

**CHARTER OF THE
ACCOUNTING STANDARDS IMPLEMENTATION COMMITTEE
Formerly known as the Accounting and Auditing Policy Committee (AAPC)
Sponsored by the Federal Accounting Standards Advisory Board
(As Amended December 3, 2024)**

Mission. The Accounting Standards Implementation Committee (ASIC), formerly known as the Accounting and Auditing Policy Committee (AAPC), is a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB or “the Board”). ASIC’s mission is to assist the federal government in improving federal financial reporting by identifying, developing, and recommending timely solutions to address accounting issues within the framework of existing generally accepted accounting principles (GAAP) set forth by FASAB. The ASIC recommends guidance for applying existing Statements of Federal Financial Accounting Standards (SFFASs), Interpretations of Federal Financial Accounting Standards (Interpretations), and Technical Bulletins (TBs).

Procedures. The ASIC works under FASAB’s general oversight. The procedures that govern the ASIC’s operations are subject to FASAB’s approval.

Authoritative Guidance. FASAB’s Rules of Procedure authorize the ASIC to develop Federal Financial Accounting Technical Releases (TRs) related to existing GAAP set forth by FASAB.

TRs provide guidance for applying existing SFFASs, Interpretations, and TBs. TRs are included in the third category, in descending order, of authoritative sources of accounting principles that are generally accepted in accordance with the federal GAAP hierarchy as stated in SFFAS 34: *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. ASIC guidance cannot amend existing standards, promulgate new standards, or issue guidance that conflicts with existing standards.

The ASIC communicates its observations on any identified audit issues to the Office of Management and Budget (OMB), in connection with its responsibility for the Audit Bulletin, and the Government Accountability Office (GAO), in connection with its responsibility for government auditing standards, as appropriate.

Review by FASAB and Final Release. Before issuing an exposure draft (ED) of a TR, the ASIC submits a final draft ED, which has been approved by the ASIC, to FASAB for the Board's review. If, within 10 business days, a FASAB member believes that there are substantive issues that should be addressed before the ED is issued, the Board member may request the ED be considered at a Board meeting. After consideration at a Board meeting, if a majority of the Board members believe that there are substantive issues that should be addressed before the ED is issued, it will be returned to the ASIC for further consideration, along with the issues to be addressed by the ASIC. If no FASAB member requests the ED be considered at a Board meeting within 10 business days or if the Board does not return it to the ASIC for further consideration, the ED can be released.

The ASIC submits all approved TRs to FASAB for its review. The ASIC-approved TR is then considered/discussed at the next Board meeting. If a majority of the FASAB members object to the ASIC-approved TR during the 10-business day review period, the TR is returned to the ASIC for further consideration.

However, if a majority of FASAB members do not object to the TR, it is submitted to the FASAB members representing the three sponsors for a 45-calendar day review period. If a FASAB member representing a sponsor objects to the TR during the review period, it is returned to the ASIC for further consideration. If no FASAB member representing a FASAB sponsor objects to the TR during the review period, then it becomes final. FASAB's executive director then publishes in the Federal Register a notice of the issuance and information on how it may be obtained.

Membership. The ASIC is composed wholly of permanent full-time or permanent part-time officers or employees of the federal government. The ASIC consists of nine voting members—two from the Chief Financial Officers (CFO) community, two from the Inspector General (IG) community, one each from the three FASAB sponsors (the Department of the Treasury, GAO, and OMB), an at-large member, and the FASAB executive director or designee.¹

Selections and Appointments. The chair of the CFO Council selects the two ASIC members from the CFO community. The chair of the Audit Committee of the Council of the Inspectors General on Integrity and Efficiency selects the two ASIC members from the IG community.

The controller of the Office of Federal Financial Management selects the OMB member. The managing director of the Financial Management and Assurance Team at GAO selects the GAO member. Treasury’s fiscal assistant secretary selects the Treasury member. FASAB’s Steering Committee selects the at-large member. FASAB’s executive director chairs the ASIC.

Membership on the ASIC is limited to federal personnel. Members should have demonstrated experience in developing and issuing federal accounting policies; preparing federal reporting entity financial statements; or directing, conducting, and/or overseeing audits of federal reporting entity financial statements.

Tenure. The CFO, IG, and at-large members serve initial terms of three years with possible reappointment for up to one additional three-year term. To provide for continuity, some initial terms are staggered in a manner agreed upon by those selecting the members of the ASIC. The remaining members serve at the discretion of the entities they represent. At the discretion of the appointing official or body, a member’s term may be extended beyond the expiration of the additional three-year term, on a year-to-year basis,

¹ The executive director’s designee does not have voting privileges.

under extenuating circumstances. For example, when a particular member's input is needed for deliberation of critical guidance.

CFO, IG, and at-large members who change employment during their term may retain their membership on the ASIC only if the official(s) who initially appointed the individual determine(s) that the new position is consistent with the original appointment and that the individual should serve the remainder of the original term of appointment. Otherwise, members who change employment cease to be ASIC members effective the date of the change in employment. ASIC members who change employment during their terms should report this to their selecting official and the FASAB executive director as soon as possible.

Meetings. The ASIC generally meets quarterly but may meet more or less frequently if determined appropriate by the ASIC chair or requested by the FASAB chair. ASIC meetings are announced in advance and open to the public. Certain ASIC meetings may be closed to the public to address administrative matters.

Staffing. The ASIC chair is responsible for staffing the ASIC's projects.

Review of Charter. This charter remains in effect until modified and approved by FASAB. The ASIC also reviews charter revisions as needed. The most recent version of the charter is posted to the FASAB website.