

Federal Communications Commission

§ 32.2

- 32.6621 Call completion services.
- 32.6622 Number services.
- 32.6623 Customer services.
- 32.6720 General and administrative.
- 32.6790 Provision for uncollectible notes receivable.

Subpart F—Instructions for Other Income Accounts

- 32.6999 General.
- 32.7100 Other operating income and expenses.
- 32.7199 Content of accounts.
- 32.7200 Operating taxes.
- 32.7210 Operating investment tax credits—net.
- 32.7220 Operating Federal income taxes.
- 32.7230 Operating state and local income taxes.
- 32.7240 Operating other taxes.
- 32.7250 Provision for deferred operating income taxes—net.
- 32.7300 Nonoperating income and expense.
- 32.7400 Nonoperating taxes.
- 32.7500 Interest and related items.
- 32.7600 Extraordinary items.
- 32.7899 Content of accounts.
- 32.7910 Income effect of jurisdictional rate-making differences—net.
- 32.7990 Nonregulated net income.

Subpart G—Glossary

- 32.9000 Glossary of terms.

AUTHORITY: 47 U.S.C. 154(i), 154(j) and 220 as amended, unless otherwise noted.

SOURCE: 51 FR 43499, Dec. 2, 1986, unless otherwise noted.

Subpart A—Preface

§ 32.1 Background.

The revised Uniform System of Accounts (USOA) is a historical financial accounting system which reports the results of operational and financial events in a manner which enables both management and regulators to assess these results within a specified accounting period. The USOA also provides the financial community and others with financial performance results. In order for an accounting system to fulfill these purposes, it must exhibit consistency and stability in financial reporting (including the results published for regulatory purposes). Accordingly, the USOA has been designed to reflect stable, recurring financial data based to the extent regulatory considerations permit upon the consistency of the well established body of account-

ing theories and principles commonly referred to as generally accepted accounting principles.

§ 32.2 Basis of the accounts.

(a) The financial accounts of a company are used to record, in monetary terms, the basic transactions which occur. Certain natural groupings of these transactions are called (in different contexts) transaction cycles, business processes, functions or activities. The concept, however, is the same in each case; i.e., the natural groupings represent what happens within the company on a consistent and continuing basis. This repetitive nature of the natural groupings, over long periods of time, lends an element of stability to the financial account structure.

(b) Within the telecommunications industry companies, certain recurring functions (natural groupings) do take place in the course of providing products and services to customers. These accounts reflect, to the extent feasible, those functions. For example, the primary bases of the accounts containing the investment in telecommunications plant are the functions *performed by* the assets. In addition, because of the anticipated effects of future innovations, the telecommunications plant accounts are intended to permit technological distinctions. Similarly, the primary bases of plant operations, customer operations and corporate operations expense accounts are the functions *performed by* individuals. The revenue accounts, on the other hand, reflect a market perspective of natural groupings based primarily upon the products and services *purchased by* customers.

(c) In the course of developing the bases for this account structure, several other alternatives were explored. It was, for example, determined that, because of the variety and continual changing of various cost allocation mechanisms, the financial accounts of a company should not reflect an *a priori* allocation of revenues, investments or expenses to products or services, jurisdictions or organizational structures. (Note also § 32.14 (c) and (d) of subpart B.) It was also determined that costs (in the case of assets) should