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Description of document: Current Multi-Party Memorandum of Understanding (MOU) covering Railroad Retirement Board (RRB) reporting responsibilities under the Railroad Retirement and Survivors Improvement Act of 2001, 2002

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Title of document: Memorandum of Understanding, Budgetary, Accounting and Financial Reporting Responsibilities Respecting Assets Held by the National Railroad Retirement Investment Trust

Source of document: FOIA Request
General Counsel/Chief FOIA Officer
U.S. Railroad Retirement Board
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UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

GENERAL COUNSEL

JAN 30 2014

Re: Freedom of Information Act
Request dated December 22, 2013,
C. 0929-14

This is in response to your letter dated December 22, 2013 to the Railroad Retirement Board (hereinafter the Board) wherein you requested "a copy of the updated (post-2010) Multi-Party Memorandum of Understanding covering reporting responsibilities under the Railroad Retirement and Survivors Improvement Act of 2001, to which RRB, NNRIT and Treasury were signatories." You made your request pursuant to the Freedom of Information Act.

Pursuant to your request, please find enclosed a copy of the current Memorandum of Understanding and associated attachments.

I trust that this information is helpful.

• Appeal Rights.

The regulations of the Railroad Retirement Board provide that you may appeal the denial of a requested record by writing to the Secretary to the Board, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092, within 20 days following your receipt of this letter. A letter of appeal must include reference to, or a copy of, this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl T. Blank".

Karl T. Blank
General Counsel

Enclosure



Printed on recycled paper

MEMORANDUM OF UNDERSTANDING

Budgetary, Accounting and Financial Reporting Responsibilities Respecting Assets Held by the National Railroad Retirement Investment Trust

The Railroad Retirement Board (RRB), the National Railroad Retirement Investment Trust (the Investment Trust), the Department of the Treasury (Treasury), and the Office of Management and Budget (OMB) (collectively, the Parties), agree on the following budgetary, accounting and financial reporting responsibilities respecting assets transferred to and from, and held by, the Investment Trust for RRB.

1.0 General

The Parties agree that, (i) while the Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90) (the Act) provides that the Investment Trust is not a department, agency, or instrumentality of the Federal Government, the cash and investments held by the Investment Trust for RRB are nevertheless assets of the Federal Government and must be accounted for and reported as such; (ii) the Act provides that the Investment Trust is not subject to the requirements of Title 31 of the U.S. Code (including apportionment); and (iii) the annual audit of the Investment Trust required by the Act shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

2.0 Fiscal Year of the Investment Trust

The Investment Trust will use the same fiscal year as the Federal Government. Currently, the Federal Government's fiscal year begins on October 1 and ends on September 30 of the following calendar year.

3.0 Account Structure

The transactions of the Investment Trust shall be reported using a separate trust fund account symbol, with RRB being the program agency for that account. The following Treasury Fund Account Symbols have been reserved to report this activity:

60X8118	National Railroad Retirement Investment Trust
60X8118.1	Gains and losses on non-Federal securities, National Railroad Retirement Investment Trust
60X8118.2	Earnings on investments in Federal securities, National Railroad Retirement Investment Trust
60X8118.3	Interest and dividends on non-Federal securities, National Railroad Retirement Investment Trust
60X8118.4	Payment from the Railroad Retirement Account, National Railroad Retirement Investment Trust

- 60X8118.5 Payment from the Social Security Equivalent Benefit Account, National Railroad Retirement Investment Trust
- 60X8118.6 Payment from the Railroad Retirement Supplemental Account, National Railroad Retirement Investment Trust

Federal securities are securities issued by the Treasury and securities issued by a Federal agency. Non-Federal securities include all permitted investments, excluding Federal securities. For purposes of this memorandum, securities that are guaranteed by Federal agencies are considered to be non-Federal securities.

Treasury's Financial Management Service (FMS) has established the accounts described above (with the designation account symbol of 60X8118) in FMS's central accounting and financial reporting system. Using this new account number, Treasury's Bureau of the Public Debt (BPD) will establish a separate investment account within BPD's investment accounting system for Investment Trust activity. This separate account will be reflected in separate line items on both the Monthly Treasury Statement and the Monthly Statement of the Public Debt for the activity of the Investment Trust.

4.0 Accounting Treatment of Non-Federal Security Purchases and Sales by the Investment Trust

Purchases and sales of non-Federal securities (other than gains and losses) by the Investment Trust will be treated as a means of financing, as required by section 105(c) of the Act.

5.0 Receipts to the Railroad Retirement System

Treasury's Internal Revenue Service will continue to collect and deposit receipts from the railroad industry for funding of the Railroad Retirement System. Nothing in this memorandum is to be construed as altering that arrangement. Receipts will initially be credited to the Railroad Retirement Account (RRA) or the Social Security Equivalent Benefit Account (SSEBA), as appropriate. RRB shall continue to account for these receipts, in accordance with Treasury guidance issued from time to time.

5.1 Investment in the RRA and the SSEBA

The receipts credited to the RRA and the SSEBA will be automatically invested by BPD in par-value Treasury special securities maturing on the first business day of the following month unless RRB provides specific instructions to do otherwise. Proceeds from maturing securities in the RRA and the SSEBA will be automatically re-invested by BPD in par-value Treasury special securities maturing on the first business day of the following month unless RRB provides specific instructions to do otherwise.

5.2 Receipts of the Investment Trust

Receipts of the Investment Trust will be recorded in the following sub-accounts:

- Gains and losses on non-Federal securities (60X8118.1);
- Earnings on investments in Federal securities (60X8118.2);
- Interest and dividends on non-Federal securities (60X8118.3);
- Payment from the Railroad Retirement Account (60X8118.4);
- Payment from the Social Security Equivalent Benefit Account (60X8118.5); and,
- Payment from the Railroad Retirement Supplemental Account (60X8118.6).

6.0 Transfers of Assets from RRB to the Investment Trust

Subject to the Act and this Memorandum of Understanding, RRB shall determine the timing and the amount of transfers of assets from the RRA, SSEBA, and the Railroad Retirement Supplemental Account (RRSA) to the Investment Trust.

6.1.1 Cash Transfers

RRB shall direct Treasury to transfer cash from the RRA, SSEBA, and RRSA to the Investment Trust. RRB has provided Treasury's Office of Cash and Debt Management (OCDM) with an initial schedule of expected transfers for a period of six months (September 2002 through February 2003). RRB shall provide OCDM with updates to the initial schedule if there are any changes to the dates and amounts of the expected transfers. If it is determined that the transfers will extend beyond the initial six-month schedule, RRB shall provide a revised schedule to cover periods not included on the original schedule (i.e. beyond February 2003) as soon as it is known that transfers will extend beyond this period.

If the need arises for RRB to make transfers from the Investment Trust to the RRA to fund Treasury-disbursed payments, RRB shall provide OCDM with the anticipated amount(s) to be transferred between the Investment Trust and the RRA.

These updates to the initial schedule of cash transfers and notices of transfers from the Investment Trust to RRB shall be pursuant to the business rules contained in Section 6.1.2. All updated schedules and notices shall be delivered in writing to:

David J. Monroe
Director, Office of Cash and Debt Management
Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220
Fax Number – (202) 622-4775

6.1.2 Notice for Specific Cash Transfers

Below are the business rules for providing advance notification to Treasury for daily cash management purposes. For each specific transfer of cash projected in the schedule provided in section 6.1.1, RRB shall provide:

- fifteen (15) business days advance written notification for amounts greater than \$2 billion,
- five (5) business days advance written notification for amounts between \$500 million and \$2 billion,
- two (2) business days advance notification of amounts between \$50 million and \$500 million, and
- transfers of less than \$50 million do not require advance notification.

(See Attachment A for the procedures to transfer cash assets to the Investment Trust. Additional guidance on the reporting of large dollar transfers is provided in the Treasury Financial Manual, Volume 1, Part 6, Section 8500 (<http://www.fms.treas.gov/tfm/vol1/v1p6c850.txt>.)

6.2 Transfers of Securities

Subject to the Act, RRB may request Treasury to transfer certain Treasury securities to the Investment Trust. Only securities held by RRB on the date of enactment of the Act (i.e. on December 21, 2001) are eligible to be transferred. RRB shall identify to BPD any specific securities to be transferred to the Investment Trust. Notification shall be signed by the contact for RRB account on file with BPD, and shall be delivered prior to 3:00 p.m. (Eastern Time) in writing to:

Susan Chapman
Director, Division of Federal Investments
Office of Public Debt Accounting
Bureau of the Public Debt
P.O. Box 1328
Parkersburg, WV 26106
Phone Number (304) 480-5111
Fax Number (304) 480-5212

BPD will transfer these securities to the Investment Trust by changing the account in which the securities are held in BPD's investment accounting system from the Railroad Retirement Account, 60X8011, to the Investment Trust account, 60X8118. No transaction activity (redemption or investment) will result from the transfer; however, RRB must report the transfer of the securities between the accounts to FMS. The securities will be maintained in non-marketable, book-entry form.

(See Attachment B for the procedures to transfer Treasury securities currently held by RRB to the Investment Trust.)

6.3 Accounting Treatment for Assets Held by the Investment Trust

RRB will record all cash and investments held by the Investment Trust for RRB as Federal funds held outside of Treasury.

7.0 Reporting Requirements

7.1 Annual Report

Section 105(a)(3)(E) of the Act requires the Investment Trust to submit an annual management report to Congress no later than 180 days after the end of the Investment Trust's fiscal year, and to provide a copy of the management report to the President, RRB, and OMB when it is submitted to Congress.

7.2 Monthly Reporting Requirements

As RRB continues to be responsible for the overall management of the Railroad Retirement System, RRB will be responsible for all budgetary and proprietary reporting of the Investment Trust's transactions, and for reporting to Treasury the amount of cash and the value of investments held by the Investment Trust. Treasury and OMB have developed specialized reporting requirements to handle the complexity added by the use of the Investment Trust to manage the Railroad Retirement System's assets and the disbursing agent to pay pension benefits.

- RRB is required to report all payments to and from the Investment Trust and the RRA, SSEBA, and RRSA on a monthly basis for the month in which the payment occurred.
- The Investment Trust may report on a one month delayed basis to RRB, which in turn will report the information to Treasury on a monthly basis. However, the Investment Trust will work towards improving the timeliness of its reporting, so that the transactions are reported as of the end of the month in which they occurred, consistent with all other Federal reporting.

7.2.1 Monthly Reporting by RRB on the RRA and the SSEBA

Nothing in this memorandum is to be construed as altering RRB's current requirements for monthly financial reporting of activity in the RRA and the SSEBA.

Transfers from the RRA and the SSEBA to the Investment Trust account will be reported as outlays of those accounts and as offsetting receipts of the Investment Trust account. Transfers from the Investment Trust account to the RRA will be reported as outlays of the Investment Trust account and as offsetting receipts of the RRA.

7.2.2 Timing of Monthly Reports by the Investment Trust to RRB

The Investment Trust shall report the information described in sections 7.2.3, 7.2.4, and 7.2.5 on a monthly basis to RRB. Except when Treasury, OMB, RRB and the Investment Trust agree to an alternative reporting schedule, this means that the Investment Trust may report each month's transactions no later than the third workday day of the second month after the transactions have occurred. (Beginning January 2003, the Investment Trust may report no later than the second workday of the second month.)

7.2.3 Required Monthly Information

Except as provided in Section 7.2.4, the Investment Trust shall report the following information to RRB:

- Total market value of non-Federal securities, end of month;
- Total interest earnings on Federal securities;
- Total interest and dividends earned on non-Federal securities;
- Total purchases of non-Federal securities;
- Total sales of non-Federal securities;
- Cash balance, end of month;
- Total purchases (at par) of Federal securities;
- Discounts and premiums on Federal securities at time of purchase
- Total sales (at par) of Federal securities;
- Payments to the disbursing agent;
- Administrative expenses; and,
- Payments received from the RRA, the SSEBA, and the RRSA.

Interest earnings on Federal securities (other than zero coupon bonds) shall include any purchase premiums and/or accrued interest at the time of purchase (as a negative), any periodic interest payments (as a positive), any gains realized from purchase discounts at the time of maturity or sale (as a positive)¹, and any gains or losses on sale. Zero coupon bonds will be valued at market value on a monthly basis. The purchases and sales of all other Federal securities shall be reported at par. (Additional guidance to Federal agencies on reporting for accounts invested in Department of the Treasury securities is provided in the Treasury Financial Manual, Volume 1, Part 2, Chapter 4300 (<http://www.fms.treas.gov/tfm/vol1/v1p2c430.pdf>). For U.S. Standard General Ledger transactions related to reporting for accounts invested in Department of the Treasury securities, further guidance is available at <http://www.fms.treas.gov/ussgl>.)

Interest and dividends earned on non-Federal securities shall be reported on a gross basis. That is, if interest or dividends are reinvested, this shall be reported simultaneously as interest or dividends earned and as purchases of non-Federal securities.

¹ Discounts are reported as a positive in subclass 75 (Unrealized Discount on Investments) at time of purchase. At maturity or sale, the purchase discount is reversed by reporting a negative receipt in subclass 75 and any gain realized from the discount is reported as interest in the 60X8118.2 receipt account as a positive.

RRB shall use the information provided by the Investment Trust to prepare the monthly financial reports for the Investment Trust account (60X8118) and report to Treasury. As long as the Railroad Retirement System payments are disbursed through a FMS Financial Center, RRB shall complete the Statement of Transactions (Form 224) by the fifth workday of the month (the third workday, beginning January 2003). Once the Railroad Retirement System payments are disbursed through a non-Federal disbursing agent, RRB shall complete the Statement of Accountability (Form 1219) and the Statement of Transactions (Form 1220) by the fifth workday of the month. RRB shall use the standard reporting procedures to complete these reports. (Additional guidance to Federal agencies on financial reporting is provided in the Treasury Financial Manual, Volume 1, Part 2. (<http://www.fms.treas.gov/tfm/vol1/v1p2c100.html>.) The table in Appendix C provides detailed guidance for reporting each class of anticipated transactions.

7.2.4 Monthly Valuation of Assets Held by the Investment Trust

As mentioned above, RRB shall report the total market value of the portfolio of non-Federal securities held by the Investment Trust to Treasury on a monthly basis. Realized and unrealized gains and losses (net of purchases and sales) on the portfolio of non-Federal securities held by the Investment Trust shall be reported as offsetting receipts. The Investment Trust may report this mark-to-market valuation of the portfolio to RRB on a 30-day delay basis. RRB will calculate gains and losses on non-Federal securities as follows:

	Total market value of non-Federal securities, end of the current month
+	Sales of non-Federal securities
-	Purchases of non-Federal securities
-	Total market value of non-Federal securities, end of previous month

The Parties agree that it would be difficult and expensive to revalue certain classes of non-Federal assets held by the Investment Trust on a monthly basis. Therefore, the Investment Trust shall be required to revalue monthly only assets for which current market quotations are readily available in nationally recognized financial media. The Investment Trust may revalue all other assets on an annual basis (at the end of the fiscal year).

7.2.5 Administrative Expenses

The Investment Trust shall report its direct expenditures for administrative expenses to RRB each month on an aggregate basis. In addition, at least once each year (at the end of the fiscal year) the Investment Trust shall report the amount of administrative expenses incurred by investment management firms that invest on its behalf. To the extent that these firms deduct their administrative expenses from earnings reported to the Investment Trust, the Investment Trust shall report the amount of estimated administrative expenses separately and increase amounts of earnings reported by the same amount.

7.2.6 Certification of Monthly Information

RRB shall certify to Treasury that it has reported the information provided to it by the Investment Trust. RRB's certification will not be construed as certifying to the accuracy of the information provided by the Investment Trust. Ensuring the accuracy of the information provided on a monthly basis is a responsibility of the Investment Trust. However, RRB is responsible for ensuring that the annual information reported to Treasury is consistent with the Investment Trust's audited financial statements subject to differences between the budget and financial reporting in the basis for measurement of transactions. To the extent there are differences for other reasons, RRB will work with the Investment Trust to correct the information reported to Treasury.

7.2.7 Benefit Payments

RRB's reporting of monthly benefit payments is not covered by the one month delay permitted by paragraph 7.2.2 because RRB will have the information necessary to report benefit payments at the end of the month in which the benefits are paid. Under the Act, RRB continues to have the responsibility for determining who is entitled to railroad retirement benefits, the amount of each benefit, and the timing of payments. In addition, RRB will direct the Investment Trust to transfer funds to the disbursing agent sufficient to pay railroad retirement non-SSEB tier 1, tier 2 and supplemental benefits.

7.3 Required Quarterly Reporting

On a quarterly basis, RRB will also be required to complete FACTS II (Federal Agencies' Centralized Trial-Balance System II) reporting based on information provided by the Investment Trust. FACTS II will allow RRB to submit one set of accounting data (mostly budgetary, but some also proprietary) that fulfills the needs of the FMS 2108 Year-End Closing Statement and the SF 133 Report on Budget Execution. The reporting schedule and additional guidance related to FACTS II reporting is provided in the FMS website at <http://www.fms.treas.gov/ussgl/factsii/index.html>.

7.4 Required Yearly Reporting

RRB shall report the financial information as required in the Treasury Financial Manual, Volume I, Part 2, Chapter 4000 (ITFM 2-4000) Federal Agencies' Centralized Trial-Balance System (FACTS I) to FMS, using Treasury Fund Account Symbol number 60X8118 which will include the information on the activities and balances of the Investment Trust.

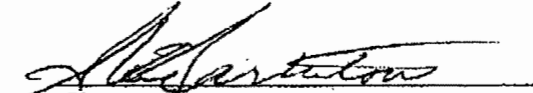
8.0 Revision of Reporting Requirements

If necessary, this memorandum will be updated as needed, with consent of the Parties, to reflect changes in reporting requirements published in OMB's Circular No. A-11.

Attachments

9.0 Signatures

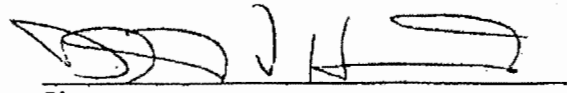
Railroad Retirement Board


Signature

Steven A. Bartholow
General Counsel/Senior Executive Officer

10/16/2002
Date

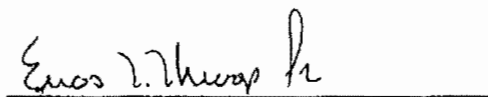
Department of the Treasury


Signature

Donald V. Hammond
Fiscal Assistant Secretary

10/18/02
Date

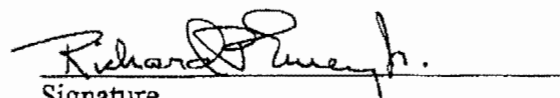
National Railroad Retirement
Investment Trust


Signature

Enos T. Throop, Jr.
Chief Investment Officer

October 21, 2002
Date

Office of Management and Budget


Signature

Richard P. Emery, Jr.
Assistant Director for Budget Review

10/28/2002
Date

Cash Transfer to the National Railroad Retirement Investment Trust Procedures

Objective	RRB / Trust Action	Treasury Action
Initial Transfer of Excess Balances (Cash) from RRB Accounts to Trust	<p>The Trust, through RRB, has provided a schedule to Treasury (OFAS) of pending transfers of the initial balances in the Railroad Retirement Account (60X8011), the Social Security Equivalent Benefit Account (60X8010) and the Railroad Retirement Supplemental Account - (60X8012). With this advance notification, funds can be made available to Trust on specified dates.</p> <p><i>Updates to the schedule of transfers should be provided, in writing, to:</i> David J. Monroe Director, Office of Cash and Debt Management Department of the Treasury 1500 Pennsylvania Ave, NW Washington, DC 20220 Fax Number - (202) 874-4775</p>	<p>Treasury (OFAS - OCDM) identifies need for requested amount of cash and plans to have funds available.</p> <p>Depending on size of transfer, Treasury may be able to make transfers of cash without the full 30-day notice. However, the 30-day notice will enable Treasury to ensure that the full amount of funds will be able to be transferred in 30 days. Treasury will work with RRB and the Trust on specific timing of transfers.</p>
	<p>RRB instructs BPD to liquidate securities held in accounts 60X8011, 60X8010 and 60X8012 by sending redemption instruction to BPD designating specific securities to liquidate. (Standard procedures, using Request for Investment/Redemption Form)</p>	<p>BPD liquidates securities. Increases cash balance of investment accounts.</p>
	<p>RRB instructs FMS to move cash balance from 60X8011, 60X8010 and/or 60X8012* account to Investment Trust's account at its designated custodial bank.</p> <p>RRB certifying officer will use the Electronic Certification System or complete a hardcopy SF 1166 and send it to FMS Regional Financial Center, to move money to Trust account outside of Treasury.</p>	<p>FMS will effect the transfer of the funds to the Trust's account at its designated financial institution. (The transfer will most likely occur electronically, either by automated clearinghouse credit, or wire transfer at the option of RRB.)</p>
	<p>RRB will report the outlay of funds from accounts 60X8010, 60X8011, and/or 60X8012 on the current month SF 224 for those accounts, and report an offsetting receipt to account 60X8118 with a subclass of (41) on the current month SF 224 to indicate funds were moved to the Investment Trust outside of Treasury.</p>	
<p>* Once all funds in the Supplemental Benefit Account (60X8012) are transferred to the Trust, this account will be eliminated. The other two accounts will have ongoing activity.</p>		

<p>On-going transfers of funds to the Investment Trust</p>	<p>RRB will identify amount of funds to move to the investment Trust.</p> <p>Funds shall be transferred in accordance with the notification timeframes outlined in Section 6.1.2.</p> <p><i>Notification should be sent in writing to:</i> Cash Forecasting Division Cash Accounting and Reporting Directorate Financial Management Service Department of the Treasury 3700 East West Highway, Room 5A09 Hyattsville, Maryland 20782 Fax Number: 202-874-9945 Or: 202-874-9984 Telephone: 202-874-9790 e-mail: funds.control@fms.treas.gov</p>	
	<p>If funds are invested in short term, par-value-Treasury securities, RRB instructs BPD to liquidate securities held in accounts 60X8011, or 80X8010 by sending redemption instruction to BPD designating specific securities to liquidate. (Standard procedures, using Request for Investment/Redemption Form)</p>	<p>BPD liquidates securities. Increases cash balance of investment accounts.</p>
	<p>RRB instructs FMS to move a cash amount from the 60X8011 and/or 60X8010 account(s) to designated account of the Trust.</p> <p>RRB certifying officer will use the Electronic Certification System or complete a hardcopy SF 1166 and send it to FMS Regional Financial Center, to move money to Trust account outside of Treasury.</p>	<p>FMS will effect the transfer of the funds to the Trust's account at its designated financial institution. (The transfer will most likely occur electronically, either by automated clearinghouse credit, or wire transfer at the option of RRB.)</p>
	<p>RRB will report the outlay of funds from accounts 60X8010, 60X8011, and/or 60X8012 on the current month SF 224 for those accounts, and report an offsetting receipt to account 60X8118 with a subclass of (41) on the current month SF 224 to indicate funds were moved to the Investment Trust outside of Treasury.</p>	

**Securities Transfer to the National Railroad Retirement Investment Trust
(Including the Transfer of the Proceeds of Redeemed
Securities held by the Investment Trust)**

Procedures

Objective	RRB / Trust Action	Treasury Action
Transfer of Currently-held Securities from RRB to Trust	<p>RRB identifies specific securities to transfer to the Trust ownership. (In writing to BPD using established contact for RRB account as signatory.)</p> <p><i>(Notification should be provided, in writing, to:)</i> Susan Chapman Director, Division of Federal Investments Office of Public Debt Accounting Bureau of the Public Debt P.O. Box 1328 Parkersburg, WV 26106 Phone Number (304) 480-5111 Fax Number (304) 480-5112</p>	<p>BPD changes the ownership of the securities, by changing the account in which the securities are held in InvestOne from the RRB account, 60X8011, to the account for Trust activity, 60X8118. No transaction activity (redemption or investment) occurs.</p>
	<p>Trust must establish a designated contact for new account. Completes Fund Information Form and submits it to BPD at the above address.</p>	
	<p>RRB must report the transfer of securities from 60X8011 to 60X8118 to FMS via the monthly account transaction reporting (SF 224).</p>	
Redemption of Securities held by the Trust at BPD	<p>Trust completes Request for Investment/Redemption Form identifying security to be redeemed and submits it to BPD.</p>	<p>BPD liquidates designated securities and increases cash balance in Investment Account (60X8118).</p>
Transfer of the Proceeds (Cash) of a Redemption to the Trust	<p>Trust requests that RRB instructs FMS to move cash balance from 60X8118 account to Trust.</p> <p>Funds shall be transferred in accordance with the notification timeframes outlined in Section 6.1.2.</p> <p><i>Notification should be sent in writing to:</i> Cash Forecasting Division Cash Accounting and Reporting Directorate Financial Management Service Department of the Treasury 3700 East West Highway, Room 5A09 Hyattsville, Maryland 20782 Fax Number: 202-874-9945 Or: 202-874-9984 Telephone: 202-874-9790</p>	<p>FMS will effect the transfer of the funds to the Trust account at its designated financial institution. (The transfer will most likely occur electronically, either by automated clearinghouse credit, or wire transfer at the option of RRB.)</p>

e-mail: funds.control@fms.treas.gov

RRB certifying officer will use the Electronic Certification System or complete a hardcopy SF 1166 and send to FMS Regional Financial Center, to move money to Trust account outside of Treasury.

Railroad Investment Trust
 Accounting for Transactions
 Funds 60X8010, 60X8011, 60X8012 and 60X8118

Attachment C

Transaction	USSGL	SF 224	60X8010, 60X8011, 60X8012		60X8118	
			RRB		NRRIT	
			Debit	Credit	Debit	Credit
1. Anticipated Appropriation						
Proprietary	None	None				
Budgetary	4120 Appropriations Anticipated - Indefinite 4450 Unapportioned Authority		100			
				100		
2. Apportionment						
Proprietary	None	None				
Budgetary	4450 Unapportioned Authority 4590 Apportionments Unavailable - Anticipated Resources		100			
				100		
3. Tax Receipts						
Proprietary	1010 Fund Balance With Treasury 5800 Tax Revenue Collected	60X8010.2 60X8011.2 (Reported by Treasury)	100			
				100		
Budgetary	4114 Appropriated Trust or Special Fund Receipts 4120 Appropriations Anticipated - Indefinite		100			
				100		
4. Apportionment and Allotment						
Proprietary	None	None				
Budgetary	4590 Apportionments Unavailable - Anticipated Resources 4510 Apportionments 4510 Apportionments 4610 Allotments - Realized Resources		100			
				100		
			100			
				100		
5. Transfer Funds to RIT						
Proprietary	5760 Expenditure Financing Sources - Transfers Out 1010 Fund Balance With Treasury	(09)60X8010 (09)60X8011 (09)60X8012 (41)60X8118	85			
				85		
	1130 Funds Held by the Public				85	
	5750 Expenditure Financing Sources - Transfers In	60X8118.5 60X8118.4 60X8118.6				85
Budgetary	4610 Allotments - Realized Resources 4902 Delivered Orders - Obligations, Paid 4114 Appropriated Trust or Special Fund Receipts 4620 Unobligated Funds Not Subject to Apportionment		85			
				85		
					85	
						85

Railroad Investment Trust
 Accounting for Transactions
 Funds 60X8010, 60X8011, 60X8012 and 60X8118

Attachment C

Transaction	USSGL	SF 224	60X8010, 60X8011, 60X8012		60X8118	
			RRB		NRRIT	
			Debit	Credit	Debit	Credit
6. Purchases of Treasury Securities at Par²						
Proprietary	1610 Investment in U.S. Securities (par)	(88)60X8118			10	
	1130 Funds Held by the Public	(41)60X8118				10
Budgetary	None					
7. Sale of Treasury Securities at Par²						
Proprietary	1130 Funds Held by the Public	(41)60X8118			5	
	1610 Investment in U.S. Securities (par)	(98)60X8118				5
Budgetary	None					
8. Earnings on Federal Securities						
Proprietary	1130 Funds held by the Public	(41)60X8118			1	
	5310 Earnings on Investments	60X8118.2				1
Budgetary	4114 Appropriated Trust or Special Fund Receipts				1	
	4620 Unobligated Funds Not Subject to Apportionment					1
9. Purchase of Federal Agency Securities at Par²						
Proprietary	1620 Investment in Securities Other than Public Debt	(80)60X8118				10
	1130 Funds held by the Public	(41)60X8118				
Budgetary	None					
10. Sale of Federal Agency Securities at Par²						
Proprietary	1130 Funds held by the Public	(41)60X8118			10	
	1620 Investment in Securities Other than Public Debt	(90)60X8118				10
Budgetary	None					
11. RITC Purchases of Non-Federal Securities						
Proprietary	1620 Investment in Securities Other than Public Debt	(42)60X8118 ¹			73	
	1130 Funds Held by the Public	(41)60X8118				73
Budgetary	4620 Unobligated Funds Not Subject to Apportionment				73	
	4394 Receipts unavailable for Obligation Upon Collection					73

Railroad Investment Trust
Accounting for Transactions
Funds 60X8010, 60X8011, 60X8012 and 60X8118

Attachment C

Transaction	USSGL	SF 224	60X8010, 60X8011, 60X8012		60X8118		
			FRB		NRRIT		
			Debit	Credit	Debit	Credit	
12. <u>Mark to Market for Unrealized Gain (Non-Federal Securities)</u>							
Proprietary	1618	Market Adjustment - Investments	(42)60X8118 ¹		20		
	7180	Unrealized Gain - Investments	60X8118.1			20	
Budgetary	4114	Appropriated Trust or Special Fund Receipts			20		
	4394	Receipts Unavailable for Obligation Upon Collection				20	
13. <u>RITC Sale of Non-Federal Securities</u> (reflecting market adjustment- realized gain)							
Proprietary	1130	Funds Held by the Public	(41)60X8118		100		
	1620	Investment in Securities Other than Public Debt	(42)60X8118 ¹			73	
	7110	Gains on Disposition of Assets	60X8118.1			27	
	7180	Unrealized Gain - Investments	60X8118.1		20		
	1618	Market Adjustment - Investments	(42)60X8118 ¹			20	
Budgetary	4114	Appropriated Trust or Special Fund Receipts			7		
	4394	Receipts Unavailable for Obligation Upon Collection			93		
	4620	Unobligated Funds Not Subject to Apportionment				100	
14. <u>Payment of Admin Expenses</u>							
Proprietary	6100	Operating Expenses	(10)60X8118		2		
	1130	Funds Held by the Public	(41)60X8118			2	
	1010	Fund Balance with Treasury ³			2		
	1010	Fund Balance with Treasury				2	
Budgetary	4620	Unobligated Funds Not Subject to Apportionment			2		
	4902	Delivered Orders-Obligations, Paid				2	
15. <u>Payment of Benefits</u>							
Proprietary	6400	Benefit Expenses	(61)60X8118		2		
	1130	Funds Held by the Public	(41)60X8118			2	
	1010	Fund Balance with Treasury ³			2		
	1010	Fund Balance with Treasury				2	
Budgetary	4620	Unobligated Funds Not Subject to Apportionment			2		
	4902	Delivered Orders-Obligations, Paid				2	

Railroad Investment Trust
 Accounting for Transactions
 Funds 60X8010, 60X8011, 60X8012 and 60X8118

Attachment C

Transaction	USSGL	SF 224	60X8010, 60X8011, 60X8012		60X8118	
			RRB		NRRIT	
			Debit	Credit	Debit	Credit
16. Interest and Dividends Received (Non-Federal Securities)						
Proprietary	1130 Funds Held by the Public	(41)60X8118			5	
	5310 Interest Revenue	60X8118.3				5
Budgetary	4114 Appropriated Trust or Special Fund Receipts				5	
	4620 Unobligated Funds Not Subject to Apportionment					5
17. Mark to Market for Unrealized Loss (Non-Federal Securities)						
Proprietary	7280 Unrealized Loss - Investments	60X8118.1			10	
	1618 Market Adjustment - Investments	(42)60X8118 ¹				10
Budgetary	4394 Receipts Unavailable for Obligation Upon Collection				10	
	4114 Appropriated Trust or Special Fund Receipts					10
18. Transfer Zero-Coupon Bonds to NRRIT						
Proprietary	1630 Investments - ZCBs	(88)60X8011		1,000		
	1631 Unamortized Discount - ZCBs	(72)60X8011	400			
	1633 Amortization of Discount - ZCBs		200			
	1638 Market Adjustment - ZCBs	(72)60X8011	100			
	7110 Gains on Disposition of Assets			200		
	1630 Investments - ZCBs	(88)60X8118			1,000	
	1631 Unamortized Discount - ZCBs	(72)60X8118				400
	1638 Market Adjustment - ZCBs	(72)60X8118				100
Budgetary	None					
19. Mark to Market - Zero Coupon Bonds						
Proprietary	1638 Market Adjustment - Investments in zero coupon bonds	(72)60X8118			50	
	5310 Interest Revenue	60X8118.1				50
Budgetary	4114 Appropriated Trust or Special Fund Receipts				50	
	4394 Receipts Unavailable for Obligation Upon Collection					50

¹ Until programming changes are in effect for Treasury's central accounting system, monthly reporting to Treasury of subclass 42 (investments in non-Federal securities) is not required. However, balances for non-Federal securities should be reflected as a footnote in the 4th quarter FACTS II submission for yearend reporting.

² For Federal securities purchased at a premium, discount, or include accrued interest, refer to existing U.S. Standard General Ledger guidance for budgetary and/or proprietary accounting transaction entries. Additionally, for SF224 reporting, if investments are in non-guaranteed Federal Agency Securities use subclass 81 for investments and 91 for redemptions.

³ This is an automatic system entry. Do not report on the SF224.

**Transfer of Funds from the National Railroad Retirement Investment Trust
to Treasury for Disbursing Purposes**

Procedures

Objective	RRB / Trust Action	Treasury Action
<p>Transfers of Funds (Cash) from the Trust to Treasury for Disbursement</p>	<p><i>Note: These procedures will only be used in the event that funds held by the Trust are required to be transferred back to the Treasury to make benefit payments. Once the non-Federal disbursing agent is in place, funds should not need to be returned to Treasury.</i></p> <p>RRB advises the Trust that funds should be returned to the Treasury for disbursement of benefit payments.</p> <p>The Trust will liquidate assets and transfer funds, by wire transfer, to the Treasury's account at the New York Federal Reserve Bank to the credit of the RRB.</p> <p>Should it be necessary to transfer amounts in excess of \$50 million from the Investment Trust to the RRB, a large dollar deposit notification would be required to be sent by RRB to:</p> <p>Cash Forecasting Division Cash Accounting and Reporting Directorate Financial Management Service Department of the Treasury 3700 East West Highway, Room 5A09 Hyattsville, Maryland 20782 Fax Number: 202-874-9945 Or: 202-874-9984 Telephone: 202-874-9790 e-mail: funds.control@fms.treas.gov</p>	<p>Through the Fedwire Deposit System, the RRB will be credited with immediately available funds from the wire transfer.</p> <p>(A separate memorandum of understanding covers the disbursement of benefit payments by FMS until a non-Federal disbursing agent is selected.)</p>