



Department of Energy

Washington, DC 20585

October 7, 2019

MEMORANDUM FOR THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

FROM Karin Dasuki
Director, Office of Finance and Accounting
Department of Energy, Office of the Chief Financial Officer

SUBJECT Federal Accounting Standards Advisory Board Exposure Draft:
Technical Release 2019-1, Loss Allowance for Intragovernmental Receivables.

Digitally signed by Karin

Dasuki

Date: 2019.10.08 16:21:01

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A handwritten signature in black ink, appearing to read "T. Griffin", is written over the typed name of Thomas Griffin.

Thomas Griffin

Director, Office of Financial Policy and Audit Resolution

Department of Energy, Office of the Chief Financial Officer

The Department of Energy (DOE) appreciates the opportunity to respond to questions in the Federal Accounting Standards Advisory Board's Exposure Draft: *Technical Release 2019-1, Loss Allowance for Intragovernmental Receivables*. The Department agrees the Board should further explain and emphasize that non-Federal and intragovernmental receivables should follow SFFAS 1. Additionally, the Department agrees with the emphasis given to explaining that an allowance account is not a "write-off" of a receivable.

Q1. The proposed Technical Bulletin (TB) would provide that the absence of explicit guidance distinguishing between the accounting of intragovernmental receivables and receivables from nonfederal entities in Statement of Federal Financial Accounting Standards (SFFAS) 1, Accounting for Selected Assets and Liabilities, does not mean the standards only apply to receivables from nonfederal entities. Do you agree or disagree? Please provide the rationale for your answer.

Agree. SFFAS 1 should govern both intragovernmental receivables and receivables from nonfederal entities. The reemphasizing of this point is important because agencies may interpret the standard differently.

Q2. The proposed TB would clarify that recognition of losses provided in paragraphs 41-51 of SFFAS 1 apply to both intragovernmental receivables and receivables from nonfederal entities. Do you agree or disagree? Please provide the rationale for your answer.

Agree. The Department agrees with this clarification

Q3. The proposed TB would clarify that an allowance recognized in a reporting entity's financial statements does not alter the underlying statutory authority to collect the receivable

or legal obligation of the other intragovernmental entity to pay. Do you agree or disagree? Please provide the rationale for your answer.

Agree. The Department agrees that the establishment of an allowance does not alter the underlying rules governing interagency payments and collections. The bulletin should acknowledge, however, that an uncollectable debt should be cancelled, and agencies have appropriate discretion for determining when a debt is not collectable.

Questions concerning this response may be referred to John Wall, Financial Policy Division, at John.Wall@hq.doe.gov or (202) 586-5728.