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# Annual Agency Credit Training Credit Program Accounting Basics

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# Accounting References

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- Federal Accounting Standards Advisory Board (FASAB)  
Standards and Concepts
  - FASAB Standard No. 2, *Accounting for Direct Loans and Loan Guarantees*
  - FASAB Standard No. 18, *Amendments to Accounting Standards for Direct Loans and Loan Guarantees in Statement of Federal Financial Accounting Standards No. 2*
  - FASAB Standard No. 19, *Technical Amendments to Accounting Standards for Direct Loans and Loan Guarantees in Statement of Federal Financial Accounting Standards No. 2*
  - [www.fasab.gov](http://www.fasab.gov)

# Accounting References

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- Accounting and Auditing Policy Committee (AAPC)
  - Technical Releases
    - TR 3, *Auditing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act*
    - TR 6, *Preparing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act*
  - [www.fasab.gov/aapc](http://www.fasab.gov/aapc)

# Accounting References

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- OMB Circulars and Bulletins
  - OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*
  - OMB Circular No. A-129, *Policies for Federal Credit Programs and Non-Tax Receivables*
  - OMB Bulletin No. 01-09, *Form & Content of Agency Financial Statements*
  
- [www.whitehouse.gov/omb](http://www.whitehouse.gov/omb)

# Accounting References

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- Financial Management Service Case Studies
  - Direct Loan Case Studies
  - Loan Guarantee Case Studies
  - Pre-1992 Liquidating Accounts
  - Defaulted Guaranteed Loans with Collateral
  
- Next Steps
  - Updating case studies
  - Scenarios for negative subsidy and downward reestimates
  
- [www.fms.treas.gov/ussgl/creditreform](http://www.fms.treas.gov/ussgl/creditreform)

# Account Structure

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- Credit Reform is accounted for using a variety of Treasury Account Fund Symbols:
  - Program Account
  - Direct Loan Financing Account
  - Loan Guarantee Financing Account
  - Negative Subsidy Receipt Account
  - Downward Reestimate Receipt Account
  - Liquidating Account (Pre-1992)

# Challenges of Credit Reform

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- Multiple account symbols involved and relationships between the different accounts
- Multiple cohorts
- Acceleration of financial statements
  - Use of estimates
  - Timing of providing estimates to auditors