MAX A-11 Overview: Credit Data and Checks

OMB Credit Training

June 27, 2007

Overview

- A-11 Guidance: Changes for 2007
- MAX Data entry
- MAX Edit checks

OMB Circular A-11 guidance changes

- Updates guidance for credit calculations with the Credit Subsidy Calculator 2
  - sections 185.6(b), 185.6(c),185.6(d), 185.6(e)
- Clarifies lines for modification adjustment transfers on the SF132
  - section 185.7(b)

Guidance changes – what you need to do

- **CSC 2:** No new requirements for budget presentation, account structure or data entry.

- **CSC 2:** Work with OMB to reconcile any unexplained balances in advance of the budget cycle.

- **Modification adjustment transfer (MAT):** Generally, nothing. Check your agency's internal processes to ensure that MAT is presented on the correct line on SF132.

MAX A-11 Data entry

No substantive changes expected for the 2009 Budget.

Edit checks

- For PB 2008, OMB implemented
  - Cross-account edit checks
  - Standard credit account structure

- Provides agencies real-time account information

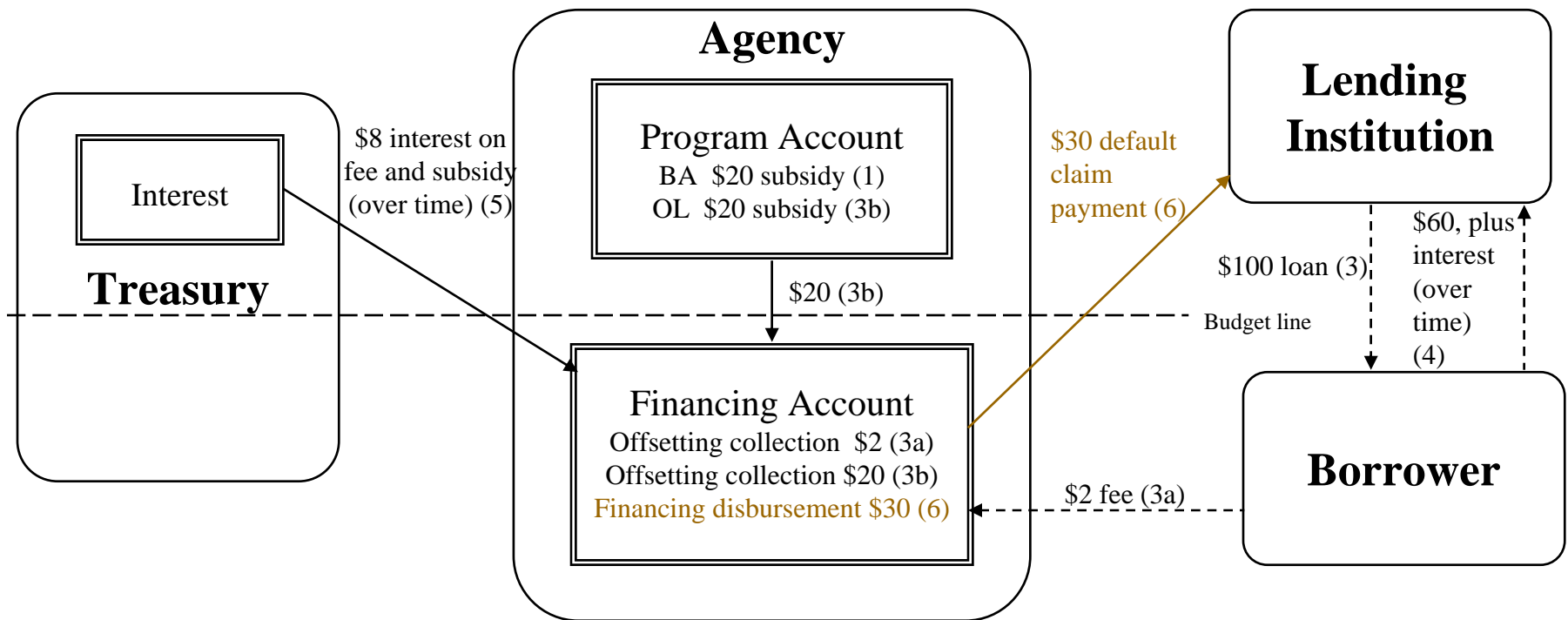- Reduces in Credit Crew error messages

Edit checks, cont'd

- Accounts:
  - Program Account
  - Financing Account(s)
  - Receipt accounts

- Why we did it:
  - Program Accounts provide summary information
  - Program Accounts and financing account have transactions
  - Financing Accounts and receipt accounts have transactions
  - Edit checks assure everything ties

- What we've fixed:
  - Redundant edit checks in X and P
  - A-11 references for all edit checks (For PB 09)

Remember this?

Budgetary Accounting: Cash Flows for Loan Guarantees

EXAMPLE: $100 loan with 75% Federal guarantee on principal outstanding, 20% subsidy rate, disbursed in one year, upfront fee of 2%, and 40% default rate with no recoveries.

Agency

Treasury

Interest

$8 interest on fee and subsidy (over time) (5)

Program Account
BA $20 subsidy (1)
OL $20 subsidy (3b)

$20 (3b)

Financing Account
Offsetting collection $2 (3a)
Offsetting collection $20 (3b)
Financing disbursement $30 (6)

$30 default claim payment (6)

Lending Institution

$100 loan (3)

$60, plus interest (over time) (4)

Budget line

$2 fee (3a)

Borrower

An Example

- SBA Disaster Loan Program

am and Financing (P)		2006 Actual	2007 CY	2008 BY	2009 BY	2010 BY	2011 BY
	Program and Financing (P)						
	Obligations by program activity:						
01	Direct loan subsidy	1,286	471	173			
05	Upward reestimate of direct loans	70	267	....			
06	Interest on upward reestimates of direct loans	10	23	....			
09	Administrative expense	187	101	156			
00	Total new obligations	1,553	862	329			
	Budgetary resources available for obligation:						
40	Unobligated balance carried forward, start of year	386	633	514			
00	New budget authority (gross)	1,775	290	....			
10	Resources available from recoveries of prior year obligations	25	457	17			
21 01	Unobligated balance transferred to other accounts [70-0702]	....	....	-200			
90	Total budgetary resources available for obligation	2,186	1,380	331			
95	Total new obligations	-1,553	-862	-329			
98 01	Unobligated balance expiring or withdrawn	....	-4	....			
40	Unobligated balance carried forward, end of year	633	514	2			
	New budget authority (gross), detail:						
	Discretionary:						
00 01	Appropriation	....	....	....			
00 02	Appropriation (supplemental)	983	....	....			
00 01	Transferred from other accounts [70-0702]	712	....	....			

Receipt Account to Financing Account

- Receipts in negative Subsidy Receipt Accounts should equal outlays of direct loan positive subsidy (line 1341) and outlays of guaranteed loan positive subsidy (line 2341) reported in Schedule U of the Program Account.

- Receipts in Downward Reestimate Receipt Accounts should equal direct loan downward reestimates (line 1379) and loan guarantee downward reestimates (line 2379) reported in Schedule U of the Program Account.

Financing Account to Program Account
Direct Loan

- Total direct loan levels (line 1150) in Schedule G should equal total direct loan levels (line 1159) reported in Schedule U of the Program Account.
- Downward reestimates paid to the receipt account (line 0802) and interest on downward reestimates (line 0804) in Schedule P should equal downward reestimates (line 1379) reported in Schedule U of the Program Account.
- Negative subsidy obligations (line 0801) in Schedule P should equal subsidy budget authority (line 1339) reported in Schedule U of the Program Account.
- Offsetting collections from Federal sources in Schedule P (line 8800) should equal positive subsidy outlays (line 1342) and upward reestimates (line 1359) reported in Schedule U of the Program Account.
- Total direct loan levels reported in schedule G (line 1150) must match the direct loan subsidy obligations reported in schedule P (line 0001).

Financing Account to Program Account
Guaranteed Loan

- Total guaranteed loan levels (line 2150) in Schedule H should equal loan guarantee levels (line 2159) reported in Schedule U of the Program Account.
- Downward reestimates paid to the receipt account (line 0802) and interest on downward reestimates (line 0804) in Schedule P should equal downward reestimates (line 2379) reported in Schedule U of the Program Account.
- Negative subsidy obligations (line 0801) in Schedule P should equal subsidy budget authority (line 2339) reported in Schedule U of the Program Account.
- Offsetting collections from Federal sources in Schedule P (line 8800) should equal positive subsidy outlays (line 2342) and upward reestimates (line 2359) reported in Schedule U of the Program Account.
- Disbursements for guaranteed loan claims reported in schedule H (line 2331) must match the default claim payments reported in schedule P (line 0001)

CHEAT SHEET

Negative Subsidy Outlays:

Negative Subsidy Receipt Account = Program Account Schedule U line 1341 + line 2341

Negative Subsidy Obligations:

Financing Account schedule P line 0801 = Program Account schedule U line 2339/1339

Downward Reestimates:

Downward Reestimate Receipt Account = Program Account Schedule U line 1379 + line 2379

Financing Account Schedule P line 0802 + line 0804 = Program Account Schedule U line 2379/1379

Loan Level Obligations:

GL Financing Account Schedule H line 2150 = Program Account Schedule U line 2159

DL Financing Account Total Schedule G line 1150 = Program Account Schedule U line 1159

Subsidy and Upward Reestimate Outlays:

Financing Account Schedule P line 8800 = Program Account Schedule U line 2342/1342+ line 2359/1359

Other:

GL Financing Account schedule H line 2331 = GL Financing Account schedule P line 0001

DL Financing Account schedule G line 1150 = DL Financing Account schedule P line 0001

Don't forget the # Schedule!

Other interesting stuff

- Multiple risk categories: MAX database maps the program/financing account relationship by risk category.

- Liquidating accounts don't regularly have transactions with program and financing accounts.

- # Schedule: Presents the comparison data from other accounts.

008-MASTER) D   tration)   CELL = READ ONLY

ram and Financir   2007 CY   2008 BY   2009 BY   2010 BY   2011 BY

Menu	
✔ Toolbar	
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Changes	
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OMB Growth Rates ...	
Transfers...	
Totals for Schedule A ...	
Totals for Schedule S ...	
Totals for Schedule C ...	
Budget Acct Level Info ...	
Outlay Calculations ...	Shift-F7
Text Schedule	
Program and Financing (P)	
Credit Subsidy Data - Policy (U)	
Object Classification (O)	
BA, Limitations, and Outlays - Policy (A)	
BA, Limitations, and Outlays - Baseline (S)	
Character Classification (C)	
Appropriations Requests in Thousands of Dollars (T)	
MAX A-11 Data (#)	

Progr
Oblig
01   Dir   471   173
05   Up   267   ....
06   Int   23   ....
09   Ad   101   156
                                       -------------- --------------
00   862   329

Budg
40   Ur
y   633   514
00   Ne   290   ....
10   Re
y   457   17
21   01   Ur
a   ....   -200
                                       -------------- --------------
90
95   To   1,380   331
                                          -862   -329
98   01   Unobligated balance expiring or withdrawn   ....   -4   ....
                                       -------------- -------------- --------------
40   Unobligated balance carried forward, end of
year   633   514   2

New budget authority (gross), detail:
Discretionary:
00   01   Appropriation   ....
00   02   Appropriation (supplemental)   983   ....
00   01   Transferred from other accounts [70-0702]   712   ....

F:\MAXA11\DATA\PB2008-028-00-73-1152-0-Disaster Loans Program Account.m   ONLINE   PROD   NUM

(2008-MASTER) Disaster Loans Program Account (Small Business Administration)   CELL = READ ONLY

A-11 Data (#)			2006 Actual	2007 CY	2008 BY	2009 BY	2010 BY	2011 BY
		MAX A-11 Data (#)						
		Downward reestimate receipt data (line R 2004-03):						
11	01	Disaster Loan Program, Downward Reestimates of Subsidies [028-00-272130]	-14	-11	....			
		Direct loan financing account data:						
		Direct loan levels (line G 1150):						
21	01	Disaster Direct Loan Financing Account [028-00-4150]	8,785	2,659	1,064			
		Downward reestimate obligations to receipt accounts (lines X 0802 and X 0804):						
41	01	Disaster Direct Loan Financing Account [028-00-4150]	9	9	....			
42	01	Disaster Direct Loan Financing Account [028-00-4150]	5	2	....			
		Offsetting collections (line X 8800):						
51	01	Disaster Direct Loan Financing Account [028-00-4150]	-616	-487	-73			
		Facts II and Treasury Data:						
10	01	Total New Obligations (P 1000)	1,553					
20	01	Unobligated Balance, SOY (P 2140)	386					
30	01	Resources available from recoveries of prior year obligations (P 2210)	25					
50	01	Unobligated Balance, EOY (P 2440)	633					
60	01	Discretionary appropriation (P 4000)	983					
12	01	Mandatory appropriation (P 6000) (FACTS II)	80					
20	01	Obligated Balance, SOY (P 7240)	59					

What we're thinking next…..

- Reducing MAX data entry by importing credit data from CSC2 output to MAX
- First, we'd implement for the credit supplement
  - Presents detailed information of credit accounts
  - Totally separate process from Budget Appendix
- Work with agencies and examiners to determine where eliminating data entry would be useful for MAX data preparation (e.g., subsidy rates? Dollars of reestimates?)

For more information

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