Federal Accounting Standards Advisory Board

April 13, 2012

Memorandum

To: Members of the Board

From: Eileen W. Parlow, Assistant Director

Through: Wendy M. Payne, Executive Director

Subj: Non-Federal Investments: Status **Tab H – 3** [1]

MEETING OBJECTIVE

The objective of this session is to update the Board on the status of the project on Non-Federal Investments. Unless a member requests, the update will not be a discussion item on the agenda.

BRIEFING MATERIAL

This memorandum includes a discussion of the project and a summary timeline.

BACKGROUND

In accordance with the Board's decision at the August 2011 Board meeting, this project will primarily focus on investments and other assets resulting from the federal government's intervention/bailout activities.

The primary objectives of this project are to address how these investments should be reported in order to assist report users in determining:

a) Operating Performance: What and where are the important assets of the U.S. government, and how effectively are they managed?

b) Stewardship: Did the government's financial position improve or deteriorate over the period?

The specific objectives of this project are:

a) Establish definitions and meaningful categories of investments

[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.

b) Develop recognition and measurement guidance, including remeasurement

c) Develop disclosure requirements

Staff will work with a task force with the proposed representatives:

- One representative from the Government Accountability Office (GAO) with audit expertise in the government's non-federal investments
- One representative from the Office of Management and Budget (OMB) with subject-matter expertise in credit reform accounting
- One representative from Treasury Office of Financial Stability
- Other federal subject matter experts TBD
- Non-federal subject matter experts TBD

The task force will consider existing FASAB concepts and standards as well as relevant legislation. The task force will also consider relevant standards in other domains as needed. The purpose of the investments and other assets and the reporting objectives for the federal government will be considered in developing proposed standards.

SUMMARY TIMELINE

Per the discussion at the August 2011 Board meeting, a revised estimate for the completion of this project is two years. In addition, task force meetings must accommodate task force members' availability on conjunction with the federal reporting cycle.

April 2012 – September 2012

- Staff recruits task force members and prepares briefing materials for an initial task force meeting to be held in July 2012. Issues and recommendations will be developed in consultation with the task force.

October 2012 Meeting

- Staff presents issue paper with recommendations on all major issues for Board decisions and seeks concurrence before drafting an exposure draft.

December 2012 Meeting

- Staff presents preliminary draft ED for Board review and discussion with planned task force meeting to review a preliminary draft ED in January 2013.

February 2013 Meeting

- Staff presents revised draft ED with task force comments and recommendations for Board review and discussion.

April 2013 Meeting

- Staff presents preballot draft ED for Board review and discussion.

June 2013 Meeting

- Staff presents ballot draft ED for Board approval.

July 2013

- ED issued, with comments due in September 2013.

October 2013 Meeting

- Staff presents issue paper with analysis of comments received and staff recommendations, including preliminary draft SFFAS.

February 2014 Meeting

- Staff presents preballot draft SFFAS for Board approval.

April 2014 Meeting

- Staff presents ballot draft SFFAS for Board approval.

May 2014

- SFFAS transmitted to FASAB principals for approval.

August 2014

- Final SFFAS issued.