

(b) This subpart implements these provisions of the RUS loan documents by prescribing the RUS USoA for electric borrowers and by providing accounting methodologies and procedures which are applicable to particular situations.

§ 1767.12 Accounting system requirements.

(a) Each RUS electric borrower must maintain and keep its books of accounts and all other books and records that support the entries in such books of accounts in accordance with §§ 1767.18–1767.31.

(b) Each RUS electric borrower shall maintain and keep its books of accounts and all other books and records which support the entries in such books of accounts in accordance with § 1767.41, Accounting Methods and Procedures Required of All RUS Borrowers, herein, which prescribes accounting principles to be applied to specific factual circumstances.

§ 1767.13 Departures from the prescribed RUS Uniform System of Accounts.

(a) No departures are to be made to the prescribed RUS USoA without the prior written approval of RUS. RUS grants a departure to any borrower electing to delay implementation of the functional (activity-based) accounting requirements of this part through December 31, 1997. Requests for departures from the RUS USoA shall be addressed, in writing, to the Director, Program Accounting Services Division (PASD).

(b) RUS borrowers subject to the jurisdiction of a state regulatory authority with jurisdiction over rates and/or accounting for electric utilities will not:

(1) Request approval of such authority to use accounting methodologies and principles that depart from the provisions herein; or

(2) File with such authority, any documents or information, including without limitation, any filings associated with the borrower's rates, based upon accounting methods and principles inconsistent with the provisions of this part.

(c) If any state regulatory authority with jurisdiction over an RUS borrower prescribes accounting methods or principles for the borrower that are inconsistent with the provisions of this part, the borrower must immediately notify the Director, BAD, and provide such documents, information, and reports as RUS may request to evaluate the impact that such accounting methods or principles may have on the interests of RUS.

(1) If RUS determines that the accounting methods and principles do not adversely impact RUS interests, RUS will permit the borrower to use the accounting methods and principles as prescribed by the state regulatory authority to comply with the provisions of the RUS loan documents.

(2) If RUS determines that the accounting methods and principles may adversely impact RUS's interests, RUS may require that, for the purposes of complying with provisions of RUS loan documents, including, without limitation, those provisions relating to financial coverage standards (e.g. "TIER"), the borrower continue to maintain books, records, and accounts in accordance with this subpart.

(i) RUS may, however, approve requests by the borrower to maintain such additional books, records, and accounts as necessary to comply with the requirements of the state regulatory authority.

(ii) Such approval will not waive, modify or amend the requirements of the RUS loan documents or of this subpart.

(d) RUS borrowers will not implement the provisions of Statement of Financial Accounting Standards (SFAS) No. 71, Accounting for the Effects of Certain Types of Regulation, SFAS No. 90, Regulated Enterprises—Accounting for Abandonments and Disallowances of Plant Costs, SFAS No. 92, Regulated Enterprises—Accounting for Phase-in Plans, without the prior written approval of RUS except as provided for in paragraphs (d)(1) through (d)(5) of this section. Requests for approval shall be addressed, in writing, to the Director, PASD. The specific deferrals set forth in paragraphs (d)(1) through (d)(5) of this section may be implemented without the prior written

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approval of RUS provided that the deferrals comply with Statement No. 71 and that the RUS borrowers implementing such deferrals continue to meet the requirements set forth in Statement No. 71 for doing so:

(1) The deferral and amortization of prior service pension costs (See §1767.41, Interpretation No. 606, Pension Costs), remapping expenses (See §1767.41, Interpretation No. 613, Mapping Costs), and preliminary survey and investigation charges (See §1767.17, Interpretation No. 111, Engineering Contracts for System Planning);

(2) The deferral of any current period expense or expenses, on a cumulative basis for the fiscal year, only if a borrower would have met each of its financial tests or coverage ratios that it has covenanted with RUS to meet for that fiscal year, had the deferral not been made;

(3) The deferral of any cost that will be fully amortized within the next 12 succeeding months;

(4) The accelerated amortization of any previously deferred expense; and

(5) The deferral of revenues coincident with a moratorium imposed by the National Rural Electric Cooperative Association on its Retirement and Security Program, provided, however, that the deferral is for the sole purpose of offsetting future pension costs.

(e) RUS will consider approval of specific departures from this part upon submission of:

(1) A detailed description of the proposed departure;

(2) The specific accounting journal entries that will be used including the account number and title, and the dollar amounts where appropriate;

(3) The total dollar amount of the departure and the impact on margins during the time period of the departure; and

(4) Any additional information RUS may deem necessary to adequately evaluate the borrower's request.

(f) RUS will, within 90 days of final receipt of this information, render a decision on the borrower's request for a departure from the prescribed RUS USoA.

(1) If, due to extenuating circumstances, RUS is unable to reach a decision within the required time pe-

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riod, RUS will notify the borrower of the delay within this same 90-day period, and provide a projected decision date.

(2) The requested departure from the prescribed RUS USoA must not be implemented until final approval is granted by RUS.

[58 FR 59825, Nov. 10, 1993, as amended at 60 FR 55429, Nov. 1, 1995; 62 FR 42289, Aug. 6, 1997]

§ 1767.14 Interpretations of the RUS Uniform System of Accounts.

To maintain uniformity in accounting, borrowers must submit questions concerning interpretations of the RUS USoA, in writing, to the Director, BAD, for consideration and decision.

(Approved by the Office of Management and Budget under control number 0572-0002)

[60 FR 55429, Nov. 1, 1995]

§ 1767.15 General instructions.

(a) *Records.* (1) Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account.

(2) Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

(3) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

(4) No utility shall destroy any such books or records unless the destruction thereof is permitted by the rules and regulations of RUS in 7 CFR chapter XVII.

(5) In addition to the prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired.

(6) All amounts included in the accounts prescribed herein for electric plant and operating expenses shall be