

**Questions for Respondents****Responses Due: September 15, 2023****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 checked="" type="checkbox"/>	
Federal Entity (preparer)	<input 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 checked="" 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](mailto:fasab@fasab.gov). If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

**\*NASA GENERAL COMMENT TO FASAB: PLEASE WAIT UNTIL ONE DEADLINE DATE PASSES BEFORE SUBMITTING ANOTHER REQUEST FOR COMMENTS. REVIEWING MULTIPLE FASAB REQUEST FOR COMMENTS HAS CAUSED CONFUSION FOR OUR STAFF. THANK YOU.\***

#### **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.](#)

**NASA doesn't have any specific updates or concerns with the GAAP hierarchy.**

**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**

**Invitation to Comment: *Reexamination of Existing Standards***

**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 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.”) **Click here to enter text.**

**NASA doesn't have any specific updates or concerns with the GAAP hierarchy.**

**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](#)<sup>1</sup> 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.<sup>2</sup>

**Please explain your response, including specific details<sup>3</sup> 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

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

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

<sup>3</sup> 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***

- 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.

<b>Topic #1</b>	<a href="#">SFFAS 1</a> , <i>Accounting for Selected Assets and Liabilities</i> <a href="#">Interpretation 10</a> , <i>Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31</i> <a href="#">TB 2020-1</a> , <i>Loss Allowance for Intragovernmental Receivables</i>
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**Medium Priority**

**From a non-accountant, this would help Federal agencies to get their financial statements completed and ready for audit.**

<b>Topic #2</b>	<a href="#">SFFAS 2</a> , <i>Accounting for Direct Loans and Loan Guarantees</i> AS AMENDED BY: <a href="#">SFFAS 18</a> , <a href="#">SFFAS 19</a>
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Choose a priority level.

**N/A to NASA**

<b>Topic #3</b>	<a href="#">SFFAS 3</a> , <i>Accounting for Inventory and Related Property</i> AS AMENDED BY: <a href="#">SFFAS 48</a> <a href="#">Interpretation 7</a> , <i>Items Held for Manufacture</i>
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**Low Priority**

**NASA Property: There are no comments and no issues applying the existing guidance**

<b>Topic #4</b>	<a href="#">SFFAS 4</a> , <i>Managerial Cost Accounting Standards and Concepts</i> AS AMENDED BY: <a href="#">SFFAS 55</a>
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**Low Priority**

**No Comments.**

<b>Topic #5</b>	<a href="#">SFFAS 5</a> , <i>Accounting for Liabilities of The Federal Government</i> AS AMENDED BY: <a href="#">SFFAS 12</a> , <a href="#">SFFAS 25</a> <a href="#">Interpretation 2</a> , <i>Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5</i> <a href="#">Interpretation 4</a> , <i>Accounting for Pension Payments in Excess of Pension Expense</i> <a href="#">TB 2002-1</a> , <i>Assigning to Component Entities Costs and Liabilities that Result from Legal Claims Against the Federal Government</i>
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### Invitation to Comment: *Reexamination of Existing Standards*

	TB 2017-1, <i>Intragovernmental Exchange Transactions</i>
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#### High Priority

The standard is clear on what a Contingent Liability is and when it should be recorded. However, the interpretation provides scenarios as to how to handle when a contingent liability is incurred, no longer pending, and paid by Judgment Fund, and when Treasury pays the contingency. The issue is the scenario is referring to how the Agency records the transaction, but it used the SGL logic for what Treasury would record based on the definition of the Imputed Financing Source account. FASAB/Treasury need to update the SGL logic to show what the federal agencies should post; given that the scenario is related to the agencies.

From a non-accountant, this would help Federal agencies to get their financial statements completed and ready for audit.

Topic #6	<p>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 &amp; 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></p>
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#### Medium Priority

**NASA Property: SFFAS 6:** FASAB should consider providing clarifying guidance on treatment of complex systems; for example, acquisition of IT hardware, data management, and network systems that are comprised of individual components that may or may not work collectively to form what may be characterized as a complete asset. SFFAS 6, paragraph 22 discusses base unit to categorize what constitutes a category of PP&E, providing illustrations such as a large building or a small computer. However, unlike building systems that support a particular facility or similar supporting systems for a given item of personal property, large networks and data management system hardware arrangements are often constructed with large arrays of servers, routers, and other components that can make determining what should be defined as the individual asset challenging. This is further complicated by the fact that the individual components or a varying array of components upon which a system (asset) may or may not rely can be introduced to or taken from the system incrementally without a meaningful way to describe when the system is placed into service or impacts to system capacity. Additional clarity on the treatment of complex systems (e.g., IT hardware and similar networked system) would be helpful in application of the standard to this category of PP&E and help ensure accurate recognition and measurement.

**TB 2006:** FASAB should consider including an appendix that list examples of materials that would not be reasonably expected to include asbestos.

## Questions for Respondents

Responses Due: September 15, 2023

Invitation to Comment: *Reexamination of Existing Standards*

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

**From a non-accountant, this would help Federal agencies to get their financial statements completed and ready for audit.**

<b>Topic #8</b>	<a href="#">SFFAS 10</a> , <i>Accounting for Internal Use Software</i>
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**Low Priority****No Comments.**

	<a href="#">SFFAS 15</a> , <i>Management's Discussions and Analysis</i> <sup>4</sup>
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**No Comments.**

<b>Topic #9</b>	<p><a href="#">SFFAS 17</a>, <i>Accounting for Social Insurance</i>  AS AMENDED BY: <a href="#">SFFAS 26</a>, <a href="#">SFFAS 37</a></p>
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**Choose a priority level.****N/A to NASA**

<b>Topic #10</b>	<p><a href="#">SFFAS 24</a>, <i>Selected Standards for the Consolidated Financial Report of the United States Government</i>  <a href="#">SFFAS 32</a>, <i>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"</i></p>
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**Medium Priority**

**This Standard affects the United States Government. Treasury should keep exploring characteristics of the Governmentwide Financials. It has been helpful over the years to**

<sup>4</sup> 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*

update the financial statement line items as needed. Appendix E – Statement of Financing should be removed, and any reference pointed to it in the Standard. Agencies no longer report on the Statement of Financing.

Topic #11	SFFAS 27, <i>Identifying and Reporting Funds from Dedicated Collections</i> AS AMENDED BY: SFFAS 43
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Choose a priority level.

No Comments.

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

FASAB should consider providing clarification on what qualifies as a collection type heritage asset vs a non-collection type. Instead of only listing examples, consider adding criteria. Agencies may also benefit from a clarification on the term "meaningful" in paragraph 25c and 25d.

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

The servicing Agencies should ensure more timely submission of fiduciary reports at quarter-end.

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

No Comments.

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

FASAB has improved communication over the years; however, the updates to standards should also be communicated in a clearer (with examples of what's acceptable and what is not acceptable) manner governmentwide.

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

**Questions for Respondents****Responses Due: September 15, 2023****Invitation to Comment: *Reexamination of Existing Standards*****No Comments.**

<b>Topic #17</b>	<a href="#">SFFAS 38</a> , <i>Accounting for Federal Oil and Gas Resources</i> <a href="#">TB 2011-1</a> , <i>Accounting for Federal Natural Resources Other Than Oil and Gas</i>
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**Low Priority****N/A to NASA**

<b>Topic #18</b>	<a href="#">SFFAS 39</a> , <i>Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</i>
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**Medium Priority**

The AICPA should include the process that federal agencies currently should follow per A-136 and include the dates so auditors are not requesting the information sooner than its available.

<b>Topic #19</b>	<a href="#">SFFAS 44</a> , <i>Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</i>
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**Medium Priority**

This Standard is relevant to NASA's line of work.

<b>Topic #20</b>	<a href="#">SFFAS 47</a> , <i>Reporting Entity</i>
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**Medium Priority**

FASAB should consider refreshing the flowchart and illustrations. This would be helpful to agencies and auditors.

<b>Topic #21</b>	<a href="#">SFFAS 49</a> , <i>Public-Private Partnerships: Disclosure Requirements</i>
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**High Priority**

NASA recommend the Board examine whether this is a note disclosure in the statements (considered basic information under SFFAC 6) or required supplementary information (RSI) to communicate information relevant and important to the reporting objectives that are other than financial measures, e.g., qualitative. Each is subjected to different audit procedures and reporting requirements under generally accepted government auditing standards (GAGAS).

Although SFFAS 49 is identified as supplemental within its context, it is not specifically identified as RSI. As such, the note disclosure requires demonstration of a complete universe, accuracy of the data, and application of the criteria under GAGAS. Realignment to RSI would still require the federal agency to tell the story of the partnership while



### Invitation to Comment: *Reexamination of Existing Standards*

potentially reducing the burden of applying materiality.

SFFAS 49 is based upon a subjective review of criteria that is not well-defined nor readily available through the general accounting information used in the financial statements. It also requires a federal agency to review for remote risk. There isn't clarity to define the level for determining when an arrangement meeting the characteristics of P3 represents more than a remote risk as there isn't anything to clearly identify what would be considered to be less than remote. Unlike contingent liabilities, P3 are not based on an event.

In addition to the subjectivity of remote risk, the "intent" of SFFAS 49 does not seem to be in line with providing meaningful information. The original intent appeared to be those arrangements where the agencies were becoming more creative to meet requirements while reducing cost. This could increase the shared risk where an agency transfers more authority to the partner but does not have protections or oversight in place to ensure completion of the requirement.

As examples, enhanced use leases (EULs) and energy savings type contracts have been identified as potential P3s. The information provided is simply what is contained in the lease or contracts and could be identified in the RSI if not provided elsewhere. EUL may become unrelated to P3, except in extreme situations, as it will generally be reported under SFFAS 54.

Topic #22	SFFAS 51, <i>Insurance Programs</i>
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Choose a priority level.

N/A to NASA

Topic #23	SFFAS 52, <i>Tax Expenditures</i>
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Choose a priority level.

N/A to NASA

	SFFAS 54, <i>Leases</i> <sup>5</sup> AS AMENDED BY: SFFAS 57, SFFAS 60, SFFAS 61 TB 2023-1, <i>Intragovernmental Leasehold Reimbursable Work Agreements</i>
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This Standard is relevant to NASA's line of work.

	SFFAS 56, <i>Classified Activities</i> <sup>6</sup>
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<sup>5</sup> 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.

<sup>6</sup> 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.



**Questions for Respondents****Responses Due: September 15, 2023****Invitation to Comment: *Reexamination of Existing Standards***

	<a href="#">Interpretation 8</a> , <i>An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities</i>
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**No Comments.**

	<a href="#">SFFAS 59</a> , <i>Accounting and Reporting of Government Land</i> <sup>7</sup>
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**No Comments.**

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<sup>7</sup> 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.