

Invitation to Comment *Reexamination of Existing Standards*

Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select "individual."

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

FASAB GAAP HIERARCHY QUESTIONS

QUESTION 1.1: The federal GAAP hierarchy in SFFAS 34 provides the sources of accounting principles and the framework for selecting the principles used in the preparation of general purpose financial reports of federal entities that conform with GAAP. **Do you agree that SFFAS 34 clearly and sufficiently explains the federal GAAP hierarchy and its application to federal accounting and reporting?**

Agree

Please explain your response. [Click here to enter text.](#)

QUESTION 1.2: Have you experienced challenges in applying and using the federal GAAP hierarchy in SFFAS 34 to resolve accounting or reporting issues?

Disagree

Please explain your response, including any perceived challenges with applying SFFAS 34 (for example, utility in applying SFFAS 34 to resolving accounting and reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship

Invitation to Comment *Reexamination of Existing Standards*

to other standard setters when FASAB guidance is silent, inconsistencies with different levels of GAAP, or questions regarding the application of “practices that are widely recognized and prevalent in the federal government.”)

The timing of SFFAS and Technical Bulletins/Releases should be at the same time, to include OMB and Treasury guidance. The OMB and Treasury guidance should include proposed changes to circulars (OMB) and Treasury (posting models, guidance, reporting system changes, ie – CARS, GTAS, etc). Agencies need time to implement all of the above factors, which in most cases includes updates to accounting systems, internal guidance/standard operating procedures, etc.

SFFAS 34 clearly explains the FASAB hierarchy. If FASAB guidance is silent, the administrative directives usually address the issue. There have not been discrepancies between FASAB guidance and the administrative directives nor among the various administrative directives. Do not need to clarify authoritative vs non-authoritative guidance. Practices that are widely recognized and prevalent in the federal government is somewhat unclear, but it allows agencies to adopt common practices and guidance for further consistencies (e.g., Reclamation, Western Area Power Administration, Bonneville Power Administration and US Army Corps of Engineers jointly publish a “Replacements” book to identify units of property vs maintenance, useful lives, etc. on complex property with multiple components such as dams and powerplants.)

REEXAMINATION OF FASAB STANDARDS QUESTION

QUESTION 2: Below are the 23 reexamination topic areas for which the Board is requesting your response. Respondents may review [Appendix A: Reexamination Table of Pronouncements](#)¹ in its entirety for a full understanding. **For each reexamination topic (column 1), please indicate the priority level for reexamination from the following options:**

(1) High priority: topic and related SFFASs are of significant concern and should be included in the reexamination with priority. Please provide ***no more than five*** high priority topics.

(2) Medium priority: topic and related SFFASs are of concern and should be included in the reexamination, but after high priority topics are addressed.

(3) Low priority: topic and related SFFASs are not of concern and do not need to be reexamined at this time.²

¹ [Appendix A: Reexamination Table of Pronouncements](#) provides more details regarding how the 61 SFFASs result in 23 reexamination topics for consideration.

² The Board anticipates that the topics for reexamination will need to be reassessed in the future.

Invitation to Comment

Reexamination of Existing Standards

Please explain your response, including specific details³ and examples to support your rationale, especially those ranked high priority and medium priority. Provide information (including specific SFFAS references where appropriate) that would help the Board understand why the reexamination of a particular SFFAS might take precedence or be considered more important than other SFFASs. To accomplish this, the Board is seeking feedback from respondents on where they believe there are opportunities for the Board to improve guidance within the 23 reexamination topics. This includes the following potential improvements:

- Streamlining authoritative guidance
- Eliminating or revising unclear requirements
- Eliminating disclosures and other required information that may no longer benefit users
- Filling gaps in the standards where the guidance either does not address or does not adequately address areas where federal financial reporting objectives are not being met
- Resolving inconsistencies in current practice
- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns
- Considering overlaps or redundancy in requirements

Please be explicit regarding opportunities to eliminate or revise requirements, whether those are in the standards or elsewhere. Stakeholder feedback will give the Board insight on respondent's views on these matters.

Topic #1	SFFAS 1, Accounting for Selected Assets and Liabilities Interpretation 10, Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31 TB 2020-1, Loss Allowance for Intragovernmental Receivables
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Low Priority

DOI does not have any reporting concerns related to SFFAS 1

Topic #2	SFFAS 2, Accounting for Direct Loans and Loan Guarantees AS AMENDED BY: SFFAS 18 , SFFAS 19
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Low Priority

DOI does not have any reporting concerns related to SFFAS 2

Topic #3	SFFAS 3, Accounting for Inventory and Related Property
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³ For example, respondents may offer detail in terms of materiality, audit findings, cost-benefit, or other significant information to explain the need for reexamination of the SFFAS.

Questions for Respondents

Responses Due: September 15, 2023

Invitation to Comment
Reexamination of Existing Standards

	AS AMENDED BY: SFFAS 48 Interpretation 7 , <i>Items Held for Manufacture</i>
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Low Priority**DOI does not have any reporting concerns related to SFFAS 3**

Topic #4	SFFAS 4 , <i>Managerial Cost Accounting Standards and Concepts</i> AS AMENDED BY: SFFAS 55
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Low Priority**DOI does not have any reporting concerns related to SFFAS 4**

Topic #5	SFFAS 5 , <i>Accounting for Liabilities of The Federal Government</i> AS AMENDED BY: SFFAS 12 , SFFAS 25 Interpretation 2 , <i>Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5</i> Interpretation 4 , <i>Accounting for Pension Payments in Excess of Pension Expense</i> TB 2002-1 , <i>Assigning to Component Entities Costs and Liabilities that Result from Legal Claims Against the Federal Government</i> TB 2017-1 , <i>Intragovernmental Exchange Transactions</i>
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Low Priority**DOI has been able to accommodate the requirements of SFFAS 5 with some difficulty and audit scrutiny; in particular the USPP Pension Actuarial Liability processes.**

Topic #6	SFFAS 6 , <i>Accounting for Property, Plant, and Equipment</i> AS AMENDED BY: SFFAS 23 , SFFAS 40 , SFFAS 50 Interpretation 9 , <i>Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6</i> TB 2006-1 , <i>Recognition and Measurement of Asbestos-Related Cleanup Costs</i> (as amended by TB 2009-1 and TB 2011-2) TB 2017-2 , <i>Assigning Assets to Component Reporting Entities</i>
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Medium Priority

1) It would be helpful to clarify Paragraph 31, general PP&E transferred from other Federal entities to address various capitalization thresholds. For example, the original entity may have expensed the costs for not meeting their capitalization threshold, but the PP&E meets the receiving entity's threshold. If the receiving entity uses the fair value at the time transferred, it will cause elimination issues. This would not apply to entities who erroneously expense general PP&E instead of capitalizing.

2) Potential Improvement Topic: Recommendation to Revise

Invitation to Comment
Reexamination of Existing Standards

Asset Recognition: Paragraph 26:

For example, the cost of acquiring property, plant, and equipment may include...

--fair value of facilities and equipment donated to the government (recommendation that "if known and material" or "if estimable and material" be added – donated value is generally left to the donor for income tax purposes, e.g., when an individual donates to a thrift store a receipt can be given; however, the thrift store does not provide a value for the donated items, the same should be true for donations to federal entities – there isn't any income tax benefit for declaring a value) also see Paragraph 30 "...shall be estimated fair value at the time acquired by the government..."

Potential Improvement Topic: Filling gaps in the standards where the guidance either does not address or does not adequately address areas...

--clarification requested for when and how to report "demolition" costs

3) Did not list SFFAS 42 here as documented on the ITC_Released_05_15_23.pdf.

Topic #7	<p>SFFAS 7, <i>Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</i> AS AMENDED BY: SFFAS 20, SFFAS 21, SFFAS 53 Interpretation 5, <i>Recognition by Recipient Entities of Receivable Nonexchange Revenue: An Interpretation of SFFAS 7</i> Interpretation 11, <i>Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313</i> TB 2002-2, <i>Disclosures Required by Paragraph 79(g) of SFFAS 7 Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</i> TB 2017-1, <i>Intragovernmental Exchange Transactions</i></p>
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Medium Priority

1) Potential Improvement Topic: Resolving inconsistencies in current practice

With the exception of the elimination issue created by the transfer of assets from one federal entity which reports it as capitalized general plant, property and equipment to one that reflects it as heritage, NPS does not have any other reporting issues or concerns with this topic.

During this past fiscal year NPS encountered an issue where BLM transferred capitalized GPPE to NPS. The asset would have been expensed as heritage on NPS' books. As a

Invitation to Comment
Reexamination of Existing Standards

result, the transfer accounting resulted in an elimination's imbalance between the two bureaus. SFFAS 7 Par 346 and Par 359 implies there would be an elimination issue, but doesn't provide sufficient guidance for how it should be handled or potentially resolved. NPS suggests FASAB provide some additional guidance on how this type of transaction should be accounted for with the goal of removing the elimination imbalance.

Topic #8	SFFAS 10, Accounting for Internal Use Software
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Medium Priority

SFFAS 54 removed any guidance related to software licenses. Believe software licenses needs to be addressed in SFFAS 10 and clearly defined how to handle. Most software licenses for public software (ie – Microsoft office, any other software where purchaser cannot make enhancements/changes, etc) should be considered 'subscriptions' as they are usually purchases on an annual year basis.

	SFFAS 15, Management's Discussions and Analysis⁴
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DOI would refer you to the exposure draft comments requested for this "Management's Discussion and Analysis, Rescinding and Replacing SFFAS 15" issued on Sep 7th and requested back December 7th.

Topic #9	SFFAS 17, Accounting for Social Insurance AS AMENDED BY: SFFAS 26, SFFAS 37
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Low Priority

DOI does not have any reporting concerns related to SFFAS 17

Topic #10	SFFAS 24, Selected Standards for the Consolidated Financial Report of the United States Government SFFAS 32, Consolidated Financial Report of the United States Government Requirements: Implementing Statement of Federal Financial Accounting Concepts 4 "Intended Audience and Qualitative Characteristics for the Consolidated Financial Report of the United States Government"
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Low Priority

ITC_Release_05_15_23.pdf – SFFAS 26 in the note's column should be to topic 9 and not topic 10

DOI does not have any reporting concerns related to SFFAS 24 & 32

⁴ SFFAS 15, *Management's Discussions and Analysis*, is excluded from reexamination because the SFFAS is currently being reviewed under an active Board project. Respondents may provide general comments and feedback for the Board's consideration.

Invitation to Comment
Reexamination of Existing Standards

Topic #11	SFFAS 27 , <i>Identifying and Reporting Funds from Dedicated Collections</i> AS AMENDED BY: SFFAS 43
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Low Priority

DOI does not have any reporting concerns related to SFFAS 27

Topic #12	SFFAS 29 , <i>Heritage Assets and Stewardship Land</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 29

Topic #13	SFFAS 31 , <i>Accounting for Fiduciary Activities</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 31

Topic #14	SFFAS 33 , <i>Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 33

Topic #15	SFFAS 34 , <i>The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</i>
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Medium Priority

See above Q1.1 and 1.2 for DOI's items for SFFAS 34

Topic #16	SFFAS 36 , <i>Comprehensive Long-Term Projections for the U.S. Government</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 36

Topic #17	SFFAS 38 , <i>Accounting for Federal Oil and Gas Resources</i> TB 2011-1 , <i>Accounting for Federal Natural Resources Other Than Oil and Gas</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 38

In addition, please see comments that will be submitted as part of FASAB's ED

Invitation to Comment
Reexamination of Existing Standards

“Omnibus Amendments: Amending SFFASs 38, 49, and Technical Bulletin 2011-1” due on 21 September.

Topic #18	SFFAS 39 , <i>Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 39

Topic #19	SFFAS 44 , <i>Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 44

Topic #20	SFFAS 47 , <i>Reporting Entity</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 47

Topic #21	SFFAS 49 , <i>Public-Private Partnerships: Disclosure Requirements</i>
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Medium Priority

1) Potential Improvement Topic: Clarifying the standards

SFFAS No. 49 Public-Private Partnerships: Disclosure Requirements, in Paragraph 15.d. – one of the “exclusion” paragraphs - states, “Formal and informal arrangements or transactions that do not share risks or rewards and are solely designed to foster goodwill, encourage economic development, promote research and innovation, or coordinate and integrate strategic initiatives.” The use of “solely” has created confusion when applying this exclusion. Perhaps a substitution of “predominately” could be considered and would add clarification to the analysis process.

2) Service concession arrangements were excluded from the Lease guidance with the intention of addressing them in SFFAS 49.

3) In addition, please see comments that will be submitted as part of FASAB’s ED “Omnibus Amendments: Amending SFFASs 38, 49, and Technical Bulletin 2011-1” due on 21 September.

Topic #22	SFFAS 51 , <i>Insurance Programs</i>
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Low Priority

Invitation to Comment
Reexamination of Existing Standards

DOI does not have any reporting concerns related to SFFAS 51

Topic #23	SFFAS 52, <i>Tax Expenditures</i>
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Low Priority

DOI does not have any reporting concerns related to SFFAS 52

	SFFAS 54, <i>Leases</i> ⁵ AS AMENDED BY: SFFAS 57, SFFAS 60, SFFAS 61 TB 2023-1, <i>Intragovernmental Leasehold Reimbursable Work Agreements</i>
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Potential Improvement Topic: Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns

	SFFAS 56, <i>Classified Activities</i> ⁶ Interpretation 8, <i>An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities</i>
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Currently, DOI does not have any reporting concerns related to SFFAS 56

	SFFAS 59, <i>Accounting and Reporting of Government Land</i> ⁷
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- 1) **Potential Improvement Topic: Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns**

SFFAS No. 59 Accounting and Reporting of Government Land is one of those Statements where there is significant preparer and audit burden versus perceived value of the information. Cost/benefit concerns could be more fully addressed. While not fully implemented as of FY2023, reexamination of this SFFAS is recommended; esp., the transition to Basic/Notes in FY2026. More “user” information is needed as to how acreage and predominant use is being used or intended to be used by the users of the information, which could be ascertained during RSI implementation, i.e., clarification of specific user needs would be helpful. It is difficult to justify the reporting burden and implementation cost that major land holding Agencies are experiencing. It reallocates scarce resources from operations to reporting and auditing.

- 2) **DOI may have concerns that the GAO guidance regarding auditing land is not**

⁵ SFFAS 54, *Leases*, is excluded from the reexamination project because the SFFAS is not yet effective. Respondents may provide general comments and feedback for the Board's consideration.

⁶ SFFAS 56, *Classified Activities*, is excluded from the reexamination project due to the topic. Respondents may provide general comments and feedback for the Board's consideration.

⁷ SFFAS 59, *Accounting and Reporting of Government Land*, is excluded from the reexamination project because the SFFAS is not yet effective. Respondents may provide general comments and feedback for the Board's consideration.

Invitation to Comment
Reexamination of Existing Standards

an alternative for reporting estimated instead of actual acres. Examples include materiality of 5%, confirm all land is reported, confirm detailed records, etc.