

In response to requests by agencies to eliminate the Note 45 requirement, Fiscal Service established the Financial Statement Lines Working Group in October 2019 with the goal of standardizing financial statements between agencies and government-wide. The working group agreed on a standardized Balance Sheet presentation, which was included in the fiscal year 2020 OMB Circular A-136 update as optional for implementation, but would be required for implementation for the fiscal year 2021 reporting period.

As agencies started implementing the new format this year, concerns were raised and communicated to Fiscal Service. These concerns were compiled into a list that was circulated in an email dated June 11, 2021 to the agency financial reporting community. In that email, Fiscal Service requested agency feedback on whether to push through revisions to the USSGL Balance Sheet crosswalk related to the list of issues for the fiscal year 2021 reporting period, or if the preference would be to defer those revisions until next year. The majority of agency responses asked that Fiscal Service delay any further changes to the Balance Sheet crosswalk until fiscal year 2022. Based on this feedback, Fiscal Service kept this year's Balance Sheet crosswalk revisions to a minimum.

Fiscal Service is now aware that the current version of the USSGL Balance Sheet crosswalk may deviate from GAAP. This issue is specifically related to the following USSGLs that are currently classified on the crosswalk as intra-governmental Accounts Payable:

- 222500(F) – Unfunded FECA liability
- 229000(F) – Other unfunded employment related liability
- 221300(F) – Employer contributions and payroll taxes payable
- 221500(F) – Other post-employment benefits due and payable

Per SFFAS 1, paragraph 75, Accounts Payable are not intended to include liabilities related to on-going continuous expenses such as employees' salary and benefits, which are covered by other current liabilities.

Based on agency preference to defer changes to the USSGL Balance Sheet crosswalk, and not cause additional agency burden, this change will **not** be made in the USSGL Balance Sheet crosswalk for fiscal year 2021. Instead, Fiscal Service is advising agencies to deviate from the USSGL Balance Sheet crosswalk to avoid this issue of potential non-compliance with GAAP. For fiscal year 2021 reporting, agencies may report the activity in the above-referenced USSGLs as Other Liabilities instead of Accounts Payable. Fiscal Service will make applicable revisions to align the USSGL Balance Sheet crosswalk with GAAP in the next TFM bulletin posted in December 2021.

Fiscal Service apologizes for any inconvenience this may cause and appreciates your agency's support in these critical projects to improve and standardize financial reporting across the federal government.