

**OPERATING PROCEDURES 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***

**Objectives.** 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, and Technical Bulletins. As required by the ASIC charter, the following FASAB-approved operating procedures govern the ASIC’s operations.

**Relationship to Other Organizations.** The ASIC works under FASAB’s general oversight. The ASIC is not subject to the direction or control of the Chief Financial Officers Council (CFOC), the Council of the Inspectors General on Integrity and Efficiency (CIGIE), or other government organizations. However, the ASIC works closely with the CFOC, CIGIE, and other government organizations whose commitment to federal financial reporting is essential to the ASIC’s success.

**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 all interested parties. ASIC members should attend these meetings. Certain ASIC meetings may be closed to the public to address administrative matters.

Attendance and participation are critical for the timely deliberation and resolution of issues. ASIC members should prepare for and participate in ASIC meetings. Circumstances may arise that prevent an ASIC member's attendance for part or all of a particular meeting. In these cases, members may send a non-voting alternate to the extent practicable. Any alternate should be thoroughly familiar with the ASIC issues being discussed, able to participate, and represent the views of the ASIC member in his or her absence.

**Member Engagement.** To foster an atmosphere of engagement and collaboration, the ASIC chair calls on each member to respond to questions, recommendations, and other inquiries throughout the course of the meeting. During virtual meetings, all ASIC members should keep their cameras on.

Engaging effectively in virtual meetings not only ensures the productivity of the meetings, but also leads to higher levels of involvement in discussions and decisions and fosters a collaborative spirit. Engaged members are more likely to contribute ideas and collaborate with their colleagues, leading to innovative solutions and improved products. Meetings are most effective when members carefully consider the issues and alternatives, volunteer their points of view and experiences, and take into account the merits of differing viewpoints until a consensus is formed. All opinions and viewpoints are vital to the success of the ASIC's work.

**Minutes.** The ASIC maintains minutes of its meetings that summarize the matters discussed and the votes taken. They are a part of the ASIC's public file and posted to the FASAB website along with the meeting agenda and briefing materials. ASIC members review the draft minutes before the ASIC chair certifies their accuracy and they become final.

**General Procedures.** The ASIC's general procedures are described in the following sections:

- A. Address accounting implementation issues and prioritization

- B. Conduct preliminary deliberations
- C. Prepare initial documents (issues papers and/or discussion memorandums)
- D. Conduct further deliberations, release an exposure draft (ED), and consider comments
- E. Approve the final Technical Release (TR)
- F. Submit TR to FASAB for review and final release

#### **A. Address Accounting Implementation Issues and Prioritization**

FASAB refers issues to the ASIC when it believes that a TR is the appropriate guidance to address the issues and that the issues would neither require an amendment to an existing SFFAS nor the development of an SFFAS, Interpretation, or TB under the Rules of Procedure. The ASIC only addresses implementation issues specifically referred by FASAB. To the extent necessary, the ASIC will consult with FASAB to determine the most appropriate means to address the referred issue.

During deliberations, the ASIC may determine that an issue, or components of an issue, is better addressed with GAAP guidance that is at a higher level than a TR or that no ASIC action is necessary. ASIC will refer such matters back to FASAB for further action.

The ASIC chair prioritizes agenda items in consultation with the ASIC and FASAB members. Accordingly, accepted issues are placed on the ASIC's agenda list and subject to completion of higher-priority issues.

Once an issue is active on the ASIC's agenda, the ASIC chair assigns it to a FASAB technical staff member who researches the issue and reports back to the ASIC (individual ASIC members may consult with staff on the issue). The staff member responsible for the issue and any sub-issues develops a proposed project plan for ASIC approval. The project plan generally includes background information; potential sub-issues and alternative solutions; project steps; and an estimated timetable. The ASIC then discusses the project plan, makes adjustments as appropriate, and approves the project plan.

## **B. Conduct Preliminary Deliberations**

The ASIC deliberates on active agenda items at its meetings. Through the deliberative process, the ASIC ensures that all issues are identified; alternatives for resolving issues are developed, assessed, and considered; public solicitation of comments is appropriate; and explanations for the final decisions are provided.

During preliminary deliberations, ASIC members should express their preferences among alternatives or suggest additional alternatives. Based on these expressions of preference as well as members' requests for additional research, progress is made toward preparation of preliminary documents and/or EDs. Initial (deliberative) documents are provided to the ASIC to facilitate preliminary deliberations.

The ASIC may agree to form a task force<sup>1</sup> to assist in developing TRs. Any task force established by the ASIC should be led by a FASAB technical staff member or co-led with an ASIC member.<sup>2</sup> The task force lead(s) propose the membership of the task force to the ASIC for its confirmation. Based on the guidance/directions provided by the ASIC, the task force lead(s) are responsible for coordinating task force meetings, researching the issues, seeking input if necessary, and presenting the result of the task force's work to the ASIC.

The interim and final results of the task force's work, including recommended actions, should be discussed at public meetings of the ASIC as the project progresses. The ASIC will consider and deliberate on the information and recommendations provided by the task force. The ASIC may request the task force to perform additional research and report back to the ASIC or assist in developing the ED.

## **C. Prepare Initial Documents (Issues Papers and/or Discussion Memorandums)**

ASIC deliberations are facilitated by initial deliberative documents that provide:

- a. background information, including current accounting and reporting practices,

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<sup>1</sup> The task force may include a related task force established by FASAB.

<sup>2</sup> FASAB sponsor representatives serving on the ASIC are not eligible to co-lead ASIC task forces.

relevant concepts and standards, laws and regulations, and budgetary information needs or concerns; and/or

- b. an initial listing of options, including related advantages and disadvantages and illustrations where possible.

The ASIC chair provides initial documents to ASIC members in advance of meetings. Initial documents may be prepared by staff, task forces, individual members, or other experts and organizations.

The ASIC should consider the advantages and disadvantages of the various alternatives presented, as well as additional alternatives that ASIC members may offer. The ASIC should agree on its next steps for the accounting implementation issues.

These next steps may include:

- a. instructing staff to develop an ED,
- b. requesting further research,
- c. revising the project plan, or
- d. referring the issue back to FASAB.

The ASIC should seek input from a variety of sources, as needed, to reach a consensus. Input may be sought by:

- a. inviting representatives of affected agencies and/or auditors to present their views;
- b. seeking the views of knowledgeable task force members;
- c. soliciting public comment on EDs of proposed TRs; and
- d. consulting with members of FASAB, the CFOC, CIGIE, and/or others who may be knowledgeable on issues.

All proposed and final guidance should include a basis for conclusions.

#### **D. Conduct Further Deliberations, Release an ED, and Consider Comments**

The ASIC continues its deliberations and may:

- a. receive additional initial documents,
- b. begin developing an ED, or
- c. refer the project back to the Board.

If the ASIC develops an ED, it should:

- a. specify that it is a proposed TR,
- b. request comments by a certain date and provide instructions for submission,
- c. list specific questions that the ASIC wishes respondents to address,
- d. propose an effective date, and
- e. explain the basis for the ASIC's proposed guidance and underlying conclusions and present any alternative views expressed by members.

The ASIC discusses and deliberates on all aspects of the draft ED before voting. The ASIC only releases EDs of TRs after a majority vote of the ASIC members. See **E. Approve the Final Technical Release** below for voting requirements.

Following the exposure period, the ASIC considers responses and deliberates on issues and options identified by respondents.

The ASIC may continue its deliberations based on these responses and may:

- a. elect to issue another ED (sometimes referred to as re-exposure),
- b. proceed with developing a final TR, or
- c. refer the issue back to FASAB.

If the ASIC elects to proceed to a final TR and makes necessary but not substantive revisions to the proposals in the ED, the ASIC can move forward to prepare the final TR.

## **E. Approve the Final Technical Release**

Following are detailed provisions regarding ASIC voting:

- a. **Eligibility to Vote**. Only ASIC members are eligible to vote; no proxies may be designated. Members may vote even if they were not yet appointed during the research, discussion, or deliberative periods. Members may continue to participate in meetings during the research, discussion, and deliberative periods even though they plan to abstain on a particular vote.
- b. **Quorum**. A majority of members serving on the ASIC constitutes a quorum necessary for a meeting to be held.
- c. **ASIC Approval**. At least a two-thirds majority of ASIC members is required to approve a TR. For all other matters, a simple majority is required. In the case of a member vacancy, at least a two-thirds majority of the remaining ASIC members is required to approve a TR and a simple majority of the remaining members is required for all other matters.
- d. **Ballots**:
  - i. **Form**. Where any action of the ASIC requires a formal vote of its members such vote is by written ballot. Ballots may be emails. In this case, the electronic ballots returned by members serve as written ballots.
  - ii. **Record-keeping**. Votes of each ASIC member regarding the publication of a TR are retained as part of the public file of the ASIC, including any dissents by individual ASIC members.
  - iii. **Timing**. The ASIC chair will poll the other members on most issues at a meeting. Members' expression of views constitutes a sense of the ASIC but may not be substituted for formal votes via ballots. Following oral approval at a meeting, the ASIC chair arranges for written ballots to be conveyed to members along with a final draft of the document. Written ballots indicate a deadline for votes. Generally, these deadlines allow the members at least 10 working days to consider the ballot. The ASIC chair may determine that a later or earlier due date is warranted after consulting with the ASIC members regarding the urgency of matters related to the TR. Any member who has not submitted a vote five

- working days after the deadline is considered to have abstained. The ASIC chair notifies members of the deadline, including the date by which a member not submitting a vote will be considered an abstention.
- e. **Dissents**. Individual members may dissent on any final TR. Any dissents are published as part of the final TR. Generally, dissents include not only the fact that the member objects to the pronouncement, but also an explanation of the member's reason for objecting. The minutes and TR include the name of any member who dissents to a pronouncement or abstains from voting.
  - f. **Alternative Views**. Individual members may offer alternative views on an ED. Any alternative views are published in the ED along with a request for input from respondents on the alternative views. The minutes and ED include the name of any member who opposes the ED, proposes an alternative view, or abstains from voting.

## **F. Review by FASAB and Final Release**

### **EDs**

Before issuing an ED of a Technical Release, the ASIC submits a final draft ED, which has been approved by the ASIC, to FASAB for the Board's review. If, within ten-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 ten-business days or if the Board does not return it to the ASIC for further consideration, the ED can be released.

### **TRs**

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.

**Authoritative Standing of Work Products.** 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*. The ASIC cannot provide guidance intended to amend existing standards, promulgate new standards, or issue guidance that conflicts with existing standards.

**Review of Operating Procedures.** These operating procedures remain in effect until modified and approved by FASAB. The ASIC also reviews revisions to the operating procedures as needed. The most recent version of these operating procedures are posted to the FASAB website.