

# **Apportionment Basics for Credit Programs**

**Bing Bradshaw  
Budget Concepts, OMB  
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# **Treasury Accounts for Credit Programs**

- I. Before 1992 - “Liquidating” Accounts**
- II. After 1991 - “Program” Accounts and  
“Financing” Accounts**

# What are liquidating accounts?

➤ *Going out of business!*

Accounts that record all cash flows associated with direct loan obligations and loan guarantee commitments that were made prior to fiscal year 1992.

# Liquidating accounts can not be used?

- Can not be used to make new direct loans and loan guarantees
- Can not be used to pay administrative expenses

# When must liquidating accounts be “swept”?

- The unobligated balances must be transferred to miscellaneous receipts in the Treasury at the end of each fiscal year, unless justified by the agency and approved by OMB.

What if you have to pay an old bill but all the balances have been “swept”?

- FCRA (2 USC 661) provides permanent indefinite “appropriations.”

# **Part II: Program and Financing Accounts**

- **For post-1991 direct loans and loan guarantees there are:**
  - **Credit “Program” Accounts (P)**
  - **Direct Loan “Financing” Accounts (DLF)**
  - **Guaranteed Loan “Financing” Accounts (GLF)**

# Program and Financing Accounts

- **Should not be at odds**
- **Should be in sync**
- **Should be consistent with law, particularly the appropriations act.**



**DLF P GLF**



**DLF P GLF**



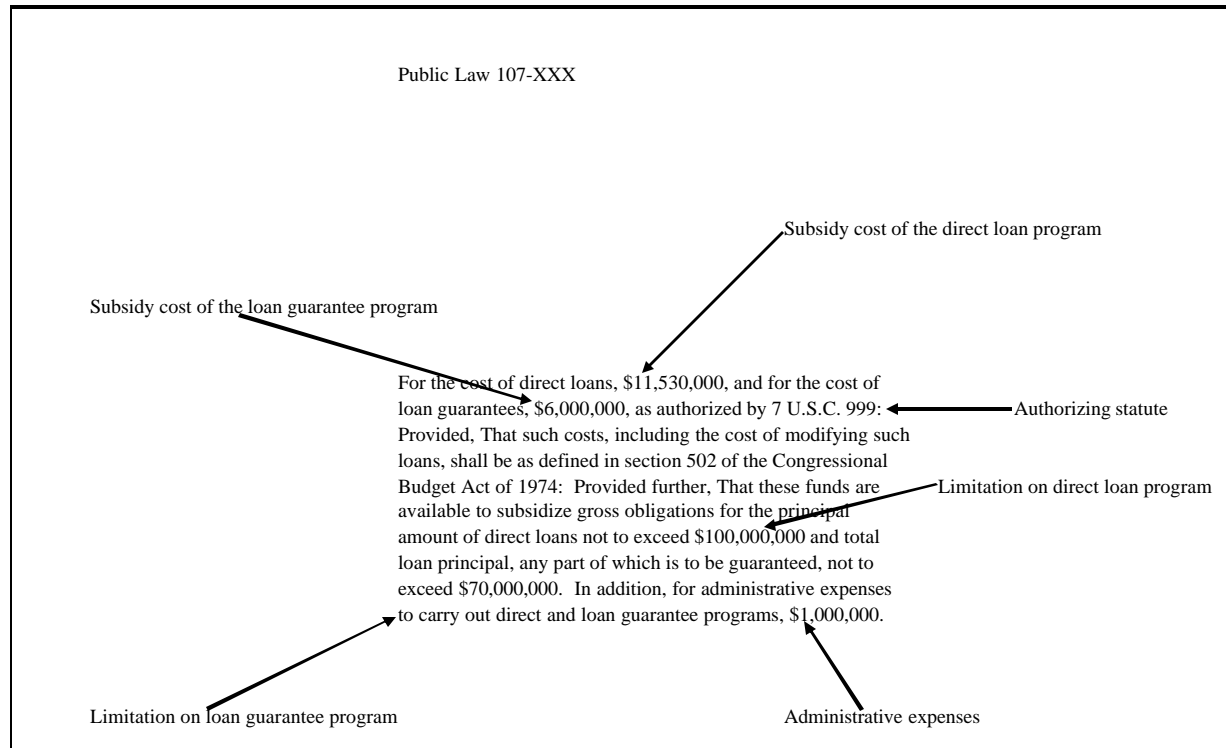
# Standard Appropriations Language for Credit Accounts

➤ See Exhibit 1

FEDERAL CREDIT

Exhibit 1

## Standard Appropriations Language



Initial Apportionment Program Account

Apportionment  
(SF 132) of the  
“Program”  
account for the  
credit program

➤ Exhibit 2

80 [= Treasury agency code]  
[= first year of availability, or blank for annual and no-year]  
YYYY [= last year of availability, or "X" for no-year]  
0138 [= Treasury account code]  
YYYY [= fiscal year]  
01 [= program number. Use the default value of "01" unless OMB tells you to use other numbers]

Fiscal year   

**SF132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE**

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Office of the Secretary		Credit Program Account 80Y0138	
	DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST
<b>BUDGETARY RESOURCES</b>			
1A	Budget authority: Appropriation..... P.L. 107-XXX.....		18,530,000
			↑ Subsidy (\$11,530,000 + \$6,000,000) + administrative expenses (\$1,000,000).
7	<b>Total budgetary resources.....</b>		18,530,000
<b>APPLICATION OF BUDGETARY RESOURCE</b>			
<i>Memorandum:</i>			
<b>Apportioned:</b> <i>Obligations incurred</i>			
Category B:			
SB1	Direct loan subsidy.....		11,530,000
SB2	Guaranteed loan subsidy.....		6,000,000
SB3	Administrative expenses.....		1,000,000
			↙ ↘ These two entries should be equal.
12	<b>Total budgetary resources.....</b>		18,530,000

SUBMITTED Authorized officer (Date) APPORTIONED \_\_\_\_\_ (Date)

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

# Apportionment (SF 132) of the “Program” account for the credit program

- The “program” account will obligate and outlay the:
  - DL subsidy to the DLF “financing” account;
  - LG subsidy to the LGF “financing” account; and
  - Administrative expenses to the agency account that will pay the salaries and expense of the staff who will administer the credit program.

# Apportionment of the “Financing” Account for the “Direct” Loan Program

1. Subsidy cost of direct loan program
2. Limitation on direct loan program.
3. Estimating budgetary resources for the direct loan financing account.
  - A. Anticipated collections
  - B. Borrowing authority
  - C. Repay Treasury
4. Apportionment request
  - A. Direct loan obligations
  - B. Interest payment to Treasury

# Apportionment of the "Financing" Account for the "Direct" Loan Program

➤ Exhibit 3

## Initial Apportionment Direct Loan Financing Account

80 [= Treasury agency code]  
 [= first year of availability, or blank for annual and no-year]  
 X [= last year of availability, or "X" for no-year]  
 4147 [= Treasury account code]  
 YYYY [= fiscal year]  
 01 [= program number. Use the default value of "01" unless OMB tells you to use other numbers]

Fiscal year CY

### SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary		Direct Loan Financing Account 80X4147			
	DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB	
<b>BUDGETARY RESOURCES</b>					
<b>Budget authority:</b>					
1B	Borrowing authority.....	Direct loan limitation (\$100,000,000) minus subsidy (\$11,530,000).	88,470,000	Subsidy from the progra account (\$11,530,000)+ repayments from borrow (\$10,243,000). 100% of the subsidy is recorded because the spending pl assumes that all loans w be obligated in the first year.	
<b>Spending authority from offsetting collections (gross):</b>					
3C	Anticipated for rest of year without advance.....		21,773,000		
<b>Permanently not available:</b>					
6F	Anticipated rest of year .....	Anticipated principal repayments to Treasury.	-8,562,750		
7	<b>Total budgetary resources.....</b>		101,680,250		
<b>APPLICATION OF BUDGETARY RESOURCES</b>					
<i>Memorandum:</i>					
<i>Obligations incurred</i>					
<b>Apportioned:</b>					
Category A:					
8A1	First quarter.....			These two entries should be equal.	
8A2	Second quarter.....				
8A3	Third quarter.....				
8A4	Fourth quarter.....				
Category B:					
8B1	Direct Loans		100,000,000		
8B2	Interest paid to Treasury		1,680,250		
12	<b>Total budgetary resources.....</b>		101,680,250		

SUBMITTED Authorized officer

(Date)

APPORTIONED \_\_\_\_\_

(Date)

**Initial Apportionment  
Guaranteed Loan Financing Account**

# Apportionment (SF 132) of the “Financing” Account for the “Loan Guarantee” Program

80 [= Treasury agency code]  
[= first year of availability, or blank for annual and no-year]  
X [= last year of availability, or "X" for no-year]  
4148 [= Treasury account code]  
YYYY [= fiscal year]  
01 [= program number. Use the default value of "01" unless OMB tells you to use other numbers]

Fiscal year CY

**SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE**

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Office of the Secretary		Guaranteed Loan Financing Account 80X4148	
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
<b>PROGRAM LEVEL</b>			
Guaranteed loan levels:			
Current year.....		70,000,000	Limitation on loan guarantees.
Unused from prior years.....			
<b>APPLICATION</b>			
Apportioned:			
Category A:			
First quarter	These top lines are only used on the SF 132 for guaranteed loan financing accounts.		
Second quarter			
Third quarter			
Fourth quarter			
Category B:			
Guaranteed loan program		70,000,000	
<b>BUDGETARY RESOURCES</b>			
<b>Spending authority from offsetting collections (gross):</b>			
3C Anticipated for rest of year without advance.....		6,360,000	Subsidy from the program account (\$6,000,000) + interest from Treasury (\$360,000).
7 <b>Total budgetary resources.....</b>		6,360,000	
<b>APPLICATION OF BUDGETARY RESOURCES</b>			
11 <b>Unapportioned balance of revolving fund.....</b>		6,360,000	These two entries should be equal.
12 <b>Total budgetary resources.....</b>		6,360,000	

➤ Exhibit 4

# Modifications

- A modification is a Government action that
  - (1) differs from actions assumed in the baseline estimate of cash flows, and
  - (2) changes the estimated cost of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment)

# Modifications

- The modification may be for a single loan or loan guarantee as well as a group.
- A modification may be any size.
- You can not modify a loan in a manner that increases its cost unless you have budget authority to cover the additional cost.



**Reapportionment for Modification  
Program Account**

# Apportionment of a Modification that increases the cost

- Exhibit MOD
- This example assumes that a supplemental appropriation of \$1 million was enacted to allow the agency to make the modification.

80 [= Treasury agency code]  
 [= first year of availability, or blank for annual and no-year]  
 YYYY [= last year of availability, or "X" for no-year]  
 0138 [= Treasury account code]  
 YYYY [= fiscal year]  
 01 [= program number. Use the default value of "01" unless OMB tells you to use other numbers]

Fiscal year **CY**

**SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE**

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU: Office of the Secretary	Credit Program Account 80Y0138		

DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
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<b>BUDGETARY RESOURCES</b>			
<b>Budget authority:</b>			
1A Appropriation.... P.L. 107-XXX and 107-YYY...	18,530,000	19,530,000	

If your current apportionment does not provide budgetary resources to cover the modification cost, you must submit a reapportionment.

Subsidy (\$11,530,000 + \$6,000,000) + modification (\$1,000,000) + administrative expenses (\$1,000,000).

7	<b>Total budgetary resources.....</b>	18,530,000	19,530,000	
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**APPLICATION OF BUDGETARY RESOURCES**  
*Memorandum:*

<b>Apportioned:</b> <i>Obligations incurred</i>				
Category B:				
8B1	Direct loan subsidy.....	11,530,000	11,530,000	These two entries should be equal.
8B2	Guaranteed loan subsidy.....	6,000,000	6,000,000	
8B3	Administrative expenses.....	1,000,000	1,000,000	
8B4	Direct loan modification.....		1,000,000	

Budgetary resources for modifications must be apportioned in advance.

12	<b>Total budgetary resources.....</b>	18,530,000	19,530,000	
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SUBMITTED Authorized officer \_\_\_\_\_ APPORTIONED \_\_\_\_\_  
 (Date) (Date)

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

# Reestimates

- Reestimates are revisions of the subsidy cost estimate of a cohort (or risk category) based on information about the actual performance and/or estimated changes in future cash flows of the cohort.
- Reestimates must be made immediately after the end of each fiscal year, as long as any loans in the cohort are outstanding, unless a different plan is approved by OMB.

# Apportionment of an Upward Reestimate

- The “program” account pays the subsidy reestimate to the “financing” account.
- The “financing” account collects the upward reestimate and collects interest on the balance until needed to repay Treasury or pay loan guarantee claims.

Reapportionment for Upward Reestimate  
Program Account

# Apportionment of an Upward Reestimate

➤ Exhibit RE Up

80 [= Treasury agency code]  
[= first year of availability, or blank for annual and no-year]  
YYYY [= last year of availability, or "X" for no-year]  
0138 [= Treasury account code]  
YYYY [= fiscal year]  
01 [= program number. Use the default value of "01" unless OMB tells you to use other numbers]

Fiscal year **CY**

**SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE**

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Office of the Secretary		Credit Program Account 80Y0138	
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
<b>BUDGETARY RESOURCES</b>			
<b>Budget authority:</b>			
1A Appropriation..... P.L. 107-XXX.....	18,530,000	18,530,000	
1E Other..... FCRA.....		1,000,000	
<b>Total budgetary resources.....</b>		<b>18,530,000</b>	<b>19,530,000</b>
<b>APPLICATION OF BUDGETARY RESOURCES</b>			
<i>Memorandum:</i>			
<b>Apportioned: Obligations incurred</b>			
Category B:			
8B1 Direct loan subsidy.....	11,530,000	11,530,000	
8B2 Guaranteed loan subsidv.....	6,000,000	6,000,000	
8B3 Administrative expenses.....	1,000,000	1,000,000	
8B4 Reestimate.....		1,000,000	
<b>Total budgetary resources.....</b>		<b>18,530,000</b>	<b>19,530,000</b>

If your current apportionment does not provide budgetary resources to cover the upward reestimate, you must submit a reapportionment requesting permanent indefinite authority to cover upward reestimate of \$1,000,000.

Until indefinite appropriations are warranted, include them on line 1E. On subsequent apportionments, include the warranted amounts on line 1A (see line description of indefinite appropriation).

Budgetary resources for upward reestimate.

These two entries should be equal.

SUBMITTED Authorized officer (Date) APPORTIONED \_\_\_\_\_ (Date)

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

# Downward Reestimates

- A downward reestimate indicates that too much subsidy will be or has been paid to the financing account.
- For discretionary programs, the excess (plus interest) is disbursed to a downward reestimate receipt account.
- For mandatory programs, the excess may be credited directly to the program account as offsetting collections or to a downward reestimate receipt account.
- In either case, the “financing” account must be apportioned so that it can obligate and disburse the amount to the receipt account or the program account, as appropriate.

**Reapportionment for Downward Reestimate  
Direct Loan Financing Account**

# Downward Reestimates

80 [= Treasury agency code]  
 [= first year of availability, or blank for annual and no-year]  
 X [= last year of availability, or "X" for no-year]  
 4148 [= Treasury account code]  
 YYYY [= fiscal year]  
 01 [= program number. Use the default value of "01" unless OMB tells you to use other numbers] Fiscal year **CY**

➤ Exhibit RE DN

**SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE**

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU: Office of the Secretary		Direct Loan Financing Account 80X4148		
	DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
<b>BUDGETARY RESOURCES</b>				
<b>Budget authority:</b>				
1B	Borrowing authority.....	88,470,000	88,470,000	Direct loan limitation (\$100,000,000) min subsidy (\$11,530,000).
<b>Spending authority from offsetting collections (gross):</b>				
Earned:				
3A1	Collected.....	21,773,000	22,773,000	\$1,000,000 more was collected from borrowers than estimated.
<b>Permanently not available:</b>				
6C	Capital transfers and redemption of debt.....	-8,562,750	-8,562,750	Use 6C (actual) and 6F (anticipated) to show principal repayments to Treasury.
7	<b>Total budgetary resources.....</b>	<b>101,680,250</b>	<b>102,680,250</b>	
<b>APPLICATION OF BUDGETARY RESOURCES</b>				
<i>Memorandum:</i>				
<b>AppORTioned:</b> <i>Obligations incurred</i>				
Category A:				
8A1	First quarter.....	25,000,000	25,000,000	
8A2	Second quarter.....	25,000,000	25,000,000	
8A3	Third quarter.....	25,000,000	25,000,000	
8A4	Fourth quarter.....	25,000,000	25,000,000	
Category B:				
8B1	Interest paid to Treasury.....	1,680,250	1,680,250	
8B2	To receipt account.....		1,000,000	These entries should be equal.
	(3)			
	(4)			
12	<b>Total budgetary resources.....</b>	<b>101,680,250</b>	<b>102,680,250</b>	

If your current apportionment does not address the downward reestimate, you must submit a reapportionment.

Because this is a downward reestimate the amount will be obligated and disbursed to the receipt account.

SUBMITTED Authorized officer APPORTIONED \_\_\_\_\_

# Downward Reestimates

- For direct loans only, if the downward reestimate is due to increased actual collections, use these amounts to cover the obligation. To the extent the reestimate is due to increased anticipated collections, request borrowing authority to cover the obligation.
- For loan guarantees only, to the extent the reestimate is due to lower default payments than initially estimated, either actual or projected, use your uninvested balance with Treasury to cover the obligation.

# In summary – All of the credit accounts have to be apportioned

- Liquidating Accounts
- Program Accounts
- Financing Accounts:
  - Direct loan financing accounts
  - Guaranteed loan financing accounts



**THE END**