



Treasury Financial Manual

Chapter 4800

RESPONSIBILITIES RELATING TO NON-CREDIT REFORM BORROWING ACCOUNTS

This chapter prescribes the responsibilities, policies, and procedures that the Department of the Treasury (Treasury) has established for federal agencies which have been granted authority by law to borrow funds from Treasury, other than federal agencies that borrow from Treasury under the Federal Credit Reform Act of 1990, as amended (FCRA). This chapter does not apply to accounts that are under the FCRA. See [TFM Volume I Part 2 Chapter 4600](#) for guidance on borrowing from Treasury under FCRA.

Section 4810—Scope and Applicability

The accounts of federal agencies which have been granted authority by law to borrow funds from Treasury, other than federal agencies that borrow from Treasury under FCRA, are referred to in this chapter as “Non-Credit Reform Accounts.” This chapter generally describes the responsibilities, policies, and procedures that Treasury and the federal agencies that have programmatic responsibility for the use of borrowed funds, have relating to Non-Credit Reform Accounts. The federal agencies that have programmatic responsibility for the Non-Credit Reform Accounts are referred to in this chapter as “Program Agencies.” This chapter does not relate to repayable appropriations made to Program Agencies for their Non-Credit Reform Accounts.

Treasury will develop a separate Memorandum of Understanding (MOU) between Treasury and the Program Agency for each Non-Credit Reform Account to set forth the specific policies and procedures of Treasury regarding the particular Non-Credit Reform Account and to describe the respective responsibilities of Treasury and the Program Agency relating to the Non-Credit Reform Account. The provisions of this chapter shall apply to such new Non-Credit Reform MOUs.

Treasury and the Program Agency for a particular Non-Credit Reform Account may agree to supplement the provisions of this chapter, or supersede the provisions of this chapter by means of a written MOU between Treasury and the Program Agency.

Anywhere that federal statute or the MOU directly conflicts with this chapter, the statute or MOU will prevail.

No provisions of any agreements between Treasury and the Program Agency or any Advances made under an MOU between Treasury and the Program Agency may be amended, modified, supplemented, waived, discharged, or terminated orally. Any amendment, modification, supplement, or termination must be mutually agreed upon by Treasury and the Program Agency and must be in writing in order to be effective. Either party to the agreement may make a request for an amendment, modification, supplement, waiver, or termination.

The non-enforcement by Treasury of any term or condition of this chapter is not a waiver of such term or condition, and does not prevent subsequent enforcement by Treasury of any failure on the part of the Program Agency to comply with or satisfy such term or condition.

Section 4815—Authority

Many federal statutes have established special accounts in the Treasury of the United States, generally to serve as accounting devices for tracking the receipts and disbursements of the particular federal programs authorized by statutes. Certain statutes authorize Program Agencies to borrow from or issue obligations to Treasury and authorize Treasury to purchase such obligations as a means of effectuating an Advance to these Non-Credit Reform Accounts. Besides establishing the borrowing authority, the statutes often specify borrowing limitations, expiration of the borrowing authority, the purpose of the Non-Credit Reform Account, how the Interest Rate will be determined, and various other items that apply to that specific Non-Credit Reform Account. The governing language used in the statutes often varies among Non-Credit Reform Accounts. Program Agencies must request Advances for their Non-Credit Reform Accounts only to the extent and in accordance with the terms and conditions prescribed by statute.

Section 4820—Definitions

Advance—A borrowing of funds by the Program Agency from Treasury.

Agency Location Code (ALC)—The four- or eight-digit symbol assigned by Treasury that uniquely identifies each agency that reports receipts and disbursements to Treasury. It is similar to a bank account number, and is used by Treasury to ensure correct financial reporting. One ALC may be used to report information for multiple government accounts.

Business Day—Any day on which both Treasury and the Federal Reserve Bank (FRB) of New York are open for business.

Business Event Type Code (BETC)—Up to an eight-character code that indicates the type of activity being reported (borrowing, repayment, offsetting collection, receipt, disbursement, etc.). It is used in combination with the Treasury Account Symbol (TAS) to determine the transaction effect on the Fund Balance with Treasury.

Central Accounting Reporting System (CARS)—The Bureau of the Fiscal Service's central accounting reporting system for budget execution, accountability, and cash/other asset management as reported by federal program agencies.

Expenditure Transfer—A movement of funds that involves an outlay of budgetary resources from one government account and a receipt or collection to another government account.

Fiscal Service—The United States Department of the Treasury's Bureau of the Fiscal Service.

Federal Investments and Borrowings Branch (FIBB)—The branch within Fiscal Service that administers the Federal Borrowings Program on behalf of Treasury.

Federal Borrowings Program—Treasury's activities, policies, and procedures of loaning funds to Program Agencies that have legislative authority to borrow from Treasury for specific purposes.

General Fund Receipt Account—A receipt account credited with funds from collections that are not

identified by law for another account for a specific purpose. These collections are presented in the President's *Budget of the United States Government* as either governmental (budget) receipts or offsetting receipts. These include taxes, customs duties, and miscellaneous receipts. There are numerous General Fund receipt accounts that are described in the *Federal Account Symbols and Titles (FAST) Book*. See the [FAST Book](#) website for more information.

Interest Payment Date—Each of the particular dates on which the payment of interest is due.

Interest Rate—The annual percentage rate used to accrue interest on the Principal amount of Advances.

Intra-governmental Payments and Collections (IPAC) System—The Bureau of the Fiscal Service's system by which Program Agencies submit interest payments. The primary purpose of the IPAC System is to provide a standardized interagency fund transfer mechanism for federal agencies. The IPAC System facilitates the intra-governmental transfer of funds, with descriptive data from one federal agency to another.

Late Charge—The interest on any Overdue Amount, computed as set forth in subsection 4835.70 of this chapter.

Late Charge Rate—A rate which is equal to one and one-half times the rate to be determined by Treasury including consideration of the prevailing market yield on the remaining maturity of the most recently auctioned 13-week United States Treasury bills.

Local Conditions—An unforeseeable condition beyond the control and without the fault of Treasury or the Program Agency, being: act of God, fire, flood, severe weather, epidemic, quarantine restriction, explosion, sabotage, act of war, act of terrorism, riot, civil commotion, lapse of the statutory authority of Treasury to raise cash through the issuance of Treasury debt instruments, disruption or failure of the Treasury electronic communication systems, closure of the federal government or any unforeseen or unscheduled closure or evacuation of the offices of Fiscal Service or the Program Agency.

Maturity Date—The date on which an Advance from Treasury becomes due and payable.

Memorandum of Understanding (MOU)—The borrowing agreement established between Treasury and the Program Agency that sets forth the terms and conditions of the Program Agency's Advances from Treasury.

Non-Credit Reform Account—An account for the Program Agency that does not fall under the Federal Credit Reform Act of 1990, as amended, which has been granted authority by law to borrow from Treasury.

Non-Expenditure Transfer—A movement of funds transacted through CARS that does not involve an outlay, but serves only to adjust amounts available in government accounts. Non-Expenditure Transfers do not appear in Treasury's reports or in the budget documents as receipts or expenditures.

OMB—The Office of Management and Budget in the Executive Office of the President.

Overdue Amount—Any payment of any amount owing to Treasury that is not made when due.

Principal—The nominal amount of an Advance and any capitalized interest.

Program Agency—The federal agency that has programmatic responsibility for the funds borrowed from

Treasury.

Sub-Cohort—A breakdown of the account by project, program, or risk category.

Treasury—The United States Department of the Treasury, as well as the Secretary of the Treasury and/or the General Fund of the Treasury insofar as they relate to the Federal Borrowings Program.

Treasury Account Symbol (TAS)—An identification code assigned by the Department of the Treasury. TAS represents individual appropriations, receipts, and other fund accounts.

Section 4825—Establishment of Non-Credit Reform Accounts for Program Agencies

4825.10—Borrowing Authority

Legal authority is required to allow the Program Agency to borrow from Treasury and for Treasury to loan to the Program Agency. Before exercising its borrowing authority, the Program Agency must contact OMB. OMB will help the Program Agency in, among other activities, setting up any financing and General Fund Receipt Accounts with the Fiscal Service. Fiscal Service, as well as other involved offices at Treasury, including the Fiscal Assistant Secretary and the Assistant Secretary of Financial Markets, will review the statute authorizing or requiring Treasury to loan funds to a Non-Credit Reform Account to ensure that the statute provides sufficient legal authority for Treasury, acting through Fiscal Service, to make Advances. Treasury and Fiscal Service will also review the statute to determine the Advances permitted for the Non-Credit Reform Account as well as any restrictions or requirements that may apply. The review occurs either before or at the time the Program Agency requests account establishment within CARS, as described in subsection 4825.40 of this chapter. Upon completion of the review, Fiscal Service, other involved Treasury offices, and the Program Agency, will begin creating the MOU. Terms and conditions contained in the MOU will be based upon the specific requirements set forth in the statute authorizing borrowing from Treasury, and the responsibilities, policies, and procedures set forth within this chapter.

The statute granting the Program Agency borrowing authority may contain limitations on the authority that the Program Agency is granted. The Program Agency is responsible for ensuring that no Advances are requested that exceed any borrowing limitations set forth in the statute. While Fiscal Service may also monitor any statutory borrowing limitations, it is the responsibility of the Program Agency to ensure full compliance before requesting Advances. The combined total amount of outstanding Advances from Treasury for any account may not exceed the maximum amount authorized by law to be outstanding at any one time for that account. Capitalized interest must be included when determining the total amount of Advances outstanding.

If the statute granting the Program Agency borrowing authority contains language specifying a date as to when the Program Agency's borrowing authority expires, the Program Agency may not request Advances after such date.

Treasury offers a variety of funding options for Non-Credit Reform Accounts so long as they are within the authorities permitted by the statute granting the Program Agency's borrowing authority.

4825.20—Policies Relating to MOUs Between Treasury and Program Agencies

The MOU between Treasury and the Program Agency for each Non-Credit Reform Account will memorialize the specific policies and procedures of Treasury regarding the particular Non-Credit Reform Account, and describe the respective responsibilities of Treasury and the Program Agency relating to the

Non-Credit Reform Account. The MOU will incorporate this chapter, as well as any requirements specified by the statute granting borrowing authority and any OMB circulars regarding federal credit, such as OMB Circular No. A-129. Treasury and the Program Agency for a particular Non-Credit Reform Account may agree to supplement or supersede the provisions of this chapter within the written MOU between Treasury and the Program Agency.

Treasury's policy is to require annual renewals of all MOUs on or before September 30, to be effective October 1 of the same calendar year. This allows Treasury and each Program Agency to review their MOU at least once per year to discuss any changes or updates, and to ensure that the terms and conditions remain current. The annual renewals will also allow the parties to discuss any re-structuring of the MOU that may be needed to meet applicable updates and revisions, if any, to Treasury's policies and procedures.

4825.30—Obtaining an Account Identification Code from OMB for Each Non-Credit Reform Account

It is the responsibility of the Program Agency to contact its OMB representative to obtain an account identification code for the purpose of establishing the Non-Credit Reform Account within OMB's budget system. Program Agencies should refer to [OMB Circular A-11 Section 79](#) (The Budget Data System), for directions to obtain an OMB account identification code for a new Non-Credit Reform Account. Fiscal Service will base the Treasury Account Symbol (TAS), as described in subsection 4825.40 of this chapter, on the OMB account identification code obtained.

4825.40—Establishing Each Non-Credit Reform Account within CARS

It is the responsibility of the Program Agency to submit a letter to Fiscal Service requesting that the necessary TASs, including a General Fund Receipt Account number, be assigned for purposes of establishing the Non-Credit Reform Account within CARS. This occurs after OMB has assigned an account identification code to the Non-Credit Reform Account. Program Agencies should refer to [TFM Volume I, Part 2, Chapter 1500](#) for directions to obtain TASs, including General Fund Receipt Account numbers, for new Non-Credit Reform Accounts, as well as for contact information of the area within Fiscal Service to which letters requesting the assignment of a new TAS should be sent. The TASs, including General Fund Receipt Account numbers, are published in the [Federal Account Symbols and Titles \(FAST\) Book](#).

After Fiscal Service has assigned the necessary TASs, including a General Fund Receipt Account number, to a new Non-Credit Reform Account, Fiscal Service will notify the Program Agency of the account symbols, the official account title, and reference the statutory authority for the account. This notice is referred to as the "Treasury Announcement".

When the Program Agency requests a loan from Treasury to a Non-Credit Reform Account, the Advance transactions need to be segregated from the normal receipt and expenditure transactions of the Non-Credit Reform Account for purposes of CARS. It is the responsibility of the Program Agency in such circumstances to request Fiscal Service to assign subclass codes to the TAS for the Non-Credit Reform Account to capture the Advance data beyond the fund level. Program Agencies should refer to [TFM Volume I, Part 2, Chapter 3300](#) for directions on requesting subclass codes to report special transactions such as Advances, as well as for contact information of the area within Fiscal Service to which requests for subclass codes for TASs should be sent.

After Fiscal Service has assigned subclass codes to the TAS for a Non-Credit Reform Account, Fiscal Service will prepare and send to the Program Agency a notice communicating the subclass codes for that account. This notice is referred to as a "Subclassification Authorization".

4825.50—Establishing Each Non-Credit Reform Account within the Federal Borrowings Program Accounting System

After Fiscal Service has assigned a TAS to a new Non-Credit Reform Account, it is the responsibility of the Program Agency to notify and request Fiscal Service to establish the Non-Credit Reform Account within Fiscal Service's Federal Borrowings Program accounting system. This request should be delivered via email to Borrowings@fiscal.treasury.gov, and must include the TAS, General Fund Receipt Account number, and ALC assigned by Fiscal Service. The request should also include the names, email addresses, telephone numbers, and fax numbers of the Chief Financial Officer and any other necessary points of contact for the Program Agency.

When Fiscal Service and the other involved Treasury offices conclude that the Non-Credit Reform Account is authorized to receive Advances from Treasury, as described in subsection 4825.10 of this chapter, Fiscal Service will establish the Non-Credit Reform Account within Fiscal Service's Federal Borrowings Program accounting system that is distinctly identified by the TAS and title.

If the statute authorizing or requiring Treasury to loan funds to a Non-Credit Reform Account also establishes special reporting or accounting requirements for the account, such that Fiscal Service's Federal Borrowings Program accounting system has to be modified or enhanced to accommodate the special reporting or accounting requirements, it is the responsibility of the Program Agency for the account to work with Fiscal Service to establish mutually acceptable arrangements for the modifications or enhancements.

4825.60—Procedures Related to Enrollment in CARS

To enroll in the CARS Authority Transactions Module (ATM), which allows Program Agencies access to the Agency user roles for Advance and repayment transactions, Program Agency representatives can visit the [IBM Security Identity Manager \(ISIM\) Self-Enrollment page](#) where users can create ISIM IDs. Users will also be required to establish answers for authentication questions in the event of forgotten passwords. Once the answers to these authentication questions are established, users may reset their own passwords by clicking on the "Forgot your Password" link on the [CARS logon page](#). Users with existing ISIM IDs can request a CARS account by selecting "Request Account" on the [ISIM Self-Service page](#). CARS access requests are routed for supervisor approval. It is important to note that users will not be able to enroll or make modifications to their access unless their supervisor is already enrolled. Program agencies can also call the Treasury Support Center for additional assistance.

4825.70—Procedures Related to Enrollment in the IPAC System

To enroll in the IPAC System, which allows Program Agencies access to process interest payment and collection transactions, Program Agency representatives can visit the [IPAC Page](#) for more information. Users will also be required to establish answers for authentication questions in the event of forgotten passwords. Once the answers to these authentication questions are established, users may reset their own passwords by clicking on the "Forgot your Password" link on the [IPAC logon page](#). Users with existing ISIM IDs can request an IPAC System account by selecting "Request Account" on the [ISIM Self-Service page](#). IPAC System access requests are routed for supervisor approval. It is important to note that users will not be able to enroll or make modifications to their access unless their supervisor is already enrolled. Program agencies can also call the Treasury Support Center for additional assistance.

Section 4830—Responsibilities Relating to Requesting Advances from Treasury

4830.10—Loaning Funds to Non-Credit Reform Accounts from Treasury

Subject to all of the applicable conditions specified herein, Fiscal Service must approve each properly executed Advance transaction. Treasury is under no obligation to make any Advance unless and until all applicable conditions have been satisfied.

Treasury must make each Advance by an internal transfer of funds from Treasury to the Non-Credit Reform Account of the Program Agency. For value received, Program Agencies will promise to pay Treasury such amounts as may be advanced from time to time by Treasury to the Program Agency. Subject to the restrictions in this chapter describing certain circumstances when an Advance will be made on a later date, Treasury must make each Advance on the date requested by the Program Agency.

In the event that Local Conditions prevent Fiscal Service from making an Advance on the date that the Advance is requested to be made by the Program Agency, then Fiscal Service must make such Advance as soon as the Local Conditions cease to prevent Fiscal Service from making such Advance.

Program Agencies should establish contingency procedures for conducting Advance transactions with Fiscal Service in the event that the Program Agency offices are temporarily closed due to Local Conditions. Program Agencies are strongly encouraged to share such contingency plans with Fiscal Service.

4830.20—Policies and Procedures Relating to Borrowing as Needed

Advances will be requested only at times and in amounts necessary to meet the immediate cash needs of the Program Agency. Immediate cash needs means cash needs arising within 60 calendar days of the Advance. Advances will be made from time to time by Treasury on an as-needed basis to fund the Program Agency, as evidenced by an approved form of request from the administrator of the Program Agency (or other such authorized representative) as a Non-Expenditure Transfer transaction through the Agency Transaction Module of CARS. Requests for Advances will be made in accordance with the forms and procedures for warrant and Non-Expenditure Transfer transactions set forth in [TFM Volume I, Part 2, Chapter 2000](#).

4830.30—Policies Relating to Business Days

Whenever the date set forth in the “Effective Date” field within CARS for an Advance request falls on a day on which either Treasury or the Federal Reserve Bank (FRB) of New York is not open for business, the requested Advance that would otherwise be made on such date must be made on the next Business Day.

4830.40—Policies Relating to the Investment of Borrowed Funds

Advances must not be requested for investment purposes. If the Program Agency has both an Advance and an investment of funds on the same day with both maturing the following Business Day, Treasury will decrease the Interest Rate on the invested funds, to the extent that that invested funds do not exceed the amount of the Advance, so that the Interest Rate on the invested funds equals the Interest Rate on the Advance. If the Interest Rate on the invested funds is less than the Interest Rate on the Advance, the Interest Rate on the invested funds will not increase. This will be necessary to preclude any arbitrage profits. Generally, Program Agencies must disinvest before requesting an Advance for their accounts.

4830.50—Policies Relating to Advanced Notification

Except for same day Advances, Treasury requires advanced notification prior to the requested date for the Advance. The advanced notification must be received by Treasury in the form of an Advance transaction submitted through CARS on or before 3:00 p.m. Eastern Time (ET) on the third Business Day prior to the

requested date for the Advance. If the advanced notification is not received on or before 3:00 p.m. ET on the third Business Day prior to the requested date for the Advance, then Fiscal Service will make the Advance as soon as practicable thereafter, but in any event, not later than the third Business Day after the request for the Advance is received by Treasury.

In the event that the Program Agency wishes to rescind a request for an Advance, email notification from the Program Agency containing the request for rescission must be received by Treasury prior to 3:00 p.m. ET on the Business Day immediately preceding the requested date for the Advance. Failure to notify Treasury of a rescission in a timely manner may result in a late fee if specified in the MOU.

In the event that a same day Advance is needed, the Advance transaction must be certified by the Program Agency by 3:00 p.m. ET in order to be approved on the same day and to be reported in the accounting period of the same day. Fiscal Service will complete the internal transfer of funds to the Non-Credit Reform Account only after the Non-Expenditure Transfer has been approved by Fiscal Service in CARS and the transaction has a status of posted to CARS. Same day Advance requests received after 3:00 p.m. ET will be rejected.

4830.60—Policies Relating to Disbursement Notification

The Program Agency must comply with Treasury's current reporting requirements that apply to cash disbursements, which are set forth in [TFM Volume I, Part 6, Chapter 8500](#). These reporting requirements may be revised by Treasury from time to time. Program Agencies should confirm reporting requirements prior to any disbursement of funds.

4830.70—Policies Relating to the Determination of Interest Rates for Advances from Treasury

Unless otherwise specified in the statute, the Interest Rate for each Advance must be established by Treasury on the basis of the determination of the Treasury yield curve as of the close of business (at or near the 3:30 p.m. ET trading day close) on the Business Day before disbursement.

4830.80—Policies and Procedures Relating to Capitalized Interest

If the Program Agency is unable to pay interest on any Advance when it comes due, the Program Agency may borrow an amount equal to the interest due in order to make the interest payment on time. This amount will be reported as capitalized interest, but must be treated as an Advance and count toward the applicable statutory borrowing limitation. Capitalized interest must accrue interest, and will be subject to the same terms and conditions as other Advances requested by the Program Agency. Advances requested to pay interest must be evidenced by a Non-Expenditure Transfer transaction effected through CARS, and the corresponding interest payment must be made via the IPAC System.

4830.90—Responsibilities, Policies, and Procedures Relating to Advances

Advances will be accomplished using CARS. The Program Agency will prepare a Non-Expenditure Transfer transaction within CARS, which must include the following information:

- Transaction Date and Effective Date (both of these dates must be the same as the Requested Advance Date),
- The amount to be borrowed, which when added to outstanding amounts borrowed under the authorizing statute, must not cause the resulting sum to exceed any borrowing limitations set forth in statute,

- Interest Rate (if available),
- Maturity Date, and
- Sub-Cohort (if applicable).

The effective date of Advances submitted through CARS must not be a date that is earlier than the date the transaction is submitted through CARS; the effective date may be a date that is later than the date the transaction is submitted.

Depending on specific circumstances set forth in the statute or the MOU, additional information may be required on the Non-Expenditure Transfer transaction in CARS. The Program Agency is responsible for ensuring that all of the required information on the Non-Expenditure Transfer transaction is correct. If all of the required information is entered completely and appears correct, Fiscal Service will approve the transaction in CARS. If the information is incorrect, the transaction will be rejected in CARS and Fiscal Service will contact the Program Agency to provide the reason for rejecting the transaction. All necessary corrections and/or changes specified by Fiscal Service must be made prior to resubmission of the transaction.

Section 4835—Responsibilities Relating to Interest Payments and Principal Repayments to Treasury

4835.10—Paying Interest and Repaying Principal to Treasury from Non-Credit Reform Accounts

Subject to all of the applicable conditions specified herein, Fiscal Service will approve each properly executed interest payment and Principal repayment transaction.

Each payment of principal on an Advance made by the Program Agency must be made when due, in immediately available funds, by an internal transfer of funds from the Non-Credit Reform Account to Treasury. This transfer must be made using CARS.

The outstanding Principal amount of each Advance is due and payable on the Maturity Date for the respective Advance. When there are multiple outstanding Advances with the same Maturity Date, repayments of Principal made at maturity will be applied against the Program Agency's outstanding Advances, on a first in, first out (FIFO) basis (i.e., payments must be applied in sequence, first, to the earliest-made Advance outstanding at the time of repayment).

Each payment made must be applied, first, to the payment of Late Charges (if any), then to the payment of unpaid accrued interest, and then to outstanding Principal. Interest payments that have corresponding Principal repayments must be submitted by the Program Agency using the IPAC system, and received by Fiscal Service on or before the date of Principal repayment. Principal repayments with corresponding interest payments due on the same date will not be approved by Fiscal Service in CARS until such time that the corresponding interest payment is received in the IPAC System. Refer to subsection 4835.80 of this chapter for more information on responsibilities, policies, and procedures relating to interest payments.

In the event that Local Conditions prevent the Program Agency from making an interest payment or a Principal repayment of any amount owing under this chapter when due, then the Program Agency must make such interest payment or Principal repayment as soon as the Local Conditions cease to prevent the Program Agency from making such interest payment or Principal repayment. Late Charges, as defined in subsection 4835.70 of this chapter, will not be assessed for this period; however, interest will continue to accrue at the established Interest Rate.

Program Agencies should establish contingency procedures for conducting interest payment and Principal

repayment transactions with Fiscal Service in the event that the Program Agency offices are temporarily closed due to Local Conditions. Program Agencies are strongly encouraged to share such contingency plans with Fiscal Service.

4835.20—Policies Relating to Business Days

Whenever an interest payment, maturity, or other scheduled payment date falls on a day on which either Treasury or the FRB of New York is not open for business, the payment that would otherwise be made on such date must be made on the next Business Day thereafter. This Section must not change the Interest Payment Date, the computation of interest defined in subsection 4835.30 of this chapter, and must not result in a Late Charge defined in subsection 4835.70 of this chapter.

4835.30—Procedures Relating to the Computation of Interest on Advances from Treasury

Unless otherwise specified in the statute, interest on Advances must be computed on the basis of:

(1) actual days elapsed from (but not including) the date on which the respective Advance is made (for the first payment of interest due for the respective Advance) or the previous Interest Payment Date (for all other payments of interest due for the respective Advance), to (and including) the date of repayment (for payments of interest associated with principal repayments) or the next Interest Payment Date (for all other payments of interest due for the respective Advance),

and

(2) the actual days elapsed from (but not including) the previous Interest Payment Date to (and including) the next Interest Payment Date, such number being annualized by multiplying the result of 12 months in a year divided by the number of months in the interest payment period. The time component of the interest calculation is as follows:

$$T = AD / (PD \times (12 / M))$$

Where T = time,

AD = actual days elapsed from (but not including) the date on which the respective Advance is made (for the first payment of interest due for the respective Advance), or the previous Interest Payment Date (for all other payments of interest due for the respective Advance), to (and including) the date of repayment (for payments of interest associated with principal repayments), or the next Interest Payment Date (for all other payments of interest due for the respective Advance),

PD = actual days elapsed from (but not including) the previous Interest Payment Date to (and including) the next Interest Payment Date, and

M = months in interest payment period.

The amount of interest due is equal to the product of the Principal amount, the Interest Rate, and the time, as follows:

$$I = P \times R \times T$$

Where I = the amount of interest due, P = the Principal amount, R = the Interest Rate, and T = time.

4835.40—Policies Relating to Interest Payment Dates

Unless otherwise specified in the statute, interest will be due and payable semi-annually on March 31 and September 30. Other Interest Payment Dates may be negotiated if the Program Agency can provide sufficient justification, although Treasury requires the interest payment frequency to be at a minimum annually.

4835.50—Policies Relating to Early Repayments of Principal

Unless otherwise specified in the statute, early repayments will be calculated at the market value (not par). Upon Treasury receiving at least five Business Days prior notice, the Program Agency may repay any Advance in whole or in part on any Business Day before the Maturity Date of the Advance. Early repayment of an Advance must be at a price which would result in a yield on the amount prepaid, from (but not including) the date of the early repayment to (and including) the date of maturity, equal to the Treasury's new issue rate for issues of marketable Treasury securities with comparable maturities, computed by Treasury as of the close of business two days prior to the date of the early repayment using standard calculation methods of Treasury, plus accrued interest on the amount prepaid to (and including) the date of the early repayment.

If the interest payment corresponding with an early repayment of Principal is submitted by the Program Agency after the effective date of the early repayment transaction, the early repayment transaction will be rejected in CARS.

In the event that the Program Agency wishes to rescind a request for early repayment of Principal, email notification from the Program Agency containing the request for rescission must be received by Treasury prior to 3:00 p.m. ET, two Business Days prior to the requested early repayment date. Failure to notify Treasury of a rescission in a timely manner may result in a fee as specified in the MOU.

4835.60—Policies and Procedures Relating to Maturities

Each Advance must mature on the Maturity Date specified by the Program Agency (in the respective Non-Expenditure Transfer transaction submitted through CARS requesting the Advance), if the Maturity Date selected by the Program Agency meets all criteria set forth in the statute and the MOU. Maturity Dates must coincide with an Interest Payment Date and interest must be due at maturity. If the Program Agency is unable to repay an Advance on the Maturity Date, the Program Agency may request an Advance from Treasury to repay the original Advance (payment borrowing Advance), as long as the Maturity Date specified by the Program Agency for the payment borrowing Advance meets all criteria set forth in the statute and the MOU. The Program Agency must immediately notify the Treasury if, at any point, it reasonably appears that the Program Agency will be unable to repay its outstanding obligations when they are due. In such event, the Program Agency will work closely with Treasury and OMB to obtain an appropriation or other funding to satisfy its obligations in full.

4835.70—Policies and Procedures Relating to Late Payments

In the event that any payment of any amount owing to Treasury becomes an Overdue Amount, then the amount payable must be such Overdue Amount plus interest thereon computed as set forth below.

(1) The Late Charge must accrue from the scheduled payment date for the Overdue Amount until the date on which payment is made.

(2) The Late Charge must be computed on the basis of: (A) actual days elapsed from (but not including) the scheduled payment date for such Overdue Amount to (and including) the date on which the payment is made and (B) a 365 day year. Such that,

AD / 365

Where AD = actual days elapsed from (but not including) the scheduled payment date for such Overdue Amount to (and including) the date on which the payment is made.

(3) The Late Charge must accrue at the Late Charge Rate.

(4) The initial Late Charge Rate must be in effect until the earlier to occur of: (A) the date on which payment of the Overdue Amount and the amount of the accrued Late Charge is made, or (B) that date which is 91 days after the scheduled payment date for such Overdue Amount. In the event that the Overdue Amount and the amount of the accrued Late Charge are not paid on or before that date which is 91 days after the scheduled payment date for such Overdue Amount, then the amount payable must be the sum of the Overdue Amount and the amount of the accrued Late Charge, plus a Late Charge on such sum accruing at a new Late Charge Rate to be then determined in accordance with (3) above at 91-day intervals from the scheduled payment date for such Overdue Amount, and must be applied to the Overdue Amount and all amounts of the accrued Late Charge to the date on which payment of the Overdue Amount and all amounts of the accrued Late Charge is made.

4835.80—Responsibilities, Policies, and Procedures Relating to Interest Payment Transactions

Payment of interest or other non-Principal amounts must be made using the IPAC System. Interest payments must be made to Treasury as cash payments and may not be made using any form of credits. Program Agencies will process an interest payment through the IPAC System and record the payment on the Classification Transactions and Accountability (CTA). The amount from the IPAC transaction is reported automatically to the General Fund Receipt Account on the CTA based on TAS and Business Event Type Code (BETC). Generally, each Non-Credit Reform Account has a separate and specific General Fund Receipt Account established through Fiscal Service. The seven-digit General Fund Receipt Accounts for Program Agencies generally start with 020 and are used as Treasury's TAS for the purpose of Expenditure Transfer transactions in the IPAC System. It is the responsibility of the Program Agency to enter the payment transactions into the IPAC System as well as to enter the correct ALCs, TASs, and BETCs. For guidance to submit IPAC transactions, Program Agencies should reference the IPAC website. Program Agencies can also forward questions to IPAC@stls.frb.gov.

4835.90—Responsibilities, Policies, and Procedures Relating to Principal Repayment Transactions

Principal repayment transactions must be accomplished using CARS. The Program Agency will prepare a Non-Expenditure Transfer transaction within the system, and will need to include the following information:

- Transaction Date and Effective Date (these must be the same date),
- Amount to be repaid,
- Interest Rate,
- Maturity Date, and
- Sub-Cohort (if applicable).

The effective date of Principal repayment transactions submitted through CARS must not be a date that is earlier than the date the transaction is submitted through CARS; the effective date may be a date that is

later than the date the transaction is submitted.

Depending on specific circumstances set forth in the statute or the MOU, additional information may be required to be included on the Non-Expenditure Transfer transaction in CARS. The Program Agency is responsible for ensuring that all of the required information on the Non-Expenditure Transfer transaction is correct. If all of the required information is entered completely and appears correct, Fiscal Service will approve the transaction in CARS. If the information is incorrect, the transaction will be rejected in CARS and Fiscal Service will contact the Program Agency to provide the reason for rejecting the transaction. All necessary corrections and/or changes specified by Fiscal Service must be made prior to resubmission of the transaction.

The transfer of funds for repayments of Principal must be certified by the Program Agency in CARS and interest payments must be entered by the Program Agency into the IPAC System by 3:00 p.m. ET on the date set forth in the Effective Date field within CARS in order to be approved on the same day and to be reported for the same day and in the accounting period of the same day. Transactions received after 3:00 p.m. ET will be approved on the following Business Day, will be reported for the following Business Day, will be reported in the accounting period of the following Business Day, and will be considered late.

Section 4840—Accounting and Reporting Responsibilities Relating to Non-Credit Reform Accounts

Section 9105 of title 31 of the United States Code requires government agencies, which include Program Agencies for Non-Credit Reform Accounts, to, among other things, prepare financial statements covering all accounts and associated activities and have the financial statements audited.

Section 3513 of the United States Code requires Treasury to prepare reports that will inform the President, Congress, and the public on the financial operations of the United States Government. In fulfillment of this mandate, Fiscal Service publishes the Daily and Monthly Treasury Statements of Receipts and Outlays of the United States Government, the quarterly Treasury Bulletin, and the annual Financial Report of the United States Government.

4840.10—Program Agency Reconciliation Responsibilities

To ensure the integrity and accuracy of the financial reports and information that Fiscal Service obtains, Treasury requires Program Agencies to reconcile data on the account balances they maintain with the Treasury through the CARS Account Statement on a regular and recurring basis. Each month, Fiscal Service will post on [TreasuryDirect](#) a Detail Principal and Accrued Interest Balances Report for each TAS that has borrowed from Treasury. The Detail Principal and Accrued Interest Balances Report shows the Principal and accrued interest broken down by specific Advances and/or transactions.

Fiscal Service will also post monthly on TreasuryDirect a General Ledger Balances Report that shows Fiscal Service's balances for Loans Receivable, Capitalized Interest Receivable, Interest Receivable, and Interest Revenue for each Program Agency that had a balance with Fiscal Service in any of those United States Standard General Ledger (USSGL) accounts. The General Ledger Balances Report also displays Fiscal Service's balances for Gains and Losses with any Program Agency to which those USSGL accounts apply.

Program Agencies should use the balances from both of these reports for reconciling their CARS Account Statement. If Program Agencies have questions regarding reconciliation of these reports, they may call 304-480-7488 or email Borrowings@fiscal.treasury.gov.

It is the responsibility of the Program Agency to post all account activity transactions that are reported to Fiscal Service to a corresponding account in the Program Agency's internal accounting system. It is also the responsibility of the Program Agency to reconcile its internal account balances with corresponding account balances in CARS.

4840.20—Intra-governmental Eliminations

Program Agencies should refer to [TFM Volume I, Part 2, Chapter 5100](#) for guidance to reconcile their internal account balances with account balances in CARS, as well as for the area within Fiscal Service to which questions on account reconciliation may be addressed.

Treasury prepares and distributes a number of reports and statements on the financial management and operations of the United States Government. To support this effort, Program Agencies are required to submit the financial information through the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS).

Reporting requirements and instructions for these systems and guidance to reconcile intra-governmental transactions can be found in [TFM Volume I, Part 2, Chapter 4700](#).

In addition, various statutes require Treasury to report annually to Congress on the financial condition and operations during the preceding fiscal year of particular Non-Credit Reform Accounts and on the expected conditions and operations of these accounts during a specified number of years in the future. In fulfillment of the mandate for publishing information on the financial condition and operations of the particular Non-Credit Reform Accounts during the preceding fiscal year, Fiscal Service will compile the information from CARS, the Program Agency, and Fiscal Service will publish the information in a TFM bulletin.

Additional guidance can be found in [OMB Bulletin A-136](#) (Financial Reporting Requirements).

Contacts

Treasury Support Center Telephone: 877-440-9476

For Advances from Treasury, Repayments to Treasury, and Interest Payments to Treasury:

Federal Investments and Borrowings Branch
Bureau of the Fiscal Service
Department of the Treasury
Parkersburg Warehouse & Operations Center Dock 1
257 Bosley Industrial Park Drive
Parkersburg, WV 26101
Telephone: 304-480-7488
Email: Borrowings@fiscal.treasury.gov
Website: [Federal Borrowings Program](#) on the TreasuryDirect website

For Non-Credit Reform Account Transactions and Accounts with Subclass Codes and Account Symbols and Appropriations:

Budget Reporting Branch
Central Accounting and Reporting Division
Bureau of the Fiscal Service

Department of the Treasury
PO Box 1328
Parkersburg, WV 26106-1328
Email: baasgroup@fiscal.treasury.gov