

Federal Investments

Eliminate Your Federal Investment Reporting Differences!

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Today's Topics:

Reciprocal Categories and the Associated SGL's

Common Reporting Differences

Information on GTAS Requirements

Question & Answer Period



Reciprocal Category
1 – Federal
Investments / Federal
Debt

Reciprocal Category
2 – Interest
Receivable / Interest
Payable

Reciprocal Category
3 – Interest
Revenue / Interest
Expense

Reciprocal Category (RC) 01 – Federal Investments

Agency SGL:
1610
(Investment in Treasury
Securities Issued By BPD)



BPD SGL:
2530
(Securities Issued by BPD)

Agency SGL:
1630
(Investment in Treasury ZCB's
Issued by BPD)

RC 01 – Federal Investments Con't

Agency SGL:
1611
(Discount on Treasury Securities
Issued By BPD)



Agency SGL:
1631
(Discount on Treasury ZCB's
Issued by BPD)

BPD SGL:
2531
(Discount on Securities Issued by BPD)

RC 01 – Federal Investments

Con't

Agency SGL:
1612
(Premium on US Treasury
Securities Issued by BPD)



BPD SGL:
2532
(Premium on Securities Issued
by BPD)

RC 01 – Federal Investments Con't

Agency SGL:
1613
(Amortization on Treasury
Securities Issued By BPD)



Agency SGL:
1633
(Amortization of Discount on
Treasury ZCB's Issued by BPD)

BPD SGL:
2533
(Amortization on Securities Issued by BPD)

RC 02 – Interest Receivable

Agency SGL:
1342
(Interest Receivable –
Investments)



BPD SGL:
2141
(Accrued Interest Payable –
Debt)

RC 03 – Federal Investments Con't

Agency SGL:
5311
(Interest Revenue)



Agency SGL:
7111
(Gains on Disp. of Investments)



BPD SGL:
6320
(Interest Expense on Securities)



Agency SGL:
7211
(Losses on Disp. of Investments)



- ▶ ...for detailed information see the TFM 2–4700 Appendix 7 and TFM 1–4300 Appendix 10 at:
- ▶ <http://www.fms.treas.gov/tfm/vol1/v1p2c470.html>
- ▶ <http://www.fms.treas.gov/factsi/vol1/vol1appen10.doc>

Common Reporting Issues:

Accounting or Reporting Errors

Accounting Methodology Differences

Differences from Conflicting Reporting Requirements

Accounting or Reporting Errors

Transposition of Numbers:

- \$5,400,000 versus 4,500,000

Deletion of trailing zero's:

- \$5,400,000 versus \$54,000,000



Where, When and How Can you Find and Verify your Balances with BPD:

You can verify balances by obtaining the following reports from Fedinvest:

1. IFTCS Monthly Confirmation Report
2. Interest Expense/Revenue Report

These are available by noon on the 1st Work Day of the Month

IFTCS Confirmation Report



U.S. Department of the Treasury



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IFTCS Confirmation Report

Custom Report Search - Windows Internet Explorer

TD https://www.treasurydirect.gov/GA-FD/jsp/home.jsf

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TD Custom Report Search Home



CRM RPA FedInvest Today's Prices Overnight Rates Historical Prices

Custom Report Search

Account

Account 00X0004 TEST ACCOUNT

Date 06/2012

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IFTCS Confirmation Report

Run Date:06/30/2012
Run Time:03:28:57:44

Accrual Confirmation Report
00X0004 TEST ACCOUNT

F2 FIBACCR
06/30/2012

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Description	Par Outstanding (1610/1630)	Memo Disc/Prem (1613/1633)	Amortization (1613/1633)	Accrued Income (1342)	Interest Expense (5311/7111/7211)
0000000000004 Premium Outstanding (1612)	23,097.24	158	-13.18	43.07	.00
SubTotals Premium Outstanding (1612)	98,939.84		-57.44	184.50	16.37
Grand Totals	694,643,218.74		-2,835,409.55	1,377,270.66	48,702.70
Discount Outstanding (1611/1631)		35,619.48			
Premium Outstanding (1612)		3,419,124.76			

The Interest Expense figure on this report is Month to Date.

Interest Expense/Revenue Report



U.S. Department of the Treasury



Custom Report Search

Account

Account 00X0004 TEST ACCOUNT

Date 06/2012

Report Interest Expense/Revenue

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Interest Expense/Revenue Report

□□
 Run Date:07/02/2012 INTEREST EXPENSE/REVENUE REPORT F2 FIB6320 Page: 1
 Run Time:08:50:27:64 00X0004 TEST ACCOUNT
 (6320 REPORT)
 09/30/2011 TO 06/30/2012□□□□

BPD INTEREST EXPENSE / AGENCY REVENUE	BPD	AGENCY
Accrued Interest Ending Balance	1,377,270.66	-1,377,270.66
Accrued Interest Beginning Balance	-304,755.24	304,755.24
Interest Payments/Collected	1,710,621.33	-1,710,621.33
Accrued Inflation Compensation Ending	.00	.00
Accrued Inflation Compensation Beg	.00	.00
Inflation Purchased/Sold	.00	.00
Amortization Ending Balance	-2,835,409.55	2,835,409.55
Amortization Beginning Balance	296,947.49	-296,947.49
Amortization on Redemptions	82,842.68	-82,842.68
Agency Interest Revenue (5311)		-327,517.37
Initial Discount on Redemptions	90,764.01	-90,764.01
Initial Premium on Redemptions	-7,921.33	7,921.33
Amortization on Redemptions	-82,842.68	82,842.68
Forfeited Discount/Premium	.00	.00
Agency Gain/Loss (7111/7211)		.00
BPD Interest Expense (6320)	327,517.37	-327,517.37

The Interest Expense figure on this report is YTD. This should be used to verify your 5311 Balance!

- ▶ To obtain access to FedInvest you may find the access form at:
 - ▶ http://www.treasurydirect.gov/govt/apps/fip/newcust/newcust_fedid.pdf
- 



Accounting Methodology Differences

Interest Accrual Differences

Amortization Differences





Interest Accrual Facts:

- ▶ Notes, Bonds and TIPS begin accruing interest the day after purchase and continue to the day of maturity.
 - ▶ Notes, Bonds and TIPS accrue interest daily and pay semiannually based upon the total # of days in the half year.
 - ▶ TIPS accrue interest on their Inflated Principal
 - ▶ For more details see:
 - Treasury Operating Circular (<http://www.treasurydirect.gov/govt/apps/fip/library/library.htm>)
 - Intragovernmental Business Rules (link on slide 10)
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Amortization Facts:

- ▶ Market Based Bills are issued at discounts and amortized with on a “Straight Line” method.
 - ▶ Bills begin amortization the day AFTER purchase and continue to the day OF maturity.
 - ▶ Market Based Notes, Bonds & TIPS are amortized using the “Level-Yield” method
 - ▶ Notes, Bonds & TIPS begin amortization the day OF purchase and continue to the day BEFORE maturity.
- 

Level-Yield Amortization Method:

- ▶ This is the industry standard method for amortizing Discount/Premiums
 - ▶ More specific information can be obtained from FIB if requested.
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Differences from Conflicting Reporting Requirements

Market Adjustments for OCBOA (Other Comprehensive Basis of Accounting) or FASB Reporting Requirements

Agencies Who Report on Different Fiscal Year Ends





Market Adjustments – FASAB Requirements

- ▶ BPD does not report market adjustments for securities in accordance with SFFAS No. 5 because these securities are classified as “fixed value” securities and therefore are to be reported at their amortized cost value.
- ▶ Agencies are required to report these securities at their amortized cost value on the balance sheet in accordance with SFFAS No. 1 when these investments are held to maturity. The market value of investments is disclosed in the notes to the financial statements.



Market Adjustments – FASB Requirements

- ▶ Some federal agencies may be required to value investments in accordance with SFAS No.35 “Accounting and Reporting by Defined Benefit Pension Plans” (i.e. PBGC).
- ▶ In addition, some agencies may be following SFAS No. 115 that addresses the accounting for securities held as available-for-sale or trading securities.



Market Adjustments Con't

- ▶ In conclusion, there is a mechanism needed for these agencies to report under an OCBOA, such as FASB, for their stand-alone financial reporting and to also provide Treasury with reporting in accordance with FASAB standards required for the proper elimination of intragovernmental transactions in order to produce the consolidated Government-wide financial reports.
- ▶ This mechanism exists in GFRS in module GF002 where agencies can convert their audited financial statement reporting in order to remove the market adjustments and unrealized gains (losses) before reclassifying to the Closing Package line items.



GTAS Reporting for Federal Investments

- ▶ For reporting in GTAS agencies will be required to report their Trading Partner's AID (Agency Identifier) and Main Account Codes.

SAMPLE

Federal Program Agency				
RC 01 - Federal Investments				
USSGL Acct	F/N	TP-AID	TP-MAIN	USSGL Account Title
161000	F	020	0500	Investments in U.S. Treasury Securities issued by BPD
163000	F	020	0500	Investments in U.S. Treasury Zero Coupon Bonds issued by BPD
161100	F	020	0550	Discount on U.S. Treasury Securities issued by BPD
163100	F	020	0550	Discount on U.S. Treasury Zero Coupon Bonds issued by BPD
161200	F	020	0550	Premium on U.S. Treasury Securities issued by BPD
161300	F	020	0550	Amortization of Discount and Premium on U.S. Treasury Securities issued by BPD
163300	F	020	0550	Amortization of Discount on Treasury Zero Coupon Bonds issued by BPD

SAMPLE

Federal Program Agency

RC 02 - Interest Receivable

USSGL Acct	F/N	TP-AID	TP-MAIN	USSGL Account Title
134200	F	020	0550	Interest Receivable - Investments

SAMPLE

Federal Program Agency

RC 03 - Federal Securities Interest Revenue & Expense

USSGL Acct	F/N	TP-AID	TP-MAIN	USSGL Account Title
531100	F	020	0550	Interest Revenue - Investments (Exchange or Nonexchange)
711100	F	020	0550	Gains on Disposition of Investments (Exchange or Nonexchange)
721100	F	020	0550	Losses on Disposition of Investments (Exchange or Nonexchange)



- ▶ Updates regarding GTAS related information impacting Federal Investments can be found at:
- ▶ <http://www.treasurydirect.gov/govt/apps/fip/news/news.htm>

- ▶ You can contact the Federal Investments Branch at:
 - ▶ email: fedinvestor@bpd.treas.gov
 - ▶ phone: (304) 480-5151
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QUESTIONS????