

FASAB Exposure Draft: Questions for Respondents due March 14, 2017

Budget and Accrual Reconciliation

Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select "individual."

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Q1. The Board proposes to replace the current Statement of Finance (SOF) requirement with the new budget and accrual reconciliation (NBAR). The NBAR reconciles the net outlays to net cost of operations. This presentation explains the difference between budgetary and financial accounting. The proposed Statement would apply to component reporting entities and describes the NBAR method and related disclosures. Refer to paragraphs six to nine.

Do you agree or disagree with the proposal to replace the SOF with the NBAR? If you agree, should the NBAR be presented as a part of basic financial statements or as a footnote? Please provide the rationale for your answer.

DOI agrees with the line item presentation of the new NBAR. DOI does not however agree with the column presentation of Public vs Intra-governmental activity. Outlays by trading partner is not something DOI has readily available. Adding trading partner to this reconciliation is not believed to provide useful information to the user, as the financial statement line items being reconciled are not presented at this level of detail. With the exception of the trading partner breakout, DOI agrees that the revised format will make the information easier to understand and more useful to the readers of the financial statements.

DOI does not believe it should be a financial statement. The information in this schedule is simply a reconciliation of information provided on the face of financial statements. DOI would recommend that FASAB consider presenting this reconciliation information along with other similar information such as the Schedule of Spending, in Other Information. DOI does not believe the NBAR

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meets the standard definition of a note disclosure as it does not further break down any financial statement line item or reported activity. If this is not an option that FASAB would entertain, DOI would recommend RSI.

- Q2.** The Board proposes to require a narrative disclosure regarding the reconciliation and disclosure of the amount and nature of non-cash outlays. Refer to paragraphs six and 12.

Do you agree or disagree that a narrative disclosure should accompany the NBAR? Please provide the rationale for your answer.

Yes, DOI agrees that a narrative disclosure should accompany the NBAR to explain the purpose of the schedule and any material reconciling line items.

- Q3.** The Board proposes that this Statement be effective for periods beginning after September 30, 2017 with early adoption permitted. In addition, restatement of comparative prior period information would be required. Refer to paragraph 13.

Do you agree or disagree that the effective date, the early adoption, and restatement of comparative prior period information are reasonable? Please provide the rationale for your answer.

DOI recommends for periods after September 30, 2018, with early adoption permitted. This will allow time for DOI to test and implement systematically the NBAR crosswalk for comparative FY2019 reporting.