Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select “individual.”

Accounting Firm
Federal Entity (user)  
Federal Entity (preparer)  
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Federal Entity (other)  
If other, please specify: Department of Housing and Urban Development
Association/Industry Organization
Nonprofit organization/Foundation
Other
If other, please specify:  
Individual

Please provide your name.

Name: N/A

Please identify your organization, if applicable.

Organization: Department of Housing and Urban Development

Questions for Respondents due September 19, 2019

Your responses should be sent to fasab@fasab.gov. If you are unable to respond by email, please fax your responses to 202-512-7366.

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.

HUD generally agrees with the proposal to provide the absence of explicit guidance in SFFAS 1 does not mean the standard only apply to receivables from nonfederal entities. HUD’s OCFO believes that the distinction in SFFAS 1 does not imply that the accounts receivable standards in other areas should be applied differently to intragovernmental receivables and receivables from nonfederal entities. In the absence of such clarification, it is improper to infer the standard only applies to non-federal receivables.
Differing is HUD OCFO’s Funds Control expressed some disagreement believing it is necessary to keep both separate in order to properly see how the government dollars are received and reported on the financial statement.

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.

HUD generally agrees that proposal to provide clarification that recognition of losses provided in paragraphs 4-51 of SFFAS 1 apply to both intragovernmental receivables and receivables from nonfederal entities. Even if intragovernmental receivables represent payments that are required by statute, we believe that this statutory requirement does not, eliminate the need to report an allowance for financial statement presentation. In the absence of such clarification, it is improper to infer the standard only applies to non-federal allowances for accounts receivable.

HUD OCFO’s Funds Control expressed a difference in opinion stating that allowance for loss can be recorded monthly or quarterly and should be handled based on the terms of the receivable and stating non-intergovernmental may be unsuspected and suspected and may or may not accrue of defer; hence, stating why should it be treated separately from obligated funds.

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.

HUD agrees with the Board’s proposal to clarify that an allowance recognized in an entity’s financial statement does not alter the underlying statutory authority to collect the receivable or legal obligation of the other intragovernmental entity to pay. Simply recognizing an allowance, whether for Intragovernmental or non-federal accounts receivable, does not equate to absolving the debtor from payment.