



August 9, 2017

Memorandum

To: Members of the Board

From: Melissa L. Batchelor, Assistant Director

Wendy M. Payne
Through: Wendy M. Payne, Executive Director

Subj: **Draft Technical Bulletin- Assigning Assets to Component Reporting Entities**
- Tab B2¹

MEMBER ACTIONS REQUESTED:

- Respond to staff question (p.4) by August 24th
- Prepare to approve staff recommendation or provide alternatives

MEETING OBJECTIVES

The objective of this session is to consider a draft Technical Bulletin- *Assigning Assets to Component Reporting Entities* for issuance.

BRIEFING MATERIAL

The staff analysis is attached along with a question for the Board on page 4. You may electronically access all of the briefing material at <http://www.fasab.gov/board-activities/meeting/briefing-materials/>.

Attachment A- Staff Analysis

Attachment B- Draft Technical Bulletin- Assigning Assets to Component Reporting Entities

Attachment C- Technical Bulletin 2000-1, Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance

BACKGROUND

As you may recall, at the June 2017 Board meeting, the Board considered a new request for guidance from the Department of Defense (DoD) regarding DoD

¹ The staff prepares Board meeting materials to facilitate discussion of issues at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

intragovernmental transactions. Staff provided the Board with a “strawman draft” of an exposure draft (ED) that would have provided certain flexibilities to the DoD. After deliberation, the Board concluded the provisions should not be limited to DoD and that if permitted, the provisions should be applied government-wide.

Further, it would be best to handle each of the issues in separate, appropriate GAAP-level documents. This proposed Technical Bulletin addresses the second issue area discussed at the June 2017 meeting that related to the assignment of assets within a reporting entity.

NEXT STEPS

The next steps will depend on the Board’s answers to the staff questions. [Note: staff has included a discussion as to why a Technical Bulletin was chosen as the vehicle for addressing this guidance. Staff also included an attachment with pertinent information on Technical Bulletins for the new board members.] Staff recommendation for next steps is to move forward and issue the technical bulletin for public comment. If Board member comments are substantial, then staff may need to provide a revised document for a 15 day review before exposing. Alternatively, members may wish to pursue a different GAAP level - document to address this issue or none at all.

MEMBER FEEDBACK

Please contact me as soon as possible to convey your questions or suggestions. Communication before the meeting will help make the meeting more productive. You can contact me by telephone at 202-512-5976 or by e-mail at batchelorm@fasab.gov with a cc to paynew@fasab.gov.

Attachment A- Staff Analysis

As noted in the cover memo, this memo and analysis addresses the second issue area discussed at the June 2017 meeting that related to clarifying asset recognition standards and related reporting to resolve the question of assignment of assets within a reporting entity.

Individual FASAB standards addressing asset recognition and related reporting do not provide detailed guidance useful to resolving the question of what component reporting entity should report assets. Statement of Federal Financial Accounting Concepts 5, *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements*, paragraphs 10 through 16 provide concepts for associating elements with an entity. Based on these concepts, an asset would be recognized by the component reporting entity having a comprehensive relationship to it.

Based on feedback, this is a void in the standards that presents an obstacle for large and complex organizations. The effort to assign elements based on the current standards and concepts is especially challenging. For example, many specialized components provide services to other components of DoD. Law may prohibit one component from owning assets; instead another component funds and owns the assets; that entity hosts the component using the assets. In such cases, there may or may not be a financial transaction related to use of the assets.

Therefore, it appears the issue should be addressed. As noted in the cover memo, the Board determined staff should address each of the four provisions (from the June 2017 meeting) separately and in the appropriate GAAP-level document.

Technical Bulletins (TBs) provide guidance for applying existing FASAB Statements and Interpretations and resolving accounting issues not directly addressed by them. Due process procedures, content specifications, and voting requirements are found in Technical Bulletin 2000-1, *Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance*. (See **Attachment C** for TB-2000-1)

The following kinds of guidance may be provided in a TB:

- a. Guidance to clarify, explain, or elaborate on an underlying Statement or Interpretation,
- b. Guidance to address areas not directly covered by existing Statements or Interpretations,
- c. Interim guidance on problems in applying an existing Statement or Interpretation currently under study by the FASAB, or
- d. If applicable, guidance for applying FASB or GASB standards to federal activities.

TB 2000-1 provides guidelines for assessing whether an issue may be resolved by issuing a TB. Based on staff's assessment, staff believes a TB would be the most appropriate GAAP guidance because it is not expected to cause a major change in

accounting practice. As explained at the June meeting, though applicable government wide, staff doesn't anticipate a major change by most reporting entities. We had surveyed certain reporting entities and learned that this guidance would not affect them. Further, this question had only come through on technical inquiries from the DoD. In addition, staff does not view there to be an administrative cost involved in implementing the guidance nor does the guidance conflict with a broad fundamental principle or create a novel accounting practice.

If Board members agree and support guidance through a TB, the due process time and procedures are much shorter than for other types of guidance. FASAB members will be provided with copies of a TB before its release for comment. Within 15 days of sending the draft TB to FASAB members, the Executive Director will review member comments and confirm that a majority do not object to the proposed TB.

TBs are exposed for a minimum of 15 days—the due process requirements are similar for maintaining a public record of all written comments received. All comments received on the draft TB will be given to the Board before final issuance. A TB will not be issued if a majority of the FASAB members object either to the guidance in it or to communicating that guidance in a Technical Bulletin.

Also note that TBs are “typically” done in Q & A format because they are addressing a question or issue that was presented to the FASAB. The last TB was issued in 2011. Members may view other TBs at <http://fasab.gov/document-by-chapter/>

STAFF RECOMMENDATION & QUESTIONS FOR THE BOARD:

Staff recommends using a Technical Bulletin to clarify asset recognition standards and related reporting to resolve the question of what component reporting entity should report the assignment of assets within a reporting entity. **Does the Board agree with the staff recommendation?**

If the Board agrees with the staff recommendation, staff requests Board member feedback on the Draft Technical Bulletin, *Assigning Assets to Component Reporting Entities*, at the August meeting so that the draft can be issued for public comment.

Alternatively, if members disagree, what alternatives do you prefer to address the issue?



Federal Accounting Standards Advisory Board

ASSIGNING ASSETS TO COMPONENT REPORTING ENTITIES

Technical Bulletin 2017-1

Exposure Draft

Written comments are requested by [15- 30 days after issuance]

[Month day, year]

TAB B2-ATTACHMENT B- Draft – AUGUST 2017 BOARD MEETING

THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB or "the Board") in October 1990. FASAB is responsible for promulgating accounting standards for the United States government. These standards are recognized as generally accepted accounting principles (GAAP) for the federal government.

Accounting standards are typically formulated initially as a proposal after considering the financial and budgetary information needs of citizens (including the news media, state and local legislators, analysts from private firms, academe, and elsewhere), Congress, federal executives, federal program managers, and other users of federal financial information. The proposed standards are published in an exposure draft for public comment. In some cases, a discussion memorandum, invitation for comment, or preliminary views document may be published before an exposure draft is published on a specific topic. A public hearing is sometimes held to receive oral comments in addition to written comments. The Board considers comments and decides whether to adopt the proposed standards with or without modification. After review by the three officials who sponsor FASAB, the Board publishes adopted standards in a Statement of Federal Financial Accounting Standards. The Board follows a similar process for Statements of Federal Financial Accounting Concepts, which guide the Board in developing accounting standards and formulating the framework for federal accounting and reporting.

Additional background information is available from the FASAB or its website:

- ["Memorandum of Understanding among the Government Accountability Office, the Department of the Treasury, and the Office of Management and Budget, on Federal Government Accounting Standards and a Federal Accounting Standards Advisory Board"](#)
- ["Mission Statement: Federal Accounting Standards Advisory Board."](#) exposure drafts, [Statements of Federal Financial Accounting Standards and Concepts](#), [FASAB newsletters](#), and other items of interest are posted on FASAB's website at: www.fasab.gov

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Federal Accounting Standards Advisory Board

ISSUE DATE

TO: ALL WHO USE, PREPARE, AND AUDIT FEDERAL FINANCIAL INFORMATION

Your comments on the exposure draft of a proposed Technical Bulletin, entitled *Assigning Assets to Component Reporting Entities*, are requested. Specific questions for your consideration appear on page 3 but you are welcome to comment on any aspect of this proposal. If you do not agree with the proposed approach, your response would be more helpful to the Board if you explain the reasons for your position and any alternative you propose. Responses are requested by **DUE DATE**.

All comments received by the FASAB are considered public information. Those comments may be posted to the FASAB's website and will be included in the project's public record.

Mail delivery is delayed by screening procedures. Therefore, please provide your comments in electronic form by e-mail to fasab@fasab.gov. If you are unable to e-mail your responses, we encourage you to fax the comments to (202) 512-7366. Alternatively, you may mail your comments to:

Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
Mailstop 6H19
441 G Street, NW, Suite 6814
Washington, DC 20548

We will confirm receipt of your comments. If you do not receive confirmation, please contact our office at 202.512.7350 to determine if your comments were received.

The Board's rules of procedure provide one or more public hearings may be held on any exposure draft. No hearing has yet been scheduled for this exposure draft. Notice of the date and location of any public hearing on this document will be published in the Federal Register and in the FASAB's newsletter.

Sincerely,

Wendy M. Payne
Executive Director

EXECUTIVE SUMMARY

WHAT GUIDANCE IS BEING PROPOSED?

Assets may be owned by one component of a larger reporting entity, such as a department, but used and/or funded by another component of the same entity. Individual standards addressing asset recognition and related reporting do not provide detailed guidance useful to resolving the question of what component reporting entity should report the asset. This is especially challenging for large complex departments such as the Department of Defense that have numerous components and sub-components.

This Technical Bulletin (TB) is intended to clarify existing standards. The TB provides that assets may be assigned to component reporting entities on a basis determined by management. For example, an asset may be assigned to the component reporting entity holding legal title, funding the asset, or using the asset in its operations. There should be a process in place to ensure all assets within a reporting entity are assigned to one of its components or sub-components. The TB provides additional guidance regarding defining components and sub-components within larger reporting entities. It explains that assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components, or responsibility segments within the same larger reporting entity or department.)

HOW WOULD THIS PROPOSAL IMPROVE FEDERAL FINANCIAL REPORTING AND CONTRIBUTE TO MEETING THE FEDERAL FINANCIAL REPORTING OBJECTIVES?

This proposal would facilitate reporting for large and complex organizations so that reporting is better aligned with its operations. Given the complex responsibilities and relationships among the components of large departments, this proposal would result in less costly financial reporting by aligning reporting with established funding and governance structures. This proposal would also reduce the barriers to and cost of adopting generally accepted accounting principles.

The provisions of this TB need not be applied to immaterial items. The determination of whether an item is material depends on the degree to which omitting or misstating information about the item makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or the misstatement.

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QUESTIONS FOR RESPONDENTS

FASAB staff encourages you to become familiar with all proposals in the technical bulletin before responding to the questions in this section. In addition to the questions below, staff also would welcome your comments on other aspects of the proposed technical bulletin. Because the proposals may be modified before a final technical bulletin is issued, it is important that you comment on proposals that you favor as well as any that you do not favor. Comments that include the reasons for your views will be especially appreciated.

FASAB staff believes that this proposal would improve federal financial reporting and contribute to meeting the Federal financial reporting objectives. Staff has considered the perceived costs associated with this proposal. In responding, please consider the expected benefits and perceived costs and communicate any concerns that you may have in regard to implementing this proposal.

The questions in this section are available in a Word file for your use at <http://www.fasab.gov/documents-for-comment/>. Your responses should be sent by e-mail to fasab@fasab.gov. If you are unable to respond by e-mail, please fax your responses to (202) 512-7366. Alternatively, you may mail your responses to:

Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
Mailstop 6H19
441 G Street, NW, Suite 6814
Washington, DC 20548

All responses are requested by **[insert date]**.

- Q1. The proposed Technical Bulletin provides that assets may be assigned to component reporting entities on a basis determined by management. For example, an asset may be assigned to a component reporting entity holding legal title, funding the asset, or using the asset in its operations. However, assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components, or responsibility segments within the same larger reporting entity or department.)

Do you agree or disagree? Please provide the rationale for your answers.

- Q2. The proposed Technical Bulletin requires reporting entities to disclose the policies used to assign significant assets.

Do you agree or disagree? Please provide the rationale for your answers.

PROPOSED TECHNICAL GUIDANCE

SCOPE

1. **What reporting entities are affected by this technical bulletin?**
2. This guidance applies to all reporting entities that present general purpose federal financial reports (GPFFRs), including the consolidated financial report of the U.S. Government (CFR), in conformance with generally accepted accounting principles (GAAP) as defined by paragraphs 5 through 8 of Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.
3. **What accounting practices are addressed in this technical bulletin?**
4. This guidance clarifies asset recognition standards and related reporting to resolve the question of what component reporting entity should report the asset as well as related amounts such as deferred maintenance and repair.
5. **Are there certain assets that are excluded from this guidance?**
6. Yes, Fund Balance with Treasury is excluded from this guidance. In addition, any assets that are not assets of the reporting entity cannot be assigned by the reporting entity.
7. **How should assets be assigned to component reporting entities?**
8. Existing standards and guidance addressing asset recognition and related reporting do not provide detailed guidance useful to resolving the question of what component reporting entity should report the asset as well as related amounts such as deferred maintenance and repair.
9. Assets may be assigned to component reporting entities on a basis determined by management. For example, an asset may be assigned to the component reporting entity holding legal title, funding the asset, or using the asset in its operations. There should be a process in place to ensure all assets within a reporting entity are assigned.
10. **Is there additional guidance as to what constitutes a reporting entity, a component reporting entity, and a sub-component reporting entity?**
11. Yes. SFFAS 47, *Reporting Entity*, provides the framework for determining what organizations (i.e. component reporting entities or subcomponents) should be included in the reporting entity's general purpose federal financial reports for financial accountability purposes. SFFAS 47 also provides that "component reporting entity" is used broadly to refer to a reporting entity within a *larger reporting entity*.¹ Examples of component reporting

¹ The larger reporting entity could be the government-wide reporting entity or another component reporting entity.

entities include organizations such as executive departments, independent agencies, government corporations, legislative agencies, and federal courts. Component reporting entities would also include *sub-components* (those components included in the GPFFR of a larger component reporting entity) that may themselves prepare GPFFRs. One example is a bureau that is within a larger department that prepares its own standalone GPFFR.

12. Assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components or responsibility segments within the same larger reporting entity or department).

DISCLOSURE REQUIREMENTS

13. Reporting entities should describe the policies used to assign significant assets.

EFFECTIVE DATE

14. The requirements of this Technical Bulletin are effective upon issuance.

The provisions of this Technical Bulletin need not be applied to immaterial items.
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APPENDIX A: BASIS FOR CONCLUSIONS

The Federal Accounting Standards Advisory Board has authorized its staff to prepare technical bulletins to provide timely guidance on certain financial accounting and reporting problems, in accordance with the Board's rules of procedure, as amended and restated through December 2003, and the procedures described in FASAB Technical Bulletin 2000-1, "Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance." The provisions of technical bulletins need not be applied to immaterial items.

This appendix discusses some factors considered significant by staff in reaching the conclusions in this technical bulletin. It includes the reasons for accepting certain approaches and rejecting others. Some factors were given greater weight than other factors. The guidance enunciated in the technical guidance section – not the material in this appendix – should govern the accounting for specific transactions, events or conditions.

This guidance may be affected by later Statements. The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent Statements that amend this guidance. Within the text of the Statements, the authoritative sections are updated for changes. However, this appendix will not be updated to reflect future changes. The reader can review the basis for conclusions of the amending Statement for the rationale for each amendment.

PROJECT HISTORY

Department of Defense Implementation Guidance Request Project

- A1. In 2014, the Department of Defense (DoD) requested FASAB's consideration of a project after identifying several financial reporting areas of concern and related audit challenges. The Board agreed to undertake a project to address these areas by providing practical guidance within the framework of existing accounting standards and, where necessary, by providing the appropriate guidance to address issues not addressed within the framework of existing accounting standards.
- A2. While DoD continues its efforts to comply with the Chief Financial Officers Act of 1990 (as amended), it has noted certain challenges in satisfying existing standards. This Technical Bulletin is proposed in response to DoD's request for guidance related to certain intragovernmental transactions – including transactions and balances among DoD components - that DoD performs throughout execution of its mission that cannot be addressed effectively within the framework of existing accounting standards.
- A3. Assets may be owned by one component of a large department but used and/or funded by another component. Individual standards addressing asset recognition and related reporting do not provide detailed guidance useful to resolving the question of what component reporting entity should report the asset as well as related amounts such as deferred maintenance and repair.
- A4. This is especially challenging for large complex departments such as the DoD that have numerous component reporting entities and sub-components. Many specialized

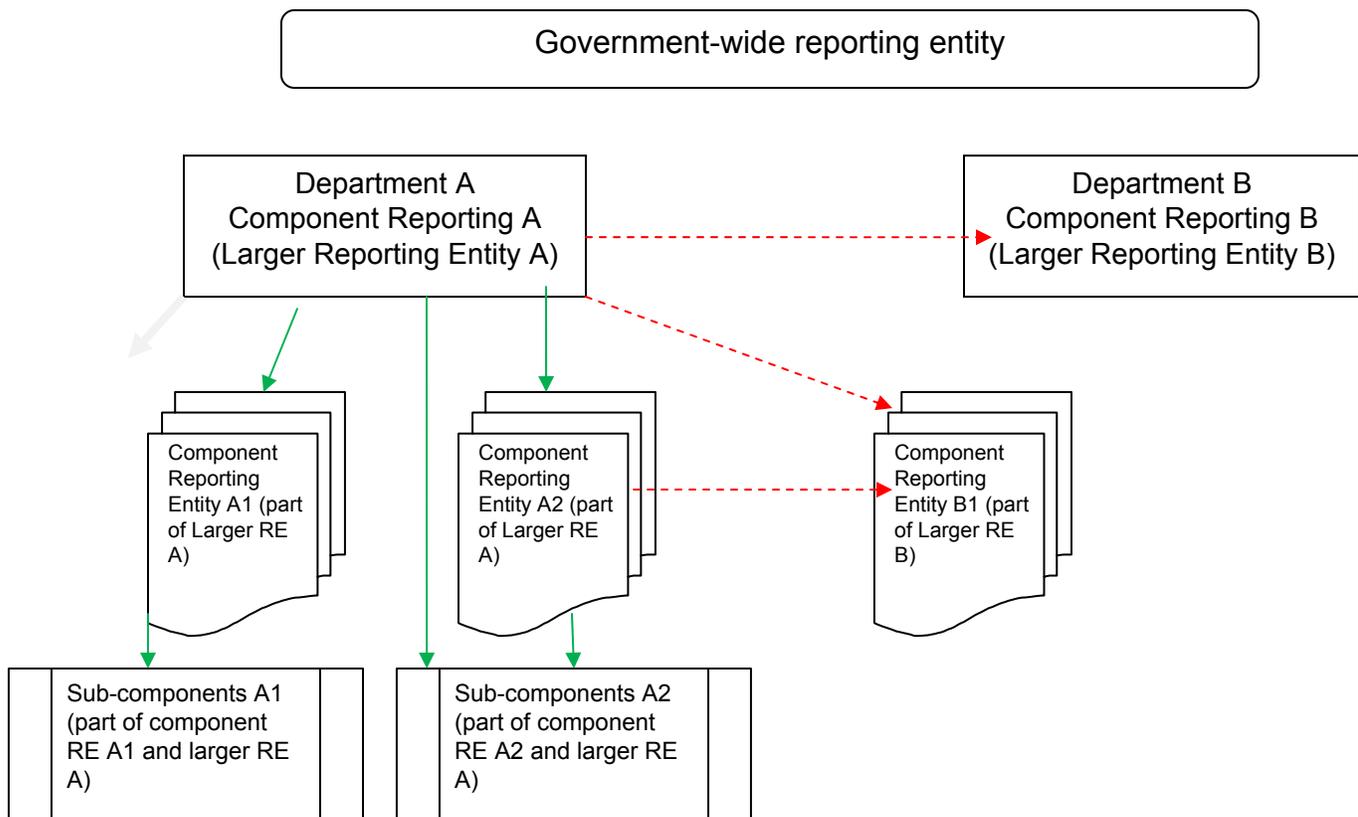
components provide services to other components of DoD. There are many complex relationships among the components and sub-components of DoD. In addition, law may prohibit one component from owning assets; instead another component owns the assets and hosts the component using the assets. In such cases, there may or may not be a financial transaction related to use of the assets.

- A5. An example for the DoD would be when one service, such as the Navy has possession and use of a helicopter that was purchased (owned) by the Air Force. In using the helicopter, the Navy alters the state of the equipment by making major improvements that extend the useful life and increase capabilities. In this example, DoD has asked if the Air Force carries the base asset, is it appropriate for Navy to carry the improvement. Alternatively, it may be more appropriate for the Air Force to recognize the entire asset including improvements funded by the Navy. There are numerous examples such as this that relate to relationships among the components and sub-components of DoD, shared ownership of assets, improvements as well as maintenance of such equipment.
- A6. This technical guidance is intended to clarify existing standards by providing that assets may be assigned to component reporting entities within a larger component reporting entity on a basis determined by management. Management may decide which component reporting entity should report each asset. For example, an asset may be assigned to the component reporting entity holding legal title, funding the asset, or using the asset in its operations.
- A7. There should be a process in place to ensure all assets within a reporting entity are assigned. In addition, assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components or responsibility segments within the same larger reporting entity or department.) Appendix B—Illustration offers a non-authoritative diagram that may be useful in understanding the application of this guidance.

APPENDIX B: ILLUSTRATION

This diagram illustrates how the provisions of this Technical Bulletin could be applied to organizations. It is presented for illustrative purposes only and is nonauthoritative. It does not:

1. represent actual organizations,
2. provide a thorough analysis of all the facts and circumstances that are needed to reach a conclusion in practice,
3. indicate a preferred method of analyzing facts and circumstances, and
4. substitute for the application of professional judgment to actual facts and circumstances.



Assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components or responsibility segments within the same larger reporting entity or department.) In the illustration, this would represent assignments connected with the green solid line.

Assets may not be assigned to component (or sub-component) reporting entities that are not part of the same larger reporting entity. This would prohibit assigning assets across departments. These are depicted with a red dashed line above.

APPENDIX C: ABBREVIATIONS

CFR	Consolidated financial report of the U.S. government
DoD	Department of Defense
ED	Exposure draft
FASAB	Federal Accounting Standards Advisory Board
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
OMB	Office of Management and Budget
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards
TB	Technical Bulletin

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Technical Bulletin 2000-1: Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance

Status

Issued	June 2000
Effective Date	June 2000
Interpretations and Technical Releases	None.
Affects	None.
Affected by	None.

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Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance	3

1. On October 19, 1999, the Council of the American Institute of Certified Public Accountants (AICPA) adopted an amendment to Rule 203 of the AICPA's Code of Professional Ethics. This amendment recognized accounting standards published by the Federal Accounting Standards Advisory Board as generally accepted accounting principles (GAAP) for federal financial reporting entities. The amendment recognized FASAB as the source of GAAP for federal entities. Consequently, the Federal Accounting Standards Advisory Board has authorized its staff to prepare FASAB Technical Bulletins to provide timely guidance on certain financial accounting and reporting problems of federal financial reporting entities. This Bulletin describes the purpose and scope of FASAB Technical Bulletins, the procedures for issuing them, and related background information.
2. The FASAB anticipates that it will communicate primarily through the issuance of Statements and Interpretations. Such pronouncements may require extensive due process, including appointing task forces and holding public hearings. The FASAB also recognizes the need for providing timely guidance to financial statement preparers and attestors for both currently emerging and existing problems.
3. To provide timely guidance within the context of the standard FASAB procedures, Technical Bulletin procedures provide for both due process (more limited in scope and within a tighter minimum time frame than provided for Statements and Interpretations) and review by FASAB members.
4. FASAB Technical Bulletins provide guidance for applying FASAB Statements and Interpretations and resolving accounting issues not directly addressed by them. The following kinds of guidance may be provided in a Technical Bulletin:
 - a. Guidance to clarify, explain, or elaborate on an underlying Statement or Interpretation,
 - b. Guidance to address areas not directly covered by existing Statements or Interpretations,
 - c. Interim guidance on problems in applying an existing Statement or Interpretation currently under study by the FASAB, or
 - d. If applicable, guidance for applying FASB or GASB standards to federal activities.
5. The FASAB staff analyzes an accounting or reporting problem that comes to the FASAB's attention to determine whether the problem may be resolved by issuing a FASAB Technical Bulletin. Generally, a Technical Bulletin can provide guidance if the problem can be resolved within the following guidelines:
 - a. The guidance is not expected to cause a major change in accounting practice.

- b. The administrative cost involved in implementing the guidance is not expected to be significant to most affected entities.
- c. The guidance does not conflict with a broad fundamental principle or create a novel accounting practice.

Generally, a FASAB Statement or Interpretation is more appropriate than a Technical Bulletin if any of these guidelines is not met.

- 6. FASAB members will be provided with copies of all draft Technical Bulletins before their release for comment by interested parties. Within 15 days of sending the draft TB to FASAB members, the Executive Director will review any member comments and consult with members on any issues identified. Based on the comments and consultation, the Executive Director will determine if a majority of members do not object to the proposed Technical Bulletin.
- 7. If a majority of the FASAB members do not object, the Executive Director will release the proposed Technical Bulletin to selected knowledgeable persons for comment. Those persons include members of the CFO Council, the President's Council on Integrity and Efficiency, the Joint Financial Management Improvement Program, CPA firms, and others the Executive Director and members of FASAB believe should be consulted. Proposed Bulletins will be publicized by electronic communication with interested parties and by posting to FASAB's World Wide Web site during an exposure period of at least 15 days.¹ The FASAB will maintain a public record of proposed Bulletins and all written comments received. The public record will be available for inspection at the FASAB's offices.
- 8. All comments received on draft Technical Bulletins will be given to the Board for its consideration at a public meeting before final issuance. A Bulletin will not be issued if a majority of the FASAB members object either to the guidance in it or to communicating that guidance in a Technical Bulletin.
- 9. The FASAB may support use of a Technical Bulletin because the nature of the accounting issue addressed and the guidance provided do not, in its judgment, warrant more extensive due process. If the appropriateness of issuing a Technical Bulletin is in doubt, the FASAB may choose instead to issue a Statement or Interpretation or take other action as it deems appropriate.

¹Determination of the length of the exposure period will depend on the nature and urgency of the issue. The Board generally prefers that exposure periods be longer than the minimum required and expects that normally exposure periods will be for at least 30 days.

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10. Each Technical Bulletin will specify an effective date and transition provisions for initial application. While the FASAB expects that most Technical Bulletins will be applied prospectively, Technical Bulletins may require retroactive application if appropriate in the circumstances.
 11. The FASAB monitors the procedures for issuing FASAB Technical Bulletins and may modify these procedures from time to time. Any modification will be announced publicly.
 12. FASAB Technical Bulletins are generally in question-and-answer format and are published with this legend:

The Federal Accounting Standards Advisory Board has authorized its staff to prepare FASAB Technical Bulletins to provide timely guidance on certain financial accounting and reporting problems, in accordance with section III. I. 5 of the Board's rules of procedure, as amended and restated through October 1, 1999 and the procedures described in FASAB Technical Bulletin 2000-1, Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance. The provisions of Technical Bulletins need not be applied to immaterial items.

The FASAB has reviewed this Technical Bulletin and a majority of its members do not object to its issuance.