

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"/>	
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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.

Agree as written.

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

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

Agree as written.

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

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liabilities for which guidance would be helpful? Please provide the rationale for your answer.

Recommend further research be made into liabilities to ensure cost-benefit of including or excluding any class of liabilities. Reporting entities should be able to use discretion (within GAAP) to determine how to properly assign liabilities within component-entities or at the sub-component level as deemed appropriate. Liabilities of the Federal government may be too complex to only consider liabilities related to assets.