

**From:** [FASAB](#)  
**To:** [Valentine, Monica R](#)  
**Subject:** FW: VA Comments-FASAB's Three Year Plan  
**Date:** Friday, January 19, 2024 8:28:13 AM  
**Attachments:** [FASAB Input 01.18.2024 final.xlsx](#)

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**From:** OFP Accounting Policy  
**Sent:** Thursday, January 18, 2024 6:02 PM  
**To:** FASAB <FASAB@FASAB.gov>  
**Cc:** Koontz, Jennifer ; Magdon, Leyna C. ; Del Bianco, Rebecca ; Baldwin Wilson, Lisa M.; OFP Accounting Policy ; Iyassu, Sossina A.  
**Subject:** VA Comments-FASAB's Three Year Plan

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Good Evening,

Attached is VA's comments on FASAB's Three-Year Plan.

Please let us know if you have any questions.

Thank you,  
Sossina Iyassu  
Department of Veterans Affairs  
Office of Financial Policy, Accounting Policy Service (APS)

## VA's comments on FASAB's FY 2023 Three-Year Plan

Pg #	Comment
4 and 16 (Leases)	<p>The FASAB report should also include that the representatives from many key agencies such as DOE, DOI, State, and the VA (representing 7 other federal agencies) stressed key agency pain points around lack of SFFAS 54 software and systems, lack of value proposition, significant cost, embedded lease complications, and accounting complexity to the Board; and that 5 of 6 agencies, including FAA, requested FASAB delay Standard 54's effective date by at least a year. The FASAB report should acknowledge the fact that many agencies do not have systems in place to implement SFFAS-54 and therefore will require manual computations. For the Veterans Administration, this is further complicated by this requirement coming in the midst of a major financial systems transition impacting the entire organization.</p>
4 and 14 (Climate)	<p>As FASAB staff is researching and gathering information to provide guidance to agencies on how to report on climate-related events, requesting that FASAB Board and staff consider that agencies have limited resources and do not have the flexibility to invest in their accounting and financial systems due to budget constraints.</p> <p>FASAB should consider that disclosing qualitative information on climate-related financial risks in the AFR is feasible due to existing required climate action plans and sustainability reports. Disclosing quantitative financial data on climate will require greater burden on resources and systems. If it moves forward, a sufficient implementation window should be provided.</p>
13 (Land)	<p>VA experienced an implementation challenge with SFFAS 59 – Accounting and Reporting of Government Land as it relates to the categorization of land between 'PP&amp;E Land' and 'Stewardship Land' as VA cemeteries have operational and preservation characteristics. There also remains some confusion about continuing to use the 'PP&amp;E Land' categorization in FY 2026, at which point land balances will be removed from the Balance Sheet and no longer capitalized. VA recommends that FASAB continue to work with agencies on implementation challenges until SFFAS 59 is fully effective in FY 2026.</p>

## VA's comments on FASAB's FY 2023 Three-Year Plan

<p>15 &amp;16 (Software Technology)</p>	<p>C1. Software Technology- Since the focus is currently on Cloud-service arrangements, recommend that FASAB consider providing an estimated timeline for addressing updates for the other three major source categories (Will they be in scope in the next Three-year plan?):</p> <ul style="list-style-type: none"> <li>ii. Shared services</li> <li>iii. Internal use software updates</li> <li>iv. Other software technology</li> </ul> <p>As FASAB staff is gathering information to provide guidance on software technology, it is recommended that FASAB Board and staff consider agencies limited resources and budget constraints.</p>
<p>19 (MD&amp;A)</p>	<p>Section I (MD&amp;A) - recommend FASAB provide further clarification as it relates to the new updates and what all will be required of agencies to meet FASAB's requirements. Some of the new requirements may involve the need for system enhancements/updates that VA may or may not be able to implement either due to cost restraints or competing current system integration / system enhancement priorities.</p> <p>FASAB should clarify what is meant by reporting on key performance results and the associated costs. Currently VA can report minimal cost and budgetary information that can be readily gleaned from the SNC and SBR. However, if the Board is seeking more granular information, then VA absolutely cannot comply with the requirement. It would require significant investments in VA's IT systems which we do not have resources. We recommend the Board provide a sample MD&amp;A for agencies to utilize as a reference when updating their MD&amp;A.</p>