

CHAPTER 10. PUBLIC NOTICE, REGULATIONS, and FUNDING TYPE from GAAP PERSPECTIVE

- 10-1. Purpose:** The purpose of this chapter is to establish a policy for reviewing all new program notices, new regulations, and new types of funding received through departmental clearance in order to evaluate the information against the Federal Accounting Standards Advisory Board (FASAB) standards and the Department of Housing and Urban Development’s (HUD) current accounting treatment to ensure that the information follows generally accepted accounting principles (GAAP).
- 10-2. Background:** HUD’s directives provide information to its HUD constituents and/or the public. As such, HUD has a Departmental Clearance process in place to ensure agreement by applicable HUD leadership regarding the subject matter and content of the directive(s); review by HUD offices with expertise of the subject matter in the directive(s); and that there is no conflict with other HUD policies. All directives must be cleared, at a minimum, by the following six offices within Headquarters: OCHCO, OGC, OIG, OCFO, CIO, and PD&R. Also, review and approval are requested for all offices that will be impacted by the directive. For detailed information on the HUD Departmental Clearance process refer to the “HUD Directives System Handbook (000.2) Section D: Clearance.”
- 10-3. Scope:** This policy applies only to HUD’s Office Chief Financial Officer’s (OCFO) Accounting -Financial Reporting Division (OCFOA-FRD) when reviewing new program notices, new regulations, and new types of funding information received through the departmental clearance process to determine the impact to HUD’s Financial Statements and Notes.
- 10-4. Effective Date of this Policy:** September 2021. This policy will be reviewed annually and updated as needed.
- 10-5. Role and Responsibility:** OCFOA-FRD role is as a subject matter expert to the Deputy Assistant Chief Financial Officer for Accounting (DACFOA) and Assistant Chief Financial Officer for Accounting (ACFOA) regarding the regulatory guidance, laws, FASAB, GAAP, and reporting requirements for HUD’s Financial Statements (FS) and Notes (Notes). OCFOA-FRD is responsible for assisting the DACFOA/ACFOA in ensuring that HUD’s FS and Notes are accurate, reported to all required regulatory agencies and the Office of Inspector General (OIG), in compliance with federal regulatory guidance and laws, and following GAAP requirements. As a part of this responsibility, this division reviews all OCFO departmental clearances received to determine the financial impact that the directives could have on HUD’s FS and Notes, if applicable. For additional information on OCFOA-FRD’s roles and responsibilities refer to “Accounting FRD SOP-Financial Reporting FY 2021.”
- 10- 6. Controls:**
- A.** OCFOA-FRD reviews all departmental clearances received via email from the Management Staff Division (MSD) within the OCFO organization.

- B.** OCFOA-FRD completes a FRD internal Departmental Clearance Review Form for all clearances received. See Appendix 11 “FY 2021 FRD Departmental Clearance Review Form.”
- C.** If OCFOA-FRD noted any language within the departmental clearance that could impact HUD’s FS and Notes from a FASAB and/or GAAP, the DACFOA and ACFOA are notified via email with OCFOA-FRD’s findings.
- D.** If there is an impact to HUD’s FS and Notes, then OCFOA-FRD will ensure that once the directive has passed through Departmental Clearance, all financial impacts are included in the immediate applicable financial reporting cycle.
- E.** If OCFOA-FRD does not note any impacts from a FASAB and/or GAAP perspective, then, the form is saved on the FRD’s drive for internal control purposes.