

FASAB Exposure Draft: Questions for Respondents due October 13, 2017 ASSIGNING ASSETS TO COMPONENT REPORTING ENTITIES

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	<input type="checkbox"/>	
Federal Entity (user)	<input checked="" type="checkbox"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: _____
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: _____
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Q1. The proposed Technical Bulletin (TB) provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis. For example, an asset may be assigned to a component reporting entity holding legal title, funding the asset, using the asset in its operations, or another rational and consistent basis. However, assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components, or responsibility segments within the same larger reporting entity or department).

Do you agree or disagree? Please provide the rationale for your answer.

DHS Response: DHS disagrees. Assets should be transferred to its component reporting entity instead of assigned per this technical bulletin. This practice is very similar to assets transferred to entities outside of the reporting entity. The notion of assigning an asset to another entity does not relieve the assignor from the record keeping burden because the title and related costs of the asset is not assigned as well. This is very tedious, burdensome and costly for the government to keep track of these assets and account for them on a periodic basis. The Department of the Treasury has developed a "Transfer Logic Model" which can be used to account for the transfer of assets.

Q2. The proposed TB requires reporting entities to disclose the policies used to assign significant assets.

FASAB Exposure Draft: Questions for Respondents due October 13, 2017
ASSIGNING ASSETS TO COMPONENT REPORTING ENTITIES

Do you agree or disagree? Please provide the rationale for your answer.

DHS Response: DHS disagrees. This proposed requirement will increase the amount of disclosures necessary for readers of financial information to understand.

- Q3.** Staff plans to develop guidance regarding assignment of liabilities to components within a larger reporting entity. Thus far, the specific types of liabilities identified where it may be helpful to provide additional guidance are liabilities related to assets such as clean-up costs and possibly all government related events.

Should such guidance be limited to liabilities related to assets such as clean-up costs or also address all government-related events? Are there other types of liabilities for which guidance would be helpful? Please provide the rationale for your answer.

DHS Response: Insurance liabilities relative to the assignment/transfer of assets would be helpful as well.