

FASAB Annual Update

May 18, 2023



1

Disclaimer

- Views expressed are those of the speaker.
- The Board expresses its views in official publications.



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Polling Question 1

What role do you serve in the federal government?

- A. Federal Preparer
- B. Federal Policy
- C. Federal Auditor
- D. External Auditor
- E. External Consultant
- F. Other



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Agenda

1. Training Offered
2. GAAP hierarchy for federal reporting entities
3. FASAB translates to user needs
4. Annual report & three-year plan
5. Active projects
6. Recently issued guidance
7. How to get involved in the standard-setting process
8. Technical inquiries
9. How to stay connected



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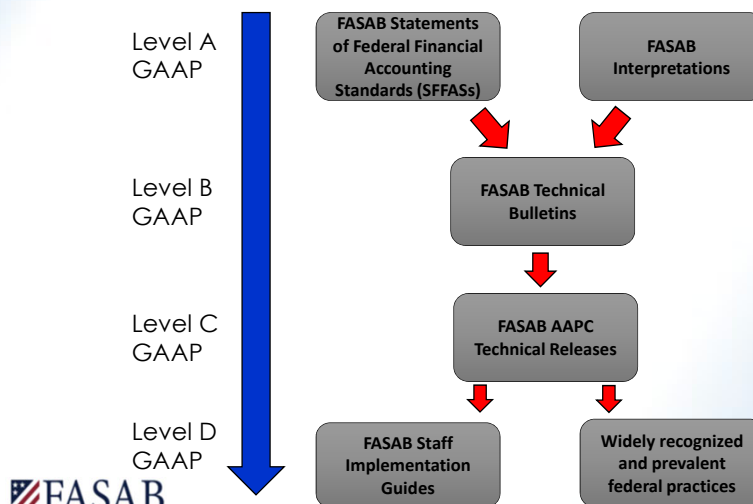
Training Offered

- SFFAS 49 - P3 Accounting & Reporting (3 CPEs)
- FASAB Accounting Concepts and Standards (8 CPEs)
- Federal Accounting for Climate-Related Events (1 CPE)
- Accounting for Internal Use Software (2 CPEs)
- Understanding Government Debt Reporting (3 CPEs)
- Implementation of SFFAS 54 (1-2 CPEs)
- Federal GAAP hierarchy (1-4 CPEs)
- Statement of Budgetary Resources, A Primer Course (8 CPEs)



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GAAP Hierarchy



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FASAB Translates to User Needs

- Financial reporting is the means of communicating with those who use financial information. For this communication to be effective, information in financial reports must have these basic characteristics:

- reliability, → **R = Are**
- understandability, → **U = You**
- relevance, → **R = Ready**
- timeliness, → **T = To**
- consistency, and → **C = Communicate**
- comparability. → **C = Clearly?**

Annual Report & Three-Year Plan

- Statement from the chair
- Statement from the executive director
- Status of current projects
- Three-year plan for the technical agenda

Polling Question 2

What is the highest level of GAAP?

- A. Technical Releases
- B. Implementation Guides
- C. Statements of Federal Financial Accounting Standards
- D. Technical Bulletins

Active Projects

Climate-Related Financial Reporting

- Staff issued a **non-authoritative** education paper on what guidance is available for accounting and reporting on climate-related impacts and risks (see the project page)
- Research phase to develop a climate-related financial disclosure framework

Education Sessions to date:

- December 2022, how Canadian cities are using TCFD* for climate-related disclosures
- February 2023, what SEC is proposing for reporting on climate-related risks
- April 2023, what agencies are reporting in relation to climate-related Legislative Acts and Presidential Executive Orders and how can the Board leverage that information.
- June 13, 2023, how the budget is addressing climate-related risks

• *Taskforce for climate-related financial disclosures

Reporting Model | Management's Discussion & Analysis (MD&A)

- Developing proposed standards to provide a comprehensive set of standards
 - to guide management in how to present an MD&A that is balanced, integrated, concise, and understandable
 - about the reporting entity's organization and mission; financial position and condition; operating performance, opportunities, and risks; and systems, internal controls, and compliance with applicable laws and regulations.
 - Would rescind SFFAS 15, *Management's Discussion and Analysis*
- Alternative view presented by Carol Johnson with concerns about rescinding SFFAS 15, instead of amending it.
 - Board will address
 - Question for Respondents to address

Reporting Model | Concepts Omnibus

Incorporates note disclosures project into amending Statement of Federal Financial Accounting Concepts (SFFAC) 2, *Entity and Display*, to

- Include types of information appropriate for note disclosures
- Amend and consolidate MD&A concepts, rescind SFFAC 3

Software Technology

Project scope

1. Cloud-service arrangements
2. Shared services
3. Internal use software
4. Other software technology

Cloud-service Arrangements

Developing guidance to require disclosing annual cloud-service expenses

- Currently developing a definition and scope for exposure draft
- Researching useful ways to categorize and describe acquired cloud services

Leases Post-issuance Activities

Transitional accommodations for “embedded leases”

- The Board will discuss an issue paper and a preliminary draft proposal on May 31
- Briefing materials will post in the next few days
- This topic is pending numerous Board decisions and due process uncertainties at this time. That said, staff hopes to release an exposure draft for public comment in the coming weeks, if possible

AAPC: Updates to Technical Release 20

- Conforming amendment, additional Q&As, technical corrections/clarifications
- Exposure draft release for public comment expected later this month

Omnibus Amendments

Project objective

- Amend multiple provisions through a single action.
- The Board expects the amendments to be narrow in scope and not to create new requirements for reporting entities. Also, combining proposed amendments should ease the burden on respondents as well as make efficient use of Board time.
- The omnibus amendments project targets miscellaneous, narrowly-focused updates to various Statements.



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Public-Private Partnerships (P3s)

Phase I – In 2016 the Board issued SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, effective FY 2019

Phase II – Measurement and Recognition

- What do we measure?
- How do we recognize profits/losses?
- How do we treat liabilities?

Current Status – Before fully initiating phase II, the Board has convened a Task Force to address various SFFAS 49 implementation challenges identified during staff's training, outreach, and research efforts.



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**Five-Minute Break
Return at 10:01 AM**

Recently Issued Guidance

SFFAS 61 Clarifications

- An option to terminate, for purposes of determining the lease term, is an unconditional right that exists within the contract (par. 3; clarifies SFFAS 54, par. 19.b).
 - Provisions that allow for termination due to violations of terms and conditions, for example, are “conditional upon certain circumstances or upon the occurrence of certain events”
- The lease term excludes the period, if any, after the date at which a purchase option is probable of being exercised (par. 4; clarifies SFFAS 54, par. 19.d)
- Options to purchase the underlying asset prior to a contractual transfer of ownership are not precluded from meeting the definition of a transfer of ownership (par. 5; clarifies SFFAS 54, par. 25)



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- Options to purchase the underlying asset prior to a contractual transfer of ownership are not precluded from meeting the definition of a transfer of ownership (par. 5; clarifies SFFAS 54, par. 25).



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SFFAS 61 Clarifications

- Future payments should be discounted using the interest rate the lessor charges the lessee. If not stated in the lease, the rate should be based on the interest rate on marketable Treasury securities at the commencement of the lease term.
 - May be based on a recent interest rate on marketable Treasury securities of a similar maturity to the term of a lease.
 - May round up or down to the nearest maturity or interpolate for the period between two maturities.
 - The methodology for selecting an interest rate based on marketable Treasury security maturities should be consistent from period to period

(par. 6-10; clarify and supplement par. 42, 47-48 and 59 of SFFAS 54)



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Technical Bulletin 2023-1

Intragovernmental leasehold reimbursable work agreements

- An agreement whereby one reporting entity (the provider-lessor) acquires, constructs, improves, and/or alters an underlying asset that is or will be leased to another reporting entity (the customer-lessee), and the customer lessee agrees to reimburse the provider-lessor for direct and indirect costs for the acquisition, construction, improvement, and/or alteration.
- The reimbursement is beyond what may be included in the rent or tenant improvement allowances provided in the occupancy agreement.



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Technical Bulletin 2023-1

Intragovernmental leasehold reimbursable work agreements

- **When the customer-lessee is the predominant beneficiary ...**

- Customer-lessee recognizes the leasehold improvement (PP&E) asset
- Provider-lessor expenses the costs incurred for the reimbursable work and recognizes the amounts received as reimbursement as intragov. revenue.

- **When the provider-lessor is expected to derive a significant level of residual economic benefits and services ...**

- Customer-lessee recognizes (and subsequently amortizes) an intragovernmental asset.
- Provider-lessor recognizes (and subsequently recognizes) an unearned intragovernmental revenue liability and the leasehold improvement (PP&E) asset



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Polling Question 3

Which of the following is **not** included in the lease liability?

- A. Exercise price of a purchase option that is probable of being exercised
- B. Lease incentives receivable from the lessor
- C. Fixed intragovernmental rent payments
- D. Termination penalties (if the lease term reflects an option to terminate)



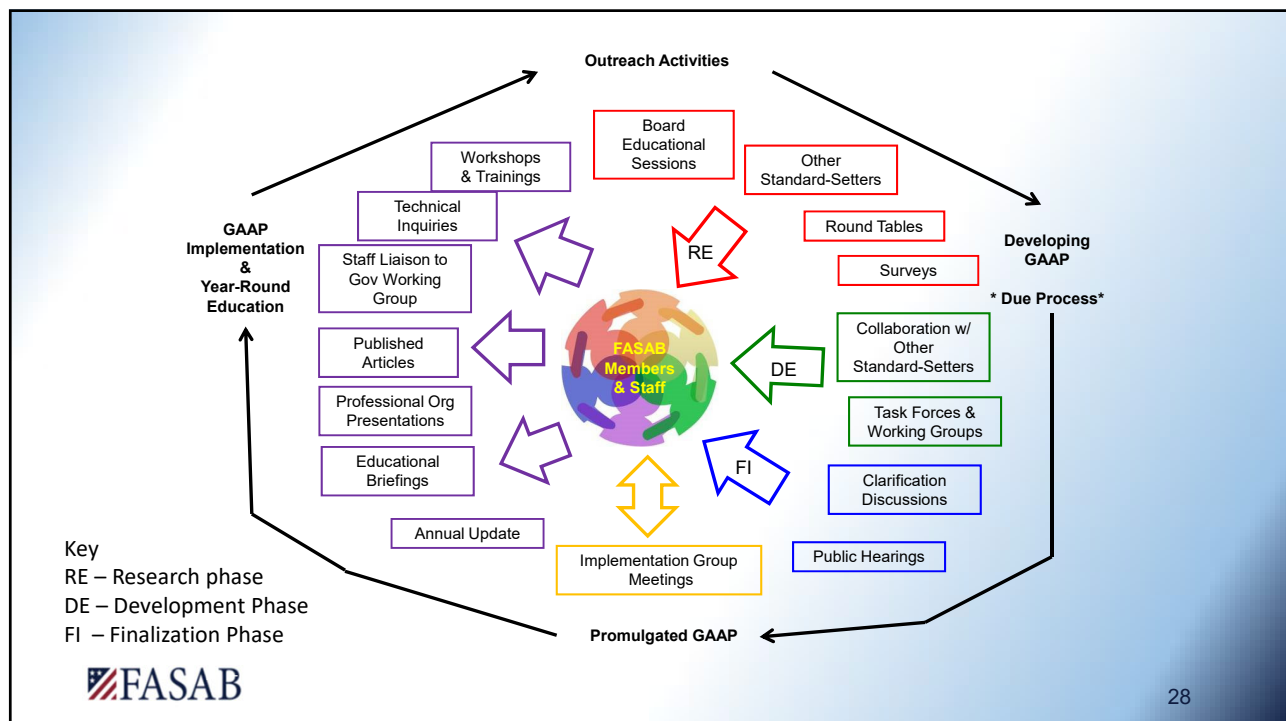
26

How to Get Involved in the Standard-setting Process

Collaboration, Education & Outreach



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Technical Inquiries

If you need help applying GAAP for implementation of existing accounting issues then visit our updated technical inquiry page to learn

- How we can help
- Who we help
- What you can expect from the TI process once you submit the new form at <https://fasab.gov/technical-inquiries-2/>



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How to Stay Connected

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Quick Links
Handbook by Chapter
Board Briefing Materials
Technical Inquiries

Connect with Us
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Listen to episode 79 of AGA's Accountability Talks podcast featuring Robin Gilliam, who discusses FASAB's climate-related financial reporting project.
Listen to episode 106 of AGA's Accountability Talks podcast featuring FASAB Chair George Scott, who discusses FASAB's guidance on land.
YouTube
10/21/22 – 2022 Annual Update
10/20/20 – FASAB 30th Anniversary
6/23/20 – Leases Implementation
FASAB Bits & Bytes Podcast
Public-Private Partnerships Posted: September 1, 2020
ED Chat Part II: Ms. Payne Interviews Ms. Valentine Posted: October 30, 2019
ED Chat Part I: Ms. Valentine Interviews Ms. Payne Posted: October 28, 2019



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Questions?

Five-Minute Break Resume at 11:13 AM

Spotlight on SFFAS 59, *Accounting and Reporting of Government Land*

Background

- SFFAS 6, *Accounting for Property, Plant, and Equipment*; and SFFAS 29, *Heritage Assets and Stewardship Land* established **two different accounting and reporting models** for government land.
 - Land acquired for or in connection with other **general PP&E were capitalized** at the cost incurred to bring the assets to a form and condition suitable for use
 - Alternatively, **Stewardship land guidance required only disclosures** regarding policies for managing land, categories of land, and physical quantity information.
- **Concerns** about (1) **cost information** for capitalized land **losing relevance** over time due to general inflation, (2) the need for **two separate reporting models** for one specific asset class, and (3) the **lack of consistent and meaningful disclosures** concerning government land.
- **Some suggested** that all land be valued periodically at re-measured amounts (such as, **fair value or value-in-use**). **Others suggested that non-financial measures** (such as acreage) be reported.
- **FASAB decided to go with the latter approach** of reporting non-financial acreage of land; estimated (that is, not precise or exact) acreage.

Polling Question 4

Communicating GAAP-based financial information should:

- A. Ensure auditability
- B. Help users assess how reporting objectives are being met
- C. Be limited to financial flows
- D. Tailored to meet discrete user needs

Original Land Task Force – Summer 2016

Figure 1 breaks down task force representation, whereas Figure 2 shows the professional disciplines represented on the task force.

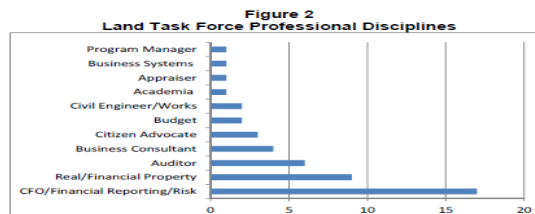
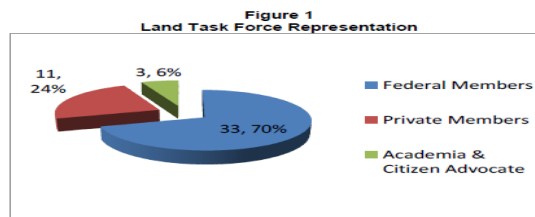
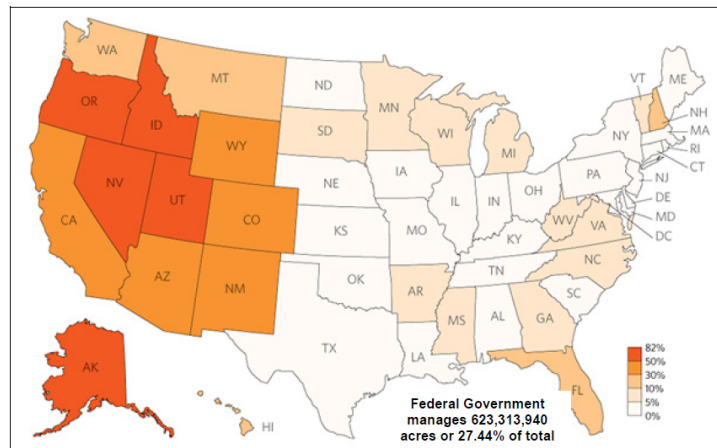


Figure 2.0
Land Managed by the U.S. Government
State Distribution



Appendix 2, Figures 2 – 5 and related chart and table information – Source: Congressional Research Service, *Federal Land Ownership: Overview and Data*, December 29, 2014. www.crs.gov

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Congressional Interest

Three broad areas:

- (1) Identification of federal land and the resources managed by agencies,
- (2) Revenues generated from selected activities on federal land, and
- (3) Federal land subject to selected land use designations.

Dom's Note – nothing about land value was noted; *interesting?*

Pre-existing Land Use Categories

GSA's *Federal Real Property Inventory Reporting* had guidelines covering 24 (plus "all other") discrete land-use designations and GAO's report entitled *Federal Land Management: Availability and Potential Reliability of Selected Data Elements at Five Agencies* examined 57 land use categories.

Potential Primary Agency Land-Use Categories	BLM	FS	FWS	NPS	DOD
1 Conservation (Land, Rivers, Plants, or Animals)	X	X	X		
2 Endangered Species, Critical Environment	X				
3 Land Disposal	X				
4 Livestock Grazing and Herd Management	X	X			
5 Military Readiness and Training					X
6 Mining	X				
7 National Forests, Reserves, Preserves, Refuges	X	X	X	X	
8 National Parks, Monuments, Cemeteries, etc.	X	X	X	X	
9 Oil, Coal and Gas Development	X				
10 Preservation (Nature, Culture, Historic, etc.)		X		X	
11 Recreation	X	X	X	X	
12 Timber Cutting/Harvesting	X	X	X		
13 Timber Preservation		X			
14 Watershed and Water Resources	X				
15 Wildlife and Fish Habitat, Waterfowl	X	X	X		



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Valuation of SL as a Heritage Asset

Given that IPSASB was currently engaged in developing a consultation paper on Heritage Items to include land, an existing survey of accounting requirements specific to stewardship/heritage assets disclosed the following:

1. GASB 34 – if not in a collection, requires capitalization at cost or fair value (FV) if donated. Depreciation not required.
2. FASB 116 – if not in a collection, recognized at fair value.
3. IPSASB 17 – recognition not required unless PP&E definition met.
4. UK ASB FRS 15 - requires recognition when feasible.
5. South Africa ASB GRAP 17 - recognition not required even if PP&E definition is met.
6. CICA Canada Public Sector 3150 – not recognized given that future benefits cannot be reasonably estimated.
7. CICA Canada Section 4440 (no-profit) - not required but not precluded.
8. FRSB New Zealand FRS 3 - requires recognition when definition and recognition criteria are met. FV permitted.
9. AASB Australia 116 - requires recognition when future benefits can be reasonably estimated.
10. France Standard 6 - requires recognition at notional value.
11. Germany municipal standards - requires recognition at actual or notional insured values.



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Accounting and Reporting of Government Land

Home Work Assignment Results and User Needs

FASAB Land Task Force

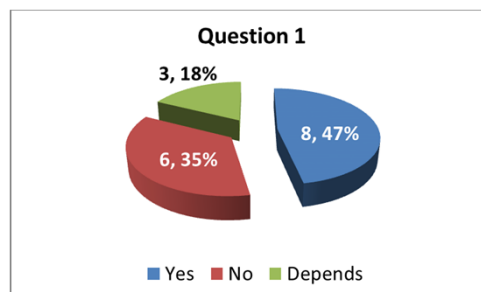
3 June 2016



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Task Force Questionnaire Results

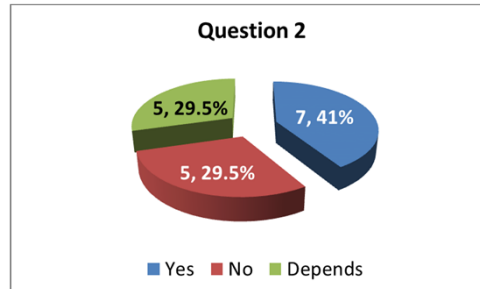
Q1. Do you believe that the cost of land – putting aside for the moment the type of cost measurement technique used – is essential for the reporting of all types of federal land managed by the government?



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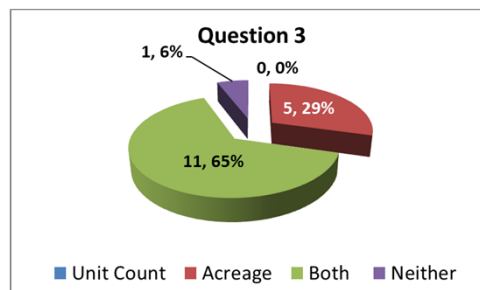
Task Force Questionnaire Results

Q2. Do you believe that the predominant use of a land holding or the intent that an agency has concerning that land should influence the selection of the measurement basis such as historical cost, fair market value, in-house estimate, etc.?



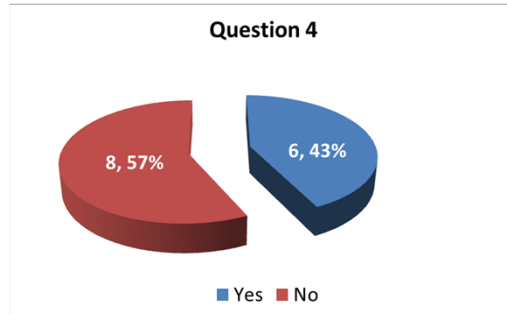
Task Force Questionnaire Results

Q3. Concerning physical quantity information, what do you believe users benefit from more when it comes to this type of non-financial reporting?



Task Force Questionnaire Results

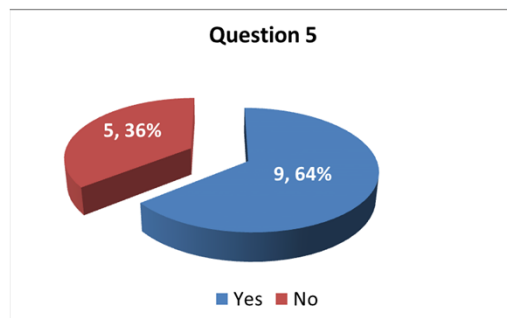
Q4. In your opinion, does information that is currently reported seem consistent with the FASAB's reporting objectives of budgetary integrity, operating performance, stewardship, and systems and control?



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Task Force Questionnaire Results

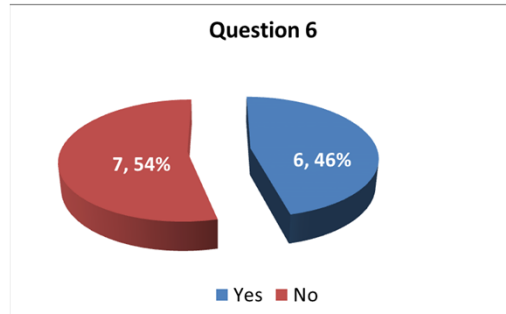
Q5. Should the task force consider enhancing reporting relative to FASAB's reporting objectives of budgetary integrity, operating performance, stewardship, and systems and control?



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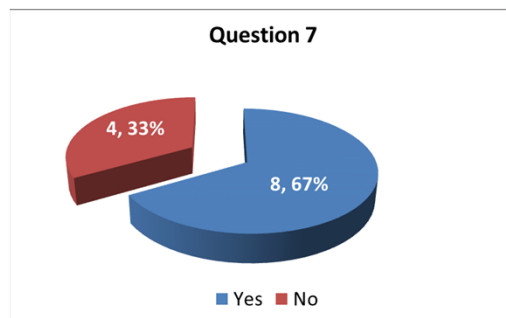
Task Force Questionnaire Results

Q6. In your opinion, does information that is currently reported seem consistent with the FASAB's qualitative characteristics (users want understandable, reliable, relevant, timely, consistent, and comparable information)?



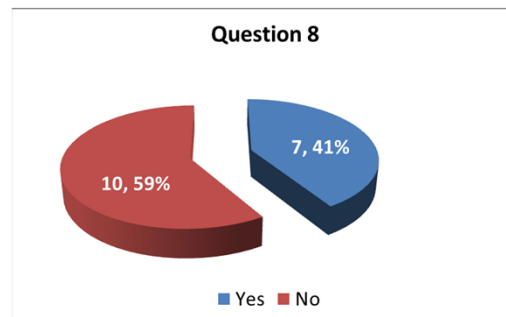
Task Force Questionnaire Results

Q7. Should the task force consider enhancing reporting relative to FASAB's reporting qualitative characteristics?



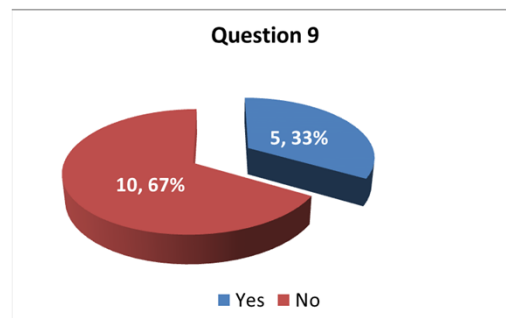
Task Force Questionnaire Results

Q8. In your opinion, should land valued on the balance sheet be re-measured periodically; that is, to account for inflation or market price fluctuations?



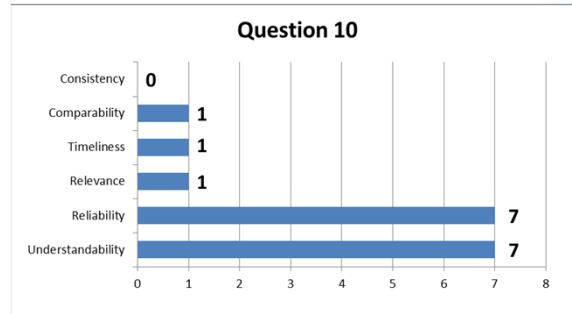
Task Force Questionnaire Results

Q9. Do you believe the current land distinctions (I call them buckets) – administrative/operational (G-PP&E) and stewardship (SL) – should be collapsed into a single “Land-is-Land” accounting standard (bucket) that would presumably apply the same rules to all land thus enhancing consistency, comparability and increasing overall user comprehension?



Task Force Questionnaire Results

10. Which qualitative characteristic do you think users believe is most important to them?
a. Understandability, b. Reliability, c. Relevance, d. Timeliness, e. Consistency, f. Comparability



Task Force Questionnaire Results

Q11. Please rank the qualitative characteristics in order of most importance to you?
(1 = most important, 6 = least important)

Characteristic	Ranking	Average Score
Reliability	Rank 1	1.813
Understandability	Rank 2	2.625
Consistency	Rank 3	3.063
Relevance	Rank 4	3.529
Timeliness	Rank 5	4.625
Comparability	Rank 6	4.867

Task Force Questionnaire Results

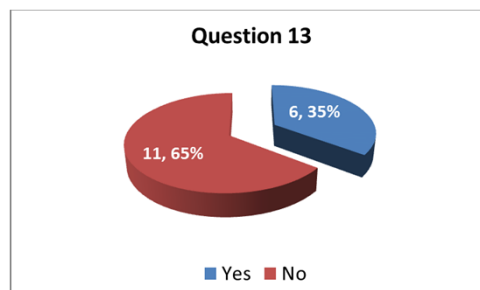
Q12. What constraints other than system integration issues do you believe federal preparers have to deal with that affects their ability to prepare financial statements? (Select up to 4 only and rank by 1 = most impactful, 4 = least impactful but still a problem)

a. Insufficient staff/resources, b. Lack of adequate supervisors in-place, c. Unrealistic timeframes/deadlines, d. Inadequately trained staff, e. Lack of experienced staff, f. Lack of senior level management support, g. Requirements overload, h. Continually shifting priorities, i. Other: EXPLAIN

Constraints	Ranking	
Inadequately trained staff	Rank 1	
Lack of experienced staff	Rank 2	Tie
Requirements overload	Rank 2	Tie
Continually shifting priorities	Rank 3	
Lack of senior level management support	Rank 4	

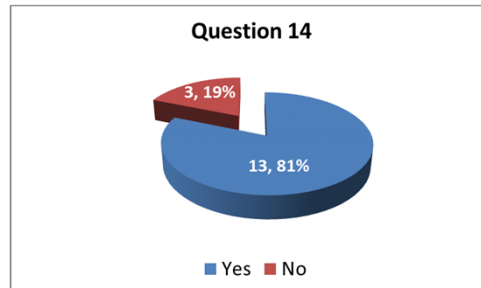
Task Force Questionnaire Results

Q13. Should financial reporting be limited to information that an agency uses to manage by?



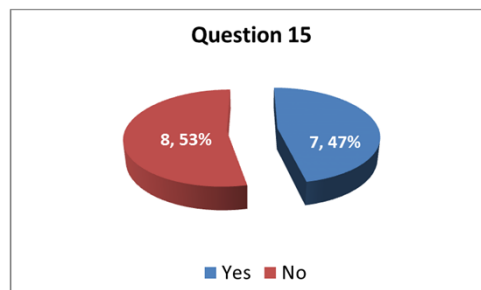
Task Force Questionnaire Results

Q14. In your opinion, would users of financial information be “short-changed” if all the qualitative characteristics are substantially met except for reliability?



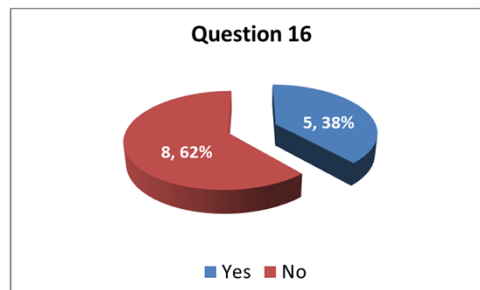
Task Force Questionnaire Results

Q15. In your opinion, is information that management uses to manage its land portfolios reliable for financial reporting?



Task Force Questionnaire Results

Q16. In your opinion, do you think information related to land must be (fully) audited?



SFFAS 59, *Accounting and Reporting of Government Land*

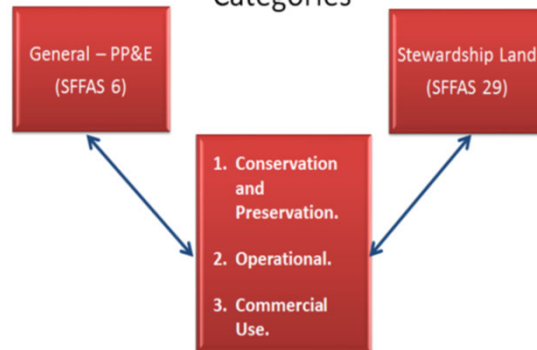
- Transitional 4-year reporting period beginning this fiscal year 2022 through FY2025
 - FY22 through FY25 are RSI reporting periods with no change to G-PP&E Land balance sheet reporting or current SL Disclosure requirements
- In FY26, G-PP&E land and permanent land rights will be reclassified as a non-capitalized asset (similar to how stewardship land is currently treated) and RSI information moves to Basic (Disclosure)
 - Referencing a note on the balance sheet that discloses information about G-PP&E land and permanent land rights without an asset dollar amount
- For all periods, estimated acres of G-PP&E land and Stewardship Land using three predominant use sub-categories will be presented (first as RSI then in FY26 as basic):
 - Conservation and preservation land, Operational land, and Commercial use land
 - Reporting estimated acres of land held for disposal or exchange
 - Reporting land rights information, whether such rights are permanent or temporary, and amounts paid during the year to maintain such rights

Transitional Implementation Period

Early Implementation of Land De-recognition NOT Allowed					
Issue SFFAS	SFFAS 59 Paragraphs 6 through 12				Effective Date for G-PP&E Land De-recognition
	For FYs 2022/2023 GAO plans to develop and issue audit guidance for auditing total acreage and acreage by predominant use sub-categories. For FYs 2023 and 2024 identification of preparation and audit challenges and for FY 2025 the Board plans to complete its assessment of remaining implementation issues before the RSI requirements transition to the notes.				Paragraphs 4, 5, 13, and 14 apply. Remove G-PP&E Land from Balance Sheet. Entities may continue to Disclose Historical/Acquisition Cost in Notes
	Entity RSI Presentation				Basic Presentation
	FY '21	FY '22	FY '23	FY '24	FY '25
4 Year Implementation Window					FY '26

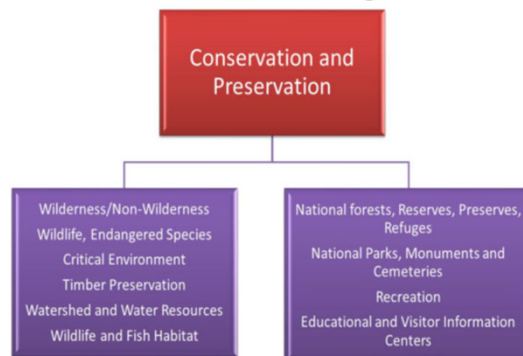
APPENDIX B: ILLUSTRATIONS Sub-Categorizing both G-PP&E Land and SL

Complementing Existing Land Categories



APPENDIX B: ILLUSTRATIONS Sub-Categorizing Land

Conservation and Preservation Land Use Sub-categories



APPENDIX B: ILLUSTRATIONS Sub-Categorizing Land

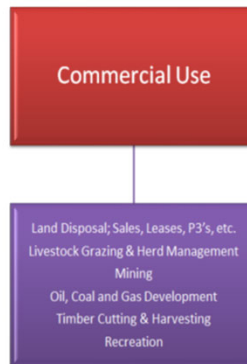
Operational Land Use Sub-categories



APPENDIX B: ILLUSTRATIONS

Sub-Categorizing Land

Commercial Use Land Use Sub-categories



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Sample Disclosure: Note commercial use and land held for disposal

Entity	Categorized by Purpose or Intent at Acquisition	Sub-categorized by Predominant Use			Total Land Acres	Explanatory Comments
	General PP&E Land Acres	Conservation and Preservation	Operational	Commercial Use		
Agency X	6,563,954	2,600,000	3,963,954	0	6,563,954	1
Bureau A	2,219,324	0	2,219,324	0	2,219,324	2
Bureau B	863,343	0	863,343	0	863,343	2
G-PP&E Total - Department B	9,646,621	2,600,000	7,046,621	0	9,646,621	

Explanatory Comments

- 1 - **Agency X** has reclaimed 2,600,000 acres of its operational land for conservation/preservation purposes. Although some of the agency's operational land generates commercial revenue, it is incidental to the land's predominant use and its reporting does not change. All land is managed by 12 regional offices and the agency's land is considered to be active (in current use).
- 2 - **Bureaus A and B** maintain land strictly for operational purposes. Bureau A's land portfolio is managed by 2 district offices (DO's) and all land is considered to be active (in current use). Bureau B's land portfolio is managed by a single district office. Pursuant to statutory requirements, 7,200 acres of Bureau B's managed land located in the district's northwest corridor are held for disposal or exchange. All remaining land managed by Bureau B is considered to be inactive (not in current use) awaiting Congressional reviews.

Note: Commercial Use Land NOT reported because it's not predominant use of land

Note: Land held for disposal or exchange is reported in narrative format; no need to separately sub-categorize



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Questions?

Five-Minute Break Resume at 11:56

Spotlight on the Reexamination of Existing Standards Project



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Reexamination of Existing Standards

- What is Reexamining GAAP?
- Why Reexamine GAAP?
- How to Reexamine GAAP?



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What is Reexamining GAAP?

- What does it mean to reexamine?
- What is the objective of the FASAB reexamination project?
- Do other standard-setters reexamine GAAP?



Why Reexamine GAAP?

- GAAP Stats
- Periodic assessment is necessary
- Improve Guidance
- First holistic approach to reexamination



GAAP Stats

- FASAB has issued 61 Statements since 1993
 - 16 amending standards
 - 8 rescissions
 - 6 deferrals
 - 3 omnibus
- Concept statements – 9
- Interpretations – 11
- Other lower level pronouncements



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How to Reexamine GAAP?

- Reexamination Process
- Scope of Reexamination
 - The First Step – An Invitation to Comment (ITC)
- Developing an Approach



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Approach to Reexamining GAAP

- The Big Unknown!
- Feedback from the community will provide the insights
 - Comprehensive
 - Supportive
- Multiple projects
- Multiple staff/detailees
- Multi-year effort



The First Step – An ITC

- What is an Invitation to Comment (ITC)?
 - Request for feedback on potential alternatives or issues or solutions.
- How will the ITC information be used?
 - Stakeholders have the opportunity to influence the reexamination project topics.

The First Step – An ITC

- What is presented in the ITC?
 - FASAB GAAP Hierarchy
 - Reexamination of FASAB Standards
- Current Status
 - Invitation to Comment, *Reexamination of Existing Standards* issued May 15, 2023
 - Responses requested by September 15, 2023
- Critical that stakeholders RESPOND!!



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Polling Question 5

The information gathered from the ITC will not result in specific Board guidance.

- A. True
- B. False



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ITC- GAAP Hierarchy

- SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board*, incorporates the hierarchy of generally accepted accounting principles (GAAP) into FASAB's authoritative literature.
- Given its importance, the Board determined it should consider feedback on the effectiveness of the GAAP hierarchy, as set forth in SFFAS 34.



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ITC- Reexamination of FASAB Standards

- Streamlining authoritative guidance
- Eliminating or revising unclear requirements
- Eliminating disclosures and other required information that may no longer benefit users
- Filling gaps in the standards where the guidance either does not address or does not adequately address areas where federal financial reporting objectives are not being met



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ITC- Reexamination of FASAB Standards

- Resolving inconsistencies in current practice
- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns
- Considering overlaps or redundancy in requirements

ITC “Reexamination Topics”

- The Board asks respondents to identify issues and concerns with FASAB pronouncements by considering **23 “reexamination topics”**
 - GAAP Stats (16 amending standards, 8 rescinded standards, 6 deferrals, and 3 omnibus)
 - Results in fewer topic standards when grouping
 - Standards not yet effective are excluded
 - Appendix A: Reexamination Table of Pronouncements provides details regarding how the 61 SFFASs result in 23 reexamination topics

ITC- GAAP Hierarchy Questions

FASAB GAAP HIERARCHY QUESTIONS

QUESTION 1.1: The federal GAAP hierarchy in SFFAS 34 provides the sources of accounting principles and the framework for selecting the principles used in the preparation of general purpose financial reports of federal entities that conform with GAAP. Do you agree that SFFAS 34 clearly and sufficiently explains the federal GAAP hierarchy and its application to federal accounting and reporting?

Choose an item.

Please explain your response. Click here to enter text.

QUESTION 1.2: Have you experienced challenges in applying and using the federal GAAP hierarchy in SFFAS 34 to resolve accounting or reporting issues?

Choose an item.

Please explain your response, including any perceived challenges with applying SFFAS 34 (for example, utility in applying SFFAS 34 to resolving accounting and reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship to other standard setters when FASAB guidance is silent, inconsistencies with different levels of GAAP, or questions regarding the application of "practices that are widely recognized and prevalent in the federal government.") [CLICK HERE TO ENTER TEXT.](#)



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ITC- Reexamination of FASAB Standards Question

REEXAMINATION OF FASAB STANDARDS QUESTION

QUESTION 2: Below are the 23 reexamination topic areas for which the Board is requesting your response. Respondents may review [Appendix A: Reexamination Table of Pronouncements](#) in its entirety for a full understanding. For each reexamination topic (column 1), please indicate the priority level for reexamination from the following options:

(1) **High priority:** topic and related SFFASs are of significant concern and should be included in the reexamination with priority. Please provide **no more than five** high priority topics.

(2) **Medium priority:** topic and related SFFASs are of concern and should be included in the reexamination, but after high priority topics are addressed.

(3) **Low priority:** topic and related SFFASs are not of concern and do not need to be reexamined at this time.



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ITC- Reexamination of FASAB Standards Question

Please explain your response, including specific details and examples to support your rationale, especially those ranked high priority and medium priority. Provide information (including specific SFFAS references where appropriate) that would help the Board understand why the reexamination of a particular SFFAS might take precedence or be considered more important than other SFFASs. To accomplish this, the Board is seeking feedback from respondents on where they believe there are opportunities for the Board to improve guidance within the 23 reexamination topics. This includes the following potential improvements:

- Streamlining authoritative guidance
- Eliminating or revising unclear requirements
- Eliminating disclosures and other required information that may no longer benefit users
- Filling gaps in the standards where the guidance either does not address or does not adequately address areas where federal financial reporting objectives are not being met
- Resolving inconsistencies in current practice
- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns
- Considering overlaps or redundancy in requirements

Please be explicit regarding opportunities to eliminate or revise requirements, whether those are in the standards or elsewhere. Stakeholder feedback will give the Board insight on respondent's views on these matters.



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ITC- Reexamination of FASAB Standards Question

Topic #5

[SFFAS 5, Accounting for Liabilities of The Federal Government](#)
AS AMENDED BY: [SFFAS 12](#), [SFFAS 25](#)
[Interpretation 2, Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5](#)
[Interpretation 4, Accounting for Pension Payments in Excess of Pension Expense TB 2002-1, Assigning to Component Entities Costs and Liabilities that Result from Legal Claims Against the Federal Government](#)
[TB 2017-1, Intragovernmental Exchange Transactions](#)

Choose a priority level.

Please explain your response. [Click here to enter text.](#)

Topic #6

[SFFAS 6, Accounting for Property, Plant, and Equipment](#)
AS AMENDED BY: [SFFAS 23](#), [SFFAS 40](#), [SFFAS 50](#)
[Interpretation 9, Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6](#)
[TB 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs \(as amended by TB 2009-1 and TB 2011-2\)](#)
[TB 2017-2, Assigning Assets to Component Reporting Entities](#)

Choose a priority level.

Please explain your response. [Click here to enter text.](#)



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ITC- Response Reminders

- Stakeholders' response to the ITC is critical
 - potential opportunities to improve the standards
- Include rationale and detailed information
 - why the reexamination of a SFFAS might take precedence or be considered more important than other SFFASs
 - offer detail in terms of materiality, audit findings, cost-benefit, or other significant information
 - be explicit- provide specific sections or paragraph references within pronouncements

ITC- Response Reminders

- Respondents should use the Microsoft Word file available at <https://www.fasab.gov/documents-for-comment/> to provide comments on this ITC.
 - Drop down selections
- Additional information may be attached.
- Responses due September 15, 2023

Questions?



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