



Department of Veterans Affairs

Financial Policy

Volume VI

Liabilities

Chapter 2

Intragovernmental vs. Public

Liabilities

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0201 Overview

This chapter establishes the Department of Veterans Affairs (VA) financial policies regarding intragovernmental and public liabilities. Intragovernmental liabilities and public liabilities represent obligations with Federal or non-Federal entities and require separate reporting for federal financial reporting purposes. VA will comply with guidance issued by the Office of Management and Budget (OMB), the Federal Accounting Standards Advisory Board (FASAB), and the Department of the Treasury (Treasury) to record and report its intragovernmental and public liabilities.

Key points covered in this chapter:

- VA will distinguish between intragovernmental and public liabilities when recording accounting transactions; and
- VA will report intragovernmental and public liabilities on the face of its consolidated balance sheet and disclose additional required information in the notes accompanying the financial statements.

0202 Revisions

Section	Revision	Office	Reason for Change	Effective Date
Various	Reformatted to new policy format and completed five-year review	OFP (047G)	Reorganize chapter layout	May 2019
0205 Policies	Updated policy statements	OFP (047G)	Properly reflect current intragovernmental and public liabilities accounting and reporting requirements	May 2019

0203 Definitions

Intragovernmental Liabilities – A probable future outflow or other sacrifice of resources as a result of a transaction or event between Federal entities.

Liability – A probable future outflow or other sacrifice of resources as a result of a transaction or event.

Public Liabilities – A probable future outflow or other sacrifice of resources as a result of a transaction or event with individuals and entities outside the U.S. Government.

0204 Roles and Responsibilities

Administration and Staff Office Chief Financial Officers (CFOs) and Fiscal Staff are primarily responsible for the appropriate recording and reporting of intragovernmental and public liabilities under their jurisdictions.

Financial Services Center is responsible for providing support for the accounting and reporting of VA's intragovernmental and public liabilities, including posting, and recording related intragovernmental and public liabilities transactions.

0205 Policies

020501 General Policies

VA will comply with OMB Circular A-136, FASAB guiding standards, and Treasury's Financial Manual (TFM) to:

- Separate intragovernmental from public liabilities when recording transactions in VA's accounting system; and
- Report intragovernmental and public liabilities separately on the face of the consolidated balance sheet and in the associated note disclosures.

020502 Accounting for Intragovernmental and Public Liabilities

- A. FSC and Administration/Staff Office Fiscal Staff and CFOs will separate intragovernmental liabilities from public liabilities when recording accounting transactions.
- B. Vendor attributes will be utilized to identify transactions as either intragovernmental or public within VA's accounting system to facilitate the separate reporting of these liabilities.
- C. VA will maintain complete supporting documentation used to distinguish and compile intragovernmental and public liabilities in accordance with National Archives and Records Administration (NARA) statutes, and make the documentation available for review by VA management, auditors, and others who may have oversight responsibilities.

020503 Reporting for Intragovernmental and Public Liabilities

- A. Administration/Staff Office Fiscal Staff and CFOs will report intragovernmental and public liabilities separately under their jurisdictions in accordance with the classification identified during the accounting process.
- B. VA will aggregate all liabilities within the same type (e.g., public other liabilities) and report them on the face of the consolidated balance sheet. See Appendix A for an illustrative example of VA's Consolidated Balance Sheet – Liabilities.

0206 Authorities and References

[OMB Circular A-136, Financial Reporting Requirements - Revised](#)

[SFFAS 1: Accounting for Selected Assets and Liabilities](#)

[SFFAS 5: Accounting for Liabilities of the Federal Government](#)

[TFM Volume I Supplements the U.S. Standard General Ledger](#)

[TFM Volume I Part 2 Chapter 4700 Agency Reporting Requirements for the Financial Report of the United States Government](#)

0207 Rescissions

VA Financial Policy, Volume VI, Chapter 2, Intra-Governmental vs. Governmental Liabilities dated July 28, 2010

0208 Questions

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

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

Appendix A: Illustrative VA’s Consolidated Balance Sheet – Liabilities

DEPARTMENT OF VETERANS AFFAIRS CONSOLIDATED BALANCE SHEETS		
(dollars in millions)		
As of September 30,	2xxx (CY)	2xxx (PY)
LIABILITIES (Note 12)		
INTRAGOVERNMENTAL		
Accounts Payable	\$ xxx	\$ xxx
Debt (Note 11)	xxx	xxx
Other Liabilities (Note 15)	<u>xxx</u>	<u>xxx</u>
TOTAL INTRAGOVERNMENTAL LIABILITIES	xxx	xxx
Accounts Payable		
Loan Guarantee Liability, Net (Note 7)	\$ xxx	\$ xxx
Federal Employee and Veterans Benefits (Note 13)	xxx	xxx
Environmental and Disposal Liabilities (Note 14)	xxx	xxx
Insurance Liabilities (Note 17)	xxx	xxx
Other Liabilities (Note 15)	<u>xxx</u>	<u>xxx</u>
TOTAL LIABILITIES	<u>\$ xxx</u>	<u>\$ xxx</u>
Commitments and Contingencies (Note 18)		