

**From:** Burris, Christine  
**Sent:** Tuesday, December 23, 2014 4:44 PM  
**To:** Savini, Domenic N  
**Cc:** Bobich, Jeffrey; Morgan-Lowden, Melissa  
**Subject:** FASAB P3 Disclosure Requirements - DHS Financial Management Comments

Mr. Savini,

Please see attached DHS Financial Management comments on the P3 Disclosure Requirements Exposure draft. Please let me know if you need clarification on any of our comments. Thanks for the opportunity.

Christine

**Christine Burris, CPA, CISA**  
**Assistant Director, Financial Management**

DHS – Financial Management  
P3 Partnership Exposure Draft Comments  
12/23/2014

1. DHS largely does not have agreements that fit the definition of P3 as provided in the Exposure Draft. CBP has Reimbursable Agreements with private entities for certain Customs services as part of a pilot program in FY 2014, which has been expanded in FY 2015. The agreements allow an external party to pay CBP to provide additional Customs services based on needs and CBP availability. These agreements as Public Private Partnerships; however, they may not meet the requirements for disclosure from FASAB. Depending on the final guidance related to leases and Third Party Vendors, DHS may have situations which meet the criteria.
2. Several DHS Components indicated that a more detailed definition of P3 needs to be presented. A suggestion was made to provide a detail listing of transactions that are considered standard in nature which would be excluded from this guidance. As noted in the ED, the P3 arrangements are a different, nonstandard way of conducting “the public’s” business. Federal entities and program managers have a responsibility to make the conduct of the public’s business as transparent as possible. Having a broader definition of P3 agreements that means more non-standard activities are reviewed to determine what additional disclosures are needed, would promote greater transparency. Instead of rewriting the definition of P3 arrangements to only include what is normally considered a P3, the better solution would be to expand the list of activities that are excluded from P3 disclosure.
3. Several DHS Components commented on the remote risk disclosure requirement. We received conflicting opinions. Some Components agreed that remote risk contingencies should be disclosed and other Components indicated that disclosing remote contingencies is not consistent with SFFAS #5 which requires disclosure of reasonably possible and probable. If this language is approved, then the Board needs to provide more specific guidance/thresh holds for disclosing remote losses.