

Memorandum

Non-Agenda Topics

November 23, 2022

To: Members of the Board
From: Monica R. Valentine, Executive Director
Subject: **Non-Agenda Project Updates** (Topic G)

INTRODUCTION

Staff is providing project updates on all active projects currently on the Board's technical agenda that will not be discussed at the December 2022 meeting.

Attachment 1 of this memo includes brief project updates on the following topics.

- Intangible Assets Working Definition
- Land Implementation
- Public-Private Partnerships
- Reporting Model – Concepts Omnibus
- Software Technology

REQUEST FOR FEEDBACK

These topics do not include any questions for the Board or requests for member feedback. These topics will not be on the Board's discussion agenda for December. Members may provide input and submit follow-up questions on any of these projects to the related staff member at any time.

ATTACHMENTS

1. Project updates

Project Updates

Non-Agenda Topics

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Attachment 1

INTANGIBLE ASSETS WORKING DEFINITION

At the February 2022 meeting, staff proposed a non-authoritative definition of intangible assets for the Board's internal use. The Board overwhelmingly supported the proposed definition while providing thoughts and suggested edits that generally related to potential reporting requirement concerns. Staff has noted member comments for future deliberations if the Board ultimately approves a project to develop reporting guidance for intangible assets. Staff considers this objective complete and continues to focus time and resources on the software technology project.

LAND IMPLEMENTATION

As last reported, staff continues being available to answer questions and provide technical advice to reporting entities such as inquiries previously noted from the Architect of the Capitol (AOC). To date, staff has met with the following reporting entities: USDA, Forest Service, Interior, Justice (FBI), and the AOC. Earlier this fall, staff attended a Department of Interior (DOI) status meeting hosted by the GAO. At this meeting, the DOI reported on its progress with SFFAS 59.

PUBLIC-PRIVATE PARTNERSHIPS

In preparation of the implementation working group's inaugural meeting scheduled for December 2nd, staff held an SFFAS 49 primer/refresher session for working group members. This optional orientation session reviewed the key SFFAS 49 requirements, sample Note Disclosures from selected agencies as well as introducing the 15 Implementation Challenges identified by staff and shared with the board at the October 2022 meeting. At the December 2nd inaugural meeting staff plans to review the 15 implementation challenges with the full working group to rank/rate them as well as determine how best FASAB should address each one and if there are any other challenges that exist that would warrant FASAB attention.

REPORTING MODEL – OMNIBUS CONCEPTS

The Board last reviewed the draft *Omnibus Concepts Amendments* exposure draft (ED) at the December 2021 meeting. The draft ED proposes to amend the note disclosure and MD&A concepts in paragraphs 68 and 69 in SFFAC 2 and rescind SFFAC 3 in its entirety. Several member suggested edits were incorporated into the draft based on the December meeting discussion.

The Omnibus Concepts proposal has been drafted in conjunction with the Management's Discussion & Analysis proposal, and therefore the Board agreed to expose both proposals

together. Staff will present an Omnibus Concepts pre-ballot draft ED to the Board to review once the MD&A standards draft ED is also ready for pre-balloting.

SOFTWARE TECHNOLOGY

At the October 2022 meeting, the Board deliberated whether cloud-service arrangements were service contracts or right-to-use assets. Staff is currently reaching out to various federal and non-federal entities to research potential benefits of accounting for cloud-service arrangements in federal financial reports. Staff will also engage with the working group to consider multiple financial reporting options for cloud-service arrangements and will ultimately develop a cost-benefit analysis for future Board deliberations.