

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB Issues a Concepts Statement Exposure Draft Entitled *Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information*

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB is seeking input on the Exposure Draft (ED), *Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information*. The ED proposes amendments to Statement of Federal Financial Accounting Concepts 2, *Entity and Display*, to provide conceptual guidance for determining how information in financial reports should be categorized.

Federal financial reporting objectives are broad and require financial and non-financial information. Information in financial reports may be categorized as basic information, required supplementary information (RSI), or other accompanying information (OAI). Distinguishing these categories is important because each is subject to different auditing standards. Existing concepts provide guidance on what information should be reported to achieve the reporting objectives and identifies different methods that may be used to communicate it to readers, such as financial statements and management's discussion and analysis (MD&A). The ED expands the existing conceptual framework to provide factors to consider when deciding whether the information should be considered basic information, RSI, or OAI. "These concepts will provide a common foundation for guiding the Board in distinguishing basic information, RSI, and OAI and will help guide preparers and auditors in the absence of generally accepted accounting principles literature," according to Chairman Allen.

The ED poses questions to respondents on issues such as the factors that should be considered in distinguishing each category. Respondents are encouraged to provide the reasons for their positions. The exposure draft requests comments by June 26, 2008. The exposure draft in PDF format and the specific questions raised in Word format are available at the FASAB website (<http://www.fasab.gov/exposure.html>).

ABOUT FASAB

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources. The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: www.fasab.gov.