

*Interpretation of Federal Financial Accounting Standards 8: An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities*

Issued on: March 15, 2019  
Effective upon Issuance

The objective of SFFAS 56 is to balance the need for financial reports to be publicly available with the need to prevent the disclosure of classified national security information or activities in publicly issued General Purpose Federal Financial Reports (GPFRRs). SFFAS 56 allows financial presentation and disclosure to accommodate user needs in a manner that does not impede national security.

SFFAS 56 permits modifications that do not affect net results of operations or net position. In addition, SFFAS 56 allows a component reporting entity to be excluded from one reporting entity and consolidated into another reporting entity, and the effect of the modification may change the net results of operations and/or net position.

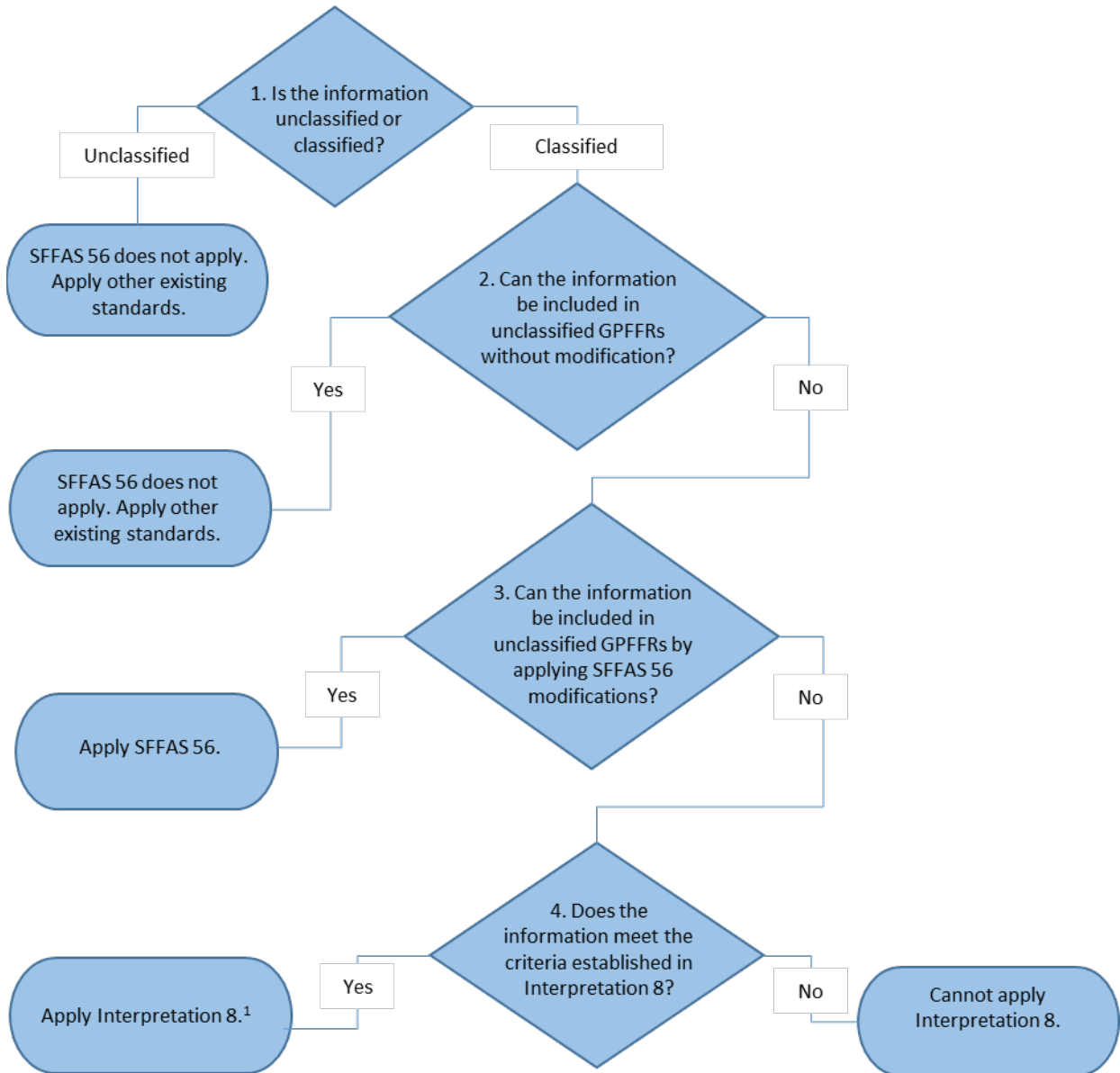
Further, Interpretations of SFFAS 56, which may themselves contain classified information, will address the requirements of this and other standards and permit other modifications when needed to prevent the disclosure of classified information. Modifications permitted by SFFAS 56 and future Interpretations may affect the net results of operations and/or net position of those entities applying the Interpretations. Interpretation 8 is the first classified interpretation of SFFAS 56 that allows modifications to information required by other standards, and the effect of the modifications may change the net results of operations and/or net position.

Interpretation 8 provides a decision chart (see below) illustrating the Board's intended implementation of the Interpretation. The Interpretation does not relieve reporting entities from their requirements and responsibilities to comply with other accounting standards in the appropriate classified environment as it relates to non-public records and reports. This illustration is non authoritative and depicts the process described in the Interpretation.

Interpretation 8 will be maintained by FASAB. Due to the classified nature of Interpretation 8, contact FASAB to arrange access to Interpretation 8 as needed. FASAB will provide access to the Interpretation following appropriate security procedures. To request access to Interpretation 8 please contact Monica Valentine at [valentinem@fasab.gov](mailto:valentinem@fasab.gov). Please provide your name, organization, and contact information.

# Application Decision Chart

Below is a decision chart illustrating the Board's intended implementation of SFFAS 56 and the classified Interpretation 8. This guidance does not relieve reporting entities from their requirements and responsibilities to comply with other accounting standards in the appropriate classified environment as it relates to non-public records and reports. This illustration is non authoritative and depicts the process described in the guidance.



<sup>1</sup> The guidance may be applied at the program or transaction level.