



FASAB Newsletter *Federal Accounting* *Standards Advisory Board*

June-July 2020 **TABLE OF CONTENTS**

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[Ross Simms Receives Cornelius E. Tierney/EY Research Award from AGA](#)

The Federal Accounting Standards Advisory Board (FASAB or “the Board”) is pleased to announce that our own Ross Simms has received the Cornelius E. Tierney/EY Research Award from the Association of Government Accountants (AGA).

Cornelius E. Tierney, the namesake for the award, was an original FASAB member. Mr. Tierney served as a non-federal Board member from 1991-1997, helping to lay the foundation for the Board’s success over the last 30 years.

The Cornelius E. Tierney/EY Research Award recognizes researchers who have enhanced the image and/or effectiveness of government accountants, auditors, or

financial managers through their direct participation in research or through their encouragement and support of others in government financial management research.

Disclaimer

The staff of the Federal Accounting Standards Advisory Board publishes the FASAB newsletter following Board meetings to provide highlights of recent Board actions and issues. When an article refers to a Board decision, it should be understood that this is tentative until FASAB issues a Statement of Federal Financial Accounting Concepts (SFFAC) or Statement of Federal Financial Accounting Standards (SFFAS).

Please direct newsletter editorial questions to Leigha Kiger at 202-512-7358 or kigerl@fasab.gov.

Please direct FASAB and AAPC administrative questions to Romona Parker at 202-512-7350 or parkerr1@fasab.gov.

Through excellence in research to challenge the routine and inspire the ideal, Mr. Simms has enhanced the image and effectiveness of government financial management. His continued studies and presentations to enhance financial reporting issues and improve user experiences demonstrate his dedication to advancing government accountability.

Mr. Simms has worked with the Board to study the unique user groups of general purpose federal financial reports, researching these groups' informational needs and preferences. He has studied electronic reporting and opportunities to pursue alternative presentations and formats.

FASAB congratulates Mr. Simms for this prestigious recognition and thanks him for his many meaningful contributions to the Board's progress.

FASAB Welcomes Christi Dewhirst as a Fellow

FASAB recently welcomed Christi Dewhirst to the technical staff as a fellow. Ms. Dewhirst is on loan to FASAB from the General Services Administration (GSA) for 2020.

Ms. Dewhirst joined the FASAB research staff in January 2020. Prior to that, she worked at GSA for 17 years. She started her career with GSA as a budget analyst, managing several of the building operations accounts for the Public Building Service in Fort Worth, Texas. During her time in this role, she participated in many internal audits and became an expert in GSA's financial system. In 2008, Ms. Dewhirst moved to the PBS Financial Operations Division in the Office of the Chief Financial Officer (OCFO) in Washington, DC. She spent two years working on the unliquidated obligations team and was heavily involved in the annual financial audit. For the last ten years, Ms. Dewhirst has been the team lead for leasing within the PBS Financial Operations Division. This experience provided her the opportunity to work with FASAB on the implementation of Statement of Federal Financial Accounting Standards (SFFAS) 54, *Leases*.

Ms. Dewhirst is a member of AGA and holds a master's degree in finance from the University of Texas at Arlington.

Reminder to Submit Technical Inquiries

Not sure how to address an accounting issue that has come up because of Coronavirus Disease 2019 (COVID-19)? Wondering how to resolve a question around your fiscal year-end accounting? Submit a [technical inquiry](#). The sooner we know, the sooner we can help!

Submitting a TI begins the process for FASAB staff to research and analyze federal technical questions about generally accepted accounting principles (GAAP). Receiving a TI helps staff to determine if GAAP exists to address the technical issue or if the issue requires Board deliberation.

Virtual Training Opportunities

AGA Webinar on August 19

Registration is open to sign up for a two-CPE live webinar on leases implementation. The webinar will be hosted by the AGA on August 19. FASAB senior analyst, R. Alan Perry, Jr., and FASAB fellow, Christi Dewhirst, will discuss the effects of forthcoming changes resulting from SFFAS 54 on financial reporting, real-world implementation issues, and proposals under development designed to facilitate implementation and application of SFFAS 54. To attend, sign up [here](#) by August 14.

Federal Accounting for Climate-Related Events Webinar on August 20

Over the last 40 years, the U.S. has experienced over 270 major climate and extreme weather events with losses exceeding \$1.7 Trillion ([NOAA, 2020](#)). FASAB assistant director, Robin Gilliam, CPA, PMP, will highlight the federal accounting toolbox for addressing current and future financial implications of climate-related risk. Registered attendees are eligible to claim 1 CPE and/or PDU. To attend the webinar, sign up [here](#) by August 19.

[YouTube Video: Leases Implementation](#)



In June, FASAB staff released an [educational video](#) discussing the requirements of SFFAS 54, *Leases*, along with [Board activities](#) and [AAPC projects](#) to facilitate ongoing implementation preparation activities leading up to fiscal year 2024 when the Statement becomes effective.

[Current Board Projects](#)

(For more information, click on the title of the project to be directed to the related active project page.)

[Accounting and Reporting of Government Land](#)

At the June meeting, members heard from the representatives of three agencies with significant land holdings to discuss (1) the Board's plans for ongoing monitoring of the Statement's implementation and any needed implementation guidance, (2) the major differences between the land exposure draft (ED) and the current proposal, and (3) any possible misunderstanding preparers may have regarding the Board's proposal. Agency representatives included Ms. Lynn Moaney, U.S. Department of Agriculture; Mr. Douglas Glenn, Department of Defense; and Mr. Scott Cameron, Department of the Interior.

Through a series of ten questions, the panelists expressed their views on the provisions in the pre-ballot draft. As a result of the panel discussion, the majority of the Board agreed to discuss various topics further before moving the document forward. Some members believe that the Board can address several of the issues through implementation guidance. Staff will present a revised draft document at the August meeting.

Visit [the land project page](#) to learn more.

Point of Contact: Domenic Savini, 202-512-6841, savinid@fasab.gov

[Leases Deferral](#)

On June 19, FASAB issued SFFAS 58, *Deferral of the Effective Date of SFFAS 54, Leases*. SFFAS 58 amends the effective date of SFFAS 54 to reporting periods beginning after September 30, 2023. Early implementation is not permitted.

SFFAS 58 is available at <https://fasab.gov/accounting-standards/>.

Visit the [leases project page](#) to learn more.

Point of Contact: R. Alan Perry, Jr., 202-512-5720, perryra@fasab.gov

[Leases Omnibus](#)

At the June 2020 meeting, the Board discussed omnibus amendment candidates, including minor technical corrections and clarifying amendments, identified by staff and the leases implementation task force. Board members agreed with most of the candidates and provided feedback to staff on other candidates. These omnibus amendment proposals under development would serve to clarify and reduce preparer burden associated with interpreting and applying some of the more nuanced requirements of SFFAS 54, as reporting entities continue implementation preparedness activities.

Staff will present an updated ED working draft, to include a few additional omnibus amendment candidates, at the August meeting for the Board's consideration. The Board will also revisit certain candidates discussed at the June meeting that require further discussion.

Visit the [leases project page](#) to learn more.

Point of Contact: R. Alan Perry, Jr., 202-512-5720, perryra@fasab.gov

[Reporting Model Initiative](#)

[Budgetary Information](#)

During the June 2020 meeting, the Board decided to develop alternatives to the statement of budgetary resources. Members noted that the statement was challenging to understand and explanatory note disclosures may not be effective. In addition, members suggested engaging external users in discussing alternatives.

Visit the [budgetary information project page](#) to learn more.

Point of Contact: Ross Simms, 202-512-2512, simmsr@fasab.gov

[Management's Discussion and Analysis](#)

At the June 2020 Board meeting, members completed work on identifying MD&A objectives according to the reporting objectives framework in Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*.

Staff will consolidate the MD&A objectives into a MD&A vision framework in preparation for the agency pilot.

Visit the [MD&A project page](#) to learn more.

Point of Contact: Robin Gilliam, 202-512-7356, gilliamr@fasab.gov

Note Disclosures

Members agreed that the draft ED should discuss additional items before proceeding to a pre-ballot draft.

Visit [the note disclosures project page](#) to learn more.

Point of Contact: Ross Simms, 202-512-2512, simmsr@fasab.gov and Robin Gilliam, 202-512-7356, gilliamr@fasab.gov

Software Licenses

At the June 2020 meeting, the Board discussed staff and working group findings and recommendations regarding the next steps for the project. The software licenses working group explored the drawbacks and opportunities to developing a Technical Bulletin (TB) on the accounting treatment for software licenses. In August 2019, the Board had agreed to pursue a TB due to pending rescissions to existing guidance resulting from SFFAS 54.

The Board agreed to forgo further development of the TB for reasons set forth by staff research and the working group's feedback. As a result, the software licenses project is tabled. Staff will prepare educational materials and potential options for the Board to explore undertaking projects on intangible assets and subscription-based informational technology arrangements on its technical agenda.

Visit the [software licenses project page](#) to learn more.

Point of Contact: R. Alan Perry, Jr., 202-512-5720, perryra@fasab.gov

Technical Clarifications of Existing Standards

Debt Cancellation

At the June 2020 Board meeting, the Board considered an updated draft Interpretation titled *Debt Cancellation: An Interpretation of SFFAS 7 paragraph 313* and staff's analysis of a proposal presented by the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB).

The Board also discussed revising the draft Interpretation to only consider clarifying the guidance regarding the debt cancellation gain/loss. However, there was concern whether a revised Interpretation would resolve the underlying debt cancellation issue. FASAB staff believes the staff proposal is necessary to address the underlying issue pertaining to the classification on the statement of changes in net position (SCNP).

Treasury and FASAB staff will meet with the relevant parties again to assess the breadth of the draft Interpretation and to ensure the draft fully addresses the debt cancellation issue. FASAB staff will also consider if guidance at a lower level of generally accepted accounting principles may be appropriate.

Visit the [debt cancellation project page](#) to learn more.

Point of Contact: Melissa Batchelor, 202-512-5976, batchelorm@fasab.gov

Accounting and Auditing Policy Committee

Leases Implementation

The AAPC will meet on August 12 and 13. At this meeting, the AAPC will review a complete working draft of the implementation guidance developed by staff in collaboration with the leases implementation task force.

At the September 16 meeting, the AAPC will discuss any outstanding editorial or content-related matters.

Visit the [AAPC leases implementation project page](#) to learn more.

Point of Contact: R. Alan Perry, Jr., 202-512-5720, perryra@fasab.gov

Until further notice, FASAB and AAPC meetings will be held via teleconference. If you wish to observe a FASAB meeting via teleconference, the telephone number and observer passcode are available on the posted agendas.

FASAB Meeting Schedule

August 26-27^
October 21-22
December 15-16

^ Beginning at 9:30 a.m. on both days.

Unless otherwise noted, FASAB meetings begin at 9 a.m. and conclude before 5 p.m. Meetings are held at the Government Accountability Office (GAO) at 441 G Street, NW in room 7C13. Agendas and briefing materials are available at <https://www.fasab.gov/briefing-materials/> approximately one week before the meetings.

AAPC Meeting Schedule

August 12-13^
September 16
November 19

^ Concluding at 4 p.m. on both days.

Unless otherwise noted, AAPC meetings begin at 1 p.m. and conclude at 3 p.m. All remaining AAPC 2020 meetings will be held via teleconference and WebEx. Agendas are available at <https://fasab.gov/about-aapc/aapc-meetings/> approximately one week before the meetings. Agendas include conference line information for those interested in observing the teleconference meetings.

Security Notice for In-Person Meetings

If you wish to attend a FASAB or an AAPC meeting, please pre-register on our website at <https://www.fasab.gov/pre-registration/> **no later than 8 a.m. the Tuesday before the meeting to be observed.** GAO, which provides space for our meetings, has increased its security procedures, and your name must be provided in advance to the GAO security force before you can enter the building. **When you arrive, please advise the security officer that you are attending either a FASAB or an AAPC meeting. Doing so will assist the officer in locating the correct security list.** Thank you.