



October 1, 2019

Ms. Monica R. Valentine  
Executive Director  
Federal Accounting Standards Advisory Board  
Mailstop 6H19  
441 G Street, NW, Suite 6814  
Washington, DC 20548

Dear Ms. Valentine:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board (FASAB) on its Exposure Draft of Loss Allowance for Intragovernmental Receivables, Technical Bulletin 2019-1 and is respectfully providing feedback on the FASAB's views.

The FMSB is comprised of 20 members (list attached) with accounting and auditing backgrounds in federal, state and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The views of the FMSB do not necessarily represent those of AGA. The local AGA chapters and individual members are also encouraged to comment separately. For full disclosure and transparency, current members of the FMSB do not work with or provide consulting services with classified organizations within the Federal Government.

We appreciate the FASAB's continued effort in setting and providing clarification of the standards relating to the Federal Government. We have reviewed the Exposure Draft and have provided our responses below based on the questions in the Exposure Draft. Following the questions, we have also summarized concerns identified by members of our group that we believe the FASAB should consider.

### Q1

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

We agree with the FASAB's conclusion that the standards do not apply only to receivables from nonfederal entities.

### Q2

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

We agree that, for consistency purposes the recognition of losses should apply to both intragovernmental receivables and receivables from nonfederal entities. We would recommend the technical bulletin refer to the receivable section, since the section covers paragraph 40-52.

### Q3

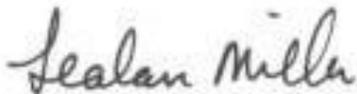
**Do you agree or disagree with the guidance? Please provide the rationale for your answer.**

We agree that an allowance should not release an entity from trying to collect the receivable, nor release the other government entity from its obligation.

As noted above we agreed with the FASAB's position in the exposure draft but do not believe the guidance offers any new insights regarding receivables. This is especially true since SSFAS 1 is very clear and does not create room for misinterpretations regarding the recording of allowances on receivables. We understand the complexity and significance regarding intragovernmental receivables and payables between federal entities and the issues the Federal government faces when there are differences, which prevent proper elimination during the preparation of the consolidated financial statements of the U.S. Government. The differences between the Federal agencies, arises from either improper or inconsistent application of accounting standards, as well as lack of communication between agencies. We believe that guidance should come from U.S. Treasury regarding who has priority in setting the receivable/payable, we would recommend the seller unless the buyer has a stronger case. U.S. Treasury could also specify mechanisms for collection of receivables that are required by statute or law, for example the Intra-governmental Payment and Collection (IPAC) system. U.S. Treasury should also include guidance on communication between Federal agencies, budgeting of payments, etc. Further, we believe the US Treasury and other federal agencies should be cautious about issuing guidance that appears to directly conflict with FASAB standards.

We appreciate the opportunity to comment on this document and will be pleased to discuss this letter with you at your convenience. If there are any questions regarding the comments in this letter, please contact Lealan Miller, Chair at [lmiller@eidebailly.com](mailto:lmiller@eidebailly.com) or at 208-383-4756.

Sincerely,

A handwritten signature in cursive script that reads "Lealan Miller".

Lealan Miller, CGFM, CPA  
Chair- AGA Financial Management Standards Board

cc: Ernest A. Almonte, CGFM, CPA, AGA National President

Financial Management Standards Board  
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