

**Department of Energy**

Washington, DC 20585

January 4, 2021

**MEMORANDUM FOR THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD****FROM**

Karin Dasuki

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DasukiDate: 2020.12.31  
09:09:47 -05'00'Director, Office of Finance and Accounting  
Department of Energy, Office of the Chief Financial Officer

Thomas Griffin

**Thomas P. Griffin**Digitally signed by Thomas P. Griffin  
Date: 2021.01.05 17:26:56 -05'00'Director, Office of Financial Policy and Audit Resolution  
Department of Energy, Office of the Chief Financial Officer**SUBJECT**Federal Accounting Standards Advisory Board Exposure Draft:  
*Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31*

The Department of Energy (DOE) appreciates the opportunity to respond to the question in the Federal Accounting Standards Advisory Board's (FASAB) Exposure Draft: *Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31*.

**Q1. SFFAS 1, paragraph 31 was amended by SFFAS 31, Accounting for Fiduciary Activities, in an effort to clarify the definition and reporting for fiduciary amounts on deposit in the U.S. Treasury and to distinguish fiduciary FBWT from federal component entities' FBWT. While making this distinction, the amendment added the phrase "other non-federal non-entity FBWT." The Board acknowledges that the amendments did not define the phrase "other non-federal non-entity FBWT" and the added phrase contributed to the lack of clarity regarding classification and presentation of non-federal non-entity FBWT. The proposed Interpretation would clarify the classification by explaining the inclusion of the phrase "other non-federal non-entity FBWT" was intended to provide for similar treatment of activities that are comparable with fiduciary activity but that had not been identified specifically in SFFAS 31. The Board did not intend to require similar treatment for activities that were explicitly excluded from the provisions of SFFAS 31. Although amounts received in deposit accounts may come from non-federal non-entity sources for unfilled orders, these amounts do not qualify as fiduciary activity because SFFAS 31 specifically excludes unearned revenue from fiduciary activity reporting. Therefore, it would be inconsistent to apply the phrase "other non-federal non-entity" to unearned revenue, including amounts received from non-federal sources for unfilled orders. Hence, non-federal non-entity amounts received for unfilled orders that are reflected in FBWT should be reported as an intragovernmental asset of the component reporting entity.**

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

**DOE Response**

**Agree.** DOE believes the clarification of SFFAS 1, Paragraph 31 proposed in this exposure draft is consistent with the Department's current methodology for financial reporting.

If you have any questions about the response, please contact Tynesha Douglass at (202) 586-6144.