

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB Issues Statement of Federal Financial Accounting Standards 49, *Public-Private Partnerships: Disclosure Requirements*

The chairman of the Federal Accounting Standards Advisory Board (FASAB), Scott Showalter, announced today that FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 49, *Public-Private Partnerships: Disclosure Requirements*.

SFFAS 49 establishes principles to ensure that disclosures about public-private partnerships (P3s) are presented in the reporting entity's general purpose federal financial reports. The principles establish a P3 definition and identify risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure.

If these characteristics and other criteria are met, the Statement requires the disclosure of quantitative and qualitative information. The information will assist users in understanding the nature of P3s, such as the relative benefits/revenues received in exchange for the government's consideration, the contractual terms governing payments to and from the government, and related risks to the government including those deemed remote.

Agencies can provide disclosures by individual P3 or summarized - for example, by an entity's strategic objectives, departmental or bureau categorizations, or program budget classifications.

"Through collaboration among experts from the private sector and government, these standards have been developed to improve financial reporting by making the costs and related risks of such partnerships transparent," noted Chairman Showalter. "The standards help ensure the federal government is accountable to its citizens by providing information that is understandable, relevant, and reliable."

The Statement is available at <http://www.fasab.gov/document-by-chapter/>

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. 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.