Financial Policy

Volume V

Assets

Chapter 10

Other Assets

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1001 Overview

This chapter establishes the Department of Veterans Affairs (VA) financial policies regarding VA's other assets. Other assets contain immaterial assets that do not present individually as line items on VA’s consolidated balance sheet. According to the Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements – Revised, other assets may include, but are not limited to, general property, plant, and equipment (PP&E) removed from service but not yet disposed and advances. Advances constitute the largest portion of VA’s other assets.

Key point covered in this chapter is that VA will record, report, and disclose other assets in accordance with OMB Circular A-136 and Federal Accounting Standards Advisory Board (FASAB) guiding standards.

1002 Revisions

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1003 Definitions

**Advances** – Cash outlays made by a federal entity to its employees, contractors, grantees, or others to cover a part, or all, of the recipients’ anticipated expenses or as advance payments for the cost of goods and services the entity acquires.

**Other Assets** – Title given to assets not reported in a separate category on the face of the Balance Sheet, this category includes assets that are immaterial to the entity and do not warrant separate reporting.

**General Property, Plant, and Equipment** – Tangible assets that 1) have an estimated useful life of two or more years; 2) are not intended for sale in the ordinary course of operations; and 3) are intended to be used or available for use by the entity. PP&E
includes land and land rights owned by the Federal Government acquired for or in connection with items of PP&E.

1004 Roles and Responsibilities

**Staff Office/Administration Fiscal Staff and Chief Financial Officers (CFOs)** are primarily responsible for recording and reporting other assets under their jurisdictions. Staff Office/Administration Fiscal Staff and CFOs also provide assistance in preparing VA’s quarterly and year-end financial statements and accompanying notes, which include the appropriate reporting and disclosure of VA’s other assets.

**Financial Services Center (FSC)** is responsible for providing operational support of VA’s accounting system and is directly involved in the accounting and reporting of VA’s other assets. Upon request from Staff Office/Administration, FSC is responsible for posting, reconciling, offsetting, reporting advance transactions, and providing technical support to stations within the Staff Office/Administration Fiscal Staff and CFOs.

1005 Policies

A. Staff Office/Administration Fiscal Staff and CFOs will account for and report other assets under their jurisdictions.

B. Upon request, FSC will support Staff Office/Administration Fiscal Staff and CFOs by posting entries, performing reconciliations and offsetting for advances within other assets; and providing related accounting help desk support. FSC does not automatically perform this function for all stations.

C. VA will consolidate all reported other assets in VA’s balance sheet and disclose other assets in the financial statement notes.

D. VA will report other assets in two categories on its consolidated balance sheet in accordance with OMB Circular A-136 and FASAB authoritative guidance. The two categories are: (1) intragovernmental other assets; and (2) public other assets.

1. **Intragovernmental Other Assets** are other assets arising from VA’s claims against other federal entities. Volume I, Chapter 11, Interagency Agreement, and Chapter 12 Intragovernmental Transactions both provide detailed policy guidance for VA’s intragovernmental transactions and activities.

2. **Public Other Assets** are other assets arising from VA’s claims against nonfederal entities.
E. VA will reduce other assets when goods or services are received and contract terms are met for advances; or when PP&E removed from service is disposed of.

F. VA will reclassify the advances subject to refund to accounts receivable for financial reporting purposes. An example of an advance subject to refund is a settled travel claim indicating the traveler owes part of the advance to the government.

G. The Director of the Financial Reporting Service in the Office of Financial Policy will review and verify the accuracy of other assets balances with the associated note information as a part of the quarterly and year-end financial statements review process.

1006 Authorities and References

FASAB Statement of Federal Financial Accounting Standards (SFFAS) No. 1, Accounting for Selected Assets and Liabilities

OMB Circular A-136, Financial Reporting Requirements – Revised

1007 Rescissions


1008 Questions

Questions concerning these financial policies and procedures should be directed as follows:

VHA VHA 10A3A Accounting Policy (Outlook)
VHA VAFSC Nationwide Accounting (Outlook)
VBA VAVBAWAS/CO/FINREP (Outlook)
NCA NCA Finance Group (Outlook)
All Others OFP Accounting Policy (Outlook)