



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

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B-206063

May 31, 1982

The Honorable Alexander M. Haig, Jr.  
The Secretary of State

Dear Mr. Secretary:

Subject: Reapproval of the Department of State Accounting Principles and Standards Statement (GAO/AFMD-82-83)

It is my pleasure to reapprove the Statement of Accounting Principles and Standards for the Department of State as submitted with Roger B. Feldman's letter of April 21, 1982. The Statement is adequate and in conformity with the accounting principles and standards prescribed by our Office.

To maintain the approved status of the Statement, planned changes should be discussed with our representatives and, if deemed significant, submitted formally for approval.

During our review, we noted the Statement contains two sections on the use, calculation, and recording of the imputed cost of capital in memorandum accounts. We have been advised by your staff that the imputed cost of capital will be used only for comparison purposes in evaluating asset management alternatives and will not replace depreciation as an element of cost in compiling cost information on Department of State operations for legal or regulatory compliance reasons or other management needs.

We commend your staff for having developed the accounting principles and standards that will serve as the nucleus for the development of your new accounting system. We have been impressed with the professionalism demonstrated to date on this project and want to assure you that our Office will continue to cooperate with members of your staff during their system design efforts.

Sincerely yours,

Comptroller General  
of the United States



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