

**U.S. GOVERNMENT STANDARD GENERAL LEDGER (USSGL)
VOTING BALLOT #12-03**

The USSGL staff presented Voting Ballot #12-03 at the July 12, 2012, USSGL IRC meeting. Please indicate the agency’s vote by marking “yes” or “no” on the voting ballot for each proposed revision to the USSGL. Provide a detailed justification for all “no” votes. Fax page 1 and any attachments containing comments or justifications for negative votes to 202-874-7232 or vote via Survey Monkey. FMS will provide the Survey Monkey link to the voting USSGL IRC board members. FMS must receive the agency’s votes by close of business July 19, 2012.

FISCAL YEAR 2012 EXCHANGE STABILIZATION FUND ACCOUNTS

ADD:

- 1205 Pg. 2 Yes___ No___
- 1209 Pg. 2 Yes___ No___
- 1344 Pg. 2 Yes___ No___
- 1384 Pg. 3 Yes___ No___
- 1670 Pg. 3 Yes___ No___
- 1671 Pg. 3 Yes___ No___
- 1672 Pg. 3 Yes___ No___
- 1679 Pg. 4 Yes___ No___
- 2192 Pg. 4 Yes___ No___
- 2193 Pg. 4 Yes___ No___
- 6338 Pg. 5 Yes___ No___
- 7181 Pg. 5 Yes___ No___
- 7191 Pg. 5 Yes___ No___
- 7281 Pg. 6 Yes___ No___
- 7291 Pg. 6 Yes___ No___

CHANGE:

- 4295 Pg. 7 Yes___ No___

FISCAL YEAR 2013

DELETE:

- 1638 Pg. 10 Yes___ No___
- 1639 Pg. 10 Yes___ No___

CHANGE:

- 1618 Pg. 8 Yes___ No___
- 7180 Pg. 8 Yes___ No___
- 7280 Pg. 9 Yes___ No___

Name: _____

Agency: _____

Date: _____

The following proposed USSGL accounts will be effective for fiscal 2012 reporting.

PROPOSED USSGL ACCOUNTS – EXCHANGE STABLIZATION FUND

Account Title: Foreign Currency Denominated Equivalent Assets

Account Number: 1205

Normal Balance: Debit

Definition: The amount of the U.S. dollar equivalent of foreign currency denominated assets that are short-term, highly liquid investments and are: (1) readily convertible into known amounts of foreign currency, and (2) close to maturity (an investment purchased within 3 months of its maturity date) such that a change in interest rate presents an insignificant risk to the value of the investment. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and Monthly Treasury Statement (MTS) reporting requirements.*

Account Title: Uninvested Foreign Currency

Account Number: 1209

Normal Balance: Debit

Definition: The amount of the U.S. dollar equivalent of the foreign currency portfolio not invested into a security. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Interest Receivable on Special Drawing Rights

Account Number: 1344

Normal Balance: Debit

Definition: The amount of accrued interest charges receivable on special drawing rights. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

The following proposed USSGL accounts will be effective for fiscal 2012 reporting.

PROPOSED USSGL ACCOUNTS – EXCHANGE STABILIZATION FUND

Account Title: Interest Receivable – Foreign Currency Denominated Assets

Account Number: 1384

Normal Balance: Debit

Definition: The amount of the U.S. dollar equivalent of accrued interest charges receivable on foreign currency denominated assets. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Foreign Investments

Account Number: 1670

Normal Balance: Debit

Definition: The par value of securities issued by foreign entities. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Discount on Foreign Investments

Account Number: 1671

Normal Balance: Credit

Definition: The full discount on securities issued by foreign entities. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Premium on Foreign Investments

Account Number: 1672

Normal Balance: Debit

Definition: The full premium on securities issued by foreign entities held. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

The following proposed USSGL accounts will be effective for fiscal 2012 reporting.

PROPOSED USSGL ACCOUNTS – EXCHANGE STABILIZATION FUND

Account Title: Foreign Exchange Rate Revalue Adjustments – Investments

Account Number: 1679

Normal Balance: Debit

Definition: The adjustment for long-term bonds and other foreign currency denominated assets using a foreign exchange rate to revalue the securities at a given date. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Special Drawing Right (SDR) Certificates Issued to Federal Reserve Banks

Account Number: 2192

Normal Balance: Credit

Definition: The amount recorded for monetization/demonetization of SDRs to the Federal Reserve Bank in exchange for dollars. This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Allocation of Special Drawing Rights (SDRs)

Account Number: 2193

Normal Balance: Credit

Definition: The amount of corresponding liability representing the value of the reserve assets (that is, SDRs) allocated by the International Monetary Fund to meet global needs to supplement existing reserve assets. SDRs derive their quality as reserve assets from the undertakings of the members to accept them in exchange for "freely useable" currencies (the U.S. dollar, European euro, Japanese yen, and British pound sterling). This account does not close at yearend. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

The following proposed USSGL accounts will be effective for fiscal 2012 reporting.

PROPOSED USSGL ACCOUNTS – EXCHANGE STABILIZATION FUND

Account Title: Remuneration Interest

Account Number: 6338

Normal Balance: Debit

Definition: The amount of interest expense, with no budgetary outlay, incurred during the conversion from special drawing rights to U.S. dollars. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Unrealized Gains – Exchange Stabilization Fund

Account Number: 7181

Normal Balance: Credit

Definition: The accumulated unrealized gain, due to exchange rates, on foreign currency investments and foreign currency denominated assets in the Exchange Stabilization Fund. Unrealized gains are due to adjustments for the market value of assets. Although the normal balance for this account is credit, it is acceptable in certain instances for this account to have a debit balance. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Other Gains for Accrued Special Drawing Right (SDR) Interest and Charges

Account Number: 7191

Normal Balance: Credit

Definition: When SDR interest rates change, accrued SDR interest/charges reflect a gain in the following circumstances: if interest rates increase, then a gain is recorded in SDR interest; if interest rates decrease, then a gain is recorded in SDR charges. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

The following proposed changes to current USSGL accounts will be effective for fiscal 2012 reporting.

**PROPOSED CHANGES TO CURRENT USSGL ACCOUNTS FOR FISCAL 2012-
EXCHANGE STABILIZATION FUND**

Account Title: Unrealized Losses – Exchange Stabilization Fund

Account Number: 7281

Normal Balance: Debit

Definition: The accumulated unrealized loss, due to exchange rates, on foreign currency investments and foreign currency denominated assets in the Exchange Stabilization Fund. Unrealized losses are due to adjustments for the market value of assets. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

Account Title: Other Losses for Accrued Special Drawing Right (SDR) Interest and Charges

Account Number: 7291

Normal Balance: Debit

Definition: When SDR interest rates change, accrued interest/charges result in a loss in the following circumstances: if interest rates decrease, then a loss is recorded in SDR interest; if interest rates increase, then a loss is recorded in SDR charges. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

The following proposed changes to current USSGL accounts will be effective for fiscal 2012 reporting.

**PROPOSED CHANGES TO CURRENT USSGL ACCOUNTS FOR FISCAL 2012-
EXCHANGE STABILIZATION FUND**

Account Title: Revaluation of Foreign Currency in the Adjustments to the Exchange Stabilization Fund

Account Number: 4295

Normal Balance: Debit

Definition: The amount of increase or decrease ~~unrealized gains and losses~~ in the Exchange Stabilization Fund as a result of revaluation, foreign exchange rate adjustments, and special liabilities (general allocations and special drawing rights certificates). Although the normal balance in this account is debit, it is acceptable in certain instances for this account to have a credit balance when a ~~foreign currency~~ loss is recognized. This USSGL account is to be used only by the Department of the Treasury.

Justification: *To meet budgetary, proprietary, and MTS reporting requirements.*

The following proposed changes to current USSGL accounts will be effective for fiscal 2013 reporting.

PROPOSED CHANGES TO CURRENT USSGL ACCOUNTS FOR FISCAL 2013

Account Title: Market Adjustment - Investments

Account Number: 1618

Normal Balance: Debit

Definition: ~~The amount of accumulated unrealized gain or loss on investments~~ **due to adjustments for market value. Do not include market adjustments on** ~~other than investments in~~ **fixed value securities.** ~~U.S. Treasury Zero Coupon Bonds. Unrealized gain or loss is due to adjustments for market value.~~ **In accordance with Federal Accounting Standards Advisory Board (FASAB) SFFAS No. 5, "Accounting for Liabilities of the Federal Government," paragraph 50, entities not reporting under FASAB generally accepted accounting principles also could use this account to record certain investments at market value.** Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance. This account does not close at yearend.

Justification: To clarify that most securities held by Federal entities should not be reported at market value in accordance with FASAB SFFAS No. 5, "Accounting for Liabilities of the Federal Government," paragraph 50, which states that: "Fixed value securities have a known maturity or redemption value at the time of issue. These securities should be valued at their original face value net of any unamortized discount or premium." Most securities issued by and/or purchased by Federal entities are considered fixed value securities. The definition also is expanded to allow use of this account for entities that do not follow FASAB GAAP and record securities at market value.

Account Title: Unrealized Gains

Account Number: 7180

Normal Balance: Credit

Definition: The amount of unrealized gains that include but are not limited to: unrealized holding gains on available for sale securities in accordance with Financial Accounting Standard (FAS) 115; **unrealized gains on investments of defined benefit pension plans under FAS 35;** deferred gains on qualified hedges under FAS 133; and qualified foreign currency translation adjustments under FAS 52.

Justification: To expand the definition to include an additional other comprehensive income item. Currently, Federal accounting does not have a separate equity component for "Accumulated Other Comprehensive Income/Loss."

The following proposed changes to current USSGL accounts will be effective for fiscal 2013 reporting.

PROPOSED CHANGES TO CURRENT USSGL ACCOUNTS FOR FISCAL 2013

Account Title: Unrealized Losses

Account Number: 7280

Normal Balance: Debit

Definition: The amount of unrealized losses that include but are not limited to: unrealized holding losses on available for sale securities in accordance with Financial Accounting Standard (FAS) 115; **unrealized losses on investments of defined benefit pension plans under FAS 35;** deferred losses on qualified hedges under FAS 133; and qualified foreign currency translation adjustments under FAS 52.

Justification: To expand the definition to include an additional other comprehensive income item. Currently, Federal accounting does not have a separate equity component for "Accumulated Other Comprehensive Income/Loss."

The following proposed deletion of current USSGL accounts will be effective for fiscal 2013 reporting.

PROPOSED DELETION OF CURRENT USSGL ACCOUNTS

Account Title: Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds

Account Number: 1638

Normal Balance: Debit

Definition: The accumulated amount of unrealized holding gains and losses for U.S. Treasury zero coupon bond investments due to adjustments to market value. Although the normal balance for this account is debit, it is acceptable in certain instances for this account to have a credit balance. This account does not close at yearend.

Justification: FASAB SFFAS No. 5, "Accounting for Liabilities of the Federal Government," paragraph 50, states that: "Fixed value securities have a known maturity or redemption value at the time of issue. These securities should be valued at their original face value net of any unamortized discount or premium." Since U.S. Treasury zero coupon bonds are fixed value securities, market adjustments should not be recorded. If market adjustments should be reported for fixed value securities in accordance with FASB standards, use USSGL account 1618, "Market Adjustments – Investments," and make an appropriate adjustment in the "Other Cost Basis of Accounting" adjustment screen in Module GF002 of the Governmentwide Financial Report System to remove the market adjustment from Governmentwide financial reporting.

Account Title: Contra Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds

Account Number: 1639

Normal Balance: Credit

Definition: The offset to market adjustments for investments in U.S. Treasury Zero Coupon Bonds. The account provides a mechanism for these bonds to be reported on a basis other than market value on the Balance Sheet. Although the normal balance for this account is credit, it is acceptable in certain instances for this account to have a debit balance. This account does not close at yearend.

Justification: FASAB SFFAS No. 5, "Accounting for Liabilities of the Federal Government," paragraph 50, states that: "Fixed value securities have a known maturity or redemption value at the time of issue. These securities should be valued at their original face value net of any unamortized discount or premium." Since U.S. Treasury zero coupon bonds are fixed value securities, market adjustments should not be recorded. If market adjustments should be reported for fixed value securities in accordance with FASB standards, use USSGL account 1618, "Market Adjustments – Investments," and make an appropriate adjustment in the "Other Cost Basis of Accounting" adjustment screen in Module GF002 of the Governmentwide Financial Report System to remove the market adjustment from Governmentwide financial reporting.