Federal Accounting Standards Advisory Board

April 11, 2012

Memorandum

To: Members of the Board

From: Julia E. Ranagan, Assistant Director

Monica R. Valentine, Assistant Director

Through: Wendy M. Payne, Executive Director

Subject: Risk Assumed Informational Update – **Tab H-1**[1]

MEETING OBJECTIVES

To provide an update on activities undertaken by staff on the risk assumed project. This material is being provided for informational purposes only and will not be discussed at the April meeting unless specifically requested by one or more board members.

BRIEFING MATERIAL

- ❒ Staff Memo
- ❒ Attachment 1 – Commitments and Obligations Task Force Invitation
- ❒ Appendix 1 – Risk Assumed Project Plan

BACKGROUND

At the August 24, 2011, board meeting, members discussed and subsequently approved a risk assumed project plan proposal from staff (see Appendix 1). Following that meeting, staff began preliminary research on the risk assumed project by developing an inventory of risk assumed by the federal government, a detailed task force plan, and a list of potential task force members.

[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.

STAFF ANALYSIS AND RECOMMENDATIONS

Staff plans to address two particular groups of risk assumed first: (a) insurance and guarantees and (b) commitments and obligations (e.g., grants, contracts, treaties, and other undelivered orders beyond grants and contracts). Staff has developed a task force plan for each and plans to hold its first task force meeting for commitments and obligations on Wednesday, May 9, 2012, and for insurance and guarantees on Tuesday, May 22, 2012. Staff has attached a copy of the task force invitation it plans to send to participants of the Commitments and Obligations Task Force next week (see Attachment 1). A similarly structured invitation will be sent out to the Insurance and Guarantee Task Force members within the next couple of weeks. Staff plans to present the task forces' recommendations and suggestions to the board at a subsequent meeting.

QUESTION

Would you like to discuss this material at the April board meeting? If yes, please contact Wendy Payne at paynew@fasab.gov or 202.512.7357 immediately.