

**INSTRUCTIONS FOR USE OF RD FORM 481**  
**FINANCIAL REQUIREMENT STATEMENT (FRS)**  
**Revised as of April 2008**

- ① **Borrower Designation** – The borrower enters RD project number.
- ② **Statement Number** – The borrower enters numerical sequence from the previous FRS.
- ③ **Date Prepared** – The borrower enters current date.
- ④ **Borrower Name and Address** – The borrower enters borrower’s name and address.

**EXPLANATION OF COLUMNS**

- ⑤ **Approved Purposes** – The borrower will list all items (contracts, approved work order, vehicle, work equipment, etc.) as they appeared on the last FRS. Any contracts that have been approved since the previous requisition was processed may also be listed.
- ⑥ **Amount Encumbered** – Encumbered means that the funds have been taken out of the reserves and have been set aside for the approved contracts or budget items. **NOTE:** These funds are deducted from the “Unencumbered Reserves” at the time the contracts and/or the budget items are approved, not when the FRS is submitted. Funds for “Approved Work Orders” are an exception to this since they are encumbered at the time the FRS is processed and are based on approved Form 771, Summary of Work Orders.
- ⑦ **Column 1, Withheld on Contract** – This column is to be completed by Rural Development Utilities Program (lender) only. The lender will enter 5 percent of encumbered amount for outside plant and engineering contracts and 10 percent of encumbered amount on other construction contracts.
- ⑧ **Column 2, Total Approved for Advance** – This column represents total amounts previously approved for advance. Borrower enters the amount for each sub-budget item as shown in Column 2 of the prior statement as adjusted. Lender will change figures to include additions or deductions since the prior statement. Column 2 (revised amount) less Column 3, Total Advances to Date, reflect the amount available for advance for each purpose.

- ⑨ **Column 3, Total Advances to Date** – The borrower will enter the figures to reflect the total amount advanced for each sub-budget item through the prior statement. The amount entered will equal the amounts of Column 3 plus Column 5 of the prior statement.
- ⑩ **Column 4, Advances Now Requested** – The borrower will enter the amounts for which advances are requested opposite the applicable sub-budget items. The borrower may enter sub-budget items and amounts for which amounts have not been established in Column 2 of the prior statement provided that the required supporting data has been previously submitted or will accompany the current FRS. The lender will enter the appropriate amounts encumbered for the purpose on Column 1 and 2 when the statement is processed. Requested amounts should not exceed Column 2 less Column 3 unless final documents or an amendment has been approved since the last FRS that would increase the amount in Column 2. If the closeout amount or amendment would decrease the amount in Column 2, then the amount requested should be determined based on the expected revised Column 2 amount less Column 3.
- ⑪ **Column 5, Advances Currently Approved** – The lender will enter amount of loan funds to be advanced for each sub-budget item or non-loan funds approved for use at the time the statement is processed. The advance will be rounded down to the nearest thousands of dollars for FFB funds.
- ⑫ **Column 6, Total Disbursement and Credits** – The borrower enters amounts disbursed from the construction fund for each sub-budget item through the last day of the preceding month. The preceding month-end date is entered in the space at the head of this column. Receipts to the construction fund (Line 10, Sale of Property, and Line 11, Other Funds) are entered as credits (amounts in parenthesis). RD field accountant will subsequent audit the amounts reported in this column.

### **EXPLANATION OF LINE ITEMS**

- ⑬ **Line 8(b), Closed Budget-Audited** – This item includes audited disbursements for which loan funds have been fully disbursed and accounted for. Upon completion of an audit, the RD field accountant would recommend items for closed budget. Lender will transfer appropriate item to Closed Budget-Audited.
- ⑭ **Line 9, Subtotals- All Funds** – This is the addition of all funds from Line 1 to Line 8b.
- ⑮ **Line 10, Sale of Property** – This item is provided to account for deposits to the Construction Fund Account representing proceeds from the sale of property. Proceeds from sales should be reported opposite this item in Column 6 as a

credit. Subsequent adjustments to record the availability of these funds for approved purposes will be made by the lender in Column 2 after receiving a brief description of the property sold.

- ①⑥ **Line 11(a), Other – Req'd. Non-Loan** – Funds deposited into the Construction Fund Account which are required to cover an approved purpose (such as a contract or approved work orders). Interest Earned is entered on Line 11(b).
- ①⑦ **Net Totals – Loan Funds** – This is the addition of loan funds from Line 9 to Line 11C.
- ①⑧ **Line 13 Through 16** – The amounts in these categories come from the previously approved FRS. When a new loan is approved the lender will enter the appropriate amounts. **NOTE:** The total of Item 16, Column 2, should agree with the total of Item 12, Column 3, and the total of Item 20, Column 6. The lender will complete the column labeled “Advanced This FRS”.
- ①⑨ **Line 17, Cash Balance per General Ledger** – This is the cash balance of the Construction Fund Account only.
- ②⑦ **Line 18, Advances Not Deposited, FRS** - Report any approved advances and associated FRS number that have not been deposited in the Construction Fund Account. Because of new advance procedures, this would be not applicable in most cases.
- ②⑧ **Line 19, Other Adjustments (Specify)** – This line is provided for any miscellaneous adjustments. For example, a small adjustment could be entered for “whole dollar accounting”, disbursement errors, etc. **NOTE:** Any adjustments entered in this item should be explained and corrected as soon as possible.
- ②⑨ **Line 20, Total Item 12, Column 6 + 17, 18 and 19** – This total should always agree with the total of Item 12, Column 3, Total Advances to Date, and the total of Item 16, Column 2, Previously Advanced.
- ②⑩ **Line 21, Funds Not Released** – This is the amount of loan funds that has been approved but not released. The lender will enter this amount.

- 24) **Unencumbered Reserves** – This will be completed by the lender. This is the amount of funds still available for approved purposes (contracts, work orders, etc.).
- 25) **Certification** – Borrower completes the “Certification” section and signs all copies of the FRS with original signature (Only persons authorized on Form 675 should sign). **NOTE:** At the time of the board meeting a corporate officer should be appointed to sign FRS’s. A certified copy of the resolution and the original Form 675, Certification of Authority, should be submitted to the lender.

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Refer to 7 CFR 1744.66, The Financial Requirement Statement, for more details in completing this form.

### **Submission Notes**

- a) Copy 4 (Page 4) of the Form 481 is required for processing the FRS. The borrower should be sure that the form is complete with the information in Instructions 1 through 4 above along with the signature of the authorized person. Electronic version of the Form 481 can be found at <http://www.usda.gov/rus/telecom/publications/forms.htm>
- b) The borrower should indicate in its transmittal letter to lender which loan/note (hardship, cost-of-money, RTB, or FFB) that it wants the advance to be drawn from.
- c) Requests for FFB funds should be accompanied by a completed Annex “A” Form. The Annex “A” Form and instructions can be found in Bulletin 1710B-2, Guide to Federal Financing Bank loans guaranteed by RUS, at <http://www.usda.gov/rus/index2/rusregs.htm>.
- d) The borrower should be in compliance with its financial reporting to lender since this will halt the advance process.
- e) Any questions or concerns in preparing or submitting an FRS should be directed to your division engineering office or to your general field representative.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0023. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS <b>FINANCIAL REQUIREMENT STATEMENT</b> (RUS; RTB; FFB)				FORM APPROVED OMB NO. 0572-0023		
INST. - Submit an original & 2 copies to RUS. See Bull. 327-1		BORR. DESIG. <b>1</b>	STATEMENT NO. <b>2</b>	DATE PREPARED <b>3</b>		
RUS USE ONLY				BORROWER NAME AND ADDRESS <b>4</b>		
DATE RECEIVED	RUS NUMBER					
APPROVED PURPOSES (Use Supplemental Sheets as necessary) <b>5</b>	AMOUNT ENCUMBERED <b>6</b>		TOTAL ADVANCES TO DATE <b>9</b>	ADVANCES NOW REQUESTED <b>10</b>	RUS USE ONLY ADVANCES CURRENTLY APPROVED <b>11</b>	TOTAL DISBURSEMENTS & CREDITS AS OF JAN-00 <b>12</b>
	RUS USE ONLY WITHHELD ON CONTRACT (1) <b>7</b>	TOTAL APPROVED FOR ADVANCE (2) <b>8</b>	(3)	(4)	(5)	(6)
1. Construction						
a.						
b.						
c.						
d.						
e.						
f.						
g.						
2. Engineering-a.						
b.						
3. Operating Equip.						
b.						
4. General-a.						
b.						
c. RTB Stock						
5. Operating Funds						
6. Debt Retirement						
7. Acquisitions-a.						
b. Land and Buildings						
8a. Closed Budget-Unaudited						
8b. Closed Budget-Audited <b>13</b>						
9 Subtotals-All Funds <b>14</b>						
10. Sale of Property <b>15</b>						
11. Other-a. Req'd Non-Loan <b>16</b>						
b. Interest Income						
c.						
12. Net Totals - Loan Funds <b>17</b>						
<b>18</b>	TOTAL LOAN	UNDER NOTE	PREVIOUSLY ADVANCED	ADVANCED THIS FRS	17. Cash Bal. Per Gen. Ledger <b>19</b>	
	13. RUS LOAN				18. Adv. Not Deposited FRS -I <b>20</b>	
	14. RTB LOAN				19. Other Adjustments (Specify) <b>21</b>	
	15. FFB LOAN				20. Total Item 12, Col 6+17,18&19 <b>22</b>	
	16. TOTAL				21. Funds Not Released <b>23</b>	
UNENCUMBERED RESERVES (This Space For RUS Use Only) <b>24</b>						
Central Office Equipment			General and Contingency			
Outside Plant and Station Equipment			Special Projects			
Land and Buildings			Funds Not Deposited (CR)			
Engineering-a.			Total Unencumbered Reserves			
<b>CERTIFICATION</b> <b>25</b>						
<p>On behalf of the designated borrower, I request that the amount set forth as "Advances Now Requested" (Item 12, Col. 4 above) be advanced under the loan contract. "Loan contract" includes in addition to the RUS and RTB loan contracts, the Federal Financing Bank - RUS Loan Commitment Agreement, and the related Commitment Notice and correspondence concerning loan terms and conditions. I certify that the amount so requested is for a purpose or purposes for which funds have either been approved for advance or for which approval is requested herewith; that the amount advanced will be deposited in the Trustee RUS Construction Fund account of the corporation in the _____ bank, which is a member of the FDIC; that the loan and other funds required to be deposited in such bank account will be disbursed only for the purposes and not to exceed the amounts approved for each purpose in Column (2) "Total Approved for Advance" of the Financial Requirement Statements; that the cash balance shown hereon is the balance of the Construction Fund-Trustee account of the general ledger as of _____; and that the disbursements reported in Column (6) were made in the amounts stated for each purpose; all in accordance with the provisions of the loan contract.</p>						
<p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection 0572-0059. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p>						
SIGNATURE (ORIGINAL MUST APPEAR ON EACH PAGE)				TITLE (Authorized Corporate Officer or Manager)		