



April 11, 2019

Memorandum

To: Members of the Board

Ross Simms

From: Ross Simms, Assistant Director

Wendy M. Payne

Monica R. Valentine

Through: Wendy M. Payne, Out-going Executive Director /Monica Valentine, In-coming Executive Director

Subj: Three-Year Plan and Online Survey Results – **TAB F**¹

MEMBER ACTIONS REQUESTED:

- Prepare to answer questions on page 9 regarding the Board's priorities

MEETING OBJECTIVES

To review the results of an online survey regarding potential projects for the future and written responses regarding the *FY2018 Annual Report and Three-Year Plan for FY2019-2021* ("the Plan"). The combined report allows stakeholders to consider FASAB's progress and invites them to advise the Board about its plans.

BRIEFING MATERIAL

This memo summarizes the results of the Board's online survey regarding potential projects and written responses regarding the Plan. The following attachments and appendix provide detailed responses and additional information for the Board's consideration:

- Attachment I: Comments on Current Projects presents comments and suggestions received regarding the current projects.
- Attachment II: Comments on Additional Projects presents respondents' suggestions regarding additional projects for the Board's consideration.

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.

- Attachment III: Additional Comments presents general comments regarding FASAB operations.
- Attachment IV: Written Responses provides the written responses to the Plan.
- Appendix I: Planning Survey 2018 provides the raw data from the survey.

BACKGROUND

The Board published the Plan on November 15, 2018 and, subsequently, on November 26, 2018, initiated an online survey. The objective of the survey was to help the Board assess project priorities for the next three years and staff publicized the survey to our Listserv and other contacts. Also, to encourage responses, staff issued a reminder notice on January 2, 2019 to its Listserv and the survey period closed on February 8, 2019.

The outreach resulted in 134 participants² which primarily consisted of preparers of financial statements (32% of all respondents). The capacity that best describes each respondent and the number participating is as follows:

- Academia – 8
- Independent Public Accounting Firm - 9
- Professional Organization – 6
- Citizen – 12
- Analyst – 15
- Decision-maker within Federal Government – 14
- Preparer of Financial Statements – 43
- Office of Inspector General – 9
- Other – 16
- Not selected - 2

The Board also requested written comments regarding the Plan. Staff publicized the request to our Listserv and other contacts and issued a reminder notice on February 5, 2019. The written comment period was extended due to the government shutdown and eventually closed on March 11, 2019. Five responses were received (see Attachment 4).

Specific suggestions from these letters include:

1. New statements to compare budget to actual results and present cash flow
2. Information on debt-to-GDP ratios for the countries with the highest ratios
3. Focus on evaluating existing standards and disclosures, reviewing the revenue standards, finalizing the conceptual framework, and distributed ledger technologies

² Participants did not always answer each question posed in the survey.

4. Conform materiality guidance with the Financial Audit Manual, develop an online financial management educational resource library, evaluate the need for salvage value in calculating depreciation expense, and collaborate with OMB and Treasury on implementation guidance
5. Support was offered for all existing projects as well as potential projects on economic condition, the statement of budgetary resources, consistency with other standard-setters, and a codification
6. Suggested potential projects included economic condition and clarifying what level OMB Circular A-136 is within the GAAP hierarchy

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 202-512-2512 or by e-mail at simmsr@fasab.gov with a cc to Ms. Payne at paynew@fasab.gov and Ms. Valentine at valentinem@fasab.gov.

Survey Results

Current Projects

Respondents generally agreed with the Board's current projects. We asked survey respondents to provide written comments regarding the current projects. Some respondents noted that they agree overall with the priorities while others commented on specific projects. For instance, participants noted that the current priorities are appropriate while others expressed support for projects to streamline the reporting model and revisit existing standards. Examples of supportive comments included the following:

I am particularly interested in streamlining the Financial Reporting Model and reviewing the current standards to reduce reporting burden on the agencies and also reduce the audit costs associated with the auditing of the statements.

The current priorities are appropriate and comprehensive.

The Board's current projects appear to have reasonable time lines and well thought out points of measure.

Excellent! The board is addressing the issues that need to be addressed with wisdom and competence.

Fully support the current projects, in particular MD&A reporting summarized performance data, stewardship reporting rescinding SFFAS 8, leases, and note disclosures. New projects allowance for intergovernmental receivables.

Standardization of note disclosures and improvements to the MD&A section should be high priorities

Also, participants expressed concerns regarding the timelines of projects and about the Land and Risk Reporting projects. Examples of comments include the following:

1. I think the Land project in the manner in which it is proceeding will lessen financial management, impair the morale of persons working in financial management, and send a signal that it is OK to not maintain reliable financial data since FASAB will simply issue a standard eliminating the requirement. 2. The projects on the Financial Reporting model, Evaluation of Existing Standards, Materiality, and Note Disclosure appear amorphous and time wasting without any substantive objective.

Risk reporting should have the lowest priority.

I recommend dropping the land project and simplifying the reporting requirements, as much as possible, for the leases and P3 projects. I also recommend focusing the risk reporting project on simplifying loan and loan guarantee reporting.

I disagree with the timeline for the financial reporting model project. The timeline seems too aggressive. I would like to see greater opportunities for input at the agency level. I think the purpose of the project is fine, but it seems that the changes are presented as a "done deal" and handled in a top down manner without an opportunity for input at the planning stage.

The land project is way off base and out of jurisdiction. Leave this to the Federal Real Property Council. The evaluation of existing standards should be to reduce the burden.

Attachment I: Comments on Current Projects presents all the comments provided regarding the current projects.

Educational Projects

Respondents indicated that the Board should consider initiating educational projects. The Board noted that educational resources may be lacking for appointed Chief Financial Officers (CFO) and others new to federal financial accounting; therefore, the Board could take a leadership role in developing educational materials. During our online survey, we asked participants whether they agree or disagree that the Board's educational material might include

1. videos on significant topics such as lease accounting and
2. guides addressing appropriate information for credit program notes and MD&A text.

Participants agreed that both types of material should be a priority. Table 1: Type of Educational Material provides a breakdown of the responses.

Type of Educational Material	No Response	Agree the Effort Should be a Priority	Disagree the Effort Should Be a Priority
Videos on significant topics such as lease accounting	28%	60%	12%
Guides addressing appropriate information for credit program notes and MD&A text	29%	54%	17%

Table 1: Type of Educational Material

We also asked participants about the types of topics they believed should be a part of the Board’s educational efforts. They agreed that each of the following topics should be included:

1. standards to be implemented in the next one- to two-year period;
2. complex standards unique to the federal government such as direct loans and loan guarantees;
3. the federal GAAP hierarchy and how to research issues;
4. accounting for PP&E; and
5. data for improving entity and program performance (covering topics such as techniques for gathering, reporting, and using cost and non-financial data to drive efficiency improvements).

Table 2 Topics provides details on the responses by topic.

Topics	No Response	Agree the Effort Should be a Priority	Disagree the Effort Should Be a Priority
Standards to be implemented in the next one to two-year period	29%	69%	2%
Complex standards unique to the federal government such as direct loans and loan guarantees should be a priority	30%	54%	16%
The federal GAAP hierarchy and how to research issues should be a priority	31%	55%	14%
Accounting for property, plant, and equipment should be a priority	32%	55%	13%
Data for improving entity and program performance; covering topics such as techniques for gathering, reporting, and using cost and non-financial data to drive efficiency improvements should be a priority	31%	50%	19%

Table 2 Topics

Potential Projects

The Plan discussed 17 potential projects the Board could consider addressing and participants strongly supported a project regarding Data Quality and Integration. Other potential projects that received support included Review of Statement of Budgetary Resources and Long-Term Construction/Development/Procurement Contracts. Table 3: Potential Projects provides the responses for each potential project.

Potential Project	No Response	Strongly need additional guidance	Some need for additional guidance	Neutral	Additional guidance not needed
Data Quality and Integration	35%	26%	20%	15%	4%
Review of Statement of Budgetary Resources	33%	22%	22%	18%	5%
Long-Term Construction/development /procurement Contracts	35%	21%	17%	22%	5%
Distributed General Ledger Technology	34%	17%	21%	23%	5%
Hierarchy of Generally Accepted Accounting Principles	35%	16%	23%	17%	9%
Cleanup Costs	33%	16%	22%	22%	7%
Conceptual Framework	33%	14%	23%	26%	4%
Summary or Popular Reporting	34%	13%	21%	24%	8%
Financial/Economic Condition Reporting	36%	13%	19%	24%	8%
Revenue	34%	11%	24%	23%	8%
Intangibles	34%	10%	19%	32%	5%
Natural Resources	35%	9%	20%	28%	8%
Research and Development	34%	8%	20%	31%	7%
Nonmonetary Transactions	34%	7%	28%	25%	6%
Asset Retirement Obligations	34%	7%	19%	34%	6%
Public Sector Specific Financial Instruments	33%	6%	13%	39%	9%
Electromagnetic Spectrum	36%	5%	9%	40%	10%

Table 3: Potential Projects

Additional Comments

Online survey respondents also provided several comments and suggestions for the Board's consideration. While an overall theme was not readily apparent, staff noted some comments referring to users' need for cost information and for the Board to consider the cost of implementing guidance. For instance respondents noted:

I have rarely found where cost benefit analysis is implemented properly and I rarely encounter where the final result of a project is measured against the initial analysis. The other area that I believe federal government needs significant improvement is in project management with the use of financial models as a tool for evaluation of outcomes.

Would like to see the Cost/Benefit concept revisited. It appears that the Board may not realize the implementation costs of new/revised standards and are skeptical of those Agencies that raise "burden" issues. Quantification of these unfunded mandates should be explored.

Efficiency and effectiveness of operations and performance measurement the material in Concepts 1 at 199 to 212, and in particular 209, and in Concepts 2 that the statement of program performance measures is not only an appropriate statement, but likely to be the most important statement for those persons interested in how a Federal entity is using its resources. It isn't clear that federal agencies are really doing this and to the level implied in Concepts 1 at 199 to 212, like efficiency and effectiveness per dollar.

Managerial/Cost Accounting, Risk, Budgetary-Accounting Connection, Sustainability Reporting

Attachment III: Additional Comments provides the comments from survey respondents.

QUESTIONS FOR THE BOARD

1. Which potential projects do members believe should be priorities following completion of current projects?
2. Does the Board believe any potential projects are of such high priority that a current project should be deferred so that the higher priorities can be pursued?

Attachment I: Comments on Current Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
Individual	Academia	Need to accept the IPSAS in principle with emphasis on Budget to Actual Comparative Statement and Cash Flow Statement. The current projects are good but these should be given priority attention. See my article in the Fall 2018 issue of the AGA Journal of Government Financial Management, p. 60-62.	Yes
Individual	Academia	I am particularly interested in streamlining the Financial Reporting Model and reviewing the current standards to reduce reporting burden on the agencies and also reduce the audit costs associated with the auditing of the statements.	Yes
Individual	Academia	significant progress is needed to support achievement of a complete audit ASAP.	Yes
Individual	Academia	Agree with current projects but hope that increased emphasis will be placed on transparency and accountability especially the need for a Budget to Actual Comparative Statement. I have submitted a Budget Reporting Proposal for FASAB consideration.	Yes
Individual	Independent Public Accounting Firm	None	Yes
Individual	Independent Public Accounting Firm	none	Yes
Individual	Independent Public Accounting Firm	I am OK with the board's current priorities; however, believe the board should consider a codification project at some point. SFFAS 55, though fairly clear, makes SFFAS 4, as amended, fairly complicated to follow. Maybe this could be in conjunction with the Evaluation of Existing Standards initiative. I like that P3s are included on the list, but do not understand why the board handled previously disclosure aspects and now is addressing recognition--the order seems backwards to me.	Yes
Individual	Independent Public Accounting Firm	Overall satisfactory but needs to consider revenue recognition standards update consistent with FASB update.	Yes
Individual	Independent Public Accounting Firm	Seems like a reasonable set of projects and priorities.	Yes
Individual	Professional Organization	None.	Yes
Individual	Professional Organization	Excellent! The board is addressing the issues that need to be addressed with wisdom and competence.	Yes
Individual	Professional Organization	On target. Relevant and important.	Yes
Individual	Citizen	no comments	Yes

Attachment I: Comments on Current Projects

Individual	Citizen	It is unclear how the Land project substantially addresses the cost/burden requirement of reporting. The Stewardship Land definition is missing some important concepts. GPP&E Land should still be capitalized. If an Agency manages the Land by units vs. individual acres, Units is more important than the acres. Recommend that FASAB track incremental reporting costs of this standard to include system and process redesign, audit costs, etc. It is still unclear who the users of Land information are such that it requires audit scrutiny; esp. when considering the beginning balance might be that since the inception of the Nation (in order to substantiate completeness). A lot of Exposure Draft comments were ignored. The compilation of numbers from the Homework Assignment and used in the Basis for Conclusion draw incorrect inferences. This has been mentioned before; however, nothing changed in the computations.	Yes
Individual	Citizen	1. I think the Land project in the manner in which it is proceeding will lessen financial management, impair the morale of persons working in financial management, and send a signal that it is OK to not maintain reliable financial data since FASAB will simply issue a standard eliminating the requirement. 2. The projects on the Financial Reporting model, Evaluation of Existing Standards, Materiality, and Note Disclosure appear amorphous and time wasting without any substantive objective.	Yes

Attachment I: Comments on Current Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
Individual	Citizen	Risk reporting should have the lowest priority.	Yes
Individual	Analyst	The current projects look appropriate for discussion.	Yes
Individual	Analyst	Overwhelming list	Yes
Individual	Analyst	I recommend dropping the land project and simplifying the reporting requirements, as much as possible, for the leases and P3 projects. I also recommend focusing the risk reporting project on simplifying loan and loan guarantee reporting.	Yes
Individual	Analyst	None	Yes
Individual	Analyst	No comments.	Yes
Individual	Analyst	None	Yes
Individual	Analyst	none	Yes
Individual	Analyst	No comments	Yes
Individual	Decision-maker within the Federal Government	None	Yes
Individual	Decision-maker within the Federal Government	I disagree with the timeline for the financial reporting model project. The timeline seems too aggressive. I would like to see greater opportunities for input at the agency level. I think the purpose of the project is fine, but it seems that the changes are presented as a "done deal" and handled in a top down manner without an opportunity for input at the planning stage.	Yes
Individual	Decision-maker within the Federal Government	The current priorities are appropriate and comprehensive	Yes
Individual	Decision-maker within the Federal Government	Guidance for impairment of revalued assets.	Yes
Individual	Decision-maker within the Federal Government	Useful risk reporting already exists in PARs and AFRs and is quite useful when current guidance is followed. See OMB Circular A-136 (July 2018) sections (1) II.1.1 Agency Head Letter, MD&A, and Performance Sections; (2) II.2.5 factors affecting the reported performance; (3) II.2.6 financial condition and risks (see third bullet); (4) II.2.8 forward-looking information; (5) II.3.3.4 liabilities, including contingencies and commitments; (6) II.3.9.13-20,37,41-43 liabilities and other risks described in notes; (7) II.3.11.4-5,8 risks described in RSI; (8) II.4.2 tax gap / expenditures issues; (9) II.4.3 management challenges reported by the IG; (10) II.4.5 payment integrity risks; and (11) fraud risks While many types of risks are scattered throughout PARs, their locations actually stand to reason and make intuitive sense to those who simply read the table of contents of each PAR when they navigate or perform research. I am not sure implementation guidance will help in this effort. Suggest terminating the risk reporting project.	Yes
Individual	Preparer of Financial Statements	Ok with current board priorities	Yes

Attachment I: Comments on Current Projects

Individual	Preparer of Financial Statements	The current projects are still relevant and should be pursued.	Yes
Individual	Preparer of Financial Statements	The land project is way off base and out of jurisdiction. Leave this to the Federal Real Property Council. The evaluation of existing standards should be to reduce the burden.	Yes
Individual	Preparer of Financial Statements	I agree with current priorities	Yes

Attachment I: Comments on Current Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
Individual	Preparer of Financial Statements	The Board's current projects appear to have reasonable time lines and well thought out points of measure.	Yes
Individual	Preparer of Financial Statements	The Board should concentrate more on simplifying the federal accounting rules instead of producing uniquely federal guidance. For example, the draft statement on land seemed to be addressing an issue with completely new set of rules.	Yes
Individual	Preparer of Financial Statements	The current board project are appropriate and I have no other projects that should have a higher priority.	Yes
Individual	Preparer of Financial Statements	The current portfolio of projects seems well rounded.	Yes
Individual	Preparer of Financial Statements	The projects seem appropriate to me.	Yes
Individual	Preparer of Financial Statements	The projects seem to be long standing projects. There are other areas that need to be revisited.	Yes
Individual	Preparer of Financial Statements	None	Yes
Individual	Preparer of Financial Statements	Govt. Land Project from my perspective, the consideration of movement towards an IFRS-styled FMV recognition has the potential to open up the reporting entities (agencies) to unnecessary administrative burden in re-measurement of value, as well as the potential for increased audit fee expenditures...	Yes
Individual	Preparer of Financial Statements	Relevant and Needed	Yes
Individual	Preparer of Financial Statements	No comments	Yes
Individual	Preparer of Financial Statements	No comment	Yes
Individual	Preparer of Financial Statements	no comments on the current projects	Yes
Individual	Preparer of Financial Statements	none	Yes
Individual	Preparer of Financial Statements	No	Yes
Individual	Office of the Inspector General	Fully support the current projects, in particular MD&A reporting summarized performance data, stewardship reporting rescinding SFFAS 8, leases, and note disclosures. New projects allowance for intergovernmental receivables.	Yes

Attachment I: Comments on Current Projects

Individual	Office of the Inspector General	Active projects pertain to current issues.	Yes
Individual	Office of the Inspector General	I generally agree with the current projects. However, I think there are more important areas that could be addressed in current projects. I think the existing assets and resources used by agencies are in a stage requiring excessive replacement costs. Also, there are many contracts with outdated cost estimates. There is lack of tracking and updated costs in many areas. I think existing standards lack adequate disclosure.	Yes
Individual	Office of the Inspector General	Please re-work the SNC to accurately reflect administrative costs. The current "full cost" accounting is nonsense. You can't justify allocating cleaning the human resources office to Fed Gov program costs. That's hogwash and you know it. Fed Gov SNC readers should be informed of the costs incurred that are not directly or indirectly related to program objectives. Taxpayers, Congress and other readers have the right to know whether too much money is being spent on administrative tasks vs direct program outputs/outcomes. This is very similar to non-profit accounting for admin costs because people wanting to donate money to a non-profit want to know if money is being spent on the program mission or non- profit parties and tom-foolery. This is important and should be addressed if the Fed Gov is ever going to become an efficiently run entity.	Yes

Attachment I: Comments on Current Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
Individual	Office of the Inspector General	I like the Note disclosures project, as the notes seem to be taken for granted sometimes.	Yes
Individual	Office of the Inspector General	No, other than they all seem necessary.	Yes
Individual	Other	The current approach appears to be appropriate.	Yes
Individual	Other	I strongly agree with the project to streamline/reduce workload in the preparation of financial statements, given reduced agency capacity. However, it may also be helpful for FASAB to piggyback on automation efforts being promoted by OMB and others, to see if the changing work processes can help improve information that is deemed of value, and reduce agency workload at the same time.	Yes
Individual	Other	No comments	Yes
Individual	Other	N/A	Yes
Individual	Other	looking forward to completion of the financial reporting project. Anything to streamline and improve our reporting will be helpful.	Yes
Individual	Other	I feel the Board is addressing issues related to the current finance environment.	Yes
Organization	Analyst	Lease Accounting	Yes
Organization	Decision-maker within the Federal Government	ok with status of current projects	Yes
Organization	Preparer of Financial Statements	The Department of Defense looks forward to the results of the ongoing projects and appreciates FASAB's assistance in addressing these issues.	Yes
Organization	Preparer of Financial Statements	no comment	Yes
Organization	Preparer of Financial Statements	Standardization of note disclosures and improvements to the MD&A section should be high priorities	Yes
Organization	Preparer of Financial Statements	The Board may want to [comment not completed]	Yes

Attachment I: Comments on Current Projects

Organization	Preparer of Financial Statements	<p>(A) Public-Private Partnerships: Fiscal Service is receiving requests from DOD for USSGL guidance related to its P3s. However, Fiscal Service is awaiting for guidance from FASAB P3 task force. When should this be expected as SFFAS 49 is effective in FY 2019' (B) Three issues related to Intragovernmental Receivables and/or Transactions: (1) Agencies apply for GSA Modernization Fund monies which must be repaid to GSA essentially an interest-free loan, but GSA cannot issue loans. Looking for guidance on correct treatment. (2) There is a dispute on rent being paid for a building. State received appropriations to fund new building construction but GSA has statutory authority to take possession of same. State is paying rent to GSA but disputes this payment. Looking for guidance on correct treatment. (3) Currently agency A buys items from agency B but agency A chooses to capitalize purchase and does not record as a buy/sell expense. However, agency B only records as buy/sell revenue, therefore this creates a governmentwide intragovernmental buy/sell difference. Looking for guidance on correct treatment. (C) One issue related to Other Standards to Evaluate: (1) With regard to the Fiscal Service G-Invoicing tool, there is uncertainty on what</p>	Yes
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Attachment I: Comments on Current Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
		constitutes "delivery" is it from shipping point or at delivery. Currently using FASB guidance to opt for FOB delivery but looking for FASAB guidance.	
Organization	Preparer of Financial Statements	The current projects are relevant; however, block chain / crypto currency would be nice addition. Many of the law enforcement agencies both seize and purchase crypto currency.	Yes
Organization	Other	No comments at this time.	Yes

Attachment II: Comments on Additional Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
Individual	Academia	Needless to say, I believe more emphasis should be placed on a Budget to Actual Comparative Statement comparing actual results to the budget approved by Congress. Also believe there should be a standard linking the Federal Governments financial statements with the financial statements produced by the Government Financial Statistic Manual(GFSM) published by the International Monetary Fund.	Yes
Individual	Academia	FASAB has made great strides toward implementing the International Public Sector Accounting Standards (IPSAS). Now they just need to formally acknowledge that they are implementing the IPSAS but deviate where necessary for unique USA circumstances.	Yes
Individual	Academia	I have rarely found where cost benefit analysis is implemented properly and I rarely encounter where the final result of a project is measured against the initial analysis. The other area that I believe federal government needs significant improvement is in project management with the use of financial models as a tool for evaluation of outcomes.	Yes
Individual	Independent Public Accounting Firm	Reconsider SFFAS 55 and TB 2017-2. The government cannot effectively measure the costs of programs / activities / military services and link costs to performance data if the cost data are not being captured.	Yes
Individual	Professional Organization	Accurate, consistent, quality reporting.	Yes
Individual	Citizen	n/a	Yes
Individual	Citizen	Would like to see the Cost/Benefit concept revisited. It appears that the Board may not realize the implementation costs of new/revised standards and are skeptical of those Agencies that raise "burden" issues. Quantification of these unfunded mandates should be explored.	Yes
Individual	Citizen	The number of topics and workload are sufficient for the current period.	Yes
Individual	Citizen	Improper payments. There is an indication from GAO that it cannot issue an unmodified opinion on the CFS as long as the agencies report in their AFRs/PARs substantial amounts of improper payments that in the audited financial statements are reported as program expenditures. The way to address that conundrum is to establish a GAAP standard with which improper payments can be addressed in the audited financial statements.	Yes
Individual	Analyst	I like the Board's interest in providing more education to the community. The Board has well-written standards and guidance and very competent staff, so education is something that I am sure FASAB could do well. I would increase educational efforts as much as possible.	Yes

Attachment II: Comments on Additional Projects

Individual	Analyst	No comments.	Yes
Individual	Analyst	none	Yes
Individual	Analyst	<p>1. Internal control and integration of GAO Green Book with FASAB. The Green Book first two objectives (Operations Effectiveness and efficiency of operations; Reporting Reliability of reporting for internal and external use) are so much in alignment with FASAB Concepts, that is hard to believe the GAO Green Book (GAO-14-704) isn't even cited in the FASAB Handbook.</p> <p>2. Efficiency and effectiveness of operations and performance measurement the material in Concepts 1 at 199 to 212, and in particular 209, and in Concepts 2 that the statement of program performance measures is not only an appropriate statement, but likely to be the most important statement for those persons interested in how a Federal entity is using its resources. It isn't clear that federal agencies are really doing this and to the level implied in Concepts 1 at 199 to 212, like efficiency and effectiveness per dollar.</p>	Yes
Individual	Decision- maker within the Federal Government	Resolving aged receivables.	Yes
Individual	Decision- maker within the Federal Government	Managerial/Cost Accounting, Risk, Budgetary-Accounting Connection, Sustainability Reporting	Yes
Individual	Decision- maker within	n/a	Yes

Attachment II: Comments on Additional Projects

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
	the Federal Government		
Individual	Preparer of Financial Statements	Nothing at this time	Yes
Individual	Preparer of Financial Statements	Guidance on GFRS and the Closing package.	Yes
Individual	Preparer of Financial Statements	Additional disclosures for revolving funds and/or special accounts that fund program activity. The US taxpayer, as an intended user of the AFR of agencies should be provided detail of what portion of budgetary resources of an agency are paid by industry/the public through fees as opposed to being funded by the general fund of the US Treasury.	Yes
Individual	Preparer of Financial Statements	With DATAct and GTAS reporting, issues have arisen concerning attributes associated with certain GL accounts, e.g., Object Code and geographic location for DATAct, and Trading Partner for GTAS. I don't think FASAB has addressed issues concerning how an agency records complex transactions (such as revenue posted at the time of a reimbursable expenditure) and associates them with these attributes.	Yes
Individual	Preparer of Financial Statements	Intragovernmental agreements regarding leasing and other complex intergovernmental arrangements. We have a hard time determining how the eliminations should work. There seems to be a theoretical mismatch regarding how GSA thinks of leasing versus us.	Yes
Individual	Office of the Inspector General	Guidance regarding disclosure pertaining to potential legal liability resulting from lawsuits. Transparency versus not jeopardizing the outcome of specific lawsuits.	Yes
Individual	Office of the Inspector General	Disclosure of pending delayed contracts and exposure due to used of outdated cost estimates. These are real obligations once the contract is in performance stage. Requires many budgetary resources. I think some agencies just want to get pass the project and try to request more funding every year. They do not consider all risk factors in making rational cost estimates. need more technical guidance. We also need to give a true picture of future impact of budget cuts. Deficit is growing and the citizens cannot see what is happening . US Treasury financial statement discloser is week. They disclose citizens tax revenue comparing to adjusted gross income. However, corporate tax revenue is reported comparing to assets. I thing comparisons should be on the same basis. We also need long term disclosure of country's financial situation. We should not allow politicians to hide the real situation. We are independent professionals not biased based on political party. FASAB and GAO have greater role/responsibility to play.	Yes

Attachment II: Comments on Additional Projects

Individual	Office of the Inspector General	Cost accounting needs to be a priority. Right now the SNC is hogwash and hides administrative expenses as "full cost" accounting. Admin costs should be separately reported like in a non-profit so readers can clearly see whether funds are being spent on program objectives or administration.	Yes
Individual	Office of the Inspector General	Bots are also entering the Federal space. Greater attention to this technology will be increasingly important.	Yes
Individual	Office of the Inspector General	The proper accounting for trust funds and special accounts.	Yes
Individual	Other	The list was quite comprehensive.	Yes
Individual	Other	N/A	Yes
Individual	Other	none	Yes
Individual	Other	None at this time.	Yes
Organization	Analyst	No further comments	Yes
Organization	Preparer of Financial Statements	Much like the review of the SBR, we feel further surveys or focus groups may be formed to reevaluate the presentation of the other statements. The goal would be to display information that is more relevant to the external users and for management in making business decisions.	Yes

Attachment III: Additional Comments

1. Are you responding as an individual or organization?	2. Please select from the following which best describes the capacity in which you are responding to this questionnaire.		9. Have you finished this questionnaire?
Individual	Academia	FASAB has done a great job over the years but would still like for them to formally adopt IPSAS in principle even if they do not adopt each of them. Reconciling with the IMF statements produced in line with the GFSM would give more creditability to both	Yes
Individual	Academia	The FASAB needs to formally acknowledge that they are providing financial information to the IMF for inclusion in their Government Financial Systems Manual for inclusion in the System of National Accounts established by the United Nations.	Yes
Individual	Citizen	n/a	Yes
Individual	Citizen	The Task Force process should be revisited; esp. only having the FASAB lead be the primary/only spokesperson during Board meetings. While it's been stated that Task Force's are primarily "preparer driven" as if that was a negative, if that's the case how many more accounting/audit firms and users should have been engaged to ensure a more equal balance' The federal agencies don't recruit Task Force members, FASAB does. Answering Homework questions in writing without subsequent meetings to discuss the viewpoints contained therein is not an effective process.	Yes
Individual	Citizen	Need better preplanning and methodology for meeting goals and producing timely results.	Yes
Individual	Citizen	None	Yes
Individual	Analyst	Although it goes beyond FASAB's mandate, I would like to see FASAB encouraging young accountants and accountants who have left accounting (perhaps for childcare reasons) to join the Federal Government.	Yes
Individual	Analyst	No comments.	Yes
Individual	Analyst	none	Yes
Individual	Decision- maker within the Federal Government	When I've seen members of FASAB present topics at national events, it usually appears as if reporting issues are being changed without any advance notice or opportunity for feedback. This may not be true, but that is the perception. I would like to see FASAB embark on more early outreach to involve the federal community on potential projects and avoid the perception of "top down" changes.	Yes
Individual	Decision- maker within the Federal Government	n/a	Yes
Individual	Preparer of Financial Statements	Nothing at this time	Yes
Individual	Preparer of Financial Statements	The Board publicly in in meetings dismissed the agencies request to consider the cost of their rulings. The chairman at the time stated "cost was not needed to be considered by the Board". This is outrageous. In my opinion if that is the case, then FASAB should be sunset and disbanded.	Yes
Individual	Preparer of Financial Statements	When we have called FASAB the staff has been very responsive and frequently when we are trying to resolve an issue with our auditors. We would like to keep the current level of service and not have it diminished due to heavy project workloads.	Yes
Individual	Preparer of Financial Statements	Call in number for meetings is needed. Video webcasts would be even better!!	Yes

Attachment III: Additional Comments

Individual	Preparer of Financial Statements	Leasing in general seems to need clarification.	Yes
Individual	Office of the Inspector General	None at this time.	Yes
Individual	Office of the Inspector General	I think the Board is doing a great job. Sorry to see Ms. Wendy is retiring. She did a great job. Hope there is leadership who continue and contribute more based on the foundation laid down. Please consider to play a bigger role as an independent professionals to help citizens make rational decisions. There is social media who does not do any due diligence in information provided by wrong institutions/countries. I hope professionals in FASAB and GAO could help by providing accurate information in s way general public can make rational decisions based on accurate information.	Yes
Individual	Office of the Inspector General	Cost accounting needs to be a priority. Right now the SNC is hogwash and hides administrative expenses as "full cost" accounting. Admin costs should be separately reported like in a non-profit so readers can clearly see whether funds are being spent on program objectives or administration.	Yes
Individual	Other	Your proactive initiatives are obviously reflective of the enormous responsibility your office has in terms of accountability and transparency to the public.	Yes
Individual	Other	N/A	Yes
Individual	Other	none	Yes
Individual	Other	Periodic (biannual or annual) state of government finance broadcast.	Yes
Organization	Analyst	No further comments	Yes

Attachment IV – Response Letters

Respondent	Page
Jesse Hughes	1
Department of Health and Human Services	7
Department of Homeland Security	9
Association of Government Accountants	11
Greater Washington Society of CPAs	14

From: [Hughes, Jesse](#)
To: [FASAB](#)
Subject: Three-Year Plan
Date: Monday, January 28, 2019 8:01:23 PM
Attachments: [Debt to GDP Ratio.docx \(2018\).xlsx](#)

Hi Ross,

I am looking forward to your discussion of the subject plan at the next FASAB meeting on 27-28 February 2019 in DC. I am especially interested in the Board's discussion on the following: "Review of Statement of Budgetary Resources" and "Summary or Popular Reporting". In an email dated 11/25/2018, I recommended the following be included in the Three-Year Plan: (1) a Budget to Actual Comparative Statement and (2) reconciliation with the statistically-based financial statements issued by IMF under their standards published in the Government Financial Statistics Manual. In addition to those issues, I suggest that the Debt-to-GDP Ratio be included in the Popular Report. A chart showing the 10 countries throughout the world with the largest national Debt-to-GDP Ratio in 2018 is attached (showing the USA with the 7th largest).

I would be happy to serve on a panel as proposed in the Three-Year Plan to discuss those issues (and hopefully help get the USA back on sound financial footing).

Dr. Jesse Hughes
Professor Emeritus of Accounting
Old Dominion University
Norfolk, VA
cellphone (757 719-3255)

Budget Reporting Proposal

In 2004, the IPSAS Board conducted research to determine if accounting standard setting boards had the authority to establish budget standards. The conclusion from the research was that the IPSAS Board did have authority to establish accounting standards for budget reporting but they did not have authority to establish accounting standards for budget preparation. Three recommendations from that research were as follows:

- 6. Ex-post budget reports reflecting budget to actual comparisons shall be part of the general purpose financial statements issued at the end of the fiscal period for each reporting entity at each level of government.
- 7. The Comparative Budget to Actual Statement shall include the original budget as approved by the legislative body as well as the final adopted budget.
- 8. Governments shall be encouraged to operate their budgeting and accounting systems on the same basis. If the budgetary system is on a different basis than the accounting system, a statement shall be developed to reconcile key differences between the two systems.

Consequently, the IPSAS Board approved the issuance of IPSAS 24, "Presentation of Budget Information in Financial Statements". IPSAS 24 requires a **comparison of budget amounts and the actual amounts** arising from execution of the budget to be included in the financial statements of entities which are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. The Standard requires the original and final budget be included in the Comparative Statement along with the actual amount expended on the budgetary basis. A variance between the budgetary and actual amounts could be included in the Comparative Statement but it is not required. If the variance is large, an explanation is required to be included in the Notes to the Financial Statements.

To date, the FASAB has issued a standard (SFFAS 53, Budget to Actual Reconciliation) as recommended by the IPSASB. However, the recommendation to issue a Budget to Actual Comparative Statement has not been established for the U.S. federal financial statements even though such a requirement is included in GASB 34 for state and local governments in the U.S. Needless to say, budgets are extremely important in the management of federal resources. Otherwise, it would not be possible to quantify the financial plans approved by the elected officials. Without a requirement for a budget to actual comparative statement, transparency and accountability cannot be achieved as desired in the current President's Management Agenda. Without such a comparative statement, the citizens would not be able to hold their elected officials accountable for their actions. Prior recommendations to provide a Budget to Actual Comparative Statement were as follows:

- "Should Financial Reporting Standards be Established for Budget Reports in the Public Sector?", Journal of Government Financial Management, Vol. 53, Nr. 3 (Fall 2004): 18-26. Coauthor Ronald Points.
- "Limited Transparency and Accountability in U.S. Government Financial Reports", Journal of Government Financial Management, Vol. 67, Nr. 3 (2018): 60-62.

One current project in the three year plan is to consider changes to the Financial Reporting Model. One of the purposes for the review is as follows: "Decision makers desire additional information about the budget, including comparisons of full costs with the budget and projections of future receipts and expenditures." Hopefully, a Budget to Actual Comparative Statement will be approved by FASAB as part of that review.

The federal agencies do prepare a Combined Statement of Budgetary Resources (SBR) and include further information on the SBR in their Notes to the Financial Statements. However, many readers of each federal agency's financial statements would be interested in knowing what was proposed by the President and what was approved by Congress as well as the final budget, actual results, and variance between the two. If a consolidated statement is too difficult for the U.S. government to prepare at this time, federal agencies in the U.S. that are required to prepare financial statements should be required to include a Comparative Statement in their financial statements. When all federal agencies have prepared such a Statement, a Consolidated Comparative Statement can be prepared for the U.S. government.

In order to help readers of the US Consolidated Financial Report better understand the difference between the budget deficit and the accrual deficit, a FASAB Task Force did an excellent job helping identify the procedures for SFFAS 53 (Budget and Accrual Reconciliation). To provide more transparency and accountability, perhaps a similar task force could be established to identify the procedures for a SFFAS requiring the preparation of a Budget to Actual Comparative Statement prepared on the budgetary basis. The format that could be used for such a budgetary statement to be reported in each of the Agency's Financial Reports and reported in the Consolidated Financial Report of the US Government is as follows:

Budget to Actual Comparative Statement ¹					
United States of America Consolidated Financial Report					
As of 30 September 2018					
Agency ²	President's Proposed Budget	Congressionally Approved Initial Budget	Congressionally Approved Final Budget	Actual Results ³	Budget Surplus/ (Deficit) ⁴
Budget Outlays by 24 CFO Act Agencies					
Agriculture					
Commerce					
Defense					
Education					
Energy					
HHS					
HUD					
Interior					
Justice					
Labor					
State					
Transportation					
Treasury					

Budget to Actual Comparative Statement ¹ United States of America Consolidated Financial Report As of 30 September 2018					
Agency ²	President's Proposed Budget	Congressionally Approved Initial Budget	Congressionally Approved Final Budget	Actual Results ³	Budget Surplus/ (Deficit) ⁴
VA					
EPA					
NASA					
AID					
FEMA					
GSA					
NSNRCF					
OPM					
SBA					
Total					
Budget Outlays Incurred by All Other Federal Agencies					
Grand Total Budget Outlays					
Budget Receipts by All Federal Agencies					
Grand Total Budget Receipts					
Budget Surplus/ (Deficit)⁵					

Submitted by:

Dr. Jesse Hughes (CPA, CIA, CGFM)
 Professor Emeritus of Accounting
 Old Dominion University
 Norfolk, VA 23529

(email—jhughes@odu.edu)

¹ In billions of dollars

² See <http://www.fasab.gov/federal-financial-reports> for hyperlink to federal agencies reporting actual results on the budgetary basis in the Reconciliation between Budget and Accrual Statement.

³ Actual results on the budgetary basis

⁴ Variance between Final Budget and Actual Results

⁵ Grand Total Budget Outlays minus Grand Total Budget Receipts

From: Hughes, Jesse
To: FASAB
Subject: Three Year Plan
Date: Wednesday, January 23, 2019 5:03:29 PM

Hi Ross,

Needless to say, I think there should be a standard requiring a Comparative Budget to Actual Statement and a Cash Flow Statement with formal recognition of efforts to comply with the IPSAS. In addition, there should be a close working relationship with whomever prepares the financial statements in the US Government to comply with the Government Financial Statistics Manual published by the IMF. As you know, my opinion was expressed in the Fall 2018 issue of the AGA Journal of Government Financial Management.

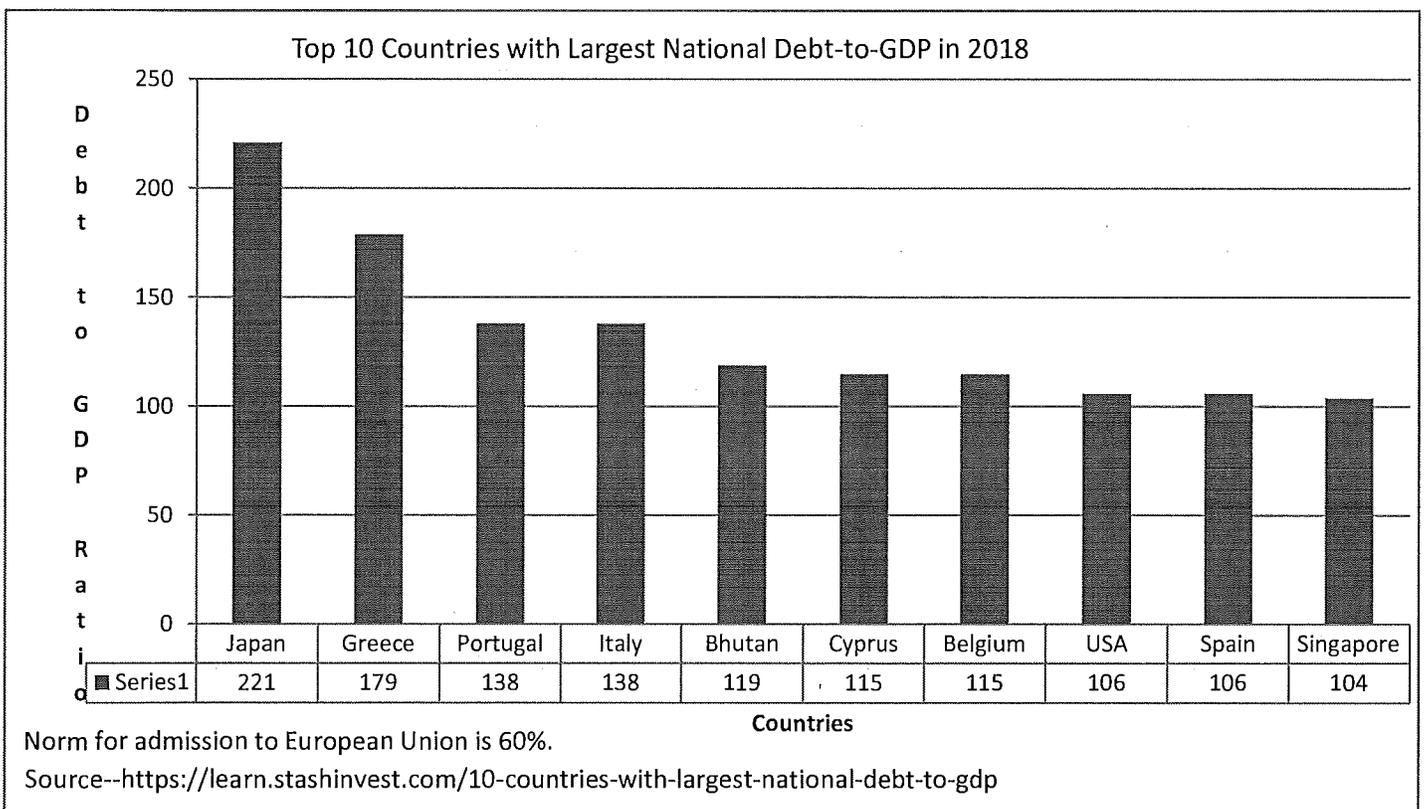
I hope to attend the FASAB meeting in March assuming that it will be held (depending on the continuation of the government partial shutdown).

Jesse Hughes

Top 10 Countries with Largest National Debt-to-GDP in 2018

<https://learn.stashinvest.com/10-countries-with-largest-national-debt-to-gdp>

Japan	221
Greece	179
Portugal	138
Italy	138
Bhutan	119
Cyprus	115
Belgium	115
USA	106
Spain	106
Singapore	104





DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary
Washington, DC 20201

January 23, 2019

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

Dear Ms. Payne:

The Department of Health and Human Services (HHS) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) *Annual Report for Fiscal Year 2018 and Three-Year Plan (Three-Year Plan)*. Considering the constant demand for more data transparency, streamlined reporting, and a focus on cost benefit, we hope that our recommendations assist with your deliberations.

FASAB's *Three-Year Plan* includes a list of 10 current projects and 17 potential projects. While all of the proposed projects may lead to more transparent outcomes, HHS recommends that FASAB focus on the following projects:

1. **Note Disclosures:** HHS agrees that this should be a priority item for fiscal year 2019. The Department of the Treasury and Office of Management and Budget are creating a working group with agency participation. The purpose of the working group is to help bring together the OMB Circular A-136, *Financial Reporting Requirements* and Treasury Financial Manual requirements for the Closing Package reporting in support of the Government-wide Financial Report. We highly recommend FASAB participate in this effort to gain insight into agency challenges.
2. **Evaluating Existing Standards:** HHS agrees that all reporting requirements should be reviewed to assess their usefulness and effectiveness. Some of the existing standards may need to be revised or eliminated to reduce the reporting burden, while others may need to be improved.
3. **Conceptual Framework – Review and Finalization:** Since the Board has already started a review of the conceptual framework, HHS recommends that the Board finalize the review to ensure that all topics are covered and internally consistent.
4. **Distributed Ledger Technology:** HHS believes this would be a project to prioritize since block chain and other robotics tools are starting to be implemented in government processes. Federal agencies will have value-added benefits from experimenting with this



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary
Washington, DC 20201

type of technology and deploying it strategically through pilot projects. These technologies have the ability to simplify the management of trusted information, making it easier for federal agencies to access and use critical data while maintaining the security of information.

5. Revenue (Exchange and Non-Exchange): HHS recommends the Board revisit Statement of Federal Financial Accounting Standards (SFFAS) 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* and consider updating the standard to be consistent with Financial Accounting Standards Board (FASB) standards. Additional clarification of exchange and non-exchange revenue will assist agencies with improving their year-end reclassification from audited financial statements to Closing Package reporting in support of the Government-wide Financial Report.

If you have any questions, please contact Yianting Lee, Director of Financial Statements and Audit or Patricia Irving, Financial Statement Lead. Yianting can be reached at Yianting.Lee@hhs.gov or 202-690-6441 and Patricia can be reached at Patricia.Irving@hhs.gov or 202-690-6197.

Sincerely,

A handwritten signature in cursive script that reads "David C. Horn".

David C. Horn

Director of Financial Policy and Reporting

**FASAB 2018 Annual Report and Three-Year Plan
Comments due March 11, 2019**

Please provide your name.

Name: James Eun

Please identify your organization, if applicable.

Organization: Department of Homeland Security

Below are DHS's comments on the FASAB 2018 Annual Report and Three-Year Plan:

Page	Section	Comment	Rationale
p. 23	Materiality	Consider correlating FASAB findings with existing government standards, such as FAM 230.	Ensure consistency with existing federal guidance.
p. 25	Research Project	Consider developing an online educational resource library for agency financial management professionals to include FASAB education materials mentioned in the three year plan and additional training materials and references.	Federal agencies could include the FASAB resource library in their annual financial management training requirements for employees. This would benefit all financial management professionals, CFO organizations, agencies, and internal and external customers.
N/A	N/A	Recommend including a reference table that shows by each fiscal year when the guidance becomes effective	Providing a quick reference table would be generally helpful to agencies.
N/A	Potential Projects	Consider adding: Salvage Value – Evaluating Existing Standards	SFFAS 6, paragraph 35 states: "Depreciation expense is calculated through the systematic and rational allocation of the cost of general PP&E, less its estimated salvage/residual value... " This statement should be either revised or explained further that in federal environment, reduction of depreciable basis by salvage/residual value is mostly not applicable, as evidenced by most agencies' AFR/PAR disclosures (which doesn't mention or disclose salvage value, and neither

**FASAB 2018 Annual Report and Three-Year Plan
Comments due March 11, 2019**

			does FR of US Government). If left unaddressed, this could cause unnecessary audit issue...
N/A	Potential Projects	Consider adding a new project to coordinate with OMB and Treasury to jointly assess how accurately and consistently various FASAB standards are translated/interpreted in OMB Circular A-136 and TFM guidelines (e.g., USSGL crosswalks and transaction codes), and as determined appropriate, modify or add clarifying explanations to the current language. This should be an on-going project.	Although DHS received an unmodified opinion on FY 2018 Financial Statements, auditors cited as a significant contributing cause to the material weakness condition in financial reporting what they determined as a departure from GAAP (i.e., from SFFAS No.7) in reporting FEMA's cancelled debt. However, the cause of this "departure" was DHS complying with the newly developed TFM crosswalk (posting logic) for debt cancellation, which Treasury's General Ledger and Advisory Branch (USSGL team) developed in coordination with OMB's Budget Review team, as well as consulting with DHS HQ and FEMA. As all federal agencies are required to comply with both FASAB standards and the TFM, it is imperative that these authoritative sources are aligned so as not to put agencies at risk of audit findings or non-compliance.



March 11, 2019

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

Dear Ms. Payne:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board (FASAB) on its *Three-Year Plan for Fiscal Years 2019-2021*. The FMSB is comprised of 19 members (list attached) with accounting and auditing backgrounds in federal, state and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

The FMSB has reviewed the proposed three-year plan and we appreciate FASAB's continued effort furthering the federal financial standards. The FMSB concurs with most of the content and relative prioritization of the projects on the agenda. However, we do have a few comments and questions regarding some of the projects.

Reporting Model Project –The FMSB continues to support the efforts of FASAB. We believe the Reporting Model Project is a high priority project that should result in significant, overarching improvements to federal financial reporting. We strongly support the project's objectives and recognize that it is a complex undertaking. Users of federal financial information are placing increased demands upon the federal entity to provide improved reports that link spending to budgets and operational results and this project should further the cause to meet this demand for improved information. We recommend adding "full *accrual cost* . . ." in the first bullet point within the financial reporting model section on page 18 of the report. We are referring to full accrual for provisions not related to monetary supply issues.

Risk Reporting Project - In our prior letters, we supported the approach taken by FASAB to address the issue of Risk Assumed, now Risk Reporting, and encourage FASAB to continue its efforts as it focuses on determining the best information regarding potential effect of the fiscal health of the federal government. Some of these areas could include catastrophic events, pension, extended liabilities and unfunded premiums.

Public-Private Partnerships (P3) – With the continued pressure on the federal government to provide services to the taxpayers, P3's are taking on a more significant role in providing those services that may be otherwise limited by available resources, especially in infrastructure finance. We support FASAB's phase II objectives in moving this issue forward and encourage FASAB to provide the necessary comprehensive guidance. We firmly believe the FASAB needs to cover all the potential topics in the project in one exposure draft rather than address a few and address others in later drafts. We also believe the FASAB needs to be concise in its guidance so the implementation across all federal agencies is consistent.

Department of Defense Implementation Guidance – This project is ongoing, and we support FASAB’s attempts to resolve some long-standing matters specific to the Department of Defense. The AGA has also engaged in projects relative to the Department of Defense in the past and addressing Department of Defense concerns is a matter we support. We encourage the FASAB that as they continue to evaluate these projects that perhaps they are considered on the short-term goal of getting an unmodified opinion for the federal government as a whole but with the idea the Department of Defense will eventually issue financial statements without the need of the special guidance.

Land – We applaud the efforts of the FASAB in the released exposure draft addressing this issue. We refer the FASAB to our response letter and live testimony regarding our response to this topic.

Evaluation of Existing Standards – The FMSB believes this is an important and far reaching project. We strongly encourage the FASAB to provide the necessary resources to this project. We believe this is one avenue to reduce the amount of costs associated with the preparation of financial statements as well as address current standards that may not be applicable due to overall changes to the federal government, technology and the political arena.

Please refer to our assigning liability response letter for our comments and recommendations regarding this project.

Regarding the intragovernmental receivables several of our board members were questioning whether if there was really an uncollectable amount or are the differences a reconciling issue.

Materiality – Please refer to our response letter regarding materiality.

Note Disclosures – This project corresponds with GASB’s wide-ranging note disclosure which has resulted in a project to eventually streamline and improve note disclosures. While it will be difficult to achieve streamlined note disclosures for federal agencies, we encourage the FASAB to focus on information that is essential to understanding by the readers of the financial statements.

Potential Projects

While we have had limited response from our Federal members, the following items with explanations are provided for your consideration of potential projects.

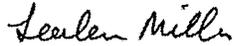
FASAB’s “potential project” of “Financial / Economic Condition” may help serve the critical goal of providing relevant, tangible, concise financial performance information to all types of federal managers, including program managers, federal executives, Congress, and citizens. This project ought to be given a high priority, perhaps utilizing the Reporting Model mechanism to derive some tangible benefit from that project, which apparently is solely conceptual in nature and has consumed and is consuming FASAB resources. However, we caution the FASAB that spending time on new and experimental reporting would distract FASAB from the focusing on basic financial statements issues that can help the Federal Government achieve a clean opinion. Regarding achieving an unmodified opinion, members of the FASAB should prioritize projects that are focused on financial reporting and convergence. For example, asset retirement obligations (ARO,) and similar environmental clean-up costs, nonmonetary transactions, research and development accounting, the conceptual framework and revenue recognition should be prioritized. Focusing on these projects help improve the consistency amongst standard setters and providing a similar treatment of common accounting principles. Several of our members believe that review of statement of budgetary resources should be a project of high importance as budgets drive federal operations. The statement of budgetary resources is one of the most important statements in the financial reports and should reflect the latest budget concepts and changes that have occurred in accounting and reporting budget amounts.

As with all standard setting entities, we encourage FASAB to consider transitioning to a codification similar to the FASB model. We believe this is necessary as the number of standards and amendments continue to

increase. Codification makes amendments easier to communicate and administer but also allows for standards to be organized in a logical order rather than evolution.

We appreciate the opportunity to comment on this document and will be pleased to discuss this letter with you at your convenience. If there are any questions regarding the comments in this letter, please contact Lealan Miller, Chair at lmiller@eidebailly.com or at 208-383-4756.

Sincerely,



Lealan Miller, CGFM, CPA
Chair- AGA Financial Management Standards Board

cc: John H. Lynskey, CGFM, CPA, AGA National President

Association of Government Accountants
Financial Management Standards Board
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Mark Reger, AGA Staff Liaison



January 16, 2019

Wendy Payne, Executive Director
Federal Accounting Standards Advisory Board
Mail Stop 6H19
441 G Street, NW
Washington, DC 20548

Dear Ms. Payne:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) Three-Year Plan.

The GWSCPA consists of approximately 3,300 members, and the FISC includes nearly 30 GWSCPA members who are active in financial management, accounting, and auditing in the Federal sector. We sincerely appreciate the opportunity by the Board to share our views, and the hard work and dedication by the Board Members and Staff on their contributions to improving federal financial reporting.

FASAB's Three-Year Plan is an ambitious agenda, and we applaud the Board and staff for their unwavering efforts to improve Federal financial reporting.

We provide the following suggestions to the Board's Three-Year Plan:

1. Among the potential projects, several FISC members continue to support the advancement of the Financial/Economic Condition project to current projects of the Board. The FISC members cited the growing need for standards in this area considering the need to report to stakeholders on the financial/economic condition of the Federal government using standardized measures and benchmarks.
2. Several FISC members also suggest that the Hierarchy of Generally Accepted Accounting Principles (GAAP) project clarifies which level of GAAP hierarchy OMB Circular A-136, *Financial Reporting Requirements* falls under.

Ms. Payne, Federal Accounting Standards Advisory Board
January 16, 2019

This comment letter was reviewed by the members of FISC, and represents the consensus views of our members.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Ettefa". The signature is written in a cursive style with a large initial "S" and a distinct "E".

Sherif Ettefa
FISC Chair