

GSA Consolidated Comments and Recommendations

Question	Para No.	SUBJECT/TITLE (Excerpt from FASB-Balance Sheet Offsetting-Topic 210)	Question	Yes	No	RECOMMENDATIONS/COMMENTS	Name of Commenter	Office	Email Address/Phone
		General Comments							
Offsetting Criteria—Unconditional Right and Intention to Settle Net or Simultaneously									
Q1		The proposals would require an entity to offset a recognized eligible asset and a recognized eligible liability when the entity has an unconditional and legally enforceable right to setoff the eligible asset and eligible liability and intends either: 1. To settle the eligible asset and eligible liability on a net basis 2. To realize the eligible asset and settle the eligible liability simultaneously.	Do you agree with this proposed requirement? If not, why? What criteria would you propose instead and why?	x			Priscilla Sampson	BCA	priscilla.sampson@gsa.gov
				x			Harry Kaplan	BCB	harry.kaplan@gsa.gov
						Requiring an entity to offset a recognized eligible asset and a recognized eligible liability when the entity has an unconditional and legally enforceable right to setoff could be difficult for larger entities. Larger entities often have multiple systems to monitor assets (A/R - claims) and liabilities (A/P). This could cause significant reporting issues or costly systems changes. Also, my interpretation of "conditional" setoffs is when a future invoice triggers the setoff. Not sure how many entities setoff prior to invoicing.	Jane Pritchett	BCC	jane.pritchett@gsa.gov
Unconditional Right of Offset Must Be Enforceable in All Circumstances									
		Under the proposals, eligible assets and eligible liabilities must be offset if, and only if, they are subject to an unconditional and legally enforceable right of setoff. The		x			Priscilla Sampson	BCA	priscilla.sampson@gsa.gov

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Q2		proposals specify that an unconditional and legally enforceable right of setoff is enforceable in all circumstances (that is, it is enforceable in the normal course of business and on the default, insolvency, or bankruptcy of a counterparty) and its exercisability is not contingent on a future event.	Do you agree with this proposed requirement? If not, why? What would you propose instead and why?	x			Harry Kaplan	BCB	harry.kaplan@gsa.gov
Multilateral Setoff Arrangements									
Q3		The proposals would require offsetting for both bilateral and multilateral setoff arrangements that meet the offsetting criteria.	Do you agree that the offsetting criteria should be applied to both bilateral and multilateral setoff arrangements? If not, why? What would you propose instead, and why? What are some of the common situations in which a multilateral right of setoff may be present?	x			Priscilla Sampson	BCA	priscilla.sampson@gsa.gov
				x			Harry Kaplan	BCB	harry.kaplan@gsa.gov
Disclosures									
Q4	11-15		Do you agree with the proposed disclosure requirements in paragraphs 11–15? If not, why? How would you propose to amend those requirements and why?	x			Priscilla Sampson	BCA	priscilla.sampson@gsa.gov
				x			Harry Kaplan	BCB	harry.kaplan@gsa.gov
				X		No, I do not agree with the proposed disclosure requirements. If the disclosure requirements are outlining the same information being "netted" in the financial statements, then why not leave the information as it is? Seems like more work to identify the setoffs, offset them, only to disclose them.	Jane Pritchett	BCC	jane.pritchett@gsa.gov
Effective Date and Transition Contract costs (paragraphs 57–63)									

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Q5	Appendix A		Do you agree with the proposed transition requirements in Appendix A? If not, why? How would you propose to amend those requirements and why? Please provide an estimate of how long an entity would reasonably require to implement the proposed requirements.	x			Priscilla Sampson	BCA	priscilla.sampson@gsa.gov
				x			Harry Kaplan	BCB	harry.kaplan@gsa.gov