

# **Federal Intragovernmental Transactions Accounting Policies Guide**

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**Department of the Treasury  
Financial Management Service  
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**FINANCIAL MANAGEMENT SERVICE  
Federal Intragovernmental Transactions  
Accounting Policy Guide**

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**Section 1 - Summary of Changes to the Guide**

The following table summarizes the changes updated from the Federal Intragovernmental Transactions Accounting Policies guide, dated August 15, 2008.

<b>Section Reference</b>	<b>Page</b>	<b>Change</b>
Throughout the Guide		Updated USSGL accounts and titles for fiscal year 2009. Updated fiscal year references and due dates
11.1 - Quarterly Intragovernmental Data File Submission - Description and Formats Process	16	Updated section to include new requirement for full ATB submission and use of UCAD reports RC 07 and RC 08
11.2 - Quarterly Intragovernmental Data File Submission – File Format (Input)	16	Deleted “F” file format table. Added reference to TFM.
11.3 – Other Required Information to Accompany Agency Submission	16	Removed reference to Agency Quarterly Intragovernmental Data File Submission Checklist which is no longer required
11.6 - Notes for Excel File Submissions	19	Deleted data formatting content regarding Excel file format and sample Excel and text file submissions. Added language about standard bulk file format.
11.7 – Duplicate Partner Code Identifier (DPCI)	19	Deleted table of rules for using the DPCI identifier
11.8 – FMS Intragovernmental Quarterly Activity Reports	19	Added reference to RC 07 & RC 08 Reported Data vs. UCAD and Individual Trading Partner Reciprocal reports
11.9 - Quarterly Status of Disposition Certification	20	Added content on TP “00” and TP “99” and Reconciliation Assurance Level and content on RC 07 and RC 08 reports
Section 12 - Yearend Intragovernmental Reconciliation Process Related to Closing Package Reporting	23	Added content on RC 07 & RC 08 reports and explanatory language regarding the reconciliation of Closing Package balances and UCAD reports
17.3.2 - Reconciliation of Interest on Borrowings and Interest on Uninvested Funds:	35	Updated section
17.6 – Use of Central Accounting Data	42	Updated Section

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22 – Yearend Cut-off Procedures		Deleted Section
23 – Reconciliation Procedures		Deleted Section
Appendix A – Federal Intragovernmental Transactions Categories of Reciprocal vs.U.S. Standard General Ledger Proprietary Accounts	128	Added new SGL accounts
Appendix C – Material Differences/Status of Disposition Certification	144	Updated section to include new Part II reporting requirements
Appendix E – FY 2009 CFO Representation for Federal Intragovernmental Activity and Balances	150	Added new CFO representation regarding UCAD reports
Appendix I – Agency Quarterly Intragovernmental Data File Submission Checklist		Deleted

**Section 2 - Purpose and Scope**

This guide provides Governmentwide policies for federal program agencies to account for and reconcile transactions occurring within and between each other (referred to collectively as intragovernmental transactions). The policies in this guide do not apply to transactions occurring between federal agencies and non-federal entities, states, localities or other entities.

This guide is designed to provide agencies with the Governmentwide accounting policies relative to Intragovernmental transactions, tools to facilitate the reconciliation process, and examples of: accounting and reporting various types of transactions, year-end cut-off procedures and reconciliation procedures.

The policies and examples in this guide provide a foundation and framework for accounting for Intragovernmental transactions, reconciling and determining the accuracy of balances, and a basis for the elimination of Intragovernmental balances both at the agency and Governmentwide levels.

Implementation of policies in this guide will enhance the process of recording Intragovernmental transactions and facilitate the reconciliation and reporting of these activities and balances for all agencies. These policies will also standardize the business practice across the Federal government and improve the quality of agency reporting. The accounting policies and procedures are based on the accounts available in the fiscal year 2009 USSGL. The USSGL

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transaction codes (TCs) listed throughout this document reference USSGL TFM T/L S2 09-01 (Part 1 Fiscal Year 2009 Reporting).

This guide includes policies for the following Intragovernmental transactions:

<b>Transaction</b>	<b>Examples of Transactions</b>
Services provided and reimbursables	Legal, consulting, investigative, financial management, grants management, technology, administrative costs, and other similar services.
Cost of products sold	Supplies, manufactured items, inventory, office space, and equipment/vehicle rentals.
Transfers, appropriations used and collections for others, and unusual assets and liabilities related to appropriations	Transfers between agencies based on agreements or legislative authority, expended appropriations, taxes and fees collected, collections for others, receivables from appropriations, transfers payable, and custodial revenue.
Investments with Treasury (BPD)	Investments, interest accruals, interest income and expense, and amortization of premiums and discounts.
Borrowings from Treasury (BPD and FFB)	Borrowings, interest income and expense, gains and losses.
Transactions with the DOL relating to the Federal Employees' Compensation Act (FECA)	Recording of FECA expenses and liabilities, including the accrual of actuarial liabilities.
Transactions with the DOL relating to Unemployment Insurance	To record unemployment insurance expenses and liabilities.
Transactions with the OPM relating to the Federal Employees' Retirement System, the Civil Service Employees' Retirement System, Federal Employees' Life Insurance Program and Health Benefits Programs.	Recording of expenses, liabilities and imputed financing.
Transactions with the General Fund	Custodial activity, such as tax revenue, fines and penalties, miscellaneous revenue, and fees, which are collected or accrued on behalf of the Treasury General Fund.

This guide does not include detailed examples of the budgetary accounting and some of the proprietary accounting related to these Intragovernmental transactions. Policy guidance for budgetary accounting transactions can be found at the FMS website <http://www.fms.treas.gov/ussgl>

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This guide replaces and supersedes the previously issued guide, *Federal Intragovernmental Transactions Accounting Policies Guide*, issued on August 15, 2008.

**Section 3 - Acronyms**

AGR	Agency Generated Reports
ALC	Agency Location Code
ATB	Adjusted Trial Balance
BPD	Bureau of the Public Debt
DOL	Department of Labor
DPCI	Duplicate Partner Code Identifier
FACTS I	Federal Agencies' Centralized Trial-Balance System
FAST Book	Federal Account Symbols and Titles Book
FASAB	Federal Accounting Standards Advisory Board
FBwT	Fund Balance With Treasury
FCSIC	Farm Credit System Insurance Corporation
FECA	Federal Employment Compensation Act
FFB	Federal Financing Bank
FMS	Financial Management Service (Department of the Treasury)
FPA	Federal Program Agencies
FR	Financial Report of the United States Government
GAO	Government Accountability Office
GFRS	Governmentwide Financial Report System
GMRA	Government Management Reform Act
GOALS	Government On-Line Accounting Link System
IFCS	Intragovernmental Fiduciary Confirmation System
IPA	Independent Public Accountant
IPAC	Intragovernmental Payment and Collection System
IRAS	Intragovernmental Reporting and Analysis System
MTS	Monthly Treasury Statement
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PBGC	Pension Benefit Guaranty Corporation
PCIE	President's Council on Integrity and Efficiency
SFFAS	Statement of Federal Financial Accounting Standards
I TFM 2-4700 (TFM)	Volume I, Treasury Financial Manual, Part 2, Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government
UCAD	Use of Central Accounting Data
USSGL	United States Standard General Ledger

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**Section 4 - Resources**

FMS Website: <http://www.fms.treas.gov>

GFRS/FACTS I/IFCS Website: <http://fms.treas.gov/factsi/regulations.html>

FMS USSGL Website: <http://www.fms.treas.gov>

OMB Website: <http://www.whitehouse.gov/omb>

GAO Website: <http://www.gao.gov>

FASAB Website: <http://www.fasab.gov>

Treasury Managed Accounts Website: <http://fms.treas.gov/tma>

BPD Federal Investments Website: <http://federalinvestments.gov/>

BPD Federal Borrowings Website: <http://www.treasurydirect.gov/govt/apps/tbp/tbp.htm>

Unemployment Insurance and FECA Liability Information Website:  
<http://www.dol.gov/ocfo/publications/html>

**Section 5 - Definitions**

The following definitions are used in this guide:

**Agency**—Refers to the thirty-five reporting entities that submit a Closing Package via GFRS for inclusion in the Financial Report of the U.S. (FR). “Agency” and “Department” are used interchangeably, unless otherwise noted. (See TFM Appendix 5 for a list of Agencies).

**Business Rules**—A standard set of regulations which provides Federal entities official guidance with recording and reconciling fiduciary transactions and Intragovernmental exchange activity. This is an effort to standardize the business practice across the Federal government.

**Buy/Sell**—Intragovernmental exchange transactions related to goods and services rendered, accounts receivable/payable and other liabilities, advances, prepayments from/to and deferred credits.

**Closing Package**—A methodology designed to link agencies’ comparative, audited consolidated, department-level financial statements to the Financial Report of the United States Government (FR). It is the data submitted by each verifying agency for inclusion in the FR.

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**Duplicate Partner Code Identifier (DPCI)** – A single-digit code applied to a reporting trading partner agency sharing a 2-digit agency code with another agency (i.e. PBGC, FCSIC, and Smithsonian).

**Exchange**—Activity arising when a Federal entity provides goods and services to the public or to another Federal entity for a price.

**Fiduciary**—Intragovernmental transactions that consist of BPD investments and borrowings; FFB borrowings; DOL FECA transactions, and OPM employee benefit transactions.

**Intradepartmental Balance**—This USSGL account balance results from a transaction between trading partners in the same department.

**Intragovernmental Activity/Balances**—Revenue/expense transactions, asset/liability transactions, and transfers resulting from business activities conducted by Federal entities.

**Intragovernmental Fiduciary Confirmation System (IFCS)**—An internet-based application for confirming and reconciling quarterly fiduciary balances. This is the official confirmation system for Federal agencies and departments that engage in fiduciary Intragovernmental transactions. Agencies and departments must use the IFCS to confirm and reconcile activity and balances activity for investments, borrowings, FECA transactions, and employee benefits transactions.

**Intragovernmental Reporting and Analysis System (IRAS)**—An internal database in FMS used to conduct in-depth analysis and to synthesize/provide quarterly and year-end Closing Package reporting, as well as IFCS reporting, of all Intragovernmental transactions to Federal entities.

**Intragovernmental Transactions**—Business activities occurring within or between Federal agencies.

**Non-Exchange**—Refers to revenue arising primarily from the exercise of the Government's power to demand payments from the public (i.e. taxes, duties, fines, and penalties). This also includes donations.

**Non-Fiduciary**—Consist of Intragovernmental buy/sell (exchange) transactions, transfers, and non-Treasury investment transactions.

**Out-of-Balance Condition**—The net difference between the reporting agency's activity and its trading partner's activity for a particular reciprocal category.

**Performance Measures**— A method to measure agency reporting performance for closing package and Intragovernmental activity and balances each fiscal year (for verifying reporting agencies only).

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**Providing Agency**—The Federal agency (includes bureaus, departments and/or programs within agencies) that provides services, products, goods, transfer funds, investments, debt and/or incurring the reimbursable costs. The providing agency is considered as the seller for exchange transactions and the transferring out entity when appropriations are transferred.

**Receiving Agency**—The Federal agency (includes bureaus, departments and/or programs within agencies) that receives services, products, goods, transfer funds, purchasing investments and/or borrowing from Treasury (or other agency). The receiving agency is the purchaser for exchange transactions and the transferring in entity when appropriations are transferred.

**Reciprocal Category (RC)**—Pairings of related USSGL accounts that should be used by providing and receiving agencies to reconcile like Intragovernmental activity/balances. It is also a pair of Closing Package financial statement Federal line items that will be used to perform eliminations at the Governmentwide level.

**Reporting Agency (RA)**—A Federal entity that reports Intragovernmental amounts against its trading partner for a reciprocal category.

**Trading Partner (TP)**—An agency, department, bureau, or other Federal entity that is the party to Intragovernmental transactions with another Federal agency.

**Trading Partner Code**—The attribute used to identify the trading partner agency.

**Section 6 - General Instructions**

**Use of 2-digit trading partner codes:** Agencies must use 2-digit trading partner codes for all Intragovernmental transactions, when submitting quarterly data file extracts to FMS.

**Use of 4-digit trading partner codes:** Agencies must use 4-digit trading partner codes, established in the Governmentwide Financial Report System (GFRS), for yearend reporting of all Intragovernmental transactions.

**Appropriation Transfers:** When agencies report “appropriation transfers” within their departments, they should use their 2-digit trading partner code rather than “00.” Trading partner code “00” is limited to the House of Representatives, Senate, classified transactions, or any truly unidentifiable activity/balances.

**Buy/Sell Transactions:** Agencies that have buy/sell relations, in which a capitalized asset is purchased versus incurring expenses, should use USSGL Account 8802 (Purchases of Property, Plant and Equipment), USSGL Account 8803 (Purchases of Inventory and Related Property), USSGL Account 8804 (Purchases of Assets – Other) and USSGL 8801 (Offset for Purchases of Assets), as well as the appropriate USSGL asset account.

Additional information on the above general Intragovernmental instructions is available throughout this document.

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**Section 7 - Agencies' Responsibilities**

Each agency is responsible for:

- Establishing and maintaining a structure for its Intragovernmental transactions (initiating, executing, recording, reconciling and reporting procedures).
- Documenting and supporting the information recorded in its accounting records related to Intragovernmental transactions.
- Recording activity between Federal entities at the transaction level. Do not net accounting activity or Intragovernmental balances, even if the activity is in the same reciprocal category.
- Providing Intragovernmental balances (“F” transactions) for all proprietary USSGL accounts to FMS each quarter.
- Reconciling the Intragovernmental data in its accounting records to the supporting documentation based on FMS IRAS Reports.
- Submitting Intragovernmental Closing Package data by Federal line item to FMS at yearend.
- Ensuring that the reconciled and confirmed balances for Intragovernmental transactions agree to agency audited financial statements and Closing Package reporting.
- Completing the CFO Representations for Federal Intragovernmental Activity and Balances (i.e. Section I, Section II and Additional Explanations Sheet), and providing the information to FMS, and GAO.
- Representing that all Intragovernmental balances have been reconciled and that those balances are presented in the agency’s audited financial statements as instructed by OMB Circular A-136, Financial Reporting Requirements, dated June 10, 2009.
- Establishing a consistent relationship with their trading partners in order to identify and resolve differences.

**Section 8 - Effective Dates**

The policies and procedures in this guide are effective immediately and apply to all Intragovernmental transactions related to asset, liability, expense and revenue accounts.

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**Section 9 - Reporting Requirements Authority**

The Intragovernmental transactions reconciliation requirements are stated in OMB Circular No. A-136, dated June 10, 2009, OMB Memorandum M-07-03, Business Rules for Intragovernmental Transactions, and TFM Volume I, Bulletin No. 2007-03, Intragovernmental Business Rules, dated October 31, 2007. Agencies may obtain copies of OMB Circular No. A-136 and OMB Memorandum M-07-03 from the OMB Web site at <http://www.whitehouse.gov/omb>. **TFM Volume I, Bulletin No. 2007-03 is available on the TFM website at <http://www.fms.treas.gov/tfm>.**

**Section 10 - Reconciliation Assurance Level**

For fiscal 2009, a reconciliation assurance level will be systematically established in IRAS using four functions:

- 1) Obtaining sufficient explanations for the out-of-balance condition;
- 2) Obtaining assurance that agencies are performing quarterly Intragovernmental reconciliation in accordance with OMB Circular A-136, Financial Reporting Requirements, dated June 10, 2009;
- 3) Ensuring agencies are mutually completing “Status of Disposition Certification” for the same trading partner/reciprocal category material difference instances; and
- 4) Minimizing the number of differences subject to certification through a sampling process.

**Section 11 - Quarterly Intragovernmental Reconciliation Process**

The quarterly reconciliation process will facilitate elimination of Intragovernmental differences for year-end financial reporting.

The OMB Circular A-136, Financial Reporting Requirements, dated June 10, 2009, requires Federal Chief Financial Officers (CFO) Act and non-CFO Act entities identified by Treasury in the Treasury Financial Manual, TFM 2009, Vol. I, Part 2-Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government dated May 29, 2009, to perform quarterly reconciliation of Intragovernmental activity/balances.

In support of the quarterly reconciliation process, verifying agencies are required to submit full proprietary adjusted trial balances or submit, at a minimum, a trial balance that contains all of their accounts with an “F” attribute and the following other USSGL accounts: 1010 (Fund Balance with Treasury), 3101 (Unexpended Appropriations – Appropriations Received), and 3106 (Unexpended Appropriations – Adjustments) to FMS no later than July 23, 2009 for the third (3<sup>rd</sup>) quarter and October 18, 2009 for the fourth (4<sup>th</sup>) quarter. Agencies should derive these submissions directly from departmental trial balances that are used as the basis for constructing quarterly unaudited financial statements for OMB.

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Prior to the quarterly submission, agencies should validate and reconcile RC 07 and RC 08 data by using the following UCAD reports on the FMS website at <http://fms.treas.gov/factsi/reports.html>:

- RC 07 – Appropriation of Unavailable Trust or Special Fund Receipts;
- RC 08 – Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources

Agencies should refer to the Treasury Financial Manual, TFM 2009 Vol. 1 Part 2 – Chapter 4700, Appendix 10, for an example of the file format.

### **11.1 - Quarterly Intragovernmental Data File Submission - Description and Formats**

Beginning third quarter fiscal year 2009, agencies are required to submit a proprietary ATB text file. This file must include all of the non-Federal as well as Federal accounts (see TFM 2009 Vol 1 2-4700 subsection 4706.30b).

In an effort to streamline FMS quarterly agency IRAS reporting, FMS has developed a standard bulk file format for submission. This format consists of a basic text file that agencies should submit (with a .txt file extension). The most common text editor for Windows users is a Window Notepad. Submissions in this format are usually downloads from the agency's automated accounting systems. Refer to the Treasury Financial Manual, TFM 2009 Vol. 1 Part 2 – Chapter 4700, Appendix 10 for the specific fields required in the bulk file layout and an example of the IRAS bulk file submission.

### **11.2 - Quarterly Intragovernmental Data File Submission – File Format (Input)**

Refer to the Treasury Financial Manual, TFM 2009 Vol. 1 Part 2 – Chapter 4700, Appendix 10 for the specific fields required in the bulk file layout and an example of the IRAS bulk file submission. The table provided is an example of an agency's data file layout. The table outlines eleven required columns for text files.

All of the elements specified for the file format **must** be included except where indicated. In addition, all columns or fields should be labeled either in the heading or in a separate accompanying file with the column position numbers.

### **11.3 - Other Required Information to Accompany Agency Submission**

All files must have column/field heading titles. In these text – based submissions, the titles must indicate the starting and ending column position (this should be provided in a separate file or in the body of the e-mail).

The Agency Quarterly Intragovernmental Data File Submission Checklist is no longer required. However, agency submissions should address the following:

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- Ensure that the file submission is complete
- Indicate whether the amounts are provided as Normal or Standard balances
- Indicate if the bulk file includes full ATB
- Provide an Agency point of contact for any technical problem with the data file
- State the total number of data records contained in the file

#### 11.4 - Processing Notes

Federal agencies use a variety of accounting systems and database applications. The following guidelines will assist agencies in developing the database structure. Unlike the previous FACTS I process, agencies will not upload bulk files via GOALS II or any other FMS on-line systems. Rather, the verifying agencies must use standard e-mail for sending the quarterly data files. The system administrator for IRAS will then upload each agency's individual data file.

- The data file can contain multiple departments, bureaus, and fund groups.
- The text file format is defined based upon currently designated attributes. Additional attributes may be added at a future date. Agencies may wish to add a filler at the end of the record and increase the record length to provide for future attributes. FMS can accept files with longer records if the defined fields conform exactly to the specified format.
- Decentralized agencies should consolidate all submissions from sub-agencies departments, or bureaus. Also, the resulting consolidated file format and data layout must be consistent.
- Descriptions and definitions of fiscal year 2009 USSGL account attributes and the domain values of the attributes are published in USSGL TFM S2 09-01 (Part 1, Fiscal Year 2009 Reporting) (available to readers on the Internet Web site at <http://fms.treas.gov/ussgl>)
- Edits for duplicate and illogical records are conducted based on a key consisting of department code, bureau code, fund group, USSGL account, Federal/Non-Federal attribute, Federal trading partner, and exchange/nonexchange attribute. Additional validations also are conducted. FMS will return any exceptions via e-mail to the agency for correction. **The agency must return corrected entries within 1 business day.**

#### 11.5 - Notes on Dollar Amounts

Verifying agencies must indicate whether the dollar amounts are presented as "Normal" or "Standard" balances. Also, leading zeroes are required for text files. For text files, both the **sign** and **amount** fields are combined when considering Normal and Standard balances. These terms are defined as follows:

- Normal balance: All amounts which are reported as their normal balance are to be shown with a **positive** sign. All abnormal balances are to be shown with a **negative** sign. The only exceptions are for accounts which do not have a normal balance, such as amortization of discount and premium.

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- Standard balance: (previously referred to as “trial-balance”) all balances, whether normal or abnormal, are shown with their respective sign, similar to how they would appear in a standard trial-balance report.

Verifying agencies must also indicate whether the last two positions of the amount field are cents.

The following table demonstrates several examples between the two methods. Note: in the examples the **sign** and **amount** fields are combined.

USSGL Account	Normal or Abnormal	Amount	IRAS Presentation	
			Normal Method	Standard Method
2110 (Accounts Payable)	Normal	\$100	\$100	-\$100
2110 (Accounts Payable)	Abnormal	\$100	-\$100	\$100
1310 (Accounts Receivable)	Normal	\$100	\$100	\$100
1310 (Accounts Receivable)	Abnormal	\$100	-\$100	-\$100
5310 (Interest Revenue- Other)	Normal	\$100	\$100	-\$100
5310 (Interest Revenue - Other)	Abnormal	\$100	-\$100	\$100
6100 (Operating Expenses/Program Costs)	Normal	\$100	\$100	\$100
1613 (Amortization of Discount and Premium on U.S. Treasury Securities Issued by BPD)	Normal	\$100	\$100	\$100
1613 (Amortization of Discount and Premium on U.S. Treasury Securities Issued by BPD)	Abnormal	\$100	-\$100	\$100
1319 (Allowance for loss on Accounts Receivable)	Normal	\$100	\$100	-\$100

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**11.6 - Notes for Excel File Submissions:**

Effective third quarter fiscal year 2009, FMS has adopted a standard bulk file format. This format consists of a basic text file. FMS will no longer accept Excel file submissions.

**11.7 - Duplicate Partner Code Identifier (DPCI)**

The DPCI is a single-digit code to be applied only to a reporting trading partner agency sharing a 2-digit agency code with another agency. The DPCI field is blank for all other trading partner agencies. The rules for using the DPCI identifier are located in the TFM 2009 Vol. 1 Part 2-Chapter 4700, Appendix 10.

**11.8 – FMS Intragovernmental Quarterly Activity Reports**

All of the following Intragovernmental reports are available via the Oracle Discoverer Viewer (see User Manual, which can be found at the FMS website, <http://www.fms.treas.gov/factsi/regulations.html>):

- Intragovernmental Activity Detail Report by Trading Partner
- Intragovernmental Activity Summary Report by Trading Partner
- Intragovernmental Reciprocal Category Summary Report
- Intragovernmental Reciprocal Category Detail Report
- Fiduciary Quarterly Data vs. IFCS Agency Benefits Report
- Fiduciary Quarterly Data vs. IFCS Agency Comparison Report
- Intragovernmental Material Differences/Status of Disposition Certification Report
- Intragovernmental General Fund Detail Report
- Intragovernmental Comparative Status of Disposition Report

In addition to the above IRAS reports, verifying agencies will generate the following IRAS versus UCAD reports on the FMS Website at <http://www.fms.treas.gov/factsi/reports.html>:

- Reciprocal Category 07 Reported Data vs. UCAD
- Reciprocal Category 08 Reported Data vs. UCAD

These reports show agencies their reciprocal balances reported in their quarterly Intragovernmental file compared to the data reported in Treasury's central accounting system. Agencies should use these reports along with the detail and summary UCAD reports to explain their differences in RC 07 and RC 08 on the Material Differences/Status of Disposition Certification Report, Part II, with the data they reported into Treasury's central accounting system.

In addition to the above reports, the Individual Trading Partner Reciprocal Report is available at <http://fms.treas.gov/factsi/reports.html>. This is an Excel-based customizable report which shows all of the detail transactions (fund symbol, SGL account) with agencies' trading partners based on IRAS data.

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FMS will consolidate agency quarterly financial data within four (4) business days of the agencies' submissions of the quarterly Intragovernmental transaction data files. After the completion of the consolidation process, reporting agencies are required to generate the nine reports via the Oracle Discoverer Viewer through GFRS.

The appearance of the Intragovernmental reports from the Oracle Discoverer Viewer will be similar to what agencies have received in the past. In the query tool, users have the option to view or download the report to/from Excel and/or Adobe Acrobat. Therefore, based on the user's application selection, the look and feel of the report may be different but the content remains the same.

### **11.9 - Quarterly Status of Disposition Certification**

The Material Differences/Status of Disposition Certification Report has been revised. The revised report is divided into three parts. Each verifying agency will generate a *Material Differences/Status of Disposition Certification Report* from the Oracle Discoverer Viewer in GFRS containing comparative reporting between the agency and its trading partners by reciprocal category in Part I, and other significant material balances and comparative differences in Part II. FMS will provide Part III, which is a blank "Additional Explanations" form that agencies will use to explain in detail their reporting on **all** records showing material differences. FMS will post this form on the FACTS I Web site at <http://www.fms.treas.gov/factsi/reports.html>.

The *Material Differences/Status of Disposition Certification Report* Part I, will allow agencies to identify differences with trading partners, excluding "99", by reciprocal categories (excluding RC 07, 08, 25, and 29) that are greater than or equal to a respective reconciliation assurance level.

Part II (new in 2009) will identify amounts with trading partners "00", "99", and material differences between the agency amounts and the UCAD amounts for RC 07 and RC 08. Agencies must identify the material balances in Parts I and II and report in Part III, the "Additional Explanations" form. This assurance level will be systematically established in IRAS using four functions for fiscal year 2009:

- Obtaining sufficient explanation of out-of-balance condition coverage for GAO assurance;
- Obtaining assurance that agencies are performing quarterly Intragovernmental reconciliation in accordance with OMB Circular No. A-136, revised;
- Ensuring agencies are mutually completing a Status of Disposition Certification for the same trading partner/reciprocal category material difference instances;
- Minimizing the number of differences subject to certification through a sampling process.

Verifying agencies should provide an explanation of the reporting on Parts I and II of the Status of Disposition Certification form by identifying their reporting justification by explanation number (refer to I TFM 2-4700, subsection 4706.30f) and should submit it to the agency's respective FMS Intragovernmental contact person via fax to 202-874-9907. Alternatively,

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agencies may e-mail a scanned or otherwise electronic version of the report to FMS. This report is due no later than August 5, 2009, for the third quarter fiscal year 2009 and is not required for fourth quarter fiscal year 2009.

In addition to the original 7 reports that agencies download after submitting their quarterly data, agencies can use the GFRS/FACTSI/IFCS Website at <http://fms.treas.gov/factsi/reports.html> to generate the two new reports, RC 07 vs. UCAD Summary and RC 08 vs. UCAD Summary. These reports will identify the differences between the amounts the agency reported into IRAS and the UCAD data for RC 07 and RC 08.

Beginning Fiscal Year 2009, an additional assertion to the CFO Representations form has been added (see Appendix 8 of the I TFM 2-4700). On the CFO Representations form, agencies must indicate (in Section 1, Instruction F) if they used the UCAD reports (available at <http://www.fms.treas.gov/factsi/reports.html>) to validate the agency's trading partner data entered in GFRS Module GF004 for the Closing Package RC07 and RC08 line items. An explanation is required if the agency did not use the UCAD reports.

Note: Agencies that have recurring differences with a trading partner will continue to receive a *Material Differences/Status of Disposition Certification Report* that must be explained and certified.

**11.10 - Detailed Quarterly Status of Disposition Certification Instructions**

For fiscal year 2009, verifying agencies are required to provide an explanation of their Part I reporting based on each identified difference in terms of the following categories: (1) Confirmed Reporting, (2) Accounting Methodology Difference, (3) Accounting/Reporting Error (4) Timing Difference – CY, (5) Timing Difference – PY, or (6) Unknown. For further explanation of these six categories, see I TFM 2-4700 subsection 4706.30g – Reporting Agency's Explanation of Reporting in Part I. Documented support must be included in detail for each explanation on the supplemental attachment provided by FMS via the FACTS I website. (Refer to Appendix G). When differences have been identified and adjustments are needed, agencies must make adjustments in the subsequent periods and provide corrective actions to FMS.

Agencies will generate the *Comparative Status of Disposition Report* via the Oracle Discoverer Viewer, as described above. This report compares amounts and explanations of material differences reported between each reporting agency and its trading partner. FMS will make this report available to agencies no later than August 11, 2009, for the third quarter fiscal year 2009. Since the certification process is not required during the fourth quarter fiscal year 2009, the *Comparative Status of Disposition Report* is not applicable. (Refer to Appendix D for a list of scenarios). CFOs will use this report to address and resolve inconsistencies in amounts and explanations between the agency and its trading partners, no later than the subsequent reporting period.

The category "Confirmed Reporting" is intended to indicate that an agency has verified the reported amounts and that the agency's documents are in agreement with its quarterly source documentation. However, both the trading partner and reporting agency should not indicate

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“Confirmed Reporting” for the same difference. This implies that the reporting agency and its trading partner have not reconciled. Specifically, in instances where an agency’s and its trading partner’s explanations for differences are both “confirmed reporting”, the agency is required to contact its trading partner to obtain resolution of the disputed differences. Material differences that were explained as “confirmed reporting” by both the reporting agency and its trading partner must be resolved by the next reporting period. If the reporting differences have not been reconciled by the end of third quarter fiscal year 2009, then the CFOs from each respective agency will be required to provide FMS with a “plan of action” to address unresolved material “confirmed reporting” differences.

These unresolved “Confirmed Reporting” differences will be based on an established threshold to be determined by FMS. See I TFM 2-4700 section 4706.30f for specific requirements.

In addition, for fiscal year 2009, agencies will be required to provide a basis for their “Unknown Reporting” explanation. Material differences that were explained as “Unknown” by the reporting agency must be resolved by the next reporting period. If the reporting differences cannot be validated or resolved by the end of the third quarter fiscal year 2009, the CFOs from each respective agency will be required to provide FMS a “plan of action” to address unresolved material “Unknown Reporting” differences.

A letter outlining the required information to be included in the “plan of action” and a due date for plan submission will be provided to the necessary agencies shortly after the third-quarter fiscal year 2009 Comparative Status of Disposition Report.

**11.11 - Intragovernmental Fiduciary Confirmation System**

The Intragovernmental Fiduciary Confirmation System (IFCS) is an internet-based system for reconciling fiduciary transactions. OMB designates the IFCS as the system of record for reconciling and confirming fiduciary balances between trading partners and central fiduciary agencies (BPD, FFB, OPM and DOL).

Agencies must use the IFCS to reconcile and confirm balances and activity with their trading partners on a quarterly basis. Agencies must ensure that amounts entered into the IFCS agree to their quarterly submission, annual Closing Package reporting, and the agency’s audited financial statements before submitting yearend data to FMS.

In order to facilitate reconciliation, FMS will make available the following reports:

- (1) Fiduciary Quarterly Data vs. IFCS Agency Benefits*
- (2) Fiduciary Quarterly Data vs. IFCS Agency Comparison Report*

To access and confirm fiduciary balances in the IFCS, agency users should access the Internet Web site at <http://www.fmsapps.treas.gov/ias>.

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To gain access to the IFCS, all agency users and back up personnel must submit an External GOALS II Enterprise System Access Request Form (ESAAS) by fax to the Financial Reports Division, Attention: IFCS Administrator at 202-874-9907. The ESAAS form is located on the FMS Web site at <http://fms.treas.gov/factsi/forms.html>. All agencies must designate agency user backups for all roles.

After the ESAAS form is processed, the IFCS administrator will make the agency assignment. The agency department administrator will then assign the designee to his or her specific agency fund symbols for the borrowings and investment categories and agency code for OPM and DOL categories. The designee will receive their User ID and password by mail.

All users of the IFCS application must re-certify their role annually and attest to FMS' IT Security Rules of Behavior Standards. Re-certification focuses on re-verifying each user's need for access and that level of access to FMS' IT resources, as required by the Federal Information Security Management Act of 2002 (FISMA). The supervisor of each IFCS user will receive a form to complete and sign for the re-certification process. Each system user must also complete a Security Awareness Agreement in conjunction with their supervisor's recertification for continued system access.

**Section 12 - Yearend Intragovernmental Reconciliation Process Related to Closing Package Reporting**

FMS will use the closing package Intragovernmental data (submitted by verifying agencies as part of their closing package) to consolidate agency data for year-end reporting. Prior to agencies' Closing Package submissions, agencies should validate and reconcile RC 07 and RC 08 data by using the following UCAD reports on the FMS website at <http://www.fms.treas.gov/factsi/reports.html>:

- *RC 07 – Appropriation of Unavailable Trust or Special Fund Receipts;*
- *RC 08 – Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources.*

Agencies can retrieve these reports on the eighth workday following month-end.

On November 19, 2009, agencies will generate the following Intragovernmental Reporting and Analysis System (IRAS) reports using the Oracle Discoverer Viewer in GFRS. These reports show agencies their reciprocal balances, as reported in the closing package, for each of their trading partner agencies:

- *Intragovernmental Closing Package Activity Detail Report;*
- *Intragovernmental Closing Package Activity Summary Report;*
- *Intragovernmental Closing Package Reciprocal Category Detail Report;*
- *Intragovernmental Closing Package Reciprocal Category Summary Report;*
- *Intragovernmental Closing Package Material Differences/ Status of Disposition Certification Report;*
- *Intragovernmental General Fund Detail Report.*

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FMS will inform the verifying agencies, by email, to generate these reports from the Oracle Discoverer Viewer via GFRS. Agencies should use these reports to work with their trading partners to reconcile reciprocal closing package differences. Any significant changes that are reconciled should form the basis for adjusting journal entries affecting Intragovernmental activity and balances at the FR level.

On November 19, 2009, verifying agencies will generate the following IRAS versus UCAD reports on the FMS website at <http://www.fms.treas.gov/factsi/reports.html>:

- *Closing Package Reciprocal Category 07 Reported Data vs. UCAD;*
- *Closing Package Reciprocal Category 08 Reported Data vs. UCAD.*

These reports show agencies their reciprocal balances reported in the Closing Package compared to the data reported in Treasury's central accounting system.

Agencies should use these reports along with the detail and summary UCAD reports to explain the differences in RC 07 and RC 08 reported data on the Material Differences/Status of Disposition Certification Report, Part II, with the data they reported into Treasury's central accounting system.

Any significant differences that are reconciled should form the basis for adjusting journal entries affecting Intragovernmental activity and balances at the FR level. Agencies should submit their adjustments and supporting documentation for Part I and Part II (refer to subsections 4706.30f and 4706.30g for further detail regarding the explanation of differences) to their FMS contact person via e-mail and to the following e-mail address: [financial.reports@fms.treas.gov](mailto:financial.reports@fms.treas.gov).

On November 30, 2009, Agencies will generate the *Intragovernmental Comparative Closing Package Explanations of Differences Report* from the Oracle Discoverer Viewer.

### **12.1 - CFO Representations for Federal Intragovernmental Activity and Balances**

Verifying agencies are required to represent that they have properly and completely reconciled their Intragovernmental activity and balances with their trading partners, using the closing package submission and agency audited financial statements. These procedures are outlined in I TFM 2-4700 Section 4705.80.

FMS will provide the CFO Representation for Federal Intragovernmental Activity and Balances form that agencies will use to complete the CFO representations. FMS will post this form on the FMS website, <http://www.fms.treas.gov/factsi> for download in a Microsoft Excel format. The CFO Representations form is also included as **Appendix E**. The representations relating to whether the reconciliation was completed for each item from Section I (General

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Intragovernmental Reporting Results) and Section II (Explanation of Closing Package Differences) must be completed in its entirety.

**Section 13 -Policies**

**13.1 - Accounting**

Intragovernmental transactions should be accounted for consistently, in accordance with generally accepted accounting principles for Federal agencies, by both the providing and receiving agencies. Agencies should maintain transaction logs or detailed records of transactions as a part of their accounting systems to provide a means of identifying the postings to USSGL accounts and to facilitate the reconciliation process. The transaction logs (or detail) should include enough information to enable easy identification and location of the supporting documentation.

**13.2 - USSGL Account Attributes**

The Federal (“F”) and Non-Federal (“N”) attributes used in conjunction with a USSGL account in the Closing Package submission provides information that enables FMS to prepare elimination entries for the FR. The attribute is used to identify the nature of the account balances and to identify Intragovernmental transactions. When the Federal attribute “F” is used with a USSGL account, a 2-digit trading partner must be designated for each transaction posted to the account.

**13.3 - Asset Accounts**

Asset accounts related to inventory, property, and equipment are submitted to FMS with a Non-Federal (“N”) attribute. This attribute is being used as a mechanism to communicate that these particular asset accounts of individual agencies are also assets of the Federal government as a whole, regardless of whether the assets were purchased from the public or another Federal agency. These assets are not eliminated in the consolidation process.

Related USSGL memorandum accounts 8801, 8802, 8803, and 8804 were established to record capitalized purchases and to be used in the reconciliation process (trading partner identification is associated with these accounts.)

**13.4 - Trading Partner Codes**

In order for proper eliminations to occur, it is essential that accurate trading partner data is captured for Intragovernmental activity and balances. Each quarter, agencies are required to use the 2-digit department code of the trading partner when reporting USSGL account balances that relate to transactions with another Federal agency (“F”) attribute. For example, 1610F (20) Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt indicates that this Federal entity is posting a transaction occurring with Treasury, 20 (BPD). BPD records 2530F (XX) Securities Issued by Federal Agencies under General and Special Financing

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Authority, indicating a transaction with Federal entity XX. For yearend reporting to GFRS, agencies must use the 4-digit department codes that are established in the GFRS. For quarterly reporting via the extract of “F” transaction files, agencies must use the 2-digit FACTS I department codes. (See **Appendix B** for a list of trading partner codes).

Agencies should comply with the transaction posting models consistent with USSGL guidance and policies when recording and classifying transactions. Agencies should identify trading partners for all Intragovernmental transactions and accumulate detail and summary information for each activity by trading partner from their accounting records.

Agencies can employ a number of methods to identify trading partners including:

- Incorporating the trading partner code as part of the account coding classification.
- Incorporating the trading partner code into data captured when transactions are entered into accounting systems.
- Communicating with the trading partner of a transaction to ensure the proper trading partner code is used.

**NOTE:** The U.S. Department of Agriculture’s Graduate School should be classified as a Non-Federal “N” transaction; therefore, a trading partner code is not required.

**13.5 - Trading Partner Code “99” Reporting for the Treasury General Fund**

Trading partner code “99” should be applied for recording transactions with the Treasury General Fund, as follows:

- Custodial activity, such as tax revenue, fines and penalties, miscellaneous revenue, and fees, which are collected or accrued on behalf of the Treasury General Fund. USSGL accounts applicable to this activity include but are not limited to: 2980F, 5800F, 5801F, 5990F and 5991F.
- Nonexchange revenue, Fines and Penalties and miscellaneous revenue, which are not material enough to be reported in a separate Statement of Custodial Revenue (refer to the General Fund Receipt Account Guide issued by the USSGL Division of FMS). Use the following USSGL accounts : USSGL 2985 for reporting liability for non-entity assets; 5993, offset to non-entity collections – Statement of Changes in Net Position; and 5994, Offset to Non-Entity Accrued Collections -Statement of Changes in Net Position;
- Employer FICA contributions that are collected by the Internal Revenue Service.
- Transfers out and distributions of income (e.g., USSGL account 7500F) that are returned to the General Fund. Transfers include Nonbudgetary Financing Sources (USSGL 5775, and 5776)

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- Governmentwide entity/custodial accounts that consist primarily of interest revenue and seigniorage, for Treasury Bureaus: FMS and BPD only.
- Proceeds collected from disposition of personal property subsequently transferred to the General Fund
- Receivables from Canceled Appropriations (USSGL accounts 2985 and 5994)
- Treasury-managed Trust Funds – expenditure and non-expenditure transfers receivable/payable.
- Liquidating fund assets in excess of liabilities that are transferred to the General Fund.
- Receivable from appropriations (USSGL account 1921F, Treasury only).
- Rescissions where the authority in a TAFS is permanently canceled by law and Fund Balance with Treasury (FBwT) is returned to the General Fund.
- Other asset/liability activities associated with the Treasury General Fund (e.g., USSGL account 2400F, Liability for Nonfiduciary deposit funds, clearing accounts, and undeposited collections).

**13.6 - Use of Trading Partner “20” Instead of Trading Partner “99”**

Trading partner “20” should be used instead of trading partner “99” under the following circumstances:

- Judgment Fund Transactions
- Transfers with Treasury Program Organizations
- Investment in Public Debt Securities
- Borrowings from BPD/FFB
- Reimbursable Activity with Treasury Program Organizations

There is a website available for Treasury Managed Accounts which can be located at <http://fms.treas.gov/tma/>. There, Federal program agencies can access links to reconcile activity related to:

- Contract Disputes

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- No Fear Act
- Judgment Fund
- Interest on Uninvested Funds

#### **13.7 - FBwT (USSGL 1010) and Trading Partner “99”**

USSGL account 1010 is defined as the aggregate amount of funds on deposit with the Treasury, excluding seized cash deposited. FBwT is increased by (1) receiving appropriations, reappropriations, continuing resolutions, appropriation restorations, and allocations; and (2) receiving transfers and reimbursements from other agencies. It is also increased by amounts borrowed from the BPD, the FFB, or other entities, amounts collected and credited to appropriation or fund accounts, and interest revenue collected from FPAs and other entities. FBwT is reduced by (1) disbursements made to pay liabilities or to purchase assets, goods, and services; (2) investments in U.S. securities (securities issued by the BPD or other FPA); (3) cancellation of expired appropriations; (4) transfers and reimbursements to other entities or to the general fund of the treasury; (5) sequestration or rescission of appropriations; (6) repayments on borrowings from FFB, BPD and other entities; (7) redemptions of investments with BPD and other entities; and (8) interest paid to BPD, FFB and other entities. Under a continuing resolution, do not increase FBwT until FMS issues a warrant. Not increasing FBwT under a continuing resolution may result in a negative balance, which is acceptable by OMB and FMS.

By association, USSGL account 1010 (FBwT) is Federal in nature. However, USSGL 1010 does not have a trading partner associated with it and it does not have an offset for reconciliation purposes. Therefore, USSGL 1010 **should not** be reported with trading partner 99 or any other trading partner code.

#### **13.8 – Trust Fund Receipts**

Taxes and receipts transferred from a Treasury General Fund Receipt Account (as defined in TFM Vol. 1, A-2008-04 : FAST Book, updated April 2009) to any and all trust funds are to be classified as “Federal” by the receiving entity. Also, these same taxes and receipts are to be classified as “Federal” by the receiving entity on the closing package line items in the Governmentwide Financial Reports System (GFRS). Any further classification of the original source of the taxes and receipts (i.e. earmarked, general receipts, interest) is not relevant for the purposes of the classification of “Federal “ or “Non-Federal”.

These taxes and receipts, collected directly from the public, are to be classified as “Non-Federal” in the Treasury General Fund Receipt Account, reported on Treasury’s Statement of Custodial Activity, and the closing package line items in GFRS.

As an example, some employment taxes are submitted to and collected by the Internal Revenue Service and ultimately transferred to the Social Security trust funds. These taxes are to be

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classified by Treasury “Non-Federal” and the Social Security Administration as “Federal” in GFRS.

### **13.9 – Intragovernmental Business Rules**

The Intragovernmental Business Rules reference fiduciary and non-fiduciary transactions and are intended to address major elements of the Intragovernmental material weaknesses, as identified by GAO, during the audit of the FR. The Business Rules provide Federal Program Agencies with guidance for recording and reconciling Intragovernmental exchange transactions, fiduciary transactions, and transfers between agencies. Since these Rules apply to all Intragovernmental business, they are applicable to all accounting systems.

#### **13.10 - Parent-Child Reporting**

The parent agency (transferor of the appropriation) must report all activity of the child in its financial statements, whether material to the child agency (recipient of the transfer) or not, unless one of the three exceptions (detailed below) applies. The parent agency must use its 2-digit trading partner code for all activities and balances with the child agency. This will result in Intragovernmental activity between the parent and the child being eliminated and not reported in the parent agency’s financial statements and GFRS. Other agencies, who have activity with the child (see exceptions below) must use the Federal trading partner department code of the child’s parent agency when reporting their balances and transactions with the child in GFRS.

The three exceptions to the requirement for parent /child reporting (from OMB Circular No. A-136, dated June 10, 2009) are:

- Federal trust funds managed by the Bureau of the Public Debt (commonly known as Treasury-Managed Trust Funds) for which the recipients are allocation accounts
- The parent is the Executive Office of the President
- Funds transferred from the Judiciary to the Department of Justice U.S. Marshals Services for court security

In these cases, the receiving agency (child) is responsible for reporting all proprietary activity in their financial statements and GFRS. The child must use its 2-digit trading partner code for all activities and balances with the parent agency. This will result in Intragovernmental activity between the child and the parent being eliminated and not reported in the child agency’s financial statements and GFRS. Agencies that have activity with the child listed in the three exceptions must use the Federal trading partner code of the child in reporting their balances and transactions with the child in GFRS

### **Section 14 - Fiduciary Transactions**

#### **14.1 - General Guidance**

The system of record for confirming and reconciling fiduciary balances between trading partners and central fiduciary agencies is the IFCS.

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Agencies are required to confirm Intragovernmental balances (enter and provide explanation for differences) with central fiduciary agencies in the IFCS for all five fiduciary categories. These categories are the Bureau of the Public Debt Investments and Borrowings, Federal Financing Bank Borrowings, and DOL and OPM Employee Benefits.

**14.2 - BPD Investments**

For Intragovernmental investments with the Bureau of the Public Debt (BPD), trading partner agencies and BPD will use the effective interest method for amortization on market-based notes, bonds, Treasury Inflation Protected Securities (TIPS) and zero-coupon bond securities; amortization begins the day of purchase. Market-based notes, bonds and TIPS purchased at premium will be amortized to the call date. Trading partner agencies will carry notes, bonds, TIPS, and zero coupon bond securities at amortized cost and will not reflect a market adjustment. In accordance with Intragovernmental Business Rules, BPD and the trading partner agencies will continue to use the straight-line method for market-based bills, in which amortization begins the day after purchase. Upon early redemption of securities, trading partner agencies may use the specific identification method (i.e., purchase dates/tax lots). If securities are not specifically identified, the First In – First Out (FIFO) method will be used to identify the security to be sold. Government Account Series (GAS) securities purchased using deposit fund monies will be classified as public, not Intragovernmental. Trading partner agencies will ensure the BPD records these securities as public, not Intragovernmental, through their quarterly reconciliation process.

**14.3 - BPD and FFB Borrowings**

For borrowings from the BPD and borrowings from the FFB, agencies will report amounts consistent with those reported by these central fiduciary agencies. BPD and FFB will provide FMS data for input into the IFCS no later than 5 calendar days after the end of each quarter.

**14.4 - OPM Employment Benefits**

OPM provides "cost factors" for the Federal civilian benefit programs. Trading partner agencies will use these cost factors to calculate their imputed costs relating to the Civil Service Retirement System (CSRS), Federal Employees Retirement System (FERS), Federal Employees Health Benefit (FEHB) and the Federal Employees Group Life Insurance (FEGLI) programs. The "pension" and life insurance cost factors are provided as percentages of basic pay, whereas the health benefits cost factor is stated as a dollar amount per FEHB enrollee. The cost factors are provided by the 16th day before the end of each quarter and will be posted on OPM's website at <http://www.opm.gov>.

OPM Employment Benefits are classified into three distinct components:

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1. Employer contributions – This is Intragovernmental activity and must be classified to USSGL 6400 and reported with an "F.24" attribute; the IFCS confirmations are based on this activity.
2. Employee contributions – This is non-federal activity and must be reported with an "N" attribute. This activity is normally included in gross pay and classified to USSGL 6100.
3. Imputed costs – This activity is classified as both an imputed cost (USSGL 6730) and an imputed financing source (USSGL 5780) by the reporting agency. The imputed cost and imputed financing source must be reported in equal amounts with "F.24" attributes.

OPM will provide the FMS employee benefit data for input into the IFCS no later than noon, 6 calendar days after the end of each quarter.

**14.5 - Department of Labor FECA Transactions**

DOL will provide FMS quarterly estimates for unbilled FECA current liabilities and billed but unpaid current liabilities, by trading partner, for input into the IFCS. DOL will provide the data by close of business 6 calendar days after the end of each quarter. Trading partner agencies will reconcile billed but unpaid current liabilities with DOL in the IFCS, and the confirmed amounts must be included in the agency's trial balance and financial statements.

**Section 15 - Non-Fiduciary Transactions**

TFM Bulletin 2007-03, Intragovernmental Business Rules, requires all Government agencies that engage in buying or selling of goods or services to other federal agencies to register in the Federal Agency Registration database (FedReg), which is a part of GSA's Business Partner Network (BPN). A BPN number is required for both buyer and seller. For civilian agencies, this is generally the Dun and Bradstreet Universal Number (DUNS). For military agencies, this is the buyer Department of Defense Activity Address Code (DoDAAC) preceded by the letters 'DoD'.

The Business Rules for non-fiduciary transactions are effective for all Intragovernmental purchases of goods and services at the established threshold level with the exception of (1) purchase card acquisitions, (2) national emergencies, and (3) national security considerations.

Refer to TFM Bulletin 2007-03, Intragovernmental Business Rules, Exchange Transactions, for further information regarding advances for reimbursable orders, billing documentation, unbilled accounts receivable, and general buy/sell business practices.

**Section 16 - Yearend Procedures**

At the end of each fiscal year (September 30), all transactions and activity related to the fiscal year should be recorded in each agency's general ledger. Agencies should correspond with their trading partners to ensure consistency in recording Intragovernmental transactions. Agencies will

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need to work together to identify the transactions and amounts in determining the estimated accruals to record.

**16.1 - Accrual of Revenues Earned/Expenses Incurred but Unpaid as of September 30**

Transactions that are incurred as of September 30 and not billed should be recorded as accruals in both agencies' records. These transactions may have been billed subsequent to year-end or remain unbilled at the time of accrual. Providing agencies should identify these transactions and should work with the receiving agencies to provide detailed information supporting the transactions and the amounts incurred as of the cut-off date (September 30) and not yet billed. The providing agency should record these transactions as receivables/revenues as of September 30. The receiving agency should record these transactions as payables/expenses or assets as of September 30.

Agencies should work together to calculate and estimate accruals and to record corresponding entries in each set of records so they are in agreement or that long term accounting policy differences can be easily identified. The providing agency is typically responsible for estimating the accrual and communicating this information to the buying agency. Both agencies are responsible for recording the information.

The following are the cut-off procedures to be performed by the providing and receiving agencies for September 30 (year-end).

<b>Procedure</b>	<b>Responsible Party</b>	<b>Comments</b>
Identify the types of transactions requiring cut-off procedures.	Both Agencies	Together, agencies should make a list of the transactions to be recorded and agree on the agency to be responsible for accumulating the data and calculating estimates (if any) at year-end.
Determine and agree on the methodology to be used for estimates.	Both Agencies	Together, agencies should agree on the methodology used to calculate the estimate.
Provide a listing (with amounts and relevant information necessary to record the transactions) of transactions to be recorded as of September 30.	Providing agency	An example is included in this guide. See Yearend Cut-Off Procedures Section.

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<b>Procedure</b>	<b>Responsible Party</b>	<b>Comments</b>
Provide a listing of transactions representing estimates with supporting documentation and amounts and relevant information necessary to record the transactions as of September 30.	Providing agency	
Ensure amounts agree in both sets of records (reconciliation process).	Both Agencies	Accrued amounts should be included in the reconciliations.

**Section 17 - Reconciliation**

The integrity of the data reported in each agency's financial records and reports as well as the data reported in agency's audited financial statements and in the Closing Package are dependent on timely and accurate reconciliations of Intragovernmental activity and resultant account balances.

The responsibility for the reconciliation of an agency's activity and balances is with the agency, regardless of the trading partner's involvement in the transactions. Responsibility for the individual account reconciliation within an agency is based on the agency's organizational structure and delegation of responsibilities. Reconciliations should be reviewed and approved by the appropriate agency designated personnel.

Agencies are required to use the IFCS to confirm and reconcile fiduciary transactions with their trading partners. Agencies should investigate and record adjustments for any discrepancies between their Intragovernmental account balances and the reciprocal account balances of their trading partner(s). Discrepancies due to errors should be adjusted in the agency's records and corrected prior to the preparation of financial statements and the Closing Package submission.

**17.1 - Reconciliation Requirements**

Agencies should reconcile and confirm Intragovernmental activity and balances with their trading partners before submitting year-end data to FMS and reporting it in the agency's audited financial statements.

Specifically, OMB requires reporting agencies to reconcile/confirm activity and balances for Intragovernmental fiduciary transactions quarterly with central fiduciary agencies in the following reciprocal groupings, through the IFCS.

- Investments—Includes shares/par, original issue discount and premium interest accruals, interest income and expense and amortization of premiums and discounts with the Bureau of the Public Debt.

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- Borrowings—Includes loans receivable (including capitalized interest receivable), interest receivable, and interest revenue from the Bureau of the Public Debt and Federal Financing Bank.
- Federal Employees' Compensation Act transactions with DOL - Includes routine payments and accruals for actuarial liabilities.
- Employee Benefit Program transactions with OPM—Includes routine payments and post-retirement benefits related to the Federal Employees' Retirement System (FERS), the Civil Service Employees' Retirement System (CSRS), the Federal Employees' Life Insurance Program, and the Federal Employees' Health Benefits Program.

### **17.2 - Reconciliation Process**

The suggested methodology for reconciliation is as follows:

Determine the reconciliations required by OMB Circular A-136, Financial Reporting Requirements, dated June 10, 2009, as revised, and FMS' I TFM 2-4700.

1. The receiving agency compares its balances to the appropriate reciprocal category balances of the providing agency. This can be facilitated through the Oracle Discoverer Viewer generated IRAS Reports.
2. The receiving and providing agencies identify differences and reconcile their Intragovernmental account balances.
3. For fiduciary transactions, the fiduciary entities (BPD, FFB, DOL and OPM) will make account balance information and other details available through the IFCS for the receiving agencies to reconcile amounts to their records. Specific procedures for these reconciliations are discussed below.
4. For other Intragovernmental transactions, agencies should work together to establish the data needs and availability to facilitate the reconciliations.<sup>1</sup>

### **17.3 - Fiduciary Transaction Reconciliation Procedures**

An authorized agency official should review the agency's reconciliation documents. Agencies should also have written standard operating procedures to direct and document the reconciliation process. Agencies are responsible for ensuring that the reconciled and confirmed balances are reported in the IFCS, the Closing Package, and in the agency's audited financial statements. If adjustments are made subsequent to the completion of the confirmations (during the audit

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<sup>1</sup> Agencies should be sensitive about transmitting intragovernmental classified data.

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process), agencies should revise reconciliations and confirmations and submit the updated data to FMS before November 16.

The following are fiduciary transaction procedures:

**17.3.1 - Investments in Treasury Securities with BPD**

During October, BPD account balances as of September 30 will be available in the IFCS for all agencies investing in Government Account Series securities to reconcile and confirm. This confirmation will include accrual data and will be used to reconcile agency USSGL account balances and activity with BPD reporting. The Federal Investments Account Statements and other related information are available on BPD's website at <http://www.treasurydirect.gov/govt/reports/reports.htm>. BPD personnel will be available at (304) 480-5151 for questions regarding this reporting. Questions regarding FACTS I and agency reporting should continue to be directed to FMS.

**17.3.2 - Borrowing from Treasury (BPD)**

*Reconciliation of Loan Balances reported on the MTS – Table 6, Schedule C:*

At the end of each month, BPD performs multiple reconciliations with the Borrowings Query Report, which is generated from FMS's central accounting system (STAR). This report, which contains month-end loan balances, is first compared to all Posted GWA Borrowing Transactions (non-expenditure transfer authorizations) for the month. Next, BPD reconciles the Borrowings Query Report against their detailed subsidiary ledger, which is populated based on the GWA Borrowing Transactions received during the month. Finally, BPD compares the Borrowings Query Report against their summary general ledger. These reconciliations are done to ensure accuracy and completeness of information at all levels and any differences identified in the process are resolved by BPD. The Borrowings Query report is also used to report on the MTS – Table 6, Schedule C.

*Reconciliation of Account Balances (receivables, payables, revenue, and expense) reported in IFCS:*

At the end of each quarter, BPD uses their summary general ledger to generate a data file that contains the quarter end Intragovernmental balances for loans receivable, interest receivable and interest revenue. This file is sent to FMS, who then uploads the file in IFCS. This information will be available for all agencies to reconcile against early in the month immediately following quarter end.

Currently, IFCS is not setup to allow users to report their balances for capitalized interest, gains or losses on borrowings from BPD. As a result, agencies who have capitalized interest should add their balances for USSGL 2511 – Capitalized Loan Interest Payable- Non-Credit Reform and 2510 – Principal Payable to the Bureau of Public Debt and report the sum under 2510. Gains and losses, on the other hand, are omitted in IFCS. Agencies should ensure that they separately

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report their balances for capitalized interest, gains and losses in their quarterly Intragovernmental submissions to FMS, which will be used for IRAS reporting. Please note, these special requirements are for BPD borrowings only, not FFB borrowings.

The following USSGLs should be reconciled in IFCS each quarter. For loans receivable/payable, agencies will add 2510 – Principal Payable to the Bureau of Public Debt and 2511 – Capitalized Loan Interest Payable – Non-Credit Reform together and reconcile it against the sum of BPD's 1350 – Loans Receivable and 1351 – Capitalized Loan Interest Receivable – Non-Credit Reform. For interest receivable/payable, agencies will reconcile 2141 – Accrued Interest Payable - Debt against BPD's 1340 – Interest Receivable. For interest revenue/expense, agencies will reconcile 6310 – Interest Expenses on Borrowing From the Bureau of Public Debt and/or the Federal Financing Bank against BPD's 5312 – Interest Revenue.

Agencies are given a designated window to complete this reconciliation. The exact open and close dates can be found at the IFCS website (<http://fmsapps.treas.gov/ias>) or on the FACTS I portion of the FMS website (<http://www.fms.treas.gov/factsi/>). If the agency's records do not agree with BPD's reported totals, the agency is required to classify each difference in the IFCS system, i.e. accounting methodology difference, timing difference, accounting/reporting error, etc. More in-depth explanations may be required by BPD after the IFCS window closes. This documentation should be sent, as applicable, to [borrowings@bpd.treas.gov](mailto:borrowings@bpd.treas.gov).

To assist agencies in the reconciliation process, BPD publishes detailed and summary reports on the first business day of each month. This allows agencies to verify totals on a monthly basis, if they so choose. These reports can be found on the reports section of Borrowing's website (<https://www.treasurydirect.gov/govt/reports/tbp/tbp.htm>). Agencies that identify a difference in the account balances should contact a BPD representative at (304) 480-7488 or [borrowings@bpd.treas.gov](mailto:borrowings@bpd.treas.gov).

The USSGL account balances to be reported in the agency's audited financial statements and in the Closing Package must also be submitted. This information will assist FMS in properly eliminating Intragovernmental balances. Agencies must ensure that the balances confirmed using IFCS agree to the Closing Package reporting and agency's financial statements before submitting year end data to FMS. In addition, agencies must comply with these reconciliation requirements before attempting Closing Package submissions or verifications.

#### *Reconciliation of Interest on Borrowings and Interest on Uninvested Funds:*

Agencies that borrow from Treasury are required to calculate any interest expense associated with the borrowings. BPD is responsible for receiving and reporting on interest payments due on both credit and non-credit reform programs. The borrowing agencies are responsible for providing BPD information detailing their computation of interest expense for the fiscal period. BPD will then verify the interest calculation and work with the agencies to resolve any discrepancies. These calculations will be used to substantiate the amounts reported in IPAC, which will, in turn, be used to post the interest received. In addition, BPD also handles interest

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credits for any non-credit reform programs. BPD also requires agencies to submit these calculations, which are then verified and sent through the IPAC system.

The Financial Management Service (FMS) – Credit Accounting Branch oversees the interest on uninvested funds associated with Credit Reform programs. Federal Agencies shall electronically submit an IPAC transaction charging 20X1880 (Credit Reform: Interest on Uninvested Funds) to receive the interest on uninvested funds. Federal Agencies must process these transactions by the last business day of the fiscal year. The IPAC is used to transfer funds from Treasury’s account 20X1880 to the billing agency’s financing 4000 account series. Each IPAC should include a certification statement from the approving official that states, “I certify that the items listed herein are correct and proper for payment from and to the appropriation(s) designated.” The document must be received no later than the closing of the last workday at the end of the fiscal year. If the transaction is greater than \$100,000, the agency must notify the Credit Accounting Branch in advance via e-mail: [credit.accounting@fms.treas.gov](mailto:credit.accounting@fms.treas.gov).

17.3.3 - Borrowings from Treasury (FFB)

*Reconciliation of amounts borrowed:*

FFB will confirm outstanding loans receivable balances as of September 30, with partner agencies. FFB account balances as of September 30 will be available in the IFCS in October for all agencies to reconcile and confirm borrowings from FFB.

*Reconciliation of interest paid and accrued:*

For borrowings with FFB, the FFB calculates interest due on federal agency borrowings (agencies may verify interest computations on the borrowings.) The program agencies are charged with providing the lending agency with information detailing their calculation of interest expense for the fiscal period. These calculations will be used to substantiate the amounts reported on the SF1081 (Voucher and Schedule of Withdrawals and Payments), which will, in turn, be used to post the interest received. Borrowing and lending agencies should confirm and reconcile interest amounts at the end of each fiscal year.

*Reconciliation of principal and interest between FFB and the borrowers:*

The borrowing agency must confirm each FFB USSGL account balance with the borrower’s reciprocal USSGL account balance in the IFCS. Agencies that identify a difference in the account balances should contact the FFB representative. If the agency records do not agree to the FFB report, the agency should provide an explanation or reconciliation, as applicable, for the differences. It is critical that the account balances reported on the confirmation are the same amounts reported in the agency’s audited financial statements and in the Closing Package submission to FMS. This information will assist FMS in properly eliminating Intragovernmental balances.

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17.3.4 - FECA Transactions with DOL

The liability amounts (including year-end accruals) for the fiscal year ended September 30 will be available in the IFCS during October. Agencies should provide the balances in the following Intragovernmental accounts in the IFCS:

6400F Benefit Expense  
6850F Employer Contributions to Employee Benefit Programs Not Requiring Current-Year  
Budget Authority  
2225F Unfunded FECA Liability  
2215F Other Post-Employment Benefits Due and Payable

For the above accounts, it is critical that only those balances associated with the Federal Employees' Compensation Act are reported in the IFCS. Agencies should exclude amounts relating to unemployment compensation. USSGL accounts 2650N and 7600N are not reported in the IFCS.

DOL will compare the amount the agency reports for accounts 6400F and 6850F to the amount recorded for the agency in DOL account 5400F - Benefit Program Revenue. The balance reported for the agency accounts 2225F and 2215F will be compared to the amount recorded for the agency in DOL account 1320F – Employment Benefit Contributions Receivable. If this comparison reveals material differences, DOL will contact the departmental contact to resolve the difference(s). Agencies will be expected to provide information to explain and reconcile any differences.

It is critical that the account balances reported on the confirmation equal the amounts reported in the agency's audited financial statements and in the Closing Package submission to FMS.

Annually, during the month of September, the Department of Labor's Chief Financial Officer sends a memorandum (with attachments) to the Chief Financial Officers of Executive Departments and Agencies subject to the CFO Act of 1990, GMRA Act of 1994 and the Accountability of Tax Dollars Act of 2002, which transmits the unaudited estimated FECA actuarial liability for the fiscal year ending September 30. For comparative purposes, the amounts for the preceding fiscal year are also presented. In addition, the Department's Office of the Inspector General issues the results of their audit of the Federal Workers' Compensation (FWC) liability during the month of October for the preceding fiscal year ending September 30. The audit report contains a schedule of actuarial liability by federal agency. Agencies are to report the FECA actuarial liability and changes in FECA actuarial liability in USSGL accounts 2650N and 7600N, respectively. DOL does not have corresponding accounts for agency accounts 2650N and 7600N.

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17.3.5 - Employee Benefits Transactions with OPM

Employee Benefit Program transactions are separated into three categories - health, retirement, and life – and should be reconciled individually. The Employment Benefit Contribution Receivable and Benefit Program revenue figures for the fiscal year ended September 30 will be available in the IFCS in October. Agencies are required to provide the balances in the following Intragovernmental accounts on the “Confirmation of Intragovernmental Account Balances” in the IFCS.

2213F Employer Contributions and Payroll Taxes Payable  
6400F Benefit Expense

For account 2213F, agencies should only report balances related to the Federal civilian benefit programs (i.e. government contributions for Retirement, Health Benefits, and Life Insurance transactions) in IFCS.

OPM will compare the agency reported account 2213F balance to the amount recorded for the agency in OPM account 1320F Employment Benefit Contributions Receivable. The balance reported for agency account 6400F will be compared to the revenue recorded for each agency in OPM account 5400F - Benefit Program Revenue. If this comparison reveals material differences of \$250,000 or more, OPM will notify the departmental contact to resolve the difference(s). Agencies will be asked to provide information to explain and reconcile any differences.

**17.4 - Non-Fiduciary Transaction Reconciliation Procedures**

OMB requires verifying agencies to reconcile/confirm Intragovernmental activity and balances quarterly with trading partners, resulting from non-fiduciary transactions, for the following reciprocal groupings (examples are not all inclusive).

- Assets—includes accounts receivable, advances to others, other assets.
- Liabilities—includes accounts payable, advances from others, other liabilities.
- Revenue—includes services, products, and goods provided to others.
- Expenses—includes operating expenses and future funded expenses.

**17.5 - Reconciliation Differences**

Even when both verifying agencies’ accounting records are accurate and current, there may be identifiable differences between the two records (the reconciliation should show that both sets of records equal each other). Analyzing and determining the nature of the differences will require agencies to work together to exchange detailed information and other accounting records. It will also require agencies to understand each other’s accounting procedures for identifying and

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recording transactions related to the activity. Differences identified during the quarterly reconciliation process should be adjusted in the subsequent period for accounting errors and current year timing differences. During the fourth quarter reconciliation process, Federal program agencies should make all adjustments before financial statements are issued. If adjustments are identified after financial statements are issued, Federal program agencies should notify Treasury (FMS). In turn, FMS will determine the impact of these adjustments to the Governmentwide financial statements. Business rules for Intragovernmental transactions have been determined for Federal program agencies to observe when engaging in Intragovernmental exchange activity. Refer to TFM Bulletin 2007-03, Intragovernmental Business Rules. The following are the different types of explanations for reconciliation differences. Recommended approaches to resolve the differences are also below. For guidance, refer to Appendix H, *Explanation of Differences*.

#### *Confirmed Reporting Differences*

The category “confirmed reporting” is intended to indicate that an agency has verified the reported amounts and that the agency’s documents are in agreement with its quarterly source documentation. However, both the trading partner and reporting agency should not indicate confirmed reporting for the same difference. This implies that the agency and trading partner have not reconciled. When this occurs, both the reporting agency and its trading partner will be required to provide FMS a plan of action to address the unresolved confirmed reporting difference. These confirmed reporting differences will be based on an established threshold to be determined by FMS. The requirements for the plan of action (including its due date) are included in the I TFM 2-4700, section 4706.30g - “Reporting Agency’s Explanation of Reporting in Part I”.

#### *Timing Difference- Prior Year (Beginning Balances Differences)*

These differences will be in the beginning balances of balance sheet accounts. The materiality of the differences should be evaluated by each agency’s CFO and IG relative to its financial statements. If the amounts are not material for either agency, the agencies should agree on adjustments to be made to correct the asset and/or liability balances. These adjustments could result in differences in revenue/expense accounts for the reconciliation period. If differences are material, the agencies should analyze the historical data and try to identify the transactions causing the differences. Once identified, the proper adjustments should be made by the appropriate agency.

#### *Timing Difference- Current / Prior Year (Timing of Recording Accruals)*

In some cases, when a providing agency generates bills for services or when IPAC transactions are batch processed subsequent to the end of the period, there may be differences in activity and balances due to the timing of the receiving agency recording the transactions. Timing differences can also be caused by a receiving agency delay in reclassifying IPAC transactions into the proper accounts. IPAC reports and bills subsequent to the accounting period should be identified and

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reviewed, and the appropriate adjustments should be made in the proper accounting period. Adjustments should be made to accounts receivable/accounts payable for bills received after the end of the period that applies to the period. Agencies should communicate with each other to identify these timing differences. Timing differences may also arise when agencies have differing expense/revenue recognition periods.

*Accounting Methodology Difference (Estimated Accruals)*

In some cases, either the providing or receiving agency, or both, records an estimated accrual (receivable or payable) at the end of the period. If only one agency involved in a transaction has recorded the accrual, the other agency will need to record a corresponding amount in its records if the goods/services were received. If the accruals were calculated separately and differently, the agencies should work together to determine a methodology for both to use to ensure the same amount is recorded on both sets of records. In cases where goods/services were not received (by the receiving agency) and the providing agency recorded unbilled revenue, these amounts should be identified as reconciling differences.

The following are three additional examples of differences due to Accounting Methodology

- **Differences In Accounting Standard Requirements:** Certain differences may be due to different accounting methods allowed by accounting standards. An example of this is the amortization of discounts and premiums. If one trading partner amortizes discounts/premiums using the interest method and the other trading partner uses the straight-line method, there will be an accounting policy difference.
- **Basis Of Accounting:** Certain differences may arise due to agencies using a different basis of accounting for reciprocal transactions. An example of this would be with the accounting for inventory. If a receiving agency inventories supplies and materials at average cost, there may be difficulty reconciling to the amount reported as sales by the providing agency.
- **Sales under Long-term contract (greater than a fiscal year).** If a providing agency uses the completed contract method to recognize sales on manufactured goods (and does interim shipments of goods as completed) and the receiving agency recognizes the expense (or assets) as received, there would be a difference between the sales recorded by the providing agency (deferred credits should be recorded) and the expenses recorded by the receiving agency.

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*Accounting /Reporting Error (Unrecorded Transactions)*

Other causes of differences may be due to unrecorded transactions. Agencies should exchange detailed records and work together to analyze the data and identify differences attributable to unrecorded transactions. Agencies should also review IPAC reports and determine whether any transactions were not reclassified into the proper accounts. All differences should be identified and adjustments should be made in the appropriate agency's records.

*Accounting /Reporting Error (Other Differences)*

There can be differences between receivables and payables between verifying agencies due to disputes, misunderstandings, or other issues. Verifying agencies should work together to resolve these types of issues. Adjusting entries should be recorded in the accounting records so amounts are in agreement. If verifying agencies cannot resolve the issues, there will be a difference. This should be clearly identified and explained on the reconciliation.

*Timing Difference- Prior Year (Accounting Policy Differences)*

There may be circumstances where differences cannot be resolved in the current accounting period. In these circumstances, verifying agencies should work together to understand and document the reasons for the differences. Where possible, verifying agencies should use consistent accounting treatments in these circumstances to eliminate any differences. Any differences that remain should be clearly explained on the final reconciliation/confirmation and quantified to the extent possible.

*Unknown Differences*

Agencies should only use the unknown difference explanation as a last alternative. Whenever an agency cannot verify an amount related to a difference, the unknown category is appropriate. When the final reconciliation is completed, it should contain explanations for all the differences. Verifying agencies should make adjustments to their accounting records for all resolvable differences in the subsequent period. Refer to Appendix G- *Additional Explanations* for a sample of the supplemental attachment.

**17.6 – Use of Central Accounting Data**

UCAD is authoritative data collected in Treasury's central accounting system and presented in report format to assist agencies in resolving Intragovernmental differences (Refer to TFM Section 4705.75 and 4706.30d for details of these reports). This data includes appropriation warrants, non-expenditure transfers, fund balance with the Treasury, etc. Agencies should use the monthly UCAD reports before their quarterly submission via <http://fms.treas.gov/factsi/reports.html>, which are available for the agencies on the 8<sup>th</sup> workday every month (refer to TFM Section 4706.30b for details).

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**Section 18 - Intradepartmental Transactions**

The primary focus of this guide is on transactions occurring between and within Federal verifying agencies. Verifying agencies prepare department wide consolidated financial statements and will prepare elimination entries for intradepartmental transactions within the verifying agencies based on this financial information. This guide does not include examples for elimination entries within verifying agencies. Agencies should develop procedures providing for the accurate and complete elimination of transactions occurring within the agency in their consolidated financial statements.

**Section 19 - Reciprocal Account Categories**

Each agency should be able to account for intragovernmental transactions and accumulate related activity and balances in the appropriate USSGL accounts. The reciprocal account categories delineated in this section are to be used by agencies to account for the Intragovernmental transactions. Use of these reciprocal accounts will facilitate the quarterly and yearend intragovernmental transactions reconciliation process. Activity between two agencies, within the reciprocal accounts, should reconcile. Agencies are encouraged to work with their trading partners to determine the accounting treatment for activity occurring between the agencies.

The following table provides category descriptions for Fiduciary and Non-Fiduciary transactions. For additional guidance, refer to Appendix A, *Federal Intragovernmental Transactions Categories of Reciprocal U.S. Government Standard General Ledger Proprietary Accounts*.

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**19.1 - Reconciliation of Reciprocal Account Categories**

<i>Fiduciary Transactions:</i>	<i>Non-Fiduciary Transactions:</i>
<p><b>RC 01:</b> <u>Federal Investments/Debt</u> — (i.e., assets/liabilities related to principal, discount, premium and amortized debt).</p> <p><b>RC 02:</b> <u>Interest Receivable/Interest Payable</u> - (i.e., assets/ liabilities related to interest receivable/payable).</p> <p><b>RC 03:</b> <u>Federal Securities Interest Expense/Federal Securities Interest Revenue</u> —(i.e., interest revenue/expense resulting from both exchange and nonexchange transactions.)</p> <p><b>RC 05:</b> <u>Borrowings and Other Interest Expense/Interest Revenue</u> – (i.e., interest expense/revenue related to BPD &amp; FFB borrowings)</p> <p><b>RC 06:</b> <u>Borrowings Losses/Gains</u> – (i.e., gains/losses on disposition of borrowings)</p> <p><b>RC 17:</b> <u>Loans Receivable/Payable</u>— (i.e., assets /liabilities related to BPD/FFB loans receivable/payable.)</p> <p><b>RC 21:</b> <u>Benefit Program Contributions Receivables and Payables</u> — (i.e., assets/liabilities related to employee benefits receivable/payable).</p> <p><b>RC 26:</b> <u>Benefit Program Costs/Revenues</u>— (i.e. exchange and nonexchange revenue/expense related to employee benefits)</p>	<p><b>RC 07:</b> <u>Appropriation of unavailable trust or special fund receipts in/Appropriation of unavailable trust or special fund receipts out</u> - (i.e., appropriated earmarked receipts).</p> <p><b>RC 08:</b> <u>Non-expenditure transfers-in of unexpended appropriations and financing sources</u>- ( i.e., unexpended appropriations and nonexpenditure financing sources).</p> <p><b>RC 09:</b> <u>Expenditure transfers-in of financing sources</u> – ( i.e., expenditure financing sources and expenditure transfers payable/ receivable).</p> <p><b>RC 18:</b> <u>Transferred In/Out Without Reimbursement</u> — (i.e., financing source transferred in/out without reimbursement).</p> <p><b>RC 22:</b> <u>Accounts Receivable - Accounts Payable</u>— (i.e., assets/liabilities related to accounts receivable/payable, and other liabilities).</p> <p><b>RC 23:</b> <u>Advances to Others and Prepayments/Advances From Others and Deferred Credits</u> — (i.e., assets/liabilities related to advances, prepayments, and deferred credits).</p> <p><b>RC 24:</b> <u>Buy/Sell Costs/Revenue</u>—(i.e., revenue/expense related to goods sold and services rendered).</p> <p><b>RC 25:</b> <u>Imputed Costs/Imputed Financing Sources</u></p> <p><b>RC 27:</b> <u>Transfers Receivable/Payable</u>— (i.e., assets/liabilities related to transfers receivable/payable).</p>

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**Note: RC 29 consists of USSGL accounts that do not have a corresponding reciprocal account.**

**Section 20 - Examples of Accounting and Reporting Intragovernmental Transactions**

Following are examples of the proprietary accounting entries and reporting requirements for various types of intragovernmental transactions. Budgetary information will also need to be captured and recorded at the same time, as applicable, when the proprietary accounting entries are made. The transactions in this guide do not represent the complete accounting cycle for proprietary transactions related to the particular accounting event. (Complete scenarios of accounting events are at <http://www.fms.treas.gov/ussgl>). This guide only includes the parts of transactions that occur on both partner agencies' records. The guide does not include any budgetary transactions. *The examples are for illustrative purposes only and do not represent actual transactions.*

When agencies capitalize purchases from another agency, there are no reporting requirements for Intragovernmental transactions involving "N" asset accounts to be recorded with a trading partner code (xx). However, agencies need a mechanism in place to reconcile their transaction. Agencies will need to report capitalized acquisitions from Government agencies in USSGL accounts 8801F, 8802F, 8803F and 8804F.

In the applicable examples, goods recorded as assets by the receiving agency, goods recorded as supplies inventory by the receiving agency, sale of equipment, and transfers is demonstrated with the trading partner code (xx). Each example is accompanied with a USSGL account crosswalk to the financial statement presentation. In addition, credit amounts/balances are in parenthesis (-). These transactions should be reported based on the USSGL account with the corresponding trading partner code identified in accordance with the TFM (USSGL and Agency Reporting Requirements).

**20.1 - Investments in Federal Securities Issued by the Treasury Department, BPD**

Federal trust fund receipts and cash balances are invested in Treasury securities through the Bureau of the Public Debt (BPD). BPD also issues federal debt securities to the public and accounts for the public debt. BPD reports this activity (in summary) to the public and other interested users in the Monthly Statement of Public Debt. Note: Treasury securities purchased by agencies through non-governmental sources, such as private brokerage firms, should be reported as federal (i.e. with an "F" attribute). Agencies must inform BPD of their outstanding portfolio balances no later than the first business day following the current month. Agencies should NOT include TINT securities in their portfolio balances in monthly, quarterly, or year-end reporting, in accordance with the Intragovernmental Business Rules. The communication protocol for reporting balances will be specified by BPD. BPD accounts for these securities as investments held by a federal agency when reporting to FACTS/GFRS, IFCS, and IRAS.

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*Treasury- managed trust funds:* Federal trust funds are created by and maintained in accordance with the various Acts and Public Laws as enacted by Congress. BPD manages certain trust funds for program agencies. The Division of Federal Investments of BPD provides accounting, investment, and financial reporting services for the trust funds. This includes managing the investments, maintaining related accounting records and supporting documentation, and preparing activity statements.

BPD is responsible for administering and monitoring the daily activities of the managed trust funds including receipts and disbursements, investment and redemption activity, and calculation of interest. The trust fund program agencies are responsible for determining the nature, extent, and timing of disbursements to satisfy the objectives of the programs financed by the trust funds. The trust fund program agencies are also responsible for reporting to FMS.

*Federal agency managed funds:* Many program agencies are responsible for trust, revolving and other funds, and manage the purchase and sale of securities from Treasury through BPD. These program agencies are responsible for determining amounts to be invested and the terms of the investments. These agencies are responsible for reconciling periodic interest income from information provided by BPD.

The transactions illustrated in the following sections apply to all Intragovernmental investments.

**20.1.1 - Purchase of Investments from BPD**

The purchase of an investment should be recorded at acquisition cost. The investment account should be charged with par value and a premium or discount recorded for the difference between acquisition cost and par value.

**20.1.2 - Purchased at a Discount**

Bureau of the Public Debt (trading partner code 20) issues a Treasury Security to the DOL Unemployment Trust Fund (trading partner code 16), with a par value of \$20,000. DOL purchases the security at discount for \$19,100.

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The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Department of Labor		
<b>TC B127</b>			<b>TC B128</b>		
1010	Fund Balance With Treasury	19,100	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000
2531F (16)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	900	1611F (20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	900
2530F(16)	Securities Issued by Federal Agencies Under General and Special Financing Authority	20,000	1010	Fund Balance With Treasury	19,100

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

Department of the Treasury	Amount	Department of Labor	Amount	Difference
2531F(16)- Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	900	1611F(20)- Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(900)	0
2530F(16)- Securities Issued by Federal Agencies Under General and Special financing Authority	(20,000)	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000	0
<b>TOTAL</b>	<b>(19,100)</b>	<b>TOTAL</b>	<b>19,100</b>	<b>0</b>

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20.1.3 - Purchased at a Premium

The Highway Trust Fund of the Department of Transportation (trading partner code 69) purchased an interest-bearing note for \$20,200 with a par value of \$20,000 and a premium of \$200.

The following entries should be recorded:

<b>Providing agency</b> <b>Department of the Treasury</b>			<b>Receiving agency</b> <b>Department of Transportation</b>		
<b>TC B125</b>			<b>TC B126</b>		
1010	Fund Balance With Treasury	20,200	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000
2530F (69)	Securities Issued by Federal Agencies under General and Special Financing Authority	20,000	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	200
2532F(69)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	200	1010	Fund Balance With Treasury	20,200

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
2532F(69)- Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	(200)	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	200	0
2530F(69)- Securities Issued by Federal Agencies Under General and Special financing Authority	(20,000)	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	20,000	0
<b>TOTAL</b>	<b>(20,200)</b>	<b>TOTAL</b>	<b>20,200</b>	<b>0</b>

20.1.4 - Purchased at Par Value

The Federal Highway Trust Fund, DOT (trading partner code 69) purchased a Treasury security at a par value of \$10,000.

The following entries should be recorded:

<b>Providing agency</b> <b>Department of the Treasury</b>			<b>Receiving agency</b> <b>Department of Transportation</b>		
<b>TC B123</b>			<b>TC B124</b>		
1010	Fund Balance With Treasury	10,000	1610F (20)	Investments in U.S. Treasury Securities Issued by Public Debt	10,000
2530F (69)	Securities Issued by Federal Agencies under General and Special Financing Authority	10,000	1010	Fund Balance With Treasury	10,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
2530F(69)- Securities Issued by Federal Agencies Under General and Special Financing Authority	(10,000)	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	10,000	0
<b>TOTAL</b>	<b>(10,000)</b>	<b>TOTAL</b>	<b>10,000</b>	<b>0</b>

**20.1.5 - Purchase of Interest with a Security Purchased at Par Value**

When a note or bond, bearing a stated semi-annual interest rate, is purchased on a date other than an interest payment date, the investing entity must purchase interest back to the last interest payment date. On the next interest payment date, the entity will receive an interest payment for the full six-month interest period. The Department of Transportation, Federal Highway Trust Fund (trading partner code 69), purchased a Treasury security at a par value of \$10,000 plus interest purchased of \$500.

The following entries should be recorded:

<b>Providing agency Department of the Treasury</b>			<b>Receiving agency Department of Transportation</b>		
<b>TC B123</b>			<b>TC B124</b>		
<b>TC B109R</b>			<b>TC</b>		
1010	Fund Balance With Treasury	10,500	<b>C109R</b>	Interest Revenue- Investment	500
			5311F		
			(20)		
6320F (69)	Interest Expense on Securities	500	1610F	Investments in U.S. Treasury Securities Issued by Public Debt	10,000
			(20)		
2530F (69)	Securities Issued by Federal Agencies under General and Special Financing Authority	10,000	1010	Fund Balance With Treasury	10,500

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
2530F(69)- Securities Issued by Federal Agencies Under General and Special Financing Authority	(10,000)	1610 F (20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	10,000	0
<b>TOTAL</b>	<b>(10,000)</b>	<b>TOTAL</b>	<b>10,000</b>	<b>0</b>

**RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
6320F(69)-Interest Expense on Securities	(500)	5311F(20)- Interest Revenue- Investments	500	0
<b>TOTAL</b>	<b>(500)</b>	<b>TOTAL</b>	<b>500</b>	<b>0</b>

20.1.6 - Interest Income

Periodic interest payments are made to trust, revolving or other funds based on the terms of the securities. Most notes and bonds pay interest semi-annually. The following entries are to record the periodic interest paid by the Bureau of the Public Debt on a Treasury Security. The Civil Service Retirement and Disability Fund managed by OPM (trading partner code 24) received a semi-annual interest payment of \$5,000 on a Treasury security (trading partner code 20).

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The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Office of Personnel Management		
<b>TC B112</b>			<b>TC C109</b>		
2140F (24)	Accrued Interest Payable	5,000	1010	Fund Balance With Treasury	5,000
1010	Fund Balance with Treasury	5,000	1340F (20)	Interest Receivable	5,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:  
**RC 02: Interest Receivable/Interest Payable**

Department of the Treasury	Amount	Office of Personnel Management	Amount	Difference
2140F(24)-Accrued Interest Payable	5,000	1340F(20)-Interest Receivable	(5,000)	0
<b>TOTAL</b>	<b>5,000</b>	<b>TOTAL</b>	<b>(5,000)</b>	<b>0</b>

20.1.7 - Interest Accruals

Refer to TFM Bulletin 2007-03, Intragovernmental Business Rules at [www.fms.treas.gov/TFM/vol1/07-03.pdf](http://www.fms.treas.gov/TFM/vol1/07-03.pdf). Interest accruals should be calculated and recorded periodically in accordance with the investing agency's accounting policies and procedures. Interest should be accrued for amounts earned and unpaid at the cut-off date. Interest accrued on September 30 must be verified by the agencies with BPD records and any material differences resolved before submission of the Closing Package.<sup>2</sup> The following are the entries to record accrued interest on investments at September 30. The Centers for Medicare and Medicaid Services (trading partner code 75) has a Treasury bond purchased from the Bureau of the Public

<sup>2</sup> The Guide includes illustrative entries for the receipt and payment of interest and recognition of accrued interest receivable and payable. These entries illustrate the accounting that would be required, on a stand-alone basis, if the entity had not previously recognized any accrued interest.

For example, an investing entity credits USSGL A/C 5311 (F), Interest Revenue - Investments for \$5,000 on receipt of a semi-annual interest payment. This entry assumes that no portion of the semi-annual interest payment had previously been accrued as earned. However, if the investing entity had previously accrued \$4,000 of interest earned on this investment prior to receipt of the \$5,000 semi-annual interest payment, the required entry would include a debit to accrued interest receivable for \$1,000 and a credit to interest income for \$1,000, then debit Fund Balance with Treasury and credit interest receivable for \$5,000.

Agency practices for the accrual of interest and accounting for interest received or paid may vary. The illustrative entries contained in the Guide should be considered in the context of agency practice and modified if necessary. In all cases, in accounting for interest, agencies should consider the methodology they use to account for interest earned, as well as accrued interest receivable and payable balances.

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Debt (trading partner code 20) with a par value of \$10,000 and an interest rate of 10% payable on June 30 and December 31. As of September 30, accrued interest would be calculated as follows:  $3 \text{ months} = 92 \text{ days}/184 \text{ days} \times (\$10,000 \times 10\%)/2 = \$250$ .

The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Department of Health & Human Services		
<b>TC B418</b>			<b>TC C418</b>		
6320F(75)	Interest	250	1340F (20)	Interest Receivable	250
	Expenses on Securities				
2140F(75)	Accrued Interest Payable	250	5311F (20)	Interest Revenue – Investments	250

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 02: Interest Receivable/Interest Payable**

Department of the Treasury	Amount	Department of Health & Human Services	Amount	Difference
2140F(75)-Accrued Interest Payable	(250)	1340F(20)-Interest Receivable	250	0
TOTAL	(250)	TOTAL	250	0

**RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue**

Department of the Treasury	Amount	Department of Health & Human Services	Amount	Difference
6320F(75)-Interest Expense on Securities	250	5311F(20)-Interest Revenue-Investments	(250)	0
TOTAL	250	TOTAL	(250)	0

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20.1.8 - Amortization of Premium or Discount

Refer to TFM Bulletin 2007-03, Intragovernmental Business Rules at [www.fms.treas.gov/TFM/vol1/07-03.pdf](http://www.fms.treas.gov/TFM/vol1/07-03.pdf).

The agencies' amortized premiums and discounts should be calculated using the effective interest method (as outlined in SFFAS No. 1, Accounting for Select Assets and Liabilities) for Treasury notes and bonds. The straight-line method is used for Treasury Bills. Federal program agencies (FPA) are responsible for reconciling their totals with BPD's amount and BPD will assist in that reconciliation effort.

20.1.9 – Amortization of Premium

The Social Security Administration Federal Disability Insurance Trust Fund (trading partner code 28) purchased a Treasury security at a premium. The amortization of the premium for the current fiscal year is \$8,000.

The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Social Security Administration		
<b>No TC entry</b>			<b>TC E117R</b>		
2533F(28)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	8,000	5311F (20)	Interest Revenue- Investments	8,000
6320F(28)	Interest Expense on Securities	8,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	8,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Social Security Administration</b>	<b>Amount</b>	<b>Difference</b>
2533F(28)- Amortization of Discount and Premium on securities issued by Federal Agencies Under General and Special Financing Authority	8,000	1613F(20)- Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(8,000)	0
<b>TOTAL</b>	<b>8,000</b>	<b>TOTAL</b>	<b>(8,000)</b>	<b>0</b>

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Social Security Administration</b>	<b>Amount</b>	<b>Difference</b>
6320F(28)– Interest Expense on Securities	(8,000)	5311F(20)- Interest Revenue- Investments	8,000	0
<b>TOTAL</b>	<b>(8,000)</b>	<b>TOTAL</b>	<b>8,000</b>	<b>0</b>

20.1.10 - Amortization of Discount

The Department of Commerce (trading partner code 13) purchased a Treasury security at a discount of \$10,000. The amortization for the fiscal year ended September 30 is \$5,000.

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The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Department of Commerce		
<b>No TC Entry</b>			<b>TC E117</b>		
6320F (13)	Interest Expense on Securities	5,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000
2533F (13)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	5,000	5311F (20)	Interest Revenue – Investments	5,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

Department of the Treasury	Amount	Department of Commerce	Amount	Difference
2533F(13)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(5,000)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000	0
TOTAL	(5,000)	TOTAL	5,000	0

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**RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Commerce</b>	<b>Amount</b>	<b>Difference</b>
6320F(13)-Interest Expense on Securities	5,000	5311F(20)-Interest Revenue-Investments	(5,000)	0
<b>TOTAL</b>	<b>5,000</b>	<b>TOTAL</b>	<b>(5,000)</b>	<b>0</b>

20.1.11 - Sale of an Investment (at Book Value) with Unamortized Premium

The Highway Trust Fund, DOT (trading partner code 69) has a Treasury security with a par value of \$2,000 purchased with a premium of \$200. The security was redeemed for \$2,100 on September 30. \$100 was not amortized at the end of the period.

The following entries should be recorded:

<b>Providing agency Department of the Treasury</b>			<b>Receiving agency Department of Transportation</b>		
<b>No TC Entry</b>			<b>TC C122</b>		
2530F(69)	Securities Issued by Federal Agencies under General and Special Financing Authority	2,000	1010	Fund Balance With Treasury	2,100
2532F(69)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	200	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	100

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Providing agency Department of the Treasury			Receiving agency Department of Transportation		
2533F(69)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	100	1610F(20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	2,000
1010	Fund Balance With Treasury	2,100	1612F(20)	Premium on U.S. Securities Issued by the Bureau of the Public Debt	200

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

Department of the Treasury	Amount	Department of Transportation	Amount	Difference
2530F(69)-Securities Issued by Federal Agencies Under General and Special Financing Authority	2,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(2,000)	0
2532F(69)-Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	200	1612F(20)-Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(200)	0
2533F(69)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(100)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	100	0
<b>TOTAL</b>	<b>2,100</b>	<b>TOTAL</b>	<b>(2,100)</b>	<b>0</b>

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20.1.12 - Sale of a Security (with no Gain or Loss) with Unamortized Discount

Centers for Medicare and Medicaid Services (trading partner code 75) sold a Treasury security issued with a par value of \$5,000, original issue discount of \$600, and unamortized discount of \$300 for \$4,700.

The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Department of Health & Human Services		
<b>No TC entry</b>			<b>TC C124</b>		
2530F (75)	Securities Issued by Federal Agencies under General and Special Financing Authority	5,000	1010	Fund Balance With Treasury	4,700
2533F(75)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	300	1611F (20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	600
2531F(75)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	600	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	300
1010	Fund Balance With Treasury	4,700	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	5,000

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**RC 01: Federal Investments/Debt**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Health &amp; Human Services</b>	<b>Amount</b>	<b>Difference</b>
2530F(75)- Securities Issued by Federal Agencies Under General and Special Financing Authority	5,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(5,000)	0
2531F(75)- Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	(600)	1611F(20)- Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	600	0
2533F(75)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	300	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(300)	0
<b>TOTAL</b>	<b>4,700</b>	<b>TOTAL</b>	<b>(4,700)</b>	<b>0</b>

20.1.13 - Sale of an Investment with a Gain

The Employees' Life Insurance Fund managed by OPM (trading partner code 24) sells a Treasury security with a par value of \$50,000. The security was purchased with a premium of \$6,000. The security was sold for \$56,000. The unamortized premium balance was \$4,000 at the time of the sale.

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The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Office of Personnel Management		
<b>No TC Entry</b>			<b>TC C602</b>		
2530F (24)	Securities Issued by Federal Agencies under General and Special Financing Authority	50,000	1010	Fund Balance With Treasury	56,000
2532F(24)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	6,000
6320F(24)	Interest Expense on Securities	4,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	4,000

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Providing agency Department of the Treasury			Receiving agency Office of Personnel Management		
2533F(24)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	4,000	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	50,000
1010	Fund Balance With Treasury	56,000	7111F (20)	Gains on Disposition of Investments	4,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 01: Federal Investments/Debt**

Department of the Treasury	Amount	Office of Personnel Management	Amount	Difference
2530F(24)- Securities Issued by Federal Agencies Under General and Special Financing Authority	50,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(50,000)	0
2532F(24)- Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(6,000)	0

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2533F(24)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(4,000)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	4,000	0
<b>TOTAL</b>	<b>52,000</b>	<b>TOTAL</b>	<b>(52,000)</b>	<b>0</b>

**RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Office of Personnel Management</b>	<b>Amount</b>	<b>Difference</b>
6320F(24)- Interest Expense on Securities	4,000	7111F(20)- Gains on Disposition of Investments	(4,000)	0
<b>TOTAL</b>	<b>4,000</b>	<b>TOTAL</b>	<b>(4,000)</b>	<b>0</b>

20.1.14 - Sale of an Investment with a Loss and Unamortized Premium

The Employees' Life Insurance Fund managed by OPM (trading partner code 24) sells a Treasury security with a par value of \$50,000 that was purchased with a premium of \$6,000. The security is sold for \$48,000 and the unamortized premium balance was \$3,000.

The following entries should be recorded:

<b>Providing agency Department of the Treasury</b>			<b>Receiving agency Office of Personnel Management</b>		
<b>No</b>			<b>TC C604</b>		
<b>TC</b>					
<b>Entry</b>					
2530F	Securities	50,000	1010	Fund Balance	48,000
(24)	Issued by Federal Agencies under General and Special Financing Authority			With Treasury	

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Providing agency Department of the Treasury			Receiving agency Office of Personnel Management		
2532F (24)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1613F (20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	3,000
2533F (24)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	3,000	7211F (20)	Losses on Disposition of Investments	5,000
6320F (24)	Interest Expense on Securities	5,000	1610F (20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	50,000
1010	Fund Balance With Treasury	48,000	1612F (20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	6,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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**RC 01: Federal Investments/Debt**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Office of Personnel Management</b>	<b>Amount</b>	<b>Difference</b>
2530F(24)- Securities Issued by Federal Agencies Under General and Special Financing Authority	50,000	1610F(20)- Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	(50,000)	0
2532F(24)- Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	6,000	1612F(20)- Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	(6,000)	0
2533F(24)- Amortization of discount/premium on securities issued by Federal Agencies Under General and Special Financing Authority	(3,000)	1613F(20)- Amortization of discount and premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	3,000	0
<b>TOTAL</b>	<b>53,000</b>	<b>TOTAL</b>	<b>(53,000)</b>	<b>0</b>

**RC 03: Federal Securities Interest Expense/Federal Securities Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Office of Personnel Management</b>	<b>Amount</b>	<b>Difference</b>
6320F(24)- Interest Expense on Securities	(5,000)	7211F(20)- Losses on Disposition of Investments	5,000	0
<b>TOTAL</b>	<b>(5,000)</b>	<b>TOTAL</b>	<b>5,000</b>	<b>0</b>

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**20.2 - Borrowings from Treasury (BPD)**

Federal agencies that have legal authority, granted by Congress through legislative borrowing authority, may borrow funds from the Department of Treasury for use as outlined in the legislation, i.e. student loans, flood insurance, etc. The Bureau of the Public Debt’s borrowings program represents the Department of the Treasury's role in the federal loan program. The Bureau of the Public Debt maintains the accounts and detail records for the loan transactions and the related interest receivable and revenue between the Department of the Treasury and other federal agencies.

20.2.1 – Proceeds from Borrowing

The Department of Education (trading partner code 91) has borrowing authority to borrow from the Department of Treasury. The agency initiates a borrowing for \$20,000 to finance student loans. BPD approves the transaction to authorize the funds transfer.

The following entries should be recorded:

<b>Providing agency Department of the Treasury No TC Entry</b>			<b>Receiving agency Department of Education TC A156</b>		
1350F(91)	Loans Receivable	20,000	1010	Fund Balance with Treasury	20,000
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	20,000	2510F(20)	Principal Payable to BPD	20,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Education</b>	<b>Amount</b>	<b>Difference</b>
1350F(91)-Loans Receivable	20,000	2510F(20)-Principal Payable to BPD	(20,000)	0
<b>TOTAL</b>	<b>20,000</b>	<b>TOTAL</b>	<b>(20,000)</b>	<b>0</b>

20.2.2 – Capitalization of Interest

The Department of Agriculture (trading partner code 12) capitalizes \$10,000 of interest due to the Department of Treasury. The agency will concurrently request a borrowing and interest payment equal to the amount of interest due.

The following entries should be recorded:

<b>Providing agency Department of the Treasury TC C444</b>			<b>Receiving agency Department of Agriculture TC B440</b>		
1351F(12)	Capitalized Loan Interest Receivable – Non-Credit Reform	10,000	2141F(20)	Accrued Interest Payable - Debt	10,000
1340F(12)	Interest Receivable	10,000	2511F(20)	Capitalized Loan Interest Payable	10,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Agriculture</b>	<b>Amount</b>	<b>Difference</b>
1351F(12)-Capitalized Loan Interest Receivable	10,000	2511F(20)- Capitalized Loan Interest Payable	(10,000)	0
<b>TOTAL</b>	<b>10,000</b>	<b>TOTAL</b>	<b>(10,000)</b>	<b>0</b>

**RC 02: Interest Receivable/Interest Payable**

<b>Bureau of the Public Debt</b>	<b>Amount</b>	<b>Department of Agriculture</b>	<b>Amount</b>	<b>Difference</b>
1340F(12)- Interest Receivable	(10,000)	2141F(20)- Accrued Interest Payable - Debt	10,000	0
<b>TOTAL</b>	<b>(10,000)</b>	<b>TOTAL</b>	<b>10,000</b>	<b>0</b>

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20.2.3 – Interest Accruals

The Small Business Administration (trading partner code 73) accrues interest of \$80,000 on its borrowings from the Department of Treasury under the Credit Reform Act.

The following entries should be recorded:

<b>Providing agency</b> <b>Department of the Treasury</b> <b>TC C416</b>			<b>Receiving agency</b> <b>Small Business Administration</b> <b>TC B418</b>		
1340F(73)	Interest Receivable	80,000	6310F(20)	Interest Expenses on Borrowing From the BPD and/or the FFB	80,000
5312F(73)	Interest Revenue – Loans Receivable/Uninvested Funds	80,000	2141F(20)	Accrued Interest Payable - Debt	80,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 02: Interest Receivable/Interest Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Small Business Administration</b>	<b>Amount</b>	<b>Difference</b>
1340F(73)-Interest Receivable	80,000	2141F(20)-Accrued Interest Payable - Debt	(80,000)	0
<b>TOTAL</b>	<b>80,000</b>	<b>TOTAL</b>	<b>(80,000)</b>	<b>0</b>

**RC 05: Borrowings and Other Interest Expense/Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Small Business Administration</b>	<b>Amount</b>	<b>Difference</b>
5312F(73)-Interest Revenue-Loans Receivable/Uninvested Funds	(80,000)	6310F(20)- Interest Expenses on Borrowing From the BPD and/or the FFB	80,000	0
<b>TOTAL</b>	<b>(80,000)</b>	<b>TOTAL</b>	<b>80,000</b>	<b>0</b>

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20.2.4 – Interest Payments

The Department of Agriculture, Rural Development Program, (trading partner code 12), pays a periodic interest payment of \$60,000 to the Department of Treasury that was previously accrued. The agency will initiate the payment transaction with BPD.

The following entries should be recorded:

<b>Providing agency</b> <b>Department of the Treasury</b> <b>No TC Entry</b>			<b>Receiving agency</b> <b>Department of Agriculture</b> <b>TC B112</b>		
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	60,000	2141F(20)	Accrued Interest Payable - Debt	60,000
1340F(12)	Interest Receivable	60,000	1010	Fund Balance with Treasury	60,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 02: Interest Receivable/Interest Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Agriculture</b>	<b>Amount</b>	<b>Difference</b>
1340F(12)-Interest Receivable	(60,000)	2141F(20)- Accrued Interest Payable - Debt	60,000	0
TOTAL	(60,000)	TOTAL	60,000	0

20.2.5 – Principal Payments

The Department of Education (trading partner code 91) borrowed \$200,000 from the Department of Treasury to finance student loans and is presently repaying \$10,000 of the borrowing at the end of the first fiscal year. The agency initiates the repayment transaction and BPD approves the transaction to transfer the funds.

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The following entries should be recorded:

<b>Providing agency Department of the Treasury No TC Entry</b>			<b>Receiving agency Department of Education TC B121</b>		
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	10,000	2510F(20)	Principal Payable to Bureau of the Public Debt	10,000
1350F(91)	Loans Receivable	10,000	1010	Fund Balance with Treasury	10,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Education</b>	<b>Amount</b>	<b>Difference</b>
1350F(91)-Loans Receivable	(10,000)	2510F(20)-Principal Payable to Bureau of the Public Debt	10,000	0
<b>TOTAL</b>	<b>(10,000)</b>	<b>TOTAL</b>	<b>10,000</b>	<b>0</b>

20.2.6 – Payment of Capitalized Interest

The Department of Agriculture (trading partner code 12) capitalized \$200,000 of interest due to the Department of Treasury and is presently repaying \$25,000 of the capitalized interest borrowing. The agency initiates the repayment transaction and BPD approves the transaction to transfer the funds.

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The following entries should be recorded:

<b>Providing agency Department of the Treasury TC C151 &amp; F124</b>			<b>Receiving agency Department of Agriculture TC B113</b>		
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	25,000	2511F(20)	Capitalized Loan Interest Payable – Non-Credit Reform	25,000
1351F(12)	Capitalized Loan Interest Receivable – Non-Credit Reform	25,000	1010	Fund Balance with Treasury	25,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Agriculture</b>	<b>Amount</b>	<b>Difference</b>
1351F(12)-Capitalized Loan Interest Receivable – Non- Credit Reform	(250,000)	2511F(20)- Capitalized Loan Interest Payable – Non- Credit Reform	250,000	0
<b>TOTAL</b>	<b>(250,000)</b>	<b>TOTAL</b>	<b>250,000</b>	<b>0</b>

**21.2.7 – Principal Payments Resulting in a BPD Gain**

The Department of Energy (trading partner code 89) borrowed \$250,000 from the Department of Treasury to finance a construction project and is presently repaying \$50,000 of the borrowing at a premium of \$5,000. The agency initiates the repayment transaction and BPD approves the transaction to transfer the funds. The agency will also initiate an additional transaction for the gain/loss.

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The following entries should be recorded:

<b>Providing agency Bureau of the Public Debt No TC</b>			<b>Receiving agency Department of Energy TC B131</b>		
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	50,000	2510F(20)	Principal Payable to BPD Treasury	50,000
7500F(99)	Distribution of Income - Dividend	5,000	7212F(20)	Losses on Disposition of Borrowings	5,000
1350F(89)	Loans Receivable	50,000	1010	Fund Balance with Treasury	55,000
7112F(89)	Gains on Disposition of Borrowings	5,000			

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Energy</b>	<b>Amount</b>	<b>Difference</b>
1350F(89)-Loans Receivable	(50,000)	2510F(20)-Principal Payable to BPD	50,000	0
<b>TOTAL</b>	<b>(50,000)</b>	<b>TOTAL</b>	<b>50,000</b>	<b>0</b>

**RC 06: Gains/Losses**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Energy</b>	<b>Amount</b>	<b>Difference</b>
7112F(89)- Gains on Disposition of Borrowing	(5,000)	7212F(20)- Losses on Disposition of Borrowing	5,000	0
<b>TOTAL</b>	<b>(5,000)</b>	<b>TOTAL</b>	<b>5,000</b>	<b>0</b>

21.2.8 – Principal Payments Resulting in a BPD Loss

The Department of Energy (trading partner code 89) borrowed \$250,000 from the Department of Treasury to finance a construction project and is presently repaying \$50,000 of the borrowing at

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a discount of \$5,000. The agency initiates the repayment transaction and BPD approves the transaction to transfer the funds. The agency will also initiate an additional transaction for the gain/loss.

The following entries should be recorded:

Providing agency Department of the Treasury No TC			Receiving agency Department of Energy TC B131		
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	50,000	2510F(20)	Principal Payable to BPD	50,000
7212F(89)	Losses on Disposition of Borrowings	5,000	1010	Fund Balance with Treasury	45,000
1350F(89)	Loans Receivable	50,000	7112F(20)	Gains on Disposition of Borrowings	5,000
7500F(99)	Distribution of Income - Dividend	5,000			

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

Department of the Treasury	Amount	Department of Energy	Amount	Difference
1350F(89)-Loans Receivable	(50,000)	2510F(20)-Principal Payable to BPD	50,000	0
TOTAL	(50,000)	TOTAL	50,000	0

**RC 06: Gains/Losses**

Department of the Treasury	Amount	Department of Energy	Amount	Difference
7212F(89)- Losses on Disposition of Borrowing	5,000	7112F(20)- Gains on Disposition of Borrowing	(5,000)	0
TOTAL	5,000	TOTAL	(5,000)	0

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21.2.9 – Principal Write-Off

The Department of Housing and Urban Development (trading partner code 86) borrowed \$100,000 from the Department of Treasury at the beginning of the fiscal year to support public housing. According to legislation, BPD is currently writing-off the \$100,000 borrowing at the end of the fiscal year. BPD will initiate and approve the write-off transaction.

The following entries should be recorded:

<b>Providing Agency</b> <b>Department of the Treasury</b> <b>No TC</b>			<b>Receiving Agency</b> <b>Department of Housing and Urban</b> <b>Development</b> <b>No TC</b>		
2985F(99)	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	100,000	2510F(20)	Principal Payable to BPD	100,000
1350F(86)	Loans Receivable	100,000	2970F(99)	Liability for Capital Transfers to the General Fund of the Treasury	100,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Housing and Urban Development</b>	<b>Amount</b>	<b>Difference</b>
1350F(86)-Loans Receivable	(100,000)	2510F(20)-Principal Payable to BPD	100,000	0
<b>TOTAL</b>	<b>(100,000)</b>	<b>TOTAL</b>	<b>100,000</b>	<b>0</b>

**21.3 - Borrowings from Treasury (FFB)**

The Federal Financing Bank was established by Congress in order “to assure coordination of federal and federally assisted borrowing programs with the overall economic and fiscal policies of the U.S. Government, to reduce the cost of federal and federally assisted borrowing from the public, and to assure that such borrowings are financed in a manner least disruptive of private

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financial markets and institutions.” The Bank was given broad statutory authority to finance obligations issued, sold, or guaranteed by federal agencies so that the Bank could meet these debt management objectives. The Federal Finance Bank has legislative authority to borrow from the Department of the Treasury to engage in lending to various federal entities through the purchase of agency financial assets, the acquisition of agency debt securities and by providing direct loans on behalf of the agency. The same methodology for recording, tracking and reporting proceeds from borrowing, interest payments, interest accruals and repayments for federal Intragovernmental loans should be used for Department of the Treasury, BPD and FFB loans. However, FFB recognizes gains and losses on loans, in addition to recording a liability instead of a custodial account for its lending program.

21.3.1 - Proceeds from Borrowing

The Department of Education (trading partner code 91) borrows \$200,000 from the Federal Financing Bank to finance student loans.

The following entries should be recorded:

<b>Providing agency Department of the Treasury</b>			<b>Receiving agency Department of Education</b>		
<b>TC C408</b>			<b>TC A156</b>		
1350F (91)	Loans Receivable	200,000	1010	Fund Balance With Treasury	200,000
1010	Fund Balance With Treasury	200,000	2520F(20)	Principal Payable to the Federal Financing Bank	200,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Education</b>	<b>Amount</b>	<b>Difference</b>
1350F(91)-Loans Receivable	200,000	2520F(20)- Principal Payable to the Federal Financing Bank	(200,000)	0
<b>TOTAL</b>	<b>200,000</b>	<b>TOTAL</b>	<b>(200,000)</b>	<b>0</b>

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21.3.2 - Interest Payments

The Department of Agriculture, Rural Development Program, (trading partner code 12) pays a periodic interest payment of \$60,000 to FFB that was not previously accrued.

The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Department of Agriculture		
<b>TC C109</b>			<b>TC B109</b>		
1010	Fund Balance With Treasury	60,000	6310F (20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	60,000
5312 F (12)	Interest Revenue – Loans Receivable/Uninvested Funds	60,000	1010	Fund Balance With Treasury	60,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 05: Borrowings and Other Interest Expense/Interest Revenue**

Department of the Treasury	Amount	Department of Agriculture	Amount	Difference
5312F(12)-Interest Revenue-Loans Receivable/Uninvested Funds	(60,000)	6310F(20)-Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	60,000	0
<b>TOTAL</b>	<b>(60,000)</b>	<b>TOTAL</b>	<b>60,000</b>	<b>0</b>

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21.3.3 - Interest Accruals

The Small Business Administration (trading partner code 73) accrues interest of \$80,000 on its borrowings from the Federal Financing Bank.

The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Small Business Administration		
<b>TC C416</b>			<b>TC B418</b>		
1340F (73)	Interest Receivable	80,000	6310F (20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000
5312F (73)	Interest Revenue – Loans Receivable/Unin vested Funds	80,000	2140F (20)	Accrued Interest Payable	80,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 02: Interest Receivable/Interest Payable**

Department of the Treasury	Amount	Small Business Administration	Amount	Difference
1340F(73)-Interest Receivable	80,000	2140F(20)-Accrued Interest Payable	(80,000)	0
<b>TOTAL</b>	<b>80,000</b>	<b>TOTAL</b>	<b>(80,000)</b>	<b>0</b>

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**RC 05: Borrowings and Other Interest Expense/Interest Revenue**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Small Business Administration</b>	<b>Amount</b>	<b>Difference</b>
5312F(73)-Interest Revenue-Loans Receivable/Uninvested Funds	(80,000)	6310F(20)-Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	80,000	0
<b>TOTAL</b>	<b>(80,000)</b>	<b>TOTAL</b>	<b>80,000</b>	<b>0</b>

21.3.4 - Principal Payments

The Department of Education (trading partner code 91) borrows \$200,000 from the Federal Financing Bank to finance student loans and repays \$10,000 at the end of the first fiscal year.

The following entries should be recorded:

<b>Providing agency Department of the Treasury</b>			<b>Receiving agency Department of Education</b>		
<b>TC C408R</b>			<b>TC A156R</b>		
1010	Fund Balance with Treasury	10,000	2520F (20)	Principal Payable to Federal Finance Bank	10,000
1350F (91)	Loans Receivable	10,000	1010	Fund Balance With Treasury	10,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Education</b>	<b>Amount</b>	<b>Difference</b>
1350F(91)-Loans Receivable	(10,000)	2520F(20)-Principal Payable to the Federal Finance Bank	10,000	0
<b>TOTAL</b>	<b>(10,000)</b>	<b>TOTAL</b>	<b>10,000</b>	<b>0</b>

21.3.5 - Gains on the Disposition of FFB Loans

The Department of Agriculture (trading partner code 12) prepays (early disposition) a \$50,000 FFB loan for \$48,000 cash (gain of \$2,000).

The following entries should be recorded:

<b>Providing agency Department of the Treasury</b>			<b>Receiving agency Department of Agriculture</b>		
<b>No TC entry</b>			<b>No TC entry</b>		
1010	Fund Balance With Treasury	48,000	2520F(20)	Principal Payable to the Federal Financing Bank	50,000
7212F(12)	Losses on Disposition of Borrowings	2,000	1010	Fund Balance With Treasury	48,000
1350F(12)	Loans Receivable	50,000	7112F(20)	Gains on Disposition of Borrowings	2,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Agriculture</b>	<b>Amount</b>	<b>Difference</b>
1350F(12)-Loans Receivable	(50,000)	2520F(20)-Principal Payable to the Federal Financing Bank	50,000	0
<b>TOTAL</b>	<b>(50,000)</b>	<b>TOTAL</b>	<b>50,000</b>	<b>0</b>

**RC 06: Borrowings-Losses/Gains**

<b>Department of the Treasury</b>	<b>Amount</b>	<b>Department of Agriculture</b>	<b>Amount</b>	<b>Difference</b>
7212F(12)-Losses on Disposition of Borrowings	2,000	7112F(20)-Gains on Disposition of Borrowings	(2,000)	0
<b>TOTAL</b>	<b>2,000</b>	<b>TOTAL</b>	<b>(2,000)</b>	<b>0</b>

21.3.6 - Losses on the Disposition of FFB Loans

The Department of Agriculture (trading partner code 12) prepays a \$50,000 FFB loan for \$54,000 (loss of \$4,000).

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The following entries should be recorded:

Providing agency Department of the Treasury			Receiving agency Department of Agriculture		
<b>No TC entry</b>			<b>No TC entry</b>		
1010	Fund Balance With Treasury	54,000	2520F(20)	Principal Payable to the Federal Financing Bank	50,000
1350F(12)	Loans Receivable	50,000	7212F(20)	Losses on Disposition of Borrowings	4,000
7112F(12)	Gains on Disposition of Borrowings	4,000	1010	Fund Balance With Treasury	54,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 17: Loans Receivable/Payable**

Department of the Treasury	Amount	Department of Agriculture	Amount	Difference
1350F(12)-Loans Receivable	(50,000)	2520F(20)-Principal Payable to the Federal Financing Bank	50,000	0
<b>TOTAL</b>	<b>(50,000)</b>	<b>TOTAL</b>	<b>50,000</b>	<b>0</b>

**RC 06: Borrowings-Losses/Gains**

Department of the Treasury	Amount	Department of Agriculture	Amount	Difference
7112F(12)-Gains on Disposition of Borrowings	(4,000)	7212F(20)-Losses on Disposition of Borrowings	4,000	0
<b>TOTAL</b>	<b>(4,000)</b>	<b>TOTAL</b>	<b>4,000</b>	<b>0</b>

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**21.4 - Transactions with the DOL Relating to the FECA**

The Federal Employees' Compensation Special Benefit Fund was established under the authority of the Federal Employees' Compensation Act (FECA). The FECA Special Benefits Fund pays for income lost and medical costs for Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease.

The FECA Special Benefits Fund pays benefits on behalf of Federal entities as costs are incurred and bills (charges back) the entity annually (August 15) for the costs incurred during the previous 12-month period ended June 30 (July 1 – June 30). Federal entities fund the FECA payments through appropriations or operating revenues. For appropriated funds, the payment is due at the beginning of the second fiscal year after receipt of the bill (approximately 15 months). These liabilities due to the FECA Special Benefits Fund are recorded by the entities as unfunded (if annual appropriations are used) at the time of receipt of the bill. The liability amounts (including accruals) are provided by the DOL (on its website) by the 5<sup>th</sup> business day following the end of the preceding quarter.

“Government Corporations” are billed an administrative fee – fair share. The fair share fee is recorded as an operating expense in the fiscal year billed.

Federal entities with annual appropriations should recognize the unfunded liability for the charge backs at the time of receipt of the bill. The amount recorded should equal the amount billed by DOL. Generally, entities with no-year appropriations should recognize a funded liability and the funding availability at the time of the receipt of the chargeback from DOL.

On or before August 15 of each year, DOL submits a yearly billing (chargeback) report to Federal entities. The report is entitled *Notification of Workers' Compensation Cost Incurred on Your Behalf* (annual chargeback report) and covers the preceding 12-month period ended June 30 (July 1 through June 30). Additionally, each entity receives a quarterly Detailed Chargeback Report. The quarterly report provides a detailed listing of amounts paid by the FECA fund from the beginning of the current program year through the end of the quarter. The current year FECA expense and total liability will be calculated using information contained in these reports.

In general, the FECA expense and liability is calculated as follows:

*Accrued FECA Liability:*

The amount of accrued FECA liability (unfunded) for the year ended September 30, 2008 should equal:

- Add: Annual FECA Chargeback Report for the period July 1, 2006 through June 30, 2007.
- Add: Annual FECA Chargeback Report for the period July 1, 2007 through June 30, 2008.

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Add: Quarterly FECA Chargeback Report for the quarter ended September 30, 2008.

*FECA Expense:*

The current year expense should equal:

Add: Annual FECA Chargeback Report for the period July 1, 2007 through June 30, 2008.

Add: Quarterly FECA Chargeback Report for the quarter ended September 30, 2008

Less: Quarterly FECA Chargeback Report for the quarter ended September 30, 2007

When the agencies receive budget authority to pay DOL for the accrued FECA costs, the unfunded FECA liability should be reclassified to funded liability. The funded liability will be reduced when the payment of the chargeback is made to DOL-FECA. Federal entities with no year appropriations should record a funded liability upon receipt of the billing from DOL. Annually, Federal entities are allocated the portion of the long term FECA actuarial liability attributable to the entity. The liability is calculated to estimate the expected liability for death, disability, medical and miscellaneous costs for approved compensation cases. The liability amounts and the calculation methodologies are provided by DOL to the entities by September 15. However, the actuarial liability is not part of the Intragovernmental elimination process or the IFCS.

Each entity should record its portion of the FECA actuarial liability based on amounts provided by DOL. Each year, entities should record the change in the actuarial liability. The entity's actuarial liability balance should equal the amounts provided by DOL. The expense incurred for the year should equal the difference between the current year's liability and the liability for the previous year.

21.4.1 - FECA Liability and FECA Actuarial Liability Transactions - Example

The Department of Justice (trading partner code 15) received the following reports/information from the Department of Labor (trading partner code 16):

I.	Quarterly FECA Chargeback Report:	
	July 1, 2007 - September 30, 2007	\$4,000
	July 1, 2008 - September 30, 2008	\$3,000
II.	Notification of Workers Compensation Cost Incurred on Your Behalf by DOL Employment Standard Administration Report (Annual FECA Chargeback Report):	
	July 1, 2005– June 30, 2006	\$15,000
	July 1, 2006 – June 30, 2007	\$18,000
	July 1, 2007– June 30, 2008	\$20,000

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III. Additional Accrual Information:

(From FY 2007 DOL web page)	
Allocation of Accrued Benefits – September 30, 2007	\$1,000
Allocation of Overpayment Receivables – September 30, 2007	(\$600)

(From FY 2008 DOL web page)	
Allocation of Accrued Benefits – September 30, 2008	\$1,350
Allocation of Overpayment Receivables – September 30, 2008	(\$800)

IV. Fair Share (Administrative Fee) – Due in FY 2009 \$5,000

V. DOL Estimates of Total FECA Future Liabilities Report:

Fiscal year 2007	\$140,000
Fiscal year 2008	\$160,000

VI. Accrued FECA liability for fiscal year 2008 (prior year trial balance) \$37,400

The following sections provide the fiscal year 2007 beginning trial balance, accounting entries, pre-closing trial balance and financial statements for DOJ (partner code 15) and DOL (partner code 16) based on the above information.

*Accrued FECA Liability and Expense:* Federal entities receive FECA chargeback reports from DOL and record accruals for the unfunded FECA liability and expense incurred during the current fiscal year. (If the entity has no year appropriations, the FECA liability would be funded). DOL publishes FECA liability information including amounts for the allocation of accrued benefits and allocation of overpayment receivables for all agencies on the DOL/OCFO website: <http://www.dol.gov/ocfo/publications.html>

**Department of Justice Example:**

DOJ unfunded FECA liability and FECA expense for fiscal year 2008 are calculated as follows:

Annual FECA Chargeback for 7/1/06 - 6/30/07	18,000.00
Annual FECA Chargeback for 7/1/07- 6/30/08	20,000.00
Quarterly FECA Chargeback for 7/1/08- 9/30/08	3,000.00
<b>Unfunded FECA Liability for fiscal year 2008 (before Allocations)</b>	<b>41,000.00</b>

Allocation of Accrued Benefits as of 9/30/08	1,350.00
Allocation of Overpayment Receivables as of 9/30/08	(800.00)
<b>Unfunded FECA Liability for fiscal year 2008</b>	<b>41,550.00</b>

Unfunded FECA Liability for fiscal year 2007(before Allocations)	37,000.00
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Allocation of Accrued Benefits as of 9/30/07	1,000.00
Allocation of Overpayment Receivables as of 9/30/07	(600.00)
<b>Unfunded FECA Liability for fiscal year 2007</b>	<b>37,400.00</b>
 <b>FY 2008 Unfunded FECA benefit expense</b>	<b>4,150.00</b>
 Annual FECA Chargeback for 7/1/07 - 6/30/08	20,000.00
Quarterly FECA Chargeback for 7/1/07 - 9/30/07	(4,000.00)
Quarterly FECA Chargeback for 7/1/08 - 9/30/08	3,000.00
Net Allocation of Accrued Ben/Overpayment Rec. as of 9/30/08	550.00
Net Allocation of Accrued Ben/Overpayment Rec. as of 9/30/07	400.00
<b>Fiscal Year 2008 total FECA expense</b>	<b>19,550.00</b>

**Proprietary entry to appropriate the Annual FECA Chargeback  
7/1/ 05 – 6/30/ 06:**

Providing agency Department of Labor	Receiving agency Department of Justice																					
No Entry	<p><b>TC A104</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 10%;">1010</td> <td style="width: 60%;">Fund Balance</td> <td style="width: 30%; text-align: right;">15,000</td> </tr> <tr> <td></td> <td>With Treasury</td> <td></td> </tr> <tr> <td>3101</td> <td>Unexpended</td> <td></td> </tr> <tr> <td></td> <td>Appropriations</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td></td> <td>–</td> <td></td> </tr> <tr> <td></td> <td>Appropriations</td> <td></td> </tr> <tr> <td></td> <td>Received</td> <td></td> </tr> </table>	1010	Fund Balance	15,000		With Treasury		3101	Unexpended			Appropriations	15,000		–			Appropriations			Received	
1010	Fund Balance	15,000																				
	With Treasury																					
3101	Unexpended																					
	Appropriations	15,000																				
	–																					
	Appropriations																					
	Received																					

**Entry to reclassify unfunded accrued FECA liability and expense to funded accrued FECA liability and expense for the Annual FECA Chargeback 7/1/ 05 – 6/30/ 06:**

Providing agency Department of Labor	Receiving agency Department of Justice									
<p><b>TC C416</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 10%;">1320F (15)</td> <td style="width: 60%;">Employment Benefit Contributions Receivable (funded)*</td> <td style="width: 30%; text-align: right;">15,000</td> </tr> </table>	1320F (15)	Employment Benefit Contributions Receivable (funded)*	15,000	<p><b>TC B422R</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 10%;">2225F (16)</td> <td style="width: 60%;">Unfunded FECA Liability</td> <td style="width: 30%; text-align: right;">15,000</td> </tr> <tr> <td>6850F (20)</td> <td>Employer Contributions to Employee Benefit Programs Not Requiring Current Year Budget Authority</td> <td style="text-align: right; vertical-align: bottom;">15,000</td> </tr> </table>	2225F (16)	Unfunded FECA Liability	15,000	6850F (20)	Employer Contributions to Employee Benefit Programs Not Requiring Current Year Budget Authority	15,000
1320F (15)	Employment Benefit Contributions Receivable (funded)*	15,000								
2225F (16)	Unfunded FECA Liability	15,000								
6850F (20)	Employer Contributions to Employee Benefit Programs Not Requiring Current Year Budget Authority	15,000								

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Providing agency Department of Labor			Receiving agency Department of Justice		
1320F (15)	Employment Benefit Contributions Receivable (unfunded)*	15,000	<b>TC E106</b>		
			2215F (16)	Other Post - Employment Benefits Due and Payable  Benefits Expense	15,000
			6400F (16)		15,000
5400F (15)	Benefit Program Revenue (unfunded)	15,000	<b>TC B134</b>		
			3107	Unexpended Appropriations - Used	15,000
			5700	Expended Appropriations	15,000
5400F (15)	Benefit Program Revenue (funded)	15,000			

\* This is only for the Department of Labor.

**Entry to record DOJ payment to DOL for Annual FECA Chargeback 7/1/ 05 – 6/30/ 06**

Providing agency Department of Labor			Receiving agency Department of Justice		
<b>TC A195</b>			<b>TC B110</b>		
1010	Fund Balance With Treasury	15,000	2215F (16)	Other Post- Employment Benefits Due and Payable	15,000
1320F (15)	Employment Benefit Contributions Receivable	15,000	1010	Fund Balance With Treasury	15,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 21: Benefit Program Contributions Receivables and Payables**

<b>Department of Labor</b>	<b>Amount</b>	<b>Department of Justice</b>	<b>Amount</b>	<b>Difference</b>
1320F(15)- Employment Benefit Contributions Receivables	(15,000)	2225F(16)- Unfunded FECA Liability	15,000	0
1320F(15)- Employment Benefit Contributions Receivables (funded)*	15,000	2215F(16)- Other Post Employment Benefits Due and Payable	(15,000)	0
<b>TOTAL</b>	<b>0</b>	<b>TOTAL</b>	<b>0</b>	<b>0</b>

<b>Department of Labor</b>	<b>Amount</b>	<b>Department of Justice</b>	<b>Amount</b>	<b>Difference</b>
5400F(15)- Benefit Program (unfunded)	15,000	6850F(16)- Employer contributions to Employee Benefit Programs not Requiring Current Year Budget Authority	(15,000)	0
5400F(15)- Benefit Program Revenue (funded)	(15,000)	6400F(16)- Benefits Expense	15,000	0
<b>TOTAL</b>	<b>0</b>	<b>TOTAL</b>	<b>0</b>	<b>0</b>

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**Entry to record DOL payment of FECA claims on behalf of DOJ**

Providing agency Department of Labor			Receiving agency Department of Justice		
<b>No TC Entry</b>			No Entry		
6400N	Benefits Expense	19,150			
1010	Fund Balance				
	With Treasury	19,150			

**Entry to record DOJ accrued FECA expense for fiscal year 2008**

Providing agency Department of Labor			Receiving agency Department of Justice		
<b>TC C422</b>			<b>TC B422</b>		
1320F (15)	Employment Benefit Contributions Receivable (unfunded)	19,150	6850F (16)	Employer Contributions to Employee Benefit Programs Not Requiring Current -Year Budget Authority	19,150
5400F (15)	Benefit Program Revenue (unfunded)	19,150	2225F (16)	Unfunded FECA Liability	19,150

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 21: Benefit Program Contributions Receivables and Payables**

Department of Labor	Amount	Department of Justice	Amount	Difference
1320F(15)- Employment Benefit Contributions Receivable (unfunded)	19,150	2225F(16)- Unfunded FECA Liability	(19,150)	0
<b>TOTAL</b>	19,150	<b>TOTAL</b>	(19,150)	0

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**RC 26: Benefit Program Costs/Revenues**

<b>Department of Labor</b>	<b>Amount</b>	<b>Department of Justice</b>	<b>Amount</b>	<b>Difference</b>
5400F(15)-Benefit Program Revenue (Unfunded)	(19,150)	6850F(16)-Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority	19,150	0
<b>TOTAL</b>	<b>(19,150)</b>	<b>TOTAL</b>	<b>19,150</b>	<b>0</b>

21.4.2 - Actuarial FECA Liability

Agencies record the change in the FECA actuarial liability to adjust the liability to equal the amount provided by DOL on the Estimates of Total FECA Future Liabilities Report. Actuarial liabilities for future benefits should be recorded in Federal entity records as “N” transactions. DOL does not record a corresponding entry

**21.5 - Transactions with DOL Relating to Unemployment Insurance (UI)**

The Federal Employees Compensation Account was established by section 909 of the Social Security Act. The account was established to provide funding for the Unemployment Compensation for Federal Employees (UCFE) program and Unemployment Compensation for Ex Military (UCX) program which provides unemployment benefits to Federal workers and Military personnel similar to those provided by State unemployment insurance laws to workers in private industry. States, through agreement with the Secretary of Labor, act as agents in administering this program.

Benefits are provided to unemployed Federal civilian and Ex Military Personnel workers in the same amount, on the same terms, and subject to the same conditions as the compensation which would be payable under the Unemployment Compensation (UC) law of the State if their Federal service and Federal wages had been included as employment and wages under that State law.

The account’s major source of funding is reimbursements from each employing agency. These reimbursements are made quarterly.

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21.5.1 - FEC Chargeback System

The Federal Employment Compensation (FEC) chargeback system was established to track unemployment payments made on behalf of each employing agency and billed for reimbursement. The FEC chargeback system retains a database of bill and receipt information. The bill information contains a reference number, the chargeback quarter date, the date the chargeback was run, an agency identification number and the dollar amount. The receipt information contains a reference number, the chargeback quarter date, the posting date to the system and the collection date, as well as agency identification number and dollar amount of the receipt.

The receivable from other Federal agencies consists of receivables providing and receivables not providing budgetary resources, recorded to USSGL 1320. At year end receivables providing budgetary resources consist of the funded liability and includes all billings through the third quarter of the fiscal year and all collections through year end. The receivables not providing budgetary resources consist of an estimate of the 09/30 chargeback bill based on the previous bill, a receivable for accrued benefits and a receivable for future payments under current existing claims. These amounts are allocated by agency based on the fourth quarter bill estimate.

Accruals are recorded for benefit payments for days compensable prior to fiscal year-end that were paid subsequent to fiscal year-end, based on estimates provided by DOL's Employment and Training Administration. These accruals are referred to as accrued benefits.

An accrual is also recorded for future payments under current existing claims. The existing claims are already filed and a portion on those claims would be paid in the next fiscal year. These accruals are referred to as existing claim accruals.

Unemployment Insurance (UI) liability information can be found on the DOL/OCFO website as follows:

<http://www.dol.gov/ocfo/publications/html>

21.5.2 - Agency's liability for Unemployment Compensation for Federal Employees.

DOL bills Federal agencies for chargeable UCFE & UCX benefit payments made during the quarter. DOL submits a certified billing document to each Federal agency no later than the 20<sup>th</sup> of the second month following the end of the reported quarter.

In general, the UI expense and liability are calculated as follows:

The liability for each agency at year end consists of a funded and unfunded portion. The funded portion should agree with DOL's accounts receivable providing budgetary resources. The

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unfunded portion should agree with DOL's accounts receivable not providing budgetary resources.

**Scenario:**

The Department of Justice (DOJ) is current with all bills and payments therefore their funded liability is zero. The unfunded liability at 09/30/2007 consists of the following items:

Add: Quarterly Estimated UI chargeback for 07/01/07-09/30/07	20,000
Add: Allocation of Accrued Benefits	200
Add: Allocation of Accrued benefits for existing claims	<u>400</u>
Liability as of 09/30/07	<u><u>20,600</u></u>

During Fiscal Year 2006 DOJ receives bills from DOL for quarter ending 09/30/05, 12/31/05, 03/31/2006 & 06/30/06. The total of these bills represents funded expense for DOJ for the year.

	Quarter Ending	Billed on	Amount
Quarterly Estimated UI Chargeback	09/30/07	11/20/07	19,000
Quarterly Estimated UI Chargeback	12/31/07	02/20/08	21,000
Quarterly Estimated UI Chargeback	03/31/08	05/20/08	22,000
Quarterly Estimated UI Chargeback	06/30/08	08/20/08	<u>20,000</u>

Fiscal year 2008 funded expense for unemployment compensation 82,000

It could possibly be interpreted that since some of the unfunded liability for 09/30/2007 will be paid in FY 2008, it should be moved to a funded liability at October 1, 2008. Although some of the unfunded liability in each of the interim quarters will be paid during the fiscal year, the estimates will never be paid. Since the unfunded liability is comprised entirely of estimates, the recording of estimates is separate from the recording of the actual bills. All estimates as unfunded at any given point in time and the actual bills as funded without regard to when they occur during the fiscal year. This scenario does not record an obligation until the actual bill is received. It produces the correct results for year end.

Scenario to record entries for quarter ending 12/31/2007 is shown below:

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21.5.3 - Entries to record DOJ's receipt of bill for quarter ending 09/30/07 and payment to DOL during quarter ending 12/31/07

Providing agency Department of Labor			Receiving agency Department of Justice		
<b>TC C422</b>			<b>TC E106</b>		
1320F (15)	Employment Benefit Contributions Receivable	19,000	6400F(16)	Benefits Expense	19,000
			2215F(16)	Other Post- Employment Benefits Due & Payable	19,000
5400F (15)	Benefit Program Revenue	19,000	<b>TC B134</b>		
			3107	Unexpended Appropriations - Used	19,000
			5700	Expended Appropriations	19,000
<b>TC A195</b>			<b>TC B110</b>		
1010	Fund Balance with Treasury	19,000	2215F(16)	Other Post- Employment Benefits Due & Payable	19,000
1320F (15)	Employment Benefit Contributions Receivable	19,000	1010	Fund Balance with Treasury	19,000

Since DOJ is current with their payments their funded liability at 12/31/07 is zero.

21.5.4 - The unfunded liability at 12/31/07 consists of the following items:

Add: Quarterly Estimated UI chargeback for 10/01/07-12/31/07 19,000

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Add: Allocation of Accrued Benefits	250
Add: Allocation of Accrued benefits for existing claims	<u>350</u>
Liability as on 12/31/07	<u><u>19,600</u></u>

The amount for charge back quarter 09/30/07 is used as the estimate for the next quarter. The unfunded liability has decreased during the quarter by \$1,000.

21.5.5 - The entries to adjust the accrual from the previous quarter of unfunded revenues and expenses at 12/31/07 are as follows:

Providing agency Department of Labor			Receiving agency Department of Justice		
<b>TC</b>			<b>TC</b>		
<b>C422R</b>			<b>B422R</b>		
1320F	Employment	1,000	6850F(16)	Employer	1,000
(15)	Benefit			Contributions to	
	Contributions			Employee	
	Receivable			Benefit	
				Programs Not	
				Requiring	
				Current-Year	
				Budget	
5400F	Benefit Program	1,000	2290F(16)	Other Unfunded	
(15)	Revenue			Employment	1,000
				Related	
				Liability	

The total expenses for UI are \$18,000 (The sum of USSGL 6400, \$19,000 less the debit of \$1,000 to USSGL 6850). The journal entries for future quarters would be similar to the first quarter.

The scenario to record journal entries for the whole year is shown below. These adjustments are the total of all entries made during the fiscal year for each quarter:

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21.5.6 - Entries to record DOJ's receipt of bills and payments to DOL for all four UI Chargeback quarter bills included in the fiscal year

<b>Providing agency Department of Labor</b>			<b>Receiving agency Department of Justice</b>		
<b>TC C422</b>			<b>TC E106</b>		
1320F (15)	Employment Benefit Contributions Receivable	82,000	6400F(16)	Benefits Expense	82,000
5400F (15)	Benefit Program Revenue	82,000	2215F(16)	Other Post- Employment Benefits Due & Payable	82,000
<b>TC A195</b>			<b>TC B134</b>		
1010	Fund Balance with Treasury	82,000	3107	Unexpended Appropriations - Used	82,000
1320F (15)	Employment Benefit Contributions Receivable	82,000	5700	Expended Appropriations	82,000
			<b>TC B110</b>		
			2215F(16)	Other Post- Employment Benefits Due & Payable	82,000
			1010	Fund Balance with Treasury	82,000

The funded expense of \$82,000 represents the actual bills received and paid during fiscal year 2008.

DOJ is current with their payments at the end of the fiscal year. Their funded liability at 09/30/08 is zero.

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21.5.7 - The unfunded liability at 09/30/08 consists of the following items:

Add: Quarterly Estimated UI chargeback for 07/01/08-09/30/08	20,000
Add: Allocation of Accrued Benefits	300
Add: Allocation of Accrued benefits for existing claims	<u>500</u>
Liability as of 09/30/08	<u><u>20,800</u></u>

The actual chargeback amount for the quarter ending 06/30/2008 is used as an estimate for the quarter ending 09/30/2008. The unfunded liability increased from \$20,600 at 09/30/2007 to \$20,800 at 09/30/2008. The unfunded expense for the year is \$200.

21.5.8 - The entries to record the unfunded revenue and expense for the entire fiscal year are as follows:

Providing agency Department of Labor			Receiving agency Department of Justice		
<b>TC C422</b>			<b>TC B422</b>		
1320F			6850F(16)		
(15)	Employment Benefit Contributions Receivable	200		Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget	200
5400F (15)	Benefit Program Revenue	200	2290F(16)	Other Unfunded Employment Related Liability	200

**DOL**

**DOJ**

21.5.9 - Total expense for Fiscal Year 2008 is as follows:

Add: Funded expense for the fiscal year 2008	82,000
Add: Unfunded expense for the fiscal Year 2008	<u>200</u>
Total expense for the fiscal year 2008	<u><u>82,200</u></u>

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**21.6 - Transactions with the OPM Relating to Employee Benefit Programs**

OPM administers three earned benefit programs for civilian Federal employees: the Retirement Program - comprised of the Civil Service Retirement System and the Federal Employees' Retirement System, the Federal Employees Health Benefits Program, and the Federal Employees Group Life Insurance Program. (*Note: Agencies' contributions to the Thrift Savings Plan should be coded as non-Federal Transactions*)

*Retirement Program:* OPM administers a retirement program that includes two components of defined benefits: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). CSRS is a stand-alone plan covering most Federal employees hired before 1984, and is closed to new members. Using Social Security as a base, FERS provides a defined benefit and a thrift savings plan to employees who first entered a covered position on or after January 1, 1984. OPM administers the defined benefit portion of the FERS. For CSRS, the law fixes the contributions by and for most participants at a combined percent of basic pay. Since the cost to provide a future benefit to most CSRS employees is higher than the contributions, the combined contributions by and for most participants do not cover the cost of CSRS. The service cost of providing future benefits to FERS employees is fully covered by the combined employee and employer contributions.

Since total contributions by and for covered employees fall short of the service cost of the program, SFFAS No. 5 requires that employing agencies recognize their share of this "shortfall" as an imputed cost. By September 15, OPM will provide the cost factors to agencies needed to calculate and record imputed cost.

*Health Benefits Program:* The Federal Employees Health Benefits Program (FEHBP) provides health benefits for covered employees and annuitants. FEHBP is contributory, with the cost shared by the covered participant and his/her employer, based upon a formula in law. For covered annuitants, the employer contribution is paid from an OPM appropriation. Since there is no provision in law to cover the cost of providing health benefits to current employees after they retire, SFFAS No. 5 requires employing agencies to recognize their share of that cost as an imputed cost. OPM will provide to employing agencies, by September 15, the cost factors needed to calculate and record imputed cost.

*Life Insurance Program:* The Federal Employees Group Life Insurance (FEGLI) is contributory, with the full cost of premiums for basic coverage shared by the covered participant and his/her employer. For covered annuitants, the employer contribution to basic coverage derives from an OPM appropriation. (The cost for the optional coverage is borne entirely by the covered individual). Based upon a formula in law, participants contribute approximately two-thirds of the cost of premiums, with the applicable employing agency contributing the remainder. Since there is no provision in law to cover the cost of providing life insurance benefits to current employees after they retire, SFFAS No. 5 requires employing agencies to recognize their share of

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that cost as an imputed cost. OPM will provide to employing agencies, by September 15, the cost factors needed to calculate and record imputed cost.

*Payroll Cross-Servicing Arrangements:* Agencies using cross-servicing agencies (the USDA National Finance Center, the Department of Interior and the General Services Administration) are responsible for reconciling their payroll data to the OPM information (the cross-servicers are not responsible).

The following are contacts for payroll information:

<u>Cross-servicer</u>	<u>Contact</u>	<u>Phone</u>
National Finance Center	Patrick Foret	504-426-1555
Department of the Interior	Linda Rihel	303-969-7739
General Services Administration	John Shields	816-926-6639

**21.6.1 - Agency (Employer) Contributions (Cash Basis)**

The Department of Housing and Urban Development (trading partner code 86) makes employer contributions for Retirement (\$8,500), Health Benefits (\$2,500) and Life Insurance (\$2,000).

The total contribution of \$13,000 is remitted to OPM when the payroll is paid.

<b>Providing agency Office of Personnel Management</b>			<b>Receiving agency Department of Housing and Urban Development</b>		
<b>TC C109</b>			<b>No TC entry</b>		
1010	Fund Balance	13,000	6400F	Benefit Expense	13,000
	With Treasury		(24)		
5400F	Benefit Program		1010	Fund Balance	
(86)	Revenue	13,000		With Treasury	13,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 26: Benefit Program Costs/Revenue**

<b>Office of Personnel Management</b>	<b>Amount</b>	<b>Department of Housing and Urban Development</b>	<b>Amount</b>	<b>Difference</b>
5400F(86)-Benefit Program Revenue	(13,000)	6400F(24)-Benefit Expense	13,000	0
<b>TOTAL</b>	<b>(13,000)</b>	<b>TOTAL</b>	<b>13,000</b>	<b>0</b>

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21.6.2 - Agency (Employer) Contributions (Yearend Accrual)

When a pay period crosses fiscal years, an accrual needs to be recorded for the amount falling into the fiscal year just ended. Agencies should use the ratio of the number of workdays in the fiscal year just ended divided by the total number of workdays in the “straddling” pay period to compute this portion of the accrual.

The Department of Housing and Urban Development payroll was \$50,000 for the pay period ended in the following fiscal year. Employer contributions are \$6,500 for the pay period. The straddle period is nine working days out of ten working days. The accrual should be for \$5,850 [\$6,500 x 90%].

The following entries should be recorded as of September 30:

<b>Providing agency</b> <b>Office of Personnel Management</b>			<b>Receiving agency</b> <b>Department of Housing and Urban Development</b>		
<b>TC C416</b>			<b>TC E104</b>		
1320F (86)	Employment Benefit Contributions Receivable	5,850	6400F(24)	Benefit Program Expense	5,850
5400F (86)	Benefit Program Revenue	5,850	2213F (24)	Employer Contributions and Payroll Taxes Payable	5,850

The entry would also apply to Voluntary Separation Incentive Payments.

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 26: Benefit Program Costs/Revenue**

<b>Office of Personnel Management</b>	<b>Amount</b>	<b>Department of Housing and Urban Development</b>	<b>Amount</b>	<b>Difference</b>
5400F(86)-Benefit Program Revenue	(5,850)	6400F(24)-Benefit Program Expense	5,850	0
<b>TOTAL</b>	<b>(5,850)</b>	<b>TOTAL</b>	<b>5,850</b>	<b>0</b>

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**RC 21: Benefit Program Contributions Receivables and Payables**

<b>Office of Personnel Management</b>	<b>Amount</b>	<b>Department of Housing and Urban Development</b>	<b>Amount</b>	<b>Difference</b>
1320F(86)- Employment Benefit Contributions Receivables	5,850	2213F(24)- Employer Contributions and Payroll Taxes Payable	(5,850)	0
<b>TOTAL</b>	<b>5,850</b>	<b>TOTAL</b>	<b>(5,850)</b>	<b>0</b>

21.6.3 - Imputed Costs

The Department of Interior computes its imputed costs as \$109,950 [Retirement - \$8,690, Health Benefits - \$101,160 and Life - \$100].

The following entry should be recorded:

<b>Providing agency Office of Personnel Management</b>	<b>Receiving agency Department of Interior</b>
No entry	<b>TC E402</b> 6730F (24) Imputed Costs 109,950 5780F (24) Imputed Financing Sources 109,950

There is no Intragovernmental reciprocal category eliminations entry between OPM and Interior.

**21.7 - Services Provided**

Services provided between agencies can include administrative support, financial accounting and grants management, disbursement of funds, consulting, telecommunication, child care and other functions where the providing agency incurs costs to provide services and bills the receiving agency.

The Army Corps of Engineers (trading partner code 96) provided \$120,000 of engineering services for the Department of Transportation (trading partner code 69).

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The following entries should be recorded for the accrual as of September 30:

<b>Providing Agency Army Corps of Engineers</b>			<b>Receiving Agency Department of Transportation</b>		
<b>TC A714</b>			<b>TC B402</b>		
1310F (69)	Accounts Receivable	120,000	6100F (96)	Operating Expenses/ Program Costs	120,000
5200F (69)	Revenue from Services Provided	120,000	2110F (96)	Accounts Payable	120,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 22: Accounts Receivable/Accounts Payable**

<b>Army Corps of Engineers</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
1310F(69)- Accounts Receivable	120,000	2110F(96)-Accounts Payable	(120,000)	0
<b>TOTAL</b>	<b>120,000</b>	<b>TOTAL</b>	<b>(120,000)</b>	<b>0</b>

**RC 24: Buy/Sell Costs/Revenues**

<b>Army Corps of Engineers</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
5200F(69)- Revenue from Services Provided	120,000	6100F(96)- Operating Expenses/ Program Costs	120,000	0
<b>TOTAL</b>	<b>120,000</b>	<b>TOTAL</b>	<b>120,000</b>	<b>0</b>

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The following entries record the payment in the following fiscal year:

<b>Providing Agency</b> <b>Army Corps of Engineers</b>			<b>Receiving Agency</b> <b>Department of Transportation</b>		
<b>TC C106</b>			<b>TC B110</b>		
1010	Fund Balance With Treasury	120,000	2110F (96)	Accounts Payable	120,000
1310F (69)	Accounts Receivable	120,000	1010	Fund Balance With Treasury	120,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 22: Accounts Receivable/Accounts Payable**

<b>Army Corps of Engineers</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
1310F(69)- Accounts Receivable	(120,000)	2110F(96)-Accounts Payable	120,000	0
TOTAL	(120,000)		120,000	0

**21.8 - Goods/Products**

Goods/products sold or leased between agencies include cars, equipment, manufactured goods, office space, supplies and other similar transactions where the providing agency manufactures, distributes, or owns the assets which are sold or leased to the receiving agency. The following examples demonstrate three transactions: (1) the receiving agency records the items as expenses, (2) the receiving agency records the items as fixed assets and (3) the receiving agency records the items as inventory. These entries are for agencies that routinely provide goods/products to other agencies. Agencies who periodically sell agency owned and used assets to other agencies should use the transactions in the Sale of Equipment (below) as a basis for recording entries. Agencies should classify fixed assets and inventory into the appropriate USSGL accounts based on the items purchased.

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21.8.1 - Goods Recorded as Expenses by Receiving Agency

Federal Prison Industries, Inc. (Department of Justice trading partner code 15) sold \$45,000 of small office furniture to the Department of Health and Human Services. The small office furniture was delivered to the Department of Health and Human Services (trading partner code 75) on September 15. The IPAC transaction occurred on October 15. The Department of Health and Human Services recorded the small office furniture as expenses.

The following entries should be recorded as of September 15:

Providing agency Department of Justice			Receiving agency Department of Health and Human Services		
<b>TC A714</b>			<b>TC B402</b>		
1310F (75)	Accounts Receivable	45,000	6100F (15)	Operating Expenses/Program Costs	45,000
5100F (75)	Revenue from Goods Sold	45,000	2110F (15)	Accounts Payable	45,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 22: Accounts Receivable-Accounts Payable**

Department of Justice	Amount	Department of Health and Human Services	Amount	Difference
1310F(75)- Accounts Receivable	45,000	2110F(15)- Accounts Payable	(45,000)	0
<b>TOTAL</b>	45,000	<b>TOTAL</b>	(45,000)	0

**RC24: Buy/Sell Costs/Revenues**

Department of Justice	Amount	Department of Health and Human Services	Amount	Difference
5100F(75)-Revenue from Goods Sold	(45,000)	6100F(15)- Operating Expenses/Program Costs	45,000	0
<b>TOTAL</b>	(45,000)	<b>TOTAL</b>	45,000	0

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21.8.2 - Goods Recorded as Assets by the Receiving Agency

Federal Prison Industries, Inc. (Department of Justice trading partner code 15) sold \$475,000 of systems furniture to the Department of Health and Human Services. The systems furniture was delivered to the Department of Health and Human Services (trading partner code 75) on September 15. The IPAC transaction occurred on October 15. The Department of Health and Human Services recorded the systems furniture as assets (capitalized) in the September accounting period.

For these “N” accounts, a mechanism was established to identify and summarize the transactions as Intragovernmental purchases that are recorded as property, plant and equipment. This is demonstrated with the application of memorandum account 8802, Purchases of Property, Plant and Equipment, with trading partner code (xx) below.

The following entries should be recorded as of September 15. The “N” accounts are listed to demonstrate the reciprocal relationships:

<b>Providing agency</b> <b>Department of Justice</b>			<b>Receiving agency</b> <b>Department of Health and Human Services</b>		
<b>TC A714</b>			<b>TC B402</b>		
1310F (75)	Accounts Receivable	475,000	1750N	Equipment	475,000
5100F (75)	Revenue from Goods Sold	475,000	2110F (15)	Accounts Payable	475,000
			<b>TC G120</b>		
			8802F (15)	Purchases of Property, Plant and Equipment	475,000
			8801F (15)	Offset for Purchases of Assets	475,000

The future depreciation of the assets has no effect on the Intragovernmental activity and should be recorded as an “N” account transaction within the Department of Health and Human Services general ledger. Depreciation should be calculated in accordance with the Department of Health and Human Services policies and procedures.

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- The increase in General Property, Plant and Equipment, Net for Federal purchases is reflected in USSGL account 8802. USSGL 8802F (15) is closed out to USSGL account 8801F (15), Offset for Purchases of Assets, at the end of the fiscal year.

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 22: Accounts Receivable-Accounts Payable**

<b>Department of Justice</b>	<b>Amount</b>	<b>Department of Health and Human Services</b>	<b>Amount</b>	<b>Difference</b>
1310F(75)-Accounts Receivable	475,000	2110F(15)-Accounts Payable	(475,000)	0
<b>TOTAL</b>	<b>475,000</b>	<b>TOTAL</b>	<b>(475,000)</b>	<b>0</b>

**RC 24: Buy/Sell Costs/Revenues**

<b>Department of Justice</b>	<b>Amount</b>	<b>Department of Health and Human Services</b>	<b>Amount</b>	<b>Difference</b>
5100F(75)-Revenue from Goods Sold	(475,000)	8802F(15)-Purchases of Property, Plant and Equipment	475,000	0
<b>TOTAL</b>	<b>(475,000)</b>	<b>TOTAL</b>	<b>475,000</b>	<b>0</b>

NOTE: USSGL 8801 does not reciprocate. USSGL 8802F is included in RC 24 to assist agencies in their reconciliation efforts. Since this is a memorandum account, it is not included on the face of the Agencies' financial statements.

**21.8.3 - Goods Recorded as Supplies Inventory by the Receiving Agency**

The General Services Administration (trading partner code 47) sold \$25,000 of supplies to the Department of Health and Human Services. The supplies were delivered to the Department of Health and Human Services (trading partner code 75) on September 15. The IPAC transaction occurred on October 15. The Department of Health and Human Services recorded the supplies as inventory in the September accounting period. This entry is recorded regardless of when the Department of Health and Human Services uses and/or issues the inventory for use.

For these "N" accounts, a mechanism was established to identify and summarize the transactions as intragovernmental purchases that are recorded as inventory. This is demonstrated with the

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application of memorandum account 8803, Purchases of Inventory and Related Property, with trading partner code (xx) below.

The following entries should be recorded as of September 15, 2003:

<b>Providing agency</b> <b>General Services Administration</b>			<b>Receiving agency</b> <b>Department of Health and Human Services</b>		
<b>TC A714</b>			<b>TC B402</b>		
1310F (75)	Accounts Receivable	25,000	1511N	Operating Materials and Supplies Held for Use	25,000
5100F (75)	Revenue from Goods Sold	25,000	2110F (47)	Accounts Payable	25,000
			<b>TC G122</b>		
			*8803F (47)	Purchases of Inventory and Related Property	25,000
			8801F (47)	Offset for Purchases of Assets	25,000

\* The increase in inventory for Federal purchases is reflected in USSGL account 8803. USSGL 8803F (47) is closed out to USSGL account 8801F (47), Offset for Purchases of Assets, at the end of the fiscal year.

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 22: Accounts Receivable-Accounts Payable**

<b>General Services Administration</b>	<b>Amount</b>	<b>Department of Health and Human Services</b>	<b>Amount</b>	<b>Difference</b>
1310F(75)- Accounts Receivable	25,000	2110F(47)- Accounts Payable	(25,000)	0
<b>TOTAL</b>	25,000	<b>TOTAL</b>	(25,000)	0

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**RC24: Buy/Sell Costs/Revenues**

<b>General Services Administration</b>	<b>Amount</b>	<b>Department of Health and Human Services</b>	<b>Amount</b>	<b>Difference</b>
5100F(75)-Revenue from Goods Sold	(25,000)	8803F(47)-Purchases of Inventory and Related Property	25,000	0
<b>TOTAL</b>	<b>(25,000)</b>	<b>TOTAL</b>	<b>25,000</b>	<b>0</b>

NOTE: USSGL 8801 does not reciprocate. USSGL 8802F is included in RC 24 to assist agencies in their reconciliation efforts. Since this is a memorandum account, it is not included on the face of the Agencies' financial statements.

**21.8.4 - Sale of Inventory (Cost of Goods Sold)**

Sale of inventory can occur between agencies (Cash Basis). The General Services Administration (GSA) (trading partner code 47) bought \$5,000 of inventory for resale from a Non-Federal vendor. GSA sold \$1,000 of the inventory to Department of Justice (DOJ) (trading partner code 15) who classified it as inventory. DOJ then sold \$300 of its inventory to Department of the Treasury (trading partner code 20), who expensed the items.

Inventory accounts are classified as "N" for the Federal/Non-Federal attribute. A mechanism was established to identify and summarize the transactions as Intragovernmental purchases that are recorded as inventory or other capitalized assets.

This is demonstrated with the application of the memorandum account 8803, Purchases of Inventory and Related Property with trading partner code (xx) below:

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The entries are as follows:

General Services Administration (47)		
To record the delivery of goods and activity for current-year purchases of assets.		
<b>TC B402</b>		
1521N	Inventory Purchased For Resale	5,000
2110N	Accounts Payable	5,000
<b>TC G122</b>		
8803N	Purchases of Inventory and Related Property	5,000
8801N	Offset for Purchases of Assets	5,000

General Services Administration (47)	Department of Justice (15)
To record the cash sale of inventory to Department of Justice	To record the delivery of goods and activity for current-year purchases of assets
<b>TC C646</b>	<b>No TC entry</b>
1010 Fund Balance            1,000 with Treasury	1521N Inventory Purchased        1,000 for Resale
5100F(15) Revenue from        1,000 Goods Sold	1010 Fund Balance                    1,000 With Treasury
<b>TC E408</b>	<b>TC G122</b>
6500N Cost of Goods Sold    1,000	8803F(47) Purchases of            1,000 Inventory and Related Property
1521N Inventory Purchased    1,000 For Resale	8801N Offset for                    1,000 Purchases of Assets

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 24: Buy/Sell Costs/Revenues**

<b>General Services Administration</b>	<b>Amount</b>	<b>Department of Justice</b>	<b>Amount</b>	<b>Difference</b>
5100F(15)-Revenue from Goods Sold	(1,000)	8803F(47)-Purchases of Inventory and Related Property	1,000	0
<b>TOTAL</b>	<b>(1,000)</b>	<b>TOTAL</b>	<b>1,000</b>	<b>0</b>

Note: USSGL 8801 does not reciprocate. USSGL 8802F is included in RC 24 to assist agencies in their reconciliation efforts. Since this is a memorandum account, it is not included on the face of the Agencies' financial statements.

<b>Department of Justice (15)</b>			<b>Department of the Treasury (20)</b>		
To record the cash sale of inventory to Department of the Treasury			To record the delivery of goods		
<b>TC C646</b>			<b>TC B107</b>		
1010	Fund Balance with Treasury	300	6100F(15) Operating Exp./Program Costs		300
5100F(20)	Revenue from Goods Sold	300	1010	Fund Balance with Treasury	300
<b>TC E408</b>					
6500N	Cost of Goods Sold	300			
1521N	Inventory Purchased for Resale	300			

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

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**RC24: Buy/Sell Costs/Revenues**

<b>Department of Justice</b>	<b>Amount</b>	<b>Department of the Treasury</b>	<b>Amount</b>	<b>Difference</b>
5100F(20)-Revenue from Goods Sold	(300)	6100F(15)-Operating Expenses/Program Costs	300	0
<b>TOTAL</b>	<b>(300)</b>	<b>TOTAL</b>	<b>300</b>	<b>0</b>

**21.9 - -Reimbursables**

Reimbursables are similar to services, except the amounts billed to the receiving agency by the providing agency are based on actual costs incurred (instead of on a fee basis). Many times these transactions occur within agencies when an administrative group provides services for bureaus throughout the agency. The providing agency should have policies, procedures, systems and documentation for cost accumulation supporting amounts billed to receiving agencies. The following are examples of transactions with an advance provided to the providing agency and transactions without an advance. Please note: Federal program agencies recording advances should provide liquidation reports to partners on a quarterly basis. In addition to the following, please refer to the USSGL reimbursable activity scenarios on FMS' website.

The Department of Veterans Affairs, Facilities Management Field Service, provides technical consulting services, project management, real property administration (including leases, site acquisition and disposal activities directly supporting projects) for other components of the Department of Veterans Affairs on a reimbursable basis. The following are the entries to reflect the activity with an advance and without an advance.

**21.9.1 - Advance**

The Department of Veterans Affairs, Veterans Health Administration, issues a delivery order for \$150,000 of services and provides an advance in the same amount.

The following entries should be recorded:

<b>Providing agency VA Facilities Management Service</b>			<b>Receiving agency VA Health Administration</b>		
<b>TC C182</b>			<b>TC B308</b>		
1010	Fund Balance	150,000	1410F	Advances and	150,000
	With Treasury		(36)	Prepayments	
2310F	Liability for	150,000	1010	Fund Balance	
(36)	Advances and			With Treasury	150,000
	Prepayments				

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 23: Advances to Others and Prepayments/Advances from Others and Deferred Credits**

<b>VA Facilities Management Services</b>	<b>Amount</b>	<b>Department of Health and Human Services</b>	<b>Amount</b>	<b>Difference</b>
2310F(36)-Liability for Advances and Prepayments	(150,000)	1410F(36)-Advances and Prepayments	150,000	0
<b>TOTAL</b>	<b>(150,000)</b>	<b>TOTAL</b>	<b>150,000</b>	<b>0</b>

The VA Facilities Management Service incurs \$150,000 of reimbursable expenses.

The following entry should be recorded:

<b>Providing agency VA Facilities Management Service</b>		<b>Receiving agency VA Health Administration</b>	
<b>TC B107</b>	150,000	No transaction.	
6100N	Operating Expenses/Program Costs		
1010	Fund Balance With Treasury	150,000	

The VA Facilities Management Service completed services and recognizes the advance received as revenues. The VA Health Administration recognizes the advance paid as expenses.

The following entries should be recorded:

<b>Providing agency VA Facilities Management Service</b>			<b>Receiving agency VA Health Administration</b>		
<b>TC A710</b>			<b>TC B604</b>		
2310F(36)	Liability for Advances and Prepayments	150,000	6100F(36)	Operating Expenses/Program Costs	150,000
5200F(36)	Revenue from Services Provided	150,000	1410F(36)	Advances and Prepayments	150,000

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The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 23: Advances to Others and Prepayments/Advances from Others and Deferred Credits**

<b>VA Facilities Management Service</b>	<b>Amount</b>	<b>VA Health Administration</b>	<b>Amount</b>	<b>Difference</b>
2310F(36)-Liability for Advances and Prepayments	150,000	1410F(36)-Advances and Prepayments	(150,000)	0
<b>TOTAL</b>	<b>150,000</b>	<b>TOTAL</b>	<b>(150,000)</b>	<b>0</b>

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 24: Buy/Sell Costs/Revenues**

<b>VA Facilities Management Service</b>	<b>Amount</b>	<b>VA Health Administration</b>	<b>Amount</b>	<b>Difference</b>
5200F(24)-Revenue from Services Provided	(150,000)	6100F(36)-Operating Expenses/Program Costs	150,000	0
<b>TOTAL</b>	<b>(150,000)</b>	<b>TOTAL</b>	<b>150,000</b>	<b>0</b>

21.9.2 - No Advance<sup>3</sup>

The Department of Veterans Affairs, Facilities Management Service, completed services (or cut-off cost accumulation for a period) and billed \$150,000 to the Department of Veterans Affairs Health Administration.

The VA Facilities Management Service incurs \$150,000 of reimbursable expenses.

<sup>3</sup> Accounting for Treasury managed funds (collections/disbursements by Treasury on behalf of other agencies would be accounted for in a similar manner as no advance reimbursables).

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The following entries should be recorded:

<b>Providing agency VA Facilities Management Service</b>			<b>Receiving agency VA Health Administration</b>	
<b>TC B107</b>			No transaction.	
6100N	Operating Expenses/Program Costs	150,000		
1010	Fund Balance With Treasury		150,000	

The VA Health Administration reimburses the VA Facilities Management Service.

<b>Providing agency VA Facilities Management Service</b>			<b>Receiving agency VA Health Administration</b>		
<b>TC A708</b>			<b>TC B107</b>		
		150,000			150,000
1010	Fund Balance With Treasury		6100F (36)	Operating Expenses/Program Costs	
5200F (36)	Revenue from Services Provided	150,000	1010	Fund Balance With Treasury	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

**RC24: Buy/Sell Costs/Revenues**

<b>VA Facilities Management Service</b>	<b>Amount</b>	<b>VA Health Administration</b>	<b>Amount</b>	<b>Difference</b>
5200F(36)-Revenue from Services Provided	(150,000)	6100F(36)-Operating Expenses/Program Costs	150,000	0
<b>TOTAL</b>	<b>(150,000)</b>	<b>TOTAL</b>	<b>150,000</b>	<b>0</b>

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If there was a cut-off billing at year-end (rather than a cash transaction), the following entries should be recorded as of September 30:

Providing agency VA Facilities Management Service			Receiving agency VA Health Administration		
<b>TC A714</b>			<b>TC B402</b>		
1310F (36)	Accounts Receivable	150,000	6100F (36)	Operating Expenses/Program Costs	150,000
5200F (36)	Revenue from Services Provided	150,000	2110F (36)	Accounts Payable	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

**RC22: Accounts Receivable/Accounts Payable**

VA Facilities Management Service	Amount	VA Health Administration	Amount	Difference
1310F(36)- Accounts Receivable	150,000	2100F(36)- Accounts Payable	(150,000)	0
<b>TOTAL</b>	150,000	<b>TOTAL</b>	(150,000)	0

**RC24: Buy/Sell Costs/Revenues**

VA Facilities Management Service	Amount	VA Health Administration	Amount	Difference
5200F(36)-Revenue from Services Provided	(150,000)	6100F(36)- Operating Expenses/Program Costs	150,000	0
<b>TOTAL</b>	(150,000)	<b>TOTAL</b>	150,000	0

**21.10 - Sale of Equipment**

Sales of equipment can occur between agencies at book value or with a gain or loss to the providing (selling) agency.

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The following are examples of each scenario:

21.10.1 - Sale of Equipment at Net Book Value

The Department of Energy (trading partner code 89) sold \$650,000 of equipment to the Department of Commerce (trading partner code 13). The book value of the equipment was \$650,000 (cost \$750,000 and accumulated depreciation \$100,000). The Department of Commerce should record the equipment for the amount paid (\$650,000) without any accumulated depreciation.

For these “N” accounts, a mechanism was established effective beginning FY 2003 to identify and summarize the transactions as Intragovernmental purchases that are recorded as inventory, property, or other capitalized assets. This is demonstrated with the application of memorandum account 8802, Purchases of Property, Plant and Equipment, with trading partner code (xx) below.

The following entries should be recorded:

Providing agency Department of Energy			Receiving agency Department of Commerce		
<b>TC C610</b>			<b>No TC Entry</b>		
1010	Fund Balance With Treasury	650,000	1750N	Equipment	650,000
1759N	Accumulated Depreciation	100,000	1010	Fund Balance With Treasury	650,000
1750N	Equipment	750,000	<b>TC G120</b>		
			8802F (89)	Purchase of Property, Plant and Equipment	650,000
			8801F (89)	Offset for Purchases of Assets	650,000

The future depreciation of the assets has no affect on the Intragovernmental activity and should be recorded as an “N” account transaction within the Department of Commerce general ledger. Depreciation should be calculated in accordance with the Department of Commerce policies and procedures.

- The increase in Equipment is reflected in USSGL account 8802. USSGL 8802F (89) is closed out to USSGL account 8801F (89), Offset for Purchases of Assets.

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21.10.2 - Sale of Equipment with a Gain

The Department of Energy (trading partner code 89) sold \$650,000 of equipment to the Department of Commerce (trading partner code 13). The book value of the equipment was \$550,000 (cost \$550,000, accumulated depreciation \$0).

The mechanism to identify and summarize the transactions as an Intragovernmental purchase and sale, and the associated gain, is demonstrated below.

The following entries should be recorded:

Providing agency Department of Energy			Receiving agency Department of Commerce		
<b>TC C610</b>			<b>No TC Entry</b>		
1010	Fund Balance With Treasury	650,000	1750N	Equipment	650,000
1750N	Equipment	550,000	1010	Fund Balance With Treasury	650,000
7110N	Gains on Disposition of Assets - Other	100,000	<b>TCG120</b>		
			*8802F (89)	Purchases of Property, Plant and Equipment	650,000
			8801F (89)	Offset for Purchases of Assets	650,000

\* The increase in Equipment is reflected in USSGL account 8802. USSGL 8802F (89) is closed out to USSGL account 8801F (89), Offset for Purchases of Assets.

21.10.3 - Sale of Equipment with a Loss

The Department of Energy (trading partner code 89) sold \$650,000 of equipment to the Department of Commerce (trading partner code 13). The book value of the equipment was \$700,000 (cost \$700,000, accumulated depreciation \$0).

The mechanism to identify and summarize the transactions as an Intragovernmental purchase and sale, and the associated loss, is demonstrated below.

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The following entries should be recorded:

Providing agency Department of Energy			Receiving agency Department of Commerce		
<b>TC C610</b>			No TC Entry		
1010	Fund Balance With Treasury	650,000	1750N	Equipment	650,000
7210N	Losses on Disposition of Assets - Other	50,000	1010	Fund Balance With Treasury	650,000
1750N	Equipment	700,000	<b>TC G120</b>		
			*8802F (89)	Purchases of Property, Plant and Equipment	650,000
			8801F (89)	Offset for Purchases of Assets	650,000

\* The increase in Equipment is reflected in USSGL account 8802. USSGL 8802F (89) is closed out to USSGL account 8801F (89), Offset for Purchases of Assets.

**21.11 – Transfers: Appropriation of Unavailable Trust or Special Fund Receipts, Non-Expenditure Transfers of Unexpended Appropriations and Financing Sources, and Expenditure Transfers of Financing Sources**

Funding may be transferred from one agency to another or within an agency between fund accounts/symbols. The providing agency/fund transfers the funds to the receiving agency/fund. Funds are transferred based on an agreement between the agencies or through Treasury warrant. The funding is transferred based on the terms of the agreement/Treasury warrant and can occur at the time the agreement commences or as expenditures are incurred.

**Note:** The examples presented are intended to be illustrative, not comprehensive. Therefore the budgetary transactions are not shown. For additional guidance on transfers to/from, consult FMS' USSGL Division's web link at:

[http://www.fms.treas.gov/ussgl/approved\\_scenarios/index.html](http://www.fms.treas.gov/ussgl/approved_scenarios/index.html)

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21.11.1 - Appropriation of Unavailable Trust or Special Fund Receipts – Reciprocal Category 07

An agency (in the case below, the agency is the Department of the Treasury) collects and deposits funds in a special fund receipt account that has been deemed “unavailable”. A Treasury warrant must be processed in order to move the funds to the corresponding special or trust fund expenditure account.

The following entries should be recorded:

Department of the Treasury (Receipt Account)			Department of the Treasury ( Expenditure Account)		
TC A183	Appropriated	725,000	TC A184	Fund Balance	725,000
5745F (20)	Earmarked Receipts Transferred Out		1010	With Treasury	
1010	Fund Balance With Treasury	725,000	5740F (20)	Appropriated Earmarked Receipts Transferred In	725,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

**RC07: Appropriation of Unavailable Trust or Special Fund Receipts**

Department of the Treasury	Amount	Department of the Treasury	Amount	Difference
5745F(20)- Appropriated Earmarked Receipts Transferred Out	725,000	5740F(20)- Appropriated Earmarked Receipts Transferred In	(725,000)	0
TOTAL	725,000	TOTAL	(725,000)	0

21.11.2 - Nonexpenditure Transfers (NETs) Affecting Reciprocal Category 08

Before processing nonexpenditure transfers between Treasury Appropriation Fund symbols (TAFS), the original source of the balances being transferred must first be determined. The “Transfer From” entity will determine the source of funds being transferred and record a proprietary USSGL account that designates the funding as being derived from either:

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- Unexpended appropriations from General Fund resources not earmarked by law for a specific purpose – USSGL 3103 Unexpended Appropriations – Transfers-Out, or
- Financing Sources that impact cumulative results of operations – USSGL 5765 Nonexpenditure Financing Sources – Transfers-Out

The “Transfer To” entity must use the proprietary USSGL account that corresponds to the proprietary USSGL account used by the “Transfer From” entity. USSGL 3102 Unexpended Appropriations – Transfers-In corresponds with USSGL 3103. USSGL 5755 Nonexpenditure Financing Sources – Transfers-In corresponds with USSGL 5765.

It is not uncommon for the net position of any TAFS to be comprised of a mix of unexpended appropriations derived from General Fund resources not earmarked by law for a specific purpose and financing sources that impact cumulative results of operations.

Any nonexpenditure transfer (NET) transactions that are reported in the GWA NET application should have the appropriate USSGL account number in the comment field. This will aid in the elimination of transfers at the government wide level. FMS will analyze agency NET activity from its central accounting system (STAR) to ensure proper reporting of transfers, in addition to other types of activity.

Failure of both entities to record the matching proprietary USSGL accounts category (3102/3103) or (5755/5765) will result in agency-wide and/or government-wide elimination discrepancies.

Example

DOL (trading partner code 16) receives an appropriation transfer from the Environmental Protection Agency (EPA) (trading partner code 68) of \$550,000. EPA sends all of the funds to DOL when the agreement commences. EPA designates USSGL account 3103 Unexpended Appropriations – Transfers-Out in the comment field of the NET transaction. Trading partner codes must be used to facilitate both financial reporting and the reconciliation process when funds are transferred between agencies.

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The following entries should be recorded for the nonexpenditure transfer of unexpended appropriations:

**Nonexpenditure Transfer of Unexpended Appropriations**

<b>Providing agency Environmental Protection Agency</b>			<b>Receiving agency Department of Labor</b>		
TC A484			TC A480		
3103F (16)	Unexpended Appropriations – Transfers-Out	550,000	1010	Fund Balance With Treasury	550,000
1010	Fund Balance With Treasury	550,000	3102F (68)	Unexpended Appropriations – Transfers-In	550,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

**RC08: Nonexpenditure Transfers of Unexpended Appropriations and  
Financing Sources**

<b>Environmental Protection Agency</b>	<b>Amount</b>	<b>Department of Labor</b>	<b>Amount</b>	<b>Difference</b>
3103F(16)- Unexpended Appropriations- Transfers-Out	550,000	3102F(68)- Unexpended Appropriations- Transfers-In	(550,000)	0
<b>TOTAL</b>	<b>550,000</b>	<b>TOTAL</b>	<b>(550,000)</b>	<b>0</b>

Department of Transportation (DOT) (trading partner code 69) receives an appropriation transfer from the Environmental Protection Agency (EPA) (trading partner code 68) of \$14,000. EPA sends all of the funds to DOT when the agreement commences. EPA designates USSGL account 5765 Nonexpenditure Financing Sources – Transfers-Out in the comment field of the NET transaction. Trading partner codes must be used to facilitate both financial reporting and the reconciliation process when funds are transferred between agencies.

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The following entries should be recorded for the nonexpenditure transfer of financing sources:

**Nonexpenditure Transfer of Financing Sources**

<b>Environmental Protection Agency</b>			<b>Department of Transportation</b>		
TC A486			TC A482		
5765F (69)	Nonexpenditure Financing Sources – Transfers-Out	14,000	1010	Fund Balance With Treasury	14,000
1010	Fund Balance With Treasury	14,000	5755F (68)	Nonexpenditure Financing Sources – Transfers-In	14,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 08: Nonexpenditure Transfers of Unexpended Appropriations and  
Financing Sources**

<b>Environmental Protection Agency</b>	<b>Amount</b>	<b>Department of Transportation</b>	<b>Amount</b>	<b>Difference</b>
5765F(69)- Nonexpenditure Financing Sources- Transfers-Out	14,000	5755F(68)- Nonexpenditure Financing Sources- Transfers-In	(14,000)	0
<b>TOTAL</b>	<b>14,000</b>	<b>TOTAL</b>	<b>(14,000)</b>	<b>0</b>

**21.11.3 – Expenditure Transfers of Financing Sources – Reciprocal Category 09**

DOL (trading partner code 16) receives an expenditure transfer from the Environmental Protection Agency (EPA) (trading partner code 68) of \$550,000. EPA provides funding to DOL as it incurs costs.

Receivables/payables for the amount in the agreement are established if the transfer is funded based on cash needs of the receiving agency. Subsequent cash transfers are recorded as deductions of the receivables/payables. A transfer is recorded without receivables/payables if all of the fund balance is transferred at the commencement of the agreement.

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The following entries should be recorded:

<b>Providing agency Environmental Protection Agency</b>			<b>Receiving agency Department of Labor</b>		
<b>TC A500</b>			<b>TC A498</b>		
5760F (16)	Expenditure Financing Sources – Transfers-Out	550,000	1335F (68)	Expenditure Transfers Receivable	550,000
2155F (16)	Expenditure Transfers Payable	550,000	5750F (68)	Expenditure Financing Sources- Transfers-In	550,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows

**RC 09: Expenditure Transfers of Financing Sources**

<b>Environmental Protection Agency</b>	<b>Amount</b>	<b>Department of Labor</b>	<b>Amount</b>	<b>Difference</b>
5760F(16)- Expenditure Financing Sources- Transfers-Out	550,000	5750F(68)- Expenditure Financing Sources- Transfers-In	(550,000)	0
<b>TOTAL</b>	550,000	<b>TOTAL</b>	(550,000)	0

**RC 27: Transfers Receivable/Payable**

<b>Environmental Protection Agency</b>	<b>Amount</b>	<b>Department of Labor</b>	<b>Amount</b>	<b>Difference</b>
2155F(16)- Expenditure Transfers Payable	(550,000)	1335F(68)- Expenditure Transfers Receivables	550,000	0
<b>TOTAL</b>	(550,000)	<b>TOTAL</b>	550,000	0

DOL incurs \$150,000 of expenses related to the receivable/payable established in the entry above (entries to record the expenses in the DOL records are not shown - see reimbursables for

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an example of recording expenses). Therefore, the following entry is recorded to transfer the fund balance from EPA to DOL and reduce the previously established receivable/payable.

The following entries should be recorded:

<b>Providing agency</b> <b>Environmental Protection Agency</b>			<b>Receiving agency</b> <b>Department of Labor</b>		
<b>TC A504</b>			<b>TC A502</b>		
2155F (16)	Expenditure Transfers Payable	150,000	1010	Fund Balance With Treasury	150,000
1010	Fund Balance With Treasury	150,000	1335F (68)	Expenditure Transfers Receivable	150,000

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 27: Transfers Receivable/Payable**

<b>Environmental Protection Agency</b>	<b>Amount</b>	<b>Department of Labor</b>	<b>Amount</b>	<b>Difference</b>
2155F(16)- Expenditure Transfers Payable	150,000	1335F(68)- Expenditure Transfers Receivable	(150,000)	0
<b>TOTAL</b>	150,000	<b>TOTAL</b>	(150,000)	0

21.11.4 – Custodial Collection Transfer to a different Intragovernmental Treasury Account Symbol (TAS)

This example was created for the Department of Treasury, Internal Revenue Service (IRS) to account for receipts that are collected in a general fund receipt account (20 0110) and, by law, are distributed to a special fund receipt account (20X5510). In this example, the receiving special fund records a proprietary financing source, as well as a budgetary resource (not shown). Concepts used in this scenario may apply to other entities that distribute custodial collections. Only proprietary entries are shown.



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<b>TC A210 and C142R</b>	<b>TC A212</b>
<p>To distribute 25% of the custodial collections to a special fund receipt account via Statement of Transactions (i.e. SF-224). To record distribution of fund balance, and reduction of custodial liability.</p>	<p>To record the financing sources transferred in to a special or nonrevolving trust fund from a general fund receipt account.</p>
<p>Dr 5998(F20) Custodial Statement Collections Transferred-Out To a Treasury Account Symbol Other Than the General Fund of the Treasury 15,000</p>	<p>Dr 1010 Fund Balance with Treasury 15,000</p>
<p>Cr 1010 Fund Balance with Treasury 15,000</p>	<p>Cr 5997 (F20) Financing Sources Transferred-In From Custodial Statement Collections 15,000</p>
<p>Dr 2980 (F99) Custodial Liability 15,000  5990(F99) Collection for Others – Statement of Custodial Activity 15,000</p>	

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21.11.5 – Transfer In and Out Without Reimbursement - Reciprocal Category 18

**RC 18 Transfers In/Out Without Reimbursement**

Transfer-Out Agency (SBA)		Transfer-In Agency (DHS)	
<b>TC E510</b>		<b>TC E606</b>	
Dr 1759N – Accumulated Depreciation on Equipment	4,000	Dr 1750N – Equipment	8,000
Dr 5730F (70) – Financing Sources Transferred-out Without Reimbursement	4,000		
Cr 1750N – Equipment	8,000	Cr 1759N – Accumulated Depreciation on Equipment	4,000
		Cr 5720F (73) – Financing Sources Transferred-in Without Reimbursement	4,000
To record transfer-out of assets.		To record transfer-in of assets.	

The Intragovernmental Reciprocal Category eliminations for these accounts are as follows:

**RC 18: Transfers In/Out Without Reimbursement**

<b>Small Business Administration</b>	<b>Amount</b>	<b>Department of Homeland Security</b>	<b>Amount</b>	<b>Difference</b>
5730F(70)- Financing Sources Transferred-Out Without Reimbursement	4,000	5720F(73)- Financing Sources Transferred-In Without Reimbursement	(4,000)	0
<b>TOTAL</b>	<b>4,000</b>	<b>TOTAL</b>	<b>(4,000)</b>	<b>0</b>

**For further information regarding trust fund transfers, refer to the Federal Trust Fund Accounting Guide located on the FMS-USSGL website.**

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**21.12 - Other Transactions**

There are other Intragovernmental transactions occurring between agencies not specifically referred to in this guide. FMS suggests that agencies establish accounting procedures for these transactions in conjunction with their partners to provide for easy identification and reconciliation of the activities and balances.

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**Appendix A—Federal Intragovernmental Transactions Categories of Reciprocal U.S.  
Standard General Ledger Proprietary Accounts**

Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
01	Federal Investments/Debt	1610F(20)	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	2530F(XX)	Securities Issued by Federal Agencies Under General and Special Financing Authority
		1611F(20)	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt	2531F(XX)	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority
		1612F(20)	Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	2532F(XX)	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
		1613F(20)	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt	2533F(XX)	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
		1618F(20)	Market Adjustment – Investments		
		1620F(XX)	Investments in Securities Other Than the Bureau of the Public Debt Securities	2540F(XX)	Participation Certificates

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
01 (Cont'd)	Federal Investments/Debt	1621F(XX)	Discount on Securities Other Than the Bureau of the Public Debt Securities		
		1622F(XX)	Premium on Securities Other Than the Bureau of the Public Debt Securities		
		1623F(XX)	Amortization of Discount and Premium on Securities Other Than the Bureau of the Public Debt Securities		
		1630F(20)	Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		
		1631F(20)	Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
01 (Cont'd)	Federal Investments/Debt	1633F(20)	Amortization of Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		
		1638F(20)	Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds		
		1639F(20)	Contra Market Adjustment – Investments in U.S. Treasury Zero Coupon Bonds		
		1690F(XX)	Other Investments		
02	Interest Receivable/ Interest Payable	2140F(XX)	Accrued Interest Payable – Not Otherwise Classified Accrued Interest Payable - Debt	1340F(XX)	Interest Receivable
		2141F (XX)		1349F(XX)	Allowance for Loss on Interest Receivable
03	Federal Securities Interest Expense/ Federal Securities Interest Revenue	5311FX(XX)	Interest Revenue – Investments (Exchange)	6320F(XX)	Interest Expense on Securities

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
03 (Cont'd)	Federal Securities Interest Expense/ Interest Revenue	5311FT(XX)	Interest Revenue – Investments (Nonexchange)		
		5318FX(XX)	Contra Revenue for Interest Revenue – Investments (Exchange)		
		5318FT(XX)	Contra Revenue for Interest Revenue – Investments (Nonexchange)		
		7111FX(XX)	Gains on Disposition of Investments (Exchange)	7211FX(XX)	Losses on Disposition of Investments (Exchange)
		7111FT(XX)	Gains on Disposition of Investments (Nonexchange)	7211FT(XX)	Losses on Disposition of Investments (Nonexchange)
		7180FX(XX)	Unrealized Gains (Exchange)	7280FX(XX)	Unrealized Losses (Exchange)
		7180FT(XX)	Unrealized Gains (Nonexchange)	7280FT(XX)	Unrealized Losses (Nonexchange)

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
05	Borrowings and Other Interest Expense/Interest Revenue	6310F(20)	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	5310FX(XX)	Interest Revenue – Other (Exchange)
				5310FT(XX)	Interest Revenue – Other (Nonexchange)
				5312FX(20)	Interest Revenue – Loans Receivable/ Uninvested Funds (Exchange)
				5312FT(20)	Interest Revenue-Loans Receivable/ Uninvested Funds (Nonexchange)
		6330F(XX except 99)	Other Interest Expenses	5317FX(XX)	Contra Revenue for Interest Revenue – Loans Receivable (Exchange)
				5317FT(XX)	Contra Revenue for Interest Revenue – Loans Receivable (Nonexchange)

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
05 (Cont'd)	Borrowings and Other Interest Expense/Interest Revenue			5319FX(XX)	Contra Revenue for Interest Revenue – Other (Exchange)
				5319FT(XX)	Contra Revenue for Interest Revenue – Other (Nonexchange)
				7112FT(XX)	Gains on Disposition of Borrowings (Nonexchange)
				7190FT(XX)	Other Gains (Nonexchange)
				7212FT(XX)	Losses on Disposition of Borrowings (Nonexchange)
				7290FT(XX)	Other Losses (Nonexchange)
06	Borrowings-Losses/Gains	7212FX(XX)	Losses on Disposition of Borrowings (Exchange)	7112FX(XX)	Gains on Disposition of Borrowings (Exchange)
		7290FX(XX)	Other Losses (Exchange)	7190FX(XX)	Other Gains (Exchange)
07	Appropriation of Unavailable Trust or Special Fund Receipts	5740F(XX)	Appropriated Earmarked Receipts Transferred In	5745F(XX)	Appropriated Earmarked Receipts Transferred Out

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
08	Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources	3102F(XX)	Unexpended Appropriations-Transfers-In	3103F(XX)	Unexpended Appropriations-Transfers-Out
		5755F(XX)	Nonexpenditure Financing Sources-Transfers-In	5765F(XX)	Nonexpenditure Financing Sources-Transfers-Out
09	Expenditure Transfers of Financing Sources	5750F(XX)	Expenditure Financing Sources –Transfers-In	5760F (XX)	Expenditure Financing Sources – Transfers-Out
		5997F (XX)	Financing Sources Transferred In From Custodial Statement Collections	5998F (XX)	Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund of the Treasury
17	Loans Receivable/Payable	2510F(20)	Principal Payable to the Bureau of the Public Debt	1350F(XX)	Loans Receivable
		2511F(XX)	Capitalized Loan Interest Payable – Non-Credit Reform	1351F(XX)	Capitalized Loan Interest Receivable – Non-Credit Reform
		2520F(20)	Principal Payable to the Federal Financing Bank	1359F(XX)	Allowance for Loss on Loans Receivable
		2590F(XX)	Other Debt		

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
18	Transferred In/Out Without Reimbursement	5720F(XX)	Financing Sources Transferred In Without Reimbursement	5730F(XX)	Financing Sources Transferred Out Without Reimbursement
		5775F(XX)	Nonbudgetary Financing Sources Transferred In	5776F(XX)	Nonbudgetary Financing Sources Transferred Out
21	Benefit Program Contributions Receivables and Payables	2213F(XX)	Employer Contributions and Payroll Taxes Payable	1320F(XX)	Employment Benefit Contributions Receivable
		2215F(XX)	Other Post Employment Benefits Due and Payable		
		2225F(XX)	Unfunded FECA Liability		
		2290F(XX)	Other Unfunded Employment Related Liability		

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
22	Accounts Receivable/ Accounts Payable	2110F(XX)	Accounts Payable	1310F(XX)	Accounts Receivable
		2120F(XX)	Disbursements in Transit	1319F(XX)	Allowance for Loss on Accounts Receivable
		2130F(XX)	Contract Holdbacks		
		2170F(XX)	Subsidy Payable to the Financing Account	1990F (XX)	Other Assets
		2190F(XX)	Other Liabilities With Related Budgetary Obligations		
		2990F(XX)	Other Liabilities Without Related Budgetary Obligations		
23	Advances to Others and Prepayments/ Advances From Others and Deferred Credits	1410F(XX)	Advances and Prepayments	2310F(XX)	Liability for Advances and Prepayments

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
24	Buy/Sell Costs/Revenues	6100F(XX)	Operating Expenses/Program Costs	5100FX(XX)	Revenue From Goods Sold
		6190F(XX)	Contra Bad Debt Expense – Incurred for Others	5109FX(XX)	Contra Revenue for Goods Sold
		6720F(XX)	Bad Debt Expense		
		6790F(XX)	Other Expenses Not Requiring Budgetary Resources	5200FX(XX)	Revenue From Services Provided
				5209FX(XX)	Contra Revenue for Services Provided
		6800F(XX)	Future Funded Expenses	5900FX(XX)	Other Revenue (Exchange)
		6900F(XX)	Nonproduction Costs	5909FX(XX)	Contra Revenue for Other Revenue (Exchange)
		8802F(XX)	Purchases of Property, Plant, and Equipment		
		8803F(XX)	Purchases of Inventory and Related Property		
8804F(XX)	Purchase of Assets - Other				
25	Imputed Costs/ Imputed Financing Sources	5780F(XX)	Imputed Financing Sources	6730F(XX)	Imputed Costs

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Category	Category Name	Pairing of Accounts			
		Receiving Agency		Providing Agency	
		USSGL Account	USSGL Account Title	USSGL Account	USSGL Account Title
26	Benefit Program Costs/Revenues	6400F(XX)	Benefit Expense	5400FX(XX)	Benefit Program Revenue (Exchange)
		6850F(XX)	Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)	5400FT(XX)	Benefit Program Revenue (Nonexchange)
				5409FX(XX)	Contra Revenue for Benefit Program Revenue (Exchange)
				5409FT(XX)	Contra Revenue for Benefit Program Revenue (Nonexchange)
27	Transfers Receivable/Payable	1330F(XX)	Receivable for Transfers of Currently Invested Balances	2150F(XX)	Payable for Transfers of Currently Invested Balances
		1335F(XX)	Expenditure Transfers Receivable	2155F(XX)	Expenditure Transfers Payable

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Category 29 – Non-Reciprocating USSGL Accounts

The USSGL accounts indicated in RC29 do not eliminate against another USSGL account.

1010	Fund Balance With Treasury
1360F	Penalties, Fines, and Administrative Fees Receivable
1369F	Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable
1921F	Receivable From Appropriations
2400F	Liability for Nonfiduciary Deposit Funds, Clearing Accounts, and Undeposited Collections
2940F	Capital Lease Liability
2960F	Accounts Payable From Canceled Appropriations
2970F	Liability for Capital Transfers to the General Fund of the Treasury
2980F	Custodial Liability
2985F	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity
3101	Unexpended Appropriations – Appropriations Received
3106	Unexpended Appropriations -- Adjustments
3107	Unexpended Appropriations – Used
3109	Unexpended Appropriations – Prior-Period Adjustments Due to Changes in Accounting Principles
5320F X/T	Penalties, Fines, and Administrative Fees Revenue
5329F X/T	Contra Revenue for Penalties, Fines, and Administrative Fees
5700	Expended Appropriations
5709	Expended Appropriations – Prior-Period Adjustments Due to Changes in Accounting Principles
5790F X/T	Other Financing Sources
5791F	Adjustment to Financing Sources – Downward Reestimate or Negative Subsidy
5800F T	Tax Revenue Collected – Not Otherwise Classified
5801F T	Tax Revenue Collected – Individual
5802F T	Tax Revenue Collected - Corporate
5803F T	Tax Revenue Collected - Unemployment
5804F T	Tax Revenue Collected - Excise
5805F T	Tax Revenue Collected – Estate and Gift
5806F T	Tax Revenue Collected - Customs
5820F T	Tax Revenue Accrual Adjustment – Not Otherwise Classified
5821F T	Tax Revenue Accrual Adjustment - Individual
5822F T	Tax Revenue Accrual Adjustment - Corporate
5823F T	Tax Revenue Accrual Adjustment - Unemployment
5824F T	Tax Revenue Accrual Adjustment - Excise
5825F T	Tax Revenue Accrual Adjustment – Estate and Gift
5826F T	Tax Revenue Accrual Adjustment – Customs

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5830F T	Contra Revenue for Taxes – Not Otherwise Classified
5831F T	Contra Revenue for Taxes – Individual
5832F T	Contra Revenue for Taxes – Corporate
5833F T	Contra Revenue for Taxes – Unemployment
5834F T	Contra Revenue for Taxes – Excise
5835F T	Contra Revenue for Taxes – Estate and Gift
5836F T	Contra Revenue for Taxes - Customs
5890F T	Tax Revenue Refunds – Not Otherwise Classified
5891F T	Tax Revenue Refunds – Individual
5892F T	Tax Revenue Refunds – Corporate
5893F T	Tax Revenue Refunds – Unemployment
5894F T	Tax Revenue Refunds – Excise
5895F T	Tax Revenue Refunds – Estate and Gift
5896F T	Tax Revenue Refunds - Customs
5900F T	Other Revenue (Nonexchange)
5909F T	Contra Revenue for Other Revenue (Nonexchange)
5990F X/T	Collections for Others – Statement of Custodial Activity
5991F X/T	Accrued Collections for Others – Statement of Custodial Activity
5993F	Offset to Non-Entity Collections-Statement of Changes in Net Position
5994F	Offset to Non-Entity Accrued Collections-Statement of Changes in Net Position
7401F	Prior-Period Adjustments Due to Changes in Accounting Principles
7500F X/T	Distribution of Income – Dividend
8801F*	Offset for Purchases of Assets

\*USSGL accounts 8801 through 8804 are Memorandum accounts that are not incorporated into the FR but are used in interim IRAS reporting in order to reconcile intragovernmental buy-sell activity.

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**Appendix B—Federal Trading Partner Department Codes for GFRS and FACTS I**

The following crosswalk provides Federal trading partner codes that are required for the Governmentwide Financial Reporting System (GFRS) and Federal Agencies Centralized Trial Balance System I (FACTS I). These codes are used to facilitate the preparation of the *Financial Report of the United States* (FR). The identification number shown below under GFRS Codes is unique to GFRS. In most instances, the 2-digit department code used in FACTS I has two zeros added to the end for the purpose of GFRS (that is Department of the Treasury, FACTS I Code 20, GFRS Code 2000). The Department of Defense (DOD) trading partner code DE00 will include the Department of the Air Force, the Department of the Army, the Department of the Navy, the Defense Agencies, and the U.S. Corps of Engineers. The Trading Partner Code 9500 will include independent and other agencies.

<b>GFRS Codes</b>	<b>FACTS I Codes</b>	<b>Department or Agency</b>
1200	12	Department of Agriculture
1300	13	Department of Commerce
1400	14	Department of Interior
1500	15	Department of Justice
1601	16	Department of Labor
1602	16	Pension Benefit Guaranty Corporation
1800	18	U.S. Postal Service
1900	19	Department of State
2000	20	Department of Treasury
2400	24	Office of Personnel Management
2500	25	National Credit Union Administration
2700	27	Federal Communications Commission
2800	28	Social Security Administration
3100	31	U.S. Nuclear Regulatory Commission
3300	33	Smithsonian Institution
3600	36	Department of Veterans Affairs
4700	47	General Services Administration
4900	49	National Science Foundation
5000	50	Securities and Exchange Commission
5100	51	Federal Deposit Insurance Corporation
6000	60	Railroad Retirement Board
6400	64	Tennessee Valley Authority
6800	68	Environmental Protection Agency
6900	69	Department of Transportation
7000	70	Department of Homeland Security
7200	72	Agency for International Development
7300	73	Small Business Administration
7500	75	Department of Health and Human Service
7802	78	Farm Credit System Insurance Corporation

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8000	80	National Aeronautics and Space Administration
8300	83	Export-Import Bank of the United States
8600	86	Department of Housing and Urban Development
8900	89	Department of Energy
9100	91	Department of Education
<b>DE00*</b>	17	Department of the Navy
	21	Department of the Army
	57	Department of the Air Force
	96	U.S. Army Corps of Engineers
	97	Office of the Secretary of Defense - Defense Agencies
9900	99	Treasury General Fund
9999	00	Unidentified

\* The Department of Defense (DOD) trading partner code DE00 will include the Department of the Air Force, the Department of the Army, the Department of the Navy, the Defense agencies, and the U.S. Army Corps of Engineers.

**Independent Agencies\*\***

0100	01	Architect of the Capitol
0200	02	U.S. Capitol Police
0300	03	Library of Congress
0400	04	Government Printing Office
0500	05	Government Accountability Office
0800	08	Congressional Budget Office
0900	09	Other Legislative Branch Agencies
1000	10	The Judiciary
1100	11	Executive Office of the President
2300	23	U.S. Tax Court
2600	26	Federal Retirement Thrift Investment Board
1800	29	Federal Trade Commission
3301	33	JFK Center for Performing Arts
3302	33	National Gallery of Art
3303	33	Woodrow Wilson International Center for Scholars
3400	34	International Trade Commission
4100	41	Merit Systems Protection Board
4500	45	U.S. Equal Employment Opportunity Commission
4600	46	Appalachian Regional Commission
4800	48	Temporary Commissions
5400	54	Federal Labor Relations Authority
5600	56	Central Intelligence Agency
5900	59	National Foundation on the Arts and the Humanities
6002	60	National Railroad Retirement Investment Trust
6100	61	Consumer Product Safety Commission
6200	62	Office of Special Counsel
6300	63	National Labor Relations Board
6500	65	Federal Maritime Commission
6903	69	St. Lawrence Seaway Development Corporation

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7100	71	Overseas Private Investment Corporation
7400	74	American Battle Monuments Commission
7601	76	Historical and Memorial Commissions
7801	78	Farm Credit Administration
8400	84	Armed Forces Retirement Home
8800	88	National Archives and Records Administration
9000	90	Selective Service System
9108	91	Appalachian Regional Development Test
9300	93	Federal Mediation and Conciliation Service
9500	95	Independent Agencies

Independent Agencies:

\*\*\*“9500” is the consolidated code for all independent agencies in GFRS; therefore, all agencies must use “9500” as trading partner code, if it applies.

**Appendix C— Material Differences/Status of Disposition Certification**

Intragovernmental Reporting and Analysis System

MATERIAL DIFFERENCES REPORT Fiscal Year : '2009' , Quarter : '1' Agency Contact/Ph/Email: \_\_\_\_\_

Agency: \_\_\_\_\_ Agy Code: \_\_\_\_\_

TP	RC	P_OR_S	Amount - Reporting Agency	Amount - Partner	Amount - Difference	1. Confirmed Rptg	2. Acctg Meth Difference	3. Acctg/Rptg Error	D

**CERTIFICATION**

I have reviewed the Material Differences Report generated by FMS' IRAS from intragovernmental data submitted by our agency and associated trading partner(s). The data provided by this agency is consistent with its supporting records and is derivative of unaudited financial statement data submitted to OMB, as indicated from the disposition of agency reporting by 'X' in columns: 1-confirm reporting, 2-accounting method difference, or 6-prior year timing difference. In the event of accounting/reporting error or current year timing difference, the agency is expected to correct reporting in the subsequent period.

Chief Financial Officer or Designee \_\_\_\_\_ Date \_\_\_\_\_

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**Appendix C – Material Differences/Status of Disposition Certification**

<b>MATERIAL DIFFERENCES PART 2</b> UCAD vs IRAS Reciprocal Categories 07 and 08 FY: 2009, QTR.: 1 (amounts are displayed in standard method)						
<b>AGENCY: C</b>	<b>AGY CODE: ZZ</b>					
<b>Reciprocal Category</b>	<b>Reciprocal Category Title</b>	<b>Partner Code</b>	<b>Partner Name</b>	<b>IRAS Reported</b>	<b>UCAD Reported</b>	<b>Difference</b>
07	Appropriation of Unavailable Trust or Special Fund Receipts	XX	Department A	-99,440,000.00	-99,440,000.00	0.00
	Appropriation of Unavailable Trust or Special Fund Receipts	YY	Department B	-2,250,000.00	0.00	-2,250,000.00
				-101,690,000	-99,440,000	-2,250,000
08	Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources	00	Partner Undefined	-150,736.51	0.00	-150,736.51
	Nonexpenditure Transfers of Unexpended Appropriations and Financing Sources	XX	Department A	-610,525.85	-45,385,225.02	44,774,699.17
				-761,262	-45,385,225	44,623,963

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**Appendix C – Material Differences/Status of Disposition Certification**

<b>MATERIAL DIFFERENCES PART 2</b> Undefined Partner and General Fund Detail Report for Amounts Greater than +/- 10,000,000 Fiscal Year: 2009, Quarter: 1				
<b>AGENCY: A</b>	<b>AGY Code: XX</b>			
<b>Partner Code</b>	<b>Partner Name</b>	<b>Reciprocal Category Code</b>	<b>Reciprocal Category Title</b>	<b>AMOUNT</b>
00	Partner Undefined	24	Intra-governmental buy/sell costs/revenues	25,265,265.35
				Total for Partner 00: 25,265,265.35
99	Treasury General Fund	29	Uncategorized – SGLs that are NOT assigned to any other category	165,645,985.25
				Total for Partner 99: 165,645,985.25

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**Appendix D—Scenarios for Comparative Status of Disposition Explanation of Material Difference**

Scenario	Reported Explanation of Material Difference		Expected Corrective Action (Agencies and/or FMS)
	Agency A	Agency B	
1	Confirmed Reporting	Confirmed Reporting	CFO plan of action is required for unresolved confirmed reporting differences for the third quarter FY 2009.
2	Confirmed Reporting	Accounting Methodology	The Confirmed Reporting agency (A) shall report 'Accounting Methodology' explanation and basis of accounting in subsequent reporting period.
3	Confirmed Reporting	Current Year Timing Difference	Agency B is expected to account for activity in subsequent reporting period.
4	Confirmed Reporting	Prior Year Timing Difference	FMS is aware that the Material Difference will be a recurring difference.
5	Confirmed Reporting	Unknown	Agency B is expected to further research accounting treatment.
6	Confirmed Reporting	Accounting Error	Agency B is expected to correct reporting in subsequent period.
7	Accounting Methodology	Accounting Methodology	Both Agency A and B shall provide basis of accounting treatment; if the same treatment is used, FMS deems it to be inconsistent; otherwise FMS is aware that the Material Difference will be a recurring difference.
8	Accounting Methodology	Accounting Error	Agency B shall correct explanation in subsequent reporting period to indicate 'Accounting Methodology' and provide basis; ultimately FMS is aware that the Material Difference will be a recurring difference.
9	Accounting Methodology	Current Year Timing Difference	Refer to scenario 8
10	Accounting Methodology	Prior Year Timing Difference	Refer to scenario 8
11	Accounting Methodology	Unknown	Refer to scenario 8
12	Accounting Error	Accounting Error	Both Agency A and B are expected to correct reporting in subsequent for the amount impacting its own agency.

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Scenario	Reported Explanation of Material Difference		Expected Corrective Action (Agencies and/or FMS)
	Agency A	Agency B	
13	Unknown <sup>1</sup>	Unknown <sup>1</sup>	Both Agency A and B are expected to further research accounting treatment; FMS will provide report to OMB and an Unreconciled Activity report to GAO.
14	Unknown <sup>1</sup>	Accounting Error	Agency A is expected to further research accounting treatment; while Agency B is expected to correct reporting in subsequent period to the extent of the accounting error made.
15	Unknown <sup>1</sup>	Current Year Timing Difference	The Agency (A) reporting 'Unknown' explanation shall correct explanation in subsequent period to 'Current Year Timing Difference'; while the corresponding agency (B) is expected to record activity in a subsequent reporting period.
16	Unknown	Prior Year Timing Difference	The Agency (A) reporting 'Unknown' explanation shall correct explanation in subsequent period to 'Prior Year Timing Difference'; FMS is aware that the Material Difference will be a recurring difference.
17	Prior Year Timing Difference	Prior Year Timing Difference	FMS is aware that the Material Difference will be a recurring difference.
18	Current Year Timing Difference	Current Year Timing Difference	Whichever Agency (A or B) that requires future accounting treatment is expected to record activity in a subsequent accounting period.

<sup>1</sup> CFO plan of action is required for unresolved "unknown" reporting differences for the third quarter FY2009.  
Note: When agency A and B explanations are reversed the corrective action is applied also in reverse.

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**Appendix E—FY 2009 CFO Representations for Federal Intragovernmental Activity and Balances**

<b>Fiscal 2009 CFO Representations for Federal Intragovernmental Activity and Balances</b>			
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Mark in Green Areas Only</b> </div>			
<b>Agency Name</b>			
<b>4-Digit Agency Code</b>			
<p><b>INSTRUCTIONS:</b> Next to each category enter "Yes," "No," or "N/A" to indicate whether criteria has been met. Briefly describe reasons for exceptions. Provide an electronic file copy of the CFO Representations for Federal Intragovernmental Activity and Balances along with the completed <i>Intragovernmental Closing Package Material Differences/Status of Disposition Certification Report</i> to the agency's IG, FMS, and GAO by November 24, 2009.</p> <p><b>Note:</b> For all responses to the intragovernmental issues below, describe the area and the extent of any noncompliance with the requirements in a written response on the standard form described above, or an attachment if necessary.</p> <p><b>(Refer to the requirements stated in subsection 4705.80, CFO Procedures for Intragovernmental Activity/Balances.)</b></p>		<b>"Yes" or "No" or "N/A"</b>	<b>Reason for Exceptions</b>
<b>Section I. General Intragovernmental Reporting Results</b>			
<p>A. Is consistency maintained between the agency intragovernmental reporting entered in the Governmentwide Financial Report System (GFRS) Module GF004 (by line item and trading partner) and the agency source documents? If "no," provide an explanation. (Refer to the <i>Intragovernmental Closing Package Line Item Reports</i> and the <i>Trading Partner Identification Reports</i> from GFRS Module GF004.)</p>			
<p>B. Does the agency have policies/procedures to record, process, summarize, and report intragovernmental activity/balances by trading partner? If "yes" identify those policies/procedures. Describe the basis of accounting used/policy followed for buy/sell related (for example, accrual), fiduciary (for example, straight-line, TFM), and transfer (for example, OMB Circular No. A-136) intragovernmental transactions.</p>			
<p>C. Review the agency's activity reported under trading partner "9999". Does this activity relate to business conducted with highly classified agencies, the U.S. Senate, or the House of Representatives? If "yes" indicate the dollar amount or percentage of this activity.</p>			
<p>D. Did all trading partners report intragovernmental Closing Package activity/balances? If "no," list those Federal program agencies that did not report Closing Package intragovernmental activity/balances. (Refer to the Oracle Discoverer Viewer-generated Closing Package <i>Intragovernmental Activity Summary Report</i>.)</p>			
<p>E. Review the Oracle Discoverer Viewer-generated <i>Intragovernmental Closing Package Material Differences/Status of Disposition Certification Report</i>. Were all Federal program agencies contacted or pursued concerning material differences? If "no," list those agencies that were not contacted or pursued and provide an explanation.</p>			

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<p><b>Fiscal 2009 CFO Representations for  Federal Intragovernmental Activity and Balances</b></p>	
<p style="text-align: center;"><b>Mark in Green Areas Only</b></p>	

<p>F. Did the agency use the UCAD reports available on the FMS website at <a href="http://www.fms.treas.gov/factsi/reports.html">http://www.fms.treas.gov/factsi/reports.html</a> to validate the agency's trading partner data entered in GFRS Module GF004 for the Closing Package line items in RC 07 and RC 08? If "no," provide an explanation.</p>		
<p>G. Did the independent auditors propose any adjustments related to intragovernmental balances reported in the Closing Package? If "yes," list the auditor's intragovernmental adjustments waived by management.</p>		
<p><b>Section II. Explanation of Closing Package Differences</b></p>		
<p>Attach the completed and signed <i>Intragovernmental Closing Package Material Differences/Status of Disposition Certification Report</i>.</p>		

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**Appendix F—Intragovernmental Key Dates**

<b>Action No.</b>	<b>Required Action</b>	<b>Responsible Organization</b>	<b>*Due Date</b>
1	IFCS opens for 3rd Quarter/2009	FPA	7/09/09
2	IFCS closes for 3 <sup>rd</sup> Quarter 2009 (last day for agency fiduciary confirmations)	FPA	7/23/09
3	Intragovernmental (“F” transactions) 3 <sup>rd</sup> Quarter 2009 agency data file due to FMS	FPA/CFO	7/23/09
4	Agencies generate 3 <sup>rd</sup> Quarter 2009 Intragovernmental Activity Reporting Data (from Oracle Discoverer Viewer- via GFRS)	FMS	7/29/09
5	Agencies submit 3 <sup>rd</sup> Quarter 2009 Status of Disposition Certification to FMS	FPA/CFO	8/05/09
6	Agencies generate 3 <sup>rd</sup> quarter 2009 Comparative Status of Disposition	FMS	8/11/09
7	IFCS opens for 4 <sup>th</sup> quarter 2009	FPA	10/08/09
8	Intragovernmental (“F” transactions) 4 <sup>th</sup> Quarter 2009 agency data file due to FMS	FPA/CFO	10/18/09
9	IFCS closes for 4 <sup>th</sup> Quarter 2009 (Final)	FPA	10/16/09
10	Agencies generate 4th Quarter 2009 Intragovernmental Activity Reporting Data (from Oracle Discoverer Viewer- via GFRS)	FMS	10/22/09
11	Agencies generate Closing Package Intragovernmental Activity Reporting Data (from Oracle Discoverer Viewer-viewer via GFRS)	FMS	11/19/09
12	CFO Representations for Federal Intragovernmental Activity and Balances and the certified Intragovernmental Closing Package Material Differences/Status of Disposition Certification report due to FMS, Agency IGs and GAO	FPA/CFO	11/24/09
13	Agencies generate Intragovernmental Comparative Closing Package Explanation of Differences Report	FMS	11/30/09

Note: \*All above dates are “no later than”



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**Appendix H—Explanation of Differences**

**Status of Disposition Certification  
For  
Quarterly and Closing Package Differences  
(Verifying Agencies)**

<b>Explanation of Differences *</b>	
Confirmed Reporting	When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is in agreement with the agency’s source documentation, an “X” is placed in the confirmed reporting column. Confirmed reporting needs no amount entered. When the confirmed reporting column is selected, there should be no other column marked.
Accounting Methodology Difference	When an agency verified/ reviewed/ agreed the amount reported to IRAS/GFRS is accurate, yet the difference in the agency’s reporting and their partner reporting is due to different accounting methods used, an “X” is placed in the “Accounting Methodology Difference” column. Additional explanations for Accounting Methodology Differences should be provided in the bottom section of the Status of Disposition Report. When providing explanations, first indicate the method your agency is using. Additional explanations of the basis of accounting must be provided on the “Additional Explanations” attachment
Accounting/Reporting Error	When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS <b>is not</b> accurate, possibly due to non-reporting (reporting error) or incorrect reporting (accounting error), the amount of the error(s) is placed in the “Acctg/Rptg Error” column. When an agency has indicated an amount as a reporting or accounting error, this will be used to increase or decrease their original reporting. Only place the amount of adjustment (positive or negative) in this column. If the amount of the agency’s adjustment is a portion of original difference, IRAS will label the excess amount as unknown. Remember: All accounting/ reporting errors, once identified, should be corrected in the following quarter. Additional explanations for Accounting/Reporting errors must be provided on the “Additional Explanations” attachment.

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<p>Timing Difference - Current Year</p>	<p>When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is accurate, yet the difference in the agency’s reporting and their partner reporting is due to reporting an amount in a different quarter within the same fiscal year, the amount of the error(s) is placed in the “Timing Difference –CY” column. When an agency has indicated an amount as a timing difference, this amount will be used to increase or decrease their original reporting. Only place the amount of adjustment (positive or negative) in this column. If the amount of the agency’s adjustment is a portion of original difference, IRAS will label the excess amount as unknown.</p> <p>Remember: All current year timing differences, once identified, should be corrected in the following quarter. Additional explanations for Timing Difference – CY must be provided on the “Additional Explanations” attachment.</p>
<p>Unknown</p>	<p>When an agency cannot verify the accuracy of the amount reported to IRAS/GFRS, an “X” is placed in the “Unknown” column. When agencies submit unverified data, further explanation <b>must</b> be provided on the “Additional Explanations” attachment describing the circumstances regarding data submission. “Unknown” explanations are expected to be researched further and identified for future reporting.</p>
<p>Timing Difference - Prior Year</p>	<p>When an agency has verified/ reviewed/ agreed the amount reported to IRAS/GFRS is accurate, yet the difference in the agency’s reporting and their partner reporting is due to reporting an amount in a prior fiscal year, an “X” is placed in the “Timing Difference –PY” column. Prior year timing differences need no amounts entered. Additional explanations for Timing Difference – PY must be provided on the “Additional Explanations” attachment.</p>

\* All Explanations are from YOUR agency’s perspective.