
Foreword

The *FASAB Handbook of Federal Accounting Standards and Other Pronouncements, as Amended* (“*FASAB Handbook*”) contains the body of accounting concepts and standards for the U.S. government.¹ Specifically, the *FASAB Handbook* incorporates the following documents published through June 30, 2024.

- Statements of Federal Financial Accounting Concepts 1-9,
- Statements of Federal Financial Accounting Standards 1-63,
- Interpretations 1-11,
- Technical Bulletin 2000-1 through 2024-1,
- Technical Releases 1-23, and
- All Staff Implementation Guidance.

Please note that SFFAS 59 effective for reporting periods after September 30, 2021 transitions RSI presentation requirements, including G-PP&E Land and permanent land rights de-recognition, to disclosure requirements in 2026. As a result, this Handbook version only incorporates the RSI requirements effective for periods 2022-2025. Fiscal year 2026 disclosure requirements will be updated in subsequent Handbook version(s) as appropriate.

Origins of the Documents

The concepts, standards, interpretations, technical bulletins, technical releases, and staff implementation guidance presented in the *FASAB Handbook* were issued in accordance with policies and procedures approved by the Department of the Treasury (Treasury), the Office of Management and Budget (OMB), and the Government Accountability Office (GAO) at the time of their issuance. These three central agencies, referred to collectively as the “sponsors,” established the Federal Accounting Standards Advisory Board (FASAB) in 1990. The mission of the FASAB is to serve the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.²

¹Versions of the *FASAB Handbook* issued prior to June 30, 2011, were referred to as *Pronouncements as Amended*, *Statements of Federal Financial Accounting Concepts and Standards* (2008-2010), *Original Pronouncements*, *Statements of Federal Financial Accounting Concepts and Standards* (2007), or *Volume I, Original Pronouncements*, *Statements of Federal Financial Accounting Concepts and Standards* (2004-2006).

²Mission Statement, Federal Accounting Standards Advisory Board. For a more extensive description of FASAB’s role, refer to Statement of Federal Financial Accounting Concepts No. 1, *Objectives of Federal Financial Reporting*, Paras. 23-29.

Concepts Statements

Statements on concepts differ from statements of accounting standards. Statements on concepts are more general than statements on standards and do not contain specific authoritative requirements for federal agencies. After approval by the Board, concepts statements provide general guidance to the Board itself as it deliberates on specific issues. They also are useful to the OMB in carrying out its statutory responsibilities, and others in understanding federal accounting and financial reports.

Standards

Using a due process and a consensus building approach, the Board promulgates accounting standards after considering the financial and budgetary information needs of Congress, executive agencies, other users of federal financial information, and comments from the public. The Memorandum of Understanding dated December 3, 2009, is included in Appendix C and describes the Board's authorities and processes.

Interpretations

Interpretations clarify original meaning, add definitions, and provide other guidance for existing SFFAS. They are narrow in scope. FASAB will respond to requests for guidance by providing technical assistance, including, in some cases, interpretations. When drafting an interpretation the FASAB staff submits the request to the Board and reviews applicable literature and consults with knowledgeable persons, as appropriate. FASAB will consider the draft interpretation at an open meeting. Proposed interpretations are exposed for public comment for at least 30 days. Interpretations approved by a majority of the Board and not objected to by a Board member representing a principal within 45 days are published by FASAB.

Technical Bulletins

Technical bulletins provide guidance for applying statements and interpretations and resolving issues not directly addressed by them. Technical bulletins are used when the nature of an issue does not warrant more extensive due process. They are generally in question and answer format.

Technical Releases

The Accounting and Auditing Policy Committee (AAPC) provides implementation guidance through technical releases that are reviewed and published by the FASAB.

Staff Implementation Guidance

The staff provides implementation guidance. Such guidance is issued if a majority of the Board does not object.

GAAP Documents

When adopted and issued, these documents become federal accounting standards and implementation guidance. It is expected that FASAB will continue to issue guidance through the documents described above. As new documents are adopted, the *FASAB Handbook* will be updated. Individual documents issued between updates are available through a variety of sources.

Purpose of the *FASAB Handbook*

The *FASAB Handbook* compiles and codifies the documents produced by the FASAB. It is designed to meet the needs of users for an authoritative reference to concepts, standards, interpretations, technical bulletins, technical releases, and other issuances. It contains extensive cross-referencing and indexing.

Organization of the *FASAB Handbook*

This volume presents each concepts statement, standards statement, interpretation, technical bulletin, technical release and staff implementation guide as a separate chapter (referred to as “statement”). The issue date and effective date of each statement are presented first. Next, any interpretations, technical bulletins, and technical releases that relate to the statement are identified. A summary precedes presentation of each statement.

In some cases the statements have been affected by later statements or affect earlier statements. References are provided on the title page of each statement to direct the reader to

the affected paragraphs and indicate the source and nature of the change. Within the text of the statements, ellipses alert the reader that provisions have been deleted as a result of other statements. Original provisions modified or affected by a subsequent statement but not deleted are modified in the text. New provisions added by a subsequent statement are inserted in the original statements. When paragraphs are inserted they are numbered with the number of the preceding paragraph followed by a capital letter (5A). When footnotes are inserted, they are numbered with number of the previous footnote followed by a letter (1a or 1A). The reader can review the basis for conclusions of the amending statement for the rationale for the change.

Some statements contain illustrations. These illustrations are general in nature and may not apply to specific cases that appear similar but have unique circumstances. For specific cases, the objective should be to arrive at the specific answer that applies the body of accounting standards in that specific case.

The glossaries originally published with each statement have been codified in a single glossary Appendix E.

The *FASAB Handbook* also presents the following appendices:

- Appendix A: Topical Index
- Appendix B: Effective Dates of Statements, Interpretations, Technical Bulletins, and Technical Releases
- Appendix C: Memorandum of Understanding
- Appendix D: Federal Accounting and Auditing Resources
- Appendix E: Consolidated Glossary
- Appendix F: Consolidated List of Acronyms

Materiality

The Board intends that application of authoritative guidance be limited to items that are material. A misstatement, including omission of information, is material if, in light of surrounding facts and circumstances, it could reasonably be expected that the judgment of a reasonable user relying on the information would change or be influenced by the correction or inclusion of the information. Materiality should be evaluated in the context of the specific reporting entity. Determining materiality requires appropriate and reasonable judgment in considering the specific facts, circumstances, size, and nature of the misstatement. Consequently, after quantitative and qualitative factors are considered, materiality may vary by financial statement, line item, or group of line items within an entity.

The accounting and reporting provisions of the Board's accounting standards need not be applied to information if the effect of applying the provision(s) is immaterial. The determination of whether an item is immaterial requires the exercise of considerable judgment, based on consideration of specific facts and circumstances. Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

Hierarchy of Generally Accepted Accounting Principles

The term “generally accepted accounting principles” has a specific meaning for accountants and auditors. The AICPA *Code of Professional Conduct* prohibits members from expressing an opinion or stating affirmatively that financial statements or other financial data “present fairly... in conformity with generally accepted accounting principles,” if such information contains any departures from accounting principles promulgated by a body designated by the AICPA Council to establish such principles. The AICPA Council has designated FASAB as the body that establishes accounting principles for federal entities. See SFFAS 34 for information on the GAAP hierarchy.

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