AAPC PUBLISHES EXPOSURE DRAFT OF A NEW FEDERAL FINANCIAL ACCOUNTING TECHNICAL RELEASE ENTITLED
Accrual Estimates for Grant Programs

The Chairperson of the Accounting and Auditing Policy Committee (AAPC), Wendy Payne, announced today that the AAPC has issued an exposure draft of a new Federal Financial Accounting Technical Release entitled *Accrual Estimates for Grant Programs*. The guidance was developed by a task force consisting of representatives from federal agencies and independent accounting and consulting firms and supported by FASAB Assistant Director Eileen Parlow. Ms. Payne stated that the proposed technical release “provides guidance supporting cost-effective development of reasonable estimates of accrued liabilities for grant programs.”

This proposed technical release addresses:

- appropriate reliance on the best available data,
- situations where no historical data is available such as new or modified grant programs,
- assessment about materiality and whether it is appropriate to focus on the statement of net cost when making such assessments,
- appropriate display of estimates on the face of the financial statements,
- internal controls for developing grant accrual estimates,
- training of grantees on completing required financial reports, and
- cost-effective means of validating previous estimates.

Specific questions for respondents are included in the exposure draft and other comments are welcome. Responses are requested by April 22, 2010. The exposure draft in PDF format and the specific questions for respondents in Word format are available on the FASAB website at [http://www.fasab.gov/exposure.html](http://www.fasab.gov/exposure.html).

ABOUT AAPC

The Accounting and Auditing Policy Committee (AAPC) was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the Government Accountability Office (GAO) [formerly the General Accounting Office], the
Chief Financial Officers' Council (CFOC), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [formally the President's Council on Integrity and Efficiency (PCIE)], as a body to research accounting and auditing issues requiring guidance.

The AAPC serves as a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB). The mission of the FASAB is to develop accounting standards after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of Federal financial information. The mission of the AAPC is to assist the Federal government in improving financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues as they relate to the specific application of existing authoritative literature.

The AAPC is intended to address issues that arise in implementation, which are not specifically or fully discussed in Federal accounting and auditing standards. The AAPC’s guidance is cleared by FASAB before being published.

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