

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

January 5, 2011

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NEWS RELEASE

FASAB Releases an Exposure Draft that Proposes to Defer the Effective Date of SFFAS 38, *Accounting for Federal Oil and Gas Resources*

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB is seeking input on an exposure draft of a Statement of Federal Financial Accounting Standards (SFFAS), *Deferral of the Effective Date of SFFAS 38, Accounting for Federal Oil and Gas Resources*. The exposure draft proposes to defer the effective date of SFFAS 38 for one year. If approved, the new effective date of SFFAS 38 would be for periods beginning after September 30, 2012 (i.e., fiscal year 2013).

The Department of the Interior's (DOI) Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE, formerly part of the Minerals Management Service (MMS)) formally requested that FASAB consider deferring the effective date of SFFAS 38 for one year. BOEMRE's request explained that a variety of issues and challenges have arisen as a direct result of a major reorganization of MMS that will greatly complicate the implementation of SFFAS 38 for fiscal year 2012.

"FASAB is committed to improving the usefulness of information available to federal financial managers and U.S. citizens," according to Chairman Allen. "While I believe the information required by SFFAS 38 will be very useful to decision-makers, both inside and outside of the federal government, we should consider the collective strain on BOEMRE's resources given the current circumstances."

In considering BOEMRE's request for deferral, members noted that a reorganization in and of itself would not normally justify deferring a standard. However, members believe the nature and extent of the MMS reorganization goes above and beyond what would be considered within the normal course of operations. As a result, the Board unanimously supported the proposal but emphasized that earlier implementation is encouraged and strongly urged that the standard be implemented for fiscal year 2012 if at all possible.

Respondents are asked to provide their views regarding the proposed one-year deferral of the effective date of SFFAS 38, and encouraged to provide the reasons for their views.

The exposure draft requests comments by **February 7, 2011**. The exposure draft is available in PDF format on the FASAB website at <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.