

Date: September 15, 1997

To: Wendy Comes  
Executive Director  
Federal Accounting Standards Advisory Board

From: Judy Yuran  
Chairperson  
SGL Issue Resolution Committee

Subject: SGL Issue Resolution Committee Responses on  
Governmentwide Supplementary Stewardship Reporting  
Standards ED

The following are comments from IRC members related to the FASAB Governmentwide Supplementary Stewardship Reporting Standards Exposure Draft. We appreciate the opportunity to comment on this exposure draft. Please call me on (202) 874-6308, if you have any questions.

#### **GENERAL COMMENTS**

IRC comments on this exposure draft are limited since the primary impact of governmentwide consolidation would fall outside the scope of agency responsibility.

#### **Stewardship Investments**

##### **Outlays versus Expenses**

Page 13, Para 28 and 29. Substituting outlay data for expense data for previous 4 years of stewardship investment, including Human Capital.

**IRC Comment:** Since outlay data submitted by many agencies(SF 133), does not identify human capital outlays, the requirements of these paragraphs may be difficult if not impossible to implement. In addition, if the consolidated statements present outlay data to show trends, there should be a caveat about the lack of comparability between outlays and expenses. As an example, a large portion of outlays in the Direct Student Loan Program are from borrowings from Treasury, which are required to be repaid by borrowers, and do not represent an expense to the taxpayer. If outlay data is substituted for expense data, the consolidated statements must clearly explain the differences between outlays and expenses, so that the information will not be misleading to

the general public.

### **COMMENTS TO SPECIFIC QUESTIONS FOR RESPONDENTS**

The following are responses to specific questions in the Governmentwide Supplementary Stewardship Reporting Standards.

1. Are the proposed standards clearly written?

Yes, the IRC feels that the standards are generally clearly written.

2. Are there any aspects of or terms in the proposed standards that need further explanation?

No. The IRC does not believe that any aspects or terms of the exposure draft, as related to agencies, need any further explanation.

3. Do you believe that the proposed governmentwide supplementary stewardship standards will produce an effective "roll up" or consolidation of the entity level information required by SRAS No. 8?

Yes. The IRC feels that the proposed standards will produce an effective "roll up" or consolidation of the entity level information required by SRAS No. 8.

4. Have you any specific suggestions for modifying or improving the sample displays of governmentwide supplementary stewardship information (see Appendix B) to aid in its understanding and use by readers?

No. The IRC believes that the sample displays of governmentwide supplementary stewardship information in appendix B seem adequate for understanding and use by readers.

5. Do you agree that the implementation date of the governmentwide supplementary stewardship standards should be one fiscal year later than that of the entity level supplementary stewardship standards to allow the preparers of the governmentwide reports one cycle to examine the nature of data that would have to be accumulated for the

governmentwide reports?

Yes. The IRC agrees with the delay of the implementation date of the governmentwide supplementary stewardship standards for one year later than the entity level. This should give the preparers some additional time to decide what type and level of agency data to roll-up in the governmentwide statements.