Department of Commerce Fiscal Year (FY) 2023/2024 Financial Statements Guidance

**Financial Reporting**

**I.**  **Purpose**

This attachment provides financial reporting instructions and guidance to the Department of Commerce (Department) reporting entities’ (hereinafter referred to as bureaus).

**II. General**

* **All Department bureaus** are required to comply with all the reporting requirements included in this Attachment andall other Attachments of the FY 2023/2024 Financial Statements Guidance. All Department bureaus are consolidated in the Department’s [Agency Financial Report](https://www.commerce.gov/ofm/agency-financial-reports).
* The stand-alone bureau below will prepare its own audited financial statements, footnotes, Required Supplementary Information (RSI), and Other Information (OI), when applicable (see section XII):
1. U. S. Patent and Trademark Office
* The following reporting entities do not prepare stand-alone audited financial statements, footnotes, RSI, and OI:
1. Bureau of Industry and Security
2. Bureau of Economic Analysis
3. Census Bureau
4. Departmental Management/Gifts and Bequests
5. Departmental Management/Non-Recurring Expense Fund
6. Departmental Management/Salaries and Expenses
7. Departmental Management/Working Capital Fund
8. Economic Development Administration
9. HCHB Renovation and Modernization
10. International Trade Administration
11. Minority Business Development Agency
12. National Institute of Standards and Technology
13. National Oceanic and Atmospheric Administration
14. National Technical Information Service
15. National Telecommunications and Information Administration
16. Office of Inspector General
* ***Management Responsibility and Authority:***  Financial statements, footnotes, RSI, and OI are to be prepared at the direction of the head of the operating unit, with the advice and assistance of financial management staff, to ensure fair presentation and adequate disclosure.

Management is responsible for compliance with applicable laws, regulations, and disclosure of all known significant laws and instances of noncompliance with laws and regulations. In addition, management is responsible for the identification of and

compliance with all aspects of applicable laws, regulations, contracts, or grants that

could have a direct and/or material effect on the determination of financial statement amounts. In the event of noncompliance, management must disclose all known instances of noncompliance with laws, regulations, contracts, or grants.

When a cross-servicing agreement exists, the manager who signs the management representation letter for the annual financial statements is responsible for coordinating the preparation of the reports, even where accounting services are provided by another bureau or agency. However, any organization that provides accounting services on a reimbursable basis is responsible for preparing its portion of the reports.

* ***Adherence to Due Dates*:** Due dates for bureau submissions are included in the FY 2023/2024 Financial Statements Guidance Attachment I, *Due Dates.* A major factor in obtaining an unmodified (clean) audit opinion for the Department-wide financial statements is ensuring that the audit is performed and completed in a timely manner. The Department’s auditors must receive timely and accurate information. Since the preparation of the Department-wide financial statements and the subsequent audit opinion relies on the cumulative results of the bureaus’ information, any bureau that falls behind in providing information to the Office of Financial Management (OFM) and/or the auditors risks the possibility of a scope limitation and may adversely affect the Department’s audit opinion. It is also important that OFM receive accurate information about the status of OFM and auditor requests and any potential delays in the submission of data. If it appears that your bureau **will not** be able to meet the due date(s), please contact your bureau liaison as soon as possible to arrange due date(s) that can be achieved without significant delay to the preparation of the Department-wide financial statements and the audit.

# *Departmental and Stand-Alone Bureau’s Audits of Financial Statements and Disclosures*

# Audits of the Department’s or the stand-alone bureau’s financial statements and footnotes are performed by an independent contractor(s) to the Office of Inspector General (OIG), in accordance with generally accepted government auditing standards and the Office of Management and Budget (OMB) [Bulletin](https://www.whitehouse.gov/omb/information-for-agencies/bulletins/) 22-01, *Audit Requirements for Federal Financial Statements* (August 26, 2022). The auditor will submit an audit report to the head of the reporting entity through OIG. If the auditor considers it necessary to communicate other conditions not included in one of the required audit reports, a management letter may be prepared and submitted with, or following, the audit report.

* + OFM encourages program and financial management staff to work closely and cooperatively with the auditors. At OFM, this approach has not only proven to be the most effective way to prepare and audit financial statements, but it is the method most likely to bring about needed improvements in the financial practices of the Department. Issues may arise during these audits, and it is of the utmost importance that they be resolved in a timely manner. OFM stands ready to work with program and financial managers, OIG, and contract auditors to resolve problems and issues as they arise.
	+ All Bureaus’ Physical Inventories: All bureaus must notify the OIG, their auditors, and their OFM bureau liaison when their physical inventory counts (full or partial) for a) General Property, Plant, and Equipment and b) Inventory, Materials, and Supplies are scheduled. This is necessary so an independent observer can be present at the inventory counts. Bureaus should provide notice to the auditors as soon as the date is set, to ensure adequate time for scheduling.
	+ All Bureaus’ Compliance with the *Federal Financial Management Improvement Act of 1996* (FFMIA): Section 803(b) of FFMIA requires that auditors include in their financial statement audits a report on compliance with FFMIA. OMB has issued revised implementation guidance in [Appendix D, *Management of Financial Management Systems – Risk and Compliance*, of Circular A-123, *Management’s Responsibility for Enterprise Risk Management and Internal Control*](https://www.whitehouse.gov/wp-content/uploads/2023/01/M_23-06-Appendix-D_final.pdf) , dated December 23, 2022, for FFMIA. The guidance lists the specific requirements of FFMIA, as well as factors to consider in reviewing systems for compliance.
	+ An understanding of the requirements will aid the audit process since these requirements document what the auditors will be looking for to attest to the Department’s compliance with FFMIA. Managers are encouraged to review the requirements, which can be obtained from Treasury Financial Manual, Chapter 9500, *Revised Federal Financial Management System Requirements for Fiscal Reporting*:

<https://tfm.fiscal.treasury.gov/v1/p6/c950.html>

**III. All Bureaus’ Financial Statements, Footnotes, and RSI**

***1. Generally Accepted Accounting Principles (GAAP)***

In October 1990, three officials responsible for Federal financial reporting established the Federal Accounting Standards Advisory Board (FASAB). The officials (the Principals) were the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General of the U.S. They created FASAB to develop accounting standards and principles for the U.S. government.

The original pronouncement compiles and codifies the documents produced by the FASAB. It was designed to meet the needs of users for an authoritative reference to concepts, standards, interpretations, technical bulletins, technical releases, and other issuances. It contains extensive cross-referencing and indexing.

The following FASAB guidance is applicable to bureaus for FY 2023, which can be downloaded from the following FASAB website location for Standards & Guidance:

<http://fasab.gov/accounting-standards/>

**Category A Hierarchy**

*FASAB Standards and Interpretations*

| **Standard** | 1. **Description**
 |
| --- | --- |
| 1. SFFAS 1
 | 1. Accounting for Selected Assets and Liabilities
 |
| 1. SFFAS 2
 | 1. Accounting for Direct Loans and Loan Guarantees
 |
| 1. SFFAS 3
 | 1. Accounting for Inventory and Related Property
 |
| 1. SFFAS 4
 | 1. Managerial Cost Accounting Concepts and Standards
 |
| 1. SFFAS 5
 | 1. Accounting for Liabilities of the Federal Government
 |
| 1. SFFAS 6
 | 1. Accounting for Property, Plant, and Equipment
 |
| 1. SFFAS 7
 | 1. Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting
 |
| 1. SFFAS 8
 | 1. Supplementary Stewardship Reporting
 |
| 1. SFFAS 9
 | 1. Deferral of the Effective Date of Managerial Cost Accounting Standards for the Federal Government in SFFAS 4
 |
| 1. SFFAS 10
 | 1. Accounting for Internal Use Software
 |
| 1. SFFAS 11
 | 1. Amendments to Accounting for Property, Plant, and Equipment: Definitional Changes – Amending SFFAS 6 and 8
 |
| 1. SFFAS 12
 | 1. Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5
 |
| 1. SFFAS 13
 | 1. Deferral of Paragraph 65.2—Material Revenue-Related Transactions Disclosures
 |
| 1. SFFAS 14
 | 1. Amendments to Deferred Maintenance Reporting Amending SFFAS 6 and 8
 |
| 1. SFFAS 15
 | 1. Management’s Discussion and Analysis
 |
| 1. SFFAS 16
 | 1. Amendments to Accounting for Property, Plant, and Equipment—Measuring and Reporting for Multi-Use Heritage Assets: Amending SFFAS 6 and 8
 |
| 1. SFFAS 17
 | 1. Accounting for Social Insurance ***(Not applicable to Commerce)***
 |
| 1. SFFAS 18
 | 1. Amendments to Accounting Standards for Direct Loans and Loan Guarantees in SFFAS 2
 |
| 1. SFFAS 19
 | 1. Technical Amendments to Accounting Standards for Direct Loans and Loan Guarantees in SFFAS 2
 |
| 1. SFFAS 20
 | 1. Elimination of Certain Disclosures Related to Tax Revenue Transactions by the Internal Revenue Service, Customs, and Others, Amending SFFAS 7
 |
| 1. SFFAS 21
 | 1. Reporting Corrections of Errors and Changes in Accounting Principles, Amendment of SFFAS 7
 |
| 1. SFFAS 22
 | 1. Change in Certain Requirements for Reconciling Obligations and Net Cost of Operations, Amendment of SFFAS 7
 |
| 1. SFFAS 23
 | 1. Eliminating the Category National Defense Property, Plant and Equipment ***(Not applicable to Commerce)***
 |
| 1. SFFAS 24
 | 1. Selected Standards for the Consolidated Financial Report of the United States Government
 |
| 1. SFFAS 25
 | 1. Reclassification of Stewardship Responsibilities and Eliminating the Current Services Assessment
 |
| 1. SFFAS 26
 | 1. Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25 ***(Not applicable to Commerce)***
 |
| 1. SFFAS 27
 | 1. Identifying and Reporting Funds from Dedicated Collections
 |
| 1. SFFAS 28
 | 1. Deferral of the Effective Date of Reclassification of the Statement of Social Insurance: Amending SFFAS 25 and 26 ***(Not applicable to Commerce)***
 |
| 1. SFFAS 29
 | 1. Heritage Assets and Stewardship Land
 |
| 1. SFFAS 30
 | Inter-Entity Cost Implementation: Amending SFFAS 4 |
| 1. SFFAS 31
 | 1. Accounting for Fiduciary Activities
 |
| 1. SFFAS 32
 | 1. Consolidated Financial Report of the U.S. Government Requirements ***(Not applicable to Commerce)***
 |
| 1. SFFAS 33
 | 1. Pensions, Other Retirement Benefits, and Other Post-Employment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates
 |
| 1. SFFAS 34
 | 1. The Hierarchy of GAAP, Including the Application of Standards Issued by the Financial Accounting Standards Board
 |
| 1. SFFAS 35
 | 1. Estimating the Historical Cost of General Property, Plant, and Equipment: Amending SFFAS 6 and 23
 |
| 1. SFFAS 36
 | 1. Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government ***(Not applicable to Commerce)***
 |
| 1. SFFAS 37
 | 1. Social Insurance: Additional Requirements for Management’s Discussion and Analysis and Basic Financial Statements ***(Not applicable to Commerce)***
 |
| 1. SFFAS 38
 | 1. Accounting for Federal Oil and Gas Resources ***(Not applicable to Commerce)***
 |
| 1. SFFAS 39
 | 1. Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards
 |
| 1. SFFAS 40
 | 1. Definitional Changes Related to Deferred Maintenance and Repairs: Amending SFFAS 6
 |
| 1. SFFAS 41
 | 1. Deferral of the Effective Date of SFFAS 38, Accounting for Federal Oil and Gas Resources ***(Not applicable to Commerce)***
 |
| 1. SFFAS 42
 | 1. Deferred Maintenance and Repairs: Amending SFFAS 6, 14, 29, and 32
 |
| 1. SFFAS 43
 | 1. Funds from Dedicated Collections: Amending SFFAS 27
 |
| 1. SFFAS 44
 | 1. Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use
 |
| 1. SFFAS 45
 | 1. Deferral of the Transition to Basic Information for Long-Term Projections: Amending SFFAS 36 ***(Not applicable to Commerce)***
 |
| 1. SFFAS 46
 | 1. Deferral of the Transition to Basic Information for Long-Term Projections ***(Not applicable to Commerce)***
 |
| 1. SFFAS 47
 | 1. Reporting Entity
 |
| 1. SFFAS 48
 | 1. Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Material
 |
| 1. SFFAS 49
 | 1. Public-Private Partnerships: Disclosure Requirements – *effective for periods beginning after September 30, 2018; early implementation is permitted*
 |
| 1. SFFAS 50
 | 1. Establishing Opening Balances for General Property, Plant and Equipment: Amending SFFAS 6, 10, and 23, and Rescinding SFFAS 35
 |
| 1. SFFAS 51
 | 1. Insurance Programs ***(Not applicable to Commerce)***
 |
| 1. SFFAS 52
 | 1. Tax Expenditures***(Not applicable to Commerce)***
 |
| 1. SFFAS 53
 | Budget and Accrual Reconciliation *effective for periods beginning after September 30, 2018; early implementation is permitted* |
| 1. SFFAS 54
 | 1. Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government and SFFAS 6, Accounting for Property Plant and Equipment.
 |
| 1. SFFAS 55
 | 1. Amending Inter-Entity Cost Provisions
 |
| 1. SFFAS 56
 | 1. Classified Activities ***(Not applicable to Commerce)***
 |
| 1. SFFAS 57
 | 1. Omnibus Amendments 2019
 |
| 1. SFFAS 58
 | 1. Deferral of the Effective Date of SFFAS 54, Leases
 |
| 1. SFFAS 59
 | 1. Accounting and Reporting of Government Land
 |
| 1. SFFAS 60
 | 1. Omnibus Amendments 2021, Leases-related topics
 |
| 1. SFFAS 61
 | 1. Omnibus Amendments 2023, Leases-related topics II
 |

| **Interpretation** | 1. **Description**
 |
| --- | --- |
| 1. Interpretation 1
 | Reporting on Indian Trust Funds in General Purpose Financial Reports of the Department of the Interior and in the Consolidated Financial Statement of the United States Government: An Interpretation of SFFAS 7 ***(Not applicable to Commerce)*** |
| 1. Interpretation 2
 | 1. Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5
 |
| 1. Interpretation 3
 | 1. Measurement Date for Pension and Retirement Health Care Liabilities
 |
| 1. Interpretation 4
 | 1. Accounting for Pension Payments in Excess of Pension Expense
 |
| 1. Interpretation 5
 | 1. Recognition by Recipient Entities of Receivable Nonexchange Revenue: An Interpretation of SFFAS 7
 |
| 1. Interpretation 6
 | 1. Accounting for Imputed Intra-departmental Costs: An Interpretation of SFFAS 4
 |
| 1. Interpretation 7
 | 1. Items Held for Remanufacture
 |
| 1. Interpretation 8
 | 1. Interpretation of Federal Financial Accounting Standards 8: An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities ***(Not applicable to Commerce)***
 |
| 1. Interpretation 9
 | 1. Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6
 |
| 1. Interpretation 10
 | 1. Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31
 |
| 1. Interpretation 11
 | 1. Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313
 |

**Category B Hierarchy**

*FASAB Technical Bulletins*

| **Technical Bulletin** | 1. **Description**
 |
| --- | --- |
| 1. 2000-1
 | Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance |
| 1. 2002-1
 | 1. Assigning to Component Entities Costs and Liabilities That Result from Legal Claims Against the Federal Government
 |
| 1. 2002-2
 | Disclosures Required by Paragraph 79(g) of SFFAS 7 |
| 1. 2003-1
 | 1. Certain Questions and Answers Related to the Homeland Security Act of 2002
 |
| 1. 2006-1
 | 1. Recognition and Measurement of Asbestos-Related Cleanup Costs
 |
| 1. 2009-1
 | 1. Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs
 |
| 1. 2011-1
 | 1. Accounting for Federal Natural Resources Other Than Oil and Gas
 |
| 1. 2011-2
 | 1. Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs
 |
| 1. 2017-1
 | 1. Intragovernmental Exchange Transactions
 |
| 1. 2017-2
 | 1. Assigning Assets to Component Reporting Entities
 |
| 1. 2020-1
 | 1. Loss Allowance for Intragovernmental Receivables
 |
| 1. 2023-1
 | 1. Intragovernmental Leasehold Reimbursable Work Agreements
 |

Additional Category B Guidance: AICPA Industry Audit and Accounting Guides, if specifically made applicable to federal governmental entities by AICPA and cleared by FASAB

**Category C Hierarchy**

*Technical Releases of the Accounting and Auditing Policy Committee of FASAB*

| **Technical Release** | 1. **Description**
 |
| --- | --- |
| 1. No. 1
 | Audit Legal Representation Letter Guidance |
| 1. No. 2
 | 1. Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government
 |
| 1. No. 3 (revised)
 | Auditing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act |
| 1. No. 4
 | 1. Reporting on Non-Valued Seized and Forfeited Property
 |
| 1. No. 5
 | 1. Implementation Guidance on SFFAS 10: Accounting for Internal Use Software
 |
| 1. No. 6
 | 1. Preparing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act - Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act
 |
| 1. No. 7
 | 1. Clarification of Standards Relating to the National Aeronautics and Space Administration’s Space Exploration Equipment ***(Not applicable to Commerce)***
 |
| 1. No. 8
 | 1. Clarification of Standard Relating to Inter-Entity Costs
 |
| 1. No. 9
 | 1. Implementation Guide for SFFAS 29: Heritage Assets and Stewardship Land
 |
| 1. No. 10
 | 1. Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment
 |
| 1. No. 11
 | 1. Implementation Guidance on Cleanup Costs Associated with Equipment
 |
| 1. No. 12
 | Accrual Estimates for Grant Programs |
| 1. No. 13
 | 1. Implementation Guide for Estimating the Historical Cost of General Property, Plant, and Equipment
 |
| 1. No. 14
 | 1. Implementation Guidance on the Accounting for the Disposal of General Property, Plant, and Equipment
 |
| 1. No. 15
 | 1. Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment and Allocation
 |
| 1. No. 16
 | 1. Implementation Guidance for Internal Use Software
 |
| 1. No. 17
 | 1. Conforming Amendments to Technical Releases for SFFAS 50, Establishing Opening Balances for Property, Plant, and Equipment
 |
| 1. No. 18
 | 1. Implementation Guidance for Establishing Opening Balances
 |
| 1. No. 19
 | 1. Rescission of Technical Release 8
 |
| 1. No. 20
 | 1. Implementation Guidance for Leases
 |
| 1. No. 21
 | 1. Omnibus Technical Release Amendments 2022: Conforming Amendments (PDF)
 |

**Category D Hierarchy**

*FASAB Staff Implementation Guidance*

Staff Implementation Guidance 23.1: Guidance for Implementation of SFFAS 23, Eliminating the Category National Defense Property, Plant, and Equipment: Classification of Items Formerly Considered National Defense PP&E **(Not applicable to Commerce)**

Staff Implementation Guidance 31.1: Guidance for Implementation of SFFAS 31, Accounting for Fiduciary Activities

Staff Implementation Guidance 6.1: Clarification of Paragraphs 40-41 of SFFAS 6, Accounting for Property, Plant, and Equipment, as amended.

Implementation Guide

*If Accounting Treatment for a Transaction or Event is Not Specified by a Pronouncement in Category A*

If the accounting treatment for a transaction or event is not specified by a pronouncement in category (a), a federal reporting entity should consider whether the accounting treatment is specified by an accounting principle from a source in another category. In such cases, if categories (b)-(d) contain accounting principles that specify accounting treatments for a transaction or event, the federal reporting entity should follow the accounting treatment specified by the accounting principles from the source in the highest category – for example, follow category (b) treatment over category (c) treatment.

*If Accounting Treatment for a Transaction or Event is Not Specified by a Pronouncement or Established in Practice as Described in Categories A to D*

If the accounting treatment for a transaction or event is not specified by a pronouncement or established in practice as described in categories (a) to (d), a federal reporting entity should then consider accounting principles for similar transaction or events within categories (a)-(d) before considering Other Accounting Literature discussed in paragraph 8. For example, it might be appropriate to report the event or transaction by applying, in a similar manner, an accounting principle established within categories (a)-(d) for an analogous transaction or even on the basis of its substance.7 A federal reporting entity should not follow the accounting treatment specified in accounting principles for similar transactions or events in cases in which those accounting principles either (a) specifically prohibit the application of the accounting treatment to the particular transaction or event or (b) indicate that the accounting treatment should not be applied to other transaction or event by analogy.

**Other Accounting Literature**

*Other Accounting Literature* includes, for example, FASAB Concepts Statements: the pronouncements referred to in category (b) of paragraph 5 when not specifically made applicable to federal reporting entities by the FASAB; pronouncements of other accounting financial reporting standards-setting bodies, such as Financial Accounting Standards Board, Governmental Accounting Standards Board, International Accounting Standards Board, and International Public-Sector Accounting Standards Board; professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles. The appropriateness of other accounting literature depends on its relevance to particular circumstances, the specificity of the guidance, and the general recognition of the issuer or author as an authority. For example, FASAB Concepts Statements would normally be more influential than other sources in this category. A listing of links to other helpful resources is currently located at:

<https://fasab.gov/resources/links-to-other-helpful-websites/>

Additionally, other FASAB sources of information, including the Concepts and Appendices listed below, are currently located in their *Handbook by Chapter* at:

<http://www.fasab.gov/document-by-chapter>

| **Concept** | 1. **Description**
 |
| --- | --- |
| 1. SFFAC 1
 | 1. Objectives of Federal Financial Reporting
 |
| 1. SFFAC 2
 | 1. Entity and Display
 |
| 1. SFFAC 3
 | 1. Management's Discussion and Analysis
 |
| 1. SFFAC 4
 | 1. Intended Audience and Qualitative Characteristics for the Consolidated Financial Report of the United States Government
 |
| 1. SFFAC 5
 | 1. Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements
 |
| 1. SFFAC 6
 | 1. Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information
 |
| 1. SFFAC 7
 | 1. Measurement of the Elements of Accrual-Basis Financial Statements in Periods After Initial Recording
 |
| 1. SFFAC 8
 | 1. Federal Financial Reporting
 |
| 1. SFFAC 9
 | 1. Materiality: Amending Statement of Federal Financial Accounting
2. Concepts (SFFAC) 1, Objectives of Federal Financial Reporting, and SFFAC 3, Management’s Discussion and Analysis
 |

| **Appendix** | 1. **Description**
 |
| --- | --- |
| 1. Appendix A
 | 1. Topical Index
 |
| 1. Appendix B
 | 1. Effective Dates of Statements, Interpretations, and Technical Releases
 |
| 1. Appendix C
 | 1. Memorandum of Understanding Among The General Accounting Office, The Department of The Treasury, and The Office of Management and Budget on Federal Government Accounting Standards and A Federal Accounting Standards Advisory Board
 |
| 1. Appendix D
 | 1. Federal Accounting and Auditing Resources
 |
| 1. Appendix E
 | 1. Consolidated Glossary
 |
| 1. Appendix F
 | 1. Consolidated List of Abbreviations
 |

### 2. OMB Circular A-136, Financial Reporting Requirements

1. For the Department’s financial statements, footnotes, RSI, and OI , the Department will adhere closely to OMB’s revised [Circular](https://www.whitehouse.gov/omb/information-for-agencies/circulars/) A-136, *Financial Reporting Requirements*, dated May 19, 2023. This Circular establishes a central point of reference for all Federal financial reporting guidance for Executive Branch departments, agencies, and entities that are required to submit audited financial statements, interim financial statements, and either a Performance and Accountability Report or an Agency Financial Report (AFR) under the Chief Financial Officers Act of 1990, the Accountability of Tax Dollars Act of 2002, and Annual Management Reports under the Government Corporations Control Act. Commerce prepares an Agency Financial Report. This Circular is available on the OMB home page on the Internet, which is currently located at:

<https://www.whitehouse.gov/wp-content/uploads/2023/05/A-136-for-FY-2023.pdf>.

#### ***3. Quarterly Financial Statements, Footnotes, and RSI (the Department and bureaus are required to produce these reports each quarter)***

For quarterly fluctuation analyses requirements, see section VI. *Quarterly All Bureaus’ Fluctuation Analyses of the Principal Financial Statements and Selected Footnotes*.

Prior Period Adjustments: Bureaus are reminded that, for the third quarter and year-end submissions, prior period adjustments should only be recorded for items material to the reporting entity and must first be submitted to OFM for review and approval.

1. Quarterly Q&A: These questionnaires are issued well in advance of the other quarterly templates.

Quarterly Bureau Transactions and Significant Events Questionnaire: This is a data call template to be completed by bureaus on a quarterly basis to notify OFM of any significant accounting transactions/events. The completed templates will be used by OFM to ensure that all significant events have been captured accurately in the quarterly financial statements.

Quarterly GAAP Compliance Questionnaire: This data call template is to request information on the bureaus’ compliance with Generally Accepted Accounting Principles (GAAP). The bureaus' completed templates will be used on a quarterly basis as supporting documentation for OFM deliverable responses to the independent auditors.

1. Treaties and International Agreements: This is a data call template to be completed by bureaus to notify OFM of any treaties and other international agreements that give rise to contingent liabilities. The bureaus' completed templates will be used as supporting documentation for OFM deliverable responses to the independent auditors and possibly for Note 17, *Commitments and Contingencies*, if material.(N/A for Q1 and Q2)*.*
2. Financial Statements: The following statements are produced in the Hyperion Financial Management system (HFM). Therefore, bureaus are required to use the appropriate HFM account structures:
	* Balance Sheet
	* Statement of Changes in Net Position
	* Statement of Net Cost
	* Statement of Budgetary Resources

1. **Statement of Budgetary Resources (SBR) – Specific Requirements:**

Bureaus are required to materially reconcile their Statement of Budgetary Resources with their:

* + SF-132s, *Apportionment and Reapportionment Schedule*
	+ SF-133s, *Report on Budget Execution and Budgetary Resources*
	+ Program and Financing (P&F) Schedules - Actual Column

 **SBR vs. SF133s Requirements** (N/A for Q1 and Q2)

With regard to the Statement of Budgetary Resources comparison to the SF-133s, bureaus will enter their SF-133s data into the HFM form and will provide explanations to OFM for line differences on the HFM report of **$500 thousand or more** (see section VII) by fund group. Bureaus are required to submit to OFM the certified copies of all SF-133s, *Report on Budget Execution and Budgetary Resources*, from GTAS*.* Bureaus enter their SF-133 data into HFM by fund code, when required.

**SBR vs. SF132s Requirements**

Regarding the Statement of Budgetary Resources comparison to the SF-132s, the following apply:

* + 1. **SF132 Data Entry into HFM**

OFM will **only** accept and enter bureaus’ OMB-approved SF-132s data into the HFM comparison schedule. Without OMB approval of the SF-132, funding is not apportioned and obligations cannot be made for the budgetary resources other than direct appropriations. For direct appropriations, if there is not an OMB-approved SF-132, bureaus should still record all direct appropriations that were signed into law in their general ledgers, with the appropriate budgetary status accounts in accordance with OMB Circular A-11.

OFM will obtain copies of the electronically signed SF-132s from OMB MAX.  Prior to and during the HFM Window Period, OFM will periodically email bureaus the approved SF-132s Receipt Log as an attachment, asking that bureaus review the Receipt Log to ensure that the latest approved SF-132s have been received by OFM and entered into HFM.  A reply from the bureaus in response to each email is required only if information is missing or needs correction.

* + 1. **Non-Continuing Resolution Periods**

Bureaus will provide SBR vs. SF132 explanations to OFM for **line** **differences of $1.0 million or more on the HFM report, for each applicable fund group**.

Bureaus should only record amounts supported by an OMB-signed SF-132, unless otherwise noted (i.e., continuing resolution). Generally, without OMB approval of the SF-132, funding is not apportioned and obligations cannot be made. However, there may be exceptions. For example, according to OMB [Circular](https://www.whitehouse.gov/omb/information-for-agencies/circulars/) A-11, *Preparation, Submission, and Execution of the Budget*, bureaus are able to allocate 30 days’ worth of applicable budgetary resources under an automatic apportionment (i.e., Apportioned). This is because it may take some time for OMB to process SF-132s. The remainder of applicable budgetary resources would be Unapportioned Authority.

* + 1. **Continuing Resolution Periods**

***Direct Appropriations***

If the Department is operating under a Continuing Resolution as of March 31, June 30, and/or until a budget is passed, bureaus are required to submit to OFM their continuing resolution calculations. OFM will only accept bureau-prepared continuing resolution calculations for the budgetary USSGL entry for direct appropriations received for the annualized level of an appropriation provided under a continuing resolution (USSGL Transaction Code A196), in accordance with Fiscal Service’s *Appropriations Provided by a Continuing Resolution* scenario (January 2023), located at Fiscal Service’s website at:

<https://www.fiscal.treasury.gov/ussgl/faqs.html>

(Look under *Continuing Resolution Questions*)

***Budgetary Resources Other than Direct Appropriations***

(i.e., Reimbursables, Recoveries, and Transfers)

When the Department is operating under a Continuing Resolution, for budgetary resources other than direct appropriations for which the Continuing Resolution does not apply (e.g., Spending Authority From Offsetting Collections, Recoveries of Prior Years Unpaid Obligations, and Transfers), the Department is required to submit SF-132s to OMB for approval.

***Fund Group-Budget Year that has a mix of Both a) Direct Appropriations***

 ***and b) Budgetary Resources Other than Direct Appropriations***

Per the Office of Budget, when a fund group/budget year has both a) direct appropriations that fall under the Continuing Resolution and b) budgetary resources other than direct appropriations for which the Continuing Resolution does not apply, such as Spending Authority From Offsetting Collections (Reimbursables) or Recoveries of Prior Years Unpaid Obligations, and Transfers, the Departmental requirement is that bureaus submit SF-132s to OMB for approval for budgetary resources other than direct appropriations.

1. Statement of Custodial Activity:

The Department-level Statement of Custodial Activity is manually prepared by OFM when the statement is required due to materiality levels, and OFM may follow up with the bureaus as needed. This statement was prepared for the first time in Q3 FY 2017 due to materiality and similarly has not been prepared since Q3 FY 2020 due to immateriality. A footnote is prepared when materiality levels do not require the preparation of a statement.

1. Financial Statement Footnotes:
* Footnotes Text Matrix: OFM will provide a footnotes text matrix template (MS-Excel file) to the bureaus. The bureaus will review the existing text and enter any updates, revisions, and deletions or indicate “N/A” in the Excel file template, and the completed template will be e-mailed by the bureaus to OFM.
* Footnotes Data: Bureaus will enter footnote data into HFM forms. Please see FY 2023/2024 Financial Statements Guidance Attachment K, *HFM Data Submission and Reports*, Section VIII.

**Preparing the HFM *Fund Balance with Treasury* Footnote (report FBT)**

**Breakdown of FBWT by Status:**

The below contains general guidance on the FBWT Breakdown by Status lines. This general guidance will not address all situations, because properly calculating each line of this footnote is complex. Furthermore, this general guidance may not apply in all situations, such as when the Department is under a Continuing Resolution scenario. Bureaus should review their Fund Balance with Treasury status and enter correct balances in the HFM FBT form, such as reduction of budgetary resources, unobligated balance, and obligated balance not yet disbursed.

First, the total of the footnote must agree to the aggregate amount of USSGL accounts 101000—*Fund Balance with Treasury* and 109000—*Fund Balance with Treasury under a Continuing Resolution*.

**Temporarily Not Available Pursuant to Public Law:**  This line should equal the ending balances in budgetary USSGL accounts 438200, 438300, 438400, 438700, 438800, 439500, 439700, 439800, and 439900, to the extent of FBWT (aggregate of USSGL accounts 101000 and 109000).

**Unobligated Balance, Available:** FBWT corresponding to SBR lines 2204—*Unobligated Balance, end of year -Apportioned* and 2304—*Unobligated Balance, end of year Exempt from Apportionment*, less valid reconciling items; see tie-point report FBTSBR1 (note: there are sometimes additional reconciling items beyond those listed on tie-point FBTSBR1).

**Unobligated Balance, Unavailable:**  FBWT corresponding to SBR line 2404—*Unobligated Balance, end of year – Unapportioned*, less valid reconciling items; see tie-point report FBTSBR1 (note: there are sometimes additional reconciling items beyond those listed on tie-point FBTSBR1).

**Non-budgetary:** This line should equal the FBWT (aggregate of USSGL accounts 101000 and 109000) balance for fund groups that do not have budgetary USSGL account entries (e.g., receipt accounts, clearing account suspense activity, deposit funds, etc.).

**Warrants (for appropriations) Not Yet Received — enter as a negative amount:** [Note: the following general guidance may not apply under a Continuing Resolution scenario where USSGL account 109000 is also used.] Generally, bureaus use their budgetary USSGL accounts to populate *Unobligated Balance, Available*; *Unobligated Balance, Unavailable*; and *Obligated Balance Not Yet Disbursed* footnote lines above. The underlying budgetary USSGL accounts for these three lines may reflect appropriations received for which the FBWT has not yet been received, because the warrant has not yet been processed. Accordingly, there sometimes needs to be a reconciling item for the above three lines, because those lines would not equal FBWT on hand when the FBWT has not yet been received for the appropriation. So, enter as a negative amount the warrants for appropriations not yet received in this line. This line will help you arrive at FBWT amount per USSGL account 101000.

**Negative Warrants (for Rescissions) Not Yet Received — enter as a positive amount:** [Note: the following general guidance may not apply under a Continuing Resolution scenario where USSGL account 109000 is also used.] Generally, bureaus usually use their budgetary USSGL accounts to populate *Unobligated Balance, Available*; *Unobligated Balance, Unavailable;* and *Obligated Balance Not Yet Disbursed* footnote lines above. The underlying budgetary SGL accounts for these three lines may reflect rescissions to appropriations for which the FBWT has not yet been paid back to Treasury (e.g., because the negative warrant has not yet been processed). Accordingly, there sometimes needs to be a reconciling item for the above three lines, because those lines would not equal FBWT on hand when the FBWT has not yet been paid back for the rescission. So, enter as a positive amount the negative warrants for rescissions not yet received in this line. This line will help you arrive at FBWT amount per USSGL account 101000.

**Following are important instructions for bureaus’ calculations of the amounts for the “Future Payments under Operating Leases” HFM footnote:**

**General Services Administration (GSA) Real Property Leases (Estimated Payments)**

The FASAB and/or OMB [Circular](https://www.whitehouse.gov/omb/information-for-agencies/circulars/) A-136 federal agency requirements for future payments under non-cancelable leases are based on the Financial Accounting Standards Board’s (FASB's) guidance. FASB Statement of Financial Accounting Standards (SFAS) No. 13, “Accounting for Leases” as amended (<https://www.fasb.org/page/PageContent?pageId=/reference-library/superseded-standards/summary-of-statement-no-13.html&bcpath=tff>), requires disclosure for operating leases having initial or remaining non-cancelable lease terms in excess of one year.

The Department's GSA real property operating leases are generally cancelable. Even though OMB Circular A-136 and FASAB standards do not require a disclosure for operating leases with cancellation clauses, to be conservative, the Department chooses to disclose estimated amounts in the Department’s footnotes because of materiality levels.  Bureaus will disclose total **ESTIMATED** payments for each of the next five fiscal years, and HFM users will not type anything into the *Thereafter* row for this column. Please calculate your bureau’s best ESTIMATES of what your bureau will pay in total for each of the next five fiscal years.  Do not rely strictly on the lease terms of the operating lease/occupancy agreement as they are generally cancelable leases anyway, and your bureau’s calculations should reflect your bureau’s best estimates.

**Real Property Leases with Other Federal Entities and With the Public (Non-cancelable Leases with Terms Longer than One Year)**

The non-GSA real property leases category captures all real property leases, excluding GSA real property leases (e.g., real property leases with other Federal agencies or with the public).

OMB Circular A-136, Section II.3.8.19 Note 19 *Leases*, subsection A, *Entity as Lessee*, requires that agencies, for future payments due under operating leases, "Disclose future lease payments by major asset category for all non-cancelable leases with terms longer than one year.”

SFAS No. 13, “Accounting for Leases” as amended, requires disclosure of operating leases having initial or remaining noncancelable lease terms in excess of one year, calculated as future minimum rental payments required as of the date of the latest balance sheet presented, in the aggregate and for each of the five succeeding fiscal years and the total of minimum rentals to be received in the future under non-cancelable subleases as of the date of the latest balance sheet presented. For all operating leases, rental expense needs to be disclosed for each period for which an income statement is presented, with separate amounts for minimum rentals, contingent rentals, and sublease rentals. Rental payments under leases with terms of a month or less that were not renewed need not be included.

For non-GSA real property leases, the actual lease amount should be used as the basis to estimate the future years. Bureaus should calculate the future lease payments for each of the next five fiscal years and a lump sum estimate of future years, *Thereafter*, as required by OMB Circular A-136, Section II.3.8.19. The future minimum rental payments by periods beyond the next succeeding five fiscal years does not include the accumulating effect of new leases and lease renewals on future payments in those periods.

**Personal Property Leases With Federal Entities and With the Public (Non-cancelable Leases with Terms Longer than One Year)**

The personal property leases category includes all non-cancelable personal property leases with terms longer than one year.

OMB Circular A-136, Section II.3.8.19, Note 19: *Leases*, subsection A, *Entity as Lessee*, requires that agencies, for future payments due under operating leases, "Disclose future lease payments by major asset category for all non-cancelable leases with terms longer than one year.”

SFAS No. 13, “Accounting for Leases” as amended, requires disclosure of operating leases having initial or remaining noncancelable lease terms in excess of one year, calculated as future minimum rental payments required as of the date of the latest balance sheet presented, in the aggregate and for each of the five succeeding fiscal years and the total of minimum rentals to be received in the future under non-cancelable subleases as of the date of the latest balance sheet presented. For all operating leases, rental expense needs to be disclosed for each period for which an income statement is presented, with separate amounts for minimum rentals, contingent rentals, and sublease rentals. Rental payments under leases with terms of a month or less that were not renewed need not be included.

For non-GSA real property leases, the actual lease amount should be used as the basis to estimate the future years. Bureaus should calculate the future lease payments for each of the next five fiscal years and a lump sum estimate of future years, *Thereafter*, as required by OMB Circular A-136, Section II.3.8.18: Note 18: *Other Liabilities*.  The future minimum rental payments by periods beyond the next succeeding five fiscal years does not include the accumulating effect of new leases and lease renewals on future payments in those periods.

1. Submit manual footnote / other data to OFM (Excel® spreadsheets and/or Word® documents)

OFM will email footnote templates (Excel® spreadsheets and/or Word® documents) to bureaus for the following footnotes/other data that OFM requires manual submissions:

Footnote Templates:

* + - * Footnotes Text Matrix
			* Note 1 Parent-Child Allocation Transfer Relationships
			* Note 3 Investments (NTIA only)
			* Note 6 Loans Receivable and Related Foreclosed Property, Net (EDA and NOAA only)
			* Note 7 Inventory and Related Property, Net – Digital Assets Listing (Q4 only)
			* Note 13 Federal Employee Benefits (NOAA Corps. only)
			* Note 17 Commitments and Contingencies - Treaties and International Agreements
			* Note 21 Fiduciary Activity (USPTO only; subject to change)
			* Note 22 Funds from Dedicated Collections – Text (NIST, NOAA, NTIA, and USPTO only)
			* Note 23 BAR Explanations (if applicable)
			* Note 24 Stewardship Property, Plant, and Equipment (Census Bureau, NIST, and NOAA; subject to change)
			* Note 27 COVID-19 Activity (if applicable)

Other templates sent with the Footnotes Templates:

* + - * Fluctuation Analysis Explanations
			* MD&A-Stewardship PP&E (EDA, NOAA, and NIST; if applicable)
			* Net Position Analysis Explanations (if applicable)
			* SBR vs. SF132 Explanations (if applicable)
			* RSI-Deferred Maintenance and Repairs - Text (NIST and NOAA)
			* Improper Payments Explanations
			* CFO Review Procedures Checklists
			* On-Top AJE & Review Comments Checklist (used by OFM)
			* HFM New Fund Request
			* Prior Period Adjustments (if applicable; consult with OFM)
			* Intra-Commerce Transaction Summary and Detail Reports

Templates sent Separately (and earlier in the process):

* + - * Bureau Transactions and Significant Events Questionnaire
			* GAAP Compliance Questionnaire

i. Budget and Accrual Reconciliation (BAR): This footnote is HFM produced. Bureaus are required to use the appropriate HFM account structures. All journal entry requests / information along with any other additionally submitted data / information used to prepare this footnote, should be sent directly to Sean Smith (ssmith@doc.gov), with a copy to the Bureau Liaison.

The DOC BAR is prepared with three columns: *Intragovernmental* (Federal) column, *Other Than Intragovernmental* (Non-Federal), and a *Total* column, in accordance with OMB Circular A-136. The differences between the Agency Outlays, Net amounts (a) calculated by the BAR report and (b) shown on the Statement of Budgetary Resources for both the *Intragovernmental* and *Other Than Intragovernmental* columns must be adequately explained to below the **$300 thousand** thresholdper fund group.

**j. Required Supplementary Information (RSI):**

The following RSI schedules are HFM produced – please see FY 2023/2024 Financial Statements Guidance, Attachment K, *HFM Data Submissions and Reports*:

* Schedule of Budgetary Resources by Major Budget Account
* Deferred Maintenance and Repairs: Applicable bureaus are required to manually submit (Word® file) the Deferred Maintenance and Repairs section of RSI. See OMB [Circular](https://www.whitehouse.gov/omb/information-for-agencies/circulars/) A-136, Section II.3.9.4. for detailed instructions. For applicable bureaus, see SFFAS 42.

**k. Summary of Stewardship Information:**

Starting with the FY 2019 Agency Financial Report, OFM has opted to include the stewardship information, formerly included in the Required Supplementary Stewardship Information (RSSI), as part of the Management’s Discussion and Analysis (MD&A) section, instead of including it in the Other Information section, per SFFAS 57, *Omnibus Amendments 2019*, which eliminated the RSSI category. OFM continues to collect table information from NOAA, EDA, and NIST. ***(This is required for Q4 reporting only).***

# IV. Quarterly All Bureaus’ Review for Anomaly Balances

All bureaus are required to review anomaly balances in their HFM Expanded Trial Balances (ETBs) by each fund group/fund code (except for NOAA which reviews anomaly balances at the bureau level only) and research/resolve the anomaly balances. Explanations are required to be submitted to OFM for all anomaly balances for all quarters, except Q1.

**V. Quarterly All Bureaus’ Review of HFM ETB and GTAS Data**

All bureaus are required to review their HFM Expanded trial balances (ETBs) against their GTAS data. Explanations are required to be submitted to OFM for all differences ($0.00 threshold) between HFM ETBs and GTAS data.

**VI. Quarterly All Bureaus’ Fluctuation Analyses of the Principal Financial Statements and Selected Footnotes (N/A for Q1)**

* To reduce the reporting burden, starting in FY 2014 OMB eliminated the first and second quarter interim financial statements reporting requirements. Previously agencies were required in every quarter to submit financial statements and related fluctuation analyses (flux) to OMB. As a result, OFM does not require bureaus to submit any fluctuation analyses for Q1 and only requires submission of the principal financial statements flux for Q2 (i.e., no footnote flux). For Q3 and Q4, bureaus are required to submit to OFM the complete fluctuation analyses for the principal financial statements and selected footnotes.
* OMB Circular A-136 requires federal agencies to prepare and submit to OMB quarterly fluctuation analyses. OFM is required to perform year-to-year fluctuation analyses of each line item of the Department-wide principal financial statements and provide these analyses to the independent auditors. Furthermore, selected footnotes require fluctuation analyses to help ensure the data is complete and accurate. Additionally, the Department must include a discussion of financial performance, which includes an analysis of financial condition and results, in the Management’s Discussion and Analysis section of the annual Agency Financial Report. For OFM to be able to meaningfully analyze the Department’s fluctuations, trends, financial conditions and results, explanations identifying the “root cause” for significant fluctuations at the bureau level are needed.
* Accordingly, for the aforementioned financial statements and selected footnotes, bureaus are required to provide explanations for fluctuations in lines that **increased or decreased by 10.00%** or more from the same quarter in the prior fiscal year **and** are greater than or equal to the following dollar amounts: **NOAA - $15.0 million; Census, EDA, ITA, NIST, NTIA, and USPTO - $5.0 million;** and **all other entities - $2.0 million**.

NOTE: These fluctuation analyses reports are in the HFM book sets. Please provide explanations directly in the Excel® template for fluctuation explanations.

IMPORTANT NOTE:

Due to audit deliverables and requirements, **fluctuation explanations** must be provided for **all line items that meet the thresholds shown above**, which are also listed in the Subsequent Review Procedures Checklist II.  **OFM may also request explanations for lines with fluctuations below these thresholds**, when a balance contributes to a difference meeting the threshold at the Consolidated Department-wide level.

**VII. Quarterly All Bureaus’ SBR vs. SF-133 Differences Analyses (except Q1 and Q2)**

* The OMB Circular A-136 requires federal agencies to submit an analysis of significant differences between the current quarter’s unaudited SBR and the current quarter’s department-wide SF 133, *Report on Budget Execution and Budgetary Resources*. OFM is required to provide an explanation for the differences between the SBR and SF 133 for comparable line items related to budgetary resources, obligations, and outlays to OMB 45 days after the end of the quarter. For OFM to be able to meaningfully analyze the Department’s significant differences between these reports, explanations for the “root cause” of differences within bureaus are needed.
* Accordingly, bureaus are required to provide explanations for all line items that have differences of **$500 thousand or more by fund group**.

# VIII. All Bureaus’ Net Position Analyses (except Q1 and Q2)

* OFM is required to perform analyses of the components of the Department’s Net Position, *Unexpended Appropriations* and *Cumulative Results of Operations*, for appropriated fund groups/fund codes only (subject to change) and provide these analyses to the independent auditors for its audit. For OFM to be able to meaningfully analyze the components of the Department’s Net Position for appropriated fund groups/fund codes, careful bureau review of the HFM produced Net Position Analyses is needed.
* Accordingly, for the HFM produced appropriated fund group / fund code level Net Position Analyses:

Bureaus will carefully review the appropriated fund group / fund code level Net Position analyses and provide explanations to OFM for differences of **$500 thousand or more**.

In developing explanations for the Net Position Analyses differences, bureaus should determine which USSGL accounts have made an impact on the specific line items being reviewed and include these in their explanations.

**IX. Quarterly All Bureaus’ Review Procedures Checklist**

All bureaus are required to submit the Review Procedures Checklist-Part I, the Subsequent Review Checklist-Part II, and the bureau Chief Financial Officer (CFO) Review Checklist-Part III, by their respective due dates, for quarterly and year-end financial statements. Each quarter, OFM will provide the bureaus with templates containing the required checklists for the upcoming quarterly reporting cycle.

Bureaus are required to provide explanations to OFM for regular tie-point differences of **$300 thousand** or more and for budgetary-proprietary tie-point differences of **$750 thousand** or more unless **the threshold is otherwise listed in the checklist**.

The bureau CFO will certify the Bureau CFO Review Checklist-Part III. The reporting entity financial manager and the accounting service provider financial manager will certify the Review Procedures Checklist-Part I and the Subsequent Review Procedures Checklist Part-II. During Q1 and Q2, the Review Procedures Checklist-Part I and the Subsequent Review Procedures Checklist-Part II are modified to include only the procedures required for Q1 and Q2 reporting, but the certification requirements are the same in every quarter.

**X.** **Quarterly Treasury Report on Receivables Due from the Public (TROR)**

Each quarter, all bureaus are required to submit to OFM the following: 1) a copy of the completed TROR submission and 2) the TROR CFO Verification and Certification Form; 3) the TROR Transmission Notice from Treasury; and 4) the HFM Reconciliation Spreadsheet of bureau-level gross receivables accounts to the bureau-level TROR Receivables Ending Balance line amount. For more information, refer to Chapter 11 in the Department’s *Credit and Debt Management Operating Standards and Procedures Handbook* at the following website:

<http://www.osec.doc.gov/ofm/credit/cover.html>

Instructions for preparing the TROR is available in Treasury’s *Instructional Workbook for Preparing the Treasury Report on Receivables and Debt Collection* at:

<https://www.fiscal.treasury.gov/dms/resources/debt-management-governmentwide-reports.html>

**XI. All Bureaus’ Government Accountability Office (GAO) Checklists**

* The GAO Checklists for Federal Accounting, Reporting and Disclosures prepared under the CFO Act are available at the sitelisted below:

[www.gao.gov/assets/80/76844.pdf](http://www.gao.gov/assets/80/76844.pdf)

* While OFM does not currently require that bureaus submit completed GAO Checklists to OFM (subject to change), OFM encourages the bureaus’ use of these checklists.

**XII. Stand-Alone Bureau’s Financial Statements, Footnotes, and RSI**

# a. The stand-alone bureau should comply with OMB Circular A-136. Please consult with OFM in advance regarding any contemplated deviations from OMB Circular A-136.

**b. Treasury USSGL Crosswalks to the Financial Statements**:

For the stand-alone bureau, each principal statement should be prepared based on Treasury's most recently issued Form and Content Crosswalks for the financial statements. The bureau must notify OFM of any line items that are not calculated based on Treasury's Crosswalks.

Treasury’s Form and Content Crosswalks can be obtained from the following website address:

<https://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html>

**c. Audit Adjustments:** The final year-end financial statements shall contain all the stand-alone bureau’s audit adjustments.

**d. Immaterial Amounts:** To ensure the completeness of the Department's financial statements and avoid variances between GTAS and the financial statements, the stand-alone bureau should include all amounts included in its trial balance. For example, if one fund group has **$10 thousand** of “Accounts Receivable-Gross” and **$10 thousand** of “Allowance for Loss on Accounts Receivable,” please include or disclose both amounts (gross) even though they are immaterial and net to zero.

**e. Rounding:** Line items should be rounded to the nearest thousand dollars. Line items should foot to the subtotals and totals shown.

**f. Statement of Net Cost:** The Statement of Net Cost is designed to show separately the components of the net cost of the reporting entity's operations for the period. Net cost of operations is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. The gross cost of a program consists of the full cost of the outputs produced by that program plus any non-production costs that can be assigned to the program (non-production costs are costs linked to events other than the production of goods and services). The net cost of a program consists of gross cost less related exchange revenues. By disclosing the gross and net cost of the entity's programs, the Statement of Net Cost provides information that can be related to the outputs and outcomes of the programs and activities. Intergovernmental gross costs and earned revenues shall be disclosed in notes to the financial statement.

**g. Other Information:** If the stand-alone bureau presents a consolidated financial statement as the principal statement and has intra-bureau eliminations for that statement, OFM requires that bureau to also present a consolidating financial statement in Other Information.

**h. Distribution by Stand-Alone Bureau of Its Financial Statements:**

Once the stand-alone bureau’s audited financial statements are issued, the Finance Officer may distribute copies of audited or unaudited financial statements to outside officials and interested parties, subject to the following:

If the financial statements are audited and are designated as such, all three sections of the auditor's reports must be included with any financial statements distributed to outside officials and interested parties.

Each page of unaudited financial statements must carry a clear label for the reader that the financial statement is “unaudited.”

**XIII. Due Dates for Submissions**

* See FY 2023/2024 Financial Statements Guidance, Attachment I, *Due Date Calendar*, for due dates.
* OFM will monitor bureaus' submissions against the due dates. A deadline may be considered not met if the data is incomplete, inaccurate, or not reconciled to other applicable data.
* Please e-mail bureau submissions to your OFM bureau liaison and copy Kristin Salzer at KSalzer@doc.gov.

**XIV. HFM Journal Entries**

Bureaus must submit all journal entry requests to OFM in HFM format. If after discussion, OFM and the bureau disagree on whether a journal entry should or should not be made, the bureau must email their bureau liaison (**and cc: Kristin Salzer**) a detailed justification of why the bureau disagrees.

**XV. OFM Contact Persons (Bureau Liaisons and Other Contact Persons)**

OFM bureau liaisons **(Exhibit 1)** will be the **primary** contact persons for the bureaus. Bureau submissions should be delivered to your bureau liaison via e-mail. **Exhibit 1** also lists OFM contact persons for transaction categories and Departmental financial statement processes.

OFM bureau liaisons (**Exhibit 1**) also serve as the **primary** contact persons for bureau HFM matters.

**XVI. OFM Point of Contact for Attachment A**

Questions related to Attachment A can be directed to:

Kristin Salzer-OFM

Tel: (202) 482-2715

Email: KSalzer@doc.gov

**Exhibit 1: OFM Bureau Liaisons and Other Contacts as of Quarter 4 FY 2023**

| **Bureau or Area of Responsibility** | **OFM Contact** | **Phone No.** | **Email Address** |
| --- | --- | --- | --- |
| BEA  | Micah Reed | (202) 482-2258 | mreed@doc.gov |
| BIS | Lorena DeLeon | (202) 482-3815 | mdeleon@doc.gov |
| Census Bureau | Jean Baick | (202) 482-4566 | jbaick@doc.gov |
| DM/Gifts & Bequests and DM/Working Capital Fund | Spencer Farrar | (202) 482-1669 | jfarrar@doc.gov |
| DM/Non-Recurring Expense Fund | Thomas Mann | (202) 482-0753 | tmann@doc.gov |
| DM/Salaries & Expenses | Sean Smith | (202) 482-0785 | agomez@doc.gov |
| EDA  | Esther Kim | (202) 482-0753 | ukim@doc.gov |
| HCHB and OIG  | Micah Reed | (202) 482-2258 | mreed@doc.gov |
| ITA  | Christine Pham | (202) 482-2624 | cpham1@doc.gov |
| MBDA | Christine Pham | (202) 482-2624 | cpham1@doc.gov |
| NIST  | Jim Forsyth | (202) 482-5857 | jforsyth@doc.gov |
| NOAA | Sean Smith | (202) 482-0785 | ssmith@doc.gov |
| NTIA | Greg Paige | (202) 482-0645 | gpaige@doc.gov |
| NTIA - First Responder Network Authority | Bruce Henshel | (202) 482-0646 | bhenshel@doc.gov |
| NTIS | Thomas Mann | (202) 482-5340  | tmann@doc.gov |
| USPTO | Spencer Farrar  | (202) 482-1669 | jfarrar@doc.gov |
| HFM Issues (Please reach out to your Bureau Liaison first and copy HFMAdmins@doc.gov to submit HFM Issues). | Micah ReedChristine PhamSpencer Farrar | (202) 482-2258(202) 482-2624202) 482-1669 | mreed@doc.govcpham1@doc.gov jfarrar@doc.gov |
| Improper Payment Reporting | Spencer Farrar | (202) 482-1669 | jfarrar@doc.gov |
| Intra-Commerce Transactions | Spencer Farrar | (202) 482-1669 | jfarrar@doc.gov |
| Intragovernmental Fiduciary | Jim Forsyth | (202) 482-5857 | jforsyth@doc.gov |
| Intragovernmental Non-fiduciary | Jim Forsyth | (202) 482-5857 | jforsyth@doc.gov |
| Balance Sheet | Micah Reed | (202) 482-2258 | mreed@doc.gov |
| Budget and Accrual Reconciliation (BAR) | Sean Smith | (202) 482-0785 | ssmith@doc.gov |
| Statement of Net Cost (SNC) | Jim Forsyth | (202) 482-2037 | jforsyth@doc.gov |
| Statement of Changes in Net Position (SCNP) | Spencer Farrar | (202) 482-1669 | jfarrar@doc.gov |
| Statement of Budgetary Resources (SBR) | Christine Pham | (202) 482-2624 | cpham1@doc.gov |
| Required Supplementary Information (RSI) – Deferred Maintenance | Micah Reed | (202) 482-2258 | mreed@doc.gov |
| Required Supplementary Information (RSI) – Government Land | Thomas Mann | (202) 482-5340 | tmann@doc.gov |
| Treasury Report on Receivables | Christine Pham | (202) 482-2624 | cpham1@doc.gov |
| Agency Financial Report (AFR) write-up process | Kristin Salzer | (202) 482-2715 | ksalzer@doc.gov |
| Audit Process | Mark Lee | (202) 482-0502  | mlee1@doc.gov |
| Corrective Action Plans Process | Mark Lee | (202) 482-0502  | mlee1@doc.gov |
| Financial Reporting Process | Kristin Salzer | (202) 482-2715 | ksalzer@doc.gov |
| Legal Letters / Unasserted Claims Process | Kristin Salzer | (202) 482-2715 | ksalzer@doc.gov |
| Management Representation Letters Process | Mark Lee | (202) 482-0502  | mlee1@doc.gov |
| SF-132s and Public Laws comparison to SBR Process | Bruce HenshelMicah Reed | (202) 482-0646(202) 482-2258  | bhenshel@doc.govmreed@doc.gov  |