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Q1. The proposed TB provides guidance to aid in determining whether intragovernmental arrangements are exchange transactions.

a. Do you agree or disagree with the proposed guidance? Please provide the rationale for your answer.

The Department of the Treasury agrees that reporting entities would benefit greatly from the availability of guidance to assist in determining which intragovernmental arrangements meet the definition of exchange transactions. Defining how to determine whether value has been sacrificed and received by the parties to a transaction and the emphasis that full cost information is relevant for both the providing and receiving entity in exchange transactions is advantageous to reducing federal entities' improper recording of exchange transactions. Implementation of the guidance will allow agencies to improve transaction classification; thereby reducing the misclassifications that negatively impact the reporting entity's various financial statements such as those that result in large intragovernmental elimination differences and reconciling difficulties. Given the uniqueness of an intragovernmental exchange transaction where value cannot be measured, as mentioned in the Technical Bulletin, guidance is beneficial for all parties to address and document transactions accordingly and consistently. Furthermore, it allows better transparency among agencies and also promotes the completeness assertion. It would also be valuable if additional examples of intragovernmental exchange transactions were included in the Technical Bulletin.