



Federal Accounting Standards Advisory Board

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**Disclosures Required By Paragraph 79(g) of SFFAS 7  
*Accounting for Revenue and Other Financing Sources and  
Concepts for Reconciling Budgetary and Financial Accounting***

**Technical Bulletin 2002-2**

September 19, 2002

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Federal Accounting Standards Advisory Board

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September 19, 2002

To: Users, preparers, and auditors of federal financial reports

From: Wendy M. Comes, Executive Director

Subject: Disclosures Required By Paragraph 79(g) of SFFAS 7 *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*

The Federal Accounting Standards Advisory Board has authorized its staff to prepare Technical Bulletins to provide timely guidance on certain financial accounting and reporting problems, pursuant to the procedures described in FASAB Technical Bulletin 2000-1, *Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance*.

This technical bulletin indicates what disclosures a federal financial reporting entity should make pursuant to paragraph 79(g) of SFFAS 7 when the entity issues financial statements for a given fiscal year before the *Budget of the United States Government* with actual budget numbers for the same fiscal year is published.

FASAB Technical Bulletin 2002-2  
Disclosures Required By Paragraph 79(g) of SFFAS 7  
*Accounting for Revenue and Other Financing Sources and Concepts for Reconciling  
Budgetary and Financial Accounting*

## References

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, paragraphs 77-79.

## Question

1. Paragraph 77 of SFFAS 7 calls for presentation of certain budgetary information by federal financial reporting entities “whose financing comes wholly or partially from the budget:
  - (a) total budgetary resources available to the reporting entity during the period;
  - (b) the status of those resources (including ‘obligations incurred’);
  - (c) outlays.”
2. Paragraph 79(g) of SFFAS 7 calls for disclosure of “explanations of any material differences between the information required by paragraph 77 and the amounts described as ‘actual’ in the *Budget of the United States Government*” (also known as the “President’s Budget”).
3. If a federal financial reporting entity issues financial statements for a given fiscal year before the President’s Budget with actual numbers for the same fiscal year is published, what disclosure, if any, should the reporting entity make pursuant to paragraph 79(g) of SFFAS 7?

## Response

4. The reporting entity should disclose that the President’s Budget with actual numbers for the fiscal year has not yet been published, explain when it is expected to be published, and indicate where it will be available. The information called for by paragraph 79(g) for the prior fiscal year should be included in the current financial report (unless it was included in entity’s prior report, as will be the case in the first year in which the financial report is published before the President’s Budget).
5. For example, a department that issued its financial report for FY 2001 in March of 2002 would have included the information called for by paragraph 79(g) in that

report, because the President's Budget with that information had been published before the department's financial report was published. If the department publishes its financial report for FY 2002 in December 2002, the department would disclose that the *Budget of the United States Government* with actual numbers for the fiscal year had not yet been published, explain when it is expected to be published, and indicate where it will be available. There would be no need to disclose the information called for by paragraph 79(g) with respect to FY 2001, because that information had already been reported in the FY 2001 report. If the department then publishes its financial report for FY 2003 in December 2003, that report would include the information called for by paragraph 79(g) with respect to FY 2002.

### **Effective Date and Transition**

6. The provisions of this Technical Bulletin are effective immediately.

The Federal Accounting Standards Advisory Board has authorized its staff to prepare FASAB Technical Bulletins to provide guidance on certain financial accounting and reporting problems on a timely basis, pursuant to the procedures described in FASAB Technical Bulletin 2000-1 *Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance*. The provisions of Technical Bulletins need not be applied to immaterial items.

## **Appendix: Background Information and Consideration of Comments Received**

7. When SFFAS 7 was published in 1996, federal entities that published financial reports typically did so well after the *Budget of the United States Government* (also known as “the President’s Budget”) was published. Since 1996, several federal entities have improved their financial accounting and reporting practices to the point where they can publish financial reports before the President’s Budget is available. Most, if not all federal reporting entities are expected to do this in future years.
8. The disclosure called for by paragraph 79(g) is informative and addresses the objective of budgetary integrity, but it would be inappropriate to delay publication of the entire financial report until the President’s Budget with actual numbers for the fiscal year is published. In such circumstances, the intent of paragraph 79(g) can best be accomplished as described in paragraph 4.
9. Pursuant to FASAB’s procedures for exposing a technical bulletin (TB), the proposed TB was distributed by e-mail to federal Chief Financial Officers and Inspectors General. The proposed TB was also posted on FASAB’s World Wide Web site ([www.fasab.gov](http://www.fasab.gov)), and notices were sent to everyone on FASAB’s e-mail list. FASAB received 18 responses. Most supported the proposed TB or expressed no comment. Four suggested clarifying language or expressed concerns that implied a need for clarification. Accordingly, paragraph 5 was added to illustrate the effect of applying the Technical Bulletin.
10. The Board reviewed the proposed TB and the comments at its meeting on August 8, 2002. The TB was revised as discussed in paragraph 9 and distributed to the Board. FASAB’s Executive Director determined that a majority of the FASAB did not object to the TB as revised, and accordingly posted the TB to [www.fasab.gov](http://www.fasab.gov).