

>>> "Jay Miller" <[jami@loc.gov](mailto:jami@loc.gov)> 2/4/2009 11:10 AM >>>

Please accept the following comments related to the exposure draft: The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board:

## Hierarchy of Generally Accepted Accounting Principles

Q1. This Exposure Draft (ED) proposes to incorporate the hierarchy of generally accepted accounting principles (GAAP) that currently resides in the professional auditing literature into the FASAB's authoritative literature. Do you agree or disagree with the hierarchy presented in the Exposure Draft (see paragraphs 5 -8)? Please explain the reasons for your position in as much detail as possible.

The Library of Congress agrees with the FASAB hierarchy. We do not agree with comments that have been made pertaining to this exposure draft that suggest the GAAP hierarchy include guidance from the central agencies (and in particular the Office of Management and Budget (OMB)).

The Library of Congress is part of the Legislative Branch and FASAB has correctly addressed in paragraph 13 the relationship of the legislative and judicial branch as it pertains to FASAB. FASAB is GAAP for Federal entities and if the Library was to present its financial statements in any other way, it would require us to present the statements under another basis of accounting. Legislative and judicial branch agencies are not subject (or are minimally subject, i.e. submission to the President's Budget) to OMB circulars or guidance. OMB is an executive branch agency having jurisdiction over executive branch agencies. To incorporate OMB guidance into the hierarchy would in effect cause a separation of powers issue between the the legislative and judicial branches and the executive branch. Whether explicit or implicit, FASAB correctly omitted OMB from the hierarchy and we advise not to follow any recommendations that would result in their inclusion.

Jay S. Miller, CPA  
Financial Reports Officer  
Office of the Chief Financial Officer  
Library of Congress