

US Holocaust Memorial Museum Response to Question 4:

Q4. The Statement provides for each reporting entity (the government-wide and component reporting entities) to consolidate financial information for all consolidation entities for which it is accountable without regard to funding source (for example, appropriations or donations). For certain organizations, such as museums and performing arts organizations, this may lead to consolidating funds from sources such as donations that are presently not consolidated in the government-wide GPFFR. Refer to paragraphs 54-64 of the proposed standards and paragraph A19 in Appendix A - Basis for Conclusions for a discussion and related explanation.

Do you agree or disagree that each component reporting entity (for example, museums) and the government-wide reporting entity should consolidate in their entirety organizations for which it is accountable without regard to funding source, including those receiving appropriations and donations? Please provide the rationale for your answers.

Response to Q4.

I disagree that each component reporting entity and the government-wide reporting entity should consolidate in their entirety organizations for which it is accountable without regard to funding source. It would be misleading to the readers of the report to include non-federal funding to a government-wide report. These funds are not budgeted, owned or controlled by the federal government. Donations are not appropriated funds and are governed by the donor and not the federal government. The activities that they fund may not be tax payer supported. In addition, there are other laws that govern tax exempt, non-profit organizations. It would be more appropriate to footnote information about the non-federal funds in the government-wide general purpose federal financial report.