FASAB Revises Standards for Reporting Deferred Maintenance and Repairs


SFFAS 42 represents the Board’s latest efforts to improve the measurement and reporting of deferred maintenance and repairs (DM&R) by responding to concerns raised by the financial and technical communities. The Board also considered, where appropriate, a Government Accountability Office study specific to real property repair and maintenance backlogs. The principal changes require entities to (1) describe their maintenance and repairs (M&R) policies and the prioritization of M&R activities, (2) identify factors considered in determining acceptable condition standards, (3) identify the general property, plant, and equipment (PP&E) and stewardship PP&E to which DM&R relates, (4) provide DM&R balances by category of PP&E, and (5) explain significant changes from the prior year.

“Through collaboration between experts from the government and private sector, these standards will improve the quality of information regarding deferred maintenance and repairs,” noted Chairman Allen. “The standards ensure that users are provided with understandable, relevant, and reliable information while recognizing the need for an interdisciplinary effort focused on the unique circumstances of each agency.”

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.

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