

Federal Accounting Standards Advisory Board

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NEWS RELEASE

**AAPC PUBLISHES EXPOSURE DRAFT OF A NEW FEDERAL FINANCIAL
ACCOUNTING AND AUDITING TECHNICAL RELEASE ENTITLED
Recognition of the Transfer of Funds Between Interior's Reclamation Fund
and Energy's Western Area Power Administration:
In Accordance with SFFAS 1 *Accounting for Selected Assets and Liabilities*
and SFFAS 5 *Accounting for Liabilities of the Federal Government***

The Chairman of the Accounting and Auditing Policy Committee (AAPC), Wendy Comes, announced today that the AAPC has issued an exposure draft of Federal Financial Accounting and Auditing Technical Releases (TR) entitled *Recognition of the Transfer of Funds Between Interior's Reclamation Fund and Energy's Western Area Power Administration: In Accordance with SFFAS 1 Accounting for Selected Assets and Liabilities and SFFAS 5 Accounting for Liabilities of the Federal Government*.

The purpose of this proposed technical release is to provide technical guidance to the Department of Energy (Energy) and the Department of the Interior (Interior) on a difference in their interpretation of the effect of legislation on their application of accounting standards to certain transactions between them. The Office of Management and Budget (OMB) posed a question to the AAPC as to whether Energy should be recognizing a liability to Interior for amounts received from the Reclamation Fund managed by Interior and whether Interior should recognize a corresponding receivable. The objective of the technical release is to provide guidance to Energy and Interior on the consistent application of the current FASAB standards.

All comments on the content of both exposure drafts are welcome. Responses are requested by September 20, 2004. An electronic version of the exposure draft is available on the World Wide Web at www.fasab.gov/exposure.htm. Printed copies can be obtained from FASAB by calling 202-512-7350.

ABOUT FASAB and AAPC

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Federal accounting standards and financial reporting play a role in fulfilling the Government's duty to be publicly accountable. Federal financial reports can help report users assess the government's accountability, efficiency, and effectiveness, including the consequences of the allocation and use of resources.

The AAPC serves as a permanent committee sponsored by the FASAB. The AAPC was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the General Accounting Office (GAO), the Chief Financial Officers' Council (CFOC), and the President's Council on Integrity and Efficiency (PCIE), as a body to research accounting and auditing issues requiring guidance.

The mission of the AAPC is to assist the federal government in improving financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues as they relate to the specific application of existing authoritative literature.

The AAPC is intended to address issues that arise in implementation, which are not specifically or fully discussed in federal accounting and auditing standards. The AAPC's guidance is cleared by FASAB before being published.

For more on FASAB, please visit our website: www.fasab.gov.