

FASAB Exposure Draft: Questions for Respondents due March 14, 2017***Budget and Accrual Reconciliation***

- 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.

HHS agrees that a narrative disclosure should accompany the NBAR. The narrative will provide the readers an understanding of the purpose of the reconciliation and highlight the reasons for differences between budgetary accounting and financial accrual based accounting. This disclosure will support our commitment to providing financial transparency and accountability.

- 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.

HHS recommends implementing NBAR by the 3rd quarter in fiscal year 2018 as a footnote. Since NBAR will completely replace the SOF presentation, HHS suggests preparing and publishing current year data only for the first year of implementation and producing the footnote with comparative data thereafter.

If the Board decides that the prior year should be presented, HHS recommends using the word “reclassified” for presentation purposes. The “Effective Date” section of the ED which now reads, “Comparative prior period information should be “restated” consistent with this Statement” would be changed to say “reclassified.”

The implementation of NBAR will require system reconfigurations and extensive coordination with the operational divisions throughout HHS. HHS recommends that Treasury Fiscal Service finalize the NBAR crosswalk prior to fiscal year 2018 and update the crosswalk regularly thereafter.