

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

April 17, 2018

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NEWS RELEASE

FASAB Issues Statement of Federal Financial Accounting Standards 54, *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government and SFFAS 6, Accounting for Property, Plant, and Equipment*

The chairman of the Federal Accounting Standards Advisory Board (FASAB or “the Board”), D. Scott Showalter, announced today that FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 54 entitled *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government and SFFAS 6, Accounting for Property, Plant, and Equipment*.

SFFAS 54 revises the financial reporting standards for federal lease accounting. It provides a comprehensive set of lease accounting standards to recognize federal lease activities in the reporting entity’s general purpose federal financial reports and includes appropriate disclosures.

“This Statement is evidence of the Board’s continued efforts to provide relevant and decision useful information to federal financial statement users,” noted Chairman Showalter. “The Board strongly considered the costs associated with the revised lease standards. Those cost considerations are especially evident with the narrowing of the scope to include only property, plant, and equipment assets as well as the accounting and reporting for short-term and intragovernmental leases. Additionally, we were able to address some implementation issues resulting from the current standards.”

SFFAS 54 is available at <http://www.fasab.gov/accounting-standards/>.

ABOUT FASAB

FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for

an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness and (2) the economic, political, and social consequences, whether positive or negative, 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.