

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 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?**

Disagree

Gray areas exist between the nature of information to be included in accounting standards and what information should be provided by sponsor agencies to assist agencies in the implementation of new standards. – See response to SFFAS 34 recommendations for re-examination.

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

Neither Agree nor Disagree

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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.**

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

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

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.

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.

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

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

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

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

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

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

Topic #4	SFFAS 4 , <i>Managerial Cost Accounting Standards and Concepts</i> AS AMENDED BY: SFFAS 55
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Low Priority

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

Topic #5	SFFAS 5 , <i>Accounting for Liabilities of The Federal Government</i> AS AMENDED BY: SFFAS 12 , SFFAS 25
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	Interpretation 2, Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5 Interpretation 4, Accounting for Pension Payments in Excess of Pension Expense TB 2002-1, Assigning to Component Entities Costs and Liabilities that Result from Legal Claims Against the Federal Government TB 2017-1, Intragovernmental Exchange Transactions
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Medium Priority

1) SFFAS 5 does not specifically address treaties and other international agreements, which establish frameworks that govern cooperative activities with other countries, but leave to the discretion of the parties whether to engage in any such activities. Treaties and International Agreements are not “assigned” to a specific federal reporting entity. Therefore, there is no clear path to determining which entity is responsible for the treaty, associated claim, or any corresponding liability recognition and/or disclosures.

2) SFFAS 5 does not address the obligations of safekeeping digital currencies to provide services and the associated risks. FASB issued official guidance (ASU 2023-04) for entities safekeeping cryptocurrency/digital assets to record a liability to reflect their obligation to safeguard the crypto-assets held for its platform users. It does not affect those agencies with the rights to crypto, but those safekeeping/providing custody services for it.

A) The ability of an entity’s platform users to obtain future benefits from crypto-assets in digital wallets in which the safekeeping entity holds the cryptographic key information is dependent on the actions of that entity to safeguard those assets, including an increased risk of financial loss. (Technological, Legal, & Regulatory Risks)

B) Those actions include securing the crypto-assets and the associated cryptographic key information and protecting them from loss, theft, or other misuse.

3) During the Board’s current “Climate” project, Board Members agreed that climate could serve as a “starting point” for examining observational risks, and other risks could be examined at a later date. Two sponsor-agency Board members advised the Board to exercise caution about considering relevance to GAAP and the broader picture of risk.

Fiscal notes that the Terrorism Risk Insurance Program Reauthorization Act of 2019 and the related the Terrorism Risk Insurance Program is disclosed under the “Contingencies” note of the Financial Report of the U.S. Government. Risk reporting in the federal government should be balanced and reference other potential risks (e.g., COVID/pandemic, foreign policy, terrorism, etc.)

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

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

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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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High Priority

Fiscal appreciates the organization of the “Table of Transactions” within SFFAS 7 and the clarification it offers in differentiating transactions between exchange revenue, nonexchange revenue, and financing sources. Fiscal also appreciates the efforts of FASAB Staff to effectively answer wide-ranging agency questions from a principles-based document.

Fiscal recommends the following:

1) Shortly after the publish of Interpretation 11, OMB’s Circular No. A-136 and Treasury’s Treasury Financial Manual modified reporting instructions of the Statement of Operations and Changes in Net Position to streamline “Budgetary Financing Sources” and “Other Financing Sources” into simply “Financing Sources.” Significant confusion remains within SFFAS 7 on perceived differences between “Financing Sources” and “Other Financing Sources.”

The confusion appears to stem from the presentation of SFFAS 7, Par. 70, in which a header is titled “Other Financing Sources”, but the paragraph provides guidance on “Financing sources, other than exchange and nonexchange revenues, that provide inflows of resources that increase results of operations during the reporting period include appropriations used, transfers of assets from other Government entities, and financing imputed with respect to any cost subsidies.” The Board may consider language for the most meaningful term, in order for financial statement users to understand the nature of these financing sources to the federal government.

2) Fiscal realizes the SFFAS 7 “Table of Transactions” and other references are not intended to be all-inclusive and are principles-based. However, the nature of activities within the federal government continues to evolve based on statutory authorities, budgetary constraints/the availability of budgetary resources, etc. The Board should consider what types of activities are currently not captured, and the underlying principles of activities in the future of the federal government. These might include:

A) The increasing use of “Pooled” funding, “pass-the-hat funding”, with related repayments, etc, to fund projects and increase efficiency, such as the Technology Modernization Fund (TMF) Public Law 115-141 (132 STAT. 571).

B) Differences between “Cancellation of debt”, “borrowing authority with no repayment required”, “forgiveness”, and/or “elimination of debt” can lead to confusion over the nature of debt cancellation and the applicability of SFFAS 7, Par. 313 and Interpretation 11. See CARES Act (Public Law No. 116-136 March 27, 2020), as amended by the Consolidated Appropriations Act, 2021 (Public Law 116-260 December 27, 2020).

C) Energy Saving Performance Contracts (ESPCs) under the National Energy Conservation Policy Act

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(42 U.S.C. § 8287), are partnerships between an agency and an energy service company which assist agencies with upgrading PP&E. The non-federal energy company guarantees that the PP&E improvements will generate sufficient energy cost savings to pay for the project over the term of the contract.

3) SFFAS 53 Budget and Accrual Reconciliation requires agencies to explain the relationship between their budgetary net outlays and their net cost of operations. The standard requires information to be presented in a way that clarifies the relationship between the outlays reported through budgetary accounting and proprietary accounting.

SFFAS 53 did not outline explicit steps to lead agencies towards implementation. Rather, the standard mentions in several areas that Treasury-issued guidance would facilitate implementation, and that OMB/Treasury have the flexibility to determine specific reconciliation requirements in the future.

A) "Treasury has collaborated with the task force representatives in developing guidance that could be used to prepare the BAR. Such guidance will facilitate implementation and reduce costs." (SFFAS 53, Par. A12, Basis of Conclusions.)

B) "OMB and Treasury have the option to establish more or less detailed requirements upon implementation or in the future." (SFFAS 53, Par. A23, Basis of Conclusions.)

Consequently, the lack of clarification and inconsistencies amongst agencies contributed to implementation challenges throughout the first year of implementation. For example:

A) The BAR reconciles the governmentwide Net Cost of Operations to the Budget Deficit on the Treasury-produced Monthly Treasury Statement (MTS.) The calculation of the MTS's Budget Deficit for each agency and their SBR Net Outlays calculation rarely (if ever) match.

B) The MTS excludes various proprietary and budgetary elements and does not easily correspond to the balances found in the agency BAR reconciliations.

C) Reconciliation is dependent upon unique agency activities, making standardization across the government a challenge.

Deferrals to OMB and Treasury for implementation guidance offer agencies flexibility to meet reporting requirements. However, authoritative guidance within the GAAP Hierarchy should stand alone, without external references to administrative directives. It's important to note that in establishing a GAAP hierarchy for agencies with SFFAS 34, FASAB declined to include administrative directives within the hierarchy.

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

Fiscal agrees with the direction of the Board towards addressing Cloud Computing Arrangements (CSAs). In addition, Fiscal appreciates the Board's respect for the evolving nature of new technology, along with its impact on accounting and reporting.

Leases (licenses) of IUS are excluded from SFFAS 54 lease guidance (SFFAS 54, Par. 5b) Further, "Internally developed or purchased commercial off-the-shelf software" and "licensed software that allows the federal entity to possess and control the underlying software resource on its own hardware or systems" are out of the scope of the Board's "Cloud-Service Arrangements" working draft.

Fiscal submits the following for consideration:

1) IUS is increasingly sold within subscriptions rather than licenses. Subscriptions include the right to use

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the software with included maintenance and support, while licenses are only for the right to use the software.

2) IUS licensees/users often do not only pay for and use the software, but also purchase other bundled services, maintenance and support, version updates, etc. The big difference here is that users are paying for a full service, rather than strictly software.

3) Newer software licenses have conceptual similarities to right-to-use lease assets, along with service contracts.

4) Initial implementation costs and other expenses for services generally not included in the license fees raise questions on accounting/reporting. The Board should look to ensure the completeness of the implementation cost definition, as well as give an idea of what expenses are not part of implementation costs- are agencies still responsible for using their own professional judgement (Per Technical Release 16, Paragraph 27.)

In December 2021, the Board agreed to four buckets of software types for research, definition, and future recognition/measurement guidance: (1) IUS, (2) CSAs, (3) Shared Services, and (4) Other types.

Fiscal believes guidance for IUS should be looked at within re-examination, or a consideration given to implement any new guidance the Board approves within this existing software project before the conclusion of the entire project. (i.e., Publish any new guidance which would amend SFFAS 10 before the completion of the Shared Services/Other projects.)

	SFFAS 15, Management's Discussions and Analysis ⁴
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Please provide feedback if you wish to do so. [Click here to enter text.](#)

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

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

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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High Priority

SFFAS 32 modifies some disclosure requirements contained in previously issued standards to reduce detail for government-wide reporting and eliminates others because of excessive detailed information required that is inappropriate for a government-wide report.

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.

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The "Omnibus Concepts Amendments" Exposure Draft exposed to the federal community in 2023 proposes expanded concepts to include the types of information that may be presented in note disclosures and the role of note disclosures as an integral part of the basic financial statements.

Should this Exposure Draft be adopted and published by the Board, SFFASs 24 & 32 should be re-examined for consistency with those expanded concepts.

As preparers of the Financial Report of the U.S. Government, Fiscal agrees with the conceptual guidance of SFFAC 2 & SFFAC 4, along with objectives of SFFAS 32:

- 1) "If information relevant to assessing operating performance for individual programs were included in the CFR it would not be concise. A concise CFR will be more appealing and therefore more accessible to citizens and citizen intermediaries. The Board believes that including references to other sources of information appropriately balances the appeal of a concise CFR with the disaggregated information necessary to assess operating performance." (SFFAS 32, Par. 38)
- 2) "To be relevant, a logical relationship must exist between the information provided and the purpose for which it is needed... Information is relevant if it is capable of making a difference in a user's assessment of a problem, condition, or event." (SFFAC 2, Par. 161, Relevance)
- 3) "Information should be expressed as simply as possible... To be fully intelligible, financial information in general purpose reports may need to be presented in relation to the goals, service efforts, and accomplishments of the reporting entity." (SFFAC 2, Pars. 157-159, Understandability)

Fiscal believes disclosures within the Financial Report of the U.S. Government should:

- 1) Aide users in understanding and assessing the government's performance and accountability;
- 2) Provide the most meaningful information to users and appropriately match the presentation of data/information with the significance of the accounting event(s); and
- 3) Be cost-justifiable based on benefits to the user.

Further, Fiscal notes that Governmental reports, not just financial and budgetary reports, are voluminous and users often times may need reporting guidance to find the data they need. The Board may consider where links to other sources of similar information are most appropriate for certain types of data. Fiscal believes disclosure requirements for broad descriptions of asset/liabilities, general references to agency reports, and succinct descriptions of significant accounting policies offer users the most concise and meaningful data. Specifically, Fiscal notes:

- 1) Opportunities for data reduction have already been noted in the Geospatial Data Act (FAA Reauthorization Act of 2018 (H.R. Con. Res. 302, 2018)) to modernize the collection of data across agencies and prevent duplicative data purchases.
- 2) Opportunities may exist to leverage identified findings of the Digital Accountability and Transparency (DATA) Act's work in eliminating unnecessary duplication in financial reporting.
- 3) Opportunities exist to enhance timeliness: Certain budgetary reports are published annually, but users have access to USASpending.gov in which they can access quarterly budgetary data. "Timeliness alone does not make information useful, but the passage of time usually diminishes the usefulness that the information otherwise would have had." (SFFAC 2, Par. 162)

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

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

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

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

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

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

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

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

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

Gray areas exist between the nature of information to be included in accounting standards and what information should be provided by sponsor agencies to assist agencies in the implementation of new standards.

The SFFAS 47 Exposure Draft originally stated that “any component reporting entity that publishes financial reports pursuant to the accounting and reporting standards issued by the FASB should disclose intragovernmental amounts measured in accordance with federal financial accounting standards to facilitate elimination entries in preparation of the government-wide financial statements.” However, this requirement was later dropped within due process of Board discussions. Now, “information such as this should not be required through accounting standards, but instead Treasury could require through the closing package or through the TFM.”

B) “SFFAS 47 is a principles-based approach... As stated in paragraph A42 “the role of standard-setters is to set accounting standards and consider the potential implications.” Further, while developing SFFAS 47, it was clear that any additional guidance would be provided by central agencies to ensure consistent application and government-wide consistency. This is conveyed multiple times in SFFAS 47 (including footnote 27 and paragraphs A70. & A101.).”

C) “Central agencies are anticipated to determine if there is a need for coordinated guidance to be developed to ensure government-wide consistency. A coordinated effort from the central agencies could promote a process to ensure the component reporting entities are performing the necessary procedures to capture the material organizations from their perspectives and also for consideration at the

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government-wide level.” (SFFAS 47, Par. A70)

D) “The Board initially proposed that activities measured in accordance with FASAB standards and amounts related to intragovernmental were required to be disclosed in the notes of component reporting entities to facilitate eliminations at the government-wide reporting level. However, the board determined this information may not be relevant for the component reporting entity GPFFRs and was more appropriately obtained in the Treasury closing package. Likewise, the budgetary reporting issues highlighted by respondents appeared to be a reconciliation and system issue that should be addressed in the Treasury Financial Manual instead of an accounting standard...” (SFFAS 47, Par. A84)

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

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

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

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

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

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

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

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

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

Fiscal acknowledges and agrees with FASAB that the role of reporting entities/preparers is to assess each organization using SFFAS 47 principles and to reach conclusions using professional judgement. However, Fiscal also believes there are inconsistencies in SFFAS 47 that should be addressed during re-examination.

1) First, SFFAS 47, Footnote 27 states: “It is anticipated that central agencies will determine if there is a need for coordinated guidance to ensure government-wide consistency.”

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Fiscal believes that Level A GAAP guidance should be sufficient and thoroughly sound to stand alone, without the need for additional guidance from sponsor agencies to supplement implementation efforts or understanding in the federal community. “Ensuring governmentwide consistency” is well beyond the scope of “form and content” of financial statements.

Fiscal agrees with the Board’s conceptual guidance on consistency of financial statements: “Financial reports should be consistent over time; that is, once an accounting principle or reporting method is adopted, it should be used for all similar transactions and events unless there is good cause to change. The concept of consistency in financial reporting extends to many areas, such as valuation methods, basis of accounting, and determination of the financial reporting entity.” (SFFAC 1, Par. 163)

Further, the Board previously noted it will need to consider certain cost-benefit factors between “comparable consistency” and “relevant customization” when addressing specific issues in its future projects. Fiscal hopes that SFFAS 47 will be one of those areas during the re-examination: “comparable consistency” because administrative resources for information processing systems are limited and because new systems take time to install, externally-imposed requirements for comparable consistency could compete with addressing internally perceived needs for relevant customization. The Board acknowledges this trade-off. This is just one of many cost-benefit factors that the Board will need to consider as it addresses each specific issue in subsequent projects. (SFFAC 1, Par. 247)

Entities that are quasi-governmental and/or financially independent (Federally Funded Research and Development Centers, museums, performing arts organizations, universities, and venture capital funds) must be assessed objectively and are classified uniquely on an individual basis using the available SFFAS 47 guidelines. Therefore, inconsistencies in application of SFFAS 47 may be found during the process of individual classification. Different preparers may reach different conclusions due to the unique and developing nature of FFRDCs.

“Because details may differ among organizations in each example type, an objective assessment may classify some individual organizations as consolidation entities rather than disclosure entities.” (SFFAS 47, Par. A56)

2) “Central agencies are anticipated to determine if there is a need for coordinated guidance to be developed to ensure government-wide consistency. A coordinated effort from the central agencies could promote a process to ensure the component reporting entities are performing the necessary procedures to capture the material organizations from their perspectives and also for consideration at the government-wide level. The effective date considered this and allowed sufficient time for a coordination of efforts as well as development of any needed implementation guidance.” (SFFAS 47, Par. A70)

Fiscal believes that Level A GAAP guidance should be sufficient and thoroughly sound to stand alone, without the need for additional guidance from sponsor agencies to supplement implementation efforts or the federal community’s understanding. “Ensuring governmentwide consistency” is well beyond the scope of “form and content” of financial statements. Irrespective of the time available in 2014 for the central agencies to develop coordinated guidance, Fiscal believes Implementation Guidance and/or clarifying guidance during re-examination efforts will be helpful for the federal community as a whole.

3) The Board issued SFFAC 9 in 2020 to enhance preparers’ and auditors’ understanding of materiality concepts in federal financial reporting. While the conceptual SFFAC 9 guidance does not amend authoritative standards, the clarifications within it warrants a fresh look of how materiality should be considered when assessing reporting entities.

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A) Qualitative materiality considerations may change from year to year. Thus, a preparer may make the correct judgement that an organization is qualitatively material for inclusion in Year 1. After circumstances, sensitivities, and/or risk factors have changed, a separate preparer could reach a different determination in Year 2 and make a correct decision to omit the organization. The users of the financial statement would be left to wonder what happened to the organization, or could be confused by another disclosure explaining why the organization was included in Year 1 but omitted in Year 2.

B) "...After quantitative and qualitative factors are considered, materiality may vary by financial statement, line item, or group of line items within an entity." (SFFAC 9, Par. 164c.) SFFAS 47 does not specifically address how materiality may vary during entity analysis.

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

SFFAS 49 remains ambiguous on what activities are considered P3s; examples of transactions which are not P3s and/or are excluded from the disclosure requirements; and where required P3 information should be captured in financial statements.

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

In FY 2019, FASB-reporting entities accounted for 93% of the government-wide balance of Insurance Guarantees reported in the Financial Report of the U.S. Government. FASAB reporters had recently implemented SFFAS No. 51, Insurance Programs, but FASB reporters had implemented FASB-issued insurance standards, creating differences related to contingent liabilities reporting. Consequently, Treasury disclosed insurance risks for those FASB entities in the Financial Report within the Contingencies footnote instead of the Insurance Guarantees footnote with other FASAB reporters.

SFFAS 51 requires certain disclosures for the Consolidated Financial Report of the U.S. Government (SFFAS 51, Par. 69.) The Board should re-examine its intent for disclosures of Insurance Programs of FASAB-reporting entities to determine what level of risks/details should be disclosed at the government-wide level.

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

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

	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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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.

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	SFFAS 56, Classified Activities ⁶ Interpretation 8, An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities
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Please provide feedback if you wish to do so. [Click here to enter text.](#)

	SFFAS 59, Accounting and Reporting of Government Land ⁷
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Please provide feedback if you wish to do so. [Click here to enter text.](#)

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.