

are also reported as trust fund expenditures). Similarly, there are trust fund receipts, such as interest on U.S. securities, which are also reported as administrative budget expenditures. To consolidate the transactions of budget and trust funds, the intragovernmental transactions are eliminated from the combined receipts and expenditures—no exchange of cash with the public is involved in these operations.

3. *Exercise of monetary authority.*—These receipts are now mostly from seigniorage, that is, they represent the difference between the cost of the metal and minting of coins, on the one hand, and the actual value of the coins as money on the other. Seigniorage is included in the administrative budget receipts; it is not part of the cash receipts from the public. (For the years 1962, 1963, and 1964, seigniorage is \$58, \$39, and \$49 million, respectively.)

4. *Debt issuance in lieu of checks.*—In a few cases, Government expenditures are made by issuing bonds or notes, or increasing the value of such bonds outstanding, in lieu of issuing checks. Such transactions are recorded in the administrative budget as expenditures when the debt is thus increased, even though no cash transfers take place until the debt instrument is redeemed.

For example, the administrative budget records interest on savings bonds when it accrues (and is added to the redemption value currently payable) rather than when it is actually paid. In computing cash payments to the public, interest payments are included only when the actual transfer of cash takes place. Therefore, an adjustment is made for the difference between the amount of interest accrued and the amount paid.

Table A-3. DEBT ISSUANCE IN LIEU OF CHECKS

[Fiscal years. In millions of dollars.]

Description	1962	1963	1964	End 1964 outstand- ing
Interest added to value of debt (savings bonds, etc.) net..	641	619	610	11,049
Treasury notes issued for:				
International Monetary Fund.....	171	295	-----	2,962
International Development Association.....	58	36	-22	129
Inter-American Development Bank.....	55	70	25	150
Armed Forces leave bonds issued.....	-1	-1	-1	7
Adjusted-service bonds issued.....	*	*	*	2
Excess profits tax refund bonds issued.....	1*	-----	-----	1
<b>Total, debt issuance in lieu of checks.....</b>	<b>923</b>	<b>1,019</b>	<b>612</b>	<b>14,300</b>

\*Less than 1 million.

Note.—Negative figures represent net redemption.

† Reported as refunds of receipts.

A second example involves transactions in special notes used to pay certain U.S. Government obligations. The Government has paid a portion of its subscriptions to the International Monetary Fund, the International Development Association, and the Inter-American Development Bank in non-interest-bearing notes. The notes are considered administrative budget expenditures and become part of the public debt when they are issued. However, they are not counted as a payment to the public until they are redeemed for cash, at which time they cease to be part of the public debt. Conversely, when the