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I am listening in to the FASAB Meeting and am finding the discussion interesting. I believe the ED on Other Financing Sources vs. Revenue is very important. It is not too limited a scope, as most agencies have to deal with it at one point or another, even if they don't submit questions to FASAB. The clarification that Bob suggested should be included in the ED, as Statement 7 does not really provide effective guidance.

I've had to deal with a presentation issue of "Other Financing Source" vs "Revenue" at an agency of USDA. They were not recording a major liability for the Tobacco Transition Payment Program (payments the agency was required to make to the producers signed up for the Tobacco Price Support Program) because they expected to collect annual assessments from the tobacco manufacturers and importers. I insisted that they needed to record a long term liability and a long term receivable for the stream of income to offset the effect of the liability, with zero impact on the current period's net cost. They were recording the annual assessments that they levied in account 5900. So I proposed the audit adjustment entry to record an unfunded long term liability (account 6800 as the assessments were annual assessments) and the offsetting income stream in account 5900, which they presented as an "Other Financing Source" in the SCNP. I didn't question their presentation and did not research whether this presentation was appropriate, as my main issue was getting the liability on the books. The next year, they had a new CFO and the CFO comes to me to ask why the transaction was presented as an "Other Financing Source" (as if I were the one who made that decision). I spent a lot of time researching SFFAS 7 and A-136 and the Treasury Crosswalks on what should be the proper presentation, but did not find any good guidance on how the levy should be presented in the FS.

During our discussions with agency personnel, they had a major issue with the fact that the long term liability and receivable were "outside of the budget", as they would only budget for the annual payment and the annual assessment of this 10 year program. So, I am very curious to read the research that FASAB has conducted and the conclusions reached. I will certainly read it and provide my feedback.

*Unknown*