Treasury Financial Manual

Transmittal Letter No. 612 **Volume I**

To: Heads of Government Departments, Agencies and Others Concerned

1. Purpose

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

2. Page Changes

Remove	Insert
Table of Contents for Part 2	Table of Contents for Part 2
I TFM 2-4600	I TFM 2-4600

3. Effective Date

Immediately.

4. Inquiries

Direct questions concerning this transmittal letter to:

Borrowings Accounting Team
Office of Public Debt Accounting
Bureau of the Public Debt
P.O. Box 1328, Room 114 - HB
Parkersburg, WV 26106-1328
Telephone: 304-480-7488
Fax: 304-480-5176
E-mail: borrowings@bpd.treas.gov
Web site: **www.treasurydirect.gov/bt/opd/opdBorrowingsStorefront.htm**

Date: December 23, 2003

Richard L. Gregg
Commissioner

Part 2—Chapter 4600

TREASURY REPORTING INSTRUCTIONS FOR CREDIT REFORM LEGISLATION

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

Section 4610—Authority

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

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

AND

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

Section 4615—Definition of Terms

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

Section 4620—Credit Account Symbols

4620.10—Program Accounts

The Financial Management Service (FMS) automatically establishes program account symbols when a law enacts appropriations for credit subsidy costs and administrative expenses. These accounts are usually funded by annual-year appropriations to general fund accounts from the series 0000-3899.

4620.20—Financing Accounts

All credit programs require financing accounts. Direct loans and loan guarantees require separate financing accounts even if a single program account receives the appropriation for the subsidy costs of both. For new credit programs, the agency must send FMS a written request to establish account symbols for the loan financing accounts (see the Contacts page). FMS usually establishes financing accounts as revolving funds in the public enterprise fund group series 4000-4499.

4620.30—General Fund Receipt Accounts

FMS requires written requests before establishing account symbols for general fund receipt accounts. These accounts collect either negative subsidies or downward reestimates for direct and guaranteed loan programs. These account symbols are in the series 27XX.001 for negative subsidies, and series 27XX.003 for downward reestimates. A 2-digit agency code (AC) that is unique for each agency's programs precedes both account symbols (for instance, AC-27XX.001 and AC-27XX.003).

4620.40—Special Fund Receipt Accounts

FMS requires written requests and OMB approval before establishing account symbols for special fund receipt accounts. These accounts collect negative subsidies and downward reestimates for certain loan programs. FMS classifies these receipt symbols in the special fund receipt series 53XX.001 for negative subsidies, and series 53XX.003 for downward reestimates of the subsidy. A 2-digit agency code precedes both account symbols (for instance, AC-53XX.001 and AC-53XX.003).

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

4620.50—Miscellaneous Receipt Accounts

Agencies make interest payments to Treasury using miscellaneous receipt symbol 1499 preceded by each agency's 2-digit agency code (for instance, AC-1499). FMS automatically establishes these miscellaneous receipt accounts.

4620.60—Other Accounts

If the Federal Credit Reform Act of 1990 mandates any other account symbols, the agency that requires the account symbols must submit a written request to FMS (see the Contacts page).

All written requests submitted to FMS must include a program name, direct or guaranteed loan specification, the legislative authority for establishing the account, and any symbol previously recorded by OMB. For general information on Federal Account Symbols and Titles (FAST), refer to the FAST Book supplement (**www.fms.treas.gov/fastbook**) to Volume I of the Treasury Financial Manual (TFM).

Section 4625—Accounts With Subclass Codes

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

Subclass codes must precede agencies' account symbols for certain transactions (for instance, **(95)** ACX4200, **(85)**ACX4200, and **(65)**ACX4200). Agencies must use accounts with subclass codes as follows:

- To borrow funds from Treasury (95) or repay funds to Treasury (85) using the Governmentwide Accounting (GWA) System.
- To record payment of subsidy appropriations (65) from the program account to the financing account on an SF 224: Statement of Transactions.

Section 4630—Interest Rates

4630.10—Actual Annual Interest Rates

The Federal Credit Support page (**www.whitehouse.gov/omb/credit**) provides interest rates for credit reform subsidy calculations, budget execution, borrowings, uninvested funds, and working capital balances. OMB distributes the actual annual interest rates approximately 10 working days before the fiscal yearend, September 30.

For cohorts dated between 1992-2000, agencies must calculate a weighted average interest rate, based on the proportion of disbursements in each fiscal year and the interest rate for each of those fiscal years. For the 2001 and subsequent cohorts, agencies must calculate a single effective rate based on the proportion of disbursements in each fiscal year, the Treasury yield curve for zero-coupon securities applicable in each year of disbursement, and the proportion of cashflows occurring in each year over the life of the loans being made or guaranteed. This rate is calculated by the OMB Credit Subsidy Calculator.

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

Section 4635—Borrowings From Treasury

4635.10—Borrowings and Repayments

The Federal Credit Reform Act of 1990 provides financing accounts with indefinite authority to borrow from Treasury. Annually, agencies do the following:

- Borrow from Treasury an amount that reflects estimated yearly requirements (based on figures used to calculate the subsidy appropriation, unless better estimates are available). The borrowing is dated the first day of the fiscal year, October 1.
- Initiate another borrowing (during the fiscal year) for an additional amount, if necessary. This borrowing also is dated October 1.

If an agency has insufficient funds to make an annual interest payment to Treasury at yearend, it should initiate an additional borrowing. This borrowing is dated September 30 and carries the same maturity date as the original borrowing. Using the September 30 date alleviates recalculation of the interest payment due to Treasury and the amount of interest on uninvested funds.

Balances of borrowed but undisbursed funds earn interest. Treasury uses the same weighted average interest rates for both the interest paid on borrowed funds and the interest earned on uninvested funds.

Agencies may carry forward amounts exceeding working capital requirements being held in financing accounts to the next fiscal year only if they are disbursing loans from the cohort. They must reset the interest rate on any amount carried forward to equal the interest rate applicable to the next fiscal year. Agencies may use these balances in future years (subsequent to the year of the original obligation) only to partially finance the disbursement of loans in the same cohort for which the borrowing was originally made. After the agency has disbursed all the loans in the cohort, it must submit an SF 1151: Nonexpenditure Transfer Authorization, using the GWA System's Nonexpenditure Transfer (NET) Application, to reduce any balances held in the financing accounts exceeding working capital needs on the following September 30. If excess funds exist at any time, the agency may make an early repayment of principal and any accrued interest associated with that borrowing.

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

When a cohort has finished borrowing to make disbursements, an agency may consolidate all the borrowings from Treasury related to that cohort to obtain a single maturity date and/or a single interest rate. All borrowings from Treasury should mature on the final year of the cohort; however, if a cohort contains borrowings with multiple maturity dates, the agency can request a consolidation. The agency should send a letter requesting the consolidation to the Bureau of the Public Debt (BPD) by September 30 of the year the cohort finished disbursing its loans (see the Contacts page). The letter must include the balances and maturity dates to be consolidated and the new maturity date for the related borrowings. The new maturity date must remain within the original maturity interval established for the cohort (refer to subsection 4630.10). An agency may prepay all or part of a borrowing from Treasury without penalty.

Agencies report transactions to BPD through the GWA System for both borrowing from and repayment of principal to Treasury. By October 20 of the current fiscal year, agencies should submit an initial borrowing transaction through the GWA System to BPD with their current fiscal year borrowing estimate. They should submit any additional borrowings by 3 p.m. eastern time on the last workday of the month in which they need the funds. All borrowings from Treasury are effective on October 1 of the current fiscal year, regardless of when the agency actually borrowed the funds, except for funds borrowed to make an annual interest payment. Borrowings from Treasury and repayments to Treasury are each processed as nonexpenditure transfers.

The GWA System user for the reporting agency does the following:

- Logs into the GWA System through the GOALS II portal. (For information regarding access request and passwords, visit the GWA Web site at **www.fms.treas.gov/gwa** or contact the GWA Project Team at GWA.Project@fms.treas.gov.)
- From the GWA System homepage, selects "New Transaction." Selects the "Borrowing From Treasury" transaction type. Clicks on either the Borrowing or Repayment radio button and chooses the appropriate financing account from the drop down box. Clicks on the "Create New Transaction" button.
- On the transaction entry screen, enters the total transaction amount, the transaction date, the effective date, a reference number (if applicable), and any comments (if applicable). Then, clicks on the "Supplemental Information Worksheet" button.
- On the Supplemental Worksheet, enters the maturity date, cohort year, subcohort (if applicable), and amount for each transaction detail item.
- Prepares a consolidated transaction for a single financing account symbol.
- Clicks on "Finish" or "Certify" depending on the user's role. A user designated as a preparer clicks "Finish"; a user designated as a certifier or agency all clicks "Certify." (See the GWA Web site at **www.fms.treas.gov/gwa** for additional information.)

BPD Approval

Once the requesting agency has certified a borrowing or repayment transaction, the transaction becomes available for BPD review. BPD reviews the transaction and approves or rejects it based on the accuracy of the data. If the transaction is approved, BPD forwards it to STAR (FMS' central accounting system) for posting. If the transaction is rejected, BPD returns it to the agency for correction.

Interest

The agency calculates the interest paid by the financing accounts using the disbursement-weighted average interest rate or single effective rate (which may be an interim interest rate) according to the procedures referenced in subsection 4630.10. Most agencies will recalculate the weighted average interest rate or single effective rate only after 90 percent of the dollar volume of direct or guaranteed loans has been disbursed. However, the agency may recalculate the weighted average interest rate or single effective rate at the end of any year during which disbursements were made.

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

4635.20—Interest Payments to Treasury (BPD)

Annually, as of the last day of the fiscal year (September 30), Treasury requires payment of interest on the unpaid principal balance of each financing account. Interest payments are due to BPD on the last workday of the fiscal year. If an agency borrows funds to make an interest payment owed to Treasury, the transaction and effective dates are the last business date in September. This method alleviates recalculating the interest payment owed to Treasury and the interest on uninvested funds.

Agencies must use the most current version of tools available on the Federal Credit Support Page (**www.whitehouse.gov/omb/credit**) to calculate interest paid to and earned from Treasury.

Agencies pay interest as an expenditure transfer to Treasury through the Intra-governmental Payment and Collection System (IPAC) using the Customer ALC, 20-55-0860. Refer to I TFM 6-4000 for additional IPAC guidance. The first line of the Transaction Description should read "Borrowings Interest Payment." On the paying agency's Statement of Transactions, report the account from which the money is being withdrawn. The amount of this transaction must equal the amount that was transmitted through IPAC. BPD reports the receipt account to which the interest payment will post on its Statement of Transactions. Again, the amount must match the IPAC amount received by BPD. Agencies must either e-mail or fax the supporting interest payment calculations to BPD (see the Contacts page) on the day the interest payment is entered into IPAC.

Section 4640—Interest on Uninvested Funds

Uninvested funds in the financing account consist of fund balance with Treasury from borrowings and/or offsetting collections that have not been disbursed. This balance earns interest from Treasury as determined by the disbursement-weighted average interest rate or single effective rate for each cohort within the financing account. Because agencies earn and pay interest on the fund balance at the same interest rate, there is zero net effect for borrowing early and on an estimated basis. Agencies should not net the interest earned on uninvested funds against interest expense at yearend. Agencies must report the interest revenue and expense separately. For further detail on interest income and expense, refer to OMB Circular No. A-11, (**www.whitehouse.gov/omb).**

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

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

OR

- Borrowings from Treasury.

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

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

AND

- Borrowings from Treasury that are not immediately disbursed.

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

- Calculate the interest received by the financing accounts using the disbursement-weighted average interest rate or single effective rate, which may be an interim interest rate. (OMB provides the actual annual interest rates used to calculate the weighted average interest rates and single effective rate.) See subsection 4630.10.
- Recalculate the weighted average interest rate or single effective rate after 90 percent disbursement of the dollar volume of direct or guaranteed loans. However, the agency may recalculate this rate at the end of any year during which disbursements were made.
- Submit an interest transaction via IPAC to FMS' Credit Accounting Branch by September 30.
- Provide the Credit Accounting Branch supporting documentation for the balance reported on the agency's IPAC submission by September 30. The agency's documentation must include computations to calculate the interest amount due from Treasury.
- Certify that they computed the interest amount per applicable guidance.
- Notify the Credit Accounting Branch in advance via e-mail at credit.accounting@fms.treas.gov of transactions in the amount of $100,000 or greater.
- Report interest in Section I, column 2 of the SF 224. FMS reports the Treasury's interest charges to appropriation fund symbol 20X1880, Credit Reform: Interest Paid on Uninvested Funds.

Section 4645—Appropriations

4645.10—Definite Appropriations

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

4645.20—Indefinite Appropriations

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

Reapportionment Schedule, must accompany each request. After reviewing the requisite materials, FMS processes a warrant for the requested amount.

Section 4650—Credit Account Transactions and Reporting Procedures

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

4650.10—Program Account

The program account receives either a current definite, current indefinite, or permanent indefinite appropriation by warrant that provides budget authority to pay administrative expenses and subsidy costs. When a financing account disburses a direct loan or guaranteed loan, or makes a modification or upward reestimate, the program account pays a subsidy to that financing account.

Administrative Expenses

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

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

Subsidy

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

4650.20—Financing Account - Direct Loans

The direct loan financing account records all cashflows associated with direct loan obligations. These transactions include the following.

Subsidy From the Program Account

The program account pays the subsidy amount to the financing account for post-1991 direct loans, upward reestimates, and interest on the reestimates or modifications of any direct loans. For example, if the financing account (ACX4200) receives subsidy from the program account (ACFY1234) of $2,000, the agency records a collection in column 2 for the financing account and records the outlay from the program account in column 3 of the SF 224.

Note: The subclass code “65” precedes the financing account appropriation fund symbol for this transaction on the SF 224. (See Appendix 2.)

Borrowings From Treasury

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

Collections From Non-Federal Sources

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

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

AND

- Other miscellaneous receipts related to a loan.

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

Interest Earnings

The financing account earns interest, at the disbursement-weighted average interest rate (for 1992-2000 cohorts) or the single effective rate (for 2001 and subsequent cohorts), on the uninvested fund balance in the account. The agency must calculate interest earnings, and FMS must verify the interest calculations. The agency reports interest earnings to FMS’ Credit Accounting Branch through IPAC. FMS reports the earnings on Treasury’s SF 224.

Repayment of Borrowings and Payment of Interest to Treasury

Agencies process the repayment of principal borrowed through the GWA System. They process interest payments through IPAC and record the amount on an SF 224. The agency sends the supporting documentation and calculations via e-mail or fax to BPD (see the Contacts page) on the same day as the IPAC transaction. For example, if the financing account (ACX4200) pays interest on borrowings of $2,000, the agency records the payment of interest in column 3 of the SF 224. BPD will record the receipt of interest in column 2 for the appropriate Treasury receipt account (AC1499). The agency's 2-digit agency code precedes the Treasury receipt account symbol 1499. (See Appendix 2.)

Direct Loan Disbursement

After the agency makes a valid contract with a non-Federal borrower, it disburses the loan from the direct loan financing account. For example, an agency disburses a $3,000 loan from the financing account (ACX4200) to a non-Federal borrower. It records the loan disbursement in column 3 of the SF 224. (See Appendix 2.)

Loan Modifications for Pre-1992 Direct Loans

When the Government modifies a pre-1992 direct loan, the direct loan becomes subject to credit reform accounting. The agency transfers the direct loan asset from the liquidating account to the direct loan financing account and makes a one-time adjusting payment between the accounts. The agency records all subsequent cashflows related to the loan in the financing account. For example, if an agency transfers a pre-1992 direct loan with a net present value of $2,000 from a liquidating account (ACX4203) to the financing account (ACX4200), it makes a one-time adjusting payment of $2,000 from the financing account to the liquidating account. The agency records the disbursement by the financing account in column 3 of the SF 224. It records the offsetting collection by the liquidating account in column 2. (See Appendix 2.) For modifications of post-1991 loans, see OMB Circular No. A-11.

Negative Subsidy and Downward Reestimates

If the estimated subsidy is negative, the agency pays an amount equal to the negative subsidy from the financing account to a general fund receipt account (AC27XX.001) for that program when the direct loan is disbursed. If a subsidy reestimate for a cohort is downward, the agency records the amount of the reestimate and interest on the reestimate and pays an amount equal to the downward reestimate and interest on the reestimate to a different general fund receipt account (AC27XX.003). For example, if the agency pays an amount equal to the negative subsidy of $3,000 from the financing account (ACX4200) to a Treasury general fund receipt account (AC27XX.001), the agency records the payment from the financing account in column 3 of the SF 224 and the collection by the general fund receipt account in column 2. (See Appendix 2.)

4650.30—Financing Account - Loan Guarantees

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

Subsidy From the Program Account

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

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

OR

- Modifications of any loan guarantees.

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

- Column 2, a collection for the financing account;

AND

- Column 3, an outlay from the program account.

Note: The subclass code "65" precedes the financing account appropriation fund symbol for this transaction on the SF 224. (See Appendix 3.)

Borrowing From Treasury

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

Collections From Non-Federal Sources

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

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

AND

- Other miscellaneous receipts related to the loan guarantee process.

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

Interest Earnings

The financing account earns interest, at the disbursement-weighted average interest rate (for 1992-2000 cohorts) or the single effective rate (for 2001 and subsequent cohorts), on the uninvested fund balance in the account. The agency must calculate interest on uninvested funds, and FMS must verify the interest calculations. The agency reports the interest earnings to FMS' Credit Accounting Branch through IPAC. FMS reports the earnings on Treasury's SF 224.

Repayment of Borrowings From Treasury and Payment of Interest

Agencies process a repayment of principal borrowed through the GWA System. They process the interest payment through IPAC and record the payment on an SF 224. For example, if the financing account pays $2,000 interest on borrowings from Treasury, record the interest payment from the financing account (ACX4201) in column 3 of the SF 224. BPD records the receipt of interest in column 2 for the appropriate Treasury receipt account (AC1499). The Treasury receipt account symbol is 1499 preceded by the agency's 2-digit agency code. The agency sends the supporting interest calculations via e-mail or fax to BPD's Borrowings Accounting Team. (See the Contacts page and Appendix 3.)

Loan Guarantee Claims

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

Interest Supplements

As part of the loan guarantee contract, the non-Federal lender may require that the agency provide an interest supplement. The agency records these interest supplement payments in the financing account and disburses them to non-Federal lenders. For example, if an agency pays $2,000 in interest supplements from the financing account (ACX4201) to the non-Federal lender, it records the disbursement in column 3 of the SF 224. (See Appendix 3.)

Loan Modification for Pre-1992 Loan Guarantees

When the Government modifies a pre-1992 loan guarantee, the loan guarantee becomes subject to credit reform accounting. The agency transfers the guarantee liability from the liquidating account to the financing account. It makes a one-time adjusting payment from the liquidating account to the financing account to acquire the guarantee liability. The agency records all subsequent cashflows related to the loan guarantee in the financing account. For example, if an agency transfers a pre-1992 loan guarantee with a net present value of $2,000 from the liquidating account to the financing account, it makes a one-time adjusting payment of $2,000 from the liquidating account (ACX4203) to the financing account (ACX4201). The agency records the outlay from the liquidating account in column 3 of the SF 224 and the payment to the financing account in column 2 as a collection. (See Appendix 3.) For modifications of post-1991 loan guarantees, see OMB Circular No. A-11.

Negative Subsidy and Downward Reestimates

If the estimated subsidy is negative, the agency pays an amount equal to the negative subsidy from the financing account to a general fund receipt account (AC27XX.001) for that program when the non-Federal lender disburses the guaranteed loan. If a subsidy reestimate for a cohort is downward, the agency records the amount of the reestimate and interest on the reestimate and pays an amount equal to the downward reestimate and interest on the reestimate to a different general fund receipt account (AC27XX.003). For example, if the agency pays an amount equal to the negative subsidy of $3,000 from the financing account (ACX4200) to a Treasury general fund receipt account (AC27XX.001), the agency records the payment from the financing account in column 3 of the SF 224 and the collection by the general fund receipt account in column 2. (See Appendix 3.)

4650.40—Liquidating Account

An agency records disbursements and collections resulting from pre-1992 direct loan obligations and loan guarantee commitments in the liquidating account. Credit reform did not change the treatment of transactions for pre-1992 direct loans and loan guarantees. However, the following new transaction will occur in this account.

Excess Collections

If the liquidating account receives collections exceeding the account obligations during each fiscal year, the agency returns the excess collections to Treasury through the GWA System NET Application as a capital transfer as soon as practical after the close of the fiscal year. It returns the excess collections to the miscellaneous receipt account 2814 preceded by the agency's 2-digit agency code.

CONTACTS

Contact the offices below concerning inquiries or written requests.

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

Borrowings Accounting Team
Office of Public Debt Accounting
Bureau of the Public Debt
P.O. Box 1328, Room 114 - HB
Parkersburg, WV 26106-1328
Telephone: 304-480-7488
Fax: 304-480-5176
E-mail: borrowings@bpd.treas.gov
Web site: **www.treasurydirect.gov/bt/opd/opdBorrowingsStorefront.htm**

For credit account transactions and accounts with subclass codes:

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

For credit account symbols and appropriations:

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

For interest on uninvested funds:

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

For actual annual interest rates:

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

Appendices Listing

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

PROGRAM ACCOUNT
NOT AUTHORIZED FOR REPRODUCTION

Standard Form 224
Revised 5-82
Department of the Treasury

STATEMENT OF TRANSACTIONS
(Classified According to Appropriation, Fund and Receipt Account, and Related Control Totals)

DEPARTMENT OR AGENCY	LOCATION – MAIL ADDRESS OF REPORTING OFFICE	AGENCY LOCATION CODE (ALC)
BUREAU OR OFFICE		ACCOUNTING PERIOD ENDED

Section I – Classification of Disbursements and Collections by Appropriations, Fund and Receipt Account

APPROPRIATION FUND OR RECEIPT ACCOUNT (1)	RECEIPTS AND COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS (2)	GROSS DISBURSEMENTS (3)
	PROGRAM ACCOUNT	
Administrative Expenses – Direct Payment:		
ACFY1234		3,000
Administrative Expenses – Transfer:		
ACFY1234		3,000
ACFY0100	3,000	
Subsidy Payment – See Direct Loan or Guaranteed Loan Subsidy Transactions		

FINANCING ACCOUNT – DIRECT LOANS
NOT AUTHORIZED FOR REPRODUCTION

Standard Form 224
Revised 5-82
Department of the Treasury

STATEMENT OF TRANSACTIONS
(Classified According to Appropriation, Fund and Receipt Account, and Related Control Totals)

DEPARTMENT OR AGENCY	LOCATION – MAIL ADDRESS OF REPORTING OFFICE	AGENCY LOCATION CODE (ALC)
BUREAU OR OFFICE		ACCOUNTING PERIOD ENDED

Section I – Classification of Disbursements and Collections by Appropriations, Fund and Receipt Account

APPROPRIATION FUND OR RECEIPT ACCOUNT (1)	RECEIPTS AND COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS (2)	GROSS DISBURSEMENTS (3)
FINANCING ACCOUNT – DIRECT LOANS		
Subsidy from the Program Account:		
(65)ACX4200	2,000	
ACFY1234		2,000
Collections:		
ACX4200	4,000	
Payment of Interest on Treasury Borrowings:		
ACX4200		2,000
Direct Loan Disbursement:		
ACX4200		3,000
Loan Modifications:		
ACX4200		2,000
ACX4203	2,000	
Negative Subsidy:		
ACX4200		3,000
AC27XX.001	3,000	

FINANCING ACCOUNT – GUARANTEED LOANS
NOT AUTHORIZED FOR REPRODUCTION

Standard Form 224
Revised 5-82
Department of the Treasury

STATEMENT OF TRANSACTIONS

(Classified According to Appropriation, Fund and Receipt Account, and Related Control Totals)

DEPARTMENT OR AGENCY	LOCATION – MAIL ADDRESS OF REPORTING OFFICE	AGENCY LOCATION CODE (ALC)
BUREAU OR OFFICE		ACCOUNTING PERIOD ENDED

Section I – Classification of Disbursements and Collections by Appropriations, Fund and Receipt Account

APPROPRIATION FUND OR RECEIPT ACCOUNT (1)	RECEIPTS AND COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS (2)	GROSS DISBURSEMENTS (3)
FINANCING ACCOUNT – GUARANTEED LOANS		
Subsidy from the Program Account:		
(65)ACX4201	2,000	
ACFY1234		2,000
Collections:		
ACX4201	4,000	
Payment of Interest on Treasury Borrowings:		
ACX4201		3,000
Guaranteed Loan Claims:		
ACX4201		2,000
Interest Supplement Payments:		
ACX4201		2,000
Loan Modifications:		
ACX4201	2,000	
ACX4203		2,000
Negative Subsidy:		
ACX4201		3,000
AC27XX.001	3,000	

PART 2 - CENTRAL ACCOUNTING AND REPORTING

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Chapter	Section	Title
5100		**RECONCILING FUND BALANCE WITH TREASURY ACCOUNTS**