debit/(Credit)** |
| **Accounts** |  |  |
| **Budgetary** |  |  |
| 414900 Borrowing Authority Carried Forward |  | 977 |
| 420100 Total Actual Resources - Collected | 1,415 | 23 |
| 465000 Allotments - Expired Authority | (1,415) |  |
| 480100 Undelivered Orders - Obligations, Unpaid |  | (1,000) |
| **Total** | **0** | **0** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Post-Closing Trial Balance (Continued)** | | | |
|  | **Program Fund** | **Financing Fund** | **Miscellaneous Receipt** |
| **Debit/(Credit)** | **Debit/(Credit)** | **Debit/(Credit)** |
| **Accounts** |  |  |  |
| **Proprietary** |  |  |  |
| 101000 Fund Balance With Treasury | 1,415 | 23 |  |
| 131000 Accounts Receivable |  | 20 | 50 |
| 134100 Interest Receivable-Loans |  | 2,285 |  |
| 135000 Loans Receivable |  | 38,450 |  |
| 139900 Allowance for Subsidy |  | (7,655) |  |
| 217000 Subsidy Payable to the Financing Account | (20) |  |  |
| 218000 Loan Guarantee Liability |  | (11,276) |  |
| 251000 Principal Payable to the Bureau of the Fiscal Service |  | (21,797) |  |
| 298500 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity |  |  | (50) |
| 299900 Other Liabilities Without Related Budgetary Obligations |  | (50) |  |
| 310000 Unexpended Appropriations - Cumulative | (1,415) |  |  |
| 331000 Cumulative Results of Operations | 20 |  |  |
| **Total** | **0** | **0** | **0** |

|  |  |  |
| --- | --- | --- |
| **Post-Closing Trial Balance (Financing Fund Only)** | | |
|  | **Debit** | **Credit** |
| **Loan Guarantee Level** |  |  |
| **Memorandum Accounts** |  |  |
| 801000 Guaranteed Loan Level | 189,000 |  |
| 804000 Guaranteed Loan Level - Used Authority |  | (169,000) |
| 804500 Guaranteed Loan Level - Unused Authority |  | (20,000) |
| **Total** | **0** | **0** |

|  |  |  |
| --- | --- | --- |
| **Loans Disbursed** |  |  |
| **Memorandum Accounts** |  |  |
| 805000 Guaranteed Loan Principal Outstanding | 90,875 |  |
| 807000 Guaranteed Loan Cumulative Disbursements by Lenders |  | (90,875) |
| **Total** | **0** | **0** |

**Loan Guarantee Agency**

**September 30, FY-2**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **BALANCE SHEET** | | | | | | |
|  |  | **Program Fund** | **Elim** | **Financing Fund** | **Misc.**  **Receipt** | **Total** |
|  | **Assets:** |  |  |  |  |  |
|  | Intragovernmental |  |  |  |  |  |
| 1. | Fund Balance with Treasury (101000E) | 1,415 |  | 23 |  | 1,438 |
| 3. | Accounts Receivable (131000E) |  | (70) | 20 |  |  |
| 6. | Total Intragovernmental (calc.) | 1,415 | (70) | 43 | 50 | 1,438 |
| 11. | Direct Loan and Loan Guarantees, Net (134100E, 135000E, 139900E) |  |  | 33,080 |  | 33,080 |
| 15. | Total Assets (calc.) | 1,415 | (70) | 33,123 | 50 | 34,518 |
|  |  |  |  |  |  |  |
|  | **Liabilities:** |  |  |  |  |  |
| 17. | Accounts Payable (2170000E) | 20 | (70) | 50 | 50 | 50 |
| 18. | Debt (251000) |  |  | 11,276 |  | 11,276 |
| 20. | Total Intragovernmental | 20 | (70) | 11,326 | 50 | 11,326 |
| 22. | Loan Guarantee Liability (218000E) |  |  | 21,797 |  | 21,797 |
| 28. | Total Liabilities (calc.) | 20 | -70 | 33,123 |  | 33,123 |
|  |  |  |  |  |  |  |
|  | **Net Position:** |  |  |  |  |  |
| 31. | Unexpended Appropriations – All Other Funds (310100E, 310700E) | 1,415 |  |  |  | 1,415 |
| **BALANCE SHEET** | | | | | | |
| 33. | Cumulative Results of Operations - All Other Funds (531200E, 570000E, 579100E, 610000E, 634000E, 680000E, 729000E) | (20) |  |  |  | (20) |
| 35. | Total Net Position – All Other Funds (calc.) |  |  |  |  |  |
| 36. | Total Net Position (calc.) | 1,395 |  |  |  | 1,395 |
| 37. | Total Liabilities and Net Position (calc.) | 1,415 | -70 | 33,123 | 50 | 34,518 |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-2**

|  |  |  |  |
| --- | --- | --- | --- |
| **STATEMENT OF NET COST** | | | |
|  | **Program Fund** | **Financing Fund** | **Total** |
| **Gross Program Costs:** |  |  |  |
| 1. Gross costs (610000E, 631000E, 634000E, 680000E) | 6,402 | 701 | 7,103 |
| 2. Less: Earned Revenues (531200E, 531300E, 719000E) | 30 | 701 | 731 |
| 3. Net program costs (calc. 1-2) | 6,372 |  | 6,372 |
| 8. Net cost of operations (calc. 5+6-7) | 6,372 |  | 6,372 |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-2**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STATEMENT OF CHANGES IN NET POSITION** | | | | | | | | | |
|  |  | **Program Fund** | | **Financing Fund** | | **Misc. Recipt** | | **Total** | |
|  |  | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations | Cumulative Results of Operations | Unexpended Appropriations |
|  | **Cumulative Results of Operations:** |  |  |  |  |  |  |  |  |
|  | **Beginning Balances** |  |  |  |  |  |  |  |  |
| 1. | Cumulative Results of Operations (331000B) | (23) | 1,845 |  |  |  |  | (23) | 1,845 |
| 3. | **Beginning Balances, as Adjusted** | (23) | 1,845 |  |  |  |  | (23) | 1,845 |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |  |  |
| 5. | Appropriations Used (570000E) | 10,455 |  |  |  |  |  | 10,455 |  |
| 8. | Transfers-In/Out Without Reimbursement (576600E) |  |  | (30) |  |  |  | (30) |  |
|  | **Other Financing Sources (Non Exchange):** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| 11. | Transfers In/Out w/out Reimbursement (575600E, 577500E, 577600E) |  |  | (4,050) |  | 4,080 |  | 30 |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STATEMENT OF CHANGES IN NET POSITION** | | | | | | | | | |
| 13. | Other (579100E, 599300E) | (4,080) |  | (4,080) |  | (4,080) |  |  |  |
| 14. | Total Financing Sources | 6,375 |  |  |  | 6,375 |  |  |  |
| 15. | Net Cost of Operations (+/-) | 6,372 |  |  |  | 6,372 |  |  |  |
| 16. | Net Change (calc. 14-15) | (20) |  |  |  | (20) |  |  |  |
| 17. | **Cumulative Results of Operations (calc. 3+16)** |  |  |  |  |  |  |  |  |
|  | **Unexpended Appropriations:** |  |  |  |  |  |  |  |  |
|  | **Budgetary Financing Sources:** |  |  |  |  |  |  |  |  |
| 21. | Appropriations Received (310100E) |  | 10,025 |  |  |  |  |  | 10,025 |
| 24. | Appropriations Used (310700E) |  | (10,455) |  |  |  |  |  |  |
| 25. | Total Budgetary Financing Sources (calc. 21..24) |  | (430) |  |  |  |  |  | (430) |
| 26. | Total Unexpended Appropriations (calc. 20 + 25) |  | (430) |  |  |  |  |  | (430) |
| 27. | **Net Position (calc. 17 + 26)** | (20) |  | (20) | 1415 |  |  |  |  |

**Loan Guarantee Agency**

**For Fiscal Year Ended September 30, FY-2**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **STATEMENT OF BUDGETARY RESOURCES** | | | | | | | |
|  |  | **Budgetary** | | **Non-Budgetary Financing Account** | | **Total** | |
|  | **Budgetary Resources:** |  | |  | |  | |
| 1000 | Unobligated balance brought forward ((420100B, 422100B, 480100B) | 1,200 | | 16,800 | | 18,000 | |
| 1021 | Recoveries of prior year unpaid obligations (487100E) | 215 | |  | | 215 | |
| 1290 | Appropriations (discretionary and mandatory) (411700E, 4118000E) | 10,025 | |  | | 10,025 | |
| 1490 | Borrowing authority (discretionary and mandatory) (414100E, 414200E, 414300E) |  | | 22,774 | | 22,774 | |
| 1890 | Spending authority from offsetting collections (discretionary and mandatory) (415100E, 426100E, 4271E, 427300E, 422100E) |  | | 988 | | 988 | |
| 1910 | Total budgetary resources | $11,440 | | $40,562 | | $52,002 | |
|  |  |  | |  | |  | |
|  | **Status of Budgetary Resources:** |  | |  | |  | |
| 2190 | Obligations incurred- Direct (480100E-B, 490200B) | 10,025 | | 40,562 | | 50,587 | |
|  | **Unobligated balance, end of year:** |  | |  | |  | |
| 2413 | Expired unobligated balance, end of year (465000E, 445000E) | 1,415 | |  | | 1,415 | |
| 2500 | Total budgetary resources | $11,440 | | $40,562 | | $52,002 | |
| **STATEMENT OF BUDGETARY RESOURCES** | | | | | | | |
|  | **Change in obligated balance** | |  | |  | |  |
| 3000 | Unpaid obligations, brought forward, Oct 1 (480100B) | | 645 | |  | | 645 |
| 3012 | New obligations and upward adjustments | | 10,025 | | 40,562 | | 50,587 |
| 3020 | Outlays (gross) (-) | | (10,455) | | (39,562) | | (50,017) |
| 3042 | Recoveries of prior year unpaid obligations (-) | | 215 | |  | | 215 |
| 3072 | Change in uncollected pymts, Fed sources (+ or-) | |  | | 645 | | 645 |
| 3200 | Obligated balance, end of year (+ or -) | |  | | 1,000 | | 1,000 |
|  |  | |  | |  | |  |
|  | **Budget authority and outlays, net:** | |  | |  | |  |
| 4175 | Budget authority, gross (discretionary and mandatory) | | 10,025 | | 23,762 | | 33,787 |
| 4177 | Change in uncollected pymts, Fed sources (discretionary and mandatory) (+ or -) | |  | | (1,663) | | (1,663) |
| 4178 | Recoveries of prior year paid obligations (discretionary and mandatory) | |  | | 645 | | 645 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STATEMENT OF BUDGETARY RESOURCES** | | | | |
| 4180 | Budget authority, net (total) (discretionary and mandatory) | 10,025 | 22,744 | 32,769 |
| 4185 | Outlays, gross (discretionary and mandatory) | 10,455 | 39,562 | 50,017 |
| 4187 | Actual offsetting collections (discretionary and mandatory) (-) |  | (1.663) | (1,663) |
| 4190 | Outlays, net (total) (discretionary and mandatory) | 10,455 | 37,899 | 48,354 |
| 4200 | Distributed offsetting receipts (-) | (4,030) |  | (4,030) |
| 4210 | Agency outlays, net (discretionary and mandatory) | 6,425 | 37,899 | 44,324 |

**Loan Guarantee Agency**

**for Fiscal Year Ended September 30, FY-2**

|  |  |  |  |
| --- | --- | --- | --- |
| **FUND BALANCE WITH TREASURY FOOTNOTE** | | | |
|  | **Program**  **Fund** | **Financing**  **Fund** | **Total** |
| **A. Fund Balance** |  |  |  |
| 3. Revolving Funds |  | 23 | 23 |
| 4. General Funds | 1.415 |  | 1,415 |
| Total | 1,415 | 23 | 1,438 |
| **B. Status of Fund Balance** |  |  |  |
| 1. Unobligated Balances |  |  |  |
| (a) Available (461000E) |  |  |  |
| (b) Unavailable (445000E, 465000E) | 1,415 |  |  |
| 2. Obligated Balances not yet disbursed |  |  |  |
| (a) Unpaid Obligations (480100E) |  | 1,000 | 1,000 |
| (b) Borrowing authority not converted to cash (414900E) |  | (977) | (977) |
| Total | 1,415 | 23 | 1,438 |

**Loan Guarantee Agency**

**September 30, FY-2**

|  |  |
| --- | --- |
| **Note 8: Credit Program Note** | |
| **I. Defaulted Guaranteed Loans from Post – 1991 Guarantees:** |  |
| Defaulted Loans Receivable, Gross (135000E) | 38,450 |
| Interest receivable (134100E) | 2,285 |
| Less Allowance for Subsidy Cost (139900E) | (7,655) |
| Value of Assets Related to Defaulted Guaranteed Loan Receivables, Net | $33,080 |
| **J. Guaranteed Loans Outstanding:** |  |
| **J1. Guaranteed Loans Outstanding:** |  |
| Outstanding Principle of Guaranteed Loans, Face Value (805000E) | $90,875 |
| Amount of Outstanding Principle Guaranteed (805000\* gtd %)[[61]](#footnote-61) | $69,700 |
| **J2. New Guaranteed Loans Disbursed(current reporting year):** |  |
| Principle of Guaranteed Loans, Face Value (805300) | $62,000 |
| Amount of PrincipleGuaranteed (805300 \* gtd %)[[62]](#footnote-62) | $46,600 |
| **K. Liability for Loan Guarantees:** |  |
| **K1. Liability for Loan Guarantees**  **(Present Value Method for Pre-1992 Guarantees):** | $11,276 |
| Liabilities for Post -1991 Guarantees, Present Value (218000) |  |
| **L Subsidy Expense for Loan Guarantees by Program and Component:** |  |
| **L1. Subsidy Expense for New Loan Guarantees (current reporting year)** |  |
| Interest Supplements | 40 |
| Defaults | 2,476 |
| **Note 8: Credit Program Note** | |
| Fees and Other Collections | (5,086) |
| Total | (2,570) |
| **L2. Modifications and Reestimates (current reporting year):** |  |
| Total Modifications | (1,000) |
| Technical Reestimates (680000, 610000) | (28) |
| Total Re-estimates | (1,028) |
| **L3. Total Loan Guarantee Subsidy Expense** |  |
| **(equals 610000 + 680000 for subsidy & modification)** | (3,598) |
| **M. Subsidy Rates for Loan Guarantees by Program and Component:** |  |
| **Budget Subsidy Rates for Loan Guarantees for the Current Year’s Cohorts:** | *Percent* |
| Defaults | 3.46 |
| Fees and Other Collections | (8.46) |
| Total | (5.00) |
| **N. Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees):** |  |
| Beginning balance of the loan guarantee liability, October 1 | $ 18,965 |
| Add: subsidy expense for guaranteed loans  disbursed during the reporting years by component: |  |
| 1. Interest supplement costs | 40 |
| 1. Default costs (net of recoveries) | 2,476 |
| 1. Fees and other collections | (5,086) |
| Total of the above subsidy expense components | (2,570) |
| Adjustments: |  |
| a. Loan guarantee modifications | (1,000) |
| b. Fees received (426100) | 800 |
| c. Interest supplements used |  |
| d. Foreclosed property and loans acquired | 30,000 |
| e. Claim payment to lenders (490200) | (35,000) |
| **Note 8: Credit Program Note** | |
| f. Interest accumulation on liability balance (634000) | 139 |
| g. Other (modification adjustment transfer | (30) |
| Ending balance of the loan guarantee liability before reestimates | 11,304 |
| Add or subtract subsidy reestimates by component: |  |
| b. Technical/default reestimate | (28) |
| Total of the above reestimate components | (28) |
| Ending balance of the loan guarantee liability (218000) | $11,276 |
| O. Administrative Expense |  |
| Loan guarantee programs (610000) | $10,000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING**[[63]](#footnote-63) | | | | |
|  | **Program Fund** | | **Financing Fund** | |
| **SF133 Line** | **Sch P Line** | **SF133 Line** | **Sch P Line** |
| **BUDGETARY RESOURCES** |  |  |  |  |
| **All accounts:** |  |  |  |  |
| 0900 Total new obligations (490200E) |  | 10,025 |  | 40,562 |
|  |  |  |  |  |
| **Unobligated balance:** |  |  |  |  |
| 1000 Unobligated balance brought forward, October 1 (445000E, 461000E) |  |  | 16,800 | 16,800 |
|  |  |  |  |  |
| **Budget Authority:** |  |  |  |  |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| **Appropriations:** |  |  |  |  |
| **Discretionary:** |  |  |  |  |
| 1100 Appropriation Discretionary (411700E) | 10,000 | 10,000 |  |  |
| 1160 Appropriation – Discretionary (total) | 10,000 | 10,000 |  |  |
|  |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| 1200 Appropriation (412500E) | 25 | 25 | 10 | 10 |
| 1260 Appropriation – Mandatory (total) | 25 | 25 | 10 | 10 |
|  |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| **Borrowing Authority:** |  |  |  |  |
| 1400 Borrowing Authority (414100E, 414300E) |  |  | 31,912 | 31,912 |
| 1422 Borrowing applied to repay debt (-) (414200E) |  |  | **(**9,138) | **(**9,138) |
| 1440 Borrowing authority, mandatory (total) |  |  | 22,774 | 22,774 |
|  |  |  |  |  |
| **Spending Authority from Offsetting Collections:** |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| 1800 Collected (426100E, 427100E, 427300E) |  |  | 1,663 | 1,663 |
| 1801 Change in uncollected payments, Federal sources (+ or -) (422100E) |  |  | (645) | (645) |
| 1850 Spending authority from offsetting collections, mandatory  (total) |  |  | 988 | 988 |
| 1900 Budget Authority (total) | 10,025 | 10,025 | 23,762 | 23,762 |
| 1930 Total budgetary resources available |  | 10,025 |  | 40,562 |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| **Unobligated Balance** |  |  |  |  |
|  |  |  |  |  |
| 1940 Unobligated balance expiring (-) |  |  |  |  |
| 1941 Unexpired unobligated balance, end of year |  |  |  | - |
|  |  |  |  |  |
| **CHANGE IN OBLIGATED BALANCE** |  |  |  |  |
| **Unpaid obligations:** |  |  |  |  |
| 3000 Unpaid obligations, brought forward, Oct 1 (422100E) |  |  |  | 645 |
| 3010 New Obligations, unexpired accounts (480100E, 490200E) | 10,025 | 10,025 | 40,562 | 40,562 |
| 3020 Outlays (gross) (-) (490200E) | (10,455) | (10,455) | (39,562) | (39,562) |
| 3041 Recoveries of prior year unpaid obligations, expired accounts (-) (487100E) | 215 | 215 |  |  |
| 3050 Unpaid obligations, end of year (480100E) |  |  | 1,000 | 1,000 |
| 3060 Uncollected pymts, Fed sources, brought forward, Oct 1 (-) (422100E) |  |  | (645) | (645) |
| 3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or -) (422100E) |  |  | (645) | (645) |
| 3090 Uncollected pymts, Fed sources, end of year (-) |  |  |  |  |
|  |  |  |  |  |
| **Memorandum (non-add) entries:** |  |  |  |  |
| 3100 Obligated balance, start of year (+ or -) |  |  |  |  |
| 3200 Obligated balance, end of year (+ or -) (480100E) | 645 | 645 |  |  |
| **BUDGET AUTHORITY AND OUTLAYS, NET** |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| **Discretionary:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
|  | | | | |
| 4000 Budget authority, gross | 10,000 | 10,000 |  |  |
| 4010 Outlays from new discretionary authority | 10,000 | 10,000 |  |  |
| 4011 Outlays from discretionary balances | 430 | 430 |  |  |
| 4020 Outlays, gross (total) | 10,430 | 10,430 |  |  |
| 4070 Budget authority, net (discretionary) | 10,000 | 10,000 |  |  |
| 4080 Outlays, net (discretionary) | 10,430 | 10,430 |  |  |
|  |  |  |  |  |
| **Mandatory:** |  |  |  |  |
| **Gross budget authority and outlays:** |  |  |  |  |
| 4090 Budget authority, gross (This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (Sch P)].) | 25 | 25 | 23,762 | 23,762 |
| 4100 Outlays from new mandatory authority[[64]](#footnote-64) (490200E) | 25 | 25 |  |  |
| 4110 Total outlays, gross (490200E) | 25 | 25 | 39,562 | 39,562 |
| 4120 Federal sources (-) (427100E) |  |  | (455) | (455) |
| 4122 Interest on uninvested funds (-) (427300E) |  |  | (408) | (408) |
| 4123 Non-Federal sources (-) (426100E) |  |  | (800) | (800) |
| 4130 Offsets against gross budget authority and outlays (total) (-) |  |  | (1,663) | (1,663) |
| **SF 133: Report on Budget Execution and Budgetary Resources &**  **Budget Program and Financing Schedule (Schedule P)**  **ACTUAL COLUMN FOR YEAR 1 REPORTING** | | | | |
| 4140 Change in uncollected pymts, Fed sources, unexpired accounts(+/-) (422100E) |  |  | 645 | 645 |
| 4150Additional offsets against budget authority only (total) |  |  | (645) | (645) |
| 4160 Budget authority, net (mandatory) (This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (Sch P).) |  |  | 22,744 | 22,744 |
| 4170 Outlays, net (mandatory) (This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.) |  |  | 37,899 | 37,899 |
| 4180 Budget authority, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4070 and 4160.) | 10,025 | 10,025 | 22,744 | 22,744 |
| 4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.) | 10,455 | 10,455 | 37,899 | 37,899 |

**FISCAL YEAR 3**

This fiscal year will only deal with the liquidating of the downward re-estimates and repayment of debt. All other items have been addressed in previous fiscal years. No financial statements or footnotes will be prepared for this fiscal year.

OMB approved the downward re-estimate of $50 on cohort 2. Since there is no carry forward authority, the cohort will need to borrow to pay the downward re-estimate. The loan on cohort 1 is expected to repay $10,000.

Loan Guarantee Agency

**Fiscal Year 3**

|  |  |  |
| --- | --- | --- |
| **SF 132 Apportionment/Reapportionment Schedule** | | |
|  | **BUDGETARY RESOURCES** | **Financing Fund** |
|  | **Budget authority:** |  |
|  | **Unobligated balance:** |  |
| 1000 | Unobligated balance brought forward, Oct 1 | - |
|  | **Borrowing authority, mandatory:** |  |
| 1400 | Borrowing authority (414100) | 50 |
|  | **Spending authority from offsetting collections, mandatory:** |  |
| 1840 | Anticipated Collections, Reimbursements, and Other Income | 1,000 |
| 1842 | Anticipated Redemption of Debt | (2,000) |
| 1920 | Total Budgetary Resources | 8,050 |
|  | **APPLICATION OF BUDGETARY RESOURCES** |  |
|  | **Category B (by project)** |  |
| 6012 | Payment to Receipt Account | 50 |
| 6013 | Treasury Interest | 340 |
| 6182 | Unapportioned Balance | 7,660 |
| 6190 | Total Budgetary Resources Available | 80,050 |

3-1 Agency receives approved SF132 reflecting downward re-estimate amounts. Along with the budgetary authority, the agency allots, obligates and pays the downward re-estimate to the miscellaneous receipt account.

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
| To record borrowing authority and obligate (See previous entries for apportionment and allotment entries)[[65]](#footnote-65) | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 414100 Current Year Borrowing Authority Realized  480100 Undelivered Orders - Obligations, Unpaid  **Proprietary Entry**  None | 50 | 50 | A152  B316 |

See year 2 for borrowing entries as they are the same no matter what the agency is borrowing for.

**Financing Fund – Cohort 2**

|  |  |  |  |
| --- | --- | --- | --- |
| To pay downward re-estimate | | | |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders- Obligations, Paid  **Proprietary Entry**  299000 Other Liabilities Without Related Budgetary Obligations  101000 Fund Balance With Treasury | 50  50 | 50  50 | A146  A141 |

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry[[66]](#footnote-66)**  680000 Future Funded Expenses (Subsidy Expense –Re-estimates – Technical)  579100 Adjustement to Fianancing Sources – Downward Reestimate or  Negative Subsidy  579100 Adjustement to Fianancing Sources – Downward Reestimate or  Negative Subsidy  619900 Adjustment to Subsidy Expense | 50  50 | 50  50 | D146R    D150 |

**Miscellaneous Receipt**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  101000 Fund Balance With Treasury  131000 Accounts Receivable  599400 Offset to Non-Entity Accrued Collections – Statement of Changes in Net  Position  599300 Offset to Non-Entity Collections – Statement of Changes in Net  Position | 50    50 | 50    50 | A195    D585R |

3-2 Agency receives SF132 showing anticipated repayments of debt. *Note: SF132 is not required to show repayments of debt, but A-11 suggests including if known.*

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 445000 Unapportioned Authority  404700 Anticipated Transfers to the General Fund of the U.S. Government-  Current Year Authority  **Proprietary Entry**  None | 2,000 | 2,000 | A142 |

See year 1 for anticipated collections and actual collection entries and year 2 for interest payments on debt.

3-3 At year end agency determines that it has excess cash of $1,000. This amount will not be needed for future defaults and the agency repays treasury debt.

**Financing Fund – Cohort 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 404700 Anticipated Transfers to the General Fund of the U.S. Government–  Current Year Authority  414600 Actual Repayments of Debt, Current -Year Authority  **Proprietary Entry**  251000 Principal Payable to the Bureau of the Fiscal Service  101000 Fund Balance With Treasury | 1,000  1,000 | 1,000    1,000 | B120 |

**APPENDIX 1:   
ACCOUNTING FOR MANDATORY LOAN GUARANTEE PROGRAMS**

**INTRODUCTION**

The scenarios presented in this guide were for common transactions undertaken by a discretionary loan guarantee program. This appendix discusses two key differences between discretionary and mandatory loan guarantee programs, and shows how the entries in the guide would differ for a mandatory program with typical funding characteristics.

**BASIC DIFFERENCES BETWEEN DISCRETIONARY AND MANDATORY PROGRAMS**

In a discretionary program, Congress sets a funding level, and program agencies make loans up to the amount that can be supported from subsidy in their program fund. Usually, annual or multi-year appropriations provide program fund subsidy, although Congress can give no-year (permanent indefinite) appropriations should it choose to do so.

Annual appropriation authority expires at the end of the fiscal year that it funds, and multi-year appropriations expire at the end of the last year of their period of availability. For example, appropriations good for three years expire at the end of the third year funded. Agencies cannot place any new obligations against expired authority, generally, they have five years after the date of expiration to fill obligations and pay liabilities before both the obligated and unobligated authority is canceled and cannot be used for any purposes. Congress sometimes provides for different periods of expiration.[[67]](#footnote-67)

The government also operates mandatory (entitlement) loan guarantee programs, in which Congress usually authorizes permanent indefinite appropriations for subsidy. If the amount of subsidy requested by qualified loan applicants, who meet the program criteria established by Congress, exceeds the subsidy monies by drawing additional appropriations. Congress may mandate that the agency concur with the additional funding or may place a cap on the total funding. These no-year appropriations do not have a date of expiration, and agencies may use unobligated subsidy appropriation authority as long funded as the programs remain authorized by the Congress.

Congress may provide appropriations for administrative expenses that have annual, multi-year, or no-year expiration. Most commonly, both discretionary and mandatory loan guarantee programs have annual administrative expense appropriations. Thus, no differences in accounting for administrative expenses will be presented. However, multi-year administrative expense appropriations in other than the last year covered, and no-year administrative expense appropriations, would be accounted for in the same manner as will be shown for no-year appropriations of subsidy authority.

Another difference between discretionary and mandatory loan guarantee programs is that when downward adjustments to subsidy are called for during the subsidy re-estimation process to properly value loan guarantees at the estimated value of their cash-flows, discretionary programs must generally return the excess money in their financing fund to Treasury by transferring it to a designated miscellaneous receipt account. Mandatory programs generally may recycle this excess by transferring it back to their program account. While these are the typical situations, Congress may also provide do the following:

* Provide for recycling of downward reestimates for a discretionary program; or
* Provide that agencies cannot recycle downward re-estimates in a mandatory program and must return them to Treasury.

Recording and reporting downward reestimates of subsidy for both a discretionary and a mandatory program is discussed in Appendix 2 (recall that the agency in the guide illustrated accrual and disposition of an upward adjustment).

Both discretionary and mandatory loan guarantee programs generally have the same transactions. Agencies must formulate budgetary resources, apportioned by OMB, and allot and account for them as follows:

* Making loans based on a combination of program fund subsidy and financing fund borrowing from Treasury;
* Making collections from Federal and non-Federal sources and using the collections to repay the principal and interest on the loan from Treasury;
* Reestimating to determine the present value of the loans and interest receivable and adjusting the accounts as required;
* Closing the books at yearend; and so forth.

Where there are differences in the type of subsidy appropriations provided and disposition of downward re-estimates, the journal entries to record the same transaction usually will differ as well. The next section discusses those differences.

**DIFFERENCES IN JOURNAL ENTRIES**

**FOR MANDATORY PROGRAMS**

The transactions illustrated for the discretionary loan guarantee program guide are virtually the same as those are undertaken in a mandatory program. However, four of the journal entries would be different. The transactions involved, and the budgetary and proprietary entries a mandatory program with no-year subsidy authority, but with the same amount of funding and other parameters as the discretionary program, would make are set forth below.[[68]](#footnote-68) Note that only certain entries in fiscal year 1 are affected. There would be no change from the discretionary program entries in fiscal year 2.

Changes from entries illustrated for the discretionary program are highlighted in bold type. For each transaction presented, only the fund entities (including memorandum accounts) for which there is a change are presented. If a fund entity (including memorandum accounts) present for a transaction in the discretionary program guide is not present in the transactions illustrated below, a mandatory program would make the same entries for those fund entities. A discussion of changes follows the revised entries for each transaction.

1-1. The agency prepares the budget formulation.

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 412000 Anticipated Indefinite Appropriations  411700 Loan Administrative Expense Appropriation  445000 Unapportioned Authority  **Proprietary Entry**  101000 Fund Balance With Treasury  310100 Unexpended Appropriations - Received | 21,500  5,000  5,000 | 26,500  5,000 | A102    A104 |

***Explanation of difference***

Because the program fund has permanent indefinite authority for its subsidy, agencies must anticipate the amount of the appropriations they will receive in order to prepare the budget formulation. The agency normally will not realize the appropriations until OMB has approved the amount. Accordingly, the agency must make two changes in the program fund entry. First, it uses the account for anticipated appropriations, 412000, instead of the account for realized subsidy appropriations, 411500. Second, because the subsidy money is not realized at this point, it records only the amount of the administrative expense appropriation, which is an annual appropriation, as the amount of Fund Balance With Treasury. Note that there is no change for the financing fund or memorandum account entries.

1-2. OMB approved the agency’s requests for apportionment without change, and the agency recorded the apportionment.

**Program Fund**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| 411500 Loan subsidy Appropriation  412000 Anticipated Indefinite Appropriations  445000 Unapportioned Authority  451000 Apportionments  **Proprietary Entry**  101000 Fund Balance With Treasury  310100 Unexpended Appropriations - Received | 21,500  26,000    21,500 | 21,500    26,500  21,500 | A104    A116 |

***Explanation of Difference***

There are two differences here. First, because the subsidy appropriation was anticipated and not realized until OMB concurred with the amount, the agency makes an entry to realize the appropriation. Second, along with the realization, the agency must record the related Fund Balance With Treasury. Note that the combination of entries 1-1 and 1-2 yields the same account balances for both the discretionary and mandatory programs.

1-12. After consultation and agreement with OMB, the agency decided to exercise a clause in the program’s legislation allowing it to modify the terms of some of the guarantees because of economic downtrends. This reduced the present value of those guarantees by $1,000.[[69]](#footnote-69) The agency transferred the $1,000 from the program fund to the financing fund.

***Explanation of Difference***

Here the basic transaction is the same–the agency is making modifications to loan guarantee terms that cost the government $1,000. However, some of the related procedures are different. In the discretionary program, the agency had to reduce the loan guarantee level. This was because the subsidy appropriation was annual, so the agency had to use subsidy to modify loan guarantees and could not use the subsidy to making new guarantees (recall that an agency can only make the amount of loan guarantees that its subsidy monies can support).

In a mandatory program in which an agency can draw additional monies, with OMB approval, from a permanent indefinite appropriation, there is no need to reduce the program level. The agency can recover the $1,000 subsidy by drawing an additional $1,000 from the appropriation subsidy. This is not illustrated because, we know from the discretionary program guide, the agency did not use the full amount of subsidy, even reduced by the $1,000 used for modifications, to make loans. However, the agency would not make the entry to reduce the loan level, unless OMB directed the agency to reduce it.

**TRIAL BALANCES AND FINANCIAL STATEMENTS**

Pre- and post-closing trial balances, financial statements, and the quantitative portion of the credit program note for the mandatory program would be the same as for the discretionary program for both fiscal years, with the exception that the guaranteed loan level probably would remain at $100,000 instead of having been reduced to $95,349. The pre-closing trial balance of memorandum accounts for the loan guarantee level would thus be:

|  |  |
| --- | --- |
| **Pre-Closing Adjusted Trial Balance (Financing Fund Only)** | |
|  | **Total**  **Debit/(Credit)** |
| **Loan Guarantee Level** |  |
| **Memorandum Accounts** |  |
| 801000 Guaranteed Loan Level | 100,000 |
| 801500 Guaranteed Loan Level - Unapportioned | 0 |
| 802000 Guaranteed Loan Level - Apportioned | (10,000) |
| 804000 Guaranteed Loan Level - Used Authority | (90,000) |
| 804500 Guaranteed Loan Level - Unused Authority | 0 |
| **Total** | **0** |

1-19 The agency made the following closing entries.

**Memorandum Accounts - Loan Guarantee Level**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DR** | **CR** | **TC** |
| **Budgetary Entry** |  |  |  |
| None  **Proprietary Entry**  None  **Memorandum Entry**  802000 Guaranteed Loan Level – Apportioned  804500 Guaranteed Loan Level - Unused Authority | 10,000 | 10,000 | F346 |

|  |  |
| --- | --- |
| **Pre-Closing Adjusted Trial Balance (Financing Fund Only)** | |
|  | **Total**  **Debit/(Credit)** |
| **Loan Guarantee Level** |  |
| **Memorandum Accounts** |  |
| 801000 Guaranteed Loan Level | 100,000 |
| 801500 Guaranteed Loan Level - Unapportioned | 0 |
| 802000 Guaranteed Loan Level - Apportioned | 0 |
| 804000 Guaranteed Loan Level - Used Authority | (90,000) |
| 804500 Guaranteed Loan Level - Unused Authority | (10,000) |
| **Total** | **0** |

Narrative descriptions about funding and loan levels authorized would be different, but are not illustrated for either program. (The narrative about program level and nature of subsidy funding would be different, because the program loan level was reduced in the discretionary program but not in the mandatory program, and the subsidy appropriation in the mandatory program was no-year authority, as opposed to annual authority in the discretionary case.)

**APPENDIX 2: REFERENCES**

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

**OFFICE OF MANAGEMENT AND BUDGET**

* OMB Bulletin 01-09, *Form and Content of Agency Financial Statements for Audit*
* OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*
* OMB Circular A-136, *Financial Reporting Requirements- Revised*
* OMB Credit Model

 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, *Selected Assets and Liabilities*
* SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*
* SFFAS No. 3, *Inventory and Related Property*
* SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and concepts for Reconciling Budgetary Financial Accounting*
* SFFAS No. 18, *Amendments to Accounting Standards for Direct Loans and Loan Guarantees*
* SFFAS No. 19, *Technical Amendments to Accounting Standards for Direct Loans and Loan Guarantees* in SFFAS No. 2
* 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
* **Bureau of the Fiscal Service** *U.S. Standard General Ledger* (codified in *Treasury Financial Manual*)
* *Budgetary Accounting in the Federal Government*
* Illustrative Cases in Accounting for Credit Programs (Financial Reports and Advisory Division)
* Present Value Monograph
* General Ledger and Advisory Branch (Bureau of the Fiscal Service, Treasury)
* *OMB Circular No. A-11, (July 2016 ) Section 185.20, Capital transfer,* *including transfers of unobligated balances in liquidating accounts to the general fund (i.e., liquidating account sweeps), and redemption of debt are not obligations and therefore do not need to be apportioned on lines 6001-6173.*

*OMB Circular No. A-11, July 2016) Section 185.19, for financing and liquidating accounts, additional amounts for interest*

*payments to Treasury (i.e., amounts exceeding your estimate on the most recent approved apportionment) are automatically*

*apportioned.*

* The permutations to credit reform accounting for loan guarantees are endless. In future iterations of the case study, additional years and transactions could be added to build upon what is presented here.

1. See §II.4, *Instructions for Annual Financial Statements,* OMB Circular A-136. [↑](#footnote-ref-1)
2. OMB Circular No. A-11, Section 185.3(e) [↑](#footnote-ref-2)
3. The illustration is for the payment of administrative expenses without prior obligation through undelivered orders or accounts payable. Though administrative expenses will usually be obligated before payment, there is nothing about the transactions unique to credit program accounting, and they are not shown. [↑](#footnote-ref-3)
4. This relates to downward re-estimates and negative subsidies. [↑](#footnote-ref-4)
5. This relates to upward and downward re-estimates. [↑](#footnote-ref-5)
6. Cumulative Results of Operations must be zero after closing because the financing fund cannot have a net cost of operations or net position. Under FCR the net cost is captured in the program fund, so cumulative results of operations is always zero. OMB A-11, Section 185, Exhibit E illustrates that the financing fund is designed to break even and thus have a zero results of operations. [↑](#footnote-ref-6)
7. Programs that have risk categories must maintain separate financing fund accounting for each risk category. While annual appropriations for basic and modified subsidy, which are common in discretionary loan guarantee programs, are illustrated, some programs may have multi-year or no-year authority appropriations provided for these purposes in their underlying legislation. Accounting for these types of appropriations is essentially the same as it would be for basic operating appropriations or revolving fund. See Appendix 2 for examples [↑](#footnote-ref-7)
8. Note that this is higher than the $500 of fees in the subsidy model, because $500 is the present value of the fees, and $510 is the actual amount of fees expected to be collected. [↑](#footnote-ref-8)
9. OMB Circular A-11 Exhibits 185N through 185U shows examples of various SF132s [↑](#footnote-ref-9)
10. Note that these entries maybe done as two separate steps as warrant and signing of appropriations bill do not always coincide. [↑](#footnote-ref-10)
11. Although the agency is guaranteeing 80 percent of the loans made by third-party lenders, Federal budget rules provide that the 100 percent figure would still be used as the loan level even if the guarantee was for less than 100 percent. The figure also would be 100 percent of principal only even if defaulted interest was guaranteed as well. See OMB Circular A-11, Preparation, Submission and Execution of the Budget (June 2003), §185.11(c). [↑](#footnote-ref-11)
12. $5,500 needed to pay defaults and interest supplements, $3,500 and $2,000 is apportioned. [↑](#footnote-ref-12)
13. Note that in accordance with §145.6 of OMB Circular A-11, only realized resources may be obligated. [↑](#footnote-ref-13)
14. This transaction can vary depending upon Agency treatment of Administrative Expenses. [↑](#footnote-ref-14)
15. $90,000 in loan commitments x 21.5 percent subsidy = $19,350. [↑](#footnote-ref-15)
16. Note that the unfilled customer order from the program fund constitutes a realized resource. Only the $5,500 apportioned in transaction 1-2 can be allotted. Also note that there is no cash related to this authority at this time. If a disbursement needed to be made prior to the cash being received, borrowing authority would need to be used to make the disbursement. See year 2 for an example. [↑](#footnote-ref-16)
17. Some Agencies add an allotment step in the memorandum entry. The end result for all Agencies should be for USSGL Account 804000 to be increased to reflect the use of existing authority. [↑](#footnote-ref-17)
18. $87,000 in guaranteed loans disbursed x the 21.5 percent subsidy rate = $18,705. [↑](#footnote-ref-18)
19. Note that no additional allotment is made, because the full $5,500 that OMB apportioned was allotted in transaction 1-5. [↑](#footnote-ref-19)
20. Some fees may be collected and deferred before earned/ loan disbursed. To record collection of fees before earned, debit USSGL Account 426100 and credit USSGL Account 406000 for the budgetary entry and debit USSGL account 101000 and credit USSGL Account 232000 (C116) for the proprietary entry. Once loan is disbursed or fees are earned, debit USSGL Account 232000 and credit USSGL Account 218000(C118). [↑](#footnote-ref-20)
21. The present value of defaulted guaranteed loans and remaining guaranteed loans must be split. This can be done on agency determined schedule but at a minimum, year end. [↑](#footnote-ref-21)
22. If interest receivable at the time of default had been recorded as part of loans receivable, the entire $240 would be credited to 135000. See transaction 1-10. Note – the principal and interest breakdown are for illustration purposes only. According to the Debt Collection Improvement Act (DCIA), unless there is some other contractual agreement, the payments must be applied to penalties, administrative costs, additional interest, financing interest and finally principal. If DCIA was applied in this example, no principal would be paid as there is a balance $1,250 in interest. [↑](#footnote-ref-22)
23. A new request for apportionment of program fund resources is normally not required, but in some instances it should be done in order to comply with the Data Act and the change in Category B items. [↑](#footnote-ref-23)
24. 20,000/ 21.5%= 95,349 [↑](#footnote-ref-24)
25. This warrant must be specifically requested by an agency in order to be processed by Treasury. [↑](#footnote-ref-25)
26. The use of USSGL Account 412500 is required per OMB Circular A-11 Section 185.7 (b) for the Financing Fund. [↑](#footnote-ref-26)
27. For FY 2012 – use 579000 for 310100 and do not do the 310700/570000 entry. The correction for FY 2013 is needed to properly reflect warrants in the intergovernmental elimination process. [↑](#footnote-ref-27)
28. Original loan level, $100,000, less revised loan level, $95,349 = $4,651. [↑](#footnote-ref-28)
29. This determination of uncollectibility would be made only after attempting to collect the receivables under provisions of the DCIA. [↑](#footnote-ref-29)
30. The FCRA requires that the rates for discounting cashflows, financing account borrowing, and financing account interest earnings be identical and based on the Treasury rate in effect during the period of loan disbursement. If your loans disburse in segments over several years, several interest rates will be applicable to an individual loan or group of loans. The correct interest rates are provided for you in the OMB Credit Subsidy Calculator available from your OMB representative. For loan guarantee financing accounts, the interest rate for cash accumulations relate to each loan guarantee is determined by the date that the commercial lender disburses the loan being guaranteed. Because commercial lenders may not report to your in a timely manner, you can use an estimated fourth quarter amount for disbursements and collections when you report to Treasury at the end of the fiscal year, adjusting this estimate as actual lender data is accumulated. [↑](#footnote-ref-30)
31. The interest rate re-estimate is a reporting requirement for the credit supplement of the President’s budget and the credit footnote of the agencies statements. Agencies may have other ways of tracking the breakdown than what is presented here. [↑](#footnote-ref-31)
32. The Trading Partner should be the agency and the Trading Partner Main should be the Guarantee Financing Fund when the re-estimate is due. For example, Department of Energy would use Trading Partner 089 and Trading Partner Main 4486. [↑](#footnote-ref-32)
33. The agency must determine the present value breakdown between the defaulted guarantee loan and the remaining guarantees outstanding as only a total re-estimate is calculated and approved by OMB. [↑](#footnote-ref-33)
34. Use appropriate Trading Partner. For example, Department of Energy would use Trading Partner 089 and Trading Partner Main 0209. [↑](#footnote-ref-34)
35. Note that the cumulative results of operations from this activity are zero. The financing fund cannot have a net position after closing. Assets must equal liabilities. [↑](#footnote-ref-35)
36. Since loan authority was available only for one year, there are no unused amounts to carry forward [↑](#footnote-ref-36)
37. This amount will eliminate on the Balance Sheet. [↑](#footnote-ref-37)
38. Note that the column for unexpended appropriations would normally not be applicable, because the financing fund does not have appropriations. However, positive modification adjustment transfers are indefinite appropriated funding. [↑](#footnote-ref-38)
39. Statement of Budgetary Resources is a combined report. Inter-entity eliminations are not allowed. [↑](#footnote-ref-39)
40. Note: Footnotes are not supported by the USSGL crosswalks. [↑](#footnote-ref-40)
41. The components of some of the disclosure in the Credit Program note cannot be derived from the standard USSGL accounts. [↑](#footnote-ref-41)
42. This information is obtained from the subsidy model. [↑](#footnote-ref-42)
43. The information presented here is for the applicable sections of note 8 Direct Loans and Loan Guarantees, Non-Federal Borrowers in OMB’s Circular A-136, Financial Reporting Requirements . A reconciliation of subsidy cost allowance for guaranteed defaults is not required in A-136 so it is not presented; however, some organizations present it for consistency with the presentation of direct loans. [↑](#footnote-ref-43)
44. Since the agency operates only a loan guarantee program, and the administrative expense is already set forth in the Statement of Net Cost, Section O could be omitted in the guide per OMB Circular A-136. It is provided here for illustrative purposes only. [↑](#footnote-ref-44)
45. Financing funds are not required to breakdown outlays by New and Balance authority [↑](#footnote-ref-45)
46. OMB Circular No. A-11, Section 185.19, for financing accounts, additional interest payment amounts to Treasury (i.e. Amounts exceeding your estimate on the most recent approved apportionment) are automatically apportioned*.* [↑](#footnote-ref-46)
47. There should be no unobligated balances remaining if borrowing authority for a cohort is being used unless there is a timing issue where the authority/cash is received after the obligation/disbursement needs to be made. As is the case with the interest on uninvested cash.- [↑](#footnote-ref-47)
48. Indefinite appropriations are not available until warrant is processed. Per §2025.10, of the TFM, the requirement to request

    appropriations by letter includes Indefinite appropriations—Appropriations of an unspecified amount of money. [↑](#footnote-ref-48)
49. Unobligated balance carryforward and borrowing authority are available for apportionment. [↑](#footnote-ref-49)
50. Borrowing authority is available for apportionment. [↑](#footnote-ref-50)
51. Depending upon Agency treatment as described in Footnote 20, Agencies may use either USSGL Accounts 480200 or 490200. [↑](#footnote-ref-51)
52. Agencies may borrow an estimated amount or on as needed basis [↑](#footnote-ref-52)
53. Original subsidy rate for each cohort must be used in calculating subsidy transfer amount – Cohort 1 2,000 x 21.5% = 430. Cohort 2 60,000 x (5%) = 3,000. Note – Since one cohort cannot pay for another cohort’s obligation, there is not enough cash in Cohort 2 to cover the negative subsidy payment. Only cash is $800 in fees collected. Therefore, the borrowing authority must be converted to cash. [↑](#footnote-ref-53)
54. These SGLs are always Federal with trading partner 099 [↑](#footnote-ref-54)
55. The original subsidy rate is used in determining the amount of subsidy to de-obligate with the commitment cancelation. [↑](#footnote-ref-55)
56. Amount of unfilled order cancellation could have been anticipated in the SF132 in which case the amount would debit 407000. [↑](#footnote-ref-56)
57. Amounts could come from prior year balances if there is enough remaining to cover. In that instance the amounts would be shown on line 1042. [↑](#footnote-ref-57)
58. Reduce allotments $5,000 for reduction in estimated defaults and increase $1,000 for modification. Net reduction of $4,000 [↑](#footnote-ref-58)
59. Use 404800 if funds are anticipated from prior year authority [↑](#footnote-ref-59)
60. Use 404800/415200 if funds paid from prior year authority [↑](#footnote-ref-60)
61. Cohort 1 – 30,875 x 80% = 24,700 Cohort 2 – 60,000 x 75% = 45,000

    [↑](#footnote-ref-61)
62. Cohort 1 – 2,000 x 80% = 1,600 Cohort 2 – 60,000 x 75% = 45,000 [↑](#footnote-ref-62)
63. For the program fund only the unexpired fund is reported on lines 0700 to 1941 [↑](#footnote-ref-63)
64. Financing funds are not required to breakdown outlays by New and Balance authority [↑](#footnote-ref-64)
65. This transaction shows the net effect of USSGL account 480100. [↑](#footnote-ref-65)
66. Reverse Year 2 transaction 680000/579100 then record Year 3 579100/619900. [↑](#footnote-ref-66)
67. The legislation providing for this is Public Law 101-510, a separate part of the Defense Appropriation Act of 1990, applying more broadly to most Federal agencies. The USSGL Board has published a document entitled Budgetary Accounting in the Federal Government that is available through its Web site at www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl/ussgl\_htm [↑](#footnote-ref-67)
68. It is important to note these assumptions, because they form the basis for changes to be discussed. It is possible that variations, even within the assumptions, could exist and that entries could differ still further. For example, OMB might decide on a lesser amount of subsidy funding than the agency anticipated in its request and if needed, increase the amount later (see transactions 1-1 and 1-2). The more specific assumption in this appendix is that the nature of transactions and amounts between the discretionary and mandatory programs is the same. [↑](#footnote-ref-68)
69. Before making the modifications, the agency must be certain that it has sufficient unobligated resources for subsidy in the program fund. In this guide, the amount of unobligated resources, as represented by allotments related to the subsidy, amounted to $2,150 ($21,500 from transaction 1-3 less $19,350 from transaction 1-5). [↑](#footnote-ref-69)